



Control Number: 35077



Item Number: 586

Addendum StartPage: 0

PUC Project No. 35077

RECEIVED
2015 SEP 11 PM 4:17
PUBLIC UTILITY COMMISSION
FILING CLERK

ASSIGNMENT AGREEMENT

Between

LCRA Transmission Services Corporation

and

AEP Texas North Company

and

Indian Mesa Wind Farm, LLC

Dated

August 17, 2015

586

ASSIGNMENT AGREEMENT

THIS ASSIGNMENT AGREEMENT (this "Agreement"), dated as of August 17, 2015 ("Effective Date"), is entered into by and among AEP Texas North Company, a Texas corporation ("Assignor"); LCRA Transmission Services Company, a non-profit company of the Lower Colorado River Authority, a conservation and reclamation district of the State of Texas ("Assignee"); and Indian Mesa Wind Farm, LLC, a Delaware limited liability company ("Generator").

WHEREAS, West Texas Utilities Company ("WTU") (now known as AEP Texas North Company) and National Wind Power Limited ("NWP"), collectively referred to as the original parties, entered into that certain Interconnection Agreement dated the 6th day of April, 2000 for the interconnection of NWP's 82.5 MW wind-powered electric generators and interconnection facilities at NWP's McKenzie Substation to the transmission facilities of WTU located in Pecos County (the "Interconnection Agreement");

WHEREAS, subsequent to the Interconnection Agreement, NWP sold and assigned all of its rights and obligations to NWP Indian Mesa Wind Farm LP (the "Generator Assignment"). Subsequent to the Generator Assignment, NWP Indian Mesa Wind Farm, LP changed its name to Indian Mesa Wind Farm LP and then to Indian Mesa Wind Farm, LLC as reflected in PUC Docket No. 37547;

WHEREAS, effective as of August 16, 2013, Assignor sold and assigned all of its rights and obligations to Assignee certain transmission facilities which included the transmission facilities directly connecting to Generator's interconnection facilities under the Interconnection Agreement.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Pursuant to Assignor's rights under Section 8.10 of the Interconnection Agreement, Assignor hereby assigns to Assignee all of Assignor's right, title and interest in, to and under the Interconnection Agreement. Assignee hereby accepts the foregoing assignment subject to the terms, provisions and conditions of the Interconnection Agreement and hereby agrees to be bound by all the terms, provisions and conditions of the Interconnection Agreement.
2. By execution of this Agreement, Assignee hereby assumes and agrees to discharge, and releases Assignor from, all obligations and liabilities with respect to the Interconnection Agreement whether arising before or after the Effective Date.
3. Assignee hereby acknowledges that, pursuant to the provisions of Section 8.10(c) and Section 8.13 of the Interconnection Agreement, upon assignment of the Interconnection Agreement to Assignee, Assignor shall be completely relieved of all obligations under the agreement.
4. Assignor hereby represents and warrants to Assignee that to Assignor's knowledge, no Default (as defined in the Interconnection Agreement), and no event that, with

notice or lapse of time, would constitute a Default, has occurred under the Interconnection Agreement.

5. Generator, party to the Interconnection Agreement, hereby consents to this assignment of this Interconnection Agreement to Assignee. By execution of this Agreement, Generator hereby agrees to discharge, and releases Assignor from, all obligations and liabilities with respect to the Interconnection Agreement whether arising before or after the Effective Date. Generator recognizes Assignee as Assignor's successor-in-interest in and to the Interconnection Agreement.

6. From and after the Effective Date, the addresses for notices to Assignee under the Assigned Contract shall be as set forth in the Amended Exhibit "D" attached hereto (subject to the right of Generator and Assignee to change such addresses in accordance with the terms of the Interconnection Agreement). Except for the foregoing, all provisions, terms, and conditions of the Agreement remain in full force and effect.

7. This Agreement shall be governed by the laws of the State of Texas, without giving effect to its principles regarding conflicts of laws.

8. Each of the parties hereby represents and warrants that it is authorized to execute and deliver this Agreement and that this Agreement constitutes the valid, legal and binding agreement of each of the Assignor and the Assignee. Each of the individuals signing on behalf of the Assignor and the Assignee is duly authorized to sign this Agreement on behalf of the Assignor and Assignee, respectively, and to bind his or her respective party to the terms of this Agreement.

9. The provisions of this Agreement shall be binding upon and inure to the benefit of the respective representatives, successors and assigns of the parties hereto.

10. This Agreement may be executed in three counterparts, each of which shall be deemed an original, but each of which shall together constitute one and the same agreement.

IN WITNESS WHEREOF, the parties have entered into this Agreement on the date first above written.

[Signature page to follow]

Accepted and Agreed:

Assignor: AEP Texas North Company

By: Scott N. Smith

Date: 8/17/15

Name: Scott N. Smith

Title: Vice President

Accepted and Agreed:

Assignee: LCRA Transmission Services Corporation

By: Ray Pfefferkorn

Date: 7/2/15

Name: Ray Pfefferkorn, P.E.

Title: LCRA Transmission Engineering Manager



Accepted and Agreed:

Indian Mesa Wind Farm, LLC

By: Mark Tourangeau

Date: 7/30/15

Name: Mark Tourangeau

Vice President

Title: _____

Amended Exhibit "D"
Notice and EFT Information of the Interconnection Agreement

(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 Generator:	If to Transmission Service Provider:
Company Name:	Indian Mesa Wind Farm, LLC	LCRA Transmission Services Corporation
Attn:	Business Manager	Transmission Operations Manager
Address:	700 Universe Blvd – FEB/JB	P.O. Box 220
City, State, Zip:	Juno Beach, FL 33408	Austin, TX 78767
Operational/Confirmation Fax:	561-691-7309	512-385-2146
24 Hour Phone:	866-375-3737	1-800-223-7622
E-mail:	FPDC-Wind.SharedMailbox@nexteraenergy.com	bill.hatfield@lcra.org

(b) Notices of an administrative nature:

	If to Generator:	If to Transmission Service Provider:
Company Name:	Indian Mesa Wind Farm, LLC	LCRA Transmission Services Corporation
Attn:	Business Manager	Transmission Engineering Manager
Address:	700 Universe Blvd – FEB/JB	P.O. Box 220
City, State, Zip:	Juno Beach, FL 33408	Austin, TX 78767
Fax:	561-691-7309	512-578-4413
Phone:	561-691-7171	512-578-4534
E-mail:	juan.p.hernandez@nee.com	ray.pfefferkorn@lcra.org
Copy:		
Company Name:		
Attn:		
Address:		
City, State, Zip:		
Fax:		
Phone:		
E-mail:		

(c) Notice for statement and billing purposes:

	If to Generator:	If to Transmission Service Provider:
Company Name:	Indian Mesa Wind Farm, LLC	LCRA Transmission Services Corporation
Attn:	Business Manager	Transmission Engineering Manager
Address:	700 Universe Blvd – FEB/JB	P.O. Box 220
City, State, Zip:	Juno Beach, FL 33408	Austin, TX 78767
Fax:	561-691-7309	512-578-4413
Phone:	561-691-7171	512-578-4534
E-mail:	juan.p.hernandez@nee.com	ray.pfefferkorn@lcra.org

(d) Information concerning Electronic Funds Transfers:

	If to Generator:	If to Transmission Service Provider:
Bank Name:		
Address:		
City, State:		
ABA No.		
for credit to		
Account No.		

