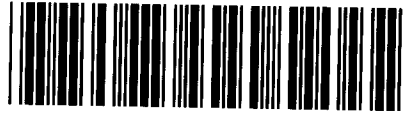


Control Number: 35077



Item Number: 542

Addendum StartPage: 0

PUBLIC UTILITY COMMISSION OF TEXAS
Substantive Rule 25.195(e)

Project No. 35077

Interconnection Agreement

Dated as of April 9, 2015

Between

Electric Transmission Texas, LLC

And

Southwest Texas Electric Cooperative, Inc.

April 15, 2015

TABLE OF CONTENTS

SECTION

PAGE

Interconnection Agreement.....	2
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INTERCONNECTION AGREEMENT
BETWEEN
ELECTRIC TRANSMISSION TEXAS, LLC
AND
SOUTHWEST TEXAS ELECTRIC COOPERATIVE, INC.,

DATED: APRIL 9, 2015

**INTERCONNECTION AGREEMENT
BETWEEN
ELECTRIC TRANSMISSION TEXAS, LLC
AND
SOUTHWEST TEXAS ELECTRIC COOPERATIVE, INC.,**

This Agreement is executed on the dates shown below each party's signature but made effective as of the 9TH day of APRIL, 2015 by and between Electric Transmission Texas, LLC ("ETT") and Southwest Texas Electric Cooperative, Inc. ("SWTEC") each sometimes hereinafter referred to individually as a "Party" or referred to collectively as "Parties".

WITNESSETH

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

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

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

ARTICLE I – EFFECTIVE DATE AND TERM

This Agreement shall become effective as of APRIL 9, 2015. Unless otherwise mutually agreed, this Agreement shall remain in effect initially for a period of ten (10) years from the effective date, and shall continue in effect thereafter for periods of two (2) years each unless canceled after such initial period or any subsequent period either by mutual agreement or by either Party upon at least twenty-four (24) months written notice to the other Party. Upon termination of this Agreement, each Party shall discontinue the use of the facilities of the other and shall disconnect the Points of Interconnection. Notwithstanding the foregoing, if the Party receiving such notice of termination reasonably determines that the continued interconnection of its facilities to the facilities of the other Party is needed to provide continuous and adequate service to its customers, then both Parties shall enter into good faith negotiations concerning the terms of a replacement interconnection agreement. If the Parties cannot agree on the terms of such a replacement agreement that would become effective on or prior to the termination date of this Agreement, then the Party seeking to continue the interconnection of its facilities may, at its option, file a complaint with the Public Utility Commission of Texas ("PUCT") seeking direct relief from the PUCT, without first utilizing the alternative dispute resolution process set forth herein.

ARTICLE II – OBJECTIVE AND SCOPE

2.1 This Agreement sets forth the terms and conditions under which the Parties' transmission and/or distribution systems will be interconnected and identifies the facilities and equipment provided by each Party at the Points of Interconnection.

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

2.3 This Agreement, including all attached Facility Schedules, constitutes the entire agreement and understanding between the Parties with regard to the interconnection of the facilities of the Parties at the Points of Interconnection expressly provided for in this Agreement; The Parties are not bound by or liable for any statement, representation, promise, inducement, understanding, or undertaking of any kind or nature (whether written or oral) with regard to the subject matter hereof if not set forth or provided for herein. This Agreement replaces all other agreements and undertakings, oral and written, between the Parties with regard to the subject matter hereof. It is expressly acknowledged that the Parties may have other agreements covering other services not expressly provided for herein; such agreements are unaffected by this Agreement.

ARTICLE III – DEFINITIONS

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

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

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

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

3.4 Facility Schedule(s) shall mean the attachment(s) to this Agreement that describe the agreement on ownership, control, operation, and maintenance responsibilities of the Parties at the Point(s) of Interconnection.

3.5 Good Utility Practice shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to

accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region. Good Utility Practice may include, but not be limited to, conformance with the applicable and consistently applied reliability criteria, standards and operating guides of ERCOT and the NERC, or successor organization(s).

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

3.7 NERC Reliability Standards shall mean the mandatory electric reliability standards approved by the Federal Energy Regulatory Commission and enforced by NERC.

3.8 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.

