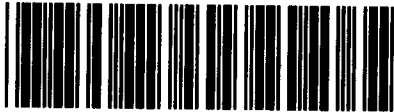


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PUBLIC UTILITY COMMISSION OF TEXAS
Substantive Rule 25.195(e)

Project No. 35077

Interconnection Agreement

Dated as of November 10, 2009

Between

Electric Transmission Texas, LLC

and

Texas-New Mexico Power Company

November 17, 2009

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INTERCONNECTION AGREEMENT

This Interconnection Agreement is made and entered into as of this 10th day of November, 2009 (the "Effective Date"), by and between Texas-New Mexico Power Company, a Texas corporation ("TNMP"), and Electric Transmission Texas, LLC, a Delaware limited liability company ("ETT"), each hereinafter sometimes referred to individually as "Party" or both referred to collectively as the "Parties."

WITNESSETH

WHEREAS, each Party is the owner and operator of transmission facilities and is engaged in the business of transmitting electric energy to the general public; and

WHEREAS, the Parties desire to interconnect their respective transmission systems under the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and conditions set forth herein, the Parties agree as follows:

ARTICLE I **DEFINITIONS**

1.1. Definitions. Unless the context requires otherwise, each term contained in this Agreement with its initial letter capitalized and not otherwise defined herein shall have the meaning set forth below:

"Agreement" means this Interconnection Agreement, including all Exhibits and Facility Schedules attached hereto, and any and all schedules, attachments and amendments hereafter made in accordance with this Agreement, all of which are incorporated herein and constitute a single, integrated agreement.

"Applicable Legal and Electrical Requirements" means, collectively, Good Utility Practice, the National Electrical Safety Code (as approved by the American National Standards Institute), the North American Electric Reliability Corporation ("NERC") Standards, ERCOT Requirements, PUCT Substantive Rules and any and all laws, statutes, acts, constitutions, ordinances, rules, regulations, codes, orders, decrees, injunctions, licenses, permits, consents, approvals, authorizations, agreements or regulations of any federal, state, county, city, municipal, tribal or local government, department, office, agency, court, board or commission having jurisdiction over a Party or the Points of Interconnection.

"Business Day" means any day other than a Saturday, a Sunday and any other day on which the United States Federal Reserve Bank of New York is authorized or required to be closed.

"ERCOT" means the Electric Reliability Council of Texas, Inc., a Texas non-profit corporation, or its successor.

“ERCOT Requirements” means, collectively, (i) the ERCOT Protocols adopted by ERCOT, including any attachments or exhibits referenced therein, as amended from time to time, that contain the scheduling, operating, planning, reliability, and settlement policies, rules, guidelines, procedures, standards, and criteria of ERCOT, (ii) the ERCOT Operating Guides, which supplement the ERCOT Protocols and describe the working relationship between ERCOT and entities within the ERCOT system, and (iii) any other documents adopted by ERCOT or the ERCOT Independent System Operator relating to the interconnection and operation of transmission systems in ERCOT.

“Event of Default” has the meaning assigned to such term in Section 11.2.

“Facility Schedules” means the addendums to this Agreement that describe the Parties’ agreement on ownership, control, location, construction, cost, operation, maintenance and repair responsibilities of the Parties, and any additional terms and conditions, that apply specifically to the Points of Interconnection.

“FERC” means the Federal Energy Regulatory Commission or its successor.

“Force Majeure Event” has the meaning assigned to such term in Section 12.1.

“Good Utility Practice” has the meaning set forth in PUCT Substantive Rule §25.5(56), or its successor in function, which as of the date of execution of this Agreement states as follows: “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.”

“Governmental Authority” means any federal, state, local or municipal body having jurisdiction over a Party.

“Points of Interconnection” means the interconnection locations specified on the Facility Schedule(s) where the electrical systems of the Parties are or may be, by the closure of normally open switches, connected.

“PUCT” means the Public Utility Commission of Texas or its successor.

“PUCT Substantive Rules” shall mean the substantive rules of the PUCT.

“Suspension Event” has the meaning assigned to such term in Section 11.1.

ARTICLE II

EFFECTIVE DATE AND TERM

2.1. This Agreement shall become effective on and as of the Effective Date, and this Agreement shall remain in full force and effect until terminated in accordance with Article XI. The Parties will file this Agreement with the PUCT within thirty (30) days from the date of execution.

2.2. This Agreement sets forth the terms and conditions under which the Parties' transmission systems will be interconnected and identifies the facilities and equipment provided by each Party at the Points of Interconnection.

2.3. This Agreement, including all attached Exhibits and Facility Schedules, which are expressly made a part hereof for all purposes, constitutes the entire agreement and understanding between the Parties with regard to the interconnection of the facilities of the Parties at the Points of Interconnection expressly provided for in this Agreement. The Parties are not bound by or liable for any statement, representation, promise, inducement, understanding, or undertaking of any kind or nature (whether written or oral) with regard to the subject matter hereof not set forth or provided for herein. This Agreement replaces all prior agreements and undertakings, oral or written, between the Parties with regard to the subject matter hereof. It is expressly acknowledged that the Parties may have other agreements covering other services not expressly provided for herein, which agreements are unaffected by this Agreement.

