

TRANSMISSION SERVICE TARIFF

of

GEORGIA TRANSMISSION CORPORATION  
(An Electric Membership Corporation)

dated

April 1, 1997

TABLE OF CONTENTS

I. COMMON SERVICE PROVISIONS ..... 1

1     **Definitions** ..... 1

      1.1 Affiliate: ..... 1

      1.2 Ancillary Services ..... 1

      1.3 Application ..... 1

      1.4 Central Prevailing Time ..... 1

      1.5 Commission ..... 1

      1.6 Completed Application ..... 1

      1.7 Control Area ..... 1

      1.8 Curtailment ..... 2

      1.9 Delivering Party ..... 2

      1.10 Designated Agent ..... 2

      1.11 Direct Assignment Facilities ..... 2

      1.12 Eligible Customer ..... 2

      1.13 Expedited Service Agreement ..... 3

      1.14 Facilities Study ..... 3

      1.15 Facilities Study Agreement ..... 3

      1.16 Firm Point-To-Point Transmission Service ..... 3

      1.17 Force Majeure ..... 3

      1.18 Georgia Territory ..... 4

      1.19 Governmental Authority ..... 4

      1.20 GTC ..... 4

      1.21 GTC Member ..... 4

      1.22 Indenture ..... 4

      1.23 Indenture Interest ..... 4

      1.24 Integrated Transmission System or ITS ..... 5

      1.25 Integrated Transmission System Agreement or ITSA ..... 5

      1.26 Interface Capability ..... 5

      1.27 Interruption ..... 5

      1.28 Load Ratio Share ..... 5

      1.29 Load Shedding ..... 5

      1.30 Long-Term Firm Point-To-Point Transmission Service ..... 5

      1.31 Lost Opportunity Costs ..... 6

      1.32 Modified Dispatch Cost ..... 6

      1.33 Monthly Transmission System Peak ..... 6

      1.34 Native Load Customers ..... 6

      1.35 NERC ..... 6

      1.36 Network Customer: ..... 6

      1.37 Network Integration Transmission Service ..... 6

      1.38 Network Load ..... 6

      1.39 Network Operating Committee ..... 7

      1.40 Network Resource ..... 7

      1.41 Network Upgrades ..... 7

      1.42 Non-Firm Point-To-Point Transmission Service ..... 7

      1.43 Non-Territorial Contractual Delivery Obligation ..... 7

      1.44 Off-System Transaction ..... 8

      1.45 OPC ..... 8

      1.46 Open Access Same-Time Information System (OASIS) ..... 8

      1.47 Part I ..... 8

      1.48 Part II ..... 8

      1.49 Part III ..... 8

---

1.50	Parties	9
1.51	Point(s) of Delivery	9
1.52	Point(s) of Receipt	9
1.53	Point-To-Point Transmission Service	9
1.54	Power Purchaser	9
1.55	Prudent Utility Practice	9
1.56	Receiving Party	10
1.57	Regional Transmission Group (RTG)	10
1.58	Reserved Capacity	10
1.59	Rural Electrification Act	10
1.60	RUS	10
1.61	SEPA	10
1.62	SERC	10
1.63	Service Agreement	11
1.64	Service Commencement Date	11
1.65	Short-Term Firm Point-To-Point Transmission Service	11
1.66	Southern Control Area	11
1.67	System Emergency	11
1.68	System Impact Study	11
1.69	System Impact Study Agreement	11
1.70	Tariff	11
1.71	Third-Party Sale	12
1.72	Transfer Capability	12
1.73	Transmission Customer	12
1.74	Transmission Service	12
1.75	Transmission System	12
<b>2</b>	<b>Initial Allocation and Renewal Procedures</b>	<b>12</b>
2.1	Initial Allocation of Available Transmission Capability	12
2.2	Reservation Priority For Existing Firm Service Customers	13
<b>3</b>	<b>Ancillary Services</b>	<b>13</b>
3.1	Scheduling, System Control and Dispatch Service	14
3.2	Reactive Supply and Voltage Control from Generation Sources Service	14
3.3	Regulation and Frequency Response Service	14
3.4	Energy Imbalance Service	14
3.5	Operating Reserve - Spinning Reserve Service	15
3.6	Operating Reserve - Supplemental Reserve Service	15
<b>4</b>	<b>Open Access Same-Time Information System (OASIS)</b>	<b>15</b>
<b>5</b>	<b>Reciprocity</b>	<b>15</b>
<b>6</b>	<b>Billing and Payment</b>	<b>16</b>
6.1	Billing Procedure	16
6.2	Interest on Unpaid Balances	16
6.3	Customer Default	16
<b>7</b>	<b>Regulatory Filings</b>	<b>17</b>
<b>8</b>	<b>Force Majeure and Indemnification</b>	<b>18</b>
8.1	Force Majeure	18

---

8.2	Indemnification.....	18	
<b>9</b>	<b>Creditworthiness and Assignments .....</b>	<b>18</b>	
9.1	Credit Review Procedures.....	18	
9.2	Procedures for Assignment or Transfer of Service.....	19	
<b>10</b>	<b>Dispute Resolution Procedures .....</b>	<b>20</b>	
10.1	Internal Dispute Resolution Procedures.....	20	
10.2	External Arbitration Procedures.....	20	
10.3	Arbitration Decisions.....	21	
10.4	Costs.....	21	
10.5	Rights Under The Federal Power Act.....	21	
<b>II.</b>	<b><u>POINT-TO-POINT TRANSMISSION SERVICE</u></b>	<b>Preamble.....</b>	<b>22</b>
<b>11</b>	<b>Nature of Firm Point-To-Point Transmission Service ...</b>	<b>22</b>	
11.1	Term.....	22	
11.2	Reservation Priority.....	22	
11.3	Service Agreements.....	23	
11.4	Transmission Customer Obligations for Facility Additions or Redispatch Costs.....	23	
11.5	Curtailment of Firm Transmission Service.....	23	
11.6	Classification of Firm Transmission Service.....	24	
11.7	Scheduling of Firm Point-To-Point Transmission Service.....	25	
<b>12</b>	<b>Nature of Non-Firm Point-To-Point Transmission Service</b>	<b>26</b>	
12.1	Term.....	26	
12.2	Reservation Priority.....	26	
12.3	Service Agreements.....	27	
12.4	Classification of Non-Firm Point-To-Point Transmission Service.....	27	
12.5	Scheduling of Non-Firm Point-To-Point Transmission Service.....	27	
12.6	Curtailment or Interruption of Service.....	28	
<b>13</b>	<b>Service Availability .....</b>	<b>29</b>	
13.1	General Conditions.....	29	
13.2	Determination of Available Transmission Capability .....	29	
13.3	Obligation to Provide Point-To-Point Transmission Service that Requires Expansion or Modification of the Transmission System.....	29	
13.4	Deferral of Service.....	30	
13.5	Other Transmission Service Schedules.....	30	
13.6	Real Power Losses.....	30	
<b>14</b>	<b>Transmission Customer Responsibilities .....</b>	<b>30</b>	
14.1	Conditions Required of Transmission Customers.....	30	
14.2	Transmission Customer Responsibility for Third-Party Arrangements.....	31	
<b>15</b>	<b>Procedures for Arranging Firm Point-To-Point Transmission Service .....</b>	<b>31</b>	
15.1	Application.....	31	

---

15.2	Completed Application.....	32
15.3	Deposit.....	33
15.4	Notice of Deficient Application.....	34
15.5	Response to a Completed Application.....	34
15.6	Execution of Service Agreement.....	34
15.7	Extensions for Commencement of Service.....	35
<b>16</b>	<b>Procedures for Arranging Non-Firm Point-To-Point Transmission Service .....</b>	<b>35</b>
16.1	Application.....	35
16.2	Completed Application.....	36
16.3	Reservation of Non-Firm Point-To-Point Transmission Service.....	37
16.4	Determination of Available Transmission Capability .....	37
<b>17</b>	<b>Additional Study Procedures For Firm Point-To-Point Transmission Service Requests .....</b>	<b>37</b>
17.1	Notice of Need for System Impact Study.....	37
17.2	System Impact Study Agreement and Cost Reimbursement.....	38
17.3	System Impact Study Procedures.....	38
17.4	Facilities Study Procedures.....	39
17.5	Facilities Study Modifications.....	40
17.6	Due Diligence in Completing New Facilities....	40
17.7	Partial Interim Service.....	40
17.8	Expedited Procedures for New Facilities.....	41
<b>18</b>	<b>Procedures if GTC is Unable to Complete New Transmission Facilities for Firm Point-To-Point Transmission Service .....</b>	<b>41</b>
18.1	Delays in Construction of New Facilities.....	41
18.2	Alternatives to the Original Facility Additions	42
18.3	Refund Obligation for Unfinished Facility Additions.....	42
<b>19</b>	<b>Provisions Relating to Transmission Construction and Services on the Systems of Other Utilities .....</b>	<b>43</b>
19.1	Responsibility for Third-Party System Additions	43
19.2	Coordination of Third-Party System Additions..	43
<b>20</b>	<b>Changes in Service Specifications .....</b>	<b>43</b>
20.1	Modifications On a Non-Firm Basis.....	43
20.2	Modification On a Firm Basis.....	44
<b>21</b>	<b>Limited Sale or Assignment of Firm Point-To-Point Transmission Service Rights .....</b>	<b>45</b>
21.1	Sale or Assignment of Rights.....	45
21.2	Limitations on Assignment or Transfer of Service	45
21.3	Information on Assignment or Transfer of Service	46
<b>22</b>	<b>Metering and Power Factor Correction at Receipt and Delivery Points(s) .....</b>	<b>46</b>
22.1	Transmission Customer Obligations.....	46
22.2	Transmission Provider Access to Metering Data.	46

---

22.3	Power Factor .....	46
<b>23</b>	<b>Compensation for Transmission Service .....</b>	<b>46</b>
<b>24</b>	<b>Stranded Cost Recovery .....</b>	<b>47</b>
<b>25</b>	<b>Compensation for New Facilities and Redispatch Costs</b>	<b>47</b>
<b>III.</b>	<b><u>NETWORK INTEGRATION TRANSMISSION SERVICE</u>Preamble .....</b>	<b>48</b>
<b>26</b>	<b>Nature of Network Integration Transmission Service .</b>	<b>48</b>
	26.1 Scope of Service .....	48
	26.2 Transmission Provider Responsibilities .....	48
	26.3 Network Integration Transmission Service .....	49
	26.4 Secondary Service .....	49
	26.5 Real Power Losses .....	49
	26.6 Restrictions on Use of Service .....	49
<b>27</b>	<b>Initiating Service .....</b>	<b>49</b>
	27.1 Condition Precedent for Receiving Service .....	49
	27.2 Application Procedures .....	50
	27.3 Technical Arrangements to be Completed Prior to Commencement of Service .....	53
	27.4 Network Customer Facilities .....	53
	27.5 Approval of Service Agreement .....	53
<b>28</b>	<b>Network Resources .....</b>	<b>54</b>
	28.1 Designation of Network Resources .....	54
	28.2 Designation of New Network Resources .....	54
	28.3 Termination of Network Resources .....	54
	28.4 Operation of Network Resources .....	54
	28.5 Network Customer Redispatch Obligation .....	55
	28.6 Transmission Arrangements for Network Resources Not Physically Interconnected With GTC .....	55
	28.7 Limitation on Designation of Network Resources	55
	28.8 Use of Interface Capacity by the Network Customer .....	55
	28.9 Network Customer Owned Transmission Facilities	56
<b>29</b>	<b>Designation of Network Load .....</b>	<b>56</b>
	29.1 Network Load .....	56
	29.2 New Network Loads Connected With GTC .....	56
	29.3 Network Load Not Physically Interconnected with GTC .....	57
	29.4 New Interconnection Points .....	57
	29.5 Changes in Service Requests .....	57
	29.6 Annual Load and Resource Information Updates ..	57
<b>30</b>	<b>Additional Study Procedures For Network Integration Transmission Service Requests .....</b>	<b>58</b>
	30.1 Notice of Need for System Impact Study .....	58
	30.2 System Impact Study Agreement and Cost Reimbursement .....	58
	30.3 System Impact Study Procedures .....	59
	30.4 Facilities Study Procedures .....	59

---

31	<b>Load Shedding and Curtailments</b> .....	60
	31.1 Procedures .....	60
	31.2 Transmission Constraints .....	61
	31.3 Cost Responsibility for Relieving Transmission Constraints .....	61
	31.4 Curtailments of Scheduled Deliveries .....	61
	31.5 Allocation of Curtailments .....	61
	31.6 Load Shedding .....	61
	31.7 System Reliability .....	62
32	<b>Rates and Charges</b> .....	62
	32.1 Power Delivery Charges .....	62
	32.2 Determination of Network Customer's Annual Network Load .....	63
	32.3 Determination of Transmission Provider's Annual Transmission System Load .....	63
	32.4 Redispatch Charge .....	63
	32.5 Stranded Cost Recovery .....	63
33	<b>Operating Arrangements</b> .....	63
	33.1 Operation under the Service Agreement .....	63
	33.2 Network Operating Conditions .....	63
	33.3 Network Operating Committee .....	64
<b>SERVICE SCHEDULES - ANCILLARY SERVICES</b> .....		S-1
	General .....	S-1
<b>SCHEDULE 1</b> .....		S-4
	Scheduling, System Control and Dispatch Service .....	S-4
<b>SCHEDULE 2</b> .....		S-5
	Reactive Supply and Voltage Control from Generation Sources Service .....	S-5
<b>SCHEDULE 3</b> .....		S-6
	Regulation and Frequency Response Service .....	S-6
<b>SCHEDULE 4</b> .....		S-10
	Energy Imbalance Service .....	S-10
<b>SCHEDULE 5</b> .....		S-19
	Operating Reserve - Spinning Reserve Service .....	S-19
<b>SCHEDULE 6</b> .....		S-20
	Operating Reserve - Supplemental Reserve Service .....	S-20
<b>SCHEDULE 7</b> .....		S-NRS-1
	Rate Schedule for Network Integration Transmission Services- NRS-1	
<b>SCHEDULE 8</b> .....		S-A-1
	Rate Schedules for Point-To-Point Transmission Service	S-A-1
<b>ATTACHMENT A</b> .....		A-1
	Member Transmission Service Agreement .....	A-1

---

ATTACHMENT B .....	B-1
Standard Form of Non-Member Transmission Service Agreement	B-1
ATTACHMENT C .....	C-1
Methodology To Assess Available Transmission Capability.	C-1
ATTACHMENT D .....	D-1
Methodology for Completing a System Impact Study.....	D-1
ATTACHMENT E .....	E-1
Index of Point-To-Point Transmission Service Customers..	E-1
ATTACHMENT F .....	F-1
Index of Network Integration Transmission Service.....	F-1
ATTACHMENT G .....	G-1
Real Power Loss Calculation.....	G-1
ATTACHMENT H .....	H-1
Calculation Of Lost Opportunity Costs.....	H-1
ATTACHMENT I .....	I-1
Calculation Of Modified Dispatch Costs.....	I-1
ATTACHMENT J .....	J-1
Service Costs, Rates and Charges	J-1
.....	J-1
ATTACHMENT K .....	K-1
Illustrative Costs of Providing Service	K-1
.....	K-1
ATTACHMENT L .....	L-1
Direct Assignment Methodology	L-1
.....	L-1



---

I. COMMON SERVICE PROVISIONS

1 Definitions

- 1.1 **Affiliate:** (1) For any exempt wholesale generator, as defined under Section 32(a) of the Public Utility Holding Company Act of 1935, as amended, the same as provided in Section 214 of the Federal Power Act; and (2) for any other entity, the same as provided in 18 CFR ' 161.2(a), but not including a GTC Member.
- 1.2 **Ancillary Services:** Those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of GTC's Transmission System in accordance with Prudent Utility Practice.
- 1.3 **Application:** A request by an Eligible Customer for transmission service pursuant to the provisions of the Tariff.
- 1.4 **Central Prevailing Time:** The time in effect in the Central Time Zone of the United States, whether Central Standard Time or Central Daylight Savings Time.
- 1.5 **Commission:** The Federal Energy Regulatory Commission.
- 1.6 **Completed Application:** An Application that satisfies all of the information and other requirements of the Tariff, including any required deposit.
- 1.7 **Control Area:** An electric power system or combination of electric power systems to which a common automatic generation control scheme is applied in order to:
- (1) match, at all times, the power output of the generators within the electric power system(s) and capacity and energy purchased from entities outside the electric power system(s), with the load within the electric power system(s);
  - (2) maintain scheduled interchange with other Control Areas, within the limits of Prudent Utility Practice;
  - (3) maintain the frequency of the electric power system(s) within reasonable limits in accordance with Prudent Utility Practice; and
  - (4) provide sufficient generating capacity to maintain operating reserves in accordance with Prudent Utility Practice.

A Control Area may include a system operated by an agent on behalf of GTC.

- 
- 1.8 Curtailment:** A reduction in firm or non-firm transmission service in response to a transmission capacity shortage as a result of system reliability conditions.
- 1.9 Delivering Party:** The entity interconnected to the Transmission System or the ITS through which arrangements have been made by the Transmission Customer to deliver capacity or energy to GTC for transmission to the Transmission Customer or to the Transmission Customer's designee at the Point(s) of Receipt.
- 1.10 Designated Agent:** Any entity that performs actions or functions on behalf of GTC, an Eligible Customer, or the Transmission Customer required under the Tariff.
- 1.11 Direct Assignment Facilities:** Facilities or portions of facilities that are constructed by GTC for the sole use or benefit of a particular Transmission Customer requesting service under the Tariff. Direct Assignment Facilities shall be specified in the Service Agreement that governs service to the Transmission Customer and shall be subject to applicable Governmental Authority approval.
- 1.12 Eligible Customer:** (i) Any electric utility (including GTC and any power marketer), Federal power marketing agency, or any person generating electric energy for sale for resale; electric energy sold or produced by such entity may be electric energy produced in the United States, Canada or Mexico; however, such entity is not eligible for transmission service that would be prohibited by Section 212(h)(2) of the Federal Power Act; and (ii) any retail customer taking unbundled Point-To-Point Transmission Service pursuant to a state retail access program or pursuant to a voluntary offer of unbundled retail transmission service by GTC.
- 1.13 Expedited Service Agreement:** A Service Agreement requested, tendered and executed pursuant to Section 17.8.
- 1.14 Facilities Study:** An engineering study conducted by GTC to determine the required modifications to GTC's Transmission System, including the cost and scheduled completion date for such modifications, that will be required to provide the requested transmission service.
- 1.15 Facilities Study Agreement:** An agreement between GTC and an Eligible Customer that establishes the rights and obligations of GTC and the Eligible Customer with respect to the cost, implementation and completion of a Facilities Study in accordance with Section 17 or 30

---

herein.

- 1.16 Firm Point-To-Point Transmission Service:** Point-To-Point Transmission Service under this Tariff that is reserved or scheduled between specified Points of Receipt and Delivery pursuant to Part II of this Tariff.
- 1.17 Force Majeure:** The occurrence or non-occurrence of any act or event that could not reasonably have been expected and avoided by exercise of due diligence and foresight and such act or event is beyond the reasonable control of the Party relying thereon as justification for not performing an obligation or complying with any condition required of such Party (or such Party's contractors, subcontractors, or agents) pursuant to the Tariff and Service Agreement.
- 1.18 Georgia Territory:** The area within (i) the State of Georgia (other than in Chatham, Effingham, Fannin, Towns and Union Counties), or (ii) such other counties inside or outside the State of Georgia if approved by the Joint Committee for Planning and Operations of the Integrated Transmission System.
- 1.19 Governmental Authority:** Any local, state, regional, federal, or national administrative, legal, judicial, or executive agency, commission, department, or other governmental entity.
- 1.20 GTC:** Georgia Transmission Corporation (An Electric Membership Corporation), an electric membership corporation organized and existing under Title 46 of the Official Code of Georgia Annotated, or its Designated Agent.
- 1.21 GTC Member:** OPC and any electric membership corporation that is presently a member of GTC and was a member of OPC as of January 1, 1996.
- 1.22 Indenture:** The Trust Indenture from GTC, Grantor, to Sun Trust Bank, Atlanta, Trustee, dated as of January 1, 1997, as the same may be amended, supplemented or substituted from time to time.
- 1.23 Indenture Interest:** The total interest charges (whether capitalized or expensed) of GTC for the applicable period on (i) all debt secured under the Indenture or (ii) under any mortgage, lien, charge or encumbrance on or pledge of or security interest in any of GTC's property subject to the lien of the Indenture that is prior to or on a parity with the lien of the Indenture (other than permitted encumbrances as provided in the Indenture), in all cases including amortization of debt discount and expense or premium, and subject to any exclusions as

---

provided in the Indenture, determined in accordance with the system of accounts prescribed by the Governmental Authority having jurisdiction over GTC or, in the absence thereof, the requirements of generally accepted accounting principles applicable to corporations conducting business similar to that of GTC.

- 1.24 Integrated Transmission System or ITS:** The aggregate transmission facilities as defined in the Integrated Transmission System Agreement.
- 1.25 Integrated Transmission System Agreement or ITSA:** The Revised and Restated Integrated Transmission System Agreement between GTC (as assignee of OPC) and Georgia Power Company, dated as of November 12, 1990, and accepted for filing by FERC in *Georgia Power Company*, Docket No. ER91-171-000, 57 FERC & 61,087, order on *reh'g*, 57 FERC & 61,353 (1991), as the same may be amended, supplemented or substituted by the parties to such agreement from time to time.
- 1.26 Interface Capability:** GTC's pro rata share (or so much of another owner's pro rata share) of Transfer Capability to or from the ITS to a neighboring utility that GTC has the right to utilize.
- 1.27 Interruption:** A reduction in non-firm transmission service due to economic reasons pursuant to Section 12.6.
- 1.28 Load Ratio Share:** Ratio of a Transmission Customer's Network Load to GTC's total load computed in accordance with Sections 32.2 and 32.3 of the Network Integration Transmission Service under Part III of the Tariff and calculated once each year for the twelve (12) months ending September 30.
- 1.29 Load Shedding:** The systematic reduction of system demand by temporarily decreasing load in response to transmission system or area capacity shortages, system instability, or voltage control considerations under Part III of the Tariff.
- 1.30 Long-Term Firm Point-To-Point Transmission Service:** Firm Point-To-Point Transmission Service under Part II of the Tariff with a term of one year or more.
- 1.31 Lost Opportunity Costs:** Incremental costs incurred by GTC for loss of revenue or savings foregone by GTC or a Transmission Customer associated with the provision of transmission service, determined in accordance with Attachment H.
- 1.32 Modified Dispatch Cost:** The incremental costs incurred by GTC or a Transmission Customer resulting from the

---

modification of the dispatch of any generation facilities or purchased resources in order to provide requested transmission service, determined in accordance with Attachment I.

- 1.33 Monthly Transmission System Peak:** The maximum firm usage of GTC's Transmission System in a calendar month.
- 1.34 Native Load Customers:** For GTC the GTC Members and their wholesale and retail customers and for a Transmission Customer those wholesale and retail customers, in either case, on whose behalf the GTC Member or other Transmission Customer, by statute, franchise, regulatory requirement or contract, has an obligation to construct and operate its system reliably to meet the electric needs of such customers.
- 1.35 NERC:** The North American Electric Reliability Council or any organization succeeding to the function thereof.
- 1.36 Network Customer:** An entity receiving transmission service pursuant to the terms of GTC's Network Integration Transmission Service under Part III of the Tariff.
- 1.37 Network Integration Transmission Service:** The transmission service provided under Part III of the Tariff.
- 1.38 Network Load:** The load that a Network Customer designates for Network Integration Transmission Service under Part III of the Tariff. The Network Customer's Network Load shall include all load served by the output of any Network Resources designated by the Network Customer. A Network Customer may elect to designate less than its total load as Network Load but may not designate only part of the load at a discrete Point of Delivery. Where 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 Part II of the Tariff for any Point-To-Point Transmission Service that may be necessary for such non-designated load.
- 1.39 Network Operating Committee:** A group made up of representatives from the Network Customer(s) and GTC established to coordinate operating criteria and other technical considerations required for implementation of Network Integration Transmission Service under Part III of this Tariff.
- 1.40 Network Resource:** Any designated generating resource or load management device controlled or operated by

---

GTC or its Designated Agent, owned or purchased by a Network Customer. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

- 1.41 Network Upgrades:** Modifications or additions to transmission-related facilities that are integrated with and support GTC's overall Transmission System for the general benefit of all users of such Transmission System.
- 1.42 Non-Firm Point-To-Point Transmission Service:** Point-To-Point Transmission Service under the Tariff that is reserved and scheduled on an as-available basis and is subject to Curtailment or Interruption as set forth in Section 12.6 under Part II of this Tariff. Non-Firm Point-To-Point Transmission Service is available on a stand-alone basis for periods ranging from one hour to one month.
- 1.43 Non-Territorial Contractual Delivery Obligation:** An obligation, as defined in Section 1.13 of the ITSA, expressed in kilowatts, based on a quantity of capacity, energy or both, which GTC is contractually committed to deliver or make available from or through the ITS to a non-territorial entity and causes an increase in GTC's applicable transmission investment responsibility in accordance with the ITSA.
- 1.44 Off-System Transaction:** Any single energy transaction between the Transmission Customer and another person or entity, pursuant to which the Transmission Customer either:
- (a) delivers energy, or causes or allows energy to be delivered, to a destination that is (i) not served by the ITS or (ii) located outside of the Southern Control Area;
  - (b) takes energy, or causes or allows energy to be taken into the ITS, from a generation facility or other resources that is (i) not interconnected with the ITS or (ii) located outside of the Southern Control Area; or
  - (c) provides, or causes or allows to be provided, transmission service into, out of or across the ITS.
- 1.45 OPC:** Oglethorpe Power Corporation (An Electric Membership Generation & Transmission Corporation).
- 1.46 Open Access Same-Time Information System (OASIS):** The information system and standards of conduct contained in Part 37 of the Commission's regulations.

- 1.47 **Part I:** Tariff Definitions and Common Service Provisions contained in Sections 2 through 10.
- 1.48 **Part II:** Tariff Sections 11 through 25 pertaining to Point-To-Point Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.
- 1.49 **Part III:** Tariff Sections 26 through 33 pertaining to Network Integration Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.
- 1.50 **Parties:** GTC and the Transmission Customer receiving service under the Tariff.
- 1.51 **Point(s) of Delivery:** The interconnection(s) between the Transmission System or the ITS and the transmission, sub-transmission, or distribution system of an adjoining utility or entity (whether the Transmission Customer or its designee) at which GTC is to deliver capacity or energy pursuant to this Tariff and which shall be specified in a Service Agreement.
- 1.52 **Point(s) of Receipt:** The interconnection(s) between the Transmission System or the ITS and the transmission, sub-transmission, or distribution system of an adjoining utility or entity (whether the Transmission Customer or its designee) at which GTC is to receive capacity or energy pursuant to this Tariff and which shall be specified in a Service Agreement.
- 1.53 **Point-To-Point Transmission Service:** The reservation and transmission of capacity and energy on either a firm or non-firm basis from the Point(s) of Receipt to the Point(s) of Delivery under Part II of the Tariff.
- 1.54 **Power Purchaser:** The entity that is purchasing the capacity and energy to be transmitted under the Tariff.
- 1.55 **Prudent Utility Practice:** At a particular time any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry prior to such time, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Prudent Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be a spectrum of possible practices,

---

methods, or acts expected to accomplish the desired results, having due regard for, among other things, manufacturers' warranties and the requirements of Governmental Authorities of competent jurisdiction and the requirements of this Tariff.

- 1.56 Receiving Party:** The entity directly interconnected to the Transmission System or the ITS with which arrangements have been made by the Transmission Customer to receive the capacity or energy transmitted by GTC.
- 1.57 Regional Transmission Group (RTG):** A voluntary organization of transmission owners, transmission users and other entities approved by the Commission to efficiently coordinate transmission planning (and expansion), operation and use on a regional (and interregional) basis.
- 1.58 Reserved Capacity:** The maximum amount of capacity and energy that GTC agrees to transmit for the Transmission Customer over GTC's Transmission System between the Point(s) of Receipt and the Point(s) of Delivery under Part II of the Tariff. Reserved Capacity shall be expressed in terms of whole megawatts on a sixty (60) minute interval (commencing on the clock hour) basis.
- 1.59 Rural Electrification Act:** The Rural Electrification Act, 7 U.S.C. ' ' 901-916, as the same may hereafter be amended from time to time.
- 1.60 RUS:** The Rural Utilities Service or any Governmental Authority succeeding to the power and function thereof.
- 1.61 SEPA:** The Southeastern Power Administration or any Governmental Authority succeeding to the power and function thereof.
- 1.62 SERC:** The Southeastern Electric Reliability Council or any regional organization succeeding to the function thereof in which GTC participates.
- 1.63 Service Agreement:** The initial agreement and any amendments or supplements thereto entered into by the Transmission Customer and GTC for service under this Tariff.
- 1.64 Service Commencement Date:** The date GTC begins to provide service pursuant to the terms of an executed Service Agreement, or the date GTC begins to provide service in accordance with Section 27.1 under the Tariff.
- 1.65 Short-Term Firm Point-To-Point Transmission Service:**



---

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

- 1.66 Southern Control Area:** The electric system bounded by the tie lines between the utility operating companies owned by The Southern Company.
- 1.67 System Emergency:** Any system stability, power supply, or transmission problem adversely affecting or potentially affecting GTC's Native Load Customers or other Transmission Customers with Firm Transmission Service.
- 1.68 System Impact Study:** An assessment by GTC of (i) the adequacy of the Transmission System to accommodate a request for either Firm Point-To-Point Transmission Service or Network Integration Transmission Service and (ii) whether any additional costs may be incurred in order to provide transmission service.
- 1.69 System Impact Study Agreement:** An agreement between GTC and an Eligible Customer that establishes the rights and obligations of GTC and the Eligible Customer with respect to the cost, implementation and completion of a System Impact Study in accordance with Section 17 or 30.
- 1.70 Tariff:** GTC's Transmission Service Tariff.
- 1.71 Third-Party Sale:** Any sale for resale in interstate commerce to a Power Purchaser that is not designated as part of Network Load under the Network Integration Transmission Service.
- 1.72 Transfer Capability:** The amount of capacity or energy that can be delivered from the ITS to the transmission system of an interconnected utility or transferred from the transmission system of an interconnected utility to the ITS, as determined in accordance with the ITSA.
- 1.73 Transmission Customer:** Any Eligible Customer (or its Designated Agent) that executes a Service Agreement. This term is used in the Part I Common Service Provisions to include customers receiving transmission service under Part II and Part III of this Tariff.
- 1.74 Transmission Service:** Network Integration Transmission Service or Point-To-Point Transmission Service provided by GTC to the Transmission Customer under the Tariff.
- 1.75 Transmission System:** The facilities owned, controlled or operated by GTC that are used to provide transmission service under Part II and Part III of the Tariff.

---

## 2 Initial Allocation and Renewal Procedures

### 2.1 Initial Allocation of Available Transmission

**Capability:** For purposes of determining whether existing capability on GTC's Transmission System is adequate to accommodate a request for firm service under this Tariff, all Completed Applications for new firm transmission service received during the initial sixty (60) day period commencing with the effective date of the Tariff will be deemed to have been filed simultaneously. A lottery system conducted by an independent party shall be used to assign priorities for Completed Applications filed simultaneously. All Completed Applications for firm transmission service received after the initial sixty (60) day period shall be assigned a priority pursuant to Section 11.2.

