

SCHEDULE 21 - LOCAL SERVICE

This Schedule 21 contains the main substantive provisions applicable to Local Service. It includes common PTO rates, terms and conditions for Local Point-to-Point Service and Local Network Service and PTO-specific Local Service Schedules. Retail service is not subject to this Schedule 21 unless specifically provided for in the PTO's Local Service Schedule. The rates, terms and conditions for interconnection service to generators with total generating capacity of greater than 20 MW are set forth in Schedule 22. The rates, terms and conditions for interconnection service to generators with total generating capacity of 20 MW and less are set forth in Schedule 23. To the extent applicable, the rates, terms and conditions for load interconnections are set forth under the PTO-specific Local Service Schedules.

All Transmission Customers taking Local Service shall be subject to and comply with the rates, terms and conditions of this Schedule 21 as well as any applicable Local Service Schedule. In the event of a conflict between any rate, term or condition in the Tariff and any rate, term or condition in this Schedule 21 and/or an applicable Local Service Schedule, the rate, term or condition in this Schedule 21 and/or the applicable Local Service Schedule shall govern.

With the exception of waivers specified in certain PTO-specific Local Service Schedules, the following NAESB Standards are hereby incorporated by reference in this Schedule 21 to the extent that the requirements therein apply to the PTOs:

Business Practice Standards relating to Open Access Same-Time Information Systems (OASIS), Version 1.5 (WEQ-001, Version 002.1, March 11, 2009, with minor corrections applied on May 29, 2009 and September 8, 2009) with the exception of Standards 001-0.1, 001-0.9 through 001-0.13, 001-1.0, 001-9.7, 001-14.1.3, and 001-15.1.2;

Open Access Same-Time Information Systems (OASIS) Standards & Communication Protocols, Version 1.5 (WEQ-002, Version 002.1, March 11, 2009, with minor corrections applied on May 29, 2009 and September 8, 2009);

Open Access Same-Time Information Systems (OASIS) Data Dictionary, Version 1.5 (WEQ-003, Version 002.1, March 11, 2009, with minor corrections applied on May 29, 2009 and September 8, 2009);

Public Key Infrastructure (PKI) (WEQ-012, Version 002.1, March 11, 2009, with minor corrections applied May 29, 2009 and September 8, 2009); and

Open Access Same-Time Information Systems (OASIS) Implementation Guide, Version 1.5 (WEQ-013, Version 002.1, March 11, 2009, with minor corrections applied May 29, 2009 and September 8, 2009).

The Participating Transmission Owners have been granted a waiver of the following NAESB Version 002.1 Standards by Order of the Commission dated December 3, 2010 in FERC Docket No. ER11-23-000.

Coordinate Interchange (WEQ-004, Version 002.1, March 11, 2009, with minor corrections applied May 29, 2009 and September 8, 2009);

Area Control Error (ACE) Equation Special Cases (WEQ-005, Version 002.1, March 11, 2009, with minor corrections applied May 29, 2009 and September 8, 2009);

Manual Time Error Correction (WEQ-006, Version 001, October 31, 2007, with minor corrections applied on November 16, 2007);

Inadvertent Interchange Payback (WEQ-007, Version 002.1, March 11, 2009, with minor corrections applied May 29, 2009 and September 8, 2009);

Transmission Loading Relief - Eastern Interconnection (WEQ-008, Version 002.1, March 11, 2009, with minor corrections applied May 29, 2009 and September 8, 2009); and

Gas/Electric Coordination (WEQ-011, Version 002.1, March 11, 2009, with minor corrections applied May 29, 2009 and September 8, 2009). *To the extent that this standard does apply to an individual PTO, the incorporation of this standard shall be addressed within the respective PTO-specific Local Service Schedule.*

The PTOs will perform their functions under this Schedule 21 and the Local Service Schedules in a manner that is not inconsistent with the ISO's provision of regional service, administration of the regional markets, dispatch of resources, and operation of the New England Transmission System for purposes of reliability.

Pre-Confirmed Request: Is an OASIS transmission service request that commits the Transmission Customer to take and pay for the requested Local Point-to-Point Service upon acceptance on OASIS by the PTO that can provide the requested Local Point-to-Point Service.

Pre-RTO Local Service Agreements¹: A Transmission Customer who wishes to revise the Local Service Agreement termination date, transfer Local Service Agreement ownership, request an alternate Firm or Non-Firm Point of Receipt or Point of Delivery, or make upgrades (i.e., increase MWs served) within the terms of their existing Local Service Agreement that was in effect prior to February 1, 2005 (“Pre-RTO Local Service Agreement” as defined to Section II.1 of the OATT) shall not be required to complete an Application or execute a Local Service Agreement under this Schedule 21. Instead, the Transmission Customer shall contact the associated PTO to discuss and, if appropriate, modify its existing Pre-RTO Local Service Agreement.

A Transmission Customer who wishes to request an alternate Firm Point of Receipt or Point of Delivery or make upgrades (i.e., increase MWs served) beyond the terms of its existing Pre-RTO Local Service Agreement, shall contact the PTO to make arrangements to terminate the Transmission Customer’s existing pre-RTO Local Service Agreement and shall complete (and submit to the ISO) an Application for Local Service and then execute a Local Service Agreement under this Schedule 21.

RTO Local Service Agreements: For Local Service Agreements with an effective date on or after February 1, 2005 (an “RTO Local Service Agreement” as defined to Section II.1 of the OATT) a Transmission Customer who wishes to revise the Local Service Agreement termination date, transfer Local Service Agreement ownership, request an alternate Non-Firm Point of Receipt or Point of Delivery, or make upgrades (i.e., increase MWs served) within the terms of its existing Local Service Agreement under this Schedule 21, shall not be required to execute a new Local Service Agreement under this Schedule 21, however, modifications to the Transmission Customer’s existing Local Service Agreement may be required. Such modifications to an existing Local Service Agreement typically do not require an additional local or regional System Impact Study to be completed. The Transmission Customer shall complete (and submit to the ISO) an application for Local Transmission Service that reflects the requested modifications to the Local Service Agreement to facilitate revision of its existing Schedule 21 Local Service Agreement. A Transmission Customer who wishes to request an alternate Firm Point of Receipt or Point of Delivery or make upgrades (i.e., increase MWs served) beyond the terms of its

¹ LSAs as defined in Section II.1 of the OATT do not include Excepted Transaction Agreements under Attachments G-1, G-2 and G-3 of the OATT.

existing RTO Local Service Agreement, shall contact the ISO to discuss and, if appropriate, terminate the Transmission Customer's existing RTO Local Service Agreement under this Schedule 21 and shall complete (and submit to the ISO) a new Application for Local Service and then execute a new Local Service Agreement under this Schedule 21.

Reservation Priority For Existing Firm Service Customers: Existing firm service customers (wholesale requirements and transmission only, with a contract term of five years or more), have the right to continue to take Local Service from the PTO when the contract expires, rolls over or is renewed. This transmission reservation priority is independent of whether the existing customer continues to purchase capacity and energy from the PTO or elects to purchase capacity and energy from another supplier. If at the end of the contract term, the PTO's Local Network cannot accommodate all of the requests for Local Service, the existing firm service customer must agree to accept a contract term at least equal to a competing request by any new Eligible Customer and to pay the current just and reasonable rate, as approved by the Commission, for such service; provided that, the firm service customer shall have a right of first refusal at the end of such service only if the new contract is for five years or more. The existing firm service customer must provide notice to the PTO whether it will exercise its right of first refusal no less than one year prior to the expiration date of its Local 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 contract terms of five years or longer. Local Service Agreements subject to a right of first refusal entered into prior to the date of the PTOs' filing adopting the reformed rollover language herein in compliance with Order No. 890 or associated with a transmission service request received prior to July 13, 2007, unless terminated, will become subject to the five year/one year requirement on the first rollover date after the date of the PTOs' filing adopting the reformed rollover language herein in compliance with Order No. 890; provided that, the one year notice requirement shall apply to such service agreements with five years or more left in their terms as of the date of the PTOs' filing adopting the reformed rollover language herein in compliance with Order No. 890.

FERC: The Federal Energy Regulatory Commission.

Force Majeure: Neither the ISO, a Transmission Owner nor a Customer will be considered in default as to any obligation under the Tariff if prevented from fulfilling the obligation due to an event of Force Majeure; provided that no event of Force Majeure affecting any entity shall excuse that entity from making any payment that it is obligated to make hereunder or under a Service Agreement. However, an entity whose performance under the Tariff is hindered by an event of Force Majeure shall make all

reasonable efforts to perform its obligations under the Tariff, and shall promptly notify the ISO, the Transmission Owner or the Customer, whichever is appropriate, of the commencement and end of each event of Force Majeure.

Liability: The ISO shall not be liable for money damages or other compensation to the Customer for actions or omissions by the ISO in performing its obligations under the Tariff or any Service Agreement thereunder, except to the extent such act or omission by the ISO is found to result from its gross negligence or willful misconduct. A Transmission Owner shall not be liable for money damages or other compensation to the Customer for action or omissions by such Transmission Owner in performing its obligations under the Tariff or any Service Agreement thereunder, except to the extent such act or omission by such Transmission Owner is found to result from its gross negligence or willful misconduct. To the extent the Customer has claims against the ISO or a Transmission Owner, the Customer may only look to the assets of the ISO or a Transmission Owner (as the case may be) for the enforcement of such claims and may not seek to enforce any claims against the directors, members, shareholders, officers, employees or agents of the ISO or a Transmission Owner or Affiliate of either who, the Customer acknowledges and agrees, have no personal or other liability for obligations of the ISO or a Transmission Owner by reason of their status as directors, members, shareholders, officers, employees or agents of the ISO or a Transmission Owner or Affiliate of either. In no event shall the ISO, a Transmission Owner or any Customer be liable for any incidental, consequential, multiple or punitive damages, loss of revenues or profits, attorneys fees or costs arising out of, or connected in any way with the performance or non-performance under the Tariff or any Service Agreement thereunder. Notwithstanding the foregoing, nothing in this section shall diminish a Customer's obligations under Section I.5.3 of the Tariff or under Schedule 21 of the OATT.

Indemnification: Each Customer shall at all times indemnify, defend, and save harmless the ISO and the Transmission Owners and their respective directors, officers, members, employees and agents from any and all damages, losses, claims and liabilities by or to third parties arising out of or resulting from the performance by the ISO or Transmission Owners under the Tariff or any Service Agreement thereunder, any bankruptcy filings made by a Customer, or the actions or omissions of the Customer in connection with the Tariff or any Service Agreement thereunder, except in case of the ISO, gross negligence or willful misconduct by the ISO or its directors, officers, members, employees or agents, and, in the case of a Transmission Owner, the gross negligence or willful misconduct by such Transmission Owner or its directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts

actually recovered by the indemnified party in respect of the indemnified action, claim, demand, cost, damage or liability. The obligations of each Customer to indemnify the ISO and Transmission Owners shall be several, and not joint or joint and several.

Interruption: A reduction in non-firm transmission service due to economic reasons pursuant to Section I. 2 g).

Local Network Upgrade: Modifications or additions to the Local Network of a PTO, made in accordance with this Schedule 21, that are not Direct Assignment Facilities.

I. LOCAL POINT-TO-POINT SERVICE

Preamble

Eligible Customers seeking Local Point-To-Point Service on a specific Local Network shall refer to the applicable Local Service Schedule to determine any PTO-specific rates, terms, and conditions applicable to such service. Except as otherwise provided in the Local Service Schedules, Firm and Non-Firm Local Point-To-Point Service will be provided pursuant to the rates, terms and conditions set forth below. Local Point-To-Point Service is for the receipt of capacity and/or energy at designated Point(s) of Receipt and the transfer of such capacity and energy to designated Point(s) of Delivery.

