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**FIRST AMENDED AND RESTATED
INTERCONNECTION AGREEMENT
BETWEEN
ELECTRIC TRANSMISSION TEXAS, LLC
AND
SOUTH TEXAS ELECTRIC COOPERATIVE, INC.**

DATED: January 7, 2019

**FIRST AMENDED AND RESTATED
INTERCONNECTION AGREEMENT
BETWEEN
ELECTRIC TRANSMISSION TEXAS, LLC
AND
SOUTH TEXAS ELECTRIC COOPERATIVE, INC.**

This **First Amended and Restated Interconnection Agreement** is made and entered into as of January 7, 2019 (the "**Execution Date**"), by and between **Electric Transmission Texas, LLC ("ETT")** and **South Texas Electric Cooperative, Inc. ("STEC")** each sometimes hereinafter referred to individually as a "**Party**" or both referred to collectively as "**Parties**".

WITNESSETH

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

WHEREAS, the Parties entered into an interconnection agreement effective March 29, 2010 and amended the interconnection agreement on January 20, 2015 (the "**Original Agreement**"); and

WHEREAS, the Parties desire to amend and restate the Original Agreement to make certain changes and updates within the substantive body of this Agreement to reflect the changes in the terms and conditions they now desire; and

WHEREAS, the Parties desire to amend and restate the Original Agreement to make certain changes and updates to Facility Schedule No.1 San Miguel – Lobo Tie Line for the purpose of providing clarity in the description and ownership of facilities and provide a drawing; and

WHEREAS, the Parties desire to amend and restate the Original Agreement to make certain changes and updates to Facility Schedules No.2 Azteca and No.3 Devine for the purpose of providing clarity and better formatting; and

WHEREAS, the Parties desire to amend and restate the Original Agreement to make certain changes and updates to Facility Schedule No.4 Razorback for the purpose of removing the temporary and permanent construction phase language within the facility Schedule, due to the interconnecting facilities for the requested Point of Interconnection from STEC being in-service and energized; and

WHEREAS, the Parties desire to amend and restate the Original Agreement to add Facility Schedule No.5 Quihi for the purpose of STEC's request for a new substation on the 138 kV Razorback to Castroville transmission line; and

WHEREAS, the Parties have recently established or shortly will establish several new interconnection facilities between their electrical systems; and

WHEREAS, the Parties desire to interconnect their respective Systems in the respects, and under the terms and conditions set forth below.

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

ARTICLE I – EFFECTIVE DATE AND TERM

This Agreement and any subsequent addendum executed by both Parties to this Agreement shall become effective on the Execution Date and upon acceptance of the filing by any regulatory agency having jurisdiction. Unless otherwise mutually agreed in writing, this Agreement and any subsequent addendum to this Agreement shall remain in effect for a period of ten (10) years from the effective date of this Agreement or the effective date of any subsequent addendum to this Agreement, whichever is later, and shall continue in effect thereafter, subject to cancellation by either Party upon three (3) year's written notice to the other Party.

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' 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 such 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 First 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, and including the ERCOT Other Binding Documents available on the ERCOT website, as amended from time to time, that contain the scheduling, operating, planning, reliability, and settlement (including customer registration) policies, rules, guidelines, procedures, standards, and other 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 Good Utility Practice shall have the meaning described in the PUCT Subst. Rule 25.5(56) or its successor.

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

3.7 NERC Reliability Standards means the mandatory electric reliability standards and requirements established and enforced by NERC and TRE that are applicable to entities operating in the ERCOT power region.

3.8 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.

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

3.10 PUCT Rules means the PUCT Substantive Rules applicable to Electric Service Providers as amended from time to time.

3.11 System means the electrical transmission facilities and equipment of a Party.

3.12 TRE means the Texas Reliability Entity, Inc., or its successor.

**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 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 and PUCT Rules. 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 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 thirty-six (36) 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 in a mutually agreeable manner.

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.

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 as permitted by this Agreement, 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, 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. Nothing herein shall require the Party requested to upgrade or modify its terminal facilities to undertake any initiative that is inconsistent with its standard safety practices, its material and equipment specifications or its design criteria and construction procedures.

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 SUCH PARTY'S 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 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 LIABILITY, 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, (III) SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES OF THE OTHER PARTY, AS DESCRIBED IN SECTION 15.2 OR (IV) 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. THIS ARTICLE DOES NOT CREATE 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 ETT:

Electric Transmission Texas, LLC
Leo L. York, Vice President
400 W. 15th Street, Suite 800
Austin, Texas 78701-1677
512-391-6310
llyork@aep.com

With copy to:

Electric Transmission Texas, LLC
c/o American Electric Power Service Corporation
Director, Systems Interconnections
Robert Pennybaker
212 E. 6th Street
Tulsa, Oklahoma 74119
918-599-2723
rlpennybaker@aep.com

If to STEC:

General Manager
South Texas Electric Cooperative, Inc.
2849 FM 447
P.O. Box 119
Nursery, TX 77976
361-575-6491
FAX: (361) 576-1433

10.2 The above listed names, titles, and addresses of a Party may be changed upon

written notification by such Party 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, (i) to either a successor to all or a substantial portion of the Party's transmission and distribution business, or to an affiliate of the assigning Party provided, however, that such assignment will only be permitted if the assignee has (i) an equal or greater credit rating, and (ii) the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement; or (ii) 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 was executed in the State of Texas and 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 that 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 the earlier of (i) sixty (60) day's prior written notice to the other Party; or (ii) the date on which such change is effective. 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 such Party, in the exercise of due diligence, is 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, accident causing breakage, failure or imminent threat of failure 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 following the expiration of such cure periods, 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. Notwithstanding the foregoing however, both the Non-Defaulting Party and the Defaulting Party shall continue to take measures consistent with Good Utility Practice to avoid any further harm to either Party's System. 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. DAMAGES FOR WHICH A PARTY MAY BE LIABLE UNDER ANOTHER AGREEMENT WILL NOT BE CONSIDERED TO BE SPECIAL, INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES HEREUNDER.