### 2.2 Reservation Priority For Existing Firm Service

**Customers:** Existing firm service customers (wholesale requirements and transmission-only, with a contract term of one-year or more), have the right to continue to take transmission service from GTC when the contract expires, rolls over or is renewed. This transmission reservation priority is independent of whether the existing customer continues to purchase capacity and energy from GTC or elects to purchase capacity and energy from another supplier. If at the end of the contract term, GTC's 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 rate, for such service. This transmission reservation priority for existing firm service customers is an ongoing right that may be exercised at the end of all firm contract terms of one-year or longer.

## 3 Ancillary Services

Ancillary Services are needed with transmission service to maintain reliability within and among the Control Areas affected by the transmission service. GTC is required to provide (or offer to arrange with its Designated Agent as discussed below), and the Transmission Customer is required to purchase, the following Ancillary Services: (i) Scheduling, System Control and Dispatch, and (ii) Reactive Supply and Voltage Control from Generation Sources.

GTC is required to offer to provide (or offer to arrange with its Designated Agent as discussed below) the following Ancillary Services only to the Transmission Customer serving load within GTC's Control Area: (i) Regulation and Frequency Response, (ii) Energy Imbalance, (iii) Operating Reserve - Spinning, and (iv) Operating Reserve - Supplemental. The Transmission Customer

---

serving load within GTC's Control Area is required to acquire these Ancillary Services, whether from GTC, from a third party, or by self-supply. The Transmission Customer may not decline GTC's offer of Ancillary Services unless it demonstrates that it has acquired the Ancillary Services from another source. The Transmission Customer must list in its Application which Ancillary Services it will purchase from GTC.

If GTC is not a Control Area operator, it may be unable to provide some or all of the Ancillary Services. In this case, GTC can fulfill its obligation to provide Ancillary Services by acting as the Transmission Customer's agent to secure these Ancillary Services. The Transmission Customer may elect to (i) have GTC act as its agent, (ii) secure the Ancillary Services directly from the Control Area operator, or (iii) secure the Ancillary Services (discussed in Schedules 3, 4, 5 and 6) from a third party or by self-supply when technically feasible. To the extent that the Transmission Customer fails to provide Ancillary Services that it has elected to secure from the Control Area operator, a third party or itself and to the extent that GTC provides such Ancillary Services, the Transmission Customer shall be charged for such Ancillary Services in accordance with the Service Schedules attached hereto.

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

The specific Ancillary Services, prices or compensation methods are described on the Schedules that are attached to and made a part of the Tariff. If GTC offers an Affiliate a rate discount, or attributes a discounted Ancillary Service rate to its own transactions, GTC must offer at the same time the same discounted Ancillary Service rate to all Eligible Customers. Information regarding any discounted Ancillary Service rates must be posted on the OASIS pursuant to Part 37 of the Commission's regulations. In addition, discounts to non-affiliates must be offered in a not unduly discriminatory manner. Sections 3.1 through 3.6 below list the six Ancillary Services.

- 3.1 Scheduling, System Control and Dispatch Service:** The rates or methodology are described in Schedule 1.
- 3.2 Reactive Supply and Voltage Control from Generation Sources Service:** The rates or methodology are described in Schedule 2.
- 3.3 Regulation and Frequency Response Service:** Where applicable the rates or methodology are described in Schedule 3.
- 3.4 Energy Imbalance Service:** Where applicable the rates or methodology are described in Schedule 4.
- 3.5 Operating Reserve - Spinning Reserve Service:** Where applicable the rates or methodology are described in

---

Schedule 5.

**3.6 Operating Reserve - Supplemental Reserve Service:**

Where applicable the rates or methodology are described in Schedule 6.

**4 Open Access Same-Time Information System (OASIS)**

Terms and conditions regarding Open Access Same-Time Information System and standards of conduct are set forth in 18 CFR ' 37 of the Commission's regulations (Open Access Same-Time Information System and Standards of Conduct for Public Utilities). In the event available transmission 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 17 and 30.

**5 Reciprocity**

A Transmission Customer receiving transmission service under this Tariff agrees to provide comparable transmission service to GTC on similar terms and conditions over facilities used for the transmission of electric energy in interstate commerce owned, controlled or operated by the Transmission Customer and over facilities used for the transmission of electric energy in interstate commerce owned, controlled or operated by the Transmission Customer's corporate affiliates. A Transmission Customer that is a member of a power pool or Regional Transmission Group also agrees to provide comparable transmission service to the members of such power pool and Regional Transmission Group on similar terms and conditions over facilities used for the transmission of electric energy in interstate commerce owned, controlled or operated by the Transmission Customer and over facilities used for the transmission of electric energy in interstate commerce owned, controlled or operated by the Transmission Customer's corporate Affiliates. This reciprocity requirement also applies to any Eligible Customer that owns, controls or operates transmission facilities that uses an intermediary, such as a power marketer, to request transmission service under the Tariff. If the Transmission Customer does not own, control or operate transmission facilities, it must include in its Application a sworn statement of one of its duly authorized officers or other representatives that the purpose of its Application is not to assist an Eligible Customer to avoid the requirements of this provision.

**6 Billing and Payment**

**6.1 Billing Procedure:** Within a reasonable time after the first day of each month, GTC shall submit an invoice to the Transmission Customer for the charges for all services furnished under the Tariff during the preceding month. The invoice shall be paid by the Transmission Customer within ten (10) days from the date of the invoice. All payments shall be made in

---

immediately available funds payable to GTC, or by wire transfer to a bank named by GTC.

**6.2 Interest on Unpaid Balances:** In addition to any other rights or remedies, legal or equitable, available to GTC, interest on any unpaid amounts (including amounts placed in escrow) shall be calculated in accordance with the methodology specified for interest on refunds in the Commission's regulations at 18 C.F.R. '35.19a(a)(2)(iii). Interest on delinquent amounts shall be calculated from the due date of the bill to the date of payment. When payments are made by mail, bills shall be considered as having been paid on the date of receipt by GTC.

**6.3 Customer Default:** In the event the Transmission Customer fails, for any reason other than a billing dispute as described below, to make payment to GTC on or before the due date as described above, and such failure of payment is not corrected within ten (10) business days after payment is due, a default by the Transmission Customer shall be deemed to exist. Upon the occurrence of a default, GTC may undertake actions to terminate service but shall not terminate service until the Governmental Authority having jurisdiction over GTC so approves any such request. In the event of a billing dispute between GTC and the Transmission Customer, GTC will continue to provide service under the Service Agreement as long as the Transmission Customer (i) continues to make all payments not in dispute, and (ii) pays into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If the Transmission Customer fails to meet these two requirements for continuation of service, then GTC may provide notice to the Transmission Customer of its intention to suspend service in ten (10) business days.

## **7 Regulatory Filings**

The effectiveness of the Tariff and the applicable service schedules, and the Service Agreement between GTC and the Transmission Customer, are subject to the approval of the Administrator of the RUS. GTC shall be under no obligation to provide Service to the Transmission Customer until the Service Agreement and related agreements have received such approval and any other necessary approval by Governmental Authorities. GTC will file the Service Agreement and related agreements as necessary to comply with the requirements of the appropriate Governmental Authorities.

Requests to modify the terms and conditions of the Tariff, an executed Service Agreement, or the Service Schedules must be submitted by the Transmission Customer to GTC in writing. Approval of modifications shall be granted at the sole discretion of GTC and are subject to any necessary approvals of the

---

Administrator of the RUS.

Nothing contained in the Tariff or any Service Agreement shall be construed as affecting in any way the right of GTC to unilaterally make application to the Commission to accept an initial filing or for change in rates, terms and conditions, charges, classifications of service, Service Agreement, rule or regulation under Section 205 of the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder.

Except as agreed by the Parties in a Service Agreement, nothing contained in the Tariff or any Service Agreement shall be construed as affecting in any way the ability of any Party receiving service under the Tariff to exercise its rights under the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder.

GTC is subject to the rules and regulation of the RUS. Neither the rates charged by GTC nor the terms and conditions of the Tariff, the Service Schedules, and the Service Agreement are subject to the prior approval of any Federal or State agency or authority other than the RUS. It is recognized, however, that the Energy Policy Act of 1992 provides the Commission with authority to order GTC to provide transmission service if it so determines such action is warranted. In the event that the Commission exercises authority over GTC, or in the event that the relationship between GTC and RUS changes such that GTC falls under the regulatory authority of the Commission, it may be necessary to revise, amend, modify or replace in entirety the Tariff, the Service Schedules, and the Service Agreements, including any rates, terms, and provisions thereof, in order to comply with Commission rules and regulations. In such event, the Transmission Customer will execute and deliver such documents, upon the request of GTC, as may be necessary or appropriate to implement the orders, rules and regulations of the applicable Governmental Authority.

## **8 Force Majeure and Indemnification**

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

**8.2 Indemnification:** The Transmission Customer shall at all times indemnify, defend, and save GTC 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 GTC's performance of its obligations under this Tariff on behalf of the Transmission Customer, except in cases of negligence or intentional wrongdoing by GTC.

**9 Creditworthiness and Assignments**

**9.1 Credit Review Procedures:** For the purpose of determining the ability of the Transmission Customer to meet its obligations related to service hereunder, GTC may require reasonable credit review procedures. This review shall be made in accordance with standard commercial practices. In addition, GTC may require the Transmission Customer to provide and maintain in effect during the term of the Service Agreement, an unconditional and irrevocable letter of credit as security to meet its responsibilities and obligations under the Tariff, or an alternative form of security proposed by the Transmission Customer and acceptable to GTC and consistent with commercial practices established by the Uniform Commercial Code that protects GTC against the risk of non-payment.

**9.2 Procedures for Assignment or Transfer of Service:** The Service Agreement shall be binding upon and shall inure to the benefit of the successors and permitted assigns of the Parties. Neither the Service Agreement, nor any right or obligation hereunder, shall be assigned to a third person by the Transmission Customer without the written consent of GTC, which consent shall not be unreasonably withheld, and without the approval of the RUS. Either Party may transfer or assign the Service Agreement to any person succeeding to all or substantially all of the assets of such Party, whether by merger or otherwise, so long as such person shall, as a part of such succession, have assumed all of the obligations of the Service Agreement under the transfer and is no less creditworthy, as determined by GTC and the RUS, than the Transmission Customer prior to the transfer or assignment. Any assignment made by the Transmission Customer without the required consent shall be void and of no effect against GTC. The Service Agreement shall not be assigned by the Transmission Customer to any person other than another Eligible Customer (the Assignee).

GTC, without the approval of the Transmission Customer, may assign, transfer, mortgage or pledge the Service Agreement to create a security interest for the benefit of one or more entities that include the United States of America, acting through the Administrator of the RUS. Thereafter, the Administrator of the RUS, without the approval of the Transmission Customer, may (a) cause the Service Agreement to be sold, assigned, transferred or

---

otherwise disposed of to a third party pursuant to the terms governing such security interests, or (b) if the Administrator of the RUS first acquires the Service Agreement pursuant to 7 U.S.C. ' 907 (as the same may hereafter be amended), sell, assign, transfer or otherwise dispose of the Service Agreement to a third party; provided, however, that in either case (i) GTC is in default of its obligations to the Administrator of the RUS that are secured by such security interests and the Administrator of the RUS has given the Transmission Customer notice of such default, and (ii) the Administrator of the RUS has given the Transmission Customer thirty (30) days' prior notice of its intention to sell, assign, transfer or otherwise dispose of the Service Agreement indicating the identity of the intended third-party assignee or the Transmission Customer. No permitted sale, assignment, transfer or other disposition shall release or discharge GTC from its obligations under the Service Agreement.

## **10 Dispute Resolution Procedures**

- 10.1 Internal Dispute Resolution Procedures:** Any dispute between a Transmission Customer and GTC involving Transmission Service under the Tariff shall be referred to a designated senior representative of GTC and a senior representative of the Transmission Customer for resolution on an informal basis as promptly as practicable. In the event the designated representatives are unable to resolve the dispute within thirty (30) days (or such other period as the Parties may agree upon) by mutual agreement, such dispute may be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below.
- 10.2 External Arbitration Procedures:** Any arbitration initiated under the Tariff shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) days of the referral of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall generally conduct the arbitration in accordance with the Commercial



---

Arbitration Rules of the American Arbitration Association and any applicable Commission regulations or Regional Transmission Group rules.

- 10.3 Arbitration Decisions:** Unless otherwise agreed, the arbitrator(s) shall render a decision within ninety (90) days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the Tariff and any Service Agreement entered into under the Tariff and shall have no power to modify or change any of the above in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with the Commission if it affects jurisdictional rates, terms and conditions of service or facilities.
- 10.4 Costs:** Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable:
- (A) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or
  - (B) one half the cost of the single arbitrator jointly chosen by the Parties.
- 10.5 Rights Under The Federal Power Act:** Nothing in this section shall restrict the rights of any party to file a complaint with the Commission under relevant provisions of the Federal Power Act.

---

**II. POINT-TO-POINT TRANSMISSION SERVICE**

**Preamble**

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

**11 Nature of Firm Point-To-Point Transmission Service**

**11.1 Term:** The minimum term of Firm Point-To-Point Transmission Service shall be one day and the maximum term shall be specified in the Service Agreement.

**11.2 Reservation Priority:** Long-Term Firm Point-To-Point Transmission Service shall be available on a first-come, first-served basis, *i.e.*, in the chronological sequence in which each Transmission Customer has reserved service. Reservations for Short-Term Firm Point-To-Point Transmission Service will be conditional based upon the length of the requested transaction. If the Transmission System becomes oversubscribed, requests for longer term service may preempt requests for shorter term service up to the following deadlines: one day before the commencement of daily service, one week before the commencement of weekly service, and one month before the commencement of monthly service. Before the deadline, if available transmission capability is insufficient to satisfy all Applications, an Eligible Customer with a reservation for shorter term service has the right of first refusal to match any longer term reservation before losing its reservation priority. After the deadline, service will commence pursuant to the terms of Part II of the Tariff. Firm Point-To-Point Transmission Service will always have a reservation priority over Non-Firm Point-To-Point Transmission Service under the Tariff. All Long-Term Firm Point-To-Point Transmission Service will have equal reservation priority with Native Load Customers and Network Customers. Reservation priorities for existing firm service customers are provided in Section 2.2.

**11.3 Service Agreements:** GTC shall offer a standard form Member Transmission Service Agreement (Attachment A) or Non-Member Transmission Service Agreement (Attachment B), as applicable, to an Eligible Customer when it submits a Completed Application for Firm Point-To-Point Transmission Service. Executed Service Agreements that contain the information required under the Tariff shall be filed with the Administrator of the RUS.

---

**11.4 Transmission Customer Obligations for Facility**

**Additions or Redispatch Costs:** In cases where GTC determines that the Transmission System is not capable of providing Firm Point-To-Point Transmission Service without (1) degrading or impairing the reliability of service to Native Load Customers, Network Customers and other Transmission Customers taking Firm Point-To-Point Transmission Service, or (2) interfering with GTC's ability to meet prior firm contractual commitments to others, GTC will be obligated to expand or upgrade its Transmission System pursuant to the terms of Section 13.3. The Transmission Customer must agree to compensate GTC for any necessary transmission facility additions pursuant to the terms of Section 25. To the extent GTC can relieve any system constraint more economically by redispatching Network Resources than through constructing Network Upgrades, it shall do so, provided that the Eligible Customer agrees to compensate GTC pursuant to the terms of Section 25. Any redispatch, Network Upgrade or Direct Assignment Facilities costs to be charged to the Transmission Customer under the Tariff will be specified in the Service Agreement prior to initiating service.

**11.5 Curtailment of Firm Transmission Service:** In the event that a Curtailment on GTC's Transmission System, or a portion thereof, is required to maintain reliable operation of such system, Curtailments will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint. If multiple transactions require Curtailment, to the extent practicable and consistent with Prudent Utility Practice, Curtailments will be proportionally allocated among GTC's Native Load Customers, Network Customers, and Transmission Customers taking Firm Point-To-Point Transmission Service. All Curtailments will be made on a non-discriminatory basis, however, Non-Firm Point-To-Point Transmission Service shall be subordinate to Firm Transmission Service. When GTC determines that an electrical emergency exists on its Transmission System and implements emergency procedures to Curtail Firm Transmission Service, the Transmission Customer shall make the required reductions upon request of GTC. However, GTC reserves the right to Curtail, in whole or in part, any Firm Transmission Service provided under the Tariff when, in GTC's sole discretion, an emergency or other unforeseen condition impairs or degrades the reliability of its Transmission System. GTC will notify all affected Transmission Customers in a timely manner of any scheduled Curtailments.

**11.6 Classification of Firm Transmission Service:**

(a) The Transmission Customer taking Firm Point-To-

---

Point Transmission Service may (1) change its Receipt and Delivery Points to obtain service on a non-firm basis consistent with the terms of Section 20.1 or (2) request a modification of the Points of Receipt or Delivery on a firm basis pursuant to the terms of Section 20.2.

- (b) The Transmission Customer may purchase transmission service to make sales of capacity and energy from multiple generating units that are on GTC's Transmission System. For such a purchase of transmission service, the resources will be designated as multiple Points of Receipt, unless the multiple generating units are at the same generating plant in which case the units would be treated as a single Point of Receipt.
- (c) GTC shall provide firm deliveries of capacity and energy from the Point(s) of Receipt to the Point(s) of Delivery. Each Point of Receipt at which firm transmission capacity is reserved by the Transmission Customer shall be set forth in the applicable Service Agreement along with a corresponding capacity reservation associated with each Point of Receipt. Each Point of Delivery at which firm transmission capacity is reserved by the Transmission Customer shall be set forth in the applicable Service Agreement along with a corresponding capacity reservation associated with each Point of Delivery. The greater of either (1) the sum of the capacity reservations at the Point(s) of Receipt, or (2) the sum of the capacity reservations at the Point(s) of Delivery shall be the Transmission Customer's Reserved Capacity. The Transmission Customer will be billed for its Reserved Capacity under the terms of Schedule 8. The Transmission Customer may not exceed its firm capacity reserved at each Point of Receipt and each Point of Delivery except as otherwise specified in Section 20. GTC shall specify the rate treatment and all related terms and conditions applicable in the event that a Transmission Customer exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery.

**11.7 Scheduling of Firm Point-To-Point Transmission Service:** Schedules for the Transmission Customer's Firm Point-To-Point Transmission Service must be submitted to GTC no later than 10:00 a.m. Central Prevailing Time of the day prior to commencement of such service. Schedules submitted after 10:00 a.m. Central Prevailing Time will be accommodated, if practicable. Hour-to-hour schedules of any capacity and energy that is to be delivered must be stated in increments of 1,000 kW per hour. Transmission

---

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

**12 Nature of Non-Firm Point-To-Point Transmission Service**

**12.1 Term:** Non-Firm Point-To-Point Transmission Service will be available for periods ranging from one (1) hour to one (1) month. However, a purchaser of Non-Firm Point-To-Point Transmission Service will be entitled to reserve a sequential term of service (such as a sequential monthly term without having to wait for the initial term to expire before requesting another monthly term) so that the total time period for which the reservation applies is greater than one month, subject to the requirements of Section 16.3.

**12.2 Reservation Priority:** Non-Firm Point-To-Point Transmission Service shall be available from transmission capability in excess of that needed for reliable service to Native Load Customers, Network Customers and other Transmission Customers taking Long-Term and Short-Term Firm Point-To-Point Transmission Service. A higher priority will be assigned to reservations with a longer duration of service. In the event the Transmission System is constrained, competing requests of equal duration will be prioritized based on the highest price offered by the Eligible Customer for the Point-To-Point Transmission Service. Eligible Customers that have already reserved shorter term service have the right of first refusal to match any longer term reservation before being preempted. Transmission service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service. Non-Firm Point-To-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have the lowest reservation priority under the

---

Tariff.

- 12.3 Service Agreements:** GTC shall offer a standard form Member Transmission Service Agreement (Attachment A) or Non-Member Transmission Service Agreement (Attachment B), as applicable, to an Eligible Customer when it first submits a Completed Application for Non-Firm Point-To-Point Transmission Service pursuant to the Tariff. Executed Service Agreements that contain the information required under the Tariff shall be filed with the Administrator of the RUS.
- 12.4 Classification of Non-Firm Point-To-Point Transmission Service:** Non-Firm Point-To-Point Transmission Service shall be offered under terms and conditions contained in Part II of the Tariff. GTC undertakes no obligation under the Tariff to plan its Transmission System in order to have sufficient capacity for Non-Firm Point-To-Point Transmission Service. Parties requesting Non-Firm Point-To-Point Transmission Service for the transmission of firm power do so with the full realization that such service is subject to availability and to Curtailment or Interruption under the terms of the Tariff. GTC shall specify the rate treatment and all related terms and conditions applicable in the event that a Transmission Customer exceeds its non-firm capacity reservation. Non-Firm Point-To-Point Transmission Service shall include transmission of energy on an hourly basis and transmission of scheduled short-term capacity and energy on a daily, weekly or monthly basis, but not to exceed one month's reservation for any one Application, under Schedule 8.
- 12.5 Scheduling of Non-Firm Point-To-Point Transmission Service:** Schedules for Non-Firm Point-To-Point Transmission Service must be submitted to GTC no later than 11:00 a.m. Central Prevailing Time of the day prior to commencement of such service. Schedules submitted after 11:00 a.m. Central Prevailing Time will be accommodated, if practicable. Hour-to-hour schedules of energy that is to be delivered must be stated in increments of 1,000 kW per hour. Transmission Customers within GTC's service area with multiple requests for Point-To-Point Transmission Service at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate their schedules at a common Point of Receipt into units of 1,000 kW per hour. Scheduling changes will be permitted up to twenty (20) minutes before the start of the next clock hour provided that the Delivering Party and Receiving Party also agree to the schedule modification. GTC will furnish to the Delivering Party's system operator, hour-to-hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by such schedules. Should the Transmission

---

Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify GTC, and GTC shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

**12.6 Curtailment or Interruption of Service:** GTC reserves the right to Curtail, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for reliability reasons when, an emergency or other unforeseen condition threatens to impair or degrade the reliability of its Transmission System. GTC reserves the right to Interrupt, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for economic reasons in order to accommodate (1) a request for Firm Transmission Service, (2) a request for Non-Firm Point-To-Point Transmission Service of greater duration, (3) a request for Non-Firm Point-To-Point Transmission Service of equal duration with a higher price, or (4) transmission service for Network Customers from non-designated resources. GTC also will discontinue or reduce service to the Transmission Customer to the extent that deliveries for transmission are discontinued or reduced at the Point(s) of Receipt. Where required, Curtailments or Interruptions will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint, however, Non-Firm Point-To-Point Transmission Service shall be subordinate to Firm Transmission Service. If multiple transactions require Curtailment or Interruption, to the extent practicable and consistent with Prudent Utility Practice, Curtailments or Interruptions will be made to transactions of the shortest term (e.g., hourly non-firm transactions will be Curtailed or Interrupted before daily non-firm transactions and daily non-firm transactions will be Curtailed or Interrupted before weekly non-firm transactions). Transmission service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service under the Tariff. Non-Firm Point-To-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have a lower priority than any Non-Firm Point-To-Point Transmission Service under the Tariff. GTC will provide advance notice of Curtailment or Interruption where such notice can be provided consistent with Prudent Utility Practice.

### 13 Service Availability

**13.1 General Conditions:** GTC will provide Firm and Non-Firm Point-To-Point Transmission Service over, on or across its Transmission System to any Transmission

---

Customer that has met the requirements of Section 14.

**13.2 Determination of Available Transmission Capability:**

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

**13.3 Obligation to Provide Point-To-Point Transmission Service that Requires Expansion or Modification of the Transmission System:**

If GTC determines that it cannot accommodate a Completed Application for Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, GTC will use due diligence to expand or modify its Transmission System to provide the requested Firm Transmission Service, provided the Transmission Customer agrees to compensate GTC for such costs pursuant to the terms of Section 25. GTC will conform to Prudent Utility Practice in determining the need for new facilities and in the design and construction of such facilities. The obligation applies only to those facilities that GTC has the right to expand or modify.

**13.4 Deferral of Service:**

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

**13.5 Other Transmission Service Schedules:**

Eligible Customers receiving transmission service under other agreements on file with the Commission may continue to receive transmission service under those agreements until such time as those agreements may be modified by the Commission.

**13.6 Real Power Losses:**

Real Power Losses are associated with all transmission service. GTC is not obligated to provide Real Power Losses. The Transmission Customer is responsible for replacing losses associated with all transmission service as calculated by GTC. The applicable Real Power Loss factors shall be calculated in accordance with the methodology for determining loss compensation under the ITSA and are set forth in Attachment G.

**14 Transmission Customer Responsibilities**

**14.1 Conditions Required of Transmission Customers:** Point-To-Point Transmission Service shall be provided by GTC



---

only if the following conditions are satisfied by the Transmission Customer:

- a. The Transmission Customer has pending a Completed Application for service;
- b. The Transmission Customer meets the creditworthiness criteria set forth in Section 9;
- c. The Transmission Customer will have arrangements in place for any other transmission service necessary to effect the delivery from the generating source to GTC prior to the time service under Part II of the Tariff commences;
- d. The Transmission Customer agrees to pay for any facilities constructed and chargeable to such Transmission Customer under Part II of the Tariff, whether or not the Transmission Customer takes service for the full term of its reservation; and
- e. The Transmission Customer has executed a Service Agreement.

**14.2 Transmission Customer Responsibility for Third-Party Arrangements:** Any scheduling arrangements that may be required by other electric systems shall be the responsibility of the Transmission Customer requesting service. The Transmission Customer shall provide, unless waived by GTC, notification to GTC identifying such systems and authorizing them to schedule the capacity and energy to be transmitted by GTC pursuant to Part II of the Tariff on behalf of the Receiving Party at the Point of Delivery or the Delivering Party at the Point of Receipt. However, GTC will undertake reasonable efforts to assist the Transmission Customer in making such arrangements, including without limitation, providing any information or data required by such other electric system pursuant to Prudent Utility Practice.

**15 Procedures for Arranging Firm Point-To-Point Transmission Service**

**15.1 Application:** A request for Firm Point-To-Point Transmission Service for periods of one year or longer must contain a written Application, and shall be submitted at least sixty (60) days in advance of the calendar month in which service is to commence, to:

Georgia Transmission Corporation  
2100 East Exchange Place  
P.O. Box 1349  
Tucker, GA 30085-1349  
Attention:

---

Fax: (770) 270-7872

GTC will consider requests for such firm service on shorter notice when feasible. Requests for firm service for periods of less than one year shall be subject to expedited procedures that shall be negotiated between the Parties within the time constraints provided in Section 15.5. All Firm Point-To-Point Transmission Service requests should be submitted by entering the information listed below on GTC's OASIS. Prior to implementation of GTC's OASIS, a Completed Application may be submitted by (i) transmitting the required information to GTC by telefax, or (ii) providing the information by telephone over GTC's time recorded telephone line. Each of these methods will provide a time-stamped record for establishing the priority of the Application.

**15.2 Completed Application:** A Completed Application shall provide all of the information included in 18 CFR ' 2.20 including but not limited to the following:

- (i) The identity, address, telephone number and facsimile number of the entity requesting service;
- (ii) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- (iii) The location of the Point(s) of Receipt and Point(s) of Delivery and the identities of the Delivering Parties and the Receiving Parties;
- (iv) The location of the generating facility(ies) supplying the capacity and energy and the location of the load ultimately served by the capacity and energy transmitted. GTC will treat this information as confidential except to the extent that disclosure of this information is required by this Tariff, by regulatory or judicial order, for reliability purposes pursuant to Prudent Utility Practice or pursuant to RTG transmission information sharing agreements. GTC shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations;
- (v) A description of the supply characteristics of the capacity and energy to be delivered;
- (vi) An estimate of the capacity and energy expected to be delivered to the Receiving Party;

- (vii) The Service Commencement Date and the term of the requested Point-To-Point Transmission Service; and
- (viii) The transmission capacity requested for each Point of Receipt and each Point of Delivery on GTC's Transmission System; customers may combine their requests for service in order to satisfy the minimum transmission capacity requirement.

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

**15.3 Deposit:** A Completed Application for Firm Point-To-Point Transmission Service also shall include a deposit of either one month's charge for Reserved Capacity or the full charge for Reserved Capacity for service requests of less than one month. If the Application is rejected by GTC because it does not meet the conditions for service as set forth herein, or in the case of requests for service arising in connection with losing bidders in a Request For Proposals, said deposit shall be returned with interest less any reasonable costs incurred by GTC in connection with the review of the losing bidder's Application. The deposit also will be returned with interest less any reasonable costs incurred by GTC if GTC is unable to complete new facilities needed to provide the service. If an Application is withdrawn or the Eligible Customer decides not to enter into a Service Agreement for Firm Point-To-Point Transmission Service, the deposit shall be refunded in full, with interest, less reasonable costs incurred by GTC to the extent such costs have not already been recovered by GTC from the Eligible Customer. GTC will provide to the Eligible Customer a complete accounting of all costs deducted from the refunded deposit, which the Eligible Customer may contest if there is a dispute concerning the deducted costs. Deposits associated with construction of new facilities are subject to the provisions of Section 17. If a Service Agreement for Firm Point-To-Point Transmission Service is executed, the deposit, with interest, will be returned to the Transmission Customer upon expiration of the Service Agreement for Firm Point-To-Point Transmission Service. Applicable interest shall be computed in accordance with the Commission's regulations at 18 CFR ' 35.19a(a)(2)(iii), and shall be calculated from the day the deposit check is credited to GTC's account.

**15.4 Notice of Deficient Application:** If an Application fails to meet the requirements of the Tariff, GTC shall notify the entity requesting service within fifteen (15) days of receipt of the reasons for such

---

failure. GTC will attempt to remedy minor deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, GTC shall return the Application, along with any deposit, with interest. Upon receipt of a new or revised Application that fully complies with the requirements of Part II of the Tariff, the Eligible Customer shall be assigned a new priority consistent with the date of the new or revised Application.

- 15.5 Response to a Completed Application:** Following receipt of a Completed Application for Firm Point-To-Point Transmission Service, GTC shall make a determination of available transmission capability as required in Section 13.2. GTC shall notify the Eligible Customer as soon as practicable, but not later than thirty (30) days after the date of receipt of a Completed Application either (i) if it will be able to provide service without performing a System Impact Study or (ii) if such a study is needed to evaluate the impact of the Application pursuant to Section 17.1.
- 15.6 Execution of Service Agreement:** Whenever GTC determines that a System Impact Study is not required and that the service can be provided, it shall notify the Eligible Customer as soon as practicable but no later than thirty (30) days after receipt of the Completed Application. Where a System Impact Study is required, the provisions of Section 17 will govern the execution of a Service Agreement. Failure of an Eligible Customer to execute and return the Service Agreement, within fifteen (15) days after it is tendered by GTC will be deemed a withdrawal and termination of the Application and any deposit submitted shall be refunded with interest. Nothing herein limits the right of an Eligible Customer to file another Application after such withdrawal and termination.
- 15.7 Extensions for Commencement of Service:** The Transmission Customer can obtain up to five (5) one-year extensions for the commencement of service. The Transmission Customer may postpone service by paying a non-refundable annual reservation fee equal to one-month's charge for Firm Transmission Service for each year or fraction thereof. If during any extension for the commencement of service an Eligible Customer submits a Completed Application for Firm Transmission Service, and such request can be satisfied only by releasing all or part of the Transmission Customer's Reserved Capacity, the original Reserved Capacity will be released unless the following condition is satisfied. Within thirty (30) days, the original Transmission Customer agrees to pay the Firm Point-To-

---

Point transmission rate for its Reserved Capacity concurrent with the new Service Commencement Date. In the event the Transmission Customer elects to release the Reserved Capacity, the reservation fees or portions thereof previously paid will be forfeited.

