



**Newfoundland and Labrador System Operator
2018 Schedules – Pre LIL / LTA**

February 5, 2018

A Report to the Board of Commissioners of Public Utilities

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1 **SCHEDULE 1**

2 **Scheduling, System Control and Dispatch Service**

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4 This service is required to schedule the movement of power through, out of, within, or into a

5 Control Area. This service can be provided only by the operator of the Control Area in which the

6 transmission facilities used for transmission service are located. Scheduling, System Control and

7 Dispatch Service is to be provided directly by the Transmission Provider (if the Transmission

8 Provider is the Control Area operator) or indirectly by the Transmission Provider making

9 arrangements with the Control Area operator that performs this service for the Transmission

10 Provider's Transmission System. The Transmission Customer must purchase this service from the

11 Transmission Provider or the Control Area operator. The charges for Scheduling, System Control

12 and Dispatch Service, payable monthly, are set forth below. To the extent the Control Area

13 operator performs this service for the Transmission Provider charges to the Transmission

14 Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by

15 that Control Area operator.

Point-to-Point Transmission Service:

- | | |
|------------------------------|---|
| 1) Yearly Delivery: | One-twelfth of Cdn \$ 7,879.83 /MW of Reserved Capacity per year. |
| 2) Monthly Delivery: | Cdn \$ 656.65 /MW of Reserved Capacity per month. |
| 3) Weekly Delivery: | Cdn \$ 151.54 /MW of Reserved Capacity per week. |
| 4) On-Peak Daily Delivery: | Cdn \$ 30.31 /MW of Reserved Capacity per day. |
| 5) Off-Peak Daily Delivery: | Cdn \$ 21.59 /MW of Reserved Capacity per day. |
| 6) On-Peak Hourly Delivery: | Cdn \$ 1.89 /MW of Reserved Capacity per hour. |
| 7) Off-Peak Hourly Delivery: | Cdn \$ 0.90 /MW of Reserved Capacity per hour. |

Network Integration Transmission Service:

- | | |
|----------------------|---|
| 1) Monthly Delivery: | Cdn \$ 656.65 /MW of Network Integration Service per month. |
|----------------------|---|

- 1 On-Peak days for this service are defined as Monday to Friday. On-Peak hours for this service are
- 2 defined as the time from but excluding 07:00 a.m. to and including 11:00 p.m. Atlantic Prevailing
- 3 Time.

SCHEDULE 2

Reactive Supply and Voltage Control from Generation or Other Sources Service

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4 In order to maintain transmission voltages on the Transmission Provider's transmission facilities
5 within acceptable limits, generation facilities (in the Control Area where the Transmission
6 Provider's transmission facilities are located) and non-generation resources capable of providing
7 this service that are under the control of the control area operator are operated to produce (or
8 absorb) reactive power. Thus, Reactive Supply and Voltage Control from Generation or Other
9 Sources Service must be provided for each transaction on the Transmission Provider's
10 transmission facilities. The amount of Reactive Supply and Voltage Control from Generation or
11 Other Sources Service that must be supplied with respect to the Transmission Customer's
12 transaction will be determined based on the reactive power support necessary to maintain
13 transmission voltages within limits that are generally accepted in the region and consistently
14 adhered to by the Transmission Provider.

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16 Reactive Supply and Voltage Control from Generation or Other Sources Service is to be provided
17 directly by the Transmission Provider (if the Transmission Provider is the Control Area operator)
18 or indirectly by the Transmission Provider making arrangements with the Control Area operator
19 that performs this service for the Transmission Provider's Transmission System. The Transmission
20 Customer must purchase this service from the Transmission Provider or the Control Area
21 operator. The charges for such service, payable monthly, are set forth below. To the extent the
22 Control Area operator performs this service for the Transmission Provider, charges to the
23 Transmission Customer are to reflect only a pass-through of the costs charged to the
24 Transmission Provider by the Control Area operator.

