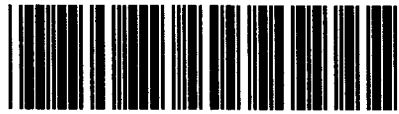


Control Number: 35077



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PUBLIC UTILITY COMMISSION OF TEXAS
Substantive Rule 25.195(e)

Project No. 35077

INTERCONNECTION AGREEMENTS

DATED AS OF JUNE 23, 2010

BETWEEN

AEP TEXAS CENTRAL COMPANY

AND

RIO GRANDE ELECTRIC COOPERATIVE, INC.

AND

BETWEEN

AEP TEXAS NORTH COMPANY

AND

RIO GRANDE ELECTRIC COOPERATIVE, INC.

JULY 23, 2010

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FILING CLERK

American Electric Power

212 E. 6th Street
Tulsa, OK 74119
AEP.com



July 23, 2010

Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Dear Secretary Bose:

Pursuant to Section 35.13 of the Commission's regulations, 18 CFR §35.13, American Electric Power Service Corporation ("AEPSC"), as agent for AEP Texas Central Company ("AEPTCC") and AEP Texas North Company ("AEPTNC"), hereby submits for filing two (2) fully executed amended transmission interconnection agreements (the "Amended Interconnection Agreements"), which are being filed as service agreements under the Open Access Transmission Service Tariff of the American Electric Power System ("AEP OATT"). The Interconnection Agreements include: 1) the Amended Interconnection Agreement between AEPTCC and Rio Grande Electric Cooperative, Inc. ("RGEC") dated June 23, 2010 (the "AEPTCC-RGEC Amended IA"); and 2) the Amended Interconnection Agreement between AEPTNC and RGEC dated June 23, 2010 (the "AEPTNC-RGEC Amended IA"). Hereinafter AEPTNC, AEPTCC, and RGEC are collectively referred to as "Parties".

Background and Purpose for the Filing

Prior to these Amended Interconnection Agreements, the Parties recognized the interconnection of their systems through the 2004 Interconnection Agreement between AEPTCC and RGEC and a 2004 Interconnection Agreement between AEPTNC and RGEC, both hereby known as (the "2004 Interconnection Agreements"). The 2004 RGEC Interconnection Agreements with AEPTCC and AEPTNC were each originally accepted by the Commission in Docket No. ER04-624-000 as Service Agreement Nos. 527 and 528, respectively, under the AEP OATT.

On March 29, 2010 AEPTCC and AEPTNC sold certain of their transmission assets to another ERCOT transmission service provider ("TSP"). As a result of these sales, several points of interconnection were effectively transferred to the other ERCOT TSP by their removal from the Amended Interconnection Agreements and inclusion in RGEC's agreement with the other ERCOT TSP. Also, subsequent to the 2004 Interconnection Agreements, the few RGEC points of interconnection that were established or terminated are now reflected in the Amended

Interconnection Agreements. On the AEPTCC system, the Comstock and Rough Canyon (Del Rio) points of interconnection were transferred and the Pueblo (Eagle Pass) point of interconnection was terminated. On the AEPTNC system, the Illinois No.4 (Pat Lee) point of interconnection has been transferred and the Parker Ranch point of interconnection was established. All of these delivery point changes are identified in the Facility Schedules included in the Amended Interconnection Agreements.

The Amended Interconnection Agreements provide for all of the existing RGEC points of interconnection with AEPTCC and AEPTNC and have been entered into by the Parties to recognize the arrangements for the continued interconnection of their systems.

Requested Effective Date

AEPSC requests that the Commission accept both the AEPTCC-RGEC Amended IA and the AEPTNC-RGEC Amended IA in their entirety to become effective as of June 23, 2010, the date they were executed.

Other Filing Requirements

AEPSC believes that the materials and information provided herewith are adequate to allow the Commission to accept the Amended Interconnection Agreements as requested herein. Because the Amended Interconnection Agreements do not provide for rates and charges, AEPSC is submitting no cost support. To the extent that AEPSC has not complied with the technical requirements of the Commission's regulations applicable to this filing, AEPSC respectfully requests waiver of such regulations. AEPSC has served a copy of this filing on RGEC and the Public Utility Commission of Texas. A copy of this filing is available for public inspection in AEPSC's offices in Tulsa, Oklahoma. Correspondence and communication concerning this filing should be addressed to:

Robert L. Pennybaker
Manager, Transmission and Interconnection Services
American Electric Power Service Corporation
P.O. Box 201
Tulsa, Oklahoma 74102
rlpennybaker@aep.com

and

James R. Bacha
Assistant General Counsel – Legal Regulatory Services
American Electric Power Service Corporation
1 Riverside Plaza
Columbus, Ohio 43215
jrbacha@aep.com

This filing consists of an original and five (5) copies each of the following:

1. this transmittal letter;
2. the AEPTCC-RGEC Amended Interconnection Agreement that has been designated as Service Agreement No. 527 under the AEP OATT;
3. the AEPTNC-RGEC Amended Interconnection Agreement that has been designated as Service Agreement No. 528 under the AEP OATT;

Questions regarding this filing should be directed to me by phone at (918) 599-2274 or by email at arsmith@aep.com. If I am not available for your questions, you may phone Robert Pennybaker at (918) 599-2723 or email him at rlpennybaker@aep.com.

Respectfully submitted,

 /s/ Allen R. Smith
Allen R. Smith
Regulatory Consultant for AEPSC

Enclosures

cc: Robert Pennybaker - AEPSC
Steven Beaty - AEPSC
James R. Bacha - AEPSC
Lauri White – AEPSC
Daniel G. Laws – RGEC

[LEFT BLANK FOR SEPARATION]

**AMENDED
INTERCONNECTION AGREEMENT
BETWEEN
AEP TEXAS CENTRAL COMPANY
AND
RIO GRANDE ELECTRIC COOPERATIVE, INC.**

DATED: June 23, 2010

**AMENDED INTERCONNECTION AGREEMENT
BETWEEN
AEP TEXAS CENTRAL COMPANY
AND
RIO GRANDE ELECTRIC COOPERATIVE, INC.**

This Agreement is made and entered into this 23rd day of June, 2010, by and between AEP Texas Central Company ("AEP") and Rio Grande Electric Cooperative, Inc. ("RGEC") each sometimes hereinafter referred to individually as "Party" or both referred to collectively as "Parties".

WITNESSETH

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

WHEREAS, the Parties are each members of the Electric Reliability Council of Texas; and

WHEREAS, the Parties transmission and distribution systems are presently interconnected and such interconnection arrangements were provided for by various agreements that have terminated; and

WHEREAS, this Agreement is an amended interconnection agreement from earlier interconnection agreement dated February 23, 2004 between Parties, (the "2004 Interconnection Agreement"); and

WHEREAS, the Parties want to remove the Comstock and Rough Canyon (Del Rio) point(s) of interconnection from this Agreement to establish new point(s) of interconnection with another Transmission Service Provider; and

WHEREAS, subsequent to the 2004 Interconnection Agreement, the Parties agreed to terminate the Pueblo (Eagle Pass) Point of Interconnection; and

WHEREAS, the Parties desire to continue the interconnection of their respective transmission and distribution systems in the respects, and under the terms and conditions set forth below.

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

ARTICLE I – EFFECTIVE DATE AND TERM

1.1 This Agreement and any subsequent addendum to this Agreement shall become effective on the date accepted by the FERC, or any other regulatory agency or agencies having jurisdiction. The Parties shall request an effective date of that first written above in a filing at the FERC, and before any other regulatory agency or agencies having jurisdiction. Unless otherwise mutually agreed, this Agreement shall remain in effect initially for a period of ten (10) years from the effective date, and shall continue in effect thereafter for periods of one year each, unless canceled after such initial period or any subsequent period by either Party upon at least twelve (12) months written notice to the other Party.

