



Control Number: 35077



Item Number: 192

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**PUBLIC UTILITY COMMISSION OF TEXAS**  
**Substantive Rule 25.195(e)**

**Project No. 35077**

**RESTATED AND AMENDED**

**INTERCONNECTION AGREEMENTS**

**DATED AS OF JULY 28, 2010**

**BETWEEN**

**AEP TEXAS NORTH COMPANY**

**AND**

**SOUTHWEST TEXAS ELECTRIC COOPERATIVE, INC.**

**AND**

**BETWEEN**

**AEP TEXAS NORTH COMPANY**

**AND**

**TAYLOR ELECTRIC COOPERATIVE, INC.**

**JULY 28, 2010**

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**American Electric Power**  
212 E. 6th Street  
Tulsa, OK 74119  
AEP.com



July 29, 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 North Company ("AEPTNC"), hereby submits for filing two (2) unexecuted restated and amended transmission interconnection agreements (the "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 Restated and Amended Interconnection Agreement between AEPTNC and Southwest Texas Electric Cooperative, Inc. ("SWTEC") dated July 28, 2010 (the "AEPTNC-SWTEC IA"); and 2) the Restated and Amended Interconnection Agreement between AEPTNC and Taylor Electric Cooperative, Inc. ("TEC") dated July 28, 2010 (the "AEPTNC-TEC IA"). The Interconnection Agreements restate and replace, in their entirety, the current unexecuted transmission interconnection agreements dated October 22, 2002, between West Texas Utilities Company, (now known as AEPTNC) and SWTEC, ("2002 SWTEC IA") and August 1, 2004, between AEPTNC and TEC, ("2004 TEC IA") that are under the AEP OATT.

#### **Background and Purpose for the Filing**

Prior to these Interconnection Agreements, AEPSC recognized that the 2002 SWTEC IA and the 2004 TEC IA did not reflect the changes in the deregulated Texas wholesale electric market or the terms and conditions necessary to insure the integrity of the transmission system providing for new or modified facility connections required by current electric utility industry standards, rules and practices.

On April 15, 2009, AEPTNC established the new ("Allen") distribution point of interconnection requested by SWTEC. Allen is interconnected to an AEPTNC distribution feeder 2.5 miles northeast of Iraan, Texas, in Crockett County.

SWTEC requested the new ("Pecos River") transmission point of interconnection which will be interconnected by a new AEPTNC radial 69 kV transmission line tapped off the West Yates to Ft. Lancaster 69 kV transmission line near Sheffield, Texas in Crockett County. SWTEC is transferring existing load from the current AEPTNC-SWTEC Sheffield delivery point to the SWTEC Pecos River substation to avoid the cost and delay associated with required upgrades at the AEPTNC Sheffield substation and to accommodate future load requirements of a SWTEC customer.

On March 29, 2010 AEPTNC sold certain of their transmission assets to another ERCOT transmission service provider ("TSP"). As a result of these sales, several TEC points of interconnection, Happy Valley and Roberts delivery points, were effectively transferred to the other ERCOT TSP by their removal from the AEPTNC-TEC IA and inclusion in TEC's agreement with the other ERCOT TSP.

TEC recently requested the new ("Kirby") distribution meter point off of AEPTNC's feeder from the Abilene Canyon Rock substation, located within the city limits of Abilene, Texas, in Taylor County. All of these delivery point changes are identified in the Facility Schedules included in the Interconnection Agreements.

The AEPTNC-SWTEC IA and AEPTNC-TEC IA provide for all of the existing points of interconnection with AEPTNC and SWTEC, and AEPTNC and TEC and are being filed to recognize the arrangements for the continued interconnection of their systems.

### **Requested Effective Date**

AEPSC requests that the Commission accept both the AEPTNC-SWTEC IA and the AEPTNC-TEC IA in their entirety to become effective as of July 28, 2010. The Interconnection Agreements are being filed on an unexecuted basis at this time to allow for necessary work to be done in order to effectuate service to the new delivery points. AEPSC is currently in discussions with SWTEC and TEC and hopes to file executed Interconnection Agreements in the near future to replace the unexecuted Interconnection Agreements.

### **Other Filing Requirements**

AEPSC believes that the materials and information provided herewith are adequate to allow the Commission to accept the Restated and Amended Interconnection Agreements as requested herein. Because the Restated and 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 SWTEC, TEC 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  
212 E. 6<sup>th</sup> Street  
Tulsa, Oklahoma 74119  
rlpennybaker@aep.com

and

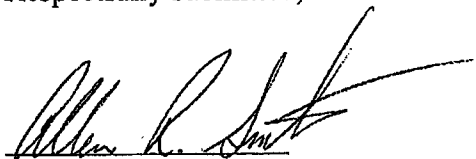
James R. Bacha  
Assistant General Counsel – Legal Regulatory Services  
American Electric Power Service Corporation  
1 Riverside Plaza  
Columbus, Ohio 43215  
jrbacha@aep.com

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

1. this transmittal letter;
2. the AEPTNC-SWTEC Restated and Amended Interconnection Agreement that has been designated as Service Agreement No. 681 under the AEP OATT;
3. the AEPTNC-TEC Restated and Amended Interconnection Agreement that has been designated as Service Agreement No. 682 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,



Allen R. Smith  
Regulatory Consultant for AEPSC

Kimberly D. Bose  
July 29, 2010  
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Enclosures

cc: Robert Pennybaker - AEPSC  
Steven Beaty - AEPSC  
James R. Bacha - AEPSC  
Lauri White – AEPSC  
Darryl Schriver – TEC  
William Whitten - SWTEC

**[LEFT BLANK FOR SEPARATION]**

**RESTATED AND AMENDED  
INTERCONNECTION AGREEMENT  
BETWEEN  
AEP TEXAS NORTH COMPANY  
AND  
SOUTHWEST TEXAS ELECTRIC COOPERATIVE, INC.**

THIS RESTATED AND AMENDED INTERCONNECTION AGREEMENT ("Agreement"), entered into this 28<sup>th</sup> day of July, 2010, by and between AEP Texas North Company, a Texas corporation ("Company"), and Southwest Texas Electric Cooperative, Inc., a Texas cooperative corporation ("Cooperative"), each singularly referred to herein as "Party" and collectively referred to herein as "Parties".

**WITNESSETH**

WHEREAS, this Agreement is a restated and amended interconnection agreement from an earlier interconnection agreement dated October 22, 2002 between West Texas Utilities Company and Southwest Texas Electric Cooperative, Inc., (the "2002 Interconnection Agreement"); and

WHEREAS, the West Texas Utilities Company that entered into the 2002 Interconnection Agreement is now known as AEP Texas North Company; and

WHEREAS, the Parties each own and operate systems in Texas for the transmission and distribution of electric energy and power; and

WHEREAS, the Parties are both members of the Electric Reliability Council of Texas ("ERCOT") and are subject to regulation by the Public Utility Commission of Texas ("PUCT"); and

WHEREAS, the wholesale electricity market in Texas has been changed significantly by the State of Texas, PUCT, and ERCOT since the 2002 Interconnection Agreement was entered into; and

WHEREAS, the Parties recognize that the 2002 Interconnection Agreement does not reflect either the changes in the Texas wholesale electricity market or the terms and conditions that they now desire in an interconnection agreement; and



WHEREAS, the Parties have established or shortly will establish new interconnections between their electrical systems; and

WHEREAS, the Parties have agreed to establish a new distribution point of interconnection known herein and hereafter as Allen, 2.5 miles north of Iraan, Texas, served out of Company's Iraan substation; and

WHEREAS, the Parties wish to establish a new point of interconnection known herein and hereafter as Pecos River on the West Yates to Ft. Lancaster 69 kV transmission line in Crockett County, Texas

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

NOW, THEREFORE, the parties agree to the following:

#### **ARTICLE I - EFFECTIVE DATE AND TERM**

This Agreement and any subsequent addendum to this Agreement shall become effective on the date accepted by the Federal Energy Regulatory Commission (FERC), or any other regulatory agency or agencies having jurisdiction. The Parties shall request the FERC or any other regulatory agency or agencies having jurisdiction, to make the effective date be the date first appearing above. Unless otherwise mutually agreed, this Agreement shall remain in effect initially for a period of five (5) years from the effective date, and shall continue in effect thereafter for periods of two (2) years each unless canceled after such initial period or any subsequent period either by mutual agreement or by either Party upon at least twenty-four (24) months written notice to the other party. Upon termination of this Agreement, each Party shall discontinue the use of the facilities of the other and shall disconnect the Points of Interconnection.

#### **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/or distribution systems will be interconnected and to identify the facilities and equipment provided by each Party at the Points of Interconnection.

2.2 This Agreement shall apply to the ownership, construction, operation, and maintenance of those facilities that are specifically identified and described in the Facility Schedules that are attached hereto and incorporated herein.

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 2002 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; such 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 exhibits, schedules, and attachments applying hereto, including any exhibits, schedules, attachments, and any amendments hereafter made.

3.2 ERCOT shall mean the Electric Reliability Council of Texas, Inc., or its successor in function.

3.3 ERCOT Requirements shall mean the ERCOT Operating Guides, ERCOT Metering Guidelines, and ERCOT Protocols, 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, control, operation, and maintenance responsibilities of the Parties at the Point(s) of Interconnection.

3.5 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 NERC, or successor organization(s).

3.6 NERC shall mean the North American Electric Reliability Corporation or its successor in function.

3.7 NERC Reliability Standards shall mean the mandatory electric reliability standards enforced by NERC.

3.8 Point(s) of Interconnection shall mean the former points of interconnection previously provided for by the 2002 Interconnection Agreement, additional points of interconnection established under this Agreement subsequent to the 2002 Interconnection Agreement and future points of interconnection that may be established under this Agreement at which the electrical systems of the Parties are connected or may, by the closure of normally open switches, be connected.

3.9 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 comply with NERC Reliability Standards as they relate to the interconnection of their facilities at the locations identified and described in the Facility Schedules which are attached hereto and incorporated herein.

4.2 The Parties agree to interconnect their facilities at the locations, and in accordance with the terms and conditions, specified in the attached Facility Schedule(s). All Points of Interconnection shall be specified in Exhibit A and the Facility Schedule(s) attached hereto and made a part hereof. The Facility Schedule(s) shall specify the responsibilities of the Parties with respect to ownership, control, operation, and maintenance of the interconnection facilities.

4.3 It is understood that Points of Interconnection described in Facility Schedule(s) number 2 through 23 were provided for by the 2002 Interconnection Agreement. Descriptions of locations, facilities ownership, operation, and maintenance responsibilities contained in the 2002 Interconnection Agreement are reflected, to the extent possible, in this Agreement.

4.4 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 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 the ERCOT Requirements. 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.

