

RTO WEST LOAD INTEGRATION AGREEMENT

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RTO WEST LOAD INTEGRATION AGREEMENT

THIS RTO WEST LOAD INTEGRATION AGREEMENT (this “Agreement”) is made and entered into effective as of _____, by and between RTO West, a _____ nonprofit corporation (“RTO West”), and _____, a _____ (the “Interconnecting Party”) (RTO West and the Interconnecting Party are sometimes hereinafter referred to individually as a “Party” and collectively as the “Parties”).

RECITALS

WHEREAS, RTO West is a regional transmission organization that has been approved by FERC and that provides electrical transmission services throughout a multi-state region; and

WHEREAS, RTO West is responsible for providing such services in a reliable manner consistent with Good Utility Practice, applicable NERC and WSCC operating criteria and applicable requirements of regulatory agencies with authority over such operations; and

WHEREAS, the Interconnecting Party currently has Facilities interconnected with the RTO West Transmission System, or desires to interconnect Facilities with the RTO West Transmission System; and

WHEREAS, this Agreement establishes various requirements for the operation of the Facilities interconnected with the RTO West Transmission System and the Facilities that may be interconnected with the RTO West Transmission System by radial load taps or aggregated by appropriate boundary metering as set forth in this Agreement; and

WHEREAS, such requirements are established to provide for reliable operation of such interconnections, the RTO West Transmission System and the Facilities.

NOW, THEREFORE, in consideration of the mutual benefits to the Parties and the benefits set forth in the recitals above, the Parties agree as follows:

- 1. Definitions.** For purposes of this Agreement, capitalized terms not defined elsewhere in this Agreement shall have the definitions specified in Exhibit A.

2. Effective Date; Term and Termination.

- 2.1. Effective Date.** This Agreement shall become effective upon its acceptance for filing or approval by FERC, without change unacceptable to either Party. If FERC's acceptance for filing or approval of this Agreement is, as a result of rehearing or judicial review thereof, subsequently revised or modified in a manner unacceptable to either Party, this Agreement shall be deemed void ab initio. Any such revision or modification of this Agreement shall be deemed unacceptable to a Party only if that Party provides notice to the other Party within 30 days of issuance of the applicable FERC action or judicial order that such action or order is unacceptable.
- 2.2. Termination.** This Agreement shall terminate (1) upon termination of all agreements between RTO West and the Interconnecting Party for the provision of Transmission Service, if the Interconnecting Party has not executed a Transmission Control Agreement; or (2) upon mutual written agreement of the Parties. In addition, this Agreement shall cease to be applicable to any given Facilities upon termination of the RTO West Transmission Control Agreement between RTO West and the owner (whether or not such owner is the Interconnecting Party) of the RTO West Transmission System facilities with which such Facilities are physically interconnected.

3. Interconnections, Metering and Clearance/Safety Issues.

3.1. Interconnections and Metering System Locations.

- 3.1.1. Exhibit B to this Agreement lists each and all of the Points of Interconnection between the Facilities and the RTO West Transmission System (including the locations thereof), and all associated equipment. The Parties shall amend Exhibit B as necessary or appropriate to reflect additions to or modifications of any Points of Interconnection or any such equipment. Upon any request by RTO West, the Interconnecting Party shall make available to RTO West corresponding maps and single-line diagrams of any or all Points of Interconnection or associated equipment listed on Exhibit B.
- 3.1.2. The Parties shall specify in Exhibit C to this Agreement the locations of all metering systems required to satisfy the

requirements of this Agreement, and any necessary adjustment factors if the location of any metering system is not at the Point of Interconnection. The Parties agree to keep such information current and to advise each other of any additions or modifications to the metering systems as such additions or modifications occur. The Parties further agree to amend Exhibit C as necessary or appropriate to reflect such additions or modifications.

3.2. Metering Systems Requirements.

- 3.2.1. In carrying out each and all of its responsibilities under Section 3.2, the Interconnecting Party shall (1) use only personnel who meet the technical qualifications approved in advance by RTO West in the exercise of its reasonable discretion and (2) either (a) use only third-party personnel whom both the Interconnecting Party and RTO West, in the exercise of their reasonable discretion, have determined to be sufficiently independent, or (b) in any instance in which the Interconnecting Party elects to use its own personnel to perform any of such responsibilities, permit a representative of RTO West to be present for the performance of such responsibilities. Without in any way limiting the foregoing, neither any approval by RTO West of any personnel used by the Interconnecting Party in carrying out any such responsibilities, nor the presence of any RTO West representatives during the performance of any such responsibilities, shall relieve the Interconnecting Party in any manner whatsoever of any responsibility or liability for any failure to comply with each and all of the requirements of this Section 3.2.
- 3.2.2. With respect to Points of Interconnection at which not all lines are metered, or at which the metering systems do not satisfy each and all of the requirements of this Agreement, the Interconnecting Party shall, upon RTO West's request, add additional metering systems as necessary or appropriate to provide accurate usage data or comply with Good Utility Practice. The Interconnecting Party shall maintain the status and control of such metering systems in accordance with Good Utility Practice.

- 3.2.3. The Interconnecting Party shall be responsible for the performance of all installation, maintenance, replacement and reading of, and all collection of recorded demand interval information from, all metering systems at the locations set forth in Exhibit C. Each Party shall provide to the other such metering information as is necessary for both reliable operations and for billing purposes, at the following intervals: (1) metering information necessary for billing purposes and for purposes of the provision of Ancillary Services shall be provided at least monthly; and (2) metering information necessary for operations purposes shall be provided at the interval requested by the other Party.
- 3.2.4. The Interconnecting Party shall ensure that all metering systems at the locations set forth in Exhibit C are at all times sealed or otherwise secured against tampering, and that any seals on such systems are opened only when the systems are inspected, tested or adjusted in accordance with the requirements of this Agreement.
- 3.2.5. The Interconnecting Party shall cause all metering systems at the locations set forth in Exhibit C to be tested at the following time intervals: (a) once every eight years, in the case of metering systems at locations at which the metered demand is less than or equal to one MegaWatt (MW); (b) once every two years, in the case of metering systems at locations at which the metered demand is greater than one MW but less than five MWs; (c) once every two years, in the case of metering systems at locations at which the metered demand is equal to or greater than five MWs and electronic metering is used; and (d) on an annual basis, in the case of metering systems at locations at which the metered demand is equal to or greater than five MWs and electro-mechanical metering is used, unless mutually agreed otherwise by the Parties. Without in any way limiting the foregoing, the Interconnecting Party shall cause additional tests or inspections of such metering systems to be made as may be requested by RTO West from time to time or at any time; RTO West shall be responsible for the costs and expenses of any such additional tests or inspections unless the results thereof demonstrate that any such metering systems fail to comply with any of the requirements of Section 3.2.6 below, in which event the Interconnecting Party shall have sole

responsibility for the costs and expenses of such additional tests or inspections. The Interconnecting Party shall give reasonable advance notice to RTO West of the time of any metering systems test or inspection, and RTO West shall have the right, at its option, to have one or more representatives present at any such test or inspection. The Interconnecting Party shall adjust, repair or replace any component of any metering system found to be defective or inaccurate, and promptly notify RTO West thereof. The Interconnecting Party shall perform all metering system tests and inspections in accordance with Good Utility Practice and shall provide to RTO West a copy of all records and documentation of any tests and inspections.

- 3.2.6. The Interconnecting Party shall make all reasonable efforts to cause all metering systems required under this Agreement to function at all times with 100 percent accuracy, but all such metering systems shall in any case be within the accuracy limits established by RTO West consistent with Good Utility Practice or two percent (as measured on a kW, kWh or kVAr basis in either case), whichever is less. If any metering system at the locations set forth in Exhibit C fails to register, or if any measurement made by any such metering system during any test or inspection carried out pursuant to Section 3.2.5 above either (i) exceeds the accuracy limits established by RTO West consistent with Good Utility Practice or (ii) is inaccurate by more than two percent (as measured on a kW, kWh or kVAr basis in either case), the Interconnecting Party shall correct all measurements for the actual period during which such inaccurate measurements were made, if such period can be determined. If such period cannot be determined, the Interconnecting Party shall correct all measurements for the period equal to the lesser of (a) one-half the period from the date of the last preceding test or (b) the six months immediately preceding the test. Should any metering system at any time fail to register, or should the registration by any such system be so erratic as to be meaningless, the Interconnecting Party shall determine delivered capacity and energy based upon the best available data, using a method agreed upon by both Parties. If the Parties are unable to agree upon any such method, RTO West shall issue billings based upon its own good faith estimate of delivered capacity and energy, and any dispute

between the Parties regarding such billings shall be resolved in accordance with the dispute resolution provisions of Exhibit F to this Agreement.