15.3 This Agreement shall not affect the obligations or rights of either Party with respect to other agreements. Both Parties to this Agreement represent that there is no agreement or other obligation binding upon it, which, as such Party is presently aware, would limit the effectiveness or frustrate the purpose of this Agreement.

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 The Parties agree that it is their intent that performance under this Agreement will in no way jeopardize the tax exempt status of STEC and the tax exempt nature of STEC's property and use of facilities.

15.7 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.

15.8 This Agreement sets out the entire understanding of the Parties with respect to the matters it purports to cover and supersedes all prior communications, agreements, and understandings, whether written or oral, concerning such matters.

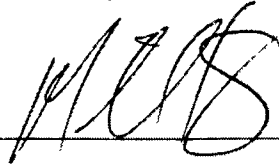
**[The remainder of this page intentionally left blank]
[Signatures are on next page]**

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

Electric Transmission Texas, LLC

**SOUTH TEXAS ELECTRIC
COOPERATIVE, INC.**

By: 

By: 

Name: Kip M. Fox
Title: President

Name: Mike Kezar
Title: General Manager

Date: 1/7/19

Date: 31 DEC 18



EXHIBIT A

Facilities Schedule No.	Name of Point of Interconnection (# of Points)	Delivery Voltage [kV]	Meter Voltage [kV]	ORIGINAL EFFECTIVE DATE *, PRIOR AMENDMENT DATES OR TERMINATION DATE
1	San Miguel – Lobo Tie Line (1)	345	-	March 29, 2010 <u>Execution Date of this Agreement</u>
2	Azteca (1)	138	12.5	March 29, 2010
3	Devine (1)	69	-	March 29, 2010
4	Razorback (1)	138	138 & 12.5	January 20, 2015 <u>Execution Date of this Agreement</u>
5	Quihi (1)	138	12.5	<u>Execution Date of this Agreement</u>

* These dates do not necessarily reflect the date that the Point of Interconnection was established or terminated.

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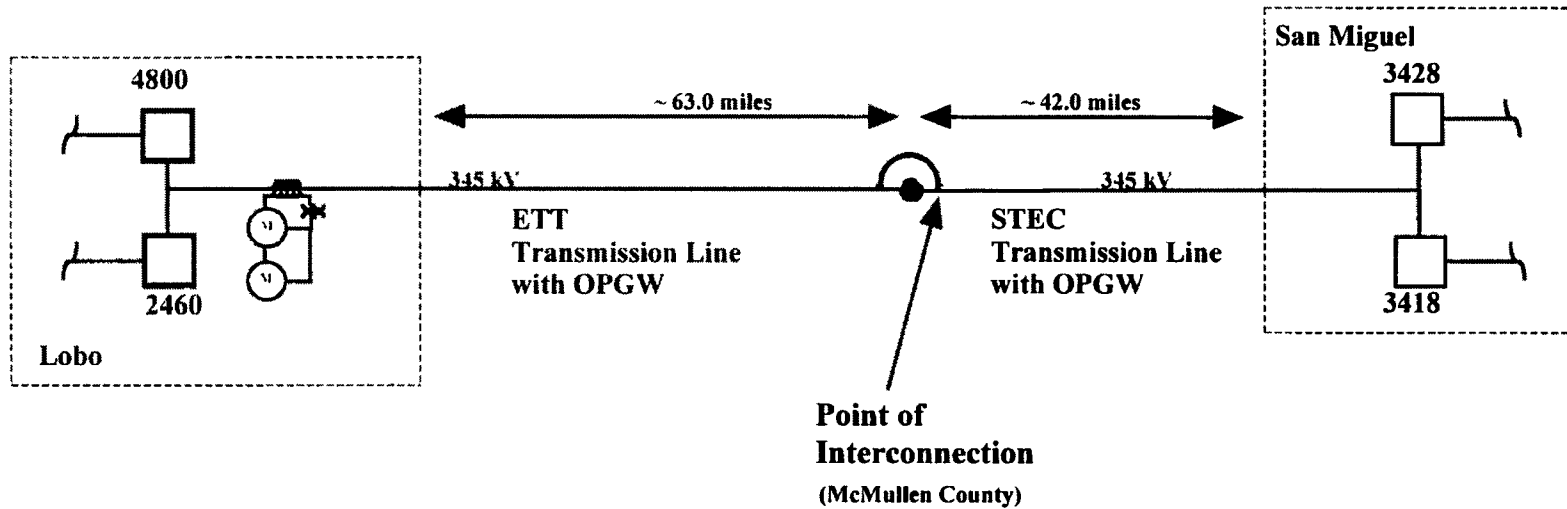
FACILITY SCHEDULE NO. 1

