

ATTACHMENT FFF-1

**FORM OF AGREEMENT FOR PSEUDO-TIES INTO THE
MIDCONTINENT INDEPENDENT SYSTEM OPERATOR REGION**

This Pseudo-tie Agreement (“Agreement”) is entered into by and between _____, with principal place of business located at _____, (“Company”), and the Midcontinent Independent System Operator, Inc. (“MISO”), the Regional Transmission Organization, Reliability Coordinator and Balancing Authority for the MISO Region. The Company and MISO each may be referred to as a “Party,” or collectively as the “Parties”.

RECITALS

WHEREAS, the Company owns, operates or has contractual authority over the [Generation Resource] [Load] located at _____ (“Facility”); and

WHEREAS, the Facility is interconnected at a point in the _____ Balancing Authority (“External Balancing Authority”); and

WHEREAS, the Company seeks to create a Pseudo-tie between the Facility and a Point of Receipt in the MISO Balancing Authority Area; and

WHEREAS, the Company intends for the Facility to participate in the MISO Energy and Operating Reserve Markets as a [Generation Resource] [Load]; and

WHEREAS, the Company: 1) is responsible for the operation of Facility in the External Balancing Authority where the Facility is physically located; 2) agrees that the Facility meets all of the MISO qualifications to operate in the MISO Energy and Operating Reserve Markets; 3) will abide by applicable Business Practices Manuals and rules as set forth by MISO in the

performance of its obligations under this Agreement; and 4) will meet all the requirements set forth by the External Balancing Authority for the Pseudo-Tie.

WHEREAS, MISO and the External Balancing Authority have a joint operating agreement that includes mutually agreeable provisions concerning the operation and implementation of Pseudo-ties between their Balancing Authority Areas or, if none, a copy of Appendix 2 to this Agreement has been executed between the Company and the External Balancing Authority, which Appendix 2 is attached and incorporated into this Agreement;

WHEREAS, all capitalized terms that are not otherwise defined herein have the meaning as defined in the MISO Open Access Transmission Tariff (“MISO Tariff”) or applicable MISO Business Practices Manuals.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows:

1. Creation of Pseudo-Tie. On and after _____, a Pseudo-tie is established between the Facility and the MISO Balancing Authority and shall hereafter be referred to as the “Pseudo-Tie.”
2. Implementation. The Parties undertake to implement the Pseudo-Tie in accordance with the following provisions:
 - (a) Market Participant Registration. The Company must register as a MISO Market Participant in the MISO Energy and Operating Reserve Markets. The Company must register this Pseudo-Tie separate from any other Pseudo-tie and in accordance with this Agreement, the registration processes outlined in the Market Registration Business Practices Manual BPM-001, and any other applicable MISO

registration processes. The Company must submit Attachment B – Change of Information Document and Commercial Model Master Template and must adhere to all criteria outlined in Network and Commercial Model Business Practices Manual BPM-010.

- (b) Authority and Procedures. The Company must implement this Pseudo-Tie in a manner consistent with all provisions of the MISO Open Access Transmission, Energy and Operating Reserve Markets Tariff (“Tariff”) and the Pseudo-ties Business Practices Manual BPM-030. The operation of the Pseudo-Tie must be consistent with existing market design at all times. As the North American Electric Reliability Corporation (“NERC”) registered Reliability Coordinator and Balancing Authority, MISO retains final authority to establish and enforce protocols for the Pseudo-Tie.
- (c) Congestion Management. Congestion management processes for Market-to-Market and NERC Transmission Loading Relief requirements will be implemented consistent with any congestion management process included in a joint operating agreement between MISO and the External Balancing Authority or, if none, pursuant to the framework established in Appendix 2 to this Agreement. In all cases, MISO will coordinate with the External Balancing Authority consistent with NERC requirements.
- (d) Transmission Service Reservation - Requirement. The Company must secure, maintain and pay for firm transmission service from the source to the sink of the Pseudo-Tie for the duration of the Agreement. This Agreement does not provide

for the reservation or sale of transmission service on the MISO transmission system or on any other transmission system.

- i. MISO will confirm that the Transmission Service Reservations are in place and maintained prior to implementing the Pseudo-Tie.
 - ii. In the event that any rollover rights for an existing Transmission Service Reservation associated with the Pseudo-Tie are not exercised and/or the Transmission Service Reservation expires, the Company may initiate a new Transmission Service Reservation for the Pseudo-Tie. A new Transmission Service Reservation for the Pseudo-Tie will require study. The Company will be responsible for the costs of the study and any upgrades identified in the study needed to support the Pseudo-Tie. If at any time MISO identifies that the Pseudo-Tie does not have a Transmission Service Reservation in effect, MISO will initiate suspension procedures outlined under section 11 of this Agreement.
 - iii. MISO will adhere to allowable characteristics of power transfers and the method for calculation of the Pseudo-Tie transmission service limit defined in the Transmission Service System Impact Study associated with the Pseudo-Tie.
- (e) Transmission Service Reservation - Modeling. Modeling of the Pseudo-Tie in the Network Model must be consistent with the Transmission Service Reservation source and sink. If a change is made to the source or sink data that requires an update to the Network or Commercial Model, MISO may require the associated

Transmission Service Reservation to be re-studied. The Company will be responsible for costs of all studies and re-studies associated with the Pseudo-Tie. The Company will be responsible for the costs of any Network Upgrades identified as needed to support the Pseudo-Tie identified in the studies and/or re-studies, consistent with the MISO Tariff.