- 3.2.7. RTO West shall have the right at any time to audit the Interconnecting Party's compliance with the requirements of Section 3.2 of this Agreement. RTO West shall provide the Interconnecting Party with reasonable notice of any such audit, and the Interconnecting Party shall cooperate therein. RTO West shall be responsible for the costs and expenses of any such audit unless the results thereof demonstrate that the Interconnecting Party has failed to comply with any of the requirements of Section 3.2, in which event the Interconnecting Party shall have sole responsibility for the costs and expenses of such audit.

3.3. Clearances/Safety Issues.

- 3.3.1. Without limiting the provisions of Section 5.5, the Interconnecting Party shall cooperate with RTO West to facilitate maintenance of the RTO West Transmission System by disconnecting Facilities from the RTO West Transmission System when so requested by RTO West for maintenance purposes. Whenever disconnecting Facilities from the RTO West Transmission System, the Interconnecting Party shall perform such disconnection in accordance with Good Utility Practice.
- 3.3.2. The Interconnecting Party acknowledges that following an Electric Disturbance, certain equipment on the RTO West Transmission System may, consistent with Good Utility Practice, reclose. The Interconnecting Party shall have sole responsibility for protecting its Electric System from any damage resulting from such reclosure. To the extent not prohibited by applicable law, the Interconnecting Party hereby indemnifies and agrees to hold harmless RTO West and its trustees, officers, employees and agents from and against any and all losses, liabilities, injuries, damages, costs and expenses caused by, resulting from or arising out of (i) any damage to any of the Interconnecting Party's Electric System to the extent caused by, resulting from or arising out of any such reclosure and (ii) death or injury of any persons to the extent caused by, resulting from or arising out of any

impact or effect of any such reclosure upon the Interconnecting Party's Electric System.

4. Operating Standards.

- 4.1. The Interconnecting Party shall comply with the Safety and Reliability Requirements in operating its Electric System; provided, however, that, without in any way limiting the provisions of Section 9, the sole remedy available to RTO West for or as a result of any breach or violation of this Section 4.1 by the Interconnecting Party shall be (1) specific performance and (2) reimbursement by the Interconnecting Party, to the extent not prohibited by applicable law, of any costs or expenses (other than costs or expenses caused by or arising out of claims for damages to third parties) incurred by RTO West as a result of such breach or violation. In the event that RTO West determines that the Interconnecting Party may be, or become, liable for reimbursement of any such fines or penalties under this Section 4.1, RTO West shall provide notice thereof to the Interconnecting Party at the earliest practicable opportunity, in order that the Interconnecting Party may contest, or take other available action to avoid or minimize, such fines or penalties.

- 4.2. RTO West shall comply with the Safety and Reliability Requirements in operating the RTO West-Controlled Transmission; provided, however, that, without in any way limiting the provisions of Section 9, the sole remedy available to the Interconnecting Party for or as a result of any breach or violation of this Section 4.2 by RTO West shall be (1) specific performance and (2) reimbursement by RTO West of any fines or other monetary penalties incurred by the Interconnecting Party as a result of such breach or violation. In the event that the Interconnecting Party determines that RTO West may be, or become, liable for reimbursement of any such fines or penalties under this Section 4.2, the Interconnecting Party shall provide notice thereof to RTO West at the earliest practicable opportunity, in order that RTO West may contest, or take other available action to avoid or minimize, such fines or penalties

5. Operational Requirements.

5.1. Reactive Power Requirements.

- 5.1.1. For each Point of Interconnection that is radially interconnected to the RTO West Transmission System, unless mutually agreed otherwise and specified in Exhibit E, the Interconnecting Party shall maintain an average power factor, leading or lagging, of 95 percent or higher (measured at intervals equal to the lesser of one hour or the billing or operating demand interval applicable to the metering system for the Facilities interconnected at such Point of Interconnection).
- 5.1.2. With respect to any Facilities that are radially interconnected to the RTO West Transmission System, when sufficient metering does not exist to determine average power factor of radial interconnections, and where it does not unduly burden the operation of the RTO West Transmission System and it is advantageous to the Interconnecting Party's own operation, RTO West and the Interconnecting Party may agree to maintain voltage schedules at or near Points of Interconnection to ensure that sufficient Reactive Power control is maintained by the Interconnecting Party. Such voltage schedules shall, to the extent possible, be maintained so as to provide a net Reactive Power requirement by the Interconnecting Party not to exceed the limits set forth in Section 5.1.1. If RTO West subsequently determines that the RTO West Transmission System is either supplying or absorbing amounts of Reactive Power in excess of the limits set in Section 5.1.1, then, in addition to RTO West's rights under Section 5.1.4, RTO West shall have the right to require metering of individual radial interconnections at the affected Points of Interconnection.
- 5.1.3. Where Points of Interconnection are not radially interconnected to the RTO West Transmission System, RTO West and the Interconnecting Party shall maintain voltage schedules at or near Points of Interconnection to ensure that sufficient Reactive Power control is maintained by the Interconnecting Party in accordance with Good Utility Practice. Such voltage schedules shall be maintained, to the extent possible, so as to provide a net Reactive Power

requirement by the Interconnecting Party not in excess of the limits set forth in Section 5.1.1. If RTO West determines that operation of the Interconnecting Party's Electric System has caused the net Reactive Power requirement to exceed the limits set forth in Section 5.1.1, then RTO West shall be entitled to exercise its rights under Section 5.1.4.

- 5.1.4. If the Interconnecting Party fails to satisfy any of its obligations under Sections 5.1.1, 5.1.2 and 5.1.3, RTO West shall assess against the Interconnecting Party a Reactive Power charge for all Reactive Power that RTO West reasonably determines has been delivered or absorbed by the RTO West Transmission System in excess of the limits set forth in Section 5.1.1. Any such Reactive Power charge shall be calculated in accordance with the provisions of the applicable RTO West Tariff. Without in any way limiting the foregoing, if the Interconnecting Party fails to satisfy any of its obligations under Sections 5.1.1, 5.1.2 and 5.1.3, and RTO West is not able to supply or absorb sufficient Reactive Power to meet the limits set forth in Section 5.1.1, and RTO West reasonably determines that the installation of additional equipment or facilities on the Interconnecting Party's Electric System is either required for satisfaction of the Interconnecting Party's obligations under this Section 5.1 or is the most economical method of satisfying such obligations, RTO West shall so notify the Interconnecting Party. When possible, RTO West shall allow the Interconnecting Party to add such equipment or facilities on its own. However, if the Interconnecting Party fails promptly to add any such equipment or facilities, RTO West shall have the right itself to take such action or cause such action to be taken, at the Interconnecting Party's sole cost and expense. In any such event, the Interconnecting Party shall, to the extent not prohibited by applicable law, immediately upon RTO West's request reimburse RTO West in full for any and all costs and expenses incurred by RTO West in, and in connection with, such corrective action. Any equipment and facilities added or constructed as part of such corrective action shall be the property of the Interconnecting Party.