**16 Procedures for Arranging Non-Firm Point-To-Point Transmission Service**

**16.1 Application:** Eligible Customers seeking Non-Firm Point-To-Point Transmission Service must submit a Completed Application to GTC. Applications should be submitted by entering the information listed below on GTC's OASIS. Prior to implementation of GTC's OASIS, a Completed Application may be submitted by (i) transmitting the required information to GTC by telefax, or (ii) providing the information by telephone over GTC's time recorded telephone line. Each of these methods will provide a time-stamped record for establishing the service priority of the Application.

**16.2 Completed Application:** A Completed Application shall provide all of the information included in 18 CFR ' 2.20 including but not limited to the following:

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

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

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

- (vii) The electrical location of the ultimate load.

GTC will treat this information in (vi) and (vii) as confidential at the request of the Transmission Customer except to the extent that disclosure of this information is required by this Tariff, by regulatory or judicial order, for reliability purposes pursuant to Prudent Utility Practice, or pursuant to RTG transmission information sharing agreements. GTC shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations.

**16.3 Reservation of Non-Firm Point-To-Point Transmission Service:** Requests for monthly service shall be submitted no earlier than sixty (60) days before service is to commence; requests for weekly service shall be submitted no earlier than fourteen (14) days before service is to commence, requests for daily service shall be submitted no earlier than two (2) days before service is to commence, and requests for hourly service shall be submitted no earlier than 11:00 a.m. Central Prevailing Time the day before service is to commence. Requests for service received later than 11:00 a.m. Central Prevailing Time prior to the day service is scheduled to commence will be accommodated if practicable.

**16.4 Determination of Available Transmission Capability:** Following receipt of a tendered schedule GTC will make a determination on a non-discriminatory basis of available transmission capability pursuant to Section 13.2. Such determination shall be made as soon as reasonably practicable after receipt, but not later than the following time periods for the following terms of service (i) thirty (30) minutes for hourly service, (ii) thirty (30) minutes for daily service, (iii) four (4) hours for weekly service, and (iv) two (2) days for monthly service.

**17 Additional Study Procedures For Firm Point-To-Point Transmission Service Requests**

**17.1 Notice of Need for System Impact Study:** After receiving a request for service, GTC shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of GTC's methodology for completing a System Impact Study is provided in Attachment D. If GTC determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as soon as practicable. In such cases, GTC shall within thirty (30) days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to

---

reimburse GTC for performing the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to GTC within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its application shall be deemed withdrawn and its deposit, pursuant to Section 15.3, shall be returned with interest.

**17.2 System Impact Study Agreement and Cost Reimbursement:**

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

**17.3 System Impact Study Procedures:** Upon receipt of an executed System Impact Study Agreement, GTC will use due diligence to complete the required System Impact Study within a sixty (60) day period. The System Impact Study shall identify any system constraints and redispatch options, additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. In the event that GTC is unable to complete the required System Impact Study within such time period, it shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer. GTC will use the same due diligence in completing the System Impact Study for an Eligible Customer as it uses when completing comparable studies for itself. GTC shall notify the Eligible Customer immediately upon completion of the System Impact Study

---

if the Transmission System will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new transmission facilities or upgrades. In order for a request to remain a Completed Application, within fifteen (15) days of completion of the System Impact Study the Eligible Customer must execute a Service Agreement, or the Application shall be deemed terminated and withdrawn.

**17.4 Facilities Study Procedures:** If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, GTC, within thirty (30) days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse GTC for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to GTC within fifteen (15) days. If the Eligible Customer elects not to execute the Facilities Study Agreement, its application shall be deemed withdrawn and its deposit, pursuant to Section 15.3, shall be returned with interest. Upon receipt of an executed Facilities Study Agreement, GTC will use due diligence to complete the required Facilities Study within a sixty (60) day period. If GTC is unable to complete the Facilities Study in the allotted time period, GTC shall notify the Transmission Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of (i) the cost of Direct Assignment Facilities to be charged to the Transmission Customer, (ii) the Transmission Customer's appropriate share of the cost of any required Network Upgrades as determined pursuant to the provisions of Part II of the Tariff, and (iii) the time required to complete such construction and initiate the requested service. The Transmission Customer shall provide GTC with a letter of credit or other reasonable form of security acceptable to GTC equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. The Transmission Customer shall have thirty (30) days to execute a Service Agreement or request the filing of an unexecuted Service Agreement and provide the required letter of credit or other form of security or the request will no longer be a Completed Application and shall be deemed terminated and withdrawn.

**17.5 Facilities Study Modifications:** Any change in design



---

arising from inability to site or construct facilities as proposed will require development of a revised good faith estimate. New good faith estimates also will be required in the event of new statutory or regulatory requirements that are effective before the completion of construction or other circumstances beyond the control of GTC that significantly affect the final cost of new facilities or upgrades to be charged to the Transmission Customer pursuant to the provisions of Part II of the Tariff.

- 17.6 Due Diligence in Completing New Facilities:** GTC shall use due diligence to add necessary facilities or upgrade its Transmission System within a reasonable time. GTC will not upgrade its existing or planned Transmission System in order to provide the requested Firm Point-To-Point Transmission Service if doing so would impair system reliability or otherwise impair or degrade existing firm service.
- 17.7 Partial Interim Service:** If GTC determines that it will not have adequate transmission capability to satisfy the full amount of a Completed Application for Firm Point-To-Point Transmission Service, GTC nonetheless shall be obligated to offer and provide the portion of the requested Firm Point-To-Point Transmission Service that can be accommodated without addition of any facilities and through redispatch. However, GTC shall not be obligated to provide the incremental amount of requested Firm Point-To-Point Transmission Service that requires the addition of facilities or upgrades to the Transmission System until such facilities or upgrades have been placed in service.
- 17.8 Expedited Procedures for New Facilities:** In lieu of the procedures set forth above, the Eligible Customer shall have the option to expedite the process by requesting GTC to tender at one time, together with the results of required studies, an Expedited Service Agreement pursuant to which the Eligible Customer would agree to compensate GTC for all costs incurred pursuant to the terms of the Tariff. In order to exercise this option, the Eligible Customer shall request in writing an Expedited Service Agreement covering all of the above-specified items within thirty (30) days of receiving the results of the System Impact Study identifying needed facility additions or upgrades or costs incurred in providing the requested service. While GTC agrees to provide the Eligible Customer with its best estimate of the new facility costs and other charges that may be incurred, such estimate shall not be binding and the Eligible Customer must agree in writing to compensate GTC for all costs incurred pursuant to the provisions of the Tariff. The Eligible Customer shall execute

---

and return such an Expedited Service Agreement within fifteen (15) days of its receipt or the Eligible Customer's request for service will cease to be a Completed Application and will be deemed terminated and withdrawn.

**18 Procedures if GTC is Unable to Complete New Transmission Facilities for Firm Point-To-Point Transmission Service**

- 18.1 Delays in Construction of New Facilities:** If any event occurs that will materially affect the time for completion of new facilities, or the ability to complete them, GTC shall promptly notify the Transmission Customer. In such circumstances, GTC shall within thirty (30) days of notifying the Transmission Customer of such delays, convene a technical meeting with the Transmission Customer to evaluate the alternatives available to the Transmission Customer. GTC also shall make available to the Transmission Customer studies and work papers related to the delay, including all information that is in the possession of GTC that is reasonably needed by the Transmission Customer to evaluate any alternatives.
- 18.2 Alternatives to the Original Facility Additions:** When the review process of Section 18.1 determines that one or more alternatives exist to the originally planned construction project, GTC shall present such alternatives for consideration by the Transmission Customer. If, upon review of any alternatives, the Transmission Customer desires to maintain its Completed Application subject to construction of the alternative facilities, it may request GTC to submit a revised Service Agreement for Firm Point-To-Point Transmission Service. If the alternative approach solely involves Non-Firm Point-To-Point Transmission Service, GTC shall promptly tender a Service Agreement for Non-Firm Point-To-Point Transmission Service providing for the service. In the event GTC concludes that no reasonable alternative exists and the Transmission Customer disagrees, the Transmission Customer may seek relief under the dispute resolution procedures pursuant to Section 10 or it may refer the dispute to the Commission for resolution.
- 18.3 Refund Obligation for Unfinished Facility Additions:** If GTC and the Transmission Customer mutually agree that no other reasonable alternatives exist and the requested service cannot be provided out of existing capability under the conditions of Part II of the Tariff, the obligation to provide the requested Firm Point-To-Point Transmission Service shall terminate and any deposit made by the Transmission Customer shall be returned with interest pursuant to Commission regulations 35.19a(a)(2)(iii). However, the

---

Transmission Customer shall be responsible for all costs prudently incurred by GTC through the time construction was suspended.

**19 Provisions Relating to Transmission Construction and Services on the Systems of Other Utilities**

**19.1 Responsibility for Third-Party System Additions:** GTC shall not be responsible for making arrangements for any necessary engineering, permitting, and construction of transmission or distribution facilities on the system(s) of any other entity or for obtaining any regulatory approval for such facilities.

GTC will undertake reasonable efforts to assist the Transmission Customer in obtaining such arrangements, including without limitation, providing any information or data required by such other electric system pursuant to Prudent Utility Practice.

**19.2 Coordination of Third-Party System Additions:** In circumstances where the need for transmission facilities or upgrades is identified pursuant to the provisions of Part II of the Tariff, and if such upgrades further require the addition of transmission facilities on other systems, GTC shall have the right to coordinate construction on its own system with the construction required by others. GTC, after consultation with the Transmission Customer and representatives of such other systems, may defer construction of its new transmission facilities, if the new transmission facilities on another system cannot be completed in a timely manner. GTC shall notify the Transmission Customer in writing of the basis for any decision to defer construction and the specific problems which must be resolved before it will initiate or resume construction of new facilities. Within sixty (60) days of receiving written notification by GTC of its intent to defer construction pursuant to this section, the Transmission Customer may challenge the decision in accordance with the dispute resolution procedures pursuant to Section 10 or it may refer the dispute to the applicable Governmental Authority for resolution.

**20 Changes in Service Specifications**

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

---

following conditions.

- (a) Service provided over Secondary Receipt and Delivery Points will be non-firm only, on an as-available basis and will not displace any firm or non-firm service reserved or scheduled by third-parties under the Tariff or by GTC on behalf of its Native Load Customers.
- (b) The sum of all Firm and non-firm Point-To-Point Transmission Service provided to the Transmission Customer at any time pursuant to this section shall not exceed the Reserved Capacity in the relevant Service Agreement under which such services are provided.
- (c) The Transmission Customer shall retain its right to schedule Firm Point-To-Point Transmission Service at the Receipt and Delivery Points specified in the relevant Service Agreement in the amount of its original capacity reservation.
- (d) Service over Secondary Receipt and Delivery Points on a non-firm basis shall not require the filing of an Application for Non-Firm Point-To-Point Transmission Service under the Tariff. However, all other requirements of Part II of the Tariff (except as to transmission rates) shall apply to transmission service on a non-firm basis over Secondary Receipt and Delivery Points.

**20.2 Modification On a Firm Basis:** Any request by a Transmission Customer to modify Receipt and Delivery Points on a firm basis shall be treated as a new request for service in accordance with Section 15 hereof, except that such Transmission Customer shall not be obligated to pay any additional deposit if the capacity reservation does not exceed the amount reserved in the existing Service Agreement. While such new request is pending, the Transmission Customer shall retain its priority for service at the existing firm Receipt and Delivery Points specified in its Service Agreement.

**21 Limited Sale or Assignment of Firm Point-To-Point Transmission Service Rights**

**21.1 Sale or Assignment of Rights:** A Transmission Customer paying the maximum rate may sell, assign or transfer its firm Point-To-Point Transmission Service rights under its Service Agreement subject to the limitations and requirements set forth in this Section 21. A Transmission Customer that sells, assigns or transfers, pursuant to this Section 21, its firm Point-To-Point Transmission rights under its Service Agreement is hereafter referred to as the Reseller.

Compensation to the Reseller shall not exceed the higher of (i) the original rate paid by the Reseller, (ii) GTC's maximum rate on file at the time of the assignment, or (iii) the Reseller's opportunity cost.

If the Assignee does not request any change in the Point(s) of Receipt or the Point(s) of Delivery, or a change in any other term or condition set forth in the original Service Agreement, the Assignee will receive the same services as did the Reseller and the priority of service for the Assignee will be the same as that of the Reseller. A Reseller should notify GTC as soon as possible after any assignment or transfer of service occurs but in any event, notification must be provided prior to any provision of service to the Assignee. The Assignee will be subject to all terms and conditions of this Tariff. If the Assignee requests a change in service, the reservation priority of service will be determined by GTC pursuant to Section 11.2.

**21.2 Limitations on Assignment or Transfer of Service:** If the Assignee requests a change in the Point(s) of Receipt or Point(s) of Delivery, or a change in any other specifications set forth in the original Service Agreement, GTC will consent to such change subject to the provisions of the Tariff, provided that (i) the change will not impair the operation and reliability of the generation, transmission, or distribution systems of GTC and the GTC Members and (ii) Reseller has consented to any change of primary (firm) Point of Receipt or Point of Delivery. The Assignee shall compensate GTC for performing any System Impact Study needed to evaluate the capability of the Transmission System to accommodate the proposed change and any additional costs resulting from such change. The Reseller shall remain liable for the performance of all obligations under the Service Agreement, except (i) as specifically agreed to by the Parties through an amendment to the Service Agreement and (ii) as approved by the RUS. A GTC Member may only sell, assign or transfer its firm Point-To-Point Transmission rights (including indirectly through a buy-sell arrangement) to another GTC Member.

**21.3 Information on Assignment or Transfer of Service:** In accordance with Section 4, Resellers may use GTC's OASIS to post transmission capacity available for resale.

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

**22.1 Transmission Customer Obligations:** Unless otherwise agreed, the Transmission Customer shall be responsible for installing and maintaining compatible metering and communications equipment to accurately account for the

---

capacity and energy being transmitted under Part II of the Tariff and to communicate the information to GTC.

Such equipment shall remain the property of the Transmission Customer.

**22.2 Transmission Provider Access to Metering Data:** GTC shall have access to metering data, which may reasonably be required to facilitate measurements and billing under the Service Agreement.

**22.3 Power Factor:** Unless otherwise agreed, the Transmission Customer is required to maintain a power factor of not less than 0.93 or such other power factor as may be established by the ITSA, measured at the transmission voltage delivery point.

### **23 Compensation for Transmission Service**

Rates for Firm and Non-Firm Point-To-Point Transmission Service are provided in Schedule 8 appended to the Tariff: (A) Long-Term Firm Transmission Service; (B) Short-Term Firm Transmission Service; (C) Peak Period Firm Transmission Service; and (D) Non-Firm Transmission Service.

### **24 Stranded Cost Recovery**

GTC may seek to recover stranded costs from the Transmission Customer pursuant to the terms and conditions of the Service Agreement and any applicable Governmental Authority policy.

### **25 Compensation for New Facilities and Redispatch Costs**

Whenever a System Impact Study performed by GTC in connection with the provision of Firm Point-To-Point Transmission Service identifies the need for new facilities, the Transmission Customer shall be responsible for such costs. Whenever a System Impact Study performed by GTC identifies capacity constraints that may be relieved more economically by redispatching Network Resources or curtailing off-system transactions than by building new facilities or upgrading existing facilities to eliminate such constraints, GTC, at the Transmission Customer's request, shall provide for such redispatch or curtailment provided that (i) the Transmission Customer has agreed to compensate GTC for any and all Modified Dispatch Costs or Lost Opportunity Costs associated with the redispatch or curtailment in addition to all other charges for which the Transmission Customer is responsible under such redispatched or curtailed transmission service transaction, and (ii) all necessary consents are obtained by GTC. The Transmission Customer shall compensate GTC for one hundred percent (100%) of the Modified Dispatch Costs that GTC incurs directly or indirectly as a result of the Transmission Customer's request. The Transmission Customer shall compensate GTC for the higher of the Lost Opportunity Costs or the allowable charge for the applicable Service.

---

**III. NETWORK INTEGRATION TRANSMISSION SERVICE**

**Preamble**

GTC will provide Network Integration Transmission Service pursuant to the applicable terms and conditions contained in the Tariff and Service Agreement. Network Integration Transmission Service allows the Network Customer to integrate, economically dispatch and regulate its current and planned Network Resources to serve its Network Load. Network Integration Transmission Service also may be used by the Network Customer to deliver economy energy purchases to its Network Load from non-designated resources on an as-available basis without additional charge. Transmission service for sales to non-designated loads will be provided pursuant to the applicable terms and conditions of Part II of the Tariff.

**26 Nature of Network Integration Transmission Service**

**26.1 Scope of Service:** Network Integration Transmission Service is a transmission service that allows Network Customers to efficiently and economically utilize their Network Resources (as well as other non-designated generation resources) to serve their Network Load located in GTC's Control Area and any additional load that may be designated pursuant to Section 29.3 of the Tariff. The Network Customer taking Network Integration Transmission Service must obtain or provide Ancillary Services pursuant to Section 3.

**26.2 Transmission Provider Responsibilities:** GTC will plan, construct, operate and maintain its Transmission System in accordance with Prudent Utility Practice and its obligations to its Native Load Customers in order to provide the Network Customer with Network Integration Transmission Service over GTC's Transmission System on a just and reasonable and not unduly discriminatory basis. GTC shall include the Network Customer's Network Load in its Transmission System planning and shall, consistent with Prudent Utility Practice, reasonably endeavor to construct and place into service sufficient transmission capacity to deliver the Network Customer's Network Resources to serve its Network Load.

**26.3 Network Integration Transmission Service:** GTC will provide firm transmission service over its Transmission System to the Network Customer for the delivery of capacity and energy from its designated Network Resources to service its Network Loads on a just and reasonable and not unduly discriminatory basis.

**26.4 Secondary Service:** The Network Customer may use GTC's Transmission System to deliver energy to its Network

---

Loads from resources that have not been designated as Network Resources. Such energy shall be transmitted, on an as-available basis, at no additional charge. Deliveries from resources other than Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service under Part II of the Tariff.

**26.5 Real Power Losses:** Real Power Losses are associated with all transmission service. GTC is not obligated to provide Real Power Losses. The Network Customer is responsible for replacing losses associated with all transmission service as calculated by GTC. The applicable Real Power Loss factors shall be calculated in accordance with the methodology for determining loss compensation under the ITSA and are set forth in Attachment G.

**26.6 Restrictions on Use of Service:** The Network Customer shall not use Network Integration Transmission Service for (i) sales of capacity and energy to non-designated loads, or (ii) direct or indirect provision of transmission service by the Network Customer to third parties. All Network Customers taking Network Integration Transmission Service shall use Point-To-Point Transmission Service under Part II of the Tariff for any Third-Party Sale which requires use of GTC's Transmission System.

## **27 Initiating Service**

**27.1 Condition Precedent for Receiving Service:** Subject to the terms and conditions of Part III of the Tariff, GTC will provide Network Integration Transmission Service to any Eligible Customer, provided that (i) the Eligible Customer completes an Application for service as provided under Part III of the Tariff, (ii) the Eligible Customer and GTC complete the technical arrangements set forth in Sections 27.3 and 27.4, and (iii) the Eligible Customer executes a Service Agreement pursuant to Attachment A or B for service under Part III of the Tariff.

**27.2 Application Procedures:** An Eligible Customer requesting service under Part III of the Tariff must submit an Application, with a deposit approximating the charge for one month of service, to GTC as far as possible in advance of the month in which service is to commence. Unless subject to the procedures in Section 2, Completed Applications for Network Integration Transmission Service will be assigned a priority according to the date and time the Application is received, with the earliest Application receiving the highest priority. Applications should be submitted by entering the information listed below on GTC's OASIS. Prior to implementation of GTC's



---

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

- (i) The identity, address, telephone number and facsimile number of the party requesting service;
- (ii) A statement that the party requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- (iii) A description of the Network Load at each delivery point. This description should separately identify and provide the Eligible Customer's best estimate of the total loads to be served at each transmission voltage level, and the loads to be served from each Transmission Provider substation at the same transmission voltage level. The description should include a ten (10) year forecast of summer and winter load and resource requirements beginning with the first year after the service is scheduled to commence;
- (iv) The amount and location of any interruptible loads included in the Network Load. This shall include the summer and winter capacity requirements for each interruptible load (had such load not been interruptible), that portion of the load subject to interruption, the conditions under which an interruption can be implemented and any limitations on the amount and frequency of interruptions. An Eligible Customer should identify the amount of interruptible customer load (if any) included in the 10 year load forecast provided in response to (iii) above;
- (v) A description of Network Resources (current and 10-year projection), which shall include, for each Network Resource:
  - Unit size and amount of capacity from that unit to be designated as Network Resource
  - VAR capability (both leading and lagging) of all generators
  - Operating restrictions
    - Any periods of restricted operations throughout the year
    - Maintenance schedules
    - Minimum loading level of unit
    - Normal operating level of unit
    - Any must-run unit designations required for system reliability or

- 
- contract reasons
  - Approximate variable generating cost (\$/MWH) for redispatch computations
  - Arrangements governing sale and delivery of power to third parties from generating facilities located in GTC's Control Area, where only a portion of unit output is designated as a Network Resource
  - Description of purchased power designated as a Network Resource including source of supply, Control Area location, transmission arrangements and delivery point(s) to GTC's Transmission System;
- (vi) Description of Eligible Customer's transmission system:
- Load flow and stability data, such as real and reactive parts of the load, lines, transformers, reactive devices and load type, including normal and emergency ratings of all transmission equipment in a load flow format compatible with that used by GTC
  - Operating restrictions needed for reliability
  - Operating guides employed by system operators
  - Contractual restrictions or committed uses of the Eligible Customer's transmission system, other than the Eligible Customer's Network Loads and Resources
  - Location of Network Resources described in subsection (v) above
  - 10 year projection of system expansions or upgrades
  - Transmission System maps that include any proposed expansions or upgrades
  - Thermal ratings of Eligible Customer's Control Area ties with other Control Areas; and
- (vii) Service Commencement Date and the term of the requested Network Integration Transmission Service. The minimum term for Network Integration Transmission Service is one year.

Unless the Parties agree to a different time frame, GTC must acknowledge the request within ten (10) days of receipt. The acknowledgment must include a date by which a response, including a Service Agreement, will be sent to the Eligible Customer. If an Application fails to meet the requirements of this section, GTC shall notify the Eligible Customer requesting service within fifteen (15) days of receipt and specify the reasons for such failure. Wherever possible, GTC will attempt to remedy deficiencies in the Application

---

through informal communications with the Eligible Customer. If such efforts are unsuccessful, GTC shall return the Application without prejudice to the Eligible Customer filing a new or revised Application that fully complies with the requirements of this section. The Eligible Customer will be assigned a new priority consistent with the date of the new or revised Application. GTC shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations.

- 27.3 Technical Arrangements to be Completed Prior to Commencement of Service:** Network Integration Transmission Service shall not commence until GTC and the Network Customer, or a third party, have completed installation of all equipment specified under the Service Agreement consistent with Prudent Utility Practice and any additional requirements reasonably and consistently imposed to ensure the reliable operation of the Transmission System, nor shall any Network Integration Transmission Service continue unless the Network Customer conducts its operations consistent with Prudent Utility Practice and any additional requirements reasonably and consistently imposed by GTC to ensure the reliable operation of the Transmission System. GTC shall exercise reasonable efforts, in coordination with the Network Customer, to complete such arrangements as soon as practicable taking into consideration the Service Commencement Date.
- 27.4 Network Customer Facilities:** The provision of Network Integration Transmission Service shall be conditioned upon the Network Customer's constructing, maintaining and operating the facilities on its side of each delivery point or interconnection necessary to reliably deliver capacity and energy from GTC's Transmission System to the Network Customer. The Network Customer shall be solely responsible for constructing or installing all facilities on the Network Customer's side of each such delivery point or interconnection.
- 27.5 Approval of Service Agreement:** GTC will seek any necessary approvals of Service Agreements from the Administrator of the RUS.

**28 Network Resources**

- 28.1 Designation of Network Resources:** Network Resources shall include all generation owned or purchased and delivered to GTC on a non-interruptible basis by the Network Customer and designated to serve Network Load under the Tariff. Network Resources may not include resources, or any portion thereof, that are committed for sale to non-designated third party load or

---

otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

Any owned or purchased resources that were serving the Network Customer's loads under non-interruptible agreements entered into on or before the Service Commencement Date shall initially be designated as Network Resources until the Network Customer terminates the designation of such resources. For purposes of this Section 28 and Section 1.41, Non-interruptible@ shall mean that curtailment or interruption, including by the entity or entities transmitting to GTC, of services may only occur in the event of Force Majeure, provided that such services are given the highest priority afforded to any customer of a generator, seller, or transmission provider.

- 28.2 Designation of New Network Resources:** The Network Customer may designate a new Network Resource by providing GTC with as much advance notice as practicable. A designation of a new Network Resource must be made by a request for modification of service pursuant to an Application under Section 27.
- 28.3 Termination of Network Resources:** The Network Customer may terminate the designation of all or part of a generating resource as a Network Resource at any time but should provide notification to GTC as soon as reasonably practicable. The Network Customer shall promptly provide such notice for any resource it no longer owns or purchases under a non-interruptible contract.
- 28.4 Operation of Network Resources:** The Network Customer shall not operate its designated Network Resources located in the Network Customer's or GTC's Control Area such that the output of those facilities exceeds its designated Network Load plus losses.
- 28.5 Network Customer Redispatch Obligation:** As a condition to receiving Network Integration Transmission Service, the Network Customer agrees to redispatch its Network Resources as requested by GTC pursuant to Section 31.2. To the extent practical, the redispatch of resources pursuant to this section shall be on a least cost, non-discriminatory basis between all Network Customers.
- 28.6 Transmission Arrangements for Network Resources Not Physically Interconnected With GTC:** The Network Customer shall be responsible for any arrangements necessary to deliver capacity and energy from a Network Resource not physically interconnected with GTC's Transmission System. GTC will undertake reasonable efforts to assist the Network Customer in obtaining such arrangements, including without limitation, providing any information or data required

---

by such other entity pursuant to Prudent Utility Practice.

**28.7 Limitation on Designation of Network Resources:** The Network Customer must demonstrate that it owns or has committed to purchase and have delivered to GTC on a non-interruptible basis generation pursuant to an executed contract in order to designate a generating resource as a Network Resource. Alternatively, the Network Customer may establish that execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff. In the case of load management devices, the Network Customer must demonstrate that it controls the load management device and has the right to give control over such device to GTC, and has transferred to GTC control over such device on terms acceptable to GTC.

**28.8 Use of Interface Capacity by the Network Customer:** There is no limitation upon a Network Customer's use of GTC's Transmission System at any particular interface to integrate the Network Customer's Network Resources (or substitute economy purchases) with its Network Loads. However, a Network Customer's use of GTC's total interface capacity with other transmission systems may not exceed the Network Customer's Load Ratio Share.

**28.9 Network Customer Owned Transmission Facilities:** The Network Customer that owns existing transmission facilities that are integrated with GTC's Transmission System may be eligible to receive consideration either through a billing credit or some other mechanism. In order to receive such consideration the Network Customer must demonstrate that its transmission facilities are integrated into the planning and operations of GTC to serve all of its transmission customers. For facilities constructed by the Network Customer subsequent to the Service Commencement Date under Part III of the Tariff, the Network Customer shall receive credit where such facilities are jointly planned and installed in coordination with GTC. Calculation of the credit shall be addressed in either the Network Customer's Service Agreement or any other agreement between the Parties.

**29 Designation of Network Load**

**29.1 Network Load:** The Network Customer must designate the individual Network Loads on whose behalf GTC will provide Network Integration Transmission Service. The Network Loads shall be specified in the Service Agreement.

**29.2 New Network Loads Connected With GTC:** The Network Customer shall provide GTC with as much advance notice

---

as reasonably practicable of the designation of new Network Load that will be added to its Transmission System. A designation of new Network Load must be made through a modification of service pursuant to a new Application. GTC will use due diligence to install any transmission facilities required to interconnect a new Network Load designated by the Network Customer. The costs of new facilities required to interconnect a new Network Load shall be determined in accordance with the procedures provided in Section 30.4 and shall be charged to the Network Customer in accordance with applicable Commission policies.

- 29.3 Network Load Not Physically Interconnected with GTC:** This section applies to both initial designation pursuant to Section 29.1 and the subsequent addition of new Network Load not physically interconnected with GTC. To the extent that the Network Customer desires to obtain transmission service for a load outside GTC's Transmission System, the Network Customer shall have the option of (1) electing to include the entire load as Network Load for all purposes under Part III of the Tariff and designating Network Resources in connection with such additional Network Load, or (2) excluding that entire load from its Network Load and purchasing Point-To-Point Transmission Service under Part II of the Tariff. To the extent that the Network Customer gives notice of its intent to add a new Network Load as part of its Network Load pursuant to this section the request must be made through a modification of service pursuant to a new Application.
- 29.4 New Interconnection Points:** To the extent the Network Customer desires to add a new Delivery Point or interconnection point between GTC's Transmission System and a Network Load, the Network Customer shall provide GTC with as much advance notice as reasonably practicable.
- 29.5 Changes in Service Requests:** Under no circumstances shall the Network Customer's decision to cancel or delay a requested change in Network Integration Transmission Service (e.g., the addition of a new Network Resource or designation of a new Network Load) in any way relieve the Network Customer of its obligation to pay the costs of transmission facilities constructed by GTC and charged to the Network Customer as reflected in the Service Agreement. However, GTC must treat any requested change in Network Integration Transmission Service in a non-discriminatory manner.
- 29.6 Annual Load and Resource Information Updates:** The Network Customer shall provide GTC with annual updates of five-year Network Load and Network Resource

---

forecasts consistent with those included in its Application for Network Integration Transmission Service under Part III of the Tariff. The Network Customer also shall provide GTC with timely written notice of material changes in any other information provided in its Application relating to the Network Customer's Network Load, Network Resources, its transmission system or other aspects of its facilities or operations affecting GTC's ability to provide reliable service.

**30 Additional Study Procedures For Network Integration  
Transmission Service Requests**

**30.1 Notice of Need for System Impact Study:** After receiving a request for service, GTC shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of GTC's methodology for completing a System Impact Study is provided in Attachment D. If GTC determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as soon as practicable. In such cases, GTC shall within thirty (30) days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to reimburse GTC for performing the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to GTC within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its Application shall be deemed withdrawn and its deposit shall be returned with interest.

