

Control Number: 35077



Item Number: 277

Addendum StartPage: 0



PUBLIC UTILITY COMMISSION OF TEXAS  
Substantive Rule 25.195(e)

Project No. 35077

**Interconnection Agreement**

Dated as of April 16, 2004  
Notice of Assignment Dated May 6, 2010

Between

AEP TEXAS NORTH COMPANY

and

PUBLIC SERVICE COMPANY OF OKLAHOMA AS  
OPERATION PROJECT MANAGER ON BEHALF OF THE  
PARTICIPANTS IN OKLAUNION UNIT NO. 1

January 19, 2012

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American Electric Power  
1 Riverside Plaza  
Columbus, OH 43215  
AEP.com

May 6, 2010

**VIA E-MAIL AND OVERNIGHT MAIL**

Public Service Company of Oklahoma as Operation Project Manager  
Attn: Perry M. Barton, Oklaunion Plant Manager  
12567 FM Road 3430  
Oklaunion, TX 76373

John W. Seidensticker  
Senior Counsel  
614/716-1638 (P)  
614/716 2014 (F)  
jwseidensticker@aep.com

***Re: Notice of Assignment of ERCOT Generation Interconnection Agreement  
between AEP Texas North Company and Public Service Company of Oklahoma  
as Operation Project Manager on Behalf of the Participants in Oklaunion Unit  
No. 1 for the Oklaunion Power Station, dated as of April 16, 2004 (the  
"Interconnection Agreement")***

Dear Mr. Barton:

The purpose of this letter is to provide notice that AEP Texas North Company ("INC") assigned all of its rights and obligations under the above-referenced Interconnection Agreement to Electric Transmission Texas, LLC ("ETT") effective as of the first moment (local time in Austin, Texas) on March 29, 2010 (the "Effective Time"). Effective as of the Effective Time, all references to "Transmission Service Provider" in the Interconnection Agreement should be read to mean "ETT".

This letter shall also serve as notification of a change of address for notices pursuant to Section 9.4 of the Interconnection Agreement. Please direct any future notices of an operational nature to:

Electric Transmission Texas, LLC  
c/o American Electric Power Service Corporation  
Attn: Manager, Transmission Dispatch  
5502 Corporate Drive  
Corpus Christi, TX 78405  
Fax: (361) 561-7004  
e-mail: [dkunkel@aep.com](mailto:dkunkel@aep.com)

with a copy to:

Calvin Crowder, President  
Electric Transmission Texas, LLC  
400 W 15th Street, Suite 800  
Austin, TX 78701 1677  
Fax: (866) 947-1063  
e-mail: [jccrowder@aep.com](mailto:jccrowder@aep.com)

Perry M Barton  
May 6, 2010  
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Please direct any future notices of an administrative nature to:

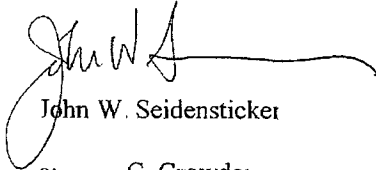
Electric Transmission Texas, LLC  
c/o American Electric Power Service Corporation  
Manager, Transmission & Interconnection Services  
P.O. Box 201  
Tulsa, OK 74119  
Fax: (918) 599-3003

with a copy to

Calvin Crowder, President  
Electric Transmission Texas, LLC  
400 W 15th Street, Suite 800  
Austin, TX 78701 1677  
Fax: (866) 947-1063  
e-mail: [jccrowder@aep.com](mailto:jccrowder@aep.com)

If you have any questions, please feel free to contact me

Sincerely,



John W. Seidensticker

c: C Crowder  
A Hobbs  
R. Pennybaker  
C. Mayne

**ERCOT GENERATION  
INTERCONNECTION AGREEMENT  
BETWEEN  
AEP TEXAS NORTH COMPANY  
AND  
PUBLIC SERVICE COMPANY OF OKLAHOMA AS  
OPERATION PROJECT MANAGER ON BEHALF OF THE  
PARTICIPANTS IN OKLAUNION UNIT NO. 1**

**For the  
Oklaunion Power Station**

**Dated as of: April 16, 2004**

**ERCOT GENERATION INTERCONNECTION AGREEMENT  
BETWEEN  
AEP TEXAS NORTH COMPANY  
AND  
PUBLIC SERVICE COMPANY OF OKLAHOMA AS OPERATION  
PROJECT MANAGER ON BEHALF OF THE PARTICIPANTS IN  
OKLAUNION UNIT NO. 1**

This ERCOT Generation Interconnection Agreement (including all Exhibits hereto, this "Agreement") is dated as of this 16<sup>th</sup> day of April, 2004, between AEP Texas North Company ("Transmission Service Provider") and Public Service Company of Oklahoma as Operation Project Manager on Behalf of the Participants in Oklaunion Unit No. 1 ("Generator"), hereinafter individually referred to as "Party," and collectively referred to as "Parties." In consideration of the mutual covenants and agreements herein contained, the Parties hereto agree as follows:

Transmission Service Provider represents that it is a public utility that owns and operates facilities for the transmission and distribution of electricity. Generator represents that it operates, on behalf of the Participants in Oklaunion Unit No.1, an electric generating facility located at Oklaunion, Texas, and generally known as the Oklaunion Power Station (the "Plant"). Pursuant to the terms and conditions of this Agreement, Transmission Service Provider shall continue to interconnect Generator's Plant with Transmission Service Provider's System for the purpose of providing to Generator transmission service under the OATT and all applicable laws or regulations. Should a conflict arise between this Agreement and the OATT or applicable law or regulation, the OATT or applicable law or regulation shall prevail.

This Agreement applies only to the Plant and the Parties' interconnection facilities as identified in Exhibit "B", and does not provide for transmission service or guarantee the availability of transmission service.

This Agreement shall become effective on June 30, 2004, subject to Governmental Authority approval, if required, and shall continue in full force and effect until terminated in accordance with Exhibit "A."

This Agreement will be subject to the following, all of which are incorporated herein:

- A. The "Terms and Conditions of the ERCOT Generation Interconnection Agreement" attached hereto as Exhibit "A";

- B. The ERCOT Requirements (unless expressly stated herein, where the ERCOT Requirements are in conflict with this Agreement, the ERCOT Requirements shall govern);
- C. The PUCT Rules (where the PUCT Rules are in conflict with this Agreement, the PUCT Rules shall govern);
- D. The Interconnection Details attached hereto as Exhibit "B"; and
- E. The notice requirements attached hereto as Exhibit "C".



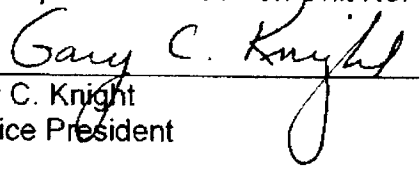
IN WITNESS WHEREOF, the Parties have executed this Agreement in duplicate originals, each of which shall constitute and be an original effective Agreement between the Parties.