4.5 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. Subject to regulatory approval, if required, either Party may terminate a Point of Interconnection on twelve (12) months advance written notice. Upon termination of a Point of Interconnection, each Party shall discontinue the use of the facilities of the other associated with the use of that Point of Interconnection and shall disconnect from that Point of Interconnection. The Parties agree to use reasonable efforts to coordinate the termination of a Point of Interconnection to minimize any disruption in service by either Party.

4.6 Subject to regulatory approval, if required, unless mutually agreed, neither party shall have the right to disconnect from the other Party at any Point of Interconnection specified on Exhibit A and a Facility Schedule, originally attached to this Agreement or added subsequent to the execution of this Agreement, except as set forth in §4.5 above, or for reason of a material violation of the terms of this Agreement, for which opportunity to correct such violation was given under §15.1 of this Agreement and such violation was not corrected in accordance with said §15.1.

4.7 For facilities not specified in the Facility Schedules, or if either Party makes equipment changes or additions to the equipment at a Point of Interconnection, which may affect the operation or performance of the other Party's interconnection facilities, the Parties agree to notify the other Party, in writing, of such changes. Such changes shall be made in accordance with Good Utility Practice, ERCOT Requirements, the National Electrical Safety Code, other applicable codes, and standards in effect at the time of construction, and coordinated between the Parties.

4.8 Each Party agrees to provide current as-built drawings to the other Party of the facilities owned by that Party at each Point of Interconnection.

4.9 The Parties agree to coordinate and cooperate on assessments of the reliability impacts to the interconnected transmission system for new facilities requesting connection to their distribution or transmission facilities, in accordance with the NERC Reliability Standards.

#### **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, transformation, distribution, metering, operations, and maintenance, engineering, billing or other miscellaneous services will be provided and charged under agreements separate from this Agreement.

#### **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 the ERCOT Requirements.

6.2 Unless otherwise provided by the Facility Schedules, each Party will be responsible for the operation, maintenance and inspection of all facilities it owns now or hereafter may own associated with each Point of Interconnection.

6.3 Unless otherwise provided by the Facility Schedules, each Party shall operate the facilities within its transmission network. The operation of the electrical network shall be such that power flows that enter and exit one Party's transmission network do not have undue impacts on the other Party's transmission network. 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.

6.4 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. Except as otherwise permitted by the terms of this Agreement, 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 that might reasonably be expected to affect the operation of facilities on the other Party's system.

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

6.6 During periods of emergency conditions declared by ERCOT, 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.

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

## **ARTICLE VII - RIGHT 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 Party permission to install, maintain, and/or operate, or cause to be installed, maintained, and/or 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.

7.5 Either Party may request the other Party to upgrade or modify its terminal facilities at a Point of Interconnection in accordance with the other Party's standard design of equipment, provided that the upgrade or modification is consistent with good utility practice and, if applicable, is approved by ERCOT. The requesting Party shall provide the responsive Party a minimum of twenty-four (24) months notice of the upgrade or modification of its terminal facilities at a Point of Interconnection, absent mutual acceptance of a shorter notice period. The Parties agree to use reasonable efforts to coordinate the upgrade or modification of terminal facilities at a Point of Interconnection to minimize any disruption in service by either Party.

## **ARTICLE 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 and the ERCOT Requirements.

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 the ERCOT Requirements, the meter or other equipment found to be inaccurate or defective shall be promptly repaired, adjusted, or replaced by the owner. Should metering equipment fail to register, the power and energy delivered and received shall be determined in accordance with the ERCOT Requirements.

8.4 As long as metering, telemetering or communications facilities are required by the ERCOT Requirements and are operated and maintained in accordance with ERCOT guidelines and Protocols, the Party owning these facilities shall allow the other Party to read the meter by means of the existing telemetering and communications facilities. The other Party shall be responsible for any incremental costs incurred by the owning Party to provide any meter reading capability over and above that which is required by the owning Party.

#### **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 and/or distribution 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 and the ERCOT Requirements.

#### **ARTICLE X - INDEMNIFICATION**

**EACH PARTY SHALL ASSUME ALL LIABILITY FOR, AND 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 (INCLUDING THE EMPLOYEES OF THE INDEMNIFIED PARTY) OR DAMAGE TO PROPERTY (INCLUDING PROPERTY OF THE INDEMNIFIED PARTY) DEMANDS, SUITS, RECOVERIES, COSTS AND EXPENSES, COURT**



**COSTS, 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 AND TO THE EXTENT PERMITTED BY LAW, EXCEPT IN CASES OF NEGLIGENCE OR INTENTIONAL WRONGDOING BY THE OTHER PARTY.**

**ARTICLE XI - NOTICES**

11.1 Notices of an administrative nature, including but not limited to a notice of termination, notice of default, request for amendment, change to a Point of Interconnection, or 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:

If to Company:

Manager, Transmission and Interconnection Services  
American Electric Power Service Corporation  
Robert Pennybaker  
212 East Sixth Street  
Tulsa, OK 74119  
918-599-2723  
rlpennybaker@aep.com

and

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

If to Cooperative:

General Manager  
Southwest Texas Electric Cooperative, Inc.  
William (Buff) Whitten  
P.O. Box 677

Eldorado, TX 76936-0677  
101 East Gillis  
Eldorado, TX 76936  
325-853-2544  
800-643-3980  
wwhitten@swtec.com

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

## **ARTICLE XII - SUCCESSORS AND ASSIGNS**

12.1 Subject to the provisions of §12.2 below, this Agreement shall be binding upon and inure to the benefit of the permitted successors and assigns of the respective Parties.

12.2 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 consent to assignment 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, to a successor to all or a substantial portion of the Party's transmission and distribution business; to any affiliate of the assigning Party with an equal or greater credit rating; to any transmission service provider with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement; or for collateral security purposes in connection with any financing or financial arrangements.

12.3 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 XIII - GOVERNING LAW AND REGULATION**

13.1 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, rules and regulations of duly constituted regulatory authorities having jurisdiction.

13.2 This Agreement and all obligations hereunder, are expressly conditioned upon obtaining approval or authorization or acceptance for filing by any regulatory authority whose approval, authorization, or acceptance for filing is required by law. After execution by both Parties, AEP will file this Agreement with the FERC with copies of such filing provided to the PUCT. Both Parties hereby agree to support the approval of this Agreement before such regulatory authorities and to provide such documents, information, and opinions as may be reasonably required or requested by either Party in the course of approval proceedings.

13.3 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 sixty (60) days prior written notice of such election 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.

13.4 In the event any part of this Agreement is declared invalid by a court of competent jurisdiction, the remainder of this 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 XIV – DEFAULT AND FORCE MAJEURE**

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 or regulatory authority having jurisdiction ("Force Majeure"). 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, that, in the affected Party's opinion, may be inadvisable or detrimental, or to appeal from any administrative or judicial ruling.

#### **ARTICLE XV - TERMINATION ON DEFAULT**

15.1 The term "Default" shall mean the failure of either Party to perform any obligation in the time or manner provided in this Agreement. No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of Force Majeure as defined in this Agreement or the result of an act or omission of the other Party. Upon a Default, the non-defaulting Party shall give written notice of such Default to the defaulting Party. Except as provided in §15.2, the defaulting Party shall have thirty (30) days from receipt of the Default notice within which to cure such Default; provided however, if such Default is not capable of cure within thirty (30) days, the defaulting Party shall commence such cure within thirty (30) days after notice and continuously and diligently complete such cure within ninety (90) days from receipt of the Default notice; and, if cured within such time, the Default specified in such notice shall cease to exist.

15.2 If a Default is not cured as provided in this Section, or if a Default is not capable of being cured within the period provided for herein, the non-defaulting Party shall have the right to terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this Agreement, to recover from the defaulting Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this Section will survive termination of this Agreement.

15.3 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 XVI – MISCELLANEOUS PROVISIONS**

16.1 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.

**16.2 IN NO EVENT SHALL EITHER PARTY BE LIABLE UNDER ANY PROVISION OF THIS AGREEMENT FOR ANY LOSSES, DAMAGES, COSTS OR EXPENSES FOR ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES, INCLUDING BUT NOT LIMITED TO LOSS OF PROFIT OR REVENUE, LOSS OF THE USE OF EQUIPMENT, COST OF CAPITAL, COST OF TEMPORARY EQUIPMENT OR SERVICES, WHETHER BASED IN WHOLE OR IN PART IN CONTRACT, IN TORT, INCLUDING NEGLIGENCE, STRICT LIABILITY, OR ANY OTHER THEORY OF LIABILITY; PROVIDED, HOWEVER, THAT DAMAGES FOR WHICH A PARTY MAY BE LIABLE TO THE OTHER PARTY UNDER ANOTHER AGREEMENT WILL NOT BE CONSIDERED TO BE SPECIAL, INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES HEREUNDER.**

16.3 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.

16.4 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.

16.5 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.

16.6 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.

[signatures are on next page]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by the undersigned authorized representatives.