**30.2 System Impact Study Agreement and Cost Reimbursement:**

(i) The System Impact Study Agreement will clearly specify the maximum charge, based on GTC's estimate of the actual cost, and time for completion of the System Impact Study. The charge shall not exceed the actual cost of the study. In performing the System Impact Study, GTC shall rely, to the extent reasonably practicable, on existing transmission planning studies. The Eligible Customer will not be assessed a charge for such existing studies; however, the Eligible Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of the Eligible Customer's request for service on the Transmission System.

(ii) If in response to multiple Eligible Customers

---

requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient for GTC to accommodate the service requests, the costs of that study shall be pro-rated among the Eligible Customers.

**30.3 System Impact Study Procedures:** Upon receipt of an executed System Impact Study Agreement, GTC will use due diligence to complete the required System Impact Study within a sixty (60) day period. The System Impact Study shall identify any system constraints and redispatch options, additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. In the event that GTC is unable to complete the required System Impact Study within such time period, it shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer. GTC will use the same due diligence in completing the System Impact Study for an Eligible Customer as it uses when completing studies for itself. GTC shall notify the Eligible Customer immediately upon completion of the System Impact Study if the Transmission System will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new transmission facilities or upgrades. In order for a request to remain a Completed Application, within fifteen (15) days of completion of the System Impact Study the Eligible Customer must execute a Service Agreement, or the Application shall be deemed terminated and withdrawn.

**30.4 Facilities Study Procedures:** If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, GTC, within thirty (30) days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse GTC for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to GTC within fifteen (15) days. If the Eligible Customer elects not to execute the Facilities Study Agreement, its Application shall be deemed withdrawn and its deposit shall be returned with interest. Upon receipt of an executed Facilities Study Agreement, GTC will use due diligence to complete the required Facilities Study within a sixty (60) day period. If GTC is unable to complete the Facilities Study in the allotted time period, GTC



---

shall notify the Eligible Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of (i) the cost of Direct Assignment Facilities to be charged to the Eligible Customer, (ii) the Eligible Customer's appropriate share of the cost of any required Network Upgrades, and (iii) the time required to complete such construction and initiate the requested service. The Eligible Customer shall provide GTC with a letter of credit or other reasonable form of security acceptable to GTC equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. The Eligible Customer shall have thirty (30) days to execute a Service Agreement or request the filing of an unexecuted Service Agreement and provide the required letter of credit or other form of security or the request no longer will be a Completed Application and shall be deemed terminated and withdrawn.

### **31 Load Shedding and Curtailments**

**31.1 Procedures:** Prior to the Service Commencement Date, GTC and the Network Customer shall establish Load Shedding and Curtailment procedures pursuant to the Service Agreement with the objective of responding to contingencies on the Transmission System. The Parties will implement such programs during any period when GTC determines that a system contingency exists and such procedures are necessary to alleviate such contingency. GTC will notify all affected Network Customers in a timely manner of any scheduled Curtailment.

**31.2 Transmission Constraints:** During any period when GTC determines that a transmission constraint exists on the Transmission System, and such constraint may impair the reliability of GTC's system, GTC will take whatever actions, consistent with Prudent Utility Practice, that are reasonably necessary to maintain the reliability of GTC's system. To the extent GTC determines that the reliability of the Transmission System can be maintained by redispatching resources, GTC will initiate procedures pursuant to the Service Agreement to redispatch all Network Resources on a least-cost basis without regard to the ownership of such resources. Any redispatch under this section may not be unduly discriminatory between Network Customers.

**31.3 Cost Responsibility for Relieving Transmission Constraints:** Whenever GTC implements least-cost redispatch procedures in response to a transmission

---

constraint, each Network Customer will bear a proportionate share of the total redispatch cost based on its respective Load Ratio Share.

- 31.4 Curtailments of Scheduled Deliveries:** If a transmission constraint on GTC's Transmission System cannot be relieved through the implementation of least-cost redispatch procedures and GTC determines that it is necessary to Curtail scheduled deliveries, the Parties shall Curtail such schedules in accordance with the Service Agreement.
- 31.5 Allocation of Curtailments:** GTC shall, on a non-discriminatory basis, Curtail the transaction(s) that effectively relieve the constraint. However, to the extent practicable and consistent with Prudent Utility Practice, any Curtailment will be shared by Network Customers in proportion to their respective Load Ratio Shares.
- 31.6 Load Shedding:** To the extent that a system contingency exists on GTC's Transmission System and GTC determines that it is necessary for the Network Customer to shed load, the Network Customers shall shed load in accordance with previously established procedures under the Service Agreement.
- 31.7 System Reliability:** Notwithstanding any other provisions of this Tariff, GTC reserves the right, consistent with Prudent Utility Practice and on a not unduly discriminatory basis, to Curtail Network Integration Transmission Service without liability on GTC's part for the purpose of making necessary adjustments to, changes in, or repairs on its lines, substations and facilities, and in cases where the continuance of Network Integration Transmission Service would endanger persons or property. In the event of any adverse condition(s) or disturbance(s) on GTC's Transmission System or on any other system(s) directly or indirectly interconnected with GTC's Transmission System, GTC, consistent with Prudent Utility Practice, also may Curtail Network Integration Transmission Service in order to (i) limit the extent or damage of the adverse condition(s) or disturbance(s), (ii) prevent damage to generating or transmission facilities, or (iii) expedite restoration of service. GTC will give the Network Customer as much advance notice as is practicable in the event of such Curtailment. Any Curtailment of Network Integration Transmission Service will be not unduly discriminatory as between Network Customers. GTC shall specify the rate treatment and all related terms and conditions applicable in the event that the Network Customer fails to respond to established Load Shedding and Curtailment procedures.

---

**32 Rates and Charges**

The Network Customer shall pay GTC for charges incurred for service provided under this Tariff in accordance with Section 6 and any Direct Assignment Facilities, Ancillary Services, and applicable study costs, along with the following:

- 32.1 Power Delivery Charges:** The Network Customer shall pay Power Delivery Charges, which shall be determined in accordance with the formulary rates set forth in Schedule 7.
- 32.2 Determination of Network Customer's Annual Network Load:** The Network Customer's annual Network Load is its hourly load (including its designated Network Load not physically interconnected with GTC under Section 29.3) coincident with GTC's five (5) highest non-holiday, weekday demands occurring during the twelve (12) months ending September 30 of the preceding Contract Year (Annual Transmission System Peak).
- 32.3 Determination of Transmission Provider's Annual Transmission System Load:** GTC's annual Transmission System load is GTC's Annual Transmission System Peak minus the coincident peak usage of all Firm Point-To-Point Transmission Service customers pursuant to Part II of this Tariff plus the Reserved Capacity of all Firm Point-To-Point Transmission Service customers.
- 32.4 Redispatch Charge:** The Network Customer shall pay a Load Ratio Share of any redispatch costs allocated to the Network Customer pursuant to Section 31. To the extent that GTC incurs an obligation to the Network Customer for redispatch costs in accordance with Section 31, such amounts shall be credited against the Network Customer's bill for the applicable month.
- 32.5 Stranded Cost Recovery:** GTC may seek to recover stranded costs from the Network Customer pursuant to this Tariff in accordance with the terms, conditions and procedures set forth in FERC Order No. 888.

**33 Operating Arrangements**

- 33.1 Operation under the Service Agreement:** The Network Customer shall plan, construct, operate and maintain its facilities in accordance with Prudent Utility Practice and in conformance with the terms and conditions set forth in this Section 33 and in the applicable Service Agreement.
- 33.2 Network Operating Conditions:** The terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Part III of the Tariff shall be specified in the

---

applicable Service Agreement. The Service Agreement shall provide for the Parties to (i) operate and maintain equipment necessary for integrating the Network Customer within GTC's Transmission System (including, but not limited to, remote terminal units, metering, communications equipment and relaying equipment), (ii) transfer data between GTC and the Network Customer (including, but not limited to, heat rates and operational characteristics of Network Resources, generation schedules for units outside GTC's Transmission System, interchange schedules, unit outputs for redispatch required under Section 31, voltage schedules, loss factors and other real time data), (iii) use software programs required for data links and constraint dispatching, (iv) exchange data on forecasted loads and resources necessary for long-term planning, and (v) address any other technical and operational considerations required for implementation of Part III of the Tariff, including scheduling protocols. The Service Agreement will recognize that the Network Customer shall either (i) operate as a Control Area under applicable NERC and SERC guidelines, (ii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with GTC, or (iii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with another entity, consistent with Prudent Utility Practice, which satisfies NERC and SERC requirements. GTC shall not unreasonably refuse to accept contractual arrangements with another entity for Ancillary Services.

- 33.3 Network Operating Committee:** A Network Operating Committee (Committee) shall be established to coordinate operating criteria for the Parties' respective responsibilities under the applicable Service Agreement. Each Network Customer shall be entitled to have at least one representative on the Committee. The Committee shall meet from time to time as need requires, but no less than once each calendar year.

---

## **SERVICE SCHEDULES**

### **ANCILLARY SERVICES**

#### **GENERAL:**

GTC shall make the following Ancillary Services available to Transmission Customers for implementing their individual transactions and for operational management of Transmission Customer-owned resources. To the extent that GTC contracts with another entity for such services, GTC reserves the right to designate such entity as its Designated Agent to provide such services to the Transmission Customer.

1. Scheduling, System Control and Dispatch (Service Schedule 1)

Scheduling, System Control and Dispatch Service shall be provided for all transactions, regardless of type or direction, on the transmission system. This service is required to schedule the movement of power through, out of, within, or into a Control Area. This service can be provided only by the operator of the Control Area in which the transmission facilities used for transmission service are located. Scheduling, System Control and Dispatch service shall be provided by GTC making arrangements with its Designated Agent that shall perform this service for GTC's Transmission System. The Transmission Customer must purchase this service from GTC.

The Scheduling Service provides the Transmission Customer with scheduling of generation resources and transmission facilities to meet anticipated load, including transactions, while providing adequate reliability and observing operating constraints.

The System Control and Dispatch Service provides the Transmission Customer with the control room operation of all generation resources and transmission facilities on a real-time basis to meet load within GTC's service area (or other larger area as per the Coordination Services Agreement (CSA) agreement with Georgia Power Company).

The service also provides for the operation of the Transmission System such that transmission equipment is operated within its normal rating. The goal is to operate the transmission system efficiently and securely within NERC and SERC guidelines.

(Transmission system analysis and arrangements for coping with contingencies are handled under separate operation services.)

2. Reactive Supply and Voltage Control from Generation Sources (Service Schedule 2)

Reactive Supply and Voltage Control from Generation Sources shall be provided for all transactions, regardless of type or direction on the transmission system.

Reactive Supply and Voltage Control from Generation Sources Service provides the Transmission Customer with operation of system generation sources to maintain

voltages throughout the transmission system and at the *delivery* points at acceptable levels. In order to support power flow on the transmission network, the generation facilities must be operated both to produce reactive power during heavy loadings (*i.e.*, raise the voltage) and at light load times to absorb reactive power (*i.e.*, hold down voltage). It may also be necessary to commit specific units to be on-line, although uneconomic, or to operate units out of economic dispatch in order to permit voltages to be maintained at necessary levels.

The transmission system voltages must be maintained at different levels throughout the system to satisfy a number of changing requirements, *i.e.*:

- a) Maintain levels which meet Transmission Customer needs for quality of supply.
- b) Maintain sufficiently high levels to minimize transmission losses and ensure stable operation following a contingency (*e.g.*, circuit or generation loss).
- c) Maintain within safe upper levels to avoid equipment damage.

3. Regulation and Frequency Response (Service Schedule 3)

For load served within the service area of GTC (or within that of another entity that performs this function for GTC), Regulation and Frequency Response Service provides for the continuous matching of resources (generation and interchange purchases) to the total load (native and interchange sales) and for maintaining scheduled interconnection frequency at sixty cycles per second (60 Hz). This service is accomplished by ensuring that adequate generation, with the necessary control characteristics, is committed to be on-line or that the capability has been purchased from another source by GTC.

The obligation to maintain this balance between resources and load lies with GTC (or the Control Area operator that performs this function for GTC). GTC shall offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from GTC or make alternative comparable arrangements to satisfy its Regulation and Frequency Response Service obligation.

The output of the generators is raised or lowered (predominantly through the use of automatic generating control equipment) as necessary to follow the moment-by-moment changes in load.

4. Energy Imbalance (Service Schedule 4)

Energy Imbalance Service provides the Transmission Customer with the required energy balance when the hourly energy required by the Transmission Customer, including off-system sales, does not match the actual energy produced in that hour by the resources, including off-system purchases, available to the Transmission Customer.

GTC shall offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer shall either purchase this service from GTC or make alternative comparable arrangements to satisfy its Energy Imbalance Service obligation.

5. Operating Reserve - Spinning Reserve (Service Schedule 5)

Operating Reserve - Spinning Reserve provides the Transmission Customer with on-line generating capacity operating at less than maximum output that is available immediately to cover system contingencies such as loss of generating sources or interruption of scheduled transactions.

GTC shall offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer shall either purchase this service from GTC or make alternative comparable arrangements to satisfy its Spinning Reserve Service obligation.

6. Operating Reserve - Supplemental Reserve (Service Schedule 6)

Operating Reserve - Supplemental Reserve provides the Transmission Customer with means to continue serving load after a system contingency that causes load to exceed available resources or results in an overload or operating limit violation on the transmission system.

Supplemental Reserve is intended to be available in a short period of time but is not available immediately or automatically. It may consist of generating capacity available from units operating at less than maximum output, quick-start generation or interruptible load.

GTC must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from GTC or make alternative comparable arrangements to satisfy its Supplemental Reserve Service obligation.

---

**Service Schedule 1**

**Scheduling, System Control and Dispatch Service**

The costs involved in providing the Scheduling, System Control and Dispatch Service are primarily related to GTC staff activities and their use of GTC tools (e.g., Energy Control System, or ECS, programs) to perform this task.

1. The Scheduling service involves a number of steps to produce the weekly and daily Resource and Transaction schedules.
2. The System Control and Dispatch service involves the work of the GTC staff and their use of the ECS to operate the generation resources and transmission facilities on a real time basis to meet load requirements.

**ALLOCATION OF COSTS**

1. The cost of performing this service for Members is embedded within the Transmission Customers share of the System Control Center cost. This is covered in cost item TAC of section III, item 1.0 of Appendix 3 of Rate Schedule A. The service tariff is based on an allocation of the TAC between generation and transmission less any revenue credits allocable to generation.
2. For other Customers the cost is a pro-rata share of the portion of TAC allocable to generation less any revenue credits allocable to generation. The pro-rata share shall be determined as the ratio of the Customer's annual energy requirement to the total energy requirement scheduled and accounted for by GTC. Annual energy requirement is the total energy for the twelve months ended September 30 of the previous year.
3. The charges for the service shall be based on a monthly interval.
4. To the extent that another entity performs this service for GTC, charges to the Transmission Customer shall reflect only a pass-through of the costs charged to GTC by that entity, plus any other costs incurred by GTC in connection with providing the service.



**Service Schedule 2**  
**Reactive Supply and Voltage Control from Generation Sources Service**

1. Since GTC uses other entities to provide all of the Reactive Supply and Voltage Control service, then GTC shall charge only the direct amount of the costs charged by the other entity, plus any other costs incurred by GTC in connection with providing the service.
2. If, in order to avoid curtailing or limiting the service, it becomes necessary to redispatch generation resources or curtail or reduce off-system transactions, then at the Transmission Customer's request, GTC will implement the redispatch or curtailment. In such occasions, the Transmission Customer shall compensate GTC for 100% of the higher of either the Modified Dispatch Costs incurred or the Lost Opportunity Cost.

**Service Schedule 3**

**Regulation and Frequency Response Service**

1. The cost involved in providing regulation and frequency response is complex to identify and is determined by a number of factors, *e.g.*,
  - the magnitude of the moment-by-moment changes in the Transmission Customer load;
  - the responsiveness of the generating units assigned to regulation;
  - the amount of effort needed to maintain the regulating equipment in adequate performance; and
  - the amount of non-linearity in the unit input-output curves.
2. Since GTC uses other entities to provide Regulation and Frequency Response service then GTC shall charge only the direct amount of the costs charged by these entities plus any costs incurred by GTC in connection with providing the service.
3. If, in order to avoid curtailing or limiting the service, it becomes necessary to redispatch generation resources or curtail or reduce off-system transactions, then at the Transmission Customer's request, GTC will implement the redispatch or curtailment. In such occasions, the Transmission Customer shall compensate GTC for 100% of the higher of either the Modified Dispatch Costs incurred or the Lost Opportunity Cost.
4. Delivery of this service by GTC does not include direct control (*i.e.*, regulation) of the Purchaser's resources. If the latter was requested it would be provided under Service Schedule 1 - Scheduling, System Control and Dispatch Service.

OBSERVANCE OF INTERFACE LIMITS BY CUSTOMER PROVIDING LOAD FOLLOWING

If a Transmission Customer receiving Network Integration Transmission Service from GTC (*i.e.*, a Network Customer with load located in Georgia) obtains Regulation from a utility whose control area is located outside of the ITS, then this can interfere with GTC's control of the flow on the ITS interfaces. The power flowing on the interface can exceed GTC's entitlement and potentially even the operating limits.

Special operating provisions and charges would have to be negotiated as part of the Service Agreement with GTC.

DATA REQUIREMENTS TO SUPPORT REGULATING

In order to perform Regulating for a Transmission Customer, GTC must be provided with the information listed in Exhibit 1 attached.

PROCEDURES REQUIRED TO SUPPORT REGULATING SERVICE

The procedures listed in Exhibit 2 attached must be observed.

---

EXHIBIT 1

**(Transmission Customer Data Required for Regulating)**

1. Real-time data (*i.e.*, telemetered) on the load for each of the Transmission Customer's delivery points.

Note: Alternatively, as agreed with GTC, this could be a real-time total of the output from sets of Delivery points.

- 1.1 GTC must be kept informed of any changes to the total set of the Transmission Customer's delivery points.

- 1.2 GTC must be provided with revenue metering records of the delivery point loads.

2. Real-time data on the output from each of the Transmission Customer's resources assigned to support the transaction.

Note: Alternatively, as agreed with GTC, this could be a real-time total of the output from sets of Transmission Customer plants.

- 2.1 GTC must be kept informed of any changes to the total set of Transmission Customer's resources assigned to support the transaction.

- 2.2 GTC must be provided after-the-fact with revenue metering records of the output of the Transmission Customer's resources assigned to support the transaction.

3. Information on the scheduled purchases and sales with other utilities, assigned to support the transaction.

GTC must be advised of:

- a) Start and stop times for transactions
- b) Agreed ramp rates
- c) Amounts (*i.e.*, MW)

Transmission Customer must comply with the notice times for scheduling of such transactions as defined in the Service Agreement.

- 3.1 The data could be for individual transactions or the net amount for a subset of the transactions as agreed with the Seller.

- 3.2 This information must be updated to GTC as soon as practical after any changes or additions are made.

EXHIBIT 2

(Procedures Required for Regulating)

1. GTC must be given advance written notice of least 3 months before the installation of a new delivery point for transactions to permit the proper engineering, installation and testing of the metering, telemetry and ECS database/displays for the point.
2. GTC must be given sufficient advance written notice of at least 3 months before the installation of a new Transmission Customer resource to be assigned to support transactions to permit the proper engineering, installation and testing of the metering, telemetry and ECS database/displays for the point.

**Service Schedule 4**

**Energy Imbalance Service**

1. If, in order to avoid curtailing or limiting the service, it becomes necessary to redispatch generation resources or curtail/reduce off-system transactions, then at the Transmission Customer's request, GTC will implement the redispatch or curtailment. In such occasions, the Transmission Customer shall compensate GTC for 100% of the higher of either the Modified Dispatch Costs incurred or the Lost Opportunity Cost.
2. Responsibility for Informing Third Party of Transaction Arrangements
  - 2.1 The Transmission Customer is responsible for arranging the transaction, including start, end, ramp rate, etc. with the Receiving or Delivering Party and for providing information in adequate lead times, as defined in the Service Agreement, to enable GTC to comply with notice periods for entry of transactions.
  - 2.2 The Transmission Customer is responsible to make all necessary detailed arrangements with the Receiving or Delivering Party. If there is any failure of those parties to make the necessary arrangements, then the Transmission Customer shall be responsible for any inadvertent energy caused and any related costs incurred due to the setup error.
3. Details of the charges are in Exhibit 1.

---

EXHIBIT 1

Energy Imbalance Services

1. The transaction and the resources assigned to support the transaction will become a sub-area within GTC's control area. An Energy Imbalance will be computed for each hour.
2. Energy Regulation Error

For each hour, a calculation will be performed as follows to determine whether the Transmission Customer has incurred an excess or deficiency in the load following process.

Parties should attempt to eliminate energy imbalances within the limits of the deviation band within thirty (30) days or within such other reasonable period of time as is generally accepted in the region and consistently adhered to by GTC. If an energy imbalance is not corrected within thirty (30) days or a reasonable period of time that is generally accepted in the region and consistently adhered to by GTC, the Transmission Customer will compensate GTC for such service.

Regulation Deviation Energy

$$\begin{aligned} &= \\ &+ \text{ (Transmission Customer's Actual Energy consumption in the hour at delivery points,} \\ &\quad \text{adjusted for transmission losses)} \\ &+ \text{ (Transmission Customer's Scheduled Energy for Off-System Sales which GTC has} \\ &\quad \text{agreed can be deemed amounts of delivery, adjusted for transmission losses)*2} \\ &- \sum \text{ (Actual Energy Delivered from all Transmission Customer resources assigned to} \\ &\quad \text{support the deliveries)} \\ &- \sum \text{ (Transmission Customer's Scheduled Energy from Off-System Purchases which GTC} \\ &\quad \text{has agreed can be deemed amounts of delivery) *2} \\ &- \sum \text{ (Energy Pseudo-Dispatched by Transmission Customer from any Transmission} \\ &\quad \text{Customer resources that have been allocated to GTC for actual operation) *1} \end{aligned}$$

Note: The preceding term only applies to a Scheduling Member.

\*1 - If a Transmission Customer resource allocated to GTC is derated or become unavailable during an hour, the accepted Transmission Customer's energy schedule shall be deemed to have been adjusted as necessary to comply with the reduced capacity.

\*2 - If an Off-System transaction has to be derated or terminated during an hour, the accepted Transmission Customer's energy schedule shall be adjusted as necessary to comply with the reduced capacity.

- 2.1 Any amounts of Regulation Deviation Energy within 1.5% of the Transmission Customer's scheduled transaction amount, rounded to the nearest 1 Mw, shall be recorded in a set of inadvertent accounts to be paid back in kind in accord with procedures established in Exhibit 2 of this Service Schedule.

---

2.2 If the Regulation Deviation Energy for the hour is larger than a deviation band of 1.5%, then payments will be made on the excess amount between the parties.

2.3 If the error is positive, then the Transmission Customer shall have bought energy beyond the deviation band from the system. The Transmission Customer shall be charged as follows:

If the Transmission Customer did pseudo-dispatch energy for that hour from a resource allocated to GTC for actual operation but at a level less than the Transmission Customer's share of the prevailing Maximum Capability of the resource in the hour, then the Transmission Customer shall be sold that additional energy at the actual cost that would have been required to produce the energy from the unit. The added energy from the resources shall be assigned in increasing order of cost.

All additional amount beyond the deviation band shall be sold to the Transmission Customer at the PHMC (*i.e.*, Pool Hourly Market Cost) plus 20%.

2.4 If the error is negative, then the Transmission Customer shall have sold energy beyond the deviation band to the system. The Transmission Customer shall be paid for his excess energy beyond the deviation band as follows:

- a) Energy from the resources assigned to support the transaction shall be assigned in turn against the error until the load of the resource would reach its minimum operating level. The allocated resources shall be used to absorb the error in increasing order of average monthly energy rates for the assigned resources until the error has all been accounted for. The Transmission Customer shall be paid the amount of the respective average monthly rate up to a maximum of the PHMC minus 15%.
- b) In no case, shall any of the excess energy be paid for at a rate higher than the PHMC (Pool Hourly Market Cost) minus 15%.
- c) If the GTC system is in a bottom-out situation, or if assignment of the above excess energy from the Transmission Customer would place it in a bottom-out situation, then the Transmission Customer shall be paid , for all excess energy occurring in the bottom-out situation, the amount being received by GTC minus 10%.

### 3 Commitment Deficiency

Note: If a Transmission Customer also purchases Service Schedule 1 (Scheduling, System Control, and Dispatch), then the Transmission Customer shall not incur any charges under section 3.2.



3.1 If the Regulation Deviation Energy is positive, then the following computation shall be done to determine if the Transmission Customer had enough resources committed for the hour to meet its total load.

COMDEF =

$$\begin{aligned} & \text{(Transmission Customer's Actual Energy consumption in the hour, at delivery points, adjusted} \\ & \quad \text{for transmission losses)} \\ & + \text{(Transmission Customer's Scheduled Energy for Off-System Sales which GTC has agreed} \\ & \quad \text{can be deemed amounts of delivery, adjusted for transmission losses) *2} \\ & - \sum \text{( Maximum capability from all Transmission Customer resources which are assigned to} \\ & \quad \text{support the deliveries and were committed to be on-line)} \\ & - \sum \text{(Transmission Customer's Scheduled Energy from Off-System Purchases which GTC has} \\ & \quad \text{agreed can be deemed amounts of delivery) *2} \\ & - \sum \text{(Maximum Capability of any Transmission Customer resources that have been allocated to} \\ & \quad \text{GTC for actual operation and were pseudo-dispatched to be on-line)} \end{aligned}$$

\*2 - If an Off-System transaction has to be derated or terminated during an hour, the accepted Transmission Customer's energy schedule shall be adjusted as necessary to comply with the reduced capacity.

Note: The Transmission Customer receives credit for resources in the 3rd and 5th term of the equation even if a resource becomes unavailable during the hour *i.e.*, the resource was considered available at the time the pseudo-schedule was accepted.

COMDEF is the Commitment Deficiency of the Purchaser.

3.2 If COMDEF is positive, then none of the Transmission Customer Operational Deficiency amount shall be assigned to the inadvertent account, nor charged at the rate defined in section 2.3 above. The Transmission Customer shall be charged for the full amount of the deficiency at an Hourly Commitment Deficiency Energy Rate defined in Exhibit 3.

3.3 Capacity Deficiency

3.3.1 If the Regulation Deviation Energy is positive, then the following computation shall be done to determine if the Transmission Customer had enough resources available for the hour to meet its total load.

CAPDEF =

$$\begin{aligned} & \text{(Transmission Customer's Actual Energy consumption in the hour at delivery points, adjusted} \\ & \quad \text{for transmission losses)} \\ & + \text{(Transmission Customer's Scheduled Energy for Off-System Sales which GTC has} \\ & \quad \text{agreed can be deemed amounts of delivery, adjusted for transmission losses) *2} \\ & - \sum \text{( Maximum capability from all Transmission Customer resources which are assigned} \\ & \quad \text{to support the transaction and were not failed)} \end{aligned}$$

- 
- $\Sigma$  (Transmission Customer's Scheduled Energy from Off-System Purchases which GTC has agreed can be deemed amounts of delivery) \*2
  - $\Sigma$  (Maximum Capability of all Transmission Customer resources that have been allocated to GTC for actual operation and were not failed)

\*2 - If an Off-System transaction has to be derated or terminated during an hour, the accepted Transmission Customer's energy schedule shall be adjusted as necessary to comply with the reduced capacity.

CAPDEF is the Capacity Deficiency of the Purchaser.

- 3.3.2 If CAPDEF is positive, then none of the Transmission Customer Operational Deficiency amount shall be assigned to the inadvertent account nor charged at the rate defined in section 2.3 or 3.2 above. The Transmission Customer shall be charged for the full amount of the energy deficiency at an Hourly Resource Deficiency Energy Rate defined in Exhibit 3.
- 3.3.3 If CAPDEF is positive during any Peak Period Hour, as defined by Exhibit 4, of a month, then this shall be defined to be a capacity deficiency hour and the Transmission Customer shall be deemed to have purchased capacity from the pool.
- a) If the Transmission Customer has one or more capacity deficient hours in a specific week, then the Transmission Customer will be charged the Weekly Resource Deficiency Capacity Rate defined in Exhibit 3 for the week. The rate will be charged for the maximum value of CAPDEF occurring in a capacity deficiency hour of that week.
  - b) If the number of capacity deficient hours in a month exceeds 25 hours, then the Transmission Customer will be charged the Monthly Resource Deficiency Capacity Rate defined in Exhibit 3 for that month. The rate will be charged for the maximum value of CAPDEF occurring during a capacity deficiency hour of that month. There will not also be a charge of the Weekly Resource Deficiency Capacity Rate in any month in which the monthly capacity deficiency rate is applied.
  - c) If the number of capacity deficient hours in a year exceeds 200 hours, then the Transmission Customer will be charged the Yearly Resource Deficiency Capacity Rate defined in Exhibit 3. The rate will be charged for the maximum value of CAPDEF occurring during a capacity deficiency hour in that year.

Any preceding Monthly capacity deficiency charges for the year will be credited against the charge of the Yearly rate.

- 3.4 If GTC uses another entity to provide the Energy Imbalance service, then GTC shall charge only the direct amount (*i.e.*, a pass-through) of the costs charged by the other entity, plus any other costs incurred by GTC in connection with providing the service.

---

EXHIBIT 2

(Procedures for Payback of Inadvertent Energy)

1. GTC shall maintain a separate set of inadvertent accounts for each Transmission Customer being provided with Energy Imbalance service.

2. The inadvertent energy totals shall be classified into those for On-Peak hours and those for Off-Peak hours .

The payback of inadvertent shall be done in the same class of hours (e.g., Off-Peak) as the errors were accumulated unless GTC, at its sole discretion, decides to take payback from the Transmission Customer of on-peak inadvertent energy during off-peak hours.

3. GTC shall schedule a payback of inadvertent from the Transmission Customer to GTC (or the reverse if GTC is deficient) at a date and time determined by GTC.

GTC will perform the calculations of inadvertent flow off-line based on the records used to support the billing for services. Therefore, the record of inadvertent energy, and the related paybacks, will lag behind the real-time operation by one or more months.

4. Payback shall be accomplished by providing the Transmission Customer with instructions on an offset to be added to the pseudo-dispatch for the Transmission Customer. The instructions shall define:

4.1 The magnitude and direction of the offset (in whole MW).

4.2 The start time of the offset.

4.3 The planned duration of the offset.

GTC shall have the exclusive authority to determine if the offset should be terminated at an earlier time than planned.

5. The record of inadvertent energy will be reviewed and confirmed with the Transmission Customer every 7 days. Any discrepancies shall be resolved between GTC's staff and the Transmission Customer staff.

**EXHIBIT 3**

**(Power Rates for Energy Imbalance)**

Hourly Commitment Deficiency Energy Rate	100	Mills/ kWh
Hourly Resource Deficiency Energy Rate	100	Mills/kWh
Weekly Resource Deficiency Capacity Rate	(Yearly Rate)/52	\$/kW-Week
Monthly Resource Deficiency Capacity Rate	(Yearly Rate)/12	\$/kW-Month
Yearly Resource Deficiency Capacity Rate	(See Note 1)	\$/kW-Year

Note 1: This will be a pro-rata combination of the actual annual capacity cost of existing resources, excluding nuclear units. The cost of the individual types of resources shall be weighted by the total amount of capacity installed for that type of resource.