Generator:

Transmission Service Provider:

Public Service Company of Oklahoma  
as Operation Project Manager on Behalf  
of the Participants in Oklahoma Unit No. 1

AEP TEXAS NORTH COMPANY

  
BY: Gary C. Knight  
TITLE: Vice President

  
BY: Richard P. Verret  
TITLE: Vice President

**Exhibit "A"**

**Terms and Conditions of the ERCOT  
Generation Interconnection Agreement**

**ARTICLE 1. DEFINITIONS**

Capitalized terms shall have the meanings as set forth below, except as otherwise specified in the Agreement:

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

1.2 "ERCOT Operating Guides" shall mean the operating practices adopted by ERCOT, and approved by the PUCT, as amended from time to time, that contain the systems functioning policies, rules, guidelines, procedures, standards, and criteria of ERCOT.

1.3 "ERCOT Protocols" shall mean the documents adopted by ERCOT, and approved by the PUCT, including any attachments or exhibits referenced in the 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.

1.4 "ERCOT Requirements" means all ERCOT Operating Guides, ERCOT Protocols, IO Generation Interconnection Procedures as well as any other documents adopted by the IO or ERCOT relating to the interconnection and operation of generators and transmission systems in ERCOT as amended from time to time, and any successors thereto. Any requirement specified in any of the foregoing as applicable to generation owners, generation facilities or GIF owned by Generator shall be the responsibility of

Generator, and any requirement specified in any of the foregoing as applicable to transmission providers or TIF shall be the responsibility of TSP.

1.5 "FERC" shall mean the Federal Energy Regulatory Commission, or any successor thereto.

1.6 "GIF" shall mean Generator's interconnection facilities that may be either owned or leased by Generator as described in Exhibit "B".

1.7 "Good Utility Practice" shall have the meaning described in PUCT Rule 25.5(31) or its successor.

1.8 "Governmental Authority(ies)" shall mean any federal, state, local or municipal body having jurisdiction over a Party.

1.9 "Interconnection Guidelines" shall mean the applicable sections of the Transmission Service Provider's "Guidelines for Generation, Transmission and Transmission Electricity End-Users Interconnections Facilities" as currently published by Transmission Service Provider and as the same may be modified from time to time in the future.

1.10 "IO" shall mean the ERCOT Independent Operator.

1.11 "IO Generation Interconnection Procedures" shall mean the documents adopted by the ERCOT Independent Operator, and approved by the PUCT, including any attachments or exhibits referenced therein, as amended from time to time, that contain the generation interconnection policies, rules guidelines, procedures, standards, and criteria of the ERCOT Independent Operator.

1.12 "OATT" shall mean the Open Access Transmission Service Tariff under which TSP offers non-discriminatory open access transmission service, as amended or supplemented from time to time and as approved by FERC.

1.13 "Plant" shall mean the electric generation facility owned and operated by Generator, and generally described in Exhibit "B".

1.14 "Point of Interconnection" shall mean the location(s) where the TIF connect to the TSP System as negotiated and defined by the Parties and as shown on Exhibit "B" of this Agreement.

1.15 "PUCT" shall mean the Public Utility Commission of Texas, or any successor thereto.

1.16 "PUCT Rules" shall mean the Substantive Rules of the PUCT.

1.17 "System Protection Equipment" shall mean those facilities part of the TIF and the GIF respectively, consisting of protective relay systems, locks and seals, breakers, automatic synchronizers, associated communication equipment and other control and protective apparatus reasonably necessary under Good Utility Practice for the operation of the Plant in parallel with the TSP System to permit the TSP System to operate economically, reliably and safely in their normal manner.

1.18 "TIF" shall mean TSP's interconnection facilities as described in Exhibit "B" to this Agreement.

1.19 "TSP" shall mean the Transmission Service Provider, which is an entity under the jurisdiction of the PUCT that owns or operates Transmission Facilities used for the transmission of electricity and provides transmission service in the ERCOT Transmission Grid.

1.20 "TSP System" shall mean the electric transmission facilities, including the TIF, and all associated equipment and facilities owned and/or operated by TSP.

## ARTICLE 2. TERMINATION

2.1 Termination Procedures. This Agreement may be terminated as follows:

A. Generator may terminate this Agreement after giving TSP thirty (30) days advance written notice; or

B. TSP may terminate this Agreement (1) upon retirement of the Plant or (2) at such time as TSP is no longer regulated by FERC and is not otherwise obligated to maintain an interconnection agreement with Generator under then applicable laws, rules and/or regulations, by giving at least sixty (60) days written notice to Generator; or

C. Either Party may terminate this Agreement in accordance with Section 9.6.

D. Termination of this Agreement by either Party shall not relieve the Parties of any obligations accruing under this Agreement prior to such termination.

2.2 Disconnection. Upon termination of this Agreement, the Parties agree to negotiate in good faith a replacement interconnection agreement, such replacement interconnection agreement targeted to be effective upon the effective date of termination of this Agreement. Unless then-applicable laws, rules and/or regulations require TSP to maintain an interconnection with the Plant, or unless otherwise agreed by the Parties, Generator will disconnect the GIF from the TIF upon termination of this Agreement.

### ARTICLE 3. REGULATORY FILINGS

3.1 Filing. TSP shall file this Agreement with the Governmental Authority(ies) with which such filing is required by applicable laws or regulations. Any portions of this Agreement asserted by Generator to contain competitively sensitive commercial or financial information shall be filed by TSP identified as "confidential", under seal stating, for TSP's showing of good cause, that Generator asserts such information is confidential information and has requested such filing under seal. If requested by TSP, Generator shall provide TSP, in writing, with Generator's basis for asserting that the information referred to in this Section 3.1 is competitively sensitive information, and TSP may disclose such writing to the appropriate Governmental Authority.

3.2 Regulatory Approvals. Generator agrees that it shall seek, in a timely manner, any federal or state regulatory consents, approvals, certifications, filings or orders that may be required of Generator as a condition of Generator's execution, delivery or performance of this Agreement and any amendments hereto. Generator and TSP agree to assist one another and use all reasonable efforts in obtaining such approvals or making all filings and approvals required under this Section 3.2 as promptly as practicable.

### ARTICLE 4. FACILITIES AND EQUIPMENT

4.1 Existing Facilities. The TIF and GIF described in Exhibit B are presently in service. The Parties acknowledge that all TIF and GIF were constructed consistent with Good Utility Practice, ERCOT requirements, the Interconnection Guidelines, and the National Electric Safety Code in effect at the time of construction.