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

3.10 System means the electrical transmission and/or distribution facilities and equipment of either Party.

ARTICLE IV – ESTABLISHMENT AND TERMINATION OF POINTS OF INTERCONNECTION

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

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

4.3 Unless otherwise provided in a Facility Schedule, each Party shall, at each Point of Interconnection, at its own risk and expense, design, install, or cause the design and installation of the transmission or distribution facilities (including all apparatus and necessary protective devices) on its side of the Point of Interconnection, so as to reasonably minimize the likelihood of voltage and frequency abnormalities, originating in the System of one Party, from affecting or impairing the System of the other Party, or other systems to which the System of such Party is interconnected. The Parties agree that all Points of Interconnection will be established and maintained in conformance with the ERCOT Requirements. The Parties agree to cause their Systems to be constructed in accordance with specifications at least equal to those provided by the National Electrical Safety Code, approved by the American National Standards

Institute, in effect at the time of construction. Except as otherwise provided in the Facility Schedules, each Party will be responsible for the equipment and facilities it owns on its side of the Point of Interconnection.

4.4 From time to time, a Point of Interconnection may be added, changed, modified, or deleted from this Agreement as mutually agreed by the Parties (not to be unreasonably withheld or delayed) and/or as ordered by a regulatory authority having jurisdiction thereof. If a Party desires to add a new Point of Interconnection to the transmission system of the other Party, that Party shall notify the other Party in writing of 1) the need for the new Point of Interconnection, 2) the desired location of the new Point of Interconnection, 3) the designation of the new Point of Interconnection, 4) a description of the maximum demand desired, 5) the date desired for commencement of service, and 6) any other information pertinent to such requested Point of Interconnection. Written notification of a request for a new Point of Interconnection shall be given to the other Party at least twelve (12) months prior to the date on which commencement of service at such Point of Interconnection is desired; however, the Party receiving such notice may, at its sole option, waive all or part of the twelve (12) month written notification requirement. The Party receiving such notice will use reasonable efforts to provide an additional Point of Interconnection on the date desired, however, the Parties recognize that completion of the Point of Interconnection by the desired in-service date is contingent upon the ability to acquire the necessary permits, regulatory approvals, rights-of-way, property rights, material and equipment sufficiently in advance of the desired date for the construction and installation of the facilities necessary to provide such service. Each Party will, upon request, promptly provide the other Party with information concerning its operations and facilities needed to facilitate the design and construct the Point of Interconnection.

4.5 Any such change, addition, or deletion shall be recorded in Exhibit A and a Facility Schedule in such a way that the numbering of the other Facility Schedules is not changed. Subject to regulatory approval, if required, either Party may terminate a Point of Interconnection on twelve (12) months advance written notice. Upon termination of a Point of Interconnection, each Party shall discontinue the use of the facilities of the other Party associated with the use of that Point of Interconnection and shall disconnect from that Point of Interconnection. The Parties agree to use reasonable efforts to coordinate the termination of a Point of Interconnection to minimize any disruption in service by either Party. Notwithstanding the foregoing, if the Party receiving such notice of termination reasonably determines that the continued interconnection of its facilities at that Point of Interconnection is needed to provide continuous and adequate service to its customers, then both Parties shall enter into good faith negotiations concerning the continuation or replacement of that Point of Interconnection. If the Parties cannot agree on the terms of such a continued or replacement Point of Interconnection that would become effective on or prior to the termination date of that Point of Interconnection, then the Party seeking to continue or replace that Point of Interconnection may, at its option, file a complaint with the PUCT seeking direct relief from the PUCT without first utilizing the alternative dispute resolution process set forth herein, and in that event the Party seeking to terminate that Point of Interconnection will not do so until authorized by the PUCT.

4.6 No Party shall have the right to disconnect from the other Party at any Point of Interconnection specified on Exhibit A and a Facility Schedule, originally attached to this

Agreement or added subsequent to the execution of this Agreement, except as set forth in Section 4.5 above, or for reason of a material violation of the terms of this Agreement, for which opportunity to correct such violation was given under Section 16.1 of this Agreement and such violation was not corrected in accordance with said Section 16.1, or to comply with applicable rules or orders of ERCOT or the PUCT. Unless otherwise specified herein or in the applicable Facility Schedule, on disconnection of any Point of Interconnection, each Party shall be responsible for its own costs of installation and removal of its interconnection facilities.

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

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

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

4.10 Unless otherwise agreed to by the Parties or required by ERCOT or the PUCT, the Party receiving the Point of Interconnection request shall install, own, operate and maintain the interconnection facilities for delivery voltage 69 kV and greater.

4.11 Except as otherwise provided herein or agreed to by the Parties, each Party will pay for its own interconnection facilities and recover such costs through transmission cost of service ("TCOS") charges pursuant to its transmission service tariff. The billing and collection of those transmission service charges are addressed in each Party's transmission service tariff and are not addressed in this Agreement.

