Tarifs et conditions des services de transport d'Hydro-Québec

(version anglaise)

Application pour l'année 2028

Suivi de la décision D-2026-008

Original : 2026-02-19

HQT-6, Document 5.3
En liasse

Hydro-Québec Open Access Transmission Tariff

Decisions D-2026-008 et D-2026-0XX, Updated: February 19, 2026,

a supprimé: D-2025-022 and D-2025-032

a supprimé: March 5, 2025

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Part I. Common Service Provisions

1 Definitions

1.1 Power Purchaser: The entity that is purchasing capacity and energy to be transmitted under the provisions herein.

1.2 Affiliate: With respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity.

1.3 Designated Agent: Any entity that performs actions or functions required under the provisions herein on behalf of the Transmission Provider, an Eligible Customer or the Transmission Customer.

1.4 Network Upgrades: Modifications or additions to transmission-related facilities that are integrated with the Transmission Provider's overall Transmission System, carried out either to meet demand from Transmission Customers under Part II or Part III, or at the request of the Distributor under Part IV herein.

1.5 Reserved Capacity: The maximum capacity and energy that the Transmission Provider agrees to transmit for the Transmission Customer over the Transmission Provider's Transmission System between the Point(s) of Receipt and the Point(s) of Delivery under Part II herein. Reserved Capacity shall be expressed in megawatts, as whole units, over a sixty (60) minute interval (commencing on the clock hour).

1.5.1 Investment Categories

Growth of customer needs: Investments assigned to the ''Growth of customer needs'' category aim to increase the Transmission Provider's service capacity to meet the additional needs of its customers, under Parts II, III and IV herein, including generating station connections under Section 12A.

Asset sustainment: Investments assigned to the ''Asset sustainment'' category aim to ensure the long-term operability of the Transmission

Provider's system in such a manner as to maintain the service capacity offered.

Maintenance and improvement of service quality: Investments assigned to the ''Maintenance and improvement of service quality'' category aim to maintain or improve the quality of service offered by the Transmission Provider in terms of service capacity.

Compliance: Investments assigned to the ''Compliance'' category aim to ensure that the Transmission System complies with the laws and regulations in force, as well as with the guidelines, standards and contractual commitments that the Transmission Provider is bound to abide by in the areas of health and safety, environmental protection and social responsibility, and also to accommodate requests to modify or relocate transmission assets.

1.6 **Network Load:** The load that a Network Customer designates for Network Integration Transmission Service under Part III herein. The Network Customer's Network Load shall include the entire load supplied by the output of Network Resources designated by the Network Customer. A Network Customer may elect to designate less than its total load as Network Load but may not designate only part of the load at a discrete Point of Delivery. Where an Eligible Customer has elected not to designate a particular load at discrete Points of Delivery as Network Load, the Eligible Customer is responsible for making separate arrangements under Part II herein for any Point-to-Point Transmission Service that may be necessary for such non-designated load.

1.7 **Native Load:** The load in Québec that the Distributor designates for purposes of supplying load locally under Part IV herein. For purposes of the provisions herein, the Distributor's Native Load does not include the load of Hydro-Québec off-grid systems. The Distributor may elect to designate less than its total load as Native Load but may not designate only part of the load at a discrete Point of Delivery. Where the Distributor has elected not to designate a particular load at discrete Points of Delivery as Native Load, the Distributor is responsible for making separate arrangements under Part II herein for any Point-to-Point Transmission Service that may be necessary for such non-designated load.

1.8 Eligible Customer: (i) Any electric utility (including the Generator and Distributor), a power marketing agency, or any person generating or purchasing electric energy for sale or for resale purposes; and (ii) any retail customer taking unbundled Transmission Service pursuant to a retail access program established in accordance with the provisions of Section 167 of the *Act respecting the Régie de l'énergie*.

1.9 Network Customer: An entity receiving Transmission Service pursuant to the terms of the Transmission Provider's Network Integration Transmission Service under Part III herein.

1.10 Transmission Customer: Any Eligible Customer (or its Designated Agent) that executes a Service Agreement under Part II or Part III herein. For the purposes of Part IV, the Distributor is the Transmission Customer.

1.11 Native-Load Customer: Any wholesale or retail power customer of the Distributor on whose behalf the Transmission Provider constructs or otherwise commissions and operates its system, subject to required approvals including any to be obtained from the Régie, to meet the needs of such customers for reliable electric power, under the conditions in Part IV herein.

1.12 Network Operating Committee: A group comprising representatives of the Network Customer(s) and of the Transmission Provider, established to coordinate operating criteria and other technical considerations required for implementing Network Integration Transmission Service under Part III herein.

1.13 Technical Committee: A group comprising representatives of the Distributor and of the Transmission Provider, established to coordinate operating criteria and other technical considerations required for implementing Native-Load Transmission Service under Part IV herein.

1.14 Commission: The (United States) Federal Energy Regulatory Commission, pursuant to the *Federal Power Act*, 16 U.S.C.

1.15 System Condition: A specified condition on the Transmission Provider's system or on a neighboring system, such as a constrained transmission

element, that may trigger Curtailment of Long-Term Firm Point-to-Point Transmission Service using the curtailment priority pursuant to Section 13.6. Such conditions must be identified in the Transmission Customer's Service Agreement.

1.16 Network Operating Agreement: The agreement appearing as Attachment G herein, which contains the terms and conditions under which the Transmission Customer shall operate its facilities, and the technical and operational considerations associated with implementing Transmission Service under Parts II and III herein. The Agreement shall also apply to Native-Load Transmission Service under Part IV herein.

1.17 Service Agreement: The initial agreement and any amendments or supplements thereto entered into by the Transmission Customer and the Transmission Provider for service under Parts II and III herein.

1.18 Revoked

1.19 Service Commencement Date: The date the Transmission Provider begins to provide service under the terms of an executed Service Agreement, or the date the Transmission Provider begins to provide service in accordance with Section 29.1 herein.

1.20 Load Shedding: The systematic reduction of system demand by temporarily decreasing load in response to a capacity shortage on the Transmission System or a part thereof, to system instability or to voltage control considerations under Parts III and IV herein.

1.21 Application: A request by an Eligible Customer for Transmission Service under the provisions herein.

1.22 Completed Application: An Application that satisfies all of the information and other requirements herein, including any required deposit.

1.23 Pre-Confirmed Application: An Application that commits the Eligible Customer to execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service.

1.24 Distributor: Hydro-Québec when carrying on electric power distribution activities.

1.25 Dollar: The lawful currency of Canada.

1.26 Connection Agreement: An agreement between the Transmission Provider and the owner of a generating facility connected to the Hydro-Québec transmission or distribution system.

1.27 Facilities Study: An engineering study conducted by the Transmission Provider to determine the upgrades needed to its system to provide a required Transmission Service, including the cost and scheduled completion date for such upgrades.

1.28 System Impact Study: An assessment by the Transmission Provider of (i) the adequacy of the Transmission System to accommodate an Application for Point-to-Point Transmission Service, Network Integration Transmission Service or Native-Load Transmission Service; and (ii) the need to incur additional costs to provide Transmission Service. For a request to connect a generating plant, this study is called an “interconnection study”.

1.28.1 Technical Requirements for Connection: The applicable Technical Requirements for Connection, as approved from time to time by the Régie de l’énergie, from the following:

(i) Technical Requirements for the Connection of Customer Facilities to the Hydro-Québec Transmission System;

(ii) Technical Requirements for the Connection of Generating Stations to the Hydro-Québec Transmission System;

(iii) Emission Limits for Disturbances on the Hydro-Québec Transmission System.

1.29 Delivering Party: The entity supplying to Point(s) of Receipt capacity and energy to be transmitted.

1.30 Regional Transmission Group (RTG): A voluntary organization of transmission owners, transmission users and other entities with the aim to

efficiently coordinate transmission planning (and expansion), operation and use on a regional (and interregional) basis.

1.31 Revoked

1.32 Interruption: A reduction in Non-Firm Transmission Service for economic reasons pursuant to Section 14.7.

1.33 OASIS: (Open Access Same-time Information System) The information and reservation system contained in Part 37 of the Commission's regulations, 18 C.F.R. (1996), (hereafter "Part 37 of the Commission's regulations") and consistent with Régie decisions, orders and regulations.

1.34 Load Ratio Share: The ratio of the annual load of the Network Integration Transmission Service customer to the annual load of the Transmission System, both computed in accordance with Sections 34.2 and 34.3 on that service under Part III herein.

1.35 Part I: The Definitions herein and Common Service Provisions contained in Sections 2 through 12.

1.36 Part II: Sections 13 through 27 herein pertaining to Point-to-Point Transmission Service, in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.

1.37 Part III: Sections 28 through 35 herein pertaining to Network Integration Transmission Service, in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.

1.38 Part IV: Sections 36 through 43 herein pertaining to Native-Load Transmission Service, in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.

1.39 Part V: Section 44 specifying how and when provisions herein come into force.

1.40 Parties: The Transmission Provider and the Transmission Customer receiving service under the Tariff. For the purposes of Part IV, the Parties are the Transmission Provider and the Distributor.

1.41 Point(s) of Delivery: Point(s) on the Transmission Provider's Transmission System where capacity and energy transmitted by the Transmission Provider will be made available to the Receiving Party under Part II herein. The Point(s) of Delivery shall be specified in the Service Agreement.

1.42 Point(s) of Receipt: Point(s) of interconnection on the Transmission Provider's Transmission System where capacity and energy will be made available to the Transmission Provider by the Delivering Party under Part II herein. Point HQT, as specified in Sections 13.7 and 14.5 herein, can be designated as a Point of Receipt. The Point(s) of Receipt shall be specified in the Service Agreement.

1.43 Revoked

1.44 Good Utility Practice: 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 limited to the optimum practice, method, or act to the exclusion of all others, but rather to be practices, methods, or acts generally accepted in the region, including operating the bulk-power system within equipment and electric system thermal, voltage, and stability limits so that instability, uncontrolled separation, or cascading failures of such system will not occur as a result of a sudden disturbance, including any unanticipated failure of system elements.

1.45 Generator: Hydro-Québec when carrying on electric power generation activities.

1.45.1 Maximum Capacity to be transmitted : The maximum capacity to be transmitted in accordance with Section 2 of Section E of Attachment J.

1.46 Receiving Party: The entity receiving the capacity and energy transmitted by the Transmission Provider to Point(s) of Delivery.

1.47 Curtailment: A reduction in Firm or Non-Firm Transmission Service in response to a transfer capability shortage as a result of system reliability conditions, or limited or unavailable transfer capability over an interconnection posted on OASIS.

1.48 Régie: The Régie de l'énergie (Energy Board) as determined in the *Act respecting the Régie de l'énergie* (R.S.Q., c. R-6.01).

1.49 Transmission System: A network of installations for the transmission of electric power, including step-up transformers located at production sites, transmission lines at voltages of 44 kV or higher, transmission and transformation substations and any other connecting installation between production sites and the distribution system.

1.50 Network Resource: Any designated resource owned or purchased by a Network Customer as defined herein, and applicable to the Network Integration Transmission Service. Network Resources do not include any resource, or any portion thereof, that is committed for Third-Party Sale or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of reserve sharing.

1.51 Distributor Resource: Any resource designated by the Distributor as defined herein and applicable to Native-Load Transmission Service, including heritage pool electricity under the *Act respecting the Régie de l'énergie* (R.S.Q., c. R-6.01) and any other resource of the Distributor. A Distributor Resource may be a contract, a generating station, a sales program, commitment or obligation, including those originating from an interconnection, or any other energy resource that can be used to meet Native Load requirements. A resource can be supplied by several generating facilities. Distributor Resources do not include any resource, or any portion thereof, that is committed for Third-Party Sale or otherwise cannot be called upon to meet the Distributor's Native Load requirements on a non-interruptible basis, except for purposes of reserve sharing.

1.52 Ancillary Services: Those services that are necessary to support the transmission of capacity and energy from resources to loads and from Points of Receipt to Points of Delivery while maintaining reliable operation of the

Transmission Provider's Transmission System in accordance with Good Utility Practice.

1.53 Transmission Service: A Transmission Service provided on a firm or non-firm basis under Part II, III or IV herein.

1.54 Point-to-Point Transmission Service: The reservation and transmission of capacity and energy on either a firm or non-firm basis from Point(s) of Receipt to Point(s) of Delivery under Part II herein.

1.55 Network Integration Transmission Service: Transmission Service as set forth in Part III herein.

1.56 Short-Term Firm Point-to-Point Transmission Service: Firm Point-to-Point Transmission Service under Part II herein with a term of less than one year.

1.57 Long-Term Firm Point-to-Point Transmission Service: Firm Point-to-Point Transmission Service under Part II herein with a term of one year or more.

1.58 Firm Point-to-Point Transmission Service: Point-to-Point Transmission Service, as defined herein, that is reserved and/or scheduled between specified Points of Receipt and Delivery pursuant to Part II herein.

1.59 Non-Firm Point-to-Point Transmission Service: Point-to-Point Transmission Service, as defined herein, that is reserved or scheduled on an as-available basis and is subject to Curtailment or Interruption as set forth in Section 14.7 under Part II herein. Non-Firm Point-to-Point Transmission Service is available on a stand-alone basis for periods ranging from one hour to one month.

1.60 Native-Load Transmission Service: Transmission Service as set forth in Part IV herein.

1.61 Open Access Transmission Tariff (OATT): This document, as approved by the Régie de l'énergie, that sets forth the rates and conditions whereby the Transmission Provider transmits electricity in Québec.

1.62 Transmission Provider: Hydro-Québec when carrying on electric power transmission activities.

1.63 Third-Party Sale: Any sale in interstate, interprovincial or international commerce to a Power Purchaser that is not designated as supplying either Network Load under the Network Integration Transmission Service or the Distributor's Native Load.

1.63.1 Non-Firm Sale: For the purpose of applying sections 30.4 and 38.5, a non-firm sale means an energy sale for which receipt or delivery may be interrupted for any reason or no reason, without liability on the part of either the buyer or seller.

1.64 Control Area: An electric power system or combination of electric power systems to which a common automatic generation control scheme is applied in order to:

(1) match, at all times, the power output of generating units within the electric power system(s) and capacity and energy purchased from entities outside the electric power system(s), with the load within the electric power system(s);

(2) maintain scheduled interchanges with other Control Areas, within the limits of Good Utility Practice;

(3) maintain the frequency of the electric power system(s) within reasonable limits in accordance with Good Utility Practice; and

(4) provide sufficient generating capacity to maintain operating reserves in accordance with Good Utility Practice.

2 Initial Allocation and Renewal Procedures

2.1 Revoked

2.2 Reservation Priority for Existing Firm Service Customers: Existing firm transmission service customers with a contract term of five years or more have the right to continue to use the Transmission Provider's Transmission Service when their contract expires, rolls over or is renewed. This transmission reservation priority is independent of whether the existing

customer continues to purchase electricity from the Generator or elects to purchase electricity from another Delivering Party. If at the end of the contract term, the Transmission Provider's Transmission System cannot accommodate all of the requests for Transmission Service, the existing firm service customer must agree to accept a contract term at least equal to a competing request by any Eligible Customer and to pay the current just and reasonable rate, as approved by the Régie, for such service. This right of the existing customer (hereafter "right of first refusal") is conditional upon the new contract having a term of five years or longer. The existing firm service customer must provide notice to the Transmission Provider whether it will exercise its right of first refusal no less than one year prior to the expiration date of its transmission service agreement. This transmission reservation priority for existing firm service customers is an ongoing right that may be exercised at the end of all firm contracts of five years or longer. Unless they have been revoked, service agreements subject to a right of first refusal that were entered into prior to June 14, 2012 or that are associated with a transmission service request received prior to that date (hereafter "current service agreements") whose term expires within five years following that date will become subject to the five year/one year requirement on the first rollover date, provided that the existing firm service customer has provided notice to the Transmission Provider whether it will exercise its right of first refusal no less than 60 days prior to the expiry of said term. Unless they have been revoked, the five year/one-year requirement shall apply to current service agreements with five years or more left in their terms as of June 14, 2012.

3 Ancillary Services

The Transmission Provider is required to provide, and the Transmission Customer is required to purchase, the following Ancillary Services: (i) system control, and (ii) voltage control.

The Transmission Provider is required to offer the following Ancillary Services to the Transmission Customer serving a load in the Transmission Provider's Control Area: (i) frequency control, (ii) energy imbalance service – delivery, (iii) operating reserve – spinning reserve, and (iv) operating reserve – non-spinning reserve. The Transmission Customer serving a load within the Transmission Provider's Control

Area is required to acquire these Ancillary Services, whether from the Transmission Provider, from a third party, or based on its own generation.

The Transmission Provider is required to provide to the extent it is physically feasible to do so from its resources or from resources available to it, Generator imbalance service when Transmission Service is used to deliver energy from a generator synchronized to its Transmission system. The Transmission Customer using Transmission Service to deliver energy from a generator synchronized to the Transmission Provider's system is required to acquire Generator imbalance service, whether from the Transmission Provider, from a third party, or by self-supply.

The Transmission Customer may not decline the Transmission Provider's offer of Ancillary Services unless it demonstrates that it has acquired or provided the Ancillary Services from a source located in the Transmission Provider's Control Area. The Transmission Customer shall state in its Application which Ancillary Services it will purchase from the Transmission Provider. A Transmission Customer that exceeds its firm or non-firm reserved capacity at any Point of Receipt or Point of Delivery or an Eligible Customer that uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved is required to pay for all of the Ancillary Services identified in this section that were provided by the Transmission Provider associated with the unreserved service. The Transmission Customer or Eligible Customer will pay for Ancillary Services based on the amount of transmission service it used but did not reserve.

In the event of unauthorized use of Ancillary Services by the Transmission Customer, the latter shall pay the Transmission Provider 150% of the applicable rates contained in Schedules 1 through 3, 6 and 7.

The specific Ancillary Services, and rates, will be offered by the Transmission Provider under the conditions described in the attached Schedules, which are an integral part of the provisions herein. Sections 3.1 through 3.7 below list the seven Ancillary Services that apply to customers under Parts II and III herein; Sections 3.1 and 3.8 specify those that apply to the Native-Load Transmission Service under Part IV herein.

3.1 **System Control Service:** The description and rates for this service are given in Schedule 1.

3.2 **Voltage Control Service:** The description and rates for this service are given in Schedule 2.

3.3 **Frequency Control Service:** The description and rates for this service are given in Schedule 3.

3.4 **Generator Imbalance Service:** The description and rates for this service are given in Schedule 4.

3.5 **Energy Imbalance Service – Delivery:** The description and rates for this service are given in Schedule 5.

3.6 **Operating Reserve – Spinning Reserve Service:** The description and rates for this service are given in Schedule 6.

3.7 **Operating Reserve – Non-Spinning Reserve Service:** The description and rates for this service are given in Schedule 7.

3.8 **Ancillary Services Associated with Supplying the Native Load:** The description for this service is given in Schedule 8.

4 Open Access Same-time Information System (OASIS)

Terms and conditions regarding OASIS are set forth in 18 CFR § 37 of the Commission's regulations (*Open Access Same-Time Information System and Standards of Conduct for Public Utilities*). OASIS shall comply with Régie decisions, orders and regulations. In the event available transfer capability as posted on OASIS is insufficient to accommodate an Application for Transmission Service, additional studies may be required pursuant to Sections 19 and 32 herein.

Rules of conduct are set forth in the *Transmission Provider Code of Conduct* as approved by the Régie in Decisions D-2004-122 and D-2020-174 and in the *Transmission Standards of Conduct* as approved by the Régie in Decision D-2023-036.

The Transmission Provider shall post on OASIS and its public website an electronic link to all rules, standards and practices that (i) relate to the terms and conditions of transmission service, (ii) are not subject to a North American Energy Standards Board (NAESB) copyright restriction, and (iii) are not otherwise included in this Tariff. The Transmission Provider shall post on OASIS and on its public website an

electronic link to the NAESB website where any rules, standards and practices that are protected by copyright may be obtained. The Transmission Provider shall also post on OASIS and its public website an electronic link to a statement of the process by which the Transmission Provider shall add, delete or otherwise modify the rules, standards and practices that are not included in this Tariff. Such process shall set forth the means by which the Transmission Provider shall provide reasonable advance notice to Transmission Customers and Eligible Customers of any such additions, deletions or modifications, the associated effective date, and any additional implementation procedures that the Transmission Provider deems appropriate.

5 Jurisdiction

5.1 Applicable Law: The Service Agreement and *Hydro-Québec Open Access Transmission Tariff* shall be governed by and construed in accordance with the laws of the province of Québec.

5.2 Amendments: The rates and conditions herein are subject to Régie decisions, orders and regulations as may be amended from time to time.

6 Reciprocity

A Transmission Customer receiving Transmission Service under the provisions herein agrees to provide comparable Transmission Service to the Generator and Distributor on similar terms and conditions over facilities used for power transmission in interstate, interprovincial and international commerce, and owned, controlled or operated by the Transmission Customer or by its Affiliates. A Transmission Customer that is a member of, or takes transmission service from, a power pool, Regional Transmission Group, Regional Transmission Organization (RTO), Independent System Operator (ISO) or other transmission organization approved by the Commission for the operation of transmission facilities further agrees to provide comparable Transmission Service to the transmission-owning members of such power pool and Regional Transmission Group, RTO, ISO or other transmission organization on similar terms and conditions over facilities used for power transmission in interstate, interprovincial and international commerce, and owned, controlled or operated by the Transmission Customer or by its Affiliates.

This reciprocity requirement also applies to any Eligible Customer that owns, controls or operates transmission facilities, and that uses an intermediary, such as a power marketer, to request Transmission Service under the provisions herein. If the Transmission Customer does not own, control or operate transmission facilities, it shall include in its Application a sworn statement by one of its duly authorized officers or other representatives that the purpose of its Application is not to assist an Eligible Customer to avoid the requirements of this provision.

The Transmission Customer shall also demonstrate, upon submitting its Application, that owners or lessees of the Transmission Systems that will wheel the electricity of Delivering Parties and Receiving Parties undertake to provide comparable Transmission Service to the Generator and Distributor, on similar terms and conditions, over facilities used in their respective Transmission Systems. For the purpose of this paragraph, such demonstration is deemed to be met when the owners or lessees of the Transmission Systems have an open access transmission tariff approved by the Commission, or when an affiliate of such owners or lessees have received authorization from the Commission to sell at market rates.

7 Billing and Payment

7.1 Billing Procedure: Within a reasonable time after the first day of each month, the Transmission Provider shall submit an invoice to the Transmission Customer for charges covering all services provided under the provisions herein during the preceding month. The invoice shall be paid by the Transmission Customer within twenty (20) days of receipt. All payments shall be made in immediately available funds payable to the Transmission Provider, or by transfer in Canadian Dollars to a bank named by the Transmission Provider. In the case of the Distributor and Generator, payment is made by an accounting entry.

7.2 Interest on Unpaid Balances: Interest on any unpaid amounts (including amounts placed in escrow) shall be at the Chartered Bank Prime Business Loan Rate at the end of the preceding month as posted by the Bank of Canada on its Web site (code V122495), or at an equivalent rate should that rate be withdrawn or modified. Interest on arrears shall be calculated from the invoice due date to the payment date. When payments are made by mail,

invoices shall be considered as having been paid on the date of receipt by the Transmission Provider.

7.3 Customer Default: In the event the Transmission Customer fails, for any reason other than a billing dispute as described below, to make payment to the Transmission Provider on or before the due date as described above, and such failure of payment is not corrected within three (3) working days after the aforementioned due date, a default by the Transmission Customer shall be deemed to exist. Under such circumstances, the Transmission Provider may use deposits or financial security received from the customer to compensate the amounts due and terminate service. In the event of a billing dispute between the Transmission Provider and the Transmission Customer, the Transmission Provider shall continue to provide service under the Service Agreement as long as the Transmission Customer (i) continues to make all payments not in dispute, and (ii) pays into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If the Transmission Customer fails to meet these two requirements for continuation of service, then the Transmission Provider may give notice to the Transmission Customer of its intention to suspend service in three (3) working days.

8 Accounting for Transmission Service Used by the Generator and Distributor

The Transmission Provider shall record the following amounts, as described below.

8.1 Transmission Revenues: Include in a separate operating revenue account or subaccount the revenues it receives from Transmission Service when the Generator or Distributor makes Third-Party Sales under Part II herein.

8.2 Study Costs and Revenues: Include in a separate transmission operating expense account or subaccount, costs properly chargeable as expenses for System Impact Studies or Facilities Studies that the Transmission Provider conducts to determine if it must make Network Upgrades required by the Distributor and Generator for Third-Party Sales under the provisions herein; and include in a separate operating revenue account or subaccount the revenues received by the Transmission Provider for System Impact Studies

or Facilities Studies conducted in such instances. When they are billable under the provisions herein, such amounts are separately stated and identified in the billing of the Distributor and Generator.

9 Regulatory Filings

Nothing contained herein or any Service Agreement shall be construed as affecting in any way the right of the Transmission Provider to make application to the Régie for a change in the rates and conditions herein.

Nothing contained herein or any Service Agreement shall be construed as affecting in any way the ability of any Party receiving service under the provisions herein to exercise its rights under the *Act respecting the Régie de l'énergie*.

10 Liability

10.1 Force Majeure: An event of Force Majeure means any act of God, labor dispute, act of the public enemy, war, insurrection, riot, fire, flood, storm, ice storm, explosion, breakage or accident to machinery or equipment, any Curtailment, order, regulation or restriction imposed under military rule or by lawfully established civilian authorities, or any other cause beyond a Party's control. Neither the Transmission Provider nor the Transmission Customer shall be considered in default as to any obligation under the provisions herein if prevented from fulfilling the obligation due to an event of Force Majeure. However, a Party whose performance of obligations under the provisions herein is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations as set forth herein.

10.2 Indemnification: The Transmission Customer shall at all times indemnify, defend, and save the Transmission Provider harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demands, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the Transmission Provider's performance of its obligations under the provisions herein on behalf of the Transmission Customer, except in cases of gross negligence or intentional wrongdoing by the Transmission Provider.

11 Creditworthiness

The Transmission Provider's Creditworthiness procedures are described in Attachment L.

12 Complaints Procedure

12.1 Applicable Procedure: Any complaint by a Transmission Customer regarding the application of a transmission rate or of a condition shall be handled following the applicable provisions of the complaint examination procedure approved by the Régie in accordance with the law. The Distributor shall act in the name of Native-Load Customers for any complaints under Part IV herein.

12.2 Court of Competent Jurisdiction: Any dispute that does not fall under the exclusive jurisdiction of the Régie shall be put before the competent courts.

12A Connection of Generating Stations to the Transmission and Distribution System

12A.1 Connection Agreement: Following any request by an Eligible Customer to connect a generating station, a Connection Agreement substantially equivalent to the model agreement available on the Transmission Provider's Web site must be executed before any connection of that generating station is made to the Transmission System or distribution system to meet the needs of Transmission Customers under Part II, Part III or Part IV herein. For any existing generating station, unless other provisions are agreed upon in writing with the generating station owner, the provisions in the model Connection Agreement shall apply. The generating station owner shall comply with the Technical Requirements for Connection set forth in Section 1.28.1 paragraphs (ii) and (iii) herein.

Execution of the Connection Agreement does not constitute a reservation for Transmission Service under the provisions herein and the deposit stipulated under Section 17.3 is not required for the request to connect a generating station.

12A.2 Purchase of Point-to-Point Service or Repayment: When the Connection Agreement is executed, the provisions herein for connecting the generating station to the power system, particularly those set out in Attachment J, shall apply. Furthermore, the generating station owner or a third party named for that purpose by the owner shall, to the satisfaction of the Transmission Provider, make at least one of the commitments below.

i) Revoked as of December 18, 2015

ii) Transmission Service Purchase Commitment

A take-or-pay commitment to purchase Firm or Non-Firm Point-to-Point Transmission Services must be executed for an amount that at least equals the present value of costs incurred by the Transmission Provider, less any amount repaid to the Transmission Provider, to ensure connection of the generating station.

Subject to the following paragraph, at the end of each twelve (12) month period following December 31 of the year the generating station was commissioned, the annual amount of the purchase commitment (value A) is subtracted from the product of the annual output to the power system and the rate for Point-to-Point Transmission Service contracted by the customer or, lacking any, the rate for non firm hourly service (value B). Any negative difference between these two (2) annual values (B – A) is paid to the Transmission Provider at the end of the year in which it occurs. The amount payable by the customer is reduced by any cumulative positive difference (B-A) from prior years. If such prior-year cumulative difference (B-A) is larger than the amount payable, the net amount payable is zero and the balance of the cumulative difference (B-A) is carried over for application in subsequent years. If the difference between these two (2) annual values (B-A) is positive and the cumulative difference (B-A) from prior years is negative, the Transmission Provider pays the customer a refund equal to the lesser of the positive difference (B-A) for the year in question and the absolute value of the cumulative difference (B-A) from prior years.

During the year that the generating station is commissioned, the annual purchase commitment is pro-rated to the number of days between the commissioning date and December 31 of that year.

The annual purchase commitment, i.e., value A above, is a annuity calculated on the basis of the following factors: a) costs incurred by the Transmission Provider to ensure connection of the generating station augmented by 19% to cover operation and maintenance costs over a twenty (20) year period, when incurred by the Transmission Provider, and augmented by applicable taxes, less any amount repaid by the customer; b) the Transmission Provider's prospective capital costs approved by the Régie; and c) the term of the purchase commitment.

iii) Repayment

The Transmission Provider must be repaid an amount that equals the present value of costs it incurred to ensure connection of the generating station.

The generating station owner shall not be required to provide any of the above commitments for any generation obtained by the Distributor through a call for tenders or when such a call for tenders is waived and which the Distributor has designated pursuant to Section 38 herein. When only a portion of a generating station is for the Distributor, the commitment of the generating station owner, or of the third party named for that purpose by the owner, shall cover an amount equal to the costs incurred by the Transmission Provider to ensure connection of the generating station, multiplied by the following factor: the number one (1), less the ratio of the capacity in kilowatts (kW) allocated to the Distributor to the total rated capacity in kW of the station's generating units. In the event of abandonment before the generating station is commissioned, the requestor shall repay the total of costs incurred by the Transmission Provider.

12A.3 Sequencing of System Impact Studies: Unless stated otherwise, the provisions in Sections 19, 20 and 21 herein shall apply, mutatis mutandis, to any request to connect a generating station. The Transmission Provider shall post on its OASIS site the date on which a complete request was submitted

to it, containing the information specified in Section 17.2 and the technical data needed to conduct the System Impact Study. To keep its position in the sequence of System Impact Studies, and later in the sequence of ongoing projects, the requestor shall meet the time limits set forth in Sections 19.1 to 19.8 for all stages specified and shall undertake one of the commitments specified in Section 12A.2.