- i. MISO will perform studies using the criteria and assumptions required by the External Balancing Authority. The Company will be responsible for the costs of the studies using the criteria and assumptions required by the External Balancing Authority.
 - ii. If the results of the MISO modeling using MISO's criteria and assumptions and/or the results of the studies using the criteria and assumptions of the External Balancing Authority identify any Network Upgrades or other system improvements required to implement the Pseudo-Tie, the Network Upgrades and system improvements must be approved by MISO and/or the External Balancing Authority, as applicable, and in-service prior to the effective date of the Pseudo-Tie. The Company is responsible for the costs of those Network Upgrades and system improvements consistent with the MISO Tariff.
 - iii. The Company will not remove from or alter the share of the Facility represented in the Network Model until the next regularly scheduled Network Model and Commercial Model update.
- (f) Data measurement – Operating Instructions. The Company must design, construct,

operate and maintain systems and communications equipment in order to receive MISO instructions for the operation of the Facility in accordance with the MISO Energy and Operating Reserves Markets Business Practices Manual BPM-002 and MISO Market Settlements Business Practices Manual BPM-005.

- (g) Data measurement – ICCP and Reliability. The Company must design, construct, operate and maintain systems, at the Company's expense, to provide the External Balancing Authority and MISO with the Pseudo-Tie measurement values in accordance with the ICCP Data Requirements Business Practices Manual BPM-031 and RTO-SPEC-006 – MISO Reliability Data Specification. The Company's systems must provide the Pseudo-Tie measurement values to MISO pursuant to the MISO ICCP communication standards. The Company is responsible for providing any additional data required by the External Balancing Authority in a manner mutually agreed to by and between the External Balancing Authority and the Company.
- i. The Company must design, construct, operate and maintain real-time systems, at the expense of the Company, to provide the External Balancing Authority and MISO with the corresponding real-time Pseudo-Tie measurement values in accordance with the Meter Data Management Agent ("MDMA") requirements as specified in this Agreement and the Market Registration Business Practices Manual BPM-001.
- (h) Settlement data specifications. The Company must meet all measurement requirements specified in the Pseudo-ties Business Practices Manual BPM-030.

The Company must provide MISO with all necessary reliability data as required by RTO-SPEC-006 MISO Reliability Data Specification (Reliability data – pseudo-tie line flows, Transmission Load Reliability data) and all applicable market data as required by the ICCP Data Requirements Business Practices Manual BPM-031. The Company must provide MISO with all applicable Tieline Metering Location information in accordance with the provisions and requirements outlined in MISO Network and Commercial Model Business Practices Manual BPM-010, including Section 3.3.4 - Agreed Upon Tieline Metering Location.

- (i) Commitment and Dispatch. MISO will provide commitment and dispatch instructions to the Facility for participation in the MISO Energy and Operating Reserve Markets in accordance with North American Electric Reliability Corporation (“NERC”) standards. MISO will coordinate with the External Balancing Authority to meet all NERC standards.
- (j) Non-recallability. The Facility may not be recalled by the External Balancing Authority except as specified in the joint operating agreement between MISO and the External Balancing Authority, or if none, in Appendix 2 to this Agreement.
- (k) Real-Time Measurement values – Generation Resource. MISO will include the real time measurement values for the Pseudo-Tie in its calculation of Net Actual Interchange (“NAI”) and Area Control Error (“ACE”). The Company must timely provide all megawatt (“MW”) values for the Pseudo-Tie to MISO and the Local Balancing Authority within MISO where the Pseudo-Tie sinks. For generators pseudo-tying into the MISO Balancing Authority, the real time measurement

values of the Pseudo-Tie provided by the MISO Local Balancing Authority will be equal to the portion of the real-time telemetered generator output received by MISO. The Company will provide the real time Pseudo-Tie measurement values to the relevant MISO Local Balancing Authority area in accordance with NERC Standards and in a manner mutually agreed between the Company and the MISO Local Balancing Authority.

- i. Generation to Load Distribution Factor (“GLDF”) calculation. The GLDF calculations used for Market Flow or Network and Native Load (“NNL”) calculations must align within two percent of the GLDF calculations of the External Balancing Authority and/or Interchange Distribution Calculator on the External Balancing Authority’s Bulk Electric System Transmission System or on the facilities that impact the External Balancing Authority’s Bulk Electric System Transmission System. The GLDF calculations for the MISO Bulk Electric System Transmission System and for the External Balancing Authority’s Bulk Electric System Transmission System for the Pseudo-Tie must continue to align within two percent for the duration of the Pseudo-Tie. If the respective GLDF calculations between MISO and the External Balancing do not align within two percent at any time, MISO will coordinate with the External Balancing Authority to determine if the two percent alignment can be met. If MISO cannot confirm that the two percent alignment can be met after consultation with the External Balancing Authority, MISO may take action to suspend and/or terminate the Pseudo-

Tie consistent with sections 11 and 12 of the Agreement.

