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Project No. 35077

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First Amendment to
The Amended and Restated
INTERCONNECTION AGREEMENT
Between
AEP Texas North Company
and
LCRA Transmission Services Company

April 28, 2010

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**FIRST AMENDMENT
TO THE RESTATED AND AMENDED INTERCONNECTION AGREEMENT
BETWEEN
AEP TEXAS NORTH COMPANY
AND
LCRA TRANSMISSION SERVICES CORPORATION**

This First Amendment ("Amendment") to the Restated and Amended Interconnection Agreement, ("Agreement"), dated March 16, 2007 between AEP Texas North Company ("AEP") and the LCRA Transmission Services Corporation ("LCRA"), each sometimes hereinafter referred to individually as "Party" or collectively as "Parties", is made and entered into this 28th day of April, 2010. In consideration of the mutual promises and undertakings herein set forth, the Parties agree to amend the Agreement as follows:

WITNESSETH:

WHEREAS, the Parties entered into the Restated and Amended Interconnection Agreement on March 16, 2007 (including all Exhibits and Facility Schedules attached thereto) to restate and amend an earlier interconnection agreement between West Texas Utilities Company (now known as AEP Texas North Company ("AEP")) and the Lower Colorado River Authority (the assignor to LCRA Transmission Services Corporation ("LCRA")); and

WHEREAS, the Interconnection Agreement provides terms and conditions that allow a point of interconnection be added to or deleted from the Interconnection Agreement as mutually agreed by the Parties, whereby such addition or deletion be recorded in Exhibit A and a Facility Schedule be added or deleted in such a way that the numbering of the other Facility Schedules in the Interconnection Agreement is not changed; and

WHEREAS, the Parties have agreed to amend the Interconnection Agreement in accordance with its terms and conditions;

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

I. CAPITALIZED TERMS.

Capitalized terms used but not otherwise defined herein shall have the meanings specified in the Interconnection Agreement, as amended and supplemented by this Amendment.

II. AMENDMENTS.

Effective as of the date first written above,

- a) the following invoicing, payment and records provisions shall be included in the

Interconnection Agreement:

ARTICLE XV. INVOICING, PAYMENT AND RECORDS

15.1 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.

15.2 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 non-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.

15.3 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 therefore. 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.

15.4 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.

- b) the Fort Mason, Camp San Saba, and McCamey Points of Interconnection provided by Facility Schedule Nos. 1A, 8 and 12 respectively of the Interconnection Agreement are hereby

restated and amended in their entirety,

- c) the Fort Mason-Pittsburg 69 kV tie line, CTEC Mason (aka Fredonia Tap), Second Junction (aka New Junction), Streeter, Dutton (aka Brady) and Schaffner (aka Eden) Points of Interconnection provided by Facility Schedule Nos. 1B, 2, 4, 5, 6, and 7 respectively of the Interconnection Agreement are hereby terminated,
- d) the Oxy Tap Point of Interconnection provided by Facility Schedule No. 26 is hereby added to the Interconnection Agreement, and
- e) Exhibit A of the Interconnection Agreement is hereby amended to record these changes. These amended and additional Facility Schedules and amended Exhibit A will be included in the Interconnection Agreement to form one consolidated and amended agreement.

III. RATIFICATION OF OTHER TERMS.

All other terms and conditions of the Interconnection Agreement which are not specifically amended by this Amendment shall remain unchanged and are hereby ratified by the Parties and shall continue to be in full force and effect.

Except as otherwise expressly provided for herein, the Agreement will continue in full force and effect in accordance with its terms.

**[The remainder of this page is intentionally left blank.
The next page of this document is page 4]**

IN WITNESS WHEREOF, the Parties have caused this Amendment to be executed in several counterparts, each of which shall be deemed an original but all shall constitute one and the same instrument.

AEP TEXAS NORTH COMPANY.

By: [Signature]

Name: Michael Heyeck

Title: Vice President

Date: 4/28/2010

LCRA TRANSMISSION SERVICES
CORPORATION

By: [Signature]

Name: Ray Pfefferkorn, P.E.