**EXHIBIT 4  
(Peak Period Hours)**

<u>MONTH</u>	<u>ON-PEAK PERIOD HOURS</u>	<u>OFF-PEAK PERIOD HOURS</u>
All Months	07:00 AM to 10:59 PM	00:00 AM to 06:59 AM & 11:00 PM to 11:59 PM

**Service Schedule 5**

**Operating Reserve - Spinning Reserve Service**

1. The costs involved in this service include:
  - a) The additional power production costs incurred because the system dispatch must deviate from optimum to ensure there will be adequate generating capacity immediately available to cope with contingencies (sudden losses of resources).
  - b) The ownership costs of this additional generation capacity.
2. Since GTC uses another entity to provide this service, GTC shall charge only the direct amount (*i.e.*, a pass-through) of the costs charged by the other entity, plus any other costs incurred by GTC in connection with providing the service.
3. If, in order to avoid curtailing or limiting the service, it becomes necessary to redispatch generation resources or curtail or reduce off-system transactions, then at the Transmission Customer's request, GTC will implement the redispatch or curtailment. In such occasions, the Transmission Customer shall compensate GTC for 100% of the higher of either the Modified Dispatch Costs incurred or the Lost Opportunity Cost.

**Service Schedule 6**

**Operating Reserve - Supplemental Reserve Service**

1. The costs involved in this service include the costs incurred to provide the system operator with adequate alternatives to mitigate the effects of sudden loss of transmission capability or interruption of supply resources.
2. Since GTC uses another entity to provide this service, GTC shall charge only the direct amount (*i.e.*, a pass-through) of the costs charged by the other entity, plus any other costs incurred by GTC in connection with providing the service.
3. If, in order to avoid curtailing or limiting the service, it becomes necessary to redispatch generation resources or curtail or reduce off-system transactions, then at the Transmission Customer's request, GTC will implement the redispatch or curtailment. In such occasions, the Transmission Customer shall compensate GTC for 100% of the higher of either the Modified Dispatch Costs incurred or the Lost Opportunity Cost.

---

**SCHEDULE 7**

**Rate Schedule for  
Network Integration Transmission Service**

**1.0 General** Billing hereunder will be by Transmission Customer with delivery point readings totaled by hour. If the Transmission Customer is a GTC Member, then the Transmission Customer's allocation of capacity from the Southeastern Power Administration will not be subtracted from the Transmission Customer's load as long as GTC provides the transmission service to deliver this capacity.

Under the GTC Tariff, the Transmission Customer will incur charges for the utilization of Transmission Capacity and Distribution Substations. There will be no charges for distribution if the Distribution Substations are owned by the Transmission Customer, unless GTC performs operations and maintenance for a Distribution Facility. Terms not otherwise defined in this Rate Schedule shall have the meanings set forth in Section 1 of the GTC Tariff.

**2.0 Schedule Of Expense Recovery (Monthly):**

The monthly billing to Transmission Customer is the sum of all applicable charges as calculated in Subsections "A" through "D" listed below:

**A. Transmission:**

Transmission Customer's Power Delivery Transmission Charges calculated in accordance with Formula 1.0.

**B. Distribution:**

Transmission Customer's Power Delivery Distribution Substation Capacity Charge calculated in accordance with Formula 3.0.

**C. Distribution Metering Point:**

Transmission Customer's Power Delivery Distribution Metering Point Capacity Charge calculated in accordance with Formula 4.0.

**D. Prior Period Adjustment:**

The refund credit or additional charge for the Contract Year, if any, calculated in accordance with the Prior Period Adjustment Rider.

**I. DETERMINATION OF POWER DELIVERY CAPACITY REQUIREMENTS**

The Power Delivery Capacity Requirements will be effective for monthly billings for the Contract.

The Power Delivery Capacity Requirements for billing purposes for the Contract Year will be determined as follows:



**A. Transmission Capacity:**

The Power Delivery Transmission Capacity Requirement will be determined as the Transmission Customer's average demand hereunder coincident with GTC's five (5) highest non-holiday, weekday demands occurring during the twelve (12) months ending September 30 of the preceding Contract Year.

**B. Distribution Substation:**

1. Distribution Substations:

(a) The Power Delivery Distribution Substation Charge Requirement will be determined as an allocated portion of the cost of all Distribution Substation facilities, serving a Transmission Customer's system load and not owned by the Transmission Customer. This Dedicated Cost is defined below and will reflect costs of all substations in service as of September 30 of the preceding Contract Year.

(b) Distribution Substations will be classified as follows: (i) Dedicated Distribution Substations where a Transmission Customer is the only distribution supplier taking service; (ii) Joint Use Distribution Substations, where two or more distribution suppliers take service; or (iii) Transmission Substations where a Transmission Customer takes distribution service.

The Dedicated Cost for Distribution Substations shall be determined as follows:

(i) The Dedicated Cost of a facility for Dedicated Distribution Substations will be calculated as one hundred percent (100%) of the original cost investment of the facilities serving a Transmission Customer's load, as long as the facilities are owned by an ITS party. When facilities are purchased by GTC, the investment shall include any necessary ownership, connection, and A&G charges. In Transmission Substations where the Transmission Customer has the only distribution service, dedicated cost will be one hundred percent (100%) of the original cost investment of the facilities owned by an ITS party required to serve the distribution load.

(ii) The Dedicated Cost for Joint Use Distribution Substations and Transmission Substations will be determined as the original cost investment of the facility pro-rated on the basis of the load ratios of the various distribution suppliers taking service at the same voltage from a joint use power transformer and adjusted for any transformers dedicated to one distribution supplier. The load ratio is the Transmission Customer's monthly peak demand at the substation occurring in the same month as the annual substation peak demand divided by the annual substation peak demand. The original cost investment of Distribution Service Facilities ("DSF") will be removed from the investment and the ratio applied. The original cost investment of DSF serving Transmission Customers will then be added.

(iii) Whenever actual original cost investment for any facility is not available, an average value based on similar facilities will be used. This is especially applicable to service from Transmission Substations, as the total original cost investment of the substation will also include the transmission facilities. In addition, the original cost investment of transmission facilities residing in Distribution Substations (for example, 115 kV breakers or a 115 kV capacitor bank) will be deducted from the Dedicated Cost. Also, when a Transmission Customer has incurred a direct cost responsibility for Distribution Substation expenses through either (1) assigned investment responsibility, or (2) contribution in aid of construction, the original cost investment will be reduced by that amount to reflect the value of the payment.

2. Distribution Metering Points:

The Distribution Metering Point (“DMP”) charge will be billed as a pass through of the budgeted cost from the provider of the DMP. Any new DMP shall be considered temporary with a maximum duration of one (1) year.

**II. POWER DELIVERY CHARGES**

The formulary charges described in this Section II apply to Transmission Customers that are not GTC Members. Charges to GTC Members shall be discounted to reflect GTC’s status as a taxable cooperative and RUS borrower. The differences for GTC Member billing are as follows:

- Cost of Debt - GTC Members are charged based on the embedded cost of funds, while non-GTC Members are charged the market rate for public debt. This is done to avoid non-Rural Electrification Act beneficiaries receiving the benefit of RUS funds.
- Rate of Return - GTC Members pay for interest expense and a margin while non-GTC Members pay a rate of return based on the weighted cost of debt (market) and equity capital.
- Income Tax - Since GTC’s revenue from non-GTC Members is taxable, non-GTC Members pay income tax on the equity portion of GTC’s return.

**1.0 Calculation of Power Delivery Transmission Capacity Charge.**

$$PDTCHG = (PDTCCR * PDTCR) + PDSCET + (PDSC * (PDTCR) / \sum PDTCRRL)$$

PDTCHG is Power Delivery Transmission Charge.

PDTCCR is Power Delivery Transmission Capacity Charge Rate (see 2.0).

---

PDTCCR is Power Delivery Transmission Capacity Requirement as determined in accordance with Section I of this Rate Schedule.

PDSCET is Power Delivery Stranded Cost resulting from an Early Termination where Member reduces its Network Integration Transmission Service requirements after the Initial Term. This cost is directly assigned to the Member reducing its service.

PDSC is Power Delivery Stranded Cost resulting from another purchaser's failure to pay for the costs associated with providing Network Integration Transmission Service.

PDTCCRRL is Power Delivery Transmission Capacity Requirement as determined in accordance with Section I of this Rate Schedule, summed for all Members' remaining Network Load.

## **2.0 Calculation of Power Delivery Transmission Capacity Charge Rate.**

$$\text{PDTCCR} = (\text{PDTCC} + \text{PDTAGO} - \text{PDTREV} - \text{SEPREVT}) / [(\sum \text{PDTCCR} - \text{SEPCC}) * 12]$$

PDTCCR is Power Delivery Transmission Capacity Charge Rate.

PDTCC is Power Delivery Transmission Capacity Costs and is equal to  $\text{PDTCC}_M$  for GTC Members and  $\text{PDTCC}_{NM}$  for non-GTC Members (**see 2.1**).

PDTAGO is Power Delivery Transmission allocated Administrative and General expenses and Other general expenses and is equal to  $\text{PDTAGO}_M$  for GTC Members and  $\text{PDTAGO}_{NM}$  for non-GTC Members (**see 2.4**).

PDTREV is the portion of Power Delivery Transmission Revenue credits assigned or allocated to the Power Delivery Transmission category to be returned to Transmission Customers through rates. These credits include, but are not limited to parity, transmission service, and interface sales revenues. The amount of revenues flowed through to Transmission Customers on a current basis versus the amount retained by GTC to build equity will be established by Board policy and consistent with regulatory requirements.

PDTCCR is Power Delivery Transmission Capacity Requirement as determined in accordance with Section I of this Rate Schedule, then summed for all Transmission Customers.

SEPREVT is SEPA wheeling Transmission-related Revenue credit in Power Delivery Transmission Charge. (**see 5.0**)

SEPCC is the Sum of SEPA Contract Capacity (MW) for all Members of GTC.

## **2.1 Calculation of Power Delivery Transmission Capacity Costs.**

For non-GTC Members,  $PDTCC_{NM} = PDTDEP + PDTR + PDTPT + PDTINS + PDTOM + PDTLAND$

For GTC Members,  $PDTCC_M = PDTDEP + PDTINT + PDTPT + PDTINS + PDTOM + PDTLAND$

PDTCC is Power Delivery Transmission Capacity Costs and is equal to  $PDTCC_M$  for GTC Members and  $PDTCC_{NM}$  for non-GTC Members.

PDTDEP is Power Delivery Transmission Depreciation and amortization expense.

PDTR is Power Delivery Transmission Return (**see 2.2**).

PDTPT is Power Delivery Transmission Property Taxes (**see 2.3**).

PDTINS is Power Delivery Transmission Property Insurance expense associated with Power Delivery Transmission facilities.

PDTOM is Power Delivery Transmission Operation and Maintenance expenses, including all operation and maintenance charges from GSOC.

PDTINT is Power Delivery Transmission Interest Expense (**see 2.1.1**).

PDTLAND is Power Delivery Transmission principal payments associated with GTC's debt for the ownership of Land to accommodate transmission facilities.

### **2.1.1 Calculation of Power Delivery Transmission Interest Expense.**

$$PDTINT = PDTDAI + ((PDTPLT/TNPLT) * NETINT)$$

PDTINT is Power Delivery Transmission Interest expense.

PDTDAI is Power Delivery Transmission Interest expense directly assigned to Power Delivery Transmission investment.

PDTPLT is Power Delivery Total Net Transmission Plant investment, less investment where interest has been directly assigned.

TNPLT is Total Net Plant investment, less investment where interest has been directly assigned.

NETINT is Annual Total Interest expense (net of interest charged to construction) allocable based on net plant investment.

## **2.2 Calculation of Power Delivery Transmission Return.**

$$\text{PDTR} = \text{PDTPLT} * \text{ROR}$$

PDTR is Power Delivery Transmission Return.

PDTPLT is Power Delivery Total Net Transmission Plant Investment, less investment where interest has been directly assigned.

ROR is Rate of Return (see 2.2.1).

### **2.2.1 Calculation of Rate of Return.**

$$\text{ROR} = \text{WLTD COST} + (\text{WEQCOST} / (1 - \text{TAXRATE}))$$

ROR is GTC's weighted average rate of return from debt and equity capital.

WLTD COST is GTC's weighted average cost of debt capital (see 2.2.2).

WEQCOST is GTC's weighted cost of equity capital (see 2.2.3).

TAXRATE is corporate income tax rate.

### **2.2.2 Calculation of Weighted Cost of Debt Capital.**

$$\text{WLTD COST} = \text{LTDCOST} * (\text{LTDDEBT} / \text{CAPITAL})$$

WLTD COST is GTC's weighted average cost of debt capital.

LTDCOST is GTC's current cost of Long Term Debt in the public market unless the Transmission Customer is an RUS borrower, then LTDCOST is the average interest rate of GTC's long-term debt and capitalized leases.

LTDDEBT is GTC's Long Term Debt in the public market.

CAPITAL is the sum of GTC's Long Term Debt and Patronage Capital.

### **2.2.3 Calculation of Weighted Cost of Equity Capital.**

$$\text{WEQCOST} = \text{EQCOST} * (\text{PAT}/\text{CAPITAL})$$

WEQCOST is GTC's weighted cost of equity capital.

EQCOST is the average cost of GTC's equity capital (see 2.2.4).

PAT is GTC's amount of patronage capital.

CAPITAL is the sum of GTC's Long Term Debt and Patronage Capital.

#### 2.2.4 Calculation of Cost of Equity Capital.

$$\text{EQCOST} = \text{LTDCOST} + 0.04$$

EQCOST is the average cost of GTC's equity capital.

LTDCOST is GTC's current cost of Long Term Debt in the public market unless the Transmission Customer is an RUS borrower, then LTDCOST is the average interest rate of GTC's long-term debt and capitalized leases.

#### 2.3 Calculation of Power Delivery Transmission Property Taxes.

$$\text{PDTPT} = \text{PDTPAV} * \text{PDTPMR}$$

PDTPT is Power Delivery Transmission Property Taxes.

PDTPAV is Power Delivery Total Transmission Plant investment Assessed Value.

PDTPMR is Power Delivery Transmission Plant property tax weighted average Millage Rate.

#### 2.4 Calculation of Power Delivery Transmission Administrative and General Expenses and Other General Expenses.

$$\text{For non-GTC Members, } \text{PDTAGO}_{\text{NM}} = ((\text{PDTCC} - \text{PDTREV}) / (\text{PDTCC} + \text{PDSCC} - \text{REVCRE})) * \text{AG}$$

$$\text{For GTC Members, } \text{PDTAGO}_{\text{M}} = ((\text{PDTCC} - \text{PDTREV}) / (\text{PDTCC} + \text{PDSCC} - \text{REVCRE})) * \text{TOTAGO}$$

---

PDTAGO is Power Delivery Transmission Costs allocated Administrative and General expenses and Other general expenses.

PDTCC is Power Delivery Transmission Capacity Costs and is equal to  $PDTCC_M$  for GTC Members and  $PDTCC_{NM}$  for non-GTC Members.

PDTREV is the portion of Power Delivery Transmission Revenue credits assigned or allocated to the Power Delivery Transmission category to be returned to Transmission Customers through rates. These credits include, but are not limited to parity, transmission service, and interface sales revenues. The amount of revenues flowed through to Transmission Customers on a current basis versus the amount retained by GTC to build equity will be established by Board policy and consistent with regulatory requirements.

PDSCC is Power Delivery Substation Capacity Costs and is equal to  $PDSCC_M$  for GTC Members and  $PDSCC_{NM}$  for non-GTC Members.

REVCRE is the sum of Revenue Credits (**see 2.6**).

AG is the corporate administrative and general expenses less Margin Component (**see 2.5**).

TOTAGO is Total Administrative and General expenses and Other general expenses.

## **2.5 Calculation of Administrative and General Expenses.**

$$AG = TOTAGO - MC$$

AG is the corporate administrative and general expenses less Margin Component.

TOTAGO is Total Administrative and General expenses and Other general expenses. (**see 2.8**)

MC is Margin Component (**see 2.7**).

## **2.6 Calculation of Revenue Credits.**

$$REVCRE = PDTREV + PDSREV$$

REVCRE is the sum of Revenue Credits.

PDTREV is Power Delivery Transmission Revenue credits assigned or allocated to the Power Delivery Transmission category, including but not limited to parity, transmission service, and interface sales revenues. The amount of revenues flowed through to Transmission Customers on

a current basis versus the amount retained by GTC to build equity will be established by Board policy and consistent with regulatory requirements.

PDSREV is the portion of Power Delivery Substation Revenue credits assigned or allocated to the Power Delivery Substation category, including but not limited to parity and transmission service revenues. The amount of revenues flowed through to Transmission Customers on a current basis versus the amount retained by GTC to build equity will be established by Board policy and consistent with regulatory requirements.

**2.7 Calculation of Margin Component.**

$$MC = (\text{INDINT} * (\text{MFIREQ} - 1)) +/- \text{MCA}$$

MC is Margin Component.

INDINT is Indenture Interest.

MFIREQ is the ratio of Margins for Interest to Indenture Interest Required and defined in the Indenture.

MCA is Margin Component Adjustments equal to any additions to or reductions of Seller's margins for non-recurring charges to income as set forth in the definition of Margins for Interest contained in the Indenture.

**2.8 Calculation of Total Administrative and General Expenses And Other General Expenses.**

$$\begin{aligned} \text{TOTAGO} = & \text{TOTAG} - \text{DAIEXP} + \text{OGENEX} + \text{GENDEP} + \text{GENINT} \\ & + \text{GENPT} + \text{OTHEXP} + \text{MISODE} - \text{MISREV} + \text{MC} + \text{INCTAX} + \text{BDEXP} \end{aligned}$$

TOTAGO is Total Administrative and General expenses and Other general expenses.

TOTAG is Total Administrative and General expenses, including general plant operation and maintenance expense.

DAIEXP is Property Insurance expense Directly Assigned to functional category, excluding property insurance assigned to general plant.

OGENEX is Other General Expense.

GENDEP is General Plant Depreciation and amortization expense.



GENINT is General Plant Interest expense.

GENPT is General Plant Property Taxes.

OTHEXP is Other Expenses.

MISODE is Miscellaneous Other Deductions (e.g., rental amortization, amortization of losses).

MISREV is Miscellaneous Revenues and other revenue credits not otherwise directly assigned to a functional category (e.g., interest income, equity component of allowance for funds used during construction, income from subsidiary activities, and rental income and other non-operating income).

MC is Margin Component.

INCTAX is Federal and State Income and other Taxes imposed on income from investments and other taxable transactions, if any.

BDEXP is Board of Directors' fees and Expenses.

### **3.0 Calculation of Power Delivery Distribution Substation Capacity Charge.**

$$PDSCHR = ((PDSINVM * PDSAF) / 12) + ((PURCHINV * PDSAFOM)/12)$$

PDSCHR is Power Delivery distribution Substation capacity Charge.

PDSINVM is the Dedicated Cost of all the delivery points of a Transmission Customer's system as calculated in accordance with Section I of this Rate Schedule.

PDSAF is the Power Delivery Substation Allocation Factor (**see 3.1**).

PURCHINV is the investment of all delivery points owned by a Transmission Customer and where GTC performs operations and maintenance.

PDSAFOM is the operations and maintenance portion of PDSAF (**see 3.1.1**).

### **3.1 Calculation of the Power Delivery Substation Allocation Factor.**

$$PDSAF = (PDSTC + SEPREVD) / (\sum PDSINVM)$$

PDSAF is the Power Delivery Substation Allocation Factor.

SEPREVD is SEPA wheeling Distribution-related Revenue credit in Power Delivery Distribution charge. (see 5.1)

PDSTC is Power Delivery Distribution Substation Total Costs (see 3.2)

PDSINVM is the Dedicated Cost of all the delivery points of a Transmission Customer's system, as calculated in accordance with Section I of this Rate Schedule, then summed for all Transmission Customers.

### 3.1.1 Calculation of the Power Delivery Substation Allocation Factor for Operations and Maintenance.

$$\text{PDSAFOM} = \text{PDSOM} / (\sum \text{PDSINVM})$$

PDSAFOM is the operations and maintenance portion of PDSAF.

PDSOM is Power Delivery Distribution Substation Operation and Maintenance expenses.

PDSINVM is the Dedicated Cost of all the delivery points of a Transmission Customer System as calculated in accordance with Section I of this Rate Schedule.

### 3.2 Calculation of Power Delivery Distribution Substation Total Cost.

$$\text{PDSTC} = \text{PDSACC} + \text{PDSAGO} - \text{PDSREV} - \text{SEPREVD}$$

PDSTC is Power Delivery Distribution Substation Total Costs.

PDSACC is Power Delivery Distribution Substation Capacity Costs (see 3.3).

PDSAGO is Power Delivery Distribution Substation Administrative and General expenses and Other general expenses and is equal to PDTAGO<sub>M</sub> for GTC Members and PDTAGO<sub>NM</sub> for non-GTC Members (see 3.6).

PDSREV is the portion of Power Delivery Substation Revenue credits assigned or allocated to the Power Delivery Substation category to be returned to Transmission Customers through rates. These credits include, but are not limited to parity, transmission service, and interface sales revenues. The amount of revenues flowed through to Transmission Customers on a current basis versus the amount retained by GTC to build equity will be established by Board policy and consistent with regulatory requirements.

---

SEPREVD is SEPA wheeling Distribution-related Revenue credit in Power Delivery Distribution charge. (see 5.1)

### **3.3 Calculation of Power Delivery Distribution Substation Capacity Costs.**

For non-GTC Members,  $PDS_{CC_{NM}} = PDS_{DEP} + PDS_{SR} + PDS_{PT} + PDS_{SINS} + PDS_{SOM} + PDS_{SLAND} - PDM_{CC}$

For GTC Members,  $PDS_{CC_{M}} = PDS_{DEP} + PDS_{SINT} + PDS_{PT} + PDS_{SINS} + PDS_{SOM} + PDS_{SLAND} - PDM_{CC}$

PDS<sub>CC</sub> is Power Delivery Distribution Substation Capacity Costs.

PDS<sub>DEP</sub> is Power Delivery Distribution Substation Depreciation and amortization expense.

PDS<sub>SR</sub> is Power Delivery Distribution Substation Return (see 3.4).

PDS<sub>PT</sub> is Power Delivery Distribution Substation Property Taxes (see 3.5).

PDS<sub>SINS</sub> is Power Delivery Distribution Substation Property Insurance expense associated with Power Delivery Distribution Substation facilities.

PDS<sub>SOM</sub> is Power Delivery Distribution Substation Operation and Maintenance expenses.

PDM<sub>CC</sub> is Power Delivery Distribution Metering Point Capacity annual budgeted Costs billed to GTC by Georgia Power Company and the Municipal Electric Authority of Georgia (see 4.0).

PDS<sub>SINT</sub> is Power Delivery Distribution Substation Interest expense (see 3.3.1).

PDS<sub>SLAND</sub> is Power Delivery Distribution Substation principal payments associated with GTC's debt for the ownership of Land to accommodate distribution facilities.

#### **3.3.1 Calculation of Power Delivery Distribution Substation Interest Expense.**

$$PDS_{SINT} = PDS_{SDAI} + ((PDS_{SPLT}/TN_{PLT}) * NET_{INT})$$

PDS<sub>SINT</sub> is Power Delivery Distribution Substation Interest expense.

PDS<sub>SDAI</sub> is Power Delivery Distribution Substation Interest expense Directly Assigned to Power Delivery Distribution Substation investment.

PDSPLT is Power Delivery Total Net Distribution Substation Plant investment, less investment where interest has been directly assigned.

TNPLT is Total Net Plant investment, less investment where interest has been directly assigned.

NETINT is Annual Total Interest expense (net of interest charged to construction) allocable based on net plant investment.

### **3.4 Calculation of Power Delivery Distribution Substation Return.**

$$\text{PDSR} = \text{PDSPLT} * \text{ROR}$$

PDSR is Power Delivery Distribution Substation Return.

PDSPLT is Power Delivery Total Net Distribution Substation Plant Investment, less investment where interest has been directly assigned.

ROR is Rate of Return (see 2.2.1).

### **3.5 Calculation of Power Delivery Distribution Substation Property Taxes.**

$$\text{PDSPT} = \text{PDSAV} * \text{PDSMR}$$

PDSPT is Power Delivery Distribution Substation Property Taxes.

PDSAV is Power Delivery Distribution Substation plant investment Assessed Value.

PDSMR is Power Delivery Distribution Substation property tax weighted average millage rate.

### **3.6 Calculation of Power Delivery Distribution Substation Administrative and General Expenses and Other General Expenses.**

$$\text{For non-GTC Members, } \text{PDSAGO}_{\text{NM}} = ((\text{PDSCC} - \text{PDSREV}) / (\text{PDTCC} + \text{PDSCC} - \text{REVCRE})) * \text{AG}$$

$$\text{For GTC Members, } \text{PDSAGO}_{\text{M}} = ((\text{PDSCC} - \text{PDSREV}) / (\text{PDTCC} + \text{PDSCC} - \text{REVCRE})) * \text{TOTAGO}$$

PDSAGO is Power Delivery Substation Capacity Costs allocated Administrative and General expenses and Other general expenses.

PDSCC is Power Delivery Substation Capacity Costs.

PDSREV is the portion of Power Delivery Substation Revenue credits assigned or allocated to the Power Delivery Substation category to be returned to Transmission Customers through rates. These credits include, but are not limited to parity, transmission service, and interface sales revenues. The amount of revenues flowed through to Transmission Customers on a current basis versus the amount retained by GTC to build equity will be established by Board policy and consistent with regulatory requirements.

PDTCC is Power Delivery Transmission Capacity Costs and is equal to  $PDTCC_M$  for GTC Members and  $PDTCC_{NM}$  for non-GTC Members.

REVCRE is the sum of Revenue Credits (see 2.6).

AG is the corporate administrative and general expenses less Margin Component.

TOTAGO is Total Administrative and General expenses and Other general expenses.

#### **4.0 Calculation of Power Delivery Distribution Metering Point Capacity Charge.**

$$PDMPCR = PDMCC / 12$$

PDMPCR is Power Delivery Distribution Metering Point Capacity Charge.

PDMCC is Power Delivery Distribution Metering Point Capacity annual budgeted Costs billed to GTC by Georgia Power Company and the Municipal Electric Authority of Georgia.

#### **5.0 Calculation of SEPA Wheeling Revenue Credit - Transmission.**

$$SEPREVT = SEPREVTOT * (PDTTC / (PDTTC + PDDTC))$$

SEPREVT is SEPA wheeling Transmission-related Revenue credit in Power Delivery Transmission Charge.

SEPREVTOT is Total SEPA Revenue (see 5.2).

PDTTC is Power Delivery Transmission Total Costs (see 5.4).

PDDTC is Power Delivery Distribution Total Costs (see 5.5).

#### **5.1 Calculation of SEPA Wheeling Revenue Credit - Distribution.**

$$SEPREVD = SEPREVTOT * (PDDTC / (PDTTC + PDDTC))$$

SEPREVD is SEPA wheeling Distribution-related Revenue credit in Power Delivery Distribution Charge.

SEPAREVTOT is Total SEPA Revenue (see 5.2).

PDTTC is Power Delivery Transmission Total Costs (see 5.4).

PDDTC is Power Delivery Distribution Total Costs (see 5.5).

**5.2 Calculation of Total SEPA Revenue.**

$$\text{SEPAREVTOT} = (\text{SEPCC} * \text{SEPCHRG}) * 12$$

SEPAREVTOT is Total SEPA Revenue.

SEPCC is the Sum of SEPA Contract Capacity (MW) for all Members of GTC.

SEPCHRG is SEPA Wheeling Charge (see 5.3).

**5.3 Calculation of SEPA Wheeling Charge.**

$$\text{SEPCHRG} = ((\text{PDTTC} + \text{PDDTC}) / \sum \text{PDTCCR}) / 12$$

SEPCHRG is SEPA Wheeling Charge.

PDTTC is Power Delivery Transmission Total Costs (see 5.4).

PDDTC is Power Delivery Distribution Total Costs (see 5.5).

PDTCCR is Power Delivery Transmission Capacity Requirement as determined in accordance with Section I of this Rate Schedule, then summed for all Transmission Customers.

**5.4 Calculation of Power Delivery Transmission Total Costs.**

$$\text{PDTTC} = \text{PDTCC} + \text{PDTAGO} - \text{PDTREV}$$

PDTTC is Power Delivery Transmission Total Costs.

PDTCC is Power Delivery Transmission Capacity Costs and is equal to  $\text{PDTCC}_M$  for GTC Members.

PDTAGO is Power Delivery Transmission allocated Administrative and General expenses and Other general expenses and is equal to  $PDTAGO_M$  for GTC Members.

PDTREV is the portion of Power Delivery Transmission Revenue credits assigned or allocated to the Power Delivery Transmission category to be returned to Transmission Customers through rates. These credits include, but are not limited to parity, transmission service, and interface sales revenues. The amount of revenues flowed through to Transmission Customers on a current basis versus the amount retained by GTC to build equity will be established by Board policy and consistent with regulatory requirements.

**5.5 Calculation of Power Delivery Distribution Total Costs.**

$$PDDTC = PDSCC + PDSAGO - PDSREV$$

PDDTC is Power Delivery Distribution Total Costs.

PDSCC is Power Delivery Distribution Substation Capacity Costs and is equal to  $PDSCC_M$  for GTC Members.

PDSAGO is Power Delivery Distribution Substation Administrative and General expenses and Other general expenses and is equal to  $PDSAGO_M$  for GTC Members.

PDSREV is the portion of Power Delivery Substation Revenue credits assigned or allocated to the Power Delivery Substation category to be returned to Transmission Customers through rates. These credits include, but are not limited to parity, transmission service, and interface sales revenues. The amount of revenues flowed through to Transmission Customers on a current basis versus the amount retained by GTC to build equity will be established by Board policy and consistent with regulatory requirements.

## Prior Period Adjustment Rider

### Section I. GENERAL:

Each GTC Member shall be billed an annual Prior Period Adjustment for each Contract Year calculated in accordance with this Rider, if applicable.

The Prior Period Adjustment for the Contract Year, which may be an additional charge or a refund credit, shall be made if Margins For Interest before making such Prior Period Adjustment is less than that required by the Indenture or greater than 1.2 times Indenture Interest. Such Prior Period Adjustment shall be determined in accordance with the formula set forth herein below. Such Prior Period Adjustment for each Contract Year shall be credited or debited to each GTC Member in the Contract Year and refunded or collected in nine (9) equal monthly installments on the bills rendered from April 1 through December 31 of the succeeding Contract Year.

### Section II. CALCULATION OF PRIOR PERIOD ADJUSTMENT:

#### 1.0 Calculation Of Minimum Margin Component Requirement.

$$\text{MINMAR} = (\text{ACTINT} * (\text{MFIREQ} - 1)) +/- \text{MCA}$$

MINMAR is the Minimum Margin Component requirement necessary to achieve Margins For Interest of 1.1 times Indenture Interest for the Contract Year.

ACTINT is Actual Indenture Interest of the GTC for the Contract Year.

MFIREQ is the ratio of Margins for Interest to Indenture Interest Required and defined in the rate covenant contained in the Indenture.

