

Control Number: 35077



Item Number: 1106

Addendum StartPage: 0

**PUC Project No. 35077**



**Facilities Development Agreement  
(Heines) Interconnection**

**Between**

**AEP Texas, Inc.**

**and**

**LCRA Transmission Services Corporation**

**May 20, 2020**

**FACILITIES DEVELOPMENT AGREEMENT  
(HEINES) INTERCONNECTION**

This **Facilities Development Agreement** (the “Agreement”) is entered into as of 5/20/2020 | 12:26 PM EDT (the “Execution Date”) between **AEP Texas Inc.** (“AEP”) and **LCRA Transmission Services Corporation** (“LCRA TSC”), a nonprofit affiliated company of the Lower Colorado River Authority, a conservation and reclamation district of the State of Texas each sometimes hereinafter referred to individually as a “Party” or both referred to collectively as the “Parties.”

**RECITALS**

- A. AEP and LCRA TSC are parties to that certain Second Amended and Restated Interconnection Agreement dated as of October 3, 2017 (the “Interconnection Agreement”). Capitalized terms used but not otherwise defined in this Agreement have the meanings set forth in the Interconnection Agreement.
- B. The Interconnection Agreement allows the Parties to add, change, modify or delete Points of Interconnection, from time to time, and to enter into agreements to address any related design, procurement and construction activities.
- C. The Parties now desire to add the Heines Point of Interconnection described herein (the “Project”) and to enter into this Agreement to set forth the rights and obligations of the Parties with respect to the design, procurement, and construction activities related to that Project.

**AGREEMENTS**

NOW, THEREFORE, the Parties hereby agree as follows:

**1. DEFINITIONS; RULES OF CONSTRUCTION**

- 1.1. Definitions. As used in this Agreement, terms defined in Exhibit 1.1 have the meanings set forth therein.
- 1.2. Rules of Construction. Unless the context of this Agreement requires otherwise, the plural includes the singular, and the singular includes the plural. The words “include,” “includes” and “including” are not limiting and have the inclusive meaning of “including without limitation.” The words “hereof,” “herein,” “hereby,” “hereunder” and other similar terms of this Agreement refer to this Agreement as a whole and not exclusively to any particular provision of this Agreement. All pronouns and any variations thereof will be deemed to refer to masculine, feminine, or neuter, singular, or plural, as the identity of the Person or Persons may require. Unless otherwise expressly provided, any agreement, instrument, or Applicable Law defined or referred to herein means such agreement or instrument or Applicable Law as from time to time amended, modified, or supplemented, including (in the case of agreements or instruments) by

waiver or consent and (in the case of Applicable Law) by succession of comparable successor law and includes (in the case of agreements or instruments) references to all attachments thereto and instruments incorporated therein. A reference to a Party includes its successors and permitted assigns. This Agreement is the result of negotiations between, and has been reviewed by, the Parties, and their respective counsel have had the opportunity to review this Agreement. Accordingly, this Agreement shall be deemed to be the product of all Parties hereto, and no ambiguity shall be construed in favor of or against any Party.

## 2. TERM AND TERMINATION

- 2.1. Effective Date. This Agreement shall become effective on the Execution Date, provided, however, if AEP is required to file this Agreement with FERC, this Agreement shall become effective on the date this Agreement has been accepted for filing and made effective by order of FERC under the Federal Power Act, in which case the effective date of this Agreement shall be as specified in the said FERC order (“Effective Date”). If AEP is required to file this Agreement with FERC, LCRA TSC agrees to cooperate with AEP and provide reasonable assistance to AEP in such filing and proceedings related thereto. If FERC or any other Governmental Authority suspends this Agreement or any part thereof, institutes an investigation or proceeding with respect to this Agreement or any other agreement referred to or contemplated by this Agreement, or imposes any conditions, limitation or qualifications which individually or in the aggregate are determined by either Party to be adverse to it, then either Party may terminate this Agreement upon written notice to the other Party.
- 2.2. Commencement. The commencement of work under this Agreement is subject to the condition that the Parties receive all necessary Governmental Approvals (in form and substance reasonably satisfactory to each of the Parties) in addition to the Governmental Approval specified in Section 2.1 hereof. If, at the request of LCRA TSC, AEP waives the condition of obtaining all necessary Governmental Approvals so that work can proceed, AEP will be entitled to reimbursement of costs pursuant to Section 4.2 of this Agreement as if the Work had been performed only after satisfaction of such condition.
- 2.3. Events of Termination. This Agreement may be terminated by the Parties as follows:
  - 2.3.1. This Agreement may be terminated by mutual written agreement of the Parties.
  - 2.3.2. Either Party may terminate this Agreement as provided in Sections 2.1, 6.1, and 7.1.
  - 2.3.3. Either Party may terminate this Agreement if any Governmental Authority denies approval of any necessary or appropriate approvals for the Project, or if any Governmental Authority shall have issued an order, decree, ruling, or other action restraining, enjoining, or otherwise prohibiting such Party’s performance of this Agreement or its contemplated ownership or operation of the Project.