Following any request by the Distributor to connect generating stations under a call for tenders, the capacity required to meet the Distributor's call for tenders projects shall be entered in the sequence of System Impact Studies and, subsequently, each of the generating station projects selected by the Distributor shall be kept in that sequence. Any capacity entered in the sequence of System Impact Studies as part of a Distributor call for tenders shall be released in as much as it is no longer required by the Distributor.

Any substantial change to a project for which a request has been made for a System Impact Study, specifically regarding the location, maximum capacity to be transmitted or generating equipment specifications, shall result in the project being processed as a new request and being assigned a position in the sequence of System Impact Studies corresponding to the date on which a complete request for the modified project was submitted to the Transmission Provider. Any substantial change to a generating station after it is commissioned shall be subject to a request to the Transmission Provider for a System Impact Study in accordance with the provisions herein.

12A.4 Right of Extension: The request to connect the generating station of an Eligible Customer is deemed terminated and withdrawn after the maximum of three hundred and sixty-five (365) days specified in Section 19.3 herein or the maximum of one hundred and eighty (180) days specified in Section 19.4 herein.

Notwithstanding the preceding paragraph, within thirty (30) days following expiration of the time periods above, the customer may remain queued if it notifies the Transmission Provider in writing of its intention to keep its project in the sequence of ongoing projects.

In the event that the Transmission Provider receives, after the customer has submitted a request to connect a generating station under Section 12A.1, any other Completed Application from an Eligible Customer for a service that, in the opinion of the Transmission Provider, may require Network Upgrades that complement or compete with those that were planned for the customer whose project is queued, the latter customer shall benefit, after receiving written notice to that effect from the Transmission Provider, of a new period of forty-five (45) days to confirm in writing to the Transmission Provider that it agrees to provide one of the commitments stipulated under Section 12A for completion of its project, in order to keep its position in the sequence of ongoing projects. In that case, the commitment made by the customer shall remain under all circumstances. In the event of abandonment, the provisions herein shall apply.

In the opposite case, after this new forty-five (45) day period ends, its Application for service ceases to be a Completed Application and is irrevocably terminated and withdrawn.

However, if the customer is unable to meet the aforementioned deadline of three hundred and sixty-five (365) days or one hundred and eighty (180) days due to delays in obtaining a government approval needed to complete its project and if the customer has demonstrated in writing to the Transmission Provider that it has taken all reasonable steps needed to obtain such approval and it does not undertake one of the commitments stipulated in Section 12A for completing its project, the project shall keep its position in the sequence of ongoing projects and only projects requiring complementary or competing Network Upgrades and having an earlier commissioning date shall move ahead of it.

In the last case mentioned in the preceding paragraph, the customer has a further period of thirty (30) days after receiving such government approval to confirm in writing to the Transmission Provider that it agrees to sign a Connection Agreement for its project and to undertake one of the commitments stipulated in this Section. In the opposite case, after this new thirty (30) day period ends, its application for service ceases to be a Completed Application and is irrevocably terminated and withdrawn.

12A.5 Exploratory Study: Prior to a request to connect a generating station, the customer may, to have a rough idea of the feasibility of connecting its planned generating station, submit a written request to the Transmission Provider for an exploratory study under this Section 12A.5. The purpose of the exploratory study is to provide an approximate parameter estimate of a single connection scenario possible for the generating station covered by the request. The Transmission Provider shall attempt, to the extent possible, to reply to such a request within six (6) weeks of receiving the written request from the customer, by submitting to the requestor a summary report giving an approximate scenario for the cost and time required to complete the work to interconnect the generating station to the Transmission Provider's system.

The request for an exploratory study must be submitted in writing to the Transmission Provider accompanied by the technical information needed to complete the exploratory study and full payment for it, to the non-refundable amount of $5,000.00 plus applicable taxes. That amount is the total costs billed by the Transmission Provider for conducting the exploratory study. Any additional scenario requested by the customer constitutes a separate request for an exploratory study and the procedures described above shall apply to that request.

The exploratory study is neither a request for a System Impact Study, nor an Application to reserve Transmission Service and does not entail any commitment on behalf of the Transmission Provider with regard to the accuracy or correctness of information returned to the requestor in reply to the request. The provisions in Sections 12A.1 to 12A.4 above shall not apply to a request for an exploratory study.

12A.6 Common Provisions: The provisions set forth in Part I herein shall apply, mutatis mutandis, to the generating station owner or to the third party it has named, where applicable.

12B Method for Assigning Transmission Provider Capital Project Costs in Various Investment Categories

The costs of capital projects are assigned to investment categories based on their objectives. The Transmission Provider uses these four investment categories:

“Compliance”, “Asset sustainment”, “Growth of customer needs” and “Maintenance and improvement of service quality”.

When each of the main components of a capital project is aimed at meeting a single objective, the cost assigned to each investment category corresponds to the sum of the costs of the project component contributing to the objective associated with that category. Project components are the facilities targeted by the project. A component is qualified as a main component when it represents a significant proportion of the project costs.

When the main components of a capital project help meet several objectives concurrently, the Transmission Provider assigns a portion of the costs to each of the investment categories concerned in the following sequential order: “Compliance”, “Asset sustainment”, “Growth of customer needs” and “Maintenance and improvement of service quality”. To determine the cost assigned to each of the investment categories used for such a project, the Transmission Provider follows these steps:

(a) The Transmission Provider determines the cost of the solution meeting the first of the project objectives (of the sequence), which makes it possible to determine the cost assigned to the first investment category used.

(b) Next, the Transmission Provider determines the cost of the solution meeting the first two objectives (of the sequence).

(c) The cost assigned to the second investment category used is determined by subtracting amount (a) from amount (b).

(d) If applicable, the Transmission Provider determines the cost of the solution meeting the first three objectives (of the sequence).

(e) The cost assigned to the third investment category used is determined by subtracting amount (b) from amount (d).

(f) If applicable, the Transmission Provider determines the cost of the solution meeting the four project objectives.

(g) The cost assigned to the fourth investment category used is determined by subtracting amount (d) from amount (f).

The Transmission Provider generally associates each piece of equipment with one and only one investment category, taking into account the amounts established for cost assignment to the various categories.

For projects involving the investment category “Growth of customer needs” the customer’s contribution, if applicable, based on costs in this investment category, is determined in accordance with the provisions of Attachment J.

Part II. Point-to-point Transmission Service

Preamble

The Transmission Provider shall provide Firm and Non-Firm Point-to-Point Transmission Service pursuant to the applicable terms and conditions herein. Point-to-Point Transmission Service is for the receipt of capacity and energy at designated Point(s) of Receipt and the transfer of such capacity and energy to designated Point(s) of Delivery, including receipt or delivery over the power system at a voltage below 44 kV.

13 Nature of Firm Point-to-Point Transmission Service

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

13.2 **Reservation Priority:** Long-Term Firm Point-to-Point Transmission Service shall be available on a first-come, first-served basis, i.e., in the chronological sequence in which each Transmission Customer has requested service.

Reservations for Short-Term Firm Point-to-Point Transmission Service shall be conditional based upon the length of the requested reservation. However, Pre-Confirmed Applications for Short-Term Point-to-Point Transmission Service will receive priority over earlier-submitted requests that are not Pre-Confirmed and that have equal or shorter duration. Among requests or reservations with the same duration and, as relevant, pre-confirmation status (pre-confirmed, confirmed or not confirmed), priority will be given to an Eligible Customer's request or reservation according to the date and time of the request or reservation.

If the Transmission System becomes oversubscribed, supplying network load and native load from resources designated by the Network Customer or by the Distributor shall pre-empt reservations for Short-Term Firm Point-to-Point Transmission Service and requests for longer-term service may pre-empt competing reservations up to the following deadlines: one day before the commencement of daily service, one week before the commencement of weekly service, and one month before the

commencement of monthly service. Before the deadline, if available transfer capability is insufficient to satisfy all Applications, an Eligible Customer with a reservation for shorter-term service has the right of first refusal to match any longer term request before losing its reservation priority. A longer term competing request for Short-Term Firm Point-To-Point Transmission Service will be granted if the Eligible Customer with the right of first refusal does not agree to match the competing request within 24 hours (or earlier if necessary to comply with the scheduling deadlines provided in section 13.8) from being notified by the Transmission Provider of a longer-term competing request for Short-Term Firm Point-To-Point Transmission Service. When a longer duration request pre-empts multiple shorter duration reservations, the shorter duration reservations shall have simultaneous opportunities to exercise the right of first refusal. Duration and time of response will be used to determine the order by which the multiple shorter duration reservations will be able to exercise the right of first refusal. After the deadline, service shall commence pursuant to the terms of Part II herein.

Firm Point-to-Point Transmission Service shall always have a reservation priority over Non-Firm Point-to-Point Transmission Service under the provisions herein. All Long-Term Firm Point-to-Point Transmission Service shall have access priority higher than that of Short-Term Firm Point-to-Point Transmission Service and equal to that of resources designated by the Distributor to supply Native Load and by a Network Customer to supply its loads, regardless of the length for which such resources are designated by the Distributor or the Network Customer. Reservation priorities for existing firm service customers are provided in Section 2.2. Long-Term Firm Point-to-Point Transmission Service begins at the date specified in the Service Agreement.

13.3 Use of Firm Transmission Service by the Generator and Distributor: The Generator and Distributor shall be subject to the rates and conditions of Part II herein when making Third-Party Sales. The Transmission Provider shall maintain separate accounting, pursuant to Section 8, for any use of Point-to-Point Transmission Service by the Generator or Distributor to make Third-Party Sales.

13.4 Service Agreements: The Transmission Provider shall offer a standard form of agreement for Firm Point-to-Point Transmission Service (Attachment A) to an Eligible Customer when the latter submits a Completed Application for Firm Point-to-Point Transmission Service. The Transmission Provider shall file with the Régie Service Agreements containing the information required herein, no later than thirty (30) days after their execution. An Eligible Customer that uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved and that has not executed a Service Agreement will be deemed, for purposes of assessing any appropriate charges and penalties, to have executed the appropriate Service Agreement. The Service Agreement shall, when applicable, specify any conditional curtailment options selected by the Transmission Customer. Where the Service Agreement contains conditional curtailment options and is subject to a biennial reassessment as described in Section 15.4, the Transmission Provider shall provide the Transmission Customer notice of any changes to the curtailment conditions no less than 90 days prior to the date for imposition of new curtailment conditions. Concurrent with such notice, the Transmission Provider shall provide the Transmission Customer with the reassessment study and a narrative description of the study, including the reasons for changes to the number of hours per year or System Conditions under which conditional curtailment may occur.

13.5 Transmission Customer Obligations for Network Upgrade or Redispatch Costs: In cases where the Transmission Provider determines that the Transmission System is not capable of providing Firm Point-to-Point Transmission Service without (1) degrading or impairing the reliability of service to Native-Load Customers, Network Customers and other Transmission Customers taking Firm Point-to-Point Transmission Service, or (2) interfering with the Transmission Provider's ability to meet prior firm

contractual commitments to other customers, the Transmission Provider shall be obligated to expand or upgrade its Transmission System pursuant to Section 15.4. The Transmission Customer shall agree to compensate the Transmission Provider for any Network Upgrades pursuant to the terms of Section 27. To the extent the Transmission Provider can relieve any system constraint by redispatching resources in the Transmission Provider's Control Area rather than through Network Upgrades, it shall do so, provided that the Eligible Customer agrees to compensate the Transmission Provider pursuant to Section 27 and agrees to either (i) compensate the Transmission Provider for any necessary transmission facility additions or (ii) accept the service subject to a biennial reassessment by the Transmission Provider of redispatch requirements as described in Section 15.4.

13.6 Curtailment of Firm Transmission Service: In the event that a Curtailment on the Transmission Provider's Transmission System, or a portion thereof, is required to maintain reliable operation of such system, Curtailments shall be made on a non-discriminatory basis to the transactions that effectively relieve the constraint. If multiple transactions require Curtailment, to the extent practicable and consistent with Good Utility Practice, Curtailments shall be proportionally allocated among Native-Load Customers, Network Customers and Transmission Customers taking Firm Point-to-Point Transmission Service. All Curtailments shall be made on a non-discriminatory basis; however, Non-Firm Point-to-Point Transmission Service shall be subordinate to Firm Transmission Service. Long-Term Firm Point-to-Point Service subject to conditions described in Section 15.4 shall be curtailed with secondary service in cases where the conditions apply, but otherwise will be curtailed on a pro rata basis with other Firm Transmission Service. When the Transmission Provider determines that an electrical emergency exists on its Transmission System and implements emergency procedures to curtail Firm Transmission Service, the Transmission Customer shall make the required Curtailments upon request of the Transmission Provider. However, the Transmission Provider reserves the right to curtail, in whole or in part, any Firm Transmission Service provided under the provisions herein when, in its sole discretion, an emergency or other contingency impairs or degrades the reliability of its Transmission System. The Transmission Provider shall notify

all affected Transmission Customers in a timely manner of any scheduled Curtailments.

13.7 Classification of Firm Transmission Service:

a) The Transmission Customer taking Firm Point-to-Point Transmission Service may (1) change its Points of Receipt and Delivery to obtain service on a non-firm basis pursuant to Section 22.1, or (2) request a modification to the Points of Receipt or Delivery on a firm basis pursuant to Section 22.2.

b) The Transmission Customer may purchase Transmission Service to sell capacity and energy from multiple generating units that are on the Transmission Provider's Transmission System. For such a purchase of Transmission Service, point HQT shall be designated as the Point of Receipt unless the multiple generating units are at the same generating station, in which case the units shall be treated as a single Point of Receipt.

c) The Transmission Customer may purchase Transmission Service by designating the Point of Delivery or the Point of Receipt only, provided it makes within the required deadline the reservations needed to make firm deliveries of capacity and energy from the Point(s) of Receipt to the Point(s) of Delivery on a firm basis pursuant to Section 22.2 or on a non-firm basis pursuant to Section 22.1.

d) The Transmission Provider shall provide firm deliveries of capacity and energy from the Point(s) of Receipt to the Point(s) of Delivery. Each Point of Receipt at which firm transfer capability is reserved by the Transmission Customer shall be specified in the Firm Point-to-Point Service Agreement along with a reservation of matching capacity associated with each Point of Receipt. Each Point of Delivery at which firm transfer capability is reserved by the Transmission Customer shall be specified in the Firm Point-to-Point Service Agreement along with a reservation of matching capacity associated with each Point of Delivery. The Transmission Customer's Reserved Capacity shall be the greater of the following amounts: (1) the sum of the capacity reservations at the

Point(s) of Receipt, or (2) the sum of the capacity reservations at the Point(s) of Delivery. The Transmission Customer will be billed for its Reserved Capacity under the terms of Schedule 9. The Transmission Customer may not exceed its firm capacity reserved at each Point of Receipt and each Point of Delivery except as otherwise specified in Section 22. In the event that a Transmission Customer (including the Generator or Distributor for Third-Party Sales) exceeds its firm Reserved Capacity at any Point of Receipt or Point of Delivery, the Transmission Customer shall pay to the Transmission Provider 150% of the applicable Schedule 9 charges, for the amount of capacity that exceeded the firm Reserved Capacity.

13.8 Scheduling of Firm Point-to-Point Transmission Service: Following any reservation of Transmission Service, schedules for the Transmission Customer's Firm Point-to-Point Transmission Service shall be submitted to the Transmission Provider no later than 1:00 p.m. of the day before service starts. Schedules submitted after 1:00 p.m. shall be accommodated, if practicable. Hour-to-hour schedules and intra-hour schedules (that may change every fifteen minutes during the service hour) of any capacity and energy that is to be delivered shall be stated in increments of 1,000 kW per hour. Transmission Customers within the Transmission Provider's Control Area who have multiple requests for Transmission Service at a Point of Receipt, each of which is less than 1,000 kW per hour, may consolidate their service requests at a common Point of Receipt into increments of 1,000 kW per hour for scheduling and billing purposes. Scheduling changes shall be permitted up to thirty (30) minutes before the start of the next clock hour provided that the Delivering Party and Receiving Party also agree to the modified schedule. The Transmission Provider shall provide the Delivering Party's system operator with hour-to-hour schedules and intra-hour schedules matching those provided by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy agreed upon in such schedules. Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the Transmission Provider, and the Transmission Provider

shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

14 Nature of Non-Firm Point-to-Point Transmission Service

14.1 Term: Non-Firm Point-to-Point Transmission Service shall be available for periods ranging from one (1) hour to one (1) month. However, a purchaser of Non-Firm Point-to-Point Transmission Service shall be entitled to reserve a sequential term of service (such as a sequential monthly term without having to wait for the initial term to end before requesting another monthly term) so that the total time period for which the reservation applies is greater than one month, subject to the requirements of Section 18.3.

14.2 Reservation Priority: Non-Firm Point-to-Point Transmission Service shall be available from transfer capability in excess of that needed for reliable service to Native-Load Customers, Network Customers and other Transmission Customers taking Long-Term and Short-Term Firm Point-to-Point Transmission Service. A higher priority shall be assigned first to requests or reservations with a longer duration of service and second to Pre-Confirmed Applications. Eligible Customers that have already reserved shorter-term service have the right of first refusal to match any longer-term request before being pre-empted. Transmission Service for Network Customers and Native-Load Transmission Service from resources other than designated resources shall have priority over any Non-Firm Point-to-Point Transmission Service. Non-Firm Point-to-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery shall have the lowest reservation priority under the provisions herein.

14.3 Use of Non-Firm Point-to-Point Transmission Service by the Generator and Distributor: The Generator and Distributor shall be subject to the rates and conditions of Part II herein when making Third-Party Sales. The Transmission Provider shall maintain separate accounting, pursuant to Section 8, for any use of Non-Firm Point-to-Point Transmission Service by the Generator or the Distributor to make Third-Party Sales.

14.4 Service Agreements: The Transmission Provider shall offer a standard form of agreement for Non-Firm Point-to-Point Transmission Service

(Attachment B) to an Eligible Customer when the latter first submits a Completed Application for Non-Firm Point-to-Point Transmission Service pursuant to the provisions herein. The Transmission Provider shall file with the Régie Service Agreements containing the information required herein, no later than thirty (30) days after their execution.

14.5 Classification of Non-Firm Point-to-Point Transmission Service: Non-Firm Point-to-Point Transmission Service shall be offered under terms and conditions contained in Part II herein. The Transmission Provider herein undertakes no obligation to plan its Transmission System in order to have sufficient capacity for Non-Firm Point-to-Point Transmission Service. Parties requesting Non-Firm Point-to-Point Transmission Service for the transmission of firm power do so with the full realization that such service is subject to availability and to Curtailment or Interruption under the provisions herein. In the event that a Transmission Customer (including the Generator or the Distributor for Third-Party Sales) exceeds its non-firm capacity reservation at any Point of Receipt or Point of Delivery, the Transmission Customer shall pay to the Transmission Provider, 150% of the applicable Schedule 10 charges for the capacity exceeding the non-firm Reserved Capacity. Non-Firm Point-to-Point Transmission Service shall include transmission of energy on an hourly basis and transmission of scheduled short-term capacity and energy on a daily, weekly or monthly basis, but not to exceed one month's reservation for any one Application, pursuant to Schedule 10.

a) The Transmission Customer may purchase Non-Firm Transmission Service to sell energy from multiple generating units that are on the Transmission Provider's Transmission System. For such a purchase of Transmission Service, point HQT shall be designated as the Point of Receipt unless the multiple generating units are at the same generating station, in which case the units shall be treated as a single Point of Receipt.

b) The Transmission Customer may purchase Transmission Service by designating the Point of Delivery or the Point of Receipt only, provided it makes within the required deadline the reservations needed to make

non-firm deliveries of capacity and energy from the Point(s) of Receipt to the Point(s) of Delivery on a non-firm basis pursuant to Section 22.1, even for solely non-firm service.

c) The Transmission Customer's Reserved Capacity shall be the greater of the following amounts: (1) the sum of the capacity reserved at the Point(s) of Receipt, or (2) the sum of the capacity reserved at the Point(s) of Delivery. The Transmission Customer will be billed for its Reserved Capacity under the terms of Schedule 10.

14.6 Scheduling of Non-Firm Point-to-Point Transmission Service: Following any reservation of Transmission Service, schedules for Non-Firm Point-to-Point Transmission Service shall be submitted to the Transmission Provider no later than 1:00 p.m. of the day before service starts. Schedules submitted after 1:00 p.m. shall be accommodated, if practicable. Hour-to-hour schedules and intra-hour schedules (that may change every fifteen minutes during the service hour) of any capacity and energy that is to be delivered shall be stated in increments of 1,000 kW per hour. Transmission Customers within the Transmission Provider's Control Area who have multiple requests for Transmission Service at a Point of Receipt, each of which is less than 1,000 kW per hour, may consolidate their service requests at a common Point of Receipt into increments of 1,000 kW per hour. Scheduling changes shall be permitted up to thirty (30) minutes before the start of the next clock hour provided that the Delivering Party and Receiving Party also agree to the modified schedule. The Transmission Provider shall provide the Delivering Party's system operator with hour-to-hour schedules and intra-hour schedules matching those provided by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy agreed upon in such schedules. Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the Transmission Provider, and the Transmission Provider shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

14.7 Curtailment or Interruption of Service: The Transmission Provider reserves the right to curtail, in whole or in part, Non-Firm Point-to-Point

Transmission Service provided under the provisions herein for reliability reasons when an emergency or other contingency threatens to impair or degrade the reliability of its Transmission System. The Transmission Provider reserves the right to interrupt, in whole or in part, Non-Firm Point-to-Point Transmission Service provided under the provisions herein for economic reasons in order to accommodate (1) a request for Firm Transmission Service, (2) a request for Non-Firm Point-to-Point Transmission Service of greater duration, (3) a request for Transmission Service for Network Customers or for Native-Load Transmission Service from non-designated resources, or (4) transmission service for Firm Point-To-Point Transmission Service during conditional curtailment periods as described in Section 15.4. The Transmission Provider shall also interrupt or curtail service to the Transmission Customer to the extent that deliveries for transmission are interrupted or curtailed at the Point(s) of Receipt. Where required, Curtailments or Interruptions shall be made on a non-discriminatory basis to the transactions that effectively relieve the constraint; however, Non-Firm Point-to-Point Transmission Service shall be subordinate to Firm Transmission Service. Should multiple transactions require Curtailment or Interruption, to the extent practicable and consistent with Good Utility Practice, Curtailments or Interruptions shall be made to transactions of the shortest term (e.g., hourly non-firm transactions shall be curtailed or interrupted before daily non-firm transactions and daily non-firm transactions shall be curtailed or interrupted before weekly non-firm transactions). Transmission Service for Network Customers and Transmission Service to supply Native Load from resources other than designated resources shall have priority over any Non-Firm Point-to-Point Transmission Service under the provisions herein. Non-Firm Point-to-Point Transmission Service over secondary Point(s) of Receipt and Delivery shall have lower priority than any Non-Firm Point-to-Point Transmission Service under the provisions herein. The Transmission Provider shall give advance notice of Curtailment or Interruption where such notice can be provided consistent with Good Utility Practice.

15 Service Availability

15.1 General Conditions: The Transmission Provider shall provide Firm and Non-Firm Point-to-Point Transmission Service over, on or across its Transmission System to any Transmission Customer that has met the requirements of Section 16.

15.2 Determination of Available Transfer Capability: A description of the Transmission Provider's specific methodology for assessing the available transfer capability posted on its OASIS site (Section 4) is contained in Attachment C herein. In the event sufficient transfer capability may not exist to accommodate a service request, the Transmission Provider shall respond by conducting a System Impact Study.

15.3 Revoked

15.4 Obligation to Provide Transmission Service Requiring Transmission System Expansion or Modification, Redispatch or Conditional Curtailment:

a) If the Transmission Provider determines that it cannot accommodate a Completed Application for Point-to-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider shall use due diligence to expand or modify its Transmission System to provide the requested Transmission Service, provided the Transmission Customer agrees to compensate the Transmission Provider for such costs pursuant to the terms of Section 27. The Transmission Provider will conform to Good Utility Practice in determining the need for Network Upgrades and in the design and construction of such upgrades. This obligation applies only to those facilities that the Transmission Provider has the right to expand or modify.

b) If the Transmission Provider determines that it cannot accommodate a Completed Application for Long-Term Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, it will use due diligence, upon receipt of a written request from the Transmission Customer, to determine whether redispatch from resources in the Transmission Provider's Control Area is feasible considering the conditions set out below and, in cases when it is feasible, shall redispatch said resources until: (i) Network Upgrades are completed for the Transmission Customer; (ii) the Transmission Provider determines through a biennial reassessment that it can no longer reliably provide the redispatch; or (iii) the Transmission Customer terminates the service because of redispatch changes resulting from the reassessment. In cases when redispatch is feasible, the Transmission Provider shall not unreasonably deny self-provided redispatch or redispatch arranged by the Transmission Customer from a third party resource. The Transmission Provider is required to provide redispatch only under the following conditions: (i) resources are available for that purpose for the duration of the requested service; (ii) the customer has obtained the consent of the owner of the resource(s) involved; (iii) the Transmission Provider has determined that the redispatch is technically feasible and not of such a nature as to compromise system reliability and stability; (iv) except in the cases covered by Section 19.7, the entire service requested can be provided through redispatch without Network Upgrades; and (v) the customer agrees to compensate the Transmission Provider pursuant to Section 27.

c) If the Transmission Provider determines that it cannot accommodate a Completed Application for Long-Term Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, upon receipt of a written request from the Transmission Customer, the Transmission Provider will offer the Firm Transmission Service with the condition that the Transmission Provider may curtail the service prior to the curtailment of other Firm Transmission Service for a specified number of hours per year or during System Conditions. If the Transmission Customer accepts the service, the Transmission Provider will use due

diligence to provide the service until: (i) Network Upgrades are completed for the Transmission Customer; (ii) the Transmission Provider determines through a biennial reassessment that it can no longer reliably provide such service; or (iii) the Transmission Customer terminates the service because the reassessment increased the number of hours per year of conditional curtailment or changed the System Conditions that could lead to a curtailment of service.

d) At the time the Transmission Provider informs the Transmission Customer of the need to conduct a System Impact Study, it shall also offer the Transmission Customer the possibility of studying conditional Firm Transmission Service and redispatch options.

15.5 Deferral of Service: The Transmission Provider may defer providing a service until it completes construction of Network Upgrades needed to provide Point-to-Point Transmission Service whenever the Transmission Provider determines that providing the requested service would, without such upgrades or new facilities, impair or degrade the reliability of any existing firm service.

15.6 Revoked

15.7 Transmission Losses: Transmission losses are associated with all Transmission Services. The Transmission Provider is not obligated to provide transmission losses. The Transmission Customer is responsible for replacing losses associated with Transmission Service as calculated by the Transmission Provider. The factor applicable to transmission losses is 5.2% of the maximum hourly transfer as measured at the Point(s) of Delivery.

16 Transmission Customer Responsibilities

16.1 Conditions Required of Transmission Customers: The Transmission Provider shall provide Point-to-Point Transmission Service only if the following conditions are satisfied by the Transmission Customer:

a. The Transmission Customer has submitted a Completed Application for service;

b. The Transmission Customer meets the creditworthiness criteria set forth in Section 11;

c. The Transmission Customer shall have arrangements in place for any other Transmission Service needed to effect delivery from the generating facility to the Transmission Provider prior to the time service under Part II herein commences;

d. The Transmission Customer agrees to pay for any Network Upgrade chargeable to such Transmission Customer under Part II herein, whether or not the Transmission Customer takes service for the full term of its reservation; and

e. The Transmission Customer has executed a Point-to-Point Service Agreement.

16.2 Transmission Customer Responsibility for Third-Party Arrangements: Any scheduling arrangements that may be required by other power systems shall be the responsibility of the Transmission Customer requesting service. The Transmission Customer shall notify the Transmission Provider, unless waived by the latter, identifying such systems and authorizing them to schedule the capacity and energy to be transmitted by the Transmission Provider pursuant to Part II herein on behalf of the Receiving Party at the Point of Delivery or the Delivering Party at the Point of Receipt. However, the Transmission Provider shall undertake reasonable efforts to assist the Transmission Customer in making such arrangements, including without limitation, providing any information or data required by such other power system consistent with Good Utility Practice.

17 Procedures for Arranging Firm Point-to-Point Transmission Service

17.1 Application: A request for Firm Point-to-Point Transmission Service for periods of one year or longer shall include a written Application to Direction – Affaires réglementaires et services de transport d'électricité, Complexe Desjardins, Tour Est, 16e étage, C. P. 10000, succ. Desjardins, Montréal (Québec) H5B 1H7, at least sixty (60) days prior to the calendar month during which service is to commence. The Transmission Provider shall consider requests for such firm service on shorter notice when practicable. Requests

a supprimé: 5

for firm service for periods of less than one year shall be subject to expedited procedures that shall be negotiated between the Parties within the time constraints provided in Section 17.5. All Applications for Firm Point-to-Point Transmission Service shall be submitted by entering the information listed below on the Transmission Provider's OASIS site. This method shall provide a time-stamped record for establishing the priority of the Application. Any written Application received from an Eligible Customer unable to enter information itself on OASIS, shall be entered by the Transmission Provider on OASIS at the date of receipt of the written Application or at the date of receipt of the new or revised Application according to Section 17.4 herein.

17.2 Completed Application: A Completed Application shall provide all of the information specified in Régie decisions, orders and regulations including but not limited to the following:

(i) The identity, address and telephone number of the entity requesting service;

(ii) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the provisions herein;

(iii) The location of the Point(s) of Receipt and Point(s) of Delivery and the identities of the Delivering Parties and the Receiving Parties;

(iv) The location of the generating facility(ies) supplying the capacity and energy and the location of the load ultimately served by the capacity and energy transmitted. The Transmission Provider will treat this information as confidential except to the extent that disclosure is required by the provisions herein, by regulatory or judicial order, for reliability purposes following Good Utility Practice or pursuant to RTG transmission information sharing agreements. The Transmission Provider shall treat this information in accordance with the *Transmission Standards of Conduct* and the *Transmission Provider Code of Conduct*;

(v) A description of the supply characteristics of the capacity and energy to be delivered;

(vi) An estimate of the capacity and energy to be delivered to the Receiving Party;

(vii) The Service Commencement Date and the term of the requested Transmission Service;

(viii) The transfer capability requested for each Point of Receipt and each Point of Delivery on the Transmission Provider's Transmission System; customers may combine their requests for service in order to satisfy the minimum transfer capability requirement; and

(ix) A statement indicating that, if the Eligible Customer submits a Pre-Confirmed Application, the Eligible Customer will execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service.