ARTICLE II – OBJECTIVE AND SCOPE

2.1 It is the intent of the Parties, by this Agreement, to state the terms and conditions under which the Parties' transmission and distribution systems will be interconnected and to identify the facilities and equipment provided by each Party at the points of interconnection between their systems.

2.2 This Agreement shall apply to the ownership, construction, operation and maintenance of those facilities which are specifically identified and described in the Facility Schedules which are attached hereto and incorporated herein, to permit interchange of power and energy between the Parties.

2.3 This Agreement, including all attached Facility Schedules, 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 if not set forth or provided for herein. This Agreement replaces all other agreements including the 2004 Interconnection Agreement and undertakings, oral and 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 – DEFINITIONS

For purposes of this Agreement, the following definitions shall apply:

3.1 Agreement shall mean this Agreement with all schedules and attachments applying hereto, including any schedules and attachments hereafter made and any amendments hereafter made.

3.2 ERCOT shall mean the Electric Reliability Council of Texas, Inc.

3.3 ERCOT Protocols shall mean the documents adopted by ERCOT, and approved by the PUCT, including any attachments or exhibits referenced in the ERCOT Protocols, as amended from time to time, that contain the scheduling, operating, planning, reliability, and settlement (including customer registration) policies, rules, guidelines, procedures, standards, and criteria of ERCOT.

3.4 Facility Schedule(s) shall mean the addendum(s) to this Agreement that describe the agreement on ownership, cost, operation and maintenance responsibilities of the Parties at the Point(s) of Interconnection and any additional terms and conditions of this Agreement that apply specifically to the Point(s) of Interconnection.

3.5 FERC shall mean the Federal Energy Regulatory Commission or its successor in function.

3.6 Good Utility Practice shall mean 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 which, 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 to be acceptable practices, methods, or acts generally accepted in the region. Good Utility Practice may include, but not be limited to, conformance with the applicable and consistently applied reliability criteria, standards and operating guides of ERCOT and the North American Electric Reliability Council, or successor organization(s).

3.7 Point(s) of Interconnection shall mean the points where the electrical systems of the Parties are or may, by the closure of normally open switches, be connected.

3.8 PUCT shall mean the Public Utility Commission of Texas or its successor in function.

ARTICLE IV – ESTABLISHMENT AND TERMINATION OF POINTS OF INTERCONNECTION

4.1 The Parties agree to interconnect their facilities at the locations, and in accordance with the terms and conditions, specified in the attached Facility Schedules. All Points of Interconnection shall be specified in Exhibit A and Facility Schedules attached hereto and made a part hereof. The Facility Schedules shall specify the responsibilities of the Parties with respect to operation, maintenance and control of the connection facilities, in the general form of initial Facility Schedules 1 through 5 which describe the Points of Interconnection existing at the initiation of this Agreement.

4.2 Unless otherwise provided in a Facility Schedule, each Party shall, at each Point of Interconnection, at its own risk and expense, design, install, or cause the design, and installation of the transmission or distribution facilities (including all apparatus and necessary protective devices) on its side of the Point of Interconnection, so as to reasonably minimize the likelihood of a 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 system of such Party is interconnected. The Parties agree that all Points of Interconnection will be established in conformance with operating guidelines of ERCOT and the ERCOT Protocols, as the same may be amended hereafter. The Parties agree to cause their systems to be constructed in accordance with specifications at least equal to those provided by the National Electrical Safety Code, approved by the American National Standards Institute, in effect at the time of construction. Except as otherwise provided in the Facility Schedules, each Party will be responsible for the equipment and facilities it owns on its side of the Point of Interconnection.

4.3 It is understood that the Points of Interconnection described in Facility Schedules No. 1 through 4 were provided by previous agreements, but from which the descriptions of locations, facility ownership, cost, operation and maintenance responsibilities of the Parties are reflected, to the extent possible, in this Agreement.

4.4 From time to time, a Point of Interconnection may be added, changed, modified, or deleted from this Agreement as mutually agreed by the Parties (not to be unreasonably withheld) and/or as ordered by a regulatory authority having jurisdiction thereof. Any such change, addition, or deletion shall be recorded in Exhibit A and a Facility Schedule in such a way that the numbering of the other Facility Schedules is not changed.

4.5 Unless otherwise provided in a Facility Schedule, and subject to regulatory approval if required, each Party shall have the right in its sole discretion to disconnect from the other Party at any Point of Interconnection specified herein after twelve (12) months written notice. Such

disconnection shall not affect the Term of this Agreement pursuant to Section 1.1.

ARTICLE V. OTHER SERVICES

5.1 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 either Party may desire from the other Party or any third party.

5.2 All transmission and distribution services will be provided and charged under agreements separate from this Agreement in accordance with PUCT Substantive Rules pertaining to these services and the approved tariffs of the Parties.

ARTICLE VI - SYSTEM OPERATION AND MAINTENANCE

6.1 Unless otherwise provided by the Facility Schedules, each Party shall, at each Point of Interconnection, at its own risk and expense, operate and maintain the facilities (including all apparatus and necessary protective devices) it owns or hereafter may own, 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. The Parties agree that all Points of Interconnection will be operated and maintained in conformance with operating guidelines of ERCOT and the ERCOT Protocols, as the same may be amended hereafter.

6.2 Operational responsibility for facilities owned by one Party but installed in another Party's substation or transmission line will be identified in the Facility Schedule for that particular Point of Interconnection.

6.3 During the term of this Agreement, 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. Planned facility maintenance by either Party that will cause a deviation from the normal power and energy flow at a Point of Interconnection will be scheduled at a mutually agreeable time. No changes will be made in the normal operation of a Point of Interconnection without the mutual agreement of the Parties. The Parties will, to the extent necessary to support continuity of operations, coordinate the operation of protective devices on the facilities they operate in the proximity of the Points of Interconnection which might reasonably be expected to affect the operation of facilities on the other Party's system.

6.4 Each Party will provide the reactive requirements for its own system in accordance with the operating guides as established from time to time by ERCOT or its successor. Each Party will provide the reactive requirements for its own system so as not to impose a burden on the other system.

6.5 During periods of emergency conditions declared by the ERCOT Independent Operator, or its successor, 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 not to 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.

ARTICLE VII - RIGHTS OF ACCESS, EQUIPMENT INSTALLATION, AND REMOVAL

7.1 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 such other Party that is located on such premises or for the purpose of performing any work necessary in the performance of this Agreement.

7.2 Each Party grants to the other permission to install, maintain and operate, or cause to be installed, maintained and operated, on its premises, the necessary equipment, apparatus and devices required for the performance of this Agreement. Any such installation, maintenance, and operation to be performed, except in the case of emergencies, shall be performed only after a schedule of such activity has been submitted and agreed upon by the Parties.

7.3 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, 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 any 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 1) have the right to sell such equipment, apparatus, devices or facilities to the other Party if the other Party wishes to purchase such equipment, apparatus, devices or facilities or 2) to 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 a reasonable time, 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 incurred by the disposing Party shall be reimbursed by the abandoning party.

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

ARTICLE VIII – METERING AND RECORDS

8.1 All metering equipment required herein shall be selected, installed, tested, operated and maintained by the Party owning such metering equipment in accordance with Good Utility Practice, applicable ERCOT operating and metering guidelines, and the ERCOT Protocols.