A Local Point-To-Point Service Customer is not excused from any requirements of state law, or any order or regulation issued pursuant to state law, to arrange for Local Delivery Service with the PTO and distribution company providing such service and to pay all applicable charges associated with such service, including charges for stranded costs.

1) Nature of Firm Local Point-To-Point Service

a) Term: The minimum term of Firm Local Point-To-Point Service shall be one day and the maximum term shall be specified in the Local Service Agreement.

b) Reservation Priority: Local Long-Term Firm Point-To-Point Service shall be available on a first-come, first-served basis, i.e., in the chronological sequence in which each Transmission Customer has reserved service. Reservations for Local Short-Term Firm Point-To-Point Service will be conditional based upon the length of the requested transaction. However, Pre-Confirmed Requests for Local Short-

Term Point-to-Point Service will receive priority over earlier-submitted requests that are not pre-confirmed and that have equal or shorter duration. Among requests with the same duration and, as relevant, pre-confirmation status (pre-confirmed or not pre-confirmed), priority will be given to a Transmission Customer's request that offers the highest price, followed by the date and time of the request. If the Local Network becomes oversubscribed, requests for service may preempt competing reservations up to the following conditional reservation 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 conditional reservation deadline, if available transfer capability is insufficient to satisfy all requests and reservations, a Transmission Customer with a reservation for shorter term service or equal duration service and lower price has the right of first refusal to match any longer term request or equal duration service with a higher price before losing its reservation priority. A longer term competing request for Local Short-Term Firm Point-To-Point Service will be granted if the Transmission 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 I.1.h of this Schedule 21) from being notified by the PTO of a longer-term competing request for Local Short-Term Firm Point-To-Point Service. When a longer duration request preempts multiple shorter duration reservations, the shorter duration requests shall have simultaneous opportunities to exercise the right of first refusal. Duration, price 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 conditional reservation deadline, service will commence pursuant to the terms of this Schedule 21. Firm Local Point-To-Point Service will always have a reservation priority over Non-Firm Local Point-To-Point Service under the Tariff. All Local Long-Term Firm Point-To-Point Service will have equal reservation priority with Native Load Customers and Network Customers. Reservation priorities for existing firm service customers are provided in the Local Service Schedules of this Schedule 21.

c) Use of Firm Local Point-to-Point Service by the PTO: The PTO will be subject to the rates, terms and conditions of this Schedule 21 when making Third-Party Sales under agreements executed on or after the effective date of the Tariff. The PTO will maintain separate accounting for any use of the Local Point-To-Point Service to make Third-Party Sales.

d) Service Agreements: After consultation with the PTO, the ISO shall forward a standard form of Local Service Agreement (Attachment A to this Schedule 21) to an Eligible Customer after an Eligible Customer submits a Completed Application for Local Point-To-Point Service to the ISO. Local Service Agreements executed by the Eligible Customer that contain the information required under this Schedule

21 shall also be executed by the PTO and returned to the ISO for execution and filing and/or reporting by the ISO with the Commission in compliance with applicable Commission regulations. An Eligible Customer that uses Local Point-to-Point Service at a Point of Receipt or Point of Delivery that it has not reserved and that has not executed a Local Service Agreement will be deemed, for purposes of assessing any appropriate charges and penalties, to have executed the appropriate Local Service Agreement.

e) Transmission Customer Obligations for Facility Additions Costs: In cases where the PTO, in consultation with the ISO, determines that the Local Network is not capable of providing Firm Local Point-To-Point Service without (1) degrading or impairing the reliability of service to Native Load Customers, Network Customers and other Transmission Customers taking Firm Local Point-To-Point Service, or (2) interfering with the PTO's ability to meet prior firm contractual commitments to others, the PTO will be obligated to expand or upgrade its Local Network pursuant to the terms of Section I.3.d of this Schedule 21. The Transmission Customer must agree to compensate the PTO for any necessary transmission facility additions pursuant to the terms of Section I.14 of this Schedule 21. Any Local Network Upgrade or Direct Assignment Facilities costs to be charged to the Transmission Customer on an incremental basis under the Tariff will be specified in the Local Service Agreement prior to initiating service.

f) Curtailment of Firm Local Point-To-Point Service: In the event that a Curtailment on the PTO's Local Network, or a portion thereof, is required to maintain reliable operation of such system, Curtailments will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint. If multiple transactions require Curtailment, to the extent practicable and consistent with Good Utility Practice, the PTO will curtail service to Network Customers and Transmission Customers taking Firm Local Point-To-Point Service on a basis comparable to the curtailment of service to the PTO's Native Load Customers. All Curtailments will be made on a non-discriminatory basis, however, Non-Firm Local Point-To-Point Service shall be subordinate to Firm Local Point-To-Point Service and Local Network Service. When the PTO determines that an electrical emergency exists on the Non-PTF and the PTO implements emergency procedures to Curtail Firm Local Service, the Transmission Customer shall make the required reductions upon request of the PTO. The PTO reserves the right to Curtail, in whole or in part, any Local Service when, in the PTO's sole discretion, an emergency or other unforeseen condition impairs or degrades the reliability of its Local Network. The PTO will notify all affected Transmission Customers in a timely manner of any scheduled Curtailments. Penalties for failure to Curtail shall be assessed pursuant to the applicable Local Service Schedule.

g) Classification of Firm Local Point-To-Point Service:

(i) The Transmission Customer taking Firm Local Point-To-Point Service may (1) change its Receipt and Delivery Points to obtain service on a non-firm basis consistent with the terms of Section I.10.a of this Schedule 21 or (2) request a modification of the Points of Receipt or Delivery on a firm basis pursuant to the terms of Section I.10.b of this Schedule 21.

(ii) The Transmission Customer may purchase transmission service to make sales of capacity and energy from multiple generating units that are on the PTO's Local Network. For such a purchase of transmission service, the resources will be designated as multiple Points of Receipt, unless the multiple generating units are at the same generating plant in which case the units would be treated as a single Point of Receipt.

(iii) The PTO shall provide firm deliveries of capacity and energy from the Point(s) of Receipt to the Point(s) of Delivery. For Long-Term Firm Point-To-Point Service, each Point of Receipt at which firm transfer capability is reserved by the Transmission Customer shall be set forth in the Local Service Agreement along with a corresponding capacity reservation associated with each Point of Receipt. For Short-Term Firm Point-To-Point Service, Points of Receipt and corresponding capacity reservations shall be as mutually agreed upon by the Parties. For Long-Term Firm Point-To-Point Service, each Point of Delivery at which firm transfer capability is reserved by the Transmission Customer shall be set forth in the Service Agreement along with a corresponding capacity reservation associated with each Point of Delivery. For Short-Term Firm Point-To-Point Service, Points of Delivery and corresponding capacity reservations shall be as mutually agreed upon by the Parties. The greater of either (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 shall be the Transmission Customer's Reserved Capacity. The Transmission Customer will be billed for its Reserved Capacity under the terms of the applicable Local Service Schedule. 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 the applicable Local Service Schedule. The Local Service Schedule shall specify the rate treatment and all related terms and conditions applicable in the event that a Transmission Customer (including Third-Party Sales by the PTO) exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery or uses Local Point-to-Point Service at a Point of Receipt or Point of Delivery that it has not reserved.

h) Scheduling of Firm Local Point-To-Point Service: Schedules for the Transmission Customer's Firm Local Point-To-Point Service must be submitted to the PTO no later than 10:00 a.m. of the day prior to commencement of such service. Schedules submitted after 10:00 a.m. will be accommodated, if practicable. Hour-to-hour schedules of any capacity and energy that is to be delivered must be stated in increments of 10 kW per hour. Transmission Customers within the PTO's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 10 kW per hour, may consolidate their service requests at a common point of receipt into units of 10 kW per hour for scheduling and billing purposes. Scheduling changes will be permitted up to twenty (20) minutes before the start of the next clock hour provided that the Delivering Party and Receiving Party also agree to the schedule modification. The PTO will furnish hour-to-hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by such schedules. Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the PTO, and the PTO shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

2) Nature of Non-Firm Local Point-To-Point Service

a) Term: Non-Firm Local Point-To-Point Service will be available for periods ranging from one (1) hour to one (1) month. However, a purchaser of Non-Firm Local Point-To-Point Service will be entitled to reserve a sequential term of service (such as a sequential monthly term without having to wait for the initial term to expire 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 I.6.c of this Schedule 21.

b) Reservation Priority: Non-Firm Local Point-To-Point Service shall be available from transfer capability in excess of that needed for reliable service to Native Load Customers, Network Customers, Excepted Transactions and other Transmission Customers taking Local Long-Term and Local Short-Term Firm Point-To-Point Service. Individual Local Service Schedules may contain other applicable services. A higher priority will be assigned first to requests or reservations with a longer duration of service and second to Pre-Confirmed Requests. In the event the Local Network is constrained, competing requests of the same pre-confirmation status and equal duration will be prioritized based on the highest price offered by the Transmission Customer for the Transmission Service, or in the event the price for all Transmission Customers is the same, will be prioritized on a first-come, first-served basis, i.e., in the chronological sequence in which each customer has requested service. Transmission Customers that have already

reserved shorter term service have the right of first refusal to match any longer term request before being preempted. A longer term competing request for Non-Firm Local Point-To-Point Service will be granted if the Transmission Customer with the right of first refusal does not agree to match the competing request: (a) immediately for hourly Non-Firm Local Point-To-Point Service after notification by the PTO; and, (b) within 24 hours (or earlier if necessary to comply with the scheduling deadlines provided in Section I.2.f of this Schedule 21) for Non-Firm Local Point-To-Point Service other than hourly transactions after notification by the PTO. Non-Firm Local Point-To-Point Service over secondary Point(s) of Receipt and Point(s) of Delivery will have the lowest reservation priority under the OATT.

c) Use of Non-Firm Local Point-To-Point Service by the PTO: The PTO will be subject to the rates, terms and conditions of this Schedule 21 when making Third-Party Sales under (i) agreements executed on or after the effective date of the Tariff. The PTO will maintain separate accounting for any use of Non-Firm Local Point-To-Point Service to make Third-Party Sales.

d) Service Agreements: After consultation with the PTO, the ISO shall forward a standard form of Local Service Agreement (Attachment A to this Schedule 21) to an Eligible Customer after an Eligible Customer submits a Completed Application for Local Point-To-Point Service to the ISO. Local Service Agreements executed by the Eligible Customer that contain the information required under this Schedule 21 shall also be executed by the PTO and returned to the ISO for execution and filing and/or reporting by the ISO with the Commission in compliance with applicable Commission regulations. An Eligible Customer that uses Local Point-to-Point Service at a Point of Receipt or Point of Delivery that it has not reserved and that has not executed a Local Service Agreement will be deemed, for purposes of assessing any appropriate charges and penalties, to have executed the appropriate Local Service Agreement.

e) Classification of Non-Firm Local Point-To-Point Service: The PTO and the ISO undertake no obligation under the Tariff to plan the Local Network in order to have sufficient capacity for Non-Firm Local Point-To-Point Service. Parties requesting Non-Firm Local Point-To-Point 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 terms of the Tariff. The Local Service Schedules shall specify the rate treatment and all related terms and conditions applicable in the event that a Transmission Customer (including Third-Party Sales by the PTO) exceeds its non-firm capacity reservation. Non-Firm Local Point-To-Point 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.

