

### **3. TO Definitions.**

Capitalized terms used in this TO Tariff shall have the meanings set out below unless otherwise stated. Capitalized terms used in this tariff and not defined below shall have the meanings set out in the ISO Tariff.

**3.1 Access Charge.** A charge paid by all UDCs, MSSs and, in certain cases, Scheduling Coordinators, delivering Energy to Gross Load, as set forth in Section 26.1 of the ISO Tariff. The Access Charge includes the High Voltage Access Charge, the Transition Charge, and the Low Voltage Access Charge.

**3.2 Automatic Generation Control (AGC).** Generation equipment that automatically responds to signals from the ISO's EMS control in real time to control the power output of electric generators within a prescribed area in response to a change in system frequency, tieline loading, or the relation of these to each other, so as to maintain the target system frequency and/or the established interchange with other areas within the predetermined limits.

**3.3 Ancillary Services.** Regulation, Spinning Reserve, Non-Spinning Reserve, Voltage Support and Black Start together with such other interconnected operation services as the ISO may develop in cooperation with Market Participants to support the transmission of Energy from Generation resources to Loads while maintaining reliable operation of the ISO Controlled Grid in accordance with Good Utility Practice.

**3.4 Applicable Reliability Criteria.** The reliability standards established by NERC, WECC, and Local Reliability Criteria as amended from time to time, including any requirements of the Nuclear Regulatory Commission.

**3.5 Available Transfer Capacity.** For a given transmission path, the capacity rating in MW of the path established consistent with ISO and WECC transmission capacity rating guidelines, less any reserved uses applicable to the path.

**3.6 Base Transmission Revenue Requirement.** The Transmission Revenue Requirement before deducting the Transmission Revenue Balancing Account Adjustment (TRBAA) and, for wholesale purposes, before deducting Standby Transmission Revenues.

**3.7 Black Start.** The procedure by which a Generating Unit self-starts without an external source of electricity thereby restoring power to the ISO Controlled Grid following system or local area blackouts.

**3.8 Business Day.** Monday through Friday, excluding federal holidays and the day after Thanksgiving Day.

**3.9 (Omitted)**

**3.10 Completed Application Date.** The date on which a party submits an Interconnection Application that satisfies the requirements of a Completed Interconnection Application.

**3.11 Completed Interconnection Application.** An Interconnection Application that satisfies all of the information and other requirements of Section 10.3 of this TO Tariff.

**3.12 Congestion.** A condition that occurs when there is insufficient Available Transfer Capacity to implement all Preferred Schedules simultaneously or, in real time, to serve all Generation and Demand. "Congested" shall be construed accordingly.

**3.13 Congestion Management.** The alleviation of Congestion in accordance with applicable ISO Protocols and Good Utility Practice.

**3.14 Converted Rights.** Those transmission service rights as defined in Section 4.3.1.6 of the ISO Tariff.

**3.15 CPUC.** The California Public Utilities Commission, or its successor.

**3.16 (Omitted)**

**3.17 Demand.** The rate at which Energy is delivered to Loads and Scheduling Points by Generation, transmission or distribution facilities. It is the product of voltage and the in-phase component of alternating current measured in units of watts or standard multiples thereof, e.g., 1,000W = 1kW, 1,000kW = 1MW, etc.

**3.18 Direct Assignment Facilities.** Facilities or portions of facilities that are owned by the Participating TO necessary to physically and electrically interconnect a particular party requesting Interconnection under this TO Tariff to the ISO Controlled Grid at the point of interconnection. Direct Assignment Facilities shall be specified in the Interconnection Agreement that governs Interconnection service to such party and shall be subject to FERC approval.

**3.19 Dispatch.** The operating control of an integrated electric system to: i) assign specific Generating Units and other sources of supply to effect the supply to meet the relevant area Demand taken as Load rises or falls; ii) control operations and maintenance of high voltage lines, substations, and equipment, including administration

of safety procedures; iii) operate interconnections; iv) manage Energy transactions with other interconnected Control Areas; and v) curtail Demand.

**3.20 Distribution System.** The distribution assets of a TO, UDC, or MSS.

**3.21 Eligible Customer.** (i) Any utility (including Participating TOs, Market Participants and any power marketer), Federal power marketing agency, or any person generating Energy for sale or resale; Energy sold or produced by such entity may be Energy produced in the United States, Canada or Mexico; however, such entity is not eligible for transmission service that would be prohibited by Section 212(h)(2) of the Federal Power Act; and (ii) any retail customer taking unbundled transmission service pursuant to a state retail access program or pursuant to a voluntary offer of unbundled retail transmission service by the Participating TO.

**3.22 Encumbrance.** A legal restriction or covenant binding on the Participating TO that affects the operation of any transmission lines or associated facilities and which the ISO needs to take into account in exercising Operational Control over such transmission lines or associated facilities if the Participating TO is not to risk incurring significant liability. Encumbrances shall include Existing Contracts and may include: (1) other legal restrictions or covenants meeting the definition of Encumbrance and arising under other arrangements entered into before the ISO Operations Date, if any; and (2) legal restrictions or covenants meeting the definition of Encumbrance and arising under a contract or other arrangement entered into after the ISO Operations Date.

**3.23 End-Use Customer or End-User.** A purchaser of electric power who purchases such power to satisfy a Load directly connected to the ISO Controlled Grid or to a Distribution System and who does not resell the power.

**3.24 Energy.** The electrical energy produced, flowing or supplied by generation, transmission or distribution facilities, being the integral with respect to time of the instantaneous power, measured in units of watt-hours or standard multiples thereof, e.g., 1,000 Wh = 1kWh, 1,000 kWh = 1MWh, etc.

**3.25 Entitlements.** The right of the Participating TO obtained through contract or other means to use another entity's transmission facilities for the transmission of Energy.

**3.26 Existing Contracts.** The contracts which grant transmission service rights in existence on the ISO Operations Date (including any contracts entered into pursuant to such contracts) as may be amended in accordance with their terms or by agreement between the parties thereto from time to time.

**3.27 Existing Rights.** The transmission service rights and obligations of non-Participating TOs under Existing Contracts, including all terms, conditions, and rates of the Existing Contracts, as they may change from time to time under the terms of the Existing Contracts.

**3.28 Expedited Interconnection Agreement.** A contract between a party which has submitted a Request for Expedited Interconnection Procedures and the Participating TO under which the Participating TO agrees to process, on an expedited basis, the Completed Interconnection Application of such party and which sets forth the terms, conditions, and cost responsibilities for such interconnection.

**3.29 Facilities Study Agreement.** An agreement between a Participating TO and either a party requesting Interconnection to the ISO Controlled Grid, Market Participant, Project Sponsor, or identified principal beneficiaries pursuant to which the party

requesting such Interconnection, Market Participants, Project Sponsor, or identified principal beneficiaries agrees to reimburse the Participating TO for the cost of performing or reviewing a Facilities Study.

**3.30 Facility or Facilities Study.** An engineering study conducted to determine required modifications to the Participating TO's transmission system, including the estimated cost and scheduled completion date for such modifications that will be required to provide needed services.

**3.31 FERC.** The Federal Energy Regulatory Commission or its successor.

**3.32 FPA.** Parts II and III of the Federal Power Act, 16 U.S.C. § 824 et seq., as they may be amended from time to time.

**3.33 FTR (Firm Transmission Right).** A contractual right, subject to the terms and conditions of the ISO Tariff, that entitles the FTR Holder to receive, for each hour of the term of the FTR, a portion of the Usage Charges received by the ISO for transportation of energy from a specific originating Zone to a specific receiving Zone and, in the event of an uneconomic curtailment to manage Day-Ahead congestion, to a Day-Ahead scheduling priority higher than that of a schedule using Converted Rights capacity that does not have an FTR.

**3.34 FTR Holder.** The owner of an FTR, as registered with the ISO.

**3.35 Generating Unit.** An individual electric generator and its associated plant and apparatus whose electrical output is capable of being separately identified and metered or a Physical Scheduling Plant that, in either case, is: (a) located within the ISO Control Area; (b) connected to the ISO Controlled Grid, either directly or via interconnected

transmission, or distribution facilities; and (c) that is capable of producing and delivering net Energy (Energy in excess of a generating station's internal power requirements).

**3.36 Generation.** Energy delivered from a Generating Unit.

**3.37 Good Utility Practice.** Any of the practices, methods, and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods, and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, and expedition. Good Utility Practice is not intended to be any one of a number of the optimum practices, methods, or acts to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

**3.38 Gross Load.** Gross Load is all Energy (adjusted for distribution losses) delivered for the supply of End-User Loads directly connected to the transmission facilities or Distribution System of the Participating TO. Gross Load shall exclude the portion of the Load of an individual End-Use Customer of the Participating TO that is served by a Generating Unit that: (a) is located on the customer's site or provides service to the customer's site through over-the-fence arrangements as authorized by Section 218 of the California Public Utilities Code; (b) is a qualifying small power production facility or qualifying cogeneration facility, as those terms are defined in the FERC's regulations implementing Section 201 of the Public Utility Regulatory Policies Act of 1978; (c) was serving the customer's Load on or before March 31, 2000; and (d) secured Standby Service from the Participating TO under terms approved by a Local

Regulatory Authority or FERC, as applicable, as of March 31, 2000 and continues to secure Standby Service from the Participating TO or can be curtailed concurrently with an outage of the Generating Unit serving the Load.

**3.39 High Voltage Access Charge.** A component of the Access Charge determined by the ISO and assessed to the Participating TO under Section 26.1 of the ISO Tariff.

**3.40 High Voltage Existing Contracts Access Charge.** A charge for access to the ISO Controlled Grid under certain specified Existing Contracts to be paid by the Existing Contract holder to the Participating TO. Such rate shall be calculated by dividing the High Voltage Transmission Revenue Requirement applicable to wholesale customers by the sum of Edison's twelve monthly retail system peak demands measured at the ISO Controlled Grid level, consistent with such revenue requirement.

**3.41 High Voltage Transmission Facility.** A transmission facility under the operational control of the ISO that is owned by the Participating TO or to which the Participating TO has an Entitlement that is represented by a Converted Right and that operates at a voltage at or above 200 kilovolts, and supporting facilities, and the costs of which are not directly assigned to one or more specific customers.

**3.42 High Voltage Transmission Revenue Requirement.** The portion of the Participating TO's TRR associated with and allocable to the Participating TO's High Voltage Transmission Facilities and Converted Rights associated with High Voltage Transmission Facilities.

**3.43 High Voltage Utility-Specific Rate.** The Participating TO's High Voltage Transmission Revenue Requirement divided by the Participating TO's forecasted Gross Load.



**3.44 High Voltage Wheeling Access Charge.** The Wheeling Access Charge assessed by the ISO associated with the recovery of the Participating TOs' High Voltage Transmission Revenue Requirements in accordance with Section 26.1 of the ISO Tariff.

**3.45 (Omitted)**

**3.46 Interconnection.** Transmission facilities, other than additions or replacements to existing facilities that: i) connect one system to another system where the facilities emerge from one and only one substation of the two systems and are functionally separate from the ISO Controlled Grid facilities such that the facilities are, or can be, operated and planned as a single facility; or ii) are identified as radial transmission lines pursuant to contract; or iii) produce Generation at a single point on the ISO Controlled Grid; provided that such interconnection does not include facilities that, if not owned by the Participating TO, would result in a reduction in the ISO's Operational Control of the Participating TO's portion of the ISO Controlled Grid.

**3.47 Interconnection Agreement.** A contract between a party requesting Interconnection and the Participating TO that owns the transmission facility with which the requesting party wishes to interconnect.

**3.48 Interconnection Application.** An application that requests Interconnection to the ISO Controlled Grid.

**3.49 Interest.** Interest shall be calculated in accordance with the methodology specified for interest on refunds in the regulations of FERC at 18 C.F.R.

§35.19(a)(2)(iii)(1996). Interest on delinquent amounts shall be calculated from the due

date of the bill to the date of payment. When payments are made by mail, bills shall be considered as having been paid on the date of receipt.

**3.50 Independent System Operator (“ISO”).** The California Independent System Operator Corporation, a state chartered, nonprofit corporation that controls the transmission facilities of all Participating TOs and dispatches certain Generating Units and Loads.

**3.51 ISO ADR Procedures.** The procedures for resolution of disputes or differences set out in Section 13 of the ISO Tariff, as amended from time to time.

**3.52 ISO Controlled Grid.** The system of transmission lines and associated facilities of the Participating TOs that have been placed under the ISO’s Operational Control.

**3.53 ISO Protocols.** The rules, protocols, procedures and standards promulgated by the ISO (as amended from time to time) to be complied with by the ISO Scheduling Coordinators, Participating TOs and all other Market Participants in relation to the operation of the ISO Controlled Grid and the participation in the markets for Energy and Ancillary Services in accordance with the ISO Tariff.

**3.54 ISO Tariff.** The California Independent System Operator Agreement and Tariff, dated March 31, 1997, as it may be modified from time to time.

**3.55 Load.** An end-use device of an End-Use Customer that consumes power. Load should not be confused with Demand, which is the measure of power that a Load receives or requires.

**3.56 (Omitted)**

**3.57 Local Furnishing Bond.** Tax-exempt bonds utilized to finance facilities for the local furnishing of electric energy, as described in section 142(f) of the Internal Revenue Code, 26 U.S.C. § 142(f).

**3.58 Local Furnishing Participating TO.** Any Tax-Exempt Participating TO that owns facilities financed by Local Furnishing Bonds.

**3.59 Local Publicly Owned Electric Utilities.** A municipality or municipal corporation operating as a public utility furnishing electric service, a municipal utility district furnishing electric service, a public utility district furnishing electric services, an irrigation district furnishing electric services, or a joint powers authority that includes one or more of these agencies and that owns Generation or transmission facilities, or furnishes electric services over its own or its members' electric Distribution System.

**3.60 Local Regulatory Authority.** The state or local governmental authority responsible for the regulation or oversight of a utility.

**3.61 Local Reliability Criteria.** Reliability criteria established at the ISO Operations Date, unique to the transmission systems of each of the Participating TOs.

**3.62 Low Voltage Access Charge.** The Access Charge applicable under Section 26.1 of the ISO Tariff to recover the Low Voltage Transmission Revenue Requirement of the Participating TO.

**3.63 Low Voltage Existing Contracts Access Charge.** A charge for access to the ISO Controlled Grid under certain specified Existing Contracts to be paid by the Existing Contract holder to the Participating TO. Such rate shall be calculated by dividing the Low Voltage Transmission Revenue Requirement applicable to wholesale customers by

the sum of Edison's twelve monthly retail system peak demands measured at the ISO Controlled Grid level, consistent with such revenue requirement.

**3.64 Low Voltage Transmission Facility.** A transmission facility under the operational control of the ISO owned by the Participating TO or to which the Participating TO has an Entitlement that is represented by a Converted Right, which is not a High Voltage Transmission Facility, and supporting facilities, and the costs of which are not directly assigned to one or more specific customers.

**3.65 Low Voltage Transmission Revenue Requirement.** The portion of the Participating TO's TRR associated with and allocable to the Participating TO's Low Voltage Transmission Facilities and Converted Rights associated with Low Voltage Transmission Facilities.

**3.66 Low Voltage Wheeling Access Charge.** The Wheeling Access Charge associated with the recovery of the Participating TO's Low Voltage Transmission Revenue Requirement in accordance with Section 26.1 of the ISO Tariff.

**3.67 Market Participant.** An entity, including a Scheduling Coordinator, who participates in the Energy marketplace through the buying, selling, transmission, or distribution of Energy or Ancillary Services into, out of, or through the ISO Controlled Grid.

**3.68 MSS (Metered Subsystem).** A geographically contiguous system located within a single zone which has been operating as an electric utility for a number of years prior to the ISO Operations Date as a municipal utility, water district, irrigation district, State agency or Federal power administration subsumed within the ISO Control Area and encompassed by ISO certified revenue quality meters at each interface point with the

ISO Controlled Grid and ISO certified revenue quality meters on all Generating Units or, if aggregated, each individual resource and Participating Load internal to the system, which is operated in accordance with a MSS agreement described in Section 4.9.1 of the ISO Tariff.

**3.69 NERC.** The North American Electric Reliability Council or its successor.

**3.70 (Omitted)**

**3.71 (Omitted)**

**3.72 New High Voltage Transmission Facility.** A High Voltage Transmission Facility of the Participating TO that enters service after the beginning of the transition period described in Section 4 of Schedule 3 of Appendix F of the ISO Tariff, or a capital addition made after the beginning of the transition period described in Section 4.2 of Schedule 3 of Appendix F of the ISO Tariff to an Existing High Voltage Transmission Facility.

**3.73 New Participating TO.** A Participating TO that is not an Original Participating TO.

**3.74 Non-Participating TO.** A TO that is not a party to the TCA or for the purposes of Section 16.1 of the ISO Tariff the holder of transmission service rights under an Existing Contract that is not a Participating TO.

**3.75 Non-Spinning Reserve.** The portion of off-line generating capacity that is capable of being synchronized and ramping to a specified load in ten minutes (or load that is capable of being interrupted in ten minutes) and that is capable of running (or being interrupted) for at least two hours.

**3.76 Operational Control.** The rights of the ISO under the Transmission Control Agreement and the ISO Tariff to direct Participating TOs how to operate their transmission lines and facilities and other electric plant affecting the reliability of those lines and facilities for the purpose of affording comparable non-discriminatory transmission access and meeting Applicable Reliability Criteria.

**3.77 Original Participating TO.** A Participating TO that was a Participating TO as of January 1, 2000. The Original Participating TOs are Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company.

**3.78 Participating TO.** A party to the TCA whose application under Section 2.2 of the TCA has been accepted and who has placed its transmission assets and Entitlements under the ISO's Operational Control in accordance with the TCA. A Participating TO may be an Original Participating TO or a New Participating TO. For purposes of this TO Tariff, the Participating TO is Southern California Edison Company.

**3.79 Participation Agreement.** An agreement between a Participating TO and a Project Sponsor that specifies the terms and conditions under which the Participating TO will construct a transmission addition or upgrade on behalf of the Project Sponsor.

**3.80 Physical Scheduling Plant.** A group of two or more related Generating Units, each of which is individually capable of producing Energy, but which either by physical necessity or operational design must be operated as if they were a single Generating Unit and any Generating Unit or Units containing related multiple generating components which meet one or more of the following criteria: i) multiple generating components are related by a common flow of fuel which cannot be interrupted without a substantial loss of efficiency of the combined output of all components; ii) the Energy

production from one component necessarily causes Energy production from other components; iii) the operational arrangement of related multiple generating components determines the overall physical efficiency of the combined output of all components; iv) the level of coordination required to schedule individual generating components would cause the ISO to incur scheduling costs far in excess of the benefits of having scheduled such individual components separately; or v) metered output is available only for the combined output of related multiple generating components and separate generating component metering is either impractical or economically inefficient.

**3.81 (Omitted)**

**3.82 Project Proponent.** A Market Participant or group of Market Participants that: (i) advocates a transmission addition or upgrade; (ii) is unwilling to pay the full cost of the proposed transmission addition and upgrade, and thus is not a Project Sponsor; and (iii) initiates proceedings under the ISO ADR Procedures to determine the need for the proposed transmission addition or upgrade.

**3.83 Project Sponsor.** A Market Participant or group of Market Participants or a Participating TO that proposes the construction of a transmission addition or upgrade in accordance with Section 24 of the ISO Tariff.

**3.84 Regional Transmission Group (“RTG”).** A voluntary organization approved by FERC and composed of transmission owners, transmission users, and other entities, organized to efficiently coordinate the planning, expansion and use of transmission on a regional and inter-regional basis.

**3.85 Regulation.** The service provided either by Generating Units certified by the ISO as equipped and capable of responding to the ISO’s direct digital control (AGC) signals,

or by System Resources that have been certified by the ISO as capable of delivering such service to the ISO Balancing Authority Area, in an upward and downward direction to match, on a Real-Time basis, Demand and resources, consistent with established Applicable Reliability Criteria. Regulation is used to control the power output of electric generators within a prescribed area in response to a change in system frequency, tieline loading, or the relation of these to each other so as to maintain the target system frequency and/or the established Interchange with other Balancing Authority Areas within the predetermined Regulation Limits. Regulation includes both the increase of output by a Generating Unit or System Resource (Regulation Up) and the decrease in output by a Generating Unit or System Resource (Regulation Down). Regulation Up and Regulation Down are distinct capacity products, with separately stated requirements and ASMPs in each Settlement Period.

**3.86 Reliability Criteria.** Pre-established criteria that are to be followed in order to maintain desired performance of the ISO Controlled Grid under contingency or steady state conditions.

**3.87 Reliability Services.** Those services provided by the ISO: 1) that are deemed by the ISO as necessary to maintain reliable electric service in the ISO Control Area; and 2) whose costs are billed by the ISO to the Participating TO pursuant to the ISO Tariff. Reliability Services include services obtained from: Reliability Must-Run units; and generators committed pursuant to the ISO's Exceptional Dispatch authority, which includes any costs of Exceptional Dispatches as well as any default costs allocated to the Participating TO resulting from its incurrence of Exceptional Dispatch costs pursuant to Section 11.29.17.2.1 of the CAISO Tariff.



**3.88 Reliability Upgrade.** The transmission facilities, other than Direct Assignment Facilities, beyond the first point of Interconnection necessary to interconnect a wholesale load safely and reliably to the ISO Controlled Grid, which would not have been necessary but for the Interconnection of a wholesale load, including network upgrades necessary to remedy short circuit or stability problems resulting from the interconnection of a wholesale load to the ISO Controlled Grid. Reliability Upgrades also include, consistent with WECC practice, the facilities necessary to mitigate any adverse impact a wholesale load's interconnection may have on a path's WECC path rating. Reliability Upgrades shall be specified in the Interconnection Agreement that governs Interconnection service to the wholesale load and shall be subject to FERC approval.

**3.89 (Omitted).**

**3.90 Request for Expedited Interconnection Procedures.** A written request by which an applicant for Interconnection can request expedited processing of its Interconnection Application.

**3.91 Scheduling Coordinator.** An entity certified by the ISO for the purposes of undertaking the functions specified in Section 4.5.3 of the ISO Tariff.

**3.92 Scheduling Point.** A location at which the ISO Controlled Grid is connected, by a group of transmission paths for which a physical, non-simultaneous transmission capacity rating has been established for Congestion Management, to transmission facilities that are outside the ISO's Operational Control.

**3.93 Spinning Reserve.** The portion of unloaded synchronized generating capacity that is immediately responsive to system frequency and that is capable of being loaded in ten minutes, and that is capable of running for at least two hours.

**3.94 Standby Rate.** A rate assessed a Standby Service Customer by the Participating TO, as approved by the Local Regulatory Authority, or FERC, as applicable, for Standby Service which compensates the Participating TO, among other things, for costs of High Voltage Transmission Facilities.

**3.95 Standby Service.** Service provided by the Participating TO which allows a Standby Service Customer, among other things, access to High Voltage Transmission Facilities for the delivery of backup power on an instantaneous basis to ensure that Energy may be reliably delivered to the Standby Service Customer in the event of an outage of a Generating Unit serving the customer's Load.

**3.96 Standby Service Customer.** A retail End-Use Customer of the Participating TO that receives Standby Service and pays a Standby Rate.

**3.97 Standby Transmission Revenue.** The transmission rate revenues associated with Standby Service collected by the Participating TO from those Standby Service Customers who are not billed for Standby Service on a Gross Load basis.

**3.98 System Impact Study.** An engineering study conducted to determine whether a request for Interconnection to the ISO Controlled Grid would require new transmission additions, upgrades, or other mitigation measures.

**3.99 System Impact Study Agreement.** An agreement between a Participating TO and an entity that has requested Interconnection to the Participating TO's transmission

system pursuant to which the entity requesting Interconnection agrees to reimburse the Participating TO for the cost of performing or reviewing a System Impact Study.

**3.100 TO Tariff.** This Transmission Owner Tariff, as it may be amended or superseded.

**3.101 Transition Charge.** A component of the Access Charge determined by the ISO and assessed the Participating TO along with the High Voltage Access Charge in accordance with Section 5.7 of Appendix F, Schedule 3 of the ISO Tariff.

**3.102 Transmission Access Charge Balancing Account Adjustment ("TACBAA").** A mechanism established by the Participating TO which will ensure that the difference between (i) the actual charges by the ISO pursuant to Section 26.1.2 of the ISO Tariff for the High Voltage Access Charge and Transition Charge and (ii) the revenues disbursed by the ISO pursuant to Section 26.1.3 of the ISO Tariff are recovered from the Participating TO's End-Use Customers.