8.2 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 give reasonable advance notice 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.

8.3 If any test or inspection of metering equipment shows that it does not meet the accuracy requirements established by ERCOT operating or metering guidelines, whichever is applicable, 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 and energy delivered and received shall be determined in accordance with ERCOT operating or metering guidelines, whichever is applicable.

ARTICLE IX – COMMUNICATION AND TELEMETERING FACILITIES

9.1 Each Party shall provide, at its own expense, the necessary communication and telemetering facilities needed for the control and operation of its transmission system.

9.2 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, applicable ERCOT operating and metering guidelines, and the ERCOT Protocols.

ARTICLE X - TECHNICAL COMMITTEE

10.1 For purposes of administrating this Agreement, a Technical Committee shall be created consisting of one representative from each Party. This Technical Committee shall meet as required, with either representative having the right to convene such a meeting upon reasonable notice to the other representative.

10.2 The Technical Committee shall also be directed to establish procedures for investigating the feasibility of establishing additional normally closed point(s) of interconnection between the Parties' transmission systems that would benefit either Party. Assuming any such investigation results in a finding that the establishment and use of such interconnection would be beneficial to either Party, would not impair the quality of the other Party's existing or planned services and would not require the construction by the other Party of any new transmission facilities, or otherwise increase the cost to the other Party, the Parties agree that, subject to agreement as to ownership, cost, operational responsibility, and scheduling, they will use their best efforts to cooperate with each other in establishing such interconnection.

ARTICLE XI - INDEMNIFICATION

11.1 EACH PARTY SHALL INDEMNIFY, DEFEND AND SAVE HARMLESS THE OTHER PARTY, ITS DIRECTORS, OFFICERS AND AGENTS (INCLUDING, BUT NOT LIMITED TO, DIRECTORS, OFFICERS AND EMPLOYEES OF ITS AFFILIATES AND CONTRACTORS) FROM ANY AND ALL DAMAGES, LOSSES, CLAIMS, INCLUDING CLAIMS AND ACTIONS RELATING TO INJURY TO OR DEATH OF ANY PERSON OR DAMAGE TO PROPERTY, DEMANDS, SUITS, RECOVERIES, COSTS AND EXPENSES, COURT COSTS, ATTORNEY FEES, AND ALL OTHER OBLIGATIONS BY OR TO THIRD PARTIES, ARISING OUT OF OR RESULTING FROM NEGLIGENCE OR OTHER FAULT IN THE DESIGN, CONSTRUCTION OR OPERATION OF THEIR RESPECTIVE FACILITIES DURING THE PERFORMANCE OF THIS AGREEMENT, EXCEPT IN CASES OF NEGLIGENCE OR INTENTIONAL WRONGDOING BY THE OTHER PARTY.

ARTICLE XII -NOTICES

12.1 Notices of an administrative nature, including but not limited to a notice of termination, a request for amendment, a change to a Point of Interconnection or a request for a new Point of Interconnection, shall be forwarded to the designees listed below for each Party and shall be

deemed properly given if delivered in writing to the following:

(a) If to AEP:

American Electric Power Service Corporation
Manager, Transmission and Interconnection Services
Robert Pennybaker
212 E. 6th St
Tulsa, OK 74119
P.O. Box 201
Tulsa, OK 74102
Telephone: (918) 599-2723
rlpennybaker@aep.com

With copy to:

American Electric Power Service Corporation
Manager, Transmission Planning - Texas
Paul Hassink
212 East Sixth Street
Tulsa, OK 74119
918-599-2653
phassink@aep.com

(b) If to RGEC:

Rio Grande EC
Daniel G. Laws, General Manager/CEO
Hwy 90 and SH 131
P.O. Box 1509
Brackettville, TX 78832
Telephone: (830) 563-2444
Direct dial (830) 563-6112
dlaws@rgec.coop

12.2 The above listed names, titles, and addresses of either Party may be changed upon written notification to the other Party.

ARTICLE XIII - INVOICING AND PAYMENT

13.1 Invoices for any sums due hereunder will be rendered by each Party to the other at the addresses below or by electronic fund transfers made upon notification of wire instructions by the Party of receipt.

If by mail to AEP:

American Electric Power Service Corporation
Attn: Accounts Payable
P.O. Box 24404
Canton, OH 44701-4404

If by mail to RGEC:

Rio Grande Electric Cooperative, Inc.
Attn: Shawn Stanley
P.O. Box 1509
Brackettville, TX 78832

13.2 The above listed mailing addresses or electronic cash transfer instructions of either Party may be changed by written notification to the other Party.

13.3 Unless otherwise mutually agreed, payments shall be due by the 20th calendar day after the date of issuance of the invoice. Interest will accrue on any unpaid amount, calculated in accordance with applicable rules established by FERC. Payments by mail are considered as having been paid on the date of receipt by the Party.

ARTICLE XIV - SUCCESSORS AND ASSIGNS

14.1 Subject to the provisions of Section 14.2 below, this Agreement shall be binding upon and inure to the benefit of the permitted successors and assigns of the respective Parties.

14.2 Neither Party shall assign its interest in this Agreement in whole or in part without the prior written consent of the other Party. Such consent shall not be unreasonably withheld, provided that neither Party will be required to consent to any assignment which would, in its sole judgment and among other reasons, subject it to additional federal or state regulation, result in the imposition of additional costs of administration which the Party requesting assignments does not agree to

reimburse, or in any way diminish the reliability of its system, enlarge its obligations or otherwise create or maintain an unacceptable condition. 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 consent of the other Party, its interest in this Agreement, in whole or in part 1) to a successor that has an in interest to all or a substantial portion of the Party's transmission and distribution business; or 2) in connection with any financing or financial arrangements.

14.3 The several provisions of this Agreement are not intended to and shall not create rights of any character whatsoever in favor of any persons, corporations, or associations other than the Parties to this Agreement, and the obligations herein assumed are solely for the use and benefit of the Parties to this Agreement.

ARTICLE XV – GOVERNING LAW AND REGULATION

15.1 This Agreement was executed in the State of Texas and must in all respects be governed by, interpreted, construed, and enforced in accordance with the laws thereof except as to matters exclusively controlled by the Constitution and statutes of the United States of America. This Agreement is subject to all valid applicable federal, state, and local laws, ordinances, and rules and regulations of duly constituted regulatory authorities having jurisdiction.

15.2 After execution by both Parties, AEP will file this Agreement with the FERC with copies of such filing provided to the PUCT.

15.3 This Agreement, and all obligations hereunder, are expressly conditioned upon obtaining approval or authorization or acceptance for filing by any regulatory body, whose approval, authorization or acceptance for filing is required by law. Both Parties hereby agree to support the approval of this Agreement before such regulatory authority and to provide such documents, information and opinions as may be reasonably required or requested by either Party in the course of approval proceedings.

15.4 In the event that a regulatory authority having jurisdiction over the Parties orders a change in the terms of this Agreement, the Parties agree to negotiate in good faith a replacement term that will most nearly accomplish the purpose and intent of the original term consistent with the regulatory order. If the Parties cannot reach an agreement over the new term and if the old term is an essential provision of this Agreement, either Party may elect to terminate this Agreement, by providing notice of such election to the other upon sixty (60) days prior written notice to the other Party. An election to terminate under this provision shall not affect either Party's duty to perform prior to the effective date of termination.