Issued by: J. Craig Baker, Senior Vice President-  
Regulation and Policy  
Issued on: April 30, 2004

Effective June 30, 2004

4.2 Equipment Changes. If either Party makes equipment changes or additions to the Plant, the GIF, or the TIF that are reasonably expected to affect materially the operation or performance of the other Party's interconnection facilities, the Party shall provide reasonable advance notice to the other Party, in writing, of such changes. Such changes shall be made in accordance with ERCOT Requirements and Interconnection Guidelines and shall be subject to the Parties' mutual agreement through good faith negotiations to ensure that such changes will comply with all ERCOT Requirements and Interconnection Guidelines. If TSP makes changes to the TSP System that are reasonably expected to affect materially the operation or performance of the Plant, the GIF or the TIF, TSP agrees to provide in writing reasonable advance notice to Generator consistent with confidentiality and regulatory requirements. In the case of such changes to the TSP System, the Parties agree such changes shall be made in accordance with ERCOT Requirements and shall be subject to the Parties' mutual agreement through good faith negotiations to ensure that such changes will comply with all ERCOT Requirements and Interconnection Guidelines. Additional facilities at the Plant or GIF, including but not limited to generators, transmission connection and transmission voltage devices that are to operate in synchronism with the TSP System, shall not be energized without approval of TSP or until any necessary or appropriate amendments to this Agreement are executed and delivered

4.3 Metering, Telemetry and Communications Requirements.

A. Metering and telemetry of data will be in accordance with ERCOT Requirements and the Interconnection Guidelines.

B. TSP will provide Generator reasonable advance notice of any planned maintenance, inspection, testing, or calibration of the metering equipment, unless otherwise agreed to in writing. Generator, or its designated representative, shall have the right to be present for these activities and to receive copies of any documents related to the procedures and results.

C. Each Party will promptly advise the other Party if it detects or otherwise has knowledge of any metering, telemetry or communications equipment errors or malfunctions that require attention and/or correction by the other Party. The Party owning such equipment shall correct such error or malfunction as soon as reasonably feasible in accordance with ERCOT Requirements and the Interconnection Guidelines.

#### 4.4 System Protection and Other Controls Requirements.

A. Subject to Article 4.4 (D), Generator shall be responsible for protection of its facilities consistent with ERCOT Requirements and the Interconnection Guidelines.

B. Subject to Article 4.4 (D), each Party's protective relay design shall incorporate the necessary test switches to perform the tests required in Section 4.4.F. The required test switches will be placed so that they allow operation of lockout relays while preventing breaker failure schemes from operating and causing unnecessary breaker operations and tripping Generator's units.

C. Subject to Article 4.4 (D), recording equipment shall be installed to analyze all system disturbances in accordance with ERCOT Requirements and the Interconnection Guidelines.

D. The Parties acknowledge that the Plant, TIF and GIF are existing facilities, which were installed prior to execution of this Agreement. The Parties are not required



by this Agreement to implement changes to the existing Plant, TIF or GIF according to Articles 4.4 (A), (B) and (C) unless ERCOT implements such requirements and specifies that they are applicable to existing facilities. The Parties will incorporate the obligations of Articles 4.4 (A), (B) and (C), as appropriate, for the installation of new facilities or upon replacement of existing facilities. Should either Party become aware that any new facilities at the Plant, TIF and GIF do not comply with Articles 4.4(A), 4.4(B) and 4.4(C), the Parties shall immediately take steps to correct any non-compliance.

E. Each Party will test, operate and maintain System Protection Equipment in accordance with ERCOT Requirements and the Interconnection Guidelines. Each Party will provide reasonable notice to the other Party of any testing of its System Protection Equipment allowing such other Party the opportunity to have representatives present during testing of its System Protection Equipment.

F. At intervals suggested by Good Utility Practice or at intervals described in the ERCOT Requirements and the Interconnection Guidelines (if so described therein), and following any apparent malfunction of the System Protection Equipment, each Party shall perform both calibration and functional trip tests of its System Protection Equipment. These tests do not require the tripping of any in-service generation unit. These tests do, however, require that all protective relays and lockout contacts be activated.

4.5 No Annexation. Any and all equipment placed on the premises of a Party shall be and remain the property of the Party providing such equipment regardless of the

mode and manner of annexation or attachment to real property, unless otherwise mutually agreed by the Parties.

4.6 Related Agreements. The Parties are parties to an agreement under which certain equipment, which was the property of TSP, was transferred to and became the property of Generator. The facilities described in Exhibit B reflect the end result of such transfer of ownership.

## ARTICLE 5. OPERATION AND MAINTENANCE

### 5.1 Operation and Maintenance

A. Operation and Maintenance of Interconnection Facilities. The Parties agree to operate and maintain their systems in accordance with Good Utility Practice, National Electrical Safety Code, the ERCOT Requirements, the Interconnection Guidelines, PUCT Rules and all applicable laws and regulations. Subject to any necessary IO approval, each Party shall provide necessary equipment outages to allow the other Party to perform periodic maintenance, repair or replacement of its facilities. Such outages shall be scheduled at mutually agreeable times, unless conditions exist which a Party reasonably expects, in accordance with Good Utility Practice, may endanger persons or property. No changes will be made in the normal operation of the Point of Interconnection without the mutual agreement of the Parties except as otherwise provided herein. All testing of the Plant that affects the operation of the Point of Interconnection shall be coordinated between TSP, the IO, and Generator and will be conducted in accordance with ERCOT Requirements.

### B. TSP Operation and Maintenance of TSP Owned Facilities that are Designated to be Operated and Maintained by TSP at Generator's Expense.

(i) The table in Exhibit B lists all significant equipment and identifies the owner and the Party responsible for operation, maintenance and the expenses associated with operation and maintenance thereof. This Article 5.1(B) relates to the equipment listed in the table in Exhibit B that is owned by TSP and is designated to be operated and maintained by TSP at Generator's expense. Such operation and maintenance shall include, but not be limited to planned maintenance, preventive maintenance, corrective maintenance, repair, replacement and switching. All such operation and maintenance by TSP shall be at Generator's expense as described below.

(ii) TSP shall maintain, in accordance with Good Utility Practice and TSP's standard maintenance practices, TSP owned equipment that is indicated to be maintained by TSP at Generator's expense in the table in Exhibit B. The cost of such maintenance work shall be billed to Generator according to the Formula Rate For Facility Operation And Maintenance Charges, as shown in Exhibit D.

(iii) TSP shall provide preventive maintenance work scopes and cost estimates to Generator two budget cycles in advance for budgeting purposes. TSP shall submit to Generator, at least three months prior to the start of each calendar year, a list of all preventative maintenance and capital replacement work planned for the following calendar year on TSP owned equipment to be maintained at Generator's expense. Corrective maintenance and repair/replacement work scope and costs estimates shall be provided to Generator prior to proceeding with the work.

(iv) TSP shall schedule maintenance according to its standard maintenance practices. TSP shall, at Generator's expense, schedule maintenance more frequently if so requested by Generator.

(v) Upon request, TSP shall provide Generator with records, histories of maintenance and improvements and the preventive maintenance standards of all TSP owned equipment maintained at Generator's expense.

(vi) Prior to the start of any planned maintenance work on TSP owned equipment maintained at Generator's expense, TSP shall notify Generator of the cost of the work and the time allocation for the work.

