

Control Number: 35077



Item Number: 601

Addendum StartPage: 0

PUBLIC UTILITY COMMISSION OF TEXAS
Substantive Rule 25.195(e)

Project No. 35077

**FIRST AMENDED AND RESTATED
INTERCONNECTION AGREEMENT**

DATED AS OF OCTOBER 16, 2015

BETWEEN

AEP TEXAS CENTRAL COMPANY

AND

**THE CITY OF BROWNSVILLE, TEXAS,
ACTING BY AND THROUGH
THE PUBLIC UTILITIES BOARD OF THE CITY OF BROWNSVILLE, TEXAS**

November 10, 2015

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ACTING BY AND THROUGH
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DATED: OCTOBER 16, 2015

**FIRST AMENDED AND RESTATED
INTERCONNECTION AGREEMENT BETWEEN
AEP TEXAS CENTRAL COMPANY AND
THE CITY OF BROWNSVILLE, TEXAS, ACTING BY AND THROUGH THE PUBLIC
UTILITIES BOARD OF THE CITY OF BROWNSVILLE, TEXAS**

This **First Amended and Restated Interconnection Agreement** ("Agreement") is made and entered into as of the 16TH day of OCTOBER, 2015 (the "Execution Date"), by and between **AEP Texas Central Company** ("AEP") and the **City of Brownsville, Texas** ("Brownsville"), acting by and through the **Public Utilities Board of the City of Brownsville**, ("BPUB"), each sometimes hereinafter referred to individually as a "Party" or both referred to collectively as the "Parties." This Agreement amends and restates that certain interconnection agreement dated April 4, 2001, between Central Power and Light Company (now known as AEP Texas Central Company) and Brownsville, as amended (the "2001 Agreement"). Upon the Effective Date of this Agreement the rights and obligations of the Parties shall thereafter be governed exclusively by the terms of this Agreement.

WITNESSETH

WHEREAS, each Party is the owner and operator of transmission and/or distribution facilities and is engaged in the business of transmitting electric energy to the general public within the ERCOT; and

WHEREAS, the Parties desire to amend and restate the 2001 Agreement by reflecting in Facility Schedule No. 1 that the Brownsville Switching Station-Laredo Road Tie is terminated; and

WHEREAS, the Parties desire to amend and restate the 2001 Agreement by amending Facilities Schedules No. 4 that provides for the Titan Tire Points of Interconnection. AEP updating its facilities within BPUB Titan Tire Substation; and

WHEREAS, the Parties desire to amend and restate the 2001 Agreement by amending Facilities Schedules No. 5 that provides for the Titan Tire Points of Interconnection. AEP is updating its relay scheme facilities within BPUB Titan Tire Substation; and

WHEREAS, the Parties desire to amend and restate the 2001 Agreement by amending Facilities Schedules No. 4 that provides for the Palo Alto Points of Interconnection. AEP is updating its relay scheme facilities within BPUB Palo Alto Substation; and

WHEREAS, the Parties desire to amend and restate the 2001 Agreement to reflect the changes described in the previous paragraphs and to make certain other changes and updates within all Facility Schedule; and

WHEREAS, the Parties desire to interconnect 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

1.1 This Agreement and all obligations hereunder, are expressly conditioned upon obtaining (without conditions, limitations or qualifications that are unacceptable to either Party) approval or authorization or acceptance for filing by any regulatory authority whose approval, authorization or acceptance for filing is required by law. After execution by both Parties, AEP will file this Agreement with FERC and will provide a copy of this Agreement to the PUCT. Both Parties hereby agree to support the approval of this Agreement before such regulatory authorities and to provide such documents, information, and opinions as may be reasonably required or requested by either Party in the course of approval proceedings.

1.2 Subject to Section 1.1, this Agreement shall become effective on the Execution Date, or upon such other date specified by FERC (the "Effective Date"). The Parties shall request FERC to make the Effective Date be the Execution Date.

1.3 Unless otherwise mutually agreed, this Agreement shall remain in effect initially for a period of five (5) years from the Effective Date, and shall continue in effect thereafter for periods of two (2) years each unless canceled after such initial period or any subsequent period either by mutual agreement or by either Party upon at least twenty-four (24) months written notice to the other Party. Upon termination of this Agreement, each Party shall discontinue the use of the facilities of the other and shall disconnect the Points of Interconnection.

ARTICLE II - OBJECTIVE AND SCOPE

2.1 It is the intent of the Parties, by this Agreement, to state the terms and conditions under which the Parties' transmission and/or distribution systems will be interconnected and to identify the facilities provided by each Party at the Points of Interconnection.

2.2 This Agreement shall apply to the ownership, construction, operation, and maintenance of those facilities that are specifically identified and described in the Facility Schedules that are attached hereto and incorporated herein. This Agreement 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 delivery service, ancillary service or other miscellaneous service that either Party may desire from the other Party or any third party.

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; provided, however, the Parties acknowledge that in some cases they may enter into separate agreements regarding the construction, repair, upgrade, or demolition of certain facilities as contemplated by Section 4.4. 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 and supersedes 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 means this Interconnection Agreement with all exhibits, schedules and attachments applying hereto, including any schedules and attachments hereafter made and any amendments hereafter made.

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

3.3 ERCOT Requirements means the ERCOT Nodal Operating Guides and ERCOT Nodal Protocols adopted by ERCOT and approved by the PUCT, including any attachments or exhibits referenced in the ERCOT Nodal 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) means the schedule(s) to this Agreement that identify the Point(s) of Interconnection and describe the agreement on ownership, control, operation, and maintenance responsibilities of the Parties at the Point(s) of Interconnection.

3.5 FERC means the Federal Energy Regulatory Commission or its successor in function.

3.6 Good Utility Practice shall have the meaning described in the PUCT Rule 25.5 or its successor.

3.7 NERC means the North American Electric Reliability Corporation or its successor electric reliability organization.

3.8 NERC Reliability Standards means the mandatory electric reliability standards established and enforced by NERC.

3.9 Point(s) of Interconnection means the points where the Systems of the Parties are connected or may, by the closure of normally open switches, be connected.