5.2. Load Shedding.

- 5.2.1. The Interconnecting Party shall provide undervoltage and underfrequency load shedding in accordance with the Safety and Reliability Requirements at the Points of Interconnection and in the amounts and at the settings described in Exhibit D. Not less than annually, the Interconnecting Party shall provide to RTO West updated information regarding any and all changes in the amount of load subject to load shedding under this section at each Point of Interconnection set forth in Exhibit D, and Exhibit D shall be amended as necessary or appropriate to reflect any and all such changes. RTO West shall have the right from time to time and at any time to require that the Points of Interconnection or amounts and settings set forth in Exhibit D be changed to reflect changes in NERC or WSCC requirements, and Exhibit D shall be amended as necessary or appropriate to reflect any such changes. The Interconnecting Party shall, upon RTO West's request, provide (i) proof of compliance with the undervoltage and underfrequency load shedding requirements set forth in Exhibit D, and (ii) test undervoltage and underfrequency load shedding relays as necessary to ensure proper operation. To the extent reasonably practicable, RTO West shall allocate load shedding responsibilities equitably among the Interconnecting Party and the parties to all other RTO West Load Integration Agreements.
- 5.2.2. In an RTO West Transmission System Emergency, RTO West shall be entitled, either pursuant to the WSCC Regional Security Plan or otherwise, to order that the Interconnecting Party provide undervoltage and underfrequency load shedding at Points of Interconnection in accordance with the Safety and Reliability Requirements. The Interconnecting Party shall comply with any and all such orders.
- 5.2.3. Nothing in this Agreement shall alter any rights or obligations of the Interconnecting Party with respect to load shedding under any existing remedial action scheme, interruptible load agreement, or other load curtailment agreement set forth in Exhibit D. In addition, nothing in this Agreement shall entitle RTO West to exercise any rights, or require that RTO West comply with any obligations, of the

Interconnecting Party with respect to load shedding under any other agreement.

5.3. Power Quality.

- 5.3.1. The Interconnecting Party shall operate and maintain its Electric System so that voltage performance is in accordance with all applicable Safety and Reliability Requirements.
- 5.3.2. The Interconnecting Party shall operate and maintain its Electric System such that harmonics introduced onto the RTO West Transmission System, as measured at the Points of Interconnection, are within applicable IEEE standards.
- 5.3.3. The Interconnecting Party shall operate and maintain its Electric System in a manner that avoids Voltage Flicker on the RTO West Transmission System in excess of applicable IEEE standards.
- 5.3.4. If the Interconnecting Party fails to comply with any of the requirements of this Section 5.3, RTO West shall have the right to require that the Interconnecting Party take any and all such measures, including but not limited to the installation of new or additional equipment, as are necessary, in RTO West's reasonable determination, to comply with such requirements. In the event that the Interconnecting Party fails to take any or all of such measures promptly, then RTO West shall have the right itself to take (or cause to be taken) such measures, and the Interconnecting Party shall be responsible for any and all costs and expenses incurred in and in connection therewith.

5.4. Generator Interconnections.

- 5.4.1. To protect the RTO West Transmission System, the Interconnecting Party shall not allow any electric generating facility that will operate within the RTO West Interconnected Control Areas to connect to the Interconnecting Party's Electric System, unless and until RTO West has provided written notice to the Interconnecting Party that either (i) the owner or operator of such generating facility has executed an RTO West Generation Integration Agreement with respect to such

generation facility, or (ii) RTO West has determined to exempt such generation facility from any requirement for execution of an RTO West Generation Integration Agreement.

5.4.2. The Interconnecting Party shall install (or cause to be installed), if necessary, and maintain (or cause to be maintained) appropriate equipment to prevent the flow of energy onto the RTO West Transmission System, during an Electric Disturbance, from any generation facility that is operating within the RTO West Interconnected Control Area and that has been exempted by RTO West pursuant to Section 5.4.1 from the requirement for execution of an RTO West Generation Integration Agreement.

5.4.3. Neither the execution of an RTO West Generation Integration Agreement by the owner or operator of an electric generating facility nor any exemption granted by RTO West pursuant to the provisions of Section 5.4.1 shall relieve the Interconnecting Party from any responsibility to protect its Electric System or impose any responsibility or liability on RTO West for damage to the Interconnecting Party's Electric System or injury or damage to any person or property.

5.5. Maintenance. The Interconnecting Party shall maintain its Electric System in accordance with all applicable Safety and Reliability Requirements. Each Party shall notify the other Party in advance of finalizing any equipment maintenance schedule, and shall consult with the other Party, and make reasonable efforts to accommodate the other Party's needs, in scheduling equipment maintenance.

5.6. Reporting.

5.6.1. Promptly after execution of this Agreement, and after consulting with the Interconnecting Party, RTO West shall provide to the Interconnecting Party its Significant Events List. RTO West shall have the right to amend such list from time to time and at any time, in each instance after consulting with the Interconnecting Party. The Interconnecting Party shall notify RTO West promptly in the event of the existence or occurrence of any of the events or conditions listed on RTO West's Significant Events List.

- 5.6.2. Promptly after execution of this Agreement, and after consulting with RTO West, the Interconnecting Party shall provide to RTO West its Significant Events List. The Interconnecting Party shall have the right to amend such list from time to time and at any time, in each instance after consulting with RTO West. RTO West shall notify the Interconnecting Party promptly in the event of the existence or occurrence of any of the events or conditions listed on the Interconnecting Party's Significant Events List.
- 5.7. Protective Devices.** Each Party reserves the right to install, operate and maintain such protective devices as it deems necessary to separate the Facilities from the RTO West Transmission System sufficiently to avoid injury or damage; provided that each Party shall install, operate and maintain such protective devices in accordance with all applicable Safety and Reliability Requirements. Each Party shall notify the other of any and all such protective devices that it installs, and of the settings of such devices.
- 5.8. Opening of Interconnection Facilities.** The Interconnecting Party shall have the unilateral right to open Interconnection Facilities in the event of, and for the duration of, any emergency on its Electric System, if such separation would reasonably be expected to mitigate or remedy the emergency. The Interconnecting Party shall promptly notify RTO West of any such opening of Interconnection Facilities, unless such information has already been provided by RTO West by automatic data transfer. During an Electrical Disturbance, RTO West shall have the right to open, or order opened, any Interconnection Facility in accordance with Good Utility Practice.
- 5.9. Compliance with Regional Security Plan.** To the extent that RTO West is responsible for performing security coordination functions with respect to the WSCC Regional Security Plan, and the Interconnecting Party is required to comply with the WSCC Regional Security Plan, the Interconnecting Party shall comply with all RTO West directives implementing the WSCC Regional Security Plan or any successor plan or as otherwise required by law.
- 5.10. Provision of Data for RTO West Operations, Planning and Reliability Functions.** The Interconnecting Party shall furnish to RTO West such data and reports (including but not limited to

available computer-generated simulations), and such available load forecasts (by Point of Interconnection, if requested by RTO West), as RTO West reasonably requests from time to time in connection with RTO West's operations and planning functions. In addition, the Interconnecting Party shall furnish to RTO West such data and reports (including but not limited to technical data regarding load characteristics required by RTO West, under WSCC and NERC requirements, for system analysis studies) as RTO West reasonably requests from time to time in connection with RTO West's reliability functions. The Interconnecting Party shall provide any such requested data, reports or forecasts, in the form specified by RTO West, within a reasonable time following any such request. Any Confidential Information of the Interconnecting Party included in such data, reports or forecasts shall be subject to the provisions of Section 8.

- 5.11. Interconnecting Party Liable for Noncompliance.** Without in any way limiting any provision of this Section 5, the Interconnecting Party shall, subject to the provisions of Section 9, have sole responsibility for any losses, liabilities, damages, costs and expenses to the extent caused by, resulting from or arising out of any failure on the part of the Interconnecting Party to comply with any of its responsibilities under this Section 5.

6. Special Arrangements and Most Favored Nation Option.

- 6.1. Special Arrangements.** Notwithstanding any other provision of this Agreement, the Parties may agree to specific arrangements that differ from the requirements of this Agreement as necessary to accommodate technical limitations or legal requirements (whether statutory, regulatory or contractual) specific to the Interconnecting Party. Any such arrangements shall be set forth in Exhibit E to this Agreement.
- 6.2. Most Favored Nations Option.** If a new RTO West Load Integration Agreement or an amendment to an existing RTO West Load Integration Agreement contains terms (including, without limitation, terms contained in Exhibit E to such new or amended RTO West Load Integration Agreement) that differ from the provisions contained in this Agreement, other than as necessary to accommodate technical differences or legal requirements that apply to the interconnecting party executing such new or amended RTO West Load Integration Agreement but not to the Interconnecting

Party, RTO West agrees to amend this Agreement at the Interconnecting Party's request to incorporate terms that are comparably favorable to such differing terms.