Title: LCRA Transmission Engineering
Manager

Date: 4/6/10



EXHIBIT A

FACILITY SCHEDULE NO.	LOCATION OF POINT(S) OF INTERCONNECTION (# of Points)	INTERCONNECTION VOLTAGE (KV)	LAST DATE(S) OF AMENDMENT IN THIS OR PREVIOUS INTERCONNECTION AGREEMENT*
1A	Fort Mason (3)	138/69	October 18, 1948 February 13, 1975 March 16, 2007 <i>April 28</i> , 2010
1B	Fort Mason-Pittsburg 69 kV Tie Line (0)	na	October 18, 1948 March 16, 2007 <i>April 28</i> , 2010
1C	Fort Mason-Gillespie 138 kV Tie Line (1)	138	February 13, 1975 March 16, 2007
2	CTEC Mason (aka Fredonia Tap) (0)	na	October 18, 1948 March 16, 2007 <i>April 28</i> , 2010
3	Gillespie (1)	69	January 26, 1956 March 16, 2007
4	Second (aka New) Junction (0)	na	July 6, 1981 March 16, 2007 <i>April 28</i> , 2010
5	Streeter (0)	na	July 6, 1981 March 16, 2007 <i>April 28</i> , 2010
6	Dutton (0)	na	June 12, 1992 March 16, 2007 <i>April 28</i> , 2010
7	Schaffner (aka Eden) (0)	na	September 11, 1992 March 16, 2007 <i>April 28</i> , 2010
8	Camp San Saba (1)	69	July 6, 1981 March 16, 2007 <i>April 28</i> , 2010
9	Segovia Tap (1)	69	June 29, 2000 March 16, 2007
10	Hext (1)	69	June 29, 2000 March 16, 2007

* These dates do not necessarily reflect the date that the Point of Interconnection was established.

EXHIBIT A Continued

FACILITY SCHEDULE NO.	LOCATION OF POINT(S) OF INTERCONNECTION (# of Points)	INTERCONNECTION VOLTAGE (KV)	LAST DATE(S) OF AMENDMENT IN THIS OR PREVIOUS INTERCONNECTION AGREEMENT*
11	LCRA North McCamey (2)	138	March 16, 2007
12	McCamey (4)	138	March 16, 2007 <i>Apr 128</i> , 2010
13	LCRA West Yates Switchyard (1)	138	March 16, 2007
14	Mesa View (1)	138	March 16, 2007
15	LCRA Crane Switchyard (2)	138	March 16, 2007
16	Spudder Flats (1)	138	March 16, 2007
17	Rio Pecos (4)	138	March 16, 2007
18	Indian Mesa (2)	138	March 16, 2007
19	Twin Buttes 138kV Switchyard (1)	138	March 16, 2007
20	Red Creek (2)	345	March 16, 2007
21	San Angelo Power Station (1)	138	March 16, 2007
22	South Abilene (1)	138	March 16, 2007
23	LCRA Fort Lancaster Switchyard (1)	138	March 16, 2007
24	Friend Ranch (1)	138	March 16, 2007
25	Santa Anna (1)	138	March 16, 2007
26	Oxy Tap (1)	138	<i>Apr 128</i> , 2010

* These dates do not necessarily reflect the date that the Point of Interconnection was established.

FACILITY SCHEDULE NO. 1A

1. **Name:** **Fort Mason**
2. **Location:** The Fort Mason Substation is located in the City of Mason, Texas at 1459 Post Hill Street, Mason County, Texas. Three (3) Points of Interconnection are located where the station jumpers connect to (a) the 69 kV transmission line to the Mason Switching Station, (b) the 138 kV transmission line to the Menard Substation and (c) the 138 kV transmission line to the Gillespie Substation.
3. **Delivery Voltage:** 138/69 kV
4. **Metered Voltage:** 12.5 kV metering is located on the 12.5 kV bus between the regulators and the 12.5 kV operating bus and on the two feeders to the City of Mason.
5. **Normal Operation of Interconnection:** Closed
6. **One-Line Diagram Attached:** Yes
7. **Facility Ownership Responsibilities of the Parties:**

AEP owns the following facilities:

- 69 kV transmission line from Fort Mason to AEP's Mason Switching Station
- 138 kV transmission line from Fort Mason to AEP's Menard Substation
- the portion of the Fort Mason – Gillespie 138 kV transmission line from Fort Mason to the Mason – Gillespie County line
- 12.5 kV metering on the City of Mason feeders, not including associated PT's and CT's

LCRA owns the following facilities:

- Fort Mason Substation and all the facilities within it except for those facilities identified above
- 69 kV transmission line from Fort Mason to LCRA's Pittsburg Substation
- the portion of the Fort Mason – Gillespie 138 kV transmission line from LCRA's Gillespie Substation to the Mason – Gillespie County line
- 12.5 kV totalizing meter between regulators and the 12.5 kV operating bus, including all metering PT's and CT's

8. **Facility Operation and Maintenance Responsibilities of the Parties:**

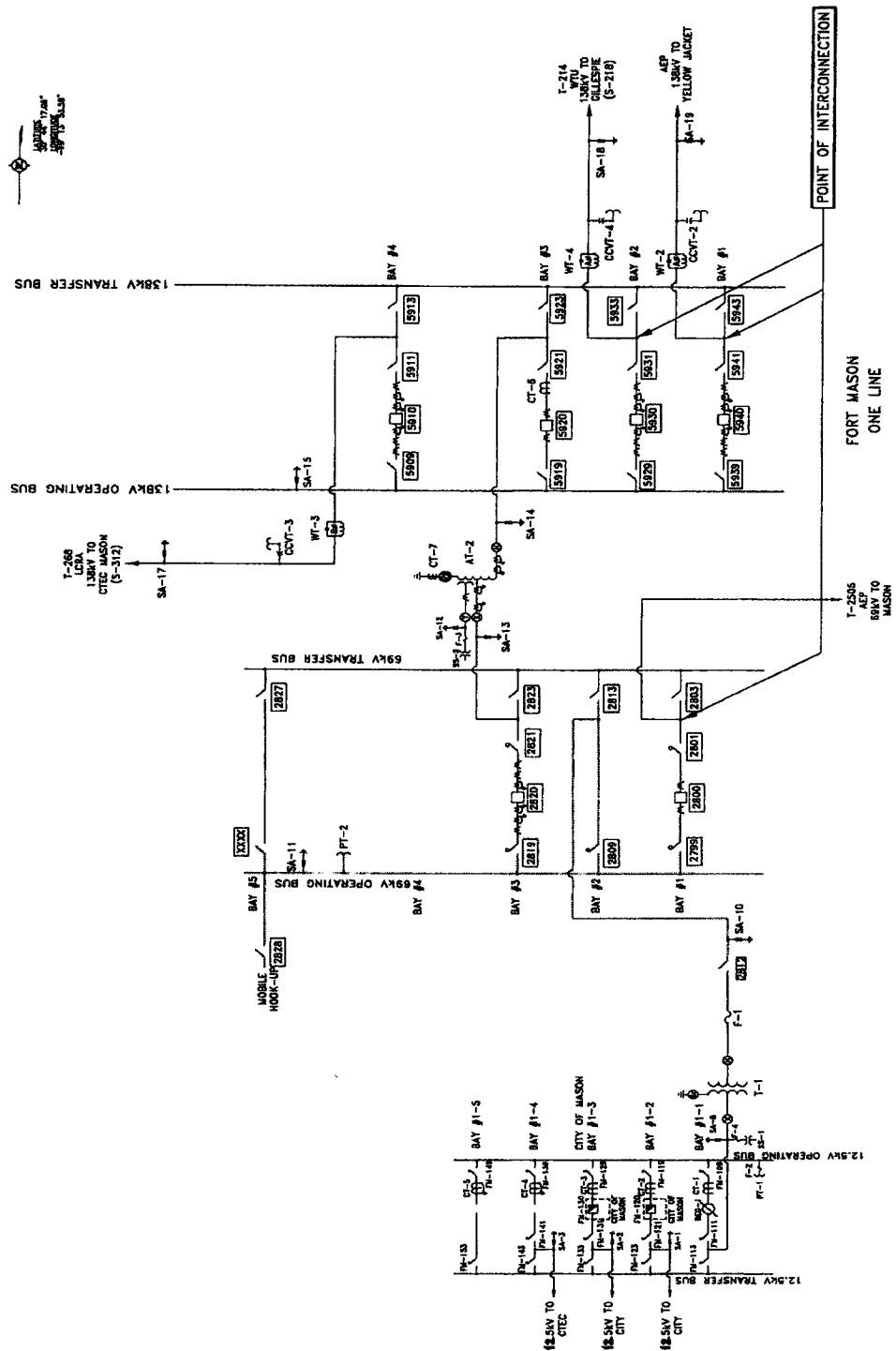
Each Party controls, operates and maintains the facilities it owns.