3.10 PUCT means the Public Utility Commission of Texas or its successor in function.

3.11 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 shall comply with any applicable NERC Reliability Standards that relate to the interconnection of their facilities at the locations identified and described in the Facility Schedules. Each Party shall provide to the other Party all information that may reasonably be required by the other Party to comply with NERC Reliability Standards, if any.

4.2 The Parties agree to interconnect their facilities at the locations, and in accordance with the terms and conditions specified in Exhibit A hereto and as further described in the Facility Schedule(s). 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 electrical systems to which the System of such Party is interconnected. The Parties agree that all Points of Interconnection will be established in conformance with the ERCOT Requirements. The Parties agree to cause their Systems to be constructed in accordance with specifications at least equal to those provided by the National Electrical Safety Code, approved by the American National Standards Institute, in effect at the time of construction. Except as otherwise provided in the Facility Schedules, each Party will be responsible for the 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 and/or as ordered by a regulatory authority having jurisdiction thereof. The Parties shall enter into such agreements as the Parties mutually agree to address any related construction, repair, upgrade, or demolition activities. In addition, the Parties shall amend this Agreement to update Exhibit A and to update Facility Schedules or add new Facility Schedules, as applicable. Subject to regulatory approval, if required, either Party may terminate a Point of Interconnection on twenty-four (24) 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.

4.5 Subject to regulatory approval, if required, and unless otherwise mutually agreed, neither Party shall have the right to disconnect from the other Party at any Point of Interconnection specified on Exhibit A and a Facility Schedule, originally attached to this Agreement or added subsequent to the execution of this Agreement, except as set forth in Section 4.4 above, or upon failure to cure a Default pursuant to Article XIV of this Agreement.

4.6 For facilities not specified in the Facility Schedules, or if either Party makes changes or additions to the facilities 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.

4.7 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.

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

ARTICLE V – SYSTEM OPERATION AND MAINTENANCE

5.1 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 electrical systems to which the Party is interconnected. The Parties agree that all Points of Interconnection will be operated and maintained in conformance with the ERCOT Requirements and Good Utility Practice.

5.2 Unless otherwise provided by the Facility Schedules, each Party, at its sole cost and expense, 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.

5.3 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 another Party's substation or transmission line will be identified in the Facility Schedule for that particular Point of Interconnection.

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

5.5 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.

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

5.7 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.

5.8 Unless otherwise provided in a Facility Schedule, for purposes of ERCOT load shedding requirements, the Parties agree that each Party will be obligated to communicate with ERCOT and account for the loads associated with the distribution breaker and feeder that it operates.

ARTICLE VI - RIGHTS OF ACCESS, EQUIPMENT INSTALLATION, AND REMOVAL

6.1 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.

6.2 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.

6.3 Unless otherwise agreed in writing, any and all facilities placed or installed, or caused to be placed or installed by one Party on, or in, the premises of the other Party, shall be owned by and remain the property of the Party installing such 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 such facilities placed or installed on the premises of the other Party, shall have the right 1) to sell such facilities to the other Party, if the other Party wishes to purchase such facilities, or 2) to enter the premises of the other Party and, within a reasonable time, remove such facilities, at no cost to the owner of the premises. If, upon the termination of any Point of Interconnection under this Agreement, facilities of a Party that are installed on the premises of the other Party are neither sold to the other Party nor removed by the owning Party within a reasonable time, such facilities 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.

6.4 Each Party shall clearly mark their respective facilities with appropriate ownership identification.

6.5 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 other 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 VII - METERING AND RECORDS

7.1 Unless otherwise agreed in writing, 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.

7.2 The Party that does not own the metering equipment shall be permitted to witness any testing, inspection, maintenance, or alteration of such metering equipment owned by the other Party. The owner of such equipment shall give reasonable advance notice of all tests and inspections so that representatives of the other Party may be present. After proper notification to

the other Party, the owner may proceed with the scheduled tests or inspections regardless of whether a witness is present.

7.3 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.

7.4 As long as metering, telemetering or communications facilities are required by the ERCOT Requirements and are operated and maintained in accordance with the 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.

ARTICLE VIII - COMMUNICATION AND TELEMETERING FACILITIES

8.1 Unless otherwise agreed in writing, each Party shall provide, at its own expense, the necessary communication and telemetering facilities needed for the control and operation of its System.

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

ARTICLE IX - INDEMNIFICATION

NOTWITHSTANDING THE PROVISIONS OF ARTICLE XIII, 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) DAMAGES FOR DISRUPTION OF THE OTHER PARTY'S BUSINESS, OR (III) AMOUNTS PAID BY THE OTHER PARTY IN SETTLEMENT OF CLAIMS; 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 AND THE LIMITATION OF LIABILITY SET FORTH IN (I) SHALL NOT NEGATE ANY OBLIGATION TO PAY FOR SUCH COSTS UNDER CHAPTER 38 OF THE TEXAS CIVIL PRACTICE & REMEDIES CODE OR OTHER APPLICABLE STATUTES. 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 X - NOTICES

10.1 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 in the manner described herein. Any such notice may be given by personal delivery to the Party entitled thereto by e-mail (with confirmation of receipt), by any courier service which guarantees overnight, receipted delivery, or by U.S. Certified or Registered Mail, return receipt requested, addressed to the Party entitled thereto, at:

If to AEP:

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

With copy to:

American Electric Power Service Corporation
Director, Transmission Planning
K. Shawn Robinson
212 E. 6th Street
Tulsa, OK 74119

918-599-2557
ksrobinson@aep.com

If to Brownsville:

Public Utilities Board of the City of Brownsville
General Manager and Chief Executive Officer
1425 Robinhood Drive
Brownsville, TX 78521
P.O. Box 3270
Brownsville, TX 78523-3270
Voice: (956) 982-6276
Fax: (956) 982-6220

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

ARTICLE XI - SUCCESSORS AND ASSIGNS

11.1 Subject to the provisions of Section 11.2 below, this Agreement shall be binding upon and inure to the benefit of the permitted successors and assigns of the respective Parties.

