

Situations which impact the firmness of FTRs	Who Pays / What Happens			
	Type of Problem	FTR Holder	PTOs	All Grid Users/RTO (See note 1)
1. Outages of Significant Facilities - Published "States of the System" (tied to outages of significant facilities)	YES (FTR Derated or FDFs Change)	---	No --- Subject to Note 2	No - See Note 2
2. Other Forced Outages - Typically affect flowpath ratings or FDFs by a "small" amount.	No	---	No --- Subject to Note 2	YES (through Buyback or Redispatch)
3. Planned Maintenance, Large Construction / Rebuild (Where to draw the line between row 3 and row 4 needs more discussion (Is it based on the ability to plan one-year ahead? The definition of the event? Other?))	YES, up to limits described in term sheet, and only if greater than a de minimus level	To extent exceeds limit in Term Sheet and Except for specific "conditions beyond PTO control" (see Notes 3 and 4)		YES, to the extent it is not covered by PTOs and FTR holders (through Buyback or Redispatch)
4. Planned Maintenance (for "short outages", emergency maintenance (before outage) , changes required by RTO, etc.)	YES, If greater than a de minimus threshold and only if sufficient advance notice, and only if FTR holders had an opportunity to pay for movement of maintenance	No		YES, to the extent it is not covered by PTOs and FTR holders (through Buyback or Redispatch)
5. Commercial / Operations Gap - Approximations in methodologies (including impacts of load growth, temperature, loopflow, over-release of FTRs, de minimus thresholds).	No	No		YES (through Buyback, Redispatch or smaller FTR release)

Notes:

1. To all RTO users by grid uplift charge, or to smaller group of users by allocation to Company Rates? (To Be Determined)
2. TOA should specify binding maintenance standards for PTO.
3. Conditions beyond PTO control could include the following: true "Force Majeure", vendor performance (?? Needs further thought vs. "Performance Standards")
4. Acceptability to IOUs is conditioned on PBR and limitation to direct cost and opportunity costs (no consequential damages); Publics cannot accept risk to revenue recovery.