(vii) TSP shall submit invoices to Generator for the costs as described above as soon as practical after the work is completed. Such invoices shall include reasonable details of the charges for the work. Generator shall pay the invoice within twenty (20) days after the date of the invoice. All invoices shall be paid in full regardless of any dispute as to such bills. Billing disputes, which cannot be resolved in the normal course of business, shall be arbitrated pursuant to the dispute resolution procedures of the OATT. Any refund of such disputed amounts will be returned with interest calculated according to the terms of the OATT.

C. TSP Operation and Maintenance of Generator Owned Facilities.

(i) This Article 5.1(C) relates to the equipment listed in the table in Exhibit B that is owned by Generator and is designated to be operated and maintained by Generator. Generator has the responsibility for the operation and maintenance of such facilities. Such operation and maintenance shall include, but not be limited to planned maintenance, preventive maintenance, corrective maintenance, repair and replacement. Generator may request and TSP at its option may agree to perform such operation and maintenance on Generator owned facilities, which maintenance shall be performed at Generator's expense as described below. In the event of a material change in law or

regulation that adversely affects TSP's ability to perform such maintenance or adversely alters the manner in which TSP offers and charges for maintenance of non-TSP facilities, TSP shall have the right to stop providing such maintenance on Generator owned facilities upon ninety (90) days advance written notice to Generator. Under such circumstances, Generator shall maintain Generator owned facilities itself or through qualified contractors. If permitted by law and regulation, TSP may, at its option, offer alternate terms and conditions for performing such maintenance on Generator owned facilities.

(ii) TSP shall maintain, in accordance with Good Utility Practice and TSP's standard maintenance practices, the equipment that Generator has requested TSP to maintain. The cost of maintenance work that is performed by TSP on Generator owned equipment shall be billed to Generator according to the Formula Rate For Facility Operation And Maintenance Charges, as shown in Exhibit D, or at such other rates as are permitted by state and federal regulations.

(iii) Generator shall specify to TSP the preventive maintenance work scopes that Generator desires. TSP shall provide estimated costs and time allocation to Generator prior to proceeding with work. At Generator's request, TSP shall provide Generator with TSP's preventative maintenance standards for similar equipment owned by TSP. Corrective maintenance and repair/replacement work scope and costs estimates shall be provided to Generator prior to proceeding with the work.

(iv) TSP and Generator shall cooperate in the scheduling of maintenance activities.

(v) TSP shall submit invoices to Generator for the costs associated with TSP's work on Generator owned facilities on a monthly basis. Such invoices shall include reasonable details of the charges for the work. Generator shall pay the invoice within twenty (20) days after receipt of the invoice. All invoices shall be paid in full regardless of any dispute. Billing disputes which cannot be resolved in the normal course of business shall be arbitrated pursuant to the dispute resolution procedures of the OATT. Any refund of such disputed amounts will be returned with interest calculated according to the terms of the OATT.

5.2 Land Rights and Easements. Terms and conditions addressing the rights of TSP and Generator regarding any facilities located on the other Party's property shall be addressed in a separate, duly executed and recorded easement agreement between the Parties. The Parties have agreed upon procedures to govern access to each other's property and facilities as necessary for the Parties to fulfill their obligations set forth in this Agreement. To the extent changes in procedures are necessary, the Parties shall by mutual agreement establish or change these procedures.

5.3 Service Interruption. The Parties recognize that the interruption of service provisions of the PUCT Rules give TSP the right to disconnect the TSP System from the Plant under the conditions specified therein. Generator will promptly disconnect the Plant from the TSP System when required by and in accordance with the PUCT Rules and ERCOT Requirements.

5.4 Switching and Clearance. Any switching or clearances needed on the TIF or the GIF will be done in accordance with ERCOT Requirements.

5.5 Start-Up and Synchronization. Consistent with ERCOT Requirements and the

Parties' mutually acceptable procedure, Generator is responsible for the proper synchronization of the Plant to the TSP System.

5.6 Routine Operational Communications. On a timely basis, the Parties shall exchange all information necessary to comply with ERCOT Requirements.

5.7 Blackstart Operations. If the Plant is capable of blackstart operations, Generator will employ individual Plant start-up procedures that are consistent with ERCOT Requirements. Any blackstart operations shall be conducted in accordance with the blackstart criteria included in the ERCOT Requirements. Notwithstanding this section, Generator is not required to have blackstart capability by virtue of this Agreement. If Generator will have blackstart capability, then Generator shall provide and maintain an emergency communication system that will interface with TSP and the IO during a blackstart condition.

5.8 Power System Stabilizers. To the extent required for the operation of the Plant, and subject to all Generator rights to appeal such requirements, Generator shall procure, install, maintain and operate power system stabilizers if required by ERCOT or TSP.

## ARTICLE 6. DATA REQUIREMENTS

6.1 Data Acquisition. The acquisition of data to simulate realistically the electrical behavior of system components is a fundamental requirement for the development and operation of a reliable interconnected transmission system. The Parties shall, upon the request of the other Party, supply data necessary to model its facilities at the Plant, GIF or TIF.

6.2 Data Supplementation Generator shall provide TSP any data changes due to equipment replacement, repair, or adjustment. TSP shall provide Generator any data changes due to equipment replacement, repair, or adjustment in the directly connected substation or any adjacent TSP-owned substation that may affect the GIF equipment ratings, protection or operating requirements. The Parties shall provide such data no later than 30 days after the date of the actual change in equipment characteristics. Also, the Parties shall provide to each other a copy of any additional data later required by the IO concerning these facilities.

6.3 Data Exchange. The Parties will cooperate with one another in the analysis of disturbances to either the Plant or TSP's System by gathering and providing access to any information relating to any disturbance, including information from oscillography, protective relay targets, breaker operations and sequence of events records.

## ARTICLE 7. PERFORMANCE OBLIGATION

7.1 Generator's Cost Responsibility. Generator shall be responsible for operating, testing, maintaining and owning the Plant and the GIF owned by Generator at its sole expense. The Generator shall also be responsible, as described in Section 5.1(B), for the cost of operating and maintaining the portions of the TIF for which Generator is designated in Exhibit B as having financial responsibility. Such equipment is part of the protective devices for which Section 25.192 of the PUCT Rules states that Generator has cost responsibility, but, because it is located in the midst of TSP's facilities, the Parties agree that, according to Good Utility Practice, it is desirable and preferable for TSP to own, operate and maintain such equipment at Generator's expense.



7.2 TSP's Cost Responsibility. TSP will be responsible for operating, testing, maintaining and owning at its own expense, the portion of the TIF for which TSP is designated in Exhibit B as having financial responsibility.

## ARTICLE 8. INSURANCE

8.1 Each Party shall, at its own expense, maintain in force throughout the period of this Agreement, and until released by the other Party, the following minimum insurance coverages, with insurers authorized to do business in Texas:

A. Employers Liability and Worker's Compensation Insurance providing statutory benefits in accordance with the laws and regulations of the State of Texas. The minimum limits for the Employer's Liability insurance shall be One Million Dollars (\$1,000,000) each accident bodily injury by accident, One Million Dollars (\$1,000,000) each employee bodily injury by disease, and One Million Dollars (\$1,000,000) policy limit bodily injury by disease.