- (l) Real-Time measurement values – Loads. MISO will include the real time measurement values for the Pseudo-Tie in its calculations of NAI and ACE. The real time Pseudo-Tie value will be equal to the real-time telemetered Load consumption received by the MISO Local Balancing Authority from the Facility. The Company will simultaneously provide this value to the External Balancing Authority.
- (m) Notification and penalties. The Company will notify MISO of any real-time circumstances that affect the Company's obligation or ability for the Facility to meet its setpoint instructions. The Facility is subject to the same penalties under the Tariff as any participant in the MISO Energy and Operating Reserve Markets.
- (n) Integration of real-time Pseudo-Tie values. In accordance with applicable NERC Standards, the MISO Local Balancing Authority within which the Pseudo-Tie sinks must integrate the real time Pseudo-Tie value with the External Balancing Authority on an hourly basis and maintain this information for Balancing Authority checkout, inadvertent calculations, and payback purposes. For generators and loads pseudo-tying into MISO, the Company will check out hourly integrated values associated with the Pseudo-Tie with the External Balancing Authority and the MISO Local Balancing Authority prior to the External Balancing Authority's final daily checkout with MISO in accordance with all applicable NERC Standards.
- (o) Settlement data. The Company must submit settlement meter data for use in the settlement process of the Real-Time Energy and Operating Reserve Market in

accordance with the Market Settlements Business Practices Manual BPM-005.

(p) Metered injections. Any metered injections into MISO by the Company from the Facility must be consistent with transmission service procured outside of this Agreement.

(q) Registration. The Company will register the Facility in accordance with the physical capabilities of the share of the unit registered with MISO, and subject to the terms of Module C and Module D of the Tariff for performance, monitoring, and mitigation. The Company will provide telemetry data consistent with the portion of the unit registered in MISO according to the Network and Commercial Model update schedule. The Company will notify MISO, the MISO Local Balancing Authority and the External Balancing Authority of all changes to the Pseudo-Tie. The Company may not Pseudo-tie the same portion of the Facility into different Balancing Authorities. The Company must ensure that the Facility injections into MISO do not exceed the MW limits registered and modeled in MISO. In the event that injections of energy from the Facility into MISO exceed the MW limit registered and modeled in the MISO Network Model, the Company forfeits any revenues that could be derived from the injection that exceeds the MW limit registered and modeled in the MISO Network Model. Any injections from the Facility into MISO that exceed the limit registered and modeled will be considered a material breach of this Agreement pursuant to section 22 below.

3. Metering. The Company will coordinate all aspects of this Pseudo-Tie with the MISO Local Balancing Authority in accordance with the terms of this Agreement, the MISO Pseudo-

tie Business Practices Manual BPM-030, and the Tariff.

4. Technical Details. Technical details for the Pseudo-Tie are outlined in Appendix 1 to this Agreement. The Company shall maintain the Facility and its operations consistent with the specifications in Appendix 1 for the duration of the Agreement. Failure to maintain and operate the Facility consistent with the specifications outlined in Appendix 1 will be cause for suspension of the Agreement pursuant to section 11 below.

5. Retirement. If the Facility is a Generation Resource and will be retired or operations suspended, the Company will submit an Attachment Y as required under Module C of the Tariff. Before being designated a System Support Resource (“SSR”), the Facility must be eligible for designation as a SSR pursuant to Module C of the Tariff.

6. FTR and ARR Rights. This Agreement does not provide the Company with the right to modify any existing Auction Revenue Rights (“ARRs”) or Financial Transmission Rights (“FTRs”) or to obtain new ARR or FTRs for this Pseudo-Tie. In order for the Company to obtain ARRs or FTRs or to convert their eligible Transmission Service to ARRs, the Company must satisfy the ARR and/or FTR eligibility criteria and procedures described in the Tariff and the MISO FTR and ARR Business Practices Manual BPM-004.

7. Losses and congestion. The Company shall be charged or compensated for losses and congestion that occur within the MISO Balancing Authority as a result of this Pseudo-Tie in accordance with the Tariff, unless the Company is exempt from such charges pursuant to a binding and enforceable grandfathered agreement.

8. Compensation. The Company will compensate MISO for costs incurred by MISO as a result of implementing and operating this Pseudo-Tie. MISO will invoice the Company for all

costs not otherwise assigned or recovered that MISO incurs as a result of the Pseudo-Tie. MISO may deny a proposed Pseudo-tie if that Pseudo-tie would cause MISO to incur unreasonable administrative costs.

9. Auditing. The Parties must retain all information and records relating to the performance of this Agreement in a manner consistent with all FERC record retention requirements. Each Party reserves the right to audit and examine such information and records at the other Party's premises during regular business hours and upon advance notice given no less than 15 calendar days prior to such examination.

10. Effective Date. This Agreement is effective on the date of execution by the Parties or, if required, the date this Agreement is accepted by the Commission. Service under this Agreement shall commence on the service date established and mutually agreed by and between the Parties.