11.2 Neither Party shall assign its interest in this Agreement in whole or in part without the prior written consent of the other Party. Such consent shall not be unreasonably withheld, provided that neither Party will be required to consent to any assignment which would, in its sole judgment and among other reasons, subject it to additional federal or state regulation, result in the imposition of additional costs of administration which the Party requesting consent to assignment does not agree to reimburse, or in any way diminish the reliability of its System, enlarge its obligations or otherwise create or maintain an unacceptable condition. The respective obligations of the Parties under this Agreement may not be changed, modified, amended, or enlarged, in whole or in part, by reason of the sale, merger, or other business combination of either Party with any other person or entity. Notwithstanding the foregoing, a Party may assign, without the consent of the other Party, its interest in this Agreement, in whole or in part, to a successor to all or a substantial portion of the Party's transmission and distribution business; to any affiliate of the assigning Party with an equal or greater credit rating; to any transmission service provider with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement; or for collateral security purposes in connection with any financing or financial arrangements.

11.3 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 XII - GOVERNING LAW AND REGULATION

12.1 THIS AGREEMENT SHALL IN ALL RESPECTS BE GOVERNED BY, INTERPRETED, CONSTRUED, AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS 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.

12.2 In the event that a regulatory authority having jurisdiction over the Parties orders a change in the terms of this Agreement, the Parties agree to negotiate in good faith a replacement term that will most nearly accomplish the purpose and intent of the original term consistent with the regulatory order. If the Parties cannot reach an agreement over the new term, and if the old term is an essential provision of this Agreement, either Party may elect to terminate this Agreement by providing sixty (60) days prior written notice of such election to the other Party. An election to terminate under this provision shall not affect either Party's duty to perform prior to the effective date of termination.

12.3 In the event any part of this Agreement is declared invalid by a court of competent jurisdiction, the remainder of this Agreement shall remain in full force and effect and shall constitute a binding agreement between the Parties; provided, however, that if either Party determines, in its sole discretion, that there is a material change in this Agreement by reason of any provision or application being finally determined to be invalid, illegal, or unenforceable, that Party may terminate this Agreement upon sixty (60) days prior written notice to the other Party. An election to terminate under this provision shall not affect either Party's duty to perform prior to the effective date of termination.

ARTICLE XIII - FORCE MAJEURE

Neither Party shall be considered in default with respect to any obligation hereunder, other than the payment of money, if prevented from fulfilling such obligations by reason of any cause beyond its reasonable control, including, but not limited to, an act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, a curtailment, order, regulation or restriction imposed by governmental, military, or lawfully established civilian authorities, or by the making of necessary repairs upon the property or equipment of either Party ("Force Majeure") and neither Party shall be liable to the other for damages that result from such a Force Majeure event. In the event of the occurrence of an event of Force Majeure, the affected Party shall notify the other Party of such Force Majeure as soon as reasonably possible after the determination that an event of Force Majeure has occurred. If performance by either Party has been prevented by such event, the affected Party shall promptly and diligently attempt to remove the cause of its failure to perform, except that neither Party shall be obligated to agree to any quick settlement of any strike or labor disturbance, that, in the affected Party's opinion, may be inadvisable or detrimental, or

to appeal from any administrative or judicial ruling.

ARTICLE XIV - TERMINATION ON DEFAULT

14.1 The term "Default" shall mean the failure of either Party to perform any obligation in the time or manner provided in this Agreement. No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of Force Majeure as defined in this Agreement or the result of an act or omission of the other Party. Upon a Default, the non-defaulting Party shall give written notice of such Default to the defaulting Party. Except as provided in Section 14.2, the defaulting Party shall have thirty (30) days from receipt of the Default notice within which to cure such Default; provided however, if such Default is not capable of cure within thirty (30) days, the defaulting Party shall commence such cure within thirty (30) days after Default 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 Default notice shall cease to exist.

14.2 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, the non-defaulting Party shall have the right to terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this Agreement, to recover from the defaulting Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this Article will survive termination of this Agreement.

14.3 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 XV – MISCELLANEOUS PROVISIONS

15.1 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.

15.2 **IN NO EVENT SHALL EITHER PARTY BE LIABLE UNDER ANY PROVISION OF THIS AGREEMENT FOR ANY LOSSES, DAMAGES, COSTS OR EXPENSES FOR ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES, INCLUDING BUT NOT LIMITED TO LOSS OF PROFIT OR REVENUE, LOSS OF THE USE OF EQUIPMENT, COST OF CAPITAL, COST OF TEMPORARY EQUIPMENT OR SERVICES, WHETHER BASED IN WHOLE OR IN PART IN CONTRACT, IN TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, OR ANY OTHER THEORY OF LIABILITY. THE LIMITATIONS OF LIABILITY SET**

FORTH IN THIS SECTION 15.2 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.

15.3 Both Parties to this Agreement represent that there is no agreement or other obligation binding upon it, which, as such Party is presently aware, would limit the effectiveness or frustrate the purpose of this Agreement.

15.4 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.

15.5 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.

15.6 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.

**[The remainder of this page intentionally left blank.
The next page of this document is the Signatures]**

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

AEP Texas Central Company

**City of Brownsville, Texas
Acting by and through the Public
Utilities Board of the City of
Brownsville, Texas**

gws
By: A Wade Smith
Name: ~~Scott N. Smith~~ A. Wade Smith
Title: Vice President

Date: 10/16/15

By: John S. Bruciak
Name: John S. Bruciak
Title: General Manager and CEO

Date: 9/18/15

EXHIBIT A

Facilities Schedule No	Name of Point of Interconnection (# of Points)	Delivery Voltage (kV)	LDF Charge Type ⁽¹⁾	Meter Voltage [kV]	Metering Installed Cost	Estimated Peak Load [kW]	Effective Date (Prior Agreements) Current Agreement
1 [Terminated]	Brownsville Switching Station-Laredo Road Tie (0)	-	-	-	-	-	March 17, 2003 <u>OCTOBER 16, 2015</u>
2	Loma Alta (2)	138	T	138	-	-	March 17, 2003 <u>OCTOBER 16, 2015</u>
3	Military Highway (2)	138	T	138	-	-	March 17, 2003 <u>OCTOBER 16, 2015</u>
4	Titan Tire (3)	138	T	138	-	-	March 17, 2003 <u>OCTOBER 16, 2015</u>
5	Palo Alto (2)	138	T	138	-	-	March 17, 2003 <u>OCTOBER 16, 2015</u>