ARTICLE III

ESTABLISHMENT AND TERMINATION OF POINTS OF INTERCONNECTION

3.1. The Parties agree to interconnect their facilities at the locations, and in accordance with the terms and conditions, specified in the Facility Schedules. All Points of Interconnection shall be specified in Exhibit A and the Facility Schedules. The Facility Schedules shall specify the responsibilities of the Parties with respect to the establishment of each Point of Interconnection and the ownership, operation, maintenance and control of the interconnection facilities and any additional terms and conditions that apply specifically to the Points of Interconnection. Each Facility Schedule shall be in the general form of the initial Facility Schedule No. 1, which describes the Point of Interconnection planned to be constructed as of the Effective Date.

3.2. From time to time, a Point of Interconnection may be changed, added to, or removed from this Agreement as mutually agreed to in writing by the Parties and/or as ordered by a regulatory authority having jurisdiction thereof. Any such change, addition or removal shall be recorded in Exhibit A and a Facility Schedule that shall be separately executed and attached hereto. Each Facility Schedule shall be numbered in such a way that the numbering of the other Facility Schedules is not changed.

3.3. Unless otherwise provided by the applicable Facility Schedule, and subject to regulatory approval if required, commencing after the fifth (5th) anniversary of the Effective Date, each Party shall have the right, in its sole discretion, to disconnect its facilities from the other Party's facilities at any Point of Interconnection specified herein by providing written

notice thereof to the other Party at least twenty-four (24) months prior to such disconnection. Such disconnection shall not constitute a termination of this Agreement. The Parties agree to use reasonable efforts to coordinate the disconnection of a Point of Interconnection to minimize any disruption in service by either Party.

3.4. If a Party engages in any activity that causes the other Party to become a “public utility” under the Federal Power Act or become subject to the plenary jurisdiction of the FERC, such Party becoming a “public utility” or subject to FERC jurisdiction may immediately disconnect its facilities from the other Party’s facilities at any or all Points of Interconnection by providing written notice thereof to the other Party.

3.5. Each Party shall comply with any order, instruction or authorization by ERCOT, the PUCT or other Governmental Authority that orders, instructs or authorizes a Party to disconnect its facilities from the other Party’s facilities or terminate this Agreement.

3.6. The Facility Schedule for a Point of Interconnection may provide for terms and conditions under which a Party shall cease work relating to the installation and construction of its facilities for a Point of Interconnection.

ARTICLE IV **OTHER SERVICES**

4.1. This Agreement is applicable only to the interconnection of the facilities of the Parties at the Points of Interconnection and does not obligate either Party to provide, or entitle either Party to receive, any service not expressly provided for herein. Each Party is responsible for making the arrangements necessary to receive any other service that it may desire from the other Party or any third party.

4.2. All transmission services will be provided and charged under agreements separate from this Agreement in accordance with PUCT Substantive Rules pertaining to such services and the approved tariffs of the Parties, except for those services set forth in the Facility Schedules.

ARTICLE V **CONSTRUCTION, OPERATION AND MAINTENANCE OF FACILITIES**

5.1. Unless otherwise specified in the applicable Facility Schedule, each Party, at its own risk, cost and expense, will design, install, construct, operate, maintain, repair, test and inspect, and shall be fully responsible for liabilities related to, the transmission and distribution lines and related facilities (including all apparatus and necessary protective devices) which it now or hereafter may own located at or connected to each Point of Interconnection, and shall do so as to reasonably minimize the likelihood of voltage and frequency abnormalities originating in the system of one Party from affecting or impairing the system of the other Party or other systems to which the Party is interconnected. Each Party agrees to design, install, construct, operate, maintain, repair, test and inspect its facilities at each Point of Interconnection, including all apparatus and protective devices, metering, telemetry, and communications facilities, in accordance with Applicable Legal and Electrical Requirements. Within a reasonable period of time after completion of construction of facilities at a Point of Interconnection, or any material change in such facilities, the Party owning such facilities agrees to provide to the other Party

current as-built drawings of such facilities. Each Party will be responsible for all equipment and facilities in accordance with the Facility Schedules.

5.2. Operational responsibility by one Party for facilities owned by the other Party will be identified in the Facility Schedule for that particular Point of Interconnection. Unless otherwise provided by the Facility Schedules, each Party shall operate the facilities within its transmission network.

5.3. The Parties will, consistent with maintaining good operating practices, coordinate their operations to maintain continuity of services to their respective customers to the extent practicable. Subject to any necessary ERCOT approval, each Party shall provide necessary equipment outages to allow the other Party to perform periodic maintenance, repair, or replacement of its facilities. Maintenance by either Party that will cause a deviation from normal power and energy flow at a Point of Interconnection will be scheduled with ERCOT approval, at a mutually agreeable time, unless conditions exist which a Party believes, in accordance with Good Utility Practice, may endanger persons or property. The Parties will, to the extent necessary to support continuity of operations, coordinate the operation of the facilities they operate in the proximity of the Points of Interconnection which may reasonably be expected to affect the operation of facilities on the other Party's system. All testing of the Parties' facilities that affects the operation of the Point of Interconnection, and all clearances, switching, and tagging, will be scheduled and coordinated as mutually agreed to by the Parties in accordance with Good Utility Practice, ERCOT Requirements and the procedures agreed to between the Parties.

5.4. Each Party will provide the reactive requirements for its own system in accordance with ERCOT Requirements and so as not to impose a burden on the other Party's system.

5.5. During periods of emergency conditions, or as necessary to restore customer service, either Party may operate equipment that is normally operated by the other Party, provided that authorization to do so must first be received from the Party that normally operates the equipment. Such authorization shall not be unreasonably withheld or delayed. It shall be considered reasonable for the Party that normally operates such equipment to deny such a request by the other Party if the withholding Party will provide such operation within the time frame called for in the circumstances. Such operations by the other Party will be at no cost to the owner or normal operator of the equipment.