B. Commercial General Liability Insurance including premises and operations, personal injury, broad form property damage, broad form blanket contractual liability coverage (including coverage for the contractual indemnification) products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, coverage for pollution to the extent normally available and punitive damages to the extent normally available and a cross liability endorsement, with minimum limits of One Million Dollars (\$1,000,000) per occurrence/One Million Dollars (\$1,000,000) aggregate combined single limit for personal injury, bodily injury, including death and property damage.

Issued by: J. Craig Baker, Senior Vice President-  
Regulation and Policy  
Issued on: April 30, 2004

Effective June 30, 2004

C. Comprehensive Automobile Liability Insurance for coverage of owned, non-owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum combined single limit of One Million Dollars (\$1,000,000) per occurrence for bodily injury, including death, and property damage.

D. Excess Public Liability Insurance over and above the Employer's Liability, Commercial General Liability and Comprehensive Automobile Liability Insurance coverage, with a minimum combined single limit of Twenty Million Dollars (\$20,000,000) per occurrence/Twenty Million Dollars (\$20,000,000) aggregate.

E. The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance, and Excess Public Liability Insurance policies shall name the other Party, its parent, associated and affiliated companies and their respective directors, officers, agents, servants and employees ("Other Party Group") as additional insured. All policies shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the provisions of this Agreement against the Other Party Group and provide thirty (30) days advance written notice to Other Party Group prior to anniversary date of cancellation or any material change in coverage or condition.

F. The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies shall contain provisions that specify that the policies are primary and shall apply to such extent without consideration for other policies separately carried and shall state that each insured is provided coverage as though a separate policy had been issued to each, except the insurer's liability shall not be increased beyond the amount for which the insurer would

have been liable had only one insured been covered. Each Party shall be responsible for its respective deductibles or retentions.

G. The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies, if written on a Claims First Made basis, shall be maintained in full force and effect for two (2) years after termination of this Agreement, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Parties.

H. The requirements contained herein as to the types and limits of all insurance to be maintained by the Parties are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by the Parties under this Agreement.

I. Within ten (10) days following execution of this Agreement, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) days thereafter, each Party shall provide certification of all insurance required in this Agreement, executed by each insurer or by an authorized representative of each insurer.

J. Notwithstanding the foregoing, each Party may self-insure to the extent it maintains a self-insurance program; provided that, such Party's senior secured debt is rated at investment grade, or better, by Standard & Poor's. For any period of time that a Party's senior secured debt is unrated by Standard & Poor's or is rated at less than investment grade by Standard & Poor's, such Party shall comply with the insurance requirements applicable to it under Sections 8.1.A through 8.1.I. In the event that a Party is permitted to self-insure pursuant to this Section 8.1.J, it shall not be required to

comply with the insurance requirements applicable to it under Sections 8.1.A through 8.1.I.

K. The Parties agree to report to each other in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this Agreement.

## ARTICLE 9. MISCELLANEOUS

### 9.1 Governing Law and Applicable Tariffs.

A. This Agreement for all purposes shall be construed in accordance with and governed by the laws of the State of Texas, excluding conflicts of law principles that would refer to the laws of another jurisdiction. The Parties submit to the jurisdiction of the federal and state courts in the State of Texas.

B. This Agreement is subject to all valid, applicable rules, regulations and orders of, and tariffs approved by, duly constituted Governmental Authorities. Nothing in this Agreement shall preclude either party from exercising its rights under Sections 205 or 206 of the Federal Power Act.

C. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, rules, or regulations of a Governmental Authority.

9.2 No Other Services. This Agreement is applicable only to the interconnection of the Plant to the TSP System at the Point 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 for it to

receive any other service that it may desire from the other Party or any third party. This

Agreement does not address the sale or purchase of any electric energy, transmission service or services not specifically included in this Agreement.

9.3 Entire Agreement. This Agreement, including all Exhibits, Attachments and Schedules attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this Agreement.

9.4 Notices. Except as otherwise provided in Exhibit "C", any formal notice, demand or request provided for in this Agreement shall be in writing and shall be deemed properly served, given or made if delivered in person, or sent by either registered or certified mail, postage prepaid, overnight mail or fax to the address or number identified on Exhibit "C" attached to this Agreement. Either Party may change the notice information on Exhibit "C" by giving five business days written notice prior to the effective date of the change.

9.5 Force Majeure.

A. The term "Force Majeure" as used herein shall mean any cause beyond the reasonable control of the Party claiming Force Majeure, and without the fault or negligence of such Party, which materially prevents or impairs the performance of such Party's obligations hereunder, including but not limited to, storm, flood, lightning, earthquake, fire, explosion, failure or imminent threat of failure of facilities, civil disturbance, strike or other labor disturbance, sabotage, war, national emergency, or restraint by any Governmental Authority.

B. Neither Party shall be considered to be in Default (as hereinafter defined) with respect to any obligation hereunder (including obligations under Article 4), other than the obligation to pay money when due, to the extent prevented from fulfilling such obligation by Force Majeure. A Party prevented from performing any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this Section shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

#### 9.6 Default

A. 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. Upon a Default, the non-defaulting Party shall give written notice of such Default to the defaulting Party. Except as provided in Section 9.6.B, 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 30 days, the defaulting Party shall commence such

cure within 30 days after notice and continuously and diligently complete such cure within 90 days from receipt of the Default notice; and, if cured within such time, the Default specified in such notice shall cease to exist. If cure cannot be reasonably accomplished within 90 days from receipt of the default notice, and the Defaulting Party is working diligently to complete such cure, the Parties shall negotiate in good faith to determine a reasonable cure period.

B. 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, 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.

9.7 Intrastate Operation. The operation of the Plant by Generator shall not cause there to be a synchronous or an asynchronous interconnection between ERCOT and any other transmission facilities operated outside of ERCOT unless ordered by the Federal Energy Regulatory Commission under Section 210 of the Federal Power Act. The Parties recognize and agree that any such interconnection will constitute an adverse condition giving TSP the right to immediately disconnect the TIF from the GIF, until such interconnection has been disconnected. Generator will not be prohibited by this Section from interconnecting the Plant with facilities operated by the Comision Federal de Electricidad of Mexico, unless such interconnection would cause ERCOT utilities that are not "public utilities" under the Federal Power Act to become subject to

the plenary jurisdiction of the Federal Energy Regulatory Commission and provided that Generator shall not create an interconnection of the ERCOT system with the Comision Federal de Electricidad of Mexico system.

9.8 No Third Party Beneficiaries. This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.

9.9 No Waiver. The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of obligations, rights, or duties imposed upon the Parties. Termination or Default of this Agreement for any reason by Generator shall not constitute a waiver of Generator's legal rights to obtain an interconnection from TSP under a new interconnection agreement.

9.10 Headings. The descriptive headings of the various articles and sections of this Agreement have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this Agreement.

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

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



by the Parties. TSP shall file such amendments with the appropriate Governmental Authorities.