7. Ancillary Services. If the Interconnecting Party wishes to sell or self-provide any Ancillary Services (as set forth in the RTO West Tariffs), the Interconnecting Party shall install (if necessary) and maintain all equipment required for any such Ancillary Services, and provide to RTO West all data (at the intervals specified by RTO West) necessary to monitor, verify and facilitate billing for any such Ancillary Services.

8. RTO West Confidentiality Obligations.

8.1. Protection of Confidential Information. RTO West shall maintain the confidentiality of all Confidential Information of the Interconnecting Party provided to RTO West pursuant to this Agreement; provided, however, that RTO West shall be entitled to disclose such Confidential Information if: (1) RTO West determines that such Confidential Information must be disclosed to avert unplanned Transmission Service interruptions or to restore Transmission Service more rapidly; or (2) RTO West is required to make such disclosure by administrative or judicial order.

8.2. Disclosure Pursuant to Administrative or Judicial Order. RTO West shall promptly, and in any event at the earliest practicable opportunity prior to any disclosure of Confidential Information pursuant to any administrative or judicial order, notify the Interconnecting Party of any petition for or requirement by administrative or judicial order for RTO West to disclose Confidential Information of the Interconnecting Party to any third party. The Interconnecting Party may, in its sole discretion and at its sole cost and expense, undertake any challenge to such disclosure. RTO West shall reasonably cooperate with the Interconnecting Party, at the Interconnecting Party's sole cost and expense, to minimize or eliminate any such disclosure requirement consistent with applicable law, and to obtain proprietary or confidential treatment of Confidential Information by any person to whom such information is disclosed pursuant to this section.

9. Limitation of Liability and Insurance.

9.1. Liability -- Interconnected System Operation.

9.1.1. Limitation of Liability for Loss to Electric Systems.

Notwithstanding the provisions of Section 9.3, except as set forth in Sections 9.1.4 and 9.1.5, neither RTO West nor its trustees, officers or employees shall be liable to the Interconnecting Party for any Loss to the Electric System of the Interconnecting Party caused by or arising out of an Electric Disturbance, whether or not such Electric Disturbance results from the negligent, grossly negligent or wrongful act or omission of RTO West or its trustees, officers or employees (whether its or their own or imputed) in the performance or nonperformance of any obligation under this Agreement, and the Interconnecting Party hereby releases RTO West and its trustees, officers and employees from any such liability.

9.1.2. Limitation of Liability for WIS Parties. Notwithstanding the provisions of Section 9.3, except as set forth in Sections 9.1.4 and 9.1.5, if the Interconnecting Party is a party to the WIS Agreement, then neither the Interconnecting Party nor its directors, commissioners, officers or employees shall be liable to RTO West for any Loss to RTO West caused by or arising out of an Electric Disturbance, whether or not such Electric Disturbance results from the negligent, grossly negligent or wrongful act or omission of the Interconnecting Party or its directors, commissioners, officers or employees (whether its or their own or imputed) in the design, construction, operation, maintenance, use or ownership of the Interconnecting Party's Electric System, or the performance or nonperformance of any obligation under this Agreement, and RTO West hereby releases the Interconnecting Party and its directors, commissioners, officers and employees from any such liability.

9.1.3. Consistency With Insurance Policies. In the event that a Party holds or obtains any insurance policy that is inconsistent with the provisions of Sections 9.1.1 and 9.1.2, such Party shall, to the extent not prohibited by applicable law, indemnify and hold harmless the other Party from all costs and damages to the other Party resulting from such

inconsistency, including but not necessarily limited to the other Party's costs of defending against subrogated claims.

9.1.4. Not Applicable to Willful Action. The provisions of Sections 9.1.1 and 9.1.2 do not apply to Losses resulting from Willful Action.

9.1.5. Effect of Prior Arbitration Awards. The provisions of Sections 9.1.1 and 9.1.2 do not apply to Losses resulting from an action taken or not taken by a Party which action or non-action (1) has been determined by arbitration award to be a violation of Section 9.3.1 of this Agreement and (2) occurs or continues beyond the period specified in such arbitration award for curing such violation or, if no cure period is specified, occurs or continues beyond a reasonable period to cure such violation. Each Party agrees to pay for Losses that both (1) occur while such Party is a party to this Agreement and (2) result from violation by such Party that occurs or continues beyond the period specified in such arbitration award for curing such violation or, if no cure period is specified, occurs or continues beyond a reasonable period to cure such violation.

9.2. Relationship to WIS Agreement.

9.2.1. Interconnecting Party as WIS Agreement Party. The Parties recognize that the Interconnecting Party is or may become a party to the WIS Agreement.

9.2.2. RTO West as a WIS Agreement Party. RTO West agrees to become a party to the WIS Agreement and the WIS Insurance, subject to amendment of the WIS Agreement and the WIS Insurance to permit RTO West to become a named insured of the WIS Insurance.

9.2.3. Amendments to WIS Agreement. If the Interconnecting Party is a party or becomes a party to the WIS Agreement, it agrees to cooperate in all reasonable respects in effecting any amendments that may be necessary or appropriate to the WIS Agreement and WIS Insurance, including but not limited to amendments assessing appropriate premiums against RTO West, to enable coverage of the "Ultimate Net Loss" (as defined in the WIS Insurance Insuring Form)

arising out of an Electrical Disturbance in or on the Electric System of any party participating in WIS Insurance, subject to reasonable limits.

9.2.4. WIS Agreement Exclusions. The Parties agree that the WIS Insurance, as amended, shall have reasonable exclusions, including but not necessarily limited to the following:

- (a) The WIS Insurance shall not apply to physical injury to the Electric System of any WIS insured party or any property of RTO West, or to loss of revenue resulting therefrom.
- (b) Unless an Electric Disturbance is caused in whole or in part, directly, indirectly or concurrently, by the actions or inactions of RTO West, the WIS Insurance shall not apply to damage resulting from an Electric Disturbance, if such damage occurs solely on and is confined to: (1) the Electric System of the WIS insured party upon whose system the Electric Disturbance originated, and (2) the customers of such Electric System, except wholesale for resale customers.

9.3. Responsibility -- Interconnected System Design and Operation.

9.3.1. Operation to Minimize Electric Disturbances.

9.3.1.1. Interconnecting Party's Operation of Electric System to Minimize Electric Disturbances. The Interconnecting Party shall design, construct, operate, maintain and use its Electric System and perform its other obligations under this Agreement in conformance with Good Utility Practice to minimize:

- (a) Electric Disturbances originating on the Interconnecting Party's Electric System;
- (b) The effect on the Interconnecting Party's Electric System of any Electric Disturbance that originates on the Interconnecting Party's

Electric System or another party's Electric System; and

- (c) The effect on any other party's Electric System of any Electric Disturbance that: (i) originates on the Interconnecting Party's Electric System or (ii) although not originating on the Interconnecting Party's Electric System, reaches or could reach the Electric System of such other party through the Interconnecting Party's Electric System.

9.3.1.2. RTO West's Operation of RTO West-Controlled Transmission to Minimize Electric Disturbances.

RTO West shall operate the RTO West-Controlled Transmission and perform its other obligations under this Agreement in conformance with Good Utility Practice to minimize:

- (a) Electric Disturbances originating on the RTO West-Controlled Transmission;
- (b) The effect on the RTO West-Controlled Transmission of any Electric Disturbance that originates on the RTO West-Controlled Transmission or another party's Electric System; and
- (c) The effect on any other party's Electric System of any Electric Disturbance that: (i) originates on the RTO West-Controlled Transmission or (ii) although not originating on the RTO West-Controlled Transmission, reaches or could reach the Electric System of such other party through the RTO West-Controlled Transmission.

9.3.2. No Duties Created to Non-Party. Nothing in this Agreement shall be construed to create any duty to, any standard of care with reference to, or any liability to any person other than RTO West and the Interconnecting Party.

9.3.3. Resolution of Differences. Should differences arise between the Parties regarding the implementation of Section 9.3.1, they shall seek an equitable solution and shall perform necessary technical studies that shall not be unreasonably delayed. In the event agreement cannot be reached, and if in the judgement of either Party to the disagreement the necessary technical studies have been performed, such Party may demand the matter be resolved in accordance with the dispute resolution provisions of Exhibit F to this Agreement. This provision shall not be used to resolve differences among or with persons or entities that are not Parties.