**AEP TEXAS NORTH  
COMPANY**

**SOUTHWEST TEXAS ELECTRIC  
COOPERATIVE, INC.**

By: \_\_\_\_\_  
Michael Heyeck  
Senior Vice President

By: \_\_\_\_\_  
William Whitten  
General Manager

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT "A"**

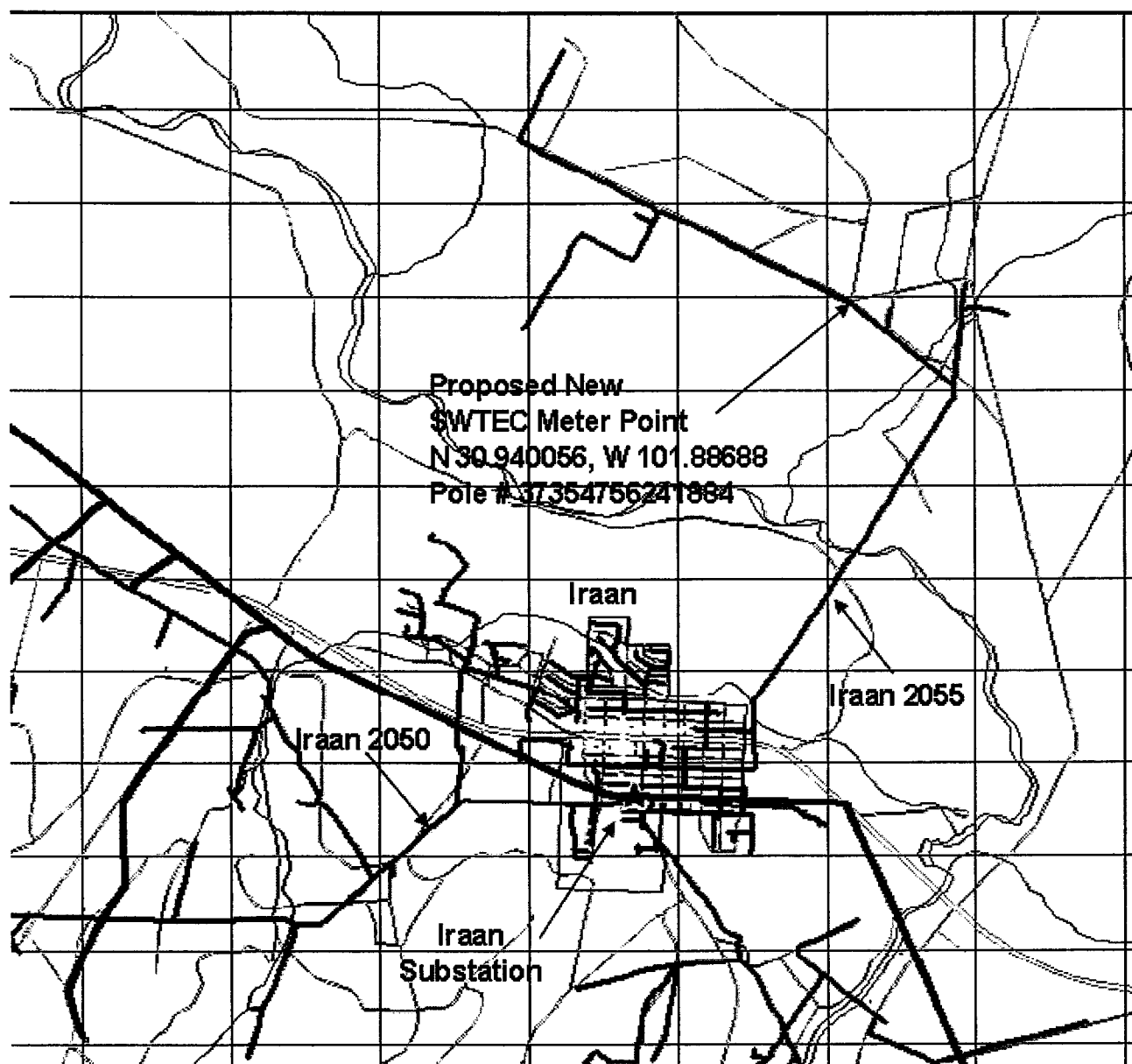
<b>Facility Schedule No.</b>	<b>LOCATION OF POINT(S) OF INTERCONNECTION (# of Points)</b>	<b>INTERCONNECTION VOLTAGE (kV)</b>	<b>LAST DATE(S) OF AMENDMENT IN THIS OR PREVIOUS INTERCONNECTION AGREEMENT*</b>
1	Allen	12.5	April, 15, 2009
2	Arrott	12.5	January 1, 2000
3	Barnhart	12.5	May 14, 1986
4	Big Lake	12.5	January 1, 2000
5	Cauthorn	138	January 1, 2000
6	Eldorado	12.5	January 1, 2000
7	Girvin	12.5	January 1, 2000
8	Hulldale	69.0	January 1, 2000
9	Menard	12.5	January 1, 2000
10	Mertzson	12.5	January 1, 2000
11	Middle Valley 12.5	69.0	January 1, 2000
12	Middle Valley 24.9	69.0	January 1, 2000
13	Midway Lane	12.5	January 1, 2000
14	North Sonora	12.5	January 1, 2000
15	Ozona	69.0	January 1, 2000
16	Powell Field	12.5	January 1, 2000
17	Sheffield	12.5	January 1, 2000
18	Sonora	12.5	January 1, 2000
19	Sonora Atlantic	12.5	January 1, 2000
20	Strauss Ranch	69.0	January 1, 2000
21	Tippett/McCamey	12.5	January 31, 2003
22	Walker Field/Mesa View	12.5	January 31, 2003
23	White-Baker	69.0	January 1, 2000
24	Pecos River	69.0	July 28, 2010

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

### FACILITY SCHEDULE NO. 1

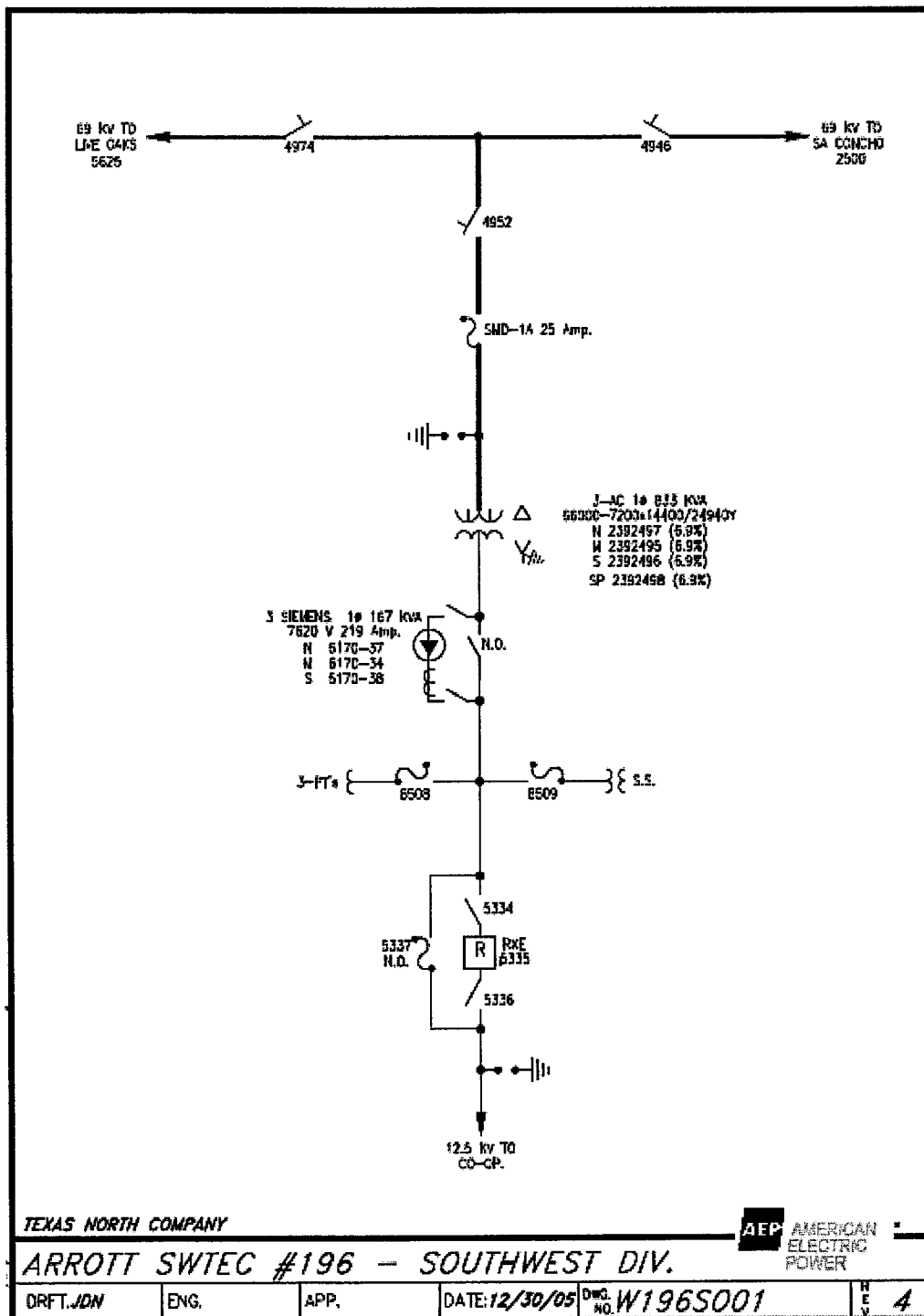
1. Name: **Allen**
2. Facility Location: Pole mounted meter on Company's distribution feeder located approximately 2.5 mile northeast of the city limits of Iraan, Texas.
3. Voltage at Point of Interconnection: 12.5 kV
4. Metered Voltage: 12.5 kV
5. Loss Adjustment Due To Meter Location: None
6. Normal Operation of Interconnection: Closed
7. One-Line Diagram Attached: Yes
8. Description of Facilities Installed and Owned by Each Party:
  - Company owns the feeder facilities on the source side of this Point of Interconnection including the pole and associated metering equipment mounted to it.
  - Cooperative owns the switch and remaining feeder facilities on the load side of this Point of Interconnection.
9. Operational Responsibilities of Each Party:
  - Each Party operates the facilities it owns.
10. Maintenance Responsibilities of the Parties:
  - Each Party maintains the facilities it owns.
11. Maximum Contract Demand: 1,000 kW
12. Other Terms and Conditions: None