5.6. Each Party will determine the operating limits of the facilities that it owns and make those limits known to the Party operating those facilities. The operating Party of those facilities will not exceed those limits without prior approval of the Party owning the facilities.

5.7. Each Party agrees that it will not, either directly or through connections with other entities, transmit electric energy in interstate commerce, sell electric energy in interstate commerce, or own or operate any such facilities, or otherwise take any action that would cause the other Party to become a "public utility" under the Federal Power Act or become subject to the plenary jurisdiction of the FERC, unless ordered by FERC pursuant to Section 210 of the Federal Power Act.

5.8. Each Party shall maintain in accordance with normal utility accounting procedures, complete books and records of their respective construction costs and expenses associated with the establishment of a Point of Interconnection. Each Party will make available to the other Party for inspection, through its employees, agents or independent public accountants, all records used to establish charges in accordance with this Agreement. All inspections will be performed at the inspecting Party's own expense during normal business hours in the offices of the Party in possession of such records.

5.9. All books, records and other pertinent data associated with this Agreement shall be maintained for the most recent historical four (4) year period for the term of this Agreement and for two (2) years following termination.

ARTICLE VI

RIGHTS OF ACCESS, EQUIPMENT INSTALLATION AND REMOVAL

6.1. Each Party shall permit duly authorized representatives and employees of the other Party to enter upon its premises for the purpose of inspecting, testing, repairing, renewing or exchanging any or all of the equipment owned by the other Party that is located on such premises or for the purpose of performing any work necessary in the performance of this Agreement.

6.2. Any and all equipment, apparatus, and devices placed or installed, or caused to be placed or installed by one Party on, or in, the premises of the other Party, as specified in the Facility Schedule attached hereto, shall be and remain the property of the Party owning and installing such equipment, apparatus, devices, or facilities, regardless of the mode and manner of annexation or attachment to real property. Upon the termination of this Agreement (or the applicable Point of Interconnection under this Agreement), the Party owning and installing such equipment, apparatus, devices or facilities on the property of the other Party, shall have the right to (a) sell such equipment, apparatus, devices or facilities to the other Party, if the other Party desires to purchase such equipment, apparatus, devices or facilities or (b) enter the premises of the other Party and, within a reasonable time, remove such equipment, apparatus, devices or facilities, at no cost to the owner of the premises. If, upon the termination of any Point of Interconnection under this Agreement, equipment of a Party that is installed on the premises of the other Party is either not sold to the other Party or removed by the owning Party within one hundred eighty (180) days (or such longer period as mutually agreed to by the Parties), it shall be considered abandoned by the owning Party and may be disposed of by the other Party in the manner it shall determine appropriate; provided, however, that any net cost reasonably incurred by the disposing Party shall be reimbursed by the abandoning Party.

6.3. Each Party shall clearly mark their respective equipment, apparatus, devices or facilities with appropriate ownership identification, where practical.

6.4. Either Party may request the other Party to upgrade or modify its terminal facilities at a Point of Interconnection in accordance with the other Party's standard design of equipment, provided that the upgrade or modification is consistent with Good Utility Practice and, if applicable, is approved by the Regional Planning Group of ERCOT. The requesting Party shall provide the responsive Party a minimum of twenty-four (24) months notice of the upgrade

or modification of its terminal facilities at a Point of Interconnection, absent mutual acceptance of a shorter notice period. The Parties agree to use commercially reasonable efforts to coordinate the upgrade or modification of terminal facilities at a Point of Interconnection to minimize any disruption in service by either Party.

ARTICLE VII

METERING, COMMUNICATION AND TELEMETERING FACILITIES

7.1. Each Party shall provide, at its own expense, the necessary communication and telemetering facilities it needs for the control and operation of its transmission and distribution facilities. All communication and telemetering facilities required herein shall be selected, installed, tested, operated and maintained by the Party owning such equipment in accordance with Good Utility Practice, ERCOT Requirements, and the Facility Schedules. Where practical and mutually agreeable, telemetering facilities may be shared between the Parties to minimize equipment and costs. Telemetered data shall be the responsibility of the Party as identified in the Facility Schedules.

7.2. All metering equipment required hereunder shall be selected, installed, tested, operated and maintained by the Party owning such equipment in accordance with Good Utility Practice, ERCOT Requirements, and the Facility Schedules. The Party that does not own the metering equipment shall be permitted to witness any testing, inspection, maintenance or alteration of such metering equipment owned by the other Party. The owner of such equipment shall notify the other Party at least five (5) Business Days in advance, if reasonably possible, of all tests and inspections so that representatives of the other Party may be present. After proper notification to the other Party, the owner may proceed with the scheduled tests or inspections regardless of whether a witness is present.

7.3. If any test or inspection of metering equipment shows that it does not meet the accuracy requirements established by ERCOT Requirements, the meter or other equipment found to be inaccurate or defective shall be promptly repaired, adjusted or replaced by the owner. Should metering equipment fail to register, the power delivered and received shall be determined in accordance with ERCOT Requirements.