15.5 In the event any part of this Agreement is declared invalid by a court of competent jurisdiction, the remainder of said Agreement shall remain in full force and effect and shall constitute a binding agreement between the Parties provided, however, that if either Party determines, in its sole discretion, that there is a material change in this Agreement by reason of any provision or application being finally determined to be invalid, illegal or unenforceable, that Party may terminate this Agreement upon sixty (60) days prior written notice to the other Party. An election to terminate under this provision shall not affect either Party's duty to perform prior to the effective date of termination.

ARTICLE XVI – DEFAULT AND FORCE MAJEURE

16.1 Neither Party shall be considered in default with respect to any obligation hereunder, other than the payment of money, if prevented from fulfilling such obligations by reason of any cause beyond its reasonable control, including, but not limited to, outages or interruptions due to weather, accidents, equipment failures or threat of failure, strikes, civil unrest, injunctions or order of governmental authority having jurisdiction. If performance by either Party has been prevented by such event, the affected Party shall promptly and diligently attempt to remove the cause of its failure to perform, except that neither Party shall be obligated to agree to any quick settlement of any strike or labor disturbance, which, in the affected Party's opinion, may be inadvisable or detrimental, or to appeal from any administrative or judicial ruling.

ARTICLE XVII - TERMINATION ON DEFAULT

17.1 Should either of the Parties hereto violate any material provisions of this Agreement, the other Party may terminate this Agreement by giving no less than sixty (60) days prior written notice of its intention to do so and in accordance with the regulations of any regulatory agency with jurisdiction, but no other remedy or remedies, available under the law, for such violation shall be limited in any way because of this provision or the exercise of the right conferred hereunder.

17.2 The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of this Agreement will not be considered to waive the obligations, rights or duties imposed upon the Parties by this Agreement.

ARTICLE XVIII- MISCELLANEOUS PROVISIONS

18.1 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.

18.2 The several provisions of this Agreement are not intended to and shall not create rights of any character in, nor be enforceable by, parties other than the signatories to this Agreement and their assigns.

18.3 Neither Party shall be liable to the other for any indirect, consequential, incidental, punitive or exemplary damages.

18.4 This Agreement shall not affect the obligations or rights of either Party with respect to other agreements. Both Parties to this Agreement represent that there is no agreement or other obligation binding upon it, which, as such Party is presently aware, would limit the effectiveness or frustrate the purpose of this Agreement.

18.5 This Agreement may be amended only upon mutual agreement of the Parties, which amendment will not be effective until reduced in writing and executed by the Parties.

18.6 The descriptive headings of the various sections of this Agreement have been inserted for convenience of reference only and are to be afforded no significance in the interpretation or construction of this Agreement.

18.7 This Agreement will 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 Interconnection Agreement Between AEP Texas Central Company and Rio Grande Electric Cooperative, Inc. to be executed in two (2) counterparts, each of which shall constitute an original, on the day and year first written above.

AEP TEXAS CENTRAL COMPANY

By: /s/ Mike Heyeck
Mike Heyeck
Vice President

Date: June 23, 2010

RIO GRANDE ELECTRIC COOPERATIVE, INC.

By: /s/ Daniel G. Laws
Daniel G. Laws
General Manager/CEO

Date: June 8, 2010

EXHIBIT A

Facility Schedule No	LOCATION OF POINT(S) OF INTERCONNECTION (# of Points)	Interconnection Voltage (kV)	Effective Date in this Agreement or Subsequent Amendments to this Agreement
1	Brackettville (1)	138	February 23, 2004
2	Comstock (0)	-	February 23, 2004 June 23, 2010
3	Pueblo (Eagle Pass) (0)	-	February 23, 2004 June 23, 2010
4	Rough Canyon (Del Rio) (0)	-	February 23, 2004 June 23, 2010

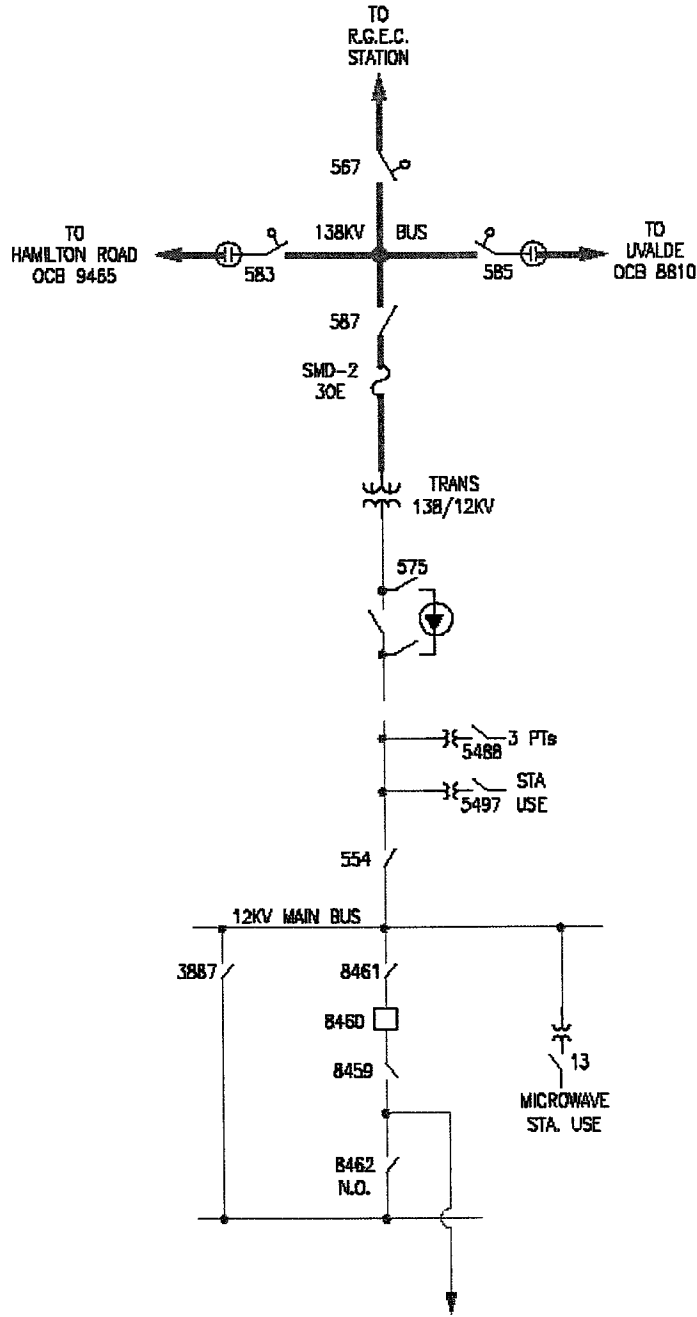
FACILITY SCHEDULE NO. 1

1. **Name:** **Brackettville**
2. **Facility Location:** AEP's and RGEC's Brackettville substations are adjacent to each other and are located on State Hwy 334 approximately 1 mile northeast of the City of Brackettville, in Kinney County, Texas. The Point of Interconnection is located at the structure inside RGEC's substation where the AEP jumper conductors from the AEP station structure physically contact the connectors on RGEC's jumper conductors from RGEC's substation.
3. **Delivery Voltage:** 138 kV
4. **Metered Voltage and Location:** 25 kV inside RGEC's Brackettville Substation compensated for losses to the 138 kV side of the transformer
5. **Normal Operation of Interconnection:** Closed
6. **One Line Diagram Attached:** Yes
7. **Description of Facilities Owned by Each Party:**

AEP and RGEC each own their respective Brackettville substations and all the facilities within them except that AEP owns the metering equipment inside RGEC's substation.
8. **Operational Responsibilities of Each Party:**