The Transmission Provider shall treat this information in accordance with the *Transmission Standards of Conduct* and the *Transmission Provider Code of Conduct*.

17.3 Deposit: A Completed Application for Long-Term Firm Point-to-Point Transmission Service shall also include a deposit of one month's charge for Reserved Capacity. If the Application is rejected by the Transmission Provider because it does not meet the conditions for service as set forth herein, or in the case of service requests linked to losing bidders in a request for proposals, said deposit shall be returned with interest less any reasonable costs incurred by the Transmission Provider to review the losing bidder's Application. The deposit also shall be returned with interest less any reasonable costs incurred by the Transmission Provider if the Transmission Provider is unable to complete Network Upgrades needed to provide the service. If an Application is withdrawn or the Eligible Customer elects not to enter into a Service Agreement for Long-Term Firm Point-to-Point Transmission Service, the deposit shall be refunded in full, with interest, less reasonable costs incurred by the Transmission Provider to the extent such costs have not already been recovered by the Transmission Provider from the Eligible Customer. The Transmission Provider shall provide to the Eligible Customer a complete accounting of all costs deducted from the refunded

deposit, which the Eligible Customer may contest if it disagrees with the deducted costs. Deposits associated with Network Upgrades are subject to the provisions of Section 19. If a Service Agreement for Long-Term Firm Point-to-Point Transmission Service is executed, the deposit, with interest, shall be returned to the Transmission Customer within thirty (30) days of the execution of said Service Agreement with the financial security deposited pursuant to Section 11. Applicable interest shall be at the Chartered Bank rate for a one-year guaranteed investment certificate at the end of the preceding month, as posted by the Bank of Canada on its Web site (code V122524), or at an equivalent rate should that rate be withdrawn or modified, and shall be calculated from the day the deposit cheque is credited to the Transmission Provider's account.

17.4 Notice of Deficient Application: If an Application fails to meet the requirements herein, the Transmission Provider shall notify the entity requesting service within fifteen (15) days of receipt of the reasons for such failure. The Transmission Provider shall attempt to remedy minor deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, the Transmission Provider shall return the Application, along with any deposit, with interest. Upon receipt of a new or revised Application that fully complies with the requirements of Part II herein, the Eligible Customer shall be assigned a new priority consistent with the date of the new or revised Application.

17.5 Response to a Completed Application: Following receipt of a Completed Application for Firm Point-to-Point Transmission Service, the Transmission Provider shall make a determination of available transfer capability as required in Section 15.2. The Transmission Provider shall notify the Eligible Customer as soon as practicable, but no later than thirty (30) days after the date of receipt of a Completed Application, either (i) that it will be able to provide service without conducting a System Impact Study, or (ii) that such a study is needed to assess the impact of the Application pursuant to Section 19.1.

17.6 Execution of Service Agreement: Whenever the Transmission Provider determines that a System Impact Study is not required and that the service

can be provided, it shall notify the Eligible Customer as soon as practicable but no later than thirty (30) days after receipt of the Completed Application. Where a System Impact Study is required, the provisions of Section 19 shall govern the execution of a Service Agreement. Failure of an Eligible Customer to execute and return the Service Agreement within forty-five (45) days after it is submitted by the Transmission Provider shall be deemed a withdrawal and termination of the Application and any deposit submitted shall be refunded with interest. Nothing herein limits the right of an Eligible Customer to file another Application after such withdrawal and termination.

17.7 Extensions for Commencement of Service: The Transmission Customer can obtain, subject to availability, up to five (5) one-year extensions for the commencement of service. The Transmission Customer may postpone service by paying a non-refundable annual reservation fee equal to one month's charge for Firm Transmission Service for each year or fraction thereof within 15 days of notifying the Transmission Provider it intends to extend the commencement of service. If during any extension for the commencement of service an Eligible Customer submits a Completed Application for Firm Transmission Service, and such request can be accommodated only by releasing all or part of the Transmission Customer's Reserved Capacity, the original Reserved Capacity shall be released unless the following condition is satisfied. Within thirty (30) days, the original Transmission Customer agrees to pay the Firm Point-to-Point Transmission Service rate for its Reserved Capacity concurrent with the new Service Commencement Date. In the event the Transmission Customer elects to release the Reserved Capacity, the reservation fees previously paid shall be forfeited.

18 Procedures for Arranging Non-Firm Point-to-Point Transmission Service

18.1 Application: Eligible Customers seeking Non-Firm Point-to-Point Transmission Service shall submit a Completed Application to the Transmission Provider. Applications shall be submitted by entering the information listed below on the Transmission Provider's OASIS site. This

method shall provide a time-stamped record for establishing the priority of the Application.

18.2 Completed Application: A Completed Application shall provide all of the information included in Régie decisions, orders and regulations including but not limited to the following:

(i) The identity, address and telephone number of the entity requesting service;

(ii) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the provisions herein;

(iii) The Point(s) of Receipt and the Point(s) of Delivery;

(iv) The maximum capacity required at each Point of Receipt and Point of Delivery; and

(v) The proposed dates and hours for initiating and terminating Transmission Service pursuant to the provisions herein.

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

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

(vii) The electrical location of the ultimate load.

The Transmission Provider shall treat the information required under (vi) and (vii) as confidential, at the request of the Transmission Customer, except to the extent that disclosure is required by the provisions herein, by regulatory or judicial order, for reliability purposes following Good Utility Practice or pursuant to RTG transmission information sharing agreements. The Transmission Provider shall treat this information in accordance with the *Transmission Standards of Conduct* and the *Transmission Provider Code of Conduct*.

viii) A statement indicating that, if the Eligible Customer submits a Pre-Confirmed Application, the Eligible Customer will execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service.

18.3 Reservation of Non-Firm Point-to-Point Transmission Service: Requests for monthly service shall be submitted no earlier than sixty (60) days before service is to commence; requests for weekly service shall be submitted no earlier than fourteen (14) days before service is to commence; requests for daily service shall be submitted no earlier than two (2) days before service is to commence; and requests for hourly service shall be submitted no earlier than 8:00 a.m. the day before service is to commence. Requests for service received later than 1:00 p.m. the day before service is to commence shall be accommodated if practicable.

18.4 Determination of Available Transfer Capability: Following receipt of a proposed schedule, the Transmission Provider shall determine, on a non-discriminatory basis, the available transfer capability pursuant to Section 15.2. Such determination shall be made as soon as reasonably practicable after receipt of the proposed schedule, but within the following time periods for the following terms of service: (i) thirty (30) minutes for hourly service, (ii) thirty (30) minutes for daily service, (iii) four (4) hours for weekly service, and (iv) two (2) days for monthly service.

19 Additional Study Procedures for Point-to-Point Transmission Service Requests

19.1 Notice of Need for a System Impact Study: After receiving an Application for service or a request to connect a generating station pursuant to Section 12A, the Transmission Provider shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of the Transmission Provider's methodology for conducting a System Impact Study is provided in Attachment D. If the Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer as soon as practicable. At that time, the Transmission Provider shall offer the

Transmission Customer the possibility of studying conditional Firm Transmission Service and redispatch options.

Once informed, the Eligible Customer shall timely notify the Transmission Provider if it elects to have the Transmission Provider study redispatch or conditional curtailment as part of the System Impact Study. If notification is provided prior to tender of the System Impact Study Agreement, the Eligible Customer can avoid the costs associated with the study of these options. The Transmission Provider shall, within thirty (30) days of receipt of a Completed Application, including the technical data needed to conduct the study, submit a System Impact Study Agreement whereby the Eligible Customer shall agree to reimburse the Transmission Provider for conducting the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its Application shall be deemed withdrawn and all deposits made shall be returned with interest pursuant to Section 17.3.

19.2 System Impact Study Agreement and Cost Reimbursement:

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

(ii) If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient for the Transmission Provider to accommodate the service requests, the cost of that study shall be pro-rated among the Eligible

Customers. In the case of the Distributor, the provisions set forth in Section 40.2 shall apply.

(iii) For System Impact Studies that the Transmission Provider conducts on behalf of the Generator and the Distributor, the Transmission Provider shall record the cost pursuant to Section 8.

19.3 System Impact Study Procedures: Upon receipt of an executed System Impact Study Agreement and the required technical data, the Transmission Provider shall use due diligence to complete the System Impact Study within one hundred and twenty (120) days, except for instances where the study requires more time, which shall be specified to the customer. The System Impact Study shall identify: (1) all system constraints, identified with specificity by transmission element; (2) when required by the Eligible Customer, redispatch options, including estimated costs of redispatch of which the Transmission Provider is aware; (3) when required by the Eligible Customer, conditional curtailment options, including the number of hours per year and the System Conditions during which conditional curtailment may occur; and (4) additional Network Upgrades required to provide the requested service. For customers requesting the study of redispatch options, the System Impact Study shall: (1) identify all resources located within the Transmission Provider's Control Area that can significantly contribute toward relieving system constraints and be used for redispatch pursuant to Section 15.4; and (2) provide a measurement of each such resource's impact on system constraints. If the Transmission Provider possesses information indicating that any resource outside its Control Area could relieve the constraints, it shall identify each such resource in the System Impact Study. In the event that the Transmission Provider is unable to complete the System Impact Study within such time period, it shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer as soon as the System Impact Study is complete. The Transmission Provider shall use the same due diligence in completing the System Impact Study for an Eligible Customer as it uses when completing studies for itself. The Transmission Provider shall

inform the Eligible Customer immediately upon completion of the System Impact Study of whether the Transmission System will be adequate to accommodate all or part of the service request, or whether costs are likely to be incurred for Network Upgrades. In order for a request to remain a Completed Application, within forty-five (45) days of receipt of the System Impact Study, the Eligible Customer must either execute a Service Agreement or confirm its intention to execute a Facilities Study Agreement in a timely manner or, for connection of a generating station, indicate which commitment under Section 12A applies to its project and, where appropriate, confirm in writing its intention to execute in a timely manner a Facilities Study Agreement or a Connection Agreement, failing which the Application shall be deemed terminated and withdrawn. Within the aforementioned forty-five (45) days, the Eligible Customer may, however, request that the period be extended up to a maximum of three hundred and sixty-five (365) days if it is unable to meet the deadline of forty-five (45) days due to delays in obtaining a government approval needed to complete its project and if it has demonstrated in writing to the Transmission Provider that it has taken all reasonable steps needed to obtain such approval. The extension so obtained shall be taken into account in establishing the planned service date.

19.4 Facilities Study Procedures: If a System Impact Study indicates that Network Upgrades are needed to accommodate the Eligible Customer's service request and the Transmission Provider has established that it is necessary to conduct a Facilities Study, the Transmission Provider, after receipt of a written request from the customer within the maximum three hundred and sixty-five (365) days for receipt of the System Impact Study, shall submit to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for the cost of conducting the Facilities Study pursuant to the Transmission Provider Policy on Network Upgrades found in Attachment J herein. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the Facilities Study Agreement, its Application shall be deemed withdrawn and any deposit made shall be returned with interest

pursuant to Section 17.3. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider shall use due diligence to complete the Facilities Study within the time allotted in the Facilities Study Agreement. If the Transmission Provider is unable to complete the Facilities Study in the allotted time, the Transmission Provider shall inform the Transmission Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study shall include a good faith estimate of: (i) the Eligible Customer's appropriate share of the cost of any required Network Upgrades that the Eligible Customer must reimburse to the Transmission Provider pursuant to the principles set forth in Attachment J herein, and (ii) the time required to complete such construction and initiate the requested service. The Transmission Customer has thirty (30) days following receipt of the Facilities Study to execute a Service Agreement, if one has not already been executed, or, for connection of a generating station, enter into one of the commitments stipulated under Section 12A and execute a Connection Agreement in a timely manner. The Transmission Customer shall provide the Transmission Provider with a letter of credit or other reasonable form of security acceptable to the Transmission Provider equivalent to the cost of Network Upgrades consistent with commercial practices as established under the law of Québec, failing which the request shall no longer be a Completed Application and shall be deemed terminated and withdrawn. Within the aforementioned thirty (30) days, the Eligible Customer may, however, request that the period be extended up to a maximum of one hundred and eighty (180) days if it is unable to meet the deadline of thirty (30) days due to delays in obtaining a government approval needed to complete its project and if it has demonstrated in writing to the Transmission Provider that it has taken all reasonable steps needed to obtain such approval. The extension so obtained shall be taken into account in establishing the planned service date.

19.5 Facilities Study Modifications: Any change in design arising from the inability to site or construct Network Upgrades as proposed may require development of a revised good faith estimate. New good faith estimates also may be required in the event of new statutory or regulatory requirements that

are effective before the completion of construction or other circumstances beyond the control of the Transmission Provider that significantly affect the final cost of Network Upgrades to be charged to the Transmission Customer pursuant to the provisions of Attachment J herein.

19.6 Due Diligence in Completing Network Upgrades: The Transmission Provider shall use due diligence to add necessary facilities to its Transmission System within a reasonable time. The Transmission Provider shall not modify its existing or planned Transmission System in order to provide the required Point-to-Point Transmission Service if doing so would impair system reliability or otherwise impair or degrade existing service.

19.7 Partial Interim Service: If the Transmission Provider determines that it will not have adequate transfer capability to satisfy the full amount of a Completed Application for Point-to-Point Transmission Service, the Transmission Provider nonetheless shall be obligated to offer and provide the portion of the requested Point-to-Point Transmission Service that it can accommodated by redispatch without Network Upgrades. However, the Transmission Provider shall not be obligated to provide the required incremental amount of Point-to-Point Transmission Service that requires Network Upgrades until such upgrades have been commissioned.

19.8 Expedited Procedures for Network Upgrades: In lieu of the procedures set forth above, the Eligible Customer shall have the option to expedite the process by requesting the Transmission Provider to submit at one time, together with the results of required studies, an “Expedited Service Agreement” and, where appropriate, a Connection Agreement, whereby the Eligible Customer would agree to compensate the Transmission Provider for all costs incurred under the provisions herein. In order to exercise this option, the Eligible Customer shall require in writing an Expedited Service Agreement and, where appropriate, a Connection Agreement, covering all of the aforementioned items within thirty (30) days of receiving the results of the System Impact Study identifying needed Network Upgrades or costs incurred in providing the requested service. While the Transmission Provider agrees to provide the Eligible Customer with its best estimate of Network Upgrade costs and other charges that may be incurred, such estimate shall not be

binding and the Eligible Customer shall agree in writing to compensate the Transmission Provider for all costs incurred pursuant to the provisions herein. The Eligible Customer shall execute and return such an Expedited Service Agreement or, where appropriate, a Connection Agreement, within thirty (30) days of its receipt, failing which the Eligible Customer's service request shall cease to be a Completed Application and shall be deemed terminated and withdrawn.

19.9 Failure to Meet Study deadlines: Sections 19.3 and 19.4 require the Transmission Provider to use due diligence to meet study completion deadlines for System Impact Studies and Facilities Studies.

(i) The Transmission Provider is required to file a notice with the Régie in the event that more than twenty (20) percent of non-Affiliates' System Impact Studies and facilities Studies completed by the Transmission provider in any two consecutive calendar quarters are not completed within study completion deadlines. Such notice must be filed within thirty (30) days of the end of the calendar quarter triggering the notice requirement.

(ii) For the purposes of calculating the percent of non-Affiliates' System Impact Studies and Facilities Studies processed outside of study completion deadlines, the transmission Provider shall consider all System Impact Studies and Facilities Studies that it completes for non-Affiliates during the calendar quarter. The percentage should be calculated by dividing the number of those studies which are completed on time by the total number of completed studies. The Transmission Provider may provide an explanation in its notification filing to the Régie if it believes there are extenuating circumstances that prevented it from meeting study completion deadlines.

20 Procedures if the Transmission Provider is Unable to Complete Network Upgrades for Point-to-Point Transmission Service

20.1 Delays in Completing Network Upgrades: If any event occurs that will materially affect the time for completion of Network Upgrades or the ability to complete them, the Transmission Provider shall promptly notify the

Transmission Customer. In such circumstances, the Transmission Provider shall, within thirty (30) days of notifying the Transmission Customer of such delays, convene a technical meeting with the Transmission Customer to evaluate the alternatives available to the Transmission Customer. The Transmission Provider shall also make available to the Transmission Customer studies and work papers related to the delay, including all information in the Transmission Provider's possession that is reasonably needed by the Transmission Customer to assess any alternatives.

20.2 Alternatives to the Original Network Upgrades: When the review process of Section 20.1 determines that one or more alternatives exist to the originally planned Network Upgrades, the Transmission Provider shall present such alternatives for consideration by the Transmission Customer. If, upon review of any alternatives, the Transmission Customer wishes to maintain its Completed Application subject to construction of the alternative facilities, it may require the Transmission Provider to submit a revised Service Agreement for Point-to-Point Transmission Service and, where appropriate, to amend the previously executed Connection Agreement. If the alternative solely involves Non-Firm Point-to-Point Transmission Service, the Transmission Provider shall promptly submit a Service Agreement for Non-Firm Point-to-Point Transmission Service to provide the service. In the event the Transmission Provider concludes that no reasonable alternative exists and the Transmission Customer disagrees, the Transmission Customer may seek relief under the complaints procedures set forth in Section 12 herein.

20.3 Refund Obligation for Uncompleted Network Upgrades: If the Transmission Provider and the Transmission Customer mutually agree that no other reasonable alternative exists and the required service cannot be provided from existing capability under the conditions of Part II herein, the obligation to provide the requested Point-to-Point Transmission Service shall terminate and any deposit made by the Transmission Customer shall be returned with interest pursuant to Section 17.3. However, the Transmission Customer shall be responsible for all prudently incurred costs by the Transmission Provider during the time construction was suspended.

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

21.1 Responsibility for Upgrades to Third-Party Systems: The Transmission Provider shall not be responsible for making arrangements for any engineering, permitting, and construction of transmission or distribution facilities on the system(s) of any other entity or for obtaining any regulatory approval for such facilities. The Transmission Provider shall undertake reasonable efforts to assist the Transmission Customer in obtaining such arrangements, including without limitation, providing any information or data required by such other power system pursuant to Good Utility Practice.

21.2 Coordination of Upgrades to Third-Party Systems: In circumstances where the need for Network Upgrades is identified pursuant to the provisions of Part II herein, and if such upgrades further require upgrades to transmission facilities on other systems, the Transmission Provider shall have the right to coordinate its own Network Upgrades with the construction required by others. The Transmission Provider, after consultation with the Transmission Customer and representatives of such other systems, may defer construction of its Network Upgrades if the new transmission facilities on another system cannot be completed in a timely manner. The Transmission Provider shall notify the Transmission Customer in writing of the grounds for any decision to defer Network Upgrades and the specific problems which must be resolved before it will initiate or resume such upgrades. Within sixty (60) days of receiving written notice by the Transmission Provider of its intent to defer Network Upgrades pursuant to this Section, the Transmission Customer may challenge the decision in accordance with the complaints procedures set forth in Section 12 herein.

22 Changes in Service Specifications

22.1 Modifications on a Non-Firm Basis: The Transmission Customer taking Firm Point-to-Point Transmission Service may require the Transmission Provider to provide Transmission Service on a non-firm basis over Points of Receipt or Delivery other than those specified in the Service Agreement (“Secondary Points of Receipt and Delivery”), in amounts not to exceed its firm capacity reservation, without incurring an additional Non-Firm

Point-to-Point Transmission Service charge or executing a new Service Agreement, subject to the following conditions:

a) Service provided over Secondary Points of Receipt and Delivery shall be non-firm only, on an as-available basis and shall not displace any firm or non-firm service reserved or scheduled by third parties under the provisions herein or by the Distributor on behalf of Native-Load Customers.

b) The sum of all Firm and Non-Firm Point-to-Point Transmission Service provided to the Transmission Customer at any time pursuant to this Section shall not exceed the Reserved Capacity in the relevant Service Agreement under which such services are provided.

c) The Transmission Customer shall retain its right to schedule Firm Point-to-Point Transmission Service at the Points of Receipt and Delivery specified in the relevant Service Agreement in the amount of its original capacity reservation.

d) Service over Secondary Points of Receipt and Delivery on a non-firm basis shall not require submitting an Application for Non-Firm Point-to-Point Transmission Service under the provisions herein. However, all other requirements of Part II herein (except as to transmission rates) shall apply to Transmission Service on a non-firm basis over Secondary Points of Receipt and Delivery.

22.2 Modifications on a Firm Basis: Any request by a Transmission Customer to modify Points of Receipt or Delivery on a firm basis shall be treated as a new service request in accordance with Section 17 herein, except that such Transmission Customer shall not be obligated to sign a new Service Agreement, pay any additional deposit or incur additional costs for Firm Point-to-Point Transmission Service if the capacity reservation does not exceed the amount reserved in the existing Service Agreement. During the period such new request is pending and not yet accepted by the Transmission Provider, the Transmission Customer shall retain its priority for firm service at the existing Points of Receipt and Delivery specified in its Service Agreement. The Transmission Customer shall lose its priority for firm

service at existing Points of Receipt and Delivery that are stipulated in its Service Agreement for the period covered by the modification to Points of Receipt and Delivery on a firm basis agreed to by the Transmission Provider.

23 Sale or Assignment of Transmission Service

23.1 Procedures for Assignment or Transfer of Service: A Transmission Customer may sell, assign or transfer all or a portion of its rights under its Service Agreement, but only to another Eligible Customer (the Assignee). The Transmission Customer that sells, assigns or transfers its rights under its Service Agreement is hereafter referred to as the Reseller. Compensation to the Reseller shall not exceed the higher of: (i) the original rate paid by the Reseller, (ii) the Transmission Provider's maximum rate on file at the time of the assignment, or (iii) the Reseller's opportunity cost capped at the Transmission Provider cost of expansion.

The Assignee must execute a service agreement with the Transmission Provider governing reassignments of transmission service prior to the date on which the reassigned service commences. The Transmission Provider shall charge the Reseller, as appropriate, at the rate stated in the Reseller's Service Agreement with the Transmission Provider or the associated OASIS schedule and credit the Reseller with the price reflected in the Assignee's Service Agreement with the Transmission Provider or the associated OASIS schedule, provided that, such credit shall be reversed in the event of non-payment by the Assignee. If the Assignee does not request any change in the Points of Receipt or Delivery, or a change in any other term or condition set forth in the original Service Agreement, the Assignee shall receive the same services as did the Reseller and the priority of service for the Assignee shall be the same as that of the Reseller. The Assignee shall be subject to all terms and conditions contained herein. If the Assignee requests a change in service, the reservation priority of service shall be determined by the Transmission Provider pursuant to Section 13.2.

23.2 Limitations on Assignment or Transfer of Service: If the Assignee requests a change in the Point(s) of Receipt or Delivery, or a change in any other specifications set forth in the original Service Agreement, the

Transmission Provider will consent to such change subject to the provisions herein, provided that the change will not impair the operation and reliability of the Transmission System, generating stations or distribution systems in the Transmission Provider's Control Area. The Assignee shall compensate the Transmission Provider for conducting any System Impact Study needed to assess the capability of the Transmission System to accommodate the proposed change and any additional costs payable by the customer resulting from such change. The Reseller shall remain liable for the performance of all obligations under the Service Agreement, except as specifically agreed to by the Transmission Provider and the Reseller through an amendment to the Service Agreement.

23.3 Information on Assignment or Transfer of Service: In accordance with Section 4, all sales or assignments of capacity must be conducted through or otherwise posted on the Transmission Provider's OASIS on or before the date the reassigned service commences and are subject to Section 23.1. Resellers may also use the Transmission Provider's OASIS to post transfer capability available for resale.

24 Metering and Power Factor Correction at Point(s) of Receipt and Delivery

24.1 Transmission Customer Obligations: Unless otherwise agreed pursuant to the principles set forth in Attachment J herein, the Transmission Customer shall be responsible for installing and maintaining compatible metering equipment to accurately account for the capacity and energy being transmitted under Part II herein and to communicate the information to the Transmission Provider. Such metering equipment shall remain the property of the Transmission Customer. Notwithstanding the foregoing, for security reasons, when access to the Transmission Provider's system is required for installation or maintenance of such equipment or for any other reason, such installation, maintenance or access shall be made by the Transmission Provider only, at the Transmission Customer's expense.

Furthermore, the Transmission Provider may offer to the Transmission Customer full metering services when metering equipment must be installed on the Transmission Provider's system.

24.2 Transmission Provider Access to Metering Data: The Transmission Provider shall have access to metering data that may reasonably be required to facilitate measurements and billing under the Service Agreement.

24.3 Power Factor: Unless otherwise agreed, the Transmission Customer is required to maintain a power factor within the same range as the Transmission Provider pursuant to Good Utility Practices. The power factor requirements are specified in the Service Agreement or, where appropriate, the Connection Agreement.

25 Compensation for Transmission Service

Rates for Firm and Non-Firm Point-to-Point Transmission Service are provided in the Schedules appended hereto: Firm Point-to-Point Transmission Service (Schedule 9) and Non-Firm Point-to-Point Transmission Service (Schedule 10). The Generator and Distributor shall be subject to the provisions of Part II herein when making Third-Party Sales. The Transmission Provider shall account for use of the Transmission System at the rates set forth herein, pursuant to the provisions of Section 8.

26 Stranded Cost Recovery

The Transmission Provider may seek to recover stranded costs from Transmission Customers in accordance with the conditions set forth by the Régie. However, the Transmission Provider shall separately file to the Régie any specific proposal related to stranded costs.

27 Compensation for Network Upgrade and Redispatch Costs

Whenever a System Impact Study conducted by the Transmission Provider in connection with providing Firm Point-to-Point Transmission Service identifies the need for Network Upgrades, the Transmission Customer confirming its request to complete the project shall be responsible for providing the financial security requested by the Transmission Provider and paying the associated costs pursuant to Attachment J herein. Whenever a System Impact Study conducted by the Transmission Provider identifies capacity constraints that, subject to the conditions stipulated in Section 15.4, may be relieved by redispatching resources within the

Transmission Provider's Control Area, the Transmission Customer confirming its request to complete the project shall be responsible for paying the redispatch costs pursuant to the provisions herein. The estimated costs for Network Upgrades to be billed to the Transmission Customer under the provisions herein shall be specified in the Service Agreement or, where appropriate, in the Connection Agreement, before service starts.

Part III. Network Integration Transmission Service

Preamble

The Transmission Provider shall provide Network Integration Transmission Service pursuant to the applicable terms and conditions contained herein and in the Service Agreement. Network Integration Transmission Service allows the Network Customer to integrate, economically dispatch and regulate its present and planned Network Resources to serve its Network Load in a manner comparable to that in which the Transmission Provider utilizes its Transmission System to serve Native-Load Customers pursuant to the provisions of Part IV herein. The Network Customer can also use the Network Integration Transmission Service to deliver to its Network Load energy purchases from non-designated resources on an as-available basis without additional charge. Transmission Service for sales to non-designated loads shall be provided pursuant to the applicable terms and conditions of Part II herein.

28 Nature of Network Integration Transmission Service

28.1 Scope of Service: Network Integration Transmission Service is a Transmission Service that allows Network Customers to efficiently and economically utilize their Network Resources (as well as other non-designated resources) to serve their Network Load located in the Transmission Provider's Control Area and any additional load that may be designated pursuant to Section 31.3 herein. The Network Customer taking Network Integration Transmission Service shall obtain or provide Ancillary Services pursuant to Section 3.

28.2 Transmission Provider Responsibilities: The Transmission Provider shall plan, construct, operate and maintain its Transmission System in accordance with Good Utility Practice in order to provide the Network Customer with Network Integration Transmission Service over the Transmission Provider's system. The Transmission Provider shall include the Network Customer's Network Load in its Transmission System planning and shall, consistent with Good Utility Practice, endeavor to construct and commission sufficient transfer capability to deliver the Network Customer's Network Resources to serve its Network Load in a manner comparable to that in which the Transmission Provider delivers resources to Native-Load Customers.

28.3 Network Integration Transmission Service: The Transmission Provider shall provide Firm Transmission Service over its Transmission System to the Network Customer for the delivery of capacity and energy from Network Resources designated by the customer to serve the customer's Network Loads in a manner comparable to the Transmission Provider's use of the Transmission System to reliably serve Native-Load Customers.

28.4 Secondary Service: The Network Customer may use the Transmission Provider's Transmission System to deliver energy to its Network Loads from resources that have not been designated as Network Resources. Such energy shall be transmitted, on an as-available basis, at no additional charge. Secondary service shall not require the filing of an Application for Network Integration Transmission Service under the Tariff. However, all other requirements of Part III of the Tariff (except for transmission rates) shall apply to secondary service. Deliveries from resources other than Network Resources shall have a higher priority than any Non-Firm Point-to-Point Transmission Service under Part II herein.

28.5 Transmission Losses: Transmission losses are associated with all Transmission Services. The Transmission Provider is not obligated to provide transmission losses. The Network Customer is responsible for replacing losses associated with Transmission Service as calculated by the Transmission Provider. The applicable transmission loss factors are as follows: a rate of 5.2% of the maximum hourly flow as measured at the Point(s) of Delivery.

28.6 Restrictions on Use of Service: The Network Customer shall not use Network Integration Transmission Service to (i) sell capacity and energy to non-designated loads, or (ii) directly or indirectly provide Transmission Service to third parties. All Network Customers taking Network Integration Transmission Service shall use Point-to-Point Transmission Service under Part II herein for any Third-Party Sale which requires use of the Transmission Provider's Transmission System. In the event that a Network Customer uses Network Integration Transmission Service or secondary service pursuant to Section 28.4 to facilitate a wholesale sale that does not serve a Network Load, the provisions of Section 13.7 d) will apply.

29 Initiating Service

29.1 Conditions Precedent to Receiving Service: Subject to the terms and conditions of Part III herein, the Transmission Provider shall provide Network Integration Transmission Service to any Eligible Customer, provided that (i) the Eligible Customer completes an Application for service as provided under Part III herein, (ii) the Eligible Customer and the Transmission Provider complete the technical arrangements set forth in Sections 29.3 and 29.4, and (iii) the Eligible Customer executes a Service Agreement pursuant to Attachment F for service under Part III herein.

29.2 Application Procedures: An Eligible Customer requesting service under Part III herein shall submit an Application, with a deposit approximating the charge for one month of service, to the Transmission Provider as far as possible in advance of the month in which service is to commence. Unless subject to the procedures in Section 2, Completed Applications for Network Integration Transmission Service shall be assigned a priority according to the date and time the Application is received, with the earliest Application receiving the highest priority. Applications shall be submitted by entering the information listed below on the Transmission Provider's OASIS site. This method shall provide a time-stamped record for establishing the priority of the Application.

