



Control Number: 35077



Item Number: 292

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**PUC Project No. 35077**

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**INTERCONNECTION AGREEMENT**

**Between**

**Wind Energy Transmission Texas, LLC**

**and**

**LCRA Transmission Services Corporation**

**April 5, 2012**

**INTERCONNECTION AGREEMENT**  
**BETWEEN**  
**WIND ENERGY TRANSMISSION TEXAS, LLC**  
**AND**  
**LCRA TRANSMISSION SERVICES CORPORATION**

**DATED:** April 5, 2012

**INTERCONNECTION AGREEMENT  
BETWEEN  
WIND ENERGY TRANSMISSION TEXAS, LLC  
AND  
LCRA TRANSMISSION SERVICES CORPORATION**

This Interconnection Agreement ("Agreement") is made and entered into this 5<sup>th</sup> day of April, 2012 by Wind Energy Transmission Texas, LLC ("WETT"), a Texas limited liability company, and LCRA Transmission Services Corporation ("LCRA TSC"), a Texas non-profit corporation, each hereinafter sometimes referred to individually as "Party" or both referred to collectively as the "Parties".

**WITNESSETH**

WHEREAS, each Party is the owner and operator of transmission facilities and is engaged in the business of transmitting electric energy within the Electric Reliability Council of Texas; and

WHEREAS, each Party is registered with the Electric Reliability Council of Texas as a Transmission Service Provider; and

WHEREAS, each Party is or will be registered with the North American Electric Reliability Corporation as a Transmission Owner; and

WHEREAS, the Parties desire to interconnect their respective transmission systems in the manner, and under the terms and conditions, set forth below.

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

**ARTICLE I – EFFECTIVE DATE AND TERM**

1.1 This Agreement shall become effective as of the Effective Date set forth on the signature page of this Agreement and shall remain in full force and effect for a period of thirty (30) years from the Effective Date unless earlier terminated as provided for herein (the "Initial Term"). Thereafter, this Agreement shall automatically renew for successive periods of five (5) years each (each a "Renewal Term") unless either Party gives written notice of its intention to terminate not less than thirty-six (36) months prior to the expiration of the Initial Term or then current Renewal Term, as applicable. The Initial Term together with any Renewal Term constitutes the "Term" of this Agreement.

## **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 systems will be interconnected and to identify the facilities (which for all purposes shall include any apparatus and necessary protective devices associated therewith) and Equipment (defined below) provided by each Party at the Points of Interconnection (defined below) between their systems.

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

2.3 This Agreement, including all attached Facility Schedules and other schedules, attachments and addenda, 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 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, and such agreements are unaffected by this Agreement.

## **ARTICLE III – DEFINITIONS**

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

3.1 Affiliate shall be defined as provided in P.U.C. Subst. R. 25.5(3) or its successor.

3.2 Equipment shall mean the equipment, apparatus, devices and facilities associated therewith reasonably required for the performance of this Agreement.

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

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

3.5 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.

3.6 Good Utility Practice shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region. Good Utility Practice may include, but not be limited to, conformance with the applicable and consistently applied reliability criteria, standards and operating guides of ERCOT and the NERC, or successor organization(s).

3.7 Independent System Operator shall mean the ERCOT Independent System Operator as defined in the PUCT Substantive Rules.

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

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

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

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

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

4.1 The Parties agree to interconnect their facilities at the locations, and in accordance with the terms and conditions, specified in the attached Facility Schedule(s) in accordance with all currently applicable PUCT Substantive Rules, ERCOT Protocols and requirements, NERC Reliability Standards, each Party's tariff for transmission service, as it may from time to time be fixed and approved by the PUCT, and this Agreement. 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.

4.2 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.

4.3 Unless otherwise provided in a Facility Schedule, each Party shall, at each Point of Interconnection, at its own risk and expense, design and install, or cause the design and

installation of, the transmission facilities on the applicable Party's 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. Except as otherwise provided in the Facility Schedules, each Party will be responsible for all Equipment on the applicable Party's side of the Point of Interconnection.

