Tariffs, Rate Schedules, and Other Tariff Documents

Southwestern Power Administration

Tariffs, Rate Schedules, and Other Tariff Documents

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UNITED STATES

DEPARTMENT OF ENERGY

SOUTHWESTERN POWER ADMINISTRATION

OPEN ACCESS TRANSMISSION SERVICE TARIFF

Effective Date: 8/17/2010

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Effective Date: 8/17/2010

SOUTHWESTERN POWER ADMINISTRATION
OPEN ACCESS TRANSMISSION SERVICE TARIFF

PREAMBLE: AUTHORITIES AND OBLIGATIONS

Southwestern Power Administration (Southwestern) was created by Secretarial Order No. 1865, dated August 31, 1943, as an agency of the Department of the Interior, to carry out the power marketing responsibilities assigned to the Secretary of the Interior by Executive Orders 9366, dated July 30, 1943, and 9373, dated August 30, 1943. Section 5 of the Flood Control Act of December 22, 1944 (58 Stat. 887, 890; 16 U.S.C. 825s) broadened the power marketing responsibilities of the Secretary of the Interior by placing in him the responsibility for marketing the electric power and energy generated at reservoir projects built by and under the control of the Department of the Army. Under Public Law 95-456 (92 Stat. 1230; 16 U.S.C. 825s-3), Southwestern became part of the Department of Energy pursuant to Section 302 of the Department of Energy Organization Act (91 Stat. 578; 42 U.S.C. 7152) in 1977.

Pursuant to the Flood Control Act of 1944, Southwestern markets hydroelectric power and energy which is generated at U.S. Army Corps of Engineers (Corps) Dams in excess of project needs *"to encourage the most widespread use thereof at the lowest possible rates to consumers consistent with sound business principles.... Preference in the sale of such power and energy shall be given to public bodies and cooperatives." Further, "only such transmission lines and related facilities as may be necessary in order to make the power and energy generated at such projects available in wholesale quantities for sale..."* may be constructed or acquired to fulfill this mission.

Southwestern markets power and associated energy from Corps hydroelectric generation projects in the States of Arkansas, Missouri, Oklahoma, and Texas, primarily to customers which have received formal allocations of specified quantities of Federal power and associated energy (Federal Power Customers) in those states as well as in the States of Kansas and Louisiana. By statute, Southwestern's Transmission System was constructed to enable the integration of Southwestern's hydroelectric power resources to satisfy Southwestern's contractual obligations to its Federal Power customers. Southwestern sells transmission service from federally owned or controlled facilities only to the extent that transmission capacity is available in excess of that necessary to reliably deliver Federal power.

Southwestern is not a jurisdictional public utility under Sections 205 and 206 of the Federal Power Act and is not specifically subject to the requirements of the Federal Energy Regulatory Commission's (FERC or Commission) Final Orders Nos. 888 and 888-A. However, Southwestern is a transmitting utility subject to Section 211 of the Federal Power Act as amended by the Energy Policy Act of 1992. Southwestern is also subject to the reciprocity provisions of FERC Order Nos. 888 and 888-A. Additionally, the Department of Energy has issued a Power Marketing Administration Open Access Transmission Policy that supports the intent of the FERC Final Rule in Order No. 888. Southwestern submits this version of the FERC's Open Access Transmission Tariff (Tariff) as comparable to the pro forma tariff published in FERC Order No. 888-A with the proviso that nothing in this Tariff alters, amends, or abridges the statutory or contractual obligations of Southwestern to market and deliver Federal power resources and to repay the Federal investment in the facilities from which Southwestern markets such resources. The delivery of Federal power over the transmission facilities constructed or acquired by Southwestern is made pursuant to Section 5 of the Flood Control Act of 1944 and is specifically excluded from this Tariff.

Under an Agreement dated March 31, 2005, between Southwest Power Pool, Inc. (SPP) and Southwestern (SPP/Southwestern Agreement), SPP administers this Tariff. SPP and Southwestern may utilize each others' transmission facilities to implement service under their respective Tariffs under the specific terms and conditions of the SPP/Southwestern Agreement. Under the SPP/Southwestern Agreement, only one Tariff, either the SPP Tariff or this Tariff, will apply to new transactions utilizing facilities within the SPP Footprint, which includes the System of Southwestern. The SPP/Southwestern Agreement has been accepted for filing with FERC as Attachment AD to the SPP Open Access

Transmission Service Tariff. Any use of SPP's facilities to implement service under this Tariff shall be in accordance with the SPP/Southwestern Agreement, as it may be amended.

Effective Date: 8/17/2010

1. COMMON SERVICE PROVISIONS

Effective Date: 8/17/2010

1.1. Definitions

1.1.1. Ancillary Services

Those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider's Transmission System in accordance with Good Utility Practice.

1.1.2. Annual Transmission Costs

The total annual cost of the Transmission System for purposes of Network Integration Transmission Service shall be the amount specified in Attachment H until amended by the Transmission Provider or modified by the Commission, pursuant to Federal law.

1.1.3. Application

A request by an Eligible Customer for transmission service pursuant to the provisions of the Tariff.

1.1.4. Commission

The Federal Energy Regulatory Commission.

1.1.5. Completed Application

An Application that satisfies all of the information and other requirements of the Tariff, including any required application processing fee.

1.1.6. Control Area

An electric power system or combination of electric power systems to which a common automatic generation control scheme is applied in order to:

1.1.6.1. match, at all times, the power output of the generators within the electric power system(s) and capacity and energy purchased from entities outside the electric power system(s), with the load within the electric power system(s);

1.1.6.2. maintain scheduled interchange with other Control Areas, within the limits of Good Utility Practice;

1.1.6.3. maintain the frequency of the electric power system(s) within reasonable limits in accordance with Good Utility Practice; and

1.1.6.4. provide sufficient generating capacity to maintain operating reserves in

accordance with Good Utility Practice.

1.1.7. Curtailment

A reduction in firm or non-firm transmission service in response to a transmission capacity shortage as a result of system reliability conditions.

1.1.8. Delivering Party

The entity supplying capacity and energy to be transmitted at Point(s) of Receipt.

1.1.9. Designated Agent

Any entity that performs actions or functions on behalf of the Transmission Provider, an Eligible Customer, or the Transmission Customer required under the Tariff. During the term of the SPP/Southwestern Agreement, SPP will act as Southwestern's Designated Agent for administering all provisions of this Tariff, including billing, OASIS administration, performance of system impact studies, and approval of transmission requests and schedules, pursuant to the terms and conditions of the SPP/Southwestern Agreement.

1.1.10. Direct Assignment Facilities

Facilities or portions of facilities that are constructed by the Transmission Provider for the sole use/benefit of a particular Transmission Customer requesting service under the Tariff. Direct Assignment Facilities shall be specified in the Service Agreement that governs service to the Transmission Customer.

1.1.11. Eligible Customer:

1.1.11.1. Any electric utility (including the Transmission Provider and any power marketer), Federal power marketing agency, or any person generating electric energy for sale for resale is an Eligible Customer under the Tariff. Electric energy sold or produced by such entity may be electric energy produced in the United States, Canada or Mexico. However, with respect to transmission service that the Commission is prohibited from ordering by Section 212(h) of the Federal Power Act, such entity is eligible only if the service is provided pursuant to a state requirement that the Transmission Provider offer the unbundled transmission service, or pursuant to a voluntary offer of such service by the Transmission Provider.

1.1.11.2. Any Retail customer taking unbundled transmission service pursuant to a state requirement that the Transmission Provider offer the transmission service, or pursuant to a voluntary offer of such service by the Transmission Provider is an Eligible Customer under the Tariff.

1.1.12. Facilities Study

An engineering study conducted by the Transmission Provider to determine the required modifications to the Transmission Provider's Transmission System, including the cost and scheduled completion date for such modifications, that will be required to provide the requested transmission service.

1.1.13. Firm Point-To-Point Transmission Service

Transmission Service under this Tariff that is reserved and/or scheduled between specified Points of Receipt and Delivery pursuant to Part II of this Tariff.

1.1.14. Good Utility Practice

Any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

1.1.15. Interruption

A reduction in non-firm transmission service due to economic reasons pursuant to Section 2.2.7.

1.1.16. Load Ratio Share

Ratio of a Transmission Customer's Network Load to the Transmission Provider's total load computed in accordance with Sections 3.7.2. and 3.7.3. of the Network Integration Transmission Service under Part III of the Tariff and calculated on a rolling twelve month basis.

1.1.17. Load Shedding

The systematic reduction of system demand by temporarily decreasing load in response to transmission system or area capacity shortages, system instability, or voltage control considerations under Part III of the Tariff.

1.1.18. Long-Term Firm Point-To-Point Transmission Service

Firm Point-To-Point Transmission Service under Part II of the Tariff with a term of one year or more.

1.1.19. Native Load Customers

The wholesale and retail power customers of the Transmission Provider on

whose behalf the Transmission Provider, by statute, franchise, regulatory requirement, or contract, has undertaken an obligation to construct and operate the Transmission Provider's system to meet the reliable electric needs of such customers.

1.1.20. Network Customer

An entity receiving transmission service pursuant to the terms of the Transmission Provider's Network Integration Transmission Service under Part III of the Tariff.

1.1.21. Network Integration Transmission Service

The transmission service provided under Part III of the Tariff.

1.1.22. Network Load

The load that a Network Customer designates for Network Integration Transmission Service under Part III of the Tariff. The Network Customer's Network Load shall include all load served by the output of any Network Resources designated by the Network Customer. A Network Customer may elect to designate less than its total load as Network Load but may not designate only part of the load at a discrete Point of Delivery. Where an Eligible Customer has elected not to designate a particular load at discrete points of delivery as Network Load, the Eligible Customer is responsible for making separate arrangements under Part II of the Tariff for any Point-To-Point Transmission Service that may be necessary for such non-designated load.

1.1.23. Network Operating Agreement

An executed agreement that contains the terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Network Integration Transmission Service under Part III of the Tariff.

1.1.24. Network Operating Committee

A group made up of representatives from the Network Customer(s) and the Transmission Provider established to coordinate operating criteria and other technical considerations required for implementation of Network Integration Transmission Service under Part III of this Tariff.

1.1.25. Network Resource

Any designated generating resource owned, purchased, or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

1.1.26. Network Upgrades

Modifications or additions to transmission-related facilities that are integrated with and support the Transmission Provider's overall Transmission System for the general benefit of all users of such Transmission System.

1.1.27. Non-Firm Point-To-Point Transmission Service

Point-To-Point Transmission Service under the Tariff that is reserved and scheduled on an as-available basis and is subject to Curtailment or Interruption as set forth in Section 2.2.7. under Part II of the Tariff. Non-Firm Point-To-Point Transmission Service is available on a stand-alone basis for periods ranging from one hour to one month.

1.1.28. Open Access Same-Time Information System (OASIS)

The information system and standards of conduct contained in Part 37 of the Commission's regulations and all additional requirements implemented by subsequent Commission orders dealing with OASIS.

1.1.29. Part I

Tariff Definitions and Common Service Provisions contained in Section 1., including 1.1. through 1.12.

1.1.30. Part II

Tariff Section 2., including 2.1. through 2.15., pertaining to Point-To-Point Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.

1.1.31. Part III

Tariff Section 3., including 3.1. through 3.9., pertaining to Network Integration Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.

1.1.32. Parties

The Transmission Provider and the Transmission Customer receiving service under the Tariff.

1.1.33. Point(s) of Delivery

Point(s) on the Transmission Provider's Transmission System where capacity and energy transmitted by the Transmission Provider will be made available to the Receiving Party under Part II of the Tariff. The Point(s) of Delivery shall be

specified in the Service Agreement for Long-Term Firm Point-to-Point Transmission Service.

1.1.34. Point(s) of Receipt

Point(s) of interconnection on the Transmission Provider's Transmission System where capacity and energy will be made available to the Transmission Provider by the Delivering Party under Part II of the Tariff. The Point(s) of Receipt shall be specified in the Service Agreement for Long-Term Firm Point-to-Point Transmission Service.

1.1.35. Point-To-Point Transmission Service

The reservation and transmission of capacity and energy on either a firm or non-firm basis from the Point(s) of Receipt to the Point(s) of Delivery under Part II of the Tariff.

1.1.36. Power Purchaser

The entity that is purchasing the capacity and energy to be transmitted under the Tariff.

1.1.37. Receiving Party

The entity receiving the capacity and energy transmitted by the Transmission Provider to Point(s) of Delivery.

1.1.38. Redispatch

The modification of generation patterns in such a way as to create countervailing flows on a constrained flowgate for the purpose of relieving the constraint.

1.1.39. Regional Transmission Group (RTG)

A voluntary organization of transmission owners, transmission users and other entities approved by the Commission to efficiently coordinate transmission planning (and expansion), operation and use on a regional (and interregional) basis.

1.1.40. Reserved Capacity

The maximum amount of capacity and energy that the Transmission Provider agrees to transmit for the Transmission Customer over the Transmission Provider's Transmission System between the Point(s) of Receipt and the Point(s) of Delivery under Part II of the Tariff. Reserved Capacity shall be expressed in terms of whole megawatts on a sixty (60) minute interval (commencing on the clock hour) basis.

1.1.41. Service Agreement

The initial agreement and any amendments or supplements thereto entered into by the Transmission Customer and the Transmission Provider for service under the Tariff.

1.1.42. Service Commencement Date

The date the Transmission Provider begins to provide service pursuant to the terms of an executed Service Agreement, or the date the Transmission Provider begins to provide service in accordance with Section 2.3.3. or Section 3.2.1. under the Tariff.

1.1.43. Short-Term Firm Point-To-Point Transmission Service

Firm Point-To-Point Transmission Service under Part II of the Tariff with a term of less than one year.

1.1.44. Southwest Power Pool, Inc. (SPP)

A regional transmission organization, incorporated as a not-for-profit corporation in the State of Arkansas, acting as Southwestern's Designated Agent for specific functions and as Southwestern's reliability coordinator, pursuant to the SPP/Southwestern Agreement.

1.1.45. SPP Footprint

Facilities committed for use under the SPP Tariff by those utilities executing an SPP membership agreement as a transmission owner and Southwestern facilities pursuant to the SPP/Southwestern Agreement.

1.1.46. SPP/Southwestern Agreement

Contract No. DE-PM75-05SW00512, as entered into between Southwestern Power Administration and the Southwest Power Pool, Inc., on March 31, 2005, with effective date of April 1, 2005, including any modifications and subsequent amendments. The SPP/Southwestern Agreement, as filed by SPP and accepted by FERC, shall by this reference be made a part hereof.

1.1.47. System Impact Study

An assessment by the Transmission Provider of (i) the adequacy of the Transmission System to accommodate a request for either Firm Point-To-Point Transmission Service or Network Integration Transmission Service and (ii) whether any additional costs may be incurred in order to provide transmission service.

1.1.48. System of Southwestern

The transmission and related facilities of Southwestern that are constructed or acquired, by purchase or other agreement, as authorized under Section 5 of the Flood Control Act of 1944, and the transmission and related facilities of the United States Army Corps of Engineers.

1.1.49. Third-Party Sale

Any sale for resale in interstate commerce to a Power Purchaser that is not designated as part of Network Load under the Network Integration Transmission Service. Third Party Sales do not include sales of Federal power.

1.1.50. Transmission Customer

Any Eligible Customer (or its Designated Agent) that (i) executes a Service Agreement or (ii) requests in writing that the Transmission Provider provide transmission service without a Service Agreement, pursuant to Section 2.3.3. or 3.2.1. of the Tariff. This term is used in the Part I Common Service Provisions to include customers receiving transmission service under Part II and Part III of this Tariff.

1.1.51. Transmission Provider

Southwestern Power Administration, which owns, controls, or operates the facilities used for the transmission of electric energy in interstate commerce and provides transmission service under the Tariff.

1.1.52. Transmission Provider's Monthly Transmission System Peak

The maximum firm usage of the Transmission Provider's Transmission System in a calendar month.

1.1.53. Transmission Service

Point-To-Point Transmission Service provided under Part II of the Tariff on a firm and non-firm basis.

1.1.54. Transmission System

The facilities owned, controlled or operated by the Transmission Provider that are used to provide transmission service under Part II and Part III of the Tariff. The implementation of service under the Tariff may utilize the transmission facilities of SPP pursuant to the SPP/Southwestern Agreement.

1.2. Initial Allocation and Renewal Procedures

1.2.1. Initial Allocation of Available Transmission Capability

For purposes of determining whether existing capability on the Transmission Provider's Transmission System is adequate to accommodate a request for firm service under this Tariff, all Completed Applications for new firm transmission service received during the initial sixty (60) day period commencing with the effective date of the Tariff will be deemed to have been filed simultaneously. A lottery system conducted by an independent party shall be used to assign priorities for Completed Applications filed simultaneously. All Completed Applications for firm transmission service received after the initial sixty (60) day period shall be assigned a priority pursuant to Section 2.1.2.

1.2.2. Reservation Priority For Existing Firm Service Customers

Existing firm service customers (wholesale requirements and transmission-only, with a contract term of one-year or more), have the right to continue to take transmission service from the Transmission Provider when the contract expires, rolls over or is renewed. This transmission reservation priority is independent of whether the existing customer continues to purchase capacity and energy from the Transmission Provider or elects to purchase capacity and energy from another supplier. If at the end of the contract term, the Transmission Provider's Transmission System cannot accommodate all of the requests for transmission service, the existing firm service customer must agree to accept a contract term at least equal to a competing request by any new Eligible Customer and to pay the current rate for such service. This transmission reservation priority for existing firm service customers is an ongoing right that may be exercised at the end of all firm contract terms of one-year or longer.

Effective Date: 8/17/2010

1.3. Ancillary Services

Ancillary Services are needed with transmission service to maintain reliability within and among the Control Areas affected by the transmission service. The Transmission Provider is required to provide (or offer to arrange with the local Control Area operator as discussed below), and the Transmission Customer is required to purchase, the following Ancillary Services (i) Scheduling, System Control and Dispatch, and (ii) Reactive Supply and Voltage Control from Generation Sources.

The Transmission Provider is required to offer to provide (or offer to arrange with the local Control Area operator as discussed below) the following Ancillary Services only to the Transmission Customer serving load within the Transmission Provider's Control Area (i) Regulation and Frequency Response, (ii) Energy Imbalance, (iii) Operating Reserve - Spinning, and (iv) Operating Reserve - Supplemental. The Transmission Customer serving load within the Transmission Provider's Control Area is required to acquire these Ancillary Services, whether from the Transmission Provider, from a third party, or by self-supply. The Transmission Customer may not decline the Transmission Provider's offer of Ancillary Services unless it demonstrates that it has acquired the Ancillary Services from another source. However, when sufficient Federal generation is not available to provide the required Ancillary Services, the Transmission Provider will offer to make every effort to purchase Ancillary Services from others, as available. The costs of such purchases on behalf of a Transmission Customer will be passed directly through to that Transmission Customer. The Transmission Customer must list in its Application which Ancillary Services it will purchase from the Transmission Provider.

If the Transmission Provider is a utility providing transmission service, but is not a Control Area operator, it may be unable to provide some or all of the Ancillary Services. In this case, the Transmission Provider can fulfill its obligation to provide Ancillary Services by acting as the Transmission Customer's agent to secure these Ancillary Services from the Control Area operator. The Transmission Customer may elect to (i) have the Transmission Provider act as its agent, (ii) secure the Ancillary Services directly from the Control Area operator, or (iii) secure the Ancillary Services (discussed in Schedules 3, 4, 5, and 6) from a third party or by self-supply when technically feasible.

The Transmission Provider shall specify the rate treatment and all related terms and conditions in the event of an unauthorized use of Ancillary Services by the Transmission Customer.

The specific Ancillary Services, prices and/or compensation methods are described on the Schedules that are attached to and made a part of the Tariff. Three principal requirements apply to discounts for Ancillary Services provided by the Transmission Provider in conjunction with its provision of transmission service as follows: (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. A discount agreed upon for an Ancillary Service must be offered for the same period to all Eligible Customers on the Transmission Provider's system. Sections 1.3.1. through 1.3.6. below list the six Ancillary Services.

1.3.1. Scheduling, System Control and Dispatch Service

The rates and/or methodology are described in Schedule 1.

1.3.2. Reactive Supply and Voltage Control from Generation Sources Service

The rates and/or methodology are described in Schedule 2.

1.3.3. Regulation and Frequency Response Service

Where applicable the rates and/or methodology are described in Schedule 3.

1.3.4. Energy Imbalance Service

Where applicable the rates and/or methodology are described in Schedule 4.

1.3.5. Operating Reserve - Spinning Reserve Service

Where applicable the rates and/or methodology are described in Schedule 5.

1.3.6. Operating Reserve - Supplemental Reserve Service

Where applicable the rates and/or methodology are described in Schedule 6.

Effective Date: 8/17/2010

1.4. Open Access Same-Time Information System (OASIS)

Terms and conditions regarding Open Access Same-Time Information System and standards of conduct are set forth in 18 CFR § 37 of the Commission's regulations (Open Access Same-Time Information System and Standards of Conduct for Public Utilities). In the event available transmission capability as posted on the OASIS is insufficient to accommodate a request for firm transmission service, additional studies may be required as provided by this Tariff pursuant to Sections 2.7. and 3.5.

Effective Date: 8/17/2010

1.5. Local Furnishing Bonds

1.5.1. Transmission Providers that Own Facilities Financed by Local Furnishing Bonds

This provision is applicable only to Transmission Providers that have financed facilities for the local furnishing of electric energy with tax-exempt bonds, as described in Section 142(f) of the Internal Revenue Code ("local furnishing bonds"). Notwithstanding any other provision of this Tariff, the Transmission Provider shall not be required to provide transmission service to any Eligible Customer pursuant to this Tariff if the provision of such transmission service would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance the Transmission Provider's facilities that would be used in providing such transmission service.

1.5.2. Alternative Procedures for Requesting Transmission Service:

1.5.2.1. If the Transmission Provider determines that the provision of transmission service requested by an Eligible Customer would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance its facilities that would be used in providing such transmission service, it shall advise the Eligible Customer within thirty (30) days of receipt of the Completed Application.

1.5.2.2. If the Eligible Customer thereafter renews its request for the same transmission service referred to in (i) by tendering an application under Section 211 of the Federal Power Act, the Transmission Provider, within ten (10) days of receiving a copy of the Section 211 application, will waive its rights to a request for service under Section 213(a) of the Federal Power Act and to the issuance of a proposed order under Section 212(c) of the Federal Power Act. The Commission, upon receipt of the Transmission Provider's waiver of its rights to a request for service under Section 213(a) of the Federal Power Act and to the issuance of a proposed order under Section 212(c) of the Federal Power Act, shall issue an order under Section 211 of the Federal Power Act. Upon issuance of the order under Section 211 of the Federal Power Act, the Transmission Provider shall be required to provide the requested transmission service in accordance with the terms and conditions of this Tariff.

Effective Date: 8/17/2010

1.6. Reciprocity

A Transmission Customer receiving transmission service under this Tariff agrees to provide comparable transmission service that it is capable of providing to the Transmission Provider on similar terms and conditions over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer and over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer's corporate affiliates. A Transmission Customer that is a member of a power pool or Regional Transmission Group also agrees to provide comparable transmission service to the members of such power pool and Regional Transmission Group on similar terms and conditions over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer and over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer's corporate affiliates.

This reciprocity requirement applies not only to the Transmission Customer that obtains transmission service under the Tariff, but also to all parties to a transaction that involves the use of transmission service under the Tariff, including the power seller, buyer and any intermediary, such as a power marketer. This reciprocity requirement also applies to any Eligible Customer that owns, controls or operates transmission facilities that uses an intermediary, such as a power marketer, to request transmission service under the Tariff. If the Transmission Customer does not own, control or operate transmission facilities, it must include in its Application a sworn statement of one of its duly authorized officers or other representatives that the purpose of its Application is not to assist an Eligible Customer to avoid the requirements of this provision.

Effective Date: 8/17/2010

1.7. Billing and Payment

1.7.1. Billing Procedure

Within a reasonable time after the first day of each month, the Transmission Provider shall submit an invoice to the Transmission Customer for the charges for all services furnished under the Tariff during the preceding month. The invoice shall be paid by the Transmission Customer within twenty (20) days of date of the invoice, or the next business day thereafter. All payments shall be made in immediately available funds payable to the Transmission Provider, or by wire transfer to a bank named by the Transmission Provider.

1.7.2. Interest on Unpaid Balances

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

1.7.3. Customer Default

In the event the Transmission Customer fails, for any reason other than a billing dispute as described below, to make payment to the Transmission Provider on or before the due date as described above, and such failure of payment is not corrected within thirty (30) calendar days after the Transmission Provider notifies the Transmission Customer to cure such failure, a default by the Transmission Customer shall be deemed to exist. Within the same 30 calendar days after notice of failure to make payment, the Transmission Customer shall have the right of appeal to the Administrator, Southwestern Power Administration. The Transmission Provider shall continue service until the Administrator makes a determination on the Transmission Customer's appeal. Service may be terminated without further notice if Transmission Customer's appeal is denied. In the event of a billing dispute between the Transmission Provider and the Transmission Customer, the Transmission Provider will continue to provide service under the Service Agreement as long as the Transmission Customer (i) continues to make all payments not in dispute, and (ii) pays into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If the Transmission Customer fails to meet these two requirements for continuation of service, then the Transmission Provider may provide notice to the Transmission Customer of its intention to suspend service in sixty (60) days, in accordance with Commission policy.

1.7.4. Payment Process

For service agreements administered by the Transmission Provider, the following payment process will apply:

Payment of amounts due to the Transmission Provider may be made through electronic funds transfer (EFT) or may be submitted as checks and mailed to:

Southwestern Power Administration
P.O. Box 845994
Dallas, Texas 75284-5994

EFT payments shall conform to the Transmission Provider's protocols for electronic transfer of funds in effect at the time of the payment. The designation of the address where payment is to be submitted may be changed by the Transmission Provider upon 30 days' written notice to the Transmission Customer. The Parties shall exchange such reports and information as either Party requires for billing purposes.

For service agreements executed on or after April 1, 2005 that are administered by the Designated Agent, the following payment process provisions will apply:

Billing Procedure: Within a reasonable time after the first day of each month, the Designated Agent shall submit an invoice to the Transmission Customer for the charges for all services furnished under the Tariff during the preceding month. The invoice shall be paid by the Transmission Customer within fifteen (15) days of receipt. All payments shall be made in immediately available funds payable to the Designated Agent, or by wire transfer to a bank named by the Designated Agent. Invoices may be issued using estimated data, to the extent actual data is not available by the fifth (5th) working day of the month following service. Adjustments reflecting the difference in billing between the estimated and actual data will be included on the next regular invoice, with such adjustment being due when that invoice is due. Any other corrections found to be necessary will be made on the next regular monthly invoice. Bills will be adjusted to correct for all provable meter errors. Billing adjustments for reasons other than (a) the replacement of estimated data with actual data for service provided, or (b) provable meter error, shall be limited to those corrections and adjustments found to be appropriate for such service within one year after rendition of the bill reflecting the actual data for such service. Adjustments shall be made for any billing with a monetary impact in excess of 2% of the billing for the relevant period for an individual Transmission Customer or any aggregation thereof. At its sole discretion, the Designated Agent may make billing adjustments for lesser amounts.

Effective Date: 8/17/2010

1.8. Accounting for Transmission Provider's Use of Tariff

The Transmission Provider shall record the following amounts, as outlined below.

1.8.1. Transmission Revenues

Include in a separate operating revenue account or subaccount the revenues it receives from Transmission Service when making Third-Party Sales under Part II of the Tariff.

1.8.2. Study Costs and Revenues

Include in a separate transmission operating expense account or subaccount, costs properly chargeable to expense that are incurred to perform any System Impact Studies or Facilities Studies which the Transmission Provider conducts to determine if it must construct new transmission facilities or upgrades necessary for its own uses, including making Third-Party Sales under the Tariff; and include in a separate operating revenue account or subaccount the revenues received for System Impact Studies or Facilities Studies performed when such amounts are separately stated and identified in the Transmission Customer's billing under the Tariff.

Effective Date: 8/17/2010

1.9. Regulatory Filings

Nothing contained in the Tariff or any Service Agreement shall be construed as affecting in any way the ability of any Party receiving service under the Tariff to exercise its rights under the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder.

Effective Date: 8/17/2010

1.10. Force Majeure and Indemnification

1.10.1. Force Majeure

An event of Force Majeure means any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any Curtailment, order, regulation or restriction imposed by governmental military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include an act of negligence or intentional wrongdoing. Neither the Transmission Provider nor the Transmission Customer will be considered in default as to any obligation under this Tariff if prevented from fulfilling the obligation due to an event of Force Majeure. However, a Party whose performance under this Tariff is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Tariff.

1.10.2. Indemnification

The Transmission Customer shall at all times indemnify, defend, and save the Transmission Provider harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demands, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the Transmission Provider's performance of its obligations under this Tariff on behalf of the Transmission Customer, except in cases of negligence or intentional wrongdoing by the Transmission Provider. The liability of the Transmission Provider shall be determined in accordance with the provisions of the Federal Tort Claims Act, as amended.

Effective Date: 8/17/2010

1.11. Creditworthiness

For the purpose of determining the ability of the Transmission Customer to meet its obligations related to service hereunder, the Transmission Provider may require reasonable credit review procedures. This review shall be made in accordance with standard commercial practices. In addition, the Transmission Provider may require the Transmission Customer to provide and maintain in effect during the term of the Service Agreement, an unconditional and irrevocable letter of credit as security to meet its responsibilities and obligations under the Tariff, or an alternative form of security proposed by the Transmission Customer and acceptable to the Transmission Provider and consistent with commercial practices established by the Uniform Commercial Code that protects the Transmission Provider against the risk of non-payment.

Effective Date: 8/17/2010

1.12. Dispute Resolution Procedures

1.12.1. Internal Dispute Resolution Procedures

Any dispute between a Transmission Customer and the Transmission Provider involving transmission service under the Tariff shall be referred to a designated senior representative of the Transmission Provider and a senior representative of the Transmission Customer for resolution on an informal basis as promptly as practicable. In the event the designated representatives are unable to resolve the dispute within thirty (30) days [or such other period as the Parties may agree upon] by mutual agreement, such dispute may be resolved in accordance with the procedures set forth below.

1.12.2. External Dispute Resolution Procedures

Any complaint arising concerning implementation of this Tariff shall be resolved as follows:

1.12.2.1. through a dispute resolution process, pursuant to the terms of a regional transmission association governing agreement of which both Parties are members; or

1.12.2.2. if both Parties are not members of the same regional transmission association, through a dispute resolution process agreed to by the Parties, or through a transmission complaint filed with the Commission, to the extent the Commission has jurisdiction over such dispute.

1.12.3. Administrative Disputes Resolution Act

Any dispute regarding service provided under the Service Agreement will be resolved in a manner consistent with the Administrative Disputes Resolution Act, as amended, subject to statutory and regulatory limits on the Transmission Provider's authority to submit disputes to arbitration.

1.12.4. Rights Under the Federal Power Act

Nothing in this section shall restrict the rights of any party to file a Complaint with the Commission under relevant provisions of the Federal Power Act.

Effective Date: 8/17/2010

2. POINT-TO-POINT TRANSMISSION SERVICE

Preamble

The Transmission Provider will provide Firm and Non-Firm Point-To-Point Transmission Service pursuant to the applicable terms and conditions of this Tariff. Point-To-Point Transmission Service is for the receipt of capacity and energy at designated Point(s) of Receipt and the transmission of such capacity and energy to designated Point(s) of Delivery. Pursuant to the SPP/Southwestern Agreement, which became effective April 1, 2005, SPP, as Southwestern's Designated Agent, administers this Tariff for all scheduled transmission transactions, including OASIS administration, billing, approval of requests and schedules, system impact studies, and any curtailments of service, as would Southwestern as the Transmission Provider.

Effective Date: 8/17/2010

2.1. Nature of Firm Point-To-Point Transmission Service

2.1.1. Term

The minimum term of Firm Point-To-Point Transmission Service shall be one day and the maximum term shall be specified in the Service Agreement.

2.1.2. Reservation Priority

Long-Term Firm Point-To-Point Transmission Service shall be available on a first-come, first-served basis i.e., in the chronological sequence in which each Transmission Customer reserved service. Reservations for Short-Term Firm Point-To-Point Transmission Service will be conditional based upon the length of the requested transaction. If the Transmission System becomes oversubscribed, requests for longer term service may preempt requests for shorter term service up to the following deadlines; one day before the commencement of daily service, one week before the commencement of weekly service, and one month before the commencement of monthly service. Before the conditional reservation deadline, if available transmission capability is insufficient to satisfy all Applications, an Eligible Customer with a reservation for shorter term service has the right of first refusal to match any longer term reservation before losing its reservation priority. A longer term competing request for Short-Term Firm Point-To-Point Transmission Service will be granted if the Eligible Customer with the right of first refusal does not agree to match the competing request within 24 hours (or earlier if necessary to comply with the scheduling deadlines provided in Section 2.1.8.) from being notified by the Transmission Provider of a longer-term competing request for Short-Term Firm Point-To-Point Transmission Service. After the conditional reservation deadline, service will commence pursuant to the terms of Part II of the Tariff. Firm Point-To-Point Transmission Service will always have a reservation priority over Non-Firm Point-To-Point Transmission Service under the Tariff. All Long-Term Firm Point-To-Point Transmission Service will have equal reservation priority with Native Load Customers and Network Customers. Reservation priorities for existing firm service customers are provided in Section 1.2.2.

2.1.3. Use of Firm Transmission Service by the Transmission Provider

The Transmission Provider will be subject to the rates, terms and conditions of Part II of the Tariff when making Third-Party Sales under agreements executed on or after March 7, 1998. The Transmission Provider will maintain separate accounting, pursuant to Section 1.8., for any use of the Point-To-Point Transmission Service to make Third-Party Sales.

2.1.4. Service Agreements

The Transmission Provider shall offer a standard form Firm Point-To-Point Transmission Service Agreement (Attachment A) to an Eligible Customer when it submits a Completed Application for Long-Term Firm Point-To-Point Transmission Service. The Transmission Provider shall offer a standard form Firm Point-to-Point Transmission Service Agreement (Attachment B) to an Eligible Customer when it first submits a Completed Application for Short-Term

Firm Point-to-Point Transmission Service pursuant to the Tariff.

2.1.5. Transmission Customer Obligations for Facility Additions or Redispatch Costs

In cases where the Transmission Provider determines that the Transmission System is not capable of providing Firm Point-To-Point Transmission Service without (1) degrading or impairing the reliability of service to Native Load Customers, Network Customers, and other Transmission Customers taking Firm Point-To-Point Transmission Service, or (2) interfering with the Transmission Provider's ability to meet prior firm contractual commitments to others, the Transmission Provider will be obligated to expand or upgrade its Transmission System pursuant to the terms of Section 2.3.4., and subject to the Transmission Provider's authority under Federal law to complete the expansion or upgrade. The Transmission Customer must agree to compensate the Transmission Provider in advance for any necessary transmission facility additions pursuant to the terms of Section 2.15. To the extent the Transmission Provider can relieve any system constraint more economically by redispatching the Transmission Provider's resources than through constructing Network Upgrades, it shall do so, provided that the Eligible Customer agrees to compensate the Transmission Provider pursuant to the terms of Section 2.15. Any redispatch, Network Upgrade or Direct Assignment Facilities costs to be charged to the Transmission Customer on an incremental basis under the Tariff will be specified in the Service Agreement or a separate agreement, as appropriate, prior to initiating service.

2.1.6. Curtailment of Firm Transmission Service

In the event that a Curtailment on the Transmission Provider's Transmission System, or a portion thereof, is required to maintain reliable operation of such system, Curtailments will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint. If multiple transactions require Curtailment, to the extent practicable and consistent with Good Utility Practice, the Transmission Provider will curtail service to Network Customers and Transmission Customers taking Firm Point-To-Point Transmission Service on a basis comparable to the curtailment of service to the Transmission Provider's Native Load Customers. All Curtailments will be made on a non-discriminatory basis; however, Non-Firm Point-To-Point Transmission Service shall be subordinate to Firm Transmission Service. When the Transmission Provider determines that an Electrical emergency exists on its Transmission System and implements emergency procedures to Curtail Firm Transmission Service, the Transmission Customer shall make the required reductions upon request of the Transmission Provider. However, the Transmission Provider reserves the right to Curtail, in whole or in part, any Firm Transmission Service provided under the Tariff when, in the Transmission Provider's sole discretion, an emergency or other unforeseen condition impairs or degrades the reliability of its Transmission System. The Transmission Provider will notify all affected Transmission Customers in a timely manner of any scheduled Curtailments.

2.1.7. Classification of Firm Transmission Service:

2.1.7.1. The Transmission Customer taking Firm Point-To-Point Transmission Service may (1) change its Receipt and Delivery Points to obtain service

on a non-firm basis consistent with the terms of Section 2.10.1. or (2) request a modification of the Points of Receipt or Delivery on a firm basis pursuant to the terms of Section 2.10.2.

2.1.7.2. The Transmission Customer may purchase transmission service to make sales of capacity and energy from multiple generating units that are on the Transmission Provider's Transmission System. For such a purchase of transmission service, the resources will be designated as multiple Points of Receipt, unless the multiple generating units are at the same generating plant in which case the units would be treated as a single Point of Receipt.

2.1.7.3. The Transmission Provider shall provide firm deliveries of capacity and energy from the Point(s) of Receipt to the Point(s) of Delivery. Each Point of Receipt at which firm transmission capacity is reserved by the Transmission Customer shall be set forth in the Firm Point-To-Point Service Agreement for Long-Term Firm Transmission Service along with a corresponding capacity reservation associated with each Point of Receipt. Points of Receipt and corresponding capacity reservations shall be as mutually agreed upon by the Parties for Short-Term Firm Transmission. Each Point of Delivery at which firm transmission capacity is reserved by the Transmission Customer shall be set forth in the Firm Point-To-Point Service Agreement for Long-Term Firm Transmission Service along with a corresponding capacity reservation associated with each Point of Delivery. Points of Delivery and corresponding capacity reservations shall be as mutually agreed upon by the Parties for Short-Term Firm Transmission. The greater of either (1) the sum of the capacity reservations at the Point(s) of Receipt, or (2) the sum of the capacity reservations at the Point(s) of Delivery shall be the Transmission Customer's Reserved Capacity. The Transmission Customer will be billed for its Reserved Capacity under the terms of Schedule 7. The Transmission Customer may not exceed its firm capacity reserved at each Point of Receipt and each Point of Delivery except as otherwise specified in Section 2.10. The Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that a Transmission Customer, (including Third-Party Sales by the Transmission Provider) exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery.