A Completed Application shall provide all of the information included in Régie decisions, orders and regulations including but not limited to the following:

(i) The identity, address and telephone number of the Party requesting service;

(ii) A statement that the Party requesting service is, or will be upon commencement of service, an Eligible Customer under the provisions herein;

(iii) A description of Network Load at each Point of Delivery. This description shall separately identify and provide the Eligible Customer's best estimate of the total loads to be served at each transmission voltage level, and the loads to be served from each Transmission Provider substation

at the same transmission voltage level. The description shall include a ten (10) year forecast of summer and winter load and resource requirements beginning with the first year after service is to commence;

(iv) The amount and location of any interruptible loads included in the Network Load. This shall include the summer and winter capacity requirements for each interruptible load (as if such load were not interruptible), that portion of the load subject to Interruption, the conditions under which an Interruption can be implemented and any limitations on the amount and frequency of Interruptions. An Eligible Customer shall identify the amount of interruptible customer load (if any) included in the 10-year load forecast provided in response to (iii) above;

(v) A description of Network Resources (present and 10-year projection). For each on-system Network Resource, such description shall include:

- The size of the unit and the capacity from that unit to be designated as a Network Resource, as well as any generating station that may supply a Network Resource
- VAR capability (both leading and lagging) of all generators
- Operating restrictions
  - Any periods of restricted operation throughout the year
  - Maintenance schedules
  - Minimum loading level of the unit
  - Normal operating level of the unit
  - Any must-run unit designations required for system reliability or contract reasons
- The list of management measures for redispatch
- Arrangements governing sale and delivery of power to third parties from generating facilities located in the Transmission Provider's Control Area, where only a portion of the unit's output is designated as a Network Resource;

For each off-system Network Resource, such description shall include:

- Identification of the Network Resource as an off-system resource
- Amount of power to which the customer has rights
- Identification of the control area from which the power will originate
- Delivery point(s) to the Transmission Provider's Transmission System;
- Transmission arrangements on the external transmission system(s)
- Operating restrictions, if any
  - Any periods of restricted operations throughout the year
  - Maintenance schedules
  - Minimum loading level of unit
  - Normal operating level of unit
  - Any must-run unit designations required for system reliability or contract reasons
- Approximate variable generating cost ($/MWh) for redispatch computations;

(vi) Description of the Eligible Customer's Transmission System:

- Power flow and stability data, such as real and reactive parts of the load, lines, transformers, reactive devices and load type, including normal and emergency ratings of all transmission equipment in a power flow format compatible with that used by the Transmission Provider
- Operating restrictions needed for reliability
- Operating guides employed by system operators

- Contractual restrictions or committed uses of the Eligible Customer's Transmission System, other than the Eligible Customer's Network Loads and Resources
- Location of Network Resources described in (v) above
- 10-year projection of Network Upgrades
- Transmission System maps that include any proposed Network Upgrades
- Thermal ratings of interconnections between the Eligible Customer's Control Area and other Control Areas;

vii) Service Commencement Date and term of the requested Network Integration Transmission Service. The minimum term for Network Integration Transmission Service is one year; and

viii) A statement signed by an authorized officer from or agent of the Network Customer attesting that all of the network resources listed pursuant to Section 29.2(v) satisfy the following conditions: (1) the Network Customer owns the resource, has committed to purchase generation in the quantities approved by the Régie or pursuant to an executed contract, or has committed to purchase generation where execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff; and (2) the Network Resources do not include any resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program.

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

Transmission Provider shall attempt to remedy deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, the Transmission Provider shall return the Application without prejudice to the Eligible Customer submitting a new or revised Application that fully complies with the requirements of this Section. The Eligible Customer shall be assigned a new priority consistent with the date of the new or revised Application. The Transmission Provider shall treat this information in accordance with the *Transmission Standards of Conduct and the Transmission Provider Code of Conduct*.

29.3 Technical Arrangements to be Completed Prior to Commencement of Service: Network Integration Transmission Service shall not commence until the Transmission Provider and the Network Customer, or a third party, have completed installation of all equipment specified under the Network Operating Agreement consistent with Good Utility Practice and under any additional requirements reasonably and consistently imposed to ensure reliable operation of the Transmission System. The Transmission Provider shall exercise reasonable efforts, in coordination with the Network Customer, to complete all such arrangements as soon as practicable taking into consideration the Service Commencement Date.

29.4 Network Customer Facilities: The provision of Network Integration Transmission Service shall be contingent upon the Network Customer's constructing, operating and maintaining the facilities on its side of each Point of Delivery or interconnection necessary to reliably deliver capacity and energy from the Transmission Provider's Transmission System to the Network Customer. The Network Customer shall be solely responsible for constructing or installing all facilities on the Network Customer's side of each such Point of Delivery or interconnection. Furthermore, the Network Customer shall comply with the Technical Requirements for Connection set forth in Section 1.28.1 herein. For the connection of a generating station to the distribution system, the Network Customer shall comply with the Technical Requirements for Connection set forth in Section 1.28.1 paragraph (ii) herein, to the extent provided for in the latter. Finally, the impact of loads or generating stations connected to distribution system must be such as to maintain the quality of the voltage supplied by the Hydro-Québec

Transmission System, in the same way as the *Emission Limits for Disturbances on the Hydro-Québec Transmission System* set forth in Section 1.28.1 paragraph (iii).

29.5 Filing of Service Agreements: The Transmission Provider shall file with the Régie Service Agreements containing the information required herein, no later than thirty (30) days after their execution.

30 Network Resources

30.1 Designation of Network Resources: Network Resources shall include all generation owned or purchased by the Network Customer and designated to serve Network Load under the provisions herein. Network Resources cannot include resources, or any portion thereof, that are committed for sale to non-designated third-party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program. Any owned or purchased resources that were serving the Network Customer's loads under firm agreements entered into on or before the Service Commencement Date shall initially be designated as Network Resources until the Network Customer modifies the designation of such resources.

30.2 Designation of New Network Resources: The Network Customer may designate a new Network Resource, providing the Transmission Provider with as much advance notice as practicable by means of a request for modification of service pursuant to Section 29 and the Transmission Provider shall post this new designation on its OASIS site. For a resource using a path posted on the Transmission Provider's OASIS site, the designation of a new Network Resource shall be made through that site by the Network Customer. This request must include a statement that the new network resource satisfies the following conditions: (1) the Network Customer owns the resource, has committed to purchase generation in the quantities approved by the Régie or pursuant to an executed contract, or has committed to purchase generation where execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff; and (2) The Network Resources do not include any resources, or any portion thereof, that

are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program. The Network Customer's request will be deemed deficient if it does not include this statement and the Transmission Provider will follow the procedures for a deficient application as described in Section 29.2 of the Tariff.

30.3 Termination of Network Resources: The Network Customer may terminate at any time the designation of all or part of a generating resource as a Network Resource but shall so notify the Transmission Provider in writing as soon as reasonably practicable. For a resource using a path posted on the Transmission Provider's OASIS site, the Network Customer shall do so through that site no later than the firm scheduling deadline for the period of termination. For a resource not using a path posted on OASIS, the information below shall be posted on OASIS by the Transmission Provider. Termination of Network Resource status must indicate whether termination is indefinite or temporary. An indefinite termination of Network Resource status must indicate the date and time that the termination is to be effective, and the identification and capacity of the resource(s) or portions thereof to be indefinitely terminated. A temporary termination of Network Resource status must include the following:

(i) Effective date and time of temporary termination;

(ii) Effective date and time of redesignation, following period of temporary termination;

(iii) Identification and capacity of resource(s) or portions thereof to be temporarily terminated;

(iv) Resource description and attestation for redesignating the network resource following the temporary termination, in accordance with Section 30.2; and

(v) Identification of any related transmission service requests to be evaluated concomitantly with the temporary termination, so that such service requests may be examined. The evaluation of these related transmission

service requests must take into account the termination of the network resources identified in (iii) above, as well as all competing transmission service requests of higher priority. Should the related transmission service requests be rejected, the Network Customer shall be deemed not to have terminated the resources.

As part of a temporary termination, a Network Customer may only redesignate the same resource that was originally designated, or a portion thereof. The designation of a different resource and/or a resource with increased capacity will be deemed deficient and the Transmission Provider will follow the procedures for a deficient application as described in Section 29.2 of the Tariff.

30.4 Operation of Network Resources: The Network Customer shall not operate its designated Network Resources located in the Network Customer's or Transmission Provider's Control Area such that the output of those facilities exceeds its designated Network Load, plus Non-Firm Sales delivered pursuant to Part II of the Tariff, plus losses, plus power sales under a reserve sharing program, plus sales that permit curtailment without penalty to serve its designated Network Load. This limitation shall not apply to changes in the operation of a Transmission Customer's Network Resources at the request of the Transmission Provider to respond to an emergency or other unforeseen condition which may impair or degrade the reliability of the Transmission System. For all Network Resources not physically connected with the Transmission Provider's Transmission System, the Network Customer may not schedule delivery of energy in excess of the Network Resource's capacity, as specified in the Network Customer's Application pursuant to Section 29, unless the Network Customer supports such delivery within the Transmission Provider's Transmission System by either obtaining Point-to-Point Transmission Service or utilizing secondary service pursuant to Section 28.4. In the event that a Network Customer's schedule at the delivery point for a Network Resource not physically interconnected with the Transmission Provider's Transmission System exceeds the Network Resource's designated capacity, excluding energy delivered using secondary service or Point-to-Point Transmission Service, the provisions of

section 13.7 d) will apply.

30.5 Network Customer Redispatch Obligation: As a condition to receiving Network Integration Transmission Service, the Network Customer agrees to redispatch its Network Resources if so requested by the Transmission Provider pursuant to Section 33.2. To the extent practicable, the redispatch of resources pursuant to this Section shall be on a least-cost, non-discriminatory basis between all Network Customers, Firm Point-to-Point Service Customers and Native-Load Customers.

30.6 Transmission Arrangements for Network Resources with No Physical Connection to the Transmission Provider's System: The Network Customer shall be responsible for any arrangements needed to deliver capacity and energy from a Network Resource not physically connected with the Transmission Provider's system. The Transmission Provider shall undertake reasonable efforts to assist the Network Customer in obtaining such arrangements, including the provision of any information or data required by the other entity pursuant to Good Utility Practice.

30.7 Limitation on Designation of Network Resources: The Network Customer shall demonstrate that it owns the resource or has committed to purchase generation in the quantities approved by the Régie, or pursuant to an executed contract in order to designate a generating resource as a Network Resource. Alternatively, the Network Customer may establish that execution of a contract is contingent upon the availability of Transmission Service under Part III herein.

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

30.9 Network Customer Owned Transmission Facilities: The Network Customer that owns existing transmission facilities that are integrated with the Transmission Provider's Transmission System may be eligible to receive consideration either through a billing credit or some other mechanism. In order to receive such consideration, the Network Customer shall demonstrate that its transmission facilities are integrated into the plans or operations of the Transmission Provider to serve all of its power and Transmission Customers. For facilities added by the Network Customer subsequent to the Service Commencement Date under Part III herein, the Network Customer shall receive credit for such transmission facilities added if such facilities are integrated into the operations of the Transmission Provider's facilities; provided however, the Network Customer's transmission facilities shall be presumed to be integrated if such transmission facilities, if owned by the Transmission Provider, would be eligible for inclusion in the Transmission Provider's annual transmission revenue requirement as specified in Attachment H.

Calculation of any credit under this subsection shall be addressed in either the Network Customer's Service Agreement or any other agreement between the Parties.

31 Designation of Network Load

31.1 Network Load: The Network Customer shall designate the individual Network Loads on whose behalf the Transmission Provider will provide Network Integration Transmission Service. The Network Loads shall be specified in the Service Agreement.

31.2 New Network Loads Connected to the Transmission Provider's System: The Network Customer shall give the Transmission Provider as much advance notice as reasonably practicable of the designation of a new Network Load that will be added to its Transmission System. Designation of a new Network Load shall be made through a modification of service pursuant to a new Application. The Transmission Provider shall use due diligence to make the Network Upgrades required to interconnect a new Network Load designated by the Network Customer. The costs associated with upgrades required to interconnect a new Network Load shall be

determined in accordance with the procedures in Section 32.4 and shall be charged to the Network Customer pursuant to the provisions set forth in Attachment J herein.

31.3 Network Load with No Physical Connection to the Transmission Provider's System: This Section applies to both initial designation pursuant to Section 31.1 and the subsequent addition of a new Network Load not physically interconnected with the Transmission Provider's system. To the extent that the Network Customer wishes to obtain Transmission Service for a load outside the Transmission Provider's system, the Network Customer may elect either to (1) include the entire load as Network Load for all purposes under Part III herein and designate Network Resources in connection with such additional Network Load, or (2) exclude that entire load from its Network Load and purchase Point-to-Point Transmission Service under Part II herein. To the extent that the Network Customer gives notice of its intent to add a new Network Load as part of its Network Load pursuant to this Section, the request shall be made through a modification of service pursuant to a new Application.

31.4 New Interconnection Points: To the extent the Network Customer wishes to add a new Point of Delivery or interconnection point between the Transmission Provider's system and a Network Load, the Network Customer shall give the Transmission Provider as much advance notice as reasonably practicable.

31.5 Changes in Service Requests: Under no circumstances shall the Network Customer's decision to cancel or delay a requested change in Network Integration Transmission Service (e.g., the addition of a new Network Resource or designation of a new Network Load) in any way relieve the Network Customer of its obligation to pay the costs of Network Upgrades made by the Transmission Provider and charged to the Network Customer under the Service Agreement pursuant to Attachment J herein. However, the Transmission Provider shall treat any requested change in Network Integration Transmission Service in a non-discriminatory manner.

31.6 Annual Updates of Load and Resource Information: The Network Customer shall provide the Transmission Provider with annual updates of

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

32 Additional Study Procedures for Network Integration Transmission Service Requests

32.1 Notice of Need for a System Impact Study: After receiving an Application for service, the Transmission Provider shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of the Transmission Provider's methodology for conducting a System Impact Study is provided in Attachment D. If the Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer as soon as practicable. In such cases, the Transmission Provider shall, within thirty (30) days of receipt of a Completed Application, including the technical data needed to conduct the study, submit a System Impact Study Agreement whereby the Eligible Customer shall agree to reimburse the Transmission Provider the costs for conducting the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its Application shall be deemed withdrawn and all deposits made shall be returned with interest.

32.2 System Impact Study Agreement and Cost Reimbursement:

(i) The System Impact Study Agreement shall clearly specify the applicable charge, based on the Transmission Provider's estimate of the actual cost, and the time for completion of the System Impact Study. The charge shall not exceed the actual cost of the study. In conducting the System Impact Study, the Transmission Provider shall rely, to the extent reasonably

practicable, on existing transmission planning studies. The Eligible Customer shall not be assessed a charge for such existing studies; however, the Eligible Customer shall be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary in order to assess the impact of the Eligible Customer's service request on the Transmission System.

(ii) If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient for the Transmission Provider to accommodate the service requests, the cost of that study shall be pro-rated among the Eligible Customers.

32.3 System Impact Study Procedures: Upon receipt of an executed System Impact Study Agreement and the required technical data, the Transmission Provider shall use due diligence to complete the System Impact Study within one hundred and twenty (120) days, except for instances where the study requires more time, which shall be specified to the customer. The System Impact Study shall identify: (1) all system constraints, identified with specificity by transmission element; (2) when required by the Eligible Customer, redispatch options, including estimated costs of redispatch of which the Transmission Provider is aware; (3) when required by the Eligible Customer, available options for installation of automatic devices to curtail service; and (4) additional Network Upgrades required to provide the requested service. For customers requesting the study of redispatch options, the System Impact Study shall: (1) identify all resources located within the Transmission Provider's Control Area that can significantly contribute toward relieving system constraints and be used for redispatch pursuant to Section 15.4; and (2) provide a measurement of each such resource's impact on system constraints. If the Transmission Provider possesses information indicating that any resource outside its Control Area could relieve the constraint, it shall identify each such resource in the System Impact Study. In the event that the Transmission Provider is unable to complete the required System Impact Study within the agreed time period, it shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the

required studies. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer as soon as the System Impact Study is complete. The Transmission Provider shall use the same due diligence in completing the System Impact Study for an Eligible Customer as it uses when completing studies for itself. The Transmission Provider shall inform the Eligible Customer immediately upon completion of the System Impact Study of whether the Transmission System will be adequate to accommodate all or part of the service request, or whether costs are likely to be incurred for Network Upgrades. In order for a request to remain a Completed Application, within forty-five (45) days of receipt of the System Impact Study, the Eligible Customer must execute a Service Agreement or amend a Service Agreement in effect, failing which the Application shall be deemed terminated and withdrawn. Within the aforementioned forty-five (45) days, the Eligible Customer may, however, request that the period be extended up to a maximum of three hundred and sixty-five (365) days if it is unable to meet the deadline of forty-five (45) days due to delays in obtaining a government approval needed to complete its project and if it has demonstrated in writing to the Transmission Provider that it has taken all reasonable steps needed to obtain such approval. The extension so obtained shall be taken into account in establishing the planned service date.

32.4 Facilities Study Procedures: If a System Impact Study indicates that Network Upgrades are needed to accommodate the Eligible Customer's service request and the Transmission Provider has established that it is necessary to conduct a Facilities Study, the Transmission Provider, after receipt of a written request from the customer within the maximum three hundred and sixty-five (365) days for receipt of the System Impact Study, shall submit to the Eligible Customer a Facilities Study Agreement under which the Eligible Customer shall agree to reimburse the Transmission Provider for the cost of conducting the Facilities Study pursuant to the Transmission Provider Policy on Network Upgrades found in Attachment J herein. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects

not to execute the Facilities Study Agreement, its Application shall be deemed withdrawn and all deposits made shall be returned with interest. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider shall use due diligence to complete the Facilities Study within the time allotted. If the Transmission Provider is unable to complete the Facilities Study in the allotted time, the Transmission Provider shall notify the Eligible Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study shall include a good faith estimate of (i) the Eligible Customer's appropriate share of the cost of any required Network Upgrades that the Eligible Customer must reimburse to the Transmission Provider pursuant to the applicable principles set forth in Attachment J herein, and (ii) the time required to complete such construction and initiate the requested service. The Eligible Customer has thirty (30) days following receipt of the Facilities Study to execute a Service Agreement or to amend the Service Agreement in effect. The Eligible Customer shall provide the Transmission Provider with a letter of credit or other reasonable form of security acceptable to the Transmission Provider equivalent to the cost of Network Upgrades consistent with commercial practices as established under the law of Québec, failing which the request shall no longer be a Completed Application and shall be deemed terminated and withdrawn. Within the aforementioned thirty (30) days, the Eligible Customer may, however, request that the period be extended up to a maximum of one hundred and eighty (180) days if it is unable to meet the deadline of thirty (30) days due to delays in obtaining a government approval needed to complete its project and if it has demonstrated in writing to the Transmission Provider that it has taken all reasonable steps needed to obtain such approval. The extension so obtained shall be taken into account in establishing the planned service date.

32.5 Failure to meet Study deadlines: Section 19.9 defines the requirements that apply for failure to meet study completion due diligence deadlines for System Impact Studies and Facilities Studies under Part II of the Tariff. These same requirements apply to service under Part III of the Tariff.

33 Load Shedding and Curtailments

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

33.2 Transmission Constraints: During any period when the Transmission Provider determines that a transmission constraint exists on the Transmission System, and such constraint may impair the reliability of the Transmission Provider's system, the Transmission Provider shall take whatever actions, consistent with Good Utility Practice, are reasonably necessary to maintain the reliability of its system. To the extent the Transmission Provider determines that the reliability of the Transmission System can be maintained by redispatching resources, the Transmission Provider shall initiate procedures pursuant to the Network Operating Agreement to redispatch all Network Resources on a least-cost basis without regard to the ownership of such resources. Any redispatch under this Section may not unduly discriminate between the Transmission Provider's use of the Transmission System on behalf of Native-Load Customers and Firm Point-to-Point Transmission Service Customers, and any Network Customer's use of the Transmission System to serve its designated Network Load.

33.3 Cost Responsibility for Relieving Transmission Constraints: Whenever the Transmission Provider implements least-cost redispatch procedures in response to a transmission constraint, Firm Point-to-Point Transmission Service Customers, the Distributor for Native-Load Customers and Network Customers shall all bear a proportionate share of the total redispatch cost.

33.4 Curtailments of Scheduled Deliveries: If a transmission constraint on the Transmission Provider's Transmission System cannot be relieved through

the implementation of least-cost redispatch procedures and the Transmission Provider deems it necessary to curtail scheduled deliveries, the Parties shall curtail such schedules in accordance with the Network Operating Agreement.

33.5 Allocation of Curtailments: The Transmission Provider shall, on a non-discriminatory basis, curtail the transactions that effectively relieve the constraint. However, to the extent practicable and consistent with Good Utility Practice, any Curtailment shall be proportionally shared among Firm Point-to-Point Transmission Service Customers, Native-Load Customers and the Network Customer. The Transmission Provider shall not direct the Network Customer to curtail schedules to an extent greater than Point-to-Point Firm Transmission Service Customers and Native-Load Customers would curtail their own schedules under similar circumstances.

33.6 Load Shedding: To the extent that a system contingency exists on the Transmission Provider's Transmission System and the Transmission Provider determines that it is necessary for Firm Point-to-Point Transmission Service Customers, Native-Load Customers and the Network Customer to shed load, the Parties shall shed load in accordance with previously established procedures under the Network Operating Agreement.

33.7 System Reliability: Notwithstanding any other provisions herein, the Transmission Provider reserves the right, consistent with Good Utility Practice and on a not unduly discriminatory basis, to curtail Network Integration Transmission Service without liability on the Transmission Provider's part for the purpose of making necessary adjustments to, changes in, or repairs on its lines, substations and facilities, and in cases where the continuance of Network Integration Transmission Service would endanger persons or property. In the event of any adverse condition(s) or disturbance(s) on the Transmission Provider's system or on any other system(s) directly or indirectly interconnected with the Transmission Provider's system, the Transmission Provider, consistent with Good Utility Practice, may also curtail Network Integration Transmission Service in order to (i) limit the extent of or damage by the adverse condition(s) or disturbance(s), (ii) prevent damage to generating or transmission facilities, or

(iii) expedite restoration of service. The Transmission Provider shall give the Network Customer as much advance notice as is practicable in the event of such Curtailment. Any Curtailment of Network Integration Transmission Service shall be not unduly discriminatory relative to the Transmission Provider's use of the Transmission System on behalf of Native-Load Customers. The Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that the Network Customer should fail to comply with established Load Shedding and Curtailment procedures.

34 Rates and Charges

The Network Customer shall pay the Transmission Provider any Network Upgrade and Ancillary Service charges, and applicable study costs, under the Régie's conditions, along with the charges below.

34.1 Monthly Demand Charge: The Network Customer shall pay a monthly demand charge, which shall be determined by multiplying its Load Ratio Share times one-twelfth (1/12) of the Transmission Provider's annual transmission revenue requirement specified in Attachment H herein. A new Network Customer shall pay the monthly demand charge commencing on the first day of the month during which Network Integration Transmission Service is initiated.

34.2 Determination of the Network Customer's Annual Load: The Network Customer's annual load corresponds to the projected annual peak demand of that Network Customer over the calendar year during which Network Integration Transmission Service is provided.

34.3 Determination of Transmission Provider's Annual Transmission System Load: The Transmission Provider's Annual Transmission System Load corresponds to the projected annual peak demand for the Native Load plus the sum of the projected annual peak demand for each of the Network Customers.

34.4 Redispatch Charge: The Network Customer shall pay a Load Ratio Share of any redispatch costs allocated between the Network Customer and the Distributor pursuant to Section 33. To the extent that the Transmission

Provider incurs an obligation to the Network Customer for redispatch costs in accordance with Section 33, such amounts shall be credited against the Network Customer's bill for the applicable month.

34.5 Stranded Cost Recovery: The Transmission Provider may seek to recover stranded costs from the Network Customer in accordance with the conditions set forth by the Régie. However, the Transmission Provider shall separately file to the Régie any proposal to recover stranded costs.

35 Operating Agreements

35.1 Operation under the Network Operating Agreement: The Network Customer shall plan, construct, operate and maintain its facilities in accordance with Good Utility Practice and in conformance with the Network Operating Agreement.

35.2 Network Operating Agreement: The terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Part III herein shall be specified in the Network Operating Agreement. The Network Operating Agreement shall provide for the Parties to (i) operate and maintain equipment necessary for integrating the Network Customer within the Transmission Provider's Transmission System (including, but not limited to remote terminal units, metering, communications and relaying equipment), (ii) transfer data between the Parties (including but not limited to heat rates and operational characteristics of Network Resources, generation schedules for units outside the Transmission Provider's Transmission System, interchange schedules, unit outputs for redispatch required under Section 33, voltage schedules, loss factors and other real-time data), (iii) use software required for data links and constraint dispatching, (iv) exchange data on forecasted loads and resources necessary for long-term planning, and (v) address any other technical and operational matters required for implementation of Part III herein, including scheduling protocols. The Network Operating Agreement shall recognize that the Network Customer shall either (i) operate a Control Area under applicable guidelines of the North American Electric Reliability Corporation (NERC) and the Northeast Power Coordinating Council (NPCC), or (ii) satisfy its Control Area requirements, including all necessary Ancillary

Services, by contracting with the Transmission Provider, or (iii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with another entity, consistent with Good Utility Practice, which satisfies NERC and the NPCC requirements. The Transmission Provider shall not unreasonably refuse to accept contractual arrangements with another entity for Ancillary Services. The Network Operating Agreement is included in Attachment G.

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

Part IV. Native-Load Transmission Service

Preamble

The Transmission Provider shall provide Transmission Service to supply the Distributor's Native Load pursuant to the applicable terms and conditions herein. Native-Load Transmission Service allows the Distributor to integrate, economically dispatch, and regulate its present and planned resources in order to supply its Native Load pursuant to the provisions of Part IV herein. The Distributor may also use Native-Load Transmission Service to deliver to its Native Load energy purchases from non-designated resources on an as-available basis without additional charge. Transmission Service for sales to non-designated loads shall be provided pursuant to the applicable terms and conditions of Part II herein.

36 Nature of Native-Load Transmission Service

36.1 Scope of Service: Native-Load Transmission Service is a Transmission Service that allows the Distributor to efficiently and economically utilize its resources (as well as other non-designated resources) to supply its Native Load and any additional load that may be designated pursuant to Section 39.3 herein. The Distributor shall provide, or have provided by its Delivering Parties, the Ancillary Services required for the secure and reliable supply of the Native Load and listed in Schedule 8 herein.

36.2 Transmission Provider Responsibilities: The Transmission Provider shall plan, construct, operate and maintain its Transmission System, and control power flows in its Control Area in accordance with Good Utility Practice in order to provide Transmission Service for the delivery of capacity and energy from Distributor Resources to supply the loads of Native-Load Customers over the Transmission Provider's system. The Distributor shall designate available resources, under the Transmission Provider's control, to supply its Native Load. The Transmission Provider shall include the Distributor's Native Load in its Transmission System planning and shall, consistent with Good Utility Practice, endeavor to construct and commission sufficient transfer capability to deliver Distributor Resources in a manner that reliably supplies Native-Load Customers.

36.3 Secondary Service: The Distributor may use the Transmission Provider's Transmission System to deliver energy to its loads from resources that have not been designated as Distributor Resources. Such energy shall be transmitted, on an as-available basis, at no additional charge. All other requirements of Part IV of the Tariff (except for transmission rates) shall apply to secondary service. Deliveries from resources other than designated resources shall have a higher priority than any Non-Firm Point-to-Point Transmission Service under Part II herein.

36.4 Transmission Losses: Transmission losses are associated with all Transmission Services. The Transmission Provider is not obligated to provide transmission losses. The Distributor is responsible for providing at all times the actual losses associated with the Transmission Service provided to it over the Transmission Provider's system.

36.5 Restrictions on Use of Service: The Distributor shall not use Native-Load Transmission Service to (i) sell capacity and energy to non-designated loads, or (ii) directly or indirectly provide Transmission Service to third parties. The Distributor shall use Point-to-Point Transmission Service under Part II herein for any Third-Party Sale which requires use of the Transmission Provider's Transmission System. In the event that the Distributor uses Native-Load Transmission Service or secondary service pursuant to Section 36.3 to facilitate a wholesale sale that does not serve Native-Load, the provisions of Section 13.7 d) will apply.

37 Conditions Precedent to Receiving Service from the Transmission Provider

37.1 Information Required Annually from the Distributor: The Distributor shall provide, or have provided, on an annual basis all of the information stipulated in Régie decisions, orders and regulations including but not limited to the following:

(i) A description of load at each Point of Delivery. This description shall separately identify and provide the Distributor's best estimate of the total loads to be served at each transmission voltage level, and the loads to be served from each Transmission Provider substation at the same

transmission voltage level. The description shall include a ten (10) year forecast of the load and resources needed at the coincident and non-coincident peak in summer and winter;

(ii) The amount and location of any interruptible loads included in the Native Load. This shall include the summer and winter capacity requirements for each interruptible load (as if such load were not interruptible), that portion of the load subject to Interruption, the conditions under which an Interruption can be implemented and any limitations on the amount and frequency of Interruptions. The Distributor shall identify the amount of interruptible customer load (if any) included in the 10-year load forecast provided in response to (i) above;

(iii) A description of Distributor Resources (present and 10-year projection). For each on-system resource, such description shall include:

- The size of the unit and the capacity from that unit to be designated as Distributor Resource, including generating stations used to deliver heritage pool electricity and those used to supply any other Distributor Resource located in the Transmission Provider's Control Area
- VAR capability (both leading and lagging) of all generators
- Operating restrictions:
  - Any periods of restricted operation throughout the year
  - Maintenance schedules
  - Minimum loading level of the unit
  - Normal operating level of the unit
  - Any must-run unit designations required for system reliability or contract reasons
- The list of management measures for redispatch

For each off-system resource, such description shall include:

- Identification of the resource as an off-system resource
- Amount of capacity to which the Distributor has rights
- Identification of the control area from which the capacity will originate
- Delivery point(s) to the Transmission Provider's Transmission System;
- Transmission arrangements on the external transmission system(s)
- Operating restrictions, if any
  - Any periods of restricted operations throughout the year
  - Maintenance schedules
  - Minimum loading level of unit
  - Normal operating level of unit
  - Any must-run unit designations required for system reliability or contract reasons
- Approximate variable generating cost ($/MWh) for redispatch computations;

(iv) Planned use for each of the interconnections between the Transmission Provider's system and neighboring systems (present and 10-year projection), in MW and MWh for on-peak and off-peak periods for each year; and

(v) A statement signed by an authorized officer from or agent of the Distributor attesting that: (1) except for resources that may be used to deliver heritage pool electricity, the Distributor owns the resources listed in Section 37.1 (iii), has committed to purchase generation in the quantities approved by the Régie, or pursuant to an executed contract, or has committed to purchase generation where execution of a contract is contingent upon the availability of transmission service under Part IV of the Tariff; and (2) that the designated Distributor Resources do not

include any resource, or any portion thereof, that is committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Distributor's Native Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program.