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

4.5 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 for reason of a material violation of the terms of this Agreement, for which opportunity to correct such violation was given under Section 17.1 of this Agreement and such violation was not corrected in accordance with said Section 17.1.

4.6 Each Party agrees to promptly notify the other Party in writing prior to making 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. Further, all 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.

4.7 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 transmission facilities that may reasonably affect a Point of Interconnection, in accordance with the ERCOT Protocols, NERC Reliability Standards and all other applicable operating guidelines.

#### **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.

#### **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, maintain, inspect, and repair the facilities the applicable Party 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 any 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 Protocols, NERC Reliability Standards and all other applicable operating guidelines.

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

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

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

6.5 Each Party shall operate its transmission facilities through its respective transmission control center and coordinate system operations with the other Party and ERCOT in accordance with Good Utility Practice, the ERCOT Protocols, and all other applicable operating guidelines. Each Party shall ensure that its operators designated to carry out dispatch instructions from the ERCOT Independent System Operator or interconnected transmission control centers are properly authorized and trained to comply with all reliability directives issued, unless such actions would violate safety, equipment, regulatory or statutory requirements.

6.6 During periods of emergency conditions declared by the ERCOT Independent System Operator, or its successor, or as necessary to restore customer service, either Party may operate Equipment that is normally operated by the other Party, provided that authorization to do so must first be received from the Party that normally operates the Equipment, such authorization not to be unreasonably withheld or delayed. It shall be considered reasonable for the Party that normally operates such Equipment to deny such a request by the other Party if the withholding Party provides 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 - RIGHTS OF ACCESS, EQUIPMENT INSTALLATION, AND REMOVAL**

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

7.2 Each Party grants to the other Party permission to install, maintain, and/or operate, or cause to be installed, maintained, and/or operated, on its premises, the necessary Equipment reasonably 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 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, 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 on the property of the other Party shall, unless otherwise agreed between the Parties, remove the Equipment from the premises, at the removing Party's sole cost and expense, and restore any damages caused thereby within a reasonable time following termination, not to exceed one hundred eighty (180) days. 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 not timely removed by the owning Party, the Equipment shall be considered abandoned by the owning Party and may be retained or 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 Either Party may request the other Party to upgrade or modify the other Party's terminal facilities at a Point of Interconnection in accordance with the requesting Party's standard design of Equipment and Good Utility Practice, and the other Party will either (i) use reasonable efforts to comply with such request for upgrade or modification as soon as possible, or (ii) provide written notification to the requesting Party stating the reasons for declining the request. If the request is denied, the Parties will reasonably cooperate to resolve any disagreement as to the need for upgrade or modification of terminal facilities.

## **ARTICLE VIII – COMMUNICATION AND TELEMETERING FACILITIES**

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

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

## **ARTICLE IX -- INDEMNIFICATION**

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

9.2 The Parties agree to promptly provide each other with written notice of any claim which may result in an indemnification obligation hereunder; provided, however, that the Indemnifying Party's obligations hereunder shall not be affected by the failure to give such notice, except to the extent that the Indemnifying Party can demonstrate that it was materially prejudiced thereby. The Indemnifying Party may defend such claim and, if it so elects, such defense shall be controlled by the Indemnifying Party and all costs associated with such defense shall be borne by the Indemnifying Party. In any such proceeding, the Indemnified Party shall have the right to participate in such defense at its own expense, provided that the Indemnifying Party shall pay the reasonable fees and expenses of counsel retained by the Indemnified Party in the event that (i) the Indemnifying Party and the Indemnified Party shall have mutually agreed to the retention of such counsel or (ii) the named parties to any such proceedings (including any impleaded parties) include both the Indemnifying Party and the Indemnified Party and the representation of both such parties by the same counsel would be inappropriate, in the reasonable opinion of the Indemnified Party, due to material, actual or potential differing interests between them. In the event that the Indemnified Party retains separate counsel at the Indemnified Party's expense in accordance with the foregoing sentence, the Indemnified Party and its counsel will reasonably cooperate with the Indemnifying Party and its counsel in order to minimize the Indemnifying Party's overall legal expenses relating to the claim.