2.1.8. Scheduling of Firm Point-To-Point Transmission Service

Schedules for the Transmission Customer's Firm Point-To-Point Transmission Service must be submitted to the Transmission Provider in accordance with the requirements of Attachment J. Late schedules will be accommodated, if practicable. Hour-to-hour schedules of any capacity and energy that is to be delivered must be stated in increments of 1,000 kW per hour. Transmission Customers within the Transmission Provider's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate their service requests at a common point of receipt into units of 1,000 kW per hour for scheduling and billing purposes. Scheduling changes will be accommodated as provided in Attachment J. The Transmission Provider will furnish to the Delivering Party's system operator, hour-to-hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by such schedules.

Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the Transmission Provider, and the Transmission Provider shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

Effective Date: 8/17/2010

2.2. Nature of Non-Firm Point-To-Point Transmission Service

2.2.1. Term

Non-Firm Point-To-Point Transmission Service will be available for periods ranging from one (1) hour to one (1) month. However, a Purchaser of Non-Firm Point-To-Point Transmission Service will be entitled to reserve a sequential term of service (such as a sequential monthly term without having to wait for the initial term to expire before requesting another monthly term) so that the total time period for which the reservation applies is greater than one month, subject to the requirements of Section 2.6.3.

2.2.2. Reservation Priority

Non-Firm Point-To-Point Transmission Service shall be available from transmission capability in excess of that needed for reliable service to Native Load Customers, Network Customers, and other Transmission Customers taking Long-Term and Short-Term Firm Point-To-Point Transmission Service. A higher priority will be assigned to reservations with a longer duration of service. In the event the Transmission System is constrained, competing requests of equal duration will be prioritized based on the highest price offered by the Eligible Customer for the Transmission Service. Eligible Customers that have already reserved shorter term service have the right of first refusal to match any longer term reservation before being preempted. A longer term competing request for Non-Firm Point-To-Point Transmission Service will be granted if the Eligible Customer with the right of first refusal does not agree to match the competing request: (a) immediately for hourly Non-Firm Point-To-Point Transmission Service after notification by the Transmission Provider; and, (b) within 24 hours (or earlier if necessary to comply with the scheduling deadlines provided in Section 2.2.6.) for Non-Firm Point-To-Point Transmission Service other than hourly transactions after notification by the Transmission Provider. Transmission service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service. Non-Firm Point-To-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have the lowest reservation priority under the Tariff.

2.2.3. Use of Non-Firm Point-To-Point Transmission Service by the Transmission Provider

The Transmission Provider will be subject to the rates, terms and conditions of Part II of the Tariff when making Third-Party Sales under agreements executed on or after March 7, 1998. The Transmission Provider will maintain separate accounting, pursuant to Section 1.8., for any use of Non-Firm Point-To-Point Transmission Service to make Third-Party Sales.

2.2.4. Service Agreements

The Transmission Provider shall offer a standard form Non-Firm Point-To-Point Transmission Service Agreement (Attachment B) to an Eligible Customer when it first submits a Completed Application for Non-Firm Point-To-Point Transmission

Service pursuant to the Tariff.

2.2.5. Classification of Non-Firm Point-To-Point Transmission Service

Non-Firm Point-To-Point Transmission Service shall be offered under terms and conditions contained in Part II of the Tariff. The Transmission Provider undertakes no obligation under the Tariff to plan its Transmission System in order to have sufficient capacity for Non-Firm Point-To-Point Transmission Service. Parties requesting Non-Firm Point-To-Point Transmission Service for the transmission of firm power do so with the full realization that such service is subject to availability and to Curtailment or Interruption under the terms of the Tariff. The Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that a Transmission Customer (including Third-Party Sales by the Transmission Provider) exceeds its non-firm capacity reservation. Non-Firm Point-To-Point Transmission Service shall include transmission of energy on an hourly basis and transmission of scheduled short-term capacity and energy on a daily, weekly or monthly basis, but not to exceed one month's reservation for any one Application under Schedule 8.

2.2.6. Scheduling of Non-Firm Point-To-Point Transmission Service

Schedules for Non-Firm Point-To-Point Transmission Service must be submitted to the Transmission Provider in accordance with the requirements of Attachment J. Late schedules will be accommodated, if practicable. Hour-to-hour schedules of energy that are to be delivered must be stated in increments of 1,000 kW per hour. Transmission Customers within the Transmission Provider's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate their schedules at a common Point of Receipt into units of 1,000 kW per hour. Scheduling changes will be permitted as provided for in Attachment J. The Transmission Provider will furnish to the Delivering Party's system operator, hour-to-hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by such schedules. Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the Transmission Provider, and the Transmission Provider shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

2.2.7. Curtailment or Interruption of Service

The Transmission Provider reserves the right to Curtail, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for reliability reasons when an emergency or other unforeseen condition threatens to impair or degrade the reliability of its Transmission System. The Transmission Provider reserves the right to Interrupt, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for economic reasons in order to accommodate (1) a request for Firm Transmission Service, (2) a request for Non-Firm Point-To-Point Transmission Service of greater duration, (3) a request for Non-Firm Point-To-Point Transmission Service of equal duration with a higher price, or (4) transmission service for Network Customers from non-designated resources. The Transmission Provider also will discontinue or reduce service to the Transmission Customer to the extent that deliveries for transmission are

discontinued or reduced at the Point(s) of Receipt. Where required, Curtailments or Interruptions will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint; however, Non-Firm Point-To-Point Transmission Service shall be subordinate to Firm Transmission Service. If multiple transactions require Curtailment or Interruption, to the extent practicable and consistent with Good Utility Practice, Curtailments or Interruptions will be made to transactions of the shortest term (e.g., hourly non-firm transactions will be Curtailed or Interrupted before daily non-firm transactions and daily non-firm transactions will be Curtailed or Interrupted before weekly non-firm transactions). Transmission service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service under the Tariff. Non-Firm Point-To-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have a lower priority than any Non-Firm Point-To-Point Transmission Service under the Tariff. The Transmission Provider will provide advance notice of Curtailment or Interruption where such notice can be provided consistent with Good Utility Practice.

Effective Date: 8/17/2010

2.3. Service Availability

2.3.1. General Conditions

The Transmission Provider will provide Firm and Non-Firm Point-To-Point Transmission Service over, on or across its Transmission System to any Transmission Customer that has met the requirements of Section 2.4.

2.3.2. Determination of Available Transmission Capability

A description of the Transmission Provider's specific methodology for assessing available transmission capability posted on the Transmission Provider's OASIS (Section 1.4.) is contained in Attachment C of the Tariff. In the event sufficient transmission capability may not exist to accommodate a service request, the Transmission Provider will respond by performing a System Impact Study.

2.3.3. Initiating Service in the Absence of an Executed Service Agreement

If the Transmission Provider and the Transmission Customer requesting Firm or Non-Firm Point-To-Point Transmission Service cannot agree on all the terms and conditions of the Point-To-Point Service Agreement, the Transmission Provider shall commence providing Transmission Service subject to the Transmission Customer agreeing to (i) compensate the Transmission Provider at the existing rate placed in effect pursuant to Federal law, regulations, and policies, and (ii) comply with the terms and conditions of the Tariff including paying the appropriate processing fees in accordance with the terms of Section 2.5.4. If the Transmission Customer cannot accept all of the terms and conditions of the offered Service Agreement, the Transmission Customer may request resolution of the unacceptable terms and conditions under Section 1.12., Dispute Resolution Procedures, of the Tariff. Any changes resulting from the dispute resolution procedures will be effective upon the date of initial service.

2.3.4. Obligation to Provide Transmission Service that Requires Expansion or Modification of the Transmission System

If the Transmission Provider determines that it cannot accommodate a Completed Application for Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will use due diligence to expand or modify its Transmission System to provide the requested Firm Transmission Service, provided the Transmission Customer agrees to compensate the Transmission Provider in advance for such costs pursuant to the terms of Section 2.15. The Transmission Provider will conform to Good Utility Practice in determining the need for new facilities and in the design and construction of such facilities. The obligation applies only to those facilities that the Transmission Provider has the right to expand or modify.

2.3.5. Deferral of Service

The Transmission Provider may defer providing service until it completes construction of new transmission facilities or upgrades needed to provide Firm

Point-To-Point Transmission Service whenever the Transmission Provider determines that providing the requested service would, without such new facilities or upgrades, impair or degrade reliability to any existing firm services.

2.3.6. Other Transmission Service Schedules

Eligible Customers receiving transmission service under other agreements on file with the Commission may continue to receive transmission service under those agreements until such time as those agreements may be modified by the Commission.

2.3.7. Real Power Losses

Real Power Losses are associated with all transmission service. The Transmission Provider is not obligated to provide Real Power Losses. The Transmission Customer is responsible for replacing losses associated with all transmission service as calculated by the Transmission Provider. The applicable Real Power Loss factors are specified in the Transmission Provider's rate schedule for transmission service, and may be adjusted, from time to time, in accordance with the results of periodic studies.

Effective Date: 8/17/2010

2.4. Transmission Customer Responsibilities

2.4.1. Conditions Required of Transmission Customers

Point-To-Point Transmission Service shall be provided by the Transmission Provider only if the following conditions are satisfied by the Transmission Customer:

2.4.1.1. The Transmission Customer has pending a Completed Application for service;

2.4.1.2. The Transmission Customer meets the creditworthiness criteria set forth in Section 1.11.;

2.4.1.3. The Transmission Customer will have arrangements in place for any other transmission service necessary to effect the delivery from the generating source to the Transmission Provider prior to the time service under Part II of the Tariff commences;

2.4.1.4. The Transmission Customer agrees to pay for any facilities constructed and chargeable to such Transmission Customer under Part II of the Tariff, whether or not the Transmission Customer takes service for the full term of its reservation; and

2.4.1.5. The Transmission Customer has executed a Point-To-Point Service Agreement or has agreed to receive service pursuant to Section 2.3.3.

2.4.2. Transmission Customer Responsibility for Third-Party Arrangements

Any scheduling arrangements that may be required by other electric systems shall be the responsibility of the Transmission Customer requesting service. The Transmission Customer shall provide, unless waived by the Transmission Provider, notification to the Transmission Provider identifying such systems and authorizing them to schedule the capacity and energy to be transmitted by the Transmission Provider pursuant to Part II of the Tariff on behalf of the Receiving Party at the Point of Delivery or the Delivering Party at the Point of Receipt. However, the Transmission Provider will undertake reasonable efforts to assist the Transmission Customer in making such arrangements, including, without limitation, providing any information or data required by such other electric system pursuant to Good Utility Practice.

2.5. Firm Point-To-Point Transmission Procedures

2.5.1. Application

All Firm Point-To-Point Transmission Service requests should be submitted by entering the information listed below on the Transmission Provider's OASIS.

2.5.2. Timing Requirements

Attachment J lists the timing requirements applicable to a transmission request, the evaluation of a request, and the response of the Transmission Customer to the evaluation of a request.

2.5.3. Completed Application

A Completed Application shall provide all of the information included in 18 CFR § 2.20 including but not limited to the following:

2.5.3.1. The identity, address, telephone number and facsimile number of the entity requesting service;

2.5.3.2. A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;

2.5.3.3. The location of the Point(s) of Receipt and Point(s) of Delivery and the identities of the Delivering Parties and the Receiving Parties;

2.5.3.4. The location of the generating facility(ies) supplying the capacity and energy and the location of the load ultimately served by the capacity and energy transmitted. The Transmission Provider will treat this information as confidential except to the extent that disclosure of this information is required by the Tariff, by Federal law, by regulatory or judicial order, for reliability purposes pursuant to Good Utility Practice or pursuant to RTG transmission information sharing agreements. The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations;

2.5.3.5. A description of the supply characteristics of the capacity and energy to be delivered;

2.5.3.6. An estimate of the capacity and energy expected to be delivered to the Receiving Party;

2.5.3.7. The Service Commencement Date and the term of the requested Transmission Service; and

2.5.3.8. The transmission capacity requested for each Point of Receipt and each Point of Delivery on the Transmission Provider's Transmission System;

customers may combine their requests for service in order to satisfy the minimum transmission capacity requirement.

The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations.

2.5.4. Processing Fee

A Completed Application for Firm Point-To-Point Transmission Service also shall include a nonrefundable processing fee of $300 for all requests for Firm Transmission Service of one year or longer. This fee does not apply to costs to complete System Impact Studies or Facility Studies or to add new facilities.

2.5.5. Notice of Deficient Application

If an Application fails to meet the requirements of the Tariff, the Transmission Provider shall notify the entity requesting service of the reasons for such failure within the applicable time period specified in Attachment J. The Transmission Provider will attempt to remedy minor deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, the Transmission Provider shall return the Application. Upon receipt of a new or revised Application that fully complies with the requirements of Part II of the Tariff, the Eligible Customer shall be assigned a new priority consistent with the date of the new or revised Application.

2.5.6. Response to a Completed Application

Following receipt of a Completed Application for Firm Point-To-Point Transmission Service, the Transmission Provider shall make a determination of available transmission capability as required in Section 2.3.2. The Transmission Provider shall notify the Eligible Customer within the applicable time period specified in Attachment J after receipt of a Completed Application either (i) if it will be able to provide service without performing a System Impact Study or (ii) if such a study is needed to evaluate the impact of the Application pursuant to Section 2.7.1. Responses by the Transmission Provider must be made as soon as practicable to all completed applications (including applications by its own merchant function) and the timing of such responses must be made on a non-discriminatory basis.

2.5.7. Execution of a Service Agreement

Whenever the Transmission Provider determines that a System Impact Study is not required and that the service can be provided, it shall notify the Eligible Customer within the applicable time period specified in Attachment J after receipt of the Completed Application. Where a System Impact Study is required, the provisions of Section 2.7. will govern the execution of a Service Agreement or the confirmation of a completed Application, whichever is applicable. Failure of an Eligible Customer to execute and return the Service Agreement, request service without an executed service agreement pursuant to Section 2.3.3., or to confirm a Completed Application within the applicable time period specified in Attachment J will be deemed a withdrawal and termination of the Application. Nothing herein

limits the right of an Eligible Customer to file another Application after such withdrawal and termination.

2.5.8. Extensions for Commencement of Service

The Transmission Customer can obtain up to five (5) one-year extensions for the commencement of service. The Transmission Customer may postpone service by paying a non-refundable annual reservation fee equal to one-month's charge for Firm Transmission Service for each year or fraction thereof. If during any extension for the commencement of service an Eligible Customer submits a Completed Application for Firm Transmission Service, and such request can be satisfied only by releasing all or part of the Transmission Customer's Reserved Capacity, the original Reserved Capacity will be released unless the following condition is satisfied. Within thirty (30) days, the original Transmission Customer agrees to pay the Firm Point-To-Point transmission rate for its Reserved Capacity concurrent with the new Service Commencement Date. In the event the Transmission Customer elects to release the Reserved Capacity, the reservation fees or portions thereof previously paid will be forfeited.

Effective Date: 8/17/2010

2.6. Non-Firm Point-To-Point Transmission Procedures

2.6.1. Application

Eligible Customers seeking Non-Firm Point-To-Point Transmission Service must submit a Completed Application to the Transmission Provider. Applications should be submitted by entering the information listed below on the Transmission Provider's OASIS. Prior to implementation of the Transmission Provider's OASIS, a Completed Application may be submitted by (i) transmitting the required information to the Transmission Provider by telefax, or (ii) providing the information by telephone over the Transmission Provider's time-recorded telephone line. Each of these methods will provide a time-stamped record for establishing the service priority of the Application.

2.6.2. Completed Application

A Completed Application shall provide all of the information included in 18 CFR § 2.20 including but not limited to the following:

2.6.2.1. The identity, address, telephone number and facsimile number of the entity requesting service;

2.6.2.2. A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;

2.6.2.3. The Point(s) of Receipt and the Point(s) of Delivery;

2.6.2.4. The maximum amount of capacity requested at each Point of Receipt and Point of Delivery; and

2.6.2.5. The proposed dates and hours for initiating and terminating transmission service hereunder.

In addition to the information specified above, when required to properly evaluate system conditions, the Transmission Provider also may ask the Transmission Customer to provide the following:

2.6.2.6. The Electrical location of the initial source of the power to be transmitted pursuant to the Transmission Customer's request for service;

2.6.2.7. The Electrical location of the ultimate load.

The Transmission Provider will treat this information in 2.6.2.6. and 2.6.2.7. as confidential at the request of the Transmission Customer except to the extent that disclosure of this information is required by this Tariff, by Federal law, by regulatory or judicial order, for reliability purposes pursuant to Good Utility Practice, or pursuant to RTG transmission information sharing agreements. The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations.

2.6.3. Reservation of Non-Firm Point-To-Point Transmission Service

Applicable timing requirements for non-firm point-to-point transmission service reservations are listed in Attachment J. Requests for service received outside of the applicable time period specified in Attachment J will be accommodated, if practicable, at the sole discretion of the Transmission Provider.

2.6.4. Determination of Available Transmission Capability

Following receipt of a transmission service request, the Transmission Provider will make a determination on a non-discriminatory basis of available transmission capability pursuant to Section 2.3.2. Such determination shall be made in accordance with the requirements specified in Attachment J.

Effective Date: 8/17/2010

2.7. Firm Point-To-Point Additional Study Procedures

2.7.1. Notice of Need for System Impact Study

After receiving a request for service, the Transmission Provider shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of the Transmission Provider's methodology for completing a System Impact Study is provided in Attachment D. If the Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer within the applicable time period specified in Attachment J. In such cases, the Transmission Provider shall within thirty (30) days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to advance funds to the Transmission Provider for performing the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its application shall be deemed withdrawn.

2.7.2. System Impact Study Agreement and Compensation

2.7.2.1. The System Impact Study Agreement will clearly specify the Transmission Provider's estimate of the actual cost, and time for completion of the System Impact Study. The charge will not exceed the actual cost of the study. In performing the System Impact Study, the Transmission Provider shall rely, to the extent reasonably practicable, on existing transmission planning studies. The Eligible Customer will not be assessed a charge for such existing studies; however, the Eligible Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of the Eligible Customer's request for service on the Transmission System.

2.7.2.2. If, in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient for the Transmission Provider to accommodate the requests for service, the costs of that study shall be pro-rated among the Eligible Customers.

2.7.2.3. For System Impact Studies that the Transmission Provider conducts on its own behalf, the Transmission Provider shall record the cost of the System Impact Studies pursuant to Section 1.8.

2.7.3. System Impact Study Procedures

Upon receipt of an executed System Impact Study Agreement, the Transmission Provider will use due diligence to complete the required System Impact Study within a sixty (60) day period. The System Impact Study shall identify any system constraints and redispatch options, additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. In the

event that the Transmission Provider is unable to complete the required System Impact Study within such time period, it shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer. The Transmission Provider will use the same due diligence in completing the System Impact Study for an Eligible Customer as it uses when completing studies for itself. The Transmission Provider shall notify the Eligible Customer immediately upon completion of the System Impact Study if the Transmission System will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new transmission facilities or upgrades. In order for a request to remain a Completed Application, within fifteen (15) days of completion of the System Impact Study the Eligible Customer must execute a Service Agreement or request service without an executed Service Agreement pursuant to Section 2.3.3., or the Application shall be deemed terminated and withdrawn.

2.7.4. Facilities Study Procedures

If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, the Transmission Provider, within thirty (30) days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to advance funds to the Transmission Provider for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the Facilities Study Agreement, its application shall be deemed withdrawn. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider will use due diligence to complete the required Facilities Study within a sixty (60) day period. If the Transmission Provider is unable to complete the Facilities Study in the allotted time period, the Transmission Provider shall notify the Transmission Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of (i) the cost of Direct Assignment Facilities to be charged to the Transmission Customer, (ii) the Transmission Customer's appropriate share of the cost of any required Network Upgrades as determined pursuant to the provisions of Part II of the Tariff, and (iii) the time required to complete such construction and initiate the requested service. The Transmission Customer shall pay the Transmission Provider, in advance, the Transmission Customer's share of the costs of new facilities or upgrades. Within the applicable time period specified in Attachment J, the Transmission Customer shall execute a construction agreement and a Service Agreement and provide the advance payment or request service without an executed Service Agreement pursuant to Section 2.3.3., and pay the Transmission Customer's share of the costs, or the request will no longer be a Completed Application and shall be deemed terminated and withdrawn. Any advance payment made by the Transmission Customer which is in excess of the costs incurred by the Transmission Provider shall be refunded.

2.7.5. Facilities Study Modifications

Any change in design arising from inability to site or construct facilities as proposed will require development of a revised good faith estimate. New good faith estimates also will be required in the event of new statutory or regulatory requirements that are effective before the completion of construction or other circumstances beyond the control of the Transmission Provider that significantly affect the final cost of new facilities or upgrades to be charged to the Transmission Customer pursuant to the provisions of Part II of the Tariff.

2.7.6. Due Diligence in Completing New Facilities

The Transmission Provider shall use due diligence to add necessary facilities or upgrade its Transmission System within a reasonable time. The Transmission Provider will not upgrade its existing or planned Transmission System in order to provide the requested Firm Point-To-Point Transmission Service if doing so would impair system reliability or otherwise impair or degrade existing firm service.

2.7.7. Partial Interim Service

If the Transmission Provider determines that it will not have adequate transmission capability to satisfy the full amount of a Completed Application for Firm Point-To-Point Transmission Service, the Transmission Provider nonetheless shall be obligated to offer and provide the portion of the requested Firm Point-To-Point Transmission Service that can be accommodated without addition of any facilities and through redispatch. However, the Transmission Provider shall not be obligated to provide the incremental amount of requested Firm Point-To-Point Transmission Service that requires the addition of facilities or upgrades to the Transmission System until such facilities or upgrades have been placed in service.

2.7.8. Expedited Procedures for New Facilities

In lieu of the procedures set forth above, the Eligible Customer shall have the option to expedite the process by requesting the Transmission Provider to tender at one time, together with the results of required studies, an "Expedited Service Agreement" pursuant to which the Eligible Customer would agree to compensate the Transmission Provider in advance for all costs incurred pursuant to the terms of the Tariff. In order to exercise this option, the Eligible Customer shall request in writing an expedited Service Agreement covering all of the above-specified items within the applicable time period specified in Attachment J from the time the Eligible Customer receives the results of the System Impact Study identifying needed facility additions or upgrades or costs incurred in providing the requested service. While the Transmission Provider agrees to provide the Eligible Customer with its best estimate of the new facility costs and other charges that may be incurred, such estimate shall not be binding and the Eligible Customer must agree in writing to compensate the Transmission Provider in advance for all costs incurred pursuant to the provisions of the Tariff. The Eligible Customer shall execute and return such an Expedited Service Agreement within fifteen (15) days of its receipt or the Eligible Customer's request for service will cease to be a Completed Application and will be deemed terminated and withdrawn.

2.8. Incomplete Transmission Facilities for Firm Point-To-Point

2.8.1. Delays in Construction of New Facilities

If any event occurs that will materially affect the time for completion of new facilities, or the ability to complete them, the Transmission Provider shall promptly notify the Transmission Customer. In such circumstances, the Transmission Provider shall, within thirty (30) days of notifying the Transmission Customer of such delays, convene a technical meeting with the Transmission Customer to evaluate the alternatives available to the Transmission Customer. The Transmission Provider also shall make available to the Transmission Customer studies and work papers related to the delay, including all information that is in the possession of the Transmission Provider that is reasonably needed by the Transmission Customer to evaluate any alternatives.

2.8.2. Alternatives to the Original Facility Additions

When the review process of Section 2.8.1. determines that one or more alternatives exist to the originally planned construction project, the Transmission Provider shall present such alternatives for consideration by the Transmission Customer. If, upon review of any alternatives, the Transmission Customer desires to maintain its Completed Application subject to construction of the alternative facilities, it may request the Transmission Provider to submit a revised Service Agreement for Firm Point-To-Point Transmission Service. If the alternative approach solely involves Non-Firm Point-To-Point Transmission Service, the Transmission Provider shall promptly tender a Service Agreement for Non-Firm Point-To-Point Transmission Service providing for the service. In the event the Transmission Provider concludes that no reasonable alternative exists and the Transmission Customer disagrees, the Transmission Customer may seek relief under the dispute resolution procedures pursuant to Section 1.12. or it may refer the dispute to the Commission for resolution.

2.8.3. Refund Obligation for Unfinished Facility Additions

If the Transmission Provider and the Transmission Customer mutually agree that no other reasonable alternatives exist and the requested service cannot be provided out of existing capability under the conditions of Part II of the Tariff, the obligation to provide the requested Firm Point-To-Point Transmission Service shall terminate and any advance payment made by the Transmission Customer that is in excess of the costs incurred by the Transmission Provider through the time construction was suspended shall be returned. However, the Transmission Customer shall be responsible for all prudently incurred costs by the Transmission Provider through the time construction was suspended.

Effective Date: 8/17/2010

2.9. Construction and Services on Other Utilities' Systems

2.9.1. Responsibility for Third-Party System Additions

The Transmission Provider shall not be responsible for making arrangements for any necessary engineering, permitting, and construction of transmission or distribution facilities on the system(s) of any other entity or for obtaining any regulatory approval for such facilities. The Transmission Provider will undertake reasonable efforts to assist the Transmission Customer in obtaining such arrangements, including, without limitation, providing any information or data required by such other electric system pursuant to Good Utility Practice.

2.9.2. Coordination of Third-Party System Additions

In circumstances where the need for transmission facilities or upgrades is identified pursuant to the provisions of Part II of the Tariff, and if such upgrades further require the addition of transmission facilities on other systems, the Transmission Provider shall have the right to coordinate construction on its own system with the construction required by others. The Transmission Provider, after consultation with the Transmission Customer and representatives of such other systems, may defer construction of its new transmission facilities if the new transmission facilities on another system cannot be completed in a timely manner. The Transmission Provider shall notify the Transmission Customer in writing of the basis for any decision to defer construction and the specific problems which must be resolved before it will initiate or resume construction of new facilities. Within sixty (60) days of receiving written notification by the Transmission Provider of its intent to defer construction pursuant to this section, the Transmission Customer may challenge the decision in accordance with the dispute resolution procedures pursuant to Section 1.12. or it may refer the dispute to the Commission for resolution.

Effective Date: 8/17/2010

2.10. Changes in Service Specifications

2.10.1. Modifications on a Non-Firm Basis

The Transmission Customer taking Firm Point-To-Point Transmission Service may request the Transmission Provider to provide transmission service on a non-firm basis over Receipt and Delivery Points other than those specified in the Service Agreement ("Secondary Receipt and Delivery Points"), in amounts not to exceed its firm capacity reservation, without incurring an additional Non-Firm Point-To-Point Transmission Service charge or executing a new Service Agreement, subject to the following conditions.

2.10.1.1. Service provided over Secondary Receipt and Delivery Points will be non-firm only, on an as-available basis, and will not displace any firm or non-firm service reserved or scheduled by third-parties under the Tariff or by the Transmission Provider on behalf of its Native Load Customers.

2.10.1.2. The sum of all Firm and non-firm Point-To-Point Transmission Service provided to the Transmission Customer at any time pursuant to this section shall not exceed the Reserved Capacity in the relevant Service Agreement under which such services are provided.

2.10.1.3. The Transmission Customer shall retain its right to schedule Firm Point-To-Point Transmission Service at the Receipt and Delivery Points specified in the relevant Service Agreement in the amount of its original capacity reservation.

2.10.1.4. Service over Secondary Receipt and Delivery Points on a non-firm basis shall not require the filing of an Application for Non-Firm Point-To-Point Transmission Service under the Tariff. However, all other requirements of Part II of the Tariff (except as to transmission rates) shall apply to transmission service on a non-firm basis over Secondary Receipt and Delivery Points.

2.10.2. Modifications on a Firm Basis

Any request by a Transmission Customer to modify Receipt and Delivery Points on a firm basis shall be treated as a new request for service in accordance with Section 2.5. hereof except that such Transmission Customer shall not be obligated to pay any additional application processing fee if the capacity reservation does not exceed the amount reserved in the existing Service Agreement. While such new request is pending, the Transmission Customer shall retain its priority for service at the existing firm Receipt and Delivery Points specified in its Service Agreement.

2.11. Sale or Assignment of Transmission Service

2.11.1. Procedures for Assignment or Transfer of Service

Subject to Commission approval of any necessary filings, a Transmission Customer may sell, assign, or transfer all or a portion of its rights under its Service Agreement, but only to another Eligible Customer (the Assignee). The Transmission Customer that sells, assigns or transfers its rights under its Service Agreement is hereafter referred to as the Reseller. Compensation to the Reseller shall not exceed the higher of (i) the original rate paid by the Reseller, (ii) the Transmission Provider's maximum rate on file at the time of the assignment, or (iii) the Reseller's opportunity cost capped at the Transmission Provider's cost of expansion. If the Assignee does not request any change in the Point(s) of Receipt or the Point(s) of Delivery, or a change in any other term or condition set forth in the original Service Agreement, the Assignee will receive the same services as did the Reseller and the priority of service for the Assignee will be the same as that of the Reseller. A Reseller should notify the Transmission Provider as soon as possible after any assignment or transfer of service occurs but in any event, notification must be provided prior to any provision of service to the Assignee. The Assignee will be subject to all terms and conditions of the Tariff. If the Assignee requests a change in service, the reservation priority of service will be determined by the Transmission Provider pursuant to Section 2.1.2.

2.11.2. Limitations on Assignment or Transfer of Service

If the Assignee requests a change in the Point(s) of Receipt or Point(s) of Delivery, or a change in any other specifications set forth in the original Service Agreement, the Transmission Provider will consent to such change subject to the provisions of the Tariff, provided that the change will not impair the operation and reliability of the Transmission Provider's generation, transmission, or distribution systems. The Assignee shall compensate the Transmission Provider in advance for performing any System Impact Study needed to evaluate the capability of the Transmission System to accommodate the proposed change and any additional costs resulting from such change. The Reseller shall remain liable for the performance of all obligations under the Service Agreement, except as specifically agreed to by the Parties through an amendment to the Service Agreement.

2.11.3. Information on Assignment or Transfer of Service

In accordance with Section 1.4., Resellers may use the Transmission Provider's OASIS to post transmission capacity available for resale.

Effective Date: 8/17/2010

2.12. Metering and Receipt/Delivery Point Power Factor Correction

2.12.1. Transmission Customer Obligations

Unless otherwise agreed, the Transmission Customer shall be responsible for installing and maintaining compatible metering and communications equipment to accurately account for the capacity and energy being transmitted under Part II of the Tariff and to communicate the information to the Transmission Provider. Such equipment shall remain the property of the Transmission Customer.

2.12.2. Transmission Provider Access to Metering Data

The Transmission Provider shall have access to metering data, which may reasonably be required to facilitate measurements and billing under the Service Agreement.

2.12.3. Power Factor

Unless otherwise agreed, the Transmission Customer is required to maintain a power factor within the same range as the Transmission Provider pursuant to Good Utility Practices. The power factor requirements are specified in the Transmission Provider's rate schedule for transmission service.

Effective Date: 8/17/2010

2.13. Compensation for Transmission Service

Rates for Firm and Non-Firm Point-To-Point Transmission Service are provided in the Transmission Provider's rate schedule for transmission service which is promulgated, and may be modified, pursuant to applicable Federal law, regulations, and policies. The Transmission Provider shall use Part II of the Tariff to make its Third-Party Sales. The Transmission Provider shall account for such use at the applicable rates.

Effective Date: 8/17/2010

2.14. Stranded Cost Recovery

The Transmission Provider may seek to recover stranded costs from the Transmission Customer pursuant to this Tariff in accordance with the terms, conditions and procedures set forth in FERC Order No. 888, in a manner consistent with applicable Federal law and regulations.

Effective Date: 8/17/2010

2.15. Compensation for New Facilities and Redispatch Costs

Whenever a System Impact Study performed by the Transmission Provider in connection with the provision of Firm Point-To-Point Transmission Service identifies the need for new facilities, the Transmission Customer shall be responsible for the cost of such facilities, unless the installation of such facilities is identified in a transmission expansion plan of a Regional Transmission Organization. The marketing of power, energy, and other services from Federal generating facilities by Southwestern is subject to Section 5 of the Flood Control Act of 1944, and such facilities shall not be used for redispatch to provide for additional capacity.

Effective Date: 8/17/2010

3. NETWORK INTEGRATION TRANSMISSION SERVICE

Preamble

The Transmission Provider will provide Network Integration Transmission Service pursuant to the applicable terms and conditions contained in the Tariff and Service Agreement. Network Integration Transmission Service allows the Network Customer to integrate, economically dispatch and regulate its current and planned Network Resources to serve its Network Load in a manner comparable to that in which the Transmission Provider utilizes its Transmission System to serve its Native Load Customers. Network Integration Transmission Service also may be used by the Network Customer to deliver economy energy purchases to its Network Load from non-designated resources on an as-available basis without additional charge. Transmission service for sales to non-designated loads will be provided pursuant to the applicable terms and conditions of Part II of the Tariff. Pursuant to the SPP/Southwestern Agreement, which became effective April 1, 2005, SPP, as Southwestern's Designated Agent, administers this Tariff for all scheduled transmission transactions, including OASIS administration, billing, approval of requests and schedules, system impact studies, and any curtailments of service, as would Southwestern as the Transmission Provider. Facilities studies and construction and/or modifications involving the System of Southwestern and transmission service under this Tariff shall be pursuant to contracts between Southwestern and the Transmission Customer.

Effective Date: 8/17/2010

3.1. Nature of Network Integration Transmission Service

3.1.1. Scope of Service

Network Integration Transmission Service is a transmission service that allows Network Customers to efficiently and economically utilize their Network Resources (as well as other non-designated generation resources) to serve their Network Load located in the Transmission Provider's Control Area and any additional load that may be designated pursuant to Section 3.4.3. of the Tariff. The Network Customer taking Network Integration Transmission Service must obtain or provide Ancillary Services pursuant to Section 1.3.

3.1.2. Transmission Provider Responsibilities

The Transmission Provider will plan, construct, operate and maintain its Transmission System in accordance with Good Utility Practice in order to provide the Network Customer with Network Integration Transmission Service over the Transmission Provider's Transmission System. The Transmission Provider, on behalf of its Native Load Customers, shall be required to designate resources and loads in the same manner as any Network Customer under Part III of the Tariff. This information must be consistent with the information used by the Transmission Provider to calculate available transmission capability. The Transmission Provider shall include the Network Customer's Network Load in its Transmission System planning and shall, consistent with Good Utility Practice, endeavor to construct and place into service sufficient transmission capacity to deliver the Network Customer's Network Resources to serve its Network Load on a basis comparable to the Transmission Provider's delivery of its own generating and purchased resources to its Native Load Customers. This obligation to construct and place into service sufficient transmission capacity to deliver the Network Customer's Network Resources to serve its Network Load is contingent upon the availability to the Transmission Provider of sufficient appropriations, when needed, and the Transmission Customer's advanced funds.

3.1.3. Network Integration Transmission Service

The Transmission Provider will provide firm transmission service over its Transmission System to the Network Customer for the delivery of capacity and energy from its designated Network Resources to service its Network Loads on a basis that is comparable to the Transmission Provider's use of the Transmission System to reliably serve its Native Load Customers.

3.1.4. Secondary Service

The Network Customer may use the Transmission Provider's Transmission System to deliver energy to its Network Loads from resources that have not been designated as Network Resources. Such energy shall be transmitted, on an as-available basis, at no additional charge. Deliveries from resources other than Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service under Part II of the Tariff.

3.1.5. Real Power Losses

Real Power Losses are associated with all transmission service. The Transmission Provider is not obligated to provide Real Power Losses. The Network Customer is responsible for replacing losses associated with all transmission service as calculated by the Transmission Provider. The applicable Real Power Loss factors are specified in the Transmission Provider's rate schedule for transmission service, and may be adjusted, from time to time, in accordance with the results of periodic studies.

3.1.6. Restrictions on Use of Service

The Network Customer shall not use Network Integration Transmission Service for (i) sales of capacity and energy to non-designated loads, or (ii) direct or indirect provision of transmission service by the Network Customer to third parties. All Network Customers taking Network Integration Transmission Service shall use Point-To-Point Transmission Service under Part II of the Tariff for any Third-Party Sale which requires use of the Transmission Provider's Transmission System.

Effective Date: 8/17/2010

3.2. Initiating Service

3.2.1. Condition Precedent for Receiving Service

Subject to the terms and conditions of Part III of the Tariff, the Transmission Provider will provide Network Integration Transmission Service to any Eligible Customer provided that (i) the Eligible Customer completes an Application for service as provided under Part III of the Tariff, (ii) the Eligible Customer and the Transmission Provider complete the technical arrangements set forth in Sections 3.2.3. and 3.2.4., (iii) the Eligible Customer executes a Service Agreement pursuant to Attachment F for service under Part III of the Tariff or requests in writing that the Transmission Provider provide service without an executed Service Agreement, and (iv) the Eligible Customer executes a Network Operating Agreement with the Transmission Provider pursuant to Attachment G. If the Transmission Provider and the Network Customer cannot agree on all the terms and conditions of the Network Service Agreement, the Transmission Provider shall commence providing Network Integration Transmission Service subject to the Network Customer's agreeing to (i) compensate the Transmission Provider at the existing rate placed in effect pursuant to applicable Federal law, regulations, and policies, and (ii) comply with the terms and conditions of the Tariff, including paying the appropriate processing fees in accordance with the terms of Section 3.2.2. If the Network Customer cannot accept all of the terms and conditions of the offered Service Agreement, the Network Customer may request resolution of the unacceptable terms and conditions under Section 1.12., Dispute Resolution Procedures, of the Tariff. Any changes resulting from the dispute resolution procedures will be effective upon the date of initial service.