9.13 No Partnership. This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

9.14 Further Assurances. The Parties agree to (i) furnish upon request to each other such further information, (ii) execute and deliver to each other such other documents, and (iii) do such other acts and things, all as the other Party may reasonably request for the purpose of carrying out the intent of this Agreement and the documents referred to in this Agreement. Without limiting the generality of the foregoing, TSP shall, at Generator's expense, when reasonably requested to do so by Generator at any time after the execution of this Agreement, prepare and provide such information in connection with this Agreement (including, if available, resolutions, certificates, opinions of counsel or other documents relating to TSP's corporate authorization to enter into this Agreement and to undertake the obligations set out herein) as may be reasonably required by any potential lender to Generator under a proposed loan agreement. TSP will use commercially reasonable efforts to obtain any opinion of counsel reasonably requested by Generator, but TSP shall not be in Default of any obligation under this Agreement if TSP is unable to provide an opinion of counsel that will satisfy any potential lender to Generator. Specifically, upon the written request of one Party, the

other Party shall provide the requesting Party with a letter stating whether or not, up to the date of the letter, that Party is satisfied with the performance of the requesting Party under this Agreement.

9.15 Indemnification and Liability. The indemnification and liability provisions of the PUCT Rule 25.202(b)(2) or its successor shall govern this Agreement.

9.16 Consequential Damages. IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER 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.

9.17 Assignment. This Agreement may be assigned by either Party only with the written consent of the other; provided that either Party may assign this Agreement without the consent of the other Party to any affiliate of the assigning Party with an equal or superior credit rating and with the legal authority and operational ability to perform the obligations of the assigning Party under this Agreement; and provided further that TSP shall have the right to assign this Agreement, without the consent of Generator, to a

party that acquires all of the TSP System, or the portion of the TSP System that includes the Point of Interconnection; and provided further that Generator shall have the right to assign this Agreement, without the consent of TSP, for collateral security purposes to persons providing financing for the Plant, provided that Generator will require any secured party, trustee or mortgagee to notify TSP of any such assignment. Any financing arrangement entered into by Generator pursuant to this Section will provide that prior to or upon the exercise of the secured party's, trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify TSP of the date and particulars of any such exercise of assignment right(s). Any attempted assignment that violates this Section is void and ineffective. Any assignment under this Agreement shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

9.18 Severability. If any provision in this Agreement is finally determined to be invalid, void or unenforceable by any court having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this Agreement

9.19 Comparability. The Parties will comply with all applicable comparability and code of conduct laws, rules and regulations, as amended from time to time.

9.20 Invoicing and Payment. Unless the Parties otherwise agree (in a manner permitted by applicable PUCT Rules and as specified in writing in an exhibit attached hereto), invoicing and payment rights and obligations under this Agreement shall be

governed by PUCT Rules or rules of any other Governmental Authority having jurisdiction.

9.21 Confidentiality.

A. Subject to the provisions of Section 9.21.B, any information that a Party claims is competitively sensitive, commercial or financial information under this Agreement ("Confidential Information") shall not be disclosed by the other Party to any person not employed or retained by the other Party, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this Agreement or as a transmission service provider including disclosing the Confidential Information to the IO. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other Party's Confidential Information under this subsection, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subsection, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

B. This provision shall not apply to any information that was or is hereafter in the public domain (except as a result of a breach of this provision).

## Exhibit "B"

### Interconnection Details

Subject to Section 5.6, the Interconnection Details are as follows:

1. **Name:** Oklaunion
2. **Location:** The Points of Interconnection are located in the existing Oklaunion Substation which is adjacent to the Plant which is located approximately 4 miles south of Oklaunion, Texas.
3. **Delivery Voltage:** 138 kV and 345 kV
4. **Metering** (voltage; loss adjustments, if any, due to metering location): 138 kV and 345 kV
5. **Normal Operation of Interconnection (check one):** Open Closed X
6. **One-Line Diagram Attached (check one):** Yes X No
7. **Description of TIF:**

TSP owns the existing Oklaunion Substation shown in attached Drawing numbered W876S007 of which a portion is TIF. Specifically, TIF includes the following:

- (a) The TIF for Generator's Unit 1 includes switch 5601, breaker 5600, switch 5599 and all facilities between switch 5601 and the attachment of TSP's 345 kV jumpers from the 345 kV bus to Generator's A-frame dead-end structure in the Oklaunion substation.
- (b) The TIF for Generator's Reserve Auxiliary Transformers includes switch 6034, breaker 6035, switch 6036 and all facilities between switch 6034 and the attachment of TSP's 138 kV jumpers from the 138 kV bus to Generator's A-frame dead-end structure in the Oklaunion substation.
- (c) TSP shall install and own the following new TIF:  
None

8. **Description of GIF:**

- (a) The GIF for Unit 1 includes all facilities from Generator's Unit 1 up to the attachment of Generator's 345 kV line from the unit 1 GSU to Generator's A-Frame dead-end structure in the Oklaunion substation.

**Exhibit B**

**Interconnection Details - Continued**

(b) The GIF for Generator's Reserve Auxiliary Transformers includes all facilities from those transformers up to the attachment of Generator's 138 kV line from those transformers to Generator's A-Frame dead-end structure in the Oklaunion substation.

(c) Generator shall install and own the following new Interconnection Facilities:  
None