- 2.4. Regulatory Approval of Termination. Any termination of this Agreement provided for herein shall be subject to any necessary approval by FERC or any other Governmental Authority, as applicable.
- 2.5. Survival of Rights. Termination of this Agreement shall not relieve the Parties of obligations that by their nature should survive such termination, including, without limitation, payment obligations, remedies, indemnification obligations, confidentiality and any provisions of this Agreement that explicitly provide for survival after termination.

### 3. **RESPONSIBILITIES; STANDARDS**

- 3.1. Delineation of Responsibilities. The Parties will design, procure, construct, pay for, and own the facilities and equipment for the Point of Interconnection project(s) set forth in Schedules 3.1 and 3.1.1 to this Agreement. Upon completion of such activities, the Parties will execute an amended and restated Interconnection Agreement to update Exhibit A thereto and to update or add Facilities Schedules thereto, as applicable. Upon execution, such amended and restated Interconnection Agreement shall supersede and replace this Agreement.
- 3.2. Standards. Each Party's activities for which it is responsible under this Agreement will conform to the standards stated in Sections 4.3 and 4.8 of the Interconnection Agreement.
- 3.3. Schedule. Each Party will use commercially reasonable efforts in accordance with those standards to have its facilities and equipment ready for service by the applicable projected in-service date stated on Schedule 3.1 ("Projected In-Service Date"), or as the Parties otherwise agree in writing.
- 3.4. Progress Reports. The Parties shall provide periodic updates concerning the status of their Project activities at such times and in such manner as mutually agreed by the Parties.

### 4. **COSTS**

- 4.1. Costs. The Parties shall bear the costs for the Project(s) as indicated in Schedule 3.1.
- 4.2. Reimbursement of LCRA TSC Costs. AEP recognizes that LCRA TSC is installing the facilities described hereinabove to facilitate AEP's request for the modification to the existing Points of Interconnection to be provided by this Agreement. If AEP cancels its request for the modification to the existing Points of Interconnection prior to or after energizing the modifications to the Points of Interconnection because the facilities are not required, AEP, subject to the provision below, agrees to pay the actual installed costs incurred and committed to be incurred by LCRA TSC, and the actual costs of removal of the LCRA TSC material and equipment. The total installed cost of the LCRA TSC facilities described hereinabove is estimated to be (\$4,312,000.00) which AEP agrees is reasonable. Any payment by AEP will be treated as a contribution in aid of construction for tax purposes and AEP agrees to reimburse LCRA TSC a tax gross up amount for any income tax that may be due as a result any such payment by AEP to LCRA TSC.

- 4.3. Invoicing and Payment. If AEP becomes obligated to pay the LCRA TSC any amount under this Agreement, then AEP must pay the entire amount on or before the 20<sup>th</sup> day after being invoiced. A late charge of 1.5% interest per month (or the highest rate permitted by law, whichever is less) will be assessed for any invoiced amount not paid by that due date.

**5. INCORPORATION OF CERTAIN INTERCONNECTION AGREEMENT PROVISIONS**

The Parties hereby incorporate the following provisions from the Interconnection Agreement into this Agreement by reference to the extent applicable to the activities hereunder:

- Sections 3.3, 3.4, and 3.8 of Article III - Definitions
- Article VI (Rights of Access, Equipment Installation, and Removal)
- Article VII (Metering and Records)
- Article VIII (Communications and Telemetry Facilities)
- Article IX (Indemnification)
- Article XIII (Force Majeure)

**6. REMEDIES FOR BREACH; LIMITATION OF LIABILITY**

- 6.1. Remedies for Breach. If a Party breaches this Agreement, then while that breach remains uncured, the other Party may suspend performance under this Agreement and pursue any other remedy at law as may be available, subject to the limitation of liability in Section 6.2. If a Party breaches this Agreement in any material respect, the non-breaching Party will have the right to terminate this Agreement on written notice to the breaching Party if the breaching Party fails to commence the cure of its breach within sixty (60) Calendar Days following written notification of such breach.