11. Suspension.

- a. If a joint operating agreement between MISO and the External Balancing Authority outlines for a process for suspension, MISO will follow the process outlined in the joint operating agreement for any suspension of the Pseudo-Tie.
- b. MISO reserves the right to suspend the Pseudo-Tie if:
 - i. the Company no longer meets the terms of the Agreement, including, but not limited to the requirement to provide real-time measurement values, applicable Business Practices Manuals, the MISO Tariff, any joint operating provisions between MISO and the External Balancing Authority, the terms of Appendix 2 to this Agreement, other applicable regulatory, legal or reliability requirements;
 - ii. the Company commits a material default of the Agreement or has failed to cure

any breach of this Agreement; or

- iii. MISO determines that the Pseudo-Tie poses a risk to system reliability or a risk of violation of established reliability criteria.

In the event of a suspension, the Company shall provide to MISO within 10 business days of the date of the notice of suspension, a remedy for the cause of the failure, which MISO will review to determine whether the Pseudo-Tie may be re-activated. The Company may request up to an additional 20 business days to provide to MISO a remedy for the cause of the failure.

- c. Two or more suspensions of the Pseudo-Tie within a 30-day period shall be cause to terminate the Agreement pursuant to section 12 of the Agreement.
- d. The suspension of the Agreement shall not relieve the Company of any of its obligations pursuant to the Agreement, the MISO Tariff or Business Practices Manuals, or to the External Balancing Authority.
- e. MISO will coordinate the suspension of the Pseudo-Tie with the External Balancing Authority. During any suspension period, MISO will retain operational control over the Facility.

12. Termination. Any Party shall have the right to terminate this Agreement as provided below. Any termination of the Agreement shall be subject to receiving all necessary regulatory approvals for such termination, if required. MISO will coordinate any termination of the Pseudo-Tie with the External Balancing Authority.

- a. If MISO has a joint operating agreement with the External Balancing Authority that addresses the operation and implementation of Pseudo-ties between them, the Party

seeking to terminate shall provide notice consistent with that joint operating agreement.

- b. Unless otherwise specified in an applicable joint operating agreement between MISO and the External Balancing Authority, MISO shall have the right to terminate this Agreement upon 60 days' notice to the Company and the External Balancing Authority if:
 - i. the Company no longer meets the requirements outlined in this Agreement;
 - ii. the Company commits a material default of the terms of the Agreement;
 - iii. the Company has failed to cure any breach of the Agreement;
 - iv. MISO experiences an emergency or other condition which may adversely impact the reliability of the transmission system; or
 - v. the Company no longer meets the requirements for the Pseudo-Tie as outlined in the MISO Tariff or applicable Business Practices Manuals, any joint operating agreement with the External Balancing Authority, or other applicable legal or reliability requirements.
- c. If MISO proceeds to terminate the Agreement due to two or more suspensions during a 30-day period as outlined in section 11, MISO shall provide notice of termination to the Company and the External Balancing Authority within 180 days of the second suspension.
- d. The termination of this Agreement shall not relieve the Company of its obligations owed to MISO or to the External Balancing Authority.

13. Governing Law. This Agreement shall be governed by, and interpreted in accordance with the laws of the State of Delaware, the Federal Power Act, and the laws, regulations, and decisions of the FERC without regard to its conflicts of law principles, as applicable.

14. Conflicts. In the event of a conflict between this Agreement and the Tariff, the Tariff terms prevail.

15. Interpretation. In this Agreement:

- (a) The words “include”, “includes” and “including” are deemed to be followed by the words “without limitation”;
- (b) References to contracts, agreements and other documents and instruments are construed as references to the same as amended, supplemented or otherwise modified from time to time;
- (c) References to laws or standards and to terms defined in, and other provisions of, laws or standards are constructed as references to the same (or a successor to the same) as amended, supplemented or otherwise modified from time to time;
- (d) References to persons or entities are construed to include its successors and permitted assigns and, in the case of a governmental or other authority (including MISO and the North American Electric Reliability Corporation), any persons or entities succeeding to its functions and capacities; and
- (e) Any capitalized term used herein but not defined herein shall have the meaning assigned to such term in the Tariff.

16. Severability. If any provision of this Agreement is found to be invalid, illegal or unenforceable in any jurisdiction, then the Parties agree that the validity, legality, and

enforceability of the remaining provisions of this Agreement in such or any other jurisdiction and of such provision in any other jurisdiction must not in any way be affected or impaired thereby. With respect to any provision held invalid, illegal or unenforceable, the Parties agree to amend this Agreement as necessary to affect the original intent of the Parties.

17. Additional Considerations. Nothing in this Agreement is intended to modify any obligations or rights of the Parties under the MISO Tariff, rate schedule, or contract. This Agreement does not provide for transmission service or interconnection service, and does not modify the rates, terms, or conditions of any transmission service reservation held by the Company. This Agreement is does not designate any additional service under Module B, Module E-1, or Attachment X of the Tariff.

18. Modification. Nothing in this Agreement is intended to modify or limit the right of the Parties to submit proposed changes to this Agreement pursuant to the Federal Power Act Section 205 or Section 206.