Point-to-Point Transmission Service:

- 1) Yearly Delivery: One-twelfth of Cdn \$ 2,942.11 /MW of Reserved Capacity per year.
- 2) Monthly Delivery: Cdn \$ 245.18 /MW of Reserved Capacity per month.
- 3) Weekly Delivery: Cdn \$ 56.58 /MW of Reserved Capacity per week.
- 4) On-Peak Daily Delivery: Cdn \$ 11.32 /MW of Reserved Capacity per day.
- 5) Off-Peak Daily Delivery: Cdn \$ 8.06 /MW of Reserved Capacity per day.
- 6) On-Peak Hourly Delivery: Cdn \$ 0.71 /MW of Reserved Capacity per hour.
- 7) Off-Peak Hourly Delivery: Cdn \$ 0.34 /MW of Reserved Capacity per hour.

Network Integration Transmission Service:

- 1) Monthly Delivery: Cdn \$ 245.18 /MW of Network Integration Service per month.

- 1 On-Peak days for this service are defined as Monday to Friday. On-Peak hours for this service are
- 2 defined as the time from but excluding 07:00 a.m. to and including 11:00 p.m. Atlantic Prevailing
- 3 Time.

SCHEDULE 3**Regulation and Frequency Response Service**

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4 Regulation and Frequency Response Service is necessary to provide for the continuous balancing
5 of resources (generation and interchange) with load and for maintaining scheduled
6 Interconnection frequency at sixty cycles per second (60 Hz). Regulation and Frequency Response
7 Service is accomplished by committing on-line generation whose output is raised or lowered
8 (predominantly through the use of automatic generating control equipment) and by other non-
9 generation resources capable of providing this service as necessary to follow the moment-by-
10 moment changes in load. The obligation to maintain this balance between resources and load lies
11 with the Transmission Provider (or the Control Area operator that performs this function for the
12 Transmission Provider). The Transmission Provider must offer this service when the transmission
13 service is used to serve load within its Control Area. The Transmission Provider obligation to offer
14 this service is conditional upon the Transmission Provider having sufficient visibility and control of
15 the resources in the area in which the load is located to allow the Transmission Provider to
16 perform its balancing function in a non-discriminatory fashion. The Transmission Customer must
17 either purchase this service from the Transmission Provider or make alternative comparable
18 arrangements to satisfy its Regulation and Frequency Response Service obligation. The
19 Transmission Provider will take into account the speed and accuracy of regulation resources in its
20 determination of Regulation and Frequency Response reserve requirements, including as it
21 reviews whether a self-supplying Transmission Customer has made alternative comparable
22 arrangements. The amount of and charges for Regulation and Frequency Response Service are
23 set forth below. To the extent the Control Area operator performs this service for the
24 Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of
25 the costs charged to the Transmission Provider by that Control Area operator.

1 Intra-hour performance will be monitored for specific behavior that introduces a disproportionate
2 burden on the Transmission Provider with respect to regulation and load following. Sanctions
3 may be invoked. The determination of whether or not such activity is disproportionate will take
4 into account the extent to which the offending party is already paying the Transmission Provider
5 for, or self-supplying to the Transmission Provider, the regulation and/or load following services.
6 This determination will give consideration to the net effect of aggregated intra-hour behaviors of
7 Non-Dispatchable Generators before any such sanction is invoked.

Regulation and Frequency Response (Point-to-Point Transmission Service):

- 1) Yearly Delivery: One-twelfth of Cdn \$ 14,711.22 /MW of Reserved Capacity per year.
- 2) Monthly Delivery: Cdn \$ 1,225.93 /MW of Reserved Capacity per month.
- 3) Weekly Delivery: Cdn \$ 282.91 /MW of Reserved Capacity per week.
- 4) On-Peak Daily Delivery: Cdn \$ 56.58 /MW of Reserved Capacity per day.
- 5) Off-Peak Daily Delivery: Cdn \$ 40.30 /MW of Reserved Capacity per day.
- 6) On-Peak Hourly Delivery: Cdn \$ 3.54 /MWh.
- 7) Off-Peak Hourly Delivery: Cdn \$ 1.68 /MWh.

Regulation and Frequency Response (Network Integration Transmission Service):

- 1) Monthly Delivery: Cdn \$ 1,225.93 /MW of Network Integration Service per month.

8 There will be an adder applied to these prices when the Transmission Provider incurs extra costs.
9 These extra costs will be limited to out-of-order dispatch costs associated with revised generation
10 or load dispatch for the purpose of providing this ancillary service. The minimum period for
11 which this service is available from the Transmission Provider is one day.