MCA is Margin Component Adjustments equal to any additions to or reductions of Seller's margins for non-recurring charges to income as set forth in the definition of Margins for Interest contained in the Indenture.

#### 2.0 Calculation Of Maximum Margin Allowable.

$$\text{MAXMAR} = (\text{ACTINT} * 0.2) +/- \text{MCA}$$



MAXMAR is the Maximum Margin Component above which all additional margins shall be refunded to the GTC Members.

ACTINT is Actual Indenture Interest of the GTC for the Contract Year.

MCA is Margin Component Adjustments equal to any additions to or reductions of Seller's margins for non-recurring charges to income as set forth in the definition of Margins for Interest contained in the Indenture.

### **3.0 Calculation Of Margins For Interest Ratio Before Prior Period Adjustment.**

$$\text{MFIR} = (\text{ACTINT} + [\text{UADMAR} +/- \text{MCA}]) / (\text{ACTINT})$$

MFIR is the ratio of Margins For Interest to Indenture Interest for the Contract Year calculated prior to any Prior Period Adjustment for the Contract Year.

ACTINT is Actual Indenture Interest of the GTC for the Contract Year.

UADMAR is actual Unadjusted Margins, excluding revenues associated with land-related principal payments, for the Contract Year determined prior to any Prior Period Adjustment for the Contract Year.

MCA is Margin Component Adjustments equal to any additions to or reductions of Seller's margins for non-recurring charges to income as set forth in the definition of Margins for Interest contained in the Indenture.

### **4.0 Calculation Of Margin Adjustment.**

**(A) If MFIR is less than MFIREQ, then**

$$\text{ADDMAR} = \text{MINMAR} - \text{UADMAR}$$

MFIR is the ratio of Margins For Interest to Indenture Interest for the Contract Year calculated prior to any Prior Period Adjustment for the Contract Year (**see 3.0**).

ADDMAR is the Additional Margins necessary to achieve the ratio of Margins For Interest to Indenture Interest required by the rate covenant of the Indenture for the Contract Year.

MINMAR is the Minimum Margins Component necessary to achieve the ratio of Margins For Interest to Indenture Interest required by the rate covenant of the Indenture for the Contract Year (**see 1.0**).

UADMAR is actual Unadjusted Margins, excluding revenues associated with land-related principal payments, for the Contract Year determined prior to any Prior Period Adjustment for the Contract Year.

MFIREQ is the ratio of Margins for Interest to Indenture Interest Required and defined in the rate covenant contained in the Indenture.

**(B) If MFIR is greater than 1.2, then**

$$\text{REFMAR} = \text{MAXMAR} - \text{UADMAR}$$

MFIR is the ratio of Margins For Interest to Indenture Interest for the Contract Year calculated prior to any Prior Period Adjustment for the Contract Year (**see 3.0**).

REFMAR is the Margins Refund necessary to achieve a ratio of Margins For Interest to Indenture Interest of 1.2 for the Contract Year.

MAXMAR is the Maximum Margins Component above which all additional margins shall be refunded to the GTC Members (**see 2.0**).

UADMAR is actual Unadjusted Margins, excluding revenues associated with land-related principal payments, for the Contract Year determined prior to any Prior Period Adjustment for the Contract Year.

**5.0 Calculation Of Margin Adjustment Factor.**

**(A) If MFIR is less than MFIREQ, then**

$$\text{MADJF} = \text{ADDMAR} / \text{UADREV}$$

MFIR is the ratio of Margins For Interest to Indenture Interest for the Contract Year calculated prior to any Prior Period Adjustment for the Contract Year (**see 3.0**).

MADJF is Margin Adjustment Factor.

ADDMAR is the Additional Margins necessary to achieve the ratio of Margins For Interest to Indenture Interest required by the rate covenant of the Indenture for the Contract Year (**see 4.0(A)**).

UADREV is Unadjusted Revenue, excluding revenues associated with land-related principal payments, for the Contract Year from sales to GTC Members prior to any Prior Period Adjustment for the Contract Year.

MFIREQ is the ratio of Margins for Interest to Indenture Interest Required and defined in the rate covenant contained in the Indenture.

**(B) If MFIR is greater than 1.2, then**

$$\text{MADJF} = \text{REFMAR} / \text{UADREV}$$

MFIR is the ratio of Margins For Interest to Indenture Interest for the Contract Year calculated prior to any Prior Period Adjustment for the Contract Year (**see 3.0**).

MADJF is Margin Adjustment Factor.

REFMAR is the Margin Refund necessary to achieve the ratio of Margins For Interest to Indenture Interest of 1.2 for the Contract Year (**see 4.0(B)**).

UADREV is Unadjusted Revenue, excluding revenues associated with land-related principal payments, for the Contract Year from sales to GTC Members prior to any Prior Period Adjustment for the Contract Year.

**6.0 Calculation Of Prior Period Adjustment For Each GTC Member.  
(Note: A separate calculation is made for each GTC Member)**

$$\text{PPADJ} = (\text{MADJF} * \text{MUAREV})/9$$

PPADJ is Prior Period Adjustment (refund credit or additional charge) for the individual GTC Member to be credited or charged in each month.

MADJF is Margin Adjustment Factor (**see 5.0(A) or (B), as applicable**).

MUAREV is the individual GTC Member's Unadjusted Revenue for the Contract Year from sales to the GTC Member determined prior to any Prior Period Adjustment for the Contract Year.

---

**SERVICE SCHEDULE 8**

**Rate Schedules For  
Point-To-Point Transmission Service**

**A. LONG-TERM FIRM TRANSMISSION SERVICE**

- A1.0 General. This Service Schedule A, “Long-Term Firm Transmission Service,” is effective under and a part of the TRANSMISSION SERVICE TARIFF OF GEORGIA TRANSMISSION CORPORATION dated January 1, 1997 (“GTC Tariff”). All of the terms, conditions, charges, and stipulations contained in the GTC Tariff are incorporated into this Service Schedule A herein by reference. Terms not otherwise defined in this Service Schedule A shall have the meanings set forth in Section 1 of the GTC Tariff.
- A2.0 Description of Service. Long-Term Firm Transmission Service contemplated by this Service Schedule A is for the use of GTC’s bulk transmission system, and the ITS which GTC has contractual right to utilize, to receive capacity and energy at the Point(s) of Receipt transmit such capacity and energy across the ITS, and deliver such capacity and energy at the Point(s) of Delivery. Specifically, Long-Term Firm Transmission Service shall be:
- (a) A Transmission Service transaction of a minimum duration in excess of one (1) year and a maximum duration of ten (10) years;
  - (b) Point-to-point transmission service; and
  - (c) Available to a Transmission Customer that meets the eligibility requirements of Section 13 of the GTC Tariff and has complied with the service request provisions of Section 15 of the GTC Tariff.
- A3.0 Procedure to Obtain Service. In order to obtain Long-Term Firm Transmission Service, the Transmission Customer must:
- (a) Have provided a Completed Application required in Section 15.2 of the GTC Tariff at least ninety (90) calendar days in advance of the date on which Transmission Service is to commence;
  - (b) Have reimbursed GTC for all costs associated with any System Impact Study as provided for in Section 17.2 and Facilities Study required in Section 17.4 of the GTC Tariff; and
  - (c) Have executed a Service Agreement with GTC.

---

A4.0 Compensation. The Transmission Customer shall pay GTC for Long-Term Firm Transmission Service in accordance with the following formulas:

**A4.1 Calculation of Power Delivery Transmission Capacity Charge for Long-Term Firm Transmission Service.**

$$\text{PDTCHG\_P} = \text{PDTCCR\_P} * \text{TCD}$$

PDTCHG\_P is the Power Delivery Transmission Capacity Charge for Long-Term Firm Transmission Service, applied during each month of service.

PDTCCR\_P is the Power Delivery Transmission Capacity Charge Rate, applied during each month of service, for Long-Term Firm Transmission Service expressed in terms of dollars per kW-month (see A4.2).

TCD is the Transmission Capacity, in kilowatts, being Delivered, integrated over one (1) hour, that is the greater of:

- 1) Contract amount, or
- 2) Scheduled amount.

**A4.2 Calculation of Power Delivery Transmission Capacity Charge Rate for Long-Term Firm Transmission Service.**

$$\text{PDTCCR\_P} = (\text{EXPITS} + \text{AGITS}) / (100,000 * \text{MOSERV})$$

PDTCCR\_P is the Power Delivery Transmission Capacity Charge Rate, applied during each month of service, for Long-Term Firm Transmission Service expressed in terms of dollars per kW-month.

EXPITS is the total direct expenses related to the change in GTC's parity calculation of investment responsibility for the period of service (see A4.2.1).

AGITS is the allocated Administrative and General expenses (see A4.2.2).

MOSERV is the number of months of transmission service that is required for the transaction.

**A4.2.1 Calculation of Direct Expenses Related to the Change in GTC's Parity Calculation of Investment Responsibility.**

$$\text{For non-GTC Members, } \text{EXPITS}_{\text{NM}} = (\text{ROR} + \text{D} + \text{OM} + \text{I} + \text{AT} + \text{L} + \text{CCD}) * \text{INV}$$

---

For GTC Members,  $EXPITS_M = (INT + D + OM + I + AT + L + CCD) * INV$

EXPITS is the total direct expenses related to the change in GTC's parity calculation of investment responsibility for the period of service.

ROR is GTC's weighted average rate of return from debt and equity capital (see **A4.2.1.1**).

D is the annual Depreciation expense applicable to transmission and distribution facilities divided by the total gross transmission and distribution investment.

OM is the annual Operations and Maintenance expenses applicable to transmission and distribution facilities divided by the total gross transmission and distribution investment.

I is the annual Insurance expenses applicable to transmission and distribution facilities divided by the total gross transmission and distribution investment.

AT is the annual Ad valorem Tax expenses applicable to transmission and distribution facilities divided by the total gross transmission and distribution investment.

L is the annual land-related principal payments applicable to transmission and distribution facilities divided by the total gross transmission and distribution investment.

CCD is the carrying charge adder for Long Term Firm transmission service. It is equal to the difference between the total ITS carrying charge rates of GTC and the ITS party with the highest carrying charge rate.

INV is the change in GTC's ITS parity calculation for off-system Investment responsibility incurred as a result of the 100 MW transmission transaction. For transactions using bulk facilities only, this change is multiplied by the average B2 investment percentage.

INT is the annual Interest expenses applicable to transmission and distribution facilities divided by the total gross transmission and distribution investment.

#### **A4.2.1.1 Calculation of Rate of Return.**

$$ROR = WLTDCOST + (WEQCOST / (1 - TAXRATE))$$

ROR is GTC's weighted average rate of return from debt and equity capital.

WLTDCOST is GTC's weighted average cost of debt capital (see **A4.2.1.2**).

WEQCOST is GTC's weighted cost of equity capital (see **A4.2.1.3**).

TAXRATE is the corporate income tax rate.

**A4.2.1.2 Calculation of Weighted Cost of Debt Capital.**

$$\text{WLTDCCOST} = \text{LTDCOST} * (\text{LTDDEBT}/\text{CAPITAL})$$

WLTDCCOST is GTC's weighted average cost of debt capital.

LTDCOST is GTC's current cost of Long Term Debt in the public market unless the Transmission Customer is an RUS borrower, then LTDCOST is the average interest rate of GTC's long-term debt and capitalized leases.

LTDDEBT is GTC's Long Term Debt including capitalized leases.

CAPITAL is the sum of GTC's Long Term Debt and Patronage Capital.

**A4.2.1.3 Calculation of Weighted Cost of Equity Capital.**

$$\text{WEQCOST} = \text{EQCOST} * (\text{PAT}/\text{CAPITAL})$$

WEQCOST is GTC's weighted cost of equity capital.

EQCOST is the average cost of GTC's equity capital (see A4.2.1.4).

PAT is GTC's amount of patronage capital.

CAPITAL is the sum of GTC's Long Term Debt and Patronage Capital.

**A4.2.1.4 Calculation of Cost of Equity Capital.**

$$\text{EQCOST} = \text{LTDCOST} + 0.04$$

EQCOST is the average cost of GTC's equity capital.

LTDCOST is GTC's current cost of Long Term Debt in the public market unless the Transmission Customer is an RUS borrower, then LTDCOST is the average interest rate of GTC's long-term debt and capitalized leases.

**A4.2.2 Calculation of Allocated Administrative and General Expenses.**

---

For non-GTC Members,  $AGITS_{NM} = AG_{NM} * [EXPITS_{NM} / ((PDTCC + PDSCC - REVCRE) + EXPITS_{NM})]$

For GTC Members,  $AGITS_M = AG_M * [EXPITS_M / ((PDTCC + PDSCC - REVCRE) + EXPITS_M)]$

AGITS is the allocated Administrative and General expenses.

$AG_{NM}$  is the corporate administrative and general expenses less margin component (see A4.2.2.1).

$AG_M$  is the corporate administrative and general expenses including margin component.

EXPITS is the direct expenses related to the change in GTC's parity calculation of investment responsibility.

PDTCC is Power Delivery Transmission Capacity Costs.

PDSCC is Power Delivery Substation Capacity Costs

REVCRE is the sum of Revenue Credits (see A4.2.2.2).

#### **A4.2.2.1 Calculation of Administrative and General Expenses for Non-GTC Members.**

$$AG_{NM} = TOTAGO - MC$$

$AG_{NM}$  is the corporate administrative and general expenses less margin component.

TOTAGO is Total Administrative and General expenses and Other general expenses. (see A4.2.2.4)

MC is Margin Component (see A4.2.2.3).

#### **A4.2.2.2 Calculation of Revenue Credits.**

$$REVCRE = PDTREV + PDSREV$$

REVCRE is the sum of Revenue Credits.

PDTREV is the portion of Power Delivery Transmission Revenue credits assigned or allocated to the Power Delivery Transmission category to be returned to Transmission Customers through rates. These credits include, but are not limited to parity, transmission service, and interface sales revenues. The amount of revenues flowed through to Transmission Customers on a current



---

basis versus the amount retained by GTC to build equity will be established by Board policy and consistent with regulatory requirements.

PDSREV is the portion of Power Delivery Substation Revenue credits assigned or allocated to the Power Delivery Substation category to be returned to Transmission Customers through rates. These credits include, but are not limited to parity, transmission service, and interface sales revenues. The amount of revenues flowed through to Transmission Customers on a current basis versus the amount retained by GTC to build equity will be established by Board policy and consistent with regulatory requirements.

**A4.2.2.3 Calculation of Margin Component.**

$$MC = (\text{INDINT} * (\text{MFIREQ} - 1))$$

MC is Margin Component.

INDINT is Indenture Interest.

MFIREQ is the Margins for Interest ratio Required by the Indenture.

**A4.2.2.4 Calculation of Total Administrative and General Expenses And Other General Expenses.**

$$\text{TOTAGO} = \text{TOTAG} - \text{DAIEXP} + \text{OGENEX} + \text{GENDEP} + \text{GENINT} \\ + \text{GENPT} + \text{OTHEXP} + \text{MISODE} - \text{MISREV} + \text{MC} + \text{INCTAX} + \text{BDEXP}$$

TOTAGO is Total Administrative and General expenses and Other general expenses.

TOTAG is Total Administrative and General expenses, including general plant operation and maintenance expense.

DAIEXP is Property Insurance expense Directly Assigned to functional category, excluding property insurance assigned to general plant.

OGENEX is Other General Expense.

GENDEP is General Plant Depreciation and amortization expense.

GENINT is General Plant Interest expense.

GENPT is General Plant Property Taxes.

OTHEXP is Other Expenses.

MISODE is Miscellaneous Other Deductions (e.g., rental amortization, amortization of losses).

MISREV is Miscellaneous Revenues and other revenue credits not otherwise directly assigned to a functional category (e.g., interest income, equity component of allowance for funds used during construction, income from subsidiary activities, and rental income and other non-operating income).

MC is Margin Component

INCTAX is Federal and State Income and other Taxes imposed on income from investments and other taxable transactions, if any.

BDEXP is Board of Directors' fees and Expenses.

- A4.3 Special Service Costs. The Transmission Customer shall pay all applicable Interface Capability costs, Modified Dispatch Costs, or Lost Opportunity Costs, incurred by GTC in order to accommodate a transmission service scheduled in accordance with Section 25 of the GTC Tariff.
- A4.4 Curtailement Costs. The Transmission Customer shall also pay any applicable Modified Dispatch Costs or Lost Opportunity Costs incurred by GTC at Purchaser's request to avoid or limit curtailment in accordance with Section 25 of the GTC Tariff.
- A4.5 Miscellaneous Costs. The Transmission Customer shall also pay other applicable charges in accordance with other provisions of the GTC Tariff or the Service Agreement, if any.

--END OF SERVICE SCHEDULE A--

**B. SHORT-TERM FIRM TRANSMISSION SERVICE**

- B1.0 General. This Service Schedule B, "Short-Term Firm Transmission Service," is effective under and a part of the TRANSMISSION SERVICE TARIFF OF GEORGIA TRANSMISSION CORPORATION dated January 1, 1997 (the "GTC Tariff"). All of the terms, conditions, charges, and stipulations contained in the GTC Tariff are incorporated into this Service Schedule B herein by reference. Terms not otherwise defined in this Service Schedule B shall have the meanings set forth in Section 1 of the GTC Tariff.
- B2.0 Description of Service. Short-Term Firm Transmission Service contemplated by this Service Schedule B is for the use of GTC's bulk transmission system, and the ITS which GTC has contractual right to utilize, to receive capacity and energy at the Point(s) of Receipt transmit such capacity and energy across the ITS, and deliver such capacity and energy at the Point(s) of Delivery. Specifically, Short-Term Firm Transmission Service shall be:
- (a) A Transmission Service transaction of a minimum duration in excess of one (1) day and a maximum duration of one (1) year;
  - (b) Point-to-point transmission service; and
  - (c) Available to a Transmission Customer that meets the eligibility requirements of Section 13 of the GTC Tariff and has complied with the service request provisions of Section 15 of the GTC Tariff.
- B3.0 Procedure to Obtain Service. In order to obtain Short-Term Firm Transmission Service, the Transmission Customer must:
- (a) Have provided a Completed Application required in Section 15.2 of the GTC Tariff at least sixty (60) calendar days in advance of the date on which Transmission Service is to commence; in the case of daily or weekly service, this requirement is waived;
  - (b) Have reimbursed GTC for all costs associated with any System Impact Study as provided for in Section 17.2 and Facilities Study required in Section 17.4 of the GTC Tariff; and
  - (c) Have executed a Service Agreement with GTC.

B4.0 Compensation. The Transmission Customer shall pay GTC for Short-Term Firm Transmission Service in accordance with the following formulas:

**B4.1 Calculation of Power Delivery Transmission Capacity Charge for Short-Term Firm Transmission Service.**

$$\text{PDTCHG\_P} = \text{PDTCCR\_P} * \text{TCD}$$

PDTCHG\_P is the Power Delivery Transmission Capacity Charge for Short-Term Firm Transmission Service, applied during each month of service.

PDTCCR\_P is the Power Delivery Transmission Capacity Charge Rate, applied during each month of service, for Short-Term Firm Transmission Service expressed in terms of dollars per kW-month.

TCD is the Transmission Capacity, in kilowatts, being Delivered, integrated over one hour, that is the greater of:

- 1) Contract amount, or
- 2) Scheduled amount.

**B4.2 Calculation of Power Delivery Transmission Capacity Charge Rate for Short-Term Firm Transmission Service.**

$$\text{PDTCCR\_P} = (\text{EXPITS} + \text{AGITS}) / (100,000 * \text{MOSERV})$$

PDTCCR\_P is the Power Delivery Transmission Capacity Charge Rate, applied during each month of service, for Short-Term Firm Transmission Service expressed in terms of dollars per kW-month.

EXPITS is the total direct expenses related to the change in GTC's parity calculation of investment responsibility for the period of service (see **B4.2.1**).

AGITS is the allocated Administrative and General expenses (see **B4.2.2**).

MOSERV is the number of months of that transmission service is required for the transaction.

RESP is the number of months of investment responsibility that GTC incurs under the ITS contract for the firm transaction.

This rate for Short-Term Firm Transmission Service can be expressed in terms of an annual (when appropriate), weekly, daily and hourly rate by applying the following calculations:

If RESP is greater than or equal to 12,  
Annual Rate = (EXPITS + AGITS), Annualized / TCD  
If RESP is less than 12,  
Annual Rate = PDTCCR\_P \* MOSERV  
Monthly Rate = PDTCCR\_P  
Weekly Rate = (EXPITS + AGITS), Annualized / (TCD\* 52)  
Daily Rate = Weekly Rate / 5  
Hourly rate = Daily Rate / 16

**B4.2.1 Calculation of Direct Expenses Related to the Change in GTC's Parity  
Calculation of Investment Responsibility.**

For non-GTC Members,  $EXPITS_{NM} = (ROR + D + OM + I + AT + L + CCD) * INV$   
For GTC Members,  $EXPITS_M = (INT + D + OM + I + AT + L + CCD) * INV$

EXPITS is the total direct expenses related to the change in GTC's parity calculation of investment responsibility for the period of service.

ROR is GTC's weighted average rate of return from debt and equity capital (see **B4.2.1.1**).

D is the annual Depreciation expense applicable to transmission and distribution facilities divided by the total gross transmission and distribution investment.

OM is the annual Operations and Maintenance expenses applicable to transmission and distribution facilities divided by the total gross transmission and distribution investment.

I is the annual Insurance expenses applicable to transmission and distribution facilities divided by the total gross transmission and distribution investment.

AT is the annual Ad valorem Tax expenses applicable to transmission and distribution facilities divided by the total gross transmission and distribution investment.

L is the annual land-related principal payments applicable to transmission and distribution facilities divided by the total gross transmission and distribution investment.

CCD is a carrying charge adder for Short-Term Firm and Non-Firm Transmission Service. It is equal to the difference between the total ITS Carrying Charge rates of GTC and the ITS party with the highest ITS carrying charge rate.

INV is the change in GTC's ITS parity calculation for off-system Investment responsibility incurred as a result of the 100 MW transmission transaction. For transactions using bulk facilities only, this change is multiplied by the average B2 investment percentage.

INT is the annual Interest expenses applicable to transmission and distribution facilities divided by the total gross transmission and distribution investment.

**B4.2.1.1 Calculation of Rate of Return.**

$$\text{ROR} = \text{WLTDCOST} + (\text{WEQCOST} / (1 - \text{TAXRATE}))$$

ROR is GTC's weighted average rate of return from debt and equity capital.

WLTDCOST is GTC's weighted average cost of debt capital (see **B4.2.1.2**).

WEQCOST is GTC's weighted cost of equity capital (see **B4.2.1.3**).

TAXRATE is corporate income tax rate.

**B4.2.1.2 Calculation of Weighted Cost of Debt Capital.**

$$\text{WLTCOST} = \text{LTDCOST} * (\text{LTDDEBT}/\text{CAPITAL})$$

WLTCOST is GTC's weighted average cost of debt capital.

LTDCOST is GTC's current cost of Long Term Debt in the public market unless the Transmission Customer is an RUS borrower, then LTDCOST is the average interest rate of GTC's long-term debt and capitalized leases.

LTDDEBT is GTC's Long Term Debt including capitalized leases.

CAPITAL is the sum of GTC's Long Term Debt and Patronage Capital.

**B4.2.1.3 Calculation of Weighted Cost of Equity Capital.**

$$\text{WEQCOST} = \text{EQCOST} * (\text{PAT}/\text{CAPITAL})$$

WEQCOST is GTC's weighted cost of equity capital.

EQCOST is the average cost of GTC's equity capital (see B4.2.1.4).

PAT is GTC's amount of patronage capital.

CAPITAL is the sum of GTC's Long Term Debt and Patronage Capital.

**B4.2.1.4 Calculation of Cost of Equity Capital.**

$$\text{EQCOST} = \text{LTDCOST} + 0.04$$

EQCOST is the average cost of GTC's equity capital.

LTDCOST is GTC's current cost of Long Term Debt in the public market unless the Transmission Customer is an RUS borrower, then LTDCOST is the average interest rate of GTC's long-term debt and capitalized leases.

**B4.2.2 Calculation of Allocated Administrative and General Expenses.**

For non-GTC Members,  $AGITS_{NM} = AG_{NM} * [EXPITS_{NM} / (PDTCC + PDSCC - REVCRE) + EXPITS_{NM}]$

For GTC Members,  $AGITS_M = AG_M * [EXPITS_M / ((PDTCC + PDSCC - REVCRE) + EXPITS_M)]$

AGITS is the allocated Administrative and General expenses.

$AG_{NM}$  is the corporate administrative and general expenses less margin component (see B4.2.2.1).

$AG_M$  is the corporate administrative and general expenses including margin component.

EXPITS is the direct expenses related to the change in GTC's parity calculation of investment responsibility.

PDTCC is Power Delivery Transmission Capacity Costs.

PDSCC is Power Delivery Substation Capacity Costs

REVCRE is the sum of Revenue Credits (see B4.2.2.2).

**B4.2.2.1 Calculation of Administrative and General Expenses for Non-GTC Members.**

$$AG_{NM} = TOTAGO - MC$$

$AG_{NM}$  is the corporate administrative and general expenses less margin component.

TOTAGO is Total Administrative and General expenses and Other general expenses. (see B4.2.2.4)

MC is Margin Component (see B4.2.2.3).

**B4.2.2.2 Calculation of Revenue Credits.**



$$\text{REVCRE} = \text{PDTREV} + \text{PDSREV}$$

REVCRE is the sum of Revenue Credits.

PDTREV is the portion of Power Delivery Transmission Revenue credits assigned or allocated to the Power Delivery Transmission category to be returned to Transmission Customers through rates. These credits include, but are not limited to parity, transmission service, and interface sales revenues. The amount of revenues flowed through to Transmission Customers on a current basis versus the amount retained by GTC to build equity will be established by Board policy and consistent with regulatory requirements.

PDSREV is the portion of Power Delivery Substation Revenue credits assigned or allocated to the Power Delivery Substation category to be returned to Transmission Customers through rates. These credits include, but are not limited to parity, transmission service, and interface sales revenues. The amount of revenues flowed through to Transmission Customers on a current basis versus the amount retained by GTC to build equity will be established by Board policy and consistent with regulatory requirements.

**B4.2.2.3 Calculation of Margin Component.**

$$\text{MC} = (\text{INDINT} * (\text{MFIREQ} - 1))$$

MC is Margin Component.

INDINT is Indenture Interest.

MFIREQ is the Margins for Interest ratio Required by the Indenture.

**B4.2.2.4 Calculation of Total Administrative and General Expenses And Other General Expenses.**

$$\text{TOTAGO} = \text{TOTAG} - \text{DAIEXP} + \text{OGENEX} + \text{GENDEP} + \text{GENINT} \\ + \text{GENPT} + \text{OTHEXP} + \text{MISODE} - \text{MISREV} + \text{MC} + \text{INCTAX} + \text{BDEXP}$$

TOTAGO is Total Administrative and General expenses and Other general expenses.

TOTAG is Total Administrative and General expenses, including general plant operation and maintenance expense.

DAIEXP is Property Insurance expense Directly Assigned to functional category, excluding property insurance assigned to general plant.

OGENEX is Other General Expense.

GENDEP is General Plant Depreciation and amortization expense.

GENINT is General Plant Interest expense.

GENPT is General Plant Property Taxes.

OTHEXP is Other Expenses.

MISODE is Miscellaneous Other Deductions (e.g., rental amortization, amortization of losses).

MISREV is Miscellaneous Revenues and other revenue credits not otherwise directly assigned to a functional category (e.g., interest income, equity component of allowance for funds used during construction, income from subsidiary activities, and rental income and other non-operating income).

MC is Margin Component

INCTAX is Federal and State Income and other Taxes imposed on income from investments and other taxable transactions, if any.

BDEXP is Board of Directors' fees and Expenses.

- B4.3 Special Services Costs. The Transmission Customer shall pay all applicable Interface Capability costs, Modified Dispatch Costs, or Lost Opportunity Costs, incurred by GTC in order to accommodate a transmission service scheduled in accordance with Section 25 of the GTC Tariff.
- B4.4 Curtailement Costs. The Transmission Customer shall also pay any applicable Modified Dispatch Costs or Lost Opportunity Costs incurred by GTC at the Transmission Customer's request to avoid or limit curtailment in accordance with Section 25 of the GTC Tariff.
- B4.5 Miscellaneous Costs. The Transmission Customer shall also pay other applicable charges in accordance with other provisions of the GTC Tariff or the Service Agreement, if any.

--END OF SERVICE SCHEDULE B--

---

**C. PEAK PERIOD FIRM TRANSMISSION SERVICE**

- C1.0 General This Service Schedule C, “Peak Period Firm Transmission Service,” is effective under and a part of the TRANSMISSION SERVICE TARIFF OF GEORGIA TRANSMISSION CORPORATION dated January 1, 1997 (“GTC Tariff”). All of the terms, conditions, charges, and stipulations contained in the GTC Tariff are incorporated into this Service Schedule C herein by reference. Terms not otherwise defined in this Service Schedule C shall have the meanings set forth in Section 1 of the GTC Tariff.
- C2.0 Description of Service. Peak Period Firm Transmission Service contemplated by this Service Schedule C is for the use of GTC’s bulk transmission system, and the ITS which GTC has contractual right to utilize, to receive capacity and energy at the Point(s) of Receipt transmit such capacity and energy across the ITS, and deliver such capacity and energy at the Point(s) of Delivery. Specifically, Peak Period Firm Transmission Service shall be:
- (a) A Transmission Service transaction of a minimum duration in excess of twenty (20) consecutive Peak Period days;
  - (b) Limited to one (1) calendar year;
  - (c) Point-to-point transmission service; and
  - (d) Available to a Transmission Customer that meets the eligibility requirements of Section 13 of the GTC Tariff and has complied with the service request provisions of Section 15 of the GTC Tariff.
- C3.0 Procedure to Obtain Service. In order to obtain Peak Period Firm Transmission Service, the Transmission Customer must:
- (a) Have provided a Completed Application required in Section 15.2 of the GTC Tariff at least sixty (60) calendar days in advance of the date on which Transmission Service is to commence;
  - (b) Have reimbursed GTC for all costs associated with any System Impact Study as provided for in Section 17.2 and Facilities Study required in Section 17.4 of the GTC Tariff; and

(c) Have executed a Service Agreement with GTC.

C4.0 Compensation. The Transmission Customer shall pay GTC for Peak Period Firm Transmission Service in accordance with the following formulas:

**C4.1 Calculation of Power Delivery Transmission Capacity Charge for Peak Period Firm Transmission Service.**

$$\text{PDTCHG\_P} = \text{PDTCCR\_P} * \text{TCD}$$

PDTCHG\_P is the Power Delivery Transmission Capacity Charge for Peak Period Firm Transmission Service, applied during each month of service.

PDTCCR\_P is the Power Delivery Transmission Capacity Charge Rate, applied during each month of service, for Peak Period Firm Transmission Service expressed in terms of dollars per kW-month.

TCD is the Transmission Capacity, in kilowatts, being Delivered, integrated over one (1) hour, that is the greater of:

- 1) Contract amount, or
- 2) Scheduled amount.

