

ATTACHMENT JJ

COMPENSATION FOR RESCHEDULING TRANSMISSION OUTAGES

A. APPLICABILITY

In the ordinary course of their operations, elements of the Transmission System periodically require temporary removal from operation in order to perform routine or scheduled maintenance and to install new transmission elements. In discharging its responsibility to manage the Transmission System to maintain system reliability, the Transmission Provider must coordinate Planned Transmission Outages. In order to prevent or manage abnormal system conditions or to prevent or limit equipment damage or the loss of facilities or supply that could adversely affect the reliability of the Transmission System, the Transmission Provider may need to instruct a Transmission Owner to defer such Planned Transmission Outages provided that such instruction to reschedule must be given in a reasonably timely manner and consistent with Good Utility Practice. The rescheduling by Transmission Owners of a previously scheduled Planned Transmission Outage in anticipation of an Emergency or Emergency System Conditions, pursuant to a directive by the Transmission Provider, can give rise to certain costs for which Transmission Owners may be entitled to compensation as set forth in this Attachment JJ. Such costs of rescheduling Planned Transmission Outages shall be assessed to Transmission Customers as set forth herein. The Transmission Provider will not reschedule Planned Transmission Outages based on market or economic concerns affecting the Transmission System.

B. ACTIONS TO MAINTAIN TRANSMISSION SYSTEM RELIABILITY

Transmission Owners submitting Planned Transmission Outage schedules to the Transmission Provider are responsible for allowing adequate time to perform the anticipated maintenance, repair, inspection or construction work and for providing accurate information concerning the start and end times of any Planned Transmission Outage.

If a Planned Transmission Outage unexpectedly exceeds the original outage schedule (thereby making it an Extended Transmission Outage) and conflicts with any other scheduled Planned Transmission Outage which, in the judgment of the Transmission Provider, in the exercise of Good Utility Practice, would render the Transmission System unreliable either at that moment, or for the loss of the next contingent element, then the Transmission Provider may direct, pursuant to Good Utility Practice, either: i) that such Transmission Owner's Extended Transmission Outage in progress be terminated and any additional work that may be required rescheduled, if practicable; or, ii) that another Planned Transmission Outage be rescheduled.

In addition, the Transmission Provider may require a Transmission Owner to reschedule a previously scheduled Planned Transmission Outage, consistent with Good Utility Practice, in order to prevent or minimize other events that could adversely affect the reliability of the Transmission System when the Transmission Provider reasonably determines in the exercise of Good Utility Practice that an Emergency or Emergency System Conditions may exist unless one or both of the Planned Transmission Outages are rescheduled and the elements are returned to service. Such Transmission Provider action may be a pre-emptive response to forecasted system conditions which are expected to be more severe than when the Planned Transmission Outage was previously scheduled or from the conditions identified in a prior Planned Transmission

Outage coordination study was conducted. The Transmission Provider also may direct, pursuant to Good Utility Practice, interruption or expedited conclusion of the work associated with an in-progress Planned Transmission Outage in order to prevent an Emergency or Emergency System Condition from arising.

The Transmission Provider will provide Transmission Owners with all information reasonably available to Transmission Provider relating to the need for any request to reschedule a Planned Transmission Outage, as well as the reasonably foreseeable operational consequences of a failure to reschedule the Planned Transmission Outage. Except when Emergency or Emergency System Conditions dictate otherwise, such disclosure of information shall be in accordance with the Transmission Provider's Standards of Conduct set forth in Appendix A to the ISO Agreement and the relevant provisions of the Tariff. The Transmission Provider will also provide the Transmission Owner(s) with outage rescheduling alternative dates prior to directing that a Planned Transmission Outage be rescheduled, and will afford the Transmission Owner a reasonable time to evaluate the information provided by Transmission Provider and respond to the rescheduling directive.

If a Transmission Owner requests that a Planned Transmission Outage be rescheduled, the Transmission Provider will provide a response to such request within a reasonable period indicating whether such request to change the date of, or to extend the period of any Planned Transmission Outage is acceptable. If the requested change is not acceptable to Transmission Provider, then the Transmission Provider shall provide the Transmission Owner with an outage

study indicating the basis upon which Transmission Provider reached such conclusion, and shall provide the Transmission Owner with alternative dates, or periods of time, when the Planned Transmission Outage can be rescheduled or extended. A Transmission Owner's request to reschedule a Planned Transmission Outage will not be compensated under this Attachment JJ.