INTERCONNECTION AGREEMENT

between

WEST TEXAS UTILITIES COMPANY

and

NATIONAL WIND POWER LIMITED

Dated April 6, 2000

**INTERCONNECTION AGREEMENT
BETWEEN
WEST TEXAS UTILITIES COMPANY
AND
NATIONAL WIND POWERLIMITED**

This INTERCONNECTION AGREEMENT (including all Exhibits, this "Agreement") is dated as of this 6th day of April, 2000, by and between West Texas Utilities Company ("Company"), and National Wind PowerLimited ("Customer"), hereafter individually referred to as "Party" and collectively referred to as "Parties".

WITNESSETH:

WHEREAS, Company is an electric utility that owns and operates an electrical system engaged in, among other businesses, the transmission and distribution of electric energy; and

WHEREAS, Customer intends to construct, own and operate an electrical system for the purpose of generating and delivering electrical energy produced from wind turbines near the city of McCamey, Texas; and

WHEREAS, Customer desires to interconnect its electrical system with the Company's electrical system; and

WHEREAS, Company is willing to interconnect its electrical system with the Customer's electrical system under the terms and conditions contained herein;

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

ARTICLE I. DEFINITIONS

Whenever used in this Agreement, the following terms shall have the following meanings:

1.1 "Affiliate" shall mean, with respect to any specified Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement, or otherwise.

1.2 "Applicable Laws and Regulations" shall mean all applicable federal, state and local laws, ordinances, rules and regulations, and all duly promulgated orders and other duly authorized actions of any Governmental Authority having jurisdiction over the Parties and/or their respective facilities. Notwithstanding the foregoing, each Party shall have the right at its sole expense to contest the application of any Applicable Laws and Regulations to such Party before the appropriate authorities.

1.3 "Business Day" shall mean any day other than a Saturday, Sunday or other day on which commercial banks in Dallas, Texas are authorized or required by law to be closed.

1.4 "Cancellation of the Interconnection" shall mean Customer's, or Customer's assignee's or transferee's (if applicable) (a) permanent abandonment, cancellation or termination of the development, construction or operation of the Facility or the Customer's Interconnection Facilities or (b) involuntary loss of title to or control of the Facility or the Customer's Interconnection Facilities to anyone other than a Project Financing Holder or any purchaser at a foreclosure sale or conveyance in lieu of foreclosure under the Project Financing.

1.5 "Company System" shall mean the integrated system of electrical generation, transmission and distribution facilities, and all equipment and facilities ancillary thereto, owned and/or operated by Company.

1.6 "Company's Interconnection Facilities" shall mean all protection and control equipment, circuit breakers, disconnect switches and related equipment and facilities that are part of the Interconnection Facilities and that Company constructs, owns, or operates and maintains, as such are so designated and described in Exhibit 1.

1.7 "Control Area" shall mean an electric system capable of regulating its generation in order to maintain and control its electric energy interchange schedule with other electric systems and contribute its frequency bias obligation to the ERCOT electric grid.

1.8 "Customer's Interconnection Facilities" shall mean all protection and control equipment, circuit breakers, disconnect switches and related equipment and facilities that are part of the Interconnection Facilities and that Customer constructs, owns, or operates and maintains, as such are so designated and described in Exhibit 1.

1.9 "Default" shall mean the failure of either Party to perform any obligation in the time or manner provided in this Agreement.

1.10 "ERCOT" shall mean the Electric Reliability Council of Texas, one of the regional reliability councils of NERC formed to promote reliability and adequacy of bulk power supply of the electric utility systems in North America, or any successor to the functions thereof.

1.11 "ERCOT ISO" shall mean the ERCOT Independent System Operator, or any successor to the functions thereof.

1.12 "ERCOT Operating Guides" shall mean those operating guides promulgated by ERCOT or the ERCOT ISO relating to practices to be followed in the operation of the interconnected systems of the member utilities of ERCOT, as in effect from time to time, and any successor guides or rules of ERCOT applicable to the same subject matter.

1.13 "Facility" shall mean the Customer's wind-powered electric generators including the collection circuits that connect to the Customer's Interconnection Facilities at the McKenzie Substation located in Pecos County near the City of McCamey, Texas.

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

1.15 "Force Majeure" shall mean any unforeseeable cause beyond the reasonable control of and without the fault or negligence of the Party claiming Force Majeure, including but not limited to acts of God, strike (including that by vendor personnel), flood, earthquake, storm, fire, lightning, epidemic, war, riot, civil disturbance, sabotage, change in law or applicable regulation subsequent to the date hereof and action or inaction by any federal, state or local legislative, executive, administrative judicial agency or body which, in any of the foregoing cases, by exercise of due foresight such Party could not reasonably have been expected to avoid, and which, by the exercise of due diligence, it is unable to overcome.

1.16 "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 in ERCOT 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 is intended to include acceptable practices, methods, or acts generally accepted in the ERCOT region.

1.17 "Governmental Authority(s)" shall mean any federal, state, local or municipal governmental body; any governmental, regulatory or administrative agency, commission, body or other authority exercising or entitled to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power; or any court or governmental tribunal.

1.18 "Interconnection Facilities" shall mean all equipment and facilities that are necessary or desirable under Good Utility Practice to interconnect the Facility to the Company System economically, reliably and safely, including all connection, switching, metering, transmission, distribution, safety, engineering, communication and Protective Equipment. The Interconnection Facilities are more particularly described in Exhibit 1.

1.19 "Interconnection Guidelines" shall mean (a) Section 1 Introduction, (b) Section 2 Interconnection Practices for Transmission Generation Facilities, (c) Section 5 Construction Practices, (d) Section 6 Substation Equipment, Insulation and Structural Design Requirements, (e) Section 7 Transmission Line Design, Loading, Clearance, Insulation and Structural Design and (f) Section 8 Metering and Telemetry Requirements of the Company's "Guidelines for Generation, Transmission and Transmission Electricity Users Interconnection Facilities" as currently published by Central and South West Services, Inc. and as the same may be modified from time to time in the future.