f) Scheduling of Non-Firm Local Point-To-Point Service: Schedules for Non-Firm Local Point-To-Point Service must be submitted to the PTO no later than 2:00 p.m. of the day prior to commencement of such service. Schedules submitted after these times will be accommodated, if practicable. Hour-to-hour schedules of energy that is to be delivered must be stated in increments of 10 kW per hour. Transmission Customers within the PTO's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 10 kW per hour, may consolidate their schedules at a common Point of Receipt into units of 10 kW per hour. Scheduling changes will be permitted up to twenty (20) minutes before the start of the next clock hour provided that the Delivering Party and Receiving Party also agree to the schedule modification. The PTO will furnish hour-to-hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by such schedules. Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the PTO and the PTO shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

g) Curtailment or Interruption of Service: The PTO reserves the right to Curtail, in whole or in part, Non-Firm Local Point-To-Point Service provided under the Tariff for reliability reasons when, an emergency or other unforeseen condition threatens to impair or degrade the reliability of the Local Network. The PTO reserves the right to Interrupt, in whole or in part, Non-Firm Local Point-To-Point Service provided under the Tariff for economic reasons in order to accommodate (1) a request for Firm Local Transmission Service, (2) a request for Non-Firm Local Point-To-Point Service of greater duration, (3) a request for Non-Firm Local Point-To-Point Service of equal duration with a higher price, or (4) transmission service for Network Customers from non-designated resources. The PTO also will discontinue or reduce service to the Transmission Customer to the extent that deliveries for transmission are discontinued or reduced at the Point(s) of Receipt. Where required, Curtailments or Interruptions will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint, however, Non-Firm Local Point-To-Point Service shall be subordinate to Firm Local Transmission Service. If multiple transactions require Curtailment or Interruption, to the extent practicable and consistent with Good Utility Practice, Curtailments or Interruptions will be made to transactions of the shortest term (e.g., hourly non-firm transactions will be Curtailed or Interrupted before daily non-firm transactions and daily non-firm transactions will be Curtailed or Interrupted before weekly non-firm transactions). Transmission service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm Local Point-To-Point Service under the Tariff. Non-Firm Local Point-To-Point Service over secondary Point(s) of Receipt and Point(s) of

Delivery will have a lower priority than any Non-Firm Local Point-To-Point Service under the Tariff. The PTO will provide advance notice of Curtailment or Interruption where such notice can be provided consistent with Good Utility Practice and in accordance with the applicable Local Service Schedule. Penalties for failure to Curtail or Interrupt shall be assessed pursuant to the applicable Local Service Schedule.

3) Service Availability

a) General Conditions: The PTO will provide Firm Local and Non-Firm Local Point-To-Point Service to any Transmission Customer that has met the requirements of Section I.4 of this Schedule 21.

b) Determination of Available Transfer Capability: The PTO shall determine available transfer capability in accordance with its respective Attachment setting forth its Methodology to Assess Available Transfer Capability.

c) Initiating Service in the Absence of an Executed Service Agreement: If the PTO and the Transmission Customer requesting Firm Local or Non-Firm Local Point-To-Point Service cannot agree on all of the terms and conditions of the Local Service Agreement, the ISO shall file with the Commission, within thirty (30) days after the date the Transmission Customer provides written notification to both the PTO and the ISO directing the ISO to file, an unexecuted Local Service Agreement containing terms and conditions deemed by the PTO (in consultation with the ISO) to be appropriate for such requested service. The PTO shall commence providing Transmission Service subject to the Transmission Customer agreeing to (i) compensate the PTO at whatever rate the Commission ultimately determines to be just and reasonable, and (ii) comply with the terms and conditions of the Tariff including posting appropriate security deposits in accordance with the terms of Section I.5.c of this Schedule 21.

d) Obligation to Provide Transmission Service that Requires Expansion or Modification of the Local Network: If the PTO, in consultation with the ISO, determines that a Completed Application for Firm Local Point-To-Point Service cannot be accommodated because of insufficient capability on the Local Network, the PTO will use due diligence to expand or modify its Local Network to provide the requested Firm Local Point-To-Point Service, consistent with its planning obligations in Attachment K, provided the Transmission Customer agrees to compensate the PTO for such costs. The PTO, in consultation with the ISO, will conform to Good Utility Practice and its planning obligations in

Attachment K, in determining the need for new facilities and in the design and construction of such facilities. The obligation of the PTO to expand or modify its Local Network obligation to provide the requested Firm Local Point-To-Point Service applies only to those facilities that the PTO has the right to expand or modify.

e) Deferral of Service: The PTO may defer providing service until it completes construction of new transmission facilities or upgrades needed to provide Firm Local Point-To-Point Service whenever the PTO determines that providing the requested service would, without such new facilities or upgrades, impair or degrade reliability to any existing firm services.

f) Other Transmission Service Schedules: Eligible Customers receiving transmission service under other agreements on file with the Commission may continue to receive transmission service under those agreements until such time as those agreements may be modified by the Commission.

g) Real Power Losses: “Real Power Losses” those losses associated with transmission service as determined in accordance with Section 15.3, Section 31.6 and Schedule 21 of the OATT. Neither the ISO nor the PTOs are obligated to provide Real Power Losses. Non-PTF Real Power Losses shall be calculated and charged for in accordance with the applicable Schedule 21 Local Service Schedule.

h) Load Shedding: Load Shedding shall occur in accordance with the applicable Local Service Schedule to the extent provided for in such Local Service Schedule.

4) Transmission Customer Responsibilities

a) Conditions Required of Transmission Customers: Firm Local and Non-Firm Local Point-To-Point Service shall be provided only if the following conditions are satisfied by the Transmission Customer:

- (i) The Transmission Customer has pending a Completed Application for service;
- (ii) The Transmission Customer meets the creditworthiness procedures in Attachment L to the applicable PTO’s Local Service Schedule;

- (iii) The Transmission Customer will have arrangements in place for any other transmission service necessary to effect the delivery from the generating source to the PTO prior to the time service commences;
- (iv) The Transmission Customer agrees to pay for any facilities constructed and chargeable to such Transmission Customer, whether or not the Transmission Customer takes service for the full term of its reservation;
- (v) The Transmission Customer provides the information required by the PTO's planning process established in Attachment K; and
- (vi) The Transmission Customer has executed a Local Service Agreement or has requested the filing of an unexecuted Local Service Agreement pursuant to Section I.3.c of this Schedule 21.

b) Transmission Customer Responsibility for Third-Party Arrangements: Any scheduling arrangements that may be required by other electric systems shall be the responsibility of the Eligible Customer requesting service. The Transmission Customer shall provide, unless waived by the ISO and the PTO, notification to the ISO and the PTO identifying such systems and authorizing them to schedule the capacity and energy to be transmitted pursuant to this Schedule 21 on behalf of the Receiving Party at the Point of Delivery or the Delivering Party at the Point of Receipt. However, the ISO and the PTO will undertake reasonable efforts to assist the Transmission Customer in making such arrangements, including without limitation, providing any information or data required by such other electric system pursuant to Good Utility Practice.

5) Procedures for Arranging Firm Local Point-To-Point Service

a) Pre-RTO Local Service Agreements

- (i) A Transmission Customer who wishes to revise the Local Service Agreement termination date, transfer Local Service Agreement ownership, or make upgrades (i.e., increase MWs served) within the terms of its existing Firm Local Point-to-Point Service Agreement that is in effect prior to February 1, 2005 ("Pre-RTO Local Service Agreement"), shall not be required to complete an Application or execute a Local Service Agreement under this Schedule 21, however,

modifications to the existing Firm Local Point-to-Point Service Agreement may be required. Instead, the Transmission Customer shall contact the associated PTO to discuss and, if appropriate, modify its existing Firm Local Point-to-Point Service Agreement.

(ii) A Transmission Customer who wishes to request an alternate Firm Point of Receipt or Point of Delivery or make upgrades (i.e., increase MWs served) beyond the terms of its existing Firm Local Point-to-Point Service Agreement, shall contact the PTO to make arrangements to terminate the Transmission Customer's existing Local Service Agreement and shall complete (and submit to the ISO) an Application for Local Service and then execute a Local Service Agreement under this Schedule 21.

b) RTO Local Service Agreements

(i) A Transmission Customer who wishes to revise the Local Service Agreement termination date, transfer Local Service Agreement ownership, or make upgrades (i.e., increase MWs served) within the terms of the existing Firm Local Point-to-Point Service Agreement under this Schedule 21, shall not be required to execute a Local Service Agreement under this Schedule 21, however, modifications to the existing Firm Local Point-to-Point Service Agreement under this Schedule 21 may be required. Such modifications to an existing Local Service Agreement typically do not require an additional local or regional System Impact Study to be completed. The Transmission Customer shall complete (and submit to the ISO) an application for Local Transmission Service that reflects the requested modifications to the Local Service Agreement to facilitate revision of its existing Schedule 21 Local Service Agreement.

(ii) Transmission Customers who wish to request an alternate Firm Point of Receipt or Point of Delivery or make upgrades (i.e., increase MWs served) beyond the terms of the existing Firm Local Point-to-Point Service Agreement under this Schedule 21, shall contact the ISO to discuss and, if appropriate, terminate the Transmission Customer's existing Local Service Agreement under this Schedule 21 and shall complete (and submit to the ISO) an Application for Local Service and then execute a new Local Service Agreement under this Schedule 21.

c) Application: A request for Firm Local Point-To-Point Service for periods of one year or longer must be made in a completed Application submitted to the ISO at least sixty (60) days in advance of the calendar month in which service is to commence. The PTO will consider requests for such firm service

on shorter notice when feasible. Requests for firm service for periods of less than one year shall be subject to expedited procedures that shall be negotiated between the PTO and the Eligible Customer within the time constraints provided in the applicable Local Service Schedule. A Completed Application may be submitted by transmitting the required information to the ISO by telefax. This method will provide a time-stamped record for establishing the priority of the Application.

d) Completed Application: A Completed Application shall provide all of the information included in 18 C.F.R. § 2.20 including but not limited to the following:

- (i) The identity, address, telephone number and facsimile 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 Tariff;
- (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 ISO and the PTO will treat this information as confidential except to the extent that disclosure of this information is required by the Tariff, by regulatory or judicial order, for reliability purposes pursuant to Good Utility Practice or pursuant to the Information Policy;
- (v) A description of the supply characteristics of the capacity and energy to be delivered;
- (vi) An estimate of the capacity and energy expected to be delivered to the Receiving Party;
- (vii) The Service Commencement Date and the term of the requested Transmission Service;
- (viii) The transmission capacity requested for each Point of Receipt and each Point of Delivery on the PTO's Local Network; customers may combine their requests for service in order to satisfy the minimum transmission capacity requirement;

(ix) A statement indicating that if the Transmission Customer submits a Pre-Confirmed Request, then the Transmission Customer will take and pay for the requested Local Service upon acceptance on OASIS by the PTO that can provide the requested Local Service; and

(x) Any additional information required by the PTO's planning process established in Attachment K.