- 1 On-Peak days for this service are defined as Monday to Friday. On-Peak hours for this service are
- 2 defined as the time from but excluding 07:00 a.m. to and including 11:00 p.m. Atlantic Prevailing
- 3 Time.

SCHEDULE 4**Energy Imbalance Service**

Energy Imbalance Service is provided when a difference occurs between the scheduled and the actual delivery of energy supplied to or withdrawn from the NL Transmission System over a single hour. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Energy Imbalance Service obligation. The Transmission Provider may charge a Transmission Customer a penalty for either hourly energy imbalances under this Schedule.

For a bilateral schedule of a single load and its single generator, this ancillary service will be applied to the net of the generation and load balance. Otherwise, this ancillary service will be applied separately to deviations from load schedules and deviations from generation schedules.

Energy Imbalance Service does not apply to inadvertent energy imbalance that occur as a result of actions directed by the Control Area operator to:

- Balance total load and generation for the Control Area, or a portion thereof, through the use of Automatic Generation Control;
- Maintain interconnected system reliability, through actions such as re-dispatch or curtailment;
- Support interconnected system frequency; or to
- Respond to transmission, generation or load contingencies.

On-Peak days for this service are defined as Monday to Friday. On-Peak hours for this service are defined as the time from but excluding 07:00 a.m. to and including 11:00 p.m. Atlantic Prevailing Time.

1 For each Transmission Customer taking service under the Energy Imbalance Service, the
2 Transmission Provider will provide such service under the following terms and conditions:

3 Deviation bands as follows:

- 4 1. deviations within +/- 1.5 percent (with a minimum of +/- 2 MW) of the scheduled
5 transaction to be applied hourly to any energy imbalance that occurs as a result of the
6 Transmission Customer's scheduled transaction(s) will be netted on a monthly basis and
7 settled financially, at the end of the month, at 100 percent of incremental or decremental
8 cost as set forth below;
- 9 2. deviations greater than +/- 1.5 percent up to +/- 7.5 percent (or greater than +/- 2 MW up
10 to +/- 10 MW) of the scheduled transaction to be applied hourly to any energy imbalance
11 that occurs as a result of the Transmission Customer's scheduled transaction(s) will be
12 settled financially, at the end of each month, at 110 percent of incremental cost or 90
13 percent of decremental cost as set forth below; and
- 14 3. deviations greater than +/- 7.5 percent (or +/- 10 MW) of the scheduled transaction to be
15 applied hourly to any energy imbalance that occurs as a result of the Transmission
16 Customer's scheduled transaction(s) will be settled financially, at the end of each month,
17 at 125 percent of incremental cost or 75 percent of decremental cost as set forth below.

18
19 For purposes of this Schedule, incremental cost and decremental cost represent the Transmission
20 Provider's actual average hourly cost of the last 10 MW dispatched for any purpose, i.e.g., to
21 supply the Transmission Provider's Native Load Customers, correct imbalances, or make off-
22 system sales, based on the capacity weighted cost of fuel including unit heat rates, start-up costs
23 (including any commitment and redispatch costs), incremental operation and maintenance costs,
24 and purchased and interchange power costs and taxes, as applicable.

Energy Imbalance Service:

- 1) Off-schedule Delivery: Cdn \$ 196.86 /MWh.

SCHEDULE 5**Operating Reserve - Spinning Reserve Service**

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4 Spinning Reserve Service (also referred to as Contingency Reserves – Spinning) is needed to serve
5 load immediately in the event of a system contingency. Spinning Reserve Service may be provided
6 by generating units that are on-line and loaded at less than maximum output and by non-
7 generation resources capable of providing this service. The Transmission Provider must offer this
8 service when the transmission service is used to serve load within its Control Area. The
9 Transmission Customer must either purchase this service from the Transmission Provider or make
10 alternative comparable arrangements to satisfy its Spinning Reserve Service obligation. The
11 aforementioned Transmission Provider obligation to offer this service is conditional upon the
12 Transmission Provider having sufficient visibility and control of the resources in the area in which
13 the load is located to allow the Transmission Provider to perform its balancing function in a non-
14 discriminatory fashion. Spinning Reserve Service requirements arising from contingencies in
15 excess of an incremental threshold will be the responsibility of parties causing such large
16 contingencies. The Incremental Reserve threshold as defined by the Transmission Provider shall
17 be established and published on OASIS and its public website. The amount of and charges for
18 Spinning Reserve Service are set forth below. To the extent the Control Area operator performs
19 this service for the Transmission Provider, charges to the Transmission Customer are to reflect
20 only a pass-through of the costs charged to the Transmission Provider by that Control Area
21 operator.
22
23 The charges for this ancillary service, payable monthly, are set forth below:

Operating Reserve – Spinning Reserve (Point-to-Point Transmission Service):

- 1) Yearly Delivery: One-twelfth of Cdn \$ 26,258.80/MW of Reserved Capacity per year.
- 2) Monthly Delivery: Cdn \$ 2,188.23 /MW of Reserved Capacity per month.
- 3) Weekly Delivery: Cdn \$ 504.98 /MW of Reserved Capacity per week.
- 4) On-Peak Daily Delivery: Cdn \$ 101 /MW of Reserved Capacity per day.
- 5) Off-Peak Daily Delivery: Cdn \$ 71.94 /MW of Reserved Capacity per day.
- 6) On-Peak Hourly Delivery: Cdn \$ 6.31 /MWh.
- 7) Off-Peak Hourly Delivery: Cdn \$ 3.00 /MWh.

Operating Reserve – Spinning Reserve (Network Integration Transmission Service):

Monthly Delivery: Cdn \$ 2,188.23 /MW of Reserved Capacity per month.

1 On-Peak days for this service are defined as Monday to Friday. On-Peak hours for this service are
 2 defined as the time from but excluding 07:00 a.m. to and including 11:00 p.m. Atlantic Prevailing
 3 Time.

4

5 There will be an adder applied to these prices when the Transmission Provider incurs extra costs.
 6 These extra costs will be limited to out-of-order dispatch costs associated with revised generation
 7 or load dispatch for the purpose of providing this ancillary service. Out-of-order dispatch costs
 8 will be calculated as the difference between the cost of serving load and the cost of serving load
 9 plus ancillaries. These costs will be charged to Transmission Customers that take this service on a
 10 pro rata share basis as a function of the quantity of the service purchased from the Transmission
 11 Provider at the time that the out-of-order occurs.

1 **Supplier Obligations**

2 Transmission Customers that self-supply this service, and third party suppliers, shall provide
3 between 100 and 110% of the stated MW amount within ten minutes of notification by the
4 Transmission Provider to activate these reserves. The reserves shall be sustainable for sixty
5 minutes from activation.

6

7 Suppliers who offer Operating Reserves have an obligation to supply these reserves when notified
8 by the Transmission Provider. Due to the infrequent occurrence of this and the importance of
9 reserves to overall system reliability, a penalty will be applied to any supplier who is unable to
10 meet its obligations. The penalty will be equal to one month's charge for the amount of deficient
11 reserves for each failure to supply.

12

13 **Activation of Reserves**

14 When a contingency occurs, the Transmission Provider will activate, at its sole discretion,
15 sufficient reserves from (1) those under contract with the Transmission Provider, (2) those
16 provided by Transmission Customers, (3) those contracted from third parties by Transmission
17 Customers. Typically the activation will be done to minimize the overall cost of supplying
18 reserves and to return the system to pre-contingency conditions within the time required.

19 Operating Reserve service will only be available for the hour in which the contingency occurs and
20 the following two hours. The quality of service will be firm for this time period. The Transmission
21 Customer is responsible to address any deficiencies of its supply by the end of that time period.

22 Any unscheduled energy withdrawal will be treated as Energy Imbalance as per Schedule 4.

SCHEDULE 6**Operating Reserve - Supplemental Reserve Service**

Supplemental Reserve Service (also referred to as Conditional Reserve – Supplemental) is needed to serve load in the event of a system contingency; however, it is not available immediately to serve load but rather within a short period of time. Supplemental Reserve Service may be provided by generating units that are on-line but unloaded, by quick-start generation or by interruptible load or other non-generation resources capable of providing this service. The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Supplemental Reserve Service obligation. The aforementioned Transmission Provider obligation to offer this service is conditional upon the Transmission Provider having sufficient visibility and control of the resources in the area in which the load is located to allow the Transmission Provider to perform its balancing function in a non-discriminatory fashion. Supplemental Reserve Service requirements arising from contingencies in excess of an incremental threshold will be the responsibility of parties causing such large contingencies. The Incremental Reserve threshold as defined by the Transmission Provider shall be established and published on OASIS and its public website. The amount of and charges for Supplemental Reserve Service are set forth below. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

