

1. Introduction

In the event of a dispute involving the application of the NL Transmission Policies and Procedures or the Generator Interconnection Procedures, including the evaluation of applications for Transmission or Interconnection Service, the procedures outlined below and as set out in Section 24.0 of the *NL Transmission Policies and Procedures*, or Section 18.0 of the *Generator Interconnection Procedures* shall apply. All capitalized terms in this document are defined in Section 2.0 of the *NL Transmission Policies and Procedures* or Section 2.0 of the *Generator Interconnection Procedures*.

2. Submission of Notice of Dispute to the NLSO

The disputing party shall submit a Notice of Dispute by fax, e-mail or mail to:

Attention: Manager, Reliability Standards and Commercial Compliance
Fax: 709-737-1318
E-Mail: transmissionservices@nlh.nl.ca
Mailing Address: Attention: Manager, Reliability Standards and Commercial Compliance
 Newfoundland and Labrador System Operator
 Hydro Place, 500 Columbus Drive
 P.O. Box 12400
 STN A. St. John's, NL
 A1B 4K7

The Notice of Dispute must be submitted in writing, describing the dispute in reasonable detail to make it understandable and specifying the solution sought. No later than 60 Business Days following receipt of the Notice of Dispute, the Manager, Reliability Standards and Commercial Compliance will reply with the NLSO's position as well as the reason justifying it.

3. Dispute Resolution Procedures

Disputes shall be resolved as follows:

- a. To the extent that a dispute is between the NLSO and a Transmission Customer, the dispute resolution procedures of the executed Transmission Service Agreement shall apply. To the extent that a dispute is between the NLSO and another party to the Interconnection Agreement, the dispute resolution procedures of the executed Interconnection Agreement shall apply.
- b. For any other disputes, the NLSO and disputing party shall:
 - i. First attempt to resolve such dispute through negotiation between senior officers of each party;
 - ii. Where negotiations have extended beyond sixty (60) Business Days and have not resolved the dispute, the parties may agree to initiate non-binding mediation or binding arbitration in accordance with the procedures set forth below; and
 - iii. In the event that the parties are unable to resolve the dispute pursuant to the procedures specified in Section (a) or (b), the dispute may be submitted to a court of competent jurisdiction or the Public Utilities Board (PUB).

4. Mediation Procedures

If the parties are unable to resolve the dispute by negotiation pursuant to Section 3.b.i., the parties may mutually agree to initiate non-binding mediation of such matter. Any mediation initiated shall be conducted before a single neutral arbitrator appointed by the parties. The mediator shall be impartial and independent of each of the parties, be an experienced commercial mediator, and preferably have experience and knowledge concerning the subject matter of the dispute. The mediator shall conduct the mediation in St. John's, Newfoundland, unless otherwise agreed to by the parties, for a period of no less than 60 Business Days. The parties shall provide such assistance and produce such information as may be reasonably requested by the mediator, and shall meet together with the mediator, or as otherwise determined by the mediator, in order to resolve the dispute. Each party shall be responsible for its own costs and expenses associated with the mediation process, but shall share the common

costs of the mediation equally, including the costs of the mediator and the facilities used for the mediation. Mediation will be non-binding, and except to the extent a settlement is reached, will be considered without prejudice and inadmissible against a party's interest in subsequent proceedings and no party will be considered to have waived any privilege it may have. No settlement will be considered to have been reached until it is reduced to writing and signed by all of the parties.

5. Binding Arbitration Procedures

If the parties are unable to resolve the dispute pursuant to Section 3, or, if no mediation was initiated, following failure of negotiations as provided in Section 3.b.i., the parties may agree, in writing, to submit the dispute to binding arbitration. Any arbitration initiated shall be conducted before a single neutral arbitrator appointed by the parties. If the parties fail to agree upon a single arbitrator within fifteen (15) Business Days of the referral of the dispute to arbitration, each party shall choose, within twenty (20) Business Days of the referral of the dispute to arbitration, one arbitrator who shall sit on a three-member arbitration panel. The appointment of an arbitrator must be in writing and accepted in writing by the arbitrator. The two arbitrators so chosen shall within twenty (20) Business Days after the appointment of both party-appointed arbitrators 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 conduct the arbitration in St. John's, Newfoundland and shall provide each of the Parties an opportunity to be heard and shall generally conduct the arbitration in accordance with The Commercial Arbitration Code¹, unless otherwise agreed by the Parties.

Unless otherwise agreed, the arbitration award shall be given in writing within ninety (90) Business Days of appointment, will be final and binding on the Parties and will not be subject to any appeal. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the *NL Transmission Policies and Procedures* or the *Generator Interconnection Procedures*, and shall have no power to modify or change any of the above in any manner. Judgment on the award

¹ The Commercial Arbitration Code as set out in the Commercial Arbitration Act (Canada) (R.S.C., 1985, c. 17 (2nd Supp.)).

may be submitted to any court having jurisdiction or the PUB. Each Party shall be responsible for its own costs and expenses associated with the arbitration process, but shall share the common costs of the arbitration equally, including the costs of the arbitrator(s) and the facilities used for the arbitration. Arbitration conducted pursuant to this procedure will be the final and exclusive forum for resolution of a dispute, provided that a party may initiate court or PUB proceedings.