The ISO and the PTO shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations.

e) Deposit: Except as is otherwise provided in the Local Service Schedule, a Completed Application for Firm Local Point-To-Point Service also shall include a deposit of either one month's charge for Reserved Capacity or the full charge for Reserved Capacity for service requests of less than one month. If the Application is rejected because it does not meet the conditions for service as set forth herein, in the Local Service Schedule or, in the case of requests for service arising in connection with losing bidders, in a Request For Proposals (RFP), said deposit shall be returned with interest less any reasonable costs incurred by the PTO in connection with the review of the losing bidder's Application. The deposit also will be returned with interest less any reasonable costs incurred by the PTO if the PTO is unable to complete new facilities needed to provide the service. If an Application is withdrawn or the Eligible Customer decides not to enter into a Local Service Agreement for Firm Local Point-To-Point Service, the deposit shall be refunded in full, with interest, less reasonable costs incurred by the PTO to the extent such costs have not already been recovered by the PTO from the Eligible Customer. The PTO will provide to the Eligible Customer a complete accounting of all costs deducted from the refunded deposit, which the Eligible Customer may contest if there is a dispute concerning the deducted costs. Deposits associated with construction of new facilities are subject to the provisions of Section I.5.c of this Schedule 21. If a Local Service Agreement for Firm Local Point-To-Point Service is executed, the deposit, with interest, will be returned to the Transmission Customer upon expiration or termination of the Local Service Agreement. Applicable interest shall be computed in accordance with the Commission's regulations at 18 C.F.R. § 35.19a(a)(2)(iii), and shall be calculated from the day the deposit check is credited to the PTO's account.

f) Notice of Deficient Application: If an Application fails to meet the requirements of the Tariff, the PTO shall notify the ISO within ten (10) days of the Application's receipt of the reasons for such failure, and the ISO shall, in turn, so notify the entity requesting service within five (5) days of the receipt

of notice from the PTO of the reasons for such failure. The PTO will attempt to remedy minor deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, the ISO shall return the Application. The PTO shall return any deposit, with interest, to the Eligible Customer. Upon receipt of a new or revised Application that fully complies with the requirements of this Schedule 21, the Eligible Customer shall be assigned a new priority consistent with the date of the new or revised Application.

g) Response to a Completed Application: Following receipt of a Completed Application for Firm Local Point-To-Point Service, the PTO shall make a determination of available transfer capability as required in Section I.3.b of this Schedule 21. Within twenty-five (25) days after the date of receipt of a Completed Application, the PTO shall notify the ISO either (i) if it will be able to provide service without performing a System Impact Study or (ii) if such a study is needed to evaluate the impact of the Application. The ISO shall so notify the Eligible Customer within five (5) days of the ISO's receipt of such notice from the PTO. Responses by the PTO and the ISO must be made as soon as practicable to all Completed Applications and the timing of such responses must be made on a non-discriminatory basis.

h) Execution of Service Agreement: Whenever the PTO, in consultation with the ISO, 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 I.7 of this Schedule 21 will govern the execution of a Local Service Agreement. Failure of an Eligible Customer to execute and return the Local Service Agreement or request the filing of an unexecuted service agreement pursuant to Section I.3.c of this Schedule 21 within fifteen (15) days after the Local Service Agreement is tendered will 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.

i) 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 to the PTO a non-refundable annual reservation fee equal to one-month's charge for Firm Local Point-To-Point Service for each year or fraction thereof within 15 days of notifying the PTO 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 Local Point-To-Point Service, and such request can be satisfied only by releasing all or part of the Transmission

Customer's Reserved Capacity, the original Reserved Capacity will be released unless the following condition is satisfied. Within thirty (30) days, the original Transmission Customer agrees to pay the 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 or portions thereof previously paid will be forfeited.

6) Procedures for Arranging Non-Firm Local Point-To-Point Service

a) Pre-RTO Local Service Agreements

(i) A Transmission Customer who wishes to revise the Local Service Agreement termination date, transfer Local Service Agreement ownership, request an alternate Non-Firm Point of Receipt or Point of Delivery, or make upgrades (i.e., increase MWs served) within the terms of their existing Non-Firm Local Point-to-Point Service Agreement that is in effect prior to February 1, 2005 ("Pre-RTO Local Service Agreement"), shall not be required to complete an Application or execute a Local Service Agreement under this Schedule 21, however, modifications to the existing Non-Firm Local Point-to-Point Service Agreement may be required. The Transmission Customer shall contact the associated PTO to discuss and, if appropriate, modify the existing Non-Firm Local Point-to-Point Service Agreement.

(ii) A Transmission Customer who wishes to make upgrades (i.e., increase MWs served) beyond the terms of its existing Non-Firm Local Point-to-Point Service Agreement that is in effect prior February 1, 2005 ("Pre-RTO Local Service Agreement"), shall contact the PTO to make arrangements to terminate the Transmission Customer's existing Local Service Agreement and shall complete (and submit to the ISO) an Application for Local Service and then execute a Local Service Agreement under this Schedule 21.

b) RTO Local Service Agreements

(i) A Transmission Customer who wishes to revise the Local Service Agreement termination date, transfer Local Service Agreement ownership, request an alternate Non-Firm Point of Receipt or Point of Delivery, or make upgrades (i.e., increase MWs served) within the terms of the existing Non-Firm Local Point-to-Point Service Agreement under this Schedule 21, shall not be required to execute a new Local Service Agreement under this Schedule 21, however,

modifications to the existing Non-Firm Local Point-to-Point Service Agreement under this Schedule 21 may be required.

Such modifications to an existing Local Service Agreement typically do not require an additional local or regional System Impact Study to be completed. The Transmission Customer shall complete (and submit to the ISO) an application for Local Transmission Service that reflects the requested modifications to the Local Service Agreement to facilitate revision of its existing Non-Firm Local Point-to-Point Service Agreement under this Schedule 21.

(ii) A Transmission Customer who wishes to request an upgrade (i.e., increase MWs served) beyond the terms of the existing Non-Firm Local Point-to-Point Service Agreement under this Schedule 21, shall contact the ISO to discuss and, if appropriate, terminate the Transmission Customer's existing Local Service Agreement under this Schedule 21 and shall complete (and submit to the ISO) a new Application for Local Service and then execute a new Local Service Agreement under this Schedule 21.

c) Application: Eligible Customers seeking Non-Firm Local Point-To-Point Service must submit a Completed Application to the ISO. A Completed Application may be submitted by transmitting the required information to the ISO by telefax. This method will provide a time-stamped record for establishing the service priority of the Application.

d) Completed Application: A Completed Application shall provide all of the information included in 18 C.F.R. § 2.20 including but not limited to the following:

(i) The identity, address, telephone number and facsimile 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 Tariff;

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

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

- (v) The proposed dates and hours for initiating and terminating transmission service hereunder.

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

- (vi) The electrical location of the initial source of the power to be transmitted pursuant to the Transmission Customer's request for service;
- (vii) The electrical location of the ultimate load; and
- (viii) A statement indicating that if the Transmission Customer submits a Pre-Confirmed Request, then the Transmission Customer will take and pay for the requested Local Point-to-Point Service upon acceptance on OASIS by the PTO that can provide the requested Local Service.

The ISO and the PTO will treat this information in (vi) and (vii) as confidential at the request of the Transmission Customer except to the extent that disclosure of this information is required by the Tariff, by regulatory or judicial order, for reliability purposes pursuant to Good Utility Practice, or pursuant to the ISO New England Information Policy. The ISO and the PTO shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations.

e) Reservation of Non-Firm Local Point-To-Point 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 noon the day before service is to commence. Requests for service received later than 2:00 p.m. prior to the day service is scheduled to commence will be accommodated if practicable.

f) Determination of Available Transfer Capability: The PTO shall determine available transfer capability in accordance with its respective Attachment setting forth its Methodology to Assess Available Transfer Capability.

7) Additional Study Procedures For Firm Local Point-To-Point Service Requests

a) Notice of Need for System Impact Study: After receiving a request for Firm Local Point-To-Point Service, a determination shall be made on a non-discriminatory basis as to whether a System Impact Study is needed. The ISO shall review the request to determine whether the provision of the requested service would have an impact on facilities other than Non-PTF, and if so, whether a System Impact Study is necessary to accommodate the requested service. If so, the ISO shall so inform the Eligible Customer as soon as practicable and will (in consultation with the PTO) perform a System Impact Study, as necessary, with respect to the request. A description of the ISO's methodology for completing a System Impact Study is provided in OATT Attachment D. If the ISO determines that the service would not have an impact on facilities other than Non-PTF, the PTO shall determine whether a System Impact Study is necessary to accommodate the requested service and shall so inform the Eligible Customer as soon as practicable and will (in consultation with the ISO) perform a System Impact Study, as necessary, with respect to the application. In such cases, the ISO or the PTO, as applicable, shall within thirty (30) days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the ISO or the PTO, as applicable, for performing 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 ISO or the PTO, as applicable, within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its Application shall be deemed withdrawn and its deposit, pursuant to Section I.5.c of this Schedule 21, shall be returned with interest. A description of the PTO's methodology for completing a System Impact Study is provided in its Local Service Schedules.

b) System Impact Study Agreement and Cost Reimbursement:

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

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

(iii) For System Impact Studies that the PTO conducts on its own behalf, the PTO shall record the cost of the System Impact Studies pursuant to Section II.8.5 of the Tariff.

(iv) In response to multiple Eligible Customers within the same geographical or electrically interconnected area requesting that a System Impact Study for Local Service be clustered, the PTO will cluster such multiple requests if it can reasonably do so. The costs of that study shall be divided equally among the Eligible Customers, unless otherwise agreed to by the PTO and the Eligible Customers.

(v) Once a clustered study is initiated by the PTO, as evidenced by an executed System Impact Study Agreement, Eligible Customers opting out of a clustered study regarding Non-PTF facilities shall be liable for their share of the study costs as set forth in Section 7(b)(iv) above, unless otherwise agreed to by the parties to such System Impact Study Agreement.

c) System Impact Study Procedures: Upon receipt of an executed System Impact Study Agreement, the ISO or the PTO, as applicable, will use due diligence to complete the required System Impact Study within a sixty (60) day period. The System Impact Study shall identify any system constraints identified with specificity by a transmission element or flowgate, and additional Direct Assignment Facilities or Local Network Upgrades required to provide the requested service. In the event that the ISO or the PTO, as applicable, is unable to complete the required 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 PTO will use the same due diligence in completing the System Impact Study for an Eligible Customer as it uses when completing studies for itself. The ISO or the PTO, as applicable, shall notify the Eligible Customer immediately upon completion of the System Impact Study if the Local Network will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new transmission facilities or upgrades. In order for a request to remain a Completed Application, within fifteen (15) days of completion of the System Impact Study, the Eligible Customer must execute a Local Service Agreement

or request the filing of an unexecuted Local Service Agreement pursuant to Section I.3.c of this Schedule 21 or the Application shall be deemed terminated and withdrawn.

d) Facilities Study Procedures: If a System Impact Study indicates that additions or upgrades to facilities other than Non-PTF are needed to supply the Eligible Customer's service request or to mitigate indirect impacts on the MTF facilities, the ISO, within thirty (30) days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the ISO for performing the required Facilities Study. If a System Impact Study indicates that additions or upgrades to Non-PTF facilities are needed to supply the Eligible Customer's service request or to mitigate indirect impacts on facilities other than Non-PTF, the PTO, within thirty (30) days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the PTO for performing the required Facilities Study. For clustered studies, the cost of such studies shall be divided equally among the Eligible Customers, unless otherwise agreed to by the PTO and the Eligible Customers. Once a clustered study is initiated by the PTO, as evidenced by an executed Facilities Study Agreement, Eligible Customers opting out of a clustered study regarding Non-PTF facilities shall be liable for their share of the study costs as set forth in this Section 7(d) above, unless otherwise agreed to by the parties to such Facilities Study Agreement. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it within fifteen (15) days. If the Eligible Customer elects not to execute the Facilities Study Agreement, its Application shall be deemed withdrawn and its deposit, pursuant to Section I.5.c of this Schedule 21, shall be returned with interest. Upon receipt of an executed Facilities Study Agreement, the ISO or the PTO, as applicable, will use due diligence to complete the required Facilities Study within a sixty (60) day period. If the Facilities Study cannot be completed in the allotted time period, the Transmission Customer shall be notified and provided 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 will include a good faith estimate of (i) the cost of Direct Assignment Facilities to be charged to the Transmission Customer, (ii) the Transmission Customer's appropriate share of the cost of any required Local Network Upgrades, and (iii) the time required to complete such construction and initiate the requested service. The Transmission Customer shall provide a letter of credit or other reasonable form of security acceptable to the PTO equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. The Transmission Customer shall have thirty (30) days to execute a Local Service Agreement or request the filing of an unexecuted Local Service Agreement and provide the required letter of credit or other form of

security or the request will no longer be a Completed Application and shall be deemed terminated and withdrawn.

