

connection with the creation of an interconnection between ERCOT and another reliability region covered by this agreement, the Parties shall have the right, and shall coordinate their efforts, to immediately disconnect the Point of Interconnection if disconnection is necessary to prevent ERCOT, Oncor, GPL, CenterPoint or other ERCOT utilities from becoming subject to the plenary jurisdiction of the Federal Energy Regulatory Commission. The Point of Interconnection disconnected pursuant to this paragraph shall be immediately reconnected upon the issuance of a subsequent emergency, interim, or permanent order by the Federal Energy Regulatory Commission addressing the interconnection and disclaiming jurisdiction.

ARTICLE VI – INDEMNIFICATION

6.1 Notwithstanding the provisions of Article X but subject to Section 12.2, each Party (the “Indemnifying Party”) shall assume all liability for, and shall indemnify the other Party (the “Indemnified Party”) for, any third party losses resulting from negligence or other fault in the design, construction, or operation of their respective facilities. Losses shall include costs and expenses of defending an action or claim made by a third Person, payments for damages related to the death or injury of any individual, and payments by the Indemnified Party for damages to the property of a third Person, and damages payable by the Indemnified Party for the disruption of the business of a third Person. This Section 6.1 does not create a liability on the part of either Party to a retail customer or other third Person, but requires indemnification where such liability exists. The indemnification required under this Section 6.1 does not include responsibility for either Party’s costs and expenses of prosecuting or defending an action or claim against the other Party or damages for the disruption of such Party’s business. The limitations on liability set forth in this Section 6.1 do not apply in cases of gross negligence or intentional wrongdoing.

6.2 GPL’s liability under Section 6.1, above, is expressly limited to amounts payable under the insurance policy, including self-insurance, described in, and required to be maintained by GPL pursuant to Section 6.3 below.

6.3 Prior to taking ownership of any facilities associated with the Point of Interconnection, GPL shall obtain and maintain in force, or cause to be obtained and maintained in force, throughout the period of this Agreement, through self-insurance (for which GPL maintains a reserve fund), or with insurers that maintain an AM Best’s rating of at least “A-X” (or such carriers that are otherwise acceptable to Oncor) and that are authorized to do business in Texas, or through a combination of self-insurance and insurance provided by insurers meeting such qualifications, insurance for personal injury, bodily injury, including death and property damage as follows:

- a) Workers’ Compensation Insurance to the extent of statutory limits and Occupational Disease and Employer’s Liability Insurance not less than \$500,000 each accident, \$500,000 by disease policy limit, \$500,000 by disease each employee.
- b) Commercial General Liability Insurance, written on an occurrence form including but not limited to Products and Completed Operations, Broad Form Contractual Liability, Bodily Injury and Property Damage, Personal Injury and Advertising Injury as applicable to GPL’s obligations under this Agreement with limits not less than \$1,000,000 each occurrence and \$2,000,000 aggregate.

c) Automobile Liability Insurance with limits not less than \$1,000,000 combined single limit for any occurrence. This coverage shall include coverage for but not limited to the following: (1) bodily injury and property damage and (2) any and all vehicles owned, used, or hired.

d) Pollution Liability covering claims from third-party injury and property damage as a result of pollution conditions arising out of GPL's obligations under this Agreement with limits not less than \$1,000,000 each occurrence and \$2,000,000 aggregate

e) Excess Liability Insurance covering employer's liability, Commercial General Liability, Automobile Liability, and Pollution Liability each to a limit of not less than \$20,000,000 each occurrence and \$20,000,000 aggregate.

6.4 All of GPL's policies of insurance referred to in this Agreement (excluding self-insurance), shall specify that they are primary and not excess over or on a contributing basis with any other insurance or self-insurance. Oncor shall be named as additional insured on the Commercial General Liability, Automobile Liability and Excess Liability policies to the extent of the insurance limits specified herein. Upon securing the insurance required by this Agreement, and annually thereafter, GPL shall provide Oncor with a certificate of insurance, evidencing the coverage required by this Agreement and providing that such policies may not be canceled or materially changed without 30 days' prior written notice to Oncor. All of GPL's policies of insurance referred to in this Agreement, shall include a severability of interest clause or cross-liability clause. All of GPL's policies of insurance shall include a waiver of subrogation in favor of Oncor.

6.5 Oncor's obligation as an Indemnifying Party under Section 6.1, above, is limited to the same per occurrence and aggregate dollar limits as apply to GPL as an Indemnifying Party under Section 6.1, above, and as more fully described in Section 6.3 above.

6.6 The Parties agree to report to each other in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this Agreement.

ARTICLE VII –NOTICES

7.1 Any notices, claims, requests, demands or other communications between the Parties hereunder, including but not limited to a notice of termination, notice of default, request for amendment, change to the Point of Interconnection, shall be (a) forwarded to the designees listed below for each Party, (b) deemed properly given if delivered in writing, and (c) deemed duly delivered when (i) delivered if delivered personally or by nationally recognized overnight courier service (costs prepaid), (ii) sent by facsimile or electronic mail with confirmation of transmission by the transmitting equipment (or, the first business day following such transmission if the date of transmission is not a business day), or (iii) received or rejected by the addressee, if sent by U.S. certified or registered mail, return receipt requested; in each case to the following addresses, facsimile numbers or electronic mail addresses and marked to the attention of the individual (by name or title) designated below:

If to GPL:

If to Oncor:

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

ARTICLE VIII - SUCCESSORS AND ASSIGNS

8.1 Subject to the provisions of Section 8.2 below, this Agreement shall be binding upon and inure to the benefit of the permitted successors and assigns of the respective Parties.

8.2 Neither Party shall assign, directly or indirectly by operation of law or otherwise, any of its rights or obligations under this Agreement in whole or in part without the prior written consent of the other Party. Such consent shall not be unreasonably withheld, conditioned, or delayed, provided that neither Party will be required to consent to any assignment that would (a) subject it to additional federal or state regulation; (b) result in the imposition of additional costs of administration that the Party requesting consent to assignment does not agree to reimburse; or (c) in any way diminish the reliability of its system, enlarge its obligations, or otherwise create or maintain an unacceptable condition. Notwithstanding the foregoing, a Party may assign, without the consent of the other Party, its interest in this Agreement, in whole or in part, (a) to a successor to all or a substantial portion of the Party's transmission business; (b) to any transmission service provider (including an affiliate of the assigning Party) with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement; or (c) for collateral security purposes in connection with any financing or financial arrangements. 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 any direct or indirect assignment, including pursuant to the sale, merger, or other business combination of either Party with any other Person. Any attempted assignment that violates this Section 8.2 shall be void and ineffective *ab initio*. Any assignment of this Agreement shall not relieve a Party of its obligations hereunder without the written consent of the other Party, such consent not to be unreasonably withheld, conditioned or delayed.

8.3 This Agreement is not intended to and shall not create rights of any character whatsoever in favor of any Persons other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties.

ARTICLE IX – GOVERNING LAW AND REGULATION

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

9.2 This Agreement and all obligations hereunder, are expressly conditioned upon obtaining all required approvals, authorizations, or acceptances for filing by any regulatory authority whose approval, authorization or acceptance for filing is required by law. Each Party agrees to use reasonable efforts and due diligence to obtain each required approval, authorization or acceptance for filing and such obligation will be deemed satisfied only when each required approval, authorization or acceptance for filing is obtained or all available administrative remedies have been exhausted. Both Parties hereby agree to support the approval of this Agreement before such regulatory authority and to provide such documents, information, and opinions as may be reasonably required or requested by either Party in the course of approval proceedings. In the event a necessary approval or authorization or acceptance for filing by the regulatory authority is denied or rejected, the Parties will jointly determine whether, and under what conditions, filing an appeal of the action by the regulatory authority is reasonable and appropriate.

ARTICLE X – DEFAULT AND FORCE MAJEURE

10.1 The term “Force Majeure” as used herein shall mean any cause beyond the reasonable control of the Party claiming Force Majeure, and without the fault or negligence of such Party, which materially prevents or impairs the performance of such Party’s obligations hereunder, including but not limited to, storm, flood, lightning, earthquake, fire, explosion, failure or imminent threat of failure of facilities, civil disturbance, strike or other labor disturbance, sabotage, war, national emergency, or restraint by any federal, state, local or municipal body having jurisdiction over a Party. For purposes of this Article X, GPL is not a municipal body having jurisdiction over a Party.

10.2 Neither Party shall be considered to be in Default (as hereinafter defined) with respect to any obligation hereunder, other than the obligation to pay money when due, if prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this Section shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due

diligence to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

ARTICLE XI- TERMINATION ON DEFAULT

11.1 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 is excused pursuant to Section 11.2 or is the result of an act or omission of the other Party or any of its agents. Upon discovery of a Default, the non-defaulting Party may give notice of such Default to the defaulting Party. Except as provided in Section 11.2, 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 twenty (20) days after receipt of the Default notice and continuously and diligently exercise its efforts to complete such cure within ninety (90) days from receipt of the Default notice; and, if cured within such time, the Default specified in such notice shall cease to exist.

11.2 If a Default is not cured as provided in Section 11.1, or if a Default is not capable of being cured within the period provided for therein, the non-defaulting Party shall have the right, subject to receipt of any regulatory approvals required by applicable law, (a) to terminate, in its sole discretion, by written notice at any time until cure occurs this Agreement and disconnect the Point of Interconnection, (b) to be relieved of any further obligation hereunder (other than obligations associated with its own Defaults, if any, occurring prior to termination) if that Party shall have elected to terminate this Agreement and (c), whether or not that Party terminates this Agreement, to recover from the defaulting Party all amounts due and receive all other remedies to which it is entitled hereunder. The provisions of this Section 11.2 will survive termination of this Agreement.

11.3 The failure of a Party 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 XII- MISCELLANEOUS PROVISIONS

12.1 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.

12.2 NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, 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 OR IN TORT, INCLUDING NEGLIGENCE, STRICT LIABILITY, OR ANY OTHER THEORY OF

LIABILITY; PROVIDED, HOWEVER, THAT DAMAGES FOR WHICH A PARTY MAY BE LIABLE TO THE OTHER PARTY UNDER ANOTHER AGREEMENT (OR TO ANY THIRD PARTY) WILL NOT BE CONSIDERED TO BE SPECIAL, INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES HEREUNDER.

12.3 This Agreement is applicable only to the interconnection of the facilities of the Parties at the Point of Interconnection and does not obligate either Party to provide, or entitle either Party to receive, any service not expressly provided for herein. Each Party is responsible for making the arrangements necessary to receive any other service that either Party may desire from the other Party or any third party.

12.4 This Agreement constitutes the entire agreement and understanding between the Parties with regard to the interconnection of the facilities of the Parties at the Point of Interconnection expressly provided for in this Agreement. The Parties are not bound by or liable for any statement, representation, promise, inducement, understanding, or undertaking of any kind or nature (whether written or oral) between the Parties with regard to the subject matter hereof if not set forth or provided for herein. This Agreement replaces all other agreements and undertakings, oral and written, between the Parties with regard to the subject matter hereof, and all such agreements and undertakings are agreed by the Parties to no longer be of any force or effect. 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.

12.5 This Agreement shall not affect the obligations or rights of either Party with respect to other agreements (other than those specifically superseded by Section 12.4). Each Party represents to the other 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.

12.6 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.

12.7 If any provision in this Agreement is finally determined to be invalid, void or unenforceable by any court having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this Agreement.

12.8 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.

12.9 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.