3.2.2. Application Procedures

An Eligible Customer requesting service under Part III of the Tariff must submit an Application to the Transmission Provider as far as possible in advance of the month in which service is to commence. Unless subject to the procedures in Section 1.2., Completed Applications for Network Integration Transmission Service will be assigned a priority according to the date and time the Application is received, with the earliest Application receiving the highest priority. Applications should be submitted by entering the information listed below on the Transmission Provider's OASIS. Prior to implementation of the Transmission Provider's OASIS, a Completed Application may be submitted by (i) transmitting the required information to the Transmission Provider by telefax, or (ii) providing the information by telephone over the Transmission Provider's time-recorded telephone line. Each of these methods will provide a time-stamped record for establishing the service priority of the Application. A Completed Application for Network Integration Transmission Service shall include a nonrefundable application processing fee of $1,200. This fee does not apply to costs to complete System Impact Studies or Facility Studies or to add new facilities. A Completed Application shall provide all of the information included in 18 CFR § 2.20 including but not limited to the following:

3.2.2.1. The identity, address, telephone number and facsimile number of the party requesting service;

3.2.2.2. A statement that the party requesting service is, or will be upon

commencement an Eligible Customer under the Tariff;

3.2.2.3. A description of the Network Load at each delivery point. This description should separately identify and provide the Eligible Customer's best estimate of the total loads to be served at each transmission voltage level, and the loads to be served from each Transmission Provider substation at the same transmission voltage level. The description should include a ten (10) year forecast of summer and winter load and resource requirements beginning with the first year after the service is scheduled to commence;

3.2.2.4. The amount and location of any interruptible loads included in the Network Load. This shall include the summer and winter capacity requirements for each interruptible load (had such load not been interruptible), that portion of the load subject to interruption, the conditions under which an interruption can be implemented and any limitations on the amount and frequency of interruptions. An Eligible Customer should identify the amount of interruptible customer load (if any), included in the 10 year load forecast provided in response to (iii) above;

3.2.2.5. A description of Network Resources (current and 10-year projection), which shall include, for each Network Resource:

3.2.2.5.1. Unit size and amount of capacity from that unit to be designated as Network Resource

3.2.2.5.2. VAR capability (both leading and lagging) of all generators

3.2.2.5.3. Operating restrictions:

- Any periods of restricted operations throughout the year
- Maintenance schedules
- Minimum loading level of unit
- Normal operating level of unit
- Any must-run unit designations required for system reliability or contract reasons

3.2.2.5.4. Approximate variable generating cost ($/MWH) for redispatch computations

3.2.2.5.5. Arrangements governing sale and delivery of power to third parties from generating facilities located in the Transmission Provider Control Area, where only a portion of unit output is

designated as a Network Resource

3.2.2.5.6. Description of purchased power designated as a Network Resource including source of supply, Control Area location, transmission arrangements and delivery point(s) to the Transmission Provider's Transmission System;

3.2.2.6. Description of Eligible Customer's transmission system:

3.2.2.6.1. Load flow and stability data, such as real and reactive parts of the load, lines, transformers, reactive devices and load type, including normal and emergency ratings of all transmission equipment in a load flow format compatible with that used by the Transmission Provider

3.2.2.6.2. Operating restrictions needed for reliability

3.2.2.6.3. Operating guides employed by system operators

3.2.2.6.4. Contractual restrictions or committed uses of the Eligible Customer's transmission system, other than the Eligible Customer's Network Loads and Resources

3.2.2.6.5. Location of Network Resources described in Subsection 3.2.2.5. above

3.2.2.6.6. 10 year projection of system expansions or upgrades

3.2.2.6.7. Transmission System maps that include any proposed expansions or upgrades

3.2.2.6.8. Thermal ratings of Eligible Customer's Control Area ties with other Control Areas; and

3.2.2.7. Service Commencement Date and the term of the requested Network Integration Transmission Service. The minimum term for Network Integration Transmission Service is one year.

Unless the Parties agree to a different time frame, the Transmission Provider must acknowledge the request within ten (10) days of receipt. The acknowledgment must include a date by which a response, including a Service Agreement, will be sent to the Eligible Customer. If an Application fails to meet the requirements of this section, the Transmission Provider shall notify the Eligible Customer requesting service within fifteen (15) days of receipt and specify the reasons for such failure. Wherever possible, the Transmission Provider will attempt to remedy deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, the Transmission Provider shall return the Application without prejudice to the Eligible Customer filing a new or revised Application that fully complies with the

requirements of this section. The Eligible Customer will be assigned a new priority consistent with the date of the new or revised Application. The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations.

3.2.3. Technical Arrangements to be Completed Prior to Commencement of Service

Network Integration Transmission Service shall not commence until the Transmission Provider and the Network Customer, or a third party, have completed installation of all equipment specified under the Network Operating Agreement consistent with Good Utility Practice and any additional requirements reasonably and consistently imposed to ensure the reliable operation of the Transmission System. The Transmission Provider shall exercise reasonable efforts, in coordination with the Network Customer, to complete such arrangements as soon as practicable taking into consideration the Service Commencement Date.

3.2.4. Network Customer Facilities

The provision of Network Integration Transmission Service shall be conditioned upon the Network Customer's constructing, maintaining and operating the facilities on its side of each delivery point or interconnection necessary to reliably deliver capacity and energy from the Transmission Provider's Transmission System to the Network Customer. The Network Customer shall be solely responsible for constructing or installing all facilities on the Network Customer's side of each such delivery point or interconnection.

3.3. Network Resources

3.3.1. Designation of Network Resources

Network Resources shall include all generation owned, purchased or leased by the Network Customer designated to serve Network Load under the Tariff. Network Resources may not include resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis. Any owned or purchased resources that were serving the Network Customer's loads under firm agreements entered into on or before the Service Commencement Date shall initially be designated as Network Resources until the Network Customer terminates the designation of such resources.

3.3.2. Designation of New Network Resources

The Network Customer may designate a new Network Resource by providing the Transmission Provider with as much advance notice as practicable. A designation of a new Network Resource must be made by a request for modification of service pursuant to an Application under Section 3.2.

3.3.3. Termination of Network Resources

The Network Customer may terminate the designation of all or part of a generating resource as a Network Resource at any time but should provide notification to the Transmission Provider as soon as reasonably practicable.

3.3.4. Operation of Network Resources

The Network Customer shall not operate its designated Network Resources located in the Network Customer's or Transmission Provider's Control Area such that the output of those facilities exceeds its designated Network Load, plus non-firm sales delivered pursuant to Part II of the Tariff, plus losses. This limitation shall not apply to changes in the operation of a Transmission Customer's Network Resources at the request of the Transmission Provider to respond to an emergency or other unforeseen condition which may impair or degrade the reliability of the Transmission System.

3.3.5. Network Customer Redispatch Obligation

As a condition to receiving Network Integration Transmission Service, the Network Customer agrees to redispatch its Network Resources as requested by the Transmission Provider pursuant to Section 3.6.2. To the extent practical, the redispatch of resources pursuant to this section shall be on a least cost, non-discriminatory basis between all Network Customers, and the Transmission Provider.

3.3.6. Transmission Arrangements for Network Resources Not Physically Interconnected with the Transmission Provider

The Network Customer shall be responsible for any arrangements necessary to deliver capacity and energy from a Network Resource not physically interconnected with the Transmission Provider's Transmission System. The Transmission Provider will undertake reasonable efforts to assist the Network Customer in obtaining such arrangements, including without limitation, providing any information or data required by such other entity pursuant to Good Utility Practice.

3.3.7. Limitation on Designation of Network Resources

The Network Customer must demonstrate that it owns or has committed to purchase generation pursuant to an executed contract in order to designate a generating resource as a Network Resource. Alternatively, the Network Customer may establish that execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff.

3.3.8. Use of Interface Capacity by the Network Customer

There is no limitation upon a Network Customer's use of the Transmission Provider's Transmission System at any particular interface to integrate the Network Customer's Network Resources (or substitute economy purchases) with its Network Loads. However, a Network Customer's use of the Transmission Provider's total interface capacity with other transmission systems may not exceed the Network Customer's Load.

3.3.9. Network Customer Owned Transmission Facilities

The Network Customer that owns existing transmission facilities that are integrated with the Transmission Provider's Transmission System may be eligible to receive consideration either through a billing credit or some other mechanism. In order to receive such consideration the Network Customer must demonstrate that its transmission facilities are integrated into the plans or operations of the Transmission Provider to serve its power and transmission customers. For facilities constructed by the Network Customer subsequent to the Service Commencement Date under Part III of the Tariff, the Network Customer shall receive credit where such facilities are jointly planned and installed in coordination with the Transmission Provider. Calculation of the credit shall be addressed in either the Network Customer's Service Agreement or any other agreement between the Parties.

3.4. Designation of Network Load

3.4.1. Network Load

The Network Customer must designate the individual Network Loads on whose behalf the Transmission Provider will provide Network Integration Transmission Service. The Network Loads shall be specified in the Service Agreement.

3.4.2. New Network Loads Connected With the Transmission Provider

The Network Customer shall provide the Transmission Provider with as much advance notice as reasonably practicable of the designation of new Network Load that will be added to its Transmission System. A designation of new Network Load must be made through a modification of service pursuant to a new Application. The Transmission Provider will use due diligence to install any transmission facilities required to interconnect a new Network Load designated by the Network Customer. The costs of new facilities required to interconnect a new Network Load shall be determined in accordance with the procedures provided in Section 3.5.4. and shall be charged to the Network Customer in accordance with Commission policies.

3.4.3. Network Load Not Physically Interconnected with the Transmission Provider

This section applies to both initial designation pursuant to Section 3.4.1. and the subsequent addition of new Network Load not physically interconnected with the Transmission Provider. To the extent that the Network Customer desires to obtain transmission service for a load outside the Transmission Provider's Transmission System, the Network Customer shall have the option of (1) electing to include the entire load as Network Load for all purposes under Part III of the Tariff and designating Network Resources in connection with such additional Network Load, or (2) excluding that entire load from its Network Load and purchasing Point-To-Point Transmission Service under Part II of the Tariff. To the extent that the Network Customer gives notice of its intent to add a new Network Load as part of its Network Load pursuant to this section the request must be made through a modification of service pursuant to a new Application.

3.4.4. New Interconnection Points

To the extent the Network Customer desires to add a new Delivery Point or interconnection point between the Transmission Provider's Transmission System and a Network Load, the Network Customer shall provide the Transmission Provider with as much advance notice as reasonably practicable.

3.4.5. Changes in Service Requests

Under no circumstances shall the Network Customer's decision to cancel or delay a requested change in Network Integration Transmission Service (e.g. the addition of a new Network Resource or designation of a new Network Load) in any way relieve the Network Customer of its obligation to pay the costs of

transmission facilities constructed by the Transmission Provider and charged to the Network Customer as reflected in the Service Agreement. However, the Transmission Provider must treat any requested change in Network Integration Transmission Service in a non-discriminatory manner. The Transmission Provider will have no obligation to refund any advance of funds expended for purposes of providing facilities for a Network Customer. However, upon receipt of a Network Customer's written notice of such a cancellation or delay, the Transmission Provider will use the same reasonable efforts to mitigate the costs and charges owed to the Transmission Provider as it would to reduce its own costs and charges.

3.4.6. Annual Load and Resource Information Updates

The Network Customer shall provide the Transmission Provider with annual updates of Network Load and Network Resource forecasts consistent with those included in its Application for Network Integration Transmission Service under Part III of the Tariff. The Network Customer also shall provide the Transmission Provider with timely written notice of material changes in any other information provided in its Application relating to the Network Customer's Network Load, Network Resources, its transmission system or other aspects of its facilities or operations affecting the Transmission Provider's ability to provide reliable service.

3.5. Network Integration Transmission Additional Study Procedures

3.5.1. Notice of Need for System Impact Study

After receiving a request for service, the Transmission Provider shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of the Transmission Provider's methodology for completing a System Impact Study is provided in Attachment D. If the Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as soon as practicable. In such cases, the Transmission Provider shall within thirty (30) days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to advance funds to the Transmission Provider for performing the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its Application shall be deemed withdrawn.

3.5.2. System Impact Study Agreement and Compensation

3.5.2.1. The System Impact Study Agreement will clearly specify the Transmission Provider's estimate of the actual cost, and time for completion of the System Impact Study. The charge shall not exceed the actual cost of the study. In performing the System Impact Study, the Transmission Provider shall rely, to the extent reasonably practicable, on existing transmission planning studies. The Eligible Customer will not be assessed a charge for such existing studies; however, the Eligible Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of the Eligible Customer's request for service on the Transmission System.

3.5.2.2. If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient for the Transmission Provider to accommodate the service requests, the costs of that study shall be pro-rated among the Eligible Customers.

3.5.2.3. For System Impact Studies that the Transmission Provider conducts on its own behalf, the Transmission Provider shall record the cost of the System Impact Studies pursuant to Section 1.8.

3.5.3. System Impact Study Procedures

Upon receipt of an executed System Impact Study Agreement, the Transmission Provider will use due diligence to complete the required System Impact Study within a sixty (60) day period. The System Impact Study shall identify any system constraints and redispatch options, additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. In the

event that the Transmission Provider is unable to complete the required System Impact Study within such time period, it shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer. The Transmission Provider will use the same due diligence in completing the System Impact Study for an Eligible Customer as it uses when completing studies for itself. The Transmission Provider shall notify the Eligible Customer immediately upon completion of the System Impact Study if the Transmission System will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new transmission facilities or upgrades. In order for a request to remain a Completed Application, within fifteen (15) days of completion of the System Impact Study the Eligible Customer must execute a Service Agreement or request service without an executed Service Agreement pursuant to Section 3.2.1., or the Application shall be deemed terminated and withdrawn.

3.5.4. Facilities Study Procedures

If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, the Transmission Provider, within thirty (30) days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to advance funds to the Transmission Provider for performing the required Facilities Study. The Facilities Study Agreement will also provide for the Transmission Provider to complete its environmental review documentation requirements. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the Facilities Study Agreement, its Application shall be deemed withdrawn and its deposit shall be returned. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider will use due diligence to complete the required Facilities Study within a sixty (60) day period. If the Transmission Provider is unable to complete the Facilities Study in the allotted time period, the Transmission Provider shall notify the Eligible Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of (i) the cost of Direct Assignment Facilities to be charged to the Eligible Customer, (ii) the Eligible Customer's appropriate share of the cost of any required Network Upgrades, and (iii) the time required to complete such construction and initiate the requested service. The Eligible Customer shall advance funds to the Transmission Provider for the construction of new facilities, and such advance and construction shall be provided for in a separate agreement. If the construction of new facilities requires the expenditure of Transmission Provider funds, such construction shall be contingent upon the availability of appropriated funds. The Eligible Customer shall have thirty (30) days to execute a construction agreement and a Service Agreement or request service without an executed Service Agreement pursuant to Section 3.2.1., and pay the Transmission Customer's share of the costs, or the request no longer will be a Completed Application and shall be deemed terminated and withdrawn. Any advance payment made by the Transmission Customer which is in excess of the costs incurred by the Transmission Provider shall be refunded.

Effective Date: 8/17/2010

3.6. Load Shedding and Curtailments

3.6.1. Procedures

Prior to the Service Commencement Date, the Transmission Provider and the Network Customer shall establish Load Shedding and Curtailment procedures pursuant to the Network Operating Agreement with the objective of responding to contingencies on the Transmission System. The Parties will implement such programs during any period when the Transmission Provider determines that a system contingency exists and such procedures are necessary to alleviate such contingency. The Transmission Provider will notify all affected Network Customers in a timely manner of any scheduled Curtailment.

3.6.2. Transmission Constraints

During any period when the Transmission Provider determines that a transmission constraint exists on the Transmission System, and such constraint may impair the reliability of the Transmission Provider's system, the Transmission Provider will take whatever actions, consistent with Good Utility Practice, that are reasonably necessary to maintain the reliability of the Transmission Provider's system. To the extent the Transmission Provider determines that the reliability of the Transmission System can be maintained by redispatching resources, the Transmission Provider will initiate procedures pursuant to the Network Operating Agreement to redispatch all Network Resources on a least-cost basis without regard to the ownership of such resources. Any redispatch under this section may not unduly discriminate between the Transmission Provider's use of the Transmission System on behalf of its Native Load Customers and any Network Customer's use of the Transmission System to serve its designated Network Load. Except in case of emergencies that would result in uncontrolled separation or cascading failures, any redispatch of the Transmission Provider's Federal generating resources shall be subject to Southwestern's obligations under Section 5 of the Flood Control Act of 1944 as determined by Southwestern.

3.6.3. Cost Responsibility for Relieving Transmission Constraints

Implementations of least-cost redispatch procedures in response to a transmission constraint shall be subject to Southwestern's responsibilities and obligations under Section 5 of the Flood Control Act of 1944.

3.6.4. Curtailments of Scheduled Deliveries

If a transmission constraint on the Transmission Provider's Transmission System cannot be relieved through the implementation of least-cost redispatch procedures and the Transmission Provider determines that it is necessary to Curtail scheduled deliveries, the Parties shall Curtail such schedules in accordance with the Network Operating Agreement.

3.6.5. Allocation of Curtailments

The Transmission Provider shall, on a non-discriminatory basis, Curtail the transaction(s) that effectively relieve the constraint. However, to the extent practicable and consistent with Good Utility Practice, any Curtailment will be shared by the Transmission Provider and Network Customer in proportion to their respective Load Ratio Shares. The Transmission Provider shall not direct the Network Customer to Curtail schedules to an extent greater than the Transmission Provider would Curtail the Transmission Provider's schedules under similar circumstances.

3.6.6. Load Shedding

To the extent that a system contingency exists on the Transmission Provider's Transmission System and the Transmission Provider determines that it is necessary for the Transmission Provider and the Network Customer to shed load, the Parties shall shed load in accordance with previously established procedures under the Network Operating Agreement.

3.6.7. System Reliability

Notwithstanding any other provisions of this Tariff, the Transmission Provider reserves the right, consistent with Good Utility Practice and on a not unduly discriminatory basis, to Curtail Network Integration Transmission Service without liability on the Transmission Provider's part for the purpose of making necessary adjustments to, changes in, or repairs on its lines, substations and facilities, and in cases where the continuance of Network Integration Transmission Service would endanger persons or property. In the event of any adverse condition(s) or disturbance(s) on the Transmission Provider's Transmission System or on any other system(s) directly or indirectly interconnected with the Transmission Provider's Transmission System, the Transmission Provider, consistent with Good Utility Practice, also may Curtail Network Integration Transmission Service in order to (i) limit the extent or damage of the adverse condition(s) or disturbance(s), (ii) prevent damage to generating or transmission facilities, or (iii) expedite restoration of service. The Transmission Provider will give the Network Customer as much advance notice as is practicable in the event of such Curtailment. Any Curtailment of Network Integration Transmission Service will be not unduly discriminatory relative to the Transmission Provider's use of the Transmission System on behalf of its Native Load Customers. The Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that the Network Customer fails to respond to established Load Shedding and Curtailment procedures.

3.7. Rates and Charges

The Network Customer shall pay the Transmission Provider for any Direct Assignment Facilities, Ancillary Services, and applicable study costs, consistent with Federal practice, along with the following:

3.7.1. Monthly Demand Charge

The Network Customer shall pay a monthly Demand Charge, which shall be calculated as shown in the Transmission Provider's Rate Schedule.

3.7.2. Determination of Network Customer's Monthly Network Load

The Network Customer's monthly Network Load is its hourly load (including its designated Network Load not physically interconnected with the Transmission Provider under Section 3.4.3.) coincident with the Transmission Provider's Monthly Transmission System Peak.

3.7.3. Determination of Transmission Provider's Monthly Transmission System Load

The Transmission Provider's monthly Transmission System load is the Transmission Provider's Monthly Transmission System Peak minus the coincident peak usage of all Firm Point-To-Point Transmission Service customers pursuant to Part II of this Tariff plus the Reserved Capacity of all Firm Point-To-Point Transmission Service customers.

3.7.4. Redispatch Charge

The Network Customer shall pay a Load Ratio Share of any redispatch costs allocated between the Network Customer and the Transmission Provider pursuant to Section 3.6. To the extent that the Transmission Provider incurs an obligation to the Network Customer for redispatch costs in accordance with Section 3.6., such amounts shall be credited against the Network Customer's bill for the applicable month.

3.7.5. Stranded Cost Recovery

The Transmission Provider may seek to recover stranded costs from the Network Customer pursuant to this Tariff in accordance with the terms, conditions and procedures set forth in FERC Order No. 888, in a manner consistent with applicable Federal law and regulations.

3.8. Operating Arrangements

3.8.1. Operation Under the Network Operating Agreement

The Network Customer shall plan, construct, operate and maintain its facilities in accordance with Good Utility Practice and in conformance with the Network Operating Agreement.

3.8.2. Network Operating Agreement

The terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Part III of the Tariff shall be specified in the Network Operating Agreement. The Network Operating Agreement shall provide for the Parties to (i) operate and maintain equipment necessary for integrating the Network Customer within the Transmission Provider's Transmission System (including, but not limited to, remote terminal units, metering, communications equipment and relaying equipment), (ii) transfer data between the Transmission Provider and the Network Customer (including, but not limited to, heat rates and operational characteristics of Network Resources, generation schedules for units outside the Transmission Provider's Transmission System, interchange schedules, unit outputs for redispatch required under Section 3.6., voltage schedules, loss factors and other real time data), (iii) use software programs required for data links and constraint dispatching, (iv) exchange data on forecasted loads and resources necessary for long-term planning, and (v) address any other technical and operational considerations required for implementation of Part III of the Tariff, including scheduling protocols. The Network Operating Agreement will recognize that the Network Customer shall either (i) operate as a Control Area under applicable guidelines of the North American Electric Reliability Council (NERC) and the [applicable regional reliability council], (ii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with the Transmission Provider, or (iii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with another entity, consistent with Good Utility Practice, which satisfies NERC and the [applicable regional reliability council] requirements. The Transmission Provider shall not unreasonably refuse to accept contractual arrangements with another entity for Ancillary Services. The Network Operating Agreement is included in Attachment G.

3.8.3. Network Operating Committee

A Network Operating Committee (Committee) shall be established to coordinate operating criteria for the Parties' respective responsibilities under the Network Operating Agreement. Each Network Customer shall be entitled to have at least one representative on the Committee. The Committee shall meet from time to time as need requires, but no less than once each calendar year.

3.9. Scheduling

Each Network Customer shall submit an energy schedule daily for flows consistent with the times for energy scheduling for Daily Firm Point-to-Point Transmission Service specified in Attachment J. Each Network Customer also shall provide day ahead generating unit commitment schedules.

Effective Date: 8/17/2010

SCHEDULE 1

Scheduling, System Control and Dispatch Service

This service is required to schedule the movement of power through, out of, within, or into a Control Area. This service can be provided only by the operator of the Control Area in which the transmission facilities used for transmission service are located. Scheduling, System Control and Dispatch Service is provided directly by the Transmission Provider (if the Transmission Provider is the Control Area Operator) or indirectly by the Transmission Provider making arrangements with the Control Area operator that performs this service for the Transmission Provider's Transmission System. The Transmission Customer must purchase this service from the Transmission Provider or the Control Area operator. The charges for Scheduling, System Control and Dispatch Service are to be based on the rates referred to below. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

The charges for Scheduling, System Control and Dispatch Service are set forth in the appropriate rate schedule attached to and made part of the applicable Service Agreement. The rates or rate methodology used to calculate the charges for service under this schedule were promulgated and may be modified pursuant to applicable Federal laws, regulations, and policies..

The Transmission Provider may modify the charges for Scheduling, System Control and Dispatch Service upon written notice to the Transmission Customer. Any change to the charges to the Transmission Customer for Scheduling, System Control and Dispatch Service shall be as set forth in a subsequent rate schedule promulgated pursuant to applicable Federal laws, regulations, and policies, and attached to and made part of the applicable Service Agreement. The Transmission Provider shall charge the Transmission Customer in accordance with the rate then in effect.

Effective Date: 8/17/2010

SCHEDULE 2

Reactive Supply and Voltage Control from Generation Sources Service

In order to maintain transmission voltages on the Transmission Provider's transmission facilities within acceptable limits, generation facilities under the control of the Control Area operator are operated to produce (or absorb) reactive power. Thus, Reactive Supply and Voltage Control from Generation Sources Service must be provided for each transaction on the Transmission Provider's transmission facilities. The amount of Reactive Supply and Voltage Control from Generation Sources Service that must be supplied with respect to the Transmission Customer's transaction will be determined based on the reactive power support necessary to maintain transmission voltages within limits that are generally accepted in the region and consistently adhered to by the Transmission Provider.

Reactive Supply and Voltage Control from Generation Sources Service is to be provided directly by the Transmission Provider (if the Transmission Provider is the Control Area operator) or indirectly by the Transmission Provider making arrangements with the Control Area operator that performs this service for the Transmission Provider's Transmission System. The Transmission Customer must purchase this service from the Transmission Provider or the Control Area operator. The charges for such service will be based upon the rates referred to below. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by the Control Area Operator.

The charges for Reactive Supply and Voltage Control from Generation Sources Service are set forth in the appropriate rate schedule attached to and made part of the applicable Service Agreement. The rates or rate methodology used to calculate the charges for service under this schedule were promulgated and may be modified pursuant to applicable Federal laws, regulations, and policies.

The Transmission Provider may modify the charges for Reactive Supply and Voltage Control from Generation Sources Service upon written notice to the Transmission Customer. Any change to the charges to the Transmission Customer for Reactive Supply and Voltage Control from Generation Sources Service shall be as set forth in a subsequent rate schedule promulgated pursuant to the above procedures and attached to and made part of the applicable Service Agreement. The Transmission Provider shall charge the Transmission Customer in accordance with the rate then in effect.

Effective Date: 8/17/2010

SCHEDULE 3

Regulation and Frequency Response Service

Regulation and Frequency Response Service is necessary to provide for the continuous balancing of resources (generation and interchange) with load and for maintaining scheduled interconnection frequency at sixty cycles per second (60 Hz). Regulation and Frequency Response Service is accomplished by committing on-line generation whose output is raised or lowered (predominantly through the use of automatic generating control equipment) as necessary to follow the moment-by-moment changes in load. The obligation to maintain this balance between resources and load lies with the Transmission Provider (or the Control Area operator that performs this function for the Transmission Provider). The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Regulation and Frequency Response Service obligation. The charges for Regulation and Frequency Response Service are referred to below. The amount of Regulation and Frequency Response Service may be set forth in the Service Agreement. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

The charges for Regulation and Frequency Response Service are set forth in the appropriate rate schedule attached to and made part of the applicable Service Agreement. The rates or rate methodology used to calculate the charges for service under this schedule were promulgated and may be modified pursuant to applicable Federal laws, regulations, and policies.

The Transmission Provider may modify the charges for Regulation and Frequency Response Service upon written notice to the Transmission Customer. Any change to the charges to the Transmission Customer for Regulation and Frequency Response Service shall be as set forth in a subsequent rate schedule promulgated pursuant to the above procedures and attached to and made part of the applicable Service Agreement. The Transmission Provider shall charge the Transmission Customer in accordance with the rate then in effect.

Effective Date: 8/17/2010

SCHEDULE 4

Energy Imbalance Service

Energy Imbalance Service is provided when a difference occurs between the scheduled and the actual delivery of energy to a load located within a Control Area over a single hour. The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either obtain this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Energy Imbalance Service obligation. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

The compensation for Energy Imbalance Service is set forth in the appropriate rate schedule attached to and made part of the applicable Service Agreement. The rates or rate methodology used to calculate the charges for service under this schedule were promulgated and may be modified pursuant to applicable Federal laws, regulations, and policies.

The Transmission Provider may modify the compensation for Energy Imbalance Service upon written notice to the Transmission Customer. Any change to the compensation to the Transmission Customer for Energy Imbalance Service shall be as set forth in a subsequent rate schedule promulgated pursuant to the above procedures and attached to and made part of the applicable Service Agreement. The Transmission Provider shall charge the Transmission Customer in accordance with the rate then in effect.

Effective Date: 8/17/2010

SCHEDULE 5

Operating Reserve - Spinning Reserve Service

Spinning Reserve Service is needed to serve load immediately in the event of a system contingency. Spinning Reserve Service may be provided by generating units that are on-line and loaded at less than maximum output. The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Spinning Reserve Service obligation. The charges for Spinning Reserve Service are referred to below. The amount of Spinning Reserve Service may be set forth in the Service Agreement. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

The charges for Operating Reserve - Spinning Reserve Service are set forth in the appropriate rate schedule attached to and made part of the applicable Service Agreement. The rates or rate methodology used to calculate the charges for service under this schedule were promulgated and may be modified pursuant to applicable Federal laws, regulations, and policies.

The Transmission Provider may modify the charges for Operating Reserve - Spinning Reserve Service upon written notice to the Transmission Customer. Any change to the charges to the Transmission Customer for Operating Reserve - Spinning Reserve Service shall be as set forth in a subsequent rate schedule promulgated pursuant to the above procedures and attached to and made part of the applicable Service Agreement. The Transmission Provider shall charge the Transmission Customer in accordance with the rate then in effect.

Effective Date: 8/17/2010

SCHEDULE 6

Operating Reserve - Supplemental Reserve Service

Supplemental Reserve Service is needed to serve load in the event of a system contingency; however, it is not available immediately to serve load but rather within a short period of time. Supplemental Reserve Service may be provided by generating units that are on-line but unloaded, by quick-start generation or by interruptible load. The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Supplemental Reserve Service obligation. The charges for Supplemental Reserve Service are referred to below. The amount of Supplemental Reserve Service may be set forth in the Service Agreement. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

The charges for Operating Reserve - Supplemental Reserve Service are set forth in the appropriate rate schedule attached to and made part of the applicable Service Agreement. The rates or rate methodology used to calculate the charges for service under this schedule were promulgated and may be modified pursuant to applicable Federal laws, regulations, and policies.

The Transmission Provider may modify the charges for Operating Reserve - Supplemental Reserve Service upon written notice to the Transmission Customer. Any change to the charges to the Transmission Customer for Operating Reserve - Supplemental Reserve Service shall be as set forth in a subsequent rate schedule promulgated pursuant to the above procedures and attached to and made part of the applicable Service Agreement. The Transmission Provider shall charge the Transmission Customer in accordance with the rate then in effect.

Effective Date: 8/17/2010

SCHEDULE 7

Long-Term Firm and Short-Term Firm Point-To-Point Transmission Service

The Transmission Customer shall compensate the Transmission Provider each month for Reserved Capacity pursuant to its rate schedule for Firm Point-to-Point Transmission Service attached to and made a part of the applicable Service Agreement. The rates or rate methodology used to calculate the charges for service under this schedule were promulgated and may be modified pursuant to applicable Federal laws, regulations, and policies.

The Transmission Provider may modify the charges for Firm Point-to-Point Transmission Service upon written notice to the Transmission Customer. Any change to the charges to the Transmission Customer for Firm Point-to-Point Transmission Service shall be as set forth in a subsequent rate schedule promulgated pursuant to the above procedures and attached to and made part of the applicable Service Agreement. The Transmission Provider shall charge the Transmission Customer in accordance with the rate then in effect.

Discounts: Three principal requirements apply to discounts for transmission service as follows: (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, the Transmission Provider must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.

Effective Date: 8/17/2010

SCHEDULE 8

Non-Firm Point-To-Point Transmission Service

Point-to-Point Transmission Service pursuant to its rate schedule for Non-Firm Point-to-Point Transmission Service attached to and made a part of the applicable Service Agreement. The rates or rate methodology used to calculate the charges for service under this schedule were promulgated and may be modified pursuant to applicable Federal laws, regulations, and policies.

The Transmission Provider may modify the charges for Firm Point-to-Point Transmission Service upon written notice to the Transmission Customer. Any change to the charges to the Transmission Customer for Firm Point-to-Point Transmission Service shall be as set forth in a subsequent rate schedule promulgated pursuant to the above procedures and attached to and made part of the applicable Service Agreement. The Transmission Provider shall charge the Transmission Customer in accordance with the rate then in effect.

Discounts: Three principal requirements apply to discounts for transmission service as follows: (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, the Transmission Provider must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.

Effective Date: 8/17/2010

ATTACHMENT A

Form Of Service Agreement For
Firm Point-To-Point Transmission Service

1. This Service Agreement, dated as of _____, is entered into, by, and between Southwestern Power Administration (Transmission Provider or Southwestern), and _____ (Transmission Customer).

2. Designated Agent: The Transmission Customer recognizes that during the term of an Agreement between Southwestern and the Southwest Power Pool Inc. (SPP), SPP shall act as Southwestern's Designated Agent (Designated Agent) for administering Southwestern's Open Access Transmission Tariff (Tariff), including billing, OASIS administration, performance of system impact studies, and approval of transmission requests and schedules, pursuant to the terms and conditions of such Agreement between SPP and Southwestern. All applications, requests, and schedules associated with transmission service pursuant to this Service Agreement shall be made by the Transmission Customer or the Transmission Customer's agent through OASIS.

3. The Tariff as presently constituted or as may be revised or superseded is incorporated herein and made a part hereof.

4. The Transmission Customer has been determined by the Transmission Provider or its Designated Agent to have a Completed Application for Firm Point-To-Point Transmission Service under the Tariff.

5. The Transmission Customer has provided to the Transmission Provider or its Designated Agent a processing fee in accordance with Section 2.5.4. of the Tariff.

6. Charges for Firm Point-to-Point Transmission Service shall be calculated in accordance with Southwestern's rate schedule applicable to Wholesale Rates For Non-Federal Transmission/Interconnection Facilities Service (Rate Schedule) as presently constituted or as may be revised or superseded. The Rate Schedule as presently constituted is incorporated herein and made a part hereof.

7. During the administration of the Tariff by SPP, the Transmission Customer shall pay SPP's Tariff administrative charge pursuant to Schedule 1-A of SPP's Open Access Transmission Tariff. Payment for transmission service pursuant to this Service Agreement shall be made by the Transmission Customer to SPP.

8. Service under this Service Agreement shall commence on the latest of: (1) _____, (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed, or (3) on the first day of the month following execution by both Parties. This Service Agreement shall terminate at _____ on _____.

9. The Transmission Provider or its Designated Agent agrees to provide, and the Transmission Customer agrees to take and pay for, Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff, in accordance with the "Specifications for Firm Point-To-Point Transmission Service," attached hereto and made a part hereof, and in accordance with the

provisions of this Service Agreement.

10. All schedules for service under this Service Agreement which cross Control Area Boundaries shall conform to the standards for scheduled interchange of the North American Electric Reliability Council and the applicable regional reliability council.

11. Capacity Reservations for Firm Point-To-Point Transmission Service shall conform to minimum and maximum periods for making such capacity reservations prior to actual service and shall be made pursuant to the applicable time period specified in Attachment J of the Tariff.

12. Neither the Transmission Provider nor its Designated Agent is obligated under this Service Agreement to satisfy any deficiencies that may occur for the Transmission Customer as a result of suspension or reduction of schedules by a Third Party, nor is the Transmission Provider or its Designated Agent obligated to notify any party if such schedules are suspended or reduced due to the action of a Third Party.

13. The Transmission Customer agrees to supply information the Transmission Provider or its Designated Agent deems reasonably necessary in accordance with Good Utility Practice in order for the Transmission Provider or its Designated Agent to provide the requested service.

14. Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

Administrator
Southwestern Power Administration
One West Third Street, Suite 1400
Tulsa, OK 74103

Transmission Customer:

_____
_____
_____
_____

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

SOUTHWESTERN POWER ADMINISTRATION

By: _____

Title: ADMINISTRATOR

Address: One West Third Street, Suite 1400

Tulsa, OK 74103

Date: _____

TRANSMISSION CUSTOMER

By: _____

Title: _____

Address: _____

_____

Date: _____

ATTEST:

I, _____, certify that I am the _____ for the TRANSMISSION CUSTOMER and that _____, who signed this Service Agreement on behalf of the said TRANSMISSION CUSTOMER, was then the _____ of the said TRANSMISSION CUSTOMER, and that this Service Agreement was duly signed for and on behalf of the said TRANSMISSION CUSTOMER by authority of its governing body, which has within the scope of its corporate powers the authority to legally bind said TRANSMISSION CUSTOMER under the foregoing Service Agreement.

(SEAL) By _____

Specifications For
Firm Point-To-Point Transmission Service

1. Term of Transaction: _____

_____

Start Date: _____

Termination Date: _____

2. Description of capacity to be transmitted by Transmission Provider, including the electric Control Area in which the transaction originates.

_____

_____

3. Point(s) of Receipt: _____

Delivering Party: _____

4. Point(s) of Delivery: _____

Receiving Party: _____

5. Maximum amount of capacity to be transmitted (Reserved Capacity):

_____

_____

6. Designation of party(ies) subject to reciprocal service obligation:

_____

_____

_____

_____

7. Name of the Control Area from which capacity and energy will be delivered to the Transmission Provider for Transmission Service:

_____

Name of the Control Area to which capacity and energy will be delivered by the Transmission Provider:

_____

Name(s) of any Intervening Systems providing Transmission Service:

_____

8. Service under this Service Agreement may be subject to some combination of the charges detailed below. The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff and the Rate Schedule.

8.1. Transmission Charges are set forth in the Rate Schedule.

8.2. Real Power Losses will be applied and charged in accordance with the Rate Schedule.

8.3. Ancillary Services Charges are set forth in the Rate Schedule. The specific Ancillary Services to be charged initially under this Agreement are listed below. Changes in Ancillary Services, if applicable, are made in accordance with the Rate Schedule.

_____
_____
_____
_____

8.4. System Impact and/or Facilities Study Charge(s): (to be filled in if applicable)

_____

8.5. Direct Assignment Facilities Charge: (to be filled in if applicable)

_____

8.6. Other Charges, including transformation services and penalties, if applicable, will be determined by the Rate Schedule or set forth below:

_____

Effective Date: 8/17/2010

ATTACHMENT B

Form Of Service Agreement For
Non-Firm Point-To-Point Transmission Service

1. This Service Agreement, dated as of _____, is entered into, by and between Southwestern Power Administration (Transmission Provider or Southwestern), and _____ (Transmission Customer).

2. Designated Agent: The Transmission Customer recognizes that during the term of an Agreement between Southwestern and the Southwest Power Pool, Inc. (SPP), SPP shall act as Southwestern's Designated Agent (Designated Agent) for administering Southwestern's Open Access Transmission Tariff (Tariff), including billing, OASIS administration, performance of system impact studies, and approval of transmission requests and schedules, pursuant to the terms and conditions of such Agreement between SPP and Southwestern. All applications, requests, and schedules associated with transmission service pursuant to this Service Agreement shall be made by the Transmission Customer or the Transmission Customer's agent through OASIS.

3. The Tariff as presently constituted or as may be revised or superseded is incorporated herein and made a part hereof.

4. The Transmission Customer has been determined by the Transmission Provider or its Designated Agent to have a Completed Application for Non-Firm Point-To-Point Transmission Service under the Tariff.

5. Charges for Non-Firm Point-To-Point Transmission Service shall be calculated in accordance with Southwestern's rate schedule applicable to Wholesale Rates For Non-Federal Transmission/Interconnection Facilities Service (Rate Schedule) as presently constituted or as may be revised or superseded. The Rate Schedule as presently constituted is incorporated herein and made a part hereof.

6. During the administration of the Tariff by SPP, the Transmission Customer shall pay SPP's Tariff administrative charge pursuant to Schedule 1-A of SPP's Open Access Transmission Tariff. The Transmission Customer shall make payment directly to SPP for transmission service pursuant to this Service Agreement.

7. Service under this Service Agreement shall commence as requested by an authorized representative of the Transmission Customer after such service has been determined to be available by Southwestern or its Designated Agent. The effective date of this Service Agreement shall be _____, and this Service Agreement shall remain in full force and effect until _____.

8. The Transmission Provider or its Designated Agent agrees to provide, and the Transmission Customer agrees to take and pay for, Non-Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff, in accordance with the "Specifications for Non-Firm Point-to-Point Transmission Service," attached hereto and made a part hereof, and in accordance with the provisions of this Service Agreement.