e) Facilities Study Modifications: Any change in design arising from the inability to site or construct facilities as proposed will require development of a revised good faith estimate. New good faith estimates also will 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 ISO and/or the PTO that significantly affect the final cost of new facilities or upgrades to be charged to the Transmission Customer.

f) Due Diligence in Completing New Facilities: The PTO shall use due diligence to add necessary facilities or upgrade its Local Network within a reasonable time. The PTO will not upgrade its existing or planned Local Network in order to provide the requested Firm Local Point-To-Point Service if doing so would impair system reliability or otherwise impair or degrade existing firm service.

g) Partial Interim Service: If the PTO determines that it will not have adequate transfer capability to satisfy the full amount of a Completed Application for Firm Local Point-To-Point Service, the PTO nonetheless shall be obligated to offer and provide the portion of the requested Firm Local Point-To-Point Service that can be accommodated without addition of any facilities. However, the PTO shall not be obligated to provide the incremental amount of requested Firm Local Point-To-Point Service that requires the addition of facilities or upgrades to the Local Network until such facilities or upgrades have been placed in service.

h) Expedited Procedures for New Facilities: In lieu of the procedures set forth above, the Eligible Customer shall have the option to expedite the process by requesting the ISO (in consultation with the PTO) to tender at one time, together with the results of required studies, an "Expedited Local Service Agreement" pursuant to which the Eligible Customer would agree to compensate the PTO for all costs incurred. In order to exercise this option, the Eligible Customer shall request in writing an expedited Local Service Agreement covering all of the above-specified items within thirty (30) days of receiving the results of the System Impact Study identifying needed facility additions or upgrades or costs incurred in providing the requested service. While the PTO agrees to provide the Eligible Customer with its best estimate of the new facility costs and other charges that may be incurred, such estimate shall not be binding and the Eligible Customer must agree in writing to compensate the PTO for all costs incurred. The Eligible Customer shall execute and return such an Expedited Local Service Agreement within

fifteen (15) days of its receipt or the Eligible Customer's request for service will cease to be a Completed Application and will be deemed terminated and withdrawn.

i) Penalties for Failure to Meet Study Deadlines: Sections I.7.c and I.7.d of this Schedule 21 require a Transmission Provider to use due diligence to meet 60-day study completion deadlines for System Impact Studies and Facilities Studies.

(i) The PTO is required to file a notice with the Commission in the event that more than twenty (20) percent of non-Affiliates' System Impact Studies and Facilities Studies completed by the PTO in any two consecutive calendar quarters are not completed within the 60-day 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 the 60-day study completion deadlines, the PTO 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 PTO may provide an explanation in its notification filing to the Commission if it believes there are extenuating circumstances that prevented it from meeting the 60-day study completion deadlines.

(iii) The PTO is subject to an operational penalty if it completes ten (10) percent or more of non-Affiliates' System Impact Studies and Facilities Studies outside of the 60-day study completion deadlines for each of the two calendar quarters immediately following the quarter that triggered its notification filing to the Commission. The operational penalty will be assessed for each calendar quarter for which an operational penalty applies, starting with the calendar quarter immediately following the quarter that triggered the PTO's notification filing to the Commission. The operational penalty will continue to be assessed each quarter until the PTO completes at least ninety (90) percent of all non-Affiliates' System Impact Studies and Facilities Studies within the 60-day deadline.

(iv) For penalties assessed in accordance with subsection (iii) above, the penalty amount for each System Impact Study or Facilities Study shall be equal to \$500 for each day the PTO takes to complete that study beyond the 60-day deadline.

j) Claims or Disputes: Any claim or dispute between the PTO and the Transmission Customer with respect to a System Impact Study or Facilities Study shall be governed by the provisions of Section I.6 of the Tariff.

8) Procedures if The PTO is Unable to Complete New Transmission Facilities for Firm Local Point-To-Point Service

a) Delays in Construction of New Facilities: If any event occurs that will materially affect the time for completion of new facilities, or the ability to complete them, the PTO shall promptly notify the Transmission Customer. In such circumstances, the PTO 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 PTO also shall make available to the Transmission Customer studies and work papers related to the delay, including all information that is in the possession of the PTO that is reasonably needed by the Transmission Customer to evaluate any alternatives.

b) Alternatives to the Original Facility Additions: When the review process of Section I.8.a of this Schedule 21 determines that one or more alternatives exist to the originally planned construction project, the PTO shall present such alternatives for consideration by the Transmission Customer. If, upon review of any alternatives, the Transmission Customer desires to maintain its Completed Application subject to construction of the alternative facilities, it may request that the ISO file a revised Local Service Agreement for Firm Local Point-To-Point Service. If the alternative approach solely involves Non-Firm Local Point-To-Point Service, the PTO shall so inform the ISO, and the ISO (in consultation with the PTO) shall thereafter promptly tender to the Transmission Customer a Local Service Agreement for Non-Firm Local Point-To-Point Service providing for the service. In the event the PTO concludes that no reasonable alternative exists and the Transmission Customer disagrees, the Transmission Customer may seek relief under the dispute resolution procedures of Section I.6 of the Tariff.

c) Refund Obligation for Unfinished Facility Additions: If the PTO and the Transmission Customer mutually agree that no other reasonable alternatives exist and the requested Firm Local Point-To-Point Service cannot be provided out of existing capability, the obligation to provide the requested service shall terminate and any deposit made by the Transmission Customer shall be returned with interest pursuant to Commission regulations 35.19a(a)(2)(iii). However, the Transmission Customer shall

be responsible for all prudently incurred costs by the ISO and the PTO through the time construction was suspended, including costs for removal of unfinished facilities and any ongoing operating expenses of the unfinished facilities until they are removed.

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

a) Responsibility for Third-Party System Additions: The PTO shall not be responsible for making arrangements for any necessary 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 PTO will undertake reasonable efforts to assist the Transmission Customer in obtaining such arrangements, including without limitation, providing any information or data required by such other electric system pursuant to Good Utility Practice.

b) Coordination of Third-Party System Additions: In circumstances where the need for transmission facilities or upgrades is identified, and if such upgrades further require the addition of transmission facilities on other systems, the PTO shall have the right to coordinate construction on its own system with the construction required by others. The PTO, after consultation with the Transmission Customer and representatives of such other systems, may defer construction of its new transmission facilities, if the new transmission facilities on another system cannot be completed in a timely manner. The PTO shall notify the Transmission Customer in writing of the basis for any decision to defer construction and the specific problems which must be resolved before it will initiate or resume construction of new facilities. Within sixty (60) days of receiving written notification by the PTO of its intent to defer construction, the Transmission Customer may challenge the decision in accordance with Section I.6 of the Tariff.

10) Changes in Service Specifications

a) Modifications On a Non-Firm Basis: The Transmission Customer taking Firm Local Point-To-Point Service from a PTO may request transmission service on a non-firm basis over Receipt and Delivery Points of the same PTO other than those specified in the Local Service Agreement ("Secondary Receipt and Delivery Points") in amounts not to exceed its firm capacity reservation, without incurring an additional Non-Firm Local Point-To-Point Service charge or executing a new Local Service Agreement, subject to the following conditions. A Transmission Customer may request a modification to its Non-

Firm Local Point-to-Point Service by making such a request to the PTO and the ISO, which must be made pursuant to Sections I.6. (a) and (b), as appropriate.

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

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

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

(d) Service over Secondary Receipt and Delivery Points on a non-firm basis shall not require the filing of an Application for Non-Firm Local Point-To-Point Service under the Tariff. However, all other requirements of this Schedule 21 (except as to transmission rates) shall apply to transmission service on a non-firm basis over Secondary Receipt and Delivery Points.

b) Modification On a Firm Basis: Any request by a Transmission Customer to modify the Firm Local Point-to-Point Service it receives from a PTO to obtain service between different Receipt and Delivery Points on the Local Network of the same PTO on a firm basis shall be treated as a new request for service, except that such Transmission Customer shall not be obligated to pay any additional deposit if the capacity reservation does not exceed the amount reserved in the existing Local Service Agreement. While such new request is pending, the Transmission Customer shall retain its priority for service at the existing firm Receipt and Delivery Points specified in its Local Service Agreement. A Transmission Customer may request a modification to its Firm Local Point-to-Point Service by making such a request to the PTO and the ISO, which must be made pursuant to Sections I.5. (a) and (b), as appropriate.

11) Sale or Assignment of Transmission Service

a) Procedures for Assignment or Transfer of Service: A Transmission Customer may sell, assign, or transfer all or a portion of its rights under its Local Service Agreement, but only to another

Eligible Customer (the Assignee). The Transmission Customer that sells, assigns or transfers its rights under its Local Service Agreement is hereafter referred to as the “Reseller” as the term used throughout this Schedule 21. Compensation to Resellers shall be at rates established by agreement between the Reseller and the Assignee. The Assignee must execute a service agreement with the PTO governing reassignments of transmission service prior to the date on which the reassigned service commences. The PTO shall charge the Reseller, as appropriate, at the rate stated in the Reseller’s Local Service Agreement with the PTO or the associated OASIS schedule and credit the Reseller with the price reflected in the Assignee’s Service Agreement with the PTO 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 Point(s) of Receipt or the Point(s) of Delivery, or a change in any other term or condition set forth in the original Local Service Agreement, the Assignee will receive the same services as did the Reseller and the priority of service for the Assignee will be the same as that of the Reseller. The Assignee will be subject to all terms and conditions of the Tariff. If the Assignee requests a change in service, the reservation priority of service will be determined by the PTO pursuant to Section I.1.b of this Schedule 21. A Transmission Customer may request a modification to its Firm Local Point-to-Point Service by making such a request to the PTO and the ISO must be made pursuant to sections I.5. (a) and (b) and I.6. (a) and (b), as appropriate.

b) Limitations on Assignment or Transfer of Service: If the Assignee requests a change in the Point(s) of Receipt or Point(s) of Delivery, or a change in any other specifications set forth in the original Local Service Agreement, the PTO will consent to such change subject to the provisions of the Tariff, provided that the change will not impair the operation and reliability of the New England Transmission System or the PTO’s distribution system, as applicable. The Assignee shall compensate the ISO and/or the PTO, as applicable, for performing any System Impact Study needed to accommodate the proposed change and any additional costs resulting from such change. The Reseller shall remain liable for the performance of all obligations under the Local Service Agreement, except as specifically agreed to by the PTO and Reseller through an amendment to the Local Service Agreement

c) Information on Assignment or Transfer of Service: In accordance with Section I.11 of this Schedule 21 and applicable provisions of the Local Service Schedules, all sales or assignments of capacity must be conducted through or otherwise posted on the PTO’s OASIS on or before the date the reassigned Local Point-to-Point Service commences and are subject to Section I.11.a of this Schedule 21. Resellers may also use the OASIS to post transmission capacity available for resale.