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

CITY OF GARLAND

**ONCOR ELECTRIC DELIVERY
COMPANY LLC**

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

EXHIBIT A

1. Name: Rusk County Switching Station
2. Point of Interconnection location: There will be two (2) Points of Interconnection located outside Oncor's Rusk County Switching Station ("Rusk County Switch") fence. Rusk County Switch will be constructed in Rusk County, Texas at the location shown on the Location Map attached hereto as Attachment 2 and on the "Confidential" Property Layout attached hereto as Attachment 3. The Points of Interconnection will be located at: (i) GPL's north 345 kV dead-end structure located outside the Rusk County Switch fence; and (ii) GPL's south 345 kV dead-end structure located outside the Rusk County Switch fence. More specifically, the Points of Interconnection shall be defined as the points where GPL's jumpers at GPL's dead-end structures physically connect GPL's circuits to Oncor's slack spans that extend from GPL's dead-end structures to Oncor's dead-end structures inside Rusk County Switch.
3. Delivery voltage: 345 kV
4. Metering (voltage, location, losses adjustment due to metering location, and other): None
5. Normally closed (check one): ☒ Yes / ☐ No
6. One line diagram attached (check one): ☒ Yes / ☐ No
7. Facilities to be furnished and/or owned by Oncor:

Oncor shall, at its cost, be responsible for obtaining the land rights necessary for Oncor to construct the transmission line modifications, slack spans, access road, and any other facilities not located on the Oncor Property (defined below), all as generally shown in Attachment 3. Attachment 3 is only a representation of the preliminary layout of the facilities and the approximate location and size of the property required for the construction of Rusk County Switch and the associated transmission line modifications, slack spans, and access road.

Oncor shall, at its cost, be responsible for (i) identifying all overhead and underground facilities and all easements existing on property outside the Oncor Property, including, but not limited to, those with respect to gas lines, water lines, sewer lines, electric lines, communication lines, and streams where Oncor obtains land rights for transmission line modifications, slack spans, and the access road associated with Rusk County Switch; (ii) obtaining the permits, including any U.S. Army Corps of Engineers permit(s), that may be necessary for the relocation of all underground and overhead facilities on property outside the Oncor Property that will interfere with the construction of Oncor's facilities connecting to Rusk County Switch; (iii) relocating such facilities to locations acceptable to Oncor; and (iv) obtaining a final survey of such property outside the Oncor Property after such facilities have been relocated.

Rusk County Switch: Rusk County Switch will be owned by Oncor and will be constructed in a twelve-breaker, breaker-and-a-half arrangement, as shown in the One Line Diagram attached hereto as Attachment 4 and will include, but not be limited to, the following facilities:

- (12 ea.) Circuit breaker, 345 kV, 3200 amperes, 50 kA
- (24 ea.) Switch, air break, 345 kV, 3200 amperes, gang operated, 3 phase
- (4 ea.) CCVT, 345 kV, dual secondary windings for relaying, with carrier coupling
- (26 ea.) CCVT, 345 kV, dual secondary windings for relaying
- (4 ea.) Line trap, 345 kV, 3200 amperes
- (4 ea.) Line tuner
- (24 ea.) Surge arrester, 345 kV
- (1 ea.) Supervisory equipment, SCADA RTU
- (1 ea.) Digital fault recorder
- (1 ea.) Control house w/2-125 VDC battery sets and associated indoor accessories
- (4 ea.) Line directional comparison blocking relay panels for 1-1/2 breaker arrangement
- (1 ea.) Breaker control relay panel for middle breaker in 1-1/2 breaker arrangement
- (2 ea.) Single channel transfer trip transmitter and receiver relay panel
- (2 ea.) Dual channel transfer trip transmitter and receiver relay panel
- (2 ea.) Bus differential relay panel
- (4 ea.) Dual line current differential relay panel for 1-1/2 breaker arrangement
- (1 ea.) Carrier tester and communications panel
- (1 lot) Emergency switchyard generator and associated propane storage facilities
- (1 lot) Associated buswork, conductor, connectors, grounding, conduit, control cable, foundation work, perimeter fencing, grading/dirt work and any appurtenances necessary for the Rusk County Switch facilities
- (1 lot) All galvanized steel structures, including dead-ends, switch stands, metering structures, surge arrester supports, CCVT supports, line trap supports, static mast, and bus supports necessary for the Rusk County Switch facilities
- (1 ea.) Access road from F.M. 840 to Rusk County Switch

Transmission Line Modifications and Slack Spans: In order to establish Rusk County Switch, it will be necessary to modify the following three (3) existing Oncor-owned single circuit 345 kV transmission lines and install Oncor's slack spans. These transmission line modifications and slack spans will include, but not be limited to, the following:

- a. Martin Lake – Mount Enterprise 345 kV Transmission Line: Loop the Martin Lake – Mount Enterprise 345 kV circuit into Rusk County Switch, including removing two existing 345 kV single circuit lattice steel tower angle structures and two 345 kV single circuit steel pole tangent structures; installing two 345 kV single circuit lattice steel dead-end tower angle structures and two 345 kV single circuit steel pole angle structures; installing approximately 0.6 miles of single

circuit 2-1590 kcm ACSR conductors and 1.1 miles of OPGW cable and terminating them on new dead-end structures in Rusk County Switch.

- b. Martin Lake – Stryker Creek 345 kV Transmission Line: Loop the Martin Lake – Stryker Creek 345 kV circuit into Rusk County Switch, including removing one existing 345 kV double circuit lattice steel dead-end tower angle structure; installing four single circuit 345 kV lattice steel dead-end tower angle structures; installing approximately 0.6 miles of single circuit 2-1590 kcm ACSR conductors and 7/16" EHS steel shield wires and terminating them on new dead-end structures in Rusk County Switch.
- c. Trinidad – Mount Enterprise 345 kV Transmission Line: Loop the Trinidad – Mount Enterprise 345 kV circuit into Rusk County Switch, including removing one existing 345 kV single circuit lattice steel dead-end tower angle structure, two lattice steel tangent tower structures and one single circuit steel pole angle structure; installing two 345 kV single circuit lattice steel dead-end tower angle structures and two single circuit steel pole angle structures; installing approximately 0.6 miles of single circuit 2-1590 kcm ACSR conductors and 1.1 miles of OPGW cable and terminating them on new dead-end structures in Rusk County Switch.
- d. Oncor's Slack Spans: Oncor will install and own two 345 kV transmission line slack spans (approximately 500 feet each) of 2-1590 kcm ACSR conductors and 7/16" EHS steel shield wires from Oncor's dead-end structures inside Rusk County Switch to GPL's dead-end structures outside Rusk County Switch, including the installation of approximately 500 feet of ADSS fiber-optic cable in underground conduit between one of GPL's dead-end structures and one of Oncor's dead-end structures.

Remote Switchyard Modifications: In association with terminating the three (3) above listed Oncor-owned single circuit 345 kV transmission lines at Rusk County Switch, the following modifications will be required at the following Oncor-owned switching stations located at the remote ends of these lines.

- a. Mount Enterprise Switching Station: For the two (2) lines from Rusk County Switch to Mount Enterprise Switching Station: remove the existing line relay panels, line traps, and line tuners and install fiber optic cable from the dead-end towers to the control house and install new line current differential relay panels, including associated, conduit, fiber optic cable, and grading/dirt work.
- b. Stryker Creek Switching Station: For the line from Rusk County Switch to Stryker Creek Switching Station: modify the existing carrier frequencies and add a transmitter and receiver relay panel, including a line tuner and a line trap tuning pack.

- c. Martin Lake Switching Station: For the two (2) lines from Rusk County Switch to Martin Lake Switching Station: modify the existing carrier frequencies and add a transfer trip transmitter and receiver relay panel for one of the lines, including a line tuner and a line trap tuning pack.

8. Facilities to be furnished and/or owned by GPL:

Oncor Property: GPL will provide, or cause to be provided, to Oncor, at no cost to Oncor, a deed, acceptable to Oncor, substantially in the form of the special warranty deed shown in Attachment 1 attached hereto, conveying to Oncor the land (the boundary of which is generally identified by the dotted line shown in Attachment 3) ("Oncor Property") necessary for Oncor to construct Rusk County Switch, the transmission line modifications, slack spans, access road, and any other facilities located on such property, as generally described in item 7 above and shown in Attachment 3.

Relocation of Facilities: GPL will, at no cost to Oncor, be responsible for the following: (i) identifying all overhead and underground facilities and all easements existing on the Oncor Property, including, but not limited to, those with respect to gas lines, water lines, sewer lines, electric lines, communication lines, and streams; (ii) obtaining the permits, including U.S. Army Corps of Engineers permit(s), that may be necessary for the relocation of all underground and overhead facilities within the Oncor Property that Oncor determines, in its sole discretion, will interfere with the construction of Rusk County Switch, the transmission line modifications, slack spans, access road, or any other facilities to be located on the Oncor Property, as generally shown in Attachment 3; (iii) relocating such facilities to locations acceptable to Oncor; and (iv) obtaining a final survey of the Oncor Property acceptable to Oncor after such facilities have been relocated.

GPL's Transmission Line: GPL will own a double-circuit 345 kV transmission line consisting of GPL's north circuit and GPL's south circuit, each approximately 36 miles in length, extending from GPL's Switching Station (defined below) to the Points of Interconnection ("GPL's Transmission Line"). GPL's dead-end structures at the Points of Interconnection shall be self-supporting/unguyed steel or concrete dead-end structures, capable of supporting the Oncor-specified point loads for the attachment of Oncor's slack spans and associated static conductors. Oncor will also supply minimum phase and static spacing and the slack span line angles. GPL's Transmission Line shall include one multi-fiber fiber optic cable (with fibers from Rusk County Switch to GPL's Switching Station), with 1300nm single-mode fibers, 48 fibers minimum (24 fibers per tube), to be used for SCADA communications as well as primary and redundant line relaying. GPL will furnish a fiber optic splice box to be located at the base of one of GPL's dead-end structures outside Rusk County Switch. GPL will route its fiber optic cable to the splice box. Oncor will route its fiber optic cable to the splice box and be responsible for splicing GPL's fibers to Oncor's fibers. GPL's Transmission Line may come near, or cross, and require modifications to Oncor's transmission line(s) and distribution line(s). GPL will be responsible for any cost incurred by Oncor associated with such crossings and/or modifications.

GPL's Switching Station: GPL will own a switching station located in Texas at the Texas - Louisiana state border, [REDACTED] ("GPL's Switching Station"). GPL's Switching Station will establish an interconnection between GPL's Transmission Line and the Southern Cross HVDC Tie facilities which will be located in Louisiana, immediately adjacent to GPL's Switching Station. GPL's Switching Station will be constructed in a six-breaker, breaker-and-a-half arrangement and will include, but not be limited to, the following facilities:

- (6 ea.) Circuit breaker, 345 kV, for GPL's Transmission Line protection, with two sets of 3000/5, C800 CT's with a TRF = 2.0 for line current differential relaying
 - (12 ea.) Switch, air break, 345 kV, gang operated, 3 phase, for circuit breakers associated with GPL's Transmission Line protection, with provisions for pad locks
 - (Lot) PT or CCVT, 345 kV, dual secondary windings as required for metering and relaying
 - (Lot) Surge arrester, 345 kV
 - (1 ea.) Supervisory equipment, SCADA RTU
 - (1 ea.) Fault recording equipment
 - (1 ea.) Control house and associated indoor accessories
 - (Lot) Protective relaying equipment necessary to interface with Oncor's relaying equipment for protection of GPL's Transmission Line, and related breaker failure protection schemes
 - (1 lot) Associated buswork, conductor, connectors, grounding, conduit, control cable, foundation work, perimeter fencing, grading/dirt work and any appurtenances necessary for GPL's Switching Station facilities
 - (1 lot) All galvanized steel structures, including dead-ends, switch stands, metering structures, surge arrester supports, CCVT supports, line trap supports, static mast, and bus supports necessary for GPL's Switching Station facilities
9. Cost Responsibility: As between the Parties, each Party will bear the costs associated with the design, procurement, construction, modification, operation, and maintenance of the facilities it owns, and the costs otherwise specified hereunder as being a Party's responsibility.
10. Switching and Clearance:
Each Party has adopted formal switching procedures that govern safety related issues concerning the operation of its switches connected to the Points of Interconnection and will provide a copy of those procedures to the other Party upon request. Each Party agrees to comply with the aforementioned switching procedures of the other Party with respect to holds requested on switching devices owned by the other Party.
11. Standards:
The Parties agree to cause their facilities being newly constructed, as described in this Exhibit A, to be designed and constructed in accordance with (a) Good Utility Practice, (b) applicable laws and regulations, (c) the applicable provisions of the NERC Reliability Standards and ERCOT Requirements, and (d) the applicable provisions of the following standards in effect at the time of construction of the Points of Interconnection: NESC,

ANSI Standards, and IEEE Standards.