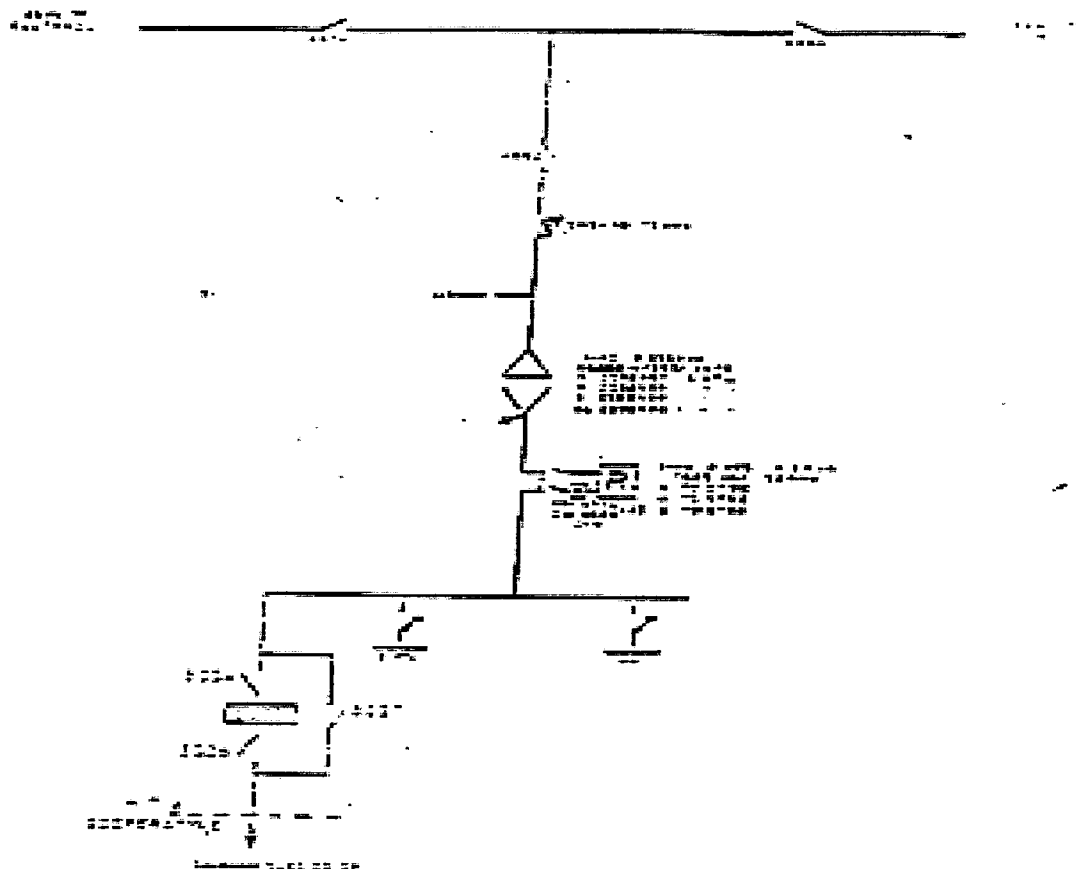
## **FACILITY SCHEDULE NO. 2**

1. Name: **Arrott**
2. Facility Location: Point of Interconnection is in Company Arrott substation, eight (8) miles south of Christoval, TX, Schleicher County, on Highway 277, then two-hundred (200) yards east of highway.
3. Voltage at Point of Interconnection: 12.5 kV
4. Metered Voltage: 12.5 kV
5. Loss Adjustment Due to Meter Location: No
6. Normal Operation of Interconnection: Closed
7. One-Line Diagram Attached: Yes
8. Description of Facilities Installed and Owned by Each Party:
9. Operation Responsibilities of Each Party:
  - Each Party operates the facilities it owns.
10. Maintenance Responsibilities of Each Party:
  - Each Party maintains the facilities it owns.
11. Maximum Contract Demand: 1,050 kW
12. Other Terms and Conditions:
  - Cooperative is to have access to OCR #5335 and load side disconnect #5336.



## ARROTT SUBSTATION

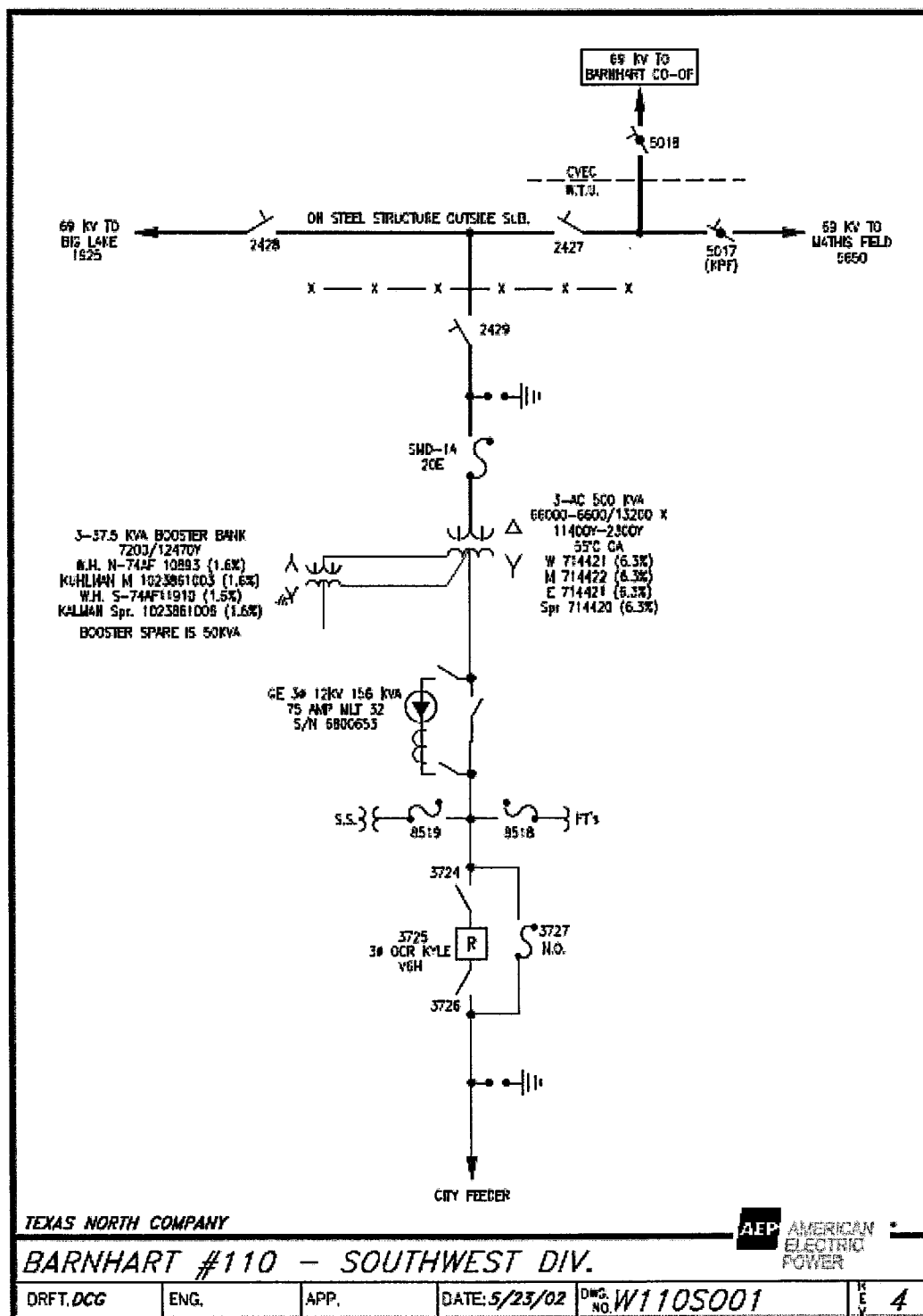
### ONE LINE DIAGRAM FOR EXHIBIT A



1. Southwest Texas Electric Co-op is to have access to OCR 5135 and the line side disconnect 5136 in West Texas Utilities Arrott Substation.
2. OCR and switches indicated above as 5134, 5135, 5136, and 5137 are proposed facilities to be installed by HTU.
3. Dashed line indicates change of ownership.

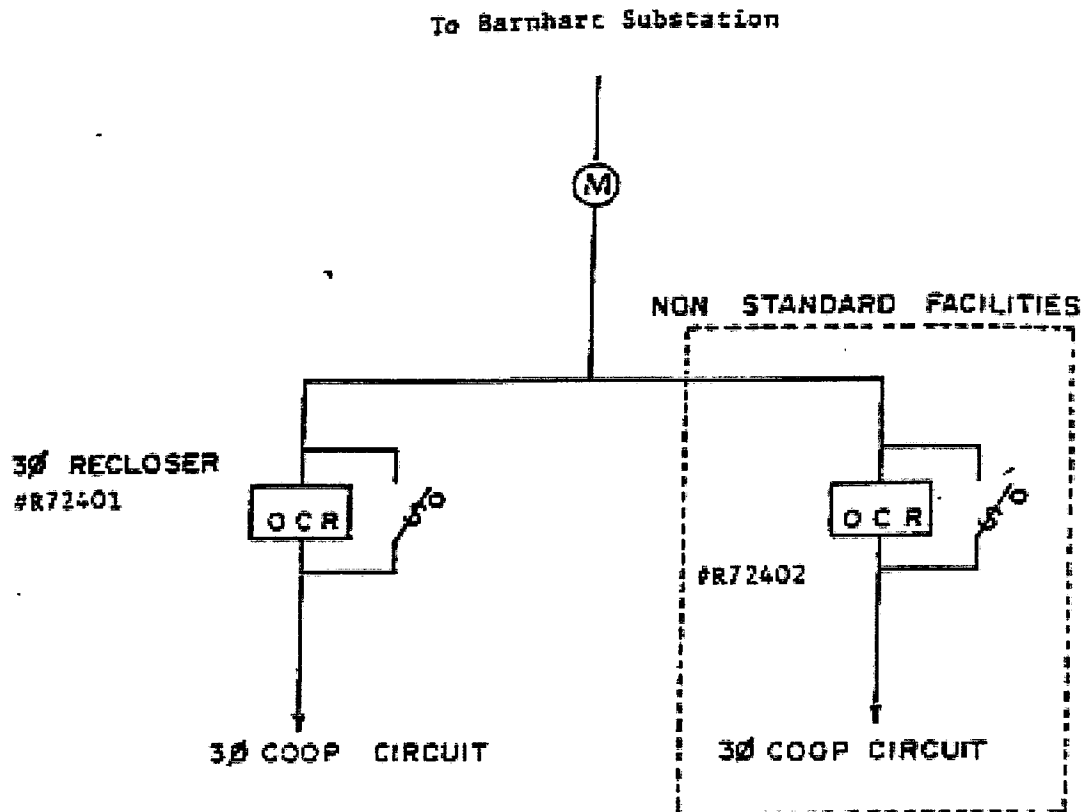
### FACILITY SCHEDULE NO. 3

1. Name: **Barnhart**
2. Facility Location: Point of Interconnection is one (1) mile north of Barnhart, TX, Irion County, west of and adjacent to State Highway 163.
3. Voltage at Point of Interconnection: 12.5 kV
4. Metered Voltage: 12kV
5. Loss Adjustment Due To Meter Location: No
6. Norman Operation of Interconnection: Closed
7. One-Line Diagram Attached: Yes
8. Description of Facilities Installed and Owned by Each Party:
9. Operation Responsibilities of Each Party:
  - Each Party operates the facilities it owns.
10. Maintenance Responsibilities of Each Party:
  - Each Party maintains the facilities it owns.
11. Maximum Contract Demand: 522 kW
12. Other Terms and Conditions:
  - Cooperative is to have access to OCR #R72401 and #R724002