**C4.2 Calculation of Power Delivery Transmission Capacity Charge Rate for Peak Period Firm Transmission Service.**

$$\text{PDTCCR\_P} = (\text{EXPITS} + \text{AGITS}) / (100,000 * \text{MOSERV})$$

PDTCCR\_P is the Power Delivery Transmission Capacity Charge Rate, applied during each month of service, for Peak Period Firm Transmission Service expressed in terms of dollars per kW-month.

EXPITS is the total direct expenses related to the change in GTC's parity calculation of investment responsibility for the period of service (see C4.2.1).

AGITS is the allocated Administrative and General expenses (see C4.2.2).

MOSERV is the number of months of that transmission service is required for the transaction.

**C4.2.1 Calculation of Direct Expenses Related to the Change in GTC's Parity  
Calculation of Investment Responsibility.**

For non-GTC Members  $EXPITS_{NM} = (ROR + D + OM + I + AT + L + CCD) * INV$

For GTC Members,  $EXPITS_M = (INT + D + OM + I + AT + L) * INV$

EXPITS is the total direct expenses related to the change in GTC's parity calculation of investment responsibility for the period of service.

ROR is GTC's weighted average rate of return from debt and equity capital (**see C4.2.1.1**).

D is the annual Depreciation expense applicable to transmission and distribution facilities divided by the total gross transmission and distribution investment.

OM is the annual Operations and Maintenance expenses applicable to transmission and distribution facilities divided by the total gross transmission and distribution investment.

I is the annual Insurance expenses applicable to transmission and distribution facilities divided by the total gross transmission and distribution investment.

AT is the annual Ad valorem Tax expenses applicable to transmission and distribution facilities divided by the total gross transmission and distribution investment.

L is the annual land-related principal payments applicable to transmission and distribution facilities divided by the total gross transmission and distribution investment.

CCD is a carrying charge adder for Peak Period Firm Transmission Service. It is equal to the difference between the total ITS Carrying Charge rates of GTC and the ITS party with the highest ITS carrying charge rate.

INV is the change in GTC's ITS parity calculation for off-system Investment responsibility incurred as a result of the 100 MW transmission transaction. For

transactions using bulk facilities only, this change is multiplied by the average B2 investment percentage.

INT is the annual Interest expenses applicable to transmission and distribution facilities divided by the total gross transmission and distribution investment.

**C4.2.1.1 Calculation of Rate of Return.**

$$\text{ROR} = \text{WLTDCOST} + (\text{WEQCOST} / (1 - \text{TAXRATE}))$$

ROR is GTC's weighted average rate of return from debt and equity capital.

WLTDCOST is GTC's weighted average cost of debt capital (see C4.2.1.2).

WEQCOST is GTC's weighted cost of equity capital (see C4.2.1.3).

TAXRATE is the corporate income tax rate.

**C4.2.1.2 Calculation of Weighted Cost of Debt Capital.**

$$\text{WLTDCOST} = \text{LTDCOST} * (\text{LTDDEBT}/\text{CAPITAL})$$

WLTDCOST is GTC's weighted average cost of debt capital.

LTDCOST is GTC's current cost of Long Term Debt in the public market unless the Transmission Customer is an RUS borrower, then LTDCOST is the average interest rate of GTC's long-term debt and capitalized leases.

LTDDEBT is GTC's Long Term Debt including capitalized leases.

CAPITAL is the sum of GTC's Long Term Debt and Patronage Capital.

**C4.2.1.3 Calculation of Weighted Cost of Equity Capital.**

$$\text{WEQCOST} = \text{EQCOST} * (\text{PAT}/\text{CAPITAL})$$

WEQCOST is GTC's weighted cost of equity capital.

EQCOST is the average cost of GTC's equity capital (see C4.2.1.4).

PAT is GTC's amount of patronage capital.

CAPITAL is the sum of GTC's Long Term Debt and Patronage Capital.

**C4.2.1.4 Calculation of Cost of Equity Capital.**

$$\text{EQCOST} = \text{LTDCOST} + 0.04$$

EQCOST is the average cost of GTC's equity capital.

LTDCOST is GTC's current cost of Long Term Debt in the public market unless the Transmission Customer is an RUS borrower, then LTDCOST is the average interest rate of GTC's long-term debt and capitalized leases.

**C4.2.2 Calculation of Allocated Administrative and General Expenses.**

For non-GTC Members,  $\text{AGITS}_{\text{NM}} = \text{AG}_{\text{NM}} * [\text{EXPITS}_{\text{NM}} / ((\text{PDTCC} + \text{PDSCC} - \text{REVCRE}) + \text{EXPITS}_{\text{NM}})]$

For GTC Members,  $\text{AGITS}_{\text{M}} = \text{AG}_{\text{M}} * [\text{EXPITS}_{\text{M}} / ((\text{PDTCC} + \text{PDSCC} - \text{REVCRE}) + \text{EXPITS}_{\text{M}})]$

AGITS is the allocated Administrative and General expenses.

$\text{AG}_{\text{NM}}$  is the corporate administrative and general expenses less margin component (see C4.2.2.1).

$\text{AG}_{\text{M}}$  is the corporate administrative and general expenses including margin component.

EXPITS is the direct expenses related to the change in GTC's parity calculation of investment responsibility.



PDTCC is Power Delivery Transmission Capacity Costs.

PDSCC is Power Delivery Substation Capacity Costs

REVCRE is the sum of Revenue Credits (see C4.2.2).

**C4.2.2.1 Calculation of Administrative and General Expenses for Non-GTC Members.**

$$AG_{NM} = \text{TOTAGO} - \text{MC}$$

$AG_{NM}$  is the corporate administrative and general expenses less margin component.

TOTAGO is Total Administrative and General expenses and Other general expenses. (see C4.2.2.4)

MC is Margin Component (see C4.2.2.3).

**C4.2.2.2 Calculation of Revenue Credits.**

$$\text{REVCRE} = \text{PDTREV} + \text{PDSREV}$$

REVCRE is the sum of Revenue Credits.

PDTREV is the portion of power delivery transmission revenue credits assigned or allocated to the power delivery transmission category to be returned to Transmission Customers through rates. These credits include, but are not limited to parity, transmission service, is Power Delivery Transmission Revenue credits assigned or allocated to the Power Delivery Transmission category, including but not limited to parity, transmission service, and interface sales revenues. The amount of revenues flowed through to Transmission Customers on a current basis versus the amount retained by GTC to build equity will be established by Board policy and consistent with regulatory requirements.

PDSREV is the portion of Power Delivery Substation Revenue credits assigned or allocated to the Power Delivery Substation category to be returned to Transmission Customers through rates. These credits include, but are not limited

to parity, transmission service, and interface sales revenues. The amount of revenues flowed through to Transmission Customers on a current basis versus the amount retained by GTC to build equity will be established by Board policy and consistent with regulatory requirements.

**C4.2.2.3 Calculation of Margin Component.**

$$MC = (\text{INDINT} * (\text{MFIREQ} - 1))$$

MC is Margin Component.

INDINT is Indenture Interest.

MFIREQ is the Margins for Interest ratio Required by the Indenture.

**C4.2.2.4 Calculation of Total Administrative and General Expenses And Other General Expenses.**

$$\text{TOTAGO} = \text{TOTAG} - \text{DAIEXP} + \text{OGENEX} + \text{GENDEP} + \text{GENINT} \\ + \text{GENPT} + \text{OTHEXP} + \text{MISODE} - \text{MISREV} + \text{MC} + \text{INCTAX} + \text{BDEXP}$$

TOTAGO is Total Administrative and General expenses and Other general expenses.

TOTAG is Total Administrative and General expenses, including general plant operation and maintenance expense.

DAIEXP is Property Insurance expense Directly Assigned to functional category, excluding property insurance assigned to general plant.

OGENEX is Other General Expense.

GENDEP is General Plant Depreciation and amortization expense.

GENINT is General Plant Interest expense.

GENPT is General Plant Property Taxes.

OTHEXP is Other Expenses.

MISODE is Miscellaneous Other Deductions (e.g., rental amortization, amortization of losses).

MISREV is Miscellaneous Revenues and other revenue credits not otherwise directly assigned to a functional category (e.g., interest income, equity component of allowance for funds used during construction, income from subsidiary activities, and rental income and other non-operating income).

MC is Margin Component

INCTAX is Federal and State Income and other Taxes imposed on income from investments and other taxable transactions, if any.

BDEXP is Board of Directors' fees and Expenses.

- C4.3 Special Service Costs. The Transmission Customer shall pay all applicable Interface Capability costs, Modified Dispatch Costs, or Lost Opportunity Costs, incurred by GTC in order to accommodate a transmission service scheduled in accordance with Section 25 of the GTC Tariff.
- C4.4 Curtailment Costs. The Transmission Customer shall also pay any applicable Modified Dispatch Costs or Lost Opportunity Costs incurred by GTC at the Transmission Customer's request to avoid or limit curtailment in accordance with Section 25 of the GTC Tariff.
- C4.5 Miscellaneous Costs. The Transmission Customer shall also pay other applicable charges in accordance with other provisions of the GTC Tariff or the Service Agreement, if any.

--END OF SERVICE SCHEDULE C--

---

## D. NON-FIRM TRANSMISSION SERVICE

- D1.0 General This Service Schedule D, "Non-Firm Transmission Service," is effective under and a part of the TRANSMISSION SERVICE TARIFF OF GEORGIA TRANSMISSION CORPORATION dated January 1, 1997 ("GTC Tariff"). All of the terms, conditions, charges, and stipulations contained in the GTC Tariff are incorporated into this Service Schedule D herein by reference. Terms not otherwise defined in this Service Schedule D shall have the meanings set forth in Section 1 of the GTC Tariff.
- D2.0 Description of Service. Non-Firm Transmission Service contemplated by this Service Schedule D is for the use of GTC's bulk transmission system, and the ITS which GTC has contractual right to utilize, to receive energy at the Point(s) of Receipt, transmit such energy across the ITS, and deliver such energy at the Point(s) of Delivery. Specifically, Non-Firm Transmission Service shall be:
- (a) A Transmission Service transaction of a minimum duration of one (1) hour and a maximum duration of one (1) week;
  - (b) Point-to-point transmission service; and
  - (c) Available to a Transmission Customer that meets the eligibility requirements of Section 13 of the GTC Tariff and has complied with the service request provisions of Section 16.2 of the GTC Tariff.
- D3.0 Procedure to Obtain Service. In order to obtain Non-Firm Transmission Service, the Transmission Customer must have provided a Completed Application in accordance with Section 16.2 of the GTC Tariff and have executed a Service Agreement.
- D4.0 Compensation. The Transmission Customer shall pay GTC for Non-Firm Transmission Service in accordance with the following formulas:
- D4.1 Calculation of Power Delivery Transmission Capacity Charge for Non-Firm Transmission Service.**

$$PDTCHG\_P = PDTCCR\_P * TCD$$

---

PDTCHG\_P is the Power Delivery Transmission Capacity Charge for Non-Firm Transmission Service, applied during each month of service.

PDTCCR\_P is the Power Delivery Transmission Capacity Charge Rate, applied during each month of service, for Non-Firm Transmission Service expressed in terms of dollars per kW-month.

TCD is the Transmission Capacity, in kilowatts, being Delivered, integrated over one (1) hour, that is the greater of:

- 1) Contract amount, or
- 2) Scheduled amount.

**D4.2 Calculation of Power Delivery Transmission Capacity Charge Rate for Non-Firm Transmission Service.**

$$\text{PDTCCR}_P = (\text{EXPITS} + \text{AGITS}) / (100,000 * \text{MOSERV})$$

PDTCCR\_P is the Power Delivery Transmission Capacity Charge Rate, applied during each month of service, for Non-Firm Transmission Service expressed in terms of dollars per kW-month.

EXPITS is the total direct expenses related to the change in GTC's parity calculation of investment responsibility for the period of service (see **D4.2.1**).

AGITS is the allocated Administrative and General expenses (see **D4.2.2**).

MOSERV is the number of months of that transmission service is required for the transaction.

RESP is the number of months of investment responsibility that GTC incurs under the ITS contract for the firm transaction.

This rate for Non-Firm Transmission Service can be expressed in terms of a weekly, daily and hourly rate by applying the following calculations:

$$\begin{aligned} \text{Hourly Rate} &= \text{Firm Annual Rate for RESP greater than or equal to 12} / \text{Hours per year} \\ \text{Daily Rate} &= \text{Hourly Rate} * 16 \end{aligned}$$

---

Weekly Rate = Daily Rate \* 5

**D4.2.1 Calculation of Direct Expenses Related to the Change in GTC's Parity  
Calculation of Investment Responsibility.**

For non-GTC Members,  $EXPITS_{NM} = (ROR + D + OM + I + AT + L + CCD) * INV$

For GTC Members,  $EXPITS_M = (INT + D + OM + I + AT + L) * INV$

EXPITS is the total direct expenses related to the change in GTC's parity calculation of investment responsibility for the period of service.

ROR is GTC's weighted average rate of return from debt and equity capital (see **D4.2.1.1**).

D is the annual Depreciation expense applicable to transmission and distribution facilities divided by the total gross transmission and distribution investment.

OM is the annual Operations and Maintenance expenses applicable to transmission and distribution facilities divided by the total gross transmission and distribution investment.

I is the annual Insurance expenses applicable to transmission and distribution facilities divided by the total gross transmission and distribution investment.

AT is the annual Ad valorem Tax expenses applicable to transmission and distribution facilities divided by the total gross transmission and distribution investment.

L is the annual land-related principal payments applicable to transmission and distribution facilities divided by the total gross transmission and distribution investment.

CCD is a carrying charge adder for Non-Firm Transmission Service. It is equal to the difference between the total ITS Carrying Charge rates of GTC and the ITS party with the highest ITS carrying charge rate.

INV is the change in GTC's ITS parity calculation for off-system Investment responsibility incurred as a result of the 100 MW transmission transaction. For

transactions using bulk facilities only, this change is multiplied by the average B2 investment percentage.

INT is the annual Interest expenses applicable to transmission and distribution facilities divided by the total gross transmission and distribution investment.

**D4.2.1.1 Calculation of Rate of Return.**

$$\text{ROR} = \text{WLTD COST} + (\text{WEQCOST} / (1 - \text{TAXRATE}))$$

ROR is GTC's weighted average rate of return from debt and equity capital.

WLTD COST is GTC's weighted average cost of debt capital (see D4.2.1.2).

WEQCOST is GTC's weighted cost of equity capital (see D4.2.1.3).

TAXRATE is the corporate income tax rate.

**D4.2.1.2 Calculation of Weighted Cost of Debt Capital.**

$$\text{WLTD COST} = \text{LTDCOST} * (\text{LTDDEBT}/\text{CAPITAL})$$

WLTD COST is GTC's weighted average cost of debt capital.

LTDCOST is GTC's current cost of Long Term Debt in the public market unless the Transmission Customer is an RUS borrower, then LTDCOST is the average interest rate of GTC's long-term debt and capitalized leases.

LTDDEBT is GTC's Long Term Debt including capitalized leases.

CAPITAL is the sum of GTC's Long Term Debt and Patronage Capital.

**D4.2.1.3 Calculation of Weighted Cost of Equity Capital.**

$$\text{WEQCOST} = \text{EQCOST} * (\text{PAT}/\text{CAPITAL})$$

WEQCOST is GTC's weighted cost of equity capital.

EQCOST is the average cost of GTC's equity capital (see D4.2.1.4).

PAT is GTC's amount of patronage capital.

CAPITAL is the sum of GTC's Long Term Debt and Patronage Capital.

**D4.2.1.4 Calculation of Cost of Equity Capital.**

$$EQCOST = LTDCOST + 0.04$$

EQCOST is the average cost of GTC's equity capital.

LTDCOST is GTC's current cost of Long Term Debt in the public market unless the Transmission Customer is an RUS borrower, then LTDCOST is the average interest rate of GTC's long-term debt and capitalized leases.

**D4.2.2 Calculation of Allocated Administrative and General Expenses.**

For non-GTC Members,  $AGITS_{NM} = AG_{NM} * [EXPITS_{NM} / ((PDTCC + PDSCC - REVCRE) + EXPITS_{NM})]$

For GTC Members,  $AGITS_M = [EXPITS_M / ((PDTCC + PDSCC - REVCRE) + EXPITS_M)]$

AGITS is the allocated Administrative and General expenses.

$AG_{NM}$  is the corporate administrative and general expenses less margin component (see D4.2.2.1).

$AG_M$  is the corporate administrative and general expenses including margin component.

EXPITS is the direct expenses related to the change in GTC's parity calculation of investment responsibility.

PDTCC is Power Delivery Transmission Capacity Costs.

PDSCC is Power Delivery Substation Capacity Costs

REVCRE is the sum of Revenue Credits (see D4.2.2.2).



**D4.2.2.1 Calculation of Administrative and General Expenses for Non-GTC Members.**

$$AG_{NM} = \text{TOTAGO} - \text{MC}$$

AG<sub>NM</sub> is the corporate administrative and general expenses less margin component.

TOTAGO is Total Administrative and General expenses and Other general expenses. (see D4.2.2.4)

MC is Margin Component (see D4.2.2.3).

**D4.2.2.2 Calculation of Revenue Credits.**

$$\text{REVCRE} = \text{PDTREV} + \text{PDSREV}$$

REVCRE is the sum of Revenue Credits.

PDTREV is the portion of Power Delivery Transmission Revenue credits assigned or allocated to the Power Delivery Transmission category to be returned to Transmission Customers through rates. These credits include, but are not limited to parity, transmission service, and interface sales revenues. The amount of revenues flowed through to Transmission Customers on a current basis versus the amount retained by GTC to build equity will be established by Board policy and consistent with regulatory requirements.

PDSREV is the portion of Power Delivery Substation Revenue credits assigned or allocated to the Power Delivery Substation category to be returned to Transmission Customers through rates. These credits include, but are not limited to parity, transmission service, and interface sales revenues. The amount of revenues flowed through to Transmission Customers on a current basis versus the amount retained by GTC to build equity will be established by Board policy and consistent with regulatory requirements.

**D4.2.2.3 Calculation of Margin Component.**

$$MC = (INDINT * (MFIREQ - 1))$$

MC is Margin Component.

INDINT is Indenture Interest.

MFIREQ is the Margins for Interest ratio Required by the Indenture.

**D4.2.2.4 Calculation of Total Administrative and General Expenses And Other General Expenses.**

$$TOTAGO = TOTAG - DAIEXP + OGENEX + GENDEP + GENINT \\ + GENPT + OTHEXP + MISODE - MISREV + MC + INCTAX + BDEXP$$

TOTAGO is Total Administrative and General expenses and Other general expenses.

TOTAG is Total Administrative and General expenses, including general plant operation and maintenance expense.

DAIEXP is Property Insurance expense Directly Assigned to functional category, excluding property insurance assigned to general plant.

OGENEX is Other General Expense.

GENDEP is General Plant Depreciation and amortization expense.

GENINT is General Plant Interest expense.

GENPT is General Plant Property Taxes.

OTHEXP is Other Expenses.

MISODE is Miscellaneous Other Deductions (e.g., rental amortization, amortization of losses).

MISREV is Miscellaneous Revenues and other revenue credits not otherwise directly assigned to a functional category (e.g., interest income, equity component of allowance for funds used during construction, income from subsidiary activities, and rental income and other non-operating income).

MC is Margin Component

INCTAX is Federal and State Income and other Taxes imposed on income from investments and other taxable transactions, if any.

BDEXP is Board of Directors' fees and Expenses.

- D4.3 Special Services Costs. The Transmission Customer shall pay all applicable Interface Capability costs, Modified Dispatch Costs, or Lost Opportunity Costs, incurred by GTC in order to accommodate a transmission service schedule in accordance with Section 25 of the GTC Tariff.
- D4.4 Curtailement Costs. The Transmission Customer shall also pay any applicable Modified Dispatch Costs or Lost Opportunity Costs incurred by GTC at the Transmission Customer's request to avoid or limit curtailment in accordance with Section 25 of the GTC Tariff.
- D4.5 Miscellaneous Costs. The Transmission Customer shall also pay other applicable charges in accordance with other provisions of the GTC Tariff or the Service Agreement, if any.

--END OF SERVICE SCHEDULE D--

ATTACHMENT A

Member Transmission Service Agreement

**ATTACHMENT B**  
**STANDARD FORM OF**  
**NON-MEMBER TRANSMISSION SERVICE AGREEMENT**

**between**

**GEORGIA TRANSMISSION CORPORATION**

**(An Electric Membership Corporation)**

**and**

---

**dated as of**

\_\_\_\_\_, **1999**

---

**TABLE OF CONTENTS**

	<u>Page</u>
1. PURCHASE AND SALE	1
2. TERM	1
3. DESIGNATION OF NETWORK RESOURCES AND LOADS	1
4. APPROVAL	1
5. FORCE MAJEURE, INDEMNIFICATION AND LIABILITY	2
5.1 Force Majeure	2
5.2 Indemnification	2
5.3 Consequential and Indirect Damages	2
6. MISCELLANEOUS	2
6.1 Title and Risk of Loss	2
6.2 Notices	2
6.3 Communications Regarding Emergencies	3
6.4 Governing Law	4
6.5 Waivers and Exercise of Rights	4
6.5.1 Waiver	4
6.5.2 Subsequent Default	4
6.5.3 Exercise of Rights	4
6.6 Counterparts	5
6.7 Compliance with Legal Requirements	5
6.8 Severability	5
6.9 Third-Party Beneficiaries	5
6.9.1 No Third-Party Beneficiaries	5
6.9.2 Enforcement	5
6.9.3 Responsibility of Parties	6
6.10 No Dedication of Facilities	6
6.11 Action by Affiliates	6
6.12 Independent Contractors	6
6.13 Rules of Construction	6
6.13.1 Headings	6
6.13.2 Including	7
6.13.3 Singular and Plural	7
6.13.4 Time of the Essence	7
6.14 Survival	7

6.15	Definitions	7
6.16	Amendments	7
6.17	Relationship of GTC to Transmission Customer	7
6.18	Transmission Customer's Information Obligations	8
6.19	Entire Agreement	8
6.20	After Termination or Cancellation.	8
6.21	Periodic Review of Scheduling Procedures.	8
EXHIBIT 1 - Service Specifications		11

---

**ATTACHMENT B**

**Standard Form of  
Non-Member Transmission Service Agreement**

This Transmission Service Agreement (“Agreement”), dated as of \_\_\_\_\_, is entered into by and between GEORGIA TRANSMISSION CORPORATION (An Electric Membership Corporation ) (“GTC”) and \_\_\_\_\_ (“Transmission Customer”).

1. PURCHASE AND SALE. GTC agrees to provide and Transmission Customer agrees to pay for the transmission of capacity or energy, as the case may be, under GTC’s Transmission Service Tariff (“GTC Tariff”) for the specific services agreed upon by the Parties. The specific services selected, Points of Receipt, Points of Delivery, and other customer-specific terms are set forth in Exhibit 1, attached hereto and incorporated herein, as may be amended from time to time. This Agreement incorporates by reference the rates, terms and conditions set forth in the GTC Tariff.

2. TERM. The primary term of this Agreement is from the date first set forth above until \_\_\_\_\_. This Agreement shall continue from year to year thereafter until sixty (60) days after either Party gives written notice of termination to the other Party.

3. DESIGNATION OF NETWORK RESOURCES AND LOADS. In the case of Network Customers, Network Resources and Network Loads, including Points of Receipt and Points of Delivery, for GTC’s service to Transmission Customer pursuant to this Agreement are set forth in Exhibit 1 to this Agreement as it may be amended from time to time.

4. APPROVAL. This Agreement is subject to the approval of the Administrator of the Rural Utilities Service.



5. FORCE MAJEURE, INDEMNIFICATION AND LIABILITY.

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

5.2 Indemnification. The Transmission Customer shall at all times indemnify, defend, and save GTC 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 GTC's performance of its obligations under the GTC Tariff on behalf of the Transmission Customer, except in cases of negligence or intentional wrongdoing by GTC.

5.3 Consequential and Indirect Damages. To the fullest extent permitted by law, neither Party shall have liability to the other Party for any indirect, consequential, multiple or punitive damages unless such damages are the result of the Party's bad faith, gross negligence, or willful misconduct.

6. MISCELLANEOUS.

6.1 Title and Risk of Loss. As between the Parties, GTC shall be deemed to be in exclusive control (and responsible for any injury and damage caused thereby) of the transmission of capacity and energy, and of the transmission and distribution facilities, after the Receipt Point and prior to the Delivery Point, and Transmission Customer shall be deemed to be in exclusive control (and responsible for any damages or injury caused thereby) of the transmission or distribution of capacity and energy, and of the transmission and distribution facilities, at and to the Receipt Point and at and from the Delivery Point.

6.2 Notices. All notices, requests, statements or payments provided for, required or permitted by this Agreement shall be sufficient for any and all purposes under this Agreement when transmitted by facsimile, first class United States Mail, hand

delivery, or a private express delivery service to the facsimile numbers or addresses provided below or as otherwise designated in writing by the applicable Party:

**GTC:**

Georgia Transmission Corporation  
2100 East Exchange Place  
P. O. Box 1349  
Tucker, GA 30085-1349  
Attention: President  
FAX: (770) 270-7872

**Transmission Customer:**

---

[Address]  
[City, State ZIP]  
Attention: \_\_\_\_\_  
FAX: \_\_\_\_\_

6.3 Communications Regarding Emergencies. Any communications regarding operational emergencies or other operational problems may be made orally or in any other manner reasonable under the circumstances and should be directed to the persons specified below, or to such other person or address as may have been designated in a written notice given to the other persons by or on behalf of the person entitled to receive notice. In the event the person entitled to receive notice cannot be found, notice may be given to any other responsible person.

**If to GTC:**

Georgia Transmission Corporation  
2100 East Exchange Place  
P.O. Box 1349  
Tucker, GA 30085-1349  
Attention: (System Operator)  
FAX: (770) 270-7872

**If to Transmission Customer:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

FAX:

6.4 Governing Law. The validity, interpretation and performance of the GTC Tariff and this Agreement and each of their respective provisions shall be governed by the laws of the State of Georgia.

6.5 Waivers and Exercise of Rights.

6.5.1 Waiver. GTC may waive any provision of the GTC Tariff when it determines that doing so is in the best interests of the GTC Members.

6.5.2 Subsequent Default. Any waiver at any time by GTC of its rights with respect to any matter arising in connection with the GTC Tariff or this Agreement shall not be considered a waiver with respect to any subsequent default or matter.

6.5.3 Exercise of Rights. No failure or delay on the part of either Party in exercising any right, power or privilege under the GTC Tariff or this Agreement and any related agreement, and no course of dealing between the Parties, shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power, or privilege

hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

6.6 Counterparts. This Agreement may be executed in as many counterparts as may be required, and it shall not be necessary that the signatures of or on behalf of each Party appear on each counterpart, but it shall be sufficient that the signature of or on behalf of each Party appear on one or more of the counterparts. All counterparts shall collectively constitute a single agreement. Each executed counterpart shall have the same force and effect as an original instrument, and it shall not be necessary in any proof of the Agreement to produce or account for more than the number of counterparts containing the respective signatures of or on behalf of each of the Parties.

6.7 Compliance with Legal Requirements. Each Party shall cooperate in taking whatever action may be required to comply with all Legal Requirements of any Governmental Authority having jurisdiction over the GTC Tariff in accordance with Prudent Utility Practice.

6.8 Severability. If any part of any provision of the GTC Tariff, this Agreement, and any other agreement, document, or writing given pursuant to or in connection with such tariffs, agreements and schedules shall be invalid or unenforceable under applicable law, said part shall be ineffective to the extent of such invalidity only, without in any way affecting the remaining parts of said provision or the remaining provisions.

6.9 Third-Party Beneficiaries.

6.9.1 No Third-Party Beneficiaries. This Agreement is intended solely for the benefit of the Parties, and nothing in the GTC Tariff or this Agreement will be construed to create any duty to, or standard of care with reference to, or any liability to, any person not a Party hereto.

6.9.2 Enforcement. It is the intention of the Parties that no person or entity other than the Parties shall have any right to bring any action to enforce any provision of the GTC Tariff, this Agreement, and related agreements against either of the Parties, and that the covenants, undertakings and agreements set forth in the

aforementioned documents shall be solely for the benefit of, and shall be enforceable only by, the Parties or their respective successors or permitted assigns.

6.9.3 Responsibility of Parties. Each of the Parties will be responsible for its own conduct and neither will be responsible for the conduct of the other. The GTC Tariff and this Agreement do not create a contractual relationship or duty of one Party with or to the customers of the other Party.

6.10 No Dedication of Facilities. GTC's agreement to provide service under the provisions of the GTC Tariff or this Agreement shall not constitute the dedication of GTC's electric system or the ITS, or any portion thereof, to the Transmission Customer or the public. GTC's obligations to the Transmission Customer under any provisions of the GTC Tariff or this Agreement will cease upon termination of the GTC Tariff or the Agreement. GTC's provision of service under the GTC Tariff or this Agreement does not constitute a sale, lease, rental, transfer, or conveyance of an ownership interest in or to any facilities of any kind.

6.11 Action by Affiliates. Failure by either Party to perform fully any obligation required by the GTC Tariff, this Agreement, and any related agreements, shall not be excused by reason of the fact that such performance was prevented by any action or inaction of an Affiliate unless such Affiliate's actions or inactions are the result of a Force Majeure or are taken pursuant to the GTC Tariff and are not unduly discriminatory.

6.12 Independent Contractors. The Parties to this Agreement are independent contractors, and nothing contained in the GTC Tariff, the Service Schedules, or the Agreement will be deemed to create an association, joint venture, partnership, principal-agent or any other kind of fiduciary relationship between the Parties.

6.13 Rules of Construction.

6.13.1 Headings. The descriptive headings of the various articles, sections and subsections of the GTC Tariff have been inserted for convenience of reference only and should not be construed as to define, expand, or restrict the rights and obligations of the Parties.

6.13.2 Including. Wherever the term “including” is used in the GTC Tariff or the Service Schedules, such term shall not be construed as limiting the generality of any statement, clause, phrase or term.

6.13.3 Singular and Plural. The terms defined in the GTC Tariff and this Agreement shall be applicable to the plural as well as the singular and the singular as well as the plural.

6.13.4 Time of the Essence. Time is of the essence in the performance of the obligations set forth in the GTC Tariff, the Service Schedules and this Agreement.

6.14 Survival. The applicable provisions of the GTC Tariff and this Agreement will continue in effect after termination or cancellation of the GTC Tariff or this Agreement to the extent necessary to provide for final billing, billing adjustments and payments, and with respect to liability and indemnification from acts or events that occurred while the GTC Tariff and Agreement were in effect.

6.15 Definitions. All capitalized terms used herein and not otherwise defined shall have the respective meaning set forth in the GTC Tariff, unless the context in which such term is used clearly requires otherwise.

6.16 Amendments. No amendment to this Agreement shall be effective unless it is in writing, executed by both Parties, and has been approved or accepted for filing and permitted to go into effect by any Governmental Authority having jurisdiction. Changes to the GTC Tariff shall be effective as to the Transmission Customer when approved by GTC and not prohibited by the express provisions of this Agreement.