1. **Name:** San Miguel – Lobo Tie Line
2. **Facility Location:** The Point of Interconnection is in the San Miguel to Lobo 345 kV transmission line located adjacent to Cameron Lane approximately 6.25 miles north of FM 624 in McMullen County, Texas, on STEC's 345 kV dead-end structure (41-5). More specifically, the Point of Interconnection is where ETT's jumpers at STEC's dead-end structure (41-5) physically connect to STEC's 345 kV transmission line.
3. **Delivery Voltage:** 345 kV
4. **Metered Voltage:** N/A
5. **Loss Adjustment Due to Meter Location:** N/A
6. **Normal Operation of Interconnection:** N/A
7. **One-Line Diagram Attached:** N/A
8. **Facilities Ownership Responsibility of the Party:**
 - 8.1. **STEC agrees that it owns the following facilities:**
 - 8.1.1. the terminal equipment at the San Miguel 345 kV station
 - 8.1.2. approximately 42.0 miles of 345kV transmission line, including optical ground wire ("OPGW"), from the San Miguel station to the dead-end structure (41-5)
 - 8.1.3. the dead-end structure (41-5)
 - 8.2. **ETT agrees that it owns the following facilities:**
 - 8.2.1. the Lobo station and all the facilities within it
 - 8.2.2. approximately 63.0 miles of 345 kV line, including OPGW, from the Lobo station to the dead-end structure (41-5)
 - 8.2.3. the dead-end insulator assemblies for its 345 kV transmission line terminating on STEC's dead-end structure (41-5)
 - 8.2.4. the jumpers connecting the tensioned conductors at STEC's dead-end structure (41-5)
9. **Facility Operation Responsibilities of the Parties:**
 - 9.1. Each Party will operate all the facilities it owns.
10. **Facility Maintenance Responsibilities of the Parties:**
 - 10.1. Each Party is responsible for the maintenance of the facilities it owns.
11. **Estimated Peak Load:** N/A
12. **Other Terms and Conditions:**

- 12.1. Each Party shall provide 345kV breaker status and other SCADA information related to this 345kV line's terminal equipment to the other Party.
- 12.2. The Parties shall coordinate emergency restoration efforts such that either Party may initiate those efforts regardless of the ownership at the point of failure.

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



——— STEC Owned Facilities
 - - - ETT Owned Facilities

Distances as shown are conceptual and not to scale;
 stations not shown completely.

FACILITY SCHEDULE NO. 2

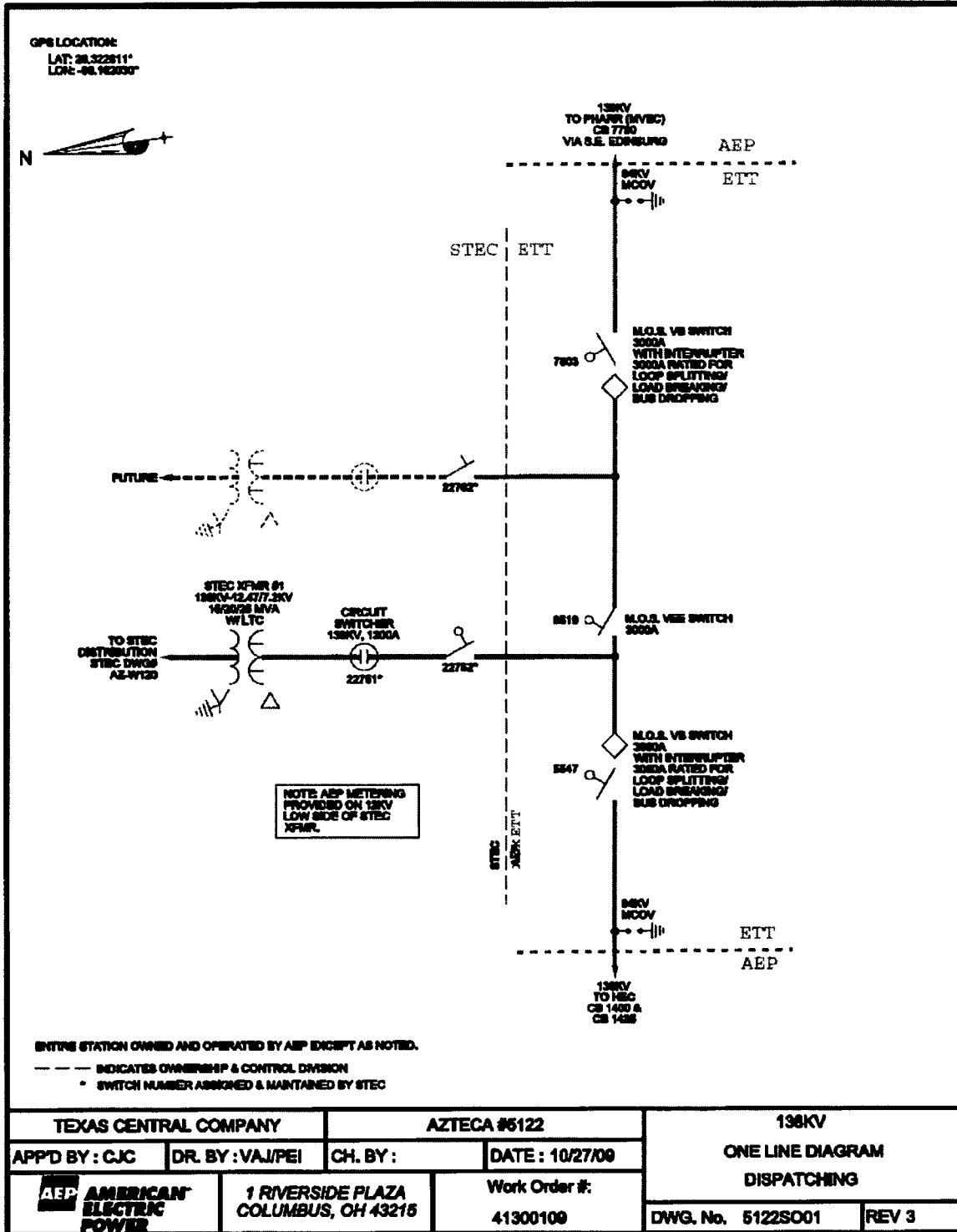
1. **Name:** Azteca
2. **Facility Location:** The Azteca Substation at 352 West Russell Road, Edinburg, Hidalgo County is approximately 1.5 miles from the HEC substation on the HEC to Southeast Edinburg 138 kV transmission line. More specifically, the Point of Interconnect is at the 138 kV side of the 138 kV motor operated switch (22752).
3. **Delivery Voltage:** 138 kV
4. **Metered Voltage:** 12.5 kV
5. **Loss Adjustment Due to Meter Location:** Yes
6. **Normal Operation of Interconnection:** Closed
7. **One-Line Diagram Attached:** Yes.
8. **Facilities Ownership Responsibility of the Parties:**
 - 8.1. **STEC agrees that it owns the following facilities:**
 - 8.1.1. the Azteca Substation site
 - 8.1.2. two (2) 138 kV air switch devices (22752 and 22762)
 - 8.1.3. all the 12.5 kV facilities, control house, power transformers(s) and associated circuit switcher(s) and relay protection, a remote terminal unit (“RTU”) and all site facilities except for ETT’s transmission and associated equipment.
 - 8.2. **ETT agrees that it owns the following facilities:**
 - 8.2.1. the Azteca Substation 138 kV transmission facilities up to but not including STEC’s 138 kV air switch devices (22752 and 22762)
 - 8.2.2. a RTU, a 12.47 kV meter panel connected to the STEC instrument transformers and compensated for losses to the Point of Interconnection, and transmission line relay panels and communications equipment needed for the protection of the 138 kV bus and transmission lines.
9. **Facility Operational Responsibilities of the Parties:**
 - 9.1. Each Party will operate the facilities it owns.
10. **Facility Maintenance Responsibilities of the Parties:**
 - 10.1. Each Party is responsible for the maintenance of the facilities it owns.
11. **Estimated Peak Load:** N/A