1.20 "NERC" shall mean the North American Electric Reliability Council, including any successor thereto or any regional reliability council thereof.

1.21 "Open Access Transmission Service Tariff" shall mean the Open Access Transmission Service Tariff of the CSW Operating Companies, as filed with FERC, as amended or supplemented from time to time.

1.22 "Party" shall mean a party to this Agreement named in the preamble, above, or any permitted assignees.

1.23 "Person" shall mean any individual, governmental authority, corporation, limited liability company, partnership, limited partnership, trust, association or other entity.

1.24 "Point of Interconnection" shall mean the point, shown in Exhibit 1, where the Facility is interconnected with the Company System.

1.25 "Project Financing" means (a) one or more loans and/or debt issues, together with all modifications, renewals, supplements, substitutions and replacements thereof, the proceeds of which are used to finance or refinance the costs of the Facility, any alteration, expansion or improvement to the Facility, the purchase and sale of the Facility or the operations at the Facility

and (b) a power purchase agreement pursuant to which Customer's obligations are secured by a mortgage or other lien on the Facility.

1.26 "Project Financing Holder" means (a) any holder, trustee or agent for holders, of any component of the Project Financing and (b) any purchaser of power from the Facility to which Customer has granted a mortgage or other lien as security for some or all of Customer's obligations under the corresponding power purchase agreement.

1.27 "Protective Equipment" shall mean such protective relay systems, locks and seals, breakers, automatic synchronizers, associated communication equipment and other control and protective apparatus as is reasonably necessary under Good Utility Practice, as specified and reasonably approved by Company for the operation of the Facility in parallel with the Company System and to permit Company's facilities to operate economically, reliably and safely in their normal manner.

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

ARTICLE II. TERM

2.1 Term

This Agreement becomes effective upon execution by both Parties and continues in effect until terminated pursuant to this paragraph or as otherwise permitted pursuant to the terms of this Agreement. Customer may terminate this Agreement at any time by delivering written notice of termination to Company. Company may terminate this Agreement if a Cancellation of the Interconnection occurs by delivering written notice to Customer. Following the termination of this Agreement, the Parties hereto shall no longer be bound by the terms and conditions of this Agreement except as provided specifically herein and except to the extent of rights, duties, or obligations accruing before the end of the term. However, termination of this Agreement for any reason, including termination for default by either Party in the performance of obligations imposed by the terms of this Agreement, does not thereby waive any right Customer may have to require Company to interconnect the Facility to the Company System pursuant to applicable laws, rules and regulations.

2.2 Regulatory Approvals or Filings

Customer agrees that it shall obtain in a timely manner any federal or state regulatory consents, approvals, certifications, filings or orders that may be required of Customer as a condition of Customer's execution, delivery or performance of this Agreement and any amendments hereto. To the extent required by any Applicable Laws and Regulations, Company shall file this Agreement with the FERC (and provide a copy of the filing to the PUCT) within

thirty (30) Business Days of the date first written above. Unless exempt, Company shall timely request ISO and all regulatory approvals necessary for it to carry out its responsibilities under this Agreement. Such approvals shall include, without limitation, any certificate of convenience and necessity required for the construction of the Company's Interconnection Facilities. Customer and Company agree to assist one another and use all reasonable efforts in obtaining such approvals or making such filings as promptly as practicable.

ARTICLE III. OWNERSHIP, OPERATION AND MAINTENANCE

3.1 Establishment of Point of Interconnection

The Parties agree to interconnect Customer's Interconnection Facilities and Company's Interconnection Facilities at the location, and in accordance with the terms and conditions, specified herein and on Exhibit 1 attached hereto.

3.2 Construction, Operation and Maintenance of Interconnection Facilities

(a) If, as a result of any action or failure to act by Customer, related to Customer's interconnection to Company System, Company incurs costs that Company claims are necessary to satisfy its responsibilities or obligations as an ERCOT Control Area or interconnected transmission provider, then Company may seek a determination from the Governmental Authority having jurisdiction that Customer shall be responsible for those costs.

(b) Each of the Parties will, at its own cost and expense, construct, operate, maintain, repair, and inspect its Interconnection Facilities which it now or hereafter may own unless otherwise specified on Exhibit 1. Maintenance by either Party that will cause a deviation from normal power and energy flow at the Point of Interconnection will be scheduled at a mutually agreeable time. 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 or in the Company's Open Access Transmission Service Tariff. The Parties will coordinate on a timely basis the construction, operation and maintenance of their Protective Equipment. The Parties shall cause their respective Interconnection Facilities to be constructed in accordance with specifications at least equal to those provided by the National Electric Safety Code, approved by the American National Standards Institute, Interconnection Guidelines, Good Utility Practice, and the ERCOT Operating Guides in effect at the time of construction or modification.

3.3 System Operations

(a) Customer shall operate in accordance with the ERCOT Operating Guides and any applicable directives of the ERCOT ISO addressing reliability, security or facilitation of the wholesale transmission market in ERCOT. To help ensure the protection and safety of Parties' personnel and property, Customer shall operate in accordance with Company's transmission and

distribution switching procedures for personnel protection as established by Company's System Operations Department (as long as such procedures comply with Good Utility Practice). In accordance with Good Utility Practice and the provisions of the Interconnection Guidelines, Customer agrees to design, install, maintain and operate, or cause the design, installation, maintenance, and operation of Customer's Interconnection Facilities, so as to reasonably minimize the likelihood that a disturbance originating in its system would adversely affect or impair the Company System or other systems with which Customer is interconnected. Customer agrees during the term of this Agreement to comply in all material respects with all terms, conditions and provisions of the Interconnection Guidelines applicable to a "Transmission Generation Facility Requestor", as that term is used in the Interconnection Guidelines. It is the intent of the Interconnection Guidelines, and any change thereto, to govern the Customer's interconnection to Company only and not to impact Customer's operation on its side of the Point of Interconnection. If any provision of the Interconnection Guidelines, or any change thereto, adversely affects Customer's operations, Customer may notify Company of such problem and the Parties will, to the extent reasonably possible, negotiate in good faith to develop a modification of or replacement for such provisions that both Parties can reasonably accept.

(b) To help ensure the continued provision of electric service to customers and the reliable functioning of Company's overall system operations:

- (i) Customer shall operate as a Control Area under applicable directives of NERC, ERCOT, and ERCOT ISO; or
- (ii) Customer shall contract for the appropriate ancillary services from Company in accordance with Company's Open Access Transmission Service Tariff; or
- (iii) Customer shall contract for the appropriate ancillary services from another electric utility Control Area.