9.3.4. Covenants Independent. Except as and to the extent set forth in Section 9.1.5, the mutual releases and covenants of Sections 9.1.1 and 9.1.2 are independent of and divisible from the covenants of Section 9.3.1 and are not affected by nonperformance under Section 9.3.1. It is the intent of this Agreement that the obligations of Section 9.3.1 shall be enforceable only by a Party assuming the risk of liability for Loss resulting from a failure to comply with an arbitration award as provided in Section 9.1.5.

10. Assignments and Conveyances.

10.1. Assignment of RTO West's Rights and Obligations. Except as otherwise provided in Section 10.4, RTO West shall not, without the prior written consent of the Interconnecting Party, assign, pledge or transfer all or any part of, or any right or obligation under, this Agreement, whether voluntarily or by operation of law.

10.2. Assignment of the Interconnecting Party's Rights and Obligations. Except as otherwise provided in Section 10.4, the Interconnecting Party shall not, without the prior written consent of RTO West, assign, pledge or transfer all or any part of, or any right or obligation under, this Agreement, whether voluntarily or by operation of law; provided, however, that the Interconnecting Party may, without the consent of RTO West, assign its rights and obligations under this Agreement to any person or entity (1) with which the Interconnecting Party is merged or consolidated, or (2) to which the Interconnecting Party sells, transfers, or assigns all or substantially all of the Facilities subject to this Agreement, so long as the survivor in any such merger or consolidation, or the purchaser, transferee or assignee of such Facilities provides to RTO

West a valid and binding written agreement expressly assuming and agreeing to be bound by all obligations of the Interconnecting Party under this Agreement.

- 10.3. Transfer of Rights Affecting Facilities.** Unless otherwise approved by RTO West in writing, the Interconnecting Party shall not sell, transfer or assign any rights that affect the Interconnecting Party's ability to perform its obligations under this Agreement with respect to any Facilities unless (1) the purchaser, transferee or assignee of such rights provides to RTO West a valid and binding written agreement expressly assuming and agreeing to be bound by all obligations of the Interconnecting Party under this Agreement with respect to the affected Facilities, or (2) RTO West and the transferee have entered an agreement comparable to this Agreement with respect to the affected Facilities.
- 10.4. Assignment for Security Purposes.** Notwithstanding any other provision of this Agreement, (1) the Interconnecting Party may, without RTO West's consent, pledge or assign all or any portion of its Electric System for financing purposes, and (2) RTO West may, without the Interconnecting Party's consent, pledge or assign, for financing purposes, all or any portion of its rights or interests with respect to the RTO West Transmission System.
- 10.5. Effect of Permitted Assignment.** In the event of any permitted sale, transfer or assignment hereunder, the transferor or assignor shall to the extent of the transferred or assigned obligations, and only to such extent, be relieved of obligations accruing from and after the effective date of such transfer or assignment; provided, however, that under no circumstances shall any sale, transfer or assignment relieve the transferor or assignor of any liability for any breach of this Agreement occurring before the effective date of such transfer or assignment.
- 10.6. Successors and Assigns.** This Agreement is binding on and shall inure to the benefit of the Parties and their respective successors, permitted assigns and legal representatives.
- 10.7. Consent May Not Be Unreasonably Denied or Delayed.** Consents to assignment, pledge or transfer requested pursuant to this Section 10 shall not be unreasonably denied or delayed.

- 11. No Guarantee of Uninterrupted Transmission Service or Continuous Supply of Electrical Power or Energy.** Nothing in this Agreement shall be construed to imply a guarantee by RTO West of uninterrupted Transmission Service or a continuous supply of electrical power or energy.
- 12. Billing and Payment.** RTO West and the Interconnecting Party shall comply with the billing and payment provisions set forth in any applicable RTO West Tariffs and tariffs of the Interconnecting Party.
- 13. Uncontrollable Force.** A Party shall not be in breach of this Agreement as a result of such Party's failure to perform its obligations under this Agreement when such failure is caused by an Uncontrollable Force which such Party, despite the exercise of due diligence, is unable to remove with reasonable dispatch; provided, however, that such Party shall have the right to suspend performance of such obligations only to the extent and for the duration that the Uncontrollable Force actually and reasonably prevents the performance of such obligations by such Party. In the event of the occurrence of an Uncontrollable Force that prevents a Party from performing any of its obligations under this Agreement, such Party shall: (1) immediately notify the other Party of such Uncontrollable Force with such notice to be confirmed in writing as soon as reasonably practicable; (2) use its best efforts to mitigate the effects of such Uncontrollable Force, remedy its inability to perform, and resume full performance of its obligations hereunder; (3) keep the other Party apprised of such efforts on an ongoing basis; and (4) provide written notice of the resumption of performance hereunder. Notwithstanding any of the foregoing, the settlement of any strike, lockout, or labor dispute constituting an Uncontrollable Force shall be within the sole discretion of the Party to this Agreement involved in such strike, lockout, or labor dispute and the requirement that a Party must use its best efforts to remedy the cause of the Uncontrollable Force or mitigate its effects and resume full performance hereunder shall not apply to strikes, lockouts, or labor disputes.
- 14. Dispute Resolution.** Either party may invoke the dispute resolution provisions of Exhibit F to this Agreement to resolve any dispute arising under this Agreement.
- 15. Notices.**
- 15.1. Permitted Methods of Notices.** Any notice, demand, or request required or permitted under this Agreement shall be in writing and

shall be deemed properly served, given, or made to the address of the receiving Party set forth below: (1) upon delivery if delivered in person; (2) five days after deposit in the mail, if sent by first class United States or Canadian mail, postage prepaid; (3) upon receipt of confirmation by return electronic facsimile if sent by facsimile; or (4) upon delivery if delivered by prepaid commercial courier service.

The address of RTO West for notices shall be:

Attn: _____

Telecopy: _____

The address of the Interconnecting Party for notices shall be:

Attn: _____

Telecopy: _____

15.2. Change of Notices Address. Either Party may at any time, by notice to the other Party in the manner set forth above, change the designation, address or telecopy number of the person specified to receive notice on its behalf.

15.3. Specific Provision Controls. Notwithstanding the requirements of Section 15.1, where any provision of this Agreement requires a Party to furnish any particular data, information, or notice in a specific manner or within a specific time period, such provision shall control.

16. Amendments. This Agreement may not be modified by either Party except by subsequent mutual written agreement duly executed by the Parties.

17. Construction of Agreement. Ambiguities or uncertainties in the wording of this Agreement shall not be construed for or against any Party, but shall be construed in a manner that most accurately reflects the purpose of this

Agreement and the nature of the rights and obligations of the Parties with respect to the matter being construed.

- 18. Integration.** This Agreement, including the exhibits hereto, constitute the complete agreement of the Parties with respect to the subject matter hereof, and all prior or contemporaneous representations, statements, negotiations, understandings and inducements are fully merged and incorporated in this Agreement.
- 19. Preservation of Obligations.** Upon termination of this Agreement, all unsatisfied obligations of each Party shall be preserved until satisfied.
- 20. Existing Agreements Preserved.** Nothing in this Agreement shall be interpreted to supercede the requirements of any existing agreement unless otherwise expressly stated herein.
- 21. Other Obligations Preserved.** In carrying out the requirements of this Agreement, neither Party shall be required to take actions that would violate any NERC or WSCC reliability criteria, standards, guidelines and operating procedures, any FERC licenses, or applicable laws or regulations.
- 22. Governing Law.** This Agreement shall in all respects be interpreted, construed and enforced in accordance with the laws of the State or Province in which is located the principal office of the Party whose alleged obligations are to be enforced (without reference to rules governing conflicts of laws) except to the extent that such laws may be preempted by the laws of the United States of America or of Canada, as applicable; provided, however, that, notwithstanding the foregoing, if the Interconnecting Party is a United States government entity (including but not limited to a federal power marketing administration), this Agreement shall in all respects be interpreted, construed and enforced in accordance with the laws of the United States.
- 23. Severability.** The rights of each Party shall be as set forth in Section 2.1 if this Agreement is (1) not accepted for filing or approved by FERC, (2) accepted for filing or approved by FERC with changes unacceptable to either Party, or (3) accepted for filing or approved by FERC, but such acceptance or approval is, as a result of judicial review, subsequently reversed or modified in a manner unacceptable to either Party. If this Agreement is not rendered void in accordance with the provisions of Section 2.1, and thereafter any term, covenant, or condition of this Agreement or the application or effect of any such term, covenant, or

condition is held invalid as to any person, entity, or circumstance, or is determined to be unjust, unreasonable, unlawful, imprudent, or otherwise not in the public interest by any court or government agency of competent jurisdiction, then such term, covenant, or condition shall remain in force and effect to the maximum extent not prohibited by law, and all other terms, covenants, and conditions of this Agreement, and the application thereof, shall not be affected thereby, but shall remain in force and effect and the Parties shall be relieved of their obligations only to the extent necessary to eliminate such regulatory or other determination unless a court or governmental agency of competent jurisdiction holds that such provisions are not separable from all other provisions of this Agreement.