## BARNHART SUBSTATION

### ONE LINE DIAGRAM FOR EXHIBIT A



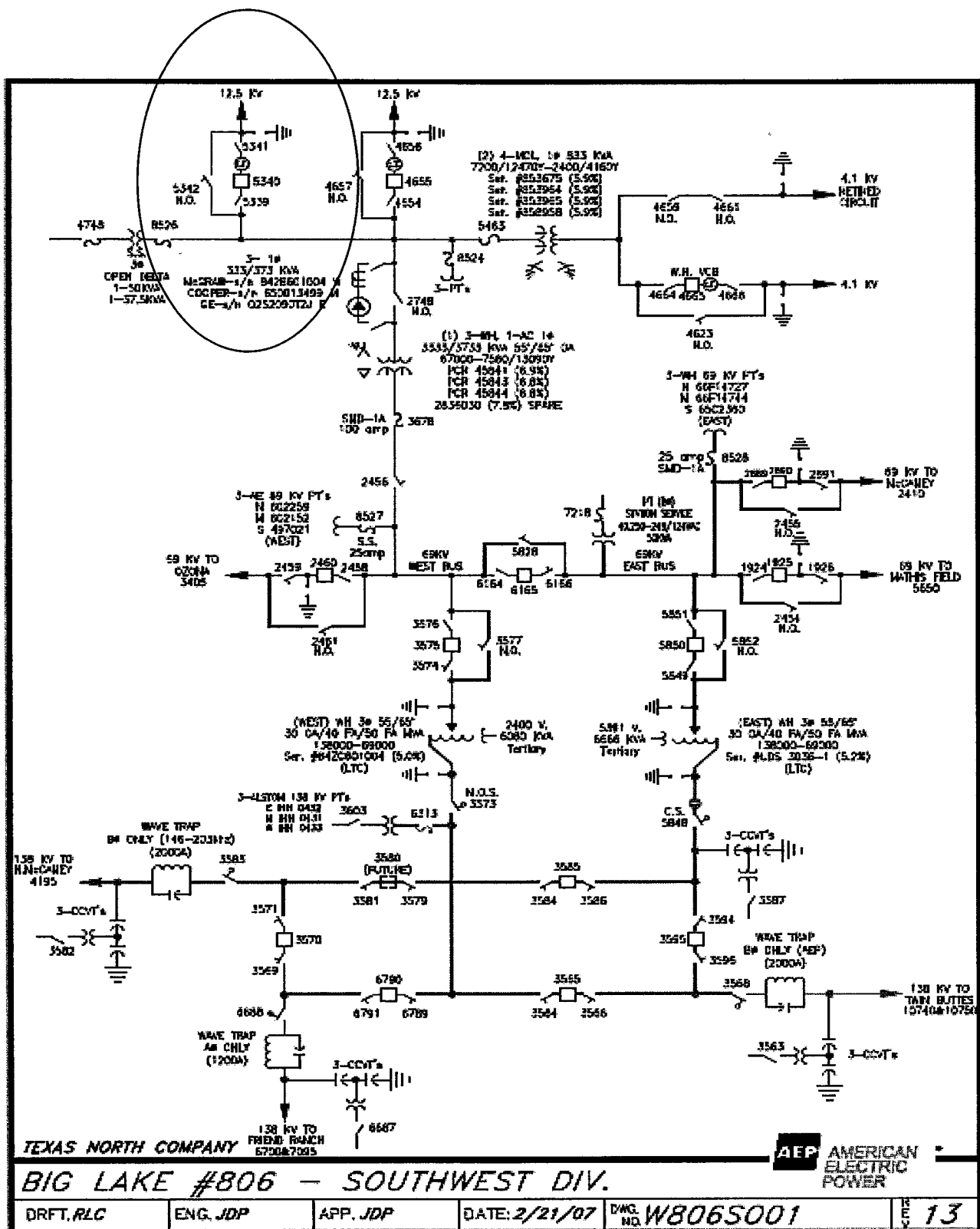
1. Southwest Texas Electric Co-op is to have access to OCR #R72401 and OCR #R72402.
2. OCR #R72402 with its associated switches, poles, x-arms, wire, down guys, etc. are non-standard facilities.
3. OCR #R72401 and OCR #R72402 are proposed facilities that are to be installed at the meter point.

*INSTALLED  
5-14-86*

#### **FACILITY SCHEDULE NO. 4**

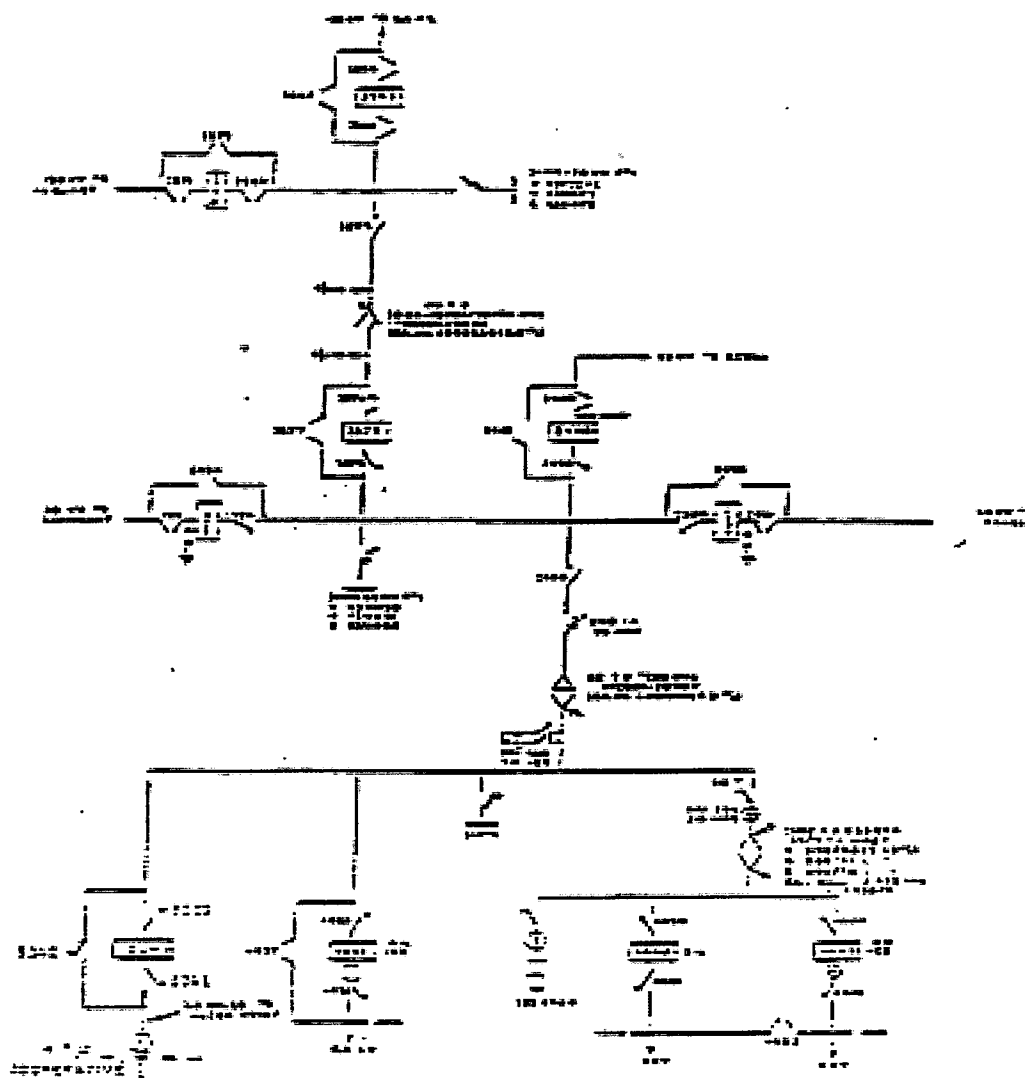
1. Name: **Big Lake**
2. Facility Location: Point of Interconnection is two (2) miles east of Big Lake, TX, Reagan County, south of and adjacent to US 67
3. Voltage at Point of Interconnection: 12.5 kV
4. Metered Voltage: 12kV
5. Loss Adjustment Due To Meter Location: No
6. Normal Operation of Interconnection: Closed
7. One-Line Diagram Attached: Yes
8. Description of Facilities Installed and Owned by Each Party:
9. Operation Responsibilities of Each Party:
  - Each Party operates the facilities it owns.
10. Maintenance Responsibilities of Each Party:
  - Each Party maintains the facilities it owns.
11. Maximum Contract Demand: 1,890 kW
12. Other Terms and Conditions:
  - Cooperative is to have access to OCB 5340 and load side disconnect switch 5341





## BIG LAKE SUBSTATION

### ONE LINE DIAGRAM FOR EXHIBIT A



1. Dashed line indicates change of ownership.
2. Southwest Texas Electric Co-op is to have access to OCB 5340 and line side disconnect switch 5341 in the West Texas Utilities Co. Big Lake Substation.
3. OCB 5340 and switches 5339, 5341 and 5342 are proposed facilities that are to be installed in WTU's Big Lake Substation.

