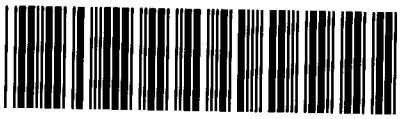

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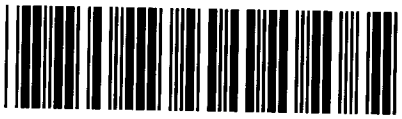

Item Number: 633

Addendum StartPage: 0

# PUBLIC UTILITY COMMISSION OF TEXAS

**Substantive Rule 25.195(e)**

**Project No. 35077**

**FIRST AMENDED AND RESTATED**

**INTERCONNECTION AGREEMENT**

**DATED: JANUARY 18, 2016**

**BETWEEN**

**AEP TEXAS NORTH COMPANY**

**AND**

**TEXAS-NEW MEXICO POWER COMPANY**

**FEBRUARY 2, 2016**

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# FIRST AMENDED AND RESTATED
# INTERCONNECTION AGREEMENT
# BETWEEN
# AEP TEXAS NORTH COMPANY
# AND
# TEXAS-NEW MEXICO POWER COMPANY

**DATED:** January 18, 2016

**FIRST AMENDED AND RESTATED**
**INTERCONNECTION AGREEMENT**
**BETWEEN**
**AEP TEXAS NORTH COMPANY**
**AND**
**TEXAS-NEW MEXICO POWER COMPANY**

This FIRST AMENDED AND RESTATED INTERCONNECTION AGREEMENT is made and entered into as of the 18th day of January 2016 (the "Execution Date"), by and between **AEP Texas North Company** ("AEP") and **Texas-New Mexico Power Company** ("TNMP") each sometimes hereinafter referred to individually as a "Party" or both referred to collectively as the "Parties".

**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 ERCOT; and

WHEREAS, the Parties originally entered into an Interconnection Agreement effective on January 9, 2004 and amended June 6, 2007, September 4, 2008 and May 7, 2012 (the "Original Agreement") consistent with the AEP Open Access Transmission Service Tariff ("AEP OATT") and the rules established by the Public Utility Commission of Texas ("PUCT"); and

WHEREAS, the Parties desire to amend Exhibit A of the Original Agreement to remove the Facility Schedules to the Rio Pecos 69 kV and SWTEC White Baker Tap Points of Interconnection due to the Points of Interconnection being terminated on July 30, 2008; and

WHEREAS, the Parties desire to amend Exhibit A of the Original Agreement to combine the existing Fort Stockton Plant 138 kV Facility Schedule and the Fort Stockton Plant 69 kV Facility Schedule into one (1) Fort Stockton PS Facility Schedule; and

WHEREAS, the Parties desire to amend the Original Agreement with TNMP's request for a new Point of Interconnection by adding Facility Schedule No. 9, Pig Creek; that provides for the interconnection of TNMP's 25 MW Flat Top, Barrilla Draw and I.H. 20 substations on the Barrilla Junction to Permian Basin 138 kV transmission line; and

WHEREAS, the Parties desire to amend the Original Agreement with TNMP's request for one (1) new Point of Interconnection by adding Facility Schedule No. 10, Gas Pad Tap; that provides for the interconnection of TNMP's 22 MW load on the Barrilla Junction to Permian Basin 138 kV transmission line; and

WHEREAS, the Parties desire to amend and restate the Original Agreement to reflect the changes described in the previous paragraph and to make certain other changes; 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. TNMP's execution of this Agreement shall not subject TNMP to the jurisdiction of FERC. Following 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"). AEP 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 Amended and Restated 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. Notwithstanding the foregoing, a Party shall not be required to disclose information which it deems confidential unless the Parties execute a confidentiality agreement to protect the confidential nature of such information.

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 twelve (12) months advance written notice. Upon termination of a Point of Interconnection, each Party shall discontinue the use of the facilities of the other Party associated with the use of that Point of Interconnection and shall disconnect from that Point of Interconnection. The Parties agree to use reasonable efforts to coordinate the termination of a Point of Interconnection to minimize any disruption in service by either Party.

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 TNMP:

Director, Technical Services
Texas-New Mexico Power Company
702 36th Street North
Texas City, Texas 77592-2190

10.2 Both Parties shall maintain a twenty-four (24) hour System Operations or Call Center. Notices of an operational or technical matter shall be made by one or more of, 1) written correspondence, 2) facsimile, 3) voice call, or 4) e-mail to the other Party. Such notices shall be delivered to the following:

If to AEP:

Manager, Transmission Dispatching
5502 Corporate Dr
Corpus Christi, Texas 78403-2121
361-289-4003, voice
361-289-4030, fax
dkkunkel@aep.com

If to TNMP:

Manager, System Operations
2641 Texas 6
Alvin, Texas 77511
281-581-4701, voice
281-388-0030, fax
systemoperationsmanager@tnmp.com

10.3 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.

**[Signatures are on next page]**

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

**AEP Texas North Company**

By: A Wade

Name: A. Wade Smith
Title: Vice President

Date: 1/18/16

**Texas-New Mexico Power Company**

By: Neal Walker

Name: Neal Walker
Title: President

Date: 1/16/16

## EXHIBIT A

## LIST OF FACILITY SCHEDULES AND POINTS OF INTERCONNECTION

| 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] | Party Reporting Interconnect Data | Effective Date in this Agreement, Prior Agreements or Amendments |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | |
| 1 | Rio Pecos 138 kV (2) | 138 | T | 138 | - | - | AEP | January 9, 2004<br>July 30, 2008<br>JANUARY 18, 2016 |
| 2 | Fort Stockton PS (2) | 138 & 69 | T | 138 | - | - | AEP | January 9, 2004<br>JANUARY 18, 2016 |
| 3 | Fort Stockton Switching Station (1) | 69 | T | 69 | - | - | AEP | January 9, 2004<br>JANUARY 18, 2016 |
| 4 | Gomez (2) | 69 | T | 69 | - | - | TNMP | January 9, 2004<br>JANUARY 18, 2016 |
| 5 | Belding (1) | 69 | T | 69 | - | - | TNMP | January 9, 2004<br>JANUARY 18, 2016 |
| 6 | Hackberry Draw (1) | 138 | T | 138 | - | - | TNMP | June 22, 2005<br>JANUARY 18, 2016 |
| 7 | County Road 101 (1) | 138 | T | 138 | - | 90,000 | TNMP | June 15, 2007<br>JANUARY 18, 2016 |
| 8 | Musquiz (1) | 138 | T | 138 | - | - | TNMP | May 7, 2012<br>JANUARY 18, 2016 |
| 9 | Pig Creek (1) | 138 | T | 138 | - | 25,000 | TNMP | JANUARY 18, 2016 |
| 10 | Gas Pad Tap (1) | 138 | T | 138 | | 22,000 | TNMP | JANUARY 18, 2016 |

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)

17

## FACILITY SCHEDULE NO. 1

1. **Name:** **Rio Pecos 138 kV**

2. **Facility Location:** AEP's Rio Pecos Substation ("AEP Substation") is located in Pecos County, approximately 10 miles southwest of McCamey near Girvin, Texas. There are two (2) Points of Interconnection at this location. One Point of Interconnection is located where the conductors from TNMP's 16th St. 138 kV transmission line connect to AEP's bus fed by circuit breakers (5530 and 7295) and the other Point of Interconnection is located where conductors from TNMP's White Baker 138 kV transmission line connect to AEP's bus fed by circuit breakers (5525 and 3805).

3. **Delivery Voltage:** 138 kV

4. **Metered Voltage and Location:** 138 kV metering is accomplished using 138 kV potential and current metering accuracy transformers located in the AEP Substation.

5. **Loss Adjustment Due to Meter Location:** No

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

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

8. **Facilities Ownership Responsibilities of the Parties:**

   A. **AEP agrees that it owns the following facilities:**

   i) the AEP Substation and all the facilities within it, except those facilities identified as being owned by TNMP below
   ii) the AEP Substation property (land)
   iii) relaying and control cable equipment associated with breaker (5530)
   iv) breakers (5530 and 7295) and associated disconnect switches within the AEP Substation
   v) breakers (5525 and 3805) and associated disconnect switches within the AEP Substation
   vi) fiber optic communication termination box located on the dead-end structure for TNMP's 138 kV transmission line from its White Baker substation.

   B. **TNMP agrees that it owns the following facilities:**

   i) 138 kV transmission line from its 16th St substation in Fort Stockton, Texas
   iii) 138 kV transmission line from its White Baker substation, including attached fiber optic communication shield wire to AEP's fiber termination box

9. **Facility Operation Responsibilities of the Parties:**

Each Party operates all the facilities it owns.

10. **Facility Maintenance Responsibilities of the Parties:**

Each Party is responsible for maintenance of the facilities it owns.

11. **Estimated Peak Load:** N/A

12. **Other Terms and Conditions:**

AEP provides Interconnect Data to accommodate data transfer via the ERCOT Inter-control Center Communications Protocol (ICCP) network or other mutually agreed upon method.