Notes:

(1) Indicated Local Distribution Facilities (LDF) Charge(s) determined pursuant to ERCOT Regional Transmission Service Agreement

T = Transmission Delivery Point (LDF Charge = Metering Charge)

DS = Distribution Station voltage bus connection (LDF Charge = Metering + DS Charge)

OHL = Distribution Overhead Line connection (LDF Charge = Metering + DS + OHL Charge)

FACILITY SCHEDULE NO. 1
[TERMINATED]

- 1. Name:** **Brownsville Switching Station-Laredo Road Tie**
- 2. Facility Location:** The AEP Brownsville Switching Station ("Station") and the adjacent BPUB Laredo Road Substation ("Substation") are located at 1470 Laredo Road in the City of Brownsville, Texas. The Point of Interconnection is at the point where the conductors from the Station enter the Substation.

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FACILITY SCHEDULE NO. 2

1. **Name:** **Loma Alta**

2. **Facility Location:**
 - A) The BPUB Loma Alta Substation ("Loma Alta Substation") is located near the Port of Brownsville in Cameron County, Texas, approximately 1.14 mile NW of AEP's Union Carbide Brownsville substation ("Union Carbide Brownsville Substation"). The two (2) Points of Interconnection are within the Loma Alta Substation at 1) the 138 kV dead-end structure of the Union Carbide Brownsville to Loma Alta transmission line, and 2) the 138 kV dead-end structure of the Loma Alta to La Palma PS transmission line. More specifically, the Points of Interconnection are where the conductors from the Loma Alta Substation equipment physically contact the connectors on the transmission line conductors.

 - B) This Facility Schedule describes the two (2) fiber optic links supporting the line differential protection scheme on 1) the Union Carbide Brownsville to Loma Alta 138 kV transmission line; and 2) the distribution system between the Loma Alta Substation and Union Carbide Brownsville Substation.

3. **Delivery Voltage:** 138 kV

4. **Metered Voltage:** 138 kV

5. **Normal Operation of Interconnection:** Closed

6. **One-Line Diagram Attached:** Yes

7. **Facility Ownership Responsibilities of the Parties:**
 - A. **AEP agrees that it owns the following facilities:**
 - i. the Union Carbide Brownsville to Loma Alta 138 kV transmission line with optical ground wire (OPGW)
 - ii. fiber optic communication cable splice box on the Loma Alta Substation dead-end structure leg ("Splice Box")
 - iii. one (1) fiber distribution panel ("FDP") within the Loma Alta Substation control building
 - iv. the all dielectric ducted underground fiber optic cable between the Splice Box and the FDP within Loma Alta Substation
 - v. the La Palma PS to Loma Alta 138 kV transmission line

- vi. remote terminal unit (RTU), multiple address system (MAS) radio, antenna with coax and rack within the Loma Alta Substation
- vii. two (2) sets of ERCOT Polled Settlement (EPS) metering equipment within the Loma Alta Substation
- viii. the Union Carbide Brownsville Substation and all facilities within it, except for those facilities identified as being owned by BPUB, below.

B. BPUB agrees that it owns the following facilities:

- i. the Loma Alta Substation and all facilities within it, except for those facilities identified as being owned by AEP, above
- ii. the all-dielectric self-supporting ("ADSS") fiber optic aerial cable routed on the BPUB distribution system between the Loma Alta Substation and Union Carbide Brownsville substation
- iii. the conduit/raceway for AEP's all dielectric ducted underground fiber optic cable between the Splice Box and control building within the Loma Alta Substation
- iv. the ADSS fiber optic aerial cable from the BPUB distribution system to AEP's communication pole splice box within the Union Carbide Brownsville substation
- v. the all dielectric ducted underground fiber optic cable between AEP's communication pole splice box and the BPUB's FDP within the Union Carbide Brownsville substation control building
- vi. one (1) FDP within the Union Carbide Brownsville Substation control building

8. Facility Operation Responsibilities of the Parties:

Each Party will operate and control the facilities it owns.