4.12 If either Party requests the other Party to install interconnection facilities that the requested Party reasonably determines may not be recoverable in TCOS, then the requested Party will promptly notify the requesting Party of that determination. The requested Party may require the requesting Party to agree to reimburse it for any interconnection costs that cannot be recovered in TCOS (and provide reasonable security) as a condition to installing such interconnection facilities. For example, if SWTEC requests ETT to install interconnection facilities to serve the expected load of a new retail electric customer that is not yet on a SWTEC member rural electric distribution cooperative's distribution system, then ETT may require SWTEC to agree to reimburse it for interconnection costs that cannot be recovered through TCOS if the retail customer cancels the project. The details of such reimbursement and security arrangements will be addressed in the applicable Facilities Schedule; provided, however, the Parties agree that the principles governing such reimbursement shall be as set forth in Section 4.13, below. In constructing interconnection facilities, no Party shall be required to undertake any initiative that is inconsistent with its standard safety practices, its material and equipment

specifications, its design criteria and construction procedures, its labor agreements, applicable laws and regulations, Good Utility Practice or ERCOT Requirements.

4.13 If a Party requests a new Point of Interconnection, and later cancels its request for this Point of Interconnection prior to the time the Point of Interconnection is placed in service, or if a Party terminates an energized Point of Interconnection in accordance with Section 4.5, or if an energized Point of Interconnection is terminated in response to a default in accordance with Section 16.2, and, as a result of such cancellation or termination, the cost of facilities that comprise the Point of Interconnection are no longer recoverable through TCOS, the party who cancelled the request for the Point of Interconnection or caused through notice or default the termination of an energized Point of Interconnection shall pay, if requested by the other Party, i) the actual original installed costs of constructed interconnection facilities (including applicable labor, overhead and interest charges), plus, to the extent applicable, ii) the actual cancellation and restocking costs, if any, for materials ordered but not installed plus iii) the actual costs of removal of the installed facilities, less iv) the booked depreciation on the installed interconnection facilities, and less v) the salvage value of the interconnection facilities. A Party shall have a first right of refusal to purchase (on an "as is" basis) any interconnection facilities or components thereof that the other Party decides, in its sole discretion, to sell as salvage (which right shall expire, if not exercised, ten days after receipt of notice of such planned sale). A Party shall have the right to take delivery of and pay for any materials ordered but not installed (if permitted by the terms of the purchase orders) in lieu of paying cancellation or restocking costs (which right shall expire, if not exercised, ten days after receipt of notice of such planned cancellation from the other Party).

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

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

ARTICLE VI - SYSTEM OPERATION AND MAINTENANCE

6.1 Unless otherwise provided by the Facility Schedules, each Party shall, at each Point of Interconnection, at its own risk and expense, operate and maintain the facilities (including all apparatus and necessary protective devices) it owns or hereafter may own, so as to reasonably minimize the likelihood of voltage and frequency abnormalities, originating in the System of one Party, from affecting or impairing the System of the other Party, or other systems

to which either Party is interconnected. The Parties agree that all Points of Interconnection will be operated and maintained in conformance with the ERCOT Requirements.

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

6.3 Unless otherwise provided by the Facility Schedules, each Party shall operate the facilities within its System. The operation of the System shall be such that power flows that enter and exit one Party's System do not have undue impacts on the other Party's System. Operational responsibility for facilities owned by one Party, but installed in the other Party's substation or transmission line will be identified in the Facility Schedule for that particular Point of Interconnection.

6.4 During the term of this Agreement, the Parties will, consistent with maintaining good operating practices, coordinate their operations to the extent practicable to maintain continuity of services to their respective customers. Planned facility maintenance by either Party that will cause a deviation from the normal power and energy flow at a Point of Interconnection will be scheduled at a mutually agreeable time. Except as otherwise permitted by the terms of this Agreement, no changes will be made in the normal operation of a Point of Interconnection without the mutual agreement of the Parties. The Parties will, to the extent necessary to support continuity of operations, coordinate the operation of protective devices on the facilities they operate in the proximity of the Points of Interconnection that might reasonably be expected to affect the operation of facilities on the other Party's System.

