

## **SCHEDULE 26**

### **NETWORK UPGRADE CHARGE FROM TRANSMISSION EXPANSION PLAN**

The Transmission Customer shall compensate the Transmission Provider the current Network Upgrade Charge (“NUC”) for Reserved Capacity at the sum of the applicable charges set forth below in addition to all other charges for Transmission Service for which the Transmission Customer is responsible under this Tariff. The rates are calculated using the formula included in Attachment GG of this Tariff.

The charges under this Schedule 26 shall be in addition to any charges under Schedules 7, 8, 9, and 26-A. Grandfathered Agreements, including the provision of Transmission Service, shall not be charged this Schedule 26.

- 1) Pricing Zone Rates:** The Transmission Customer shall pay the zonal rate as calculated under Attachment GG, per kW of Reserved Capacity, based upon the pricing zone where the load is located for Transmission Service (1) where the generation source is outside the Transmission Provider Region and the load is located within the Transmission Provider Region and (2) where both the generation source and the load are located within the Transmission Provider Region. The Network Customer shall pay the monthly rate as calculated under Attachment GG for the pricing zone where the load is located based on its Network Load. The rate for each pricing zone will be determined in accordance with the provisions of Attachment GG. Pricing zones will include a rate component of the NUC that is system-wide pursuant to Attachment FF, or limited to a specific Planning Area where a project terminates exclusively pursuant to Attachment FF-6, as provided

under Section 2 of Attachment GG and designated pricing zones will include an additional NUC rate component.

The pricing zones are as follows:

Zone 1:	ITC Midwest LLC
Zone 2:	American Transmission Company LLC
Zone 3A:	Ameren Illinois
Zone 3B:	Ameren Missouri
Zone 4:	[Reserved]
Zone 5:	Duke Energy Indiana, LLC (includes Indiana Municipal Power Agency and Wabash Valley Power Association)
Zone 6:	City of Columbia, Missouri
Zone 7:	City Water, Light & Power (Springfield, Illinois)
Zone 8:	Great River Energy
Zone 9:	Hoosier Energy
Zone 10:	International Transmission Company
Zone 11:	Indianapolis Power & Light Company
Zone 12:	Lincoln Electric (Neb.) System <b>AVAILABILITY SUSPENDED</b>
Zone 13:	Michigan Joint Zone (Michigan Electric Transmission Company LLC, Michigan Public Power Agency, and Wolverine Power Supply Cooperative, Inc.)
Zone 13A:	Michigan Joint Zone Subzone
Zone 14:	Minnesota Power, Inc.
Zone 15:	Montana-Dakota Utilities Co.

Zone 16:	NSP Companies
Zone 17:	Northern Indiana Public Service Company LLC
Zone 18:	Otter Tail Power Company
Zone 19:	Southern Illinois Power Cooperative
Zone 20:	Southern Minnesota Municipal Power Agency
Zone 21:	Aquila, Inc. – Kansas (West Plains Energy) <b>AVAILABILITY SUSPENDED</b>
Zone 22:	Aquila, Inc. – Missouri (St. Joseph Light & Power and Missouri Public Service Co.) <b>AVAILABILITY SUSPENDED</b>
Zone 23:	Vectren Energy
Zone 24:	MidAmerican Energy Company
Zone 25:	Muscatine Power and Water
Zone 26:	Dairyland Power Cooperative
Zone 27:	Big Rivers Electric Corporation
Zone 28:	Entergy Arkansas, LLC
Zone 29:	Entergy Louisiana, LLC
Zone 30:	Entergy Mississippi, LLC
Zone 31:	Entergy Texas, Inc.
Zone 32:	Cleco Power LLC
Zone 33:	Cooperative Energy
Zone 34:	Lafayette City-Parish Consolidated Government
Zone 35:	Entergy New Orleans, LLC

Additional zones may be added if a) additional Transmission Owners transfer

control of their facilities to the Transmission Provider. Such additional zones may be added only if consistent with the requirements of Schedules 7, 8 and 9 of this Tariff.

- 2) **NUC Out and Through Rate:** The Transmission Customer shall pay the rate specified under Attachment GG for Transmission Service (1) where the generation source is located within the Transmission Provider Region and the load is located outside of the Transmission Provider Region; and (2) where both the generation source and the load are located outside of the Transmission Provider Region.
- 3) **Rates to the PJM Interconnection, LLC:** In accordance with the Commission's November 18, 2004 Order in Docket Nos. ER05-6, EL04-135, EL02-111 and EL03-212, *Midwest Independent Transmission System Operator, Inc.* 109 FERC ¶ 61,168 (2004), the charge under Section 2 above for Points of Delivery at the border of the Transmission Provider Region for reservations pursuant to requests made on or after November 17, 2003, for service commencing on or after April 1, 2004, shall not apply to transactions to serve load within the area served under the open access transmission tariff on file with the Commission of the PJM Interconnection, LLC where transmission service is taken under the PJM Interconnection, LLC open access transmission tariff. Beginning April 1, 2006, the charge under Section (1) above for Points of Delivery at the border of the Transmission Provider Region shall not apply to all transactions to serve loads within the area served under the open access transmission tariff on file with the Commission of PJM Interconnection, LLC, where transmission service is taken under the PJM Interconnection, LLC open access transmission tariff.
- 4) **Rate Caps:** The total demand charge in any week, pursuant to a reservation for Daily

delivery, shall not exceed the weekly rate times the highest amount in kW of Reserved Capacity in any day during such week. The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the daily rate times the highest amount in kW of Reserved Capacity in any hour during such day. In addition, the total demand charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the weekly rate above times the highest amount in kilowatts of Reserved Capacity in any hour during such week.

- 5) Credit for Charges During Transmission Loading Relief (TLR) Events:** In the event that the Transmission Provider initiates Curtailment of confirmed Point-To-Point Transmission Service on the Transmission System due to a TLR event in accordance with NERC Reliability Standards and NAESB WEQ Business Practice Standards, credit will be given to the Transmission Customer(s) that are actually requested to curtail their energy schedules associated with the confirmed Point-To-Point Transmission Service. No credits will be given for: (1) TLR events external to the Transmission System; (2) Non-Firm Secondary Point-To-Point Transmission Service under a Firm Point-To-Point reservation; or, (3) Next-Hour Transmission Service. Under no circumstances shall the amount credited exceed the amount the customer was actually curtailed nor will credit be given for any hours other than those in which the Curtailment was requested.
- 6) Compliance with Agreements:** If the Commission has allowed agreements to become effective which require a waiver of any of the charges under this Schedule, then such charges shall be waived.

- 7) Revenue Distribution to Transmission Owners and ITCs:** As and to the extent that the Transmission Provider collects revenues from Transmission Customers, it shall remit such revenues to the Transmission Owner and/or ITC's in proportion to their annual pro-rata share of the total NUC revenue requirement as determined under Attachment GG.
- 8) Transitional Rates for Certain Settlement Service Agreements Transactions:** In accordance with the Settlement Agreement filed in Docket No. EL14-19-002 on February 25, 2016, as accepted in *Midcontinent Independent System Operator, Inc.*, 155 FERC ¶ 61,298 ("Settlement Agreement"), the charge under Section (2) above for transactions under certain defined Settlement Service Agreements shall be determined and applied, during the Schedule 26 Transition Period, as provided in the Settlement Agreement. For purposes of this Section (9), the terms "Settlement Service Agreements" and "Schedule 26 Transition Period" shall be as defined in the Settlement Agreement.