9.3 Each Party's obligation to indemnify, defend, protect, and hold the Indemnified Party harmless is a material obligation to the continuing performance of the other Party's obligations hereunder.

9.4 NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, 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, AND 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, CONSEQUENTIAL, OR PUNITIVE DAMAGES HEREUNDER.

#### **ARTICLE X – CONFIDENTIALITY**

10.1 Subject to the exception in Section 10.2, 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 written 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. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of a Party's Confidential Information under this Section, or if any third party or governmental authority makes any request or demand for any Confidential Information, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and reasonably cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order, or other reasonable measures.

10.2 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).

#### **ARTICLE XI – NOTICES**

11.1 Any notice or communication required or permitted to be given hereunder shall be sufficiently given when received by the other Party and must be either (i) delivered by hand

delivery to the address indicated below with written acceptance of said delivery by the other Party and shall be deemed given on the date so accepted, (ii) mailed by certified or registered mail, postage prepaid, return receipt requested and shall be deemed given on the third (3<sup>rd</sup>) business day after the date of posting in a United States Post Office, or (iii) given by a nationally recognized overnight courier and shall be deemed given one day after delivery to the overnight courier.

11.2 The address for notice to each Party is as follows:

- (a) WIND ENERGY TRANSMISSION TEXAS, LLC  
Planning and Operations Manager  
210 Barton Springs Road  
Suite 150  
Austin, Texas 78704
- (b) LCRA TRANSMISSION SERVICES CORPORATION  
Manager, Transmission Engineering  
LCRA  
P.O. Box 220  
Austin, TX 78767-0220

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

## **ARTICLE XII – OPERATIONAL CONTACTS**

12.1 Twenty-four (24) hour operational transmission control center contacts for the facilities associated with the Points of Interconnection are listed below:

- (a) WIND ENERGY TRANSMISSION TEXAS, LLC  
Attn: Planning and Operations Manager  
210 Barton Springs Road  
Suite 150  
Austin, TX 78704  
Operational/Confirmation Fax: (512) 279-7398  
24 Hour Telephone: (512) 279-7377  
E-mail: [julius.horvath@windenergyoftexas.com](mailto:julius.horvath@windenergyoftexas.com)
- (b) LCRA TRANSMISSION SERVICES CORPORATION  
Attn: Transmission Operations Manager  
LCRA  
P.O. Box 220  
Austin, TX 78767

Operational/Confirmation Fax: (512) 385-2146  
24 Hour Telephone: 1 (800) 223-7622  
E-mail: sup1@lcra.org; bill.hatfield@lcra.org

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

### **ARTICLE XIII - SUCCESSORS AND ASSIGNS**

13.1 Subject to the provisions of Section 13.2 below, this Agreement shall be binding upon and inure to the benefit of the permitted successors and assigns of the respective Parties.

13.2 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 the Party's 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 assignment does not agree to reimburse, or in any way diminish the reliability of a Party's system, enlarge the Party's obligations or otherwise create or maintain an unacceptable condition, in the discretion of the Party whose consent has been requested. The respective obligations of the Parties under this Agreement may not be changed, modified, amended, or enlarged, in whole or in part, by reason of the sale, merger, or other business combination of either Party with any other person or entity. Notwithstanding the foregoing, a Party may assign, without the consent of the other Party, its interest in this Agreement, in whole or in part (1) to a successor that has an interest to all or a substantial portion of the Party's transmission business; (2) to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement; or (3) in connection with any financing or financial arrangements.

13.3 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 and their permitted successors and assigns.

### **ARTICLE XIV – GOVERNING LAW AND REGULATION**

14.1 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.

14.2 This Agreement and all obligations hereunder, are expressly conditioned upon obtaining approval or authorization or acceptance for filing by any regulatory body whose

approval, authorization or acceptance for filing is required by law. Both Parties hereby agree to support the approval of this Agreement before such regulatory authority and to provide such documents, information, and opinions as may be reasonably required or requested by either Party in the course of approval proceedings.

