

118 Refund of Project Investment Reimbursement:

In the event that the Generation Owner's PI in the generating unit proposed for Deactivation and credited ~~either under section 117 of this Tariff or~~ through the APIR set forth in Tariff, Part V, section 115 ~~of this Tariff~~ enables the generating unit to remain operational beyond the completion date of the necessary Transmission System reliability upgrades that would alleviate the reliability impact resulting from the Deactivation of the generating unit, or the date that the Transmission Provider otherwise determines, in accordance with established reliability criteria, that the continued operation of the generating unit is no longer necessary for the reliability of the Transmission System, and the generating unit remains in service beyond such date, the Generation Owner or its Designated Agent shall refund Transmission Provider a pro-rata share of the amount of any PI for which it received reimbursement pursuant to ~~section 117 and/or~~ the APIR set forth in Tariff, Part V, section 115 ~~of this Tariff~~. The Refund of Project Investment Reimbursement shall be determined using the following formula:

Refund of Project Investment Reimbursement = ((Number of months the PI permits the generating unit proposed for Deactivation to operate – The number of months Transmission Provider determines is required to construct the Transmission System reliability upgrades necessary to alleviate the reliability impact resulting from the Deactivation of the generating unit) / (Number of months the PI permits the generating unit proposed for Deactivation to operate)) * (The amount of the PI/ (Number of months the PI allows the generating unit proposed for Deactivation to continue to operate past the completion date of the necessary Transmission System reliability upgrades that would alleviate the reliability impact resulting from the Deactivation of the generating unit, or the date that the Transmission Provider otherwise determines, in accordance with established reliability criteria, that the continued operation of the generating unit is no longer necessary for the reliability of the Transmission System)).

Where:

The number of months the PI permits the generating unit proposed for Deactivation to operate is determined by the Generation Owner or its Designated Agent and verified by an independent entity.

Generation Owner or its Designated Agent shall make the Refund of Project Investment Reimbursement each month for the number of months the PI allows the generating unit proposed for Deactivation to continue to operate past the completion date of the necessary Transmission System reliability upgrades that would alleviate the reliability impact resulting from the Deactivation of the generating unit, or the date that the Transmission Provider otherwise determines, in accordance with established reliability criteria, that the continued operation of the generating unit is no longer necessary for the reliability of the Transmission System and shall be credited to transmission customers in such month on the same basis as costs are allocated under section 120. The months the generating unit proposed for Deactivation continues to operate past the completion date of the necessary Transmission System reliability upgrades that would alleviate the reliability impact resulting from the Deactivation of the generating unit, or the date that the Transmission Provider otherwise determines, in accordance with established reliability criteria,

that the continued operation of the generating unit is no longer necessary for the reliability of the Transmission System need not be continuous, and the Refund of Project Investment Reimbursement will continue regardless of ownership of the generating unit.