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

6.6 During periods of emergency conditions declared by ERCOT, or as necessary to restore customer service, a Party may operate equipment that is normally operated by the other Party, provided that authorization to do so must first be received from the Party that normally operates the equipment, such authorization not to be unreasonably withheld or delayed. It shall be considered reasonable for the Party that normally operates such equipment to deny such a request by the other Party if the withholding Party will provide such operation within the time frame called for in the circumstances. Such operations by the other Party will be at no cost to the owner or normal operator of the equipment.

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

6.8 Unless otherwise provided in a Facility Schedule, coordination and response to the ERCOT under-frequency load shedding program, under-voltage load shedding program, or EEA3 load shedding program, including communicating with ERCOT and accounting for the associated loads, is the responsibility of SWTEC for each Point of Interconnection listed in Exhibit A.

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, apparatus, and devices required for the performance of this Agreement. Any such installation, maintenance, and operation to be performed, except in the case of emergencies, shall be performed only after a schedule of such activity has been submitted and agreed upon by the Parties.

7.3 Any and all equipment, apparatus, and devices placed or installed, or caused to be placed or installed by one Party on, or in, the premises of the other Party, shall be and remain the property of the Party owning and installing such equipment, apparatus, devices, or facilities, regardless of the mode and manner of annexation or attachment to real property. Upon the termination of any Point of Interconnection under this Agreement, the Party owning and installing such equipment, apparatus, devices, or facilities on the property of the other Party, shall 1) have the right to sell such equipment, apparatus, devices, or facilities to the other Party if the other Party wishes to purchase such equipment, apparatus, devices, or facilities or 2) to enter the premises of the other Party and, within a reasonable time, remove such equipment, apparatus, devices, or facilities, at no cost to the owner of the premises. If, upon the termination of any Point of Interconnection under this Agreement, equipment of a Party that is installed on the premises of the other Party is neither sold to the other Party nor removed by the owning Party within a reasonable time, it shall be considered abandoned by the owning Party and may be disposed of by the other Party in the manner it shall determine appropriate; provided, however, that any net cost incurred by the disposing Party shall be reimbursed by the abandoning Party.

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

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

ARTICLE VIII – METERING AND RECORDS

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

8.2 A Party that does not own the metering equipment used in connection with this Agreement shall be permitted to witness any testing, inspection, maintenance, or alteration of such metering equipment owned by the other Party. The owner of such equipment shall give reasonable advance notice of all tests and inspections so that representatives of the other Party may be present. After proper notification to the other Party, the owner may proceed with the scheduled tests or inspections regardless of whether a witness is present.

8.3 If any test or inspection of metering equipment shows that it does not meet the accuracy requirements established by the ERCOT Requirements, the meter or other equipment found to be inaccurate or defective shall be promptly repaired, adjusted, or replaced by the owner. Should metering equipment fail to register, the power and energy delivered and received shall be determined in accordance with the ERCOT Requirements.

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

8.5 Each Party shall maintain, in accordance with Good Utility Practice and generally accepted utility accounting procedures, complete books and records of its respective construction costs and expenses associated with the establishment of a Point of Interconnection. Upon request, each Party will make available to the other Party for inspection, through its employees, agents or independent public accountants, all records reasonably required to verify the accuracy of any charges made under this Agreement. All inspections will be performed at the inspecting Party's own expense during normal business hours in the offices of the Party in possession of such records.

ARTICLE IX – COMMUNICATION AND TELEMETERING FACILITIES

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

9.2 All communication and telemetering facilities required herein shall be selected, installed, tested, operated, and maintained by the Party owning such equipment in accordance with Good Utility Practice and the ERCOT Requirements.