ARTICLE VIII

INDEMNIFICATION

8.1. EACH PARTY SHALL ASSUME ALL LIABILITY FOR, AND SHALL INDEMNIFY, DEFEND, AND SAVE HARMLESS THE OTHER PARTY, ITS AFFILIATES, AND ITS AND ITS AFFILIATES' RESPECTIVE DIRECTORS, OFFICERS, MEMBERS, MANAGERS, EMPLOYEES, REPRESENTATIVES, CONTRACTORS AND AGENTS FROM ANY AND ALL DAMAGES, LOSSES, CLAIMS, INCLUDING CLAIMS AND ACTIONS RELATING TO INJURY TO OR DEATH OF ANY PERSON (INCLUDING THE EMPLOYEES OF THE INDEMNIFIED PARTY) OR DAMAGE TO PROPERTY (INCLUDING PROPERTY OF THE INDEMNIFIED PARTY), DEMANDS, SUITS, RECOVERIES, COSTS AND EXPENSES, COURT COSTS, REASONABLE ATTORNEY FEES, AND ALL OTHER OBLIGATIONS BY OR TO THIRD PARTIES, ARISING OUT OF OR RESULTING FROM NEGLIGENCE OR OTHER FAULT IN THE PERFORMANCE OR

NON-PERFORMANCE OF THIS AGREEMENT, INCLUDING IN CONNECTION WITH THE DESIGN, CONSTRUCTION, OR OPERATION OF THEIR RESPECTIVE FACILITIES, AND TO THE EXTENT PERMITTED BY LAW, EXCEPT IN CASES OF NEGLIGENCE OR INTENTIONAL WRONGDOING BY THE OTHER PARTY.

ARTICLE IX **NOTICES**

9.1. Whenever this Agreement requires or permits any consent, approval, notice, request, statement or demand from one Party to another, the consent, approval, notice, request, statement or demand must be in writing to be effective and shall be deemed to be delivered and received (a) if personally delivered or if delivered by courier service (including, overnight courier service), when actually received by the Party to whom notice is sent, (b) if delivered by telex or facsimile with telephonic confirmation, on the day transmitted if such day is a Business Day and delivery thereof is confirmed to have occurred prior to 5:00 p.m. in the time zone of the receiving Party, otherwise it shall be deemed delivered and received on the next Business Day, or (c) if delivered by mail (whether actually received or not), at the close of business on the fifth (5th) Business Day following the day when placed in the mail, postage prepaid, certified or registered, addressed to the appropriate Party, at the address and/or facsimile numbers of such Party set forth below (or at such other address as such Party may designate by written notice to the other Party in accordance with this Section):

If to TNMP:

Texas-New Mexico Power Company
577 North Garden Ridge Boulevard
Lewisville, Texas 75067
Attn: Director, TNMP Regional Engineering
Facsimile No.: 972-420-7390
Phone No.: 972-420-4189, extension 4105

If to ETT:

Electric Transmission Texas, LLC
400 W. 15th Street
Austin, TX 78701-1677
Attn: President
Facsimile No.: (886) 947-1063
Phone No.: (512) 391-2961

With copies to:

American Electric Power Service Corporation
212 E. 6th St
P.O. Box 201
Tulsa, OK 74102
Attn: Manager , Transmission and Interconnection Services
Facsimile No.: (918) 599-3003
Phone No.: (918) 599-2723

and

American Electric Power Service Corporation
400 W 15th Street, Suite 1500
Austin, Texas 78701
Attn: Counsel, Legal Regulatory Services
Facsimile No.: (512) 481-4587
Phone No.: (512) 481-3323

ARTICLE X **INVOICING, PAYMENT AND RECORDS**

10.1. In the event amounts are payable by one Party to another Party pursuant to the terms hereof, the Party to which payment is owed shall prepare and deliver, within sixty (60) days after the payment obligation arises, an invoice to the other Party for amounts due. All invoices shall include reasonable and appropriate documentation, explanation and detail supporting the amount invoiced.

10.2. All amounts payable by a Party hereunder shall be remitted to the payee on or before thirty (30) days (or such longer period of time as specified in a Facility Schedule) after receipt of the invoice and all reasonable and appropriate supporting documentation. If any payment is due on a day that is not a Business Day, such payment shall be due on the immediately succeeding Business Day. When payments are made by mail, invoices are considered as having been paid on the date of receipt by the payee. Within thirty (30) days of execution of this Agreement, the Parties will exchange instructions regarding the transfer of funds to be used to pay invoices hereunder, including instructions regarding how to make payments by wire transfer. Each Party may change the designated bank to which such payments are to be sent by giving written notice to the other Party at least ten (10) Business Days in advance of the due date. If any payment is not remitted and received in full on the date due, the overdue amount shall bear interest, calculated in accordance with PUCT Substantive Rule §25.202(a)(2), or its successor, from the due date until such overdue amount and interest is paid in full. Any payment received by a Party after the due date shall include such interest.

10.3. In the event that a Party disputes all or any portion of an invoice submitted by the other Party, such Party may withhold payment of any amount disputed in good faith, provided such Party gives written notice to the other Party, on or before the due date for the invoice, setting forth the amount of the dispute and the basis therefor. The Parties shall work in good

faith and cooperatively to resolve any invoice dispute. In the event that any amount withheld by a Party is ultimately determined to be payable by such Party, the amount payable shall include interest, calculated in accordance with PUCT Substantive Rule §25.202(a)(2), or its successor, from the date such amount would have been due but for such dispute and the date such amount is paid.

10.4. Notwithstanding any other provision of this Agreement, notice of any invoice dispute or error shall be given to the other Party not later than forty-eight (48) months after the date of such invoice. If notice of such dispute or error is not given within such required time period, the Party failing to give such notice shall have thereby waived all rights to dispute such invoice and shall have thereby released and forever discharged the other Party from all claims, actions, costs, expenses, obligations and liabilities arising out of such invoice dispute or error relating thereto.