The Fort Mason – Gillespie 138 kV transmission line is under the control of LCRA.

9. Cost Responsibilities of the Parties:

Each Party will be fully responsible for the costs and liabilities related to the facilities it owns.

10. Other Terms and Conditions: None



FACILITY SCHEDULE NO. 1B

Fort Mason-Pittsburg 69-kV Tie Line

TERMINATED

FACILITY SCHEDULE NO.2
CTEC Mason (aka Fredonia Tap)
TERMINATED

FACILITY SCHEDULE NO. 4

Second (aka New) Junction

TERMINATED

FACILITY SCHEDULE NO. 5

Streeter

TERMINATED

FACILITY SCHEDULE NO. 6

Dutton (aka Brady)

TERMINATED

FACILITY SCHEDULE NO. 7

Schaffner (aka Eden)

TERMINATED

FACILITY SCHEDULE NO. 8

1. Name: **Camp San Saba**
2. Location: The Camp San Saba Substation is located 12 miles south of Brady, Texas at 137 CR 206 in McCulloch County, Texas. The Point of Interconnection is where tap conductors from switch #922 physically contact connectors on the transmission line conductors of the 69 kV transmission line from Mason Switching Station to North Brady Substation.
3. Delivery Voltage: 69 kV
4. Metered Voltage: 24.9 kV metering is located on the 24.9 kV bus between the regulators and the 24.9 kV operating bus
5. Normal Operation of Interconnection: Closed
6. One-Line Diagram Attached: Yes
7. Facility Ownership Responsibilities of the Parties:

AEP owns the following facilities:

- 69 kV transmission line from Mason Switching Station to North Brady Substation
- 69 kV switches (4987 and 4988)
- 24.9 kV meter inside the Camp San Saba Substation

LCRA owns the following facilities:

- The Camp San Saba Substation including, but not limited to, the following:
 - One (1) box structure
 - One (1) circuit switcher CS-925 with associated disconnect and bypass switches 922 and 927
 - One (1) power transformer T-2 and associated surge arresters, foundation and structure
 - Three (3) single phase voltage regulators REG-1 with associated disconnect and bypass switches
 - One (1) metering current transformer CT-2
 - One (1) bus potential transformer PT-2 with associated fuse
 - One (1) control house w/air conditioner and other appurtances.
 - One (1) station service SS-1
 - One (1) surge arrester SA-3
 - Metering equipment
 - RTU

CapRock Electric Cooperative owns the following facilities inside distribution bay #1 and bay #2 of the Camp San Saba Substation:

- Two (2) distribution circuits including dead end insulators that attach to the box structure, conductors, and hardware
- Two (2) distribution circuit breakers CSS-10 and CSS-20 including jumpers, protective relay packages and foundations.
- Four (4) low voltage disconnect switches
- Two (2) surge arresters
- Two (2) fuses CSS-23 and CSS-33

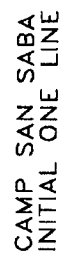
8. Facility Operation and Maintenance Responsibilities of the Parties:

Each Party controls, operates, 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.