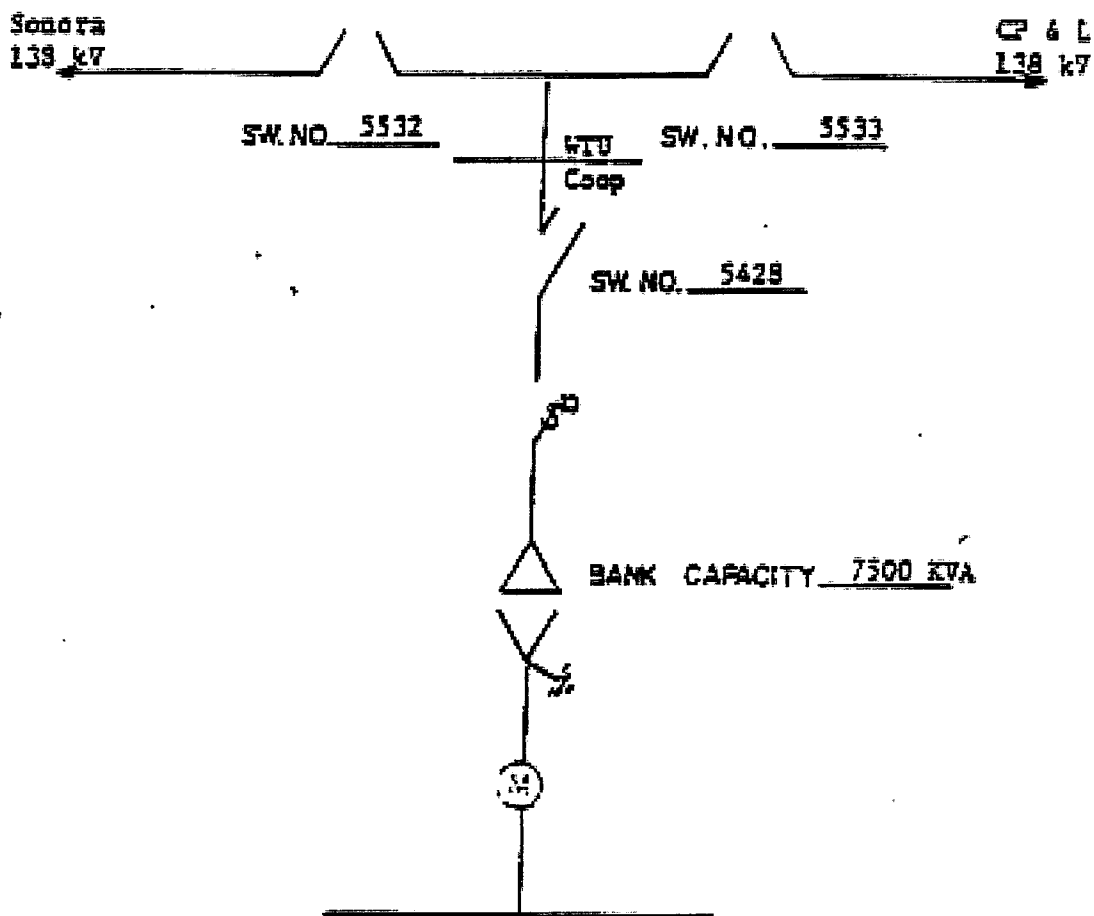
## **FACILITY SCHEDULE NO. 5**

1. Name: **Cauthorn**
2. Facility Location: Point of Interconnection is in Cooperatives substation. Survey 22, GC & SF RR Company Survey of Sutton County approximately 5900' north of the Sutton and Edwards count line. Approximately two and a quarter (2.25) miles northwest of where US Highway 277 and State Road 55 intersect.
3. Voltage at Point of Interconnection: 138.0 kV
4. Metered Voltage: 24.9kV
5. Loss Adjustment Due To Meter Location: No
6. Norman Operation of Interconnection: Closed
7. One-Line Diagram Attached: Yes
8. Description of Facilities Installed and Owned by Each Party:
9. Operation Responsibilities of Each Party:
  - Each Party operates the facilities it owns.
10. Maintenance Responsibilities of Each Party:
  - Each Party maintains the facilities it owns.
11. Maximum Contract Demand: 900 kW
12. Other Terms and Conditions:
  - Company is to have access to switch 5428
  - PT & CT sold to Cooperative

METER POINT NAME

Caulborn

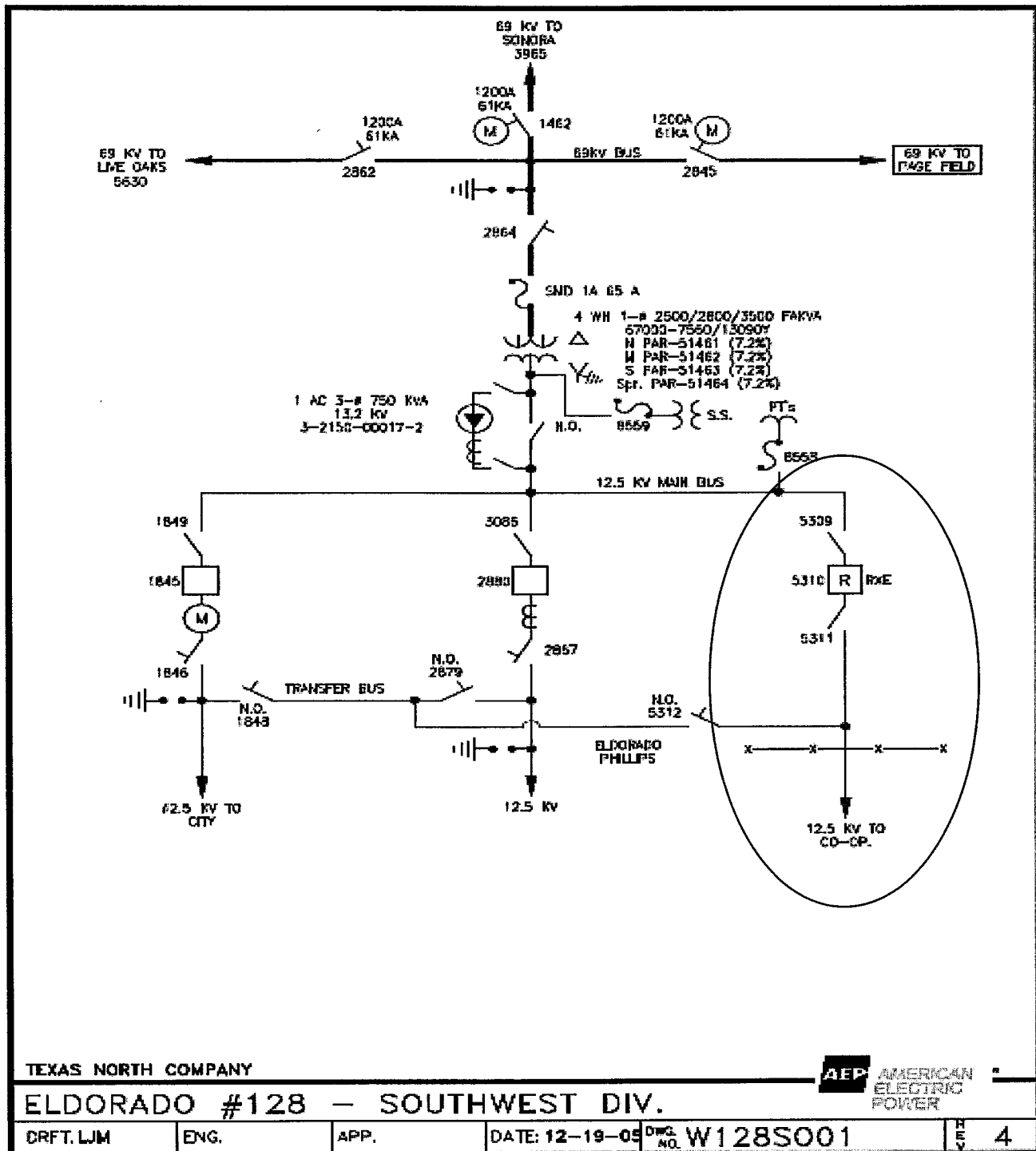
## ONE LINE DIAGRAM FOR EXHIBIT A



1. Dashed line indicates point of change in ownership.
2. West Texas Utilities Company is to have access to Southwest Texas Electric Coop's Switch # 5428.

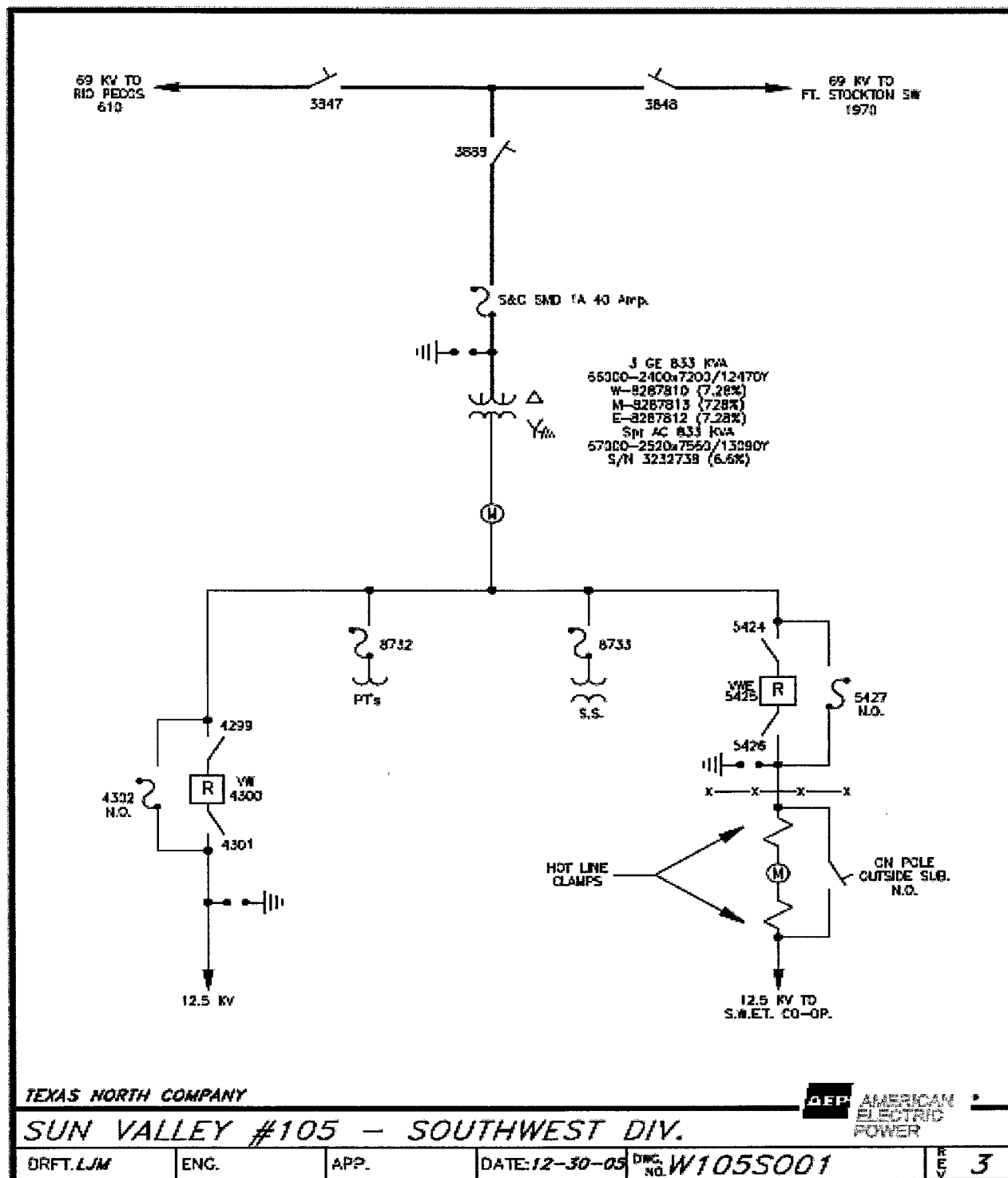
## FACILITY SCHEDULE NO. 6

1. Name: **Eldorado**
2. Facility Location: Point of Interconnection is East of Eldorado, TX, Schleicher County, on Highway 190, north side of Highway behind Highway Dept. buildings.
3. Voltage at Point of Interconnection: 12.5 kV
4. Metered Voltage: 12.5 kV
5. Loss Adjustment Due To Meter Location: No
6. Normal Operation of Interconnection: Closed
7. One-Line Diagram Attached: Yes
8. Description of Facilities Installed and Owned by Each Party:
9. Operation Responsibilities of Each Party:
  - Each Party operates the facilities it owns.
10. Maintenance Responsibilities of Each Party:
  - Each Party maintains the facilities it owns.
11. Maximum Contract Demand: 1,450 kW
12. Other Terms and Conditions:



### **FACILITY SCHEDULE NO. 7**

1. Name: **Girvin**
2. Facility Location: Point of Interconnection is eighteen (18) miles west of McCamey, TX on US 67, then Northwest on Sun Valley Rd. 6.5 miles, then Northeast 1.7 miles to Company's Sun Valley substation, then 50' west of substation to primary meter pole.
3. Voltage at Point of Interconnection: 12.5 kV
4. Metered Voltage: 12.5 kV
5. Loss Adjustment Due To Meter Location: No
6. Norman Operation of Interconnection: Closed
7. One-Line Diagram Attached: Yes
8. Description of Facilities Installed and Owned by Each Party:
9. Operation Responsibilities of Each Party:
  - Each Party operates the facilities it owns.
10. Maintenance Responsibilities of Each Party:
  - Each Party maintains the facilities it owns.
11. Maximum Contract Demand: 600 kW
12. Other Terms and Conditions:





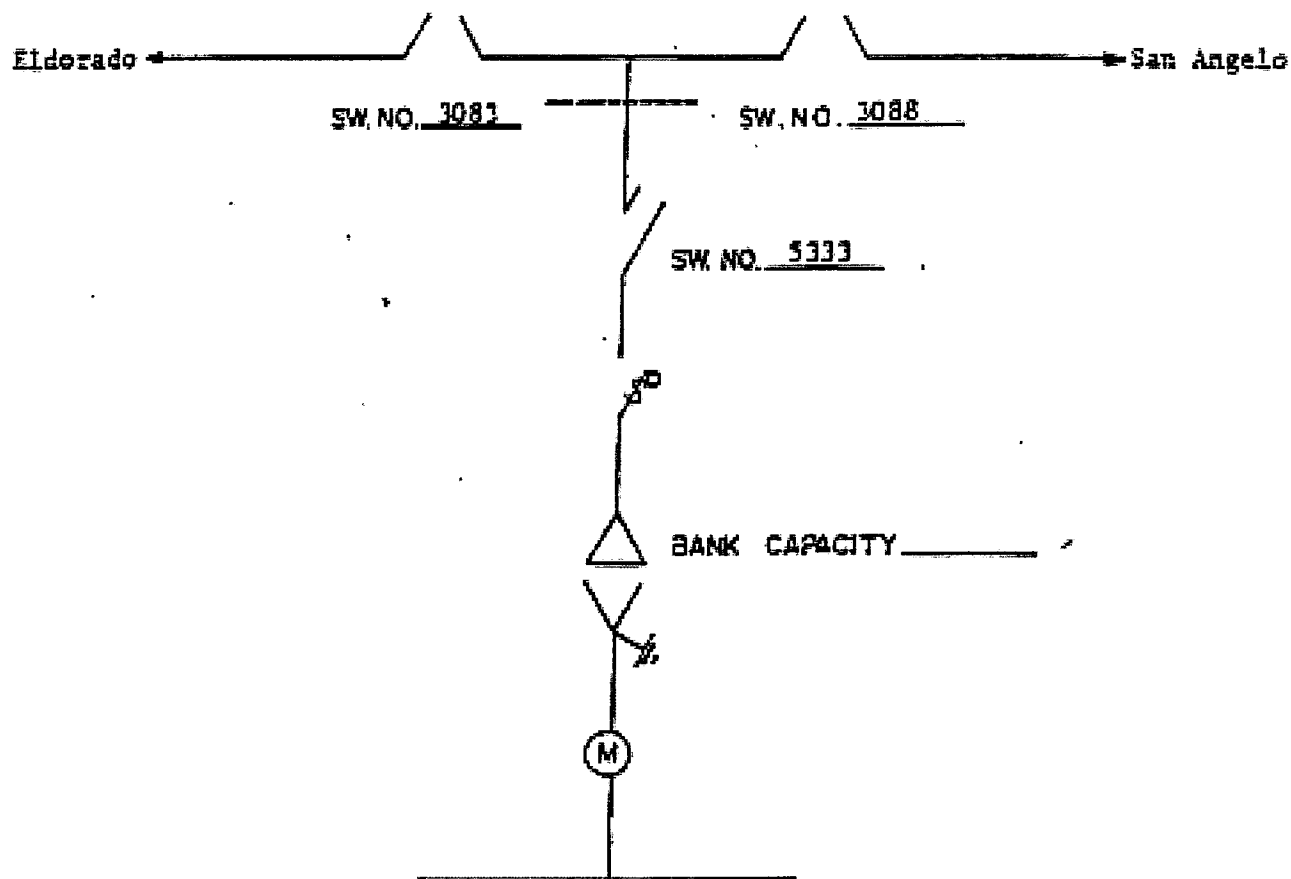
### FACILITY SCHEDULE NO. 8

1. Name: **Hulldale**
2. Facility Location: Point of Interconnection is in Cooperative substation, ten (10) miles north of Eldorado, TX, Schleicher County, east side of Highway 277
3. Voltage at Point of Interconnection: 69.0 kV
4. Metered Voltage: 12.5 kV
5. Loss Adjustment Due To Meter Location: No
6. Normal Operation of Interconnection: Closed
7. One-Line Diagram Attached: Yes
8. Description of Facilities Installed and Owned by Each Party:
9. Operation Responsibilities of Each Party:
  - Each Party operates the facilities it owns.
10. Maintenance Responsibilities of Each Party:
  - Each Party maintains the facilities it owns.
11. Maximum Contract Demand: 1,460 kW
12. Other Terms and Conditions:
  - Company is to have access to switch 5333
  - PT & CT sold to Cooperative

METER POINT NAME

Hulldale

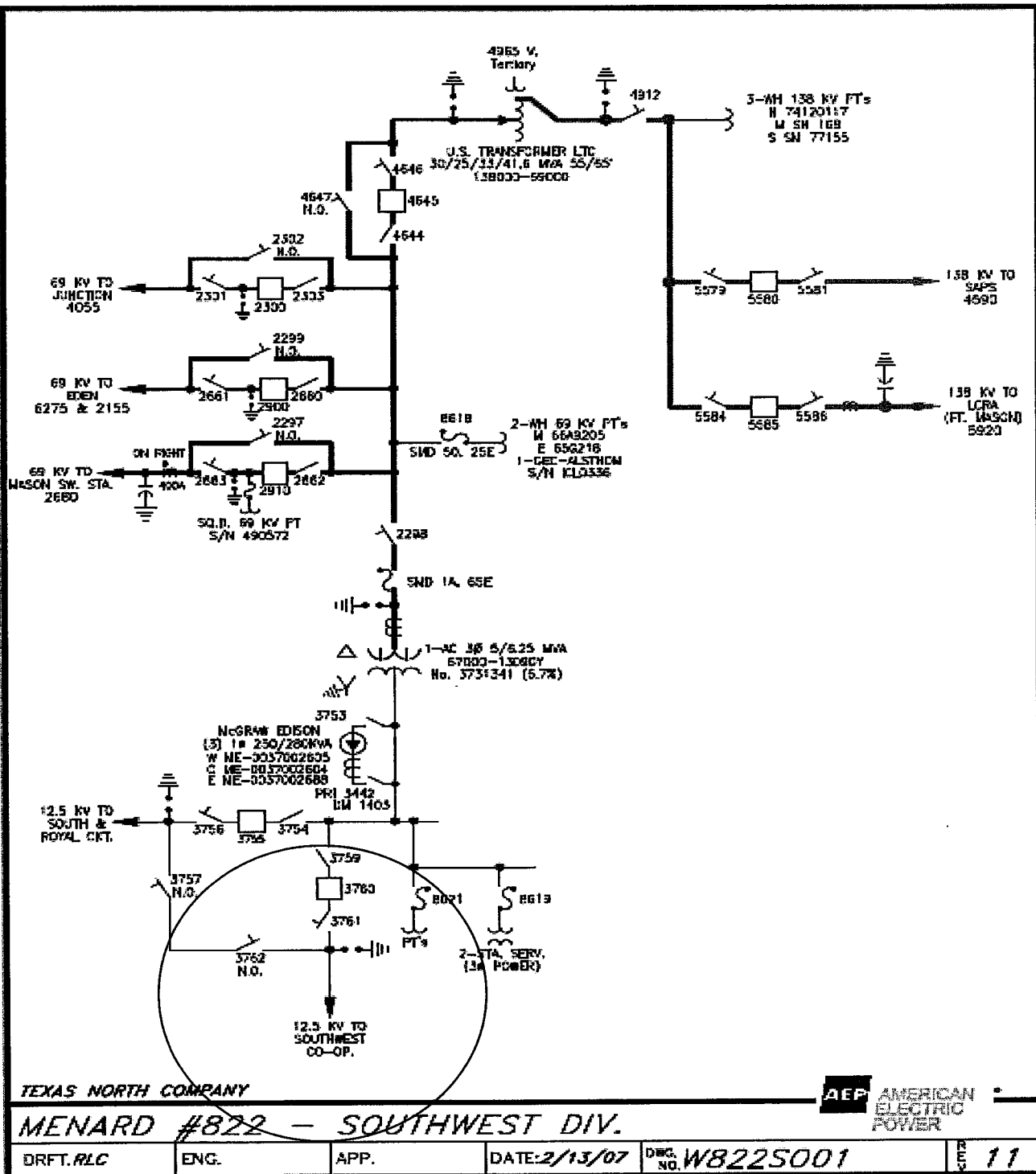
## ONE LINE DIAGRAM FOR EXHIBIT A



1. West Texas Utilities Co. is to have access to Bank switch #5333.

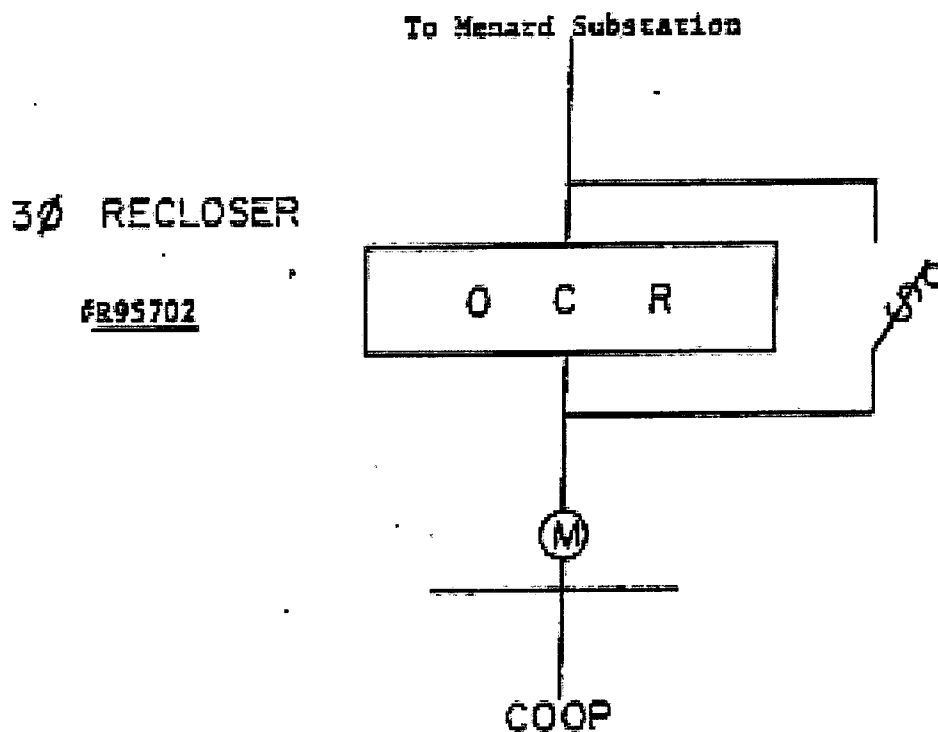
### FACILITY SCHEDULE NO. 9

1. Name: **Menard**
2. Facility Location: Point of Interconnection is two (2) miles west of Menard, TX, Menard County, on Highway 190.
3. Voltage at Point of Interconnection: 12.5 kV
4. Metered Voltage: 12.5 kV
5. Loss Adjustment Due To Meter Location: No
6. Normal Operation of Interconnection: Closed
7. One-Line Diagram Attached: Yes
8. Description of Facilities Installed and Owned by Each Party:
9. Operation Responsibilities of Each Party:
  - Each Party operates the facilities it owns.
10. Maintenance Responsibilities of Each Party:
  - Each Party maintains the facilities it owns.
11. Maximum Contract Demand: 870 kW
12. Other Terms and Conditions:
  - Cooperative is to have access to OCR #R95702