24. Singular and Plural; Use of “Or.” Whenever in this Agreement the context so suggests, references to the singular shall be deemed to include the plural, and references to “or” shall be deemed to be disjunctive but not necessarily exclusive.

25. Headings for Convenience Only. The section headings in this Agreement are intended for convenience and reference only, and are not intended to define, limit, or describe the scope or intent of any provisions of this Agreement.

26. Relationship of the Parties.

26.1. No Partnership, Etc. Nothing contained herein shall be construed to create an association, joint venture, trust, or partnership, or to impose a trust or partnership covenant, obligation, or liability on or with regard to either or both of the Parties. Each Party shall be individually responsible for its own covenants, obligations, and liabilities under this Agreement.

26.2. Rights Several. All rights of the Parties are several, not joint. Except as expressly provided in this Agreement, no Party shall have a right or power to bind another Party without such Party's express written consent.

27. No Third Party Beneficiaries. Except for the rights of intervenors as specified in Exhibit F, this Agreement shall not be construed to create rights in, or to grant remedies to, any third party as a beneficiary of this Agreement or of any duty, obligation or undertaking established herein.

28. No Dedication of Facilities. No undertaking by either Party to the other Party under or pursuant to any provision of this Agreement shall

constitute or be deemed to constitute a dedication of all or any portion of the RTO West Transmission System to the public or to the Interconnecting Party, or all or any portion of the Electrical System of the Interconnecting Party to the public or to RTO West.

- 29. Non-Waiver.** Any waiver at any time by any Party of its rights with respect to any default under this Agreement, or with respect to any other matter arising in connection with this Agreement, shall not constitute or be deemed a waiver with respect to any other default or other matter arising in connection with this Agreement. Any waiver must be delivered in writing, executed by an authorized representative of the Party granting such waiver. Any delay short of the statutory period of limitations in asserting or enforcing any right shall not constitute or be deemed a waiver.
- 30. Exhibits Incorporated.** The exhibits to this Agreement, as they may be amended or revised from time to time, are attached to this Agreement and are incorporated by reference as if herein fully set forth.
- 31. Further Actions and Documents.** Each Party agrees to do all things, including but not limited to the preparation, execution, delivery, filing and recording of any instruments or agreements, reasonably requested by the other Party to carry out the provisions of this Agreement.
- 32. Counterparts.** This Agreement may be executed in one or more counterparts, which may be executed at different times. Each counterpart shall constitute an original but all counterparts together shall constitute one and the same instrument.
- 33. [For the Western Area Power Administration: No Violation of Applicable Law.** Nothing contained in this Agreement shall be deemed to require either Party to (1) violate any applicable law or regulation, or any order lawfully promulgated thereunder, or (2) exceed such Party's legal authority, as defined by any applicable law or regulation, or any order lawfully promulgated thereunder. To the extent that any provision of this Agreement is inconsistent with any requirement or limitation imposed on either Party by applicable law or regulation, or any order lawfully promulgated thereunder, then, to such extent (and only to such extent), such provision shall be deemed inapplicable to such Party, and such Party shall have no liability whatsoever for any failure to comply with such provision to such extent. Notwithstanding the foregoing, each Party covenants and agrees that it shall comply with each and all of the

provisions of this Agreement to the fullest extent permitted by applicable laws and regulations, and any orders lawfully promulgated thereunder.]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed effective as of the date first set forth above.

RTO WEST

By: _____

Its: _____

[INTERCONNECTING PARTY]

By: _____

Its: _____

EXHIBIT A

DEFINITIONS

“Ancillary Services” means Energy Imbalance Service, Spinning Reserve Service, Non-Spinning Reserve Service, Reactive Supply and Voltage Support Service, Regulation and Frequency Support Service, Scheduling, System Control and Dispatch Service, and Restoration Service provided over the RTO West Transmission System, together with such other interconnected operation services as RTO West may offer to support the use of its Transmission Services, and which shall include all ancillary services a transmission provider is required by FERC to provide, while maintaining reliable operation of the RTO West Transmission System in accordance with Good Utility Practice.

“Confidential Information” means any documents, data or other information received by RTO West, whether in written, oral or machine readable form, which the provider has identified in writing to be confidential, provided that Confidential Information shall not include (1) information subject to disclosure on the OASIS pursuant to the RTO West Tariffs, (2) information that becomes available to the public on a non-confidential basis, other than as a result of RTO West’s breach of its confidentiality obligations, (3) information received by RTO West from a third party without claim of confidentiality, or (4) information independently developed by RTO West.

“Control Area” means an electric power system or combination of electric power systems to which a common automatic generation control scheme is applied in order to: (i) 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); (ii) maintain scheduled interchange with other Control Areas, within the limits of Good Utility Practice; (iii) maintain the frequency of the electric power system(s) within reasonable limits in accordance with Good Utility Practice; and (iv) provide sufficient generating capacity to maintain operating reserves in accordance with Good Utility Practice.

“Electric Disturbance” means any sudden, unexpected, changed or abnormal electric condition occurring in or on an Electric System that may cause damage. A single Electric Disturbance shall be deemed to continue from its inception until all affected Electric Systems are restored to a stable condition of normal voltage and frequency and are capable of carrying normal electrical loads. The effects of a single Electric Disturbance shall be deemed to include: (a) all effects of such Electric Disturbance on the Electric System in or on which such

Electric Disturbance originates; and (b) all effects of such Electric Disturbance on all Electric Systems directly or indirectly interconnected with such Electric System.

“Electric Losses” means the power and energy consumed in the transmission of electric power and energy over an electric transmission system due to the effect of electrical resistance in the facilities and equipment that make up the electric transmission system.

“Electric System” means a single integrated electric power grid usually characterized by ownership, rental, lease, control or operation by a single person or entity. An “Electric System” consists of electric distribution facilities or generating facilities or transmission facilities, or any combination of the three, and includes transmission lines, distribution lines, substations, switching stations, generating plants and all associated equipment for generating, transmitting, distributing or controlling flow of power. The term “Electric System” shall include any devices or equipment by which information is originated on an electric system or by the person operating such system, by which such information is transmitted, and by which such information is received either for information or for operation of the system, whether by the originating system or by another system.

“Facilities” means the electric transmission and distribution equipment the operation or maintenance of which is controlled by the Interconnecting Party and which is not a part of the RTO West Transmission System but which is physically interconnected with the RTO West Transmission System.

“FERC” means the Federal Energy Regulatory Commission, or any successor thereto.

“Good Utility Practice” means any of the practices, methods, and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods, and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, and expedition. Good Utility Practice is not intended to be any one of a number of the optimum practices, methods, or acts to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the WSCC Interconnection.

“IEEE” means the Institute for Electrical and Electronics Engineering, or any successor thereto.

“Interconnection Facilities” means those facilities operated by RTO West or the Interconnecting Party required for the operation of one or more Points of Interconnection.

“Loss” or **“Losses”** mean physical damage to an Electric System; loss or damage resulting from making an Electric System or any portion thereof inoperable; and loss or damage consequential to either such loss or damage, including loss of use.

“NERC” means the North American Electric Reliability Council or its successor organization.

“OASIS” means an open access same-time information system as prescribed by FERC, or any successor or revised system to OASIS prescribed by FERC.

“Point(s) of Interconnection” means a point of change in operational control between any Facilities and the RTO West Transmission System.

“Reactive Power” means the portion of apparent power that is measured in VARs and that is supplied or absorbed by rotating equipment or by electrostatic equipment, such as capacitors, reactors or power lines.

