

SCHEDULE 48

RECOVERY OF COMPETITIVE TRANSMISSION FACILITY REVENUE REQUIREMENTS BY NON-TRANSMISSION OWNER OR NON-ITC SELECTED DEVELOPERS AND NON-TRANSMISSION OWNER OR NON-ITC PROPOSAL PARTICIPANTS IDENTIFIED IN A SELECTED PROPOSAL PRIOR TO BECOMING A TRANSMISSION OWNER OR ITC

1. Applicability

1.1 Use by non-Transmission Owner or non-ITC Selected Developers and non- Transmission Owner or non-ITC Proposal Participants Identified in a Selected Proposal

This Schedule 48 is to be used by Selected Developers and Proposal Participants that: (i) are not a Transmission Owner or ITC; and (ii) do not have another means under this Tariff to recover Competitive Transmission Facility revenue requirements for a Selected Proposal under which they are entitled to recover such Competitive Transmission Facility revenue requirements (“non-Transmission Owner or non-ITC Selected Developer”). For purposes of this Schedule 48, Selected Developer shall include any Proposal Participant identified in the Selected Developer’s Selected Proposal. This schedule is designed to enable the recovery of Competitive Transmission Facility revenue requirements, including Construction Work in Progress (“CWIP”) costs or any other transmission rate incentive or other pre-commercial costs as authorized by the Commission prior to a Selected Developer’s execution of the ISO Agreement and transfer of functional control of the related Competitive Transmission Facility to the Transmission Provider.

1.2 Revenue Requirements Recovered Under Schedule 48 May Not Also Be Recovered Through Another Schedule or Attachment

Any revenue requirement recovered by a non-Transmission Owner or non-ITC Selected Developer under this Schedule 48 cannot also be recovered under another Schedule or Attachment to the Tariff.

1.3 Recovery of Revenue Requirements Upon Execution of the ISO Agreement and Transfer of Functional Control

Following the execution of the ISO Agreement by a non-Transmission Owner or non-ITC Selected Developer and transfer of functional control of the related Competitive Transmission Facility to the Transmission Provider, the revenue requirements recovered under this Schedule 48 will cease and recovery will begin under either Schedule 26 or Schedule 26-A, as applicable. A minimum of sixty (60) days prior to transfer of functional control of the Competitive Transmission Facility, the non-Transmission Owner or non-ITC Selected Developer, or the Transmission Provider on behalf of the non-Transmission Owner or non-ITC Selected Developer, shall submit a filing with the Commission to move its company-specific Schedule 48 revenue requirements schedule(s) to Attachment O, Attachment GG, and Attachment MM.

2. Competitive Transmission Facility Revenue Requirements

2.1 Section 205 Rate Filing

Prior to recovering any Competitive Transmission Facility revenue requirements under this Schedule 48, including CWIP and any other transmission rate incentives associated with the Competitive Transmission Facility that the Commission has approved, a non-Transmission Owner or non-ITC Selected Developer, or the Transmission Provider on behalf of the non-Transmission Owner or non-ITC Selected Developer, shall submit a

filing with the Commission pursuant to section 205 of the Federal Power Act requesting approval of a company-specific rate schedule(s) to determine the Competitive Transmission Facility's revenue requirement(s). Upon approval by the Commission, such terms of recovery, including, if applicable, recovery of CWIP or other transmission rate incentives, shall be included in company-specific schedules to this Schedule 48. The non-Transmission Owner or non-ITC Selected Developer shall notify the Transmission Provider of the Commission-approved Competitive Transmission Facility rate schedule.

2.2 Recovery of Annual Revenue Requirements

If the non-Transmission Owner or non-ITC Selected Developer updates its annual revenue requirements each year, at least one month before the scheduled update or at least one month before the Transmission Provider annual rate updates are effective January 1 or June 1, the non-Transmission Owner or non-ITC Selected Developer shall provide to Transmission Provider the updated annual revenue requirements for the upcoming year. If the non-Transmission Owner or non-ITC Selected Developer has a formula rate for development of its revenue requirement, the non-Transmission Owner or non-ITC Selected Developer shall follow its company-specific formula rate protocols or if it has none, the Attachment O formula rate protocols. The Transmission Provider shall include the annual revenue requirements for the non-Transmission Owner or non-ITC Selected Developer Competitive Transmission Facilities derived in accordance with this Schedule 48 in the development of the Schedule 26 rates by allocating the revenue requirement to the applicable pricing zones in accordance with the cost allocation methodology identified in Attachment FF, unless the Competitive Transmission Facility

is an MVP. If the Competitive Transmission Facility is an MVP, the Transmission Provider shall include the annual revenue requirements for the non-Transmission Owner or non-ITC Selected Developer Competitive Transmission Facilities derived in accordance with this Schedule 48 in the development of the Schedule 26-A rates.

2.3 Revenue Distribution

As and to the extent that the Transmission Provider collects revenue from Transmission Customers for Schedule 26, the Transmission Provider shall remit such revenues to the non-Transmission Owner or non-ITC Selected Developer in proportion to its annual pro rata share of the total Network Upgrade Charge revenue requirements as determined under Attachment GG. As and to the extent that the Transmission Provider collects revenue from Market Participants for Schedule 26-A, the Transmission Provider shall remit such revenues to the non-Transmission Owner or non-ITC Selected Developer in proportion to its annual pro rata share of the total MVP revenue requirement in the applicable Planning Area(s) as determined under Attachment MM.

2.4 Refund Obligations

A non-Transmission Owner or non-ITC Selected Developer under this Schedule 48, whether or not it is subject to FERC rate jurisdiction under section 205 and section 206 of the Federal Power Act, shall make all refunds, adjustments to its recovered costs from this Schedule 48, and do all other things required to implement any FERC order related to the Tariff, including any FERC order of which the implementation necessitates the Transmission Provider to make payment adjustments, issue refunds, or to receive prior period overpayments from, the non-Transmission Owner or non-ITC Selected Developer.

All such refunds and adjustments shall be made, and all other actions taken, in accordance with the Tariff, unless an applicable FERC order requires otherwise.