12. Other Terms and Conditions:

- 12.1. The 138 kV air switch device (22752) and 138 kV air switch device (22762) shall have dual locks to allow each Party to operate and lock it for clearances as per STEC dispatch instruction. All 138 kV operations shall be discussed between the Parties prior to scheduling or performing switching or washing.
- 12.2. STEC shall make available to ETT analog mega-watt (MW) and mega-var (MVAR) power flows values, status of transmission switching devices, and distribution voltage values.
- 12.3. The Parties will coordinate the exchange of the analog and digital information and communications protocol issues.
- 12.4. STEC shall submit its applicable station data to ERCOT and ETT shall have access to the data via mutually agreed upon path. ETT shall submit its applicable station data to ERCOT and STEC shall have access to the data via mutually agreed upon path.
- 12.5. STEC shall allow available control house floor space for ETT's initial transmission line protective relay panels and communications racks. Upon the addition of transmission terminals requiring additional relay panels, ETT shall install an appropriately sized control house or, if mutually agreeable, the existing control house may be expanded.
- 12.6. Each Party provides their own SCADA communication circuit from their own RTU to their respective control center.

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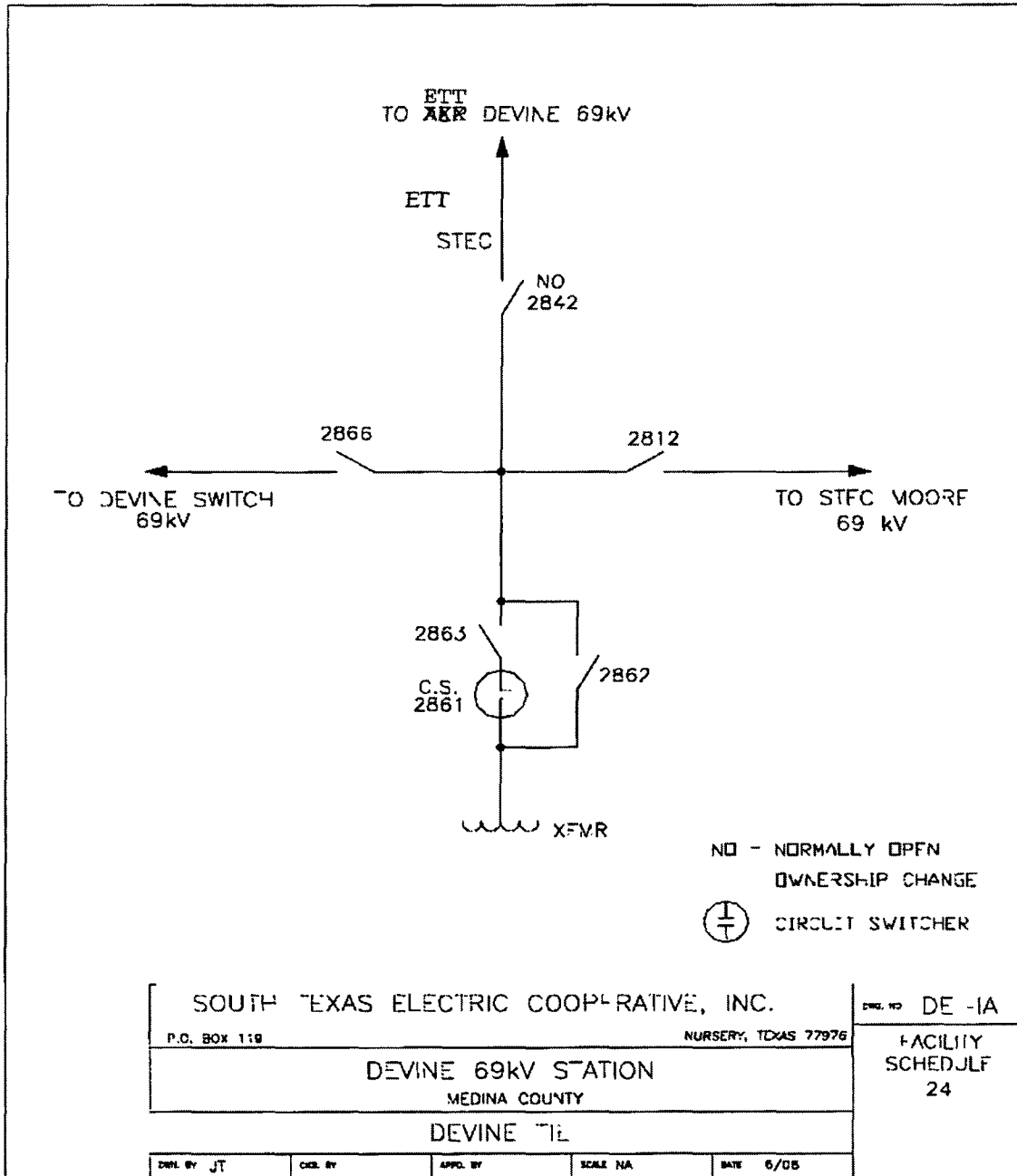
FACILITY SCHEDULE NO. 2 (continued) One-Line Diagram