6(a) Operating Reserve - Supplemental (10 minute)

This ancillary service is the portion of Operating Reserve – Supplemental that is available within 10 minutes. The charges for this ancillary service, payable monthly, are set forth below:

Operating Reserve – Supplemental Reserve (Point-to-Point Transmission Service):

- 1) Yearly Delivery: One-twelfth of Cdn \$ 10,171.83/MW of Reserved Capacity per year.
- 2) Monthly Delivery: Cdn \$ 847.65 /MW of Reserved Capacity per month.
- 3) Weekly Delivery: Cdn \$ 195.61 /MW of Reserved Capacity per week.
- 4) On-Peak Daily Delivery: Cdn \$ 39.12 /MW of Reserved Capacity per day.
- 5) Off-Peak Daily Delivery: Cdn \$ 27.87 /MW of Reserved Capacity per day.
- 6) On-Peak Hourly Delivery: Cdn \$ 2.45 /MWh.
- 7) Off-Peak Hourly Delivery: Cdn \$ 1.16 /MWh.

Operating Reserve – Supplemental Reserve (Network Integration Transmission Service):

- 1) Monthly Delivery: Cdn \$ 847.65 /MW of Reserved Capacity per month.

1 There will be an adder applied to these prices when the Transmission Provider incurs extra costs.
 2 These extra costs will be limited to out-of-order dispatch costs associated with revised generation
 3 or load dispatch for the purpose of providing this ancillary service. Out-of-order dispatch costs
 4 will be calculated as the difference between the cost of serving load and the cost of serving load
 5 plus ancillaries. These costs will be charged to Transmission Customers that take this service on a
 6 pro rata share basis as a function of the quantity of the service purchased from the Transmission
 7 Provider at the time that the out-of-order occurs.

8

9 **Supplier Obligations**

10 Transmission Customers that self-supply this service, and third party suppliers, shall provide
 11 between 100 and 110% of the stated MW amount within ten minutes of notification by the
 12 Transmission Provider to activate these reserves. The reserves shall be sustainable for sixty
 13 minutes from activation.

1 Suppliers who offer Operating Reserves have an obligation to supply these reserves when notified
2 by the Transmission Provider. Due to the infrequent occurrence of this and the importance of
3 reserves to overall system reliability, a penalty will be applied to any supplier who is unable to
4 meet its obligations. The penalty will be equal to one month’s charge for the amount of deficient
5 reserves for each failure to supply.

6

7 **Activation of Reserves**

8 When a contingency occurs, the Transmission Provider will activate, at its sole discretion,
9 sufficient reserves from (1) those under contract with the Transmission Provider, (2) those
10 provided by Transmission Customers, (3) those contracted from third parties by Transmission
11 Customers. Typically the activation will be done to minimize the overall cost of supplying
12 reserves and to return the system to pre-contingency conditions within the time required.
13 Operating Reserve service will only be available for the hour in which the contingency occurs and
14 the following two hours. The quality of service will be firm for this time period. The Transmission
15 Customer is responsible to address any deficiencies of its supply by the end of that time period.
16 Any unscheduled energy withdrawal will be treated as Energy Imbalance as per Schedule 4.

17

18 **6(b) Operating Reserve - Supplemental (30 minute)**

19 This ancillary service is the portion of Operating Reserve – Supplemental that is available within
20 30 minutes. The charges for this ancillary service, payable monthly, are set forth below:

Operating Reserve – Supplemental Reserve (Point-to-Point Transmission Service):

- 1) Yearly Delivery: One-twelfth of Cdn \$ 10,171.83 /MW of Reserved Capacity per year.
- 2) Monthly Delivery: Cdn \$ 847.65 /MW of Reserved Capacity per month.
- 3) Weekly Delivery: Cdn \$ 195.61 /MW of Reserved Capacity per week.
- 4) On-Peak Daily Delivery: Cdn \$ 39.12 /MW of Reserved Capacity per day.
- 5) Off-Peak Daily Delivery: Cdn \$ 27.87 /MW of Reserved Capacity per day.
- 6) On-Peak Hourly Delivery: Cdn \$ 2.45 /MWh.
- 7) Off-Peak Hourly Delivery: Cdn \$ 1.16 /MWh.