9. Facility Maintenance Responsibilities of the Parties:

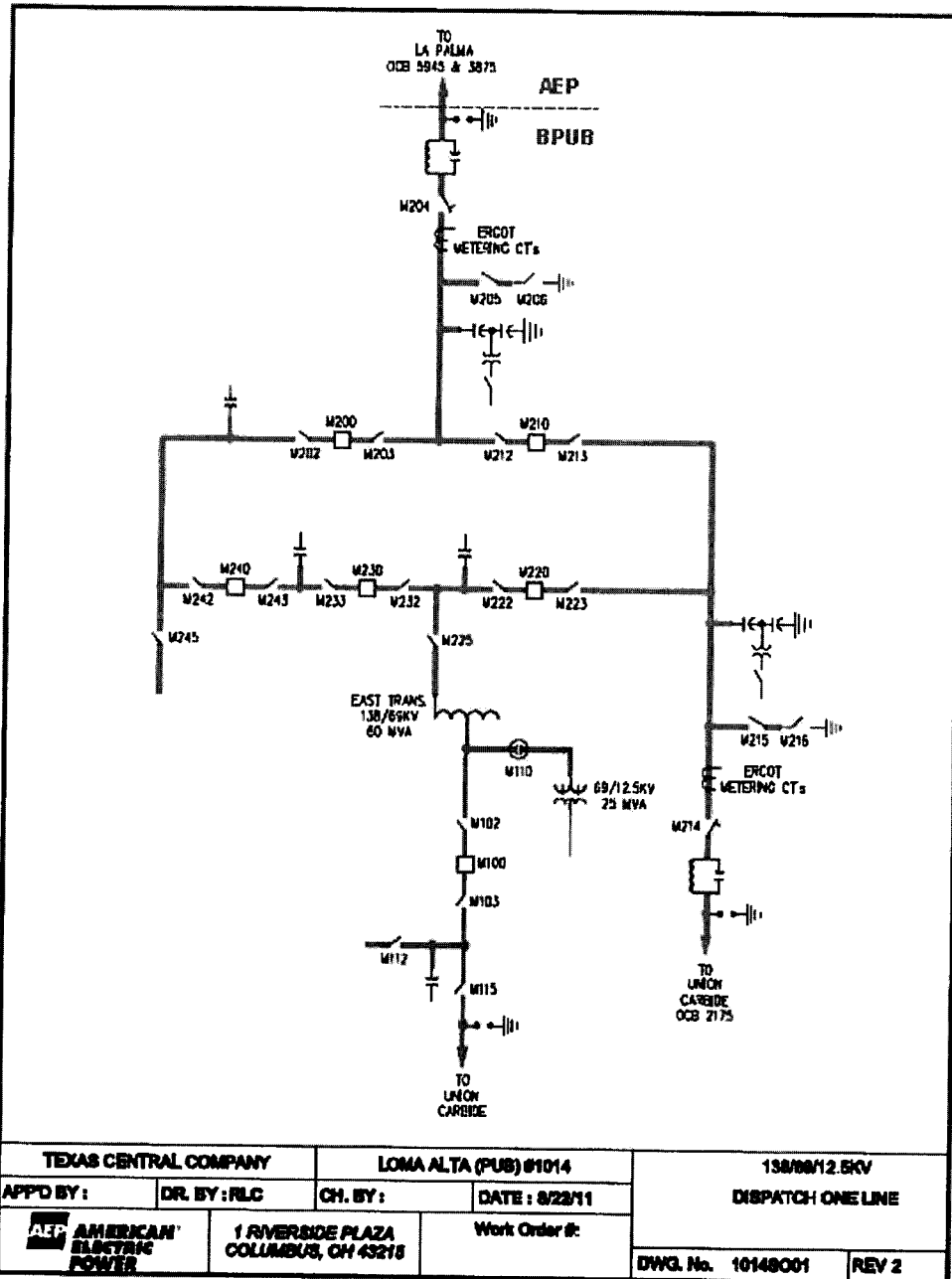
Each Party will maintain the facilities it owns at its expense.

10. Estimated Peak Load: None

11. Other Terms and Conditions:

BPUB will submit the station Inter-control Center Communications Protocol (ICCP) data to ERCOT while it performs control center activities on the facilities owned by BPUB and AEP will have access to the data via a direct ICCP communication circuit between the Parties' control centers. The Parties will coordinate the analog and digital point list and communications protocol issues.

FACILITY SCHEDULE NO. 2 (continued) **One-Line Diagram**



Arch A (8-1/2 X 11)

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FACILITY SCHEDULE NO. 3

1. **Name:** **Military Highway**
2. **Facility Location:** The Military Highway Substation ("Substation") is located at 2 West Ruben Torres Sr. Drive in the City of Brownsville, Texas. There are several Points of Interconnection at this location as indicated by the ownership demarcation lines shown on the attached one-line diagram.
3. **Delivery Voltage:** 138 kV
4. **Metered Voltage:** 138 kV
5. **Loss Adjustment Due To Meter Location:** None
6. **Normal Operation of Interconnection:** Closed
7. **One-Line Diagram Attached:** Yes
8. **Facilities Ownership Responsibilities of the Parties:**
 - A. Each Party owns those facilities located on its side of the ownership demarcation lines shown on the attached one-line diagram.
 - B. BPUB and AEP have undivided joint ownership interest (81.48% AEP and 18.52% BPUB) in the following 138 kV facilities as indicated on the attached one-line diagram:
 - i. the 138 kV transmission line to the US-Mexico border that interconnects with Comisión Federal de Electricidad ("CFE")
 - ii. the 138 kV facilities within the Substation associated with the transmission line to CFE
 - iii. the static synchronous compensator ("STATCOM") facilities
9. **Facility Operation Responsibilities of the Parties:**
 - i. Each Party operates and controls those facilities that it solely owns on its side of the ownership demarcation line shown on the attached one-line diagram.
 - ii. AEP operates and controls the jointly-owned 138 kV facilities and STATCOM facilities indicated on the attached one-line diagram.
10. **Facility Maintenance Responsibilities of the Parties:**
 - i. Each Party maintains at its expense those facilities that it solely owns on its side of the ownership demarcation line shown on the attached one-line diagram

- ii. AEP maintains the jointly-owned 138 kV facilities and STATCOM facilities and each Party shares the maintenance expense in proportion to its ownership share.

11. Estimated Peak Load: None

12. Other Terms and Conditions:

A. AEP's Inter-control Center Communications Protocol ("ICCP"):

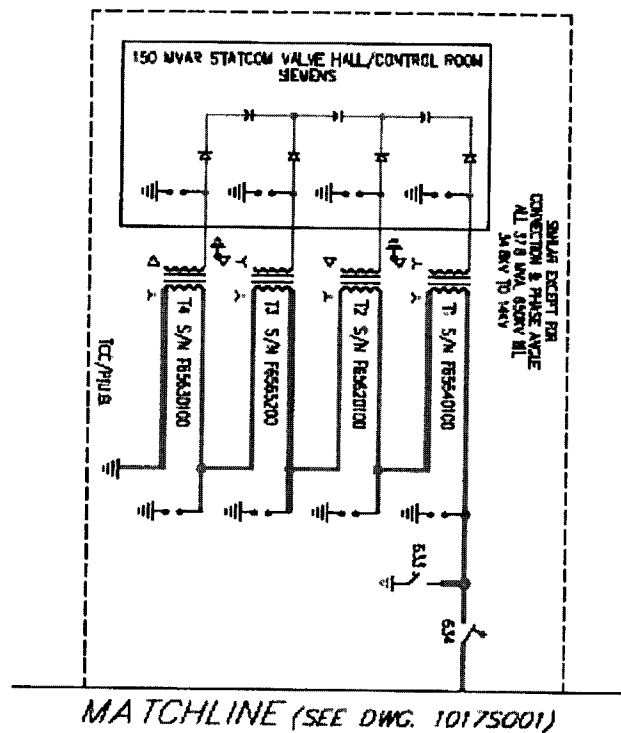
- i. AEP will submit the Substation ICCP data to ERCOT while it performs control center activities on the facilities it owns and operates.
- ii. BPUB will have access to the AEP ICCP data via a direct ICCP communication circuit between the Parties' control centers.
- iii. The Parties will coordinate the analog and digital point list and communications protocol issues.