12. Supplemental terms and conditions attached (check one): X Yes / No

- A. Design, procurement, and construction of the facilities to be furnished by Oncor, as described in item 7 above, is contingent upon Southern Cross fulfilling its obligations under that certain agreement entitled Revenue and Cost Recovery Agreement, dated September 1, 2011, by and between Oncor and Southern Cross ("Compensation Agreement"), with respect to posting security and providing written authorizations to proceed with design, procurement, and construction of the Oncor facilities described in item 7 above.
- B. Oncor may terminate this Agreement upon 30 days written notice to GPL with a copy to Southern Cross, and have no further obligations to GPL with respect to this Agreement, if any of the following events occur:
- i. Southern Cross fails to provide any security or authorization to proceed in the manner required by the Compensation Agreement;
 - ii. GPL does not establish the final interconnection with the Oncor facilities described in item 7 above within 1 year after Oncor completes such facilities;
 - iii. Southern Cross does not establish a final interconnection with the GPL facilities described in item 8 above within 1 year after Oncor completes its facilities described in item 7 above; or
 - iv. Southern Cross does not establish a final interconnection with the SERC Reliability Corporation reliability region within 1 year after Oncor completes its facilities described in item 7 above.

In the circumstances of (ii), (iii), and (iv) above, the deadline may be extended by mutual agreement of the Parties if the 1 year deadline is not met.

ATTACHMENT 1

SPECIAL WARRANTY DEED FORM

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

SPECIAL WARRANTY DEED

THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
 COUNTY OF _____ §

That _____ ("Grantor"), for and in consideration of the sum of Ten and no/100 dollars (\$10.00), and other valuable consideration to it in hand paid by Oncor Electric Delivery Company LLC, a Delaware limited liability company, ("Grantee"), whose address is P.O Box 219071, Dallas, Texas 75221-9071, the receipt and sufficiency of which are hereby acknowledged, has Granted, Sold and Conveyed, and by these presents does Grant, Sell and Convey unto said Grantee all that certain tract or parcel of land (the "Property") situated in _____ County, Texas, more particularly described in **Exhibit "A"** and attached hereto and made a part hereof for all purposes.

General real estate taxes for 20__ having been prorated to the date of conveyance, Grantee assumes the responsibility for general real estate taxes and special assessments for 20__ and subsequent years not yet due and payable, and any subsequent tax assessment due to a change in land usage or ownership or both.

Grantor expressly reserves and excepts from this conveyance to Grantee, for Grantor and Grantor's heirs, successors and assigns, all of Grantor's right, title and interest, in and to (i) all of the oil, gas and other minerals and (ii) all of the oil royalty, gas royalty and royalty in casinghead gas, gasoline and royalty in other minerals, in and under the Property, PROVIDED HOWEVER, that Grantor shall not have the right to produce, drill for or mine such minerals on or from the surface of the Property (such exception is called the "Mineral Estate Reservation"). Additionally, Grantor's conveyance of the Property is subject to the matters set forth on the attached **Exhibit "B"** ("Permitted Exceptions").

Grantor, for the consideration and subject to the above stated exceptions and reservations from conveyance, grants, sells and conveys to Grantee the Property, together with all and singular the rights and appurtenances thereto in any wise belonging, to have and hold it to Grantee,

Grantee's heirs, executors, administrators, successors, or assigns forever. Grantor binds Grantor and Grantor's successors and assigns, to warrant and forever defend all and singular the Property to Grantee and Grantee's heirs, executors, administrators, successors, and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof, except as to the above stated exceptions, when the claim is by, through, or under Grantor but not otherwise..

Executed this _____ day of _____, 20__.

GRANTOR

By: _____

ACKNOWLEDGEMENT

STATE OF TEXAS §

COUNTY OF _____

§
 §

KNOW ALL MEN BY THESE PRESENTS:

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared _____ known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he/she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this _____ day of _____, 20__.

 Notary Public in and for the State of Texas

AFTER RECORDING, PLEASE RETURN TO:

Oncor Electric Delivery Company
Land Records Department
Attn: Laura DeLaPaz
115 W 7th Street, Suite 505
Fort Worth, Texas 76102

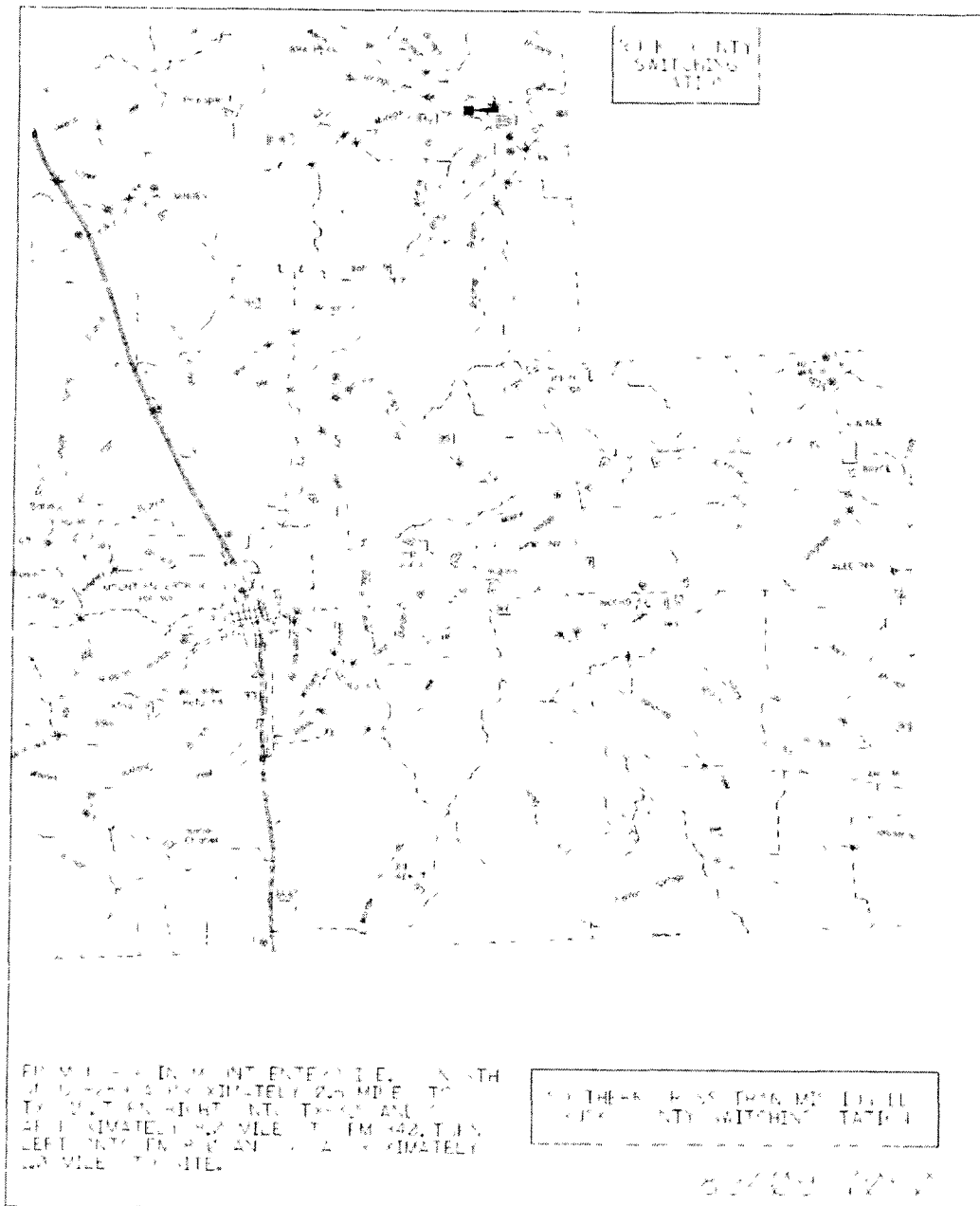
EXHIBIT “A”

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EXHIBIT "B"

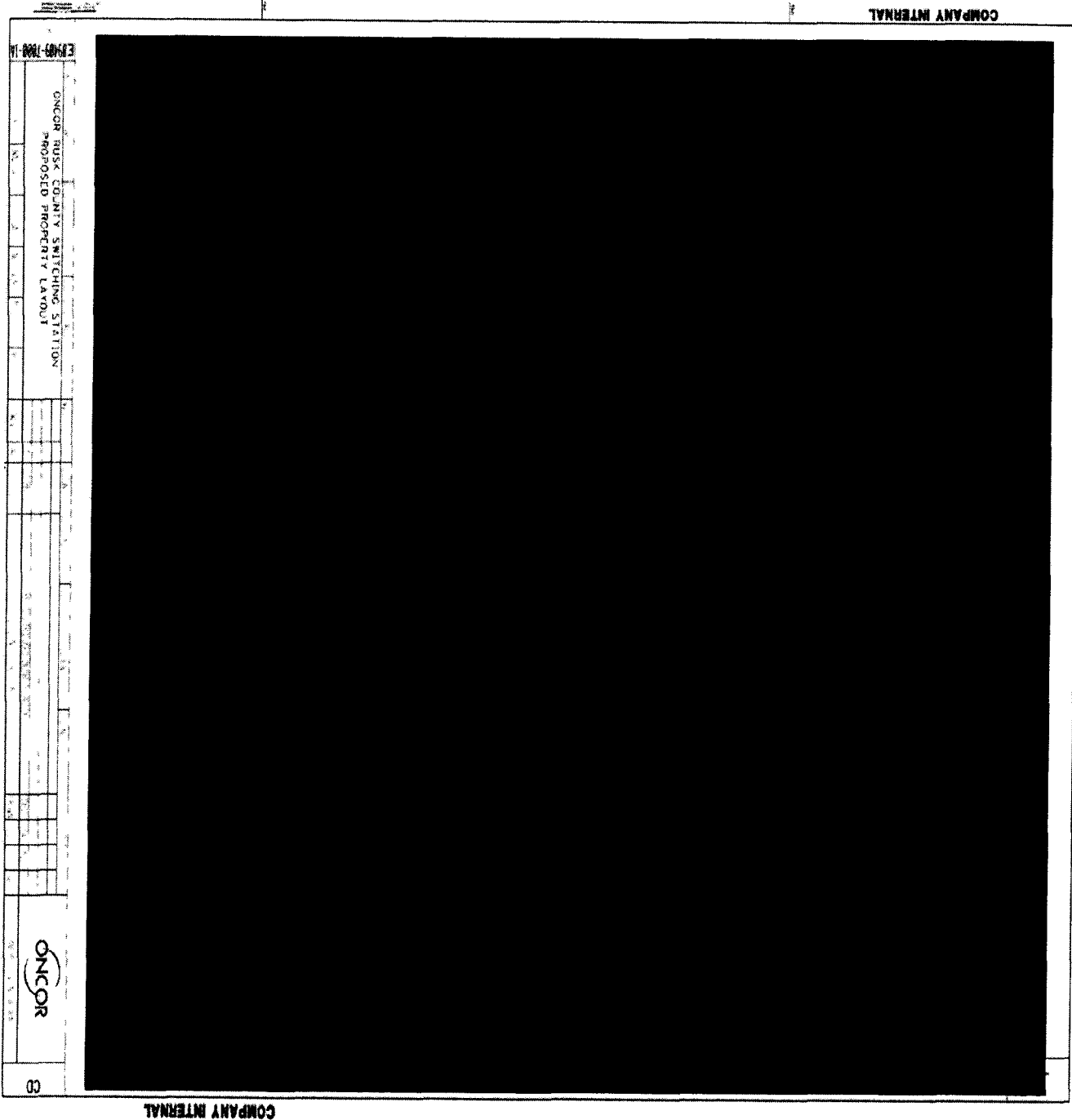
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ATTACHMENT 2
LOCATION MAP
RUSK COUNTY SWITCHING STATION