- 6.2. Limitation of Liability. **IN NO EVENT SHALL EITHER PARTY BE LIABLE UNDER ANY PROVISION OF THIS AGREEMENT FOR ANY LOSSES, DAMAGES, COSTS OR EXPENSES FOR ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES, INCLUDING BUT NOT LIMITED TO LOSS OF PROFIT OR REVENUE, LOSS OF THE USE OF EQUIPMENT, COST OF CAPITAL, COST OF TEMPORARY EQUIPMENT OR SERVICES, WHETHER BASED IN WHOLE OR IN PART IN CONTRACT, INTORT, INCLUDING NEGLIGENCE, STRICT LIABILITY, OR ANY OTHER THEORY OF LIABILITY.**

**7. FORCE MAJEURE**

- 7.1. Effect of Force Majeure. In the event that either Party is rendered unable by reason of an event of Force Majeure occurring or arising without the fault or negligence of such

Party, to perform, wholly or in part, any obligation or commitment set forth in this Agreement, then the obligations of such Party (except for the obligation to pay sums of money owing hereunder for periods prior to the event of Force Majeure) shall be suspended to the extent of such Force Majeure condition, and such Party shall not be deemed to be in default of this Agreement, for the period of such Force Majeure condition. A Party's lack of funds shall not be an event of Force Majeure. An adjustment shall be made to the Projected In-Service Date. Either Party will have the right to terminate this Agreement if a Force Majeure event prevents performance for more than ninety (90) consecutive days.

- 7.2. Notification. In the event of the occurrence of an event of Force Majeure, which prevents a Party from performing its obligations hereunder, such Party shall notify the other Party of such Force Majeure, in writing or by telephone as soon as reasonably possible after the determination that event of Force Majeure has occurred, but in any event within seven (7) Calendar Days thereafter (telephone notices to be confirmed in writing as soon as reasonably possible).
- 7.3. Labor Disputes. Neither Party will be required by this Agreement to settle any strike, walkout, lockout, or other labor dispute on terms which, in the sole judgment of the Party involved in the dispute, are contrary to its interest, it being understood that the settlement of strikes, walkouts, lockouts, or other labor disputes will be at the sole discretion of the Party having the difficulty.

## 8. CONFIDENTIALITY

- 8.1. Confidential Information. For purposes of this Agreement, a Party's "Confidential Information" consists of information possessed by that Party which is confidential and commercially valuable and which is specifically identified to the other Party as "confidential". For purposes of this Agreement, a Party (the "Receiving Party") will be deemed to have received Confidential Information of the other Party (the "Disclosing Party") if such Confidential Information is by any means disclosed or delivered to the Receiving Party or any of its or its affiliates' equity owners, governing persons, officers, employees, advisors, attorneys, agents, or prospective or actual lenders or investors (its "Representatives"). Confidential Information will not include any information which the Receiving Party can demonstrate (a) has become available to the public through no breach of this Agreement; (b) was previously known by the Receiving Party without any obligation to hold it in confidence; (c) was received on a non-confidential basis from a third party free to disclose such information without restriction; or (d) was independently developed by the Receiving Party without the use of Confidential Information of the Disclosing Party.
- 8.2. Disclosure. Each Party hereto agrees that it shall hold in strict confidence and shall not disclose or use any Confidential Information belonging to the other Party hereto for the period ending eighteen (18) months after the date of disclosure of the Confidential Information. The Receiving Party may disclose Confidential Information to its Representatives for purposes of pursuing the Work and meeting its obligations and exercising its rights hereunder, provided that the Representatives shall be informed of the confidentiality obligations provided herein. Each Party agrees to be responsible for

any breach of the confidentiality obligations under this Agreement by its Representatives.

8.3. Required Disclosures. If a Party is required pursuant to Applicable Law or otherwise becomes legally compelled to disclose any of the Confidential Information or the fact that the Confidential Information has been made available to it, such Party shall (unless prohibited by Applicable Law from doing so) promptly notify the Disclosing Party in order that the Disclosing Party may seek a protective order or such other remedy as the Disclosing Party may consider appropriate in the circumstances. In any event, the compelled Party may disclose only that portion of the Confidential Information, which such Party is legally required to disclose in the judgment of the Party's legal counsel without any liability to the Disclosing Party hereunder, and such disclosure shall not be a breach of this Article 8.