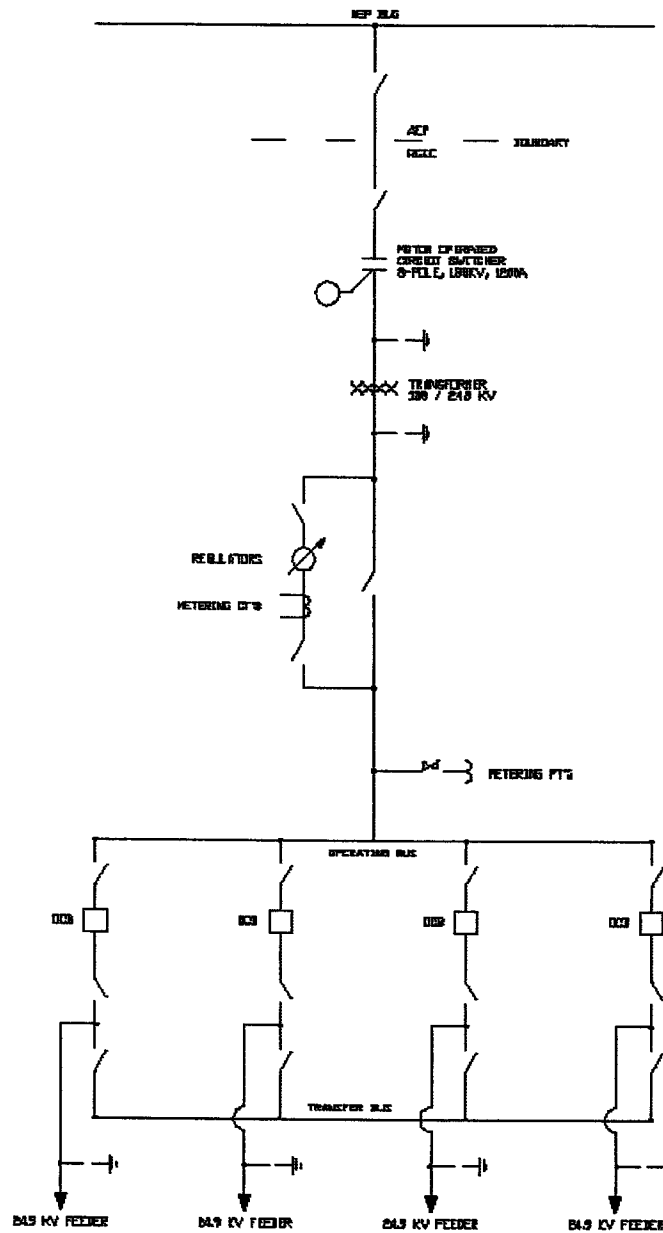
Each Party operates and controls all facilities it owns.
9. **Maintenance Responsibilities of Each Party:**

Each party maintains all facilities it owns.
10. **Other Terms and Conditions:** None



AEP BRACKETTVILLE





Rio Grande Electric Cooperative, Inc.	Brackettville Sub #201
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FACILITY SCHEDULE NO. 2

- 1. Name: Comstock (TERMINATED)**

FACILITY SCHEDULE NO. 3

- 1. Name: Pueblo (Eagle Pass) (TERMINATED)**

FACILITY SCHEDULE NO. 4

- 1. Name: Rough Canyon (Del Rio) (TERMINATED)**

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**AMENDED
INTERCONNECTION AGREEMENT
BETWEEN
AEP TEXAS NORTH COMPANY
AND
RIO GRANDE ELECTRIC COOPERATIVE, INC.**

DATED: June 23, 2010

**AMENDED
INTERCONNECTION AGREEMENT
BETWEEN
AEP TEXAS NORTH COMPANY
AND
RIO GRANDE ELECTRIC COOPERATIVE, INC.**

This Agreement is made and entered into this 23rd day of June, 2010, by and between AEP Texas North Company ("AEP") and Rio Grande Electric Cooperative, Inc. ("RGEC") each sometimes hereinafter referred to individually as "Party" or both referred to collectively as "Parties".

WITNESSETH

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

WHEREAS, the Parties transmission and distribution systems are presently interconnected and such interconnection arrangements were provided for by various agreements that have terminated; and

WHEREAS, this Agreement is an amended interconnection agreement from earlier interconnection agreement dated February 23, 2004 between Parties, (the "2004 Interconnection Agreement"); and

WHEREAS, the Parties want to remove the Illinois No. 4 (Pat Lee) point of interconnection from this Agreement to establish a new point of interconnection with another Transmission Service Provider; and

WHEREAS, the Parties wish to amend this Agreement with the Parker Ranch point of interconnection at the Illinois No. 4 substation; and

WHEREAS, the Parties desire to continue the interconnection of their respective transmission and distribution systems in the respects, and under the terms and conditions set forth below.

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

ARTICLE I – EFFECTIVE DATE AND TERM

1.1 This Agreement and any subsequent addendum to this Agreement shall become effective on the date accepted by the FERC, or any other regulatory agency or agencies having jurisdiction. The Parties shall request an effective date of that first written above in a filing at the FERC, and before any other regulatory agency or agencies having jurisdiction. Unless otherwise mutually agreed, this Agreement shall remain in effect initially for a period of ten (10) years from the effective date, and shall continue in effect thereafter for periods of one year each, unless canceled after such initial period or any subsequent period by either Party upon at least twelve (12) months written notice to the other Party.

ARTICLE II – OBJECTIVE AND SCOPE

2.1 It is the intent of the Parties, by this Agreement, to state the terms and conditions under which the Parties' transmission and distribution systems will be interconnected and to identify the facilities and equipment provided by each Party at the points of interconnection between their systems.

2.2 This Agreement shall apply to the ownership, construction, operation and maintenance of those facilities which are specifically identified and described in the Facility Schedules which are attached hereto and incorporated herein, to permit interchange of power and energy between the Parties.

2.3 This Agreement, including all attached Facility Schedules, 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 if not set forth or provided for herein. This Agreement replaces all other agreements including the 2004 Interconnection Agreement and undertakings, oral and 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 – DEFINITIONS

For purposes of this Agreement, the following definitions shall apply:

3.1 Agreement shall mean this Agreement with all schedules and attachments applying hereto, including any schedules and attachments hereafter made and any amendments hereafter made.

3.2 ERCOT shall mean the Electric Reliability Council of Texas, Inc.

3.3 ERCOT Protocols shall mean the documents adopted by ERCOT, and approved by the PUCT, including any attachments or exhibits referenced in the ERCOT Protocols, as amended from time to time, that contain the scheduling, operating, planning, reliability, and settlement (including customer registration) policies, rules, guidelines, procedures, standards, and criteria of ERCOT.

3.4 Facility Schedule(s) shall mean the addendum(s) to this Agreement that describe the agreement on ownership, cost, operation and maintenance responsibilities of the Parties at the Point(s) of Interconnection and any additional terms and conditions of this Agreement that apply specifically to the Point(s) of Interconnection.

3.5 FERC shall mean the Federal Energy Regulatory Commission or its successor in function.

3.6 Good Utility Practice shall mean 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 which, 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 to be acceptable practices, methods, or acts generally accepted in the region. Good Utility Practice may include, but not be limited to, conformance with the applicable and consistently applied reliability criteria, standards and operating guides of ERCOT and the North American Electric Reliability Council, or successor organization(s).

3.7 Point(s) of Interconnection shall mean the points where the electrical systems of the Parties are or may, by the closure of normally open switches, be connected.