B. BPUB's ICCP:

- i. BPUB will submit the Substation ICCP data to ERCOT while it performs control center activities on the facilities it owns and operates.
- ii. AEP will have access to the BPUB ICCP data via a direct ICCP communication circuit between the Parties' control centers.
- iii. The Parties will coordinate the analog and digital point list and communications protocol issues.

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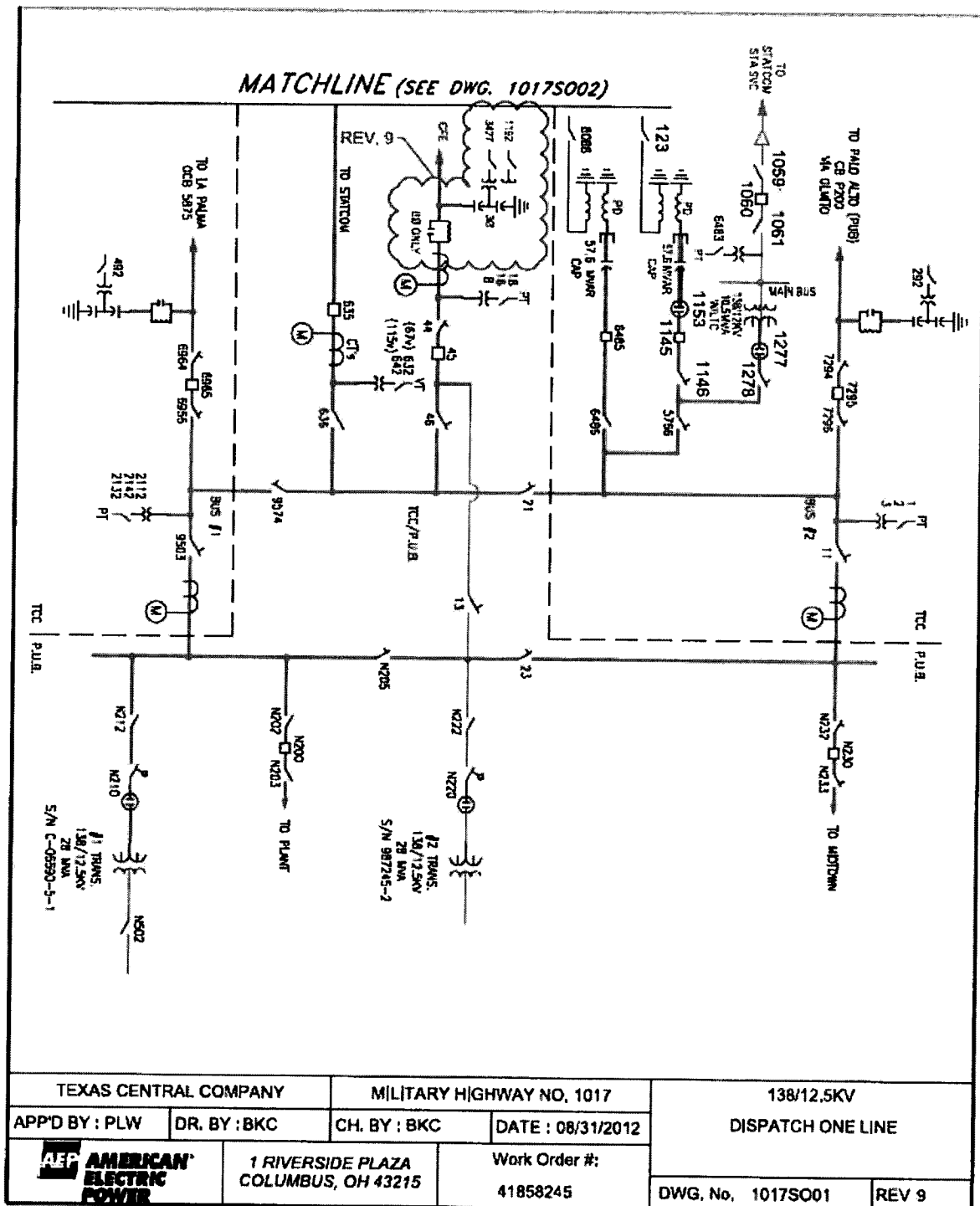
FACILITY SCHEDULE NO. 3 (continued)
One-Line Diagram



TEXAS CENTRAL COMPANY		MILITARY HIGHWAY #1017		138/12.5KV DISPATCH ONE LINE	
APP'D BY :	DR. BY :RLC	CH. BY :	DATE : 2/16/11		
 AMERICAN ELECTRIC POWER		1 RIVERSIDE PLAZA COLUMBUS, OH 43215		Work Order #:	
				DWG. No. 10175002	REV 3

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FACILITY SCHEDULE NO. 3 (continued)
One-Line Diagram