37.2 Distributor Facilities: The provision of Native-Load Transmission Service shall be contingent upon the Distributor constructing, operating and maintaining the facilities on its distribution system needed to reliably deliver capacity and energy from the Transmission Provider's system to the Distributor's system. The Distributor has sole responsibility for constructing and installing all facilities located on its system. However, when appropriate to do so, the Transmission Provider and Distributor shall jointly plan upgrades to their respective systems in order to minimize costs, subject to applicable technical arrangements.

The Distributor shall ensure that the facilities of Native-Load Customers connected to the Transmission System comply with the Technical Requirements for Connection set forth in Section 1.28.1 paragraphs (i) and (iii) herein.

38 Distributor Resources

38.1 Designation of Distributor Resources: Distributor Resources shall include all generation purchased by the Distributor and designated to supply Native Load under the provisions herein. Distributor Resources cannot include resources, or any portion thereof, that are committed for sale to third-party load other than the Native Load or otherwise cannot be called upon to supply the Distributor's Native Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program. Generating stations able to supply the Distributor's Native Load in date of January 1, 2001 shall be included in designated Distributor Resources until such time as written notice to the contrary is given by the Distributor to the Transmission Provider.

38.2 Designation of New Distributor Resources: The Distributor may designate a new resource, giving the Transmission Provider written notice as much in advance as practicable and the Transmission Provider shall post this new designation on its OASIS site. For a resource using a path posted on the Transmission Provider's OASIS site, the designation of a new Distributor Resource must be made through that site by the Distributor. The new designation must include a statement attesting (1) that except for a resource that may be used to deliver heritage pool electricity, the Distributor owns the resource, has committed to purchase generation in the quantities approved by the Régie, or pursuant to an executed contract, or has committed to purchase generation where execution of a contract is contingent upon the availability of transmission service under Part IV of the Tariff; and (2) that the Distributor Resources do not include any resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Distributor's Native Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program. The new designation will be deemed deficient if it does not include this statement and the Transmission Provider will follow the procedures for a deficient application as described in Section 29.2 of the Tariff.

A Connection Agreement entered into by the Transmission Provider and the owner of a new designated resource or a new generating station able to supply a resource designated by the Distributor is required before the Transmission Provider may proceed with the Network Upgrades required to integrate such new resource.

38.3 Termination of Distributor Resources: The Distributor may terminate at any time the designation of all or part of a resource but shall so notify the Transmission Provider in writing as soon as reasonably practicable. For a resource using a path posted on the Transmission Provider's OASIS site, the Distributor shall do so through that site no later than the firm scheduling deadline for the period of termination. For a resource not using a path posted on OASIS, the information below shall be posted on OASIS by the Transmission Provider. Termination of Distributor Resource status must indicate whether termination is indefinite or temporary. An indefinite

termination of Distributor Resource status must indicate the date and time that the termination is to be effective, and the identification and capacity of the resource(s) or portions thereof to be indefinitely terminated. A temporary termination of Distributor Resource status must include the following:

(i) Effective date and time of temporary termination;

(ii) Effective date and time of redesignation, following period of temporary termination;

(iii) Identification and capacity of resource(s) or portions thereof to be temporarily terminated;

(iv) Resource description and attestation for redesignating the Distributor Resource following the temporary termination, in accordance with Section 38.2; and

(v) Identification of any related transmission service requests or designations of resources to be evaluated concomitantly with the temporary termination, so that such service requests or designations of resources may be examined. The evaluation of these related transmission service requests or designations of resources must take into account the termination of the Distributor Resources identified in (iii) above, as well as all competing transmission service requests of higher priority. Should the related transmission service requests or designations of resources be rejected, the Distributor shall be deemed not to have terminated the resources.

As part of a temporary termination, the Distributor may only redesignate the same resource that was originally designated, or a portion thereof. The designation of a different resource and/or a resource with increased capacity will be deemed deficient and the Transmission Provider will follow the procedures for a deficient application as described in Section 29.2 of the Tariff.

38.4 Changes in Service Requests: The Distributor's decision to cancel, delay or materially modify a requested change in Transmission Service in order to add a new resource shall under no circumstances relieve in any way the Distributor, or its power supplier, of its obligation to pay the costs of Network Upgrades made by the Transmission Provider pursuant to Attachment J herein.

38.5 Operation of Distributor Resources: The Distributor shall not operate its designated resources located in the Transmission Provider's Control Area such that the output of those facilities exceeds its Native Load, plus Non-Firm Sales delivered pursuant to Part II of the Tariff, plus losses, plus power sales under a reserve sharing program, plus sales that permit curtailment without penalty to serve its Native Load. This limitation shall not apply to changes in the operation of the Distributor Resources at the request of the Transmission Provider to respond to an emergency or other unforeseen condition which may impair or degrade the reliability of the Transmission System. For all of the Distributor Resources not physically connected with the Transmission Provider's Transmission System, the Distributor may not schedule delivery of energy in excess of the Distributor Resource's capacity, unless the Distributor supports such delivery within the Transmission Provider's Transmission System by either obtaining Point-to-Point Transmission Service or utilizing secondary service pursuant to Section 36.3. In the event that a Distributor's schedule at the delivery point for a Distributor Resource not physically interconnected with the Transmission Provider's Transmission System exceeds the Distributor Resource's designated capacity, excluding energy delivered using secondary service or Point-to-Point Transmission Service, the provisions of section 13.7 d) will apply.

38.6 Distributor Redispatch Obligation: The Distributor agrees that the Transmission Provider redispatch its resources if so required pursuant to Section 41.2. To the extent practicable, the redispatch of resources pursuant to this Section shall be on a least-cost, non-discriminatory basis between all Network Customers, Firm Point-to-Point Service Customers and Native-Load Customers.

38.7 Transmission Arrangements for Resources with No Physical Connection to the Transmission Provider's System: The Distributor shall be responsible for any arrangements necessary to deliver capacity and energy from a resource not physically connected to the Transmission Provider's system. The Transmission Provider shall undertake reasonable efforts to assist the Distributor in obtaining such arrangements, including the provision of any information or data required by the other entity pursuant to Good Utility Practice. Furthermore, when appropriate, the Transmission Provider may reserve transfer capability or lease transmission equipment on a third-party system and include the cost in its service cost, if that is an economical and technically acceptable solution, in order to take delivery of power to supply the Distributor's Native Load.

38.8 Limitation on Designation of Resources: Except for resources that may be used to deliver heritage pool electricity, the Distributor shall demonstrate that it owns the resource, or has committed to purchase generation in the quantities approved by the Régie, or pursuant to an executed contract in order to designate a generating resource as a Distributor Resource. Alternatively, the Distributor may establish that execution of a contract is contingent upon the availability of Transmission Service under Part IV herein.

39 Designation of Native Load

39.1 Native Load: The Distributor shall designate annually the individual loads comprising its Native Load on whose behalf the Transmission Provider will provide Transmission Service. The Distributor shall provide annually to the Transmission Provider, at a date agreed upon by both Parties, an annual description of the load at each Point of Delivery. This description shall separately identify and provide the Distributor's best estimate of the total loads to be served at each transmission voltage level, and the loads to be served from each Transmission Provider substation at the same transmission voltage level. The description shall include a ten (10) year forecast of the coincident load by satellite substation and by region, and the forecasted resources required to supply the coincident peak in winter and summer. The description shall also include the nature of the load, and both

active and reactive power for each satellite substation and for each load of 25 MW or greater connected to the Transmission System.

39.2 New Loads Connected to the Transmission Provider's System: The Distributor shall give the Transmission Provider written notice as much in advance as reasonably practicable of the designation of a new load that will be added to its Transmission System. In such notice, the Distributor shall state the maximum capacity to be transmitted over the system to supply this new load. The Transmission Provider shall use due diligence to make the Network Upgrades required to integrate the new load designated by the Distributor. When the Transmission Provider and the Distributor have jointly determined the need to add a new satellite substation or a new line to supply the Distributor's Native Load, or to modify an existing substation or line, this shall serve in lieu of advanced notice and shall constitute a service request by the Distributor. The costs associated with upgrades to the Transmission System required to accommodate a new Distributor load shall be reimbursed to the Transmission Provider by the Distributor pursuant to the principles set forth in Attachment J herein.

39.3 Load with No Physical Connection to the Transmission Provider's System: This Section applies to the subsequent addition of a new load not physically connected to the Transmission Provider's system. To the extent that the Distributor wishes to obtain Transmission Service for a load outside the Transmission Provider's system, the Distributor can elect to include the entire load as Native Load for all purposes under Part IV herein and designate resources in connection with such additional load. Should the Distributor give notice of its intent to add a new load as part of its Native Load under this Section, such notice shall constitute an Application for additional service by the Distributor pursuant to Part IV herein. When appropriate, the Transmission Provider may reserve transfer capability or lease transmission equipment on a third-party system and include the cost in its service cost, if that is an economical and technically acceptable solution, in order to supply electricity to the Distributor's Native Load.

39.4 Annual Updates of Load and Resource Information: The Distributor shall provide the Transmission Provider with annual updates of Native Load and resource forecasts pursuant to Sections 37 and 39 herein. The Distributor shall also give the Transmission Provider timely written notice of material changes to any other previously provided information relating to its Native Load, its resources, or other aspects of its facilities or operations affecting the Transmission Provider's ability to provide reliable service.

40 Additional Study Procedures for Native-Load Transmission Service Requests

40.1 Notice of Need for a System Impact Study: After receiving a written Application from the Distributor, the Transmission Provider shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of the Transmission Provider's methodology for conducting a System Impact Study is provided in Attachment D. If the Transmission Provider determines that a System Impact Study is necessary to provide the requested service, it shall so inform the Distributor as soon as practicable.

Except for Distributor requirements arising from growth in the Native Load, for which the Distributor annually submits its forecasts to the Transmission Provider pursuant to Section 37.1 paragraph (i) herein, the Distributor shall submit a request for a System Impact Study for all other requirements, notably for supplying new specific industrial loads, supplying new loads not physically connected to the Transmission Provider's system, connecting new Distributor Resources and having the Transmission Provider conduct strategic and orientation studies required by the Distributor.

40.2 Costs of Impact Studies for Supplying the Native Load: The Transmission Provider shall maintain separate accounting, pursuant to Section 8.2 herein, for all impact studies conducted at the Distributor's request. No costs shall be charged to the Distributor for conducting impact studies needed to supply the Native Load. No fees shall be charged to the Transmission Provider by the Distributor when the Distributor's services are required to help complete an impact study requested of the Transmission Provider and such costs are not reimbursed.

40.3 System Impact Study Procedures: Once the Transmission Provider has determined the need for a System Impact Study, it shall use due diligence to complete such System Impact Study within a reasonable time. The System Impact Study shall identify: (1) all system constraints, identified with specificity by transmission element; (2) when required by the Distributor, redispatch options, including estimated costs of redispatch of which the Transmission Provider is aware; (3) when required by the Distributor, available options for installation of automatic devices to curtail service; and (4) additional Network Upgrades required to provide the requested service. For the study of redispatch options requested by the Distributor, the System Impact Study shall: (1) identify all resources located within the Transmission Provider's Control Area that can significantly contribute toward relieving system constraints and be used for redispatch, pursuant to Section 15.4; and (2) provide a measurement of each such resource's impact on system constraints. If the Transmission Provider possesses information indicating that any resource outside its Control Area could relieve the constraint, it shall identify each such resource in the System Impact Study. In the event that the Transmission Provider is unable to complete the required System Impact Study within the allotted time, it shall so notify the Distributor and provide an estimated completion date. A copy of the completed System Impact Study and related work papers shall be made available to Distributor as soon as the System Impact Study is complete. The Transmission Provider shall use the same due diligence in completing the System Impact Study for the Distributor as it uses when completing studies for itself. The Transmission Provider shall notify the Distributor immediately upon completion of the System Impact Study whether the Transmission System will be adequate to accommodate all or part of a service request, or whether costs are likely to be incurred for Network Upgrades. Within forty-five (45) days of completion of the System Impact Study, the Distributor shall provide written confirmation to the Transmission Provider that it maintains the service request addressed by the impact study in order that the Transmission Provider as early as practicable may commence the required Network Upgrades.

40.4 Completion of Network Upgrades: If a System Impact Study indicates that Network Upgrades are needed to accommodate the Distributor's service

request, the Transmission Provider shall proceed with the required Network Upgrades in a reasonable time after receiving from the Distributor a written request whereby the latter agrees to reimburse the Transmission Provider for the Network Upgrades pursuant to the principles set forth in Attachment J herein. Immediately upon receiving the Distributor's written request, the Transmission Provider shall use due diligence to begin timely implementation of the agreed Network Upgrades in order to accommodate the Distributor's requirements.

40.5 Distributor Calls for Tenders for the Purchase of Electricity: At the Distributor's request, the Transmission Provider shall conduct studies required by the Distributor, following methodology agreed upon with the latter, to evaluate the costs and time for completing Network Upgrades required to integrate new resources to supply the Distributor's Native Load. If upgrades to the Transmission Provider's system are then required, the Distributor shall reimburse the Transmission Provider for the actual cost of such Network Upgrades pursuant to the principles set forth in Attachment J herein. The capacity required to complete Distributor calls for tenders is entered in the sequence of System Impact Studies following the procedure set forth in Section 12A.3.

41 Load Shedding and Curtailments

41.1 Procedures: The Transmission Provider and Distributor shall establish Load-Shedding and Curtailment procedures pursuant to the Network Operating Agreement with the objective of responding to contingencies on the Transmission System. The Parties shall implement such programs during any period when the Transmission Provider determines that a system contingency exists and such procedures are necessary to alleviate the contingency. The Transmission Provider shall notify in a timely manner all other customers that are affected by scheduled Curtailments pursuant to Parts II and III herein.

41.2 Transmission Constraints: During any period when the Transmission Provider determines that a transmission constraint exists on the Transmission System, and such constraint may impair the reliability of the Transmission Provider's system, the Transmission Provider shall take whatever actions, consistent with Good Utility Practice, are reasonably necessary to maintain the reliability of its system. To the extent the Transmission Provider determines that the reliability of the Transmission System can be maintained by redispatching resources, the Transmission Provider shall initiate procedures pursuant to the Network Operating Agreement to redispatch all resources on a least-cost basis without regard to the ownership of such resources. For all designated and non-designated resources supplying Distributor loads, the Distributor shall submit to the Transmission Provider, and update on an ongoing as-needed basis, the order of priority in which Distributor Resources shall be affected by the measures implemented by the Transmission Provider to relieve a constraint on the Transmission System.

41.3 Cost Responsibility for Relieving Transmission Constraints: Whenever the Transmission Provider implements least-cost redispatch procedures in response to a transmission constraint, Firm Point-to-Point Transmission Service Customers, Network Customers and the Distributor for Native-Load Customers shall all bear a proportionate share of the total redispatch cost based on their respective transactions affected by redispatch.

41.4 Curtailments of Scheduled Deliveries: If a transmission constraint on the Transmission Provider's system cannot be relieved through the implementation of least-cost redispatch procedures and the Transmission Provider determines that it is necessary to curtail scheduled deliveries, the Distributor shall curtail its schedules in accordance with the Network Operating Agreement. For this purpose, the Distributor shall submit to the Transmission Provider, and update on an ongoing as-needed basis, the order of priority in which Distributor Resources shall be affected by the Curtailment of scheduled deliveries.

41.5 Allocation of Curtailments: The Transmission Provider shall, on a non-discriminatory basis, curtail the transactions that effectively relieve the constraint. However, to the extent practicable and consistent with Good Utility Practice, any Curtailment shall be proportionally shared among Firm Point-to-Point Transmission Service Customers, Native-Load Customers and Network Customers.

41.6 Load Shedding and Generation Rejection: To the extent that a system contingency exists on the Transmission Provider's system and the Transmission Provider determines that it is necessary for Firm Point-to-Point Transmission Service Customers, Native-Load Customers and Network Customers to shed load, the Parties shall shed load in accordance with previously established procedures under the Network Operating Agreement.

To the extent that a system contingency exists on the Transmission Provider's system and the Transmission Provider determines that it is necessary for Firm Point-to-Point Transmission Service Customers, Native-Load Customers and Network Customers to reject generation from generating station units among resources designated by the Distributor, the Parties shall perform generation rejection in accordance with previously established procedures under the Network Operating Agreement.

41.7 System Reliability: Notwithstanding any other provisions herein, for cases under Section 41 herein, the Transmission Provider reserves the right, consistent with Good Utility Practice and on a not unduly discriminatory basis, to curtail Native-Load Transmission Service without liability on the Transmission Provider's part for the purpose of making necessary adjustments to, changes in, or repairs on its lines, substations and facilities, and in cases where the continuance of Native-Load Transmission Service would endanger persons or property. In the event of any adverse condition(s) or disturbance(s) on the Transmission Provider's system or on any other system(s) directly or indirectly interconnected with the Transmission Provider's system, the Transmission Provider, consistent with Good Utility Practice, may also curtail Native-Load Transmission Service in order to (i) limit the extent of or damage by the adverse condition(s) or disturbance(s), (ii) prevent damage to generating or transmission facilities, or (iii) expedite

restoration of service. The Transmission Provider shall give the Distributor as much advance notice as is practicable in the event of such Curtailment. Any Curtailment of Transmission Service may not unduly discriminate between use of the Transmission System for firm service offered under Part II, Part III and Part IV herein.

42 Rates and Charges

The Distributor shall pay the Transmission Provider any applicable charges for Network Upgrades, provide Ancillary Services required to supply the Native Load and pay applicable study costs, pursuant to the provisions herein, along with the charges below.

42.1 Monthly Demand Charge: Every month, the Distributor shall pay a monthly demand charge, which corresponds to one-twelfth (1/12) of the amount specified in Attachment H herein, less any amount payable during the month by a customer whose load was previously part of the Distributor's Native Load and who has reserved, to supply such load, a Transmission Service under Part II or Part III herein, until such time as the exclusion of such load from the Distributor's Native Load has been taken into account by the Régie in determining applicable transmission rates under the provisions herein.

42.2 Stranded Cost Recovery: The Transmission Provider may seek to recover stranded costs from the Distributor in accordance with the conditions set forth by the Régie. However, the Transmission Provider shall separately file to the Régie any proposal to recover stranded costs.

4.3 Operating Agreements

43.1 Operation under the Network Operating Agreement: The Distributor shall plan, construct, operate and maintain its facilities in accordance with Good Utility Practice and with the Network Operating Agreement.

43.2 Network Operating Agreement: The terms and conditions under which the Distributor shall operate its facilities and the technical and operational considerations associated with the implementation of Part IV herein shall be specified in the Network Operating Agreement. The Network Operating Agreement shall provide for the Parties to (i) operate and maintain equipment necessary for integrating the Distributor's Native Load directly connected to the Transmission Provider's system (including but not limited to remote terminal units, metering, communications and relaying equipment), (ii) transmit data between the Parties (including but not limited to heat rates and operational characteristics of resources, generation schedules for units outside the Transmission Provider's Transmission System, interchange schedules, unit outputs for redispatch required under Section 41, voltage schedules, loss factors and other real-time data), (iii) use software required for data links and constraint dispatching, (iv) exchange data on forecasted loads and resources necessary for long-term planning, and (v) address any other technical and operational considerations required for implementation of Part IV herein, including scheduling protocols for Distributor Resources and loads.

The Network Operating Agreement shall specify that the Distributor shall either (i) satisfy Control Area requirements, including all necessary Ancillary Services, by contracting with the Transmission Provider, or (ii) satisfy Control Area requirements, including all necessary Ancillary Services, by contracting with another entity, consistent with Good Utility Practice, which satisfies NERC and NPCC requirements. The Transmission Provider shall not without valid reason refuse to accept contractual arrangements with another entity for Ancillary Services. The Network Operating Agreement is included in Attachment G herein.

43.3 Technical Committee: A Technical Committee shall be established between the Transmission Provider and the Distributor to carry out the required technical coordination between the Parties. The Technical Committee shall deal with all administrative issues arising from the respective responsibilities of the Parties under the Network Operating Agreement. The Technical Committee shall meet from time to time as required, but no less than once a year.

The Technical Committee so constituted shall notably establish the rules governing the Parties' respective requirements for technical exchanges, for the conduct of impact studies for supplying the Native Load, for delivery scheduling, for planning of generating facility outage and related operating constraints, for real-time application of management measures for supply/demand balancing, for Load Shedding and Curtailments, for transmission of real-time operating data and management of Ancillary Service provided by the Distributor, and for any other system operation requirement, the whole in accordance with the provisions of this Tariff.

Part V. Coming into Force

44.1 Superseding of Past OATT Text: The text of the *Hydro-Québec Open Access Transmission Tariff* herein supersedes the text bearing the same name approved by the Régie in Decisions D-2025-022 and D-2025-032.

a supprimé: D-2022-053, D-2022-063, D-2022-148

a supprimé: D-2024-134

44.2 Coming into Force of Rates: The text of the *Hydro-Québec Open Access Transmission Tariff* herein shall come into force on XXX XX, 2026, with the exception of Sections 15.7 and 28.5, and Schedules 1 through 3, 6, 7, 9 and 10, Attachment H and section E of Attachment J, which shall come into force on January 1, 2028.

a supprimé: March 5, 2025

a supprimé: and

a supprimé: 2025

In accordance with Decisions D-2015-209 D-2016-190 and D-2017-102, Section 12A.2 paragraph (i), is revoked as of December 18, 2015 except as it applies to the Transmission Service Agreements which are the source of the Generator's acquired rights, and to which Section 12A.2 paragraph (i), continues to apply and produce its legal effects. The exercise of these acquired rights is subject to the regulatory regime set out in Section 12A.2 of the Hydro-Québec Open Access Transmission Tariff then in force.

Schedules 4 and 5 approved by Decisions D-2021-008 and D-2021-021 shall come into force on April 1, 2021 and shall continue to apply until superseded.

Schedule 1

System Control Service

This service is required to schedule the movement of power through, within, out of, or into a Control Area. This service can be provided only by the operator of the Control Area in which are located the transmission facilities used for Transmission Service. System Control Service shall be provided directly by the Transmission Provider. The Transmission Customer must purchase this service from the Transmission Provider.

At present, the Transmission Provider does not have a separate rate for this service.

Schedule 2

Voltage Control Service

In order to maintain transmission voltages on the Transmission Provider's transmission facilities within acceptable limits, generating facilities and non-generation resources capable of providing this service (located in the same Control Area as the Transmission Provider's transmission facilities) are operated to produce or absorb reactive power. Thus, an amount of reactive power must be produced or absorbed by generating facilities or other sources for each reservation on the Transmission Provider's transmission facilities. The amount of reactive power required is based on the reactive power support necessary to maintain transmission voltages within limits that are generally accepted in the region and consistently adhered to by the Transmission Provider.

Voltage Control Service from generating facilities or other sources shall be provided directly by the Transmission Provider. The Transmission Customer must purchase this service from the Transmission Provider. The charges for such service are applicable to Reserved Capacity based on the rates set forth below.

Yearly delivery: $0.28/kW-year per kW reserved

Monthly delivery: $0.02/kW-month per kW reserved

Weekly delivery: $5.38/MW-week per MW reserved

Daily delivery – firm service: $1.08/MW-day per MW reserved

Daily delivery – non-firm service: $0.77/MW-day per MW reserved

Hourly delivery: $0.03/MW-hour per MW reserved

a supprimé: 30

a supprimé: 03

a supprimé: 77

a supprimé: 15

a supprimé: 82

Schedule 3

Frequency Control Service

Frequency Control Service is necessary to provide for the continuous balancing of resources (generation and interchange) with load, and for maintaining system frequency at sixty cycles per second (60 Hz). Frequency Control Service is accomplished by committing on-line generation whose output is raised or lowered (predominantly through the use of automatic generation control equipment, load-frequency control) and by other non-generation resources capable of providing this service to follow the moment-by-moment changes in load. The obligation to maintain this balance between resources and load lies with the Transmission Provider. The Transmission Provider shall offer this service when the Transmission Service is used to supply a load within its Control Area. The Transmission Customer shall either purchase this service from the Transmission Provider or make comparable alternative arrangements for obtaining this service from facilities located within the Control Area in order to satisfy its Frequency Control Service obligation. The charges for such service are applicable to Reserved Capacity based on the rates set forth below.

Yearly delivery: $0.28/kW-year per kW reserved

a supprimé: 30

Monthly delivery: $0.02/kW-month per kW reserved

a supprimé: 03

Weekly delivery: $5.38/MW-week per MW reserved

a supprimé: 77

Daily delivery – firm service: $1.08/MW-day per MW reserved

a supprimé: 15

Daily delivery – non-firm service: $0.77/MW-day per MW reserved

a supprimé: 82

Hourly delivery: $0.03/MW-hour per MW reserved

Schedule 4

Generator Imbalance Service

Generator Imbalance Service is provided when the output of a generating unit synchronized to the Transmission Provider's system does not match the output that unit is scheduled to supply to (1) another Control Area or (2) a load in the Transmission Provider's Control Area in a given hour. The Transmission Provider is required to offer Generator Imbalance Service insofar as it is able to do so using its resources or those made available to it, where the Transmission Service is used to deliver energy from a generating unit synchronized to its Transmission System. The Transmission Customer must either purchase this service from the Transmission Provider or make comparable alternative arrangements, which may include using non-generation resources able to ensure this service, in order to fulfill its obligation to provide Generator Imbalance Service. The Transmission Provider may impose a penalty on the Transmission Customer for generator imbalances under this Schedule or for energy imbalances under Schedule 5 if either occurs during the same hour, but not for both, except if the imbalances have a combined aggravating rather than offsetting effect.

The provisions of this Schedule do not apply to a generating unit synchronized to the Transmission Provider's system and located in another Control Area if the Reliability Coordinator for Québec and the Reliability Coordinator for the Control Area in which this generating unit is located have agreed to ensure adherence to schedules.

Generator Imbalance Service is charged based on the following deviation bands: (i) charge for the hourly generator imbalance(s) within a ± 1.5% deviation (minimum of 2 MW) from the scheduled transaction(s) (Band 1), applicable on a monthly basis to the net balance of the generator imbalance(s) resulting from one or more of the Transmission Customer's scheduled transactions, payable at the end of each month and equalling 100% of the monthly incremental price or 100% of the monthly decremental price, (ii) charge for the portion of hourly deviation from the scheduled transaction greater than ± 1.5% up to ± 7.5% (or greater than 2 up to 10 MW) (Band 2), applicable on an hourly basis to any generator imbalance arising from one or more of the Transmission Customer's scheduled transactions, payable at the end of each month and equalling 105% of the incremental price or 95% of the decremental price, and (iii) charge for the portion of hourly deviation

from the scheduled transaction greater than ± 7.5% (or greater than 10 MW) (Band 3), applicable on an hourly basis to any generator imbalance arising from one or more of the Transmission Customer's scheduled transactions and equalling 120% of the incremental price or 80% of the decremental price.

Notwithstanding the foregoing, if in any calendar year the combined volume in absolute value of positive and negative hourly generator imbalances for Band 2 and Band 3 exceeds 10 GWh, the charges for the Generator Imbalance Service shall be paid at the end of each month for the remaining of the year: (1) by a payment equalling 115% of the incremental price or 85% of the decremental price for Band 2, and (2) by a payment equalling 130% of the incremental price or 70% of the decremental price for Band 3.

An intermittent resource shall be exempt from the Band 3 charge and shall pay the Band 2 charge for all deviations exceeding Band 1. For the purposes of this Schedule, an intermittent resource is an electricity generating unit with non-dispatchable output, driven by a non-storable source of energy and which thus cannot respond either to variations in system load or to security-related transmission constraints.

Notwithstanding the foregoing, deviations from scheduled transactions arising from directives issued by the Transmission Provider shall not be charged according to the above bands; the resulting amounts shall instead be settled at the end of the month by a payment of 100% of the incremental or decremental price. Such directives may be related to correcting a drop in frequency, responding to a reserve sharing event or shifting generation to relieve congestion.

For the purposes of this Schedule, the hourly incremental price and the hourly decremental price are established as follows, converted into Canadian dollars at the Bank of Canada daily exchange rate:

(1) Hourly incremental price: This price equals the highest hourly price for each hour among the following three (3) markets: (1) New York: the NYISO Real-time price (Zone M) ("NY Hourly Incremental Price"); (2) New England: the ISO-NE Real-time price for Phase II (Sandy Pond) ("NE Hourly Incremental Price"); and (3) Ontario: the IESO hourly market price (Outaouais) ("ONT Hourly Incremental Price").

(2) Hourly decremental price: This price equals the lowest hourly price for each hour among the following three (3) markets: (1) New York: the NYISO Real-time price (Zone M) ("NY Hourly Decremental Price"); (2) New England: the ISO-NE Real-time

price for Phase II (Sandy Pond) ("NE Hourly Decremental Price"); and (3) Ontario: the IESO hourly market price (Outaouais) ("ONT Hourly Decremental Price").

Also for the purposes of this Schedule, the monthly incremental price and the monthly decremental price for compensation of Band 1 are established as follows, converted into Canadian dollars at the Bank of Canada daily exchange rate:

(1) Monthly incremental price: This price equals the highest monthly price between each of the following three (3) markets: (1) New York: monthly average of the NYISO Real-time price (Zone M) ("NY Monthly Incremental Price"); (2) New England: monthly average of the ISO-NE Real-time price for Phase II (Sandy Pond) ("NE Monthly Incremental Price"); and (3) Ontario: monthly average of the IESO hourly market price (Outaouais) ("ONT Monthly Incremental Price").

(2) Monthly decremental price: This price equals the lowest monthly price between each of the following three (3) markets: (1) New York: monthly average of the NYISO Real-time price (Zone M) ("NY Monthly Decremental Price"); (2) New England: monthly average of the ISO-NE Real-time price for Phase II (Sandy Pond) ("NE Monthly Decremental Price"); and (3) Ontario: monthly average of the IESO hourly market price (Outaouais) ("ONT Monthly Decremental Price").