8.4. Survival. The provisions of this Article 8 shall survive a termination of this Agreement.

**9. GENERAL PROVISIONS**

9.1. Notices. Any notice that is required or permitted under this Agreement may be given by personal delivery to the Party entitled thereto, by e-mail (with confirmation of receipt), by any courier service which guarantees overnight, receipted delivery, or by U.S. Certified or Registered Mail, return receipt requested, addressed to the Party entitled thereto, at:

If to LCRA TSC: LCRA Transmission Services Corporation  
Attention: Sergio Garza, P.E.  
LCRA Vice President, Transmission Design and Protection  
P.O. Box 220  
Austin, TX 78767-0220  
e-mail: sergio.garza@lcra.org

If to AEP: American Electric Power Service Corporation  
Robert L. Pennybaker  
Director, System Interconnections  
212 E. 6<sup>th</sup> Street  
Tulsa, OK 74119  
rlpennybaker@aep.com

with copy to: American Electric Power Service Corporation  
Alan Ward  
Manager, Transmission Customer Engagement  
212 E. 6<sup>th</sup> Street  
Tulsa, OK 74119  
naward@aep.com



Either Party may change its address or email for notice by written notice to the other Party in accordance with this Section 9.1. Any notice given (a) by personal delivery shall be deemed to be given upon such delivery, (b) by email shall be deemed given upon receipt, (c) by overnight courier service shall be deemed given on the date noted on the courier's receipt for delivery, or (d) by U.S. Certified or Registered Mail, return receipt requested, shall be deemed given upon the date noted on such return receipt, provided, however, that if in any case delivery is made on a day other than a Business Day or after 5:00 p.m. local time on a Business Day, delivery shall be deemed to be given upon the next Business Day.

- 9.2. Amendment. No amendment to this Agreement will be valid or binding unless and until (a) reduced to writing and executed by each Party's authorized representative and (b) Governmental Approval of such amendment has been obtained to the extent applicable.
- 9.3. Assignment. Except as otherwise provided in this Agreement, neither Party may assign this Agreement to any person without the prior written consent of the other Party. Notwithstanding the foregoing, AEP may, without the prior consent of LCRA TSC, assign this Agreement to any of its affiliates or to any transmission joint venture of which it is then a member, whereupon AEP will be released of all obligations hereunder.
- 9.4. Merger and Integration; Binding on Successors; No Third Party Beneficiaries. This Agreement sets out the entire understanding of the Parties with respect to the matters they purport to cover and supersedes all prior communications, agreements, and understandings, whether written or oral, concerning such matters. No Party will be liable or bound to any Party in any manner by any warranties, representations, or covenants other than those set forth in or incorporated into this Agreement. The terms and conditions of this Agreement will inure to the benefit of and be binding upon the respective successors and permitted assigns of the Parties. Nothing in this Agreement, express or implied, is intended to confer upon any third party any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.
- 9.5. Forbearance and Waiver. Except where a specific time period is provided hereunder for the exercise of a right or remedy, any Party's forbearance in the exercise or enforcement of any right or remedy under this Agreement will not constitute a waiver thereof, and a waiver under one circumstance will not constitute a waiver under any other circumstance.
- 9.6. Partial Invalidity. Any invalidity, illegality, or unenforceability of any provision of this Agreement in any jurisdiction will not invalidate or render illegal or unenforceable the remaining provisions hereof in such jurisdiction and will not invalidate or render illegal or unenforceable such provision in any other jurisdiction.
- 9.7. Governing Law. **EXCEPT AS TO MATTERS PREEMPTED BY THE CONSTITUTION AND STATUTES OF THE UNITED STATES OF AMERICA OR REGULATIONS PROMULGATED THEREUNDER, THIS AGREEMENT WILL BE GOVERNED BY, INTERPRETED, CONSTRUED, AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS,**

**EXCLUDING ANY CONFLICT-OF-LAWS RULES OR PRINCIPLES.** This Agreement is subject to all valid applicable federal, state, and local laws, ordinances, rules, and regulations of duly constituted regulatory authorities having jurisdiction.