ARTICLE X – INDEMNIFICATION

NOTWITHSTANDING THE PROVISIONS OF ARTICLE XIV, TO THE EXTENT PERMITTED BY LAW AND ONLY TO THE EXTENT RESULTING FROM A PARTY'S NEGLIGENCE OR OTHER FAULT IN THE DESIGN, CONSTRUCTION, OR OPERATION OF ITS FACILITIES DURING THE PERFORMANCE OF THIS AGREEMENT, SUCH PARTY SHALL (I) ASSUME ALL LIABILITY FOR, AND SHALL INDEMNIFY THE OTHER PARTY AGAINST, ANY AND ALL MONETARY LOSSES SUFFERED BY THE OTHER PARTY OR DAMAGE TO SUCH OTHER PARTY'S PROPERTY, AND (II) INDEMNIFY THE OTHER PARTY AND ITS DIRECTORS, OFFICERS, EMPLOYEES, AND AGENTS AGAINST THIRD PERSONS' CLAIMS (AND SUCH INDEMNIFIED PERSON'S COSTS AND EXPENSES OF DEFENSE THEREOF) FOR INJURY TO OR DEATH OF ANY PERSON, DAMAGE TO PROPERTY OF ANY THIRD PERSON, OR DISRUPTION OF THE BUSINESS OF ANY THIRD PERSON. NOTHING IN THIS ARTICLE WILL CREATE AN OBLIGATION TO ASSUME, OR INDEMNIFY A PERSON FOR, (I) A PARTY'S COSTS AND EXPENSES, COURT COSTS, OR ATTORNEY FEES INCURRED IN PROSECUTING OR DEFENDING AN ACTION AGAINST THE OTHER PARTY, (II) SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES TO THE OTHER PARTY CONSISTENT WITH SECTION 17.2; OR (III) AMOUNTS PAID BY THE OTHER PARTY IN SETTLEMENT OF CLAIMS WITHOUT THE PRIOR WRITTEN CONSENT OF THE INDEMNIFYING PARTY, WHICH SHALL NOT BE UNREASONABLY WITHHELD; PROVIDED, HOWEVER, THAT THE LIMITATIONS OF LIABILITY SET FORTH IN (I) AND (II) SHALL NOT APPLY TO AN INDEMNIFYING PARTY'S GROSS NEGLIGENCE OR INTENTIONAL MISCONDUCT. THIS ARTICLE DOES NOT CREATE A LIABILITY ON THE PART OF EITHER PARTY TO A THIRD PERSON, BUT REQUIRES INDEMNIFICATION TO THE EXTENT SET FORTH HEREIN WHERE SUCH LIABILITY EXISTS. THIS ARTICLE WILL NOT BE APPLIED TO CREATE AN INDEMNIFICATION OBLIGATION THAT IS IN EXCESS OF ANY CONTRIBUTION OBLIGATION A PARTY HAS UNDER CHAPTER 33 OF THE TEXAS CIVIL PRACTICE & REMEDIES CODE.

ARTICLE XI –NOTICES

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

If to ETT:

Electric Transmission Texas, LLC
J. Calvin Crowder, President

400 W. 15th Street, Suite 800
Austin, Texas 78701-1677
Telephone: 512-391-6330
Fax: (512) 476-2332
jccrowder@aep.com

With copy to:

American Electric Power Service Corporation
Director, Transmission and Interconnection Services
Robert Pennybaker
212 E. 6th St
Tulsa, Oklahoma 74119
Telephone: (918) 599-2723
rlpennybaker@aep.com

If to SWTEC:

Southwest Texas Electric Cooperative, Inc.
William (Buff) Whitten
General Manager
P.O. Box 677
Eldorado, TX 76936-0677
101 East Gillis
Eldorado, TX 76936
325-853-2544
800-643-3980
wwhitten@swtec.com

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

ARTICLE XII - SUCCESSORS AND ASSIGNS

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

12.2 No Party shall assign its interest in this Agreement in whole or in part without the prior written consent of the other Party, which consent shall not be unreasonably withheld. The respective obligations of the Parties under this Agreement may not be changed, modified, amended, or enlarged, in whole or in part, by reason of the sale, merger, or other business combination of either Party with any other person or entity. Notwithstanding the foregoing, a Party may assign, without the consent of the other Party, its interest in this Agreement, in whole or in part, to a successor to all or a substantial portion of the Party's transmission and/or distribution business; to any transmission service provider (including an affiliate of the assigning Party) with the legal authority and operational ability to satisfy the obligations of the assigning

Party under this Agreement; or for collateral security purposes in connection with any financing or financial arrangements.

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

ARTICLE XIII – GOVERNING LAW AND REGULATION

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

13.2 This Agreement is subject to the jurisdiction of, and shall be filed with, the PUCT. The 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.

13.3 In the event that a regulatory authority having jurisdiction over the Parties orders a change in the terms of this Agreement, the Parties agree to negotiate in good faith a replacement term that will most nearly accomplish the purpose and intent of the original term consistent with the regulatory order. If the Parties cannot reach an agreement on the new term, and if the old term is an essential provision of this Agreement, either Party may elect to terminate this Agreement, by providing notice of such election to the other upon sixty (60) days prior written notice to the other Party. An election to terminate under this provision shall not affect either Party's duty to perform prior to the effective date of termination. Notwithstanding the foregoing, if the Party receiving such notice of termination reasonably determines that the continued interconnection of its facilities to the facilities of the other Party is needed to provide continuous and adequate service to its customers, then both Parties shall enter into good faith negotiations concerning the terms of a replacement interconnection agreement. If the Parties cannot agree on the terms of such a replacement agreement that would become effective on or prior to the termination date of this Agreement, then the Party seeking to continue the interconnection of its facilities may, at its option, file a complaint with the PUCT seeking direct relief from the PUCT, without first utilizing the alternative dispute resolution process set forth herein, and in that event the Party seeking to terminate the interconnection agreement and the interconnection of its facilities will not do so until authorized by the PUCT.