10. Other Terms and Conditions: None



FACILITY SCHEDULE NO. 12

1. **Name:** **McCamey**
2. **Location:** The McCamey Substation is in the City of McCamey, Texas in Upton County. There are four Points of Interconnection at the McCamey Substation. One is at the termination of the 138kV transmission line from the LCRA North McCamey Switchyard and the second is at the termination of the 138kV transmission line from the LCRA West Yates Switchyard. Both Points of Interconnection are at the point where the jumper conductors from the substation equipment physically contact the connectors on the 138kV transmission line conductors. There are two additional Points of Interconnection on phase B of the 138 kV transmission line from the LCRA North McCamey Switchyard where the jumper conductors from the wave trap physically contact the connectors on the 138 kV transmission line conductors on either side of the in-line insulator.
3. **Delivery Voltage:** 138 kV
4. **Metered Voltage:** 138 kV
5. **Normal Operation of Interconnection:** Closed
6. **One-Line Diagram Attached:** Yes
7. **Facility Ownership Responsibilities of the Parties:**

AEP owns the following facilities:

- McCamey Substation and all the facilities within it including but not limited to the following:
 - two (2) wave traps and line tuners
 - two (2) CCVTs (3 phase)
 - one (1) 138 kV circuit breaker CB-3945
 - three (3) 138 kV switches 1547, 1548 and 3946
- structures that terminate all the 69 kV transmission lines into the station
- the following transmission lines comprised of easements, conductors, shield wires, insulators, connecting hardware, and structures:
 - McCamey to Rio Pecos 69 kV transmission line
 - McCamey to Big Lake 69 kV transmission line
- jumper conductors from the substation facilities to the Points of Interconnection
- structures that terminate the 138 kV transmission lines from LCRA West Yates Switchyard and LCRA North McCamey Switchyard

LCRA owns the following facilities:

- insulators (including the in-line suspension insulator and substation dead-end insulators), conductors, and hardware that terminate the LCRA North McCamey Switchyard and LCRA West Yates Switchyard 138kV transmission lines
- the following transmission lines comprised of easements, conductors, shield wires, insulators, and connecting hardware:
 - LCRA North McCamey Switchyard to LCRA West Yates Switchyard double circuit 138 kV transmission structures with single circuit installed, except the line tap at Desert Sky II and a portion of the McCamey Substation easement are owned by AEP

8. Facility Operation and Maintenance Responsibilities of the Parties:

AEP controls and operates the McCamey substation and all the facilities within it.

AEP coordinates, directs, and performs all control center and field operation activities on the transmission lines owned by LCRA. These activities shall include, but are not limited to, switching, clearances, and outages for planned maintenance and operations, emergency service restoration, and overall coordination of such activities with ERCOT.

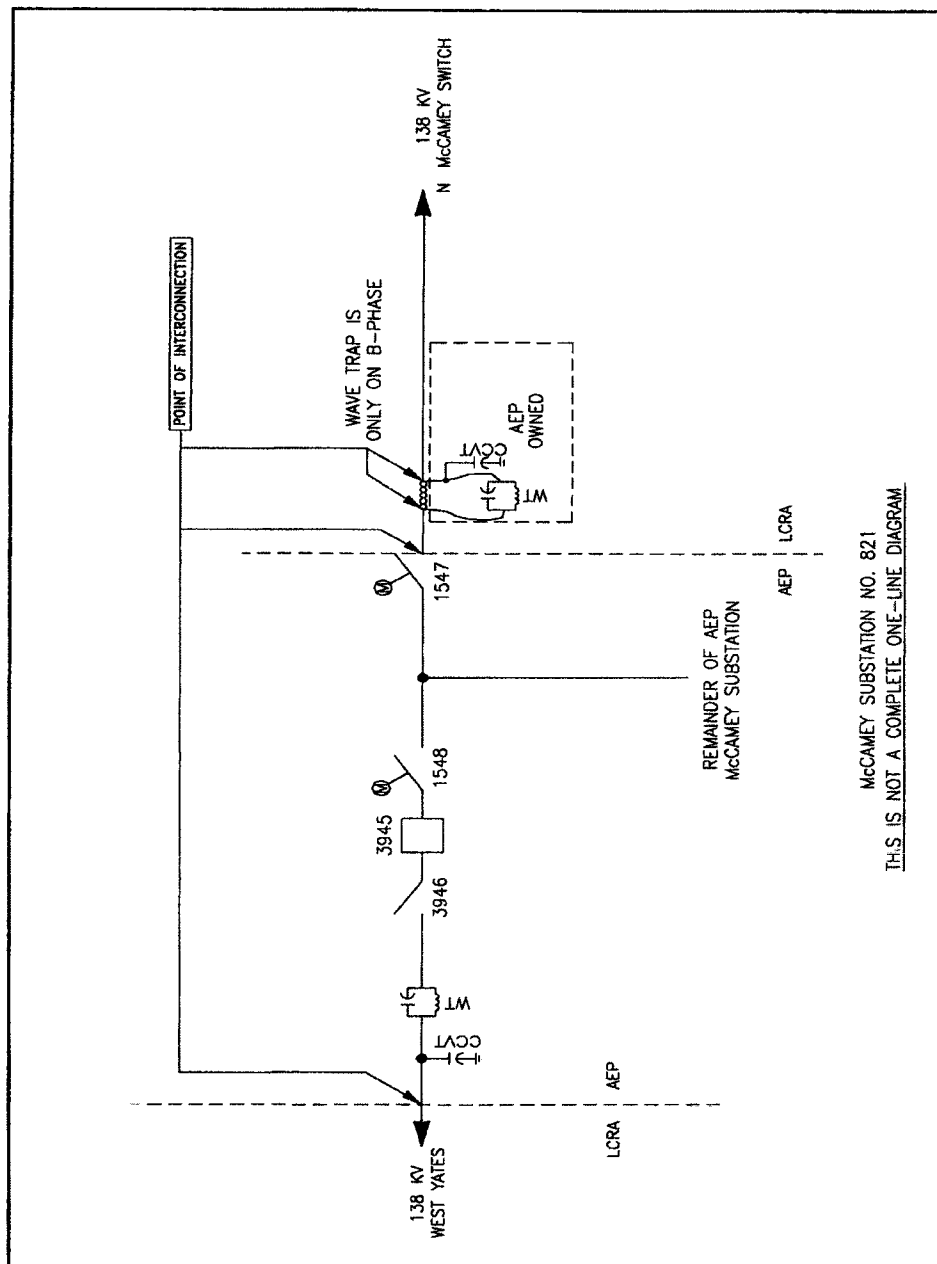
Each Party maintains the facilities it owns that are provided for in this Facility Schedule.