(c) The Company shall operate in accordance with the ERCOT Operating Guides and any applicable directives of the ERCOT ISO addressing reliability, security or facilitation of the wholesale transmission market in ERCOT. In accordance with Good Utility Practice and the provisions of the Interconnection Guidelines, Company agrees to design, install, maintain and operate, or cause the design, installation, maintenance, and operation of Company's Interconnection Facilities, so as to reasonably minimize the likelihood that a disturbance originating in its system would adversely affect or impair the Facility. It is the intent of Company's current transmission and distribution switching procedures for personnel protection, and any change thereto, to govern the Customer's interconnection to Company only and not to impact Customer's operation on its side of the Point of Interconnection. If any procedure in the Company's transmission and distribution switching procedures for personnel protection, or any change thereto, adversely affects Customer's operations, Customer may notify Company of such

problem and the Parties will, to the extent reasonably possible, negotiate in good faith to develop a modification of or replacement for such procedure that both Parties can reasonably accept.

3.4 Interconnection and Parallel Operations

(a) Interconnection of the Customer Interconnection Facilities to the Company Interconnection Facilities at the Point of Interconnection shall be governed by Exhibit 1.

(b) Customer shall follow Company's reactive and voltage restrictions in accordance with Company's Interconnection Guidelines, ERCOT Operating Guides and other applicable laws, rules and regulations.

3.5 Other Services

This Agreement is applicable only to the interconnection of the Customer Interconnection Facilities to the Company Interconnection Facilities at the Point of Interconnection and does not obligate Company or Customer to provide, or entitle Customer or Company to receive, any transmission or other 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. Any transmission or ancillary service obtained by Customer from the Company shall be governed by the provisions of the Company's Open Access Transmission Service Tariff.

ARTICLE IV. METERING AND VERIFICATION

4.1 Metering

Ownership, installation, operation and maintenance of metering, instrumentation, telemetry, and communications equipment to be utilized for services to be provided by Company or otherwise through or related to the Point of Interconnection shall be in accordance with Exhibit 1. Exhibit 1 will be amended to reflect any changes in equipment necessary to provide additional services not presently contemplated to be provided by Company or otherwise through or related to the Point of Interconnection. Customer may connect a meter in parallel with Company's meter using Company's instrument transformers, but Company's meter will be used to determine energy and power values unless it is found to be inaccurate or defective, in which event, Customer's meters may be used for such purpose. The Parties are responsible for testing and maintenance of their respective meters, but each Party may inspect and test the other Party's meter. Company is responsible for maintenance and testing of its instrument transformers. Customer may witness Company maintenance and testing of its instrument transformers, or may perform its own tests.

4.2 Verification

As requested by Company from time to time, Customer agrees to submit to Company real time and forecasted information specified in the ERCOT Operating Guides or other ERCOT standards and policies, or as deemed necessary by the Company subject to ERCOT ISO review, to maintain reliable operation of the Company System. Information may include, but is not limited to, voltage schedule, reactive reserves, operating reserves, generator test results, generator dynamic recordings and generator electrical and mechanical characteristics. If Company incurs costs it claims are necessary to satisfy its responsibilities or obligations as an ERCOT Control Area coordinator or interconnected transmission provider as a result of information so specified or deemed necessary not being submitted by Customer, Section 8.17 of this Agreement shall govern the recovery of such costs. When requesting information, Company will, to the extent possible, provide the reason(s) it needs such information and explain the consequences of not receiving the requested information. The use and/or disclosure of any information provided to the Company pursuant to this Section 4.2 shall be governed by the Company's standards of conduct on file at FERC and Section 8.7 of this Agreement.

ARTICLE V. ACCESS TO INTERCONNECTION FACILITIES

Each of the Parties shall at all reasonable times, and upon reasonable notice, have access to the other Party's Interconnection Facilities to make inspections and obtain information in connection with this Agreement. Each of the Parties agree to observe such reasonable safety rules and precautions as may be required by the other Party, and shall conduct themselves in a manner that will not interfere with the operation of the Facility or the Company System.

ARTICLE VI. NOTICES AND REPRESENTATIVES OF THE PARTIES

6.1 Notices

Any notice, demand or request required or authorized by this Agreement to be given by one Party to the other Party shall be in writing. It shall either be personally delivered, transmitted by telecopy or facsimile equipment (with receipt confirmed), sent by overnight courier or mailed, postage prepaid, to the other Party at the address designated pursuant to this Article VI. Any such notice, demand or request so delivered or mailed shall be deemed to be given when so delivered or, if mailed, three (3) days after being mailed.

6.2 Addresses of the Parties

(a) Notices and other communications by Customer to Company shall be addressed to:

Manager, Transmission Access

Central and South West Services, Inc.
Overnight: Two West Second Street
Tulsa, OK 74103-3102
U.S. Mail: P.O. Box 21928
Tulsa, OK 74121-1928
Voice: (918) 594-2277
Fax: (918) 594-4401
Internet: sttaylor@csww.com

(b) Notices and other communications by Company to Customer shall be addressed to:

Attention: Pecos County Wind Farm
National Wind Power Limited
Riverside House, Meadowbank
Furlong Road, Bourne End
Buckinghamshire SL8 5AJ
United Kingdom

Phone: 011-44-1628-532-300
Fax: 011-44-1628-531-993

(c) Either Party may change its address by written notice to the other in accordance with this Article VI.

ARTICLE VII. FORCE MAJEURE

7.1 Effect of Force Majeure

(a) Except for the obligation to make any payments under this Agreement, the Parties shall be excused from performing their respective obligations under this Agreement and shall not be liable in damages or otherwise if and to the extent that they are unable to so perform or are prevented from performing by a Force Majeure, provided that:

- (i) the non-performing Party, as promptly as practicable after the occurrence of the Force Majeure, but in no event later than fourteen (14) days thereafter, gives the other Party written notice describing the particulars of the occurrence;
- (ii) the suspension of performance is of no greater scope and of no longer duration than is reasonably required by the Force Majeure;

- (iii) the non-performing Party uses all reasonable efforts to remedy its inability to perform;
 - (iv) as soon as the non-performing Party is able to resume performance of its obligations excused as a result of the occurrence, it gives prompt written notification thereof to the other Party; and
 - (v) neither Party shall be required to settle any strike, walkout, lockout or other labor dispute on terms which, in the sole judgment of the Party involved in the dispute, are contrary to its interest, it being understood and agreed that the settlement of strikes, walkouts, lockouts or other labor disputes shall be entirely within the discretion of the Party having such dispute.
- (b) In no event will any condition of Force Majeure extend this Agreement beyond its stated term.