12) Metering and Power Factor Correction at Receipt and Delivery Points(s)

a) Transmission Customer Obligations: Unless otherwise provided in the applicable Local Service Schedule, the Transmission Customer shall be responsible for installing and maintaining compatible metering and communications equipment to accurately account for the capacity and energy being transmitted through Local Point-To-Point Service and to communicate the information to the PTO, Local Control Centers and the ISO. Such equipment shall remain the property of the Transmission Customer.

b) PTO Access to Metering Data: The PTO shall have access to metering data, which may reasonably be required to facilitate measurements and billing under the Local Service Agreement.

c) Power Factor: In accordance with Good Utility Practice and any applicable Local Service Schedule, the Transmission Customer is required to maintain a power factor within the same range as the PTO. The power factor requirements are specified in the Local Service Agreement where applicable.

13) Compensation for Local Point-To-Point Service:

Rates for Firm Local and Non-Firm Local Point-To-Point Service are set forth in the Local Service Schedules.

14) Compensation for New Facilities Costs:

Whenever a System Impact Study performed in connection with the provision of Firm Local Point-To-Point Service identifies the need for new facilities, the Transmission Customer shall be responsible for the costs of the new facilities to the extent consistent with Commission policy.

II. LOCAL NETWORK SERVICE

Preamble

Eligible Customers seeking Local Network Service on a specific Local Network shall refer to the applicable Local Service Schedule to determine any PTO-specific rates, terms, and conditions applicable to such service. Except as otherwise provided in the Local Service Schedules, Local Network Service will be provided pursuant to the applicable rates, terms and conditions set forth below.

1) Nature of Local Network Service

Local Network Service is provided to Network Customers to serve their loads. It includes transmission service for the delivery to a Network Customer of its energy and capacity from Network Resources and delivery to or by Network Customers of energy and capacity from New England Markets transactions.

2) Availability of Local Network Service

a) Eligibility to Receive Local Network Service: Transmission Customers taking Regional Network Service must also take Local Service.

b) Compliance With State Law: A Network Customer is not excused from any requirements of state law, or any order or regulation issued pursuant to state law, to arrange for Local Delivery Service with the PTO and distribution company providing such service and to pay all applicable charges associated with such service, including charges for stranded costs.

c) Scope of Service: Local Network Service allows Network Customers to efficiently and economically utilize their resources and Interchange Transactions to serve their Local and Regional Network Load and any additional load that may be designated pursuant to the Tariff. The Network Customer taking Local Network Service must obtain or provide Ancillary Services.

d) PTO Responsibilities: The PTO in accordance with the TOA will plan, construct, operate and maintain its Local Network in accordance with Good Utility Practice and its planning obligations in Attachment K in order to provide the Network Customer with Local Network Service. Each PTO, on behalf of its Native Load Customers, shall be required to designate resources and loads in the same manner as any Network Customer. This information must be consistent with the information used by the PTO to calculate available transfer capability. The PTO in accordance with the TOA shall include the Network Customer's Local Network Load in Local Network planning and shall, consistent with Good Utility Practice and Attachment K, endeavor to construct and place into service sufficient transfer capability to deliver Network Resources to serve the Network Customer's Local and Regional Network Load on a basis comparable to the PTO's delivery of its own generating and purchased resources to its Native Load Customers.

e) Comparability of Service: Local Network Service will be provided to the Network Customer for the delivery of energy and/or capacity from its resources to serve its Local and Regional Network

Loads on a basis that is comparable to the PTO's use of its Local Network to reliably serve Native Load Customers.

f) Real Power Losses: "Real Power Losses" those losses associated with transmission service as determined in accordance with Section 15.3, Section 31.6 and Schedule 21 of the OATT. The PTOs are not obligated to provide Real Power Losses. Non-PTF Real Power Losses shall be calculated and charged for in accordance with the applicable Schedule 21 Local Service Schedule.

g) Secondary Service: The Network Customer may use the Local Network to deliver energy to its Local 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 Local Network Service under Section II of this Schedule 21. However, all other requirements of Section II of this Schedule 21 (except for transmission rates) shall apply to secondary service. Deliveries from resources other than Network Resources will have a higher priority than any Non Firm Local Point To Point Service.

h) Restrictions on Use of Service: The Network Customer shall not use Local Network Service for (i) sales of capacity and energy to non designated loads, or (ii) direct or indirect provision of transmission service by the Network Customer to third parties. All Network Customers taking Local Network Service shall use Local Point To Point Service for any Third Party Sale, which requires use of the Local Network. The PTO shall specify any appropriate charges and penalties and all related terms and conditions applicable in the event that a Network Customer uses Local Network Service or secondary service pursuant to Section II.2.g of this Schedule 21 to facilitate a wholesale sale that does not serve Local Network Load.

3) Initiating Service

a) Condition Precedent for Receiving Service: Local Network Service shall be provided only if the following conditions are satisfied by the Eligible Customer: (i) the Eligible Customer completes an Application to the ISO for service, (ii) the Eligible Customer and the PTO complete the technical arrangements, and (iii) the Eligible Customer executes a Local Service Agreement with the PTO and the ISO or requests in writing that the ISO file an unexecuted Local Service Agreement containing terms and conditions deemed by the PTO (in consultation with the ISO) to be appropriate for such requested service with the Commission.

4) Procedures for Arranging Local Network Service

a) Pre-RTO Local Service Agreements

(i) A Transmission Customer who wishes to revise the Local Service Agreement termination date, transfer Local Service Agreement ownership, request an alternate Point of Receipt or Point of Delivery, or make upgrades (i.e., increase MWs served) within the terms of their existing Local Service Agreement that is in effect prior to February 1, 2005 (“Pre-RTO Local Service Agreement”), shall not be required to complete an Application or execute a Local Service Agreement under this Schedule 21, however, modifications to the existing Local Service Agreement may be required. The Transmission Customer shall contact the PTO to discuss and, if appropriate, modify the existing Local Service Agreement.

(ii) A Transmission Customer who wishes to make upgrades (i.e., increase MWs served) beyond the terms of its existing Local Service Agreement that is in effect prior to February 1, 2005 (“Pre-RTO Local Service Agreement”), shall contact the PTO to make arrangements to terminate the Transmission Customer’s existing Local Service Agreement and shall complete (and submit to the ISO) an Application for Local Service and then execute a Local Service Agreement under this Schedule 21.

b) RTO Local Service Agreements

(i) A Transmission Customer who wishes to revise the Local Service Agreement termination date, transfer Local Service Agreement ownership, request an alternative Point of Receipt or Point of Delivery, or make upgrades (i.e., increase MWs served) within the terms of the existing Local Service Agreement under this Schedule 21, shall not be required execute a new Local Service Agreement under this Schedule 21, however, modifications to the existing Local Service Agreement under this Schedule 21 may be required. Such modifications to an existing Local Service Agreement typically do not require an additional Local or Regional System Impact Study to be completed. The Transmission Customer shall complete (and submit to the ISO) an application for Local Transmission Service that reflects the requested modifications to the Local Service Agreement to facilitate revision of its existing Schedule 21 Local Service Agreement.

(ii) A Transmission Customer who wishes to make upgrades (i.e., increase MWs served) beyond the terms of the existing Local Service Agreement under this Schedule 21, shall contact the ISO to discuss and, if appropriate, terminate the Transmission Customer's existing Local Service Agreement under this Schedule 21 and shall complete (and submit to the ISO) a new Application for Local Service and then execute a new Local Service Agreement under this Schedule 21.

c) Application Procedures: An Eligible Customer requesting Local Network Service must submit an Application, with a deposit equal to the charge for one month of service, unless another charge is specified in the applicable Local Service Schedule, to the ISO as far as possible in advance of the month in which service is to commence. Completed Applications for Local Network Service will be assigned a reservation priority according to the date and time the Application is received, with the earliest Application receiving the highest priority. A Completed Application shall provide all of the information included in 18 C.F.R. §2.20 including but not limited to the following:

(i) The identity, address, telephone number and facsimile 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;

(iii) A description of the Local Network Load at each delivery point. This description should 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 substation at the same transmission voltage level. The description should include a ten-year forecast of summer and winter load resource requirements beginning with the first year after the service is scheduled to commence;

(iv) The amount and location of any interruptible loads included in the Local Network Load. This shall include the summer and winter capacity requirements for each interruptible load (had such load not been 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 should identify the amount of interruptible customer load (if any) included in the ten-year load forecast provided in response to (iii) above;

(v) A description of Network Resources (current and ten-year projection), which shall include, for each Network Resource, if the description is not otherwise available to the ISO and the PTOs:

- Unit size and amount of capacity from that unit to be designated as Network Resource
- VAR capability (both leading and lagging) of all generators
- Operating restrictions
- 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 dispatch price (\$/MWH), consistent with Market Rule 1, for redispatch computations
- Arrangements governing sale and delivery of power to third parties from generating facilities located in the New England Control Area, where only a portion of unit output is designated as a Network Resource
- Description of external purchased power designated as a Network Resource including source of supply, control area location, transmission arrangements and delivery point(s);

(vi) Description of Eligible Customer's transmission system:

- Load 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 load flow format compatible with that used by the ISO and the PTOs
- 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 Local Network Loads and Resources
- Location of Network Resources described in subsection (v) above
- ten-year projection of system expansions or upgrades
- transmission system maps that include any proposed expansions or upgrades

- Thermal ratings of Eligible Customer's Control Area ties with other Control Areas;
- (vii) Service Commencement Date and the term of the requested service. The minimum term for service is one year; and
- (viii) Any additional information required of the Transmission Customer as specified in the PTO's planning process established in Attachment K.

Unless the Eligible Customer and the ISO agree to a different time frame, the ISO must acknowledge the request within ten (10) days of receipt. The acknowledgment must include a date by which a response, including a Local Service Agreement, will be sent to the Eligible Customer. If an Application fails to meet the requirements of this Section, the PTO shall notify the ISO within ten (10) days of the Application's receipt of the reasons for such failure, and the ISO shall, in turn, so notify the entity requesting service within five (5) days of the receipt of notice from the PTO of the reasons for such failure. Wherever possible, the ISO and the PTO will attempt to remedy deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, the ISO shall return the Application without prejudice to the Eligible Customer, who may thereafter file a new or revised Application that fully complies with the requirements of this Section. The Eligible Customer will be assigned a new reservation priority consistent with the date of the new or revised Application. The ISO and the PTO shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations.

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

e) Network Customer Facilities: The provision of Local Network Service shall be conditioned upon the Network Customer's constructing, maintaining and operating the facilities on its side of each delivery point or interconnection necessary to reliably deliver capacity and energy from the Non-PTF to the Network Customer. The Network Customer shall be solely responsible for constructing or installing

and operating and maintaining all facilities on the Network Customer's side of each such delivery point or interconnection.

f) Filing of Service Agreement: The ISO shall file Local Service Agreements with the Commission in compliance with applicable Commission regulations.