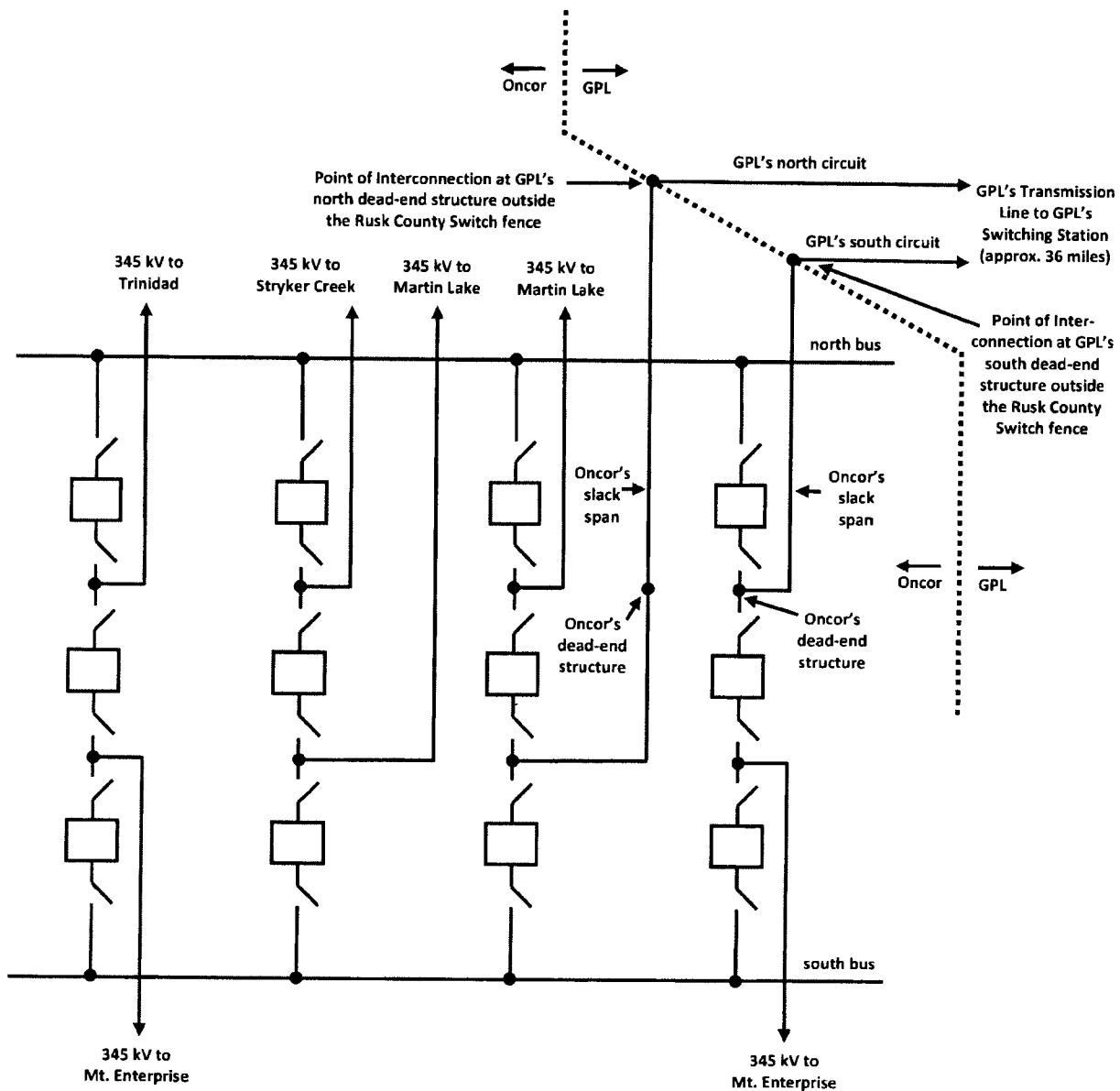


ATTACHMENT 3

**"CONFIDENTIAL" PROPERTY LAYOUT
RUSK COUNTY SWITCHING STATION**



ATTACHMENT 4 **ONE LINE DIAGRAM** **RUSK COUNTY SWITCHING STATION**



Appendix 2

Final, Unexecuted Garland/SCT Interconnection Agreement

INTERCONNECTION AGREEMENT

This Agreement is made and entered into this ____ day of _____, _____, by and between The City of Garland ("GPL") and Southern Cross Transmission LLC ("Southern Cross") each sometimes hereinafter referred to individually as "Party" or both referred to collectively as "Parties."

WITNESSETH

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

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

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

ARTICLE I – EFFECTIVE DATE AND TERM

This Agreement shall become effective on the date first set forth above and shall continue in effect thereafter until terminated in accordance with its terms.

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' electric systems will be interconnected and to identify the facilities and equipment provided by each Party at the Point of Interconnection.

2.2 This Agreement shall apply to the ownership, design, construction, control, operation, and maintenance of those facilities that are specifically identified and described in Exhibit A.

ARTICLE III – DEFINITIONS

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

3.1 Agreement shall mean this Agreement with all schedules and attachments hereto, and any schedules and attachments hereafter added by amendment to this Agreement.

3.2 ANSI Standards shall mean the American National Standards Institute Standards in effect at the time the Point of Interconnection is constructed.

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

3.4 ERCOT Requirements shall mean the ERCOT Operating Guides, ERCOT Protocols, as well as any other binding documents adopted by ERCOT relating to the interconnection and operation of electric systems in ERCOT, including any amendments of those Guides, Protocols, and binding documents that are adopted by ERCOT from time to time, and any successors thereto.

3.5 Good Utility Practice shall have the meaning ascribed thereto in PUCT Rule 25.5(56) or its successor.

3.6 IEEE Standards shall mean the Institute of Electrical and Electronic Engineers Standards in effect at the time the Point of Interconnection is constructed.

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

3.8 NERC Reliability Standards shall mean the electric reliability standards enforced by NERC and applicable to the Parties to this Agreement.

3.9 NESC shall mean the National Electrical Safety Code in effect at the time the Point of Interconnection is constructed.

3.10 Person shall mean any individual, partnership, firm, corporation, limited liability company, association, trust, unincorporated organization or other entity.

3.11 Point of Interconnection shall mean the point of interconnection described in Exhibit A where the electrical systems of the Parties are connected or may, by the closure of normally open switches, be connected, such that electric power may flow in either direction.

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

ARTICLE IV – ESTABLISHMENT OF POINT OF INTERCONNECTION

4.1 The Parties agree to interconnect their facilities at the Point of Interconnection in accordance with the terms and conditions of this Agreement.

4.2 The Parties agree to cause their facilities being constructed in conjunction with the establishment of the Point of Interconnection; to be designed and constructed in accordance with (a) Good Utility Practice, (b) applicable laws and regulations, (c) the applicable provisions of the NERC Reliability Standards and ERCOT Requirements, and (d) the applicable provisions of the following standards in effect at the time of construction of the Point of Interconnection: NESC; ANSI Standards; and IEEE Standards.

4.3 Each Party will design its system protection facilities to isolate any fault occurring on its system that would negatively affect the other Party's system at the Point of Interconnection in accordance with applicable ERCOT Requirements and NERC Reliability Standards. The protection schemes used by the Parties at the Point of Interconnection will be determined by both Parties in a cooperative effort to achieve system coordination. Prior to commissioning the Point of Interconnection, both Parties will perform a complete calibration test and functional trip test of their respective system protection equipment including communication circuits between facilities.

ARTICLE V - SYSTEM OPERATION AND MAINTENANCE

5.1 The Parties agree to cause their facilities at the Point of Interconnection, and their other facilities having, or which may reasonably be expected to have, an impact upon the facilities of the other Party to be operated and maintained in accordance with Good Utility Practice, applicable laws and regulations, and the applicable provisions of the ERCOT Requirements and NERC Reliability Standards.

5.2 If either Party proposes to make equipment changes or additions to (a) its equipment at the Point of Interconnection (including its system protection equipment) or (b) its system protection equipment at any other location that may affect the operation or performance of the other Party's facilities at the Point of Interconnection ("Changes"), such Party agrees to notify the other Party, in writing, in advance of making such proposed Changes, and the Parties will coordinate and cooperate on the assessment of the impact of such Changes on the electric systems of the Parties and the identification of any required mitigation measures (including but not limited to new or upgraded facilities). Those Changes will not be made until the required aforementioned mitigation measures have been implemented. The Parties will communicate with each other with respect to other equipment changes or additions in accordance with applicable ERCOT Requirements and NERC Reliability Standards.

5.3 A Party may interrupt service at the Point of Interconnection in accordance with applicable laws, regulations, and ERCOT Requirements.

5.4 Each Party will establish and maintain a control center that shall be staffed 24 hours per day, 7 days per week, with personnel capable of making operating decisions and possessing the ability to effect control of its transmission facilities at the Point of Interconnection (or make appropriate arrangements for a third party to establish and maintain such a control center on its behalf). For purposes of voice communications between the Parties' transmission control centers, phone numbers will be exchanged and each Party will be notified of changes.

5.5 Southern Cross will not take any action that would cause GPL or any ERCOT utility that is not a "public utility" under the Federal Power Act to become a "public utility" under the Federal Power Act or become subject to the plenary jurisdiction of the Federal Energy Regulatory Commission. GPL will take no action that would cause Southern Cross to become subject to the plenary jurisdiction of the Public Utility Commission of Texas or ERCOT as a transmission service provider as that term is defined in Section 2 of the ERCOT Nodal protocols. Neither Party is liable to the other under this Section 5.5 for actions specifically contemplated by agreements by and between GPL and Southern Cross (or its affiliates).

5.6 In the event that the Federal Energy Regulatory Commission or any court with jurisdiction issues an order or decision that has the effect of making void a prior order issued by the Federal Energy Regulatory Commission that disclaimed jurisdiction over ERCOT, Oncor Electric Delivery Company LLC ("Oncor"), GPL, CenterPoint Energy Houston Electric, LLC ("CenterPoint") and other ERCOT utilities in connection with the creation of an interconnection between ERCOT and another reliability region covered by this agreement, the Parties shall have the right, and shall coordinate their efforts, to immediately disconnect the Point of Interconnection if disconnection is necessary to prevent ERCOT, Oncor, GPL, CenterPoint or other ERCOT utilities from becoming subject to the plenary jurisdiction of the Federal Energy Regulatory Commission. The Point of Interconnection disconnected pursuant to this paragraph shall be immediately reconnected upon the issuance of a subsequent emergency, interim or permanent order by the Federal Energy Regulatory Commission addressing the interconnection and disclaiming jurisdiction.