13.4 In the event any part of this Agreement is declared invalid by a final non-appealable order of a court of competent jurisdiction, the remainder of this Agreement shall remain in full force and effect and shall constitute a binding agreement between the Parties provided, however, that if either Party determines, in its sole discretion, that there is a material adverse change in this Agreement by reason of such order, then the Parties shall negotiate in

good faith to establish such substitute provisions as will eliminate such material adverse effect. If the Parties cannot agree on such substitute provisions, then either Party may, at its option, file a complaint with the PUCT seeking direct relief from the PUCT, without first utilizing the alternative dispute resolution process set forth herein.

ARTICLE XIV – DEFAULT AND FORCE MAJEURE

A Party shall not be considered in default with respect to any obligation hereunder, other than the payment of money, if prevented from fulfilling such obligations by reason of any cause beyond its reasonable control, including, but not limited to, outages or interruptions due to weather, accidents, equipment failures or threat of failure, strikes, civil unrest, injunctions or order of governmental or regulatory authority having jurisdiction (“Force Majeure”). If performance by either Party has been prevented by such event, the affected Party shall promptly notify the other Party of the existence, nature and expected duration of the event, and shall diligently attempt to remove the cause of its failure to perform; provided, however, no Party shall be obligated to agree to any settlement of any strike or labor disturbance, that, in the affected Party's opinion, may be inadvisable or detrimental, or to appeal from any administrative or judicial ruling.

ARTICLE XV - DISPUTE RESOLUTION

Unless otherwise provided herein, the Parties agree to attempt to resolve any dispute under this Agreement utilizing the Alternative Dispute Resolution provisions of i) Section 25.203 of the PUCT Substantive Rules, and ii) Section 20 of the ERCOT Protocols, as the same may be modified or amended from time to time.

ARTICLE XVI - TERMINATION ON DEFAULT

16.1 The term “Default” shall mean the failure of either Party to perform any material obligation in the time or manner provided in this Agreement. No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of Force Majeure as defined in this Agreement or the result of an act or omission of the other Party. Upon a Default, a non-defaulting Party shall give written notice of such Default to the defaulting Party. Except as provided in Section 16.2 hereinbelow, the defaulting Party shall have thirty (30) days from receipt of the Default notice within which to cure such Default; provided however, if such Default is not capable of cure within thirty (30) days, the defaulting Party shall commence such cure within thirty (30) days after notice and continuously and diligently complete such cure within ninety (90) days from receipt of the Default notice; and, if cured within such time, the Default specified in such notice shall cease to exist.

16.2 If a Default is not cured as provided in this Article, or if a Default is not capable of being cured within the period provided for herein, a non-defaulting Party shall have the right to terminate this Agreement by written notice at any time until cure occurs, and be relieved of

any further obligation hereunder and, whether or not that Party terminates this Agreement, to recover from the defaulting Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this Section will survive termination of this Agreement.

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

ARTICLE 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 EXCEPT FOR THE THIRD-PERSON INDEMNITY OBLIGATIONS EXPRESSLY PROVIDED UNDER ARTICLE X, IN NO EVENT SHALL EITHER PARTY BE LIABLE UNDER ANY PROVISION OF THIS AGREEMENT FOR ANY LOSSES, DAMAGES, COSTS OR EXPENSES FOR ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES, INCLUDING BUT NOT LIMITED TO LOSS OF PROFIT OR REVENUE, LOSS OF THE USE OF EQUIPMENT, COST OF CAPITAL, COST OF TEMPORARY EQUIPMENT OR SERVICES, WHETHER BASED IN WHOLE OR IN PART IN CONTRACT, IN TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, OR ANY OTHER THEORY OF LIABILITY. THE LIMITATIONS OF LIABILITY SET FORTH IN THIS SECTION 17.2 ARE NOT INTENDED TO AND SHALL NOT IN ANY MANNER, LIMIT OR QUALIFY THE LIABILITIES AND OBLIGATIONS OF THE PARTIES UNDER ANY OTHER AGREEMENTS BETWEEN THE PARTIES.