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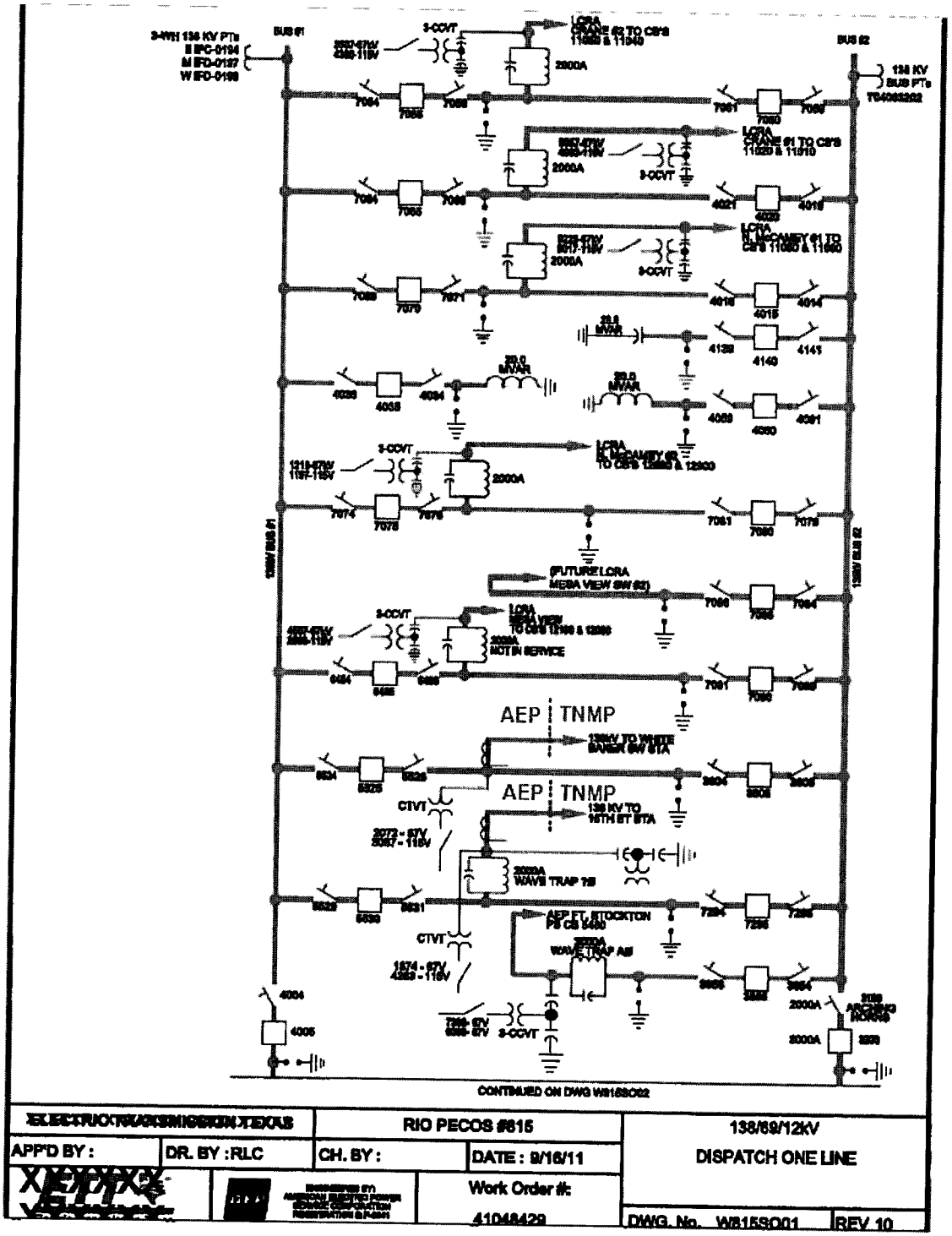
## FACILITY SCHEDULE NO. 1 (continued)
## One-Line Diagram



## FACILITY SCHEDULE NO. 2

1. **Name:** **Fort Stockton PS**

2. **Facility Location:** AEP's Fort Stockton PS ("AEP Station") is located in Pecos County, approximately 5 ½ miles northwest of Fort Stockton, Texas on Highway 285. There are two (2) Points of Interconnection located at 1) the 138 kV dead-end structure above the line-side disconnect switch (5451) on breaker (5450) that terminates TNMP's 138 kV transmission line from TNMP's Airport substation, and 2) the dead-end structure above line-side disconnect switch (1471) or by-pass switch (1472) on breaker (1470) that terminates TNMP's 69 kV transmission line from AEP's Fort Stockton switching station. More specifically, the Points of Interconnection are where the AEP Station equipment jumpers physically connect to TNMP's 138 kV and 69 kV transmission conductors.

3. **Delivery Voltages:** 138 kV and 69 kV

4. **Metered Voltage and Location:** 138 kV metering is accomplished using 138 kV potential and current metering accuracy transformers located within the AEP Station. The 69 kV is not metered.

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 agrees that it owns the following facilities:**
   - i. the AEP Station and all the facilities within it, except those facilities identified as being owned by TNMP below
   - ii. the AEP Station property (land)
   - iii. the 138 kV dead-end structures that terminates TNMP's 138 kV transmission line
   - iv. the 69 kV dead-end structures that terminates TNMP's 69 kV transmission line
   - v. the jumpers connecting to the 138 kV and 69 kV transmission lines

   **B. TNMP agrees that it owns the following facilities:**
   - i. the 138 kV transmission line from TNMP's Airport substation
   - ii. the 69 kV transmission line from AEP's Fort Stockton switching station

9. **Facility Operation Responsibilities of the Parties:**

   Each Party operates all the facilities it owns.

10. **Facility Maintenance Responsibilities of the Parties:**

    Each Party is responsible for maintenance of the facilities it owns.

**11. Estimated Peak Load:** N/A

**12. Other Terms and Conditions:**

A. For the 138 kV Point of Interconnection: AEP provides Interconnect Data to accommodate data transfer via the ERCOT Inter-control Center Communications Protocol (ICCP) network or other mutually agreed upon method.

B. For the 69 kV Point of Interconnection: When the capability is acquired, AEP provides Interconnect Data to accommodate data transfer via the ERCOT Inter-control Center Communications Protocol (ICCP) network or other mutually agreed upon method.

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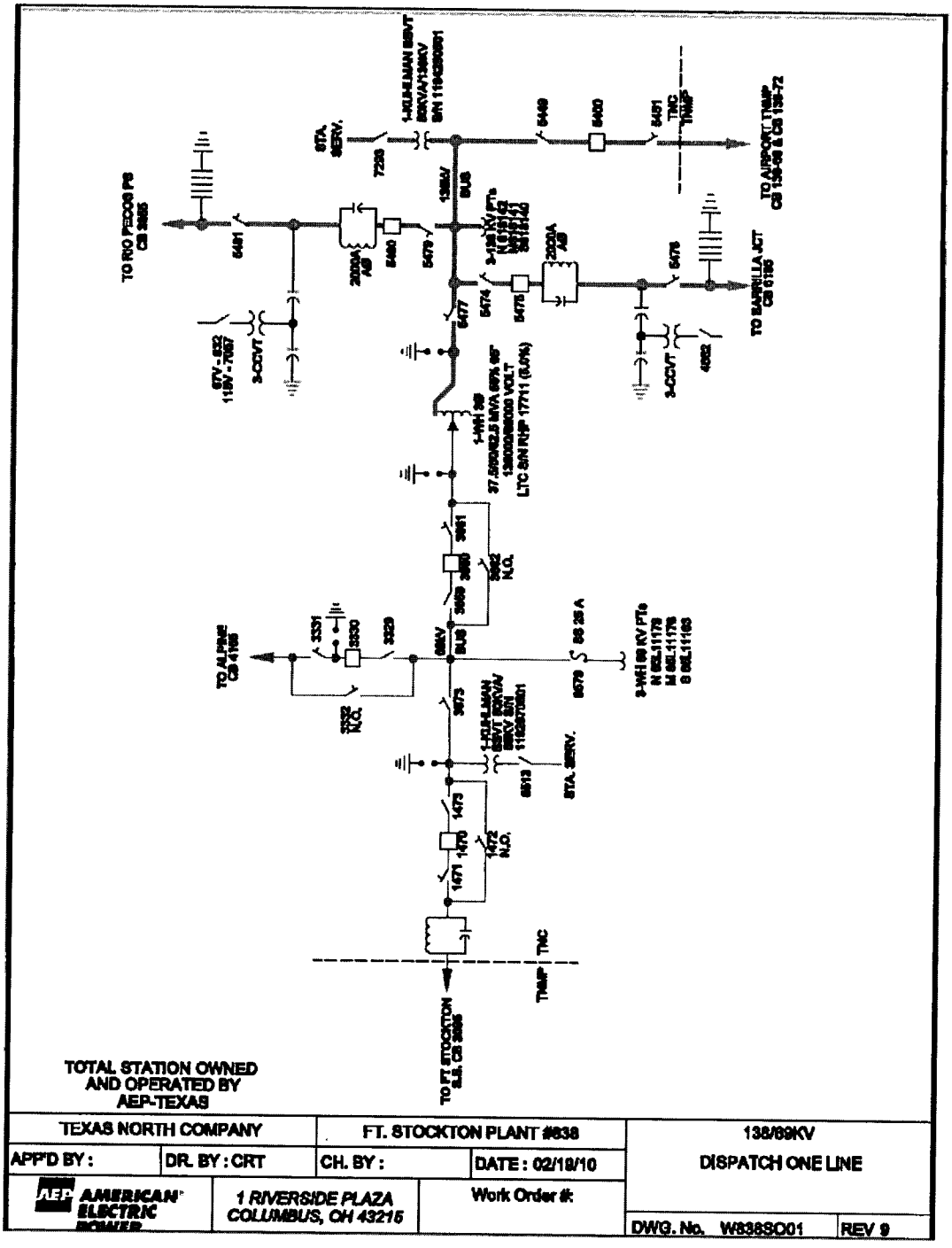
## FACILITY SCHEDULE NO. 2 (continued)
### One-Line Diagram




| | | | |
|---|---|---|---|
| TEXAS NORTH COMPANY | | FT. STOCKTON PLANT #838 | 138/69KV DISPATCH ONE LINE |
| APP'D BY: | DR. BY: CRT | CH. BY: | DATE: 02/18/10 |
| AEP AMERICAN ELECTRIC POWER | 1 RIVERSIDE PLAZA COLUMBUS, OH 43215 | Work Order #: | DWG. No. W838SO01 REV 9 |