19. Notice. Unless otherwise provided in this Agreement, any notice, demand, or request required or permitted to be given by a Party to another Party and any instrument required or permitted to be tendered or delivered by a Party in writing to another Party shall be effective when delivered and may be so given, tendered, or delivered by: (i) recognized national courier; (ii) depositing the same with the United States Postal Service with postage prepaid for delivery by certified or registered mail, addressed to the Party; or (iii) personal delivery to the Party, at the address set out in Article 19 of this Agreement. Notwithstanding the foregoing, notices of any dispute must be made as provided in Attachment HH of the Tariff.

Either Party may change their respective notice information as information changes. A Party

may change their respective notice information by providing a Written Notice to the other Party at least five (5) Business Days prior to the effective date of the change. Such changes shall not constitute an amendment to this Agreement.

Notice shall be provided as follows:

For MISO:

Midcontinent Independent System Operator, Inc.

Attn: _____

720 City Center Drive

Carmel, Indiana 46032

Primary Point of Contact:

[Name]

Telephone: [Phone]

Email: [Email]

For the Company:

[Enter Company Name]

Attn: [Name]

[Address]

[Address]

Primary Point of Contact:

[Name]

Telephone: [Phone]

Email: [Email]

20. Charges. Nothing in this Agreement authorizes the Company to impose charges without a separately filed tariff or rate schedule being accepted by the Commission.

21. Disputes. Disputes arising under this Agreement must be resolved pursuant to the dispute resolution procedures established in Attachment HH of the Tariff.

22. Breach. A breach is considered a substantive violation of this Agreement. Prior to pursuing a remedy at the Commission for a breach, a non-breaching Party must provide five (5) business days' notice of the breach to the breaching Party. If the breaching Party does not eliminate the breach within five (5) business days after the notice is received by the breaching Party, then the non-breaching Party may pursue remedy in accordance with the dispute resolution clause contained herein.

23. Entire Agreement. This Agreement, which incorporates the Tariff, constitutes the entire understanding and agreement of the Parties, and supersedes any and all previous communications, representations, understandings, and agreements (oral or written) between the Parties with respect to the subject matter hereof. The headings used in this Agreement are for purposes of convenience only and must not be construed to affect the meaning or construction of any of the provisions hereof.

24. Assignment. No Party may assign or transfer any of its rights and/or obligations under this Agreement without the written consent of the other Parties, which consent may not be unreasonably withheld.

25. Waiver. Any waiver at any time by a Party of its rights with respect to any provision of this Agreement or matter arising in connection with this Agreement shall not constitute or be deemed a waiver with respect to any subsequent default or other matter arising in connection with this Agreement.

26. Incorporation. The Tariff and the Pseudo-Ties Business Practices Manual BPM-030, including all definitions contained therein, are incorporated into this Agreement in their entirety and made a part hereof. The Company is responsible for satisfying all requirements as established in the Tariff, the Pseudo-Ties Business Practices Manual BPM-030, and all other applicable Business Practices Manuals.

27. Representation and warranties. Each Party represents and warrants that the execution, delivery and performance of this Agreement by it has been duly authorized by all necessary corporate and/or governmental actions, to the extent authorized by law. The Company represents and warrants that it is duly organized or formed, as applicable, validly existing and in good standing under the laws of its state of organization or formation, and is in good standing under the laws of the respective state(s) in which it is incorporated and operates.

28. Multiple Counterparts. This Agreement may be executed in two or more counterparts, each of which is deemed an original but all of which constitute one and the same instrument.

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

Midcontinent Independent System Operator, Inc.

By: _____

Name: _____

Title: _____

[Insert name of Company]