3.8 PUCT shall mean the Public Utility Commission of Texas or its successor in function.

**ARTICLE IV – ESTABLISHMENT AND TERMINATION OF POINTS OF
INTERCONNECTION**

4.1 The Parties agree to interconnect their facilities at the locations, and in accordance with the terms and conditions, specified in the attached Facility Schedules. All Points of Interconnection shall be specified in Exhibit A and Facility Schedules attached hereto and made a part hereof. The Facility Schedules shall specify the responsibilities of the Parties with respect to operation, maintenance and control of the connection facilities, in the general form of initial Facility Schedules 1 through 6 which describe the Points of Interconnection existing at the initiation of this Agreement.

4.2 Unless otherwise provided in a Facility Schedule, each Party shall, at each Point of Interconnection, at its own risk and expense, design, install, or cause the design, and installation of the transmission or distribution facilities (including all apparatus and necessary protective devices) on its side of the Point of Interconnection, so as to reasonably minimize the likelihood of a 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 system of such Party is interconnected. The Parties agree that all Points of Interconnection will be established in conformance with operating guidelines of ERCOT and the ERCOT Protocols, as the same may be amended hereafter. The Parties agree to cause their systems to be constructed in accordance with specifications at least equal to those provided by the National Electrical Safety Code, approved by the American National Standards Institute, in effect at the time of construction. Except as otherwise provided in the Facility Schedules, each Party will be responsible for the equipment and facilities it owns on its side of the Point of Interconnection.

4.3 It is understood that the Points of Interconnection described in Facility Schedules No. 1 through 6 were provided by previous agreements, but from which the descriptions of locations, facility ownership, cost, operation and maintenance responsibilities of the Parties are reflected, to the extent possible, in this Agreement.

4.4 From time to time, a Point of Interconnection may be added, changed, modified, or deleted from this Agreement as mutually agreed by the Parties (not to be unreasonably withheld) and/or as ordered by a regulatory authority having jurisdiction thereof. Any such change, addition, or deletion shall be recorded in Exhibit A and a Facility Schedule in such a way that the numbering of the other Facility Schedules is not changed.

4.5 Unless otherwise provided in a Facility Schedule, and subject to regulatory approval if

required, each Party shall have the right in its sole discretion to disconnect from the other Party at any Point of Interconnection specified herein after twelve (12) months written notice. Such disconnection shall not affect the Term of this Agreement pursuant to Section 1.1.

ARTICLE V. OTHER SERVICES

5.1 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 either Party may desire from the other Party or any third party.

5.2 All transmission and distribution services will be provided and charged under agreements separate from this Agreement in accordance with PUCT Substantive Rules pertaining to these services and the approved tariffs of the Parties.

ARTICLE VI - SYSTEM OPERATION AND MAINTENANCE

6.1 Unless otherwise provided by the Facility Schedules, each Party shall, at each Point of Interconnection, at its own risk and expense, operate and maintain the facilities (including all apparatus and necessary protective devices) it owns or hereafter may own, 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. The Parties agree that all Points of Interconnection will be operated and maintained in conformance with operating guidelines of ERCOT and the ERCOT Protocols, as the same may be amended hereafter.

6.2 Operational responsibility for facilities owned by one Party but installed in another Party's substation or transmission line will be identified in the Facility Schedule for that particular Point of Interconnection.

6.3 During the term of this Agreement, 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. Planned facility maintenance by either Party that will cause a deviation from the normal power and energy flow at a Point of Interconnection will be scheduled at a mutually agreeable time. No changes will be made in the normal operation of a Point of Interconnection without the mutual agreement of the Parties. The Parties will, to the extent

necessary to support continuity of operations, coordinate the operation of protective devices on the facilities they operate in the proximity of the Points of Interconnection which might reasonably be expected to affect the operation of facilities on the other Party's system.

6.4 Each Party will provide the reactive requirements for its own system in accordance with the operating guides as established from time to time by ERCOT or its successor. Each Party will provide the reactive requirements for its own system so as not to impose a burden on the other system.

6.5 During periods of emergency conditions declared by the ERCOT Independent Operator, or its successor, 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 not to 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.

ARTICLE VII - RIGHTS OF ACCESS, EQUIPMENT INSTALLATION, AND REMOVAL

7.1 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 such other Party that is located on such premises or for the purpose of performing any work necessary in the performance of this Agreement.

7.2 Each Party grants to the other permission to install, maintain and operate, or cause to be installed, maintained and operated, on its premises, the necessary equipment, apparatus and devices required for the performance of this Agreement. Any such installation, maintenance, and operation to be performed, except in the case of emergencies, shall be performed only after a schedule of such activity has been submitted and agreed upon by the Parties.

7.3 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, 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 any 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 1) have the right to sell such equipment, apparatus, devices or facilities to the other Party if the other Party

wishes to purchase such equipment, apparatus, devices or facilities or 2) to 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 a reasonable time, 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 incurred by the disposing Party shall be reimbursed by the abandoning party.

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

ARTICLE VIII – METERING AND RECORDS

8.1 All metering equipment required herein shall be selected, installed, tested, operated and maintained by the Party owning such metering equipment in accordance with Good Utility Practice, applicable ERCOT operating and metering guidelines, and the ERCOT Protocols.

8.2 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 give reasonable advance notice 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.

8.3 If any test or inspection of metering equipment shows that it does not meet the accuracy requirements established by ERCOT operating or metering guidelines, whichever is applicable, 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 and energy delivered and received shall be determined in accordance with ERCOT operating or metering guidelines, whichever is applicable.

ARTICLE IX – COMMUNICATION AND TELEMETERING FACILITIES

9.1 Each Party shall provide, at its own expense, the necessary communication and telemetering facilities needed for the control and operation of its transmission system.

9.2 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, applicable ERCOT operating and metering guidelines, and the ERCOT Protocols.

ARTICLE X - TECHNICAL COMMITTEE

10.1 For purposes of administrating this Agreement, a Technical Committee shall be created consisting of one representative from each Party. This Technical Committee shall meet as required, with either representative having the right to convene such a meeting upon reasonable notice to the other representative.

10.2 The Technical Committee shall also be directed to establish procedures for investigating the feasibility of establishing additional normally closed point(s) of interconnection between the Parties' transmission systems that would benefit either Party. Assuming any such investigation results in a finding that the establishment and use of such interconnection would be beneficial to either Party, would not impair the quality of the other Party's existing or planned services and would not require the construction by the other Party of any new transmission facilities, or otherwise increase the cost to the other Party, the Parties agree that, subject to agreement as to ownership, cost, operational responsibility, and scheduling, they will use their best efforts to cooperate with each other in establishing such interconnection.

ARTICLE XI - INDEMNIFICATION

11.1 EACH PARTY SHALL INDEMNIFY, DEFEND AND SAVE HARMLESS THE OTHER PARTY, ITS DIRECTORS, OFFICERS AND AGENTS (INCLUDING, BUT NOT LIMITED TO, DIRECTORS, OFFICERS AND EMPLOYEES OF ITS AFFILIATES AND CONTRACTORS) FROM ANY AND ALL DAMAGES, LOSSES, CLAIMS, INCLUDING CLAIMS AND ACTIONS RELATING TO INJURY TO OR DEATH OF ANY PERSON OR DAMAGE TO PROPERTY, DEMANDS, SUITS, RECOVERIES, COSTS AND EXPENSES, COURT COSTS, ATTORNEY FEES, AND ALL OTHER OBLIGATIONS BY OR TO THIRD PARTIES, ARISING OUT OF OR RESULTING FROM NEGLIGENCE OR OTHER FAULT IN THE DESIGN, CONSTRUCTION OR OPERATION OF THEIR RESPECTIVE FACILITIES DURING THE PERFORMANCE OF THIS AGREEMENT, EXCEPT IN CASES OF NEGLIGENCE OR INTENTIONAL WRONGDOING BY THE OTHER PARTY.