9. All schedules for service under this Service Agreement which cross Control Area Boundaries shall conform to the standards for scheduled interchange of the North American Electric Reliability Council and the applicable regional reliability council.

10. Neither the Transmission Provider nor its Designated Agent is obligated under this Service Agreement to satisfy any deficiencies that may occur for the Transmission Customer as a result of suspension or reduction of schedules by a Third Party, nor is the Transmission Provider or its Designated Agent obligated to notify any party if such schedules are suspended or reduced due to the action of a Third Party.

11. The Transmission Customer agrees to supply information the Transmission Provider or its Designated Agent deems reasonably necessary in accordance with Good Utility Practice in order for the Transmission Provider or its Designated Agent to provide the requested service.

12. Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

Administrator
Southwestern Power Administration
One West Third Street
Tulsa, OK 74103

Transmission Customer:

_____
_____
_____
_____

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

SOUTHWESTERN POWER ADMINISTRATION

By: _____

Title: ADMINISTRATOR

Address: One West Third Street, Suite 1400
Tulsa, OK 74103

Date: _____

TRANSMISSION CUSTOMER

By: _____

Title: _____

Address: _____

_____

Date: _____

ATTEST:

I, _____, certify that I am the _____ for the TRANSMISSION CUSTOMER and that _____, who signed this Service Agreement on behalf of the said TRANSMISSION CUSTOMER, was then the _____ of the said TRANSMISSION CUSTOMER, and that this Service Agreement was duly signed for and on behalf of the said TRANSMISSION CUSTOMER by authority of its governing body, which has within the scope of its corporate powers the authority to legally bind said TRANSMISSION CUSTOMER under the foregoing Service Agreement.

(SEAL) By _____

Specifications For
Non-Firm Point-To-Point Transmission Service

1. This Agreement is intended to enable a variety of individual Non-Firm Transmission Service Transactions (Transactions). For the purposes of this Service Agreement, the Transmission Customer has designated the following information in its Completed Application as "various:"

1.1. Points of Receipt and Delivery, including supply and delivery characteristics and voltages;

1.2. the Reserved Transmission Capacity desired;

1.3. the type of non-firm transmission service (hourly, daily, weekly, monthly) desired;

1.4. the date(s) and, if applicable, hour(s) for the service which is desired,

1.5. the identities of the Delivering and Receiving Parties; and

1.6. the location(s) of the resource from which power and energy are to be supplied and the location of the load or Control Area(s) to which it is to be transmitted.

2. Individual Transactions for Non-Firm, Transmission Service under this Agreement may be requested by the Transmission Customer in increments of an hour, a day, a week, or a month for Non-Firm Transmission Service, and the Transmission Provider will grant such requests on an as-available basis.

2.1. For each specific Transaction requested, the Transmission Customer shall supply to the Transmission Provider the specific information listed in Section 1. pertinent to such Transaction, via Southwestern's OASIS and/or by telephone or facsimile, in accordance with the Tariff and with specific procedures which are mutually agreeable to the Parties.

2.2. The Transmission Customer shall request a separate Transaction for each type of service (by rate types related to increments of hourly, daily, weekly, or monthly reservations).

2.3. The Transmission Provider shall review each Transaction request and determine whether a reservation for such Transaction is available. The Transmission Provider shall communicate, also via OASIS and/or other means as agreed, the results of such determination.

2.4. In the event that a capacity reservation is recorded for such Transaction, the Transmission Customer will submit actual schedules under such reservation in accordance with established procedures, subject to the priority provisions of the Tariff and of Section 7. of this Service Agreement.

3. Reservations for any given one-week increment shall not cross the end of a calendar month, and reservations for any month shall be requested from the first day to the last day of a particular calendar month.

4. Service under this Service Agreement may be subject to some combination of the charges detailed below. The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff and the Rate Schedule.

4.1. Transmission Charges are set forth in the Rate Schedule.

4.2. Real Power Losses will be applied and charged in accordance with the Rate Schedule.

4.3. Ancillary Services Charges are set forth in the Rate Schedule. The specific Ancillary Services to be charged for any particular Transaction will be determined in accordance with the Rate Schedule.

4.4. Other Charges, including transformation services and penalties, if applicable, will be determined by the Rate Schedule or set forth below:

Effective Date: 8/17/2010

ATTACHMENT C

Methodology to Assess Available Transmission Capability

Pursuant to the SPP/Southwestern Agreement, the Transmission Provider participates in the SPP's process for the determination of Available Transfer Capability (ATC) and Total Transfer Capability. SPP does seasonal transfer studies to determine the inter-area transfer capabilities. The methodology uses standard incremental transfer capability techniques that recognize thermal, voltage, and stability limitations as well as contractual limitations. This methodology is based on NERC Criteria, Operating Policies, and Reference Documents related to interchange and transfer capability estimates. The specifics of this methodology are available in Section 4 of SPP's publication titled, "Criteria." The ATC values calculated by SPP will be posted on the OASIS.

Effective Date: 8/17/2010

ATTACHMENT D

Methodology for Completing a System Impact Study

The Transmission Provider may require System Impact Studies to determine the feasibility of providing Transmission Service under this Tariff. In determining the level of capacity available for new Transmission Service requests, the Transmission Provider may exclude the capacity needed to meet current and reasonably forecasted load of Native Load Customers and Network Customers, existing Firm Point-to-Point Transmission Service customers, previously pending applications for Firm Point-to-Point Transmission Service, and the capacity needed to meet existing contractual obligations. In accordance with the SPP/Southwestern Agreement, the Transmission Provider shall take into consideration impacts to the SPP transmission system as well as the System of Southwestern, in such studies as are conducted.

Point-to-Point Service

The Transmission Provider, in conjunction with SPP, will do a System Impact Study for a Point-to-Point Transmission Service request by simulating the proposed transaction along with all other contracted and pending uses of the transmission system of equal or greater priority. Criteria will be the same as those described in Attachment C.

Network Integration Service

The Transmission Provider will do a System Impact Study for a Network Integration Transmission Service request using the criteria and assessment practices as detailed in Parts 4 and 5 of the Transmission Provider's annual FERC Form 715 submittal.

Effective Date: 8/17/2010

ATTACHMENT E

Index of Point-to-Point Transmission Service Customers

Effective Date: 8/17/2010

ATTACHMENT F

Form Of Service Agreement For
Network Integration Transmission Service

1. This Service Agreement, dated as of _____, is entered into, by, and between Southwestern Power Administration (Transmission Provider or Southwestern), and _____ (Transmission Customer).

2. Designated Agent: The Transmission Customer recognizes that during the term of an Agreement between Southwestern and the Southwest Power Pool Inc. (SPP), SPP shall act as Southwestern's Designated Agent (Designated Agent) for administering Southwestern's Open Access Transmission Tariff (Tariff), including billing, OASIS administration, performance of system impact studies, and approval of transmission requests and schedules, pursuant to the terms and conditions of such Agreement between SPP and Southwestern. All applications, requests, and schedules associated with transmission service pursuant to this Service Agreement shall be made by the Transmission Customer or the Transmission Customer's agent through OASIS.

3. The Tariff as presently constituted or as may be revised or superseded is incorporated herein and made a part hereof.

4. The Transmission Customer has been determined by the Transmission Provider or its Designated Agent to have a Completed Application for Network Integration Transmission Service under the Tariff.

5. The Transmission Customer has provided to the Transmission Provider or its Designated Agent a processing fee in accordance with Section 3.2.2. of the Tariff.

6. A Network Operating Agreement (Operating Agreement) has been executed between the Parties and is incorporated herein and made a part hereof.

7. Charges for Network Integration Transmission Service shall be calculated in accordance with Southwestern's rate schedule applicable to Wholesale Rates for Non-Federal Transmission/Interconnection Facilities Service (Rate Schedule) as presently constituted or as may be revised or superseded. The Rate Schedule as presently constituted is incorporated herein and made a part hereof.

8. During the administration of the Tariff by SPP, the Transmission Customer shall pay SPP's Tariff administrative charge pursuant to Schedule 1-A of SPP's Open Access Transmission Tariff. Payment for transmission service pursuant to this Service Agreement shall be made by the Transmission Customer to SPP.

9. Service under this Agreement shall commence on the latest of: (1) _____, (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed, or (3) on the first day of the month following execution by both Parties. This Service Agreement shall terminate at _____ on _____.

10. The Transmission Provider or its Designated Agent agrees to provide, and the Transmission Customer agrees to take and pay for, Network Integration Transmission Service in accordance

with the provisions of Part II of the Tariff, in accordance with the "Specifications for Network Integrated Transmission Service," attached hereto and made a part hereof, and in accordance with the provisions of this Service Agreement.

11. All schedules for service under this Service Agreement which cross Control Area boundaries shall conform to the standards for scheduled interchange of the North American Electric Reliability Council and the applicable regional reliability council.

12. Neither the Transmission Provider nor its Designated Agent is obligated under this Service Agreement to satisfy any deficiencies that may occur for the Transmission Customer as a result of suspension or reduction of schedules by a Third Party, nor is the Transmission Provider obligated to notify any party if such schedules are suspended or reduced due to the action of a Third Party.

13. The Parties specifically recognize that the Transmission Provider's ability to construct new or upgraded facilities to meet the Designated Network Loads of the Transmission Customer are contingent upon the availability of funds by the U.S. Congress to the Transmission Provider for such purpose, as set forth in Attachment K of the Tariff, "General Provisions Applicable to Transmission Service," appended to this Service Agreement.

13.1. The Transmission Provider's responsibilities to the Transmission Customer pursuant to Section 3.1.2. of the Tariff, or under other provisions of the Tariff which may require construction of additional transmission facilities in the system of the Transmission Provider to meet Designated Network Loads, are specifically limited to the extent that funds are available to the Transmission Provider for such purposes.

13.2. In the event that such facilities may be needed to meet Designated Network Loads, the Transmission Customer may elect to provide, in advance, the necessary funds for such construction by the Transmission Provider, in accordance with a separate construction agreement between the Parties. The Transmission Provider's ability to accept such funds is subject to the authority granted to the Transmission Provider by the U.S. Congress.

14. Any notice or request made to or by either Party regarding this Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

Administrator
Southwestern Power Administration
One West Third Street, Suite 1400
Tulsa, OK 74103

Transmission Customer:

_____
_____
_____
_____

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

SOUTHWESTERN POWER ADMINISTRATION

By: _____

Title: ADMINISTRATOR

Address: One West Third Street, Suite 1400

Tulsa, OK 74103

Date: _____

(TRANSMISSION CUSTOMER)

By: _____

Title: _____

Address: _____

_____

Date: _____

ATTEST:

I, _____, certify that I am the _____ for the TRANSMISSION CUSTOMER and that _____, who signed this Service Agreement on behalf of the said TRANSMISSION CUSTOMER, was then the _____ of the said TRANSMISSION CUSTOMER, and that this Service Agreement was duly signed for and on behalf of the said TRANSMISSION CUSTOMER by authority of its governing body, which has within the scope of its corporate powers the authority to legally bind said TRANSMISSION CUSTOMER under the foregoing Service Agreement.

(SEAL) By _____

Specifications for
Network Integration Transmission Service

1. The Transmission Provider will provide Network Integration Transmission Service over the Transmission Provider's Transmission System for the delivery of capacity and energy from the Transmission Customer's designated Network Resources, as set forth in Section 3. of these Specifications for Network Integration Transmission Service, to the Transmission Customer's Designated Network Loads which are located in the Transmission Provider's Control Area, as set forth in Section 4. of these Specifications for Network Integration Transmission Service.

2. The Transmission Provider will provide non-firm transmission service (Secondary Transmission Service) from non-designated Network Resources to meet Designated Network Loads, on an as-available basis, under the terms of this Service Agreement and in accordance Section 3.1.4. and other applicable Sections of the Tariff.

3. Designated Network Resources to be delivered into [or from] the Transmission Provider's Control Area on behalf of the Network Customer:

3.1. [to be specified in each Agreement, using information provided in the Transmission Customer's application for Network Integration Transmission Service.]

3.2. Any change in Network Resources shall be effected in accordance with procedures set forth in the Tariff.

4. Designated Network Loads to be served under this Service Agreement:

4.1. [to be specified in each Agreement, using information provided in the Transmission Customer's application for Network Integration Transmission Service.]

4.2. Any change in Designated Network Loads shall be effected in accordance with procedures set forth in the Tariff.

5. Specific operations under this Service Agreement are set forth in the Operating Agreement

6. Service under this Agreement may be subject to some combination of the charges detailed below.

6.1. The Network Transmission Capacity Charge is set forth in the Rate Schedule. The specific capacity which the Transmission Customer will be invoiced for is computed in accordance with procedures set forth in the Tariff and updated in conformity to such procedures. The initial charges and the specific basis for such charges for Network Integration Transmission Service applicable to this Service Agreement are included in the Operating Agreement.

6.2. Real Power Losses will be applied and charged in accordance with the Rate Schedule.

6.3. Ancillary Services Charges are set forth in the Rate Schedule. The specific Ancillary Services to be charged initially under this Agreement are listed below. Changes in Ancillary Services, if applicable, are made in accordance with the Rate Schedule.

_____
_____
_____
_____

6.4. System Impact and/or Facilities Study Charge(s): (to be filled in if applicable)

_____
_____

6.5. Direct Assignment Facilities Charge: (to be filled in if applicable)

_____

6.6. Penalties Associated with unauthorized use of the Transmission Provider's Transmission System and associated facilities, as provided in the Operating Agreement or the Rate Schedule:

6.7. Other Charges:
To be filled in and defined if applicable

Effective Date: 8/17/2010

ATTACHMENT G

Network Operating Agreement

To be provided by the Transmission Provider at such time as the Transmission Provider has negotiated or offered a Network Integration Transmission Service Agreement. The terms and conditions under which the Network Customer will be required to operate its facilities and the technical and operational matters associated with the implementation of Network Integration Transmission Service will be specified in a separate Network Operating Agreement and appended to the applicable Service Agreement.

The Network Operating Agreement may include, but is not limited to, provisions addressing the following matters:

Authorized Representatives of the Parties
Network Operating Committee
Load Following
System Protection
Redispatch to Manage Transmission Constraints
Maintenance of Facilities
Load Shedding
Operation Impacts
Service Conditions
Data, Information and Reports
Metering
Communications
System Regulation and Operating Reserves
Assignment
Notices
Accounting for Transmission Losses
Ancillary Services
Penalties for Unauthorized Use of Transmission Provider's System

Effective Date: 8/17/2010

ATTACHMENT H

Annual Transmission Revenue Requirement
For Network Integration Transmission Service

The Annual Transmission Revenue Requirement for purposes of the Network Integration Transmission Service is set forth in the Transmission Provider's rate schedule for transmission service.

Effective Date: 8/17/2010

ATTACHMENT I

Index of Network Integration Transmission Service Customers

Customer	Date of Service Agreement
Associated Electric Cooperative, Inc.	3-22-2000
Arkansas Electric Cooperative Corporation	9-21-2000

Effective Date: 8/17/2010

ATTACHMENT J

Transmission Requests and Scheduling Timing Requirements

		Transmission Requests[1]			Determine Capacity Available or System Impact Study			Energy Scheduling[1]	
Transmission Service Type	**Term**	**No Later Than**	**No Earlier Than**	**Response to Application**	**(From Date of Customer Commitment)**		**Customer Response[2]**	**Changes No Later Than**	**No Later Than**
Long Term Firm	1 Year or More	60 Days Prior		15 days	30 days	60 days	15 days	1200 day prior	20 mins prior to hour
Short-Term Firm	More than 1 month (monthly)	31 days prior	120 days prior	24 hrs	30 days	60 days	4 days	1200 day prior	20 mins prior to hour
Short-Term Firm	1 mo (monthly)	8 days prior	90 days prior	24 hrs	30 days	60 days	4 days	1200 day prior	20 mins prior to hour
Short-Term Firm	More than 1 wk up to 1 month (weekly)	8 days prior	60 days prior	24 hrs	30 days	60 days	48 hrs	1200 day prior	20 mins prior to hour
Short-Term Firm	1 wk (weekly)	2 days prior	30 days prior	24 hrs	30 days	60 days	48 hrs	1200 day prior	20 mins prior to hour
Short-Term Firm	More than 1 day up to 1 wk (daily)	2 days prior	14 days prior	24 hrs	30 days	60 days	24 hrs	1200 day prior	20 mins prior to hour
Short-Term Firm	1 Day (daily)	1000 day prior	3 days prior[3]	24 hrs	queued > 24 hrs to start: 30 days	60 days	queued > 24 hrs to start: 24 hrs	1200 day prior	20 mins prior to hour

		Transmission Requests[1]			Determine Capacity Available or System Impact Study			Energy Scheduling[1]	
Transmission Service Type	**Term**	**No Later Than**	**No Earlier Than**	**Response to Application**	**(From Date of Customer Commitment)**		**Customer Response[2]**	**Changes No Later Than**	**No Later Than**
					queued < 24 hrs to start: best effort		queued < 24 hrs to start: 2 hrs		
Non-Firm	1 month or greater (monthly)	3 days prior	60 days prior	N/A	2 days	N/A	24 hrs	1500 day prior	20 mins prior to hour
Non-Firm	1 wk up to 1 mo (weekly)	2 days prior	14 days prior	N/A	4 hrs	N/A	24 hrs	1500 day prior	20 mins prior to hour
Non-Firm	1 day up to 1 wk (daily)	1200 day prior	2 days prior[3]	N/A	30 mins	N/A	2 hrs	1500 day prior	20 mins prior to hour
Non-Firm	1 hour up to 1 day (hourly)	30 mins. prior	1200 day prior	N/A	Queued > 1 hr prior to start: 30 mins	N/A	Queued day prior: 30 mins	1500 day prior[4]	20 mins prior to hour
					Queued < 1 hr prior to start best effort		Queued current day: 5 min[5]		

The Transmission Provider, in its discretion exercised on a non-discriminatory basis, may waive any of these requirements.

2 For transactions under a service agreement enabling non-firm or short-term firm transmission service, the above times are the deadlines by which time the customer must notify The Transmission Provider of its acceptance of the offer to provide transmission.

3 Excluding Sundays and NERC Holidays.

4 Non-firm schedules will be accepted after 1500 day prior if no new reliability risks have been identified since the reservation was accepted. This includes but is not limited to NERC TLR in effect.

5 Or 2300 of previous day if for first hour of day.

Effective Date: 8/17/2010

ATTACHMENT K

General Provisions Applicable to Transmission and Generation Interconnection Service

1. Propriety of Rates

The Transmission Provider shall bill the Transmission Customer for the Transmission Customer's purchases of power, energy, and other services in accordance with the Rate Schedule, which is placed in effect pursuant to statute.

1.1. The Transmission Customer hereby agrees to promptly pay the Transmission Provider under such Rate Schedule, whether or not the Transmission Customer agrees with the propriety or the levels of the rates placed into effect pursuant to law, regulation, or the order of an appropriate authority, subject to the Transmission Customer's rights to terminate service.

1.2. In the event that the U.S. Congress amends the manner in which the Transmission Provider calculates or charges for its products and services, the Transmission Customer hereby agrees to promptly pay in such an amended manner, subject to the Transmission Customer's right to terminate.

2. Changes in Rates

The rates and/or terms and conditions set forth in the Rate Schedule may change upon confirmation and/or approval by the appropriate authority having responsibility to so confirm and/or approve rate schedules, and, whether on an interim basis or as finally confirmed and/or approved, such rates may be increased, decreased, modified, or superseded at any time and from time to time.

2.1. If such rates are so increased, decreased, modified, or superseded, the rates and terms and conditions shall thereupon become effective and applicable to the Transmission Service furnished by the Transmission Provider under this Agreement, in accordance with and on the effective date specified in the order of the appropriate authority.

2.2. The Transmission Provider shall promptly notify the Transmission Customer in writing of the redetermination and/or changes and modifications made in the then-effective Transmission Provider's rate schedules for Transmission Service.

2.3. If such notice advises that the rates to be paid by the Transmission Customer for the Transmission Service furnished by the Transmission Provider under this Agreement are greater than the then-effective rate for such service, The Transmission Customer may, by written notice to the Transmission Provider at any time within 90 days following the date of receipt of such notice from the Transmission Provider, terminate this Agreement in its entirety, such termination to become effective as of the last day of any month following no less than 6 months after the date of receipt by the Transmission Provider of such notice of termination from the Transmission Customer.

2.4. In the event that the Transmission Customer elects to terminate this Agreement pursuant to this Section 2., the Transmission Customer shall pay for services under this Agreement at the then-effective rates during the interim between the date of such notice and the effective termination date specified in such notice.

3. Availability of Funds to the Transmission Provider

This Agreement and all rights and obligations hereunder, and the expenditure of funds by the Transmission Provider under its provisions, are expressly conditioned and contingent upon the U.S. Congress's making available (through direct appropriation, authorization of a revolving fund, the authority to borrow funds, or through such other means as it may provide) the necessary funds or the authority to accept funds from others to enable the Transmission Provider to carry out the provisions of this Agreement, and if such funds or authorities are not available, this Agreement shall terminate and have no further force or effect as of the last day for which funds or authorities were available, and the Transmission Customer hereby releases the Transmission Provider from any and all liability for failure to perform and fulfill its obligations under this Agreement for that reason.

3.1. No obligation contained herein for the future payment of money by the Transmission Provider, or liability on the part of the Transmission Provider for breach of any of the provisions contained herein, shall be binding upon or enforceable against the Transmission Provider unless and until funds, as provided in this Section 3., are available out of which such obligations or liability can be legally paid.

3.2. Nothing in this Agreement may be considered as implying that the U.S. Congress will, at a later date, appropriate funds sufficient to meet any deficiencies or obligations incurred under this Agreement.

4. Covenant Against Contingent Fees

The Transmission Customer warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except bona fide employees or bona fide established commercial or selling agencies maintained by the Transmission Customer for the purpose of securing business. For breach or violation of this warranty, the Transmission Provider shall have the right to annul this Agreement without liability, or, at its discretion, to add to the Agreement price or consideration the full amount of such commission, percentage, brokerage, or contingent fee.

5. Termination for Breach

If either Party breaches a material provision of this Agreement, the other Party, at its option, may terminate this Agreement upon 30 days' prior written notice of its intention to do so, and this Agreement ipso facto shall terminate at the end of such 30-day period unless such violation is corrected within that period. Neither Party shall be considered to be in default or breach with respect to any obligation under this Agreement if prevented from fulfilling such obligation by reason of an Uncontrollable Force.

6. Convict Labor

In connection with the performance of work under this Agreement, the Transmission Customer agrees not to employ any person undergoing sentence of imprisonment except as provided by Public Law 89-176, September 10, 1965 (18 U.S.C. 4062 (c)(2)), and Executive Order 11755, December 29, 1973.

7. Equal Employment Opportunity

During the performance of this Agreement, the Transmission Customer agrees to abide by and to fulfill the nondiscrimination requirements of the "equal opportunity clause" contained in Section 202 of Executive Order 11246 dated September 24, 1965 (30 FR 12319), any Executive Order amending such order, and any other Executive Order superseding such order.

8. Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era

During the performance of this Agreement, the Transmission Customer agrees to comply with Section 402 of the Vietnam Era Veterans Readjustment Assistance Act of 1974, Public Law 93-508 as it amends Public Law 92-540, to take affirmative action to employ and advance in employment qualified disabled veterans and veterans of the Vietnam era, and to fulfill the requirements of the "affirmative action clause," 38 USCA Sections 2011 and 2012 (1979); 41 CFR 60-250 et seq.

9. Affirmative Action for Handicapped Workers

During the performance of this Agreement, the Transmission Customer agrees to comply with Section 503 of the Rehabilitation Act of 1973, Public Law 93-516, to take affirmative action to employ and advance in employment qualified handicapped individuals, and to otherwise fulfill the requirements of the "affirmative action clause," 29 USCA Section 793 (1979); 41 CFR 60-741 et seq.

10. Contract Work Hours and Safety Standards

This Agreement, to the extent that it is of a character specified in Section 103 of the Contract Work Hours and Safety Standards Act, 40 U.S.C. ' 327-333 (1986), is subject to the provisions of the said Act and to regulations promulgated by the Secretary of Labor pursuant to the said Act.

The following provisions are applicable only to Transmission Customers which receive service through facilities which are (1) jointly used by the Transmission Provider and the Transmission Customer, (2) where the Transmission Customer would have occasion to enter the facilities of the Transmission Provider, (3) where the Transmission Customer owns facilities installed on the property of the Transmission Provider, and/or (4) when the Transmission Customer takes service directly from facilities owned and maintained by the Transmission Provider.

11. Meter Tests and Adjustments

Any metering equipment which may be used in power accounting for Transmission Service under this Agreement shall be inspected and tested at least once each year by the Party responsible, and at any reasonable time upon request by either Party. Metering equipment found to be defective or inaccurate shall be repaired and readjusted or replaced by the owner.

11.1. A meter shall be considered inaccurate if it is found to deviate from an accurate standard meter in excess of 0.5 percent when tested at 100 percent of load or 1.0 percent when tested at 10 percent of load.

11.2. If any meter inspection or test discloses an error exceeding 2 percent, a correction based upon the inaccuracy found shall be made on the records of electric service furnished since the beginning of the monthly billing period immediately preceding the billing period during which the test was made, and such correction, when made, shall constitute full adjustment of any claim between the parties hereto arising out of such inaccuracy of metering equipment.

12. Reliability, Safety, Health, and Environmental Requirements in Regard to Construction, Operation, and Maintenance on U.S. Government Property

The provisions of this Section 12. shall apply only if the Transmission Customer, its agents or contractors, or its member entities perform maintenance, operations, or construction on the property of the U.S. Government (Government), or on easements shared by the Government and the Transmission Customer.

12.1. Such construction, maintenance, and operation shall be performed in accordance with standards at least equal to those provided by the National Electrical Safety Code and shall conform to safety, environmental, and security procedures identified by Transmission Provider as appropriate to each facility in which such work is performed. The Transmission Provider provides such written procedures in each of the facilities it maintains and to affected Transmission Customers.

12.2. The Transmission Customer and/or its member entities shall take all reasonable precautions in the performance of such work to protect the public and the environment. The Transmission Customer and/or its member entities shall comply with all applicable local, state, and Federal regulations and requirements in the performance of such work, including, but not limited to, the National Environmental Policy Act, the Clean Air Act; the Clean Water Act; the Comprehensive Environmental Responsibility, Compensation, and Liability Act; the Toxic Substances Control Act; the Resource Conservation and Recovery Act; the Superfund Amendments and Reauthorization Act (SARA); SARA Title III (Emergency Planning and Community Right-to-Know Act of 1986); and the Occupational Safety and Health Act.

12.3. In the event that the Transmission Provider, at its sole option and in its sole judgment, determines that construction, maintenance, or operation of facilities which are performed under this Agreement by the Transmission Customer, and/or one of its member entities, do not meet the standards and/or regulations and requirements specified in this Section 12., or if the Transmission Provider determines, in its sole judgment, that a condition exists which provides a potentially adverse impact (1) on the reliability of services provided by Transmission Provider to its customers, (2) on the safety and/or health of the public or employees and agents of the parties hereto, and/or (3) on the environment, then Transmission Provider may provide written notice to the Transmission Customer and/or its member entity of the deficient condition; Provided, That, if such condition, in Transmission Provider's sole judgment and at Transmission Provider's sole option, requires immediate attention and does not allow time for such notice, Transmission Provider will remedy the condition and, where appropriate, bill the Transmission Customer.

12.4. Where, in the Transmission Provider's sole judgment, remedy of the said deficient condition is not time critical, the Transmission Customer and/or its member entity shall provide a written plan and schedule to Transmission Provider within 30 days of receipt of the said written notice. Such plan and schedule shall provide for correction of the said deficiency at the earliest possible time available to the Transmission Customer and/or its member entity; Provided, That, the maximum time allowed for the Transmission Customer and/or its member entity to correct any such deficiency shall not exceed 18 months from receipt of the said written notice. The Transmission Customer shall coordinate or, if applicable, cause its member entity to coordinate, any work and outages which may involve Transmission Provider's facilities with Transmission Provider's Dispatch Center (Dispatch Center) in Springfield, Missouri.

12.5. Unless otherwise agreed in writing, correction of deficiencies pursuant to this Section 12. shall be at the expense of the Transmission Customer.

12.6. If the Transmission Customer and/or its member entity fails to correct the deficiency within the time provided pursuant to this Section 12., the Transmission Provider shall have the right, at its sole option and in its sole discretion, to terminate service through the affected facilities until such deficiencies are corrected to the satisfaction of Transmission Provider.

12.7. If, within the time period provided pursuant to this Section 12., an emergency condition occurs which, in the sole judgment of Transmission Provider, may cause an adverse impact on the reliability of the Transmission System of Transmission Provider and/or on the environment, or which poses a hazard to the safety and/or health of the public or employees and agents of the parties hereto, then Transmission Provider may, at its sole option, remedy or repair such condition or equipment and bill the Transmission Customer, and the Transmission Customer agrees to render the Transmission Provider reimbursement.

13. Right of Installation and Access

Each Party grants to the other permission, or will obtain such permission for the other Party, to install, maintain, and operate, or cause to be installed, maintained, and operated, on the System of Transmission Provider and on the System of the Transmission Customer, at the Point(s) of Delivery between the System of Transmission Provider and the System of the Transmission Customer utilized under this Agreement, any and all terminal equipment and associated Electrical apparatus and devices necessary in the performance of this Agreement.

13.1. Each party shall permit, or shall obtain permission for, duly authorized representatives and employees of the other Party to enter upon the System of the Transmission Provider and the System of the Transmission Customer at the said Point(s) of Delivery for the purpose of reading or checking meters; for inspecting, testing, repairing, renewing, or exchanging any or all of the equipment owned by the other party located on such premises; or for the purpose of performing any other work necessary in the performance of this Agreement.

13.2. Access for any work performed by one party under this Section 13. which may affect the other Party's equipment shall normally be preceded by at least one day's notice to the affected Party, except in the event of an emergency, in which case such notice shall be made as soon as possible after such emergency occurrence. Notice to Transmission

Provider pursuant to this Section 13. shall be made to the Dispatch Center.

13.3. Any access to property controlled by the Transmission Provider shall include notification to Transmission Provider at the time of entry. Any employee or agent of the Transmission Customer, or of its member entities, who enters a Transmission Provider facility is expected to call the Dispatch Center from a telephone located in the control building in that facility and to identify himself or herself. Security devices located in the control buildings at Transmission Provider facilities sound an alarm in the Dispatch Center when the building is entered. Local law enforcement officers may be asked to investigate any unidentified entry.

13.4. Any equipment, apparatus, or devices installed on the System of the Transmission Provider by the Transmission Customer, as provided under this Section 13., shall be clearly and permanently marked to indicate ownership, and, in addition, a detailed description of each item so installed (including, if applicable, manufacturer's name, serial number, model number, etc.) shall be communicated to Transmission Provider to aid in maintenance of plant accounts.

13.5. In the event the equipment, apparatus, or devices are not marked in accordance with Section 13.4., ownership of said equipment, apparatus, or devices shall be presumed to be vested in Transmission Provider.

13.6. The Transmission Customer agrees that, if requested by Transmission Provider, the description required under Section 13.4. shall include a detailed analysis of all diElectrical oil, including, but not limited to, tests for polychlorinated biphenyls (PCBs). If such analysis indicates the presence of a known hazardous substance, which, in the Transmission Provider's sole judgment, presents a significant hazard to the environment or to the health and safety of employees of the parties hereto, the Transmission Provider may require, at its sole option, by written request, removal of any equipment containing such substance, and the Transmission Customer agrees to comply with such request for removal at no cost to Transmission Provider.

14. Right of Removal

Any and all equipment, apparatus, or devices placed or installed or caused to be placed or installed by the Parties on or in the System of the Transmission Provider or the System of the Transmission Customer shall be and shall remain the property of the Party owning and installing such equipment, apparatus, devices, or facilities, regardless of the mode or manner of annexation or attachment to real property, and, upon the termination of this Agreement, the owner thereof shall have the right to enter upon the premises or system of the other and shall, within a reasonable time, remove such equipment, apparatus, devices, or facilities, subject to the provisions of Section 13.5.

15. Right to Upgrade Facilities

The Transmission Provider reserves the right to modify or upgrade its Transmission System and any of the elements which support such Transmission System, including, but not limited to, changes in: (1) The Transmission Provider's transmission voltages, (2) The Transmission Provider's transmission system components, (3) The Transmission Provider's communications system, (4) The Transmission Provider's Supervisory Control and Data Acquisition (SCADA)

System, and (5) other modifications necessary to comply with the standards and/or regulations and requirements mentioned in Section 16.

15.1. If, during the term of this Agreement, the Transmission Provider determines, in its sole judgment and at its sole option, that modifications or upgrades to its Transmission System and associated facilities are required, then, in that event, the Transmission Customer shall be responsible for any and all costs and expenses incurred by the Transmission Customer in order to continue to receive services provided under this Agreement.

15.2. If the Transmission Customer elects not to make changes in its facilities which, in The Transmission Provider's judgment, are required for the Transmission Customer to continue to receive reliable service from the Transmission Provider's modified or upgraded facilities, then the Transmission Customer will discontinue receipt of the services provided under this Agreement which are dependent on such modified or upgraded facilities, and the provisions of this Agreement which describe such services shall be terminated or, at the Transmission Provider's sole option, suspended, until the Transmission Customer completes the changes in its facilities which the Transmission Provider, in its sole judgment, deems necessary for safe and reliable service to the Transmission Customer.

15.3. The Transmission Provider shall notify the Transmission Customer of the specific sections or articles of the Agreement which are to be terminated or suspended pursuant to this Section 15.

15.4. Any provisions of this Agreement which are not specifically terminated or suspended pursuant to Section 15.3. shall not in any way be affected and shall remain in full force and effect except insofar as the services provided pursuant to the terminated or suspended provisions which are reflected in other provisions of this Agreement will also be terminated or suspended.

15.5. Termination or suspension of specific provisions of this Agreement pursuant to this Section 17. shall be without penalty to either of the Parties, except that the rights of the Parties, if any, which accrued prior to the date of such termination or suspension shall be and hereby are preserved.

16. Limitation on Rights of Entry

The Transmission Provider reserves the right, upon notice to the Transmission Customer, to revoke or cancel the rights of entry granted under this Agreement with regard to any particular representative of the Transmission Customer, if, in the sole judgment of the Transmission Provider, such revocation or cancellation is required in the interest of national security.

17. Assistance by Contracting Parties

If assistance in maintenance and utilization of their respective systems is rendered by the Transmission Provider and/or the Transmission Customer, the following terms and conditions shall apply:

17.1. If, in the maintenance or utilization of their respective transmission systems and related facilities for the purpose of this Agreement, it becomes necessary by reason of any emergency or extraordinary condition for the Transmission Provider or the Transmission Customer to request the other to furnish personnel, materials, tools, and equipment for the maintenance or modification of, or other work on, such transmission systems and related facilities to insure continuity of power and energy deliveries, the Party requested shall cooperate with the other and render such assistance as the Party requested may determine to be available.

17.2. The Party making such request, upon receipt of properly itemized bills, shall reimburse the Party rendering such assistance, including overhead and administrative and general expenses. The Transmission Customer and the Transmission Provider agree to account for any incurred costs under a Work Order accounting procedure and in accordance with the Uniform System of Accounts prescribed for public utilities by the Commission.

Effective Date: 8/17/2010

ATTACHMENT L

Standard Large Generator Interconnection Procedures (LGIP)
Including Standard Large Generator Interconnection Agreement (LGIA)

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13.2. Delegation of Responsibility
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13.3.1. Invoicing and Payment
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APPENDIX 1 – INTERCONNECTION REQUEST FOR A LARGE GENERATING FACILITY

APPENDIX 2 – INTERCONNECTION FEASIBILITY STUDY AGREEMENT

APPENDIX 3 – INTERCONNECTION SYSTEM IMPACT STUDY AGREEMENT

APPENDIX 4 – INTERCONNECTION FACILITIES STUDY AND ENVIRONMENTAL DOCUMENTATION AGREEMENT

APPENDIX 5 – OPTIONAL INTERCONNECTION STUDY AGREEMENT

APPENDIX 6 – STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT (LGIA)

APPENDIX 7 – INTERCONNECTION PROCEDURES FOR A WIND GENERATING PLANT

Effective Date: 8/17/2010

1. Definitions

1.1. **Adverse System Impact** shall mean the negative effects due to technical or operational limits on conductors or equipment being exceeded that may compromise the safety and reliability of the electric system.

1.2. **Affected System** shall mean an electric system other than the Southwestern Transmission System that may be affected by the proposed interconnection.

1.3. **Affected System Operator** shall mean the entity that operates an Affected System.

1.4. **Affiliate** shall mean, with respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity.

1.5. **Ancillary Services** shall mean those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Southwestern Transmission System in accordance with Good Utility Practice.

1.6. **Applicable Laws and Regulations** shall mean all duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

1.7. **Applicable Reliability Council** shall mean the reliability council applicable to the Transmission System to which the Generating Facility is directly interconnected.

1.8. **Applicable Reliability Standards** shall mean the requirements and guidelines of NERC, the Applicable Reliability Council, and the Control Area of the Transmission System to which the Generating Facility is directly interconnected.

1.9. **Base Case** shall mean the base case power flow, short circuit, and stability data bases used for the Interconnection Study by the SPP, Southwestern or Interconnection Customer.

1.10. **Breach** shall mean the failure of a Party to perform or observe any material term or condition of the Standard Large Generator Interconnection Agreement.

1.11. **Breaching Party** shall mean a Party that is in Breach of the Standard Large Generator Interconnection Agreement.

1.12. **Business Day** shall mean Monday through Friday, excluding Federal Holidays.

1.13. **Calendar Day** shall mean any day including Saturday, Sunday or a Federal Holiday.

1.14. **Clustering** shall mean the process whereby a group of Interconnection Requests is studied together, instead of serially, for the purpose of conducting the Interconnection System Impact Study.

1.15. **Commercial Operation** shall mean the status of a Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

1.16. **Commercial Operation Date** of a unit shall mean the date on which the Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to the Standard Large Generator Interconnection Agreement.

1.17. **Confidential Information** shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise.

1.18. **Control Area** shall mean an electrical system or systems bounded by interconnection metering and telemetry, capable of controlling generation to maintain its interchange schedule with other Control Areas and contributing to frequency regulation of the interconnection. A Control Area must be certified by an Applicable Reliability Council.

1.19. **Default** shall mean the failure of a Breaching Party to cure its Breach in accordance with Section 16. of the Standard Large Generator Interconnection Agreement.

1.20. **Dispute Resolution** shall mean the procedure for resolution of a dispute between the Parties in which they will first attempt to resolve the dispute on an informal basis.