In all instances, the incremental price applies to the amount paid by the customer when the quantity of electricity the Transmission Provider receives falls short of the quantity scheduled by the Customer and the decremental price applies to the amount paid by the Transmission Provider when the quantity of electricity received from the customer exceeds the scheduled amount. For the purpose of this Schedule 4, any negative market price is deemed to be $0.00/MWh.

Schedule 5

Energy Imbalance Service – Delivery

Energy Imbalance Service – Delivery is provided when a difference occurs between the scheduled delivery and the actual delivery of energy to a load located within the Transmission Provider's Control Area over a single hour. The Transmission Provider shall offer this service where 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 comparable alternative arrangements, which may include using non-generation resources able to ensure this service, in order to fulfill its obligation to provide Energy Imbalance Service. The Transmission Provider may impose a penalty on the Transmission Customer for energy imbalances under this Schedule or for generator imbalances under Schedule 4 if either occurs during the same hour, but not for both, except if the imbalances have a combined aggravating rather than offsetting effect.

Energy Imbalance Service is charged based on the following deviation bands: (i) charge for the hourly energy imbalance(s) within a ± 1.5% deviation (minimum of 2 MW) from the scheduled transaction(s) (Band 1), applicable on a monthly basis to the net balance of the energy imbalance(s) resulting from one or more of the Transmission Customer's scheduled transactions, payable at the end of each month and equalling 100% of the monthly incremental price or 100% of the monthly decremental price, (ii) charge for the portion of hourly deviation from the scheduled transaction greater than ± 1.5% up to ± 7.5% (or greater than 2 up to 10 MW) (Band 2), applicable on an hourly basis to any energy imbalance arising from one or more of the Transmission Customer's scheduled transactions, payable at the end of each month and equalling 105% of the incremental price or 95% of the decremental price, and (iii) charge for the portion of hourly deviation from the scheduled transaction greater than ± 7.5% (or greater than 10 MW) (Band 3), applicable on an hourly basis to any energy imbalance arising from one or more of the Transmission Customer's scheduled transactions and equalling 120% of the incremental price or 80% of the decremental price.

Notwithstanding the foregoing, if in any calendar year the combined volume in absolute value of positive and negative hourly energy imbalances for Band 2 and Band 3 exceeds

10 GWh, the charges for the Energy Imbalance Service shall be paid at the end of each month for the remaining of the year: (1) by a payment equalling 115% of the incremental price or 85% of the decremental price for Band 2, and (2) by a payment equalling 130% of the incremental price or 70% of the decremental price for Band 3.

For the purposes of this Schedule, the hourly incremental price and the hourly decremental price are established as follows, converted into Canadian dollars at the Bank of Canada daily exchange rate:

(1) Hourly incremental price: This price equals the highest hourly price for each hour among the following three (3) markets: (1) New York: the NYISO Real-time price (Zone M) ("NY Hourly Incremental Price"); (2) New England: the ISO-NE Real-time price for Phase II (Sandy Pond) ("NE Hourly Incremental Price"); and (3) Ontario: the IESO hourly market price (Outaouais) ("ONT Hourly Incremental Price").

(2) Hourly decremental price: This price equals the lowest hourly price for each hour among the following three (3) markets: (1) New York: the NYISO Real-time price (Zone M) ("NY Hourly Decremental Price"); (2) New England: the ISO-NE Real-time price for Phase II (Sandy Pond) ("NE Hourly Decremental Price"); and (3) Ontario: the IESO hourly market price (Outaouais) ("ONT Hourly Decremental Price").

Also for the purposes of this Schedule, the monthly incremental price and the monthly decremental price for compensation of Band 1 are established as follows, converted into Canadian dollars at the Bank of Canada daily exchange rate.

(1) Monthly incremental price: This price equals the highest monthly price between each of the following three (3) markets: (1) New York: monthly average of the NYISO Real-time price (Zone M) ("NY Monthly Incremental Price"); (2) New England: monthly average of the ISO-NE Real-time price for Phase II (Sandy Pond) ("NE Monthly Incremental Price"); and (3) Ontario: monthly average of the IESO hourly market price (Outaouais) ("ONT Monthly Incremental Price").

(2) Monthly decremental price: This price equals the lowest monthly price between each of the following three (3) markets: (1) New York: monthly average of the NYISO Real-time price (Zone M) ("NY Monthly Decremental Price"); (2) New England: monthly average of the ISO-NE Real-time price for Phase II (Sandy Pond) ("NE Monthly Decremental Price"); and (3) Ontario: monthly average of the IESO hourly market price (Outaouais) ("ONT Monthly Decremental Price").

In all instances, the incremental price applies to the amount paid by the customer when the quantity of electricity the Transmission Provider receives falls short of the quantity delivered by the latter, augmented by the transmission loss factor specified in section 15.7, and the decremental price applies to the amount paid by the Transmission Provider when the quantity of electricity received from the customer exceeds the quantity delivered by the Transmission Provider, augmented by the transmission loss factor specified in section 15.7. For the purpose of this Schedule 5, any negative market price is deemed to be $0.00/MWh.

Schedule 6

Operating Reserve – Spinning Reserve Service

Spinning Reserve Service is needed to ensure continuity of Transmission Service when a system contingency exists. Spinning Reserve Service on the system may be provided by generating units that are on line and loaded at less than maximum output and by non-generation resources capable of providing this service. The Transmission Provider shall offer this service when the Transmission Service is used to serve load within its Control Area. The Transmission Customer shall either purchase this service from the Transmission Provider or make comparable alternative arrangements for obtaining this service from facilities located within the Transmission Provider's Control Area in order to satisfy its Spinning Reserve Service obligation. The charges for such service are applicable to Reserved Capacity based on the rates set forth below.

Yearly delivery: $1.03/kW-year per kW reserved

Monthly delivery: $0.09/kW-month per kW reserved

Weekly delivery: $19.81/MW-week per MW reserved

Daily delivery – firm service: $3.96/MW-day per MW reserved

Daily delivery – non-firm service: $2.82/MW-day per MW reserved

Hourly delivery: $0.12/MW-hour per MW reserved

a supprimé: 12

a supprimé: 21

a supprimé: 54

a supprimé: 4

a supprimé: 31

a supprimé: 3

a supprimé: 07

a supprimé: 13

Schedule 7

Operating Reserve – Non-Spinning Reserve Service

Non-Spinning Reserve Service is needed to serve load in the event of a system contingency. It is not available immediately, however, to serve load but rather within a short period of time. Non-Spinning 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 shall offer this service when the Transmission Service is used to serve load within its Control Area. The Transmission Customer shall either purchase this service from the Transmission Provider or make comparable alternative arrangements for obtaining this service from facilities located within the Transmission Provider's Control Area in order to satisfy its Non-Spinning Reserve Service obligation. The charges for such service are applicable to Reserved Capacity based on the rates set forth below.

Yearly delivery: $0.51/kW-year per kW reserved

Monthly delivery: $0.04/kW-month per kW reserved

Weekly delivery: $9.81/MW-week per MW reserved

Daily delivery – firm service: $1.96/MW-day per MW reserved

Daily delivery – non-firm service: $1.40/MW-day per MW reserved

Hourly delivery: $0.06/MW-hour per MW reserved

a supprimé: 56

a supprimé: 05

a supprimé: 10

a supprimé: 77

a supprimé: 2

a supprimé: 15

a supprimé: 53

Schedule 8

Ancillary Services Associated with Supplying the Native Load

The Distributor shall provide, or have provided by its Delivering Parties, the Ancillary Services specified below, which are required to ensure at all times Transmission System security and reliability.

Name of Service	**Purpose**	**Distributor's Responsibility**
1- Voltage Control	Keep system voltage within an acceptable range through the action of voltage regulators and the reactive power of generating stations	Provision
2- Frequency Control	Maintain frequency at 60 Hz through the action of load-frequency control	Provision
3- Spinning Reserve	Ensure continuity of service under first-contingency conditions	Provision
4- Non-Spinning Reserve	Offset losses in received power after a short period of time	Provision
5- Load Restoration (automatic)	Restore system load after an outage	Provision
6- Generation Control (load tracking)	Adjust to hourly load variations	Provision
7- System Stabilization	Maintain system integrity following an event by means of high-performance excitation systems and power-system stabilizers	Provision
8- Primary Frequency Control	Limit frequency variations and maintain system integrity following an event by means of speed governors installed at generating stations or any other means	Provision

9- Backup Supply	Supply loads exceeding forecasts and offset outages and restrictions with more than one hour advanced notice	Provision
10- Weather Response	Maintain system integrity by means of generation redispatch during storms or other weather events	Commitment
11- Minimum Generating Output	Maintain reserves, effective generation rejection and voltage plan	Commitment
12- Transmission Constraint Response	Maintain system integrity by limiting generation to comply with capacity limits	Commitment

Schedule 9

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

The Transmission Customer shall pay the Transmission Provider each month for the Firm Transmission Service Reserved Capacity, augmented by the transmission loss factor specified in Section 15.7 herein, based on the total of applicable rates set forth below.

1) Yearly delivery: one-twelfth of the demand charge of $81.86/kW of Reserved Capacity per year.

2) Monthly delivery: $6.82/kW of Reserved Capacity per month

3) Weekly delivery: $1.57/kW of Reserved Capacity per week

4) Daily delivery: $0.31/kW 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 point 3 above times the highest amount in kilowatts of Reserved Capacity in any day during that week.

a supprimé: 78.10

a supprimé: 6.51

a supprimé: 1.50

a supprimé: 0.30

Schedule 10

Non-Firm Point-to-Point Transmission Service

The Transmission Customer shall pay the Transmission Provider for the Non-Firm Transmission Service Reserved Capacity, augmented by the transmission loss factor specified in Section 15.7 herein, based on the total of applicable rates set forth below.

1) Monthly delivery: $6.82/kW of Reserved Capacity per month

2) Weekly delivery: $1.57/kW of Reserved Capacity per week

3) Daily delivery: $0.22/kW 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 under point 2 above times the highest amount in kilowatts of Reserved Capacity in any day during that week.

4) Hourly delivery: $9.34/MW of Reserved Capacity per hour

   The total demand charge in any day, pursuant to a reservation for hourly delivery, shall not exceed the rate specified in point 3 above times the highest amount in kilowatts of Reserved Capacity in any hour during that day. In addition, the total demand charge in any week, pursuant to a reservation for hourly or daily delivery, shall not exceed the rate specified in point 2 above times the highest amount in kilowatts of Reserved Capacity in any hour during that week.

a supprimé: 6.51

a supprimé: 1.50

a supprimé: 0.21

a supprimé: 8.92

Attachment A

Service Agreement Form for Firm Long-Term Point-to-Point Transmission Service

1.0 This Service Agreement, dated as of _____, is entered into by and between Hydro-Québec (the "Transmission Provider") and _____ (the "Transmission Customer").

2.0 The Transmission Customer has been determined by the Transmission Provider to have a Completed Application for Firm Point-to-Point Transmission Service under the *Hydro-Québec Open Access Transmission Tariff* (*OATT*).

3.0 The Transmission Customer has provided to the Transmission Provider an Application deposit in the amount of $_____, in accordance with the provisions of Section 17.3 of the *OATT*.

4.0 Service under this Agreement shall commence on the later of (1) _____, or (2) the date on which construction of Network Upgrades is completed. Service under this Agreement shall terminate on _____.

5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Long-Term Firm Point-to-Point Transmission Service in accordance with the provisions of Part II of the *OATT* and this Service Agreement.

6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

_____

_____

Transmission Customer:

_____

_____

7.0 The *OATT* is incorporated herein and made a part hereof.

8.0 Applicable taxes shall be added to all charges set forth in the *OATT*.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Provider:

By: _____ _____ _____

Name Job Title Date

Transmission Customer:

By: _____ _____ _____

Name Job Title Date

Characteristics of Long-Term Firm
Point-to-Point Transmission Service

1.0 Term of Transaction:

Commencement Date: _____

Termination Date: _____

2.0 Description of capacity and energy to be transmitted by the Transmission Provider, including the electric Control Area in which the transaction originates.

_____

3.0 Point(s) of Receipt: _____

Delivering Party: _____

4.0 Point(s) of Delivery: _____

Receiving Party: _____

5.0 Maximum capacity and energy to be transmitted (Reserved Capacity):

_____

6.0 Designation of party(ies) subject to reciprocal service obligation:

_____

_____

_____

7.0 Name(s) of any Intervening System(s) providing Transmission Service:

_____

_____

8.0 Service under this Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the *OATT*.)

8.1 Transmission Charge: _____

_____

8.2 System Impact Study Charge: _____

_____

8.3 Revoked

8.4 Ancillary Services Charges: _____

_____

_____

_____

8.5 Redispatch Charges: _____

_____

8.6 Estimated charge for Network Upgrades the actual cost of which is paid by the Transmission Customer:

_____

_____

8.7 Estimated charge for Network Upgrades the actual cost of which is paid by the Transmission Customer in the event of abandonment:

_____

_____

9.0 Credit conditions applicable to this transmission service are as follows (and are subject to revision in accordance with the provisions of the *OATT*):

10.0 If applicable, conditional curtailment options (number of hours of interruption per year or system conditions) for the initial two-year period are as follows (and are subject to revision in accordance with the provisions of the *OATT*):

Attachment A-1

Form Of Service Agreement For The Resale, Reassignment Or Transfer Of Point-To-Point Transmission Service

1.0 This Service Agreement, dated as of _____, is entered into by and between _____ (the Transmission Provider), and _____ (the Assignee).

2.0 The Assignee has been determined by the Transmission Provider to be an Eligible Customer under the Tariff pursuant to which the transmission service rights to be transferred were originally obtained.

3.0 The terms and conditions for the transaction entered into under this Service Agreement shall be subject to the terms and conditions of Part II of the Transmission Provider's Tariff, except for those terms and conditions negotiated by the Reseller of the reassigned transmission capacity (pursuant to Section 23.1 of this Tariff) and the Assignee, to include: contract effective and termination dates, the amount of reassigned capacity or energy, point(s) of receipt and delivery. Changes by the Assignee to the Reseller's Points of Receipt and Points of Delivery will be subject to the provisions of Section 23.2 of this Tariff.

4.0 The Transmission Provider shall credit the Reseller for the price reflected in the Assignee's Service Agreement or the associated OASIS schedule.

5.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

Assignee:

6.0 The Tariff is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Provider:

By:

Name	Job Title	Date

Assignee:

By:

Name	Job Title	Date

Specifications For The Resale, Reassignment Or Transfer of Long-Term Firm Point-To-Point Transmission Service

1.0 Term of Transaction:

Start Date: _____

Termination Date: _____

2.0 Description of capacity and energy to be transmitted by Transmission Provider including the electric Control Area in which the transaction originates.

_____

3.0 Point(s) of Receipt: _____

Delivering Party: _____

4.0 Point(s) of Delivery: _____

Receiving Party: _____

5.0 Maximum amount of reassigned capacity: _____

_____

6.0 Designation of party(ies) subject to reciprocal service obligation:

_____

_____

_____

7.0 Name(s) of any Intervening Systems providing transmission service:

_____

_____

8.0 Service under this Agreement may be subject to some combination of the charges detailed below. [The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff (or the OATT.)]

8.1 Transmission Charge: _____

_____

8.2 System Impact and/or Facilities Study Charge(s):

_____

8.3 Ancillary Services Charges: _____

_____

9.0 Credit conditions applicable to this transmission service are as follows (and are subject to revision in accordance with the provisions of the *OATT*):

_____

_____

_____

10.0 If applicable, conditional curtailment options (number of hours of interruption per year or system conditions) for the initial two-year period are as follows (and are subject to revision in accordance with the provisions of the *OATT*):

_____

_____

_____

11.0 Name of Reseller of the reassigned transmission capacity:

_____

_____

Attachment B

Umbrella Service Agreement Form for Firm or Non-Firm Short-Term Point-to-Point Transmission Service

1.0 This Service Agreement covering periods of less than one (1) year, dated as of _____, is entered into by and between Hydro-Québec (the "Transmission Provider") and _____ (the "Transmission Customer").

2.0 The Transmission Customer has been determined by the Transmission Provider to be a Transmission Customer under Part II of the *Hydro-Québec Open Access Transmission Tariff* (*OATT*) and has submitted a Completed Application for Firm or Non-Firm Point-to-Point Transmission Service for periods of less than one (1) year in accordance with Section 17.2 or 18.2 of the *OATT*.

3.0 Service under this Agreement shall be provided by the Transmission Provider upon request by an authorized representative of the Transmission Customer.

4.0 The Transmission Customer agrees to supply information the Transmission Provider deems reasonably necessary in accordance with Good Utility Practice in order for it to provide the requested service.

5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Firm or Non-Firm Point-to-Point Transmission Service reserved for periods of less than one (1) year in accordance with the provisions of Part II of the *OATT* and this Service Agreement.

6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

_____

_____

Transmission Customer:

_____

_____

7.0 The *OATT* is incorporated herein and made a part hereof.

8.0 Applicable taxes shall be added to all charges set forth in the *OATT*.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Provider:

By: _____ _____ _____

Name Job Title Date

Transmission Customer:

By: _____ _____ _____

Name Job Title Date

Attachment C

Methodology for Estimating Available Transfer Capability

The Transmission Provider offers Point-to-Point Transmission Service over its interconnections with neighboring systems. Data on the transfer capability of interconnections for given periods in the future is posted on the Transmission Provider's OASIS site. Each interconnection is indicated as a path linked to point HQT, which represents all Points of Receipt on the Transmission Provider's system, except the interconnections themselves.

The following guidelines and principles are applied to assess Available Transfer Capability (ATC):

(a) Good Utility Practice;

(b) Northeast Power Coordinating Council (NPCC), North American Electric Reliability Corporation (NERC) and North American Energy Standards Board (NAESB) criteria and guidelines; and

(c) Applicable Transmission Provider criteria and guidelines

Available Transfer Capability is the portion of Total Transfer Capability (TTC) that is unused after consideration of Transmission Reliability Margin (TRM) and requirements to:

(a) meet the obligations of existing Transmission Service for the delivery of resources to Native-Load Customers;

(b) meet the obligations of existing contracts under which Transmission Service is provided; and

(c) meet the obligations of accepted Applications for Transmission Service.

The non-firm transfer capability offered by the Transmission Provider is the maximum value available over the horizon considered.

Firm transfer capability offered by the Transmission Provider for annual and monthly horizons includes a provision of 5% of the duration to account for planned equipment

maintenance and other foreseen events that may occasionally reduce the firm transfer capability offered.

Firm transfer capability offered by the Transmission Provider for weekly and daily horizons is expected to be available for each hour of the applicable horizon.

1. Basic equations for calculating transfer capability

Operating and planning horizon

$$ATC_F = TTC - ETC_F - CBM - TRM + PBR_F + CF_F$$

$$ATC_{NF} = TTC - ETC_F - ETC_{NF} - CBM_S - TRM_U + PBR_{NF} + CF_{NF}$$

$$ETC_F = QCRD + NITS_F + GF_F + PTP_F + ROR_F + OS_F$$

$$ETC_{NF} = NITS_{NF} + GF_{NF} + PTP_{NF} + OS_{NF}$$

Scheduling horizon

$$ATC_F = TTC - ETC_F - CBM - TRM + PBR_F + CF_F$$

$$ATC_{NF} = TTC - ETC_F - ETC_{NF} - CBM_S - TRM_U + PBR_{NF} + PBNS + CF_{NF}$$

$$ETC_F = QCRD + NITS_F + GF_F + PTP_F + OS_F$$

$$ETC_{NF} = NITS_{NF} + GF_{NF} + PTP_{NF} + OS_{NF}$$

Where:

ATC_F :	Available Transfer Capability $_{firm}$
ATC_{NF} :	Available Transfer Capability $_{non\text{-}firm}$
TTC :	Total Transfer Capability as defined in Section 3a.
ETC_F :	Existing Transmission Commitments $_{firm}$ as defined in Section 3b.

ETC_{NF} : Existing Transmission Commitments $_{non\text{-}firm}$
as defined in Section 3b.

CBM : Capacity Benefit Margin
as defined in Section 3e. The Transmission Provider does not use CBM in calculating Available Transfer Capabilities (this term is zero on all horizons).

CBM_S : Capacity Benefit Margin $_{scheduled}$
as defined in Section 3e. CBM that has been scheduled. The Transmission Provider does not use CBM in calculating Available Transfer Capabilities (this term is zero on all horizons).

TRM : Transmission Reliability Margin
as defined in Section 3d.

TRM_U : Transmission Reliability Margin $_{unreleased}$
TRM that has not been released as defined in Section 3d.

PBR_F : Postbacks – Redirects $_{firm}$
adjustments to ATC_F due to a portion of PTP_F moved by the customer to another path and offered again as firm capacity on the original path.

PBR_{NF}: Postbacks – Redirects $_{non\text{-}firm}$
adjustments to ATC_{NF} due to a portion of PTP_F moved by the customer to another path and offered again as non-firm capacity on the original path.

CF_F : Counterflows $_{firm}$
adjustments to ATC_F due to firm capacity reserved over the related reverse path(s).
The Transmission Provider does not use CF_F in calculating Firm Available Transfer Capabilities (this term in ATC_F equation is zero on all horizons).

CF_{NF} : Counterflows $_{non\text{-}firm}$
adjustments to ATC_{NF} due to firm capacity reserved over the related reverse path(s).

PBNS : Postbacks – Non-Scheduled
adjustments to ATC_{NF} due to a portion of the non-scheduled ETC_F offered again as non-firm capacity.

QCRD : "Québec Ressource Désignée" [designated resource for Québec] capacity of a resource posted on OASIS and designated by the Distributor for supplying Québec Native Load.

$NITS_F$: Network Integration Transmission Service $_{firm}$
firm capacity reserved for that service.

$NITS_{NF}$: Network Integration Transmission Service $_{non\text{-}firm}$
non-firm capacity reserved for that service.

PTP_F : Point-to-Point $_{firm}$
firm capacity reserved for confirmed Point-to-Point Transmission Services.

PTP_{NF} : Point-to-Point $_{non\text{-}firm}$
non-firm capacity reserved for confirmed Point-to-Point Transmission Services.

ROR_F : Roll-Over Rights $_{firm}$
firm capacity reserved for renewal rights associated with Long-Term Firm Transmission Services.

GF_F : Grandfathered $_{firm}$
firm capacity reserved under acquired rights.

GF_{NF} : Grandfathered $_{non\text{-}firm}$
non-firm capacity reserved under acquired rights.

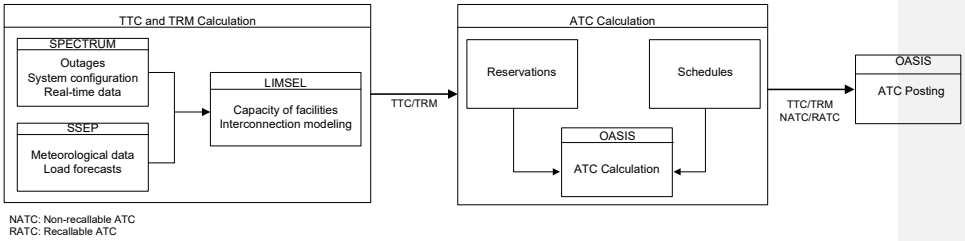
OS_F : Other Services $_{firm}$
firm capacity reserved under other types of Transmission Service.

OS_{NF} : Other Services $_{non\text{-}firm}$
non-firm capacity reserved or posted under other types of Transmission Service. Include $QCRND_{Distributor}$ and $QCRND_{Generator}$.

$QCRND_{Distributor}$: "Québec Ressource Non Désignée" [non-designated resource for Québec] capacity of a resource posted on OASIS but not designated by the Distributor for supplying Québec Native Load.

$QCRND_{Generator}$: "Québec Ressource Non Désignée" [non-designated resource for Québec] capacity of a resource posted on OASIS by the Generator for supplying Québec Native Load and not designated by the Distributor.

2. Steps in calculating transfer capability



3. Transfer capability components

a. Total transfer capability (TTC):

i) TTC is the amount of power that can be transmitted over an interconnection while ensuring that power system stability is maintained following a contingency and that voltage and thermal capacity limits comply with the Transmission Provider's rules and practices and with NPCC and NERC guidelines. TTCs are estimated at the boundary of the Transmission Provider facilities.

Projected TTC values for a path are always less than or equal to that path's reference total transfer capability (TTC_{ref}: the maximum TTC value demonstrated to be achievable and safe).

ii) To estimate TTC, the Transmission Provider uses off-line computer simulations to determine the operating limits of its Transmission System under a specific set of operating conditions. An operating limit is then established for each operating condition taken into account. Assumed operating conditions during the period under study are then compared to the limits determined previously.

TTC values for a specific period are calculated according to projected system operating conditions for that period.

TTC_{ref} values are coordinated with the neighboring system when facilities are designed and are reassessed annually during operation.

The transfer capability of a neighboring system has an impact on the amount of power that can be transferred over interconnections. Except for interconnection facilities jointly owned by the Transmission provider and neighboring system's transmission provider, parameters outside the Transmission Provider's control (facility outages, system operating conditions and limits) that affect the transfer capability of neighboring systems may be factored into the Transmission Provider TTC calculations.

iii) The Transmission Provider uses the following data to calculate TTC values:

- Forecast regional loads;
- Forecast ambient air temperatures;
- Scheduled generation from resources designated for supplying Native Load; and
- Approved outage schedules.

Hourly Québec capacity needs are forecast for the coming ten days on the basis of a combination of models that factor in hourly weather data. The forecasts are updated every five minutes according to the latest discrepancies observed. They are also updated every 20 minutes based on any new pertinent information. The load of the subsystems is forecast by means of a linear model relating the hourly capacity of each subsystem to the forecast of hourly Québec capacity needs. The forecast regional subsystem load is updated every 20 minutes, just after the forecast of hourly Québec capacity needs are calculated.

Beyond ten days, a longer-term forecast revised two to four times a year is used. That forecast establishes hourly Québec needs and weekly demand peaks corresponding to the Distributor's monthly forecasts for the current year and for the coming year.

When outages of certain transmission facilities in the interconnection systems occur, the amount of local generation available affects TTC values. Assumptions based on mean runoff are then used since run-of-river hydropower is involved.

Only actual outages and transmission facility outages planned for the long term or approved for the short term, are factored into the TTC calculation.

iv) The following factors affect the Transmission Provider's transfer capabilities.

- Transfer capability of interconnection systems:

  Interconnection systems are regional transmission systems operated at 120, 230 or 315 kV. These systems feed interconnections and sometimes also load-serving substations. The transfer capability of these systems can be limited by the thermal constraints of component equipment (transformers, transmission lines). Capability may also be limited by minimum-voltage constraints of component load-serving substations or by stability constraints of component generating stations.

- Electrical ratings for interconnection equipment:

  The Transmission Provider equipment is designed to be used in compliance with precise mechanical and electrical ratings. In particular, the thermal capacity of interconnection equipment varies with ambient air temperature. For most interconnection equipment, an increase in temperature results in a decrease in capacity.

- Equipment outages for facility maintenance:

  Equipment in the Transmission Provider's system must occasionally be taken out of service to ensure the maintenance of facilities. Such outages result in reduced transfer capability of interconnections.

- Loads connected to interconnection systems:

Some interconnection systems supply load-serving substations. The effect of such internal loads is factored into the TTC calculation for deliveries to the neighboring system.

For some interconnections, energy is transferred by switching a load block from a neighboring system to the Transmission Provider's system. The transfer capability then considers the maximum load, annual or seasonal, of the substations switched.

- Generation connected to interconnection systems:

  Some interconnections are supplied in part by local generating stations. The effect of such internal generation is factored into the TTC calculation for energy received from the neighboring system.

  For some interconnections, energy is transferred by switching generating units from one system to the other. Since the transfer capability in such instances considers the rated capacity of the generating units switched over rather than the output actually available, the calculated TTC for a given period may exceed the generation that can be transferred during that period.

  For interconnections where generating units must be isolated on the neighboring system, a prior agreement with the Generator operating the generating units is required for each request for reservation of Transmission Service over such interconnections, and this at the Generator's discretion.

- Single-contingency loss of load (SCLL) limit:

  The tripping of an interconnection being used for deliveries is equivalent to a loss of load on the Transmission Provider's system and results in a rise in system frequency. In order to ensure integrity of the Transmission Provider's system and continuity of service, the system operator limits the amount of load (MW) that can be tripped following a single contingency. This limit, called "SCLL", depends on the spinning capacity feeding the Transmission Provider's system and on the interconnection's location. The higher the spinning

capacity, the higher the SCLL limit. Generally, spinning capacity increases with deliveries, decreases with receipts and follows changes in load. The SCLL limit is thus most constrictive at low loads and maximum receipts. The TTC for deliveries that the Transmission Provider establishes for each interconnection takes the SCLL limit into account.

- Single-contingency loss of generation (SCLG) limit:

  The tripping of an interconnection being used to receive power is equivalent to a loss of generation on the Transmission Provider's system and results in a drop in system frequency. In order to ensure integrity of the Transmission Provider's system, the system operator limits the amount of generation (MW) that can be tripped following a single contingency. This limit, called "SCLG", depends on the spinning capacity feeding the Transmission Provider's system. The higher the spinning capacity, the higher the SCLG limit. Generally, spinning capacity increases with deliveries, decreases with receipts and follows changes in load. The SCLG limit is thus most constrictive at low loads and maximum receipts. The TTC for receipts that the Transmission Provider establishes for each interconnection takes the SCLG limit into account.

- Concurrent paths:

  Certain portions of the Transmission Provider's system may supply more than one interconnection. Transfer capability over such portions of the system may be less than the sum of the individual transfer capabilities of all interconnections supplied. ATC calculations factor in existing transmission commitments over such concurrent paths.

- Simultaneous wheel-in capacity:

  The total wheel-in capacity of the Québec Control Area varies as a function of system load, deliveries to neighboring systems, and the minimum generating capacity to be maintained on the system. This constraint could affect TTC values for receipts but is very rarely a limiting factor.

b. Existing transmission commitments (ETC):

i) ETC is the total amount of capacity that is already reserved over a path, on a firm or non-firm basis, plus capacity required for supplying Native Load and posted on OASIS.

ii) Since the Transmission Provider offers Transmission Services over interconnections with neighboring systems, the ETC related to Native Load needs is represented directly by QCRD and QCRND entries.

iii) The ETC includes reservation requests for PTP service once they reach “Confirmed” status or, for long-term PTP service reservations, once the Service Agreement is executed.

iv) It is assumed that the customer will exercise roll-over rights (ROR) associated with long-term PTP service reservations until these rights expire or are superseded by a competing request under the provisions of Section 2.2 of Part I herein.

v) On a scheduling horizon, if no schedule is received in association with an existing reservation, the transfer capability available for non-firm PTP services is increased by the amount reserved but not scheduled.

c. Available flowgate capability (AFC):

AFC is used instead of ATC to estimate the transfer capability between the systems of different transmission providers when transmission facilities in one of the systems involved are affected by power flows in the other systems. Given that the Transmission Provider’s system is not subject to inadvertent power flows from neighboring systems since it is connected to them only by controllable interconnections, the flowgate concept does not apply to it.

d. Transmission reliability margin (TRM):

i) Definition of TRM

TRM quantifies the uncertainty associated with transfer capability forecasts. The uncertainty is due to the variability of the following factors affecting the TTC calculation: system load, internal generation on the interconnection system, and spinning capacity of the system as a whole.