ARTICLE VIII. MISCELLANEOUS PROVISIONS

8.1 Severability

If any provision or provisions of this Agreement shall be held invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall in no way be affected or impaired thereby.

8.2 Modifications

No amendment or modification to this Agreement or waiver of a Party's rights hereunder shall be binding unless it shall be in writing and signed by the Party against which enforcement is sought.

8.3 Prior Agreement Superseded

This Agreement and the Exhibits attached hereto constitute the entire agreement between the Parties relating to the subject matter hereof and its execution supersedes all previous agreements, discussions, communications and correspondence with respect to such subject matters.

8.4 Counterparts

This Agreement may be executed in any number of counterparts, and once executed by all Parties, each executed counterpart shall have the same force and effect as an original instrument.

8.5 Survival

The provisions of Sections 8.7, 8.17, and 8.18, including the rights and obligations of the Parties therein provided, shall survive the termination or expiration of this Agreement and the performance by the Parties of their obligations hereunder.

8.6 No Third-Party Beneficiaries

This Agreement is not intended to, and does not, confer upon any Person other than the Parties hereto and their respective successors and permitted assigns, any rights or remedies hereunder.

8.7 Confidentiality

The Parties agree that certain information relating to this Agreement that the Parties have exchanged or may exchange may be confidential, proprietary or of competitive value, and that all information designated in writing as such shall be kept confidential. Such obligation of confidentiality shall extend to all such information, whether exchanged orally or in written or electronic form, so long as such information is marked "confidential" or "proprietary" at the time of disclosure, or if disclosed orally, the receiving Party confirms promptly in writing that such information is to be treated as confidential for purposes of this Agreement. Each Party shall be permitted to disclose confidential information to its officers, directors, employees, agents, Affiliates, attorneys and consultants who need to know such information in connection with the implementation of this Agreement (but only, in the case of disclosures by or on behalf of the Company, so long as the disclosure of such information to such Persons and the use of such information thereby complies with the requirements of the Company's standards of conduct on file at the FERC), and each Party agrees to notify such Persons of the confidential nature of such information and to be responsible for any unauthorized disclosure of such information by such Persons in accordance with the requirements of the Company's standards of conduct on file at the FERC. Notwithstanding the generality of the foregoing, the Company agrees not to disclose or permit the disclosure of such information to (i) CSW Energy, Inc. or any of its non-utility generator subsidiaries in competition with Customer for wholesale power markets or (ii) its officers, directors, employees, agents and consultants who are engaged solely in wholesale merchant functions that are in competition with Customer. Information shall not be deemed to be confidential if it (i) was in the public domain prior to the date hereof, (ii) becomes publicly available after the date hereof other than as a result of the unauthorized disclosure thereof by a Party or by an officer, director, employee, agent or Affiliate of a Party, (iii) becomes available to a Party on a nonconfidential basis from a source other than the other Party if such source was not

subject to any prohibition against transmitting the information or (iv) is required to be disclosed pursuant to any Applicable Laws and Regulations or pursuant to administrative or judicial process, in which case the Party disclosing the information shall notify the other Party of such disclosure. The Parties agree to abide by the term of this Section 8.7 for so long as this Agreement is in effect and for a period of two (2) years thereafter.

8.8 Interpretation

Except as otherwise stated, reference to Articles, Sections and Exhibits mean the Articles, Sections and Exhibits of this Agreement. All indices, titles, subject headings, section titles and similar items in this Agreement are provided for the purpose of reference and convenience only and are not intended to be inclusive or definitive or to affect the meaning of the contents or scope of this Agreement.

8.9 Successors and Assigns

This Agreement shall inure to the benefit of and be binding upon Company and Customer and their respective successors and permitted assigns.

8.10 Assignment by Company

Notwithstanding anything herein to the contrary, Company shall not assign or otherwise transfer all or any of its rights or obligations under this Agreement without the prior written consent of Customer, such consent not to be unreasonably withheld or delayed, except that Company may assign or transfer its rights and obligations under this Agreement without the prior written consent of Customer, if Company is not then in material default of this Agreement:

(a) where any such assignment or transfer is to an Affiliate of Company; provided, however, no such assignment or transfer pursuant to this Section 8.10(a) shall relieve Company of its obligations under this Agreement;

(b) where such assignment or transfer is to an independent system operator that becomes responsible for a Control Area of which the Company System is a part, or any successor to or transferee of the direct or indirect ownership or operation of all or part of the Company System; or

(c) to any successor to or transferee of the direct or indirect ownership or operation of all or part of the Company System that includes the Company's Interconnection Facilities, and upon the assumption by any such permitted assignee of Company's rights, duties and obligations hereunder, Company shall be released and discharged therefrom.

8.11 Assignment by Customer

Notwithstanding anything herein to the contrary, Customer shall not assign or otherwise transfer all or any of its rights or obligations under this Agreement without the prior written consent of Company, such consent not to be unreasonably withheld or delayed, except that Customer may assign or transfer its rights and obligations under this Agreement without the prior written consent of Company, if Customer is not then in material default of this Agreement:

(a) where any such assignment or transfer is to an Affiliate of Customer; provided however, that no such assignment or transfer shall relieve Customer of its obligations under this Agreement;

(b) to any person or entity (or any Affiliate thereof) that purchases or otherwise acquires, directly or indirectly, all or substantially all of the Facility; or

(c) to any Project Financing Holder as security for amounts payable under any Project Financing.

8.12 Restrictions on Assignment

Except as specifically provided for in Section 8.10 and Section 8.11 any assignment or transfer of this Agreement or any rights, duties or interests hereunder by any Party without the written consent of the other Party shall be void and of no force or effect.

8.13 Release of Obligations

Upon any assignment of this Agreement pursuant to Section 8.10(b) or (c) or Section 8.11(b) or (c), the assigning Party shall be relieved of any further obligations under this Agreement arising after the date of such assignment to the extent that such obligations are expressly assumed by the assignee and the non-assigning Party reasonably determines that the assignee is no less technically and financially capable of performing its obligations under the Agreement than was the assigning Party.

8.14 Lender Security

Company agrees, if requested by Customer and at Customer's expense, to enter into an agreement (in a form reasonably acceptable to Company) with the Project Financing Holders, pursuant to which Company will acknowledge the creation of security over Customer's rights under this Agreement and agree that, upon breach of this Agreement or any loan documents by Customer or the insolvency of Customer, the Project Financing Holder shall:

(a) have the right within a reasonable period of time as specified therein to cure any breach of this Agreement complained of, provided the Project Financing Holder agrees to perform Customer's obligations under the Agreement during the cure period; and

(b) have the right, upon payment of all outstanding amounts due and payable to Company, to assume all the rights and obligations of Customer under this Agreement.