5) Network Resources

a) Designation of Network Resources: The Network Customer shall designate those Network Resources which are owned, purchased or leased by it. The Network Resources so designated may not 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 Local Network Load on a non-interruptible basis. Any owned, purchased or leased resources that were serving the Network Customer's loads under firm agreements entered into on or before the Compliance Effective Date shall be deemed to continue to be so owned, purchased or leased by it until the Network Customer informs the ISO and the PTO of a change.

b) Designation of New Network Resources: The Network Customer shall identify any new Network Resources which are owned, purchased or leased by it with as much advance notice as practicable. A designation of any new Network Resource as owned, purchased or leased by the Customer must be made by a notice to the ISO and the PTO.

c) Termination of Network Resources: The Network Customer may terminate the designation of all or part of a Network Resource as owned, purchased or leased by it at any time but shall provide notification to the ISO and the PTO as soon as reasonably practicable.

d) Network Customer Redispatch Obligation: As a condition to receiving Local Network Service, the Network Customer agrees to redispatch its Network Resources as requested by the ISO and the PTO. The ISO will redispatch all Resources subject to its control, pursuant to Market Rule 1, in order to meet load and to accommodate External Transactions. The Network Customers will be charged for the Congestion Costs and any other costs associated with such redispatch in accordance with Market Rule 1.

e) Transmission Arrangements for Network Resources Not Physically Interconnected with the PTO's Non-PTF: The Network Customer shall be responsible for any arrangements necessary to deliver

capacity and energy from a Network Resource not physically interconnected with the PTO's Non-PTF. The applicable PTO will undertake reasonable efforts to assist the Network Customer in obtaining such arrangements, including without limitation, providing any information or data required by such other entity pursuant to Good Utility Practice.

f) Limitation on Designation of Network Resources: The Network Customer must demonstrate that it owns or has committed to purchase generation 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 this Schedule 21.

g) Network Customer Owned Transmission Facilities: The Network Customer that owns existing transmission facilities that are integrated with the PTO's Local Network may be eligible to receive consideration either through a billing credit or some other mechanism. In order to receive such consideration, the Network Customer must demonstrate that its transmission facilities are integrated into the planning and operations of the PTO to serve all of its power and transmission customers. For facilities added by the Network Customer subsequent to the effective date of a Final Rule in RM05-25-000, the Network Customer shall receive credit for such transmission facilities added if such facilities are integrated into the operations of the PTO's facilities; provided however, the Local Network Customer's transmission facilities shall be presumed to be integrated if such transmission facilities, if owned by the PTO, would be eligible for inclusion in the PTO's annual transmission revenue requirement as specified in the PTO's respective Local Service Schedule. 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.

6) Designation of Local Network Load

a) Local Network Load: The Network Customer must designate the individual Local Network Loads which it expects to have served through Local Network Service. The Local Network Loads shall be specified in the Local Service Agreement.

b) New Local Network Loads Within the New England Control Area: The Network Customer shall provide the ISO and the PTO with as much advance notice as reasonably practicable of the designation of new Local Network Load that will be added to the Non-PTF. A designation of new Local

Network Load must be made through a modification of service pursuant to a new Application. The PTO will use due diligence to install or cause to be installed any transmission facilities required to interconnect a new Local Network Load designated by the Network Customer. The costs of new facilities required to interconnect a new Local Network Load shall be determined in accordance with the procedures provided in this Schedule 21 and shall be charged to the Network Customer in accordance with Commission policy and this Schedule 21.

c) Local Network Load Not Physically Interconnected with the PTO: This Section applies to both initial designation and the subsequent addition of new Local Network Load not physically interconnected with the PTO's Non-PTF. To the extent that the Network Customer desires to obtain transmission service for a load outside the Local Network, the Network Customer shall have the option of (1) electing to include the entire load as Local Network Load for all purposes under this Schedule 21 and designating Network Resources in connection with such additional Local Network Load, or (2) excluding that entire load from its Local Network Load and purchasing Local Point To Point Service under this Schedule 21. To the extent that the Network Customer gives notice of its intent to add a new Local Network Load as part of its Local Network Load pursuant to this Section the request must be made through a modification of service pursuant to a new Application.

d) New Interconnection Points: To the extent the Network Customer desires to add a new Delivery Point or interconnection point between the Non-PTF and a Local Network Load, the Network Customer shall provide the ISO and the PTO with as much advance notice as reasonably practicable.

e) Changes in Service Requests: Under no circumstances shall the Network Customer's decision to cancel or delay a requested change in Local Network Service (the addition of a new Network Resource, if any, or designation of a new Local Network Load) in any way relieve the Network Customer of its obligation to pay the costs of transmission facilities constructed by the PTOs and charged to the Network Customer as reflected in the applicable Local Service Agreement or other appropriate agreement. However, the PTO must treat any requested change in Local Network Service in a non-discriminatory manner.

f) Annual Load and Resource Information Updates: The Network Customer shall provide the ISO and the PTO with annual updates of Local Network Load and Network Resource forecasts consistent with those included in its Application including, but not limited to, any information provided under Section II.3.b of this Schedule 21 pursuant to the PTO's planning process in Attachment K. The Network

Customer also shall provide the ISO and the PTO with timely written notice of material changes in any other information provided in its Application relating to the Network Customer's Local Network Load, Network Resources, its transmission system or other aspects of its facilities or operations affecting the ability of the PTO to provide reliable service.

7) Additional Study Procedures For Local Network Service Requests

a) Notice of Need for System Impact Study: After receiving a request for Local Network Service, a determination shall be made on a non-discriminatory basis as to whether a System Impact Study is needed. The ISO shall review the request to determine whether the provision of the requested service would have an impact on facilities other than Non-PTF, and if so, whether a System Impact Study is necessary to accommodate the requested service. If so, the ISO shall so inform the Eligible Customer as soon as practicable and will (in consultation with the PTO) perform a System Impact Study, as necessary, with respect to the request. A description of the ISO's methodology for completing a System Impact Study is provided in OATT Attachment D. If the ISO determines that the service would not have an impact on facilities other than Non-PTF, the PTO shall determine whether a System Impact Study is necessary to accommodate the requested service and shall so inform the Eligible Customer as soon as practicable and will (in consultation with the ISO) perform a System Impact Study, as necessary, with respect to the application. In such cases, the ISO or the PTO, as applicable, shall within thirty (30) days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the ISO or the PTO, as applicable, for performing 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 ISO or the PTO, as applicable, within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its Application shall be deemed withdrawn and its deposit shall be returned with interest. A description of the PTO's methodology for completing a System Impact Study is provided in its Local Service Schedule.

b) System Impact Study Agreement and Cost Reimbursement:

(i) The System Impact Study Agreement will clearly specify an estimate of the cost and time for completion of the System Impact Study. The charge shall not exceed the actual cost of the study. The System Impact Study shall rely on existing transmission planning studies to the extent reasonably practicable. The Eligible Customer will not be assessed a charge for such existing

studies; however, the Eligible Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of the Eligible Customer's request for service on the Local Network.

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

(iii) For System Impact Studies that the PTO conducts on its own behalf, the PTO shall record the cost of the System Impact Studies pursuant to Section II.8.5 of the Tariff.

(iv) In response to multiple Eligible Customers within the same electrically interconnected area requesting clustering of system Impact Study analysis for Local Service, the PTO will accommodate such multiple requests if it can reasonable do so. The costs of such studies shall be pro-rated among the Eligible Customers on an agreed upon basis.

c) System Impact Study Procedures: Upon receipt of an executed System Impact Study Agreement, the ISO or the PTO, as applicable, will use due diligence to complete the required System Impact Study within a sixty (60) day period. The System Impact Study shall identify any system constraints, additional Direct Assignment Facilities or Local Network Upgrades required to provide the requested service. In the event that the ISO or the PTO, as applicable, is unable to complete the required 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 PTO will use the same due diligence in completing the System Impact Study for an Eligible Customer as it uses when completing studies for itself. The ISO or the PTO, as applicable, shall notify the Eligible Customer immediately upon completion of the System Impact Study if the Local Network will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new transmission facilities or upgrades. In order for a request to remain a Completed Application, within fifteen (15) days of completion of the System Impact Study, the Eligible Customer must execute a Local Service Agreement or request the filing of an unexecuted Local Service Agreement pursuant to Section II.3.a of this Schedule 21 or the Application shall be deemed terminated and withdrawn.

d) Facilities Study Procedures: If a System Impact Study indicates that additions or upgrades to facilities other than Non-PTF are needed to supply the Eligible Customer's service request or to mitigate indirect impacts on the MTF facilities, the ISO, within thirty (30) days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the ISO for performing the required Facilities Study. If a System Impact Study indicates that additions or upgrades to Non-PTF facilities are needed to supply the Eligible Customer's service request or to mitigate indirect impacts on the MTF facilities, the PTO, within thirty (30) days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the PTO for performing the required Facilities Study. For clustered studies, the cost of such studies shall be pro-rated among the Eligible Customers on an agreed upon basis. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it within fifteen (15) days. If the Eligible Customer elects not to execute the Facilities Study Agreement, its Application shall be deemed withdrawn and its deposit shall be returned with interest. Upon receipt of an executed Facilities Study Agreement, the ISO or the PTO, as applicable, will use due diligence to complete the required Facilities Study within a sixty (60) day period. If the Facilities Study cannot be completed in the allotted time period, the Eligible Customer shall be notified and provided 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 will include a good faith estimate of (i) the cost of Direct Assignment Facilities to be charged to the Eligible Customer, (ii) the Eligible Customer's appropriate share of the cost of any required Local Network Upgrades, and (iii) the time required to complete such construction and initiate the requested service. The Eligible Customer shall provide a letter of credit or other reasonable form of security acceptable to the PTO equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. The Eligible Customer shall have thirty (30) days to execute a Local Service Agreement or request the filing of an unexecuted Local Service Agreement and provide the required letter of credit or other form of security or the request will no longer be a Completed Application and shall be deemed terminated and withdrawn.

In addition to the foregoing, each Facilities Study shall, if requested by the Eligible Customer, contain a non-binding estimate from the ISO of the Incremental ARRs, if any, resulting from the construction of the new facilities. After completion of the transmission upgrade or expansion, the ISO shall determine the Incremental ARRs, if any, resulting from the upgrade or expansion.

e) **Facilities Study Modifications:** Any change in design arising from the inability to site or construct facilities as proposed will require development of a revised good faith estimate. New good faith estimates also will 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 ISO and/or the PTO that significantly affect the final cost of new facilities or upgrades to be charged to the Transmission Customer.

f) **Due Diligence in Completing New Facilities:** The PTO shall use due diligence to add necessary facilities or upgrade its Local Network within a reasonable time. The PTO will not upgrade its existing or planned Local Network in order to provide the requested Local Network Service if doing so would impair system reliability or otherwise impair or degrade existing firm service.

g) **Claims or Disputes:** Any claim or dispute between the PTO and the Transmission Customer with respect to a System Impact Study or Facilities Study shall be governed by the provisions of Section I.6 of the Tariff.

h) **Penalties for Failure to Meet Study Deadlines:** Section I.7.i of this Schedule 21 defines penalties that apply for failure to meet the 60-day study completion due diligence deadlines for System Impact Studies and Facilities Studies under Section I of this Schedule 21. These same requirements and penalties apply to service under Section II of this Schedule 21.