FACILITY SCHEDULE NO. 3

1. **Name:** Devine
2. **Facility Location:** STEC's Devine Substation ("STEC Substation") is located at 1026 Hwy 132S, Devine, Medina County, Texas. The Point of Interconnection is at the STEC Substation dead-end structure where the conductors from the STEC Substation equipment connect to the conductors of the 69 kV transmission line from ETT's 69 kV Devine substation.
3. **Delivery Voltage:** 69 kV
4. **Metered Voltage:** N/A
5. **Loss Adjustment Due To Meter Location:** N/A
6. **Normal Operation of Interconnection:** Open
7. **One-Line Diagram Attached:** Yes
8. **Facilities Ownership Responsibilities of the Parties:**
 - 8.1. **STEC agrees that it owns the following facilities:**
 - 8.1.1. the STEC Substation and all the facilities within it.
 - 8.2. **ETT agrees that it owns the following facilities:**
 - 8.2.1. the 69 kV line from ETT's Devine substation to the STEC Substation.
9. **Facility Operation Responsibilities of the Parties:**
 - 9.1. Each Party will operate all the facilities it owns.
 - 9.2. Both Parties may operate switch (2842) which is dual locked.
10. **Facility Maintenance Responsibilities of the Parties:**
 - 10.1. Each Party is responsible for the maintenance of the facilities it owns
11. **Estimated Peak Load:** N/A
12. **Other Terms and Conditions:**
 - 12.1. ETT has access to the STEC Substation with a lock in the access gate.

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



FACILITY SCHEDULE NO. 4

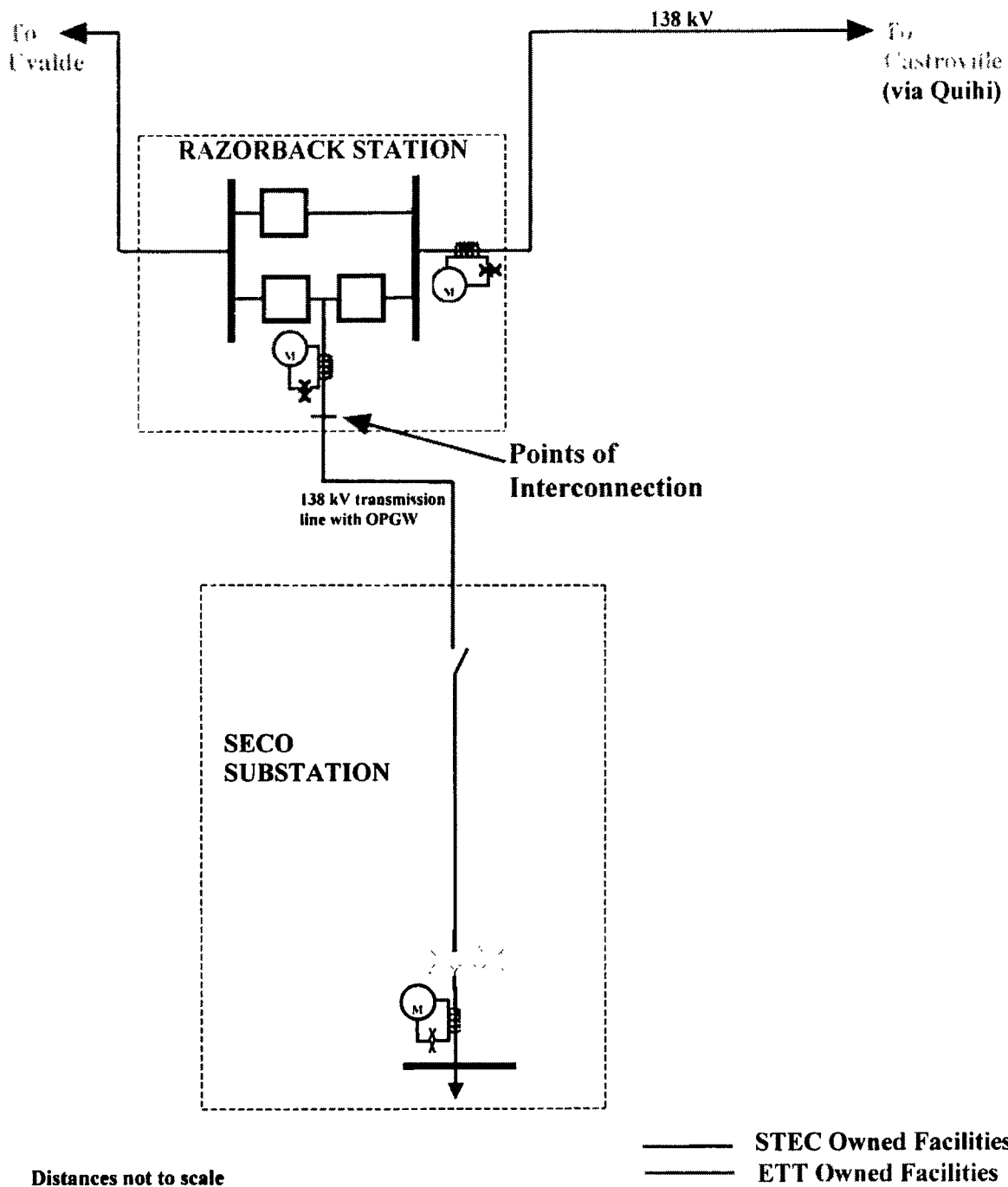
1. **Name:** **Razorback**
2. **Facility Location:** The ETT Razorback Station (“ETT Station”) is located 5.5 miles west of Hondo, in Medina County, Texas. The ETT Station is connected to ETT’s 138 kV Uvalde to Castroville transmission line. The Point of Interconnection is where ETT’s jumpers physically connect to STEC’s 138 kV Seco transmission line terminated on the dead-end structure within the ETT Station.
3. **Delivery Voltage:** 138 kV
4. **Metered Voltage:** 138 kV (check)
5. **Loss Adjustment Due To Meter Location:** N/A
6. **Normal Operation of Interconnection:** Closed
7. **One-Line Diagram Attached:** Yes
8. **Facilities Ownership Responsibilities of the Parties:**
 - 8.1. **STEC agrees that it owns the following facilities:**
 - 8.1.1. the Seco Substation and all the facilities within it
 - 8.1.2. the 138 kV transmission line from the ETT Station to the Seco Substation
 - 8.2. **ETT agrees that it owns the following facilities:**
 - 8.2.1. the ETT Station and all the facilities within it
 - 8.2.2. remote terminal unit (“RTU”) and associated communications facilities
 - 8.2.3. property, site work, fencing, ground grid for the ETT Station
 - 8.2.4. ETT Station service facilities
 - 8.2.5. the 138 kV transmission line to Uvalde
 - 8.2.6. the 138 kV transmission line to Castroville
 - 8.2.7. breakers and associated line switches within the three terminal ring bus
 - 8.2.8. 125 VDC battery back-up system (batteries, AC/DC panel, charger, rack and accessories)
 - 8.2.9. 138 kV bus differential protection
 - 8.2.10. power potential transformer for ETT Station service
 - 8.2.11. the 138 kV meter and meter facilities (check meter) at the ETT Station
9. **Facility Operation Responsibilities of the Parties:**
 - 9.1. Each Party will operate all the facilities it owns
10. **Facility Maintenance Responsibilities of the Parties:**
 - 10.1. Each Party is responsible for the maintenance of the facilities it owns
11. **Estimated Peak Load:** N/A

12. Other Terms and Conditions:

Both parties have access to the ETT Station with locks in the gates and access to the control house with dual locks in a hasp type arrangement or dead bolts on individual doors.

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



FACILITY SCHEDULE NO. 5

- 1. Name:** Quihi

- 2. Facility Location:** The STEC Quihi Substation (“STEC Substation”) (29° 22' 38.88" N., 98° 59' 34.50" W.) is located approximately seven (7) miles west of Castroville, Texas in Medina County, connected to ETT’s Razorback to Castroville 138 kV circuit.
 - 2.1.** The temporary Point of Interconnection (“POI”) will be located at the jumper connection between the ETT’s Razorback to Castroville 138 kV circuit and STEC’s temporary 138 kV dead-end structure adjacent to the ETT Razorback to Castroville 138 kV circuit. More specifically, the temporary POI will be located where STEC’s jumpers physically connect to the ETT Razorback to Castroville 138 kV circuit.
 - 2.2.** The permanent POI will be located within the STEC Substation at the 138 kV bus-side of the isolation switch of transformer No.1 (“T-1”). More specifically, the POI is where the conductors from ETT’s 138 kV bus facilities physically contact STEC’s transformer isolation switch.

- 3. Delivery Voltage:** 138 kV

- 4. Metered Voltage:** STEC’s 12.5 kV

- 5. Loss Adjustment Due To Meter Location:** Yes, STEC’s meter compensated for transformer losses

- 6. Normal Operation of Interconnection:** Closed

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

- 8. Facilities Ownership and Installation Responsibilities of the Parties:**
 - 8.1. STEC agrees that it will install and own the following temporary facilities:**
 - 8.1.1. The 138 kV transmission line up to ETT Transmission Line, described below, to make up the hard tap jumper connections from the ETT Transmission Line to the STEC’s (“Hard Tap Facilities”), including, but not limited to:
 - 8.1.2. One (1) temporary 138 kV dead-end structure adjacent to the ETT Transmission line.
 - 8.1.3. The jumpers from the ETT Razorback to Castroville 138 kV transmission line to Hard Tap Facilities
 - 8.1.4. Necessary insulators, connectors, and hardware.
 - 8.1.5. The 12.5 kV meter and meter facilities on the low-side of STEC’s transformer within the STEC Substation
 - 8.2. STEC agrees that it will install and own the following permanent facilities:**
 - 8.2.1. The STEC Substation and all the facilities within except those facilities identified in Section 8.2 below
 - 8.2.2. Control house with cable trays in the concrete floor

- 8.2.3. T-1 and associated high-side 138 kV disconnect switch and high-side 138 kV circuit breaker
- 8.2.4. Transformer differential relaying
- 8.2.5. Property, site work, fencing, ground grid
- 8.2.6. Remote terminal unit (“RTU”) and associated communications facilities
- 8.2.7. Station service transformer
- 8.2.8. The 25 kV current transformers (“CT’s”), potential transformers (“PT’s”) and 25 kV STEC meter panel located within the STEC Substation control house

8.3 ETT agrees that it owns the following existing facilities:

- 8.3.1. The 138 kV Razorback to Castroville transmission line

8.4 ETT agrees that it will provide the following temporary facilities:

- 8.4.1 ETT to provide a temporary hard tap interconnection location on the ETT Transmission Line.
- 8.4.2 ETT will coordinate the temporary relay setting upgrades at CPS Energy’s Castroville substation
- 8.4.3 ETT will coordinate the temporary relay setting upgrades at ETT’s Razorback substation