C. COMPENSATION

The Transmission Owner that has been required by the Transmission Provider to reschedule a Planned Transmission Outage (other than in connection with the rescheduling of a Generator Outage pursuant to Attachment BB) at the Transmission Provider's direction shall be entitled to be compensated in accordance with the provisions of this Section C.

1. Direct Costs

The Transmission Provider will charge Transmission Customers in order to compensate the Transmission Owner for any reasonable and direct additional costs that such Transmission Owner incurs as a result of the Transmission Provider's rescheduling of a Planned Transmission Outage under this Attachment JJ. As used herein, "direct costs" should include costs associated with demobilization/mobilization associated with a revoked Planned Transmission Outage and costs associated with an accelerated return to service, such as overtime and specialized work practices that may be invoked to shorten a Planned Transmission Outage that is under way. A Transmission Owner shall not be compensated for any lost profits attributable to foregone potential additional sales associated with such rescheduling.

Each Transmission Owner must make Reasonable Efforts to avoid or minimize any such Rescheduling Costs through such measures as, but not limited to, the prompt

cancellation of all contractual arrangements with third parties related to the Planned Transmission Outage. All costs are subject to audit and must be supported by sufficient documentation as set forth below.

2. Settlement of Charges

A Transmission Owner electing to request compensation must submit to the Transmission Provider a request for compensation of incurred Rescheduling Costs within ninety (90) Calendar Days of the Transmission Provider's notification of the rescheduling of the Planned Transmission Outage. The request will include all supporting documentation describing the nature of the Rescheduling Costs. If documentation is incomplete or insufficient, the Transmission Provider will notify the Transmission Owner within fifteen (15) Calendar Days of receipt of such information that further information is necessary to process the request, and payment to Transmission Owner shall be deferred pending resolution of any issues by Transmission Provider.

Within fifteen (15) Calendar Days after receipt of a Transmission Owner's request for compensation that has been deemed complete and qualified under this Attachment JJ, the Transmission Provider shall determine the Rescheduling Costs, calculate the appropriate allocation of such Rescheduling Costs in accordance with the methodology described in Section E of this Attachment JJ, and assign charges to the Transmission Customers in the next billing cycle following the date of the Transmission Provider's determination of the amount of the Rescheduling Costs. Transmission Customers shall pay such Rescheduling Costs pursuant to Section 7.1 of this Tariff.

Within seven (7) Calendar Days from receipt of payment by the Transmission Customers, the Transmission Provider will remit all monies received to the Transmission Owner whose Planned Transmission Outage was rescheduled or otherwise modified.

Within sixty (60) Calendar Days after completion of the rescheduled Planned Transmission Outage, the Transmission Owner whose Planned Transmission Outage was rescheduled shall submit to the Transmission Provider a properly documented statement either: (i) attesting that the actual Rescheduling Costs incurred are equal to those previously submitted to Transmission Provider; or, (ii) specifying the amount by which the actual Rescheduling Costs are less, or more, than those that were earlier submitted by the Transmission Owner to Transmission Provider. If the actual Rescheduling Costs are less than the sums paid to the Transmission Owner, any excess payments shall be refunded by the Transmission Owner to the Transmission Provider within seven (7) Calendar Days after submission of the statement on Rescheduling Costs, and the Transmission Provider shall either refund or credit the returned amounts to Transmission Customers in a subsequent billing cycle on a pro rata basis. If the actual Rescheduling Costs are more than the sums paid to the Transmission Owner, the Transmission Provider shall reimburse Transmission Owner for such additional Rescheduling Costs pursuant to the same process applicable to an initial request for compensation set forth above. Any claims for additional reimbursement submitted by the Transmission Owner shall be subject to the review and audit procedures set forth in Section D of this Attachment JJ.

3. Emergency Condition Costs and Direct Assignment of Costs

If a Transmission Owner has been directed by Transmission Provider under Section B above to reschedule a Planned Transmission Outage due to an Emergency or Emergency System Conditions and such rescheduling is consistent with Good Utility Practice but the Transmission Owner does not reschedule the Planned Transmission Outage, and such failure to reschedule contributes to further the previously existing Emergency or Emergency System Conditions, the Transmission Owner shall be subject to an assignment of costs determined by the Transmission Provider to have been incurred as the result of such Transmission Owner's failure to comply, provided that, prior to any such assignment of costs, the Transmission Provider must receive approval from the Commission pursuant to a filing under Section 205 of the Federal Power Act to assign such costs.