- 9.8. Multiple Counterparts. This Agreement may be executed by the Parties in one or two original counterparts, and each such counterpart will constitute an original hereof.
- 9.9. No Partnership. Nothing contained herein shall be deemed to create an association, joint venture, partnership, or principal/agent relationship between the Parties hereto or impose any partnership obligation or liability on either Party. Neither Party shall have any right, power or authority to enter into any agreement or commitment, act on behalf of, or otherwise bind the other Party in any way.
- 9.10. Headings. The headings contained in this Agreement are solely for the convenience of the Parties and shall not be used or relied upon in any manner in the construction or interpretation of this Agreement.

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The next page of this document is S-1.]**

Executed to be effective as provided above:

**AEP Texas Inc.**

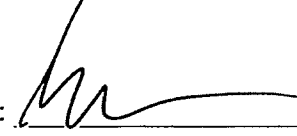
**LCRA TRANSMISSION SERVICES CORPORATION**

DS  
att

By: DocuSigned by:  
Robert W Bradish  
CE4ED3037D3440A \_\_\_\_\_

Name: Robert W. Bradish  
Title: Vice President

Date: 5/20/2020 | 12:26 PM EDT

By:  \_\_\_\_\_

Name: Sergio Garza, P.E.  
Title: LCRA Vice President,  
Transmission Design and Protection

Date: May 14, 2020



**EXHIBIT 1.1**  
**DEFINITIONS**

Terms defined in this Exhibit 1.1 will have the meanings set forth in this Exhibit.

<b>TERM</b>	<b>DEFINITION</b>
1. Agreement	As defined in the first paragraph.
2. Applicable Law	Any statute, law, ordinance, executive order, rule, or regulation (including a regulation that has been formally promulgated in a rule making proceeding but, pending final adoption, is in proposed or temporary form having force of law); guideline, or notice having force of law; or approval, permit, license, franchise, judgment, order, decree, injunction, or writ of any Governmental Authority applicable to a specified Person or specified property, as in effect from time to time. Applicable Law will include the requirements of NERC and ERCOT.
3. Business Day	Any day other than a Saturday, a Sunday or a federal holiday.
4. Calendar Day	Any day whatsoever, including any weekday, Saturday, Sunday or holiday. However, should the last day of a period of time or number of Calendar Days computed as Calendar Days in accordance with this Agreement be a Saturday, Sunday or holiday, then the next day which is not a Saturday, Sunday or holiday is the last Calendar Day in such period.
5. Confidential Information	As defined in Section 8.1.
6. Disclosing Party	As defined in Section 8.1.
7. Effective Date	As defined in Section 2.1.
8. ERCOT	The Electric Reliability Council of Texas or its successor in function.
9. Execution Date	As defined in the first paragraph.
10. Federal Power Act	16 U.S.C. §791a <i>et. seq.</i>

11. FERC Federal Energy Regulatory Commission.
12. Force Majeure Any act or event beyond the reasonable control of the Party claiming Force Majeure, and occurring or arising without the fault of negligence of such Party, which materially prevents, delays, or impairs the performance of such Party's obligations under this Agreement, including storm, flood, lightning, earthquake, fire, explosion, failure or imminent failure of equipment or facilities, civil unrest, strike, boycott, or other labor disturbance, sabotage, terrorism, war, national emergency, or the operation of any Applicable Law that is not an adjudication against such Party for violation of Applicable Law.
13. 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 that, 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 limited to the optimum practice, method, or act, to the exclusion of all others, but rather is intended to include acceptable practices, methods, and acts generally accepted in the region.
14. Governmental Approvals Permits, consents, licenses, franchises, certificates, authorizations, registrations, or waivers, extensions, renewals, or variances relating thereto, in each case issued by any Governmental Authority, and filings with or notices to any Governmental Authority.
15. Governmental Authority Any federal, state, foreign, tribal, local, or municipal governmental body; and any governmental, regulatory, or administrative agency, commission, body, agency, instrumentality, or other authority exercising or entitled to exercise any executive, judicial, legislative, administrative, regulatory, or taxing authority or power, including any court or other tribunal. Governmental Authority includes NERC and ERCOT.