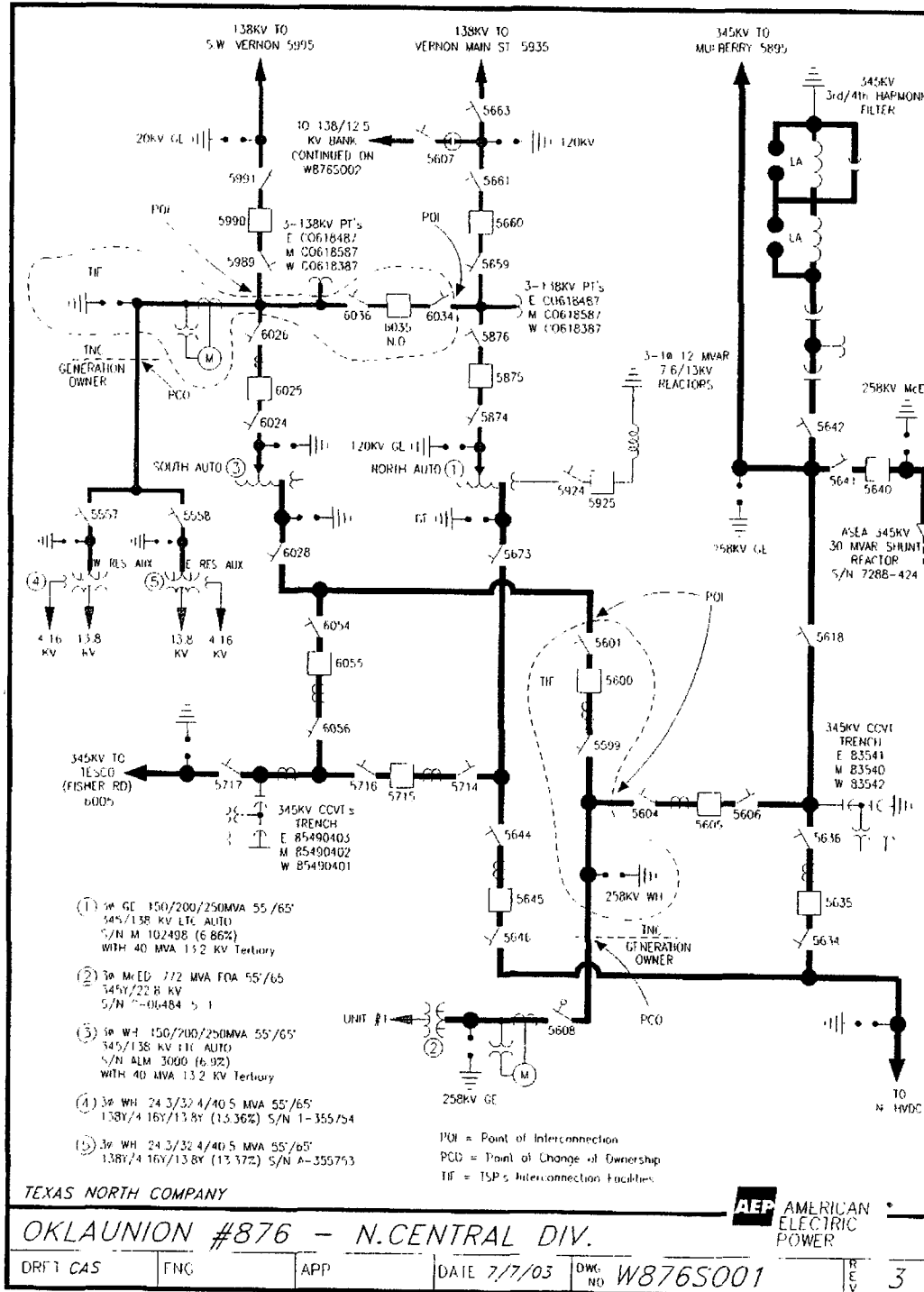
**9. Cost Responsibilities of Each Party:**

(a) TSP shall be responsible for the costs as described in Section 7.2.

(b) Generator shall be responsible for the costs as described in Section 7.1.

**10. Other Terms and Conditions:** None

**Exhibit B**  
**Interconnection Details - Continued**



### Exhibit B

#### Interconnection Details - Continued

#### Operation and Maintenance Responsibility

EQUIPMENT	OWNER	OPERATION RESPONSIBILITY	MAINTENANCE RESPONSIBILITY	FINANCIAL RESPONSIBILITY	VOLTAGE (KV)
<b>345/138KV SWITCHYARD</b>					
ALARMS / EQUIPMENT TROUBLE	TSP	Generator / TSP	TSP	TSP	
ARRESTERS IN SWITCHYARD	TSP	TSP	TSP	TSP	
STATION BUS	TSP	TSP	TSP	TSP	
BUS AND LINE POTENTIAL DEVICES	TSP	TSP	TSP	TSP	
<b>CIRCUIT BREAKERS &amp; DISCONNECT SWITCHES</b>					
5600 (UNIT 1)	TSP	Generator / TSP	TSP	Generator	345
5605 (UNIT 1)	TSP	Generator / TSP	TSP	TSP	345
6035 (RESERVE AUX UNIT 1)	TSP	Generator / TSP	TSP	Generator	138
OTHER C.B.'s & SW.	TSP	TSP	TSP	TSP	138
OTHER C.B.'s & SW.	TSP	TSP	TSP	TSP	345
<b>CONDUCTORS (LINES)</b>	TSP	TSP	TSP	TSP	
STATION BATTERIES	TSP	TSP	TSP	TSP	
CONTROL BUILDINGS	TSP	TSP	TSP	TSP	
CONTROL WIRING	TSP	TSP	TSP	TSP	
FAULT RECORDERS	TSP	TSP	TSP	TSP	
FENCE AROUND SWITCHYARD	TSP	TSP	TSP	TSP	
GROUND SYSTEM	TSP	TSP	TSP	TSP	
INSPECTIONS (Based on Equip Owner)	N/A	Generator / TSP	N/A	N/A	
INSULATORS	TSP	TSP	TSP	TSP	
METERING AND MEASUREMENTS (PT'S & CT'S IN YARD)	TSP	TSP	TSP	TSP	
PULSE TYPE METERING (INSTRUMENTS TRANSFORMERS)	TSP	TSP	TSP	TSP	
PULSE TYPE METERING (GENERATOR METERING)	TSP	TSP	TSP	TSP	
OIL CONTAINMENT / SPILL (Based on Equip Owner)	Generator / TSP	Generator / TSP	Generator / TSP	Generator / TSP	
OIL HANDLING/PROCESSING	N/A	N/A	N/A	N/A	
POWER TRANSFORMERS	TSP	TSP	TSP	TSP	
REACTORS	TSP	TSP	TSP	TSP	
PROTECTION	TSP	TSP	TSP	TSP	
STATION SERVICE (incl. Cable)	TSP	TSP	TSP	TSP	
STATION SERVICE (Switchgear)	Generator	Generator	Generator	Generator	
STRUCTURES	TSP	TSP	TSP	TSP	
SWITCHING (PLANT BREAKERS)	N/A	Generator	N/A	N/A	
SWITCHING (TRANSMISSION EQUIPMENT)	N/A	TSP	N/A	N/A	



**Exhibit B**

**Interconnection Details - Continued**

**Operation and Maintenance Responsibility**

EQUIPMENT	OWNER	OPERATION RESPONSIBILITY	MAINTENANCE RESPONSIBILITY	FINANCIAL RESPONSIBILITY	VOLTAGE (KV)
GSU AND AUX TRANSF					
GSU 1	Generator	Generator	Generator	Generator	345
AUX 1	Generator	Generator	Generator	Generator	24
RAT Unit 1	Generator	Generator	Generator	Generator	138
GSU & RAT LEADS - HI SIDE	Generator	Generator	Generator	Generator	
ALARMS / EQUIPMENT MONITORING	Generator	Generator	Generator	Generator	
ARRESTERS	Generator	Generator	Generator	Generator	
BUS POTENTIAL DEVICES	Generator	Generator	Generator	Generator	
BUS EQUIPMENT	Generator	Generator	Generator	Generator	
BUSHINGS	Generator	Generator	Generator	Generator	
COOLING SYSTEM (TRANSFORMERS)	Generator	Generator	Generator	Generator	
FAN AND PUMP CONTROLS	Generator	Generator	Generator	Generator	
FIRE PROTECTION SYSTEM	Generator	Generator	Generator	Generator	
FOUNDATION	Generator	Generator	Generator	Generator	
GROUND SYSTEM	Generator	Generator	Generator	Generator	
INSPECTIONS (VISUAL)	N/A	Generator	N/A	N/A	
METERING & MEASUREMENTS	Generator	Generator	Generator	Generator	
OIL CONTAINMENT / SPILL	Generator	Generator	Generator	Generator	
PROTECTION	Generator	Generator / TSP	Generator	Generator	
STRUCTURE	Generator	Generator	Generator	Generator	
SWITCHGEAR	Generator	Generator	Generator	Generator	
SWITCHING	N/A	Generator	N/A	N/A	
POWER CABLES	Generator	Generator	Generator	Generator	
AUXILIARY POWER EQUIPMENT	Generator	Generator	Generator	Generator	
TURBINE - GENERATOR - EXCITER	Generator	Generator	Generator	Generator	