8.15 Further Assurances

The Parties agree (a) to furnish upon request to each other such further information, (b) to execute and deliver to each other such other documents, and (c) to 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. Without limiting the generality of the foregoing, Company shall, at Customer's expense, as and when requested to do so by Customer at any time after the execution of this Agreement, prepare and provide such information in connection with this Agreement and/or the services to be provided by it under this Agreement (including resolutions, certificates, opinions of counsel or other documents relating to Company's corporate authorization to enter into this Agreement and to undertake the obligations set out herein) as may be reasonably required by any potential or actual Project Financing Holder under a proposed or existing Project Financing Holder loan agreement. Company shall cooperate with Customer in good faith, at Customer's expense, in order to satisfy on a mutually agreeable basis the requirements of Customer's financing arrangements, including where appropriate the making of amendments to the terms of this Agreement as may be required and are acceptable to Company.

8.16 Billing and Payment

Both Parties understand and agree that this Agreement does not establish any routine and recurring payment obligations on either Party. However, for those non-recurring payment obligations that may arise from time to time pursuant to the terms of this Agreement (such as amounts that may become due pursuant to Sections 3.1(a), 3.2(c), 3.3(c), 8.17(d) and 8.18), the Parties agree to submit and pay any such amounts in accordance with this Section 8.16.

(a) Any invoice due under this Agreement shall be paid by the receiving Party within twenty (20) days after the date of the invoice.

(i) All payments to Company shall be made in immediately available funds payable to Company at:

Central and South West Services, Inc.
ATTN: Accounts Receivable
Overnight: Two West Second Street
Tulsa, OK 74103-3102
U.S. Mail: P.O. Box 21928
Tulsa, OK 74121-1928

or by wire transfer to a bank named by the Company.

- (ii) All payments to Customer shall be made in immediately available funds payable to Customer at:

National Wind Power Limited
ATTN : Pecos County Wind Farm
Riverside House, Meadowbank
Furlong Road, Bourne End
Buckinghamshire SL8 5AJ
United Kingdom

Phone: 011-44-1628-532-300
Fax: 011-44-1628-531-993

or by wire transfer to a bank named by the Customer.

(b) Either Party may change its address for payments by written notice to the other in accordance with Article VI.

(c) Interest on any unpaid amounts due (including amounts placed in escrow) shall be calculated in accordance with the methodology specified for interest on refunds in the FERC's regulations at 18 C.F.R. § 35.19a(a) (2) (iii). Interest on delinquent amounts shall be calculated from the due date of the bill to the date of payment. When payments are made by mail, bills shall be considered as having been paid on the date of receipt by the billing Party.

(d) In the event the receiving Party of any bill rendered pursuant to this Agreement fails, for any reason other than a billing dispute as described below, to make payment to the billing Party on or before the due date as described above, and such failure of payment is not corrected within thirty (30) calendar days after the billing Party notifies the receiving Party to cure such failure, a default by the receiving Party shall be deemed to exist.

8.17 Dispute Resolution Procedures

(a) Any dispute between the Parties involving matters related to this Agreement shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable. In the event the designated representatives are unable to resolve the dispute within thirty (30) days, or such other period as the Parties may agree upon, by mutual agreement, such dispute may be (i) submitted to mediation with the assistance of a neutral third party mutually acceptable to the Parties who has training or experience in mediation, upon terms and conditions mutually acceptable to the Parties, or (ii) if the Parties are unable to agree upon mediation, or such mediation fails to resolve the dispute, submitted to arbitration and resolved in accordance with arbitration procedures set forth below.

(b) Any arbitration initiated under this Agreement shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) days of the referral of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any Party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall generally conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association and any applicable FERC regulations or ERCOT ISO rules.

(c) Unless otherwise agreed, the arbitrator(s) shall render a decision within ninety (90) days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this Agreement and shall have no power to modify or change this Agreement in any manner. Subject to clause (e) below: (i) the decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction, and (ii) the decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act and/or the Administrative Dispute Resolution Act. The final decision of the arbitrator(s) must also be filed with the FERC if it affects jurisdictional rates, terms and conditions of service or facilities.

(d) Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable:

- (i) the cost of the arbitrator chosen by the Party to sit on the three-member panel and half of the cost of the third arbitrator chosen; or
- (ii) one half the cost of the single arbitrator jointly chosen by the Parties.

(e) Nothing in this section shall restrict the rights of either Party to file a complaint with the PUCT under relevant provisions of the Public Utility Regulatory Act of 1999, or its successors, or with the FERC under relevant provisions of the Federal Power Act. This provision should not, however, be construed as a waiver of either party's right to contest the jurisdiction of either the PUCT or the FERC to consider such a complaint.

8.18 Indemnification and Liability

(a) CUSTOMER HEREBY AGREES TO INDEMNIFY AND HOLD HARMLESS COMPANY, ITS DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, AND

REPRESENTATIVES, AGAINST AND FROM ANY AND ALL CLAIMS, DEMANDS, CAUSES OF ACTION, LOSSES AND LIABILITIES (INCLUDING ANY COST AND EXPENSE OF LITIGATION AND REASONABLE ATTORNEYS FEES INCURRED BY COMPANY IN DEFENDING ANY ACTION, SUIT OR PROCEEDING, PROVIDED THAT COMPANY AFFORDED CUSTOMER A REASONABLE OPPORTUNITY IN SUCH ACTION, SUIT OR PROCEEDING TO CONDUCT COMPANY'S DEFENSE AND TO APPROVE ANY SETTLEMENT AGREEMENTS) FOR OR ON ACCOUNT OF INJURY, BODILY OR OTHERWISE, TO, OR THE DEATH OF, PERSONS, OR FOR DAMAGE TO, OR DESTRUCTION OF, PROPERTY BELONGING TO COMPANY OR OTHERS, TO THE EXTENT THAT SUCH INJURY OR HARM IS CAUSED BY OR ARISES FROM (i) FACILITIES, PROPERTY AND EQUIPMENT OWNED OR CONTROLLED BY CUSTOMER, OR CUSTOMER'S OPERATION AND MAINTENANCE THEREOF; (ii) THE TRANSMISSION AND DELIVERY OF ELECTRICITY TO THE POINT OF INTERCONNECTION BY CUSTOMER; OR (iii) THE USE OR PRESENCE OF ELECTRICITY ON CUSTOMER'S SIDE OF THE POINT OF INTERCONNECTION OR OUTSIDE THE COMPANY CONTROL AREA (INsofar AS SUCH CLAIMS, DEMANDS, CAUSES OF ACTION, LOSSES AND LIABILITIES OUTSIDE THE COMPANY CONTROL AREA RESULT DIRECTLY OR INDIRECTLY FROM ELECTRICITY GENERATED BY CUSTOMER'S FACILITY) EXCEPT TO THE EXTENT THAT SUCH CLAIMS, DEMANDS, CAUSES OF ACTION, LOSSES AND LIABILITIES ARE ATTRIBUTABLE TO THE NEGLIGENCE OR FAULT OF COMPANY OR ITS DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, OR REPRESENTATIVES.