The TRM for some interconnections also includes uncertainty for unexpected transmission equipment failure and a reserve to cover system configuration changes that may be required as a result of Transmission Service requests.

ii) TRM calculation method

TRM values are generally based on historical forecasting errors. On interconnections where Transmission Service requests may entail system configuration changes, TRMs are fixed values set on the basis of the configurations possible.

TRM_U is the transmission reliability margin that has not been released for sale (unreleased) as non-firm capacity.

iii) Databases for TRM calculations

The databases used for TTC calculations are also used to calculate TRM values.

iv) Application of TRM

TRM values are used only in the calculation of firm available transfer capability. A nil TRM is generally used in the calculation of non-firm available transfer capability.

e. Capacity benefit margin – CBM

CBM is a firm transfer capability reserved for importing power in an emergency situation. CBM_S is the capacity that has been scheduled. The Transmission Provider does not presently use CBMs in calculating ATCs (this term is zero on all horizons).

Attachment D

Methodology for Completing a System Impact Study

1. The System Impact Study is conducted as follows:

(1) System impact shall be assessed based on reliability requirements to:

(a) meet obligations under Service Agreements entered into prior to the effective date of the *Hydro-Québec Open Access Transmission Tariff* (*OATT*);

(b) meet obligations for accepted or queued valid Applications under the *OATT*;

(c) meet planned emergency generation import requirements;

(d) account for power flows reasonably expected to occur on the Transmission System to supply Native-Load Customers;

(e) maintain thermal, voltage and stability performance of the system in accordance with the guidelines and principles; and

(f) consider the ability of the system to withstand, under transfer conditions, severe but credible disturbances without experiencing cascading outages, voltage collapse or widespread blackouts, in accordance with the guidelines and principles.

(2) The Transmission System shall be assessed following the guidelines and principles below:

(a) explore the adequacy of the Transmission System to accommodate an Application for Transmission Service;

(b) determine whether any additional costs must be incurred in order to provide Transmission Service; and

(c) discover any other potential problems.

(3) If the requested use cannot be accommodated without impairing system reliability, the System Impact Study analyzes the impact of the proposed Application for Transmission Service on thermal capacity, transient stability and voltage stability of the Transmission System. Where operating guidelines can be used to increase the available Transfer Capability, such guidelines are to be used and if the operating procedure is to be exercised in another Control Area, the applicant for Transmission Service shall contact that other Control Area to determine the general availability of the operating procedure.

(4) If the System Impact Study indicates that Network Upgrades are needed to supply the applicant's Application for service, the procedures shall be the same as those used by the Transmission Provider for its own system expansion. The least-cost transmission expansion plan, considering but not limited to such factors as present value cost, losses, environmental aspects and reliability, shall be developed for review by the Transmission Provider. Based on the study results, the Transmission Customer can decide whether to proceed, modify or cancel its Application.

(5) Immediately upon receipt of a Facilities Study Agreement, the Transmission Provider performs a more precise engineering estimate of the costs of the Network Upgrades.

2. Guidelines and principles followed by the Transmission Provider - The Transmission Provider is a member of NPCC. When conducting a System Impact Study, the Transmission Provider applies the following rules, as amended and/or adopted from time to time:

(a) Good Utility Practice;

(b) NPCC criteria and guidelines; and

(c) Hydro-Québec criteria and rules.

3. Transmission System model representation - The Transmission Provider estimates Total Transfer Capability (TTC) using Transmission System models based on a library of power flow cases prepared by the Transmission Provider for studies of the Transmission Provider's Control Area. The models may include representations of other NPCC and neighboring systems. This library of power flow cases is maintained

and updated as appropriate by the Transmission Provider and NPCC. The Transmission Provider uses system models that it deems appropriate for studying the Application for Transmission Service. Additional system models and operating conditions, including assumptions specific to a particular analysis, may be developed for conditions not available in the library of power flow cases. The system models may be modified, if necessary, to include additional system information on loads, power flows and system configurations, as it becomes available.

4. System conditions - The loading on all Transmission System elements shall be within normal ratings for pre-contingency conditions and within emergency conditions for post-contingency conditions. Transmission System voltage shall be within the applicable normal and emergency limits for pre- and post-contingency conditions respectively.

5. Short circuit - Transmission System short-circuit currents shall be within applicable equipment design ratings.

6. Loss evaluation - The impact of losses on the Transmission Provider's Transmission System is taken into account in the System Impact Study to ensure Good Utility Practice in evaluating costs to accommodate the Application for Transmission Service.

7. System protection - Protection requirements are evaluated by the Transmission Provider to determine the impact on existing system protection.

Attachment E

Index of Point-to-Point Transmission Service Customers

Customer	Date of Service Agreement

Attachment F

Service Agreement for Network Integration Transmission Service

1.0 This Service Agreement, dated as of _____, is entered into by and between Hydro-Québec (the "Transmission Provider") and _____(the "Transmission Customer").

2.0 The Transmission Customer has been determined by the Transmission Provider to have submitted a Completed Application for Network Integration Transmission Service under the *Hydro-Québec Open Access Transmission Tariff* (*OATT*).

3.0 The Transmission Customer has provided to the Transmission Provider an Application deposit in the amount of $_____, in accordance with the provisions of Section 29.2 of the *OATT*.

4.0 Service under this Agreement shall commence on the latest of (1) _____, (2) the date on which construction of Network Upgrades is completed, or (3) the date on which all requirements of the Network Operating Agreement have been completed. Service under this Agreement shall terminate on _____.

5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Network Integration Transmission Service in accordance with the provisions of Part III of the *OATT* and this Service Agreement.

6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

_____

_____

Transmission Customer:

_____

_____

7.0 The *OATT* is incorporated herein and made a part hereof.

8.0 Applicable taxes shall be added to all charges set forth in the *OATT*.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Provider:

By: _____ _____ _____

Name Job Title Date

Transmission Customer:

By: _____ _____ _____

Name Job Title Date

Specifications for Network Integration Transmission Service

1.0 Term of Transaction:

Commencement Date: _____

Termination Date: _____

2.0 General description of capacity and energy to be transmitted by the Transmission Provider, including the electric Control Area in which the transaction originates.

_____

_____

3.0 Detailed description and forecast of Network Load at each Point of Delivery:

_____

_____

4.0 Detailed description of each Network Resource, including any operating restrictions:

_____

_____

5.0 Detailed description of the Transmission Customer's anticipated use of Transmission Provider interfaces:

_____

_____

6.0 Description of any Transmission System owned or controlled by the Transmission Customer:

_____

_____

7.0 Name(s) of any intervening Transmission Provider(s):

8.0 The Network Customer agrees to take the following Ancillary Services from the Transmission Provider:

9.0 Revoked

10.0 In addition to the charge for Transmission Service and charges for Ancillary Services as set forth in the OATT, the customer will be subject to the following charges:

10.1 System Impact Study Charge:

10.2 Revoked

10.3 Redispatch Charges:

10.4 Estimated charge for Network Upgrades the actual cost of which is paid by the Transmission Customer:

10.5 Estimated charge for Network Upgrades the actual cost of which is paid by the Transmission Customer in the event of abandonment:

Attachment G

Network Operating Agreement

This Network Operating Agreement is part of the Hydro-Québec Open Access Transmission Tariff (OATT) and is subject to and in accordance with all provisions contained therein. All definitions and terms and conditions of the OATT are incorporated herein by reference.

1.0 General Terms and Conditions

The Transmission Provider agrees to provide Transmission Service to the Transmission Customer subject to the Transmission Customer operating its facilities in accordance with applicable criteria, rules, standards, procedures or guidelines set forth by the Transmission Provider or its affiliates, by NERC and by NPCC, as they may be changed from time to time. In addition, service to the Transmission Customer is provided subject to the terms and conditions contained herein.

1.1 Character of Service

All Transmission Service shall be in the form of three-phase sixty (60) hertz alternating current at a delivery voltage agreed to by both Parties.

1.2 Maintenance Scheduling

The Transmission Provider, as appropriate, shall consult the Transmission Customer regarding the timing of any scheduled maintenance of the Transmission System that would affect service to the Transmission Customer.

1.3 Information Requirements

The Transmission Customer shall be responsible for providing all information required by NPCC, NERC and the Transmission Provider for planning, operations, maintenance and regulatory filings. This information may include but is not limited to:

Load-related data:

- Ten (10) year forecast of the load at each Point of Delivery:
  - hourly for the first week, updated daily for the three days before operation;
  - weekly for the first year; and
  - monthly for the following nine (9) years.
- Power factor
- Amount of interruptible load under contract, including interruption terms, and actual level of that load
- Load-Shedding capability by Point of Delivery
- Capability to shift load between Points of Delivery
- Disturbance reports
- Results of periodic metering and protection equipment tests and calibration
- Planned changes to interconnection equipment or protection system
- Voltage reduction capability

Resources and interconnected generating facilities:

- Resource operating characteristics, including ramp rate limits, minimum run times, underfrequency and overfrequency relaying, etc.
- Generation schedule if two or more generating sites are used
- Ten-year forecast of resource additions, retirements and capability changes
- Generator reactive capability

- Results of periodic metering and protection equipment tests and calibration
- Planned changes to generation parameters or protection system

Failure of the Transmission Customer to respond promptly and completely to the Transmission Provider's reasonable request for information shall result in a fine of $100 per day payable to the Transmission Provider. Continued failure to respond shall constitute default.

In addition to the types of information listed above, the Transmission Customer shall supply accurate and reliable operating information to the Transmission Provider. Such information may include but is not be limited to metered values for kWh, kW, kVAR, voltage, current, frequency, breaker status data and all other data necessary for reliable operation. The Transmission Provider may require such information to be provided electronically using a method such as Supervisory Control And Data Acquisition (SCADA), Remote Terminal Units (RTUs) or telemetering, or to be capable of interfacing directly with the Transmission Provider's dispatch computer system. All equipment used for such purposes must be approved by the Transmission Provider.

The Transmission Customer shall advise the Transmission Provider if its Network Resource is capable of participation in system restoration and/or if it has black-start capability.

1.4 Operating Requirements

The Transmission Customer shall not conduct any switching or other activity likely to affect the Transmission Provider's system without first contacting and receiving permission from the Transmission Provider.

The Transmission Customer shall balance the load between its individual Network Loads such that the difference in the individual phase currents is acceptable to the Transmission Provider.

The Transmission Customer's equipment shall comply with all environmental requirements to the extent they impact operation of the Transmission Provider's system.

The Transmission Customer shall operate all of its equipment and facilities connected either directly or indirectly to the Transmission Provider's system in a safe, reliable and efficient manner. Such operations shall also conform to Good Utility Practice and to all requirements and guidelines of the Transmission Provider, NERC and NPCC.

The Transmission Customer shall be responsible for operating and maintaining security of its electric system in a manner that avoids adverse impact to the Transmission Provider's system or the integrated regional system, that and complies with all applicable NPCC and Transmission Provider operating criteria, rules, procedures, guidelines and interconnection standards as may be amended or adopted from time to time. These actions include but are not limited to:

- Voltage reduction Load Shedding
- Underfrequency Load Shedding
- Manual Load Shedding
- Transferring load
- Implementing voluntary load Curtailments, including interruptible customers
- Starting up standby generation
- Permitting controlled service restoration by the Transmission Provider following delivery contingencies on Transmission Provider facilities

The Transmission Provider reserves the right to specify turbine and/or generator control (e.g., droop) settings as determined by the System Impact Study, Facilities Study or any subsequent studies. The Transmission Customer agrees to comply with such specifications at its own expense.

Unless directed otherwise, the Transmission Customer shall operate its existing interconnected generating facilities with automatic voltage regulation systems. The voltage regulation system shall control voltage at the Network Resource consistent with the voltage range required by the Transmission Provider or NPCC.

1.5 Discontinuance of Service

In order to maintain Transmission Service reliability and security, the Transmission Provider may, in accordance with usual practice, discontinue the Transmission Service for purposes of scheduled maintenance, operating restrictions, or Network Upgrades, refurbishment or changes. The Transmission Service may also be discontinued in any case of Force Majeure. The Transmission Provider shall avoid any discriminatory situation and cooperate with the Transmission Customer and generating station owner to restore the Transmission Service promptly once the situation has returned to normal.

If at any point in time, it is the Transmission Provider's judgment that the Transmission Customer or generating station owner is operating its equipment in a manner that would adversely impact the quality of service, reliability or safe operation of the Transmission Provider's system, the Transmission Provider may discontinue Transmission Service until the condition has been corrected. To the extent practicable, the Transmission Provider shall allow the Transmission Customer or generating station owner, where appropriate, sufficient time to correct the problem.

If it is the Transmission Provider's judgment that an emergency exists or that significant adverse impact is imminent, service to the Transmission Customer may be discontinued without notice. Otherwise, the Transmission Provider shall give the Transmission Customer reasonable notice of a request to reduce generation or of the Transmission Provider's intention to discontinue service.

1.6 Emergency Operations

The Transmission Customer shall be subject to all applicable emergency operation standards and practices required by the Transmission Provider.

The Transmission Provider reserves the right to require its customers to take actions required under the Transmission Provider's operating procedures. These actions may include but are not limited to running generation at maximum or minimum capability, voltage reduction, Load Shedding, transferring load between Points of Delivery, public appeals for load

reduction, implementation of interruptible load programs and starting standby and idle generation.

2.0 Metering

The Transmission Provider shall provide Transmission Service to each Point of Delivery specified in the Transmission Customer's Service Agreement. Each Point of Delivery shall have a unique identifier, meter location and meter number.

2.1 Equipment

All metering equipment and installations used to measure energy and capacity delivered to the Transmission Customer must be approved by the Transmission Provider. The Transmission Provider may require the installation of telemetering equipment for the purposes of billing, power factor measurements and to allow the Transmission Provider to operate its system reliably and efficiently.

All meters shall be capable of measuring the instantaneous kW within each hour, net flow in kWh and reactive power flow.

2.2 Seals

All meters shall be sealed, and the seals shall not be broken without prior approval by the Transmission Provider.

2.3 Access

The Transmission Customer shall provide a representative of the Transmission Provider access, including telecommunications access, to meters at reasonable times for the purposes of reading, inspecting and testing. The Transmission Provider shall use its best efforts not to interfere with normal business operations.

2.4 Calibration and Maintenance

Unless otherwise mutually agreed, meters shall not be tested or recalibrated nor shall any of the connections, including those of the transformers, be disturbed or changed except in the presence of duly authorized representatives of the Transmission Provider and the Transmission

Customer or under emergency conditions or unless either Party, after reasonable notice, fails or refuses to have its representatives present.

2.5 Testing

The Transmission Provider shall make tests of metering equipment following the Transmission Provider's standards of accuracy and procedures. The Transmission Provider shall notify the Transmission Customer prior to conducting any metering tests, and the Customer may observe the tests. If the meter is found to be inaccurate or otherwise defective, it shall be repaired, adjusted, or replaced.

3.0 Interconnection Equipment

The Transmission Customer's interconnection equipment shall meet all standards of Good Utility Practice.

3.1 Costs

The Transmission Customer shall install, maintain and repair all interconnection equipment belonging to it at its expense.

The Transmission Provider shall not bear any costs of the interconnection with the Transmission Customer, including any changes as required by this Agreement, with the exception of those specified in the *Hydro-Québec Open Access Transmission Tariff*.

3.2 Inspection

The Transmission Provider may inspect the Transmission Customer's interconnection equipment to determine if all standards of Good Utility Practice are met. The Transmission Provider shall not be required to deliver electricity to or receive electricity from the Transmission Customer until such standards are met.

The Transmission Provider shall have the right to supervise factory acceptance tests, field acceptance tests, and the installation of any metering, data acquisition, transmission, protective or other equipment or software connected to the Transmission Provider's system.

3.3 New Resources

Generating facilities connected to the Transmission System shall comply with the Technical Requirements for Connection set forth in Section 1.28.1, paragraphs (ii) and (iii) herein. The generating station owner shall be responsible for ensuring compliance with these requirements.

3.4 Protection Equipment

In order to protect the Transmission Provider's system from damage, to minimize the risk of injury to operating personnel and third parties, and to allow the Transmission Provider to maintain service to its non-generating customers in the event of operating difficulties at customer facilities, the Transmission Customer shall, at its expense, provide, install and maintain the following equipment insofar as required by Good Utility Practice and after consultation with the Transmission Provider:

A. A three-phase, load-break, lockable main disconnect switch that allows isolation of the Transmission Customer's facilities from the Transmission Provider's system.

B. An automatic circuit breaker that can be tripped by the protective relay system under all system conditions. The circuit breaker shall also be suitable for use in synchronizing generation on the Transmission Customer's system to the Transmission Provider's system.

C. Underfrequency and overfrequency protective relays to be used in conjunction with the required automatic circuit breaker.

D. Undervoltage and overvoltage protective relays to be used in conjunction with the required automatic circuit breaker.

E. Overcurrent protective relays to be used in conjunction with the required automatic circuit breaker.

F. Voltage and current transformers to be used for the above relaying, sized and connected as approved by the Transmission Provider.

G. Such other equipment as may be reasonably required by Good Utility Practice, as recommended by the Transmission Provider.

H. The Transmission Customer shall provide to the Transmission Provider complete documentation of the Transmission Customer's interconnection equipment, including power single-line diagrams, relaying diagrams, plans, sectional and elevation views, grading plans, conduit plans, foundation plans, fence and grounding plans, and detailed steel erection diagrams. In addition, the Transmission Customer agrees to provide to the Transmission Provider complete documentation of any changes to the Transmission Customer's interconnection equipment.

I. The protective relay system required to detect faults on the Transmission Provider's system and the breaker required to disconnect the Transmission Customer's generation to protect the public and Transmission Provider personnel must be approved by the Transmission Provider. The Transmission Customer shall purchase, install and maintain the protective relay system, and maintain and make available to the Transmission Provider all maintenance and test records. The Transmission Provider may perform, at reasonable intervals, functional tests of the protective relay system to determine whether the system functions in a manner acceptable to the Transmission Provider and shall notify the Transmission Customer in writing of the test results. The Transmission Customer shall bear the cost of this testing and any other assistance that may be requested of the Transmission Provider before and after the system is commissioned.

J. The Transmission Customer shall, at its own expense, repair and maintain its protective relay system and any other equipment that it owns or operates.

3.5 Maintenance and Modifications to the Interconnection

A. The Transmission Customer shall repair and maintain during the term hereof all of its interconnection equipment on its side of the visible disconnect that isolates its facilities from the Transmission Provider's system, in accordance with established practices and standards for the operation and maintenance of power system equipment.

B. The Transmission Customer shall maintain its own generation in accordance with Good Utility Practice. The Transmission Customer shall ensure that all third-party generating facilities connected to its system are maintained in accordance with the Technical Requirements for Connection set forth in Section 1.28.1, paragraphs (ii) and (iii) herein.

C. The Transmission Customer shall arrange with the Transmission Provider an initial inspection of the interconnection, to be completed prior to the effective date of this Agreement. In addition, the Transmission Customer shall arrange with the Transmission Provider for an annual visual inspection of all interconnection facilities and associated maintenance records. Every two years, the Transmission Customer shall arrange a relay calibration test and operational test of its interconnection equipment. The relay calibration test shall be performed by a qualified contractor approved by the Transmission Provider and acceptable to the Transmission Customer, or be performed by the Transmission Provider itself. After the relay calibration tests are completed, the Transmission Provider may perform a relay system functional test. The Transmission Customer shall bear the cost of any relay testing and any other assistance that may be requested by the Transmission Provider before and after the system is made operational.

D. Before April 1 of each year, the Transmission Provider shall provide the Transmission Customer with recommended dates for scheduling maintenance of the Transmission Customer's generating facilities, third-party generating facilities greater than 20 MW and the Transmission Customer's transmission facilities operating at 44 kV or more. On or before May 1 of each year, the Transmission Customer shall provide to the Transmission Provider a list of periods, in order of preference and in accordance with the Transmission Provider's recommended dates, during which the Transmission Customer prefers to schedule maintenance during the subsequent calendar year. If the Transmission Provider fails to provide the Transmission Customer with recommended dates before April 1 of any year, the Transmission Customer shall nonetheless provide the Transmission Provider on or before May 1 of that year, a list of periods, in order of preference, in which the Transmission

Customer prefers to schedule maintenance during the subsequent calendar year, and the Transmission Provider shall attempt to accommodate the Transmission Customer's proposed schedule of maintenance periods if the Transmission Provider can do so without adverse operational or economic effect on the Transmission Provider or its customers. By June 1 of each year, the Transmission Customer and the Transmission Provider shall agree on maintenance periods for the interconnection equipment.

E. If the Transmission Provider in its reasonable judgment determines that the Transmission Customer's interconnection equipment is, in any substantial respect, being maintained otherwise than in accordance with Good Utility Practice, the Transmission Provider may so notify the Transmission Customer in writing. Within thirty (30) days of the date of notice, the Transmission Customer shall make its maintenance practices conform to the requirements of Good Utility Practice and of this Agreement. In the event that the Transmission Customer fails to bring its maintenance practices into conformance with the requirements of Good Utility Practice within that thirty (30) day period, the Transmission Provider may de-energize the interconnection between the Transmission Customer and the Transmission Provider until the Transmission Customer has made its maintenance practices conform as provided herein.

F. The Transmission Customer shall give the Transmission Provider adequate written notice of any modification or replacement of the Transmission Customer's interconnection equipment. All additions, modifications or replacements shall meet the requirements of this Agreement and all standards of Good Utility Practice. If the Transmission Customer makes changes without notice to the Transmission Provider, and if the Transmission Provider has reasonable cause to believe that the changes may create dangerous conditions, the Transmission Provider may de-energize the interconnection between the Transmission Customer and the Transmission Provider.

G. The Transmission Customer shall change its interconnection equipment as may be reasonably required by the Transmission Provider or as may otherwise be required to conform to Good Utility Practice to meet changing requirements of the Transmission Provider's system.

H. In the event that de-energizing the interconnection is required by the provisions of this Agreement, the Transmission Provider shall only de-energize the interconnection at the affected Point(s) of Delivery.

4.0 Technical Requirements of the Transmission Provider

The Transmission Customer, its own customers and its electricity suppliers, if connected to the Transmission System, shall comply with the Technical Requirements for Connection set forth in Section 1.28.1 herein. For the generating stations connected to the distribution system, they shall comply with the Technical Requirements for Connection set forth in Section 1.28.1 paragraph (ii) herein, to the extent provided for in the latter. Finally, the impact of loads or generating stations connected to the distribution system must be such as to maintain the quality of the voltage supplied by the Hydro-Québec Transmission System, in the same way as the *Emission Limits for Disturbances on the Hydro-Québec Transmission System* set forth in Section 1.28.1 paragraph (iii).

5.0 Default

Failure of the Transmission Customer, and where appropriate the generating station owner, to meet the terms and conditions of this Agreement shall be deemed to be a default whereon the Transmission Provider may seek immediate termination of service, consistent with Régie decisions, orders and regulations.

Attachment H

Annual Transmission Revenue Requirement for Native-Load Transmission Service and Network Integration Transmission Service

1. The Transmission Provider's annual revenue requirement for the Native-Load Transmission Service and the Network Integration Transmission Service shall be $3,395,798,380.

2. The amount in (1) shall be effective until amended by the Régie.

a supprimé: 3,143,212,600

Attachment I

Index of Network Integration Transmission Service Customers

Customer	Date of Service Agreement

Attachment J

Transmission Provider Policy on Network Upgrades

Section A – Cost of Network Upgrades

Any Network Upgrade to the Transmission System required to meet the need for Transmission Service under Parts II, III and IV herein, including generating station connections under Section 12A, shall be paid for by the Transmission Provider and incorporated into its rate base for cost recovery purposes through transmission rates set forth herein, provided said Upgrade is deemed by the Régie in the framework of a rate case to be a useful and prudent acquisition, and provided it is in accordance with the provisions of Attachment J herein of the *Hydro-Québec Open Access Transmission Tariff* (*OATT*). An economic analysis of alternative solutions to makes it possible to choose the required upgrades in order to optimize the overall cost, including equipment and electrical losses. Network Upgrades also include any Facilities Study where such a Study is required to complete a Network Upgrade.

The amount incurred by the Transmission Provider shall in no instance exceed the maximum amount specified in Section E below. An estimate of any additional amount beyond that incurred by the Transmission Provider, augmented by 19% to account for the present value over twenty (20) years of operation and maintenance costs associated with the additional amount, and also augmented by applicable taxes, will be estimated in the Service Agreement or in the Connection Agreement in the case where the applicant is itself a Transmission Customer under Part II or Part III herein. The actual additional amount incurred by the Transmission Provider shall be paid by the applicant according to the terms described in Section 2 below, for network upgrade projects carried out at the request of a Transmission Customer under Part II or Part III herein, or according to the terms described in Section 3 of Section C of this Attachment, for network upgrade projects carried out under Part IV herein.

1. Sharing of Network Upgrade Costs among Transmission Customers

When the Transmission Provider determines that some or all of the Network Upgrades required to meet the needs of various Transmission Customers individually are advantageously replaced by a common technical solution, it assigns

to each customer involved, in chronological order of the expression of their needs, a part of the costs of that common technical solution based on the costs of the Network Upgrades that would have been required for each customer to meet its needs individually.

In the case where a common technical solution accommodates both the needs of Native-Load growth and a Point-to-Point Transmission Service request, the needs of Native-Load growth are deemed to have been expressed first, except in the case of a Native-Load growth project to be executed earlier than initially planned, or of Distributor customers directly connected to the Transmission System.

2. Terms for Determining the Contribution of the Point-to-Point Transmission Service Customer under Part II hereof and of the Network Customer under Part III hereof

In the case of Network Upgrades with a single commissioning date, the contribution based on the estimated costs will be claimed from the Customer by the Transmission Provider within 90 days of the project commissioning. When applicable, any difference between the actual contribution and the estimated contribution shall be settled based on the actual costs.

For Network Upgrades with phased commissioning dates, the following approach will be taken:

(a) A maximum amount for the Network Upgrades shall be determined separately for each partial commissioning based on the number of megawatts commissioned.

(b) The amount thus calculated shall next be compared to the value of the corresponding commissioning.

(i) If the maximum amount is less than the value of the commissioning, a contribution equal to the difference between that value and that amount shall be paid.

(ii) If the maximum amount is more than the value of the commissioning, the resulting positive balance shall be added to the maximum amount calculated for the purpose of determining the customer’s contribution, if any, at the subsequent commissioning date(s).

(c) No further contribution shall be required once the estimated total contribution related to the project has been reached.

(d) Any contribution required shall be paid no later than December 31 of the year of the associated commissioning.

(e) Any difference between the total actual contribution and the total estimated contribution shall be settled after final commissioning, based on the actual costs.

Section B – Network Upgrades for Integrating a Generating Station

Network Upgrades for the purpose of integrating a new generating station, or to increase the output of an existing generating station, can be categorized into five (5) areas: switchyard, generation interconnection, changes to the Transmission System including communications equipment, changes to the distribution system, and metering and communications equipment purchased or leased by the Transmission Provider.

All Network Upgrades specified in Section B herein are planned, constructed, operated and maintained by the Transmission Provider, with the exception of changes to the distribution system, which are under the responsibility of the Distributor. The switchyard is under the responsibility of the generating station owner when such generating station is the property of an entity other than Hydro-Québec.

Before proceeding with Network Upgrades, the Transmission Provider and generating station owner shall enter into a Connection Agreement, in accordance with the provisions of Section 12A herein, which specifies, notably, the scheduled date for commissioning the generating station, any costs to be reimbursed by the generating station owner to the Transmission Provider, financial security required to cover the expected cost of Network Upgrades carried out by the Transmission Provider and the Distributor, and technical standards applicable to any generating station connected to the Transmission Provider's or Distributor's system. The financial security submitted to the Transmission Provider under the Connection Agreement shall be returned to the generating station owner when the generating station is commissioned, less any amount incurred by the Transmission Provider prior to the abandonment or significant postponement of the commissioning of the generating station, or to a substantial modification of the generating station, or incurred for any other cause indicated in the Connection Agreement.

1. Switchyard

The switchyard is comprised of the high-voltage portion of the substation; whereas, the low-voltage portion is considered to be part of the generating station itself and thus is not included in Network Upgrades to the Transmission System. The high-voltage portion of the switchyard includes step-up transformers and extends, when the generating station is the property of a third party, from the low voltage terminal of the step-up transformer to the connection point specified in the Connection Agreement, which is located on the high-voltage side of the switchyard. When the generating station is Hydro-Québec property, the connection point is located on the low-voltage side of the switchyard and the high-voltage portion of the switchyard includes the step-up transformers as well as the components on the high-voltage side of the switchyard. When more than one output level is required from switchyard transformers, those other levels are also included, as are any components and lines connecting together the different output levels.

The different components comprising a switchyard are specific to each project. The number of generating units, their capacity, their location and the type of powerhouse (above-ground or underground) are all factors affecting switchyard components. The switchyard may contain one or more transformers, and one or more generating units may be connected to each transformer. The choice of equipment constituting a switchyard is normally guided by economic considerations, while following good reliability practices.

Similarly, the choice between conventional or SF6 technology shall be guided in part by economic considerations based on specifics of the site of the generating station and the switchyard.

Disconnect or isolating switches are required on the high-voltage side to isolate part or all of the generation and to ensure the safety of personnel when work is required. Furthermore, circuit breakers are generally required on the high-voltage side to limit generation loss as a result of a first-contingency loss and to facilitate operations. Low-voltage circuit breakers are required if more than one unit is connected to each transformer.

Depending on how the site is physically arranged, it may be economical to take advantage of the generating station infrastructure and locate part or all of the

switchyard there. In such instances, the incremental cost incurred for building the generating station is charged to switchyard costs.