8) **Load Shedding and Curtailments**

a) **Procedures:** The PTO shall establish Load Shedding and Curtailment procedures (consistent with those of the ISO and the Local Control Center) with the objective of responding to contingencies on the Non-PTF. The PTO will notify all affected Local Network Service Customers in a timely manner of any scheduled Curtailment.

b) **Transmission Constraints:** During any period when a PTO or the Local Control Center determines that a transmission constraint exists on the Non-PTF, and such constraint may impair the reliability of the New England Transmission System, the PTO or the Local Control Center will so inform the ISO. The ISO will take whatever actions, consistent with Good Utility Practice, that are reasonably necessary to maintain the reliability of the system. To the extent the ISO determines that the reliability of the New England Transmission System can be maintained by redispatching resources, The ISO will

initiate procedures to redispach all resources on a least-cost basis without regard to the ownership of such resources.

c) Cost Responsibility for Relieving Transmission Constraints: Whenever the ISO implements least-cost redispach procedures in response to a transmission constraint, the Transmission Customer will bear the costs of such redispach in accordance with Market Rule 1.

d) Curtailments of Scheduled Deliveries: If a transmission constraint on the Non-PTF cannot be relieved through the implementation of least-cost redispach procedures and the PTO determines that it is necessary to effect a Curtailment of scheduled deliveries, such schedule shall be curtailed in accordance with the terms of the Tariff.

e) Allocation of Curtailments: The ISO, the Transmission Owner or the Local Control Center shall on a non-discriminatory basis, effect a Curtailment of the transaction(s) that effectively relieves the constraint. However, to the extent practicable and consistent with Good Utility Practice, any Curtailment will be shared by the customers taking MTF Service and OTF Service and/or Through or Out Service and Network Customers on a non-discriminatory basis. Notwithstanding the preceding provisions of this Section, External Transactions shall be scheduled and curtailed in accordance with Section II.44 of the OATT.

f) Load Shedding: Load Shedding also may occur in accordance with the applicable Local Service Schedule to the extent provided for in such Local Service Schedule.

g) System Reliability: Notwithstanding any other provisions of this Schedule, The ISO, the PTO and the Local Control Centers reserve the right, consistent with Good Utility Practice and on a not unduly discriminatory basis, to effect a Curtailment of service without liability on the part of the ISO, the PTO or the Local Control Centers for the purpose of making necessary adjustments to, changes in, or repairs on the PTO's lines, substations and facilities, and in cases where the continuance of service would endanger persons or property. In the event of any adverse condition(s) or disturbance(s) on the Non-PTF or on any other system(s) directly or indirectly interconnected with the Non-PTF, the ISO, the PTO and the Local Control Centers, consistent with Good Utility Practice, also may effect a Curtailment of service in order to (i) limit the extent or damage of the adverse condition(s) or disturbance(s), (ii) prevent damage to generating or transmission facilities, or (iii) expedite restoration of service. The ISO, the PTO or the Local Control Centers will give the Network Customer as much advance notice as is practicable in the

event of such Curtailment. Any Curtailment of Local Network Service will be not unduly discriminatory relative to the PTO's use of the New England Transmission System on behalf of their Native Load Customers. The Local Service Schedules shall specify the rate treatment and all related terms and conditions applicable in the event that the Network Customer fails to respond to established Load Shedding and Curtailment procedures.

9) Rates and Charges

The Network Customer shall pay all applicable charges for Local Network Service set forth in this Schedule 21, including the Local Service Schedules, and for any Direct Assignment Facilities and its share of the cost of any required Local Network Upgrades and applicable study costs consistent with Commission policy, along with any additional charges imposed under the Tariff. In the event the Network Customer serves Local Network Load located on more than one Local Network, the amount to be paid by it shall be separately computed for each Local Network.

10) Determination of Network Customer's Monthly Network Load

For purposes of Local Network Service, the Network Customer's "Monthly Network Load" shall be determined in accordance with the applicable Local Service Schedule.

11) Operating Arrangements

The Network Customer shall plan, construct, operate and maintain its facilities in accordance with Good Utility Practice and in conformance with the terms of the Tariff. The terms and conditions under which the Network Customer taking Local Network Service shall operate its facilities and the technical and operational matters associated with the implementation of Local Network Service shall be specified in Section II.22 of the Tariff and/or the Local Service Schedules.

SCHEDULE 21
ATTACHMENT A
FORM OF LOCAL SERVICE AGREEMENT

This LOCAL SERVICE AGREEMENT, dated as of _____, is entered into, by and between _____, a _____ organized and existing under the laws of the State/Commonwealth of _____ (“Transmission Owner”), _____, a _____ organized and existing under the laws of the State/Commonwealth of _____ (“Transmission Customer”) and ISO New England, Inc., a non-stock corporation organized and existing under the laws of the State of Delaware (“ISO”). Under this Agreement the Transmission Owner, Transmission Customer, and the ISO each may be referred to as a “Party” or collectively as the “Parties.”

PART I – General Terms and Conditions

1. Service Provided (Check applicable):

Local Network Service

Local Point-To-Point Service

Firm

Non-Firm

Regional Network Service customers must take either Local Network Service or Local Point-To-Point Service.

2. The Transmission Customer is an Eligible Customer under the Tariff and is a party to either a Market Participant Service Agreement or a Transmission Service Agreement.

3. The Transmission Customer has submitted a Completed Application and the required deposit, if applicable, for service under this Local Service Agreement and the Tariff.

4. The Transmission Customer agrees to supply information to the Transmission Owner that the Transmission Owner deems reasonably necessary in accordance with Schedule 21 and Good Utility Practice in order for it to receive the requested service.

5. The Transmission Owner agrees to provide and the Transmission Customer agrees to take and pay for service in accordance with the provisions of the Tariff and this Local Service Agreement.

6. Service may be subject to some combination of the charges detailed in Schedule 21 of the OATT. The appropriate charges will be determined in accordance with the terms and conditions of Schedule 21.

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

Transmission Customer:

Transmission Owner:

The ISO:

8. The ISO New England Inc. Transmission, Markets and Services Tariff (the "Tariff") is incorporated herein and made a part hereof. Capitalized terms used in this Local Service Agreement shall have the meanings ascribed in the Tariff.

9. Nothing contained in this Local Service Agreement shall be construed as affecting in any way the right of the Transmission Owner to file with the Commission under Section 205 of the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder for a change in any rates, terms and conditions of this Local Service Agreement. Nothing contained in this Local Service Agreement shall be construed as affecting in any way the ability of the Transmission Customer to file with the Commission under Section 206 of the Federal Power Act

and pursuant to the Commission's rules and regulations promulgated thereunder for a change in any rates, terms and conditions of this Local Service Agreement.

10. Nothing contained in this Local Service Agreement shall be construed as affecting or enlarging, in whole or in part, the limited responsibility of the ISO under the Transmission Operating Agreement ("TOA") to coordinate the Transmission Owner's provision of Local Service and to determine whether the provision of Local Service would have an impact on facilities used for the provision of Regional Transmission Service.

PART II – Local Network Service

1. The Transmission Customer has been determined by the Transmission Owner and the ISO to have a Completed Application for Local Network Service under the Tariff.
2. Service shall commence on the later of: (1) _____, or (2) the date on which construction of all interconnection equipment, any Direct Assignment Facilities and/or facility or Local Network Upgrades are completed, or (3) such other date as it is permitted to become effective by the Commission. Service shall terminate on _____.
3. Specifications for Local Network Service.
 - a. Term of Service:
 - b. List of Network Resources and Point(s) of Receipt:
 - c. Description of capacity and energy to be transmitted:
 - d. Description of Local Network Load:
 - e. List of Point(s) of Delivery and metering point(s) when they differ from Point(s) of Delivery:
 - f. List of non-Network Resource(s), to the extent known:

g. Ancillary Services requested or proof of satisfactory arrangements for Ancillary Services:

h. Identity of Designated Agent:

Authority of Designated Agent:

Term of Designated Agent's authority:

Division of responsibilities and obligations between Transmission
Customer and Designated Agent:

i. Interconnection facilities and associated equipment:

j. Project name:

k. Interconnecting Transmission Customer:

l. Location:

m. Transformer nameplate rating:

n. Interconnection point:

o. Additional facilities and/or associated equipment:

p. Service under this Local Service Agreement shall be subject to the following charges:

q. Additional terms and conditions:

4. Planned work schedule.

Estimated Time

Milestone

(Activity)

Period For Completion

(# of months)

5. Payment schedule and costs.

(Study grade estimate, +___% accuracy, year \$s)

Milestone Amount (\$)

6. Policy and practices for protection requirements for new or modified load interconnections.
7. Insurance requirements.

PART III – Local Point-To-Point Service

1. The Transmission Customer has been determined by the Transmission Owner and the ISO to have a Completed Application for Local Point-To-Point Service under the Tariff.

2. Service shall commence on the later of: (1) _____, or (2) the date on which construction of any Direct Assignment Facilities and/or Local Network Upgrades are completed, or (3) such other date as it is permitted to become effective by the Commission. Service shall terminate on _____.

3. Non-firm Local Point-To-Point Service shall be provided by the Transmission Owner upon request by an authorized representative of the Transmission Customer.

4. Specifications for Local Point-To-Point Service.

- a. Term of Transaction:
- b. Description of capacity and energy to be transmitted by the Transmission Owner including the electric Control Area in which the transaction originates:
- c. Point(s) of Receipt:
- d. Delivering Party:
- e. Point(s) of Delivery:
- f. Receiving Party:

- g. Maximum amount of capacity and energy to be transmitted (Reserved Capacity):
- h. Designation of party(ies) subject to reciprocal service obligation:
- i. Name(s) of any intervening Control Areas providing transmission service:
- j. Service under this Local Service Agreement shall be subject to the following charges:
- k. Interconnection facilities and associated equipment:
- l. Project name:
- m. Interconnecting Transmission Customer:
- n. Location:
- o. Transformer nameplate rating:
- p. Interconnection point:
- q. Additional facilities and/or associated equipment:
- r. Additional terms and conditions:

5. Planned work schedule.

Estimated Time

Milestone
(Activity)

Period For Completion
(# of months)

6. Payment schedule and costs.

(Study grade estimate, +___% accuracy, year \$s)

Milestone

Amount (\$)

7. Policy and practices for protection requirements for new or modified load interconnections.

8. Insurance requirements.

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

Transmission Customer:

By: _____
Name Title Date

Print Name

Transmission Owner:

By: _____
Name Title Date

Print Name

The ISO:

By: _____
Name Title Date

Print Name

SCHEDULE 21
ATTACHMENT A-1

**Form of Local Service Agreement For The Resale, Reassignment or Transfer of Point-To-Point
Transmission Service**

1.0 This LOCAL SERVICE AGREEMENT, dated as of _____, is entered into, by and between _____, a _____ organized and existing under the laws of the State/Commonwealth of _____ (“Transmission Owner”), _____, a _____ organized and existing under the laws of the State/Commonwealth of _____ (“Assignee”) and ISO New England, Inc., a non-stock corporation organized and existing under the laws of the State of Delaware (“ISO”). Under this Agreement the Transmission Owner, Assignee, and the ISO each may be referred to as a “Party” or collectively as the “Parties.”

2.0 The Assignee has been determined by the Transmission Owner 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 Local Service Agreement shall be subject to the terms and conditions of Part I of Schedule 21 and the Transmission Owner’s Local Service Schedule of Tariff, except for those terms and conditions negotiated by the Reseller of the reassigned transmission capacity (pursuant to Section I.11.a 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 I.11.b of this Tariff.

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

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

Transmission Owner:

The ISO:

Assignee:

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

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

Transmission Owner:

By: _____

Print Name: Title: Date:

The ISO:

By: _____

Print Name: Title: Date:

Assignee:

By: _____

Print Name: 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 Owner 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: _____

(Name of Transmission Owner) Open Access Transmission Tariff

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.)

8.1 Transmission Charge: _____

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

8.3 Direct Assignment Facilities Charge: _____

8.4 Ancillary Services Charges: _____

9.0 Name of Reseller of the reassigned transmission capacity:
