

## Comparison of Master Service Agreement Definitions WSPP vs. EEI

Consistent Definitions – those definitions that occur in both master agreements which are clearly equivalent.

- Defaulting Party (with the exception that Event of Default is inconsistent)
- FERC
- Non-Defaulting Party (with the exception that Event of Default is inconsistent)
- NERC

Nearly Equivalent Definitions – these definitions may or may not be deemed “essentially equivalent”. The differences may be minor.

- Contract Price
  - EEI and WSPP have only minor wording differences – meaning should be equivalent
- Costs
  - EEI: Does not specifically list transmission-related expenses, but could be interpreted to include them
  - WSPP: Specifically includes transmission-related expenses
- Guarantor
  - EEI: One who guarantees per “cover letter”
  - WSPP: One who guarantees per a “guarantee agreement”
- Seller
  - Only difference involves the execution of the “confirmation agreement” in the WSPP
- Terminated Transaction
  - Minor wording differences that should not affect the definition itself

Inconsistent Definition – those definitions that occur in both master agreements, but for which the definitions are not consistent.

- Agreement
  - EEI: Includes confirmations as part of definition
  - WSPP: Excludes confirmations as part of definition
- Business Day
  - EEI: US only holidays
  - WSPP US and Canada holidays
- Confirmation
  - EEI: a true “confirmation” because included as part of “agreement”
  - WSPP: a stand-alone legal arrangement because excluded as part of “agreement”
  - EEI and WSPP products are different, so confirmation formats differ
- Event of Default
  - Substantial differences in the definition of “Event of Default”

- Gains
  - EEI: has a very general definition
  - WSPP: has a very prescriptive calculation
- Letter(s) of Credit
  - EEI: Specifies who can issue
  - WSPP: anyone can issue if acceptable to the party requiring the credit
- Losses (financial)
  - EEI: has a very general definition
  - WSPP: has a very prescriptive calculation
- Replacement Price
  - EEI: More detailed definition, including certain restrictions on market price calculations
  - WSPP: Less detailed definition
- Sales Price
  - EEI: more detailed definition, including certain restrictions on market price calculations
  - WSPP: Less detailed definition
- Termination Payment
  - EEI: Less detailed definition
  - WSPP: More detailed definition

Definitions Exclusive to EEI – the following lists definitions exclusive to EEI and any implied (usage described but not defined) or assumed (used but not defined) equivalent use in the WSPP. Consistency or inconsistency can be determined for implied definitions, but not be determined for assumed definitions.

- Affiliate – no apparent use in WSPP
- Bankrupt – has an implied similar, but not equivalent, definition in WSPP
- Buyer – essentially equivalent to WSPP definition of “Purchaser”
- Call Option – has an assumed definition in WSPP
- Claiming Party (party claiming Force Majeure)– has an implied equivalent (party claiming uncontrollable forces) in WSPP
- Claims – indeterminate use in WSPP
- Credit Rating – has an assumed definition in WSPP
- Cross Default Amount – EEI definition is recursive
- Delivery Period – Has an assumed definition in WSPP service schedules and confirmations
- Delivery Point – Has an assumed definition in WSPP service schedules and confirmations
- Downgrade Event – has an assumed definition in WSPP
- Early Termination Date – has an implied definition in WSPP that is NOT consistent with EEI
- Effective Date
- Equitable Defenses– no apparent use in WSPP
- Force Majeure – WSPP has a similar concept in “uncontrollable forces”, but the usage and definition is not consistent with EEI

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- Interest Rate – has an implied definition in WSPP, but its usage (i.e. what constitutes as THE interest rate) is different
- Master Agreement– no apparent use in WSPP
- Moody’s– no apparent use in WSPP
- NERC Business Day – no apparent use in WSPP
- Offsetting Transactions - has an implied definition in WSPP that is consistent
- Option – has an assumed definition in WSPP Confirmation Agreement
- Option Buyer – has an assumed definition in WSPP Confirmation Agreement
- Option Seller – has an assumed definition in WSPP Confirmation Agreement
- Party A Collateral Threshold – no apparent use in WSPP
- Party B Collateral Threshold – no apparent use in WSPP
- Party A Independent Amount – no apparent use in WSPP
- Party B Independent Amount – no apparent use in WSPP
- Party A Rounding Amount – no apparent use in WSPP
- Party B Rounding Amount – no apparent use in WSPP
- Product – has an assumed definition in WSPP Confirmation Agreement
- Put Option – has an assumed definition in WSPP Confirmation Agreement
- Quantity – has an equivalent via WSPP’s “Contract Quantity”
- Recording – has an implied definition in WSPP that is similar
- S&P – no apparent use in WSPP
- Schedule– no apparent use in WSPP as used in EEI... WSPP does have “Service Schedule”, which is NOT the same thing
- Settlement Amount– no apparent use in WSPP
- Strike Price – has an assumed definition in WSPP Confirmation Agreement
- Transaction - has an implied definition in WSPP that is consistent
- Transmission Provider - has an implied definition in WSPP that is consistent

Definitions Exclusive to WSPP - some of these definitions may have either equivalent or inconsistent counterparts in the EEI agreement, but were not listed in the definitions section.

- Broker
- California ISO
- Contract Quantity
- Control Area
- Dealer
- Determination Period
- Economy Energy Service
- Electric Utility
- ERCOT
- Executive Committee
- Firm Capacity/Energy or Exchange Service
- First Party
- Floating Price
- Guarantee Agreement

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- Hub
- Incremental Cost
- Independent Power Producer
- Interconnected Transmission System
- Market Disruption Event
- Non-Performing Party
- Non-standard Confirmation Provisions
- NYMEX
- Operating Agent
- Operating Committee
- Party
- Performing Party
- Power Marketer
- Physically-Settled Option
- Premium
- Present Value Rate
- Purchaser – essentially equivalent to EEI definition of “Buyer”
- Qualifying Facility
- Retail Entity
- Second Party
- Service Schedule
- Successor in Operation
- Trading Day
- Uncontrollable Force
- Unit Commitment Service
- WSPP
- WSPP Default Transmission Tariff
- WSPP Homepage