FACILITY SCHEDULE NO. 4

1. **Name:** Titan Tire
2. **Facility Location:** BPUB's Titan Tire Substation ("Substation") is located approximately where AEP's Union Carbide Brownsville to Palo Alto 138 kV transmission line intersects Paredes Line Rd (Hwy 1847).
3. **Delivery Voltage:** 138 kV
4. **Metered Voltage:** 138 kV
5. **Loss Adjustment Due To Meter Location:** None
6. **Normal Operation of Interconnection:** Closed
7. **One-Line Diagram Attached:** Yes
8. **Facilities Ownership Responsibilities of the Parties:**
 - A. **AEP will install and own the following facilities:**
 - i. two (2) dead-end structures placed in AEP's Union Carbide Brownsville to Palo Alto 138 kV transmission line approximately 1500 feet from the Substation
 - ii. two (2) primary billing meter at a mutually acceptable location within the Substation
 - iii. remote terminal unit ("RTU") to monitor and control circuit breakers that protect the Union Carbide Brownsville to Palo Alto 138 kV transmission line
 - iv. three (3) 138 kV potential transformers required for metering the incoming and outgoing points of the Union Carbide Brownsville to Palo Alto 138 kV transmission line
 - v. six (6) 138 kV current transformers required for metering the the incoming and outgoing points of the Union Carbide Brownsville to Palo Alto 138 kV transmission line
 - vi. the AEP Union Carbide Brownsville to Palo Alto 138 kV transmission line
 - vii. installation of optical ground wire ("OPGW") from AEP's Union Carbide Brownsville to the BPUB's dead-end structure within the Substation, which includes connecting the OPGW to the last 1500 feet of BPUB's 138 kV transmission line
 - B. **BPUB will install and own the following facilities:**
 - i. the Substation and all the facilities within it
 - ii. approximately 1500 feet of 138 kV transmission line looped into the Substation from AEP's two (2) dead-end structures

- iii. two (2) 138 kV circuit switchers and associated disconnect switches
- iv. three (3) 138 kV lightning arresters
- v. the four (4) 138 kV transmission side switches (with dual locking)
- vi. one (1) multiport RTU and associated interface equipment as required by both Parties
- vii. data circuits, including associated interface equipment as required by both Parties, from the Substation to i) AEP's La Palma microwave equipment and ii) BPUB's System Control Center.
- viii. conduit, foundations, structures, junction boxes and meter panel required for metering each Substation transformer.
- ix. two (2) 138 kV circuit breakers.

9. Facility Operation Responsibilities of the Parties:

- i. Each Party will operate all the facilities it owns
- ii. Both Parties will operate the four (4) 138 kV transmission side switches (with dual locking)
- iii. Both Parties will operate the two (2) 138 kV circuit breakers

10. Facility Maintenance Responsibilities of the Parties:

Each Party is responsible for maintenance of the facilities it owns

11. Estimated Peak Load: 10,000 kW

12. Other Terms and Conditions:

A. AEP's Inter-control Center Communications Protocol ("ICCP"):

- i. AEP will submit the Substation ICCP data to ERCOT while it performs control center activities on the facilities it owns and operates.
- ii. BPUB will have access to the AEP ICCP data via a direct ICCP communication circuit between the Parties' control centers.
- iii. The Parties will coordinate the analog and digital point list and communications protocol issues.

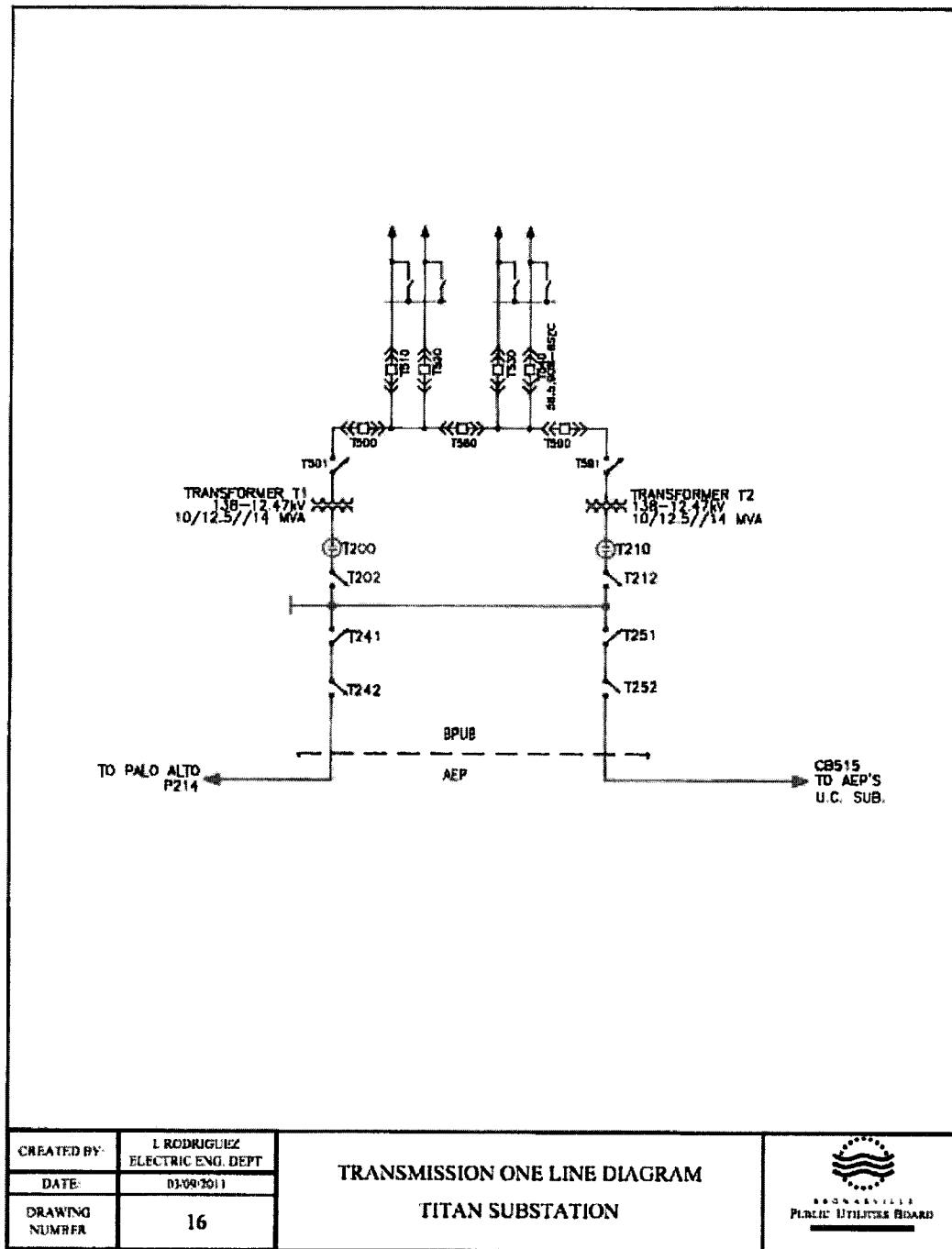
B. BPUB's ICCP:

- i. BPUB will submit the Substation ICCP data to ERCOT while it performs control center activities on the facilities it owns and operates.
- ii. AEP will have access to the BPUB ICCP data via a direct ICCP communication circuit between the Parties' control centers.
- iii. The Parties will coordinate the analog and digital point list and communications protocol issues.