(b) COMPANY HEREBY AGREES TO INDEMNIFY AND HOLD HARMLESS CUSTOMER, ITS PARTNERS, AND THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, AND REPRESENTATIVES, AGAINST AND FROM ANY AND ALL CLAIMS, DEMANDS, CAUSES OF ACTION, LOSSES AND LIABILITIES (INCLUDING ANY COST AND EXPENSE OF LITIGATION AND REASONABLE ATTORNEYS FEES INCURRED BY CUSTOMER IN DEFENDING ANY ACTION, SUIT OR PROCEEDING, PROVIDED THAT CUSTOMER AFFORDED COMPANY A REASONABLE OPPORTUNITY IN SUCH ACTION, SUIT OR PROCEEDING TO CONDUCT CUSTOMER'S DEFENSE AND TO APPROVE ANY SETTLEMENT AGREEMENTS) FOR OR ON ACCOUNT OF INJURY, BODILY OR OTHERWISE, TO, OR THE DEATH OF, PERSONS, OR FOR DAMAGE TO, OR DESTRUCTION OF, PROPERTY BELONGING TO CUSTOMER OR OTHERS, TO THE EXTENT THAT SUCH INJURY OR HARM IS CAUSED BY OR ARISES FROM (i) FACILITIES, PROPERTY AND EQUIPMENT OWNED OR CONTROLLED BY COMPANY, OR COMPANY'S OPERATION AND MAINTENANCE THEREOF; OR (ii) THE USE OR PRESENCE OF ELECTRICITY ON COMPANY'S SIDE OF THE POINT OF INTERCONNECTION, EXCEPT TO THE EXTENT THAT SUCH CLAIMS, DEMANDS, CAUSES OF ACTION, LOSSES AND LIABILITIES ARE ATTRIBUTABLE TO THE NEGLIGENCE OR FAULT OF CUSTOMER OR ITS PARTNERS, OR THEIR DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, OR REPRESENTATIVES.

(c) IN NO EVENT SHALL EITHER PARTY, ITS PARENT CORPORATION, PARTNERS, SUBSIDIARIES OR AFFILIATES, WITH RESPECT TO ANY CLAIM ARISING OUT OF THIS AGREEMENT, WHETHER BASED ON CONTRACT, TORT (INCLUDING THE NEGLIGENCE OF SUCH PARTY, WHETHER SOLE OR JOINT AND CONCURRENT WITH THE NEGLIGENCE OF OTHER PARTY OR OTHERS, GROSS NEGLIGENCE, WILLFUL MISCONDUCT AND STRICT LIABILITY) OR OTHERWISE, BE LIABLE TO THE OTHER PARTY FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, EXEMPLARY, OR CONSEQUENTIAL DAMAGES SUFFERED BY THE OTHER PARTY.

8.19 Comparability

Company shall not require Customer to comply with standards and procedures in excess of those applied to Company's own interconnected generating facilities that are similarly situated.

8.20 Waivers

The failure of either Party to insist in any one or more instance upon strict performance of any of the provisions of this Agreement or to take advantage of any of its rights under this Agreement shall not be construed as a general waiver of any such provision or the relinquishment of any such right, but the same shall continue and remain in full force and effect, except with respect to the particular instance or instances.

8.21 Regulation

(a) This Agreement, and all obligations hereunder, are expressly conditioned upon the granting of any approval, authorization or acceptance for filing by the FERC as may be required by Applicable Laws and Regulations. The Company agrees to provide Customer with reports concerning the status of Company's regulatory approval process for this Agreement upon request by the Customer.

(b) This Agreement and all obligations hereunder are expressly made subject to the rules and regulations, as in effect from time to time, of any and all Governmental Authorities having jurisdiction.

8.22 Choice of Laws

This Agreement shall be governed, by and construed and interpreted in accordance with the laws of the State of Texas, irrespective of the application of any conflict of laws provisions.

8.23 Standard Form of Interconnection Agreement

If, after the date of this Agreement, the PUCT approves a standard form of interconnection agreement, Company and Customer may negotiate in good faith with a view toward replacing this Agreement with the PUCT standard form (except insofar as this Agreement contains provisions specifically relating to the Facility). However, if the parties do not mutually agree to adopt the PUCT standard form, this Agreement shall continue in full force and effect.

8.24 Default

No default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of Force Majeure as defined in this Agreement or the result of an act or omission of the other Party. Upon a default, the non-defaulting Party shall give written notice of such default to the defaulting Party. 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. If a default is not cured within the period provided for in this Section, the non-defaulting Party shall have the right, at its option, to suspend its performance pursuant to this Agreement by written notice at any time until cure occurs or to terminate this Agreement by written notice at any time and be relieved of any further obligation hereunder, and, whether or not that Party suspends or 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. Nothing herein shall prevent Company from suspending performance pursuant to this Agreement if Company determines that such suspension of service is necessary to avoid an imminent threat of property damage, or personal injury, to preserve the reliability of the transmission network and service to customers, or as otherwise permitted or required by applicable laws, rules and regulations.

8.25 Order of Precedence

If the ERCOT Operating Guides conflict with the terms of this Agreement or the Interconnection Guidelines, the ERCOT Operating Guides shall control. If the ERCOT Operating Guides, Interconnection Guidelines or this Agreement conflict with the requirements of Governmental Authorities or other governing law, the requirements of Governmental Authorities or other governing law shall control.

The Parties have caused their duly authorized representatives to execute this Interconnection Agreement on their behalf, and intend to be legally bound hereby, as of the date first above written.