ARTICLE VI – INDEMNIFICATION

6.1 Notwithstanding the provisions of Article X but subject to Section 12.2, each Party (the "Indemnifying Party") shall assume all liability for, and shall indemnify the other Party (the "Indemnified Party") for, any third party losses resulting from negligence or other fault in the design, construction, or operation of their respective facilities. Losses shall include costs and expenses of defending an action or claim made by a third Person, payments for damages related to the death or injury of any individual, and payments by the Indemnified Party for damages to the property of a third Person, and damages payable by the Indemnified Party for the disruption of the business of a third Person. This Section 6.1 does not create a liability on the part of either Party to a retail customer or other third Person, but requires indemnification where such liability exists. The indemnification required under this Section 6.1 does not include responsibility for either Party's costs and expenses of prosecuting or defending an action or claim against the other Party or damages for the disruption of such Party's business. The limitations on liability set forth in this Section 6.1 do not apply in cases of gross negligence or intentional wrongdoing.

6.2 GPL's liability under Section 6.1, above, is expressly limited to amounts payable under the insurance policy including self-insurance, described in, and required to be maintained by GPL pursuant to Section 6.3 below.

6.3 Prior to taking ownership of any facilities associated with the Point of Interconnection, GPL shall obtain and maintain in force, or cause to be obtained and maintained in force, throughout the period of this Agreement, through self-insurance (for which GPL maintains a reserve fund), or with insurers that maintain an AM Best's rating of at least "A-X" (or such carriers that are otherwise acceptable to Southern Cross) and that are authorized to do business in Texas, or through a combination of self-insurance and insurance provided by insurers meeting such qualifications, insurance for personal injury, bodily injury, including death and property damage as follows:

- a) Workers' Compensation Insurance to the extent of statutory limits and Occupational Disease and Employer's Liability Insurance not less than \$500,000 each accident, \$500,000 by disease policy limit, \$500,000 by disease each employee.
- b) Commercial General Liability Insurance, written on an occurrence form including but not limited to Products and Completed Operations, Broad Form Contractual Liability, Bodily Injury and Property Damage, Personal Injury and Advertising Injury as applicable to GPL's obligations under this Agreement with limits not less than \$1,000,000 each occurrence and \$2,000,000 aggregate.
- c) Automobile Liability Insurance with limits not less than \$1,000,000 combined single limit for any occurrence. This coverage shall include coverage for but not limited to the following: (1) bodily injury and property damage and (2) any and all vehicles owned, used, or hired.
- d) Pollution Liability covering claims from third-party injury and property damage as a result of pollution conditions arising out of GPL's obligations under this Agreement with limits not less than \$1,000,000 each occurrence and \$2,000,000 aggregate
- e) Excess Liability Insurance covering employer's liability, Commercial General Liability, Automobile Liability, and Pollution Liability each to a limit of not less than \$20,000,000 each occurrence and \$20,000,000 aggregate.

6.4 All of GPL's policies of insurance referred to in this Agreement (excluding self-insurance), shall specify that they are primary and not excess over or on a contributing basis with any other insurance or self-insurance. Southern Cross shall be named as additional insured on the Commercial General Liability, Automobile Liability and Excess Liability policies to the extent of the insurance limits specified herein. Upon securing the insurance required by this Agreement, and annually thereafter, GPL shall provide Southern Cross with a certificate of insurance, evidencing the coverage required by this Agreement and providing that such policies may not be canceled or materially changed without 30 days' prior written notice to Southern Cross. All of GPL's policies of insurance referred to in this Agreement, shall include a severability of interest clause or cross-liability clause. All of GPL's policies of insurance shall include a waiver of subrogation in favor of Southern Cross.

6.5 Southern Cross's obligation as an Indemnifying Party under Section 6.1, above, is limited to the same per occurrence and aggregate dollar limits as apply to GPL as an Indemnifying Party under Section 6.1, above, and as more fully described in Section 6.3 above.

6.6 The Parties agree to report to each other in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this Agreement.

ARTICLE VII –NOTICES

7.1 Any notices, claims, requests, demands or other communications between the Parties hereunder, including but not limited to a notice of termination, notice of default, request for

amendment, change to the Point of Interconnection, shall be (a) forwarded to the designees listed below for each Party, (b) deemed properly given if delivered in writing, and (c) deemed duly delivered when (i) delivered if delivered personally or by nationally recognized overnight courier service (costs prepaid), (ii) sent by facsimile or electronic mail with confirmation of transmission by the transmitting equipment (or, the first business day following such transmission if the date of transmission is not a business day), or (iii) received or rejected by the addressee, if sent by U.S. certified or registered mail, return receipt requested; in each case to the following addresses, facsimile numbers or electronic mail addresses and marked to the attention of the individual (by name or title) designated below:

If to GPL:

If to Southern Cross:

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

ARTICLE VIII - SUCCESSORS AND ASSIGNS

8.1 Subject to the provisions of Section 8.2 below, this Agreement shall be binding upon and inure to the benefit of the permitted successors and assigns of the respective Parties.

8.2 Neither Party shall assign, directly or indirectly by operation of law or otherwise, any of its rights or obligations under this Agreement in whole or in part without the prior written consent of the other Party. Such consent shall not be unreasonably withheld, conditioned, or delayed, provided that neither Party will be required to consent to any assignment that would (a) subject it to additional federal or state regulation; (b) result in the imposition of additional costs of administration that the Party requesting consent to assignment does not agree to reimburse; or (c) in any way diminish the reliability of its system, enlarge its obligations, or otherwise create or maintain an unacceptable condition. Notwithstanding the foregoing, a Party may assign, without the consent of the other Party, its interest in this Agreement, in whole or in part, (a) to a successor to all or a substantial portion of the Party's transmission business; (b) to any transmission service provider (including an affiliate of the assigning Party) with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement; or (c) for collateral security purposes in connection with any financing or financial arrangements. 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 any direct or indirect assignment, including pursuant to the sale, merger, or other business combination of either Party with any other Person. Any attempted assignment that violates this Section 8.2 shall be void and ineffective *ab initio*. Any assignment of this Agreement shall not relieve a Party of its obligations hereunder without the

written consent of the other Party, such consent not to be unreasonably withheld, conditioned or delayed.

8.3 This Agreement is not intended to and shall not create rights of any character whatsoever in favor of any Persons other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties.

ARTICLE IX – GOVERNING LAW AND REGULATION

9.1 This Agreement will 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, regulations, orders, and tariffs of, or approved by, duly constituted regulatory or other governmental authorities having jurisdiction.

9.2 This Agreement and all obligations hereunder, are expressly conditioned upon obtaining all required approvals, authorizations, or acceptances for filing by any regulatory authority whose approval, authorization or acceptance for filing is required by law. Each Party agrees to use reasonable efforts and due diligence to obtain each required approval, authorization or acceptance for filing and such obligation will be deemed satisfied only when each required approval, authorization or acceptance for filing is obtained or all available administrative remedies have been exhausted. Both Parties hereby agree to support the approval of this Agreement before such regulatory authority and to provide such documents, information, and opinions as may be reasonably required or requested by either Party in the course of approval proceedings. In the event a necessary approval or authorization or acceptance for filing by the regulatory authority is denied or rejected, the Parties will jointly determine whether, and under what conditions, filing an appeal of the action by the regulatory authority is reasonable and appropriate.

ARTICLE X – DEFAULT AND FORCE MAJEURE

10.1 The term “Force Majeure” as used herein shall mean any cause beyond the reasonable control of the Party claiming Force Majeure, and without the fault or negligence of such Party, which materially prevents or impairs the performance of such Party’s obligations hereunder, including but not limited to, storm, flood, lightning, earthquake, fire, explosion, failure or imminent threat of failure of facilities, civil disturbance, strike or other labor disturbance, sabotage, war, national emergency, or restraint by any federal, state, local or municipal body having jurisdiction over a Party. For purposes of this Article X, GPL is not a municipal body having jurisdiction over a Party.

10.2 Neither Party shall be considered to be in Default (as hereinafter defined) with respect to any obligation hereunder, other than the obligation to pay money when due, if prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant

to this Section shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

ARTICLE XI- TERMINATION ON DEFAULT

11.1 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 is excused pursuant to Section 11.2 or is the result of an act or omission of the other Party or any of its agents. Upon discovery of a Default, the non-defaulting Party may give notice of such Default to the defaulting Party. Except as provided in Section 11.2, 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 twenty (20) days after receipt of the Default notice and continuously and diligently exercise its efforts to complete such cure within ninety (90) days from receipt of the Default notice; and, if cured within such time, the Default specified in such notice shall cease to exist.

11.2 If a Default is not cured as provided in Section 11.1, or if a Default is not capable of being cured within the period provided for therein, the non-defaulting Party shall have the right, subject to receipt of any regulatory approvals required by applicable law, (a) to terminate, in its sole discretion, by written notice at any time until cure occurs this Agreement and disconnect the Point of Interconnection, (b) to be relieved of any further obligation hereunder (other than obligations associated with its own Defaults, if any, occurring prior to termination) if that Party shall have elected to terminate this Agreement and (c), whether or not that Party terminates this Agreement, to recover from the defaulting Party all amounts due and receive all other remedies to which it is entitled hereunder. The provisions of this Section 11.2 will survive termination of this Agreement.

11.3 The failure of a Party 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 XII- MISCELLANEOUS PROVISIONS

12.1 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.

12.2 NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, 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 OR IN TORT, INCLUDING NEGLIGENCE, STRICT LIABILITY, OR ANY OTHER THEORY OF LIABILITY; PROVIDED, HOWEVER, THAT DAMAGES FOR WHICH A PARTY MAY BE LIABLE TO THE OTHER PARTY UNDER ANOTHER AGREEMENT (OR TO ANY THIRD PARTY) WILL NOT BE CONSIDERED TO BE SPECIAL, INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES HEREUNDER.

12.3 This Agreement is applicable only to the interconnection of the facilities of the Parties at the Point of Interconnection and does not obligate either Party to provide, or entitle either Party to receive, any service not expressly provided for herein. Each Party is responsible for making the arrangements necessary to receive any other service that either Party may desire from the other Party or any third party.

12.4 This Agreement constitutes the entire agreement and understanding between the Parties with regard to the interconnection of the facilities of the Parties at the Point of Interconnection expressly provided for in this Agreement. The Parties are not bound by or liable for any statement, representation, promise, inducement, understanding, or undertaking of any kind or nature (whether written or oral) between the Parties with regard to the subject matter hereof if not set forth or provided for herein. This Agreement replaces all other agreements and undertakings, oral and written, between the Parties with regard to the subject matter hereof, and all such agreements and undertakings are agreed by the Parties to no longer be of any force or effect. 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.

12.5 This Agreement shall not affect the obligations or rights of either Party with respect to other agreements (other than those specifically superseded by Section 12.4). Each Party represents to the other 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.

12.6 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.

12.7 If any provision in this Agreement is finally determined to be invalid, void or unenforceable by any court having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this Agreement.

12.8 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.

12.9 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.