ARTICLE XI

SUSPENSION AND TERMINATION

11.1. As used herein, the term "Suspension Event" shall mean any failure of a Party to make any payment hereunder when due or perform any material obligation as and when provided herein, or any breach by such Party of a material provision or term of this Agreement, which failure or breach continues unremedied for a period of thirty (30) days after receipt by the defaulting Party of written notice from the other Party identifying such failure or breach. Upon the occurrence and during the continuation of a Suspension Event, without limiting any other rights or remedies available to it, the other Party may suspend performance of its obligations hereunder (other than for payment of money owed) by giving written notice thereof to the defaulting Party, which suspension shall be effective immediately upon receipt of such notice by the defaulting Party, unless otherwise specified in such notice, in which case such suspension shall be effective on the date specified; provided that any such suspension by a Party hereunder shall not, in and of itself, entitle such Party to disconnect its facilities from the defaulting Party's facilities at any Point of Interconnection.

11.2. As used herein, the term "Event of Default" shall mean any failure of a Party to make any payment hereunder when due or perform any material obligation as and when provided herein, or any breach by such Party of a material provision or term of this Agreement, and either (a) such failure or breach continues unremedied for a period of thirty (30) days after receipt by the defaulting Party of written notice from the other Party identifying such failure or breach or (b) if such failure or breach is not capable of being cured within such thirty (30) day period, the defaulting Party (i) fails to commence to cure such failure or breach within such thirty (30) day period, (ii) fails to thereafter diligently proceed to cure such failure or breach or (iii) such failure or breach continues unremedied for a period of one hundred eighty (180) days after receipt by the defaulting Party of written notice from the other Party identifying such failure or breach.

11.3. This Agreement may be terminated as follows:

(a) This Agreement may be terminated at any time upon the mutual written agreement of the Parties, which agreement shall specify the effective date of such termination.

(b) At any time after the fifth (5th) anniversary of the Effective Date, either Party may, in its sole discretion, terminate this Agreement by giving the other Party written notice thereof specifying the effective date of such termination, which date shall be no less than twenty-four (24) months after such notice is given.

(c) Upon the occurrence of an Event of Default, the non-defaulting Party may terminate this Agreement by giving the defaulting Party written notice thereof specifying the effective date of such termination, which date shall be no more than thirty (30) days after such notice is given.

(d) In the event that a regulatory authority having jurisdiction over the Parties orders a change in any of the provisions of this Agreement, the Parties agree to negotiate in good faith a replacement provision that will most nearly accomplish the purpose and intent of the original provision and that is consistent with the regulatory order. If the Parties cannot reach agreement on the replacement provision within sixty (60) days after the effectiveness of the regulatory order, despite the use of good faith efforts, and if the changed provision is an essential provision of this Agreement, either Party may terminate this Agreement by giving the other Party written notice thereof specifying the effective date of such termination, which date shall be no more than ninety (90) days, and no less than sixty (60) days, after such notice is given.

(e) Notwithstanding the provisions of Section 13.12, if a Party determines, in its sole discretion, that its rights or obligations hereunder are materially and adversely affected as a result of any provision of this Agreement, or the application of any provision hereof to any Party or circumstance, being finally determined to be invalid, illegal or unenforceable, such Party may terminate this Agreement by giving the other Party written notice thereof specifying the effective date of such termination, which date shall be no more than ninety (90) days, and no less than sixty (60) days, after such notice is given.

11.4. In the event of a termination under Section 11.3, this Agreement shall terminate on the effective date specified therefor in the termination notice or termination agreement, as the case may be. Upon termination of this Agreement, the Parties shall discontinue use of the facilities of the other and the Parties shall disconnect the existing Points of Interconnection. The following rights and obligations of the Parties hereunder shall survive termination of this Agreement: (a) rights and obligations accrued as of the termination, (b) rights and obligations arising out of events occurring prior to the termination, (c) rights and obligations under Sections 6.2, 13.2 and Articles VIII and X, and (d) all other rights and obligations of the Parties which by their terms, nature or by implication are expressly stated to, or are intended to, survive termination.

ARTICLE XII

FORCE MAJEURE

12.1. As used herein, the term "Force Majeure Event" shall mean events and circumstances arising after the Effective Date that are beyond the reasonable control of the Party claiming the Force Majeure Event, are unavoidable or could not be prevented or overcome by reasonable efforts and due diligence of the Party claiming the Force Majeure Event and prevents or materially affects such Party in the performance of its obligations in accordance with this

Agreement. Without limiting the generality of the foregoing, events that may give rise to a Force Majeure Event include, without limitation, acts of God, natural disasters, fires, earthquakes, lightning, floods, storms, abnormal weather conditions, civil disturbances, riots, war, terrorist activity, sabotage, strikes, lockouts or other labor disputes, and the action of or failure to act on the part of any regulatory authority having or asserting jurisdiction that is binding upon the Parties and has been opposed by all reasonable means, but does not include events and circumstances that affect the cost or availability of equipment, labor, materials or supplies of the Party desiring to claim a Force Majeure Event.

12.2. To the extent provided herein, neither Party shall be responsible or liable for, or deemed in breach of this Agreement because of any failure or delay in complying with its obligations or any provision hereunder to the extent that such failure or delay has been caused by a Force Majeure Event, and in such event:

(a) except as otherwise provided herein, the performance by the Party claiming the Force Majeure Event of its obligations hereunder shall be suspended on the condition that: (i) such Party promptly gives the other Party written notice of the occurrence of a Force Majeure Event, together with all reasonable and appropriate supporting documentation, and thereafter keeps the other Party informed with respect thereto; (ii) such suspension of performance shall be of no greater scope and of no longer duration than is required by the effects of the Force Majeure Event; and (iii) the Party claiming the Force Majeure Event uses commercially reasonable efforts, promptly and diligently, to remedy its inability to perform; and

(b) except as otherwise provided herein, the performance by the Party not claiming the Force Majeure Event of its obligations hereunder shall be suspended to the extent such Party is unable to perform such obligations as a result of the other Party's suspension of obligations pursuant to the preceding clause (a); provided that such suspension of performance shall be of no greater scope and of no longer duration than is required by any suspension of performance pursuant to the preceding clause (a).