## FACILITY SCHEDULE NO. 3

1. **Name:** **Fort Stockton Switching Station**

2. **Facility Location:** AEP's Fort Stockton Switching Station ("AEP Station") is located in Pecos County, approximately 16 miles northwest of Fort Stockton, Texas on Highway 285. The Point of Interconnection is located at the dead-end structure above the line-side disconnect switch (3096) and by-pass switch (2007) on breaker (3095) where TNMP's 69 kV transmission line from AEP's Fort Stockton PS terminates. More specifically, the Point of Interconnection is where the AEP Station equipment jumpers physically connect to TNMP's 69 kV transmission conductors.

3. **Delivery Voltage:** 69 kV

4. **Meter Voltage and Location:** Not Metered

5. **Loss Adjustment Due to Meter Location:** No

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

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

8. **Facilities Ownership Responsibilities of the Parties:**

   **A. AEP agrees that it owns the following facilities:**
   - i. the AEP Station and all the facilities within it, except those facilities identified as being owned by TNMP below
   - ii. the AEP Station property (land)
   - iii. the 69 kV dead-end structures that terminates TNMP's 69 kV transmission line
   - iv. the jumpers connecting to TNMP's 69 kV transmission line

   **B. TNMP agrees that it owns the following facilities:**
   - i. the 69 kV transmission line from AEP's Fort Stockton PS

9. **Facility Operation Responsibilities of the Parties:**

   Each Party operates all the facilities it owns.

10. **Facility Maintenance Responsibilities of the Parties:**

    Each Party is responsible for maintenance of the facilities it owns.

11. **Estimated Peak Load:** N/A

## 12. Other Terms and Conditions:

When the capability is acquired, AEP provides Interconnect Data to accommodate data transfer via the ERCOT Inter-control Center Communications Protocol (ICCP) network or other mutually agreed upon method.

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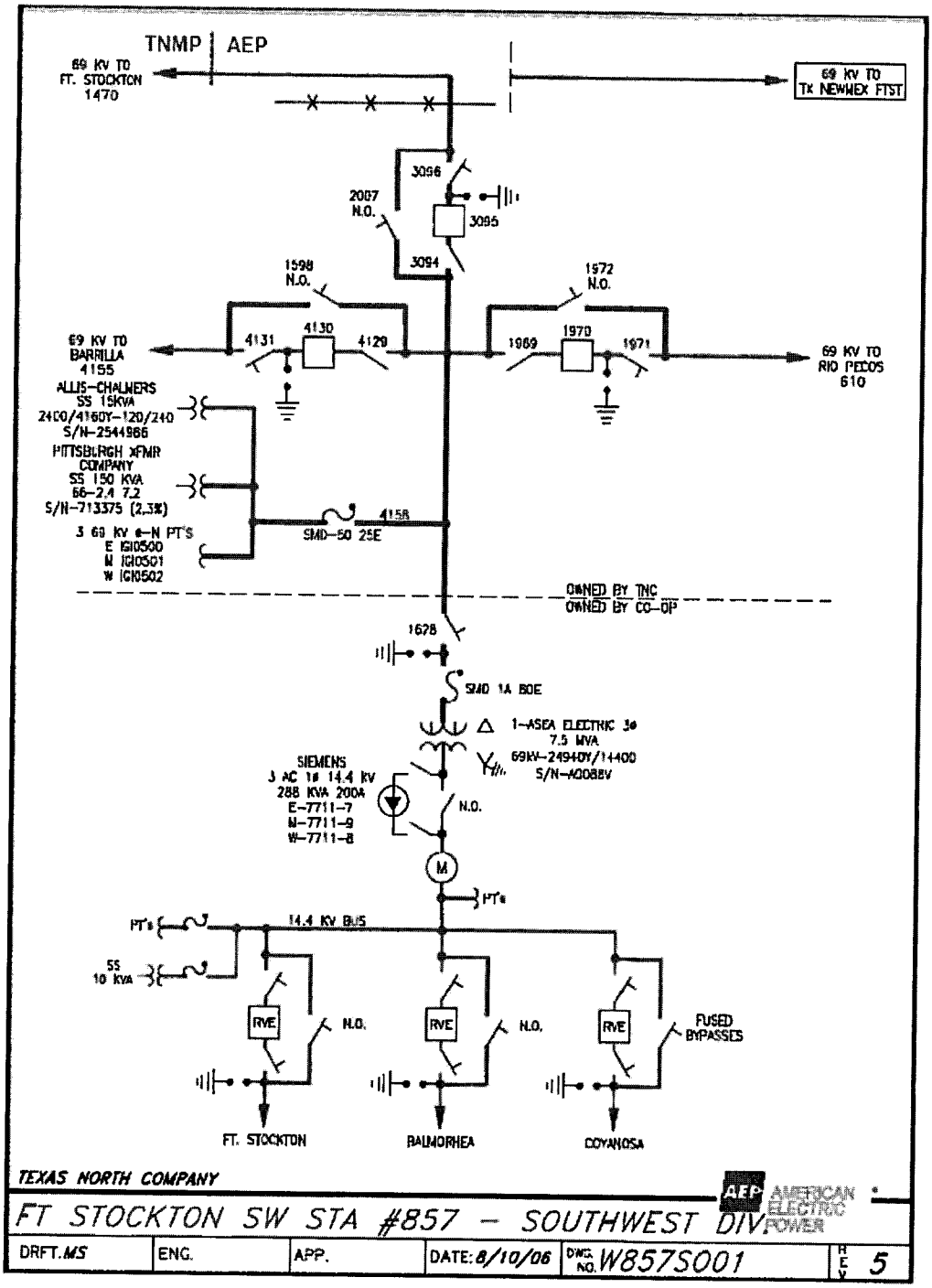
## FACILITY SCHEDULE NO. 3 (continued)
## One-Line Diagram



## FACILITY SCHEDULE NO. 4

1. **Name:** **Gomez**

2. **Facility Location:** TNMP's Gomez Substation ("TNMP Substation") is located in Pecos County, approximately 15 miles north of Fort Stockton, Texas and 5.8 miles east of AEP's Fort Stockton switching station. There are two (2) Points of Interconnection located at 1) the in-line switch (A6739), where AEP's Fort Stockton switching station 69 kV transmission line terminates, and 2) the in-line switch (A6740), where AEP's Rio Pecos PS 69 kV transmission line terminates.

3. **Delivery Voltage:** 69 kV

4. **Meter Voltage and Location:** Metering is accomplished using 24.9 kV potential and current metering accuracy transformers located on the secondary side of TNMP's 69-24.9 kV Substation transformer within the TNMP Substation.

5. **Loss Adjustment Due to Meter Location:** Yes, metering is equipped with loss compensation capability and is compensated for losses from the 69 kV Point of Interconnection to the location of the metering instruments on the 24.9 kV secondary bus.

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

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

8. **Facilities Ownership Responsibilities of the Parties:**

**A. AEP agrees that it owns the following facilities:**

i. the 69 kV transmission line from the Fort Stockton switching station
ii. the 69 kV transmission line from AEP's Rio Pecos PS

**B. TNMP agrees that it owns the following facilities**:

i. the TNMP Substation and all the facilities within it, except those facilities identified as being owned by AEP above
ii. the TNMP Substation property (land)
iii. two (2) 69 kV in-line switches (A6739 and A6740)
iv. the 69 kV tap switch (A6741)
v. the 69 kV tap line
vi. the 24.9 kV meter and metering facilities

9. **Facility Operation Responsibilities of the Parties:**

Each Party operates all the facilities it owns.

10. **Facility Maintenance Responsibilities of the Parties:**

Each Party is responsible for maintenance of the facilities it owns.

**11. Estimated Peak Load:** N/A

**12. Other Terms and Conditions:**

TNMP provides Interconnect Data to accommodate data transfer via the ERCOT Inter-control Center Communications Protocol (ICCP) network or other mutually agreed upon method. Status is not available from this site.