Menard

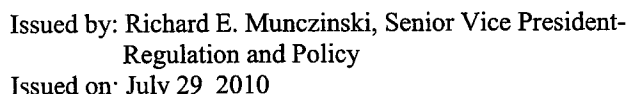
## ONE LINE DIAGRAM FOR EXHIBIT A



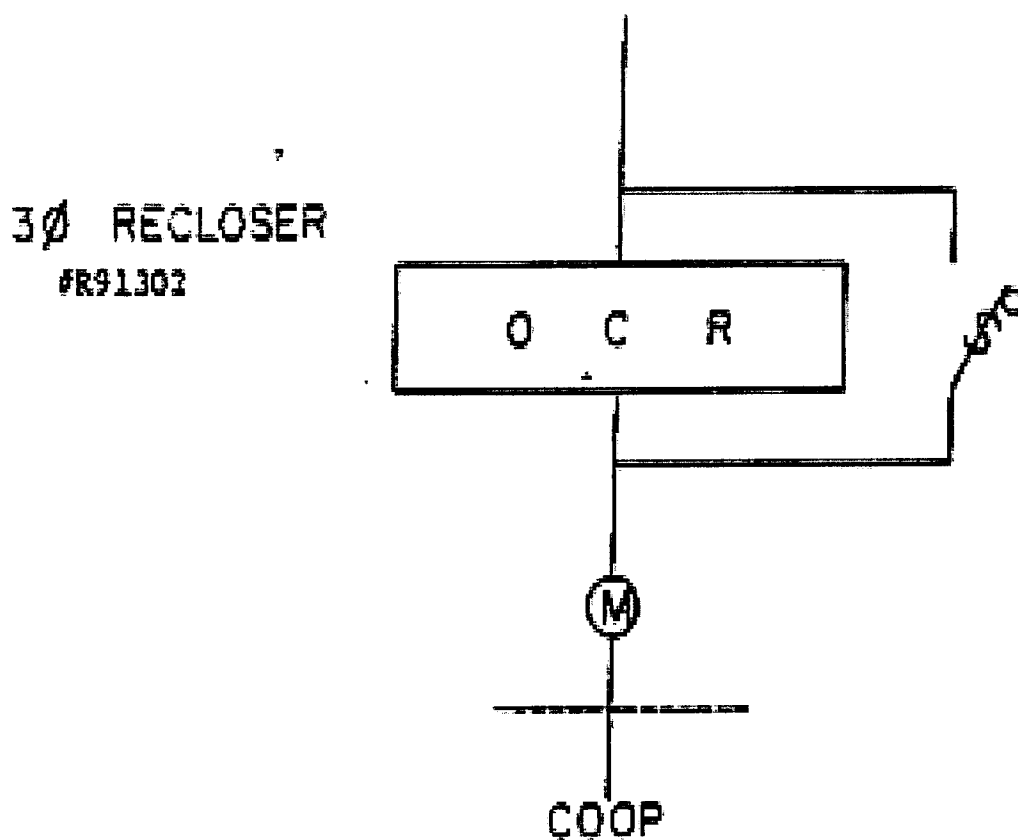
1. Southwest Texas Electric Co-op is to have access to OCR #R95702.
2. Dashed line indicates change of ownership.
3. OCR #R95702 is a proposed facility that is to be installed at the meter point.

### FACILITY SCHEDULE NO. 10

1. Name: **Mertzon**
2. Facility Location: Point of Interconnection is Approximately eight (8) miles east of Mertzon, TX, Irion County on the main road through the Brooks Oil Field, quarter (.25) mile north
3. Voltage at Point of Interconnection: 12.5 kV
4. Metered Voltage: 12.5 kV
5. Loss Adjustment Due To Meter Location: No
6. Norman Operation of Interconnection: Closed
7. One-Line Diagram Attached: Yes
8. Description of Facilities Installed and Owned by Each Party:
9. Operation Responsibilities of Each Party:
  - Each Party operates the facilities it owns.
10. Maintenance Responsibilities of Each Party:
  - Each Party maintains the facilities it owns.
11. Maximum Contract Demand: 400 kW
12. Other Terms and Conditions:
  - Cooperative is to have access to OCR #R91302



## MERTZON SUB



1. Southwest Texas Electric Coop is to have access to OCR R91302.
2. Dashed line indicates point of change in ownership.

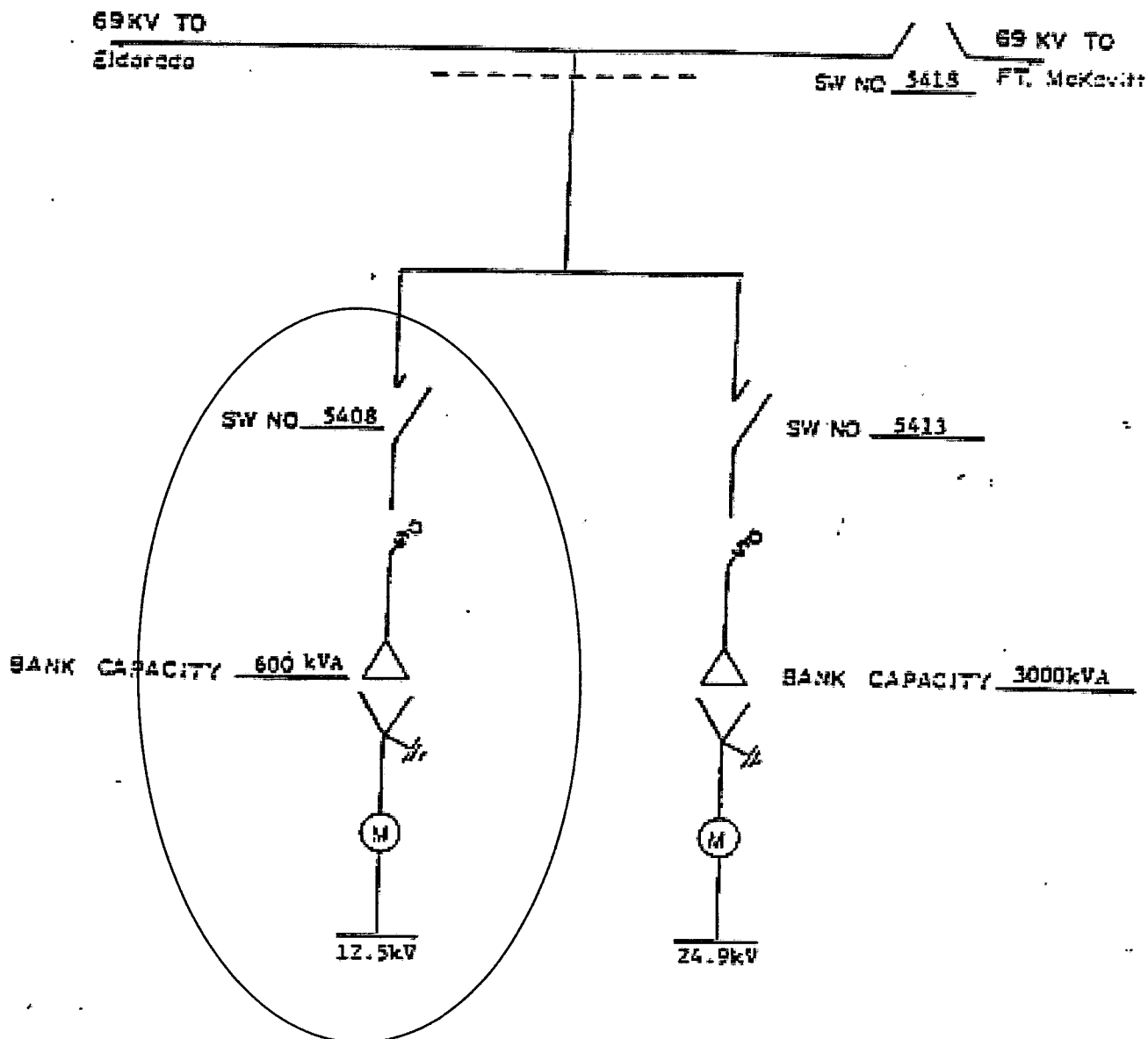


## FACILITY SCHEDULE NO. 11

1. Name: **Middle Valley 12.5**
2. Facility Location: Point of Interconnection is inside Cooperative's substation on 12.5 kV side of the transformer banks
3. Voltage at Point of Interconnection: 69.0 kV
4. Metered Voltage: 12.5 kV
5. Loss Adjustment Due To Meter Location: No
6. Normal Operation of Interconnection: Closed
7. One-Line Diagram Attached: Yes
8. Description of Facilities Installed and Owned by Each Party:
9. Operation Responsibilities of Each Party:
  - Each Party operates the facilities it owns.
10. Maintenance Responsibilities of Each Party:
  - Each Party maintains the facilities it owns.
11. Maximum Contract Demand: 570 kW
12. Other Terms and Conditions:
  - Company is to have access to switch 5408
  - PT & CT sold to Cooperative

Middle Valley Substation

ONE LINE DIAGRAM FOR EXHIBIT A



1. Dashed line indicates point of change in ownership.
2. West Texas Utilities is to have access to switches # 5408 and # 5413.