1.21. **Distribution System** shall mean the facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas.

1.22. **Distribution Upgrades** shall mean the additions, modifications, and upgrades to the Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility and render the transmission service necessary to effect Interconnection Customer's wholesale sale of electricity in interstate commerce, as determined by the SPP. Distribution Upgrades do not include Interconnection Facilities.

1.23. **Effective Date** shall mean the date on which the Standard Large Generator Interconnection Agreement becomes effective upon execution by the Administrator of Southwestern, or the Administrator's authorized representative.

1.24. **Emergency Condition** shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of Southwestern, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the

Southwestern Transmission System, Transmission Provider's Interconnection Facilities or the electric systems of others to which the Southwestern Transmission System is directly connected; or (3) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided that Interconnection Customer is not obligated by the Standard Large Generator Interconnection Agreement to possess black start capability.

1.25. **Energy Resource Interconnection Service** shall mean an Interconnection Service as evaluated by the SPP that allows the Interconnection Customer to connect its Generating Facility to the Southwestern Transmission System to be eligible to deliver the Generating Facility's electric output using the existing firm or nonfirm capacity of the Southwestern Transmission System on an as available basis. Energy Resource Interconnection Service in and of itself does not convey transmission service.

1.26. **Engineering & Procurement (E&P) Agreement** shall mean an agreement that authorizes Southwestern to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.

1.27. **Environmental Law** shall mean Applicable Laws or Regulations relating to pollution or protection of the environment or natural resources.

1.28. **Expansion Plan** shall mean an approved plan by the SPP for the improvement of the Transmission System.

1.29. **Federal Power Act** shall mean the Federal Power Act, as amended, 16 U.S.C. §§ 791a et seq.

1.30. **FERC** shall mean the Federal Energy Regulatory Commission (Commission) or its successor.

1.31. **Force Majeure** shall mean acts of God (including but not limited to, failure of water supply, earthquakes, fires, floods, windstorms, landslides, and ice storms); strikes, lockout, or other labor disputes; acts of public enemy; wars, riots, and insurrection; epidemics; civil disturbances; explosions; train derailments; breakdown or failure of machinery or facilities, and delay in delivery of equipment to the extent such occurrences are beyond the reasonable control of the Parties; electrical disturbance originating in or transmitted through such Party's electrical system or equipment or any electrical system with which such Party's system or equipment is interconnected; and any other event, cause, or condition beyond the Party's reasonable control, which, by the exercise of reasonable diligence, prevents the Party claiming Force Majeure from performing its obligations under this Agreement.

1.32. **Generating Facility** shall mean Interconnection Customer's device for the production of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

1.33. **Generating Facility Capacity** shall mean the net capacity of the Generating Facility and

the aggregate net capacity of the Generating Facility where it includes multiple energy production devices.

1.34. **Good Utility Practice** shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

1.35. **Governmental Authority** shall mean any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include Interconnection Customer, Southwestern, or any Affiliate thereof.

1.36. **Hazardous Substances** shall mean any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "hazardous constituents," "restricted hazardous materials," "extremely hazardous substances," "toxic substances," "radioactive substances," "contaminants," "pollutants," "toxic pollutants" or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

1.37. **Initial Synchronization Date** shall mean the date upon which the Generating Facility is initially synchronized and upon which Trial Operation begins.

1.38. **In-Service Date** shall mean the date upon which the Interconnection Customer reasonably expects it will be ready to begin use of Southwestern's Interconnection Facilities to obtain back feed power.

1.39. **Interconnection Customer** shall mean any entity, or any of the Affiliates or subsidiaries of such entity, that proposes to interconnect its Generating Facility with the Southwestern Transmission System.

1.40. **Interconnection Customer's Interconnection Facilities** shall mean all facilities and equipment, as identified in Attachment A of the Standard Large Generator Interconnection Agreement, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to the Southwestern Transmission System. Interconnection Customer's Interconnection Facilities are sole use facilities.

1.41. **Interconnection Facilities** shall mean Southwestern's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the

Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the Southwestern Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

1.42. **Interconnection Facilities Study** shall mean a study conducted by Southwestern or a third party consultant for the Interconnection Customer to determine a list of facilities (including Southwestern's Interconnection Facilities), the cost of those facilities, and the time required to interconnect the Generating Facility with the Southwestern Transmission System. The scope of the study is defined in Section 8. of the Standard Large Generator Interconnection Procedures.

1.43. **Interconnection Facilities Study and Environmental Documentation Agreement** shall mean the agreement between Southwestern and the Interconnection Customer that determines the facilities required for the interconnection and provides for Southwestern to complete its documentation requirements under the National Environmental Policy Act (NEPA).

1.44. **Interconnection Feasibility Study** shall mean a preliminary evaluation of the system impact and cost of interconnecting the Generating Facility to the Transmission System, as described in Section 6. of the Standard Large Generator Interconnection Procedures.

1.45. **Interconnection Feasibility Study Agreement** shall mean the form of agreement contained in the SPP's Standard Large Generator Interconnection Procedures for conducting the Interconnection Feasibility Study.

1.46. **Interconnection Request** shall mean an Interconnection Customer's request, in the form of Appendix 1 to the SPP's Standard Large Generator Interconnection Procedures, to interconnect a new Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected with the Southwestern Transmission System. Southwestern's involvement in the procedures and agreements resulting from an "Interconnection Request" as used herein shall be limited to the establishment of interconnection facilities to connect the Generating Facility to the Southwestern Transmission System. The need for system upgrades/modifications to and service in the Transmission System, such as Network Upgrades and services, shall be coordinated by the Interconnection Customer with the SPP and determined under the SPP's Standard Large Generator Interconnection Procedures.

1.47. **Interconnection Service** shall mean the service provided by Southwestern associated with interconnecting the Interconnection Customer's Generating Facility to the Southwestern Transmission System and enabling it to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Standard Large Generator Interconnection Agreement and, if applicable, the Tariff.

1.48. **Interconnection Study** shall mean any of the following studies: the Interconnection Feasibility Study, the Interconnection System Impact Study, and the Interconnection Facilities Study described in the Standard Large Generator Interconnection Procedures.

1.49. **Interconnection System Impact Study** shall mean an engineering study that evaluates the impact of the proposed interconnection on the safety and reliability of the Transmission System and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility were interconnected without project modifications or system modifications, focusing on the Adverse System Impacts identified in the Interconnection Feasibility Study, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in the Standard Large Generator Interconnection Procedures.

1.50. **Interconnection System Impact Study Agreement** shall mean the form of agreement contained in the SPP's Standard Large Generator Interconnection Procedures for conducting the Interconnection System Impact Study.

1.51. **Joint Operating Committee** shall be a group made up of representatives from Interconnection Customers and Southwestern to coordinate operating and technical considerations of Interconnection Service. This may also include representatives of the SPP.

1.52. **Large Generating Facility** shall mean a Generating Facility having a Generating Facility Capacity of more than 20 MW.

1.53. **Loss** shall mean any and all losses relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's performance, or non-performance of its obligations under the Standard Large Generator Interconnection Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnifying Party.

1.54. **Material Modification** shall mean those modifications that have a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

1.55. **Metering Equipment** shall mean all metering equipment installed or to be installed at the Generating Facility pursuant to the Standard Large Generator Interconnection Agreement at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

1.56. **NERC** shall mean the North American Electric Reliability Corporation or its successor organization.

1.57. **Network Resource** shall mean any designated generating resource owned, purchased, or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

1.58. **Network Resource Interconnection Service** shall mean an Interconnection Service as evaluated by the SPP that allows the Interconnection Customer to integrate its Large Generating Facility with the Southwestern Transmission System (1) in a manner comparable to that in which Southwestern integrates its generating facilities to serve

native load customers; or (2) in an RTO or ISO with market based congestion management, in the same manner as Network Resources. Network Resource Interconnection Service in and of itself does not convey transmission service.

1.59. **Network Upgrades** shall mean the additions, modifications, and upgrades to the Transmission System required at or beyond the point at which the Interconnection Facilities connect to the Southwestern Transmission System to accommodate the interconnection of the Large Generating Facility to the Southwestern Transmission System.

1.60. **Notice of Dispute** shall mean a written notice of a dispute or claim that arises out of or in connection with the Standard Large Generator Interconnection Agreement or its performance.

1.61. **Optional Interconnection Study** shall mean a sensitivity analysis based on assumptions specified by the Interconnection Customer in the Optional Interconnection Study Agreement.

1.62. **Optional Interconnection Study Agreement** shall mean the form of agreement contained in the SPP's Standard Large Generator Interconnection Procedures for conducting the Optional Interconnection Study.

1.63. **Party or Parties** shall mean Southwestern, Interconnection Customer or any combination of the above.

1.64. **Point of Change of Ownership** shall mean the point, as set forth in Attachment A to the Standard Large Generator Interconnection Agreement, where the Interconnection Customer's Interconnection Facilities connect to Southwestern's Interconnection Facilities.

1.65. **Point of Interconnection** shall mean the point, as set forth in Attachment A to the Standard Large Generator Interconnection Agreement, where the Interconnection Facilities connect to the Southwestern Transmission System.

1.66. **Queue Position** shall mean the order of a valid Interconnection Request as determined by the SPP, relative to all other pending valid Interconnection Requests, that is established based upon the date and time of receipt of the valid Interconnection Request by the SPP.

1.67. **Reasonable Efforts** shall mean, with respect to an action required to be attempted or taken by a Party, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

1.68. **Scoping Meeting** shall mean the meeting between representatives of the Interconnection Customer, Southwestern, and the SPP conducted for the purpose of discussing alternative interconnection options, to exchange information including any transmission data and earlier study evaluations that would be reasonably expected to impact such interconnection options, to analyze such information, and to determine the potential feasible Points of Interconnection. The Scoping Meeting shall be at a mutually

agreeable site or via a conference call.

1.69. **Site Control** shall mean documentation reasonably demonstrating: (1) ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Generating Facility; (2) an option to purchase or acquire a leasehold site for such purpose; or (3) an exclusivity or other business relationship between Interconnection Customer and the entity having the right to sell, lease or grant Interconnection Customer the right to possess or occupy a site for such purpose.

1.70. **Small Generating Facility** shall mean a Generating Facility that has a Generating Facility Capacity of no more than 20 MW.

1.71. **Stand Alone Network Upgrades** shall mean Network Upgrades that an Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction, as determined by the SPP.

1.72. **Standard Large Generator Interconnection Agreement (LGIA)** shall mean the form of interconnection agreement applicable to an Interconnection Request pertaining to a Large Generating Facility that is included in the Tariff.

1.73. **Standard Large Generator Interconnection Procedures (LGIP)** shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Large Generating Facility that are included in the Tariff. Where the words “Standard Large Generator Interconnection Procedures” or “LGIP” are preceded by “SPP’s” shall mean the SPP’s interconnection procedures.

1.74. **System Protection Facilities** shall mean the equipment, including necessary protection signal communications equipment, required to protect (1) the Southwestern Transmission System from faults or other electrical disturbances occurring at the Generating Facility and (2) the Generating Facility from faults or other electrical system disturbances occurring on the Southwestern Transmission System or on other delivery systems or other generating systems to which the Southwestern Transmission System is directly connected.

1.75. **Tariff** shall mean Southwestern’s Tariff through which open access transmission service and Interconnection Service are offered, as filed with FERC, and as amended or supplemented from time to time, or any successor tariff.

1.76. **Southwestern** shall mean the Southwestern Power Administration that owns, controls, or operates transmission facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff.

1.77. **Southwestern’s Interconnection Facilities** shall mean all facilities and equipment owned, controlled, or operated by Southwestern from the Point of Change of Ownership to the Point of Interconnection as identified in Attachment A to the Standard Large Generator Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. Southwestern’s Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

1.78. **Transmission System** shall mean the facilities owned, controlled or operated by Southwestern when preceded by the term “Southwestern” or the transmission facilities controlled by the SPP when preceded by the term “SPP” that are used to provide transmission service under Southwestern’s Tariff or the SPP tariff. Where the words “Transmission System” are not preceded by either shall mean the facilities of both.

1.79. **Trial Operation** shall mean the period during which Interconnection Customer is engaged in on-site test operations and commissioning of the Generating Facility prior to Commercial Operation.

Effective Date: 8/17/2010

2. Scope and Application

2.1. Application of Standard Large Generator Interconnection Procedures

Sections 2. through 13. apply to processing an Interconnection Request pertaining to a Large Generating Facility. These procedures shall only apply to Interconnection Facilities.

2.2. Comparability

Southwestern in coordination with the SPP shall process and analyze all Interconnection Requests in a timely manner as set forth in this LGIP. Southwestern in coordination with the SPP will use the same Reasonable Efforts in processing and analyzing Interconnection Requests from all Interconnection Customers, whether the Generating Facilities are owned by Southwestern, its subsidiaries or Affiliates or others.

2.3. Base Case Data

Southwestern shall provide upon request to the SPP all applicable base power flow, short circuit and stability databases, including all underlying assumptions, and contingency list for the Southwestern Transmission System subject to confidentiality provisions in LGIP Section 13.1. Southwestern is permitted to require that Interconnection Customer sign a confidentiality agreement before the release of commercially sensitive information or Critical Energy Infrastructure Information in the Base Case data. Such databases and lists, hereinafter referred to as Base Cases, shall include all (1) generation projects and (ii) transmission projects, including merchant transmission projects that are proposed for the Southwestern Transmission System for which a transmission Expansion Plan has been submitted and approved by the applicable authority.

2.4. No Applicability to Transmission Service

Nothing in this LGIP shall constitute a request for transmission service or confer upon an Interconnection Customer any right to receive transmission service.

3. Interconnection Requests

3.1. General

An Interconnection Customer shall submit to the SPP an Interconnection Request pursuant to the terms of the SPP's LGIP and applicable provisions of the SPP/Southwestern Agreement. The Interconnection Customer shall submit a separate Interconnection Request for each site and may submit multiple Interconnection Requests for a single site. An Interconnection Request to evaluate one site at two different voltage levels shall be treated as two Interconnection Requests. The Interconnection Customer shall provide Southwestern copies of all submissions to the SPP related to the Interconnection Request.

At Interconnection Customer's option, Southwestern in coordination with the SPP and Interconnection Customer will identify alternative Point(s) of Interconnection and configurations at the Scoping Meeting to evaluate in this process and attempt to eliminate alternatives in a reasonable fashion given resources and information available. Interconnection Customer will select the definitive Point(s) of Interconnection to be studied in accordance with the SPP's LGIP.

Southwestern has a statutory duty to fulfill its obligations under Section 5 of the 1944 Flood Control Act, and Southwestern has limited ability to provide Control Area services to accommodate the inclusion of generation in Southwestern's Control Area. Southwestern shall have the discretion to determine, based on Southwestern's review of the operational characteristics of each generating facility in conjunction with the capabilities of Southwestern's resources and authorities, whether such facility will electrically reside within the Control Area of Southwestern.

3.2. Identification of Types of Interconnection Services

At the time the Interconnection Request is submitted to the SPP, Interconnection Customer must request either Energy Resource Interconnection Service or Network Resource Interconnection Service pursuant to the terms of the SPP's LGIP and applicable provisions of the SPP/Southwestern Agreement.

3.2.1. Energy Resource Interconnection Service

3.2.1.1. The Product

Energy Resource Interconnection Service allows Interconnection Customer to connect the Large Generating Facility to the Transmission System as specified in the SPP's LGIP.

3.2.1.2. The Study

The study scope is specified in the SPP's LGIP.

3.2.2. Network Resource Interconnection Service

3.2.2.1. The Product

Network Resource Interconnection Service allows Interconnection Customer to connect the Large Generating Facility to the Transmission System as specified in the SPP's LGIP.

3.2.2.2. The Study

The study scope is as specified in the SPP's LGIP.

3.3. Valid Interconnection Request

3.3.1. Initiating an Interconnection Request

To initiate an Interconnection Request, Interconnection Customer must submit a completed application to the SPP pursuant to the terms of the SPP's LGIP and applicable provisions of the SPP/Southwestern Agreement.

3.3.2. Acknowledgment of Interconnection Request

The Interconnection Customer shall receive acknowledgment of the receipt of the Interconnection Request pursuant to the terms of the SPP's LGIP.

3.3.3. Deficiencies in Interconnection Request

An Interconnection Request will not be considered to be a valid request until all items required by the SPP's LGIP have been received by the SPP.

3.3.4. Scoping Meeting

Southwestern shall attend the Scoping Meeting at a date established by the SPP and mutually agreed upon by the Parties pursuant to the terms of the SPP's LGIP. The purpose of the Scoping Meeting shall be to discuss alternative interconnection options, to exchange information including any transmission data that would reasonably be expected to impact such interconnection options, to analyze such information and to determine the potential feasible Points of Interconnection. Southwestern, the SPP and Interconnection Customer shall provide such technical data, including, but not limited to: (i) general facility loadings, (ii) general instability issues, (iii) general short circuit issues, (iv) general voltage issues, and (v) general reliability issues as may be reasonably required to accomplish the purpose of the meeting. Southwestern, the SPP and Interconnection Customer will also make available personnel and other resources as may be reasonably required to accomplish the purpose of the meeting in the time allocated for the meeting. On the basis of the meeting, Interconnection Customer shall designate its Point of Interconnection, pursuant to the SPP's LGIP, and one or more available alternative Point(s) of Interconnection. The duration of the meeting shall be sufficient to accomplish its purpose.

3.4. OASIS Posting

Pursuant to the terms and applicable provisions of the SPP/Southwestern Agreement, all generation interconnection requests are to be made on the SPP OASIS.

SPP's OASIS will contain a list of all Interconnection Requests. The list will identify, for each Interconnection Request: (i) the maximum summer and winter megawatt electrical output; (ii) the location by county and state; (iii) the station or transmission line or lines where the interconnection will be made; (iv) the projected In-Service Date; (v) the status of the Interconnection Request, including Queue Position administered by the SPP; (vi) the type of Interconnection Service being requested; and (vii) the availability of any studies related to the Interconnection Request; (viii) the date of the Interconnection Request; (ix) the type of Generating Facility to be constructed (combined cycle, base load or combustion turbine and fuel type); and (x) for Interconnection Requests that have not resulted in a completed interconnection, an explanation as to why it was not completed. The list will not disclose the identity of Interconnection Customer until Interconnection Customer executes an. SPP in coordination with Southwestern shall post to SPP's OASIS site any deviations from the study timelines set forth herein. Interconnection Study reports shall be posted to SPP's OASIS site subsequent to the meeting between Interconnection Customer and Southwestern to discuss the applicable study results. SPP in coordination with Southwestern shall also post any known deviations in the Large Generating Facility's In-Service Date.

3.5. Coordination with Affected Systems

Pursuant to the terms of the SPP's LGIP, the SPP will coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Affected Systems with Affected System Operators and, if possible, include those results (if available) in its applicable Interconnection Study within the time frame specified in the SPP's LGIP. SPP will include such Affected System Operators in all meetings held with Interconnection Customer as required by the SPP's LGIP.

3.6. Withdrawal

Interconnection Customer may withdraw its Interconnection Request at any time by written notice of such withdrawal to SPP. The Interconnection Customer shall provide Southwestern copies of all submissions to the SPP related to the Interconnection Request. In addition, if Interconnection Customer fails to adhere to all requirements of this LGIP, except as provided in Section 13.5. (Disputes), Southwestern shall deem the Interconnection Request to be withdrawn and shall provide written notice to Interconnection Customer and the SPP of the deemed withdrawal and an explanation of the reasons for such deemed withdrawal. Upon receipt of such written notice, Interconnection Customer shall have fifteen (15) Business Days in which to either respond with information or actions that cure the deficiency or to notify Southwestern of its intent to pursue Dispute Resolution.

Treatment of the Interconnection Customer's Queue Position upon withdrawal shall be determined by the SPP's LGIP. An Interconnection Customer that withdraws or is deemed to have withdrawn its Interconnection Request shall pay to Southwestern all costs that Southwestern prudently incurs with respect to that Interconnection Request prior to Southwestern's receipt of notice described above.

Southwestern shall refund to Interconnection Customer any portion of Interconnection Customer's advanced funds that exceed the costs that Southwestern has incurred. In the event of such withdrawal, Southwestern, subject to the confidentiality provisions of Section 13.1., shall provide, at Interconnection Customer's request, all information that Southwestern developed for any completed study conducted up to the date of withdrawal of the Interconnection Request.

Effective Date: 8/17/2010

4. Queue Position

4.1. General

Pursuant to the terms of the SPP's LGIP and applicable provisions of the SPP/Southwestern Agreement, the Interconnection Customer shall submit a valid Interconnection Request to the SPP and the SPP shall assign and maintain the Interconnection Customer's Queue Position.

4.2. Clustering

Pursuant to the terms of the SPP's LGIP and at the SPP's option, Interconnection Requests may be studied serially or in clusters for the purpose of the Interconnection System Impact Study.

4.3. Transferability of Queue Position

Transferring of Queue Position shall be performed by the SPP pursuant to the SPP's LGIP.

4.4. Modifications

Interconnection Customer shall submit to the SPP, in writing, modifications to any information provided in the Interconnection Request. Changes to the Interconnection Customer's Queue Position due to modifications shall be determined by the SPP's LGIP. All other modifications shall be provided to the SPP in accordance with the SPP's LGIP. The Interconnection Customer shall provide Southwestern copies of all submissions to the SPP related to the Interconnection Request.

Notwithstanding the above, during the course of the Interconnection Studies, either Interconnection Customer or Southwestern may identify changes to the planned interconnection including but not limited to those changes that may improve the costs and benefits (including reliability) of the interconnection, and the ability of the proposed change to accommodate the Interconnection Request. To the extent the identified changes are acceptable to Southwestern and Interconnection Customer, such acceptance not to be unreasonably withheld, Southwestern shall modify the Point of Interconnection and/or configuration in accordance with such changes and subject to Southwestern's receipt of advanced funding proceed with any re-studies necessary in coordination with the SPP to do so in accordance with this LGIP.

4.4.1. Prior to the return of the executed Interconnection System Impact Study Agreement to SPP pursuant to the SPP's LGIP, modifications permitted under this Section shall include specifically: (a) a decrease of up to 60 percent of electrical output (MW) of the proposed project; (b) modifying the technical parameters associated with the Large Generating Facility technology or the Large Generating Facility step-up transformer impedance characteristics; and (c) modifying the interconnection configuration. For plant increases, the incremental increase in plant output will go to the end of the queue for the purposes of cost allocation and study analysis provided, that such modifications are consistent

with the SPP's LGIP.

4.4.2. Prior to the execution of the Interconnection Facility Study and Environmental Documentation Agreement, the modifications permitted under this Section shall include specifically: (a) additional 15 percent decrease of electrical output (MW), and (b) Large Generating Facility technical parameters associated with modifications to Large Generating Facility technology and transformer impedances; provided, however, the incremental costs associated with those modifications are the responsibility of the requesting Interconnection Customer; provided further, that such modifications are consistent with the SPP's LGIP.

4.4.3. Prior to making any modification other than those specifically permitted by Sections 4.4.1., 4.4.2., and 4.4.5., Interconnection Customer may first request that Southwestern in coordination with SPP evaluate whether such modification is a Material Modification. In response to Interconnection Customer's request, Southwestern in coordination with SPP shall evaluate the proposed modifications prior to making them and inform Interconnection Customer in writing of whether the modifications would constitute a Material Modification. Any change to the Point of Interconnection, except those deemed acceptable under this LGIP of SPP's LGIP or so allowed elsewhere, shall constitute a Material Modification. Interconnection Customer may then withdraw the proposed modification or proceed with a new Interconnection Request for such modification.

4.4.4. Upon receipt of Interconnection Customer's request for modification permitted under this Section 4.4., Southwestern shall use Reasonable Efforts to commence and perform any necessary additional studies within thirty (30) Calendar Days after receiving notice of Interconnection Customer's request. The cost of any of the following: a.) modifications, b.) additional studies, c.) modifications to studies, and d.) environmental review and documentation shall be borne by the Interconnection Customer with funding provided to Southwestern in advance.

4.4.5. Extensions of less than three (3) cumulative years in the Commercial Operation Date of the Large Generating Facility, at the request of the Interconnection Customer, to which the Interconnection Request relates are not Material Modifications and should be handled through construction sequencing; provided, that such extensions of the Commercial Operation Date as requested by the Interconnection Customer are consistent with the SPP's LGIP.

Effective Date: 8/17/2010

5. Requests Submitted Prior to LGIP Effective Date

5.1. Pending Requests

5.1.1. Any Interconnection Customer assigned a Queue Position prior to the effective date of this LGIP shall retain that Queue Position, as determined by the SPP's LGIP.

5.1.1.1. If an Interconnection Study Agreement has not been executed as of the effective date of this LGIP, then such Interconnection Study, and any subsequent Interconnection Studies, shall be processed in accordance with this LGIP.

5.1.1.2. If an Interconnection Study Agreement has been executed prior to the effective date of this LGIP, such Interconnection Study shall be completed in accordance with the terms of such agreement. With respect to any remaining studies for which an Interconnection Customer has not signed an Interconnection Study Agreement prior to the effective date of the LGIP, Southwestern must offer Interconnection Customer the option of either continuing under Southwestern's existing interconnection study process or going forward with the completion of the necessary Interconnection Studies (for which it does not have a signed Interconnection Studies Agreement) in accordance with this LGIP.

5.1.2. Transition Period

To the extent necessary, Southwestern and Interconnection Customers with an outstanding request shall transition to this LGIP within a reasonable period of time not to exceed sixty (60) Calendar Days. The use of the term "outstanding request" herein shall mean any Interconnection Request, on the effective date of this LGIP: (i) that has been submitted but not yet accepted by Southwestern; (ii) where the relevant Interconnection Study Agreements have not yet been executed, or (iii) where any of the relevant Interconnection Studies are in process but not yet completed. Any Interconnection Customer with an outstanding request as of the effective date of this LGIP may request a reasonable extension of any deadline, otherwise applicable, if necessary to avoid undue hardship or prejudice to its Interconnection Request. A reasonable extension shall be granted by Southwestern to the extent consistent with the intent and process provided for under this LGIP.

5.2. Transfer of Control of the Southwestern Transmission System

Subject to Federal statutory requirements and regulations, if Southwestern transfers control of the Southwestern Transmission System to a successor entity during the period when an Interconnection Request is pending, Southwestern shall transfer to the successor entity any amount of the deposit or payment that exceeds the cost that it incurred to evaluate the request for interconnection. Any difference between such net amount and the deposit or payment required by this LGIP shall be paid by or refunded to the Interconnection Customer, as appropriate. Southwestern shall coordinate with the successor entity to complete any Interconnection Study, as appropriate, that

Southwestern has begun but has not completed. If Southwestern has tendered a draft LGIA to Interconnection Customer but Interconnection Customer has not executed the LGIA, unless otherwise provided, Interconnection Customer must complete negotiations with the successor entity.

Effective Date: 8/17/2010

6. Interconnection Feasibility Study

6.1. The Interconnection Customer and the SPP shall coordinate the performance of an Interconnection Feasibility Study to evaluate the feasibility of the proposed interconnection with the Transmission System, in accordance with the SPP's LGIP and pursuant to applicable provisions of the SPP/Southwestern Agreement.

Effective Date: 8/17/2010

7. Interconnection System Impact Study

7.1. The Interconnection Customer and the SPP shall coordinate the performance of an Interconnection System Impact Study to evaluate the impact of the proposed interconnection on the reliability of the Transmission System, in accordance with the SPP's LGIP and pursuant to applicable provisions of the SPP/Southwestern Agreement.

Effective Date: 8/17/2010

8. Interconnection Facilities Study/Environmental Documentation

8.1. Interconnection Facilities Study and Environmental Documentation Agreement

Upon request of the Interconnection Customer, Transmission Provider shall provide to Interconnection Customer an Interconnection Facilities Study and Environmental Documentation Agreement in the form of Appendix 4 to this LGIP. The Interconnection Facilities Study and Environmental Documentation Agreement shall provide that Interconnection Customer shall compensate Southwestern for the actual cost of the Interconnection Facilities Study and environmental review and documentation. A non-binding good faith estimate of the cost and timeframe for completing the Interconnection Facilities Study and environmental review and documentation will be included in the agreement. Interconnection Customer shall sign and deliver the Interconnection Facilities Study and Environmental Documentation Agreement to Southwestern within thirty (30) Calendar Days after its receipt. After its receipt of the Interconnection Facilities Study and Environmental Documentation Agreement from the Interconnection Customer, Southwestern shall execute said agreement and invoice the Interconnection Customer for Southwestern's estimated cost to perform its work under the Interconnection Facilities Study and Environmental Documentation Agreement pursuant to Section 13.3. of this LGIP.

8.2. Scope of Interconnection Facilities Study and Environmental Documentation

8.2.1. Scope of Interconnection Facilities Study

The Interconnection Facilities Study shall specify and estimate the cost of the equipment, engineering, procurement and construction work needed to physically and electrically connect the Generating Facility to the Southwestern Transmission System in accordance with Good Utility Practice. The Interconnection Facilities Study shall also identify the electrical switching configuration of the connection equipment, including, without limitation: the transformer, switchgear, meters, and other station equipment; the nature and estimated cost of any of Southwestern's Interconnection Facilities, including communications and SCADA requirements, necessary to accomplish the interconnection; and an estimate of the time required to complete the construction and installation of such facilities.

8.2.2. Scope of Environmental Documentation

Southwestern shall review and document the environmental impacts of physically and electrically connecting the Generating Facility to the Southwestern Transmission System in order to comply with Department of Energy (DOE) implementing procedures of section 102(2) of the National Environmental Policy Act (NEPA) of 1969 (42 U.S.C. 4332 (2)), DOE implementing procedures of NEPA (10 CFR part 1021), and Council on Environmental Quality (CEQ) regulations (40 CFR parts 1500-1508), as amended. Southwestern shall provide for adequate environmental review and documentation of the proposed Interconnection Request and shall use Reasonable Efforts to begin the review of environmental impacts as soon as possible after receipt of notice of a valid Interconnection Request and to complete the environmental review and documentation in a timely manner. Southwestern shall have completed the

environmental review and documentation before rendering a decision on the proposed Interconnection Request and prior to providing a final draft LGIA for the Interconnection Customer's signature.

8.3. Procedures

8.3.1. Interconnection Facilities Study Procedures

Southwestern shall coordinate the Interconnection Facilities Study with the SPP pursuant to Section 3.5. Southwestern shall utilize existing studies to the extent practicable in performing the Interconnection Facilities Study. Southwestern shall use Reasonable Efforts to complete the study and issue a draft Interconnection Facilities Study report to Interconnection Customer within one hundred and eighty (180) Calendar Days after receipt of a signed Interconnection Facilities Study and Environmental Documentation Agreement.

At the request of Interconnection Customer or at any time Southwestern determines that it will not meet the required time frame for completing the Interconnection Facilities Study, Southwestern shall notify Interconnection Customer as to the schedule status of the Interconnection Facilities Study. If Southwestern is unable to complete the Interconnection Facilities Study and issue a draft Interconnection Facilities Study report within the time required, it shall notify Interconnection Customer and provide an estimated completion date and an explanation of the reasons why additional time is required.

Interconnection Customer may, within thirty (30) Calendar Days after receipt of the draft report, provide written comments to Southwestern, which Southwestern shall include in the final report. Southwestern shall use Reasonable Efforts to issue the final Interconnection Facilities Study report within fifteen (15) Business Days of receiving Interconnection Customer's comments or promptly upon receiving Interconnection Customer's statement that it will not provide comments. Southwestern may reasonably extend such fifteen-day period upon notice to Interconnection Customer if Interconnection Customer's comments require Southwestern to perform additional analyses or make other significant modifications prior to the issuance of the final Interconnection Facilities Report. Upon request, Southwestern shall provide Interconnection Customer supporting documentation, workpapers, and databases or data developed in the preparation of the Interconnection Facilities Study, subject to confidentiality arrangements consistent with Section 13.1.

8.3.2. Environmental Documentation Procedures

In accordance with SWPA M 450.1A, as revised, Southwestern shall determine the appropriate level of environmental review and documentation for the Interconnection Request to determine if such Interconnection Request:

8.3.2.1. Is a categorical exclusion (CX) negating the need for an EIS or EA; or

8.3.2.2. Requires preparation of an Environmental Assessment (EA); and/or

8.3.2.3. Requires preparation of an Environmental Impact Statement (EIS).

Southwestern shall assess the Interconnection Request to determine if the action is defined in 40 CFR 1508.4 and stated in Section D of the Department of Energy National Environmental Procedures Act (NEPA) Guidelines, and that the proposed interconnection does not individually or cumulatively have a significant effect on the human environment for which neither an EA nor an EIS is normally required and a CX is prepared.

If a CX is not relevant to the proposed action, Southwestern shall prepare an EA. The EA shall assess if the proposed action is a "major federal action significantly affecting the quality of the human environment," and subsequently determines whether to prepare an EIS or a Finding of No Significant Impact (FONSI).

In the event it is determined that a FONSI is appropriate, Southwestern shall prepare the FONSI to record its decision that the environmental impacts of the proposed action will not have a significant effect on the human environment, and that an EIS is not required for the proposed action. Southwestern and the Interconnection Customer may then proceed with the design and construction of the proposed interconnection and the execution of the LGIA, but the Parties are subject to any mitigation commitments expressed in the FONSI that are essential to render the impacts of the proposed action "not significant".

If the EA determines that an EIS is to be prepared, Southwestern's NEPA compliance officer shall notify the Department of Energy of the findings and initiate actions necessary to prepare an EIS. Generally, interconnections for a Generating Facility with a maximum generation capacity in excess of 50 MW will require an EIS.

8.4. Meeting with Southwestern

Within ten (10) Business Days of providing a draft Interconnection Facilities Study report to Interconnection Customer, Southwestern shall use Reasonable Efforts to meet with Interconnection Customer to discuss the results of the Interconnection Facilities Study. The SPP may also send representatives to attend this meeting.

8.5. Re-Study

The Parties recognize the assumptions used to perform an Interconnection Study are made on the proposed configuration of the Transmission System and are thereby impacted by higher queued Interconnection Requests, as administrated by the SPP, that may require modifications to the Transmission System. In the event the SPP informs Southwestern of changes to the queue such as a higher queued project dropping out of the queue or modifications to an Interconnection Request higher in the queue that necessitates Southwestern perform re-studies, Southwestern will notify the Interconnection Customer in writing. Southwestern shall use Reasonable Efforts to perform and complete such re-study no later than sixty (60) Calendar Days from the date of notice. Any cost of re-study shall be borne by the Interconnection Customer being re-studied pursuant to Section 13.3. of this LGIP.

Effective Date: 8/17/2010

9. Engineering & Procurement ('E&P') Agreement

Prior to executing an LGIA, an Interconnection Customer may, in order to advance the implementation of its interconnection, request and Southwestern shall offer the Interconnection Customer, an E&P Agreement that authorizes Southwestern to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection. However, Southwestern shall not be obligated to offer an E&P Agreement if Interconnection Customer is in Dispute Resolution as a result of an allegation that Interconnection Customer has failed to meet any milestones or comply with any prerequisites specified in other parts of the LGIP. The E&P Agreement is an optional procedure and it will not alter the Interconnection Customer's In-Service Date. The E&P Agreement shall provide for Interconnection Customer to pay the cost of all activities authorized by Interconnection Customer in advance of Southwestern's work pursuant to Section 13.3. of this LGIP.

Interconnection Customer shall pay the cost of such authorized activities and any cancellation costs for equipment that is already ordered for its interconnection, which cannot be mitigated as hereafter described, whether or not such items or equipment later become unnecessary. If Interconnection Customer withdraws its application for interconnection or either Party terminates the E&P Agreement, to the extent the equipment ordered can be canceled under reasonable terms, Interconnection Customer shall be obligated to pay the associated cancellation costs. To the extent that the equipment cannot be reasonably canceled, Southwestern may elect: (i) to take title to the equipment, in which event Southwestern shall refund Interconnection Customer any amounts paid by Interconnection Customer for such equipment and shall pay the cost of delivery of such equipment, or (ii) to transfer title to and deliver such equipment to Interconnection Customer, in which event Interconnection Customer shall pay any unpaid balance and cost of delivery of such equipment.

Effective Date: 8/17/2010

10. Optional Interconnection Study

The Interconnection Customer and the SPP shall coordinate for the performance of optional interconnection studies in accordance with the SPP's LGIP.

Effective Date: 8/17/2010

11. Standard Large Generator Interconnection Agreement (LGIA)

11.1. Tender

Interconnection Customer shall tender comments on the draft Interconnection Facilities Study report within thirty (30) Calendar Days of receipt of the report, after which time the draft Interconnection Facilities Study report shall be declared final. Within thirty (30) Calendar Days after the comments are submitted, Southwestern shall use Reasonable Efforts to tender to the Interconnection Customer a draft LGIA, together with draft appendices completed to the extent practicable. The draft LGIA shall be in the form of Southwestern's standard form LGIA, which is in Appendix 6, currently on file with FERC. Interconnection Customer shall return the completed draft appendices within thirty (30) Calendar Days.

11.2. Negotiation

Notwithstanding Section 11.1., at the request of Interconnection Customer, Southwestern shall begin negotiations with Interconnection Customer concerning the appendices to the LGIA at any time after Interconnection Customer executes the Interconnection Facilities Study and Environmental Documentation Agreement. Southwestern and Interconnection Customer shall negotiate concerning any disputed provisions of the appendices to the draft LGIA for not more than sixty (60) Calendar Days after tender of the final Interconnection Facilities Study report. The Interconnection Customer shall be responsible for Southwestern's actual costs incurred as a result of negotiations under this LGIA, including legal, consulting, administrative and general costs; provided, that any Southwestern invoices shall include a detailed and itemized accounting of such costs. If Interconnection Customer determines that negotiations are at an impasse, it may request termination of the negotiations at any time after tender of the draft LGIA pursuant to Section 11.1. and initiate Dispute Resolution procedures pursuant to Section 13.5. If Interconnection Customer requests termination of the negotiations, but within sixty (60) Calendar Days thereafter fails to initiate Dispute Resolution, it shall be deemed to have withdrawn its Interconnection Request. Unless otherwise agreed by the Parties, if Interconnection Customer has not signed the LGIA or initiated Dispute Resolution procedures pursuant to Section 13.5. within sixty (60) Calendar Days of tender of draft LGIA, it shall be deemed to have withdrawn its Interconnection Request. Southwestern shall decide whether to offer to the Interconnection Customer a final LGIA after Southwestern completes the environmental review and documentation according to Section 8., or other such appropriate document, concerning the interconnection of the Large Generating Facility; provided, that this decision shall not be subject to Dispute Resolution. If Southwestern decides to offer the Interconnection Customer a final LGIA, Southwestern shall use Reasonable Efforts to do so within fifteen (15) Business Days after the date on which (i) Southwestern has provided notice to the Interconnection Customer that it intends to make such offer or (ii) the Parties have completed the negotiation process, whichever is later.

11.3. Execution and Filing

Within fifteen (15) Business Days after receipt of the final LGIA, Interconnection Customer shall provide Southwestern (A) reasonable evidence that continued Site Control or (B) posting of $250,000, non-refundable additional security, which shall be applied toward future construction costs. At the same time, Interconnection Customer also shall provide reasonable evidence that one or more of the following milestones in the

development of the Large Generating Facility, at Interconnection Customer election, has been achieved: (i) the execution of a contract for the supply or transportation of fuel to the Large Generating Facility; (ii) the execution of a contract for the supply of cooling water to the Large Generating Facility; (iii) execution of a contract for the engineering for, procurement of major equipment for, or construction of, the Large Generating Facility; (iv) execution of a contract for the sale of electric energy or capacity from the Large Generating Facility; or (v) application for an air, water, or land use permit. After completion of all of Southwestern's environmental review and documentation requirements and Southwestern's determination to offer a final LGIA, Southwestern shall submit three originals of the LGIA to the Interconnection Customer for signing.

Interconnection Customer shall sign the three originals of the tendered LGIA and return them to Southwestern. As soon as practicable, but not later than ten (10) Business Days after receiving the three signed originals of the tendered LGIA, Southwestern shall execute the LGIA and return one original copy to the Interconnection Customer.

11.4. Commencement of Interconnection Activities

Upon execution of the final LGIA, Southwestern and Interconnection Customer shall perform their respective obligations in accordance with the terms of the LGIA. Southwestern shall invoice the Interconnection Customer for Southwestern's estimated cost to perform work pursuant to the LGIA in accordance with the invoicing schedule in the LGIA. Southwestern shall not perform any work under the LGIA prior to receiving funds from the Interconnection Customer for such work.

Effective Date: 8/17/2010

12. Construction of Southwestern's Interconnection Facilities

12.1. Schedule

The schedule for the construction of Southwestern's Interconnection Facilities shall be as set forth in the LGIA.

12.2. Construction Sequencing

The Interconnection Customer and the SPP shall coordinate for the construction sequencing and expediting of construction of Network Upgrades in accordance with the SPP's LGIP.

Effective Date: 8/17/2010

13. Miscellaneous

All provisions of this Section 13. shall be subject to the Federal statutory regulations applicable to Southwestern.

13.1. Confidentiality

Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other prior to the execution of an LGIA.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential.

If requested by either Party, the other Party shall provide in writing, the basis for asserting that the information referred to in this Section warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

13.1.1. Scope

Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of the LGIA; or (6) is required, in accordance with Section 13.1.6., Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under the LGIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

13.1.2. Release of Confidential Information

Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with these procedures, unless such person has first been advised of the confidentiality provisions of this Section 13.1. and has

agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Section 13.1.

13.1.3. Rights

Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party. The disclosure by each Party to the other Party of Confidential Information shall not be deemed a waiver by either Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

13.1.4. No Warranties

By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.

13.1.5. Standard of Care

Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under these procedures or its regulatory requirements.

13.1.6. Order of Disclosure

If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of the LGIA. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

13.1.7. Disclosure to FERC, or its Staff

Notwithstanding anything in this Section 13.1. to the contrary, and pursuant to 18 CFR section 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to the LGIP, the Party shall provide the

requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 CFR section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the LGIA when its is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR section 388.112.

13.1.8. Subject to the exception in Section 13.1.7., any information that a Party claims is competitively sensitive, commercial or financial information ("Confidential Information") shall not be disclosed by the other Party to any person not employed or retained by the other Party, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this LGIP or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a subregional, regional or national reliability organization or planning group. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

13.1.9. This provision shall not apply to any information that was or is hereafter in the public domain (except as a result of a Breach of this provision).

13.1.10. Southwestern shall, at Interconnection Customer's election, destroy, in a confidential manner, or return the Confidential Information provided at the time of Confidential Information is no longer needed.

13.2. Delegation of Responsibility

Southwestern may use the services of subcontractors as it deems appropriate to perform its obligations under this LGIP. Southwestern shall be liable to Interconnection Customer for the performance of such subcontractors only in accordance with the Federal Tort Claims Act. The subcontractor shall keep all information provided confidential and shall use such information solely for the performance of such obligation for which it was provided and no other purpose.

13.3. Obligation for Study Costs

The Interconnection Customer shall pay Southwestern’s actual costs for any

Interconnection Studies performed by Southwestern pursuant to this LGIP. Southwestern shall not undertake any work on the Interconnection Studies until advanced funds are received by Southwestern from Interconnection Customer. Any difference between the advanced funds and the actual cost of the applicable Interconnection Study may be refunded. Southwestern shall not be obligated to perform or continue to perform any studies unless Interconnection Customer has paid all undisputed amounts in compliance herewith.

13.3.1. Invoicing and Payment

Southwestern shall provide estimates of Southwestern's costs for work pursuant to the sections of this LGIP. Southwestern shall invoice Interconnection Customer once for the entire estimated costs or in multiple scheduled invoices on dates as provided by Southwestern in advance for portions of the entire estimated costs until an amount equaling the entire estimated costs has been received. If Interconnection Customer does not make such payments to Southwestern within 30 Calendar Days of the date of the invoice(s) or the next Business Day thereafter, the applicable agreements shall terminate and be without further force or effect. Such termination shall not result in a penalty to either party.

13.3.2. Use of Funds

Advanced funds received by Southwestern pursuant to Section 13.3.1. shall be used for Southwestern's costs and expenses incurred to perform the studies and any other documentation procedures pursuant to these procedures including, but not limited to, the cost of performing Southwestern's Interconnection Facilities Study, and environmental review and documentation and any necessary tools, materials, equipment, engineering, labor, inspection, travel expenses, personnel per diem allowances, and general, administrative, and overhead expenses pursuant to these procedures and the Large Generator Interconnection Agreement.

13.3.3. Credits

In computing such costs and expenses, no credits shall be granted to the Interconnection Customer for the cost of any improvements made by Southwestern to the Southwestern Transmission System or elements that support the Southwestern Transmission System which Southwestern determines are required due to the establishment of the interconnection.

13.3.4. Refund of Excess and Payment of Additional Funds

Following completion of Southwestern's obligations pursuant to these procedures, Southwestern shall submit a statement to Interconnection Customer of the actual costs incurred by Southwestern. If the amount provided by the Interconnection Customer pursuant to this Section 13.3. is greater than the actual costs, Southwestern shall refund any difference to the Interconnection Customer, except as otherwise provided herein, or use the excess funds to offset the cost of any future Interconnection Studies associated with the applicable Interconnection

Request prior to the beginning of any such future Interconnection Studies. During implementation of the work required pursuant to these procedures, Southwestern shall monitor the status of expenditures and obligations. If it is apparent that additional funds are required for completion of the required work, Southwestern shall notify the Interconnection Customer of the need for additional funds. Such additional funds shall be provided to Southwestern prior to continuation of work past a point estimated to be covered by the initial payment. If the additional funds are not made available, all remaining work associated with these procedures shall cease until additional funds are received.

13.3.5. Accounting

Southwestern agrees to account for the costs incurred under a Work Order accounting procedure and in accordance with the Uniform System of Accounts prescribed for public utilities by the FERC, or under procedures established by any successor authority having jurisdiction over the accounts of Southwestern. Interconnection Customer or its authorized representative shall have the right to audit Southwestern's cost records and accounts to verify statements of costs submitted by Southwestern. Southwestern agrees to refund any amounts paid if they are found in such audit to exceed the total amount due Southwestern for its actual costs for work hereunder without any penalty or interest. Interconnection Customer agrees that such audit of Southwestern's records and accounts is for the sole purpose of verifying that an itemized billing statement sets forth the actual costs as reflected by the Work Order records and that accounts are maintained in accordance with the accounting procedures prescribed by the FERC.

13.4. Third Parties Conducting Studies

If (i) at the time of the signing of an Interconnection Facilities Study and Environmental Documentation Agreement there is disagreement as to the estimated time to complete the Interconnection Facilities Study, (ii) Interconnection Customer receives notice pursuant to Section 8.3. that Southwestern will not complete an Interconnection Study within the applicable timeframe for such Interconnection Study, or (iii) Interconnection Customer receives neither the Interconnection Study nor a notice under Section 8.3. within the applicable timeframe for such Interconnection Study, then Interconnection Customer may require Southwestern to utilize a third party consultant mutually acceptable to Interconnection Customer and Southwestern to perform such Interconnection Study under the direction of Southwestern; provided, that this Section 13.4. shall not apply to Southwestern's obligation to complete its environmental review and documentation requirements. At other times, Southwestern may also utilize a third party consultant to perform such Interconnection Study, either in response to a general request of Interconnection Customer, or on its own volition.

In all cases, use of a third party consultant shall be in accord with Section 24. of the LGIA (Subcontractors) and limited to situations where Southwestern determines that doing so will help maintain or accelerate the study process for Interconnection Customer's pending Interconnection Request and not interfere with Southwestern's progress on Interconnection Studies for other pending Interconnection Requests. In cases where Interconnection Customer requests use of a third party consultant to perform such Interconnection Study, Interconnection Customer and Southwestern shall negotiate all of the pertinent terms and conditions, including reimbursement and advanced funding

arrangements and the estimated study completion date and study review deadline. Southwestern shall convey all workpapers, data bases, study results and all other supporting documentation prepared to date with respect to the Interconnection Request as soon as soon as practicable upon Interconnection Customer's request subject to the confidentiality provision in Section 13.1. In any case, such third party contract may be entered into with either Interconnection Customer or Southwestern at Southwestern's discretion. In the case of (iii) Interconnection Customer maintains its right to submit a claim to Dispute Resolution to recover the costs of such third party study. Such third party consultant shall be required to comply with this LGIP, Section 24. of the LGIA (Subcontractors), and the relevant Tariff procedures and protocols as would apply if Southwestern were to conduct the Interconnection Study and shall use the information provided to it solely for purposes of performing such services and for no other purposes. Southwestern shall cooperate with such third party consultant and Interconnection Customer to complete and issue the Interconnection Study in the shortest reasonable time.

13.5. Disputes

In the event any Party has a dispute, or asserts a claim, that arises out of or in connection with the LGIP, or their performance, the Parties agree to resolve such dispute using the Dispute Resolution procedures in Section 1.12. of the Tariff.

13.6. Local Furnishing Bonds

13.6.1. Transmission Providers That Own Facilities Financed by Local Furnishing Bonds

This provision is applicable only to a transmission provider that has financed facilities for the local furnishing of electric energy with tax-exempt bonds, as described in Section 142(f) of the Internal Revenue Code ("local furnishing bonds"). Notwithstanding any other provision of this LGIA and LGIP, transmission provider shall not be required to provide Interconnection Service to Interconnection Customer pursuant to this LGIA and LGIP if the provision of such Transmission Service would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance transmission provider's facilities that would be used in providing such Interconnection Service.

13.6.2. Alternative Procedures for Requesting Interconnection Service

If Southwestern determines that the provision of Interconnection Service requested by Interconnection Customer would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance facilities that would be used in providing such Interconnection Service, it shall advise the Interconnection Customer within thirty (30) Calendar Days of receipt of the Interconnection Request.

Interconnection Customer thereafter may renew its request for interconnection using the process specified in Section 1.5.2.2. of the Tariff.

APPENDIX 1 to LGIP
INTERCONNECTION REQUEST FOR A
LARGE GENERATING FACILITY

The Interconnection Request is made using Appendix 1 and applicable attachments of the SPP's LGIP, as found on SPP's OASIS.

Effective Date: 8/17/2010

APPENDIX 2 to LGIP
INTERCONNECTION FEASIBILITY STUDY AGREEMENT

This Agreement is between the Interconnection Customer and the SPP, pursuant to the terms and conditions of the SPP's LGIP.

Effective Date: 8/17/2010

APPENDIX 3 to LGIP
INTERCONNECTION SYSTEM IMPACT STUDY AGREEMENT

This Agreement is between the Interconnection Customer and the SPP, pursuant to the terms and conditions of the SPP's LGIP.

Effective Date: 8/17/2010

APPENDIX 4 to LGIP
INTERCONNECTION FACILITIES STUDY AND ENVIRONMENTAL DOCUMENTATION AGREEMENT

THIS AGREEMENT, made and entered into this _____ day of _____, 20_____, by and between the UNITED STATES OF AMERICA, represented by the Secretary of Energy, acting by and through the Administrator, Southwestern Power Administration ("Southwestern"), an Administration within the Department of Energy, and _____, organized and existing under the laws of the State/Commonwealth of _____ ("Interconnection Customer" with a Large Generating Facility), acting through its duly authorized officials (Southwestern and Interconnection Customer being hereinafter sometimes referred to individually as "Party" and collectively as "Parties"); WITNESSETH, That,

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated _____; and

WHEREAS, Interconnection Customer desires to interconnect the Large Generating Facility with the Southwestern Transmission System; and

WHEREAS, Interconnection Customer has requested Southwestern to perform an Interconnection Facilities Study to specify and estimate the cost of the equipment, engineering, procurement and construction work needed to physically and electrically connect the Large Generating Facility to the Southwestern Transmission System, and establish the Parties responsible for the installation, operations, maintenance and replacements of such equipment; and

WHEREAS, prior to any modifications of the Southwestern Transmission System to implement the requested interconnection, Southwestern must complete its environmental review and documentation pursuant to the Department of Energy (DOE) implementing procedures of section 102(2) of the National Environmental Policy Act (NEPA) of 1969 (42 U.S.C. 4332 (2)) and the DOE implementing procedures of NEPA (10 CFR part 1021), and complying with the Council on Environmental Quality (CEQ) regulations (40 CFR parts 1500-1508), as amended, as part of this Agreement.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agree as follows:

1. When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Southwestern's LGIP.

2. Interconnection Customer elects and Southwestern shall cause an Interconnection Facilities Study and environmental review and documentation consistent with Section 8. of this LGIP to be performed in accordance with the Tariff.

3. The scope of the Interconnection Facilities Study shall be subject to the assumptions set forth in Attachment A and the data provided in Attachment B to this Agreement.

4. The Interconnection Facilities Study report (i) shall provide a description, estimated cost of, and schedule for required facilities to interconnect the Large Generating Facility to the Southwestern Transmission System and (ii) shall establish the installation, operation, ownership, maintenance and replacement responsibilities of the Parties for the Interconnection Facilities.

5. The scope of Southwestern's environmental review and documentation requirements shall depend on whether Southwestern is required to complete an Environmental Assessment ("EA") or an Environmental Impact Statement ("EIS") for the requested interconnection pursuant to Section 8. of the LGIP. Southwestern has the authority to perform an EA. An EIS must be completed according to the Department of Energy's procedures.

5.1 Southwestern's environmental review and documentation will encompass all facilities related to the Interconnection Request including but not limited to the generator/generation site, interconnecting transmission lines, and switchyards.

5.2 Southwestern shall invoice for the cost of the environmental work pursuant to Section 6.

6. Invoice Procedures

Upon execution of this Agreement by the Parties, Southwestern shall invoice the Interconnection Customer for Southwestern's estimated cost to perform the Interconnection Facilities Study and environmental review and documentation. The time for completion of the Interconnection Facilities Study is specified in Attachment A.

6.1. Payment

Subject to the provisions of Section 13.3. of the LGIP, the Interconnection Customer shall pay the actual costs of the Interconnection Facilities Study and environmental review and documentation and Southwestern shall invoice the Interconnection Customer if additional funds are required to complete the Interconnection Facilities Study and environmental review and documentation. Southwestern shall not perform any work without advanced funding.

Invoices shall be rendered to the paying Party at the address specified below:

To Interconnection Customer:

The Party receiving the invoice shall pay the invoice within twenty (20) Calendar Days of date of the invoice or the next Business Day thereafter. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by either Party will not constitute a waiver of any rights or claims either Party may have under the LGIP.

Southwestern and the Interconnection Customer may discharge mutual debts and payment obligations due and owing to each other through netting, in which case amounts a Party owes to the other Party under the LGIP shall be netted so that only the net amount remaining due shall be paid by the owing Party.

6.2. Statement of Actual Costs and Refund

Within six months after completion of the work Southwestern shall provide a statement of the final cost of the work and shall set forth such costs in sufficient detail to enable the Interconnection Customer to compare the actual costs with the estimates and to

ascertain deviations, if any, from the cost estimates. Any difference between the funds advanced to Southwestern pursuant to this Section 6. and the actual costs shall be paid by or refunded to Interconnection Customer, as appropriate.

6.3. Disputes

In the event of a billing dispute between Southwestern and Interconnection Customer, Southwestern shall continue to provide work on the Interconnection Facilities Study and environmental review and documentation for Interconnection Service under the LGIP as long as the Interconnection Customer: (i) continues to make all payments not in dispute; and (ii) pays into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If the Interconnection Customer fails to meet these two requirements for continuation of service, then Southwestern may provide notice to the Interconnection Customer of its intention to suspend service in sixty (60) days, in accordance with Commission policy.

7. Governing Law

7.1. Governance

The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by Federal law or the laws of the state where the Point of Interconnection is located, as applicable.

7.2 Applicability

This Agreement is subject to all Applicable Laws and Regulations.

8. Notices

8.1. General

Unless otherwise provided in this Agreement, any notice, demand or request required or permitted to be given by either Party to the other and any instrument required or permitted to be tendered or delivered by either Party in writing to the other shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Party or personally delivered to the Party. Any such notice, demand, or request shall be deemed properly given to or served on Southwestern if mailed to the following address:

To Southwestern:

Attention: Assistant Administrator, Corporate Operations
Southwestern Power Administration
One West Third Street
Tulsa, OK 74103

To Interconnection Customer:

8.2. Alternative Forms of Notice

Any notice or request required or permitted to be given by a Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or e-mail.

9. Force Majeure

9.1. General

Force majeure shall mean acts of God (including but not limited to, failure of water supply, earthquakes, fires, floods, windstorms, landslides, and ice storms); strikes, lockout, or other labor disputes; acts of public enemy; wars, riots, and insurrection; epidemics; civil disturbances; explosions; train derailments; breakdown or failure of machinery or facilities, and delay in delivery of equipment to the extent such occurrences are beyond the reasonable control of the Parties; electrical disturbance originating in or transmitted through such Party's electrical system or equipment or any electrical system with which such Party's system or equipment is interconnected; and any other event, cause, or condition beyond the Party's reasonable control, which, by the exercise of reasonable diligence, prevents the Party claiming Force Majeure from performing its obligations under this Agreement.

9.2. Economic Hardship

Economic hardship is not considered a Force Majeure event.

9.3. Default

Neither Party shall be considered to be in Default with respect to any obligation hereunder, (including obligations under Section 10.), 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 9.3. 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.

9.4. Availability of Funds

9.4.1. This Interconnection Facilities Study and Environmental Documentation Agreement and all rights and obligations hereunder, and the expenditure of funds by Southwestern under the provisions hereof, are expressly conditioned and contingent upon the United States Congress making available (through direct appropriation, authorization of a revolving fund, the authority to borrow funds, or through such other means as it may provide) the necessary funds or the authority

to accept funds from others to enable Southwestern to carry out the provisions of this Agreement, and if such funds or authorities are not available, this Agreement shall terminate and have no further force or effect as of the last day for which funds or authorities were available, and the Interconnection Customer hereby releases Southwestern from any and all liability for failure to perform and fulfill its obligations under this Agreement for that reason.

9.4.2. No obligation contained herein for the future payment of money by Southwestern, or liability on the part of Southwestern for breach of any of the provisions contained herein, shall be binding upon or enforceable against Southwestern unless and until funds, as provided in Section 9.4.1. of this Interconnection Facilities Study and Environmental Documentation Agreement, are available out of which such obligations or liability can be legally paid.

9.4.3. Nothing in this Interconnection Facilities Study and Environmental Documentation Agreement may be considered as implying that the United States Congress will, at a later date, appropriate funds sufficient to meet any deficiencies or obligations incurred under this Agreement.

10. Indemnity

10.1 Indemnity

The Interconnection Customer shall at all times indemnify, defend, and hold Southwestern harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties arising out of or resulting from the Interconnection Customer action or inactions of its obligations under this Agreement on behalf of the Interconnection Customer, except in cases of gross negligence or intentional wrongdoing by Southwestern.

11. Assignment

11.1. Assignment

No voluntary transfer of this Agreement or of the rights of the Interconnection Customer hereunder shall be made without the written approval of the Administrator, Southwestern; provided, that any successor to or assignee of the rights of the Interconnection Customer, whether by voluntary transfer, judicial sale, foreclosure sale, or otherwise, shall be subject to all the provisions and conditions of this Agreement to the same extent as though such successor or assignee were the original contractor hereunder; provided further, that the execution of a mortgage or trust deed, or judicial or foreclosure sale made thereunder, shall not be deemed voluntary transfers within the meaning of this Section 11.

12. Severability

12.1. Severability

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

13. Representations, Warranties, and Covenants

13.1. General

Each Party makes the following representations, warranties and covenants:

13.1.1. Good Standing

Such Party is duly organized, validly existing and in good standing under Federal law or the laws of the state in which it is organized, formed, or incorporated, as applicable; and that it has the corporate power and authority to own its properties, to carry on its business as now being conducted and to enter into this Agreement and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement.

13.1.2. Authority

Such Party has the right, power and authority to enter into this Agreement, to become a party hereto and to perform its obligations hereunder. This Agreement is a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforceability is sought in a proceeding in equity or at law).

13.1.3. No Conflict

The execution, delivery and performance of this Agreement does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.

13.1.4. Consent and Approval

Such Party has sought or obtained, or, in accordance with this Agreement will seek or obtain, each consent, approval, authorization, order, or acceptance by any Governmental Authority in connection with the execution, delivery and performance of this Agreement, and it will provide to any Governmental Authority notice of any actions under this Agreement that are required by Applicable Laws and Regulations.

14. Breach, Cure, and Default

14.1. General

A breach of this Agreement ("Breach") shall occur upon the failure by a Party to perform or observe any material term or condition of this Agreement. A default of this Agreement ("Default") shall occur upon the failure of a Party in Breach of this Agreement to cure such Breach in accordance with the provisions of Section 14.3.

14.2. Events of Breach

A Breach of this Agreement shall include:

14.2.1. The failure to pay any amount when due;

14.2.2. The failure to comply with any material term or condition of this Agreement, including but not limited to any material Breach of a representation, warranty or covenant made in this Agreement;

14.2.3. If a Party: (1) becomes insolvent; (2) files a voluntary petition in bankruptcy under any provision of any federal or state bankruptcy law as applicable or shall consent to the filing of any bankruptcy or reorganization petition against it under any similar law; (3) makes a general assignment for the benefit of its creditors; or (4) consents to the appointment of a receiver, trustee or liquidator;

14.2.4. Assignment of this Agreement in a manner inconsistent with the terms of this Agreement;

14.2.5. Failure of any Party to provide information or data to the other Party as required under this Agreement, provided the Party entitled to the information or data under this Agreement requires such information or data to satisfy its obligations under this Agreement.

14.3. Cure and Default

Upon the occurrence of an event of Breach, the Party not in Breach (hereinafter the “Non Breaching Party”), when it becomes aware of the Breach, shall give written notice of the Breach to the Breaching Party (the “Breaching Party”). Such notice shall set forth, in reasonable detail, the nature of the Breach, and where known and applicable, the steps necessary to cure such Breach. Upon receiving written notice of the Breach hereunder, the Breaching Party shall have thirty (30) Calendar Days to cure such Breach. In the event the Breaching Party fails to cure the Breach, or to commence reasonable and appropriate steps to cure the Breach, within thirty (30) Calendar Days of becoming aware of the Breach, the Breaching Party will be in Default of the Agreement.

If Southwestern is the Non-Breaching Party the Interconnection Customer shall have the right of appeal to the Administrator, Southwestern Power Administration within the same thirty (30) Calendar Days after notice of Breach. Southwestern shall continue work under this Agreement until the Administrator makes a determination on the Interconnection Customer’s appeal. This Agreement may be terminated without further notice if the Interconnection Customer’s appeal is denied.

14.4. Right to Compel Performance

Notwithstanding the foregoing, upon the occurrence of an event of Default, the non Defaulting Party shall be entitled to: (1) commence an action to require the Defaulting Party to remedy such Default and specifically perform its duties and obligations hereunder in accordance with the terms and conditions hereof, and (2) exercise such other rights and remedies as it may have in equity or at law.

15. Miscellaneous

The Interconnection Facilities Study and Environmental Documentation Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, and that are consistent with regional practices, Applicable Laws and Regulations, and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of the LGIP and the LGIA.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

AGREE:

[INTERCONNECTION CUSTOMER]	UNITED STATES OF AMERICA SOUTHWESTERN POWER ADMINISTRATION
By _____	By _____
Title _____	Title _____
Date _____	Date _____

ATTEST:

I, _____, certify that I am the _____ of [INTERCONNECTION CUSTOMER], and that _____, who signed this Agreement on behalf of said Entity, was then the_____ of said Entity, and that the said Agreement was duly signed for and on behalf of the said Entity by authority of its governing body, which has within the scope if its corporate powers the authority to legally bind the Entity under the foregoing Agreement.

(SEAL) By _____

Effective Date: 8/17/2010

Attachment A to Appendix 4
Interconnection Facilities Study and
Environmental Documentation Agreement

INTERCONNECTION CUSTOMER SCHEDULE ELECTION FOR CONDUCTING THE INTERCONNECTION FACILITIES STUDY

Southwestern shall use Reasonable Efforts to complete the study and issue a draft Interconnection Facilities Study report to Interconnection Customer within the following number of days after of receipt of a signed copy of this Interconnection Facilities Study and Environmental Documentation Agreement:

- one hundred eighty (180) Calendar Days

Effective Date: 8/17/2010

Attachment B to Appendix 4
Interconnection Facilities Study and
Environmental Documentation Agreement

DATA FORM TO BE PROVIDED BY INTERCONNECTION CUSTOMER WITH THE INTERCONNECTION FACILITIES STUDY AND ENVIRONMENTAL DOCUMENTATION AGREEMENT

Provide location plan and simplified one-line diagram of the plant and station facilities. For staged projects, please indicate future generation, transmission circuits, etc.

One set of metering is required for each generation connection to the new ring bus or existing Southwestern station. Additional metering may be required. Number of generation connections:

On the one line diagram indicate the generation capacity attached at each metering location. (Maximum load on CT/PT)

On the one line diagram indicate the location of auxiliary power. (Minimum load on CT/PT) Amps

Will an alternate source of auxiliary power be available during CT/PT maintenance?
_____ Yes _____ No

Will a transfer bus on the generation side of the metering require that each meter set be designed for the total plant generation? _____ Yes _____ No (Please indicate on one line diagram).

What type of control system or PLC will be located at Interconnection Customer's Large Generating Facility?
_____

What protocol does the control system or PLC use?
_____

Please provide a 7.5-minute quadrangle of the site. Sketch the plant, station, transmission line, and property line.

Physical dimensions of the proposed interconnection station:
_____

Bus length from generation to interconnection station:
_____

Line length from interconnection station to Southwestern's transmission line.
_____

Tower number observed in the field. (Painted on tower leg)* _____

Number of third party easements required for transmission lines*:
_____

* To be completed in coordination with Southwestern.

Is the Large Generating Facility in Southwestern's control area?

_____ Yes _____ No Local provider: _____

Please provide proposed schedule dates:

Begin Construction	Date: _____
Generator step-up transformer receives back feed power	Date: _____
Generation Testing	Date: _____
Commercial Operation	Date: _____

Effective Date: 8/17/2010

APPENDIX 5 to LGIP
OPTIONAL INTERCONNECTION STUDY AGREEMENT

This Agreement is between the Interconnection Customer and the SPP, pursuant to the terms and conditions of the SPP's LGIP.

Effective Date: 8/17/2010

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STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT (LGIA)

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THIS AGREEMENT, made and entered into this _____ day of _____, 20_____, by and between the UNITED STATES OF AMERICA, represented by the Secretary of Energy, acting by and through the Administrator, Southwestern Power Administration ("Southwestern"), an Administration within the Department of Energy, and _____, organized and existing under the laws of the State/Commonwealth of _____ ("Interconnection Customer" with a Large Generating Facility), acting through its duly authorized officials (Southwestern and Interconnection Customer being hereinafter sometimes referred to individually as "Party" and collectively as "Parties"); WITNESSETH, That,

RECITALS

WHEREAS, Interconnection Customer intends to own, lease and/or control and operate the Generating Facility identified as a Large Generating Facility in Attachment C to this Agreement; and,

WHEREAS, Southwestern owns and operates transmission facilities that the Interconnection Customer desires to interconnect with its Large Generating Facility; and

WHEREAS, Southwestern has completed its work under the Interconnection Facilities Study and Environmental Documentation Agreement; and

WHEREAS, Interconnection Customer and Southwestern have agreed to enter into this Agreement to provide for the construction, operation, and maintenance of facilities at the Point of Interconnection of the Large Generating Facility in accordance with the conclusion of the work performed pursuant to the Interconnection Facilities Study and Environmental Documentation Agreement; and

WHEREAS, the Southwestern Transmission System is integrated with the SPP Transmission System pursuant to applicable provisions of Contract No. DE-PM75-05SW00512, as amended, (“SPP/Southwestern Agreement”) between Southwestern and the SPP; and

WHEREAS, any upgrades or modifications to the Transmission System beyond the Point of Interconnection, including the Southwestern Transmission System, to accommodate the interconnection, such as Network Upgrades, have been coordinated by the Interconnection Customer with the SPP, pursuant to applicable provisions of the SPP/Southwestern Agreement;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, it is agreed:

When used in this Standard Large Generator Interconnection Agreement, terms with initial capitalization that are not defined in Section 1. shall have the meanings specified in the Section in which they are used or the Open Access Transmission Tariff (Tariff).

Effective Date: 8/17/2010

1. Definitions

1.1. **Adverse System Impact** shall mean the negative effects due to technical or operational limits on conductors or equipment being exceeded that may compromise the safety and reliability of the electric system.

1.2. **Affected System** shall mean an electric system other than the Southwestern Transmission System that may be affected by the proposed interconnection.

1.3. **Affected System Operator** shall mean the entity that operates an Affected System.

1.4. **Affiliate** shall mean, with respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity.

1.5. **Ancillary Services** shall mean those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Southwestern Transmission System in accordance with Good Utility Practice.

1.6. **Applicable Laws and Regulations** shall mean all duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

1.7. **Applicable Reliability Council** shall mean the reliability council applicable to the Transmission System to which the Generating Facility is directly interconnected.

1.8. **Applicable Reliability Standards** shall mean the requirements and guidelines of NERC, the Applicable Reliability Council, and the Control Area of the Transmission System to which the Generating Facility is directly interconnected.

1.9. **Base Case** shall mean the base case power flow, short circuit, and stability data bases used for the Interconnection Study by the SPP, Southwestern or Interconnection Customer.

1.10. **Breach** shall mean the failure of a Party to perform or observe any material term or condition of the Standard Large Generator Interconnection Agreement.

1.11. **Breaching Party** shall mean a Party that is in Breach of the Standard Large Generator Interconnection Agreement.

1.12. **Business Day** shall mean Monday through Friday, excluding Federal Holidays.

1.13. **Calendar Day** shall mean any day including Saturday, Sunday or a Federal Holiday.

1.14. **Clustering** shall mean the process whereby a group of Interconnection Requests is

studied together, instead of serially, for the purpose of conducting the Interconnection System Impact Study.

1.15. **Commercial Operation** shall mean the status of a Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

1.16. **Commercial Operation Date** of a unit shall mean the date on which the Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Attachment E to the Standard Large Generator Interconnection Agreement.

1.17. **Confidential Information** shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise.

1.18. **Control Area** shall mean an electrical system or systems bounded by interconnection metering and telemetry, capable of controlling generation to maintain its interchange schedule with other Control Areas and contributing to frequency regulation of the interconnection. A Control Area must be certified by the Applicable Reliability Council.

1.19. **Default** shall mean the failure of a Breaching Party to cure its Breach in accordance with Section 16. of the Standard Large Generator Interconnection Agreement.

1.20. **Dispute Resolution** shall mean the procedure in Section 1.12. of the Tariff for resolution of a dispute between the Parties in which they will first attempt to resolve the dispute on an informal basis.

1.21. **Distribution System** shall mean the facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas.

1.22. **Distribution Upgrades** shall mean the additions, modifications, and upgrades to the Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility and render the transmission service necessary to effect Interconnection Customer's wholesale sale of electricity in interstate commerce, as determined by the SPP. Distribution Upgrades do not include Interconnection Facilities.

1.23. **Effective Date** shall mean the date on which the Standard Large Generator Interconnection Agreement becomes effective upon execution by the Administrator of Southwestern or the Administrator's authorized representative.

1.24. **Emergency Condition** shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of Southwestern, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Southwestern Transmission System, Southwestern's Interconnection Facilities or the

electric systems of others to which the Southwestern Transmission System is directly connected; or (3) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by the Standard Large Generator Interconnection Agreement to possess black start capability.

1.25. **Energy Resource Interconnection Service** shall mean an Interconnection Service as evaluated by the SPP that allows the Interconnection Customer to connect its Generating Facility to the Southwestern Transmission System to be eligible to deliver the Generating Facility's electric output using the existing firm or nonfirm capacity of the Transmission System on an as available basis. Energy Resource Interconnection Service in and of itself does not convey transmission service.

1.26. **Engineering & Procurement (E&P) Agreement** shall mean an agreement that authorizes Southwestern to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.

1.27. **Environmental Law** shall mean Applicable Laws or Regulations relating to pollution or protection of the environment or natural resources.

1.28. **Federal Power Act** shall mean the Federal Power Act, as amended, 16 U.S.C. §§ 791a et seq.

1.29. **FERC** shall mean the Federal Energy Regulatory Commission (Commission) or its successor.

1.30. **Force Majeure** shall mean acts of God (including but not limited to, failure of water supply, earthquakes, fires, floods, windstorms, landslides, and ice storms); strikes, lockout, or other labor disputes; acts of public enemy; wars, riots, and insurrection; epidemics; civil disturbances; explosions; train derailments; breakdown or failure of machinery or facilities, and delay in delivery of equipment to the extent such occurrences are beyond the reasonable control of the Parties; electrical disturbance originating in or transmitted through such Party's electrical system or equipment or any electrical system with which such Party's system or equipment is interconnected; and any other event, cause, or condition beyond the Party's reasonable control, which, by the exercise of reasonable diligence, prevents the Party claiming Force Majeure from performing its obligations under this Agreement.

1.31. **Generating Facility** shall mean Interconnection Customer's device for the production of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

1.32. **Generating Facility Capacity** shall mean the net capacity of the Generating Facility and the aggregate net capacity of the Generating Facility where it includes multiple energy production devices.

1.33. **Good Utility Practice** shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period,

or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

1.34. **Governmental Authority** shall mean any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include Interconnection Customer, Southwestern, or any Affiliate thereof.

1.35. **Hazardous Substances** shall mean any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "hazardous constituents," "restricted hazardous materials," "extremely hazardous substances," "toxic substances," "radioactive substances," "contaminants," "pollutants," "toxic pollutants" or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

1.36. **Initial Synchronization Date** shall mean the date upon which the Generating Facility is initially synchronized and upon which Trial Operation begins.

1.37. **In-Service Date** shall mean the date upon which the Interconnection Customer reasonably expects it will be ready to begin use of Southwestern's Interconnection Facilities to obtain back feed power.

1.38. **Interconnection Customer** shall mean any entity or any of the Affiliates or subsidiaries of such entity, that proposes to interconnect its Generating Facility with the Southwestern Transmission System.

1.39. **Interconnection Customer's Interconnection Facilities** shall mean all facilities and equipment, as identified in Attachment A of the Standard Large Generator Interconnection Agreement, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to the Southwestern Transmission System. Interconnection Customer's Interconnection Facilities are sole use facilities.

1.40. **Interconnection Facilities** shall mean Southwestern's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the Southwestern Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

1.41. **Interconnection Facilities Study** shall mean a study conducted by Southwestern or a third party consultant for the Interconnection Customer to determine a list of facilities (including Southwestern's Interconnection Facilities), the cost of those facilities, and the time required to interconnect the Generating Facility with the Southwestern Transmission System. The scope of the study is defined in Section 8. of the Standard Large Generator Interconnection Procedures.

1.42. **Interconnection Facilities Study and Environmental Documentation Agreement** shall mean the executed agreement between Southwestern and the Interconnection Customer that determines the facilities required for the interconnection and provides for Southwestern to complete its documentation requirements under the National Environmental Policy Act (NEPA).

1.43. **Interconnection Feasibility Study** shall mean a preliminary evaluation of the system impact and cost of interconnecting the Generating Facility to the Transmission System, as described in Section 6. of the Standard Large Generator Interconnection Procedures.

1.44. **Interconnection Feasibility Study Agreement** shall mean the executed form of agreement contained in the SPP's Standard Large Generator Interconnection Procedures for conducting the Interconnection Feasibility Study.

1.45. **Interconnection Request** shall mean an Interconnection Customer's request made to the SPP, in the form of Appendix 1 to the SPP's Standard Large Generator Interconnection Procedures to interconnect a new Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected with the Southwestern Transmission System. Southwestern's involvement in the procedures and agreements resulting from an "Interconnection Request" as used herein shall be limited to the establishment of interconnection facilities to connect the Generation Facility to the Southwestern Transmission System. The need for system upgrades/modifications to and service in the Transmission System, such as Network Upgrades and services, shall be coordinated by the Interconnection Customer with the SPP and determined under the SPP's Standard Large Generator Interconnection Procedures.

1.46. **Interconnection Service** shall mean the service provided by Southwestern associated with interconnecting the Interconnection Customer's Generating Facility to the Southwestern Transmission System and enabling it to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Standard Large Generator Interconnection Agreement and, if applicable, the Tariff.

1.47. **Interconnection Study** shall mean any of the following studies: the Interconnection Feasibility Study, the Interconnection System Impact Study, and the Interconnection Facilities Study described in the Standard Large Generator Interconnection Procedures.

1.48. **Interconnection System Impact Study** shall mean an engineering study that evaluates the impact of the proposed interconnection on the safety and reliability of the Transmission System and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility were interconnected without project modifications or system modifications, focusing on the Adverse System Impacts identified in the Interconnection Feasibility Study, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in the

Standard Large Generator Interconnection Procedures.

1.49. **Interconnection System Impact Study Agreement** shall mean the executed form of agreement contained in the SPP's Standard Large Generator Interconnection Procedures for conducting the Interconnection System Impact Study.

1.50. **Joint Operating Committee** shall be a group made up of representatives from Interconnection Customers and Southwestern to coordinate operating and technical considerations of Interconnection Service. This may also include representatives of the SPP.