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

CITY OF GARLAND

SOUTHERN CROSSTRANSMISSIONLLC

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

EXHIBIT A

1. Name: GPL-Southern Cross Point of Interconnection
 2. Point of Interconnection location: The Texas-Louisiana border between the GPL 345-kV Switching Station and the Southern Cross converter station as illustrated in the attached One-Line Diagram.
 3. Delivery voltage: 345-kV AC
 4. Metering (voltage, location, losses adjustment due to metering location, and other): 345-kV Revenue Class Metering in accordance with ERCOT specifications at the Point of Interconnection in the GPL 345-kV Switching Station and as illustrated in the attached One-Line Diagram.
 5. Normally closed (check one): ☒ Yes / ☐ No
 6. One line diagram attached (check one): ☒ Yes / ☐ No
 7. Facilities to be furnished by Southern Cross: One (1) up to 3,000-MW, bipolar, bidirectional, 500-kV DC converter station located at the western end of the Southern Cross DC transmission system to the SERC Reliability Corporation ("SERC"). Equipment in the Southern Cross converter station will include, but may not be limited to: (i) \pm 500-kV DC line-commutated converter and associated equipment including associated converter transformers and DC side equipment; (ii) switched, shunt, reactive compensation and filter system; (iii) four (4) circuit breakers with disconnect switches and associated equipment (located on the Louisiana side of the border, but proximate to, the Point of Interconnection at the Texas/Louisiana border) required to energize, de-energize and protect converter station equipment; and (iv) all necessary control, protection and communication system equipment.
8. Facilities to be furnished by GPL: One (1), 345-kV switching station located at the eastern end of two (2) associated 345-kV AC transmission lines to the new Oncor 345-kV Rusk County switching station. GPL's switching station will be located in Texas and be immediately adjacent to Southern Cross's converter station. GPL's Switching Station will be constructed in a six-breaker, breaker-and-a-half arrangement and will include, but not be limited to, the following facilities:
- (6 ea.) Circuit breaker, 345 kV, for GPL's Transmission Line protection with two sets of 3000/5, C800 CT's with a TRF = 2.0 for line current differential relaying
 - (12 ea.) Switch, air break, 345 kV, gang operated, 3 phase, for circuit breakers associated with GPL's Transmission Line protection, with provisions for padlocks(Lot)PT or CCVT, 345 kV, dual secondary windings as required for metering and relaying

- (Lot) Surge arrester, 345 kV
- (1 ea.) Supervisory equipment, SCADA RTU
- (1 ea.) Fault recording equipment
- (1 ea.) Control house and associated indoor accessories
- (Lot) Protective relaying equipment necessary to interface with Oncor's relaying equipment for protection of GPL's Transmission Line, and related breaker failure protection schemes
- (1 lot) Associated buswork, conductor, connectors, grounding, conduit, control cable, foundation work, perimeter fencing, grading/dirt work and any appurtenances necessary for GPL's Switching Station facilities
- (1 lot) All galvanized steel structures, including dead-ends, switch stands, metering structures, surge arrester supports, CCVT supports, line trap supports, static mast, and bus supports necessary for GPL's Switching Station facilities

9. Cost Responsibility: Each Party will bear the costs associated with the design, procurement, construction, operation, and maintenance of the facilities it furnishes, as identified in items 7 and 8 above.

10. Switching and Clearance:

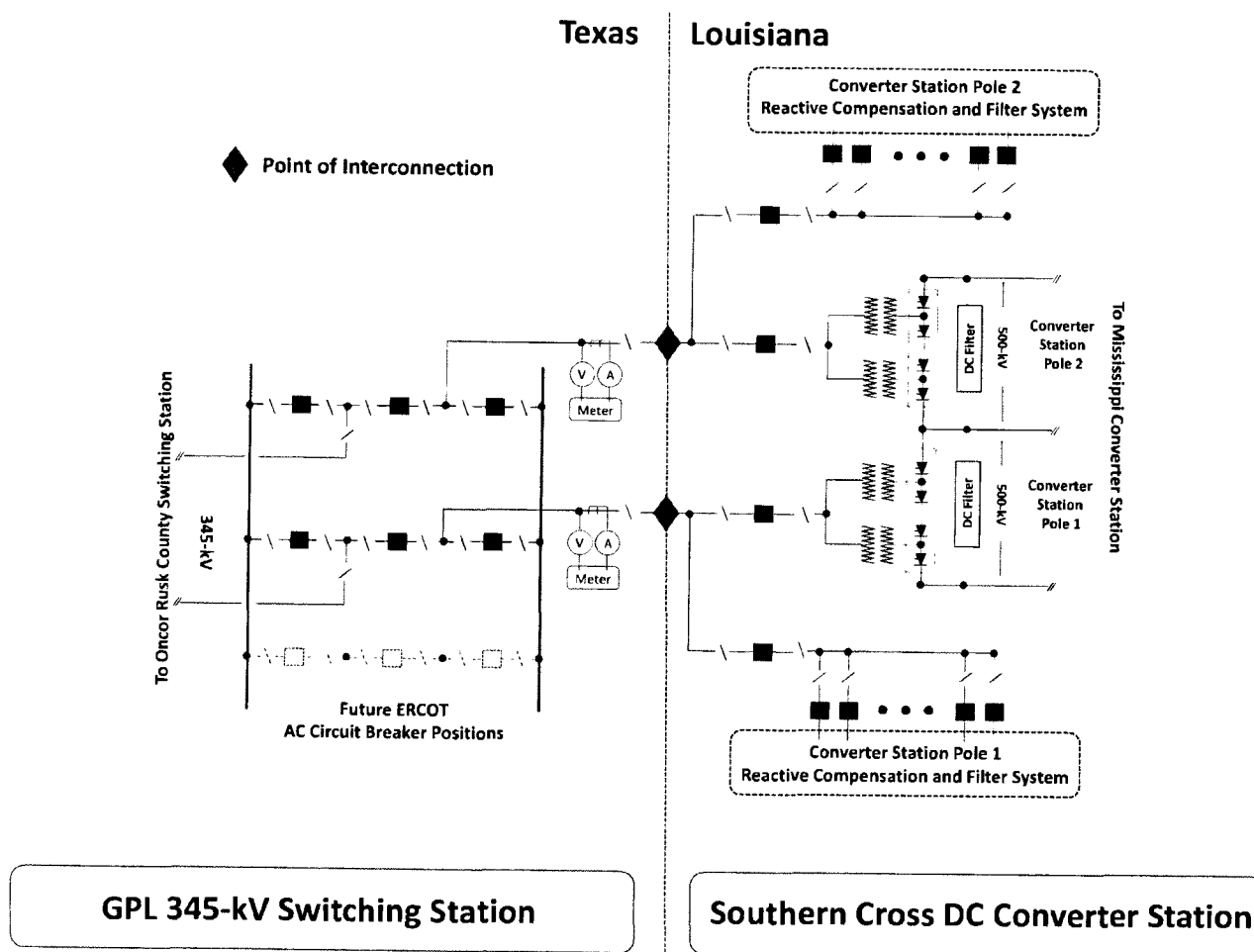
Each Party will adopt formal switching procedures that govern safety related issues concerning the operation of its switches connected to this Point of Interconnection and will provide a copy of those procedures to the other Party within one (1) year of the planned first energization date. Each Party agrees to comply with the aforementioned switching procedures of the other Party and will notify the other Party in writing at least ten days prior to implementation of any changes to its procedures.

11. Standards:

The Parties agree to cause their facilities being newly constructed, as described in this Exhibit A, to be designed and constructed in accordance with (a) Good Utility Practice, (b) applicable laws and regulations, (c) the applicable provisions of the NERC Reliability Standards and ERCOT Requirements, and (d) the applicable provisions of the following standards in effect at the time of construction of this Point of Interconnection: NESC, ANSI Standards, and IEEE Standards.

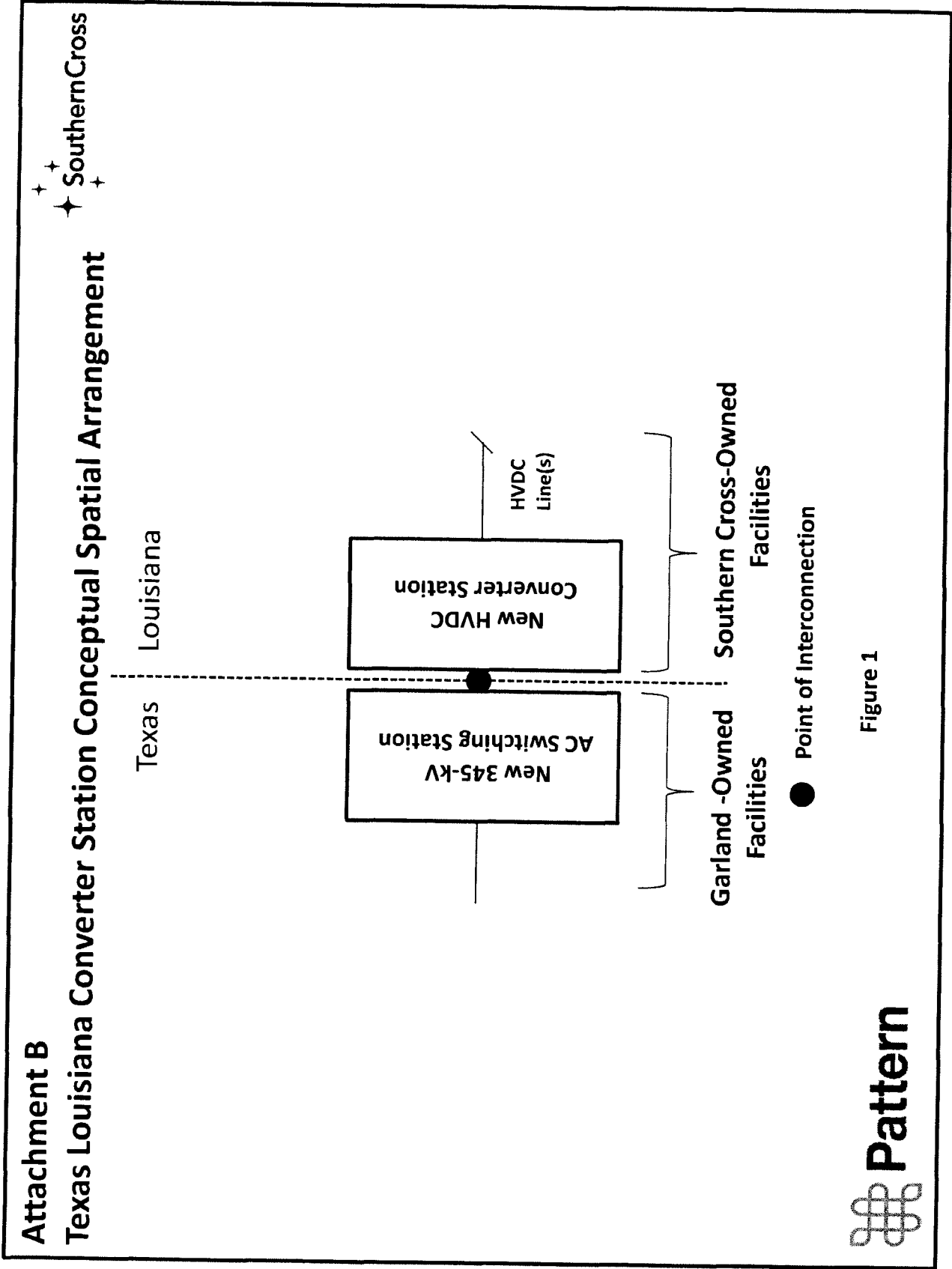
12. Supplemental terms and conditions attached (check one): ___ Yes / X No