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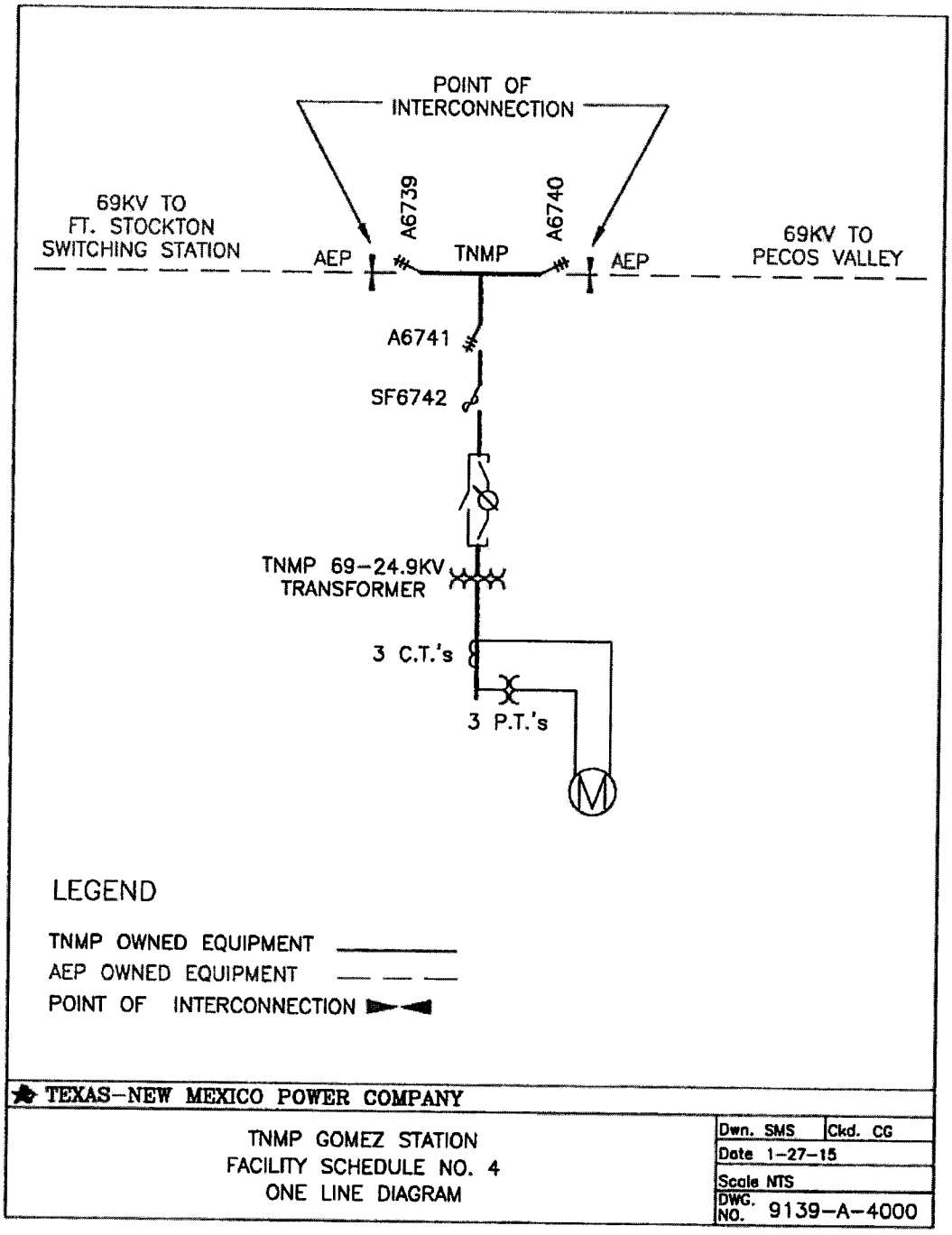
**FACILITY SCHEDULE NO. 4 (continued)**
**One-Line Diagram**



## FACILITY SCHEDULE NO. 5

1. **Name:** **Belding**

2. **Facility Location:** TNMP's Belding Substation ("TNMP Substation") is located in Pecos County, approximately 14.5 miles southwest of Fort Stockton, Texas, on Old Alpine Hwy. The Point of Interconnection is at the tap switch (A6603) on AEP's Fort Stockton PS to Alpine 69 kV transmission line.

3. **Delivery Voltage:** 69 kV

4. **Meter Voltage and Location:** Metering is accomplished using 12.5 kV potential and current metering accuracy transformers located on the secondary side of TNMP's 69-12.5 kV Substation transformer within the TNMP Substation.

5. **Loss Adjustment Due to Meter Location:** Yes, metering is equipped with loss compensation capability and is compensated for losses from the 69 kV Point of Interconnection to the location of the metering instruments on the 12.5 kV secondary bus.

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

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

8. **Facilities Ownership Responsibilities of the Parties:**

   **A. AEP agrees that it owns the following facilities:**
   - i. Fort Stockton PS to Alpine 69 kV transmission line
   - ii. two (2) 69 kV in-line switches (5263 and 5267)
   - iii. the 69 kV tap structure

   **B. TNMP agrees that it owns the following facilities:**
   - i. The TNMP Substation and all the facilities within it, except those facilities identified as being owned by AEP above
   - ii. the TNMP Substation property (land)
   - iii. the 69 kV transmission tap line
   - iv. the 69 kV tap switch (A6603)

9. **Facilities Operation Responsibilities of the Parties:**

   Each Party operates all the facilities it owns.

10. **Maintenance Responsibilities of the Parties:**

    Each Party is responsible for maintenance of the facilities it owns.

11. **Estimated Peak Load:** N/A

12. **Other Terms and Conditions:**

TNMP provides Interconnect Data to accommodate data transfer via the ERCOT Inter-control Center Communications Protocol (ICCP) network or other mutually agreed upon method. Status is not available from this site.

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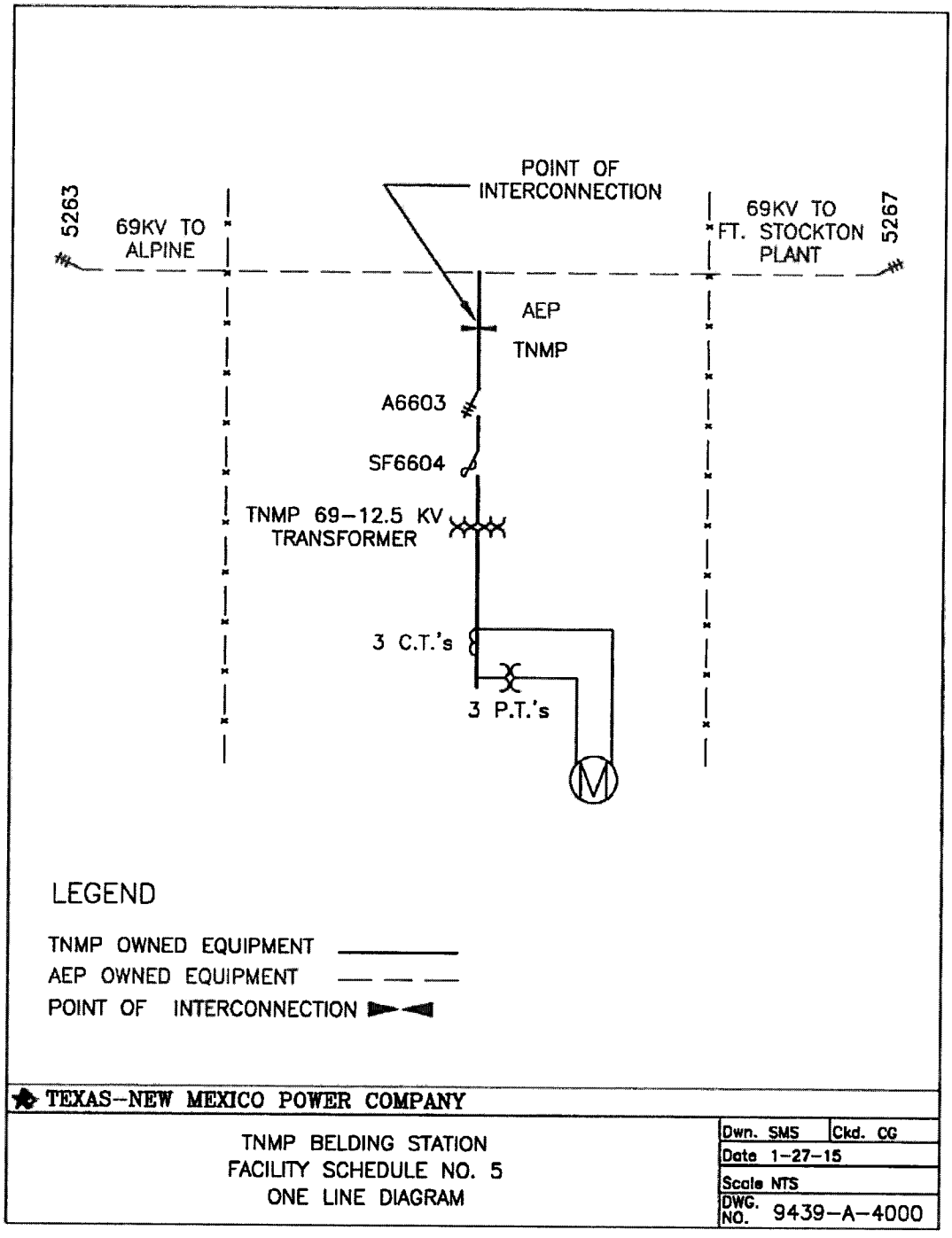
**FACILITY SCHEDULE NO. 5 (continued)**
**One-Line Diagram**



## FACILITY SCHEDULE NO. 6

1. **Name:** **Hackberry Draw**

2. **Facility Location:** The Hackberry Draw Point of Interconnection ("POI") is located approximately 25 miles southeast of Pecos, Texas in Reeves County, south of FM 1450 and west of County Road 101 on the Permian Basin to AEP's Barrilla Junction 138 kV transmission line. The POI being more specifically defined where the jumper conductors from TNMP's switch (A138-54) connect to AEP's Permian Basin to Barilla Junction transmission line.