Generally, construction schedules are such that work on the generating station begins several months, or even several years, before work on the switchyard. Consequently, infrastructure required for construction (roads, construction site, etc.) shall be assigned to the generating station. When additional infrastructure costs are required to build and maintain the switchyard, any reimbursement of the cost by the Transmission Provider is charged to switchyard costs.

The actual switchyard cost, including all components specified above, shall be borne by the Transmission Provider, up to the maximum amounts shown in the table below. These maximums shown in column (1) of the following tables, applicable to generating stations that are not Hydro-Québec property, include an amount equal to 19% of the costs incurred for the switchyard in order to account for the present value of switchyard operation and maintenance costs over a twenty (20) year period. The amounts shown in column (2), applicable to generating stations that are Hydro-Québec property, do not include the 19% amount since switchyard operation and maintenance costs are then borne by the Transmission Provider.

Maximum Transmission Provider contribution for the costs of the switchyard as authorized by the Régie from January 1, 2028

a supprimé: March 5, 2025

	Generating stations of less than 250 MW		Generating stations of 250 MW and more	
Nominal voltage	Generating stations that are not Hydro-Québec property (1)	Generating stations that are Hydro-Québec property (2)	Generating stations that are not Hydro-Québec property (1)	Generating stations that are Hydro-Québec property (2)
Below 44 kV	$93/kW	$79/kW	$36/kW	$30/kW
From 44 to 120 kV	$146/kW	$122/kW	$57/kW	$48/kW
Above 120 kV	$250/kW	$210/kW	$103/kW	$87/kW

a supprimé: 90
a supprimé: 76
a supprimé: 143
a supprimé: 120
a supprimé: 244
a supprimé: 205
a supprimé: 99
a supprimé: 83

In the case of a Wind Farm, a separate maximum contribution additional to the one indicated above for the switchyard is applicable to the collector system up to the following maximum amounts: $199/kW for wind farms that are not Hydro-Québec property and $167/kW for wind farms that are Hydro-Québec property, whatever the voltage level at the connection point and the capacity range of the Wind Farm. This additional amount will be added to the first amount shown in column (1) or column (2) as appropriate, to establish the maximum contribution of the Transmission Provider.

a supprimé: 192
a supprimé: 161

In the case of a Photovoltaic Power Plant, a separate maximum contribution additional to the one indicated above for the switchyard is applicable to the collector system up to the following maximum amounts: $175/kW for photovoltaic power plants that are not Hydro-Québec property and $147/kW for photovoltaic power plants that are Hydro-Québec property, whatever the voltage level at the connection point and the capacity range of the Photovoltaic Power Plant. This additional amount will be added to the first amount shown in column (1) or column (2) as appropriate, to establish the maximum contribution of the Transmission Provider.

a supprimé: 168
a supprimé: 141

Except in the case of generating stations that are Hydro-Québec property, the generating station owner is also owner of the switchyard and shall remain at all times responsible for the design, construction, operation and maintenance of the switchyard. In order to obtain reimbursement of expenses incurred for the switchyard

under the provisions herein, the generating station owner shall submit a reimbursement application to the Transmission Provider following the procedures set forth herein. The generating station owner shall provide all supporting documents and all other information required by the Transmission Provider to ensure that the amounts claimed comply with the provisions herein. Upon receiving complete supporting documentation, the Transmission Provider shall act promptly to reimburse the applicant as soon as possible. The maximum contribution of the Transmission Provider for the switchyard shall equal the amount shown in column (1) above multiplied by the maximum capacity to be transmitted, expressed in kW, and shall include the 19% increase mentioned above.

The generating station and switchyard owner shall comply at all times with the Technical Requirements for Connection set forth in Section 1.28.1, paragraphs (ii) and (iii) herein, specified in the Connection Agreement entered into with the Transmission Provider.

Basic station services are generally supplied from transformers connected to the low-voltage (generating station) side. Any request for power to meet backup supply requirements for generating station services where such power comes from the distribution system or Transmission System, and any request for power to supply a generating station construction site shall be made to the Distributor, which shall offer the service under applicable conditions and submit an Application for service regarding this request to the Transmission Provider should the latter’s services be required.

When more than one output level is required from switchyard transformers, a second amount equal to that shown in column (1) or column (2) as appropriate will be added to the first amount to establish the maximum contribution of the Transmission Provider, in order to take into account the higher cost of the switchyard, including all components and lines connecting together the different output levels.

2. Generation Interconnection

The generation interconnection is comprised of equipment, tie lines and substations that link the generating station switchyard to the existing Transmission System. Integration with the system may require the addition of one or more tie lines depending on the size of the generating station. Two main criteria shall determine whether more than one tie line is required to integrate a generating station.

The first criterion to be met is first-contingency generation loss (FCGL). FCGL corresponds to the generation loss the Transmission System can support without the frequency falling to the first underfrequency load-shedding threshold. In the case of generating station integration, this criterion means that loss of one (single-line or double-line) tie line shall not result in generation loss greater than FCGL. If the loss of one tie line would cause a generation loss greater than FCGL, this criterion would not be met and another line would be required. This evaluation is generally conducted by the Transmission Provider under winter peak system conditions. For generating stations with an off-peak pattern of generation that risks exceeding the FCGL, additional studies are conducted to determine the number of tie lines required.

A second criterion to meet is to maintain the ten (10) minute reserve. This reserve is defined as the sum of both spinning and non-spinning reserves that can be made fully available within ten (10) minutes. The ten (10) minute reserve shall be at least equal to the greatest generation outage that could result from the loss of a single component of the Transmission Provider’s system. A component usually means a generating unit, a transformer, a transmission circuit, a circuit breaker, a bus section, etc. A double-circuit line is not considered to be a single component since it comprises two circuits. The ten (10) minute reserve is currently set at 1,000 MW. If this criterion is not met, the ten (10) minute reserve must be increased, entailing major investments the cost of which must ultimately be borne by Transmission Service customers.

These two criteria are preponderant in determining the number of tie lines, and the number and capacity of transmission equipment units, required to integrate a generating station to the Transmission System.

Once the number of lines and circuits has been determined, an economic analysis makes it possible to choose the number and type of conductors to use in order to optimize the overall cost, including equipment and electrical losses.

Should the generating station owner choose an electrical arrangement other than that selected by the Transmission Provider, all additional costs that result, augmented by 19% to account for the present value over twenty (20) years of the incremental operation and maintenance cost of Network Upgrades and further augmented based on the applicable taxes rates, shall be specified in the Service Agreement or Connection Agreement and shall be charged entirely to the generating station owner.

3. Changes to the Transmission System

Adding a generating station may entail changes to the existing Transmission System. These changes have the purpose of ensuring that Transmission System design criteria are still met.

There are various kinds of upgrades but they are largely comprised of facilities such as lines, substations, series compensation, static or dynamic shunt compensation, automatic controls and communications equipment. The solution selected shall meet reliability requirements, and be economical, technically feasible and environmentally acceptable.

4. Distribution System

In the case of a generating station connected to the distribution system, costs are also incurred for changes and extensions to the distribution system. All costs incurred by the Distributor for upgrades to its system required for new connection facilities, augmented by 17% to account for the present value of operation and maintenance costs borne by the Distributor over a twenty (20) year period, are also part of the costs borne by the Transmission Provider under the provisions herein.

Interconnection of a generating station to the distribution system may require changes to the Transmission Provider’s system, the cost of which is also borne by the Transmission Provider.

5. Metering and Communications Equipment

The cost of the metering equipment itself is borne by the generating station owner. The cost of the current and voltage transformers required, which depend on the interconnection voltage set by the Transmission Provider, is borne by the Transmission Provider. The cost of equipment, and the cost to supply or lease communication links required for operating the generating station are also borne by the Transmission Provider.

Section C – Network Upgrades for Supply of Load

1. Network Upgrades for Integration of New Load

Network Upgrades made by the Transmission Provider to connect a new load or increase an existing load directly connected to the Transmission Provider's system, may include the addition or modification of line equipment, transformer systems, shunt compensation, automatic controls, protection systems, communications links and other communications equipment. The connection to the power system generally consists of a single overhead circuit, except when such a circuit does not have adequate capacity to alone serve the load connected or when operating needs based on technical and economic considerations warrant doing otherwise. All Network Upgrades specified in this Section C are planned, constructed, operated and maintained by the Transmission Provider in accordance with technical standards and applicable practices, with the exception of any required changes to the distribution system, which are under the responsibility of the Distributor, and the step-down substation when owned by the Distributor's customer. The facilities of the Distributor's customer, including the step-down substation, shall comply with the Technical Requirements for Connection set forth in Section 1.28.1, paragraphs (i) and (iii) herein. The entire cost of Network Upgrades, based on the electrical arrangement proposed by the Transmission Provider, shall be borne by the Transmission Provider up to a maximum amount specified in Section E below, save and except costs for metering equipment and for the substation serving the customer, which are subject to rate provisions separate from those herein.

If a new load connected to the distribution system has an impact on the Transmission System, the cost of Network Upgrades to the Transmission Provider's system is also borne by the latter.

For the connection of a new load to the Transmission System, should the Distributor choose an electrical arrangement other than that proposed by the Transmission Provider, and the latter is able to implement that other arrangement, all additional costs that result shall be charged to the Distributor. Similar provisions shall apply for integrating a new Network Customer load.

2. Management of Particular Risks of Certain Projects to Connect Distributor Customers to the Transmission System

A management measure for particular risks is applied to connection projects of customers directly connected to the Transmission System and which meet the following criteria:

(a) the costs borne by the Transmission Provider equal or exceed five (5) million dollars (financial criterion); and

(b) the load to be connected equals or exceeds 90% of the surrounding load within a fifteen (15) km radius of that load (remoteness criterion).

The management measure for particular risks consists in requiring that in the case a customer's activities have ceased, the Distributor reimburses the residual value of the amount granted for that customer, plus operation and maintenance costs. That residual value is determined according to the number of years remaining at the time activities cease in proportion to the twenty (20) year period or to the period for which the allocation was granted if that period is less than twenty (20) years.

The indemnity from the Distributor shall be required by the Transmission Provider if the financial criterion and the remoteness criterion are met at the time the Transmission Provider is informed by the Distributor that its customer has ceased activities.

3. Aggregation of Network Upgrade Projects for the Supply of Native Load

Costs for upgrades required to meet the needs of Native-Load growth are borne by the Transmission Provider up to the maximum amount determined pursuant to Section E below, taking into account the aggregation of all investments associated with upgrades commissioned by the Transmission Provider in a year and all load growth that those upgrades are projected to supply over a period of twenty (20) years (annual load-resource aggregation). The costs considered for this purpose

arise from the additions required to meet the needs of Native-Load growth for which the Distributor annually provides information to the Transmission Provider in accordance with Section 37.1 paragraph (i) herein, and occasionally submits requests to supply specific loads, and from additions required to integrate generating stations at the Distributor's request.

The annual load-resource aggregation is subject to the following requirements:

(a) Only upgrades related to satellite substation projects and projects to supply new Distributor customer loads directly connected to the Transmission System are subject to the maximum amount to be borne by the Transmission Provider.

(b) For projects involving satellite substations, the maximum allowance is that in effect in the year the upgrades are commissioned.

(c) For projects to supply new loads of Distributor customers directly connected to the Transmission System:

(i) the maximum allowance is that in effect at the time of execution of the agreement between the Distributor and its customer;

(ii) the period considered, expressed in number of years, may range from one (1) to twenty (20) years;

(iii) the costs included in the annual load-resource aggregation are those of the electrical arrangement selected by the Transmission Provider, and thus exclude the additional cost related to a different electrical arrangement requested by the Distributor, and are limited to the maximum amount determined on the basis of the maximum capacity to be transmitted, as specified in Section E below.

(d) For upgrades on the upstream of satellite substations and of Distributor customers directly connected to the Transmission System, including those required for integration of generating stations at the Distributor's request, no maximum amount is granted, even if their costs are incorporated in the annual load-resource aggregation, subject to Section 3 paragraph (e) below.

(e) For a project to integrate a generating station carried out as part of a power purchase program of the Distributor, costs are limited, where applicable, to the maximum amount applicable under the program rules approved by the Régie.

Positive balances resulting from the annual aggregation of loads and resources are carried forward, which makes it possible, if necessary, to cover a negative balance in a later year. If the cumulative balance of the load-resource aggregation is negative at the end of a year, a contribution equal to the negative balance, augmented by 19% to account for the present value over twenty (20) years of the operation and maintenance costs, is required from the Distributor and shall be paid to the Transmission Provider by December 31 of that year.

Section D – Network Upgrades for an Interconnection with a Neighboring System

Network Upgrades required to complete a new interconnection with a neighboring system, or to increase the capacity of an existing interconnection, shall be implemented by the Transmission Provider consistent with applicable technical guidelines to provide the Long-Term Firm Point-To-Point Transmission Service requested by the customer. The entire cost for upgrades required to the system that are part of the electrical arrangement selected by the Transmission Provider shall be borne by the Transmission Provider up to the maximum amount specified in Section E below.

Should the Transmission Customer choose an electrical arrangement other than that proposed by the Transmission Provider, and the Transmission Provider can execute it, all additional costs that result, augmented by 19% to account for the present value over twenty (20) years of the additional operation and maintenance costs of Network Upgrades and further augmented based on the applicable tax rates, shall be charged entirely to the Transmission Customer.

Before proceeding with Network Upgrades, the Transmission Provider and the Transmission Customer shall enter into a new Service Agreement, in accordance with the provisions of Section 19.4, or an Expedited Service Agreement in accordance with the provisions of Section 19.8, which shall specify, inter alia, the reserved capacity, the scheduled dates for commissioning and retirement, costs to be reimbursed by the customer including any additional costs resulting from an electrical arrangement other than that selected by the Transmission Provider, and the financial security required to cover the expected cost of Network Upgrades carried out by the Transmission Provider. The financial security given to the Transmission Provider shall be returned to the

Transmission Customer at commissioning in accordance with the terms and conditions of the Service Agreement, less any amount incurred by the Transmission Provider prior to abandonment or to any substantial modification of the Transmission Service Request, or for any other reason indicated in the Service Agreement.

Section E – Maximum Amount for Network Upgrades

The maximum amount to be borne by the Transmission Provider for Network Upgrades made to meet the requirements for Transmission Services offered under Parts II, III and IV of the *Hydro-Québec Open Access Transmission Tariff* (*OATT*) shall be, for a considered period of 20 years, the maximum allowance of $631/kW multiplied by the maximum capacity to be transmitted on the system, expressed in kW.

a supprimé: 612

1. Maximum Allowance

The maximum allowance ($/kW) represents the maximum investment for which the annual cost does not exceed, over the period considered, the rate for yearly delivery given in Schedule 9.

It is obtained by subtracting, from the annual cost, the operation and maintenance costs as well as the applicable taxes; these amounts are in present value, over the period considered:

(a) the period considered, expressed in number of years, may range from one (1) year to twenty (20) years;

(b) the discount rate corresponds to the prospective weighted average cost of capital;

(c) the annual cost is estimated taking into account the following elements:

(i) the straight-line depreciation;

(ii) the cost of capital based on the prospective weighted average cost of capital;

(iii) the operation and maintenance costs based on an annual rate calculated from the present value over twenty (20) years of 19%;

(iv) the applicable taxes based on annual rates.

2. Maximum Capacity to be transmitted

For the purposes of connecting a generating station to the Transmission System, the maximum capacity to be transmitted is the capacity as set out in the Connection Agreement, which is the capacity installed at the generating station and that will be carried over the Transmission System. It is the capacity that was used in the planning and execution of the project to connect the generating station to the Transmission System.

For a Point-to-Point Transmission Service request, the maximum capacity to be transmitted is the capacity set out in the Transmission Service request triggering the Network Upgrades, plus transmission losses according to the factor specified in Section 15.7.

For a Network Upgrade project involving a satellite substation, the maximum capacity to be transmitted is the lesser of: (1) the load growth forecast over twenty (20) years for the satellite substations within the project's area of influence, determined based on the load forecasts by satellite substation provided by the Distributor; or (2) the additional capacity resulting from the project.

For a Distributor load growth request involving a customer connected or to be connected directly to the Transmission System, the maximum capacity to be transmitted is the new load to be transmitted requested by the Distributor for its customer.

Attachment K

Information and Discussion Process on Transmission System Planning

The Transmission Provider shall implement a process for information and discussion on its Transmission System planning with all of its Customers. The purpose of this process is to enable a better understanding of the methods used by the Transmission Provider and to ensure greater transparency in its Transmission System planning development.

The information and discussion process shall include annual meetings held with openness and transparency toward all Customers through the exchange of information fostering the elaboration of solutions consistent with optimal development of the Transmission System.

The Transmission Provider shall report annually to the Régie on meetings held as part of this process.

Attachment L

Creditworthiness Procedures

1. General Information

For the purpose of this Attachment L, a Customer shall mean a Network Customer, a Transmission Customer or any counterparty to a Connection Agreement pursuant to Section 12A. A Customer's creditworthiness must be evaluated prior to the execution of any service by the Transmission Provider. A credit review shall be conducted by the Transmission Provider, at least annually, for each Customer or at the Customer's request if the request is deemed reasonable by the Transmission Provider. Information required under this Attachment L is to be sent to:

Hydro-Québec
Direction – Affaires réglementaires et services de transport d'électricité
Creditworthiness Information
Complexe Desjardins, Tour Est, 16e étage
C. P. 10000, succ. Desjardins
Montréal (Québec) H5B 1H7
Phone: 514 879-4159
Email: verret.stephane@hydroquebec.com

a supprimé: 15e

Upon receipt of a Customer's information, the Transmission Provider will review it for completeness and will notify the Customer if additional information is required. For Customers not requiring Network Upgrades, upon completion of a credit evaluation, the Transmission Provider will submit a credit offer to the Customer. The credit offer will outline the credit conditions established for the Customer and will confirm whether or not the Customer is required to provide Financial Assurance in accordance with Section 5 of this Attachment L. The credit offer must be signed by the Customer and its parent company or the affiliated company that the Transmission Provider accepts as guarantor for the Customer ("Guarantor"), if any, and by the Transmission Provider. Customers whose requirements entail Network Upgrades shall refer to Section 11 of this Attachment L.

2. Financial Information

In order to obtain an unsecured credit limit, the Customer must, without limitation, provide the Transmission Provider with the following:

- All current rating reports from Moody's, Standard & Poor's ("S&P") and/or Dominion Bond Rating Service Ltd ("DBRS") on the Customer or on its Guarantor, if any;
- Audited and consolidated annual financial statements of the Customer or of its Guarantor, if any, for the three (3) most recent financial years, or the period of existence, if shorter. These audited and consolidated annual financial statements must have been audited by a globally registered independent auditor;
- Unaudited consolidated financial statements of the Customer or its Guarantor, if any, for the most recent financial quarters with comparable quarterly results for the previous year;
- Any information requested by the Transmission Provider in order to assess the creditworthiness of the Customer or of its Guarantor, if any.

3. Creditworthiness Requirements

To be eligible for an unsecured credit limit, the Customer must at a minimum meet the following criteria according to the information provided in Section 2 of this Attachment L:

a) The Customer must have and maintain credit ratings, for its long-term senior unsecured and unsubordinated debt, of at least:

- Baa3 by Moody's; and/or
- BBB- by S&P; and/or
- BBB (low) by DBRS.

In the event of a split rating classification by Moody's, S&P and DBRS, the lowest of the ratings shall apply. If the Customer or its Guarantor, if any, does

not have credit ratings for its long-term senior unsecured and unsubordinated debt, the long-term issuer credit rating will be considered.

b) If the Customer's credit depends on the creditworthiness of a Guarantor, then the latter must at a minimum meet the criteria set out in (a) above and provide the information outlined in Section 2 of this Attachment L. The Guarantor must also provide a written corporate guarantee, stating that it will be unconditionally responsible for all Customer's financial obligations for any service rendered by the Transmission Provider. The corporate guarantee must remain to the Transmission Provider's satisfaction at all times;

c) The credit ratings issued by the agencies shall reflect the intrinsic business, credit and financial strength of the Customer or its Guarantor, if any, without consideration of any implied support from any parent or affiliated companies that is not contractually binding (hereafter "Implied Support"); excluding from assets and shareholders' equity any assets reflecting, at the discretion of the Transmission Provider, financial assistance to affiliated or parent companies not owned and controlled by the Customer or its Guarantor, as the case may be (hereafter "Financial Assistance"); but with consideration of any business, regulatory, or financial condition and all risks, events or adverse effects, under way, pending or foreseeable, concerning any parent or affiliated company, that affect or could affect adversely the financial position of the Customer or its Guarantor, if any (hereafter "Contingent Risks") (the combination of those elements is hereafter referred to as the "Intrinsic Credit Strength"). Otherwise, the Transmission Provider may, at its discretion, attempt to evaluate the Intrinsic Credit Strength of the Customer or its Guarantor, as the case may be, excluding the benefit, if any, of any Implied Support, deducting any Financial Assistance from assets and equity, and taking into consideration any Contingent Risks, and give precedence to this evaluation over the credit ratings provided by the rating agencies;

d) No change or effect may be under way, be pending or continuing that could have a significant adverse effect on the financial position of the Customer or its Guarantor, if any.

4. Credit Limits

If the Customer or its Guarantor, as applicable, meets the applicable criteria defined in Section 3 of this Attachment L, the Customer may receive unsecured credit (hereafter “Credit Limit”) of up to three (3) months’, Transmission Service charges on the basis of the Customer’s expressed needs. However, the Transmission Provider reserves the right to limit the amount of the Customer’s authorized Credit Limit. The Credit Limit may at no time exceed the maximum unsecured credit limit, established internally and approved from time to time by the Board of Directors of Hydro-Québec, based on the credit risk level of the Customer or its Guarantor, as applicable. If the Customer requires credit beyond the Credit Limit approved by the Transmission Provider, then the Customer shall provide Financial Assurance, in accordance with Section 5 below, amounting to at least 133% of the excess in credit needs.

The Transmission Provider shall review Credit Limits periodically, at least annually, to reflect the Customer’s needs, and upon an event or a change in the financial position of the Customer or its Guarantor, if any, whether or not resulting from a credit rating downgrade. Any change in Credit Limit shall be communicated in writing and sent by registered mail to the Customer and its Guarantor, if any. This written notice shall modify the terms and conditions of the credit offer accordingly and become effective five (5) business days following receipt of such written notice by the Customer. The Customer may obtain on request written explanations pertaining to changes in the credit conditions applying to it.

5. Financial Assurance

A Customer that does not meet the applicable requirements for creditworthiness set out in Section 3 of this Attachment L, or that elects to provide other forms of guarantee to establish its creditworthiness or that requires credit beyond its authorized Credit Limit shall comply by taking one of the following actions:

(a) Provide Security

For Short-Term Point-to-Point Transmission Service, the Customer shall provide security, of a type described below, amounting to 133% of three (3) months’ Transmission Service charge or 133% of the excess in credit needs, as the case may be. The security must be provided at least five (5) business

days prior to the commencement of Transmission Service or at the time of the request for Transmission Service.

For Long-Term Point-to-Point Transmission Service, the Transmission Provider may require the Customer to provide additional security, for a reasonable amount, proportionate to the value of the Transmission Service requested by the Customer.

(b) Pre-Pay Service

Customer shall pay the total charge of Transmission Service or 133% of the excess in credit needs, as the case may be, at least five (5) business days prior to the commencement of Transmission Service or at the time of the request for Transmission Service.

Security provided to the Transmission Provider in accordance with Section 5(a) above should be in the form of (altogether referred to as “Financial Assurance”):

(i) An unconditional and irrevocable standby letter of credit, which shall be and remain to the Transmission Provider’s satisfaction, including, without limitation to the scope of the foregoing, any issuing, advising or confirming bank involved, as the case may be; or

(ii) A cash deposit; or

(iii) An alternative form of security acceptable to the Transmission Provider.

Financial Assurance shall remain to the Transmission Provider’s satisfaction; otherwise, the Transmission Provider may require additional or alternative Financial Assurance from the Customer. The Customer shall have three (3) business days following the Transmission Provider’s notice to provide Financial Assurance acceptable to the Transmission Provider.

6. Dispute Regarding Credit Verification

A Customer that disagrees with the way the Transmission Provider has evaluated its creditworthiness may submit to the Transmission Provider a written request for reevaluation. Such request shall be supported by new information justifying the reevaluation. The Transmission Provider will review the request and the new information and reply to the request within ten (10) business days.

7. Changes in Creditworthiness and/or Financial Assurance Requirements

Upon determination by the Transmission Provider that the creditworthiness and/or Financial Assurance requirements of a Customer or its Guarantor, as applicable, have changed, the Transmission Provider shall confirm in writing by registered mail the new credit conditions applicable to the Customer and its Guarantor, if any. Such written notice shall modify the terms and conditions of the credit offer accordingly and become effective five (5) business days following receipt of such written notice by the Customer. Notwithstanding the foregoing, any Credit Limit excess or Financial Assurance deficiency, resulting or not from such new requirements, shall be remedied within five (5) business days following receipt of the written notice.

8. Ongoing Financial Review

Each Customer qualifying under Section 3 of this Attachment L is required to provide or render readily accessible through the Internet, at no charge, and within time limits specified in its respective credit offer, or upon request, the following:

- The most recent credit rating agency reports on the Customer or its Guarantor, if any;
- The most recent consolidated financial statements audited by a globally registered independent auditor of the Customer or its Guarantor, if any;
- The most recent unaudited consolidated quarterly financial statements with comparable results of the prior year’s financial quarters of the Customer or its Guarantor, if any.

9. Changes to the Creditworthiness Procedures

If the Transmission Provider intends to modify this Attachment L, the following procedure shall be followed:

(a) Notification to the Customer

Customers shall be notified by e-mail and registered mail that an amendment to Attachment L has been filed with the Régie. The notice shall include the proposed modifications to Attachment L, the expected effective date of the change and the time limit for compliance with the revised credit requirements.

(b) Customer's Responsibility

The Customer must take the necessary steps to comply with the revised credit requirements by the effective date of the change, or duly notify the Transmission Provider of its inability to comply with the revised credit requirements.

10. Customer Default

Any failure or omission by the Customer to meet the Transmission Provider's credit conditions, provide required information or provide and maintain in effect Financial Assurance under this Attachment L or any other agreement, including, without limitation of the foregoing, the credit offer, the Connection Agreement or any Service Agreement, as applicable, (hereafter "Supplementary Agreements") is considered a default. In the event that a Customer defaults pursuant to this Attachment L, to Section 7.3, or to any other Supplementary Agreements, the Transmission Provider shall send a written notice by registered mail to the Customer. If the default is not remedied within three (3) business days following receipt of the written notice, the Transmission Provider may set a date at which it intends to terminate all agreements binding the Parties. The Transmission Provider shall then calculate all amounts due, including repayment of all amounts disbursed or incurred with interest on unpaid amounts, calculated pursuant to Section 7.2, and shall notify the Customer of the net amount then owing.

11. Network Upgrades

In addition to the terms and conditions of this Attachment L, the Transmission Provider has defined specific credit conditions applicable to the following Customers whose requirements entail Network Upgrades:

- Transmission Customers for Long-Term Firm Point-to-Point Transmission Service requiring Network Upgrades;
- Any counterparty to a Connection Agreement, in accordance with Section 12A.

11.1 General Information

Customers whose requirements entail Network Upgrades shall provide the information specified in Section 2 of this Attachment L. Upon completion of a credit evaluation, the Transmission Provider shall confirm whether or not the Customer requiring Network Upgrades is required to provide Financial Assurance in accordance with Section 11.3 below. The credit conditions established for the Customer requiring Network Upgrades will be incorporated in the Service Agreement for Firm Long-Term Point-to-Point Transmission Service or in the Connection Agreement, as applicable.

11.2 Credit Limits

If the Customer, whose requirements entail Network Upgrades or its Guarantor, if any, meets the credit conditions defined in Section 3 of this Attachment L, such Customer may receive a Credit Limit of an amount equivalent up to the total estimated charges to be incurred by the Transmission Provider for Network Upgrades. However, the Transmission Provider reserves its right to limit the amount of the Credit Limit extended to a Customer requiring Network Upgrades. The Credit Limit shall not exceed the maximum unsecured credit limit, established internally and approved from time to time by the Board of Directors of Hydro-Québec, according to the credit risk level of such Customer or its Guarantor, as applicable.

The Transmission Provider shall review Credit Limits periodically, at least annually, to reflect the risk profile of the Customer requiring Network Upgrades or the risk profile of its Guarantor, if any, and upon an event or a

change in the financial position of such Customer or its Guarantor, if any, whether or not resulting from a credit rating downgrade. Any change in Credit Limit shall be communicated in writing by registered mail to such Customer and its Guarantor, if any. This written notice shall amend accordingly the terms and conditions of the Service Agreement for Firm Long-Term Point-to-Point Transmission Service or the Connection Agreement, as applicable, and become effective five (5) business days following receipt of such written notice by the Customer. The Customer may obtain, on request, written explanations pertaining to changes in the credit conditions applying to it.

11.3 Financial Assurance

A Customer requiring Network Upgrades that does not meet the requirements for creditworthiness set out in Section 3 of this Attachment L, or that elects to provide other types of security to establish its creditworthiness or that requires credit beyond its authorized Credit Limit shall provide an unconditional and irrevocable standby letter of credit to secure the estimated costs to be incurred by the Transmission Provider for the Network Upgrades. The letter of credit shall be and remain to Transmission Provider's satisfaction at all times, including, without limitation to the scope of the foregoing, the designation of any issuing, advising or confirming bank involved, as the case may be.

The Financial Assurance shall remain at the satisfaction of the Transmission Provider; otherwise, the Transmission Provider may require additional or alternative Financial Assurance from the Customer requiring Network Upgrades. Such Customer shall have three (3) business days following the Transmission Provider's notice to provide Financial Assurance acceptable to the Transmission Provider.

11.4 Changes in Customer's Financial Position

Upon determination by the Transmission Provider that the creditworthiness and/or the Financial Assurance requirements of the Customer requiring Network Upgrades or its Guarantor, as applicable, have changed, the Transmission Provider shall confirm in writing the new requirements to the

Customer and its Guarantor, if any. Such written notice, sent be registered mail, shall modify accordingly the terms and conditions of the Service Agreement for Firm Long-Term Point-to-Point Transmission Service or the Connection Agreement, as applicable, and become effective five (5) business days following receipt of such written notice by the Customer. Notwithstanding the foregoing, any excess over the Credit limit or Financial Assurance deficiency, resulting or not from such new requirements, shall be remedied within five (5) business days following receipt of the written notice.

12. Provisions for Hydro-Québec

The Distributor and the Generator, like the Transmission Provider, are part of Hydro-Québec. For that reason, the Distributor and the Generator are not subject to this Attachment L.