ONE LINE DIAGRAM



Attachment B

Western Point of Interconnection



RUSK-PANOLA ROUTE SUMMARY													
	RP4	RP5	RP8	RP10	RP16	RP28	RP41	RP46	RP50	RP53	RP82	RP93	
Distance (Miles)	37.4	37.1	38	37.7	37.4	37.6	39.8	39.7	38.1	39.2	39.3	36.9	
Right-of-Way and Land Acquisition	\$ 4,079,592	\$ 4,046,868	\$ 4,145,040	\$ 4,112,316	\$ 4,079,592	\$ 4,101,408	\$ 4,341,384	\$ 4,330,476	\$ 4,155,948	\$ 4,275,936	\$ 4,286,844	\$ 4,025,052	
Engineering and Design (Utility)	-	-	-	-	-	-	-	-	-	-	-	-	
Engineering and Design (Contract)	\$ 2,888,743	\$ 2,820,950	\$ 2,830,499	\$ 2,901,560	\$ 2,852,429	\$ 2,827,384	\$ 2,991,380	\$ 2,989,016	\$ 2,841,129	\$ 2,861,310	\$ 2,919,860	\$ 2,894,097	
Procurement of Material and Equipment (Including stores)	\$ 46,584,538	\$ 45,680,890	\$ 47,291,824	\$ 46,460,647	\$ 46,378,241	\$ 45,549,228	\$ 48,764,284	\$ 48,678,053	\$ 46,826,613	\$ 47,462,862	\$ 48,243,331	\$ 46,833,168	
Construction of Facilities (Utility)	-	-	-	-	-	-	-	-	-	-	-	-	
Construction of Facilities	\$ 52,586,908	\$ 51,230,770	\$ 53,271,492	\$ 53,138,030	\$ 51,582,715	\$ 51,576,890	\$ 53,828,395	\$ 53,835,797	\$ 50,757,673	\$ 50,794,147	\$ 51,965,350	\$ 52,516,724	
Other (all costs not included in the above categories)	-	-	-	-	-	-	-	-	-	-	-	-	
Total Cost	\$ 106,139,761	\$ 103,779,478	\$ 107,638,855	\$ 106,612,554	\$ 104,892,976	\$ 104,054,910	\$ 109,925,443	\$ 109,833,342	\$ 104,581,362	\$ 105,394,256	\$ 107,415,385	\$ 106,269,040	
Cost per mile	\$ 2,837,962	\$ 2,797,291	\$ 2,832,601	\$ 2,827,919	\$ 2,804,625	\$ 2,767,418	\$ 2,761,946	\$ 2,766,583	\$ 2,744,918	\$ 2,688,629	\$ 2,733,216	\$ 2,879,920	

- Notes
- 1 Costs are in 2016 dollars and do not include escalation
 - 2 An adder for design allowances is not included. Typically 10-20% is added for design allowances for projects of this size
 - 3 Contingency costs are not included. Typically 20-30% is included for contingency for projects of this size
 - 4 A 15% contractor markup is used for all materials
 - 5 The average span length for all routes was assumed to be 800ft
 - 6 All structures are assumed to be tubular steel

<i>Panola 345kV Switchyard</i>		
Right-of-Way and Land Acquisition	\$	494,100
Engineering and Design (Utility)	\$	-
Engineering and Design (Contract)	\$	1,150,000
Procurement of Material and Equipment (Including stores)	\$	4,600,000
Construction of Facilities (Utility)	\$	-
Construction of Facilities	\$	5,750,000
Other (all costs not included in the above categories)	\$	-
Total Cost	\$	11,994,100

Notes:

1. Costs are in 2016 dollars and do not include escalation.
2. An adder for design allowances is not included. Typically 10-20% is added for design allowances for projects of this size.
3. Contingency costs are not included. Typically 20-30% is included for contingency for projects of this size.
4. A 15% contractor markup is used for all materials.

147 FERC ¶ 61,113
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Cheryl A. LaFleur, Acting Chairman;
Philip D. Moeller, John R. Norris,
and Tony Clark.

Southern Cross Transmission LLC
Pattern Power Marketing LLC

Docket No. TX11-1-001

FINAL ORDER DIRECTING INTERCONNECTION
AND TRANSMISSION SERVICE

(Issued May 15, 2014)

1. This final order under sections 210, 211, and 212 of the Federal Power Act (FPA)¹ directs the City of Garland, Texas (Garland) to interconnect with Southern Cross Transmission LLC's (Southern Cross) proposed transmission line. This final order also directs Oncor Electric Delivery Company LLC (Oncor) and CenterPoint Energy Houston Electric, LLC (CenterPoint) to provide transmission service for power flows into and out of the Electric Reliability Council of Texas (ERCOT).

I. Background

2. The ERCOT transmission grid is located solely within the State of Texas and is not synchronously interconnected to the Western or Eastern Interconnections. To date, the only interconnections between ERCOT and facilities in the United States outside of Texas, and the transmission of power over those interconnections, have been made pursuant to Commission orders under sections 210 and 211 of the FPA.² Because these interconnections and the associated transmission service were ordered by the Commission pursuant to its authority under sections 210 and 211 of the FPA, the ERCOT entities providing the requested services did not become "public utilities" subject to the

¹ 16 U.S.C. §§ 824i, j, k (2012).

² *City of College Station, TX*, 137 FERC ¶ 61,230 (2011); *Brazos Elec. Power Coop., Inc.*, 118 FERC ¶ 61,199 (2007) (*Brazos*); *Kiowa Power Partners, LLC*, 99 FERC ¶ 61,251 (2002) (*Kiowa*); *Central Power and Light Co.*, 40 FERC ¶ 61,077 (1987) (*Central Power and Light II*); *Central Power and Light Co.*, 17 FERC ¶ 61,078 (1981) (*Central Power and Light I*) (collectively, *Central Power and Light*).

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Commission's plenary jurisdiction under Part II of the FPA, and ERCOT's non-jurisdictional status was preserved.³ The proposal at issue here, as outlined below, would create an additional interconnection allowing electric power flow between ERCOT and facilities located outside of Texas.

3. Oncor and CenterPoint are successors to the rights and obligations created by the Commission in a prior order issued pursuant to sections 210, 211, and 212 of the FPA.⁴ Thus, neither Oncor nor CenterPoint is a "public utility" within the meaning of section 201(e) of the FPA.⁵

4. Southern Cross is a limited liability company organized under Delaware law for the purpose of developing, constructing, owning, and operating the Southern Cross Project, a 400-mile high voltage direct current (HVDC) transmission line to provide incremental bi-directional transmission capacity of up to 3,000 MW of electric power into and out of ERCOT (Project).⁶ Pattern Power Marketing LLC (Pattern Power) is a limited liability company organized under Delaware law for the purpose of purchasing and aggregating wind power supplies within ERCOT for sale to load servicing entities within the SERC Reliability Corporation (SERC) region and is expected to utilize the transmission capacity made available by the Project to transact with load serving entities within the SERC.

5. On September 6, 2011, Southern Cross and Pattern Power (collectively, Applicants) submitted an application to the Commission pursuant to sections 210, 211, and 212 of the FPA, which requested that the Commission issue an order requiring the physical interconnection of the Project with Garland's transmission facilities at a point near the Texas/Louisiana border (the Western Point of Interconnection). Applicants also requested that the order direct Oncor and CenterPoint to provide the transmission service necessary for Pattern Power and other eligible customers to deliver energy over the interconnection into and out of ERCOT. The application included, for Commission approval, an unexecuted Offer of Settlement that establishes the terms and conditions under which Garland would interconnect with the Project and Oncor and CenterPoint

³ Section 201(b)(2) of the FPA states that compliance with Commission orders under sections 210 and 211 shall not make an entity subject to Commission jurisdiction for any purposes other than the purposes specified in those orders. 16 U.S.C. § 824(b)(2) (2012).

⁴ *Central Power and Light I*, 17 FERC ¶ 61,078.

⁵ 16 U.S.C. § 824(e) (2012).

⁶ For additional details on the Project, see *Southern Cross Transmission LLC, et al.*, 137 FERC ¶ 61,206, at PP 5-6 (2011) (Proposed Order).

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would provide the requested transmission service.⁷ Applicants also requested a declaration by the Commission that transactions over the Project would not result in any ERCOT utilities that are not already public utilities becoming public utilities under Part II of the FPA.⁸

6. On December 15, 2011, the Commission issued the Proposed Order, determining on a preliminary basis that an order requiring the requested interconnection and transmission service would meet the standards set forth in sections 210, 211, and 212 of the FPA. The Commission found that it had jurisdiction under those provisions to direct the requested interconnection and transmission service and confirmed that exercise of that jurisdiction would not cause any ERCOT utility that is not already a public utility to become a public utility under Part II of the FPA.⁹ Further, in response to concerns raised by Texas Industrial Consumers¹⁰ regarding the potential flow of electricity in interstate commerce as a result of the proposed interconnection, the Commission found that, given Applicants' descriptions of the Project and the proposed location of the HVDC converter station, Applicants' request poses no greater threat to ERCOT's jurisdictional status than the interconnections and transmission service ordered in *Brazos*, *Kiowa*, and *Central Power and Light*.¹¹ The Commission noted, however, that although not critical for the jurisdictional determination, it expected Applicants to provide precise information regarding the location of the Western Point of Interconnection in the revised application.

7. However, the Commission found that, without completed interconnection and reliability studies, and without final identification of the necessary interconnection facilities, the application contained insufficient detail to enable the Commission to issue a final order.¹² Thus, the Commission directed Applicants to "make every reasonable effort to identify all of the facilities that will be required in relation to the Project and to specify how costs for those facilities will be apportioned among the parties."¹³ To

⁷ *Id.* PP 9-11.

⁸ *Id.* P 7.

⁹ The Commission also noted that Garland would not become a "transmitting utility" under the FPA. *Id.* P 26.

¹⁰ Texas Industrial Consumers consists of: Exelon Corporation, Sharyland Utilities, L.P., Calpine Corporation, and Texas Industrial Energy Consumers.

¹¹ *Id.* P 27.

¹² *Id.* PP 29, 32, 35.

¹³ *Id.* P 39.

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provide the necessary information, the Commission directed Applicants to “file the revised application, Offer of Settlement, and unexecuted interconnection agreements within 30 days after the results of the necessary technical studies become available.”¹⁴

8. On February 20, 2014, in accordance with the Commission’s directive in the Proposed Order, Applicants submitted their revised application, which includes a revised Offer of Settlement and the finalized, unexecuted interconnection agreements between Oncor and Garland, and Garland and Southern Cross.¹⁵

II. Revised Application

9. Applicants state that the Offer of Settlement remains substantively unchanged from the one filed in 2011. Applicants also state that the interconnection agreements have been modified by revising Exhibit A to each agreement such that all of the interconnection facilities to be owned, operated, and maintained by Oncor, Garland, and Southern Cross are identified, as required by the Proposed Order.¹⁶ With respect to cost allocation, Applicants aver that the costs of constructing all facilities identified in the two interconnection agreements that are to be owned and operated either by Garland or Southern Cross will be the responsibility of the Project and neither Garland nor Southern Cross will seek to recover any such construction costs from ERCOT ratepayers. Applicants state that recovery of the costs of the facilities that are to be owned and operated by Oncor will be subject to the established cost allocation rules within ERCOT and the jurisdiction of the Public Utility Commission of Texas (Texas Commission).¹⁷

10. In response to the Commission’s directive to provide precise information regarding the location of the Western Point of Interconnection, Applicants provide a revised schematic diagram as Attachment B to the Revised Application. Applicants explain that Southern Cross has entered into options to purchase land at the Texas/Louisiana border that, if ultimately purchased, would allow the construction of both the Garland switching station and the Southern Cross HVDC converter station in close proximity at the border, as shown in the attached schematic. Applicants note their intent to utilize this land, but commit to design and construct the facilities, irrespective of

¹⁴ *Id.*

¹⁵ Applicants February 20, 2014 Application (Revised Application).

¹⁶ Applicants request privileged treatment of the revised Exhibit A to the Oncor/Garland interconnection agreement, in accordance with section 388.112 of the Commission’s regulations, due to the commercially sensitive information contained therein. *Id.* at 5.

¹⁷ *Id.* at 3-4.

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what parcels of land are acquired, in such close proximity to the Texas/Louisiana border that the only reasonable interconnection to the alternating current facilities between the switching station and the HVDC converter station will occur within the State of Texas. Thus, Applicants state that any interconnecting party will be subject to the jurisdiction of the Texas Commission.¹⁸

III. Notice and Responsive Pleadings

11. Notice of Applicants' filing was published in the *Federal Register*, 79 Fed. Reg. 11,097 (2014), with protests and interventions due on or before March 24, 2014. None was filed.