“Remedial Action Scheme” means protective systems that typically utilize a combination of conventional protective relays, computer-based processors, and telecommunications to accomplish rapid, automated response to any Electric Disturbance.

“RTO West-Controlled Transmission” means the collective facilities and equipment specified on Exhibits E and F to all RTO West Transmission Control Agreements, taken together.

“RTO West Generation Integration Agreement” means the form of RTO West agreement required for integration of electric generating facilities with the RTO West Interconnected Control Areas.

“RTO West Interconnected Control Areas” means the Control Areas or former Control Areas of all parties that have executed RTO West Transmission Control Agreements.

“RTO West Tariffs” means those tariffs for the provision of Transmission Service by RTO West, including Ancillary Services, as accepted for filing or approved by FERC.

“RTO West Transmission Control Agreement” means the form of RTO West agreement by which owners of portions of RTO West-Controlled Transmission have transferred operational control of such transmission facilities to RTO West.

“RTO West Transmission System” means the collective facilities set forth on the Exhibits C to all the RTO West Transmission Control Agreements, taken together.

“RTO West Transmission System Emergency” means an unexpected situation or sudden occurrence on the RTO West Transmission System or on interconnected transmission systems of a serious and urgent nature that requires immediate action to maintain the reliability of transmission services over the RTO West Transmission System and over interconnected transmission systems.

“Safety and Reliability Requirements” means all that is required by Good Utility Practice, together with all applicable laws and governmental rules, regulations, orders, and all mandatory provisions of the reliability criteria, standards, guidelines and operating procedures of NERC, FERC, WSCC and other organizations that govern the planning, design and operation of a Party’s Electrical System.

“Significant Events List” means (1) with respect to RTO West, a list of significant operating events and conditions of which RTO West, in the event of the occurrence or existence of any such events or conditions on the Interconnecting Party’s Electric System, wishes to receive notice, and (2) with respect to the Interconnecting Party, a list of significant operating events and conditions of which the Interconnecting Party, in the event of the occurrence or existence of any such event or condition on the RTO West Transmission System, wishes to receive notice.

“Transmission Service” shall be as defined in the RTO West Tariffs.

“Uncontrollable Force” means any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, earthquake, explosion, accident to or breakage, failure or malfunction of machinery or equipment, any curtailment, order, regulation or restriction imposed by governmental military or lawfully established civilian authorities (other than the Interconnecting Party, if the Interconnecting Party is a federal power marketing

administration, municipal corporation or other federal or state governmental entity or subdivision thereof), or any other cause beyond a Party's reasonable control and to the extent without such Party's fault or negligence.

"Voltage Flicker" means a perceptible change in lamp output produced by a sudden change in supply voltage.

"Willful Action" means an action taken or not taken by a Party, which action is knowingly or intentionally taken or failed to be taken, with intent that injury or damage would result therefrom or which action is wantonly reckless. Willful Action does not include any act or failure to act which is involuntary, accidental, negligent or grossly negligent.

"WIS Agreement" means the Agreement Limiting Liability Among Western Interconnected Systems.

"WIS Insurance" means the insurance program associated with the WIS Agreement.

"WSCC" means the Western Systems Coordinating Council or its successor organization.

"WSCC Interconnection" is the WSCC geographic region as defined by NERC.

"WSCC Regional Security Plan" means a plan adopted and approved by the WSCC to meet NERC requirements for a security process for Control Area operations within the WSCC.

EXHIBIT B

INTERCONNECTION AND REACTIVE POWER EQUIPMENT AND
LOCATION

EXHIBIT C

METERING LOCATIONS

EXHIBIT D

LOAD SHEDDING ARRANGEMENTS

EXHIBIT E

SPECIAL ARRANGEMENTS

EXHIBIT F

DISPUTE RESOLUTION

1. **Definitions.** In addition to the capitalized terms defined in the attached Agreement, the following additional terms used in this Exhibit F have the meanings specified below:

1.1 **“Canadian Regulatory Authority”** means the agency or agencies established under the laws of Canada or the applicable Provinces of Canada and having jurisdiction over facilities, interconnections, transmission rates, charges, terms and conditions of service of a Canadian Interconnecting Party.

1.2 **“FPA”** means the Federal Power Act, 16 U.S.C. § 824 et seq., as amended from time to time.

1.3 **“WRTA”** means the Western Regional Transmission Association.

2. **Dispute Resolution.**

2.1 **Preconditions to Arbitration.**

2.1.1 **Informal Settlement.** Each Party shall make all reasonable efforts to settle all disputes governed by this Exhibit F. In the event any such dispute is not settled, either Party may request in writing that the manager of WRTA (or its successor organization) appoint an impartial facilitator to aid the Parties in reaching a mutually acceptable resolution to the dispute; such appointment shall be made within ten days of receipt of the request. The facilitator and representatives of the Parties with authority to settle the dispute shall meet within 21 days after the facilitator has been appointed to attempt to negotiate a resolution of the dispute. Settlement offers shall not be admissible in any subsequent dispute resolution process. With the consent of all Parties, resolution may include referring the matter to a technical body for resolution or for an advisory opinion.

2.1.2 **Impasse.** If the Parties have not succeeded in negotiating a resolution of the dispute within 30 days after first meeting with the facilitator or if the facilitator is not appointed within ten days pursuant to Section 2.1.1 of this Exhibit F, unless otherwise agreed, the Parties shall be deemed to be at an impasse and any such disputing Party may commence the arbitration process provided hereunder by notice to the other Party. RTO West shall post on the OASIS notice of the commencement of such dispute resolution process with

respect to any Interconnecting Party within 48 hours after RTO West sends or receives such notice.

2.1.3 Statements of Dispute. Within 14 days of a Party's request that the arbitration process be commenced, each Party shall submit a statement in writing to the other Party, which statement shall set forth in reasonable detail the nature of the dispute, the issues to be arbitrated, and the proposed arbitrator's award sought through such arbitration proceedings. To the extent Parties do not agree on the terms of a required contract provision, each submittal shall include proposed contract language for those issues in dispute.

2.1.4 Selection of an Arbitrator. Within 10 days following the submission of their statements, the Parties shall select an arbitrator familiar with and knowledgeable about the policies and criteria used in the Parties' Control Areas, transmission systems, and regulatory requirements. If the Parties cannot agree upon an arbitrator, the Parties shall take turns striking names from a list of 10 qualified individuals supplied by the WRTA Arbitration Committee from the list maintained by the WRTA Board, with a Party chosen by lot first striking a name. The last-remaining name not stricken shall be designated as the arbitrator. If that individual is unable or unwilling to serve, the individual last stricken from the list shall be designated and the process repeated until an individual is selected who is able and willing to serve. Absent the express written consent of all Parties as to any particular individual, no person shall be eligible for selection as an arbitrator who is a past or present officer, member of the governing body, employee of or consultant to any of the Parties, or of an entity related to or affiliated with any of the Parties, or whose interests are otherwise affected by the matter to be arbitrated. Any individual designated as an arbitrator shall make known to the Parties any such disqualifying relationship and a new arbitrator shall be designated in accordance with the provisions of this Section 2.1.4.

2.1.5 Procedural Rules. The arbitrator shall determine discovery procedures, intervention rights, how evidence shall be taken, what written submittals may be made, and other such procedural matters, taking into account the complexity of the issues involved, the extent to which factual matters are disputed and the extent to which the credibility of witnesses is relevant to a resolution of the dispute. Intervenors shall have the same procedural rights as parties to the dispute. Each party to the dispute shall produce all evidence determined by the arbitrator to be relevant to the issues presented. To the extent such evidence involves proprietary or confidential information, the arbitrator shall issue an appropriate protective order which shall be complied with by all parties to the dispute. The arbitrator may elect to resolve the arbitration matter solely on the basis of written evidence and arguments.

2.1.6 Intervention. The arbitrator shall admit as intervenors in the dispute resolution process any party that requests intervention and demonstrates to the arbitrator good cause for intervention. Absent the agreement to the contrary of all parties, no party shall be permitted to intervene unless, as a condition of its intervention, it agrees to be bound by the provisions of this Exhibit F in regard to the arbitration, including the provisions related to deference on appeal to FERC set forth in Section 2.5 of this Exhibit F and to deference on appeal to a Canadian Regulatory Authority set forth in Section 2.6 of this Exhibit F.