**Exhibit "C"**

**Notice Information**

(a) All notices of an operational nature shall be in writing and/or may be sent between the Parties via electronic means including facsimile as follows:

**If to TSP**

American Electric Power Service  
Corporation  
Attn: Manager, Transmission Dispatch  
Address: 5502 Corporate Drive  
Corpus Christi, TX 78405  
Fax: (361) 561-7004  
Phone: (361) 289-4003  
E-mail: [dkkunkel@aep.com](mailto:dkkunkel@aep.com)

**If to Generator**

Public Service Company of Oklahoma as Operation Project Manager  
Attn: Perry M. Barton  
Oklaunion Plant Manager  
Address: 12567 FM Road 3430  
Oklaunion, Texas 76373  
Fax: \_\_\_\_\_  
Phone: 940-886-2631  
E-mail: [pmbarton@aep.com](mailto:pmbarton@aep.com)

(b) Notices of an administrative nature:

**If to TSP:**

Vice President, Transmission Asset Management  
American Electric Power Service Corporation  
700 Morrison Road  
Gahanna, OH 43230  
Telephone: 614-552-1700  
Facsimile: 614-552-2602

With a copy to:

Director, Transmission & Interconnection Services  
American Electric Power Service Corporation  
1 Riverside Plaza  
Columbus, OH 43215  
Telephone: 614-223-2764  
Facsimile: 614-223-1069

**If to Generator**

Public Service Company of Oklahoma as Operation Project Manager  
Attn: Perry M Barton  
Oklaunion Plant Manager  
Address: 12567 FM Road 3430  
Oklaunion, TX 76373  
Fax: \_\_\_\_\_  
Phone: 940-886-2631  
E-mail: pmbarton@aep.com

## Exhibit "D"

### Formula Rate For Facility Operation And Maintenance Charges

#### Summary of Charges

For each of the services provided by TSP, charges shall be based on the current cost of providing the requested service. Such cost shall be determined using current costs at the time the TSP provides the service to the Generator.

The formulas used to determine the costs of services provided are detailed below.

$$\text{Transmission Services Charge (TSC)} = \text{Service Charges} + \text{Material and Equipment Charges} + \text{Engineering and Administration Charges} + \text{Taxes}$$

#### 1. Services Charges = L + S

##### Labor (L):

The charges for labor (L) are calculated as follows:

$$L = DL + FL + ME = DL \times (1 + llr) + ME, \text{ where}$$

DL = direct labor charges to reflect the actual work hours (whr) and basic hourly rates of pay (hrp) for the personnel that are directly involved in the service provided;

FL = fringe labor costs for vacation, holiday, sick leave, and other paid absences; plus payroll taxes, insurance, workers' compensation, pension, savings plan expenses and other salary-related costs, which are recovered through labor loading rates (llr) developed by dividing fringe labor costs by earned payroll;

ME = miscellaneous out-of-pocket employee expenses.

##### Outside Services (S):

The charges for outside services are calculated as follows:

S = the amount shown on the invoices received from vendors for outside services (S) performed for Generator.

#### 2. Materials and Equipment Charges = M + E

##### Materials (M):

The charges for materials and supplies (M) are calculated as follows:

$$M = (M \times (1 + slr)), \text{ where}$$

$M$  = cost of materials and supplies  
 $slr$  = the current stores and purchasing loading rate

The cost of materials ( $M$ ) shall include a stores and purchasing loading charge.

**Equipment (E):**

The charges for equipment ( $E$ ) are calculated as follows:

$$E = DL \times elr, \text{ where}$$

$DL$  = direct labor charges  
 $elr$  = equipment loading rate

The cost of equipment ( $E$ ), primarily for vehicles, are accumulated and allocated based on the distribution of direct labor ( $DL$ ) dollars using an equipment loading rate ( $elr$ ).

**3. Engineering and Administration (O):**

The charges for engineering and administration overhead costs ( $O$ ) are calculated as follows:

$$O = DL \times COR \text{ for maintenance work, where}$$

$COR$  = Company General & Administrative overhead rates

Or

$$O = (M + L + E + S) \times CCOR \text{ for capital construction projects, where}$$

$CCOR$  = Company Construction Overhead rate

Engineering and administrative overhead loading rates are used to allocate engineering, supervision, and administrative overhead costs to construction and maintenance work orders. These loading rates ( $COR$  and  $CCOR$ ) are used to determine the full cost of providing construction and maintenance services, including indirect overhead costs.

**4. Taxes (T):**

The total taxes charged to the Generator will be the sum of receipts and other taxes incurred.

$$T = RT + OT, \text{ where}$$

$RT$  = Taxes on Receipts  
 $OT$  = Other Taxes

FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

December 15, 2004

To: American Electric Power Service  
Corporation

Docket Nos. ER05-194-000

Re: ERCOT Interconnection agreement (ERCOT IA) between AEP Texas North  
Company (AEP TNC) and Public Service Company of Oklahoma providing for the  
interconnection of Oklaunion Unit No. 1

Pursuant to authority delegated to the Director, Division of Tariffs and Markets  
Development - Central, under 18 C.F.R. 375.307, your ERCOT IA is accepted for filing  
to become effective November 15, 2004. The ERCOT IA provides the terms and  
conditions under which the Oklaunion Unit No. 1 will interconnect to the AEP TNC  
transmission system.

Under 18 C.F.R. 385.210, interventions are timely if made within the time  
prescribed by the Secretary. Under 18 C.F.R. 385.214, the filing of a timely motion to  
intervene makes the movant a party to the proceeding, if no answer in opposition is filed  
within fifteen days. The filing of a timely notice of intervention makes a State  
Commission a party to the proceeding.

This action does not constitute approval of any service, rate, charge, classification,  
or any rule, regulation, contract, or practice affecting such rate or service provided for in  
the filed documents; nor shall such action be deemed as recognition of any claimed  
contractual right or obligation affecting or relating to such service or rate; and such action  
is without prejudice to any findings or orders which have been or may hereafter be made  
by the Commission in any proceeding now pending or hereafter instituted by or against  
any of the applicant(s).

This order constitutes final agency action. Requests for rehearing by the  
Commission may be filed within 30 days of the date of issuance of this order, pursuant to  
18 C.F.R. 385.713.

Sincerely,

Michael C. McLaughlin, Director  
Division of Tariffs and Market Development - Central