9. Cost Responsibilities of the Parties:

Each Party will be fully responsible for the costs and liabilities related to the facilities it owns.

10. Other Terms and Conditions:

Maintenance of the facilities, including circuit breaker relays, that are owned by one Party that protect the facilities owned by the other Party will be subject to review and approval by the other Party.



FACILITY SCHEDULE NO. 26

1. **Name:** **Oxy Tap**
2. **Location:** The Point of Interconnection is located at LCRA's Oxy Tap Station (the "Station") that is in LCRA's North McCamey to Rio Pecos 138 kV transmission line approximately ½ mile west of the intersection of US Hwy 385/67 and Road 311 near McCamey, Texas in Upton County. The Point of Interconnection is more specifically located at the transmission structure where the LCRA jumper from the load side of the tap disconnect switch connects to the 138 kV tap line.
3. **Delivery Voltage:** 138 kV
4. **Meter Voltage and Location:** N/A
5. **Normal Operation of Interconnection:** Closed
6. **One-Line Diagram Attached:** Yes
7. **Facility Ownership Responsibilities of the Parties:**

LCRA owns the following facilities:

- the North McCamey - Rio Pecos 138 kV double circuited transmission line comprised of structures, easements, conductors, insulators, shield wires and connecting hardware
- the Station, including all the facilities within it and those listed below (except for those facilities owned by AEP)
 - fencing, station cover stone and grounding grid
 - two (2) high strength A-frame transmission structures in the existing south circuit of the North McCamey to Rio Pecos 138 kV transmission line
 - one (1) regular strength A-frame transmission structure in the 138 kV transmission tap line to the Castle Gap Substation.
 - three (3) manually operated VAB switches 22841, 22842 and 22851 in the North McCamey to Rio Pecos 138kV transmission line circuit
 - one (1) manually operated VAB switch 22852 to disconnect the 138 kV transmission tap line from the Castle Gap Substation
 - hardware and jumpers to connect Oxy's 138 kV slack span conductors to the Station equipment

AEP owns the following facilities:

- one (1) set of 12 kV revenue quality meter instrument transformers and panels located inside the Oxy USA, Inc. ("Oxy") Castle Gap Substation
- a communication circuit for purpose of reading the meter within the Castle Gap Substation including a telephone demark located outside the Castle Gap

- Substation fence
- one (1) RTU at the Castle Gap Substation

Note: Oxy owns the Castle Gap Substation, including all the facilities within it, except for those facilities identified above as being owned by AEP. Oxy also owns approximately ½ mile of 138 kV transmission line from the Castle Gap Substation to the Station with insulators and hardware to terminate at the LCRA A-frame transmission structure.