- C.**
- i. the inter-control area metering shall utilize 138 kV PT's and CT's.
 - ii. each Party will be responsible for the costs of the facilities it owns.
 - iii. BPUB will pay the maintenance and monthly charges of the data circuits specified in item 8.B above.
 - iv. BPUB agrees to allow AEP to connect AEP's OPGW identified in Item 5.A.iii to BPUB's 1500 feet of 138 kV transmission line identified in Item 5.D.ii.

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FACILITY SCHEDULE NO. 4 (continued)
One-Line Diagram



FACILITY SCHEDULE NO. 5

1. **Name:** **Palo Alto**

2. **Facility Location:** BPUB's Palo Alto Substation ("Substation") is approximately one (1) span from AEP's Union Carbide Brownsville to Military Highway 138 kV transmission line where the transmission line intersects Old Alice Highway in Cameron County, Texas. There are two (2) Points of Interconnection located outside the Substation fence at i) AEP's dead-end structure that terminates the Substation to AEP's Military Highway 138 kV transmission line, ii) AEP's dead-end structure that terminates the Substation to AEP's Union Carbide Brownsville 138 kV transmission line. More specifically, the Points of Interconnection will be where AEP's jumpers physically connects to BPUB's 138 kV conductors from the Substation.

3. **Delivery Voltage:** 138 kV

4. **Metered Voltage:** 138 kV

5. **Loss Adjustment Due To Meter Location:** None

6. **Normal Operation of Interconnection:** Closed

7. **One-Line Diagram Attached:** Yes

- 8 **Facilities Ownership Responsibilities of the Parties:**
 - A. **AEP will install and own the following facilities:**
 - i. the Union Carbide Brownsville to Military Highway 138 kV transmission line
 - ii. remote terminal unit ("RTU") to monitor and control circuit breakers that protect the Union Carbide Brownsville to Military Hwy 138 kV transmission line
 - iii. two (2) primary billing meter at a mutually acceptable location within the Substation
 - iv. three (3) 138 kV potential transformers required for metering the incoming and outgoing points of the Union Carbide Brownsville to Military Highway 138 kV transmission line
 - v. six (6) 138kV current transformers required for metering the incoming and outgoing points of the Union Carbide Brownsville to Military Highway 138 kV transmission line
 - vi. multiple address system ("MAS") remote radio, coax, and antenna for RTU communication to AEP's control center
 - vii. installation of optical ground wire ("OPGW") from AEP's Union Carbide Brownsville to the BPUB's dead-end structure within the Substation, which

- includes connecting the OPGW to the last 1500 feet of BPUB's 138 kV transmission line
- viii. two (2) dead-end structures placed in AEP's Union Carbide Brownsville to Military Highway 138 kV transmission line approximately 1500 feet from the Substation

B. BPUB will install and own the following facilities:

- i. the Substation and all the facilities within it
- ii. the two (2) breakers that protect AEP's Union Carbide Brownsville to Military Hwy 138 kV transmission line
- iii. cable from AEP's monitored and controlled facilities to AEP's RTU
- iv. the 125 Vdc power source for AEP's RTU and MAS
- v. one (1) 60ft Class 2 wood pole and space for AEP's MAS coax and antenna
- vi. the transmission line dead-end transmission line structures and line looped into the Substation
- vii. ERCOT metering equipment
- viii. approximately 1500 feet of 138 kV transmission line looped into the Substation from AEP's two (2) dead-end structures
- ix. the four (4) 138 kV transmission side switches (with dual locking)

9. Facility Operation Responsibilities of the Party:

- i. Each Party will operate all the facilities it owns
- ii. AEP will operate the breakers that protects the Union Carbide Brownsville to Military Hwy 138 kV transmission line

10. Facility Maintenance Responsibilities of the Party:

Each Party is responsible for maintenance of the facilities it owns at its

11. Estimated Peak Load: None

12. Other Terms and Conditions:

A. AEP's Inter-control Center Communications Protocol ("ICCP"):

- i. AEP will submit the Substation ICCP data to ERCOT while it performs control center activities on the facilities it owns and operates.
- ii. BPUB will have access to the AEP ICCP data via a direct ICCP communication circuit between the Parties' control centers.
- iii. The Parties will coordinate the analog and digital point list and communications protocol issues.

B. BPUB's ICCP:

- i. BPUB will submit the Substation ICCP data to ERCOT while it performs control center activities on the facilities it owns and operates.
- ii. AEP will have access to the BPUB ICCP data via a direct ICCP communication circuit between the Parties' control centers.
- iii. The Parties will coordinate the analog and digital point list and communications protocol issues.

C.

- i. The transmission line dead-end structures and line looped into the Substation will be installed, operated and maintained in accordance with AEP standards
- ii. The cable for AEP's RTU will be installed, operated and maintained in accordance with AEP specifications. Leads at the RTU will be connected to the RTU by AEP.
- iii. The MAS remote radio, coax, wood pole and antenna for AEP communication will be installed, operated and maintained in accordance with AEP specifications.
- iv. BPUB agrees to allow AEP to connect AEP's OPGW identified in Item 5.A.vii to BPUB's 1500 feet of 138 kV transmission line identified in Item 5.B.viii.

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FACILITY SCHEDULE NO. 5 (continued)
One-Line Diagram