14.3 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 notice of such election to the other upon thirty (30) 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.

14.4 In the event any part of this Agreement is declared invalid by a court of competent jurisdiction, the remainder of said Agreement shall remain in full force and effect and shall constitute a binding agreement between the Parties; provided, however, that if either Party determines, in its sole discretion, that there is a material change in this Agreement by reason of any provision being finally determined to be invalid, illegal, or unenforceable, that Party may terminate this Agreement upon thirty (30) 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 XV – DEFAULT AND FORCE MAJEURE**

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

#### **ARTICLE XVI - TERMINATION ON DEFAULT**

16.1 Either Party may terminate this Agreement if any of the following events or circumstances exists with respect to the other Party (the "Defaulting Party"):

(a) The Defaulting Party fails to perform its obligations under this Agreement and such failure continues for thirty (30) days (or, if cure cannot be effected within thirty (30) days but the Defaulting Party commences actions to cure within that period and diligently pursues

those actions, such longer period not to exceed one hundred twenty (120) days in total as may be reasonably necessary to cure) after written notice of default is given;

(b) The Defaulting Party commences a proceeding seeking relief under the United States Bankruptcy Code or any other federal or state law providing for the relief of debtors, or a proceeding under the United States Bankruptcy Code or any other federal or state law providing for the relief of debtors is commenced against the Defaulting Party as debtor and either the proceeding is not dismissed within ninety (90) days or the Defaulting Party admits any of the material allegations; or

(c) An order is entered appointing a receiver, bankruptcy trustee or similar official for the Defaulting Party or a material portion of its assets, or declaring the Defaulting Party to be bankrupt or insolvent, or a receiver, bankruptcy trustee or similar official takes possession or control of the Defaulting Party or a material portion of its assets.

Termination pursuant to this section may be effected by written notice to the Defaulting Party. Termination may be effective immediately upon delivery of the notice (subject to the cure periods allowed in this section).

16.2 The failure of a Party to insist, on any one or more occasions, 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 XVII- MISCELLANEOUS PROVISIONS**

17.1 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.

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

17.3 Nothing herein contained shall be deemed or construed by the Parties hereto, nor by any other party, as creating the relationship of principal and agent or of partnership or of joint venture between the Parties hereto.

17.4 Each Party shall be solely responsible for liabilities related to the transmission lines, Equipment and facilities which the applicable Party now or hereafter may own and/or operate on the applicable Party's side of each Point of Interconnection.

17.5 Each Party represents to the other Party (i) that it is a corporation, limited liability company or other entity duly organized and in good standing in the state where it will perform its obligations hereunder, and (ii) that the performance of its obligations hereunder will not violate

its articles of incorporation, by-laws, company agreement, or similar corporate governing documents. Further, each Party represents and warrants that the execution, delivery and performance of this Agreement will not conflict with or result in any breach of any provision of the organizational documents of the Party or any agreement, contract or legally binding commitment or arrangement to which the Party is a party.

17.6 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.

17.7 Each Party agrees to take such further or additional action and execute and deliver to the other Party such further or additional instruments, agreements, or other documents as shall be reasonably requested by the other Party in order to complete, assure and/or evidence, or more fully complete, assure and/or evidence, the transactions contemplated or described herein, or to grant, secure and/or confirm, or more fully grant, secure and/or confirm, the rights and benefits intended to be conferred on each Party by the transactions contemplated or described in this Agreement.

17.8 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.

17.9 The failure of a Party to this Agreement to insist, on any one or more occasions, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligations, rights, or duties imposed upon the Parties.

17.10 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.

17.11 The invalidity of one or more phrases, sentences, clauses, sections or articles contained in this Agreement shall not affect the validity of the remaining portions of this Agreement so long as the material purposes of this Agreement can be determined and carried out.

17.12 The prevailing Party in any litigation arising hereunder shall be entitled to its reasonable attorneys' fees and court costs.

17.13 The terms and provisions contained in this Agreement that by their sense and context are intended to survive the performance thereof by the Parties hereto shall survive the completion of performance and termination of this Agreement, including, without limitation, the making of any and all payments due hereunder.


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



IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives in two (2) counterparts, each of which shall constitute an original.

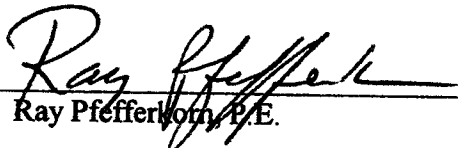
Effective Date: April 5, 2012, 2012

**WIND ENERGY TRANSMISSION TEXAS, LLC**

By:   
Wayne Morton, P.E.

Title: General Manager

**LCRA TRANSMISSION SERVICES CORPORATION**

By:   
Ray Pfefferkorn, P.E.

Title: LCRA Transmission Engineering Manager



# EXHIBIT A

[illegible]

## FACILITY SCHEDULE NO. 1

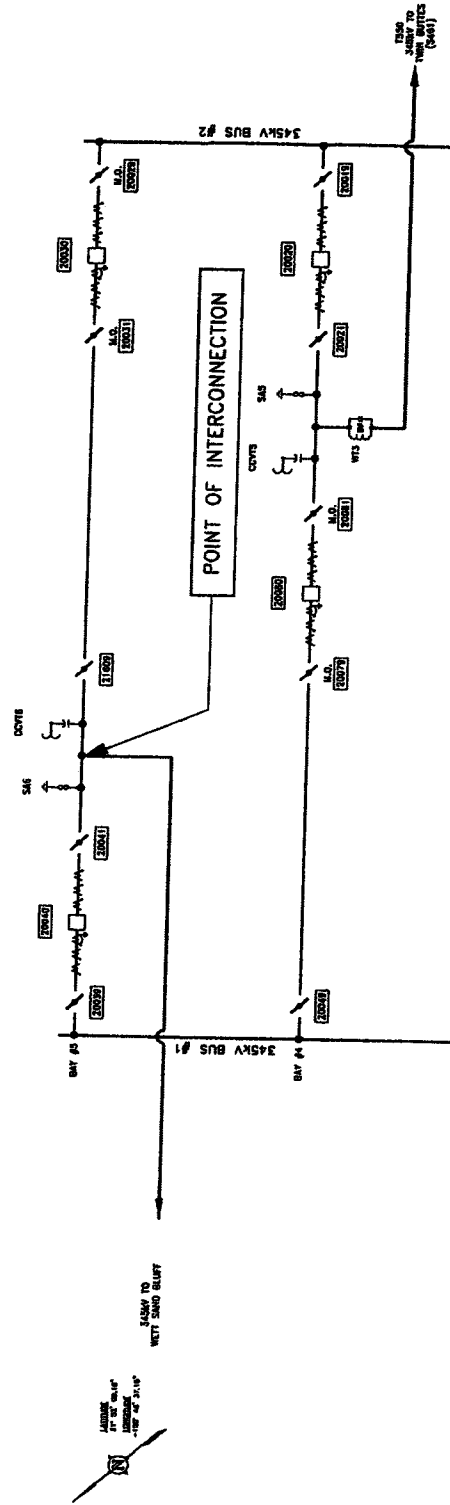
1. **Name:** Divide Switchyard
2. **Point of Interconnection location:** The Point of Interconnection is located at the LCRA TSC's Divide Switchyard in Coke County, Texas. Divide Switchyard is located approximately 4 miles Southeast of State Highway 158 in the existing LCRA TSC Gasconades Creek to Twin Buttes 345 kV transmission line. The Point of Interconnection shall be the physical point where the LCRA TSC's switchyard facilities connect to the WETT four (4) hole spade terminals on the WETT 345 kV transmission line dead-end assembly terminating on the LCRA TSC's Divide Switchyard line dead-end structure.
3. **Delivery Voltage:** 345kV
4. **Metered Voltage:** Not applicable.
5. **Normal closed:** Yes
6. **One-Line Diagram Attached:** Yes
7. **Facilities owned by WETT:** WETT owns the approximately 14 mile long single-circuit 345 kV transmission line (double-circuit capable) from the Divide Switchyard to the Sand Bluff Substation, including bundled 1590 ACSR "Falcon" conductors, static shielding, transmission line structures and rights-of-way. WETT owns their transmission line dead-end insulator string and attachment hardware connecting to the LCRA TSC's substation dead end structure. WETT owns the OPGW on the transmission line up to the splice can at the LCRA TSC substation dead-end structure. WETT does not own any substation equipment at the Divide Switchyard. WETT owns the transmission line termination, protection and control equipment at the Sand Bluff Substation.
8. **Facilities owned by LCRA TSC:** The LCRA TSC owns the Divide Switchyard, including the 345 kV buses, 345 kV circuit breakers, 345 kV switches, 345kV line surge arrestors at the substation dead-end structure for the WETT 345 kV line, 345 kV instrument transformers, protection and control panels for the WETT 345 kV line, Remote Terminal Unit, communication circuits, and jumpers from the substation equipment to the WETT 345 kV transmission line at the Point of Interconnection. The LCRA TSC owns the splice can at the dead-end structure, the facility entry cable and fiber patch panel. The LCRA TSC owns all the Divide switchyard equipment for the WETT 345 kV transmission line termination, protection and control.
9. **Cost Responsibility:** Each Party will be fully responsible for the liabilities related to the facilities it owns. WETT and LCRA TSC will each be responsible for all costs it incurs in connection with establishment and maintenance of the Point of Interconnection in accordance with this Facility Schedule.