3. **Delivery Voltage:** 138 kV

4. **Meter Voltage and Location:** Metering is accomplished using 138 kV potential and current metering accuracy transformers located within the Substation.

5. **Loss Adjustment Due to Meter Location:** None, metering does not require loss compensation for this Point of Interconnection.

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

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

8. **Facilities Ownership Responsibilities of the Parties:**

**A. AEP agrees that it owns the following facilities:**

i. the Permian Basin to Barrilla Junction 138 kV transmission line
ii. the 138 kV tap structure
iii. the 138 kV in-line switches (7012 and 7013) on both sides of the tap structure

**B. TNMP agrees that it owns the following facilities:**

i. the switch (A138-54)
ii. the 138 kV tap line from the AEP tap structure to switch (A138-54)
iii. the jumper conductors
iv. the 138 kV metering accuracy potential and metering accuracy current transformers, metering, and the telemetry.

**C. ENSTOR owns the following facilities:**

i. the Substation and all the facilities within it, except for the facilities noted in Items 8A and 8B above.
ii. the Substation property (land)

9. **Facilities Operation Responsibilities of the Parties:**

Each Party operates all the facilities it owns.

**10. Facilities Maintenance Responsibilities of the Parties:**

Each Party is responsible for maintenance of the facilities it owns.

**11. Estimated Peak Load:** N/A

**12. Other Terms and Conditions:**

TNMP provides Interconnect Data to accommodate data transfer via the ERCOT Inter-control Center Communications Protocol (ICCP) network or other mutually agreed upon method

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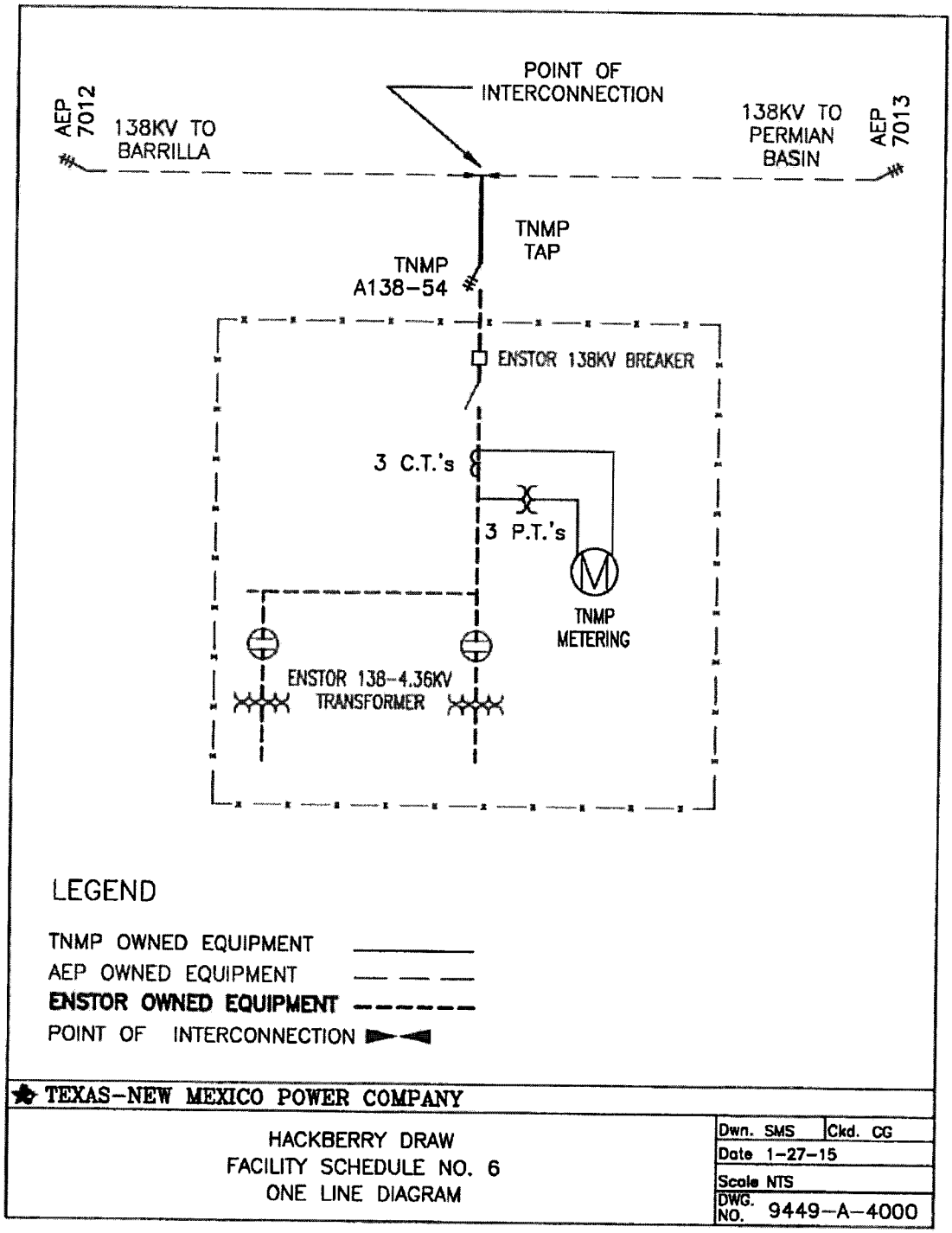
**FACILITY SCHEDULE NO. 6 (continued)**
**One-Line Diagram**



## FACILITY SCHEDULE NO. 7

1. **Name:** **County Road 101**

2. **Facility Location:** The County Road 101 Point of Interconnection ("POI") is in Reeves County, approximately 25 miles southeast of Pecos, Texas, and approximately 1.22 miles west of the Enterprise County Road 101 Substation, near the intersection of FM 1450 and County Road 101. The POI is located south of FM 1450 and west of County Road 101 on AEP's Permian Basin to Barrilla Junction 138 kV transmission line. More specifically, the POI is where the conductors from TNMP's switch A138-82 connect to AEP's line that is tapped off of its Permian Basin to Barilla Junction 138 kV transmission line.

3. **Delivery Voltage:** 138 kV

4. **Meter Voltage and Location:** 138kV; metering is accomplished using TNMP's 138 kV potential and current metering accuracy transformers located within the Enterprise County Road 101 Substation.

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 agrees that it owns the following facilities:**
   - i. the dead-end tap structure that terminates TNMP's 138 kV transmission line from the Enterprise County Road 101 Substation
   - ii. the jumpers at the dead-end structure
   - iii. the Permian Basin to Barrilla Junction 138 kV transmission lines
   - iv. the in-line switches (9758 and 7133) in the Permian Basin to Barrilla Junction 138 kV transmission lines

   **B. TNMP agrees that it owns the following facilities:**
   - i. the 138 kV transmission tap line to the Enterprise County Road 101 Substation
   - ii. the switches (A138-82 and A138-83)
   - iii. the source side jumper conductors at switch (A138-82)
   - iv. the 138 kV metering accuracy potential and metering accuracy current transformers, metering, and the telemetry within the Enterprise County Road 101 Substation

9. **Facilities Operational Responsibilities of the Parties:**

Each Party operates all the facilities it owns

10. **Maintenance Responsibilities of Each Party:**

Each Party is responsible for maintenance of the facilities it owns.