6.17 Relationship of GTC to Transmission Customer. The Transmission Customer shall furnish to GTC promptly upon request any and all information about itself, its financial condition, business and properties which may be necessary or desirable to facilitate any financing undertaken by GTC or any continuing disclosure obligation incurred by GTC in connection with any such financing. The Transmission Customer shall be responsible only to GTC for the accuracy and completeness of the information furnished and shall have no responsibility or liability for the manner in which such information is used or its appropriateness for such use. The Transmission Customer shall

have no liability to any third party to which GTC may furnish this information or any excerpt therefrom or summary thereof, and shall be entitled to receive appropriate assurances and indemnities from GTC to that effect as a condition to providing such information, provided that no such assurance or indemnity shall relieve the Transmission Customer of liability to GTC for the accuracy and completeness of the information supplied.

6.18 Transmission Customer's Information Obligations. The Transmission Customer is obligated to provide GTC or its agent information concerning all transmissions of energy into, out of or across the Transmission System by or on behalf of the Transmission Customer in a manner consistent with all NERC and SERC guidelines, and in such detail and upon such frequency as GTC or its agent reasonably requests in connection with those services furnished by GTC to the Transmission Customer pursuant to the GTC Tariff.

6.19 Entire Agreement. This Agreement constitutes the entire agreement between the Parties hereto relating to the subject matter contemplated by this Agreement and supersedes all prior agreements, whether oral or written. The GTC Tariff is incorporated herein by reference. All exhibits attached hereto are incorporated herein by reference.

6.20 After Termination or Cancellation. The applicable provisions of the GTC Tariff and this Agreement entered into under the GTC Tariff will continue in effect after termination or cancellation to the extent necessary to provide for final billing, billing adjustments and payments, and with respect to liability and indemnification from acts or events that occurred while the GTC Tariff and Agreement were in effect.

6.21 Periodic Review of Scheduling Procedures. GTC shall periodically review the times for scheduling set forth in the GTC Tariff and shall amend the GTC Tariff if necessary to keep such times consistent with times for scheduling that are generally accepted in the region and with Prudent Utility Practice.

(Signatures on next page.)

---

IN WITNESS WHEREOF, GTC and the Transmission Customer have caused this Transmission Service Agreement to be executed, attested, sealed and delivered by their respective duly authorized officers as of the day and year first written above.

**GTC:**

**GEORGIA TRANSMISSION CORPORATION  
(An Electric Membership Corporation)**

[CORPORATE SEAL]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Transmission Customer:**

\_\_\_\_\_

[CORPORATE SEAL]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT 1**



## Service Specifications

### Network Integration Transmission Service Specifications

- I. The Transmission Customer agrees to purchase, and GTC agrees to provide, Network Integration Transmission Service in accordance with the GTC Tariff and the Agreement.
- II. The Transmission Customer shall provide the following information for Network Integration Transmission Service:

- A. Network Resources

<u>Resource</u>	<u>Capacity</u>	<u>Capacity Designated as Network Resource</u>
-----------------	-----------------	--

- B. Network Loads

<u>Load</u>	<u>Transmission Voltage Level</u>	<u>Meter</u>
-------------	-----------------------------------	--------------

- C. Point(s) of Receipt and Delivering Party

[In the case of generating units, the high side of the step-up transformer of each Network Resource listed above that is owned or purchased by the Transmission Customer and is directly connected to GTC's Transmission System. If receipt is at the interface between GTC's Transmission System and the Network Resource, identify the interface(s).]

- D. Point(s) of Delivery and Receiving Party

- E. Reserved Capacity
  
  - F. Direct Assignment Facilities
  
  - G. Name(s) of Intervening Systems Providing Transmission Service
- III. Other material terms:
- IV. Terms of individual transactions to be confirmed on the attached Confirmation.

**GTC:**

**GEORGIA TRANSMISSION CORPORATION  
(An Electric Membership Corporation)**

By: \_\_\_\_\_

Name: Julian J. Brix

Title: Chief Operating Officer

**Transmission Customer:**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

---

**Point-To-Point Transmission Service Specifications**

I. The Transmission Customer agrees to purchase, and GTC agrees to provide, the following Point-To-Point Transmission Services in accordance with the GTC Tariff and the Agreement (check all that apply):

- A. Long-Term Firm Point-To-Point Transmission Service \_\_\_\_\_
- B. Short-Term Firm Point-To-Point Transmission Service \_\_\_\_\_
- C. Peak Period Point-To-Point Transmission Service \_\_\_\_\_
- D. Non-Firm Point-To-Point Transmission Service \_\_\_\_\_

II. The Transmission Customer shall provide the following information for the Point-To-Point Transmission Services identified above:

- A. Point(s) of Receipt and Delivering Party
  
- B. Point(s) of Delivery and Receiving Party
  
- C. Reserved Capacity
  
- D. Direct Assignment Facilities
  
- E. Name(s) of Intervening Systems Providing Transmission Service

III. Other material terms:

IV. Terms of individual transactions to be confirmed on the attached Confirmation.

**GTC:**

**GEORGIA TRANSMISSION CORPORATION  
(An Electric Membership Corporation)**

By: \_\_\_\_\_

Name:

Title:

**Transmission Customer:**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

---

**Ancillary Service Specifications**

I. The Transmission Customer agrees to purchase, and GTC agrees to provide, the following Ancillary Services in accordance with the GTC Tariff and the Agreement (check all that apply):

- A. Scheduling, System Control and Dispatch Service \_\_\_\_\_
- B. Reactive Supply and Voltage Control from Generation Sources Service \_\_\_\_\_
- C. Regulation and Frequency Response Service \_\_\_\_\_
- D. Energy Imbalance Service \_\_\_\_\_
- E. Operating Reserve - Spinning Reserve Service \_\_\_\_\_
- F. Operating Reserve - Supplemental Reserve Service \_\_\_\_\_

II. Other material terms:

III. Terms of individual transactions to be confirmed on the attached Confirmation.

**GTC:**

**GEORGIA TRANSMISSION CORPORATION  
(An Electric Membership Corporation)**

By: \_\_\_\_\_

Name:

Title:

**Transmission Customer:**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

---

**CONFIRMATION OF TRANSMISSION TRANSACTION**

Dated \_\_\_\_\_, 199\_\_

Pursuant to the Transmission Service Agreement, dated \_\_\_\_\_, 199\_\_, between Georgia Transmission Corporation (An Electric Membership Corporation) ("GTC") and \_\_\_\_\_ ("Transmission Customer"), this Confirmation sets forth the specific terms of the individual transaction agreed to by representatives of the parties on \_\_\_\_\_, 199\_\_.

GTC

Transmission Customer

Attn.: \_\_\_\_\_  
Tel.: \_\_\_\_\_  
Fax: \_\_\_\_\_

Attn.: \_\_\_\_\_  
Tel.: \_\_\_\_\_  
Fax: \_\_\_\_\_

Type of Service: \_\_\_\_\_  
Duration: [date/time] \_\_\_\_\_ through  
[date/time] \_\_\_\_\_  
Hours: \_\_\_\_\_  
Quantity: \_\_\_\_\_  
Capacity: \_\_\_\_\_  
Energy: \_\_\_\_\_  
Rates: \_\_\_\_\_  
Delivery Point(s): \_\_\_\_\_  
Receiving Party(ies): \_\_\_\_\_  
Receipt Point(s): \_\_\_\_\_  
Delivering Party(ies): \_\_\_\_\_

Special Terms:

**AGREED:**

GTC

Transmission Customer

By: \_\_\_\_\_

By: \_\_\_\_\_

**NOTICE:** IF THE PARTY RECEIVING THIS CONFIRMATION DISAGREES WITH ANY OF THE TERMS SUMMARIZED HEREIN, IT SHALL PROMPTLY NOTIFY THE SENDING PARTY BY TELEPHONE AND FACSIMILE TRANSMISSION. FAILURE BY THE RECIPIENT TO EXECUTE AND RETURN THIS CONFIRMATION OR TO NOTIFY SENDER OF ITS DISAGREEMENT WITHIN ONE BUSINESS DAY OF RECEIVING THIS CONFIRMATION CONSTITUTES THE RECIPIENT'S AGREEMENT TO THE TERMS SET FORTH HEREIN.

**ATTACHMENT C**

**Methodology To Assess Available Transmission Capability**

GTC shall be responsible for calculating Available Transfer Capability (AATC@) and related terms on GTC=s Transmission System based on current industry practices, standards and criteria, and shall make available the ATC information to all transmission users at the same time on GTC=s Open Access Same-Time Information System (AOASIS@). As recommended by NERC=s Transmission Transfer Capability Task Force, GTC will determine ATC values that are consistent with the principles in the NERC Available Transfer Capability Definitions and Determination document.

**A. Near-Term ATC (Less than one year into the future)**

GTC will perform seasonal assessments with VACAR-AEP-SOUTHERN-TVA (AVAST@) Study Group within the Southeastern Electric Reliability Council (ASERC@) Region to determine transfer capabilities to satisfy the OASIS twelve (12) months ATC posting requirements.

For the constrained transmission paths, GTC will coordinate with the appropriate transmission operating agent(s) and make available the ATCs for the firm (non-recallable) and non-firm (recallable) transmission service for the next 168 hours and, thereafter, to the end of a thirty (30) day period.

**B. Long Term ATC (Greater than one year into the future)**

GTC will perform future planning assessments with VACAR-SOUTHERN-TVA (AVST@) Study Group within the SERC Region to determine transfer capabilities to satisfy the OASIS future (greater than one (1) year and less than ten (10) years) ATC posting requirements.

**C. Transfer Capability Allocations**

GTC will utilize the jointly developed Power Transfer Distribution Factor (APTDF@) interface allocation methodology and principle for allocating transfer capabilities within the Southern subregion or associated transactions to support the posting and reservation of ATC values, taking into account the regional or wide-area approach to the determination or coordination of such ATC values.

**D. Definitions of Available Transfer Capability and Related Terms**



Available Transfer Capability (AATC@) is defined as the Total Transfer Capability (ATTC@) less the Transmission Reliability Margin (ATRM@), less the sum of existing transmission commitments (which includes retail customer load service) and the Capacity Benefit Margin (ACBM@).

Transmission Reliability Margin (ATRM@) is defined as that amount of transmission transfer capability necessary to ensure that the interconnected transmission network is secure under a reasonable range of uncertainties in system conditions.

Capacity Benefit Margin (ACBM@) is defined as that amount of transmission interconnection capability reserved by load serving entities to ensure access to generation from interconnected systems to meet generation reliability requirements.

Recallability is defined as the right of a transmission provider to interrupt all or part of a transmission service for any reason, including economic, that is not unduly discriminatory, and that is consistent with applicable Governmental Authority policy and the transmission provider's transmission service tariffs or contract provisions.

Non-recallable ATC (ANATC@) is defined as TTC less TRM, less non-recallable reserved transmission service (including CBM).

Recallable ATC (ARATC@) is defined as TTC less TRM, less recallable reserved transmission service, less non-recallable reserved transmission service (including CBM). Portions of the TRM may be made available by the transmission provider for recallable use, depending on the time frame under consideration for granting additional transmission service. RATC must be considered differently in the planning and operating horizons. In the planning horizon, the only data available are recallable and non-recallable transmission service reservations, whereas in the operating horizon transmission schedules are known.

#### **E. Determination of Available Transfer Capability**

The steps in the determination of Available (Transmission) Transfer Capability (AATC@) can be summarized as follows:

1. Determine appropriate commitments for base case assumptions for the following types of transmission service:

- X Non-recallable reserved (NRes - planning horizon)
- X Non-recallable scheduled (NSch - operating horizon).
- X Recallable reserved (RRes - planning horizon)

X Recallable scheduled (RSch - operating horizon).

2. Calculate Thermal, Voltage, and Stability Limits for path(s) or interface(s) of interest using appropriate Regional models, loads, criteria, and contingency conditions.

3. Calculate Total Transfer Capability (TTC)

TTC = Minimum of [ Thermal Limit, Voltage Limit, Stability Limit ]

4. Determine appropriate Transmission Reliability Margin (TRM) and Capacity Benefit Margin (CBM)

5. Calculate Non-recallable Available Transfer Capability (NATC)

NATC = TTC - TRM - NRes (including CBM)  
(applicable to both Operating and Planning Horizons)

6. Calculate Recallable Available Transfer Capability (RATC)

RATC = TTC - a \* TRM - RRes - NRes (including CBM)  
(applicable to the Planning Horizon)

RATC = TTC - b \* TRM - RSch - NSch (including CBM)  
(applicable to the Operating Horizon)

where  $0 \leq a, b \leq 1$ , values that are determined by individual transmission providers based on reliability concerns.

---

**ATTACHMENT D**

**Methodology for Completing a System Impact Study**

GTC shall perform an assessment of system impact for any requested transaction within a sixty (60) day period. This methodology defines the actual tasks that should be performed to ensure that a complete evaluation of system impact is made and the associated costs are born by the proper entity.

**System Impact Study Method**

- 1.0 Create a Reference Case Model.
- 2.0 Create a Transaction Case Model.
- 3.0 Determine critical contingencies for the Reference Case and the Transaction Case.
- 4.0 Determine the incremental change in system dispatch and ITS demand for the Transaction Case.
- 5.0 Determine the incremental change in interface transfer capability in the Transaction Case.
- 6.0 Determine the incremental change in dynamic stability margins for the Transaction Case.
- 7.0 Compute reliability indices for the defined subsystems.
- 8.0 Determine the system modifications required to offset transaction impact.

**1.0 Create Reference Case Models**

GTC utilizes four (4) software packages during the evaluation of transmission system operation and performance. Three (3) of these packages are developed and supplied by Power Technologies, Inc. and include a load flow program (APSS/E@), an optimal power flow program (AOPF@) and a dynamic stability program. Each of these programs allow for the development of models to evaluate system performance during a snapshot in time. The models will include a static representation of generation dispatch, loads, transactions and system conditions.

A set of Base Case models is developed annually to reflect peak demand situations for a number of years. However, it may be necessary to make some changes to the Base Case models regarding

firm transactions, non-firm transactions, special facility ratings and dispatch changes to create Reference Case Models that reflect current or projected system conditions. These conditions would include shoulder peak and valley load levels.

The fourth program utilized by GTC to evaluate transmission performance is the Electric Power Research Institute's (AEPRI's) **Transmission Reliability Evaluation for Large Scale Systems (ATRELSS)** analysis package. This program provides an additional tool to evaluate system operation. TRELSS assesses the loss of load probability for a given set of contingencies and system conditions. In effect, it provides a measure of system reliability. It may be necessary to reduce the systems outside the Georgia Territory to an equivalent system so that the total model contains less than 4500 buses. This is a limitation of the TRELSS Model but it does not affect the results of the analysis.

A list of assumptions will be created regarding firm transactions, non-firm transactions, special facility ratings, facility additions, economic dispatch and other relevant factors for the Reference Case Models.

The cost for the development of the Reference Case Models will be borne by GTC. The cost for the development of the models and the analyses described in Section 2.0 through Section 8.0 below will be the responsibility of the Transmission Customer.

### **2.0 Create Transaction Case Models.**

GTC shall model the transaction so that it represents the expected system configuration, generation dispatch, and system conditions. Any new generation must be supplied with all data necessary to complete an evaluation of dynamic stability. These models will be referred to as the ATransaction Case Models.

Transaction Case Models should also be prepared for TRELSS analyses.

### **3.0 Determine the critical contingencies for the Reference Case and the Transaction Case Models.**

Identify the critical contingencies resulting in equipment operation outside the range of normal operation as defined for the ITS. See the attached AGuidelines for Planning Transmission Facility Improvements for the Georgia ITS for a description of normal conditions. Contingencies which cause conditions which violate planning criteria should be identified for both the Reference Case and the Transaction Case Models.

The TRELSS models will be used to identify critical line-

out/unit-out contingencies. Further analysis of the identified critical contingencies will be performed using the PSS/E Software by Power Technologies, Inc. With this software, GTC will perform the contingency load flows and analyze the resultant power flows. A subroutine contained within the PSS/E program computes a non-linear load flow solution for specified contingencies and will be used to verify conclusions reached by use of the TRELSS Models.

#### **4.0 Determine the incremental change in system dispatch.**

In order to model any transaction that delivers power from one area or zone to another, there is a need to change the generation dispatch from the Reference Case. It will be necessary to determine which plants are affected by the implementation of the transaction. If the Transmission Customer has not specified which generator outputs will be affected by the transaction, GTC will redispatch generation in the model on the basis of economics and overall impact to the operation of the system.

The Reference Cases will be compared to the Transaction Cases to assess the impact of redispatch costs and losses resulting from generation units operating outside of economics. The comparison method should identify the any resulting system cost as accurately as possible since this will be part of the system impact for GTC. GTC will also perform an Optimal Power Flow (AOPF@) analysis of the MVAR generation dispatch in this evaluation.

#### **5.0 Determine the incremental change in interface transfer capability.**

Using the most recent VACAR-AEP-SOUTHERN-TVA (AVAST@) study assumptions and methods for determining interface capability, assess the Reference Case and Transaction Case interface capabilities for the most likely affected interfaces. The VAST study assumptions will include the proposed units for participation in a transaction and some test level for the transaction.

The Transaction Cases may have some change in the participation units or transaction MW for the actual transaction which may vary from the VAST study assumptions. Adjustments should be made in the modeling process as required.

The interface transfer capabilities in the Reference Cases will be compared to those of the Transaction Cases to determine the impact on GTC=s ability to utilize its interface transfer capability for reliability and business purposes.

**6.0 Determine the incremental change in dynamic stability margins.**

Generation unit and system dynamic stability will be affected under certain transaction scenarios. This fact is particularly true if a large load or generation source is located on the ITS.

The loss of such load or generation will most likely have an impact on dynamic stability. If such load is connected to certain 230 kV system points or the 115 kV system, potential problems with dynamic stability increase significantly.

Dynamic Stability studies usually require additional data. It will be necessary to obtain all data required to properly model the transaction in Power Technologies= Dynamic Model in a timely manner. If a major system addition is required, the cost will be allocated to the proper entities.

**7.0 Compute reliability indices for the defined subsystems.**

Using the TRELSS model, compute reliability indices for the subsystems identified in the interface transfer capability analysis and the dynamic stability analysis.

Subsystems for reliability analysis should be defined by zones using information from other analyses in this study. As few zones as possible should be used while including all buses within the possible scope of impact. These defined subsystems will be the areas for reliability index computation.

Compute the reliability indices for each subsystem using the TRELSS model in the System Problem Mode. These reliability indices should be computed for each subsystem in both the Reference Case and the Transaction Case.

§ Probability of Load Loss  
§ Frequency of Load Loss (OCC/Year)  
§ Duration of Load Loss (HRS/Year)  
§ Expected Energy Unserved (MWh/Year)  
§ Expected Unserved Demand (MW/Year)

The TRELSS and ACCC analyses should be performed on the Reference and Transaction Cases. These analyses will be helpful in the process of identifying the transactions impact on system constraints and measuring its impact on key reliability indices.

**8.0 Determine the system modifications required to offset transaction impact.**

The system impact methodology analyzes four (4) areas of measured

impact for any proposed transaction:

- \$ Reliability
- \$ Interface Capability
- \$ Dynamic Stability
- \$ Economic Dispatch

The result of the system impact study determines the feasibility of completing the requested transaction. Because certain physical phenomena govern the flow of power from one area or zone to another rather than following a prescribed path, it is possible that constraints may appear on the system as a result of the requested transaction. These constraints may appear as the result of any of the four (4) measured impacts cited above.

If constraints are determined to exist, then the alternatives to mitigate these constraints will be identified and priced. Two (2) or more alternatives which will mitigate the impact of any transaction should be developed including switching and load shedding. Detailed cost estimates will be developed for each alternative.

The cost of any alternative is not likely to exactly offset adverse impact. The system may be left with some residual benefit after the implementation of a mitigating alternative. If the system benefit is significant and the cost of this benefit is all shifted to the entity making the transaction, it may cause a feasible transaction to appear infeasible. Thus, only the cost associated with returning the system capability or reliability to its original level (*i.e.*, prior to the transaction) should be charged to the transaction.

ATTACHMENT E

Index of Point-To-Point Transmission Service Customers

<u>Customer</u>	<u>Date of Service Agreement</u>
-----------------	----------------------------------



---

ATTACHMENT F

Index of Network Integration Transmission Service Customers

<u>Customer</u>	Date of	<u>Service Agreement</u>
-----------------	---------	--------------------------

**ATTACHMENT G**

**Real Power Loss Calculation**

The amounts of capacity, energy or both delivered from the ITS shall be the amounts accepted by GTC for transmission, less three percent (3.0%) rounded to the nearest full MW as an allowance for transmission losses. The three percent (3.0%) reflects GTC's best determination of average losses associated with Transmission Service. In the event GTC determines at any time that the actual average system losses have increased, GTC shall have the right upon thirty (30) days' notice to the Transmission Customer to adjust the percentage allowance for losses to reflect actual average system losses.

---

ATTACHMENT H

Calculation Of Lost Opportunity Costs

Lost Opportunity Costs result from reductions in power transfers for economic purposes which represent those sales or purchases of energy or capacity on an hourly, daily, weekly, monthly, seasonal, or annual basis from which Transmission Customers taking Firm Transmission Service could derive economic benefits and which would have taken place had Services not been made available in accordance with the applicable Service Tariff.

The Lost Opportunity Costs resulting from any such reduction in power transfers shall be determined monthly. If such reduction in economic transfers represents a lost sales opportunity, the Lost Opportunity Costs shall be determined by the following.

Lost Opportunity Cost = SP - MC where:

SP = Total Sale Price that the affected Transmission Customers would have otherwise charged for the lost sales; and

MC = Marginal Cost that would have been incurred by the affected Transmission Customer to make the lost sales, i.e., the out-of-pocket costs that would have been associated with making the lost sale, including the cost of fuel, start-up costs and variable operation and maintenance expenses of generating the next increment of power or the cost of associated power from third-parties.

If such reduction in economic transfers represents a lost purchase opportunity, the Lost Opportunity Costs shall be determined by the following:

Lost Opportunity Cost = MC - PP where:

MC = Marginal Cost (including demand and energy charges) that were incurred by the affected Transmission Customer to generate the power, or purchase the power from an alternate source, instead of purchasing the power from the planned source. Costs include the cost of fuel and variable operation and maintenance expenses, including start-up costs, if any, of generating the next increment of power or the cost of the alternative purchase, including third-party transmission if any; and

PP = Purchase Price (including demand, energy, and third-party transmission charges, if any) that

---

the affected Transmission Customer would have otherwise paid for lost purchases.

For ninety (90) calendar days after the date of the bill in which Lost Opportunity Costs are charged, GTC shall retain sufficient records to verify the reasonableness of such determination including:

- a. a statement of factual basis for concluding an economic transaction was suspended or curtailed;
- b. the identity of the selling party or the purchasing party with whom the affected Transmission Customer was transacting an economic sale or purchase;
- c. calculation of the Lost Opportunity Costs including all factors used in such calculation;
- d. evidence that the relevant system limitation was exceeded and the Transmission Customer=s curtailment would have relieved the situation;
- e. the amount of sale or purchases suspended or curtailed; and
- f. the sale or purchase price of each transaction.

For ninety (90) calendar days after the date of the bill in which Lost Opportunity Costs are charged, the Transmission Customer shall have the right to verify, at the Transmission Customer=s expense, any Lost Opportunity Cost calculations by examining GTC's records pertaining thereto through a third-party auditing entity acceptable to both Parties. Such records, including cost information, that are indicated to be proprietary and confidential shall not be disclosed to the Transmission Customer and shall only be made available to the auditing entity on condition that the records and information are not disclosed, except as required by law, to the Transmission Customer or others without the express written approval of GTC. Such records and cost information shall only be used by the auditing entity to verify Lost Opportunity Cost calculations.

At GTC's sole discretion, the Transmission Customer and the auditing entity may be required to enter into a statement of confidentiality with GTC outlining the scope of the auditing entity's examination before GTC's records are made available to the Transmission Customer.

---

**ATTACHMENT I**

**Calculation Of Modified Dispatch Costs**

Modified Dispatch Costs are incurred when, in order to provide the applicable Service, GTC or the provider of Ancillary Services is required to modify the dispatch of any generation facilities or purchased resources under its control to a level other than that determined under GTC's usually applied economic dispatch procedures, revise the maintenance schedule of such generation facilities, or incur increased environmental compliance costs.

During any hour that GTC incurs a Modified Dispatch Cost that would not have been incurred during such hour if GTC had not been engaged in providing Services to the Transmission Customer, GTC will bill the Transmission Customer for such costs pursuant to the applicable provisions of the Tariff.

All charges for Modified Dispatch Cost shall be accompanied by a written statement or other documentation showing that the Modified Dispatch Cost was incurred and that it would not have been incurred in the absence of the applicable Service.

The increase in dispatch costs shall be determined by identifying all of the following types of costs:

- (a) The additional cost of fuel and variable operations and maintenance expenses, including added start-up costs, if any, for generating the next increment of power.
- (b) Any additional costs to purchase power from an alternate source, instead of obtaining the power from the planned source (including demand, energy, and third-party transmission charges, if any).

For ninety (90) calendar days after the date of the bill in which Modified Dispatch Costs are charged, GTC shall retain sufficient records to verify the reasonableness of such charges.

During this ninety (90) day period, the Transmission Customer shall have the right to verify, at the Transmission Customer's expense, any Modified Dispatch Cost calculations by examining GTC's records pertaining thereto through a third-party auditing entity acceptable to both Parties. Such records, including cost information, that are indicated to be proprietary and confidential shall not be disclosed to the Transmission Customer and shall only be made available to the auditing entity on condition that the records and information are not disclosed, except as required by law, to the Transmission Customer or others without the express written approval of GTC. Such records and

cost information shall only be used by the auditing entity to verify Modified Dispatch Cost calculations.

At GTC's sole discretion, the Transmission Customer and the auditing entity may be required to enter into a statement of confidentiality with GTC outlining the scope of the auditing entity's examination before GTC's records are made available.

---

ATTACHMENT J

Service Costs, Rates and Charges

General

The Service Schedules recover the cost of providing Network Integration Transmission Service, Point-To-Point Transmission Service and Ancillary Services to the Transmission Customers through rates and charges for each of these Services.

Network Integration Transmission Service provides a power delivery function to the Transmission Customer. This service provides transmission capability for delivery of power from Oglethorpe Power Corporation's generation and Transmission Customer-owned generation to the Transmission Customers' delivery points to serve the native load of the Transmission Customers. Power delivery is broken into two functions. Transmission charges recover the cost of the transmission network, tap lines and transmission substations. Distribution charges recover the cost of distribution substations.

Point-To-Point Transmission Service provides the transmission services required to facilitate any off-system transactions that the Transmission Customer may enter into either to sell power to or to import power from a source outside the ITS. The charges for this service are based on GTC's increased investment responsibility in the ITS as a result of the transaction and other costs incurred to implement the transaction.

Ancillary Services support the delivery of capacity and energy across the ITS by third parties. Charges for these services are contained in the Service Schedules.

Rates and Charges

Service to Transmission Customers pursuant to the Member and Non-Member Transmission Service Agreements shall be billed in accordance with the formulary rate.

The rate must recover all of GTC's costs including a margin, on an annual basis as described in the Transmission Service Rate Schedules. The margin must be adequate so that GTC is in compliance with the coverage ratio requirements in GTC's Indenture and other financial tests required for financings and must provide for reasonable reserves including any equity development plan adopted by GTC's Board. Rates and charges pursuant to this formulary rate are based upon the budget for the Contract Year. Costs for the Contract Year used to determine rates, charges and billing pursuant to this formulary rate shall

be based upon GTC=s budget, including revenue credits (e.g., non-GTC Member sales and non-operating margins).

GTC shall update the budget for use in the rate formula at least once each year, and as necessary, to ensure cost recovery. Such budget for the Contract Year shall be approved before the end of November of the immediately preceding Contract Year. The approved budget shall be reviewed from time to time and may be revised to reflect changes in operating conditions with corresponding modifications to the rates, charges and billing pursuant to this formulatory rate. The budget for Transmission Service shall be delivered to the Transmission Customer.

After review and recommendation by the appropriate committee, if applicable, GTC=s Board of Directors must approve rate schedule revisions in order for them to be effective.

A Prior Period Adjustment for the Contract Year, which may be an additional charge or a refund credit, shall be made if Margins For Interest before making such Prior Period Adjustment is less than 1.1 times Indenture Interest or greater than 1.2 times Indenture Interest.



---

ATTACHMENT K

Illustrative Costs of Providing Service

The following items of cost, which are illustrative and not exclusive or limiting, are included in the term costs in the GTC Tariff and are recoverable through the Service Schedules:

(i) payments of principal of and premium, if any, and interest on all debt issued by GTC;

(ii) amortization of debt discount;

(iii) amounts which GTC may be required to pay for the prevention or correction of any loss or damage to its facilities or for renewals, replacements, repairs, additions, improvements, betterments and modifications which are necessary to keep any such facilities in good operating condition or to prevent a loss of revenues therefrom;

(iv) costs of operating and maintaining such facilities to transmit and deliver electric capacity and energy (including, without limitation, administrative and general expenses and working capital, regulatory costs, insurance premiums, rent and taxes or payments in lieu thereof);

(v) costs of purchases made by GTC for Transmission Service, Ancillary Services and other services for delivery of electric capacity and energy;

(vi) all costs incurred or associated with the salvage, discontinuance, decommissioning and disposition or sale of properties;

(vii) all costs, settlements and expenses relating to claims asserted against GTC;

(viii) all costs resulting from a GTC Member purchasing Transmission Service from another transmission provider after the initial term of any Member Transmission Service Agreement;

(ix) any additional cost or expense not specified in the other items of this Attachment K imposed or permitted by any Governmental Authority or which is paid or incurred by GTC relating to such facilities or relating to the provision of Transmission Service which is not otherwise included in any of the costs specified herein;

(x) amounts required to be paid by GTC under any contract to which it is a party not covered under any other clause of this Attachment K, including, without limitation, amounts payable with respect to options to interest rate swaps, option contracts and

hedging contracts, including, without limitation, any termination payments thereunder;

(xi) all rentals and other payments required to be paid by GTC as lessee under any lease of real or personal property;

(xii) all costs associated with the amortization of the acquisition adjustment resulting from a Purchase Price Adjustment as described in the Restructuring Agreement dated March 29, 1996; and

(xiii) reserves and margins GTC shall determine to be necessary for the payment of those items of costs and expenses referred to in this Attachment K to the extent not already included in any other clause of this Attachment K.

**ATTACHMENT L**

**Direct Assignment Methodology**

Direct Assignment Facilities costs will be charged to the Transmission Customer based on the specific costs associated with the facilities or allocated costs assigned to the Transmission Service of that Transmission Customer.

GTC will use specific costs associated with the facilities for Return, Property Taxes, Insurance, and Depreciation and amortization expenses.

Operation and Maintenance (AO&M@) expenses associated with each facility shall be either allocated or assigned, whichever shall be agreed upon by the Transmission Customer and GTC. Allocation of O&M expenses shall be based on a similar class of electric plant.

Return on investment shall be based on a payback period of not more than ten (10) years. GTC may, solely, extend the initial payback period. The Transmission Customer shall be liable for all stranded costs of the investment.

The specific costs of Direct Assignment Facilities shall be determined on an individual Transmission Service basis, at or before the time Transmission Service begins. GTC will provide an estimate of Direct Assignment Facilities costs at the time Transmission Service is approved.

Direct Assignment Facilities costs shall be billed on a monthly basis with the Transmission Service billings in accordance with Section 6 of the Tariff.