17.3 This Agreement shall not affect the obligations or rights of either Party with respect to other agreements. Each Party to this Agreement represents 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.

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

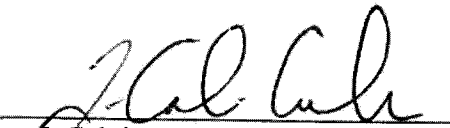
17.5 The descriptive headings of the various sections of this Agreement have been inserted for convenience of reference only and are to be afforded no significance in the interpretation or construction of this Agreement.

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

[Signatures are on next page]

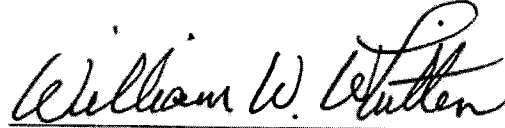
IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by the undersigned authorized representatives.

Electric Transmission Texas, LLC

By: 
Name: J. Calvin Crowder
Title: President

Date: 4-9-15

**Southwest Texas Electric Cooperative,
Inc.**

By: 
Name: William Whitten
Title: General Manager

Date: 3-30-15

EXHIBIT A

FACILITY SCHEDULE NO.	LOCATION OF POINT(S) OF INTERCONNECTION (# of Points)	INTERCONNECTION VOLTAGE (kV)	EFFECTIVE DATE IN THIS AGREEMENT OR SUBSEQUENT AMENDMENT TO THIS AGREEMENT
1	Plains Pandale (1)	138	<u>APRIL 9</u> , 2015

FACILITY SCHEDULE NO. 1

1. **Name:** **Plains Pandale**
2. **Facility Location:** The SWTEC Plains Pandale Substation ("SWTEC Substation") (30° 27' 54.43" N., 101° 28' 07.37" W.) is located in Crockett County, at 8356 County Road 405, Ozona, Texas. The Point of Interconnection will be located at the dead-end structure within the SWTEC Substation. More specifically, the Point of Interconnection is located where the SWTEC jumper conductors from the SWTEC Substation equipment connect to ETT's 138 kV transmission line conductors from the ETT Corral Station ("ETT Station") (30° 27' 55.22" N., 101° 28' 12.43" W.) located, approximately 20.6 miles south of the intersection of Interstate Hwy 10 and Farm Road 2083, in Crockett County, Texas.
3. **Delivery Voltage:** 138 kV
4. **Metering Voltage:** 24.9 kV
5. **Loss Adjustment Due To Meter Location:** Yes
6. **Normal Operation of Interconnection:** Closed
7. **One-Line Diagram Attached:** Yes
8. **Facilities Ownership and Installation Responsibilities of the Parties:**
 - A. **ETT will install and own the following facilities:**
 - i. the Illinois No. 4 to Hamilton Road 138 kV (existing) transmission line
 - ii. the ETT Station and all associated facilities, including but not limited to the in-line and radial switches
 - iii. the 138 kV transmission line from the ETT Station to the SWTEC Substation
 - iv. the 24.9 kV meter and metering facilities for ERCOT settlement within the SWTEC Substation
 - B. **SWTEC will install and own the following facilities:**
 - i. the SWTEC Substation and all the facilities within it
 - ii. the 24.9 kV meter and metering facilities (check) within the SWTEC Substation
9. **Facility Operation Responsibilities of the Parties:**

Each Party will operate the facilities it owns.
10. **Facility Maintenance Responsibilities of the Parties:**

Each Party will maintain the equipment it owns at its own expense.

11. **Estimated Peak Load:** 9,000 kW

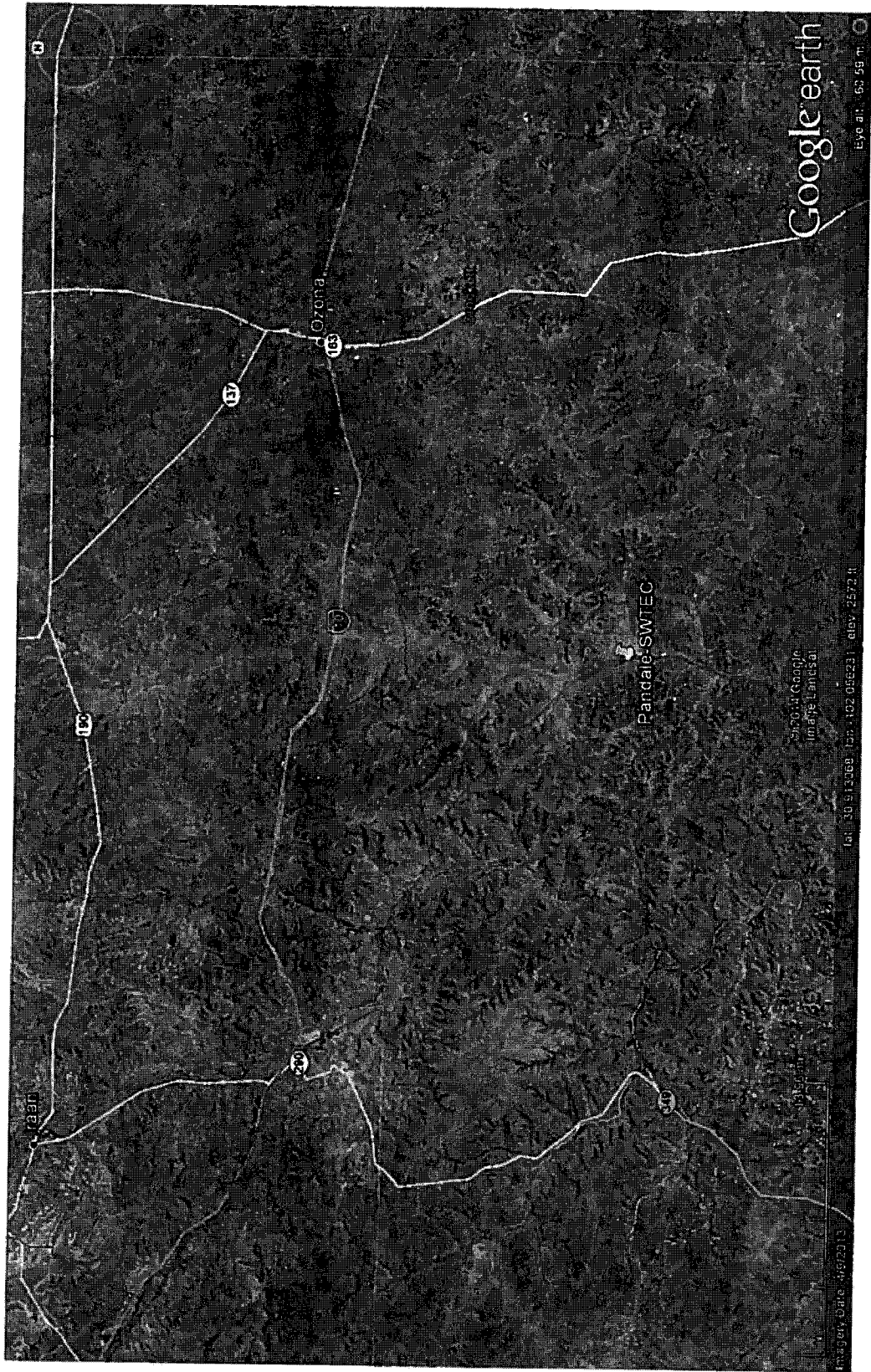
12. **Other Terms and Conditions:**

- A. The Parties recognize that ETT is installing the facilities described in Section 8A hereinabove to facilitate SWTEC's request for a new POI. If SWTEC cancels its request for this POI prior to or after energizing this POI because the facilities are not required, SWTEC agrees to pay ETT for the costs that it has incurred in accordance with Sections 4.11 or 4.12 of the Agreement (including the temporary facilities costs described in Section 12C, below). In the event such payment is determined to be taxable income to ETT and subject to federal income tax or state franchise tax, SWTEC shall reimburse ETT for the tax effect of such payment. ETT and SWTEC shall cooperate in good faith concerning the determination of the tax effect of such payment. ETT's estimated total installed cost of its facilities is Two Million Dollars (\$2,000,000).
- B. The in-service date for the POI is estimated to be December 31, 2015. ETT will use reasonable efforts to provide the POI on the desired in-service date in accordance with, and subject to the terms of, Section 4.4 of the Agreement.
- C. The Parties will keep each other advised periodically as to the progress of their respective design, procurement, and construction efforts regarding the POI. If, at any time, SWTEC becomes aware that the completion of the POI will not be required until after the requested in-service date, SWTEC will promptly provide written notice to ETT of a new, later in-service date.
- D. Parties mutually agree that this Facility Schedule may be amended to accurately document the final as-built design of the installed permanent interconnection facilities.

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FACILITY SCHEDULE NO. 1 (continued)

Area Map



FACILITY SCHEDULE NO. 1 (continued)
Conceptual One Line Diagram