11. **Estimated Peak Load:** 90,000 kW

12. **Other Terms and Conditions:**

TNMP provides Interconnect Data to accommodate data transfer via the ERCOT Inter-control Center Communications Protocol (ICCP) network or other mutually agreed upon method

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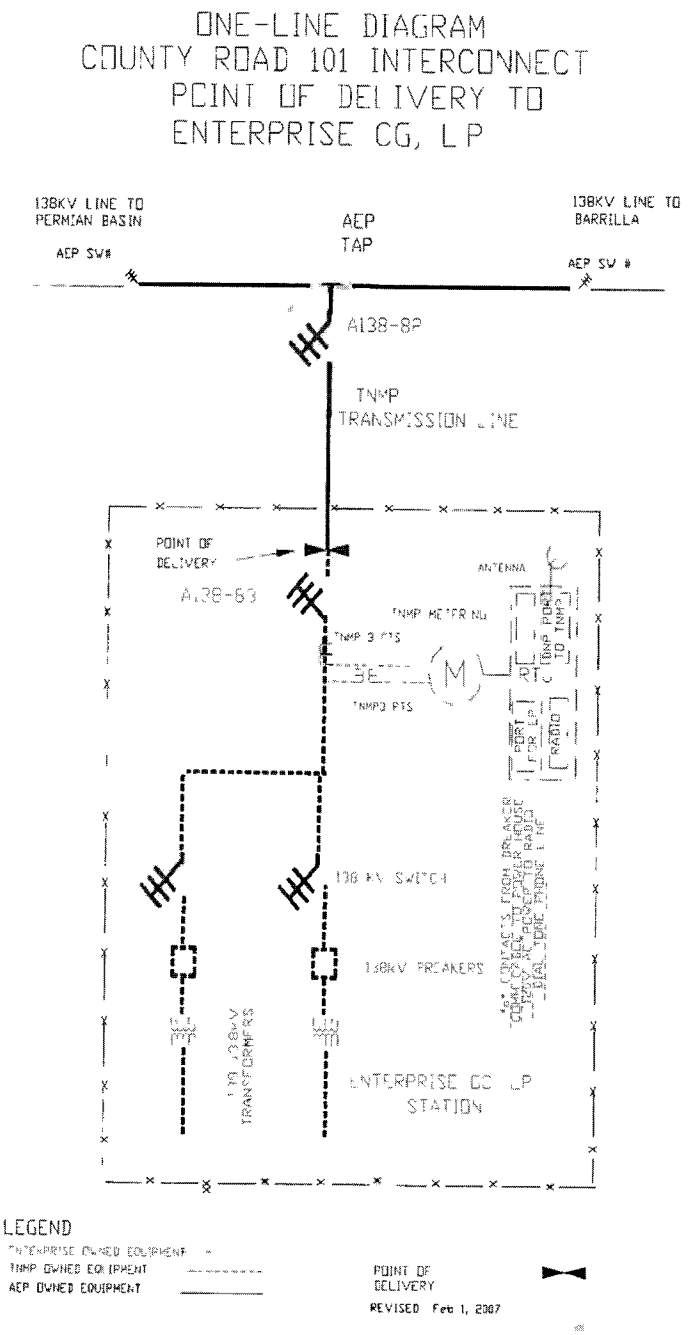
**FACILITY SCHEDULE NO. 7 (continued)**
**One-Line Diagram**



## FACILITY SCHEDULE NO. 8

1. **Name:** **Musquiz**

2. **Facility Location:** The Musquiz Point of Interconnection ("POI") is located northeast of US 285, between Pecos and Ft Stockton, Texas, in Reeves County. Approximately 19.3 miles northeast of Barrilla Junction on the Barrilla Junction to Permian Basin 138 kV transmission line (31° 14' 17.81" N, 103° 09' 29.23" W). The POI is on the source-side of TNMP's motor-operated, 138 kV sectionalizing switch (A138-89). More specifically the POI is where the jumpers from AEP's slack span physically contact TNMP's motor-operated, 138 kV sectionalizing switch (A138-89).

3. **Delivery Voltage:** 138 kV

4. **Metered Voltage and Location:** Metering is accomplished using 138 kV potential and current metering accuracy transformers located at the POI.

5. **Loss Adjustment Due to Meter Location:** None, metering does not require loss compensation for this POI

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

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

8. **Facilities Ownership Responsibilities of the Parties:**

**A. AEP agrees that it owns the following facilities:**

i. the Barrilla Junction to Permian Basin 138 kV transmission line
ii. two (2) 138 kV sectionalizing switches (3142 and 3182) in the Barrilla Junction to Permian Basin 138 kV transmission line either side of the Musquiz tap
iii. one (1) 138 kV sectionalizing switch (3212) in the 138 kV transmission line to Wolf Bone Ranch substation
iv. the slack span from the Musquiz tap to the POI
v. metering facilities connected to TNMP's 138 kV instrument transformers via secondary wiring
vi. associated communications equipment if applicable

**B. TNMP agrees that it owns the following facilities**

i. the motor-operated, 138 kV sectionalizing switch (A138-89) in its Wolf Bone Tap station
ii. the 138 kV instrument transformers at the POI in TNMP's Wolf Bone Tap station utilized by AEP for its metering facilities
iii. associated communications equipment

9. **Facility Operation Responsibilities of the Parties:**

Each Party operates all the facilities it owns

**10. Facility Maintenance Responsibilities of the Parties:**

Each Party is responsible for maintenance of the facilities it owns.

**11. Estimated Peak Load:** N/A

**12. Other Terms and Conditions:**

A. Each Party will provide its own communication circuit from its communications equipment to its control center unless a mutually agreeable alternative solution is reached. TNMP will provide and maintain a monitor-only communications port on its RTU for use by AEP to locally interrogate interconnection data as determined by mutual agreement or as specified herein. TNMP will provide MW and MVAR load data to AEP via TNMP's monitor-only RTU communications port as described above. Additionally, TNMP will provide MW and MVAR load data to ERCOT via Inter-control Center Communications Protocol (ICCP).

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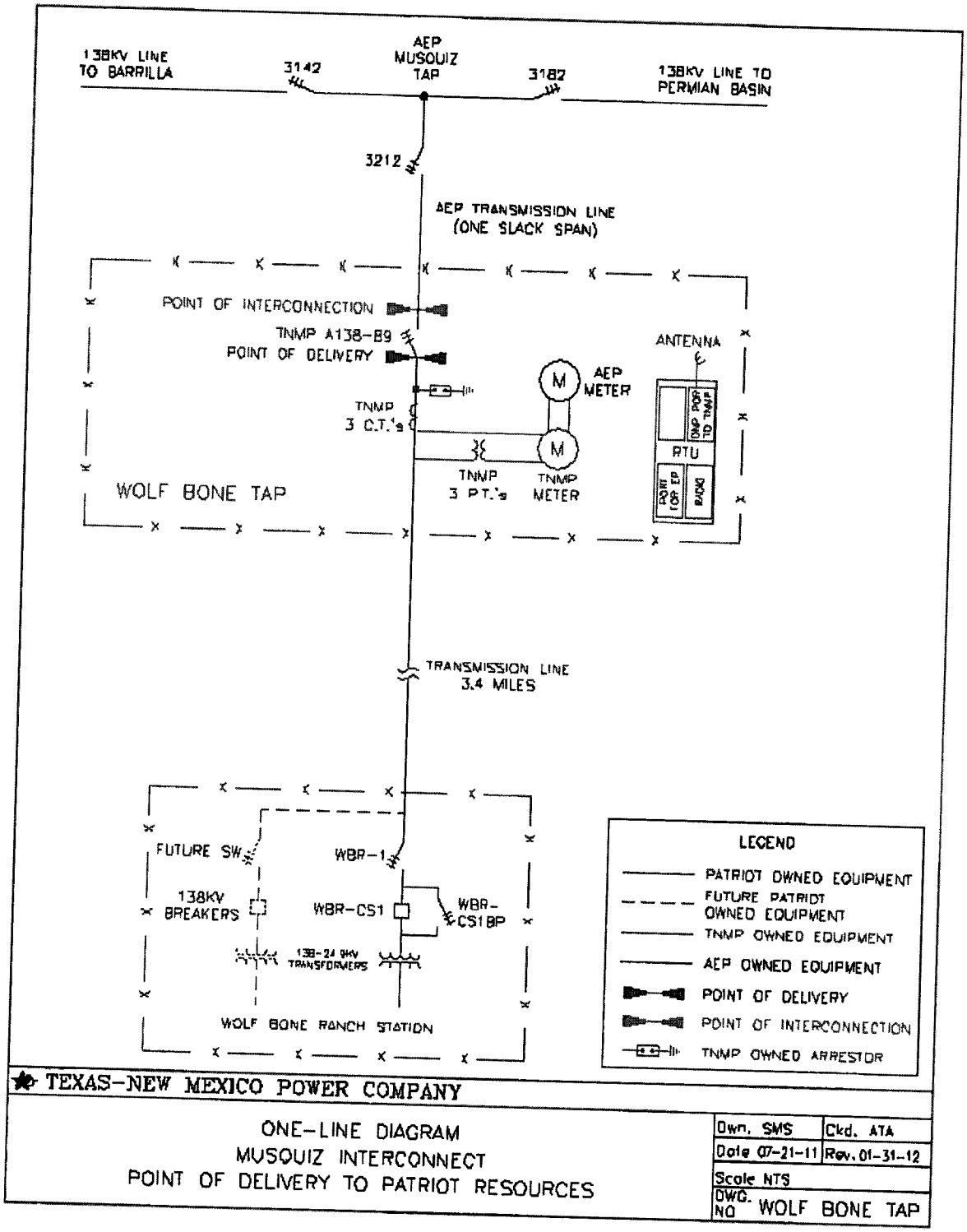
## FACILITY SCHEDULE NO. 8 (continued)
## One-Line Diagram



## FACILITY SCHEDULE NO. 9

1. **Name:** **Pig Creek**

2. **Facility Location:** The AEP Pig Creek Station ("AEP Station") will be located southwest of US 285, between Pecos and Ft Stockton, Texas, in Pecos County approximately thirteen (13) miles northeast of AEP's Barrilla Junction substation on AEP's Barrilla Junction to Permian 138 kV transmission line.