8.5 ETT agrees that it will install and own the following permanent facilities:

- 8.5.1 Two (2) dead-end structures in the 138 kV Razorback to Castroville transmission line
- 8.5.2 Approximately 0.08 mile of 138 kV transmission line with optical ground wire (“OPGW”) from the STEC Substation to the dead-end structures in the 138 kV Razorback transmission line
- 8.5.3 Approximately 0.08 mile of 138 kV transmission line with OPGW from the STEC Substation to the dead-end structures in the 138 kV Castroville transmission line
- 8.5.4 Two (2) motor operated line switches and associated relaying/control facilities
- 8.5.5 One (1) 138 kV bus tie switch and associated relaying/control facilities
- 8.5.6 Two (2) 138 kV line relay panels within the STEC control house
- 8.5.7 138 kV bus differential relay panel in the STEC control house
- 8.5.8 125 VDC battery back-up system (batteries, AC/DC circuit breaker panels, charger, rack and accessories) within the STEC control house
- 8.5.9 All control cables required for the control and protection of the ETT-owned 138 kV facilities
- 8.5.10 Substation data repository (SDR), RTU, fiber distribution panel (FDP) and associated communications facilities

9 Facility Operation Responsibilities of the Parties:

- 9.1 Each Party will operate all the facilities it owns
- 9.2 ETT shall have access through use of dual locks to operate the high-side disconnect switches of T-1 in compliance with STEC dispatch instructions.

10 Facility Maintenance Responsibilities of the Parties:

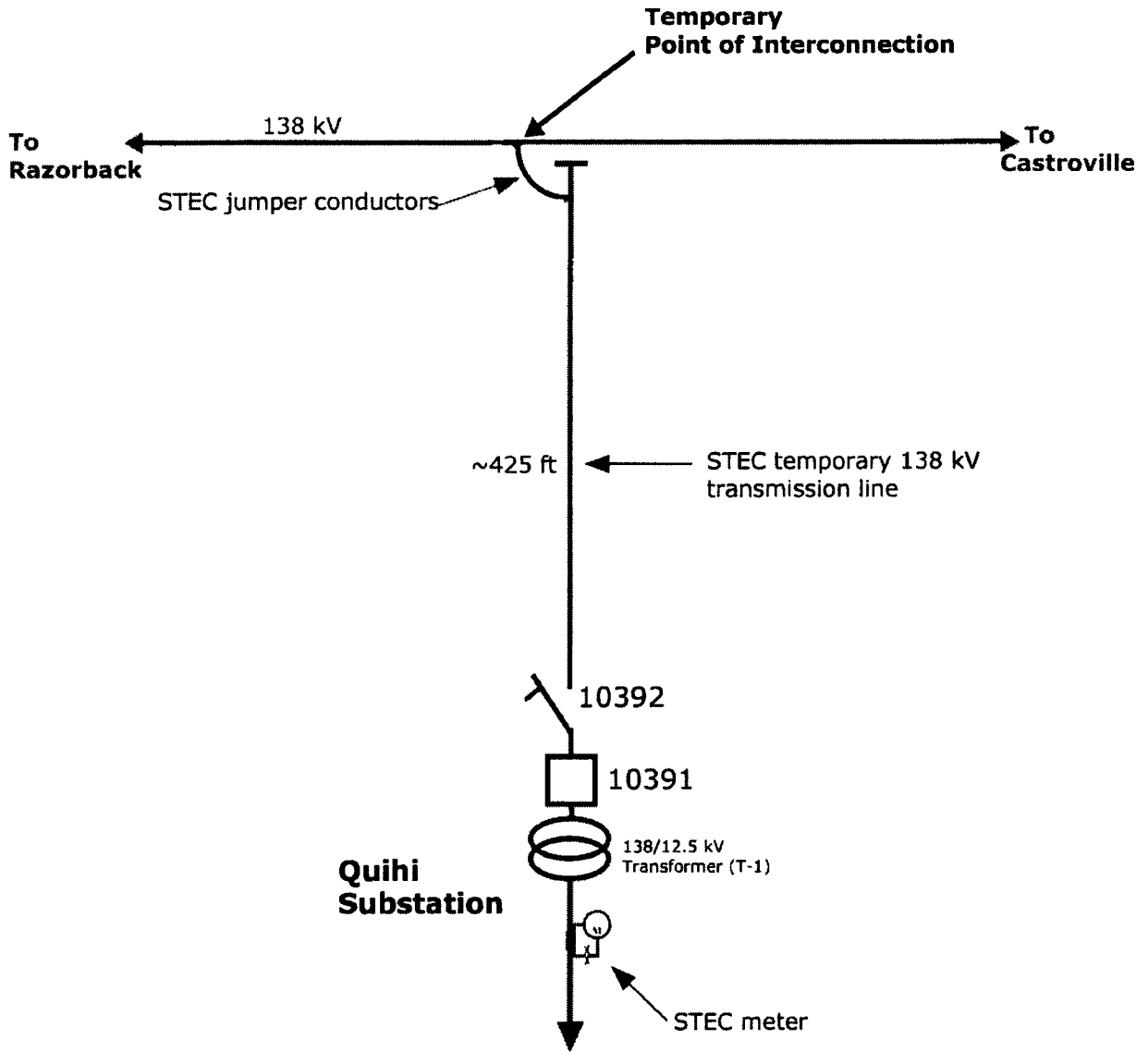
- 10.1 Each Party is responsible for the maintenance of the facilities it owns.