- |     |                           |   |
|-----|---------------------------|---|
| 16. | Interconnection Agreement | As defined in Recital A.  |
| 17. | NERC                      | North American Electric Reliability Corporation or its successor electric reliability organization.   |
| 18. | Party or Parties          | As defined in the first paragraph.  |
| 19. | Person                    | Any individual, corporation, partnership, limited liability company, other business organization of any kind, association, trust, or governmental entity, agency, or instrumentality. |
| 20. | Project                   | As defined in Recital C.  |
| 21. | Projected In-Service Date | As defined in Section 3.3.  |
| 22. | PUCT                      | Public Utility Commission of Texas or its successor in function.  |
| 23. | Receiving Party           | As defined in Section 8.1.  |
| 24. | Representatives           | As defined in Section 8.1.  |

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**SCHEDULE 3.1**

<b>Schedule 3.1.1</b>	<b>Name of Point of Interconnection (# of Points)</b>	<b>Estimated Facilities Installed Cost</b>	<b>Projected In-Service Date</b>
A	Heines (3)	\$4,312,000	June 30, 2020

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**SCHEDULE 3.1.1 (A)  
DELINEATION OF RESPONSIBILITIES**

**HEINES POINT OF INTERCONNECTION**

1. **Name:** Heines
2. **Facility Location:** The Heines Substation (the “Substation”) is located in Nueces County, approximately 900 feet east from the intersection of Lexington Road and Holly Road on the north side, Corpus Christi, Texas. The Substation is an amalgamation of the AEP substation yard (“AEP Yard”) and the LCRA TSC substation yard (“LCRA TSC Yard”) adjacent to each other (separated by a fence) and referred to collectively as the Substation. There are three (3) Points of Interconnection located at the Substation. Two (2) Points of Interconnection are located at 1) LCRA TSC’s high-side 138 kV dead-end bus equipment structure within the LCRA TSC Yard from AEP’s disconnect switch (2032), and 2) LCRA TSC’s high-side 138 kV dead-end bus equipment structure within the LCRA TSC Yard from AEP’s disconnect switch (3172); and 3) the third Point of Interconnection is located within the AEP Yard and AEP’s dead-end structure for the (mobile substation connection). More specifically, two Points of Interconnection are where LCRA TSC’s jumper conductors from LCRA TSC’s 138 kV bus equipment physically connect to AEP’s 138 kV high-side bus equipment from AEP’s switches (2032 and 3172), and the third Point of Interconnection is where LCRA TSC’s slack-span physically connects to AEP’s dead-end structure with mobile disconnect switch (3618) within the AEP Yard (mobile substation connection).
3. **Delivery Voltage:** 138 kV
4. **Metered Voltage:** N/A
5. **Responsibilities and Ownership:**
  - 5.1 **AEP agrees that it will install and own the following facilities:**
    - i. the AEP Yard and all the facilities within it;
    - ii. two (2) 138 kV disconnect switches (2032 and 3172);
    - iii. the 138 kV bus equipment from disconnect switch (2032) to LCRA TSC’s 138 kV dead-end bus equipment structure within the LCRA TSC Yard;
    - iv. the 138 kV bus equipment from disconnect switch (3172) to LCRA TSC’s 138 kV dead-end bus equipment structure within the LCRA TSC Yard;
    - v. two (2) sets of jumpers at the 138 kV dead-end bus equipment structure;
    - vi. one (1) 138 kV dead-end structure with mobile disconnect switch (3618) and slack-span to LCRA TSC’s dead-end structure within the LCRA TSC Yard;
    - vii. one (1) 138 kV disconnect switch (3618);
    - viii. the 12.5 kV distribution facilities;
    - ix. one (1) control house with AEP station service and 125 Vdc station batteries;
    - x. one (1) remote terminal unit (“RTU”);



- xi. the RTU communications circuit from the AEP Yard to AEP's control center;
- xii. the AEP Yard property, ground grid, gravel, fencing and other appurtenances.

**5.2 LCRA TSC agrees that it will install and own the following facilities:**

- i. The following 138 kV transmission lines comprised of structures, easements, conductors, insulators, and connecting hardware ("LCRA TSC Transmission Lines"):
  - a) The 138 kV Airline to Heines transmission line; and
  - b) The 138 kV Heines to Naval Base transmission line.
- ii. the 138 kV LCRA TSC Yard and all the facilities within it;
- ii. four (4) 138 kV circuit breakers (31700, 31710, 31720 ,31730) foundations, and protective relays
- iii. six (6) 138 kV switches (31701, 31709, 31711, 31898, 31719, 31721, 31729, 31731)
- xiii. three (3) 138 kV surge arresters (SA1, SA2, SA3)
- xiv. two (2) 138 kV ccvts (CCVT1, CCVT2)
- xv. one (1) 138 kV pvt (PVT1)
- xvi. two (2) 138 kV dead-end bus equipment structure;
- xvii. one (1) set of jumpers at LCRA TSC's dead-end structure connecting AEP's slack-span to LCRA TSC's 138 kV Heines to Naval Base transmission line;
- xviii. one (1) control house with LCRA TSC station service and 125 Vdc station batteries;
- xix. the RTU communications circuit from the LCRA TSC Yard to LCRA TSC's control center.