1.51. **Large Generating Facility** shall mean a Generating Facility having a Generating Facility Capacity of more than 20 MW.

1.52. **Loss** shall mean any and all losses relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's performance, or non-performance of its obligations under the Standard Large Generator Interconnection Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnifying Party.

1.53. **Material Modification** shall mean those modifications that have a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

1.54. **Metering Equipment** shall mean all metering equipment installed or to be installed at the Generating Facility pursuant to the Standard Large Generator Interconnection Agreement at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

1.55. **NERC** shall mean the North American Electric Reliability Corporation or its successor organization.

1.56. **Network Resource** shall mean any designated generating resource owned, purchased, or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

1.57. **Network Resource Interconnection Service** shall mean an Interconnection Service as evaluated by the SPP that allows the Interconnection Customer to integrate its Large Generating Facility with the Transmission System (1) in a manner comparable to that in which Southwestern integrates its generating facilities to serve native load customers; or (2) in an RTO or ISO with market based congestion management, in the same manner as Network Resources. Network Resource Interconnection Service in and of itself does not convey transmission service.

1.58. **Network Upgrades** shall mean the additions, modifications, and upgrades to the Transmission System required at or beyond the point at which the Interconnection Facilities connect to the Southwestern Transmission System to accommodate the

interconnection of the Large Generating Facility to the Southwestern Transmission System.

1.59. **Notice of Dispute** shall mean a written notice of a dispute or claim that arises out of or in connection with the Standard Large Generator Interconnection Agreement or its performance.

1.60. **Optional Interconnection Study** shall mean a sensitivity analysis based on assumptions specified by the Interconnection Customer in the Optional Interconnection Study Agreement.

1.61. **Optional Interconnection Study Agreement** shall mean the executed form of agreement contained in the SPP's Standard Large Generator Interconnection Procedures for conducting the Optional Interconnection Study.

1.62. **Party or Parties** shall mean Southwestern, Interconnection Customer or any combination of the above.

1.63. **Point of Change of Ownership** shall mean the point, as set forth in Attachment A to the Standard Large Generator Interconnection Agreement, where the Interconnection Customer's Interconnection Facilities connect to Southwestern's Interconnection Facilities, as specified in Attachment A.

1.64. **Point of Interconnection** shall mean the point, as set forth in Attachment A to the Standard Large Generator Interconnection Agreement, where the Interconnection Facilities connect to the Southwestern Transmission System.

1.65. **Queue Position** shall mean the order of a valid Interconnection Request as determined by the SPP, relative to all other pending valid Interconnection Requests, that is established based upon the date and time of receipt of the valid Interconnection Request by the SPP.

1.66. **Reasonable Efforts** shall mean, with respect to an action required to be attempted or taken by a Party under the Standard Large Generator Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

1.67. **Scoping Meeting** shall mean the meeting between representatives of the Interconnection Customer, Southwestern, and the SPP conducted for the purpose of discussing alternative interconnection options, to exchange information including any transmission data and earlier study evaluations that would be reasonably expected to impact such interconnection options, to analyze such information, and to determine the potential feasible Points of Interconnection. . The Scoping Meeting shall be at a mutually agreeable site or via a conference call.

1.68. **Site Control** shall mean documentation reasonably demonstrating: (1) ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Generating Facility; (2) an option to purchase or acquire a leasehold site for such purpose; or (3) an exclusivity or other business relationship between Interconnection Customer and the entity having the right to sell, lease or grant Interconnection Customer

the right to possess or occupy a site for such purpose.

1.69. **Small Generating Facility** shall mean a Generating Facility that has a Generating Facility Capacity of no more than 20 MW.

1.70. **Stand Alone Network Upgrades** shall mean Network Upgrades that an Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction, as determined by the SPP.

1.71. **Standard Large Generator Interconnection Agreement (LGIA)** shall mean the form of interconnection agreement applicable to an Interconnection Request pertaining to a Large Generating Facility that is included in the Tariff.

1.72. **Standard Large Generator Interconnection Procedures (LGIP)** shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Large Generating Facility that are included in the Tariff. Where the words "Standard Large Generator Interconnection Procedures" or "LGIP" are preceded by "SPP's" shall mean the SPP's interconnection procedures.

1.73. **System Protection Facilities** shall mean the equipment, including necessary protection signal communications equipment, required to protect (1) the Southwestern Transmission System from faults or other electrical disturbances occurring at the Generating Facility and (2) the Generating Facility from faults or other electrical system disturbances occurring on the Southwestern Transmission System or on other delivery systems or other generating systems to which the Southwestern Transmission System is directly connected.

1.74. **Tariff** shall mean Southwestern's Tariff through which open access transmission service and Interconnection Service are offered and as amended or supplemented from time to time, or any successor tariff.

1.75. **Southwestern** shall mean the Southwestern Power Administration that owns, controls, or operates transmission facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff.

1.76. **Southwestern's Interconnection Facilities** shall mean all facilities and equipment owned, controlled or operated by Southwestern from the Point of Change of Ownership to the Point of Interconnection as identified in Attachment A to the Standard Large Generator Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. Southwestern's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

1.77. **Transmission System** shall mean the facilities owned, controlled or operated by Southwestern when preceded by the term "Southwestern" or transmission facilities controlled by the SPP when preceded by the term "SPP" that are used to provide transmission service under Southwestern's Tariff or the SPP tariff. Where the words "Transmission System" are not preceded by either shall mean the facilities of both.

1.78. **Trial Operation** shall mean the period during which Interconnection Customer is

engaged in on-site test operations and commissioning of the Generating Facility prior to Commercial Operation.

Effective Date: 8/17/2010

2. Effective Date, Term, and Termination

2.1. Effective Date

This LGIA shall become effective upon the date signed by the Administrator of Southwestern, or the Administrator's authorized representative.

2.2. Term of Agreement

Subject to the provisions of Section 2.3., this LGIA shall remain in effect for a period of ten (10) years from the Effective Date or such other longer period as Interconnection Customer may request as mutually agreed upon by the Parties (Term to be specified in individual agreements) and shall be automatically renewed for each successive one-year period thereafter. Notwithstanding this Section 2.2. or Section 2.3.; the maximum effective period for this LGIA shall be forty (40) years from the Effective Date. Five years prior to termination, Interconnection Customer shall provide written notice of its intention to extend the LGIA. Upon receiving such notice, Southwestern shall enter into good faith discussions regarding an extension of the LGIA at the Interconnection Customer's request.

2.3. Termination Procedures

2.3.1. Written Notice

This LGIA may be terminated by Interconnection Customer after giving Southwestern ninety (90) Calendar Days advance written notice, or by Southwestern if the Generating Facility has ceased Commercial Operations for three (3) consecutive years, beginning on the last date of Commercial Operations of the Generating Facility, after giving Interconnection Customer ninety (90) Calendar Days advance written notice. notifying FERC after the Generating Facility permanently ceases Commercial Operation.

2.3.2. Default

Either Party may terminate this LGIA in accordance with Section 16.

2.3.3. Notwithstanding Sections 2.3.1. and 2.3.2., no termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination.

2.3.4. Availability of Funds

2.3.4.1. This LGIA and all rights and obligations hereunder, and the expenditure of funds by Southwestern under the provisions hereof, are expressly conditioned and contingent upon the United States Congress making available (through direct appropriation, authorization of a revolving fund, the authority to borrow funds, or through such other means as it may provide) the necessary funds or the authority to accept funds from others

to enable Southwestern to carry out the provisions of this Agreement, and if such funds or authorities are not available, this Agreement shall terminate and have no further force or effect as of the last day for which funds or authorities were available, and the Interconnection Customer hereby releases Southwestern from any and all liability for failure to perform and fulfill its obligations under this Agreement for that reason.

2.3.4.2. No obligation contained herein for the future payment of money by Southwestern, or liability on the part of Southwestern for breach of any of the provisions contained herein, shall be binding upon or enforceable against Southwestern unless and until funds, as provided in Section 2.3.4.1., are available out of which such obligations or liability can be legally paid.

2.3.4.3. Nothing in this LGIA may be considered as implying that the United States Congress will, at a later date, appropriate funds sufficient to meet any deficiencies or obligations incurred under this Agreement.

2.4. Termination Costs

If a Party elects to terminate this Agreement pursuant to Section 2.3. above, each Party shall pay all costs incurred (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) or charges assessed by the other Party, as of the date of the other Party's receipt of such notice of termination, for which it is responsible under this LGIA. Southwestern shall not be responsible for any costs if it terminates this Agreement due to unavailability of funds pursuant to the provisions of Section 2.3.4. In the event of termination by a Party, the Parties shall use commercially Reasonable Efforts to mitigate the costs, damages and charges arising as a consequence of termination. Upon termination of this LGIA:

2.4.1. With respect to any portion of Southwestern's Interconnection Facilities that have not yet been constructed or installed, Southwestern shall to the extent possible and with Interconnection Customer's authorization cancel any pending orders of, or return, any materials or equipment for, or contracts for construction of, such facilities; provided that in the event Interconnection Customer elects not to authorize such cancellation, Interconnection Customer shall assume all payment obligations with respect to such materials, equipment, and contracts, and Southwestern shall deliver such material and equipment, and, if necessary, assign such contracts to the extent allowable by Federal Acquisition Regulations, to Interconnection Customer as soon as practicable, at Interconnection Customer's expense. To the extent that Interconnection Customer has already paid Southwestern for any or all such costs of materials or equipment not taken by Interconnection Customer, Southwestern shall promptly refund such amounts to Interconnection Customer, less any costs, including penalties incurred by Southwestern to cancel any pending orders of or return such materials, equipment, or contracts.

If an Interconnection Customer terminates this LGIA, it shall be responsible for all costs incurred attributable to that Interconnection Customer's interconnection, including but not limited to any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment, and other expenses including any costs incurred by Southwestern for the restoration of continuity of the

Southwestern Transmission System for which Southwestern has incurred expenses and has not been provided advanced funding by Interconnection Customer.

2.4.2. Southwestern may, at its option, retain any portion of such materials, equipment, or facilities that Interconnection Customer chooses not to accept delivery of, in which case Southwestern shall be responsible for all costs associated with procuring such materials, equipment, or facilities.

2.4.3. With respect to any portion of the Interconnection Facilities, and any other facilities already installed or constructed pursuant to the terms of this LGIA, Interconnection Customer shall be responsible for all costs associated with the removal, relocation or other disposition or retirement of such materials, equipment, or facilities.

2.5. Disconnection

Upon termination of this LGIA, the Parties will take all appropriate steps to disconnect the Large Generating Facility from the Southwestern Transmission System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this LGIA or such non-terminating Party otherwise is responsible for these costs under this LGIA; provided, that Southwestern shall not be responsible for the Interconnection Customer's costs if such termination by Southwestern was a result of unavailability of funds pursuant to Section 2.3.4.

2.6. Survival

This LGIA shall continue in effect after termination to the extent necessary to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this LGIA; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this LGIA was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this LGIA or other applicable agreements, to disconnect, remove or salvage its own facilities and equipment.

3. Scope of Service

3.1. Interconnection Customer has coordinated with the SPP to select either Energy Resource Interconnection Service or Network Resource Interconnection Service pursuant to the terms of the SPP's LGIP and applicable provisions of the SPP/Southwestern Agreement.

3.2. Provision of Service

Transmission Provider shall provide Interconnection Service for the Large Generating Facility at the Point of Interconnection. The Parties recognize that Southwestern has a statutory duty to fulfill its obligations under Section 5 of the 1944 Flood Control Act, and Southwestern has limited ability to provide Control Area services to accommodate the inclusion of generation in Southwestern's Control Area. Southwestern shall have the discretion to determine, based on Southwestern's review of the operational characteristics of each generating facility in conjunction with the capabilities of Southwestern's resources and authorities, whether such facility will electrically reside within the Control Area of Southwestern.

3.3. Performance Standards

Each Party shall perform all of its obligations under this LGIA in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice, and to the extent a Party is required or prevented or limited in taking any action by such regulations and standards, such Party shall not be deemed to be in Breach of this LGIA for its compliance therewith.

3.4. No Transmission Delivery Service

The execution of this LGIA does not constitute a request for, nor the provision of, any transmission delivery service under the SPP's or Southwestern's tariff pursuant to the applicable provisions of the SPP/Southwestern Agreement, and does not convey any right to deliver electricity to any specific customer or Point of Delivery.

3.5. Interconnection Customer Provided Services

The services provided by Interconnection Customer under this LGIA are set forth in Section 8.6. and Section 12.5.1. Interconnection Customer shall be paid for such services in accordance with Section 10.5.

4. Engineering, Procurement, and Construction

4.1. Options

Unless otherwise mutually agreed to between the Parties, Interconnection Customer shall select the In-Service Date, Initial Synchronization Date, and Commercial Operation Date, and either Standard Option or Alternate Option set forth below for completion of Southwestern's Interconnection Facilities as set forth in Attachment A, Interconnection Facilities, and such dates and selected option shall be set forth in Attachment B, Milestones. Southwestern will work with the SPP to coordinate dates as set forth in Attachment B, Milestones, of this LGIA with those established between the SPP and the Interconnection Customer for the engineering, procurement, and construction of Network Upgrades.

4.1.1. Standard Option

Southwestern shall design, procure, and construct Southwestern's Interconnection Facilities, using Reasonable Efforts to complete Southwestern's Interconnection Facilities by the dates set forth in Attachment B, Milestones. Southwestern shall not be required to undertake any action which is inconsistent with its standard safety and security practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, Applicable Laws and Regulations, and Good Utility Practice. In the event Southwestern reasonably expects that it will not be able to complete Southwestern's Interconnection Facilities by the specified dates, Southwestern shall promptly provide written notice to Interconnection Customer and shall undertake Reasonable Efforts to meet the earliest dates thereafter.

4.1.2. Alternate Option

If the dates designated by Interconnection Customer are acceptable to Southwestern, Southwestern shall use Reasonable Efforts to notify Interconnection Customer within thirty (30) Calendar Days, and shall assume responsibility for the design, procurement and construction of Southwestern's Interconnection Facilities by the designated dates.

4.1.3. Option to Build

If the dates designated by Interconnection Customer are not acceptable to Southwestern, Southwestern shall use Reasonable Efforts to notify Interconnection Customer within thirty (30) Calendar Days, and unless the Parties agree otherwise, Interconnection Customer shall have the option to assume responsibility for the design, procurement and construction of Southwestern's Interconnection Facilities on the dates specified in Section 4.1.2.

4.1.4. Negotiated Option

If Interconnection Customer elects not to exercise its option under Section 4.1.3., Option to Build, Interconnection Customer shall so notify Southwestern within

thirty (30) Calendar Days, and the Parties shall in good faith attempt to negotiate terms and conditions (including revision of the specified dates, the provision of incentives or the procurement and construction of a portion of Southwestern's Interconnection Facilities by Interconnection Customer) pursuant to which Southwestern is responsible for the design, procurement and construction of Southwestern's Interconnection Facilities. If the Parties are unable to reach agreement on such terms and conditions, Southwestern shall assume responsibility for the design, procurement and construction of Southwestern's Interconnection Facilities pursuant to 4.1.1., Standard Option.

4.2. General Conditions Applicable to Option to Build

If Interconnection Customer assumes responsibility for the design, procurement and construction of Southwestern's Interconnection,

4.2.1. Interconnection Customer shall engineer, procure equipment, and construct Southwestern's Interconnection Facilities (or portions thereof) using Good Utility Practice and using standards and specifications provided in advance by Southwestern;

4.2.2. Interconnection Customer's engineering, procurement and construction of Southwestern's Interconnection Facilities shall comply with all requirements of law to which Southwestern would be subject in the engineering, procurement or construction of Southwestern's Interconnection Facilities;

4.2.3. Southwestern shall review and approve the engineering design, equipment acceptance tests, and the construction of Southwestern's Interconnection Facilities;

4.2.4. prior to commencement of construction, Interconnection Customer shall provide to Southwestern a schedule for construction of Southwestern's Interconnection Facilities, and shall promptly respond to requests for information from Southwestern;

4.2.5. at any time during construction, Southwestern shall have the right to gain unrestricted access to Southwestern's Interconnection Facilities and to conduct inspections, at the Interconnection Customer's cost, of the same;

4.2.6. at any time during construction, should any phase of the engineering, equipment procurement, or construction of Southwestern's Interconnection Facilities not meet the standards and specifications provided by Southwestern, Interconnection Customer shall be obligated to remedy deficiencies in that portion of Southwestern's Interconnection Facilities and Stand Alone Network Upgrades;

4.2.7. Interconnection Customer shall indemnify Southwestern for claims arising from Interconnection Customer's construction of Southwestern's Interconnection Facilities under the terms and procedures applicable to Section 17.1., Indemnity;

4.2.8. Interconnection Customer shall transfer control of Southwestern's Interconnection Facilities to Southwestern;

4.2.9. Unless Parties otherwise agree, Interconnection Customer shall transfer ownership of Southwestern's Interconnection Facilities to Southwestern;

4.2.10. Southwestern shall approve and accept for operation and maintenance Southwestern's Interconnection Facilities to the extent engineered, procured, and constructed in accordance with this Section 4.2.;

4.2.11. Interconnection Customer shall deliver to Southwestern "as-built" drawings, information, and any other documents in compliance with Southwestern's standards that are reasonably required by Southwestern to assure that the Interconnection Facilities are built to the standards and specifications required by Transmission Provider; and

4.2.12. Interconnection Customer shall acquire land "in fee" for the location of Southwestern's Interconnection Facilities. Such land shall be transferred to Southwestern with an unencumbered title. Property shall be fenced and have an access road as approved by Southwestern at the Interconnection Customer's expense.

4.3. Power System Stabilizers.

The Interconnection Customer shall procure, install, maintain and operate power system stabilizers in accordance with the guidelines and procedures established by the Applicable Reliability Council. Southwestern reserves the right to reasonably establish minimum acceptable settings for any installed power system stabilizers, subject to the design and operating limitations of the Large Generating Facility. If the Large Generating Facility's power system stabilizers are removed from service or not capable of automatic operation, Interconnection Customer shall immediately notify Southwestern's system operator, or its designated representative. The requirements of this paragraph shall not apply to wind generators.

4.4. Equipment Procurement

If responsibility for construction of Southwestern's Interconnection Facilities is to be borne by Southwestern, then Southwestern shall commence design of Southwestern's Interconnection Facilities or and procure necessary equipment and acquire necessary property rights as soon as practicable after all of the following conditions are satisfied, unless the Parties otherwise agree in writing:

4.4.1. Southwestern has completed its work pursuant to the Facilities Study and Environmental Documentation Agreement;

4.4.2. Southwestern has received written authorization to proceed with design and procurement from Interconnection Customer by the date specified in Attachment B, Milestones; and

4.4.3. Interconnection Customer has provided advanced payment to Southwestern in accordance with Section 10.4. by the dates specified in Attachment B, Milestones.

4.5. Construction Commencement

Southwestern shall commence construction of Southwestern's Interconnection Facilities for which it is responsible as soon as practicable after the following additional conditions are satisfied:

4.5.1. Approval of the appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval;

4.5.2. Necessary real property rights and rights-of-way have been obtained, to the extent required for the construction of a discrete aspect of Southwestern's Interconnection;

4.5.3. Southwestern has received written authorization to proceed with construction from Interconnection Customer by the date specified in Attachment B, Milestones; and

4.5.4. Interconnection Customer has provided advanced funds to Southwestern in accordance with Section 10.4. by the dates specified in Attachment B, Milestones.

4.6. Work Progress

The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Either Party may, at any time, request a progress report from the other Party. If, at any time, Interconnection Customer determines that the completion of Southwestern's Interconnection Facilities will not be required until after the specified In-Service Date, Interconnection Customer will provide written notice to Southwestern of such later date upon which the completion of Southwestern's Interconnection Facilities will be required.

4.7. Information Exchange

As soon as reasonably practicable after the Effective Date, the Parties shall exchange information regarding the design and compatibility of the Parties' Interconnection Facilities and compatibility of the Interconnection Facilities with the Southwestern Transmission System, and shall work diligently and in good faith to make any necessary design changes.

4.8. Limited Operation

Unless otherwise agreed in writing by Southwestern and except as provided in 4.9.3., all work pursuant to this Agreement must be fully completed prior to the Initial Synchronization Date. The Interconnection Customer shall coordinate with the SPP for

the performance of operating studies to determine the extent of limited operation of the Large Generating Facility and Interconnection Customer's Interconnection Facilities. Southwestern shall permit Interconnection Customer to operate the Large Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with the results of such studies.

4.9. Interconnection Customer's Interconnection Facilities ('ICIF')

Interconnection Customer shall, at its expense, design, procure, construct, own and install the ICIF, as set forth in Attachment A, Interconnection Facilities.

4.9.1. Interconnection Customer's Interconnection Facility Specifications

Interconnection Customer shall submit initial specifications for the ICIF, including System Protection Facilities, to Southwestern at least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date; and final specifications for review and comment at least ninety (90) Calendar Days prior to the Initial Synchronization Date. Southwestern shall review such specifications to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Southwestern and shall use reasonable Efforts to comment on such specifications within thirty (30) Calendar Days of Interconnection Customer's submission. All specifications provided hereunder shall be deemed confidential, subject to the Freedom of Information Act (FOIA) and Southwestern's reporting requirements to the SPP.

4.9.2. Southwestern's Review

Southwestern's review of Interconnection Customer's final specifications shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the Large Generating Facility, or the ICIF. Interconnection Customer shall make such changes to the ICIF as may reasonably be required by Southwestern, in accordance with Good Utility Practice, to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Southwestern.

4.9.3. ICIF Construction

The ICIF shall be designed and constructed in accordance with Good Utility Practice. Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Interconnection Customer shall deliver to Southwestern "as-built" drawings, information and documents for the ICIF, such as: a one-line diagram, a site plan showing the Large Generating Facility and the ICIF, plan and elevation drawings showing the layout of the ICIF, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with Interconnection Customer's step-up transformers, the facilities connecting the Large Generating Facility to the step-up transformers and the ICIF, and the impedances (determined by factory tests) for the associated step-up transformers and the Large Generating Facility. The Interconnection Customer shall provide Southwestern specifications for the excitation system, automatic

voltage regulator, Large Generating Facility control and protection settings, transformer tap settings, and communications, if applicable.

4.10. Southwestern's Interconnection Facilities Construction

Southwestern's Interconnection Facilities shall be designed and constructed in accordance with Good Utility Practice. Unless the Parties agree on another mutually acceptable deadline, Southwestern shall use Reasonable Efforts to deliver to Interconnection Customer within one hundred twenty (120) Calendar Days after the Commercial Operation Date the following "as-built" drawings, information and documents for Southwestern's Interconnection Facilities [include appropriate drawings and relay diagrams].

Southwestern will obtain control of Southwestern's Interconnection Facilities upon completion of such facilities.

4.11. Access Rights

Upon reasonable notice and supervision by a Party, and subject to any required or necessary regulatory approvals, a Party ("Granting Party") shall furnish at no cost to the other Party ("Access Party") any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by the Granting Party, its agents (if allowed under the applicable agency agreement), or any Affiliate, that are necessary to enable the Access Party to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to: (i) interconnect the Large Generating Facility with the Southwestern Transmission System; (ii) operate and maintain the Large Generating Facility, the Interconnection Facilities and the Southwestern Transmission System; and (iii) disconnect or remove the Access Party's facilities and equipment upon termination of this LGIA. In exercising such licenses, rights of way and easements, the Access Party shall not unreasonably disrupt or interfere with normal operation of the Granting Party's business and shall adhere to the safety rules and procedures established in advance, as may be changed from time to time, by the Granting Party and provided to the Access Party.

4.12. Lands of Other Property Owners

If any part of Southwestern's Interconnection Facilities is to be installed on property owned by persons other than Interconnection Customer or Southwestern, Southwestern shall at Interconnection Customer's expense use efforts, similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority, and to the extent consistent with Federal or state law as applicable, to procure from such persons any rights of use, licenses, rights of way and easements that are necessary to construct, operate, maintain, test, inspect, replace or remove Southwestern's Interconnection Facilities upon such property.

4.13. Permits

Southwestern and Interconnection Customer shall cooperate with each other in good faith in obtaining all permits, licenses, and authorizations that are necessary to accomplish the interconnection in compliance with Applicable Laws and Regulations.

With respect to this paragraph and subject to Section 2.3.4. and Section 10.4., Southwestern shall provide permitting assistance to Interconnection Customer comparable to that provided to Southwestern's own, or an Affiliate's generation.

4.14. Suspension

Interconnection Customer reserves the right, upon written notice to Southwestern, to suspend at any time all work by Southwestern associated with the construction and installation of Southwestern's Interconnection Facilities required under this LGIA with the condition that the Southwestern Transmission System shall be left in a safe and reliable condition in accordance with Good Utility Practice and Southwestern's safety and reliability criteria. In such event, Interconnection Customer shall be responsible for all reasonable and necessary costs which Southwestern (i) has incurred pursuant to this LGIA prior to the suspension and (ii) incurs in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the Southwestern Transmission System during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which Southwestern cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, Southwestern shall obtain Interconnection Customer's authorization to do so; provided, that Southwestern shall not be obligated to perform work not covered by advanced funding from the Interconnection Customer.

Southwestern shall invoice Interconnection Customer for such costs pursuant to Section 11. and shall use due diligence to minimize its costs. In the event Interconnection Customer suspends work by Southwestern required under this LGIA pursuant to this Section 4.14., and has not requested Southwestern to recommence the work required under this LGIA on or before the expiration of three (3) years following commencement of such suspension, this LGIA shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Southwestern, if no effective date is specified.

4.15. Tax Status

Each Party shall cooperate with the other to maintain the other Party's tax status.

4.16. Modification

4.16.1. General

Either Party may undertake modifications to its facilities. If a Party plans to undertake a modification that reasonably may be expected to affect the other Party's facilities, that Party shall provide to the other Party sufficient information regarding such modification so that the other Party may evaluate the potential impact of such modification prior to commencement of the work. Such information shall be deemed to be confidential hereunder subject to FOIA and Southwestern's reporting requirements to the SPP, and shall include information concerning the timing of such modifications and whether such modifications are expected to interrupt the flow of electricity from the Large Generating Facility. The Party desiring to perform such work shall provide the relevant drawings,

plans, and specifications to the other Party at least ninety (90) Calendar Days in advance of the commencement of the work or such shorter period upon which the Parties may agree, which agreement shall not unreasonably be withheld, conditioned or delayed.

In the case of Large Generating Facility modifications that do not require Interconnection Customer to submit an Interconnection Request, Southwestern shall use Reasonable Efforts to provide, within thirty (30) Calendar Days (or such other time as the Parties may agree), an estimate of any additional modifications to the Southwestern Transmission System, or Southwestern's Interconnection Facilities necessitated by such Interconnection Customer modification and a good faith estimate of the costs thereof; provided, that modifications beyond the Point of Interconnection such as Network Upgrades shall be coordinated with the SPP.

4.16.2. Standards

Any additions, modifications, or replacements made to a Party's facilities shall be designed, constructed and operated in accordance with this LGIA and Good Utility Practice.

4.16.3. Modification Costs

Interconnection Customer shall not be directly assigned for the costs of any additions, modifications, or replacements that Southwestern makes to Southwestern's Interconnection Facilities to facilitate the interconnection of a third party to Southwestern's Interconnection Facilities, or to provide transmission service to a third party under the Tariff. Interconnection Customer shall be responsible for the costs of any additions, modifications, or replacements to Interconnection Customer's Interconnection Facilities that may be necessary to maintain or upgrade such Interconnection Customer's Interconnection Facilities consistent with Applicable Laws and Regulations, Applicable Reliability Standards or Good Utility Practice.

5. Testing and Inspection

5.1. Pre-Commercial Operation Date Testing and Modifications

Prior to the Commercial Operation Date, Southwestern shall test Southwestern's Interconnection Facilities and Interconnection Customer shall test the Large Generating Facility and Interconnection Customer's Interconnection Facilities to ensure their safe and reliable operation. Similar testing may be required after initial operation. Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing. Interconnection Customer shall bear the cost of all such testing and modifications. Interconnection Customer shall generate test energy at the Large Generating Facility only if it has arranged for the delivery of such test energy.

5.2. Post-Commercial Operation Date Testing and Modifications

Each Party shall at its own expense perform routine inspection and testing of its facilities and equipment in accordance with Good Utility Practice as may be necessary to ensure the continued interconnection of the Large Generating Facility with the Transmission System in a safe and reliable manner. Each Party shall have the right, upon advance written notice, to require reasonable additional testing of the other Party's facilities, at the requesting Party's expense, as may be in accordance with Good Utility Practice.

5.3. Right to Observe Testing

Each Party shall notify the other Party in advance of its performance of tests of its Interconnection Facilities. The other Party has the right, at its own expense, to observe such testing.

5.4. Right to Inspect

Each Party shall have the right, but shall have no obligation to: (i) observe the other Party's tests and/or inspection of any of its System Protection Facilities and other protective equipment, including power system stabilizers; (ii) review the settings of the other Party's System Protection Facilities and other protective equipment; and (iii) review the other Party's maintenance records relative to the Interconnection Facilities, the System Protection Facilities and other protective equipment. A Party may exercise these rights from time to time as it deems necessary upon reasonable notice to the other Party. The exercise or non-exercise by a Party of any such rights shall not be construed as an endorsement or confirmation of any element or condition of the Interconnection Facilities or the System Protection Facilities or other protective equipment or the operation thereof, or as a warranty as to the fitness, safety, desirability, or reliability of same. Any information that a Party obtains through the exercise of any of its rights under this Section 5.4. shall be deemed to be Confidential Information, subject to FOIA and Southwestern's reporting requirements to the SPP, and treated pursuant to Section 20. of this LGIA.

6. Metering

6.1. General

Each Party shall comply with the Applicable Reliability Council requirements. Unless otherwise agreed by the Parties, Southwestern shall install Metering Equipment at the Point of Interconnection prior to any operation of the Large Generating Facility and shall own, operate, test and maintain such Metering Equipment. Power flows to and from the Large Generating Facility shall be measured at or, at Southwestern's option, compensated to, the Point of Interconnection. Southwestern shall provide metering quantities, in analog and/or digital form, to Interconnection Customer upon request. Interconnection Customer shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment.

6.2. Check Meters

Interconnection Customer, at its option and expense, may install and operate, on its premises and on its side of the Point of Interconnection, one or more check meters to check Southwestern's meters. Such check meters shall be for check purposes only and shall not be used for the measurement of power flows for purposes of this LGIA, except as provided in Section 6.4. below. The check meters shall be subject at all reasonable times to inspection and examination by Southwestern or its designee. The installation, operation and maintenance thereof shall be performed entirely by Interconnection Customer in accordance with Good Utility Practice.

6.3. Standards

Southwestern shall install, calibrate, and test revenue quality Metering Equipment in accordance with applicable ANSI standards.

6.4. Testing of Metering Equipment

Southwestern shall inspect and test all Southwestern -owned Metering Equipment upon installation and at least once every two (2) years thereafter, or more frequently is required by the relevant Regional Entity or NERC. If requested to do so by Interconnection Customer, Southwestern shall, at Interconnection Customer's expense, inspect or test Metering Equipment more frequently than every two (2) years, or more frequently is required by the relevant Regional Entity or NERC. Southwestern shall give reasonable notice of the time when any inspection or test shall take place, and Interconnection Customer may have representatives present at the test or inspection. If at any time Metering Equipment is found to be inaccurate or defective, it shall be adjusted, repaired or replaced at Interconnection Customer's expense, in order to provide accurate metering, unless the inaccuracy or defect is due to Southwestern's failure to maintain, then Southwestern shall pay. If Metering Equipment fails to register, or if the measurement made by Metering Equipment during a test varies by more than two percent from the measurement made by the standard meter used in the test, Southwestern shall adjust the measurements by correcting all measurements for the period during which Metering Equipment was in error by using Interconnection Customer's check meters, if installed. If no such check meters are installed or if the period cannot be reasonably ascertained, the adjustment shall be for the period

immediately preceding the test of the Metering Equipment equal to one-half the time from the date of the last previous test of the Metering Equipment.

6.5. Metering Data

At Interconnection Customer's expense, the metered data shall be telemetered to one or more locations designated by Southwestern and one or more locations designated by Interconnection Customer. Such telemetered data shall be used, under normal operating conditions, as the official measurement of the amount of energy delivered from the Large Generating Facility to the Point of Interconnection.

Effective Date: 8/17/2010

7. Communications

7.1. Interconnection Customer Obligations

Interconnection Customer shall maintain satisfactory operating communications with the Southwestern Transmission System dispatcher or representative designated by Southwestern. Interconnection Customer shall provide, at its expense, standard voice line, dedicated voice line and facsimile communications at its Large Generating Facility control room or central dispatch facility through use of either the public telephone system, or a voice communications system that does not rely on the public telephone system. Interconnection Customer shall also provide the dedicated data circuit(s) necessary to provide Interconnection Customer data to Southwestern as set forth in Attachment D, Security Arrangements Details. The data circuit(s) shall extend from the Large Generating Facility to the location(s) specified by Southwestern. Any required maintenance of such communications equipment shall be performed by Interconnection Customer. Operational communications shall be activated and maintained under, but not be limited to, the following events: system paralleling or separation, scheduled and unscheduled shutdowns, equipment clearances, and hourly and daily load data.

7.2. Remote Terminal Unit

Prior to the Initial Synchronization Date of the Large Generating Facility, a Remote Terminal Unit, or equivalent data collection and transfer equipment acceptable to the Parties, shall be installed by Interconnection Customer, or by Southwestern at Interconnection Customer's expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by Southwestern through use of a dedicated point-to-point data circuit(s) as indicated in Section 7.1. The communication protocol for the data circuit(s) shall be specified by Southwestern. Instantaneous bi-directional analog real power and reactive power flow information must be telemetered directly to the location(s) specified by Southwestern.

Each Party will promptly advise the other Party if it detects or otherwise learns of any metering, telemetry or communications equipment errors or malfunctions that require the attention and/or correction by the other Party. The Party owning such equipment shall correct such error or malfunction as soon as reasonably feasible.

7.3. No Annexation

Any and all equipment placed on the premises of a Party shall be and remain the property of the Party providing such equipment regardless of the mode and manner of annexation or attachment to real property, unless otherwise mutually agreed by the Parties.

8. Operations

8.1. General

Each Party shall comply with the Applicable Reliability Council requirements. Each Party shall provide to the other Party all information that may reasonably be required by the other Party to comply with Applicable Laws and Regulations and Applicable Reliability Standards.

8.2. Control Area Notification

At least three months before Initial Synchronization Date, Interconnection Customer shall notify Southwestern in writing of the Control Area in which the Large Generating Facility will be located. The Parties recognize that Southwestern has a statutory duty to fulfill its obligations under Section 5 of the 1944 Flood Control Act, and Southwestern has limited ability to provide Control Area services to accommodate the inclusion of generation in Southwestern's Control Area. Southwestern shall have the discretion to determine, based on Southwestern's review of the operational characteristics of each generating facility in conjunction with the capabilities of Southwestern's resources and authorities, whether such facility will electrically reside within the Control Area of Southwestern. If Interconnection Customer elects to locate the Large Generating Facility in a Control Area other than Southwestern's Control Area, and if permitted to do so by the relevant transmission tariffs, all necessary arrangements, including but not limited to those set forth in Section 6. and Section 7. of this LGIA, and remote Control Area generator interchange agreements, if applicable, and the appropriate measures under such agreements, shall be executed and implemented prior to the placement of the Large Generating Facility in the other Control Area.

8.3. Southwestern Obligations

Southwestern shall cause the Southwestern Transmission System and Southwestern's Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this LGIA. Southwestern may provide operating instructions to Interconnection Customer consistent with this LGIA and Southwestern's operating protocols and procedures as they may change from time to time. Southwestern will consider changes to its operating protocols and procedures proposed by Interconnection Customer.

8.4. Interconnection Customer Obligations

8.4.1. General Obligations

Interconnection Customer shall at its own expense operate, maintain and control the Large Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA. Interconnection Customer shall operate the Large Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with all applicable requirements of the Control Area of which it is part, as such requirements are set forth in Attachment C, Interconnection Details, of this LGIA. Attachment C, Interconnection Details, will be modified to reflect changes to the

requirements as they may change from time to time. Either Party may request that the other Party provide copies of the requirements set forth in Attachment C, Interconnection Details, of this LGIA.

8.4.2. Generator Balancing Obligation

In the event Southwestern determines it can accommodate operation of the Large Generating Facility in its Control Area, Interconnection Customer shall at its own expense be responsible for ensuring that its actual Large Generating Facility output matches the scheduled delivery from the Large Generating Facility to the Southwestern Transmission System, consistent with the scheduling requirements of the Tariff and rate schedules, including ramping into and out of such scheduled delivery as measured at the Point of Interconnection. To the extent Interconnection Customer's Large Generating Facility output does not match the scheduled delivery from the Large Generating Facility to the Southwestern Transmission System, any such disparate amounts shall be subject to Southwestern's energy imbalance rate and/or any other applicable scheduling incentives set forth under Southwestern's rate schedules.

8.5. **Start-Up and Synchronization**

Consistent with the Parties' mutually acceptable procedures, Interconnection Customer is responsible for the proper synchronization of the Large Generating Facility to the Southwestern Transmission System.

8.6. Reactive Power

8.6.1. Power Factor Design Criteria

Interconnection Customer shall design the Large Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless Southwestern has established different requirements that apply to all generators in the Control Area on a comparable basis. The requirements of this paragraph shall not apply to wind generators.

8.6.2. Voltage Schedules

Once Interconnection Customer has synchronized the Large Generating Facility with the Southwestern Transmission System, Southwestern shall require Interconnection Customer to operate the Large Generating Facility to produce or absorb reactive power within the design limitations of the Large Generating Facility set forth in Section 8.6.1. (Power Factor Design Criteria). Southwestern's voltage schedules shall treat all sources of reactive power in the Control Area in an equitable and not unduly discriminatory manner. Southwestern shall exercise Reasonable Efforts to provide Interconnection Customer with such schedules at least one (1) day in advance, and may make changes to such schedules as necessary to maintain the reliability of the Southwestern Transmission System. Interconnection Customer shall operate the Large Generating Facility to maintain the specified output voltage or power factor at the Point of Interconnection within

the design limitations of the Large Generating Facility set forth in Section 8.6.1. (Power Factor Design Criteria). If Interconnection Customer is unable to maintain the specified voltage or power factor, it shall promptly notify the System Operator.