Operating Reserve – Supplemental Reserve (Network Integration Transmission Service):

- 1) Monthly Delivery: Cdn \$ 847.65 /MW of Reserved Capacity per month.

1 There will be an adder applied to these prices when the Transmission Provider incurs extra costs.
 2 These extra costs will be limited to out-of-order dispatch costs associated with revised generation
 3 or load dispatch for the purpose of providing this ancillary service. Out-of-order dispatch costs
 4 will be calculated as the difference between the cost of serving load and the cost of serving load
 5 plus ancillaries. These costs will be charged to Transmission Customers that take this service on a
 6 pro rata share basis as a function of the quantity of the service purchased from the Transmission
 7 Provider at the time that the out-of-order occurs.

8

9 Supplier Obligations

10 Suppliers who offer 30-Minute Reserve services shall provide between 100 and 110% of the
 11 stated MW amount within thirty minutes of notification by the Transmission Provider to activate
 12 these reserves. The reserves shall be sustainable for sixty minutes from activation.
 13 Suppliers who offer Operating Reserves have an obligation to supply these reserves when notified
 14 by the Transmission Provider. Due to the infrequent occurrence of this and the importance of
 15 reserves to overall system reliability, a penalty will be applied to any supplier who is unable to

1 meet its obligations. The penalty will be equal to one month’s charge for the amount of deficient
2 reserves for each failure to supply.

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4 **Activation of Reserves**

5 When a contingency occurs, the Transmission Provider will activate, at its sole discretion,
6 sufficient reserves from (1) those under contract with the Transmission Provider, (2) those
7 provided by Transmission Customers, (3) those contracted from third parties by Transmission
8 Customers. Typically the activation will be done to minimize the overall cost of supplying
9 reserves and to return the system to pre-contingency conditions within the time required.

10 Operating Reserve service will only be available for the hour in which the contingency occurs and
11 the following two hours. The quality of service will be firm for this time period. The Transmission
12 Customer is responsible to address any deficiencies of its supply by the end of that time period.

13 Any unscheduled energy withdrawal will be treated as Energy Imbalance as per Schedule 4.

14

15 On-Peak days for this service are defined as Monday to Friday. On-Peak hours for this service are
16 defined as the time from but excluding 07:00 a.m. to and including 11:00 p.m. Atlantic Prevailing
17 Time.

SCHEDULE 7

Long-Term Firm and Short-Term Firm Point-To-Point Transmission Service

The Transmission Customer shall compensate the Transmission Provider each month for Reserved Capacity at the sum of the applicable charges set forth below:

- | | |
|-----------------------------|--|
| 1) Yearly Delivery: | One-twelfth of Cdn \$ 39,040.98 /MW of Reserved Capacity per year. |
| 2) Monthly Delivery: | Cdn \$ 3,253.42 /MW of Reserved Capacity per month. |
| 3) Weekly Delivery: | Cdn \$ 750.79 /MW of Reserved Capacity per week. |
| 4) On-Peak Daily Delivery: | Cdn \$ 150.16 /MW of Reserved Capacity per day. |
| 5) Off-Peak Daily Delivery: | Cdn \$ 106.96 /MW of Reserved Capacity per day. |

The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (3) above times the highest amount in megawatts of Reserved Capacity in any day during such week.

6) **Discounts:** Three principal requirements apply to discounts for transmission service as follows: (1) subject to prior written approval by the PUB, any offer of a discount made by the Transmission Provider must be announced to all Transmission Customers by posting on the OASIS, (2) any Transmission Customer initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur by posting on the OASIS, and (3) once a discount is approved by the PUB, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, the Transmission Provider must offer the same discounted transmission service rate for the same time period to all Transmission Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.

7) On-Peak days for this service are defined as Monday to Friday.