8. Facility Operation and Maintenance Responsibilities of the Parties:

- AEP controls and operates all the facilities it owns that are provided for in this Facility Schedule.
- AEP coordinates, directs, and performs all control center and field operation activities on the transmission line owned by LCRA including the Station switches. These activities shall include, but are not limited to, switching, clearances, and outages for planned maintenance and operations, emergency service restoration, and overall coordination of such activities with ERCOT.
- Each Party maintains the facilities it owns that are provided for in this Facility Schedule.

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.
- If Oxy cancels its retail load project or if the Oxy load is not being served by AEP through the Station within six (6) months after construction of the Station is completed, then AEP will reimburse LCRA for the actual installed costs incurred the actual costs committed to be incurred, and the actual costs of removal of the Station that LCRA determines cannot be recovered through its transmission cost of service rate. LCRA's costs for this work are estimated to be \$775,000.00. AEP shall provide written notification to LCRA when AEP begins serving the Oxy load through the Station. If AEP is serving Oxy through the Station within six (6) months after construction of the Station is completed and AEP has notified LCRA accordingly, then each Party will be fully responsible for the costs and liabilities related to the facilities it owns and 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 AEP to serve the Oxy gas processing plant to be constructed in Upton County, Texas, which is located within the service territory of AEP. LCRA consents to the use of the Point of Interconnection for AEP to provide retail delivery service to Oxy's plant.
- LCRA 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 Castle Gap Substation by December 1, 2010 (the "Scheduled Completion Date"), subject to availability to obtain transmission line clearance(s) to complete the work. In the event that Oxy cancels or delays its project prior to the Station being energized, AEP shall promptly notify LCRA. Immediately upon receipt of such notice, LCRA 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 Oxy's plant is not ready to commence commercial operation and begin taking electric service through the Station within six (6) months after construction of the Station is completed, then, subject to the terms and conditions contained herein, AEP agrees to reimburse LCRA as provided for in this Facility Schedule. LCRA shall submit to AEP an invoice for such costs in accordance with Article XV of this Agreement. LCRA shall submit such invoice to AEP hereunder no later than three (3) months after it receives notice from AEP that it will not be serving the Oxy plant. AEP shall not be required to reimburse LCRA for any amounts hereunder that are invoiced after that date. With respect to such invoice, the 30 day period for payment referenced in Section 15.2 of this Agreement shall be extended to 75 days.
- If, despite the use of commercially reasonable efforts, LCRA is unable to complete the Station and interconnection facilities by the Scheduled Completion Date, LCRA shall use commercially reasonable efforts to complete the Station and interconnection facilities as soon as possible thereafter. As soon as LCRA becomes aware that the Station and its interconnection facilities will not be completed by the Scheduled Completion Date, LCRA shall promptly notify AEP in writing, which notice shall set forth the new date that LCRA estimates that the Station and its interconnection facilities will be completed.
- AEP will submit the station Inter-control Center Communications Protocol (ICCP) data to ERCOT while it performs control center activities on the facilities owned by LCRA and LCRA will have access to the data via a direct ICCP communication circuit between the Parties' control centers. The Parties will coordinate the analog and digital point list and communications protocol issues.
- Coordination and response to the ERCOT under-frequency, under-voltage or emergency load shedding program (if any) for AEP load served out of this Station is the responsibility of AEP.
- AEP and LCRA are to share access to the Castle Gap Substation by each having locks in the gates and in the control house doors.
- AEP is responsible for reporting to ERCOT all load related modeling, ICCP data and outage coordination for AEP load served out of the Castle Gap Substation.

- LCRA will submit data to AEP for submission to ERCOT for the ERCOT model configuration, naming, and numbering convention for the Station.