**3.103 Transmission Control Agreement ("TCA").** The agreement between the ISO and Participating TOs establishing the terms and conditions under which TOs will become Participating TOs and how the ISO and each Participating TO will discharge their respective duties and responsibilities, as may be modified from time to time.

**3.104 Transmission Owner ("TO").** An entity owning transmission facilities or having firm contractual rights to use transmission facilities.

**3.105 Transmission Revenue Balancing Account Adjustment ("TRBAA").** A mechanism established by the Participating TO which will ensure that all Transmission Revenue Credits and other credits specified in Sections 6 and 8 of Appendix F,

Schedule 3 of the ISO Tariff, flow through to ISO Tariff and TO Tariff transmission customers.

**3.106 Transmission Revenue Credit.** The sum of: 1) the revenues received by the Participating TO from the ISO for Wheeling service, Usage Charges (excluding any Usage Charges received by the Participating TO as an FTR Holder) and from the sale of an FTR; and (2) the difference between the costs incurred by the Participating TO associated with Existing Rights and the amount of such costs recovered by the Participating TO from the Existing Rights customers (“ETC Cost Differentials”).

**3.107 Transmission Revenue Requirement (“TRR”).** The TRR is the total annual authorized revenue requirements associated with transmission facilities and Entitlements turned over to the Operational Control of the ISO by the Participating TO, including the Projects under construction identified in Appendix VIII that are to be turned over to the Operational Control of the ISO upon completion. The costs of any transmission facility turned over to the Operational Control of the ISO, including the costs of the Projects under construction identified in Appendix VIII that are to be turned over to the Operational Control of the ISO upon completion, shall be fully included in the Participating TO's TRR. The TRR includes the costs of transmission facilities and Entitlements and deducts Transmission Revenue Credits; for wholesale purposes, credits for Standby Transmission Revenue; and the transmission revenue expected to be actually received by the Participating TO for Existing Rights and Converted Rights. The TRR is shown in Appendix I.

**3.108 Uncontrollable Force.** Any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm, flood, earthquake, explosion, any curtailment,

order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities or any other cause beyond the reasonable control of the ISO or Market Participant which could not be avoided through the exercise of Good Utility Practice.

**3.109 Usage Charge.** The amount of money, per 1 kW of scheduled flow, that the ISO charges a Scheduling Coordinator for use of a specific congested Inter-Zonal Interface during a given hour.

**3.110 Utility Distribution Company (“UDC”).** An entity that owns a Distribution System for the delivery of Energy to and from the ISO Controlled Grid, and that provides regulated retail electric service to Eligible Customers, as well as regulated procurement service to those End-Use Customers who are not yet eligible for direct access, or who choose not to arrange services through another retailer.

**3.111 Voltage Support.** Services provided by Generating Units or other equipment such as shunt capacitors, static var compensators, or synchronous condensers that are required to maintain established grid voltage criteria. This service is required under normal or system emergency conditions.

**3.112 Western Electricity Coordinating Council (“WECC”).** The Western Systems Coordinating Council or its successor.

**3.113 Wheeling Access Charge.** The charge assessed by the ISO that is paid by a Scheduling Coordinator for Wheeling in accordance with Section 26.1 of the ISO Tariff. Wheeling Access Charges shall not apply for Wheeling under a bundled non-economy Energy coordination agreement of a Participating TO executed prior to July 9, 1996.

The Wheeling Access Charge may consist of a High Voltage Wheeling Access Charge and a Low Voltage Wheeling Access Charge.

**3.114 Wheeling Out.** Except for Existing Rights exercised under an Existing Contract in accordance with Section 16.1 of the ISO Tariff, the use of the ISO Controlled Grid for the transmission of Energy from a Generating Unit located within the ISO Controlled Grid to serve a Load located outside the transmission and Distribution System of a Participating TO.

**3.115 Wheeling Through.** Except for Existing Rights exercised under an Existing Contract in accordance with Section 16.1 of the ISO Tariff, the use of the ISO Controlled Grid for the transmission of Energy from a resource located outside the ISO Controlled Grid to serve a Load located outside the transmission and Distribution System of a Participating TO.

**3.116 Wheeling.** Wheeling Out or Wheeling Through.

**3.117 Wholesale Customer.** A person wishing to purchase Energy and Ancillary Services at a Bulk Supply Point or a Scheduling Point for resale.

**3.118 Omitted.**