- 1 8) On-Peak hours for this service are defined as the time from but excluding 07:00 a.m. to and
2 including 11:00 p.m. Atlantic Prevailing Time.
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- 5 9) **Resales:** The rates and rules governing charges and discounts stated above shall not apply to
6 resales of transmission service. A Transmission Customer may sell, assign, or transfer all or
7 portion of its rights under its Service Agreement, but only to another Eligible Customer (the
8 Assignee). The Transmission Customer that sells, assigns or transfers its rights under its
9 Service Agreement is hereafter referred to as the Reseller. Compensation to Resellers shall be
10 at rates established by agreement between the Reseller and the Assignee.

SCHEDULE 8**Non-Firm Point-To-Point Transmission Service**

The Transmission Customer shall compensate the Transmission Provider for Non- Firm Point-To-Point Transmission Service up to the sum of the applicable charges set forth below:

- 1) Monthly Delivery: Cdn \$ 3,253.42 /MW of Reserved Capacity per month.
- 2) Weekly Delivery: Cdn \$ 750.79 /MW of Reserved Capacity per week.
- 3) On-Peak Daily Delivery: Cdn \$ 150.16 /MW of Reserved Capacity per day.
- 4) Off-Peak Daily Delivery: Cdn \$ 106.96 /MW of Reserved Capacity per day.

The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in megawatts of Reserved Capacity in any day during such week.

5) **On-Peak Hourly delivery:** The basic charge shall be Cdn \$ 9.38 /MWh.

6) **Off-Peak Hourly delivery:** The basic charge shall be Cdn \$ 4.46 /MWh.

7) **Discounts:** Three principal requirements apply to discounts for transmission service as follows (1) subject to prior written approval by the PUB, any offer of a discount made by the Transmission Provider must be announced to all Transmission Customers by posting on the OASIS, (2) any Transmission Customer initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur by posting on the OASIS, and (3) once a discount is approved by the PUB, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, the Transmission Provider must offer the same discounted transmission service

1 rate for the same time period to all Transmission Customers on all unconstrained transmission
2 paths that go to the same point(s) of delivery on the Transmission System.

3
4 8) On-Peak days for this service are defined as Monday to Friday.

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6 9) On-Peak hours for this service are defined as the time from but excluding 07:00 a.m. to and
7 including 11:00 p.m. Atlantic Prevailing Time.

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10 10) **Resales:** The rates and rules governing charges and discounts stated above shall not apply to
11 resales of transmission service. A Transmission Customer may sell, assign, or transfer all or
12 portion of its rights under its Service Agreement, but only to another Eligible Customer (the
13 Assignee). The Transmission Customer that sells, assigns or transfers its rights under its
14 Service Agreement is hereafter referred to as the Reseller. Compensation to Resellers shall be
15 at rates established by agreement between the Reseller and the Assignee.

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SCHEDULE 9

Network Integration Transmission Service

The rate charged for Network Integration Transmission Service is based on the Transmission Customer’s Net Non-coincident Monthly Peak Demand. The Net Non-coincident Monthly Peak Demand is the maximum hourly demand at each Point of Delivered designated as Network Load (including its designated Network Load not physically interconnected to the Transmission Provider’s Transmission System). The charges for this service, payable monthly, are set forth below:

- 1) Monthly Delivery: Cdn \$ 3,253.42 /MW of Reserved Capacity per month.

SCHEDULE 10

Transmission Losses

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4 Transmission losses are associated with all Transmission Services. The Transmission Provider is
5 not obligated to provide transmission losses. The Transmission Customer is responsible for
6 replacing losses associated with Transmission Service as calculated by the Transmission Provider.
7 All Transmission Customers are required to include an amount of additional capacity in their
8 service requests sufficient to carry the losses associated with their service. The factor applicable
9 to transmission losses is 3.11% of the maximum hourly transfer as measured at the Point(s) of
10 Delivery.
11
12 The Transmission Provider will calculate the annual loss factor on a path-by-path basis. For this
13 calculation, the power flow models used to calculate the losses will include peak and off-peak
14 hours to derive an average loss factor for each path.
15
16 Locational Loss Factors for new generation will be determined during the System Impact Study
17 and will be applied to the generation dispatch merit order if such generation is to be
18 economically dispatched by the Transmission Provider. If the generator is self-dispatched, loss
19 factors will be applied to determine the unit net output.