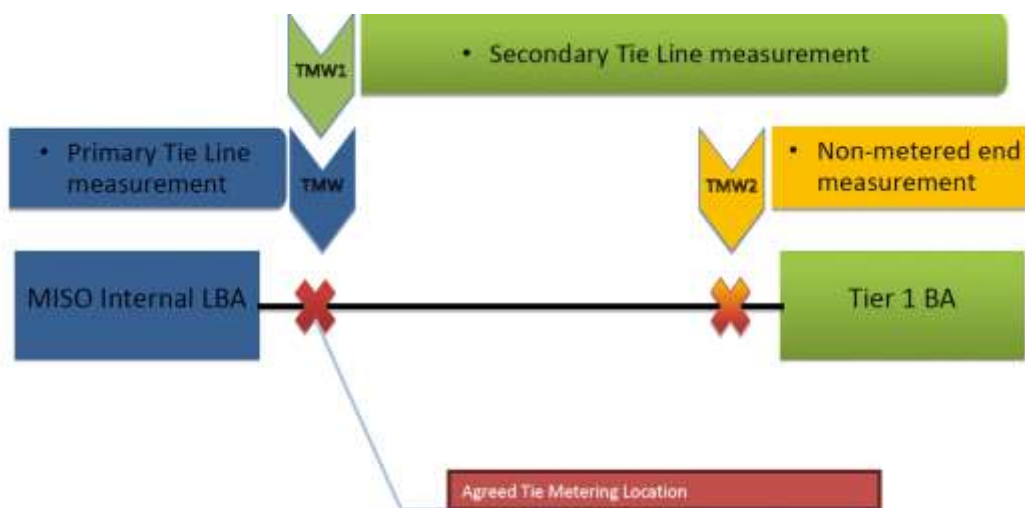
By: _____

Name: _____

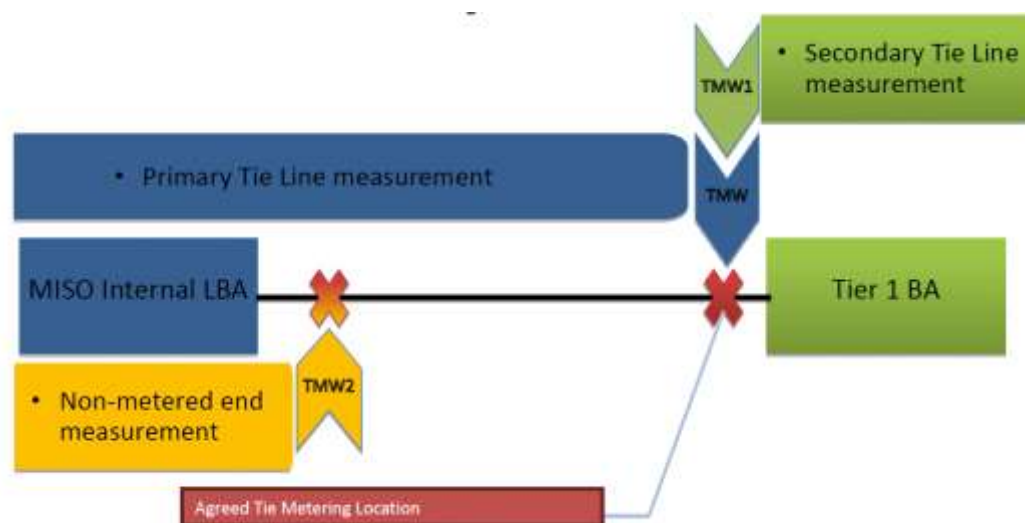
Title: _____

APPENDIX 1—FACILITY SPECIFICATIONS

Metering at MISO end of the tie line



Metering at Non-MISO end of the tie line



*See BPM 010 Section 3.3 Market Tie Line Modeling Telemetry / ICCP Data and Commissioning
Requirements for more details*

APPENDIX 2 –
TO BE EXECUTED WHEN NO JOINT OPERATING AGREEMENT WITH THE
EXTERNAL BALANCING AUTHORITY APPLIES

APPENDIX 2 TO ATTACHMENT FFF-1

This Appendix 2 (“Appendix 2”) is entered into by and between _____, with principal place of business located at _____, (“Company”), and _____, with principal place of business located at _____, (“External Balancing Authority”) for the operation of a Pseudo-tie. The Company and External Balancing Authority each may be referred to as a “Party,” or collectively as the “Parties”.

RECITALS

WHEREAS, the Company owns, operates or has contractual authority over the [Generation Resource] [Load] located at _____ (“Facility”) and seeks to Pseudo-tie ___ MW of the output of the Facility into the Midcontinent Independent System Operator, Inc. (“MISO”) Balancing Authority Area and participate in the MISO Energy and Operating Reserve Markets; and

WHEREAS, the Facility is located in and interconnected to the transmission system in the External Balancing Authority Area; and

WHEREAS, the Company seeks to create a Pseudo-tie between the Facility and a Point of Receipt in the MISO Balancing Authority Area; and

WHEREAS, the Company intends for the Facility to participate in the MISO Energy and Operating Reserve Markets as a [Generation Resource] [Load]; and

WHEREAS, subject to the terms of this Agreement, External Balancing Authority agrees to transfer ___ MW [Generation Resource] [Load] from the Facility into the MISO Balancing Authority Area as defined below; and

WHEREAS, the Company: 1) is responsible for the operation of Facility in the External Balancing Authority where the Facility is physically located; 2) agrees the Facility meets all of the External Balancing Authority qualifications to operate in the External Balancing Authority Area; 3) will abide by applicable Tariffs, Business Practices Manuals and rules as set forth by External Balancing Authority in the performance of its obligations under this Appendix 2; and 4) will meet all the requirements set forth by the External Balancing Authority for the Pseudo-Tie;

WHEREAS, External Balancing Authority is a North American Electric Reliability

Corporation (“NERC”) certified and registered Balancing Authority, as that term is defined in the NERC Glossary of Terms, responsible for balance and interconnection frequency support within its Balancing Authority Area;

WHEREAS, the External Balancing Authority does not have a joint operating agreement with MISO that includes mutually agreeable provisions concerning the operation and implementation of Pseudo-ties between their Balancing Authority Area;

WHEREAS, this Appendix 2 will provide the framework for the operation and implementation of the Pseudo-Tie between the Company and External Balancing Authority, and will be attached and incorporated into the Attachment FFF-1 Pseudo-Tie Agreement between the Company and MISO dated _____ (“Agreement”); and