**6. Diagrams:** A conceptual one-line diagram showing the proposed Heines Points of Interconnection is attached.

**7. Costs:**

A. Subject to Section 4.2, AEP will be responsible for all costs incurred with the installation of the facilities identified in Item 5.1 above.

B. LCRA TSC will be responsible for all costs incurred by it in connection with the design, procurement, removal and construction activities with respect to the facilities identified in Item 5.2 above.

**8. Projected In-Service Date(s):**

June 30, 2020

**9. Other Special Provisions**

**9.1** AEP will retain fee simple title to the Substation real property and convey a perpetual easement in a form mutually acceptable to LCRA TSC and AEP for the LCRA TSC Yard and access to the LCRA TSC Yard that provides necessary rights of vehicular ingress and egress to and from a public road.

- 9.2** AEP will convey two (2) perpetual transmission line easements in a form acceptable to LCRA TSC for the portion of real property underlying the LCRA TSC Transmission Lines.
- 9.3** LCRA TSC's acquisition of the access, transmission line, and substation easements are subject to LCRA TSC's review and acceptance of a field survey, legal documentation, title commitment and title insurance policy, to be acquired at AEP's expense on behalf of LCRA TSC, as well as archeological research and an environmental assessment conducted by LCRA TSC. In no event shall the access, transmission line, and substation easements be subject to any lien or any other encumbrance unacceptable to LCRA TSC. If LCRA TSC finds the access, transmission line, and substation easements to be acceptable, and subject to any required approval by the LCRA TSC Board, LCRA TSC will offer to pay AEP an amount for the associated easements equal to their market value as mutually agreed by the Parties.
- 9.4** LCRA TSC will allow AEP access into the LCRA TSC Yard by allowing AEP to place a hardened lock in series with LCRA TSC's lock in the chain securing the gate.
- 9.5** LCRA TSC will allow AEP access into LCRA TSC's control house. Access is obtained by calling LCRA TSC's System Operations Control Center using the intercom at the door of the control house.
- 9.6** AEP will allow LCRA TSC access into the AEP Yard by allowing LCRA TSC to place a hardened lock in series with LCRA TSC's lock in the chain securing the gate.
- 9.7** AEP will allow LCRA TSC access into AEP's control house.
- 9.8** AEP will supply and allow LCRA TSC use of transformer T1 and T2 relaying bushing current transformers for its metering and 138 kV bus differential relaying scheme.
- 9.9** LCRA TSC will provide tripping and close inhibit contacts from its 138 kV transformer bus differential and breaker failure relaying panel to AEP circuit switchers relaying panels.
- 9.10** AEP will provide breaker failure initiate contacts from its circuit switchers relaying panels to LCRA TSC's 138 kV transformer bus differential and breaker failure relaying panel.
- 9.11** LCRA TSC and AEP shall design, provide, and coordinate their respective protection system equipment so that adjacent zones of protection overlap, in accordance with ERCOT Nodal Operating Guides.
- 9.12** The LCRA TSC Yard access and physical security will be in accordance with LCRA TSC standards.
- 9.13** AEP will provide trenching, cable and conduits from its facilities to the interface junction box located in the LCRA TSC station of the Substation for wiring needed to interface the two systems. LCRA TSC will make wiring connections.
- 9.14** LCRA TSC will supply and install the interface junction box and will provide trenching, cable and conduits from its facilities to the interface junction box for wiring needed to interface the two systems. LCRA TSC will make wiring connections.
- 9.15** AEP and LCRA TSC ground grids will be installed by each Party but will be connected together at the shared Substation boundary by LCRA TSC.

**9.16** AEP and LCRA TSC shield wire systems will be installed by each Party and will be connected together by LCRA TSC.

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**SCHEDULE 3.1.1 (A) (continued)**  
**AEP One-Line Diagram**