12.3. The payment of money owed shall not be excused because of a Force Majeure Event. In addition, a Party shall not be excused under this Article from timely performance of its obligations hereunder to the extent that the claimed Force Majeure Event was caused by any negligent or intentional acts, errors, or omissions, or for any breach or default of this Agreement by such Party.

ARTICLE XIII **MISCELLANEOUS**

13.1. Assignment. Except as expressly permitted in this Agreement, neither Party shall assign this Agreement or any portion hereof, or any of the rights or obligations hereunder, whether by operation of law or otherwise, without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed; provided that neither Party will be required to consent to any assignment which would, in its reasonable determination, subject it to additional federal or state regulation, subject it to the imposition of material additional costs of performance which the Party requesting consent to assignment does not agree to reimburse, or diminish the reliability of its transmission and distribution system. Notwithstanding the

foregoing, either Party may, without the consent of the other Party, assign this Agreement for collateral security purposes to lenders, or to a trustee pursuant to an indenture, providing secured financing for that Party. The respective obligations of the Parties under this Agreement may not be changed, modified, amended or enlarged, in whole or in part, by reason of the sale, merger or other business combination of either Party with any other person or entity. Notwithstanding the foregoing, a Party may assign, without the written consent of the other Party, its interest in this Agreement, in whole or in part, to a successor to all or a substantial portion of the Party's transmission and distribution business; or to any transmission service provider (including an affiliate of the assigning Party) with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement. This Agreement shall inure to the benefit of, and be binding upon, the successors and permitted assigns of the Parties.

13.2. WAIVER OF CONSEQUENTIAL DAMAGES. IN NO EVENT SHALL EITHER PARTY OR ITS AFFILIATES BE LIABLE UNDER ANY PROVISION OF THIS AGREEMENT FOR ANY INDIRECT, CONSEQUENTIAL, SPECIAL, PUNITIVE OR INCIDENTAL DAMAGES OR COSTS OF THE OTHER PARTY OR ITS AFFILIATES WHETHER BASED IN WHOLE OR IN PART IN CONTRACT, TORT (INCLUDING, WITHOUT LIMITATION, NEGLIGENCE OR STRICT LIABILITY), WARRANTY, COMMON LAW, STATUTE OR OTHERWISE, AND EACH PARTY HEREBY WAIVES, RELEASES AND DISCHARGES ANY AND ALL SUCH INDIRECT, CONSEQUENTIAL, SPECIAL, PUNITIVE AND INCIDENTAL DAMAGES AND COSTS; PROVIDED, HOWEVER, THAT DAMAGES FOR WHICH A PARTY MAY BE LIABLE TO THE OTHER PARTY UNDER ANOTHER AGREEMENT WILL NOT BE CONSIDERED TO BE SPECIAL, INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES HEREUNDER. FOR PURPOSES HEREOF, CONSEQUENTIAL DAMAGES SHALL INCLUDE, WITHOUT LIMITATION, LOSS OF REVENUE, COST OF CAPITAL, LOSS OF BUSINESS REPUTATION AND OPPORTUNITY.

13.3. Remedies. All rights and remedies of the Parties shall be cumulative, and may, to the extent permitted by law, be exercised concurrently or separately, and the exercise of one right or remedy shall not be deemed to be an election of such right or remedy or to preclude or waive the exercise of any other right or remedy. The non-defaulting Party's rights under this Agreement are in addition to and not in limitation or exclusion of, any other rights the non-defaulting Party has, whether by contract, operation of law, in equity or otherwise.

13.4. Representation and Warranties. Each Party represents and warrants that this Agreement has been duly authorized by all necessary action by such Party, has been duly executed and delivered by such Party, and constitutes the legal, valid and binding agreement of such Party enforceable against such Party in accordance with its terms, except to the extent that its enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the rights of creditors generally or by general principles of equity.

13.5. Non-Dedication of Systems. Any undertaking by a Party to the other Party under this Agreement shall not constitute the dedication of the electrical system or any portion thereof of that Party to the public or to the other Party, and it is understood and agreed that any such undertaking shall cease upon the termination of this Agreement.

13.6. Taxes. Each Party shall be responsible for ad valorem taxation, if applicable, related to its ownership of any equipment located at the facilities at the Points of Interconnection and shall be solely responsible for payment of any such taxes lawfully imposed on or assessed against its separate interest in such facilities. If a Party is required to remit or pay taxes that are the other Party's responsibility hereunder, the Party responsible for such taxes shall reimburse the other Party for such taxes. Any Party entitled to and claiming an exemption from any such taxes shall furnish the other Party any necessary documentation thereof.

13.7. Relationship of the Parties. It is not the intention of the Parties to create, nor shall this Agreement be construed as creating, a partnership, association, joint venture or trust, as imposing a trust or partnership covenant, obligation or liability on or with regard to the Parties or as rendering the Parties liable as partners or trustees. Neither Party shall be under the control of or shall be deemed to control the other Party. Neither Party shall be the agent of or have a right or power to bind the other Party.