ARTICLE XII –NOTICES

12.1 Notices of an administrative nature, including but not limited to a notice of termination, a request for amendment, a change to a Point of Interconnection or a request for a new Point of Interconnection, shall be forwarded to the designees listed below for each Party and shall be deemed properly given if delivered in writing to the following:

(a) If to AEP:

American Electric Power Service Corporation
Manager, Transmission and Interconnection Services
Robert Pennybaker
212 E. 6th St
Tulsa, OK 74119
P.O. Box 201
Tulsa, OK 74102
Telephone: (918) 599-2723
rlpennybaker@aep.com

With copy to:

American Electric Power Service Corporation
Manager, Transmission Planning - Texas
Paul Hassink
212 East Sixth Street
Tulsa, OK 74119
918-599-2653
phassink@aep.com

(b) If to RGEC:

Rio Grande EC
Daniel G. Laws, General Manager/CEO
Hwy 90 and SH 131
P.O. Box 1509
Brackettville, TX 78832
Telephone: (830) 563-2444
Direct Dial (830) 563-6112
dlaws@rgec.coop

12.2 The above listed names, titles, and addresses of either Party may be changed upon written notification to the other Party.

ARTICLE XIII - INVOICING AND PAYMENT

13.1 Invoices for any sums due hereunder will be rendered by each Party to the other at the addresses below or by electronic fund transfers made upon notification of wire instructions by the Party of receipt.

If by mail to AEP:

American Electric Power Service Corporation
Attn: Accounts Payable
P.O. Box 24404
Canton, OH 44701-4404

If by mail to RGEC:

Rio Grande Electric Cooperative, Inc.
Attn: Shawn Stanley
P.O. Box 1509
Brackettville, TX 78832

13.2 The above listed mailing addresses or electronic cash transfer instructions of either Party may be changed by written notification to the other Party.

13.3 Unless otherwise mutually agreed, payments shall be due by the 20th calendar day after the date of issuance of the invoice. Interest will accrue on any unpaid amount, calculated in accordance with applicable rules established by FERC. Payments by mail are considered as having been paid on the date of receipt by the Party.

ARTICLE XIV - SUCCESSORS AND ASSIGNS

14.1 Subject to the provisions of Section 14.2 below, this Agreement shall be binding upon and inure to the benefit of the permitted successors and assigns of the respective Parties.

14.2 Neither Party shall assign its interest in this Agreement in whole or in part without the prior written consent of the other Party. Such consent shall not be unreasonably withheld, provided that neither Party will be required to consent to any assignment which would, in its sole judgment and among other reasons, subject it to additional federal or state regulation, result in the imposition of additional costs of administration which the Party requesting assignments does not agree to reimburse, or in any way diminish the reliability of its system, enlarge its obligations or otherwise create or maintain an unacceptable condition. 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 consent of the other Party, its interest in this Agreement, in whole or in part 1) to a successor that has an interest to all or a substantial portion of the Party's transmission and distribution business; or 2) in connection with any financing or financial arrangements.

14.3 The several provisions of this Agreement are not intended to and shall not create rights of any character whatsoever in favor of any persons, corporations, or associations other than the Parties to this Agreement, and the obligations herein assumed are solely for the use and benefit of the Parties to this Agreement.

ARTICLE XV – GOVERNING LAW AND REGULATION

15.1 This Agreement was executed in the State of Texas and must in all respects be governed by, interpreted, construed, and enforced in accordance with the laws thereof except as to matters exclusively controlled by the Constitution and statutes of the United States of America. This Agreement is subject to all valid applicable federal, state, and local laws, ordinances, and rules and regulations of duly constituted regulatory authorities having jurisdiction.

15.2 After execution by both Parties, AEP will file this Agreement with the FERC with copies of such filing provided to the PUCT.

15.3 This Agreement, and all obligations hereunder, are expressly conditioned upon obtaining approval or authorization or acceptance for filing by any regulatory body, whose approval, authorization or acceptance for filing is required by law. Both Parties hereby agree to support the approval of this Agreement before such regulatory authority and to provide such documents, information and opinions as may be reasonably required or requested by either Party in the course of approval proceedings.

15.4 In the event that a regulatory authority having jurisdiction over the Parties orders a

change in the terms of this Agreement, the Parties agree to negotiate in good faith a replacement term that will most nearly accomplish the purpose and intent of the original term consistent with the regulatory order. If the Parties cannot reach an agreement over the new term and if the old term is an essential provision of this Agreement, either Party may elect to terminate this Agreement, by providing notice of such election to the other upon sixty (60) days prior written notice to the other Party. An election to terminate under this provision shall not affect either Party's duty to perform prior to the effective date of termination.

15.5 In the event any part of this Agreement is declared invalid by a court of competent jurisdiction, the remainder of said Agreement shall remain in full force and effect and shall constitute a binding agreement between the Parties provided, however, that if either Party determines, in its sole discretion, that there is a material change in this Agreement by reason of any provision or application being finally determined to be invalid, illegal or unenforceable, that Party may terminate this Agreement upon sixty (60) days prior written notice to the other Party. An election to terminate under this provision shall not affect either Party's duty to perform prior to the effective date of termination.

ARTICLE XVI – DEFAULT AND FORCE MAJEURE

16.1 Neither Party shall be considered in default with respect to any obligation hereunder, other than the payment of money, if prevented from fulfilling such obligations by reason of any cause beyond its reasonable control, including, but not limited to, outages or interruptions due to weather, accidents, equipment failures or threat of failure, strikes, civil unrest, injunctions or order of governmental authority having jurisdiction. If performance by either Party has been prevented by such event, the affected Party shall promptly and diligently attempt to remove the cause of its failure to perform, except that neither Party shall be obligated to agree to any quick settlement of any strike or labor disturbance, which, in the affected Party's opinion, may be inadvisable or detrimental, or to appeal from any administrative or judicial ruling.

ARTICLE XVII - TERMINATION ON DEFAULT

17.1 Should either of the Parties hereto violate any material provisions of this Agreement, the other Party may terminate this Agreement by giving no less than sixty (60) days prior written notice of its intention to do so and in accordance with the regulations of any regulatory agency with jurisdiction, but no other remedy or remedies, available under the law, for such violation shall be limited in any way because of this provision or the exercise of the right conferred hereunder.

17.2 The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of this Agreement will not be considered to waive the obligations, rights or duties imposed upon the Parties by this Agreement.

ARTICLE XVIII- MISCELLANEOUS PROVISIONS

18.1 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.

18.2 The several provisions of this Agreement are not intended to and shall not create rights of any character in, nor be enforceable by, parties other than the signatories to this Agreement and their assigns.

18.3 Neither Party shall be liable to the other for any indirect, consequential, incidental, punitive or exemplary damages.

18.4 This Agreement shall not affect the obligations or rights of either Party with respect to other agreements. Both Parties to this Agreement represent that there is no agreement or other obligation binding upon it, which, as such Party is presently aware, would limit the effectiveness or frustrate the purpose of this Agreement.

18.5 This Agreement may be amended only upon mutual agreement of the Parties, which amendment will not be effective until reduced in writing and executed by the Parties.

18.6 The descriptive headings of the various sections of this Agreement have been inserted for convenience of reference only and are to be afforded no significance in the interpretation or construction of this Agreement.

18.7 This Agreement will 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 Interconnection Agreement Between AEP Texas North Company and Rio Grande Electric Cooperative, Inc. to be executed in two (2) counterparts, each of which shall constitute an original, on the day and year first written above.