10. **Operational and Maintenance Responsibility:** Each Party will be responsible for the operation and maintenance of the facilities it owns at its own cost.

11. **Supplemental terms and conditions:**

- (a) The LCRA TSC will monitor the WETT 345 kV transmission line flows and other facilities at the Divide Switchyard.
- (b) The LCRA TSC will provide ICCP data from the Divide Switchyard to ERCOT in accordance with ERCOT requirements.
- (c) WETT will provide the 345 kV transmission line design parameters and modeling information to LCRA TSC and to ERCOT, including the Facility Rating of the WETT line from 20 to 115 degrees Fahrenheit ambient in five degree increments for Normal, Two-Hour, and Fifteen-Minute conditions. The Facility Rating of the WETT line will take into consideration the LCRA TSC substation series elements provided by LCRA TSC.
- (d) The LCRA TSC will install substation terminal equipment nominally rated at 3000 Amp.
- (e) The Parties will coordinate on the use of dynamic ratings for the WETT 345 kV line where the dynamic ratings are ambient temperature dependent from 20 to 115 degrees Fahrenheit ambient in five degree increments.
- (f) The LCRA TSC's standard 345 kV transmission line protection schemes will be applied and reviewed with WETT. Any deviations must be mutually agreed upon by WETT and LCRA TSC. Relay settings will be developed by LCRA TSC and reviewed with WETT.
- (g) Each Party will name and number their respective equipment.
- (h) Outage scheduling for the WETT 345 kV line will be coordinated through the LCRA TSC's System Operations Control Center, as LCRA TSC shall direct all switching at the Point of Interconnection and coordinate all switching of the Divide Switchyard equipment.
- (i) The LCRA TSC will install equipment for distance-to-fault information and will make that information available to WETT for the WETT 345 kV transmission line.
- (j) WETT is responsible for NERC TADS reporting for their 345 kV line.

# FACILITY SCHEDULE NO. 1 ONE-LINE DIAGRAM



DIVIDE SUBSTATION  
THIS IS NOT A COMPLETE ONE-LINE DIAGRAM  
FOR A COMPLETE ONE-LINE DIAGRAM OF THIS  
SUBSTATION, REFER TO DWG.  
S591-E-0001-1