   A) The temporary Point of Interconnection ("POI") will be located at the junction of the TNMP-owned AEP Station site to Flat Top to Barilla Draw 138 kV radial transmission line ("TNMP Temporary Line") tapped from AEP's Barilla Junction to Permian Basin 138 kV transmission line at the AEP Station site. More specifically, the temporary POI will be located at TNMP's Temporary Hard Tap Facilities where AEP's jumpers from AEP's Barrilla Junction to Permian Basin 138 kV transmission line physically connect to TNMP's temporary hard tap slack-span conductors under AEP's Barrilla Junction to Permian Basin 138 kV transmission line.

   B) The permanent POI will be located at AEP's dead-end structure within the AEP Station that terminates the TNMP-owned AEP Station to Flat Top to Barilla Draw to IH-20 138 kV transmission line ("TNMP Permanent Line"). More specifically the POI will be located where AEP's jumper conductors from the AEP Station equipment physically contact the TNMP Permanent Line.

3. **Delivery Voltage:** 138 kV

4. **Metered Voltage and Location:**
   A) Temporary: 25 kV and 138 kV metering and metering facilities will be located within TNMP's Flat Top and Barilla Draw substation respectively.
   B) Permanent: 138 kV metering and metering facilities will be located within the AEP Station.

5. **Loss Adjustment Due to Meter Location:**
   A) Temporary: Yes, metering does require loss compensation for this POI
   B) Permanent: None, metering does not require loss compensation for this POI

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

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

8. **Facilities to be Furnished and Owned by the Parties:**

   **A. Temporary Facilities by AEP:**
   i. The 138 kV jumpers from AEP's Barrilla Junction to Permian Basin 138 kV transmission line to TNMP's Temporary Hard Tap Facilities described below in Section 8.C.i.

ii. The necessary upgrades and/or setting changes to the relay and protection system at AEP's Barrilla Junction substation to accommodate the temporary hard tap connection.

**B. Permanent Facilities by AEP:**

i. The AEP Station and all the facilities within it
ii. A 138 kV meter and metering facilities (check) within the AEP Station
iii. A 138 kV dead-end structure within the AEP Station that terminates the TNMP Permanent Line
iv. The necessary upgrades and/or setting changes to the relay and protection system at AEP's Barrilla Junction substation to remove the TNMP Temporary Line from the Barilla Junction to Permian Basin zone of protection.
v. The removal of the 138 kV jumpers from the AEP's Barrilla Junction to Creosote 138 kV transmission line to TNMP's Temporary Hard Tap Facilities

**C. Temporary Facilities by TNMP:**

i. The temporary 138 kV facilities under AEP's Barrilla Junction to Permian Basin 138 kV transmission line, described below, to make the hard tap jumper connection from AEP's Barrilla Junction to Permian Basin 138 kV transmission line to the TNMP Temporary Line ("Temporary Tap Facilities"):
   1) Two (2) 138 kV dead-end structures (one dead-end structure with 138 kV disconnect switches), one on either side of the AEP's Barrilla Junction to Permian Basin 138 kV transmission line
   2) The 138 kV slack span conductors between the two (2) dead-end structures identified hereinabove
ii. Meter and metering facilities within the TNMP Flat Top and Barilla Draw substations
iii. The necessary coordination and upgrades and/or setting changes to the relay and protection system at Oncor's Permian Basin substation to accommodate the temporary hard tap connection.

**D. Permanent Facilities by TNMP:**

i. The TNMP Permanent Line
ii. The removal of the Temporary Hard Tap Facilities
iii. The reroute, as needed, of the TNMP Temporary Line for the permanent termination at the AEP Station.

**9. Facility Operation Responsibilities of the Parties:**

A. Each Party will operate the facilities it owns.

B. AEP will control the temporary disconnect switches at the Temporary Hard Tap Facilities

**10. Facility Maintenance Responsibilities of the Parties:**

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

11. **Estimated Peak Load:** TNMP Temporary Line - 25,000 kW
TNMP Permanent Line – Network flow, not applicable

12. **Other Terms and Conditions:**

A. TNMP will provide AEP call access or access to the 25 kV and 138 kV monitors and/or meters at TNMP's Flat Top and Barilla Draw substations while interconnected in the temporary configuration.

B. The estimated in-service date for the Temporary Facilities is December 31, 2015.

C. The estimated in service-date for the Permanent Facilities is April 30, 2017.

D. TNMP recognizes that AEP is installing the facilities described in Section 8 (A and B hereinabove) of this Facility Schedule to facilitate TNMP's request for the new Points of Interconnection identified in Section 2 of this Facility Schedule. If TNMP cancels its request for these Points of Interconnection prior to energizing the Points of Interconnection or if TNMP terminates the Points of Interconnection because the facilities are not required, TNMP agrees to pay the actual installed costs incurred and committed to be incurred by AEP, and the actual costs of removal of the AEP material and equipment, that AEP determines cannot be recovered through transmission cost of service rates. The total installed cost of the AEP facilities described hereinabove is estimated to be Six Million Dollars ($6,000,000) which TNMP agrees is reasonable. Any payment by TNMP will be treated as a contribution in aid of construction for tax purposes and TNMP agrees to reimburse AEP a tax gross up amount for any tax that may be due as a result any such payment by TNMP to AEP.

E. TNMP provides Interconnect Data to accommodate data transfer via the ERCOT Inter-control Center Communications Protocol (ICCP) network or other mutually agreed upon method

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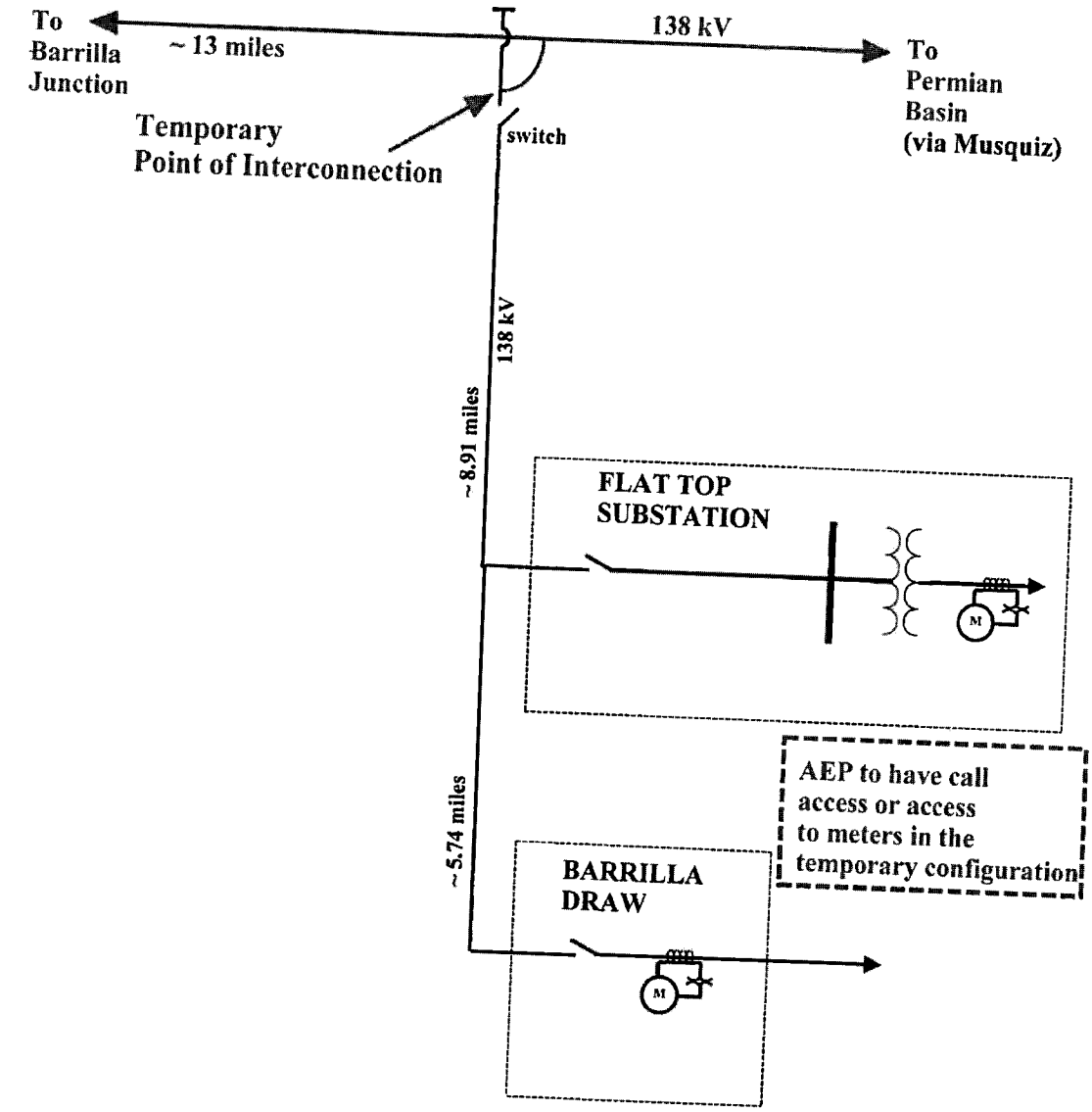
**FACILITY SCHEDULE NO. 9 (continued)**
Temporary - One Line Diagram