13.8. Amendment. This Agreement may be amended only by the mutual written agreement of the Parties executed after the Effective Date.

13.9. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED, CONSTRUED, INTERPRETED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT REGARD TO ANY CONFLICTS OF LAWS PRINCIPLES THAT COULD REQUIRE APPLICATION OF THE LAWS OF ANY OTHER JURISDICTION. THE LAWS OF THE STATE OF TEXAS SHALL GOVERN ANY DISPUTE, CONTROVERSY, REMEDY, OR CLAIM BETWEEN THE PARTIES ARISING OUT OF, RELATING TO, OR IN ANY WAY CONNECTED WITH THIS AGREEMENT, INCLUDING WITHOUT LIMITATION, THE EXISTENCE, VALIDITY, PERFORMANCE, BREACH, OR TERMINATION THEREOF.

13.10. No Third-Party Beneficiaries. Except for the rights of the indemnified parties under Article VIII, this Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any person or entity other than the Parties, and the obligations herein undertaken are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.

13.11. No Waiver. No delay, failure or refusal on the part of a Party to exercise or enforce any right under this Agreement shall impair such right or be construed as a waiver of such right or any obligation of the other Party, nor shall any single or partial exercise of any right hereunder preclude other or further exercise of any right. The failure of a Party to give notice to the other Party of a breach of this Agreement shall not constitute a waiver thereof. Any waiver of any obligation or right hereunder shall not constitute a waiver of any other obligation or right, then existing or arising in the future. To be effective, a waiver of any obligation or right must be in writing and signed by the Party waiving such obligation or right.

13.12. Severability. If any provision of this Agreement, or the application of any provision hereof to any Party or circumstance, is held to be illegal, invalid or unenforceable, such provision or the application of such provision, as the case may be, shall be fully severable, and the application of the remainder of such provision to such Party or circumstance, the application

of such provision to the other Party or other circumstances, and the remainder of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or application of such provision, as the case may be, or by its severance from this Agreement. Furthermore, in lieu of such illegal, invalid or unenforceable provision or application of such provision, there shall be added automatically as a part of this Agreement a provision as similar in its terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

13.13. Interpretation. Unless the context of this Agreement otherwise requires:

(a) the headings contained in this Agreement are used solely for convenience and do not constitute a part of this Agreement between the Parties, nor should they be used to aid in any manner to construe or interpret this Agreement;

(b) the gender of all words used herein shall include the masculine, feminine and neuter and the number of all words shall include the singular and plural words;

(c) references to "includes," "including" and similar phrases shall mean "including, without limitation";

(d) the terms "hereof," "herein," "hereto," "hereunder," and similar words refer to this entire Agreement and not to any particular Article, Section, Exhibit, Facility Schedule or any other subdivision of this Agreement;

(e) references to "Article," "Section," "Exhibit" or "Facility Schedule" are to this Agreement unless specified otherwise;

(f) reference to "Agreement" or any other agreement or document shall be construed as a reference to such agreement or document as the same may be amended, modified, supplemented or restated, and shall include a reference to any document which amends, modifies, supplements or restates, or is entered into, made or given pursuant to or in accordance with its terms;

(g) reference to any document or instrument required to be "in writing," "written" or similar words shall mean a written document signed by the Party sought to be bound thereby;

(h) references to any Party shall be construed as a reference to such Party's successors and permitted assigns; and

(i) for the purposes of determining rights, responsibilities and compliance with this Agreement, reference to any law, rule, regulation, code or standard, including Good Utility Practice, the National Electrical Safety Code (as approved by the American National Standards Institute), NERC Standards, ERCOT Requirements and PUCT Substantive Rules, shall be construed as a reference to such law, rule, regulation, code or standard, as the same may have been amended, modified or re-enacted, as in effect at the time the relevant action is taken, or required to be taken, or otherwise at the applicable point in time.

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

IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed by their respective duly authorized representatives.

Electric Transmission Texas, LLC

Texas-New Mexico Power Company

By: /J. Calvin Crowder/

By: /Neal Walker

Name: J. Calvin Crowder

Name: Neal Walker

Title: President

Title: Vice President TNMP Operations

EXHIBIT A
LIST OF FACILITY SCHEDULES AND POINTS OF INTERCONNECTION

Facility Schedule No.	Point of Interconnection Name	Interconnection Voltage (kV)	Party Reporting Interconnect Data
1	Tombstone Switching Station	138	TNMP

FACILITY SCHEDULE NO. 1

1. **Name:** Tombstone Switching Station
2. **Facility Location:** The Point of Interconnection is located at ETT's Tombstone Switching Station (the "Station") that is in the AEP Texas North Company Rio Pecos to Fort Stockton 138 kV transmission line approximately 14 miles northeast of Fort Stockton, Texas in Pecos County, near 31° 0' 9.4"N, 102° 40' 45.0"W. The Point of Interconnection is more specifically located at the "box bay" transmission structure steel where the conductors from the OXY USA, Inc. ("OXY") 138 kV transmission line from the OXY Century Plant Substation (the "Substation") connect to the conductors from ETT's motor operated disconnect switch in the Station.
3. **Delivery Voltage:** 138 kV
4. **Meter Voltage and Location:** Metering is accomplished using 138 kV potential and current metering accuracy transformers located in the Station. Metering does not require loss compensation for this Point of Interconnection.
5. **Normal Operation of Interconnection:** Closed
6. **One Line Diagram Attached:** Yes
7. **Description of Facilities Owned by Each Party:**