IV. Discussion

A. Jurisdiction

12. As noted above, in the Proposed Order, the Commission found that the precise location of the Western Point of Interconnection is immaterial with respect to jurisdictional concerns and that, therefore, Texas Industrial Consumers' concerns regarding the jurisdictional impact of future interconnections with the Project were without merit. However, the Commission directed Applicants to provide precise information regarding the location of the Western Point of Interconnection in their revised application.¹⁹ We find that the Revised Application supports the finding in the Proposed Order by clarifying the relationship of the planned facilities to the Texas/Louisiana border. We further find that the specific parcels of land that are ultimately acquired are immaterial to this finding, provided that the facilities are designed and constructed in the manner described by Applicants such that the only reasonable interconnection to the facilities between the switching station and the HVDC converter station will take place within the state of Texas. We again confirm that compliance with this Final Order will not cause any ERCOT utility that is not already a public utility to become a public utility under Part II of the FPA.

B. Section 212 (c) – Final Order

13. In the Proposed Order, the Commission noted that, normally, when the affected parties have agreed to the terms and conditions under which the requested interconnection and/or transmission services will be provided, the Commission would not need to issue a separate proposed order and could instead issue a combined proposed and final order. In this case, however, because the interconnection and reliability studies for

¹⁸ *Id.* at 4-5.

¹⁹ Proposed Order, 137 FERC ¶ 61,206 at P 27, n.27.

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the Project had not been completed at the time of the Commission's evaluation of the application, the Commission concluded that it had insufficient information to issue a final order. Thus, the Commission directed the parties to revise, based on the outcome of the interconnection and reliability studies, the Offer of Settlement and interconnection agreements to include details regarding the facilities that will be owned, operated, and maintained by respective parties.²⁰

14. We find that the Revised Application includes the details required by the Proposed Order. Accordingly, we order Garland and Oncor and CenterPoint to provide the requested interconnection and transmission services to Applicants pursuant to the terms and conditions reflected in the Offer of Settlement included in the Revised Application.

C. Other Statutory Requirements

15. Section 210(c) states that no order for interconnection pursuant to section 210 of the FPA may be issued by the Commission unless the Commission determines that the application is in the public interest and: (1) would encourage overall conservation of energy or capital; (2) optimize the efficient use of facilities and resources; or (3) improve the reliability of any electric utility system or Federal power marketing agency to which the order applies. The order must also meet the requirements of section 212 of the FPA. The issuance of an order requiring transmission service under section 211(a) of the FPA requires a finding that the order is in the public interest and meets the requirements of section 212. In addition, section 211(b) precludes a transmission order that would unreasonably impair the continued reliability of affected electric systems.

16. In the Proposed Order, the Commission made a preliminary determination that an order requiring Garland to provide interconnection service and Oncor and CenterPoint to provide transmission service to Applicants would satisfy the standards of sections 210, 211, and 212 of the FPA.²¹ We adopt that finding on a final basis, as discussed below.

1. Efficiency and Reliability

17. In the Proposed Order, the Commission made a preliminary finding that nothing in the application indicated that ordering the requested interconnection and transmission service would impair the continued reliability of the affected electric systems. However, the Commission noted that it could not issue a final order until the relevant reliability studies had been completed and any necessary system upgrades had been identified.²²

²⁰ *Id.* P 29.

²¹ *Id.* P 23.

²² *Id.* P 32.

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The Revised Application avers that the reliability studies have been completed and identifies the facilities that will be constructed in order to safely and reliably interconnect the Project to the ERCOT grid.²³ Thus, we adopt the Commission's preliminary finding on a final basis.

2. Rates, Charges, Terms, and Conditions

18. Section 212(a) requires that the transmitting utility subject to an order under section 211 "provide wholesale transmission services at rates, charges, terms and conditions which permit the recovery by such utility of all costs incurred in connection with the transmission services and necessary associated services...." Furthermore, "such rates, charges, terms, and conditions shall promote the economically efficient transmission and generation of electricity and shall be just and reasonable, and not unduly discriminatory or preferential." Section 212(k) provides that any order under section 211 "requiring provision of transmission services in whole or in part within ERCOT shall provide that any ERCOT utility which is not a public utility and the transmission facilities of which are actually used for such transmission service is entitled to receive compensation based, insofar as practicable and consistent with subsection (a), on the transmission ratemaking methodology used by the Public Utility Commission of Texas."²⁴

19. In the Proposed Order, the Commission found that, with respect to the transmission service to be provided by Oncor and CenterPoint, the terms and conditions in the Offer of Settlement satisfy the requirements of sections 212(a) and 212(k) of the FPA because, under the Offer of Settlement, the transmission service would be provided under Oncor's and CenterPoint's existing tariffs, which have both adopted the ERCOT protocols that the Commission has previously found to meet the requirements of section 212.²⁵ The revised Offer of Settlement retains this arrangement. Accordingly, we will direct Oncor and CenterPoint to provide the requested transmission service under the rates, terms, and conditions provided for in the revised Offer of Settlement.

20. With regard to the interconnection to be provided by Garland, the Proposed Order explained that the Offer of Settlement referred to the unexecuted interconnection agreements for specifics regarding the interconnection facilities that will be required and how costs for those facilities will be allocated. The Commission found that, because neither of the attached interconnection agreements provided any information about interconnection facilities to be constructed, it could not issue a final order until the Offer

²³ Revised Application at 2.

²⁴ 16 U.S.C. § 824k(k) (2012).

²⁵ Proposed Order, 137 FERC ¶ 61,206 at P 34.

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of Settlement and attached interconnection agreements were complete.²⁶ As noted above, the Revised Application includes the complete list of facilities that will be constructed. Further, the Revised Application affirms that costs for the facilities identified in the Garland/Southern Cross interconnection agreement are the responsibility of the Project and will not be recovered from ERCOT ratepayers, and that the facilities identified in the Oncor/Garland interconnection agreement will be subject to the jurisdiction of the Texas Commission and allocated pursuant to established ERCOT rules.²⁷ Thus, we find that, with respect to the proposed interconnection, the revised Offer of Settlement meets the requirements of sections 212(a) and 212(k) and will direct Garland to provide the requested interconnection service under the rates, terms, and conditions provided for in the revised Offer of Settlement.

The Commission orders:

(A) Garland is hereby directed to interconnect with Southern Cross pursuant to section 210 of the FPA under the applicable tariff and rate schedules, as discussed in the body of this order.

(B) Oncor and CenterPoint are hereby directed to provide transmission service pursuant to section 211 of the FPA under the applicable tariff and rate schedules, as discussed in the body of this order.

(C) The Offer of Settlement is hereby approved, and its terms incorporated by reference, as discussed in the body of this order.

(D) Compliance with this order and the Offer of Settlement shall not cause ERCOT, Oncor, CenterPoint, or any other ERCOT utility or other entity that is not already a public utility to become a “public utility” as that term is defined by section 201 of the FPA and subject to the jurisdiction of the Commission for any purpose other than for the purpose of carrying out the provisions of sections 210 and 211 of the FPA.

²⁶ *Id.* P 35.

²⁷ Revised Application at 4.

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(E) This order is a final order, effective upon the date of issuance.

By the Commission.

Kimberly D. Bose,
Secretary.

TX11-1-001.DOCX.....1-9

**GARLAND POWER & LIGHT**

February 25, 2016

Landowner Name

Address

City, State, Zip

Re: PUC Docket No. 45624; Application of the City of Garland, Texas, for a Certificate of Convenience and Necessity for the Proposed Rusk to Panola Double-Circuit 345-KV Transmission Line in Rusk and Panola Counties, Texas

Dear Landowner Name:

The City of Garland (Garland), doing business as Garland Power & Light (GP&L), has filed an application with the Public Utility Commission of Texas (PUC) to amend its Certificate of Convenience and Necessity (CCN) to construct a proposed double circuit, 345-kV transmission line that will begin at a new Oncor Electric Delivery Company switching station in Rusk County and extend eastward for approximately 37-40 miles to a new GP&L switching station in Panola County near the Texas/Louisiana state line. Garland, together with Rusk Interconnection LLC, is developing the Rusk - Panola Transmission Project (Project) to interconnect the Electric Reliability Council of Texas transmission grid to the Southern Cross Transmission Project, which will in turn connect to the southeastern United States.

The routing options for this project range from approximately 37 miles to 40 miles in length. The estimated cost of the routing options range from approximately \$103,779,478 million to \$109,925,443 million. Garland plans to construct the transmission line primarily on steel monopole structures.

Garland provides this notice in accordance with the requirements of 16 TEX. ADMIN. CODE § 22.52. Garland has filed an application with the PUC in Docket No. 45624, *Application of the City of Garland, Texas, for a Certificate of Convenience and Necessity for the Proposed Rusk to Panola Double-Circuit 345-KV Transmission Line in Rusk and Panola Counties, Texas*. The deadline to request to participate in Docket No. 45624 is March 28, 2016.

Your land might be directly affected in this docket. Upon approval of one of Garland's routes by the PUC, Garland will have the right to build a facility that might directly affect your land. The PUC docket will not determine the value of your land or the value of an easement if one is needed by Garland to build the facility.

All routes and route segments (links) included in this notice are available for selection and approval by the Public Utility Commission of Texas.

For your convenience, I have included maps and written descriptions of the routing options included in the application. More detailed mapping is available online at www.RuskPanolaTransmissionProject.com. In addition, interested persons may also review detailed routing maps during normal library hours at the following public libraries:

Sammy Brown Library 319 S. Market Carthage, TX	Rusk County Library System 106 E Main Street Henderson, TX
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If you have any questions about the transmission line, please call 888-781-3350 or email info@RuskPanolaTransmissionProject.com. You may also send information by mail addressed to: Burns & McDonnell c/o Joab Ortiz, 9400 Ward Parkway, Kansas City, MO 64114.

The enclosed brochure entitled, "Landowners and Transmission Line Cases at the PUC" provides basic information about how you may participate in this docket, and how you may contact the PUC. Please read this brochure carefully. The brochure includes sample forms for making comments and for making a request to intervene as a party in this docket.

The PUC's brochure emphasizes that: ***The only way to fully participate in the PUC's decision on where to locate the transmission line is to intervene in the docket. It is important for an affected person to intervene because Garland is not obligated to keep affected persons informed of the PUC's proceedings and cannot predict which route may or may not be approved by the PUC.***

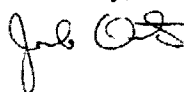
In addition to the contacts listed in the brochure, you may call the PUC's Customer Assistance Hotline toll free at (888) 782-8477. Hearing- and speech-impaired individuals with text telephones (TTY) may contact the PUC's Customer Assistance Hotline at (512) 936-7136 or toll free at (800) 735-2989. If you wish to participate in this docket by becoming an intervenor, **the deadline for intervention in the proceeding is March 28, 2016**; and the PUC should receive a letter from you requesting intervention by that date. Mail the request for intervention and 10 copies of the request to the following address:

Public Utility Commission of Texas
Central Records, Attn: Filing Clerk
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

Persons who wish to intervene in the docket must also mail a copy of their request for intervention to all parties in the docket and all persons that have pending motions to intervene, at or before the time the request for intervention is mailed to the PUC. In addition to the intervention deadline, other important deadlines may already exist that affect your participation in this docket. You should review the orders and other filings already made in the docket. The enclosed brochure explains how you can access these filings.

The PUC will make the final determination of which route will be approved for this transmission line project. Any one of the proposed routes or any other combination of the routing segments (links) could be approved by the PUC.

Sincerely,



Joab Ortiz
On Behalf of Garland Power & Light
Enclosure