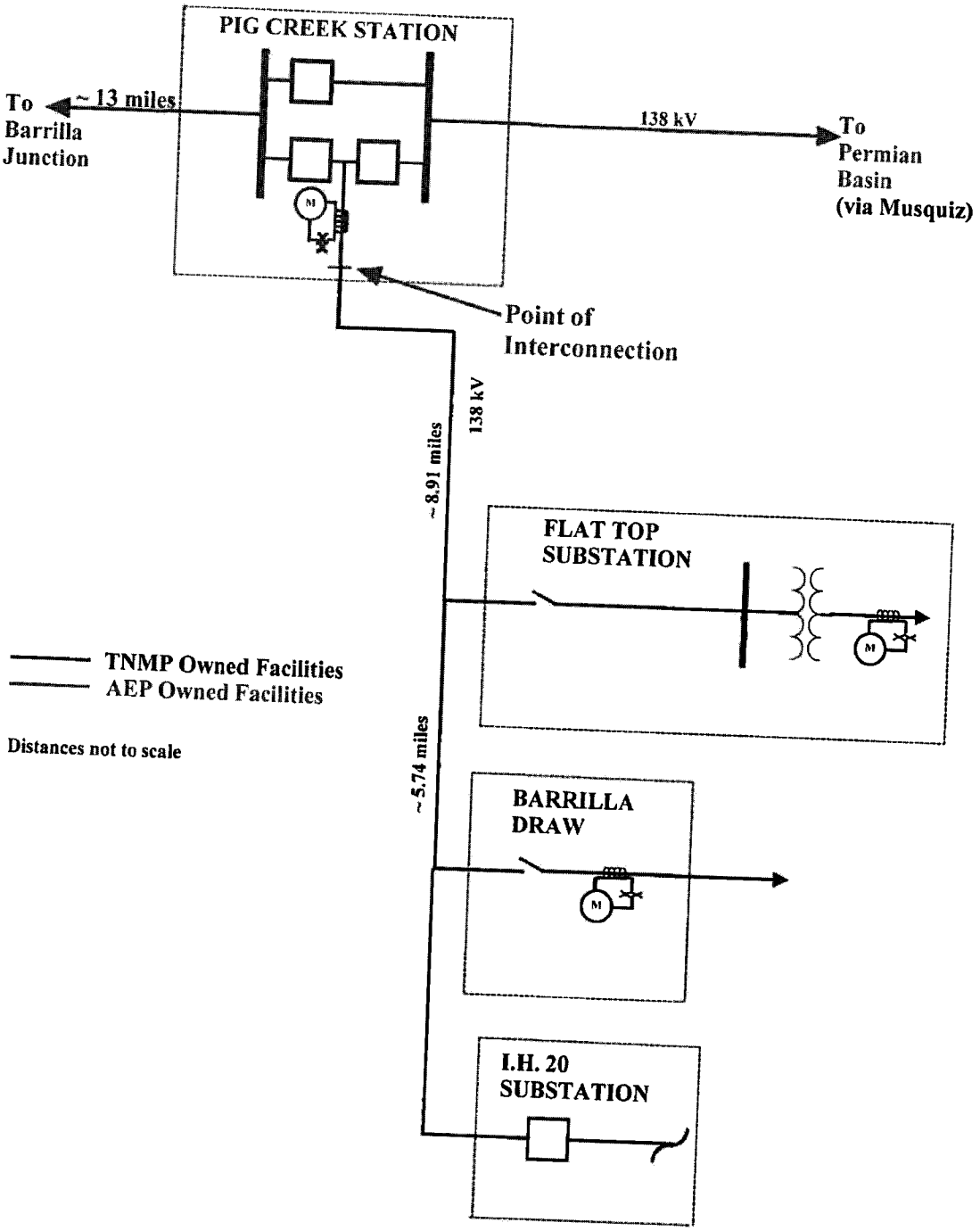



TNMP Owned Facilities
AEP Owned Facilities
Other Utility Owned Facilities

Distances not to scale

## FACILITY SCHEDULE NO. 9 (continued)

Permanent - One Line Diagram



## FACILITY SCHEDULE NO. 10

1. **Name:** **Gas Pad Tap**

2. **Facility Location:** AEP's Gas Pad Tap Station ("AEP Station") will be located in Pecos County, Texas, approximately 3.25 mile north of the location where a section of the Barrilla Junction to Permian Basin 138 kV transmission line owned by AEP ("AEP Transmission Line") crosses FM 1450.

   a) The temporary Point of Interconnection will be a located at TNMP's Temporary Hard Tap Facilities (as defined in Section 8.A.i below) where AEP's jumpers from the AEP Transmission Line physically connect to TNMP's temporary hard tap slack-span conductors under the AEP Transmission Line.

   b) There will be one (1) permanent Point of Interconnection located on AEP's box-bay structure within the AEP Station. More specifically, the permanent Point of Interconnection is where AEP's 138 kV jumpers physically connect to TNMP's 138 kV transmission line conductors terminated on AEP's box-bay structure.

3. **Delivery Voltage:** 138 kV

4. **Metered Voltage and Location:**

   a) Temporary: 138 kV within the TNMP Tap Station
   b) Permanent: 138 kV at the AEP Station

5. **Loss Adjustment Due to Meter Location:**

   a) Temporary: Yes
   b) Permanent: No

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

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

8. **Facilities to be Furnished and Owned by the Parties:**

   **A. Temporary Facilities to be furnished and owned by TNMP:**

   i. The 138 kV facilities under the AEP Transmission Line, described below, to make the hard tap jumper connections from the AEP Transmission Line to the TNMP transmission line ("Temporary Hard Tap Facilities"):

      1) Two (2) temporary 138 kV dead-end structures, one on either side of the AEP Transmission line.
      2) The 138 kV slack span conductors between the two (2) dead-end structures described in Section 8.A.i.1 above.

ii. A 138 kV single circuit radial transmission line segment from the TNMP Tap Station to the Temporary Hard Tap Facilities.
iii. A port on TNMP's remote terminal unit ("RTU") within the TNMP Tap Station to allow AEP to extract power and energy data while interconnected in the temporary configuration.

**B. Permanent Facilities to be furnished and owned by TNMP:**

i. The 138 kV transmission line from TNMP's Tap Station
ii. The TNMP Tap Station and all the facilities within it
iii. The telemetry facilities, including a RTU and associated facilities
iv. Reroute of the temporary 138 kV single circuit radial transmission line into the AEP Station.

**C. Temporary Facilities by AEP:**

i. The 138 kV jumpers from the AEP Transmission Line to TNMP's Temporary Hard Tap Facilities described in Section 8.A.i above.
ii. The communications facilities necessary for AEP to access a port in TNMP's RTU at the TNMP substation to extract power and energy data while interconnected in the temporary configuration.
iii. The necessary upgrades and/or setting changes to the relay and protection system at Barrilla Junction station to accommodate the temporary hard tap connection.
iv. The necessary upgrades and/or setting changes to the relay and protection system at Oncor's Permian Basin station to accommodate the temporary hard tap connection.

**D. Permanent Facilities by AEP:**

i. The AEP Station and all the facilities within it
ii. One (1) 138 kV meter and metering facilities within the AEP Station
iii. the box-bay structure within the AEP Station
iv. The necessary upgrades and/or setting changes to the relay and protection system at Lotebush station to accommodate the permanent facility connection.
v. The necessary upgrades and/or setting changes to the relay and protection system at Oncor's Permian Basin station to accommodate the permanent facility connection.

**9. Facility Operation Responsibilities of the Parties:**

Each Party will operate the facilities it owns.

**10. Facility Maintenance Responsibilities of the Parties:**

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

**11. Estimated Peak Load:** 22,000 kW

**12. Other Terms and Conditions:**

A. TNMP will provide AEP call access or access to the 138 kV monitor and/or meter at the TNMP Tap Stations while interconnected in the temporary configuration.

B. The estimated in-service date for the Temporary Facilities is April 30, 2016

C. The estimated in service-date for the Permanent Facilities is April 30, 2017.

D. TNMP recognizes that AEP is installing the facilities described in Section 8 (C and D hereinabove) of this Facility Schedule to facilitate TNMP's request for the new Points of Interconnection identified in Section 2 of this Facility Schedule. If TNMP cancels its request for these Points of Interconnection prior to energizing the Points of Interconnection or if TNMP terminates the Points of Interconnection because the facilities are not required, TNMP agrees to pay the actual installed costs incurred and committed to be incurred by AEP, and the actual costs of removal of the AEP material and equipment, that AEP determines cannot be recovered through transmission cost of service rates. The total installed cost of the AEP facilities described hereinabove is estimated to be Two Million Five Hundred Thousand Dollars ($2,500,000) which TNMP agrees is reasonable. Any payment by TNMP will be treated as a contribution in aid of construction for tax purposes and TNMP agrees to reimburse AEP a tax gross up amount for any tax that may be due as a result any such payment by TNMP to AEP.

E. TNMP provides Interconnect Data to accommodate data transfer via the ERCOT Inter-control Center Communications Protocol (ICCP) network or other mutually agreed upon method

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