ETT owns the following facilities:

- the Station, including all the facilities within it and those listed below (except for those facilities owned by TNMP)
 - fencing, foundations, conduits, PT/CT supports, station cover stone and grounding grid
 - a tubular "box bay" transmission structure in the existing AEP Rio Pecos to Fort Stockton 138 kV transmission line
 - two (2) motor operated switches in the AEP Rio Pecos to Fort Stockton 138 kV transmission line, one on each side of the tap
 - one (1) motor operated switch to disconnect the 138 kV transmission line from the Substation
 - one (1) meter panel connected in series with TNMP's meter instrument transformers
 - one (1) remote terminal unit ("ETT RTU") and associated communication equipment for exclusive supervisory control of the motor operated switches
 - a RTU communication circuit from the Station to the ETT control center including a telephone demark located outside the Station fence

TNMP owns the following facilities:

- one (1) – set of 138 kV revenue quality meter instrument transformers and cabling

located inside the Station

- one (1) meter panel containing TNMP's primary and backup revenue meters
- one (1) remote terminal unit ("TNMP RTU") and associated communication equipment to provide communications for TNMP's use
- one (1) radio and associated communication equipment as may be required for RTU and telephone communications
- one (1) pole with radio antenna and associated cabling and hardware
- a dial up communication circuit for meter reading and phone service
- a RTU communication circuit from the Station to the TNMP control center

8. Facility Operation and Maintenance Responsibilities of the Parties:

Each Party operates, controls and maintains the facilities it owns.

9. Cost Responsibilities of the Parties:

- Each Party will be fully responsible for the costs and liabilities related to the facilities it owns.
- Each Party will be responsible for all costs it incurs in connection with the establishment and maintenance of the Point of Interconnection in accordance with this Facility Schedule.

10. Other Terms and Conditions:

- It is understood by the Parties that the facilities described above are being installed to enable TNMP to serve OXY's Century gas processing plant to be constructed in Pecos County, Texas (the "Century Plant"), which is located within the service territory of TNMP. It is also understood by the Parties that OXY will provide the Substation at the Century Plant and the 138 kV transmission line from the Substation to the Station. ETT consents to the use of the Point of Interconnection for TNMP to provide retail delivery service to OXY for the Century Plant.
- ETT agrees to use commercially reasonable efforts to construct and energize the Station to make the Station used and useful to provide capacity and energy to the Substation by June 1, 2010 (the "Scheduled Completion Date"), subject to availability to obtain transmission line clearance(s) to complete the work. The total installed cost of the ETT material and equipment at the Point of Interconnection is estimated to be one million five hundred thousand dollars (\$1,500,000). In the event that OXY cancels its project prior to the Station being energized, TNMP shall promptly notify ETT. Immediately upon receipt of such notice, ETT shall cease all work relating to the installation and construction of its facilities for the Point of Interconnection. If OXY cancels its project prior to the Station being energized or if the Century Plant is not ready to commence commercial operation and begin taking electric service through the Station by March 31, 2011, then, subject to the terms and conditions contained herein, TNMP agrees to reimburse ETT for (i) the actual costs incurred by ETT, and the

costs irrevocably committed to be incurred by ETT, for installing and constructing its facilities for the Point of Interconnection and (ii) the actual costs of removal of the ETT material and equipment, all as reasonably calculated by ETT and to the extent that ETT determines such costs cannot be recovered in ERCOT transmission cost of service rates. ETT shall submit to TNMP an invoice for such costs in accordance with Article X. With respect to such invoice, the 30 day period for payment referenced in Section 10.2 shall be extended to 75 days. ETT shall submit such invoice to TNMP hereunder no later than September 30, 2011, and TNMP shall not be required to reimburse ETT for any amounts hereunder that are not invoiced on or before September 30, 2011.

- If despite the use of commercially reasonable efforts, ETT is unable to complete the Station and interconnection facilities by the Scheduled Completion Date, ETT shall use commercially reasonable efforts to complete the Station and interconnection facilities as soon as possible thereafter. As soon as ETT becomes aware that the Station and its interconnection facilities will not be completed by the Scheduled Completion Date, ETT shall promptly notify TNMP in writing, which notice shall set forth the new date that ETT estimates that the Station and its interconnection facilities will be completed.
- TNMP will be responsible for making the final connection of the conductors from the OXY transmission line to ETT's "box bay" structure and switch. TNMP will provide ETT or its representative adequate advance notification to allow witnessing the connection.
- ETT grants to TNMP such easements, rights-of-way and other real property interests as are necessary for TNMP to perform the work required to establish the Point of Interconnection and to operate, maintain, replace and remove TNMP's facilities.
- ETT will provide TNMP one (1) port on the ETT RTU to allow TNMP access to the status of the Station. TNMP will provide ETT one (1) port on the TNMP RTU to allow ETT access to backup meter data. TNMP will have access to the TNMP RTU data via a direct communication circuit between the Station and the TNMP control center. The Parties will coordinate the analog and digital point list and communications protocol issues.
- ETT will provide 120 VAC service from an inverter connected to the station batteries to TNMP's meter cabinet, TNMP RTU and radio equipment and allow TNMP continuous and uninterrupted access (24 hours per day, 7 days per week) to TNMP's metering and communications facilities inside the Station.
- ETT will make arrangements with AEP Texas North Company ("AEP") for AEP to install relay carrier communications on the Rio Pecos to Ft. Stockton 138 kV transmission line. ETT will also make arrangements with OXY for OXY to install the necessary protection equipment between the Substation and the Station.

Tombstone Switching Station