AEP TEXAS NORTH COMPANY

By: /s/ Mike Heyeck
Mike Heyeck
Vice President

Date: June 23, 2010

RIO GRANDE ELECTRIC COOPERATIVE, INC.

By: /s/ Daniel G. Laws
Daniel G. Laws
General Manager/CEO

Date: June 8, 2010

EXHIBIT A

Facility Schedule No	LOCATION OF POINT(S) OF INTERCONNECTION (# of Points)	Interconnection Voltage (kV)	Effective Date in this Agreement or Subsequent Amendments to this Agreement
1	Alpine (1)	69	February 23, 2004
2	Conoco (1)	69	February 23, 2004
3	City of Presidio Wells (1)	12.5	February 23, 2004
4	Fort Stockton Switching Station (1)	69	February 23, 2004
5	Illinois No. 4 (Pat Lee) (0)	-	February 23, 2004 June 23, 2010
6	Cienega – Presidio Co.	69	February 23, 2004
7	Parker Ranch	14.4	June 23, 2010

FACILITY SCHEDULE NO. 1

1. **Name:** Alpine
2. **Facility Location:** RGEC's Alpine Switching Station is located near the intersection of US Hwy 67 and US Hwy 90 approximately 12 miles northeast of the City of Alpine, in Brewster County, Texas. The Point of Interconnection is located at the dead end line structure at the tap off of AEP's Alpine to Barilla Junction 69 kV transmission line where the RGEC conductors from the substation physically contacts the connectors on AEP's transmission line.
3. **Delivery Voltage:** 69 kV
4. **Metered Voltage and Location:** 69 kV inside the substation
5. **Normal Operation of Interconnection:** Closed
6. **One Line Diagram Attached:** Yes

7. **Description of Facilities Owned by Each Party:**

RGEC owns the Alpine Switching Station and all the facilities within it except for those facilities owned by AEP. RGEC owns the 69 kV transmission line from this station to its Altuda and Persimmon Gap substations.

AEP owns the metering equipment inside the Alpine Switching Station. AEP owns the 69 kV transmission line from its Alpine Substation to Barilla Junction in which RGEC's Alpine Switching Station is tapped including the dead end tap structure and switches in the transmission line.

8. **Operational Responsibilities of Each Party:**

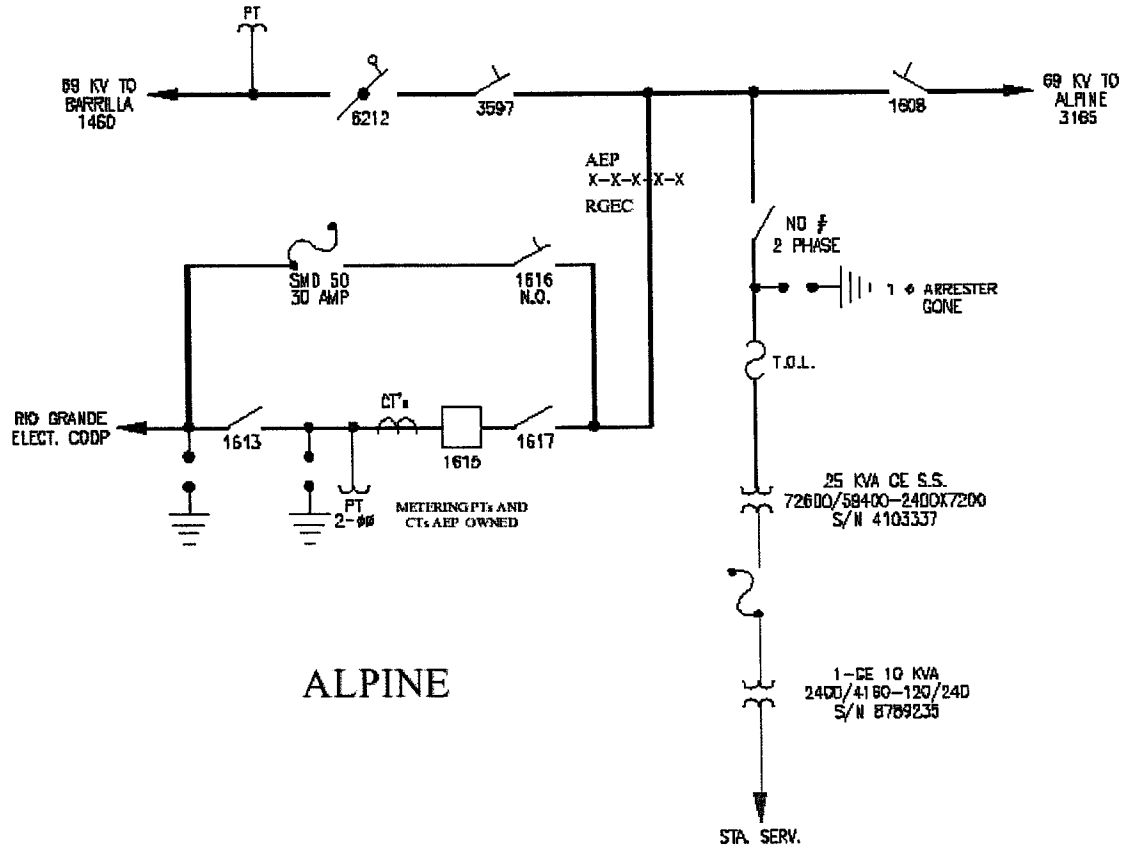
AEP operates and controls all facilities within RGEC's Alpine Switching Station and its Alpine to Barilla Junction 69 kV transmission line.

RGEC has access to circuit breaker #1615 and line side disconnect switch #1613 inside the substation.

9. **Maintenance Responsibilities of Each Party:**

Each Party maintains all facilities it owns.

10. Other Terms and Conditions: None



ALL EQUIPMENT RIO GRANDE ELECTRIC COOP. OWNED EXCEPT THAT WHICH IS MARKED OTHERWISE.

SWITCH 6212 OPENS ON LOSS OF POTENTIAL AND MUST BE MANUALLY RECLOSED.



FACILITY SCHEDULE NO. 2

1. **Name:** Conoco
2. **Facility Location:** RGEC's Conoco Substation is located adjacent to US Hwy 385 approximately 20 miles south of the City of Fort Stockton in Pecos County, Texas. The Point of Interconnection is located at the dead end line structure approximately 11.5 miles northwest of the substation at the tap off of AEP's Alpine to Fort Stockton 69 kV transmission line where the RGEC transmission line from the substation physically contact the connectors on AEP's transmission line.
3. **Delivery Voltage:** 69 kV
4. **Metered Voltage and Location:** 4 kV inside the substation
5. **Normal Operation of Interconnection:** Closed
6. **One Line Diagram Attached:** Yes
7. **Description of Facilities Owned by Each Party:**

RGEC owns the Conoco Substation and all the facilities within it except for the metering equipment that is owned by AEP. RGEC owns the 69 kV transmission line from the substation to and including the switch (#5183) at the tap off of AEP's Alpine to Fort Stockton 69 kV transmission line.

AEP owns the 69 kV transmission line from its Alpine Substation to its Fort Stockton Substation including the line switches (#5173 and 5178) at the tap. AEP owns the metering equipment inside the substation.

8. **Operational Responsibilities of Each Party:**

Each Party operates and controls all facilities it owns. AEP has access to operate RGEC's line tap switch #5183.

9. **Maintenance Responsibilities of Each Party:**

Each Party maintains all facilities it owns.

10. Other Terms and Conditions: None