WHEREAS, all capitalized terms that are not otherwise defined herein have the meaning as defined in the MISO Open Access Transmission Tariff (“MISO Tariff”) or applicable MISO Business Practices Manuals.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, the Parties agree as follows:

1. Creation of Pseudo-Tie. On and after _____, a Pseudo-tie is established between the Facility and the MISO Balancing Authority and shall hereafter be referred to as the “Pseudo-Tie.”
2. Implementation. The Pseudo-Tie shall be implemented and operated in accordance with the Agreement and this Appendix 2. Each Party shall design, construct, operate, implement and maintain equipment according to NERC standards for which it is responsible under this Agreement and otherwise, and shall take all other actions required to create the Pseudo-Tie between the Facility and MISO.
 - a. The Facility will be considered within the MISO Balancing Authority on and after the effective date of this Appendix 2.
 - b. This Appendix 2 does not provide for the reservation or sale of transmission service under the External Balancing Authority tariffs or requirements, or that of MISO.
 - c. The Company shall secure long-term firm Point-to-Point Transmission Service from where it is physically located in the External Balancing Authority through the path to the interface with the MISO Balancing Authority , and shall maintain such transmission

service sufficient to deliver the ____MW [**Generation Resource**][**Load**] for the term of the Agreement and this Appendix 2. External Balancing Authority will confirm with MISO that the required transmission service reservations are in place prior to allowing the Pseudo-Tie to be implemented.

- d. External Balancing Authority will not retain dispatch authority over the Facility on and after the effective date of the Agreement and this Appendix 2. External Balancing Authority will coordinate with MISO to take action to reliably operate the system.
- e. The Company will design, construct, operate and maintain real-time and historical systems and communications equipment as required by External Balancing Authority and MISO to receive MISO dispatch instructions and to provide External Balancing Authority and MISO with the corresponding real-time Pseudo-Tie values. The Company will provide required information to MISO as outlined in the Agreement. The Company will provide required information to External Balancing Authority in a manner mutually agreed to between the Company and External Balancing Authority.
- f. External Balancing Authority will work with MISO to include the real-time Pseudo-Tie value in the calculations of Actual Net Interchange (“ANI”) and Area Control Error (“ACE”).
- g. The Company shall obtain station service for the Facility in accordance with External Balancing Authority requirements.
- h. The Company and External Balancing Authority agree to implement the Pseudo-Tie of the Facility consistent with all applicable NERC standards.

3. Losses. The Company will be responsible for loss compensation to deliver its [**Generation Resource**][**Load**] from the External Balancing Authority to MISO.

4. Compensation. Unless otherwise agreed, the Company will compensate the External Balancing Authority for the costs to the External Balancing Authority attributable to the Pseudo-Tie.

5. Congestion Management Process. External Balancing Authority does not have a congestion management process with MISO in effect. External Balancing Authority agrees to follow applicable regulatory and other requirements, including NERC requirements and Attachment LL of the MISO Tariff, in addressing congestion management related to the Pseudo-Tie. External Balancing Authority will work with MISO to identify Coordinated Flowgates pursuant to Attachment LL of the MISO Tariff.
 - a. External Balancing Authority further agrees to follow the PJM – MISO Pseudo-Tied Units Operating Procedure RTO-PTU-OP1-r0 (“Operating Procedure”), as applicable, where MISO is the Attaining Balancing Authority and External Balancing Authority is the Native Balancing Authority.
6. Tagging. No Party shall tag or request to tag scheduled energy flows from the Facility.
7. Non-recallability. The External Balancing Authority agrees that the Facility is non-recallable to the extent it is committed as a MISO Capacity Resource for a Delivery Year. However, the Facility may be committed, de-committed or re-dispatched as required by the Operating Procedure to ensure safe operations. If time permits, any instructions to the Facility will go to MISO. The Parties agree that any energy produced by the Facility during any emergency will be delivered to MISO.
8. Obligations. Nothing in this Appendix 2 is intended to modify or change any obligations or rights under applicable Tariff provisions or other legal requirements.
9. Breach. If any Party breaches the terms of this Appendix 2, then the non-breaching Party may seek to suspend the Agreement consistent with section 11, terminate the Agreement in accordance with section 12, or pursue any relief the Party deems appropriate with the Commission. Prior to pursuing a remedy at the Commission for a breach, a non-breaching Party shall provide five Business Days’ written notice of the breach to the breaching Party. If the breaching Party does not eliminate the breach within five Business Days after the notice is

received, then the non-breaching Party may pursue its remedies at the Commission. The Parties may extend the cure period by mutual agreement.

10. Effective date. Appendix 2 shall be effective upon the later of the date of execution of Appendix 2 by all Parties, by execution of the Agreement between MISO and the Company, or the date approved by the Commission, if required. Appendix 2 shall remain in effect until terminated.