2.1.7 Evidence. The arbitrator shall take evidence submitted by the disputing parties in accordance with procedures established by the arbitrator and may request additional information, including the opinion of recognized technical bodies. All disputing parties shall be afforded a reasonable opportunity to rebut any such additional information. Other affected entities may request in writing that the arbitrator consider additional information and the arbitrator may consider such additional information, subject to a right of the parties to have a reasonable opportunity to rebut such additional information.

2.2 Substantive Standards and Decision. As soon as practicable but in no event later than 115 days of his or her selection as arbitrator, the arbitrator shall select, by written notice to the Parties, the proposed award of a Party, or intervenor which best meets the terms and intent of this Agreement, of any provisions of the RTO West Tariff not inconsistent with this Agreement, other applicable agreements, laws, or regulations, or applicable technical standards and criteria not inconsistent with this Agreement and any other policies or determinations by the arbitrator not inconsistent with this Agreement; provided, however, if the arbitrator concludes that no proposed award is consistent with the applicable considerations or that no proposed award addresses all issues in dispute, the arbitrator shall specify how each proposed award is deficient and request that the disputing parties submit new proposed awards that cure the deficiency perceived by the arbitrator. A written decision, including specific findings of fact, explaining the basis for the award shall be provided by the arbitrator with the written notice to the parties. Awards shall be based only on the evidence on the record before the arbitrator. No award that is not appealed shall be deemed to be precedential in any other arbitration related to a different dispute.

2.3 Compliance and Costs.

2.3.1 Compliance With the Arbitrator's Award. Immediately upon the decision by the arbitrator, except during the period of appeal as provided for in Sections 2.4 or 2.5 of this Exhibit F, the Parties shall commence to

take, and thereafter diligently prosecute to completion, whatever action is required to comply with the selected award to the extent the selected award does not require regulatory action and shall pursue no avenue of appeal. To the extent the award requires local, state, federal or provincial approval or regulatory action, FERC review of an award involving a federal power marketing agency, or a FERC filing by a transmission provider subject to Sections 205 or 206 of the Federal Power Act, 16 USC §§ 824 d. and e.), or a Canadian Regulatory Authority filing by a Canadian Interconnecting Party, the affected Party or intervenor shall promptly submit and support that portion of the award with the appropriate authority except as provided in Section 2.4 or Section 2.5 of this Exhibit F. Any and all costs associated with the arbitration (but not including the parties' costs associated with attorney and witness fees) shall be borne by the party or parties whose proposed award was not selected, unless the parties agree to an alternate method of allocating costs, or unless the arbitrator determines it would be appropriate to allocate all or a portion of such costs to one or more intervenors.

2.4 FERC Appeal.

2.4.1 Grounds for Appeal. Within 30 days of the issuance of any arbitration award, any party to an arbitration may apply to FERC to hear an appeal of such award with respect to matters to which FERC has jurisdiction, but only upon the grounds that the award is contrary to or beyond the scope of this Agreement or is unjust, unreasonable, unduly discriminatory or preferential or otherwise inconsistent with the FPA or FERC's then applicable standards or policies. Any appeal to FERC shall be based solely upon the record assembled by the arbitrator; provided, however, that any order by an arbitrator excluding material from the arbitration record or any ruling which is alleged to violate due process may be explicitly appealed to FERC by a Party as a part of an appeal under this Section 2.4. Parties to arbitrations intend that: (i) FERC should afford substantial deference to the factual findings of the arbitrator; (ii) the portion, if any, of the award relating to issues not of first impression (i.e., matters previously decided by FERC or a court of competent jurisdiction in cases involving comparable facts and circumstances) should be afforded appropriate deference by FERC; and (iii) the portion, if any, of the award relating to issues of first impression should be afforded no deference by FERC. Implementation of the award shall be stayed pending an appeal to FERC unless and until, at the request of a disputing party, FERC issues an order shortening or extending the stay.

2.4.2 No Expansion of Factual Record. No Party to an arbitration shall seek to expand the factual record before FERC beyond that offered to the arbitrator.

2.5 Canadian Review of Arbitration Awards.

2.5.1 Canadian Facilities. In a dispute involving Facilities within Canada or interconnection with transmission facilities within Canada or transmission service provided through such facilities, a Party may elect to utilize the procedures of this Section 2.5.

2.5.2 Canadian Appeal. Any party to an arbitration involving Facilities within Canada may apply to the appropriate Canadian Regulatory Authority to hear an appeal of any award with respect to such facilities only upon the grounds that the award is contrary to or beyond the scope of this Agreement or is unjust, unreasonable, unduly discriminatory or preferential or otherwise inconsistent with applicable Canadian laws or with then-applicable standards or policies of the appropriate Canadian Regulatory Authority.

2.5.3 Canadian Appeal Record. Any appeal to a Canadian Regulatory Authority by a party to an arbitration involving Facilities within Canada shall be based solely upon the record assembled by the arbitrator; provided, however, that any order by an arbitrator including material from the arbitration record or which is alleged to violate due process may be explicitly appealed to the Canadian Regulatory Authority by a party as part of an appeal under this Section 2.5. Parties to arbitrations intend that: (i) the Canadian Regulatory Authority should afford substantial deference to the factual findings of the arbitrator; (ii) the portion, if any, of the award relating to issues not of first impression (i.e., matters previously decided by the Canadian Regulatory Authority or a court of competent jurisdiction in cases involving comparable facts and circumstances) should be afforded appropriate deference by the Canadian Regulatory Authority, and (iii) the portion, if any, of the award relating to issues of first impressions should be afforded no deference by the Canadian Regulatory Authority; provided, however, that nothing in this provision is intended to limit the ability of a Canadian Regulatory Authority on its own initiative to review an award, should it determine that the award affects a matter within its jurisdiction.

2.5.4 Canadian Appeal Proceeding. If any party to an arbitration involving transmission facilities within Canada desires to appeal an award, it shall provide written notice to that effect to all other parties and to the arbitrator within 14 days following the date of the award. If such notice of appeal is timely provided:

(a) Within 14 days of the date of such first notice of appeal, the party providing such notice shall file its statement of position regarding the

appeal with the Canadian Regulatory Authority, together with the complete evidentiary record of the arbitration and a copy of the award.

(b) Within 30 days of the date of such first notice of appeal, any other party that was a party to the arbitration may file its statement of position regarding the appeal with the Canadian Regulatory Authority.

(c) Copies of all materials filed with the Canadian Regulatory Authority by a party during the course of an appeal shall be delivered to all other parties.

(d) Implementation of the award shall be deemed stayed pending an appeal unless and until, at the request of a disputing party, the Canadian Regulatory Authority issues an order shortening or extending such stay.

(e) The Parties intend that Canadian Regulatory Authority orders resulting from appeals shall be subject to judicial review pursuant to applicable Canadian Laws.

2.5.5 Review on Initiative of Canadian Regulatory Authority. An award involving transmission facilities within Canada shall be filed with the appropriate Canadian Regulatory Authority within 10 days after its issuance. The Canadian Regulatory Authority may thereafter determine whether to review the award on its own initiative, take such other action as it may deem appropriate, or take no action with respect to the award. Should the Canadian Regulatory Authority take no action regarding the award within such 30 day period, the parties to the arbitration are entitled to assume that the Canadian Regulatory Authority intends to take no action in its own initiative to review the award. Should the Canadian Regulatory Authority issue an order under this Section 2.5.5 initiating a review of the award within such 30 day period, the effectiveness of the award shall be stayed pending a final order of the Canadian Regulatory Authority regarding the award.

2.6 Judicial Review. Subject to the right of any party to appeal to and exhaustion of remedies at FERC or at a Canadian Regulatory Authority, as provided in Sections 2.4 and 2.5 of this Exhibit F, any party shall be entitled to seek enforcement of the Award in any court of competent jurisdiction. Except for appeals of any decision by FERC or by a Canadian Regulatory Authority, judicial challenges to an award under this Exhibit F shall be limited to the grounds specified in the Federal Arbitration Act, Title 9, U.S.C., as amended.

EXHIBIT G

OPERATING REPRESENTATIVES