NATIONAL WIND POWER LIMITED

CENTRAL AND SOUTH WEST SERVICES, INC.,
As Agent for West Texas Utilities Company

By: *DJ Burrell*
Name: *DJ Burrell*
Title: *Head of International Development*
Date: _____

By: *Preston Kissman* *CKS*
Name: Preston Kissman
Title: Vice President, Electric Delivery
Date: *4-6-00*

EXHIBIT 1

1. **Name:** McKenzie Substation
2. **Location:** The Point of Interconnection is located at the Company switch pole structure that is to be placed in the Company's existing Rio Pecos-Ft. Lancaster 138 kV transmission line near the Customer's McKenzie Substation near McCamey, Texas.
3. **Delivery Voltage:** 138 kV
4. **Metering** (voltage; loss adjustments, if any, due to metering location; other): 138 kV
5. **Normal Operation of Interconnection** (check one): Open ___ Closed X
6. **Control Area Interchange Point** (check one): Yes ___ No X
7. **One-Line Diagram Attached** (check one): Yes X No ___
8. **Description of Facilities to be Installed and Owned by Company:**
 - (a) Company shall construct and own Company Interconnection Facilities comprised of the following:
 - (i) a switch pole structure and in-line switches placed in its existing Rio Pecos-Ft. Lancaster 138 kV transmission line.
 - (ii) 138 kV metering equipment, including billing accuracy meter, potential transformers and current transformers located within the McKenzie Substation
 - (iii) one (1) multi-ported RTU located within the McKenzie Substation
 - (b) Company shall construct and own 0.16 miles of 69 kV transmission line from the Texon Tap to Rankin Substation reconductored from 1/0 to 4/0 ACSR.
9. **Description of Interconnection Facilities to be Installed and Owned by Customer:**
 - (a) Customer shall construct and own the McKenzie Substation including all 138 kV (excluding metering and RTU equipment) and 34.5 kV facilities within it. Foundations and space to accommodate Company's metering equipment and RTU will be provided in accordance to Company specifications.
 - (b) Customer shall construct and own the 138 kV transmission line tapped from the existing Rio Pecos-Ft. Lancaster 138 kV transmission line to the McKenzie Substation

(c) Customer shall provide the following additional Customer Interconnection Facilities:

- (i) 1 - dedicated voice dispatch circuit from Facility's control center to Company's Abilene dispatch center
- (ii) 1 - telecommunication dial-up line, including associated interface equipment, at the McKenzie Substation
- (iii) 1 - RTU communication circuit between the McKenzie Substation and Company's Abilene dispatch center
- (iv) 1 - telephone interface box

10. Cost Responsibilities of Each Party:

Each Party shall be responsible for the costs associated with the Interconnection Facilities that each provides as identified above in items 8 and 9 except Customer shall be responsible for the costs incurred by Company to design and install metering and RTU equipment in Customer's McKenzie Substation. Company shall be reimbursed for its costs to design and install metering and RTU equipment by means of a contribution in aid of construction payment from Customer. In addition Customer shall also be responsible for the costs associated with the Energy Management System ("EMS") and accounting program changes required by Company insofar as such changes are directly attributable to Customer's Facility; provided, however, that the amount of the costs associated with such EMS and accounting program changes for which Customer will be responsible shall not exceed \$5,000 in the aggregate without Customer's further written consent (which consent shall not be unreasonably withheld or delayed).

11. Other Terms and Conditions:

(a) Upon execution of this Agreement, Company will proceed with the engineering, design and construction of the Interconnection Facilities described in item 8 above. Company agrees to use commercially reasonable efforts to complete this work according to the Customer's schedule for constructing its Interconnection Facilities.

(b) Company estimates that the cost of providing the transmission facilities identified in item 8 above will be \$0.2 million which Customer agrees is reasonable. Should the PUCT or the FERC determine a cost allocation different than that described in item 10 above pursuant to which all or a portion of the costs initially being paid by Customer pursuant to this Agreement are allocated to Company's Transmission Cost of Service ("TCOS"); Company agrees to refund to Customer those funds which have been reallocated to Company's TCOS as determined by the PUCT. Similarly, should the PUCT or FERC determine a cost allocation that results in a higher level of costs being

allocated to Customer than is called for pursuant to this Agreement, Customer agrees to reimburse Company those funds as determined by the PUCT or FERC.

(c) The cost estimate of the Company Interconnection Facilities identified in item 8 above includes salaries and wages, including overheads and benefits for Company personnel, the cost of subcontractors selected by Company for engineering and construction and the cost of equipment and materials but excludes any federal income tax gross up amount that may be due as a result of a contribution in aid of construction payment by Customer to Company for those facilities identified in item 8 (a)(i) and 8 (a)(ii). In such event, Customer also agrees to reimburse Company for tax gross up costs (estimated to be 15.74% of the actual contribution in aid of construction payment to Company) as determined by Company in accordance with its standard accounting practices upon completion of this work. Customer agrees to reimburse Company for all such costs within thirty days of receipt of an invoice from Company. At Customer's request, Company will provide Customer with supporting documentation and will permit Customer to examine during normal business hours at Company's office in Tulsa, Oklahoma, relevant books and records reasonably necessary for Customer to verify costs which have been billed to Customer.

(d) Within one hundred twenty (120) days of the execution of this Agreement and as a condition to Company's obligation to perform this work, Customer will pay to Company a \$0.2 million deposit or provide Company with another means of security reasonably acceptable to Company sufficient to cover Company's costs of planning, licensing and constructing the Interconnection Facilities described in item 8 above. Upon Customer's completion of construction and operation of the Facility, Company will return the deposit or security to Customer. A return of any cash deposit will include interest at a commercially reasonable rate. If the Facility is not completed and the Interconnection Facilities are not required, Company may retain as much of the deposit or security as is required to cover the costs it has incurred in planning, licensing and construction activities related to the Interconnection Facilities.

(e) Customer agrees to promptly provide Company with information which Company determines is necessary to perform the engineering, design, construction and system protection work described in item 8 above. Customer and Company agree to meet at reasonable times, at either Party's request, to discuss any aspects of the engineering, design, construction and system protection work. Such meetings shall be held at the Company offices in Tulsa, Oklahoma, at the Company offices in McCamey, Texas, or at the Facility site near McCamey, Texas, as mutually agreed to by Company and Customer.

(f) If Customer requests Company to delay the performance of the engineering, design, construction and system protection work and Company agrees to such a delay, Customer agrees to pay carrying charges at a rate of 1.5% per month on all unreimbursed

expenditures made by Company up to the time the delay was requested, determined in accordance with Company' standard accounting practices, for the period of such requested delay. In the event Customer has requested such a delay and has not requested Company to recommence the work required hereunder prior to December 31, 2000, the parties shall deem that this Agreement has been canceled. If Customer gives Company written notice that this Agreement is canceled or if this Agreement is otherwise deemed canceled as provided hereunder, then Customer shall pay Company all of Company's unrecoverable costs related to the project, determined in accordance with the rules and regulations of the PUCT and the FERC.