11. Suspension. External Balancing Authority may suspend the Pseudo-Tie if the Company no longer satisfies the External Balancing Authority criteria for Pseudo-ties or other applicable regulatory, legal or reliability requirements, if the Company commits a material default under Appendix 2, has failed to cure any breach as required under section 9, or if the External Balancing Authority reasonably determines that the Pseudo-Tie poses a risk to system reliability or risk of violation of established reliability criteria, by giving immediate notice of suspension to the Company and to MISO. External Balancing Authority will immediately notify MISO of its intent to suspend the Pseudo-Tie.

- a. Two suspensions of the Pseudo-Tie within a 30-day period shall constitute a breach of this Appendix 2. In the event of two suspensions within a 30-day period, Appendix 2 may be terminated as provided in section 12, or by mutual agreement between MISO and the External Balancing Authority. The Party seeking to exercise the right to terminate must provide notice of such termination within 180 days of the second suspension.
- b. The suspension of the Pseudo-Tie will not relieve the Company of any of its obligations to the External Balancing Authority or to MISO.
- c. During any suspension, the Facility will remain under the operational control of MISO.

12. Termination. Notification regarding termination of the Pseudo-Tie shall be provided as follows:

- a. If the External Balancing Authority seeks to terminate the Pseudo-Tie for any reason other than the reasons described below, the External Balancing Authority shall give

MISO and the Company no less than 60 days' written notice, subject to receiving all necessary regulatory approvals for such termination. Reasons for termination include:

- i. MISO or the External Balancing Authority experiences an emergency or other condition which may adversely impact the reliability of the transmission system;
 - ii. the Company no longer meets the requirements outlined in this Appendix 2 and has failed to cure any breach of Appendix 2; or
 - iii. the Company no longer meets the requirements for the Pseudo-Tie as required by the External Balancing Authority, as outlined in the MISO Tariff or applicable Business Practices Manuals, or other applicable legal or reliability requirements.
- b. The termination of the Pseudo-Tie will not relieve the Company of any of its obligations to the External Balancing Authority or to MISO.

13. Assignment. No Party may assign or transfer any of its rights and/or obligations under this Agreement without the written consent of the other Party and MISO.

14. Interpretation. In this Appendix 2:

- (a) The words "include", "includes" and "including" are deemed to be followed by the words "without limitation";
- (b) References to contracts, agreements and other documents and instruments are construed as references to the same as amended, supplemented or otherwise modified from time to time;
- (c) References to laws or standards and to terms defined in, and other provisions of, laws or standards are constructed as references to the same (or a successor to the same) as amended, supplemented or otherwise modified from time to time;
- (d) References to persons or entities are construed to include its successors and permitted assigns and, in the case of a governmental or other authority (including MISO and the North American Electric Reliability Corporation), any persons or entities succeeding to its functions and capacities; and
- (e) Any capitalized term used herein but not defined herein shall have the meaning assigned to such term in the Tariff.

15. Additional Considerations. Nothing in this Appendix 2 is intended to modify any obligations or rights of the Parties under any tariff of the External Balancing Authority, rate schedule, or contract. This Appendix 2 does not provide for transmission service or interconnection service, and does not modify the rates, terms, or conditions of any transmission service reservation held by the Company.

16. Notice. Unless otherwise provided in this Appendix 2, any notice, demand, or request required or permitted to be given by a Party to another Party and any instrument required or permitted to be tendered or delivered by a Party in writing to another Party shall be effective when delivered and may be so given, tendered, or delivered by: (i) recognized national courier; (ii) depositing the same with the United States Postal Service with postage prepaid for delivery by certified or registered mail, addressed to the Party; or (iii) personal delivery to the Party, at the address set out below. Notwithstanding the foregoing, notices of any dispute must be made as provided in Attachment HH of the MISO Tariff.

Either Party may change their respective notice information as information changes. A Party may change their respective notice information by providing a Written Notice to the other Party at least five (5) Business Days prior to the effective date of the change. Such changes shall not constitute an amendment to this Appendix 2.

Notice shall be provided as follows:

For External Balancing Authority:

[Name of External Balancing Authority]

Attn: _____

[Address of External Balancing Authority]

Primary Point of Contact:

[Name]

Telephone: [Phone]

Email: [Email]

For the Company:

[Enter Company Name]
Attn: [Name]
[Address]
[Address]

Primary Point of Contact:

[Name]
Telephone: [Phone]
Email: [Email]

17. Waiver. Any waiver at any time by a Party of its rights with respect to any provision of this Appendix 2 or matter arising in connection with this Appendix 2 shall not constitute or be deemed a waiver with respect to any subsequent default or other matter arising in connection with this Appendix 2.

18. Representation and warranties. Each Party represents and warrants that the execution, delivery and performance of this Appendix 2 by it has been duly authorized by all necessary corporate and/or governmental actions, to the extent authorized by law. The Company represents and warrants that it is duly organized or formed, as applicable, validly existing and in good standing under the laws of its state of organization or formation, and is in good standing under the laws of the respective state(s) in which it is incorporated and operates.

19. Multiple Counterparts. This Appendix 2 may be executed in two or more counterparts, each of which is deemed an original but all of which constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have caused this Appendix 2 to be executed by their respective authorized officials.

[Insert name of External Balancing Authority]

By: _____

Name: _____

Title: _____

[Insert name of Company]

By: _____

Name: _____

Title: _____