Where the Planned Transmission Outage of a Transmission Owner ("Transmission Owner A") is rescheduled due to the fault, negligence or other action or inaction inconsistent with Good Utility Practice by another Transmission Owner ("Transmission Owner B") during a Planned Transmission Outage, Transmission Owner B shall be subject to direct assignment of Rescheduling Costs incurred by Transmission Owner A, provided that, prior to any such assignment of costs, the Transmission Provider must receive approval from the Commission pursuant to a filing under Section 205 of the Federal Power Act to assign such costs.

D. AUDIT AND DISPUTE PROCEDURES

1. Audit Procedures

Each Transmission Owner shall keep and maintain records of actions taken and costs incurred upon the Transmission Provider's request that the Transmission Owner reschedule a Planned Transmission Outage and make such records available for audit by the Transmission Provider. A Transmission Customer subject to the cost recovery requirements of Section E of this Attachment JJ also may audit, at its own expense at the offices of the Transmission Owner, such records regarding any rescheduled outage costs for which the Transmission Customer has been charged under this Attachment JJ and which the Transmission Customer has made payment. A request for such an audit shall be provided to the Transmission Owner and Transmission Provider within sixty (60) days of receiving the invoice for such Rescheduling Costs. The audit shall take place during normal business hours following reasonable advanced notice to the Transmission Provider. Transmission Customer may have a nationally recognized accounting firm act as its independent agent, at Transmission Customer's expense, to conduct the audit, *provided* that, any such independent agent will be subject to the confidentiality requirements set forth in Section D.4 of this Attachment JJ.

2. Dispute of Charges

A Transmission Customer may make written request to the Transmission Provider to review Transmission Owner's Rescheduling Costs assessed to the Transmission Customer when the Transmission Customer disputes the Rescheduling Costs on the invoice. Any such request shall specify all data in dispute, including dates/hours, amounts paid and any billing determinants associated with the Transmission Customer.

3. Written Response

The Transmission Provider will provide a written response to the Transmission Customer within ten (10) Business Days after receipt of the Transmission Customer's written request under Section D.2 of this Attachment JJ. Such response will indicate the procedures under which the Transmission Provider will make the relevant data and records available to the Transmission Customer for review at the Transmission Provider's offices. The Transmission Provider shall make Reasonable Efforts to address the merits of the Transmission Customer's inquiry, and will provide Transmission Customer access to the relevant data and records, within thirty (30) Calendar Days of such inquiry.

4. Confidentiality of Data

The Transmission Provider shall maintain the confidentiality of all information provided to it by the Transmission Owner, and shall require that any Transmission Customer, or its independent agent, to which such information is made available by such auditing rights be subject to the same requirements as the Transmission Provider. The confidentiality requirements of the Transmission Provider are set forth in the Transmission Provider's Standards of Conduct, Appendix A to the ISO Agreement, and the relevant provisions of the Tariff.

E. COST RECOVERY

Subject to the cost assignment provisions of Section C.3 of this Attachment JJ, each Transmission Customer taking either Firm Point-To-Point Transmission Service or Network Integration Transmission Service during the relevant time period in which Rescheduling Costs have been incurred by the Transmission Owner, shall be charged, and shall

pay its *pro rata* share of such Rescheduling Costs based on either its Reserved Capacity or its Network Load, as applicable. Billing and payment of all such Rescheduling Costs shall be pursuant to the applicable terms of Section 7 of this Tariff and the Transmission Provider's Billing and Accounting Manual. Confirmed Point-To-Point Transmission Service reservations made by a Transmission Customer shall be exempt from charges under this Attachment JJ if such reservations serve Load that is also served by a confirmed transmission provider Network Integration Transmission Service reservation.

F. DISPUTE RESOLUTION PROCESS

In the event any party disputes the results of an audit or claim arising out of or in connection with any inquiry under this Attachment JJ, the disputing party shall provide the other party with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each of the parties for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of receipt of the Notice of Dispute, such claim or dispute shall be submitted for resolution in accordance with the dispute resolution procedures of Section 12 and Attachment HH of this Tariff.