11 Estimated Peak Load: N/A

12 Other Terms and Conditions:

- 12.1 Both Parties have access to the STEC Substation with locks in the gates and access to the control house with dual locks in a hasp type arrangement or dead bolts on individual doors.
- 12.2 Each Party provides its own Supervisory Control and Data Acquisition (SCADA) communication circuit from its RTU to its control center unless a mutually agreeable alternative solution is reached.
- 12.3 Each Party provides and maintains a monitor-only communications port on its RTU for use by the other Party to locally interrogate interconnection data as determined by mutual agreement or as specified herein.
- 12.4 STEC will provide transformer MW and MVAR load data to AEP via STEC's monitor-only RTU communications port as described above.
- 12.5 STEC will provide transformer MW and MVAR load data to ERCOT via Inter-control Center Communications Protocol (ICCP).
- 12.6 STEC will provide ETT call access to the 12.5 kV meter while interconnected in the temporary position.
- 12.7 Temporary POI estimated in-service date is February 2019.
- 12.8 Permanent POI estimated in-service date is within twenty-four (24) months from the Execution Date of this Agreement.
- 12.9 STEC recognizes that ETT is installing the Facilities described in Sections 8.4 and 8.5 hereinabove to facilitate STEC's request for the new Point(s) of Interconnection to be provided by this Agreement. If STEC cancels its request for these Point(s) of Interconnection prior to energizing these Point(s) of Interconnection or if STEC terminates these Point(s) of Interconnection in accordance with Section 4.4 because the Facilities are not required, STEC agrees to pay the actual installed costs incurred, and the actual costs committed to be incurred by ETT that cannot be cancelled or readily used by ETT in another ETT project, and the actual costs of removal, of the ETT material and equipment that ETT determines cannot be recovered through transmission cost of service ("TCOS") rates. In the event STEC cancels the new Point(s) of Interconnection prior to energization, any Facilities that ETT determines cannot be cancelled or readily used by ETT in another ETT project and cannot be recovered by ETT through TCOS rates, shall become the property of STEC, AS IS and without any warranty of any kind, upon payment by STEC to ETT of all amounts due and owing, as described herein above. The total installed cost of the ETT Facilities described in Sections 8.4 and 8.5 hereinabove is estimated to be Five Million Eight Hundred Thousand dollars (\$5,800,000).

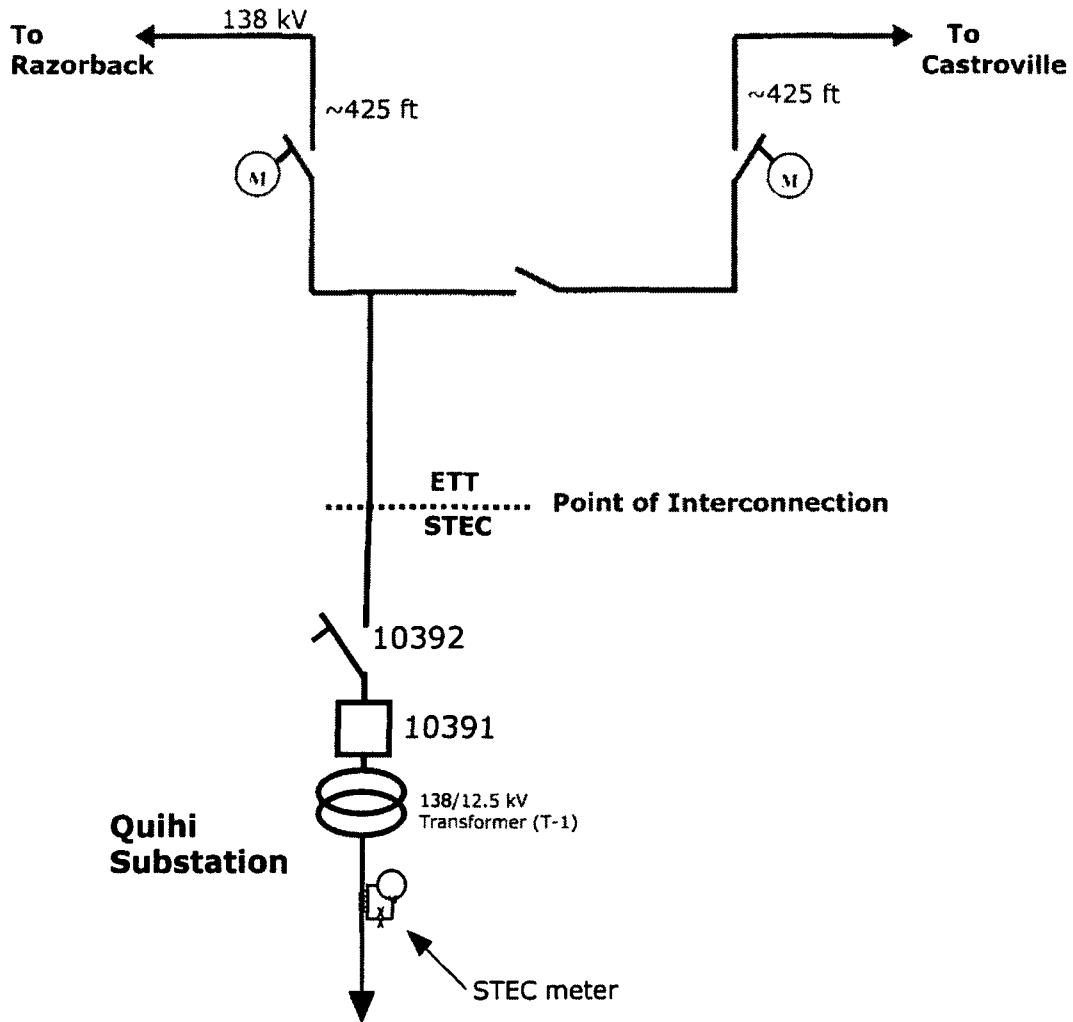
FACILITY SCHEDULE NO. 5 (continued)
Temporary Configuration / One-Line Diagram



———— ETT-Owned Facilities
 ———— STEC-Owned Facilities

Distances as shown are conceptual and not to scale;
 stations not shown completely.

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



—— ETT-Owned Facilities
 —— STEC-Owned Facilities

Distances as shown are conceptual and not to scale;
 stations not shown completely.

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