8.6.2.1. Governors and Regulators

Whenever the Large Generating Facility is operated in parallel with the Southwestern Transmission System and the speed governors (if installed on the generating unit pursuant to Good Utility Practice) and voltage regulators are capable of operation, Interconnection Customer shall operate the Large Generating Facility with its speed governors and voltage regulators in automatic operation. If the Large Generating Facility's speed governors and voltage regulators are not capable of such automatic operation, Interconnection Customer shall immediately notify Southwestern's system operator, or its designated representative, and ensure that such Large Generating Facility's reactive power production or absorption (measured in MVARs) are within the design capability of the Large Generating Facility's generating unit(s) and steady state stability limits. Interconnection Customer shall not cause its Large Generating Facility to disconnect automatically or instantaneously from the Transmission System or trip any generating unit comprising the Large Generating Facility for an under or over frequency condition unless the abnormal frequency condition persists for a time period beyond the limits set forth in ANSI/IEEE Standard C37.106, or such other standard as applied to other generators in the Control Area on a comparable basis.

8.6.3. Payment for Reactive Power

Southwestern is required to pay Interconnection Customer for reactive power that Interconnection Customer provides or absorbs from the Large Generating Facility when Southwestern requests Interconnection Customer to operate its Large Generating Facility outside the range specified in Section 8.6.1. Payments shall be pursuant to Section 10.5. or such other agreement to which the Parties have otherwise agreed.

8.7. Outages and Interruptions

8.7.1. Outages

8.7.1.1. Outage Authority and Coordination

Each Party may in accordance with Good Utility Practice in coordination with the other Party remove from service any of its respective Interconnection Facilities or Network Upgrades that may impact the other Party's facilities as necessary to perform maintenance or testing or to install or replace equipment. Absent an Emergency Condition, the Party scheduling a removal of such facility(ies) from service will use Reasonable Efforts to schedule such removal on a date and time

mutually acceptable to the Parties. In all circumstances, any Party planning to remove such facility(ies) from service shall use Reasonable Efforts to minimize the effect on the other Party of such removal.

8.7.1.2. Outage Schedules

Scheduled outages of Southwestern's transmission facilities are posted on the SPP OASIS. Interconnection Customer shall submit its planned maintenance schedules for the Large Generating Facility to Southwestern for a minimum of a rolling twenty-four month period. Interconnection Customer shall update its planned maintenance schedules as necessary. The SPP may request Interconnection Customer to reschedule its maintenance as necessary to maintain the reliability of the Transmission System pursuant to an agreement between SPP and the Interconnection Customer.

8.7.1.3. Outage Restoration

If an outage on a Party's Interconnection Facilities adversely affects the other Party's operations or facilities, the Party that owns or controls the facility that is out of service shall use Reasonable Efforts to promptly restore such facility(ies) to a normal operating condition consistent with the nature of the outage. The Party that owns or controls the facility that is out of service shall provide the other Party, to the extent such information is known, information on the nature of the Emergency Condition, an estimated time of restoration, and any corrective actions required. Initial verbal notice shall be followed up as soon as practicable with written notice explaining the nature of the outage.

8.7.2. Interruption of Service

If required by Good Utility Practice or directed by the SPP to do so, Southwestern may require Interconnection Customer to interrupt or reduce deliveries of electricity if such delivery of electricity could adversely affect Southwestern's ability to perform such activities as are necessary to safely and reliably operate and maintain the Transmission System. The following provisions shall apply to any interruption or reduction permitted under this Section 8.7.2.:

8.7.2.1. The interruption or reduction shall continue only for so long as reasonably necessary under Good Utility Practice;

8.7.2.2. Any such interruption or reduction shall be made on an equitable, non-discriminatory basis with respect to all generating facilities directly connected to the Transmission System;

8.7.2.3. When the interruption or reduction must be made under circumstances which do not allow for advance notice, Southwestern shall notify Interconnection Customer by telephone as soon as practicable of the reasons for the curtailment, interruption, or reduction, and, if known, its expected duration. Telephone notification shall be followed by written

notification as soon as practicable;

8.7.2.4. Except during the existence of an Emergency Condition, when the interruption or reduction can be scheduled without advance notice, Southwestern shall notify Interconnection Customer in advance regarding the timing of such scheduling and further notify Interconnection Customer of the expected duration. Southwestern shall coordinate with Interconnection Customer using Good Utility Practice to schedule the interruption or reduction during periods of least impact to Interconnection Customer and Southwestern;

8.7.2.5. The Parties shall cooperate and coordinate with each other to the extent necessary in order to restore the Large Generating Facility, Interconnection Facilities, and the Transmission System to their normal operating state, consistent with system conditions and Good Utility Practice.

8.7.3. Under-Frequency and Over Frequency Conditions

The Transmission System is designed to automatically activate a load-shed program as required by the Applicable Reliability Council in the event of an under-frequency system disturbance. Interconnection Customer shall implement under-frequency and over-frequency relay set points for the Large Generating Facility as required by the Applicable Reliability Council to ensure "ride through" capability of the Transmission System. Large Generating Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be studied and coordinated with Southwestern and the SPP in accordance with Good Utility Practice. The term "ride through" as used herein shall mean the ability of a Generating Facility to stay connected to and synchronized with the Transmission System during system disturbances within a range of under-frequency and over-frequency conditions, in accordance with Good Utility Practice.

8.7.4. System Protection and Other Control Requirements

8.7.4.1. System Protection Facilities

Interconnection Customer shall, at its expense, install, operate and maintain System Protection Facilities as a part of the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Southwestern shall install at Interconnection Customer's expense any System Protection Facilities that may be required on Southwestern's Interconnection Facilities or the Southwestern Transmission System as a result of the interconnection of the Large Generating Facility and Interconnection Customer's Interconnection Facilities.

8.7.4.2. Each Party's protection facilities shall be designed and coordinated with other systems in accordance with Good Utility Practice.

8.7.4.3. Each Party shall be responsible for protection of its facilities consistent

with Good Utility Practice.

8.7.4.4. Each Party's protective relay design shall incorporate the necessary test switches to perform the tests required in Section 5. The required test switches will be placed such that they allow operation of lockout relays while preventing breaker failure schemes from operating and causing unnecessary breaker operations and/or the tripping of Interconnection Customer's units.

8.7.4.5. Each Party will test, operate and maintain System Protection Facilities in accordance with Good Utility Practice.

8.7.4.6. Prior to the In-Service Date, and again prior to the Commercial Operation Date, each Party or its agent shall perform a complete calibration test and functional trip test of the System Protection Facilities. At intervals suggested by Good Utility Practice and following any apparent malfunction of the System Protection Facilities, each Party shall perform both calibration and functional trip tests of its System Protection Facilities. These tests do not require the tripping of any in-service generation unit. These tests do, however, require that all protective relays and lockout contacts be activated.

8.7.5. Requirements for Protection

In compliance with Good Utility Practice, Interconnection Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Large Generating Facility to any short circuit occurring on the Transmission System not otherwise isolated by Southwestern's equipment, such that the removal of the fault contribution shall be coordinated with the protective requirements of the Southwestern Transmission System. Such protective equipment shall include, without limitation, a disconnecting device or switch with load-interrupting capability located between the Large Generating Facility and the Southwestern Transmission System at a site selected upon mutual agreement (not to be unreasonably withheld, conditioned or delayed) of the Parties. Interconnection Customer shall be responsible for protection of the Large Generating Facility and Interconnection Customer's other equipment from such conditions as negative sequence currents, over or under-frequency, sudden load rejection, over or under-voltage, and generator loss-of-field. Interconnection Customer shall be solely responsible to disconnect the Large Generating Facility and Interconnection Customer's other equipment if conditions on the Southwestern Transmission System could adversely affect the Large Generating Facility.

8.7.6. Power Quality

Neither Party's facilities shall cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves as defined by ANSI Standard C84.1-1989, in accordance with IEEE Standard 519, or any applicable superseding electric industry standard. In the event of a conflict between ANSI Standard C84.1-1989, or any applicable superseding electric industry standard, ANSI Standard C84.1-1989, or the applicable superseding

electric industry standard, shall control.

8.8. **Switching and Tagging Rules**

Each Party shall provide the other Party a copy of its switching and tagging rules that are applicable to the other Party's activities. Such switching and tagging rules shall be developed on a non-discriminatory basis. The Parties shall comply with applicable switching and tagging rules, as amended from time to time, in obtaining clearances for work or for switching operations on equipment.

8.9. Use of Interconnection Facilities by Third Parties

8.9.1. Purpose of Interconnection Facilities

Except as may be required by Applicable Laws and Regulations, or as otherwise agreed to among the Parties, the Interconnection Facilities shall be constructed for the sole purpose of interconnecting the Large Generating Facility to the Southwestern Transmission System and shall be used for no other purpose.

8.9.2. Third Party Users

If required by Applicable Laws and Regulations or if the Parties mutually agree, such agreement not to be unreasonably withheld, to allow one or more third parties to use Southwestern's Interconnection Facilities, or any part thereof, Interconnection Customer will be entitled to compensation from the third party user for the capital expenses it incurred in connection with the Interconnection Facilities based upon the pro rata use of Southwestern's Interconnection Facilities by Southwestern, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually-agreed upon methodology. In addition, cost responsibility for ongoing costs, including operation and maintenance costs associated with the Interconnection Facilities, will be allocated between Interconnection Customer and any third party users based upon the pro rata use of the Interconnection Facilities by Southwestern, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually agreed upon methodology

8.10. **Disturbance Analysis Data Exchange**

The Parties will cooperate with one another in the analysis of disturbances to either the Large Generating Facility or the Transmission System by gathering and providing access to any information relating to any disturbance, including information from oscillography, protective relay targets, breaker operations and sequence of events records, and any disturbance information required by Good Utility Practice.

9. Maintenance

9.1. Southwestern Obligations

Southwestern shall maintain the Southwestern Transmission System and Southwestern's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.

9.2. Interconnection Customer Obligations

Interconnection Customer shall maintain the Large Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.

9.3. Coordination

The Parties shall confer regularly to coordinate the planning, scheduling and performance of preventive and corrective maintenance on the Large Generating Facility and the Interconnection Facilities.

9.4. Secondary Systems

Each Party shall cooperate with the other in the inspection, maintenance, and testing of control or power circuits that operate below 600 volts, AC or DC, including, but not limited to, any hardware, control or protective devices, cables, conductors, electric raceways, secondary equipment panels, transducers, batteries, chargers, and voltage and current transformers that directly affect the operation of a Party's facilities and equipment which may reasonably be expected to impact the other Party. Each Party shall provide advance notice to the other Party before undertaking any work on such circuits, especially on electrical circuits involving circuit breaker trip and close contacts, current transformers, or potential transformers.

9.5. Operating and Maintenance Expenses

Subject to the provisions herein addressing the use of facilities by others, and except for operations and maintenance expenses associated with modifications made for providing interconnection or transmission service to a third party and such third party pays for such expenses, Interconnection Customer shall be responsible for all reasonable expenses including overheads, associated with: (1) owning, operating, maintaining, repairing, and replacing Interconnection Customer's Interconnection Facilities; and (2) operation, maintenance, repair and replacement of Southwestern's Interconnection Facilities.

10. Performance Obligation

10.1. Interconnection Customer Interconnection Facilities

Interconnection Customer shall design, procure, construct, install, own and/or control Interconnection Customer Interconnection Facilities described in Attachment A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at its sole expense.

10.2. Southwestern's Interconnection Facilities

Southwestern shall design, procure, construct, install, own and/or control Southwestern's Interconnection Facilities described in Attachment A, Interconnection Facilities, at the sole expense of the Interconnection Customer.

10.3. Transmission Credits

10.3.1. Repayment of Amounts Advanced for Network Upgrades

Network Upgrades are beyond the scope of this Agreement and are pursuant to SPP's LGIP. The Interconnection Customer and the SPP shall coordinate to determine repayment of amounts advanced for Network Upgrades.

10.4. Advance Payment

Neither Interconnection Customer nor Southwestern may undertake any work on the Interconnection Facilities until advanced funds are received by Southwestern from Interconnection Customer pursuant to this Section 10.4.

10.4.1. Invoicing and Payment

Southwestern shall provide an estimate of Southwestern's costs for work pursuant to this LGIA. Southwestern shall invoice the Interconnection Customer once for the entire estimated costs or in multiple scheduled invoices on dates as provided by Southwestern in advance for portions of the entire estimated costs until an amount equaling the entire estimated costs has been received. If Interconnection Customer does not make such payments to Southwestern within twenty (20) Calendar Days of the date of the invoice(s) or the next Business Day thereafter, this Agreement shall terminate and be without further force or effect. Such termination shall not result in a penalty to either Party.

10.4.2. Use of Funds

Advanced funds received by Southwestern pursuant to Section 10.4.1 shall be used for Southwestern's costs and expenses incurred to establish the interconnection pursuant to this Agreement including, but not limited to, the cost of necessary tools, materials, equipment, engineering, labor, inspection, travel expenses, personnel per diem allowances, and general, administrative, and

overhead expenses, pursuant to this Agreement.

10.4.3. Credits

In computing such costs and expenses, no credits shall be granted to the Interconnection Customer for the cost of any improvements made by Southwestern to the Southwestern Transmission System or elements that support the Southwestern Transmission System which Southwestern determines are required due to the establishment of the interconnection.

10.4.4. Refund of Excess and Payment of Additional Funds

Following completion of Southwestern's obligations pursuant to this LGIA, Southwestern shall submit a statement to Interconnection Customer of the actual costs incurred by Southwestern. If the amount provided by the Interconnection Customer pursuant to this Section 10.4. is greater than the actual costs, Southwestern shall refund any difference to the Interconnection Customer. During implementation of the work required pursuant to this Agreement, Southwestern shall monitor the status of expenditures and obligations. If it is apparent that additional funds are required for completion of the required work, Southwestern shall notify the Interconnection Customer of the need for additional funds. Such additional funds shall be provided to Southwestern prior to continuation of work past a point estimated to be covered by the initial payment. If the additional funds are not made available, all remaining work associated with this Agreement shall cease until additional funds are received.

10.4.5. Accounting

Southwestern agrees to account for the costs incurred under a Work Order accounting procedure and in accordance with the Uniform System of Accounts prescribed for public utilities by the FERC, or under procedures established by any successor authority having jurisdiction over the accounts of Southwestern. Interconnection Customer or its authorized representative shall have the right to audit Southwestern's cost records and accounts to verify statements of costs submitted by Southwestern. Southwestern agrees to refund any amounts paid if they are found in such audit to exceed the total amount due Southwestern for its actual costs for work hereunder without any penalty or interest. Interconnection Customer agrees that such audit of Southwestern's records and accounts is for the sole purpose of verifying that an itemized billing statement sets forth the actual costs as reflected by the Work Order records and that accounts are maintained in accordance with the accounting procedures prescribed by the FERC.

10.5. **Interconnection Customer Compensation**

If Southwestern requests or directs Interconnection Customer to provide a service pursuant to Sections 8.6.3. (Payment for Reactive Power), or 12.5.1. of this LGIA, Southwestern shall compensate Interconnection Customer in accordance with Interconnection Customer's applicable rate schedule then in effect unless the provision of such service(s) is subject to an RTO or ISO FERC-approved rate schedule.

Interconnection Customer shall serve Southwestern or the SPP with any filing of a proposed rate schedule at the time of such filing with FERC. To the extent that no rate schedule is in effect at the time the Interconnection Customer is required to provide or absorb any Reactive Power under this LGIA, Southwestern agrees to compensate Interconnection Customer in such amount as would have been due Interconnection Customer had the rate schedule been in effect at the time service commenced; provided, however, that such rate schedule must be filed at FERC or other appropriate Governmental Authority within sixty (60) Calendar Days of the commencement of service.

10.5.1. Interconnection Customer Compensation for Actions During Emergency Condition

Southwestern or RTO or ISO shall compensate Interconnection Customer for its provision of real and reactive power and other Emergency Condition services that Interconnection Customer provides to support the Transmission System during an Emergency Condition in accordance with Section 10.5.

Effective Date: 8/17/2010

11. Invoice

11.1. General

Each Party shall submit to the other Party, on a monthly basis, invoices of amounts due for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party under this LGIA, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

11.2. Final Invoice

Within six months after completion of the construction of Southwestern's Interconnection Facilities, Southwestern shall provide an invoice of the final cost of the construction of Southwestern's Interconnection Facilities and shall set forth such costs in sufficient detail to enable Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Southwestern shall refund to Interconnection Customer any amount by which the actual payment by Interconnection Customer for estimated costs exceeds the actual costs in accordance with Section 10.4.4. of this LGIA of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

11.3. Payment

Invoices shall be rendered to the paying Party at the address specified in Attachment F. The Party receiving the invoice shall pay the invoice within twenty (20) Calendar Days of receipt of the date of the invoice. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by either Party will not constitute a waiver of any rights or claims either Party may have under this LGIA.

11.4. Disputes

In the event of a billing dispute between Southwestern and Interconnection Customer, Southwestern shall continue to provide Interconnection Service under this LGIA as long as Interconnection Customer: (i) continues to make all payments not in dispute; and (ii) pays to Southwestern or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Interconnection Customer fails to meet these two requirements for continuation of service, then Southwestern may provide notice to Interconnection Customer of a Default pursuant to Section 16. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due with the Interconnection Customer to pay the amount due plus interest calculated in accord with the methodology set forth in FERC's regulations at 18 CFR § 35.19a(a)(2)(iii).

12. Emergencies

12.1. Definition

"Emergency Condition" shall mean a condition or situation: (i) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (ii) that, in the case of Southwestern, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Southwestern Transmission System, Southwestern's Interconnection Facilities or the Transmission Systems of others to which the Southwestern Transmission System is directly connected; or (iii) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Large Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by this LGIA to possess black start capability.

12.2. Obligations

Each Party shall comply with the Emergency Condition procedures of the applicable ISO/RTO, NERC, the Applicable Reliability Council, Applicable Laws and Regulations, and any emergency procedures agreed to by the Joint Operating Committee.

12.3. Notice

Southwestern shall notify Interconnection Customer promptly when it becomes aware of an Emergency Condition that affects Southwestern's Interconnection Facilities or the Transmission System that may reasonably be expected to affect Interconnection Customer's operation of the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Interconnection Customer shall notify Southwestern promptly when it becomes aware of an Emergency Condition that affects the Large Generating Facility or Interconnection Customer's Interconnection Facilities that may reasonably be expected to affect the Transmission System or Southwestern's Interconnection Facilities. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of Interconnection Customer's or Southwestern's facilities and operations, its anticipated duration and the corrective action taken and/or to be taken. The initial notice shall be followed as soon as practicable with written notice.

12.4. Immediate Action

Unless, in Interconnection Customer's reasonable judgment, immediate action is required, Interconnection Customer shall obtain the consent of Southwestern, such consent to not be unreasonably withheld, prior to performing any manual switching operations at the Large Generating Facility or Interconnection Customer's Interconnection Facilities in response to an Emergency Condition either declared by Southwestern or otherwise regarding the Transmission System.

12.5. Southwestern Authority

12.5.1. General

Southwestern may take whatever actions or inactions with regard to the Southwestern Transmission System or Southwestern's Interconnection Facilities it deems necessary during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Transmission System or Southwestern's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service.

Southwestern shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Southwestern may, in coordination with the SPP , require the Large Generating Facility to mitigate an Emergency Condition by taking actions necessary and limited in scope to remedy the Emergency Condition, including, but not limited to, directing Interconnection Customer to shut-down, start-up, increase or decrease the real or reactive power output of the Large Generating Facility; implementing a reduction or disconnection pursuant to Section 12.5.2.; directing Interconnection Customer to assist with blackstart (if available) or restoration efforts; or altering the outage schedules of the Large Generating Facility and Interconnection Customer's Interconnection Facilities. Interconnection Customer shall comply with all of Southwestern's and/or the SPP's operating instructions concerning Large Generating Facility real power and reactive power output within the manufacturer's design limitations of the Large Generating Facility's equipment that is in service and physically available for operation at the time, in compliance with Applicable Laws and Regulations.

12.5.2. Reduction and Disconnection

Southwestern may reduce Interconnection Service or disconnect the Large Generating Facility or Interconnection Customer's Interconnection Facilities, when such, reduction or disconnection is necessary under Good Utility Practice due to Emergency Conditions or at the direction of the SPP. These rights are separate and distinct from any right of curtailment of Southwestern pursuant to the Tariff. When Southwestern can schedule the reduction or disconnection in advance, Southwestern shall notify Interconnection Customer of the reasons, timing and expected duration of the reduction or disconnection. Southwestern shall coordinate with Interconnection Customer using Good Utility Practice to schedule the reduction or disconnection during periods of least impact to Interconnection Customer and Southwestern. Any reduction or disconnection shall continue only for so long as reasonably necessary under Good Utility Practice or at the direction of the SPP. The Parties shall cooperate with each other to restore the Large Generating Facility, the Interconnection Facilities, and the Transmission System to their normal operating state as soon as practicable consistent with Good Utility Practice or at the direction of the SPP.

12.6. **Interconnection Customer Authority**

Consistent with Good Utility Practice, the direction of the SPP, and the LGIA and the LGIP, Interconnection Customer may take actions or inactions with regard to the Large Generating Facility or Interconnection Customer's Interconnection Facilities during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Large Generating Facility or Interconnection Customer's Interconnection

Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service. Interconnection Customer shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Transmission System and Southwestern's Interconnection Facilities. Southwestern shall use Reasonable Efforts to assist Interconnection Customer in such actions.

12.7. **Limited Liability**

Except as otherwise provided in Section 10.5.1. of this LGIA, neither Party shall be liable to the other for any action it takes in responding to an Emergency Condition so long as such action is made in good faith and is consistent with Good Utility Practice.

Effective Date: 8/17/2010

13. Regulatory Requirements and Governing Law

13.1. Regulatory Requirements

Each Party's obligations under this LGIA shall be subject to its receipt of any required approval or certificate from one or more Governmental Authorities in the form and substance satisfactory to the applying Party, or the Party making any required filings with, or providing notice to, such Governmental Authorities, and the expiration of any time period associated therewith. Each Party shall in good faith seek and use its Reasonable Efforts to obtain such other approvals. Nothing in this LGIA shall require Interconnection Customer to take any action that could result in its inability to obtain, or its loss of, status or exemption under the Federal Power Act, the Public Utility Holding Company Act of 1935, as amended, or the Public Utility Regulatory Policies Act of 1978.

13.2. Governing Law

13.2.1. The validity, interpretation and performance of this LGIA and each of its provisions shall be governed by Federal law or the laws of the state where the Point of Interconnection is located, as applicable.

13.2.2. This LGIA is subject to all Applicable Laws and Regulations.

13.2.3. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, rules, or regulations of a Governmental Authority.

Effective Date: 8/17/2010

14. Notices

14.1. General

Unless otherwise provided in this LGIA, any notice, demand or request required or permitted to be given by either Party to the other and any instrument required or permitted to be tendered or delivered by either Party in writing to the other shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Party, or personally delivered to the Party, at the address set out in Attachment F, Addresses for Delivery of Notices and Billings.

Either Party may change the notice information in this LGIA by giving five (5) Business Days written notice prior to the effective date of the change.

14.2. Billings and Payments

Billings and payments shall be sent to the addresses set out in Attachment F.

14.3. Alternative Forms of Notice

Any notice or request required or permitted to be given by a Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or email to the telephone numbers and email addresses set out in Attachment F.

14.4. Operations and Maintenance Notice

Each Party shall notify the other Party in writing of the identity of the person(s) that it designates as the point(s) of contact with respect to the implementation of Sections 8. and 9.

15. Force Majeure

15.1. Force Majeure

15.1.1. Economic hardship is not considered a Force Majeure event.

15.1.2. Neither Party shall be considered to be in Default with respect to any obligation hereunder, (including obligations under Section 3.), 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.

Effective Date: 8/17/2010

16. Default

16.1. Default

16.1.1. General

No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of Force Majeure as defined in this LGIA or the result of an act of omission of the other Party. Upon a Breach, the non-breaching Party shall give written notice of such Breach to the breaching Party. Except as provided in Section 16.1.2., the breaching Party shall have thirty (30) Calendar Days from receipt of the Default notice within which to cure such Breach; provided however, if such Breach is not capable of cure within thirty (30) Calendar Days, the breaching Party shall commence such cure within thirty (30) Calendar Days after notice and continuously and diligently complete such cure within ninety (90) Calendar Days from receipt of the Default notice; and, if cured within such time, the Breach specified in such notice shall cease to exist.

16.1.2. Right to Terminate

If a Breach is not cured as provided in this Section, or if a Breach is not capable of being cured within the period provided for herein, the non-breaching Party shall have the right to declare a Default and terminate this LGIA by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this LGIA, to recover from the breaching Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this Section will survive termination of this LGIA.

17. Indemnity, Consequential Damages and Insurance

17.1. Indemnity

Interconnection Customer shall at all times indemnify, defend, and hold Southwestern harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from Southwestern's action or inactions of its obligations under this LGIA on behalf of the Interconnection Customer, except in cases of gross negligence or intentional wrongdoing by Southwestern. The liability of Southwestern shall be determined in accordance with the Federal Tort Claims Act.

17.1.1. Indemnified Person

If an indemnified person is entitled to indemnification under this Section 17. as a result of a claim by a third party, and the Interconnection Customer fails, after notice and reasonable opportunity to proceed under Section 17.1., to assume the defense of such claim, such indemnified person may at the expense of the Interconnection Customer contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

17.1.2. Indemnifying Party

If an Interconnection Customer is obligated to indemnify and hold any indemnified person harmless under this Section 17., the amount owing to the indemnified person shall be the amount of such indemnified person's actual Loss, net of any other recovery.

17.1.3. Indemnity Procedures

Promptly after receipt by an indemnified person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in Section 17.1. may apply, the indemnified person shall notify the Interconnection Customer of such fact. Any failure of or delay in such notification shall not affect Interconnection Customer's indemnification obligation unless such failure or delay is materially prejudicial to the Interconnection Customer.

The Interconnection Customer shall have the right to assume the defense thereof with counsel designated by such Interconnection Customer and reasonably satisfactory to the indemnified person. If the defendants in any such action include one or more indemnified person and the Interconnection Customer and if the indemnified person reasonably concludes that there may be legal defenses available to it and/or other indemnified persons which are different from or additional to those available to the Interconnection Customer, the indemnified person shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on its own behalf. In such instances, the Interconnection Customer shall only be required to pay the fees and expenses of one additional attorney to represent an indemnified

person or indemnified persons having such differing or additional legal defenses.

The indemnified person shall be entitled, at its expense, to participate in any such action, suit or proceeding, the defense of which has been assumed by the Interconnection Customer. Notwithstanding the foregoing, the Interconnection Customer (i) shall not be entitled to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the opinion of the indemnified person and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the indemnified person, or there exists a conflict or adversity of interest between the indemnified person and the Interconnection Customer, in such event the Interconnection Customer shall pay the reasonable expenses of the indemnified person, and (ii) shall not settle or consent to the entry of any judgment in any action, suit or proceeding without the consent of the indemnified person, which shall not be reasonably withheld, conditioned or delayed.

17.2. **Consequential Damages**

In no event shall either Party be liable under any provision of this LGIA for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

17.3. **Insurance**

Interconnection Customer shall, at its own expense, maintain in force throughout the period of this LGIA, and until released by the other Party, the following minimum insurance coverages, with insurers authorized to do business in the state where the Point of Interconnection is located:

17.3.1. Employers' Liability and Workers' Compensation Insurance providing statutory benefits in accordance with the laws and regulations of the state in which the Point of Interconnection is located.

17.3.2. Commercial General Liability Insurance including premises and operations, personal injury, broad form property damage, broad form blanket contractual liability coverage (including coverage for the contractual indemnification) products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, coverage for pollution to the extent normally available and punitive damages to the extent normally available and a cross liability endorsement, with minimum limits of One Million Dollars ($1,000,000) per occurrence/One Million Dollars ($1,000,000) aggregate combined single limit for personal injury, bodily injury, including death and property damage.

17.3.3. Comprehensive Automobile Liability Insurance for coverage of owned and non-

owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum, combined single limit of One Million Dollars ($1,000,000) per occurrence for bodily injury, including death, and property damage.

17.3.4. Excess Public Liability Insurance over and above the Employers' Liability Commercial General Liability and Comprehensive Automobile Liability Insurance coverage, with a minimum combined single limit of Twenty Million Dollars ($20,000,000) per occurrence/Twenty Million Dollars ($20,000,000) aggregate.

17.3.5. The Commercial General Liability Insurance, Comprehensive Automobile Insurance and Excess Public Liability Insurance policies shall name Southwestern and its respective directors, officers, agents, servants and employees ("Other Party Group") as additional insured. All policies shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the provisions of this LGIA against the Other Party Group and provide thirty (30) Calendar Days advance written notice to the Other Party Group prior to anniversary date of cancellation or any material change in coverage or condition.

17.3.6. The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies shall contain provisions that specify that the policies are primary and shall apply to such extent without consideration for other policies separately carried and shall state that each insured is provided coverage as though a separate policy had been issued to each, except the insurer's liability shall not be increased beyond the amount for which the insurer would have been liable had only one insured been covered. Interconnection Customer shall be responsible for its respective deductibles or retentions.

17.3.7. The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies, if written on a Claims First Made Basis, shall be maintained in full force and effect for two (2) years after termination of this LGIA, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Parties.

17.3.8. The requirements contained herein as to the types and limits of all insurance to be maintained by the Parties are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by the Parties under this LGIA.

17.3.9. Within ten (10) days following execution of this LGIA, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) days thereafter, Interconnection Customer shall provide certification of all insurance required in this LGIA, executed by each insurer or by an authorized representative of each insurer.

17.3.10. Notwithstanding the foregoing, Interconnection Customer may self-insure to meet the minimum insurance requirements of Sections 17.3.2. through 17.3.8. to the extent it maintains a self-insurance program; provided that, Interconnection Customer’s senior secured debt is rated at investment grade or better by Standard & Poor's and that its self-insurance program meets the minimum insurance requirements of Sections 17.3.2. through 17.3.8. For any period of

time that Interconnection Customer's senior secured debt is unrated by Standard & Poor's or is rated at less than investment grade by Standard & Poor's, Interconnection Customer shall comply with the insurance requirements applicable to it under Sections 17.3.2. through 17.3.9. In the event that Interconnection Customer is permitted to self-insure pursuant to this Section, it shall notify the other Party that it meets the requirements to self-insure and that its self-insurance program meets the minimum insurance requirements in a manner consistent with that specified in Section 17.3.9.

17.3.11. 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 LGIA.

17.4. **Southwestern Insurance**

Subject to the Availability of Funds provisions of Section 2.3.4., Southwestern shall provide title insurance and shall self-provide comparable liability insurance coverage as the Interconnection Customer as described under Section 17.3. of this LGIA for itself.

Effective Date: 8/17/2010

18. Assignment

18.1. Assignment

This LGIA may be assigned by either Party only with the written consent of the other; provided, that Interconnection Customer may assign this LGIA with the consent of Southwestern to any Affiliate of the Interconnection Customer with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the Interconnection Customer under this LGIA; and provided further, that Interconnection Customer may assign this LGIA, with the consent of Southwestern, for collateral security purposes to aid in providing financing for the Large Generating Facility. Any financing arrangement entered into by Interconnection Customer pursuant to this Section will provide that prior to or upon the exercise of the secured Party's, trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify Southwestern of the date and particulars of any such exercise of assignment right(s), including providing Southwestern with proof that it meets the requirements of Sections 10.4. and 17.3. Any attempted assignment that violates this Section is void and ineffective. Any assignment under this LGIA shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

Effective Date: 8/17/2010

19. Severability

19.1. Severability

If any provision in this LGIA is finally determined to be invalid, void or unenforceable by any court or other Governmental Authority having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this LGIA; provided that if Interconnection Customer (or any third party, but only if such third party is not acting at the direction of Southwestern) seeks and obtains such a final determination with respect to any provision of the Alternate Option (Section 4.1.2.), or the Negotiated Option (Section 4.1.4.), then none of these provisions shall thereafter have any force or effect and the Parties' rights and obligations shall be governed solely by the Standard Option (Section 4.1.1.).

Effective Date: 8/17/2010

20. Confidentiality

20.1. Confidentiality

Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other prior to the execution of this LGIA.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential.

If requested by either Party, the other Party shall provide in writing, the basis for asserting that the information referred to in this Section 20. warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

20.1.1. Term

During the term of this LGIA, and for a period of three (3) years after the expiration or termination of this LGIA, except as otherwise provided in this Section 20., each Party shall hold in confidence and shall not disclose to any person Confidential Information.

20.1.2. Scope

Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this LGIA; or (6) is required, in accordance with Section 20.1.7. of the LGIA, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, including the Freedom of Information Act [5USC § 552], as amended, or is necessary in any legal proceeding establishing rights and obligations under this LGIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

20.1.3. Release of Confidential Information

Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with this LGIA, unless such person has first been advised of the confidentiality provisions of this Section 20. and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Section 20.

20.1.4. Rights

Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party. The disclosure by each Party to the other Party of Confidential Information shall not be deemed a waiver by either Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

20.1.5. No Warranties

By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.

20.1.6. Standard of Care

Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this LGIA or its regulatory requirements.

20.1.7. Order of Disclosure

If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of this LGIA. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

20.1.8. Termination of Agreement

Upon termination of this LGIA for any reason, each Party shall, within ten (10) Calendar Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the other Party) or return to the other Party, without retaining copies thereof, any and all written or electronic Confidential Information received from the other Party.

20.1.9. Disclosure to FERC, or its Staff

Notwithstanding anything in this Section 20. to the contrary, and pursuant to 18 CFR section 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this LGIA, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 CFR section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this LGIA prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the LGIA when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR section 388.112.

20.1.10. Subject to the exception in Section 20.1.9., any information that a Party claims is competitively sensitive, commercial or financial information under this LGIA ("Confidential Information") shall not be disclosed by the other Party to any person not employed or retained by the other Party, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this LGIA or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a regional or national reliability organization. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

21. Environmental Releases

21.1. Each Party shall notify the other Party, first orally and then in writing, of the release of any Hazardous Substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Large Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall: (i) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than twenty-four hours after such Party becomes aware of the occurrence; and (ii) promptly furnish to the other Party copies of any publicly available reports filed with any Governmental Authorities addressing such events.

21.2. Each Party shall as soon as practicable remedy all releases of Hazardous Substances brought to, or created at, real property it owns underlying the Large Generating Facility or Interconnection Facilities, and any such substances migrating from real property it owns at the Large Generating Facility site. The Party that caused the release shall bear the costs of the remedial action, which shall meet applicable Federal and State environmental standards at the time of the action. Such costs may include, but are not limited to, Federal and State supervision, remedial action plans, removal and remedial actions, and negotiation of voluntary and judicial agreements required to meet such environmental standards.

21.3. The Parties agree to comply fully with the substantive requirements of all applicable Federal, State and local environmental laws in the performance of their obligations hereunder, and to mitigate and abate adverse environmental impacts accordingly.

Effective Date: 8/17/2010

22. Information Requirements

22.1. Information Acquisition

Southwestern and Interconnection Customer shall submit specific information regarding the electrical characteristics of their respective facilities to each other as described below and in accordance with Applicable Reliability Standards.

22.2. Information Submission by Southwestern

Southwestern shall use Reasonable Efforts to submit information to Interconnection Customer no later than one hundred eighty (180) Calendar Days prior to Trial Operation which shall include the Southwestern Transmission System information necessary to allow Interconnection Customer to select equipment and meet any system protection and stability requirements, unless otherwise agreed to by the Parties. On a monthly basis Southwestern shall provide Interconnection Customer a status report on the construction and installation of Southwestern's Interconnection Facilities, including, but not limited to, the following information: (1) progress to date; (2) a description of the activities since the last report (3) a description of the action items for the next period; and (4) the delivery status of equipment ordered.

22.3. Updated Information Submission by Interconnection Customer

The updated information submission by Interconnection Customer, including manufacturer information, shall occur no later than one hundred eighty (180) Calendar Days prior to the Trial Operation. Interconnection Customer shall submit a completed copy of the Large Generating Facility data requirements contained in Appendix 1 to the LGIP. It shall also include any additional information provided to Southwestern for the Interconnection Facilities Study. Furthermore, the Interconnection Customer shall provide Southwestern copies of all submissions to the SPP of updated information regarding the Large Generating Facility. Information in this submission shall be the most current Large Generating Facility design or expected performance data. Information submitted for stability models shall be compatible with Southwestern standard models. If there is no compatible model, Interconnection Customer will work with a consultant mutually agreed to by the Parties to develop and supply a standard model and associated information.

If Interconnection Customer's data is materially different from what was originally provided to Southwestern pursuant to the Interconnection Facilities Study and Environmental Documentation Agreement between Southwestern and Interconnection Customer, then Southwestern will conduct appropriate studies to determine the impact on the Southwestern Transmission System based on the actual data submitted pursuant to this Section 22.3. The Interconnection Customer shall not begin Trial Operation until such studies are completed.

22.4. Information Supplementation

Prior to the Operation Date, the Parties shall supplement their information submissions described above in this Section 22. with any and all "as-built" Large Generating Facility information or "as-tested" performance information that differs from the initial submissions

or, alternatively, written confirmation that no such differences exist. The Interconnection Customer shall conduct tests on the Large Generating Facility as required by Good Utility Practice such as an open circuit "step voltage" test on the Large Generating Facility to verify proper operation of the Large Generating Facility's automatic voltage regulator.

Unless otherwise agreed, the test conditions shall include: (1) Large Generating Facility at synchronous speed; (2) automatic voltage regulator on and in voltage control mode; and (3) a five percent change in Large Generating Facility terminal voltage initiated by a change in the voltage regulators reference voltage. Interconnection Customer shall provide validated test recordings showing the responses of Large Generating Facility terminal and field voltages. In the event that direct recordings of these voltages is impractical, recordings of other voltages or currents that mirror the response of the Large Generating Facility's terminal or field voltage are acceptable if information necessary to translate these alternate quantities to actual Large Generating Facility terminal or field voltages is provided. Large Generating Facility testing shall be conducted and results provided to Southwestern for each individual generating unit in a station.

Subsequent to the Operation Date, Interconnection Customer shall provide Southwestern any information changes due to equipment replacement, repair, or adjustment. Southwestern shall provide Interconnection Customer any information changes due to equipment replacement, repair or adjustment in the directly connected substation or any adjacent Southwestern -owned substation that may affect Interconnection Customer's Interconnection Facilities equipment ratings, protection or operating requirements. The Parties shall use Reasonable Efforts to provide such information no later than thirty (30) Calendar Days after the date of the equipment replacement, repair or adjustment.

Effective Date: 8/17/2010

23. Information Access and Audit Rights

23.1. Information Access

Each Party (the "disclosing Party") shall make available to the other Party information that is in the possession of the disclosing Party and is necessary in order for the other Party to: (i) verify the costs incurred by the disclosing Party for which the other Party is responsible under this LGIA; and (ii) carry out its obligations and responsibilities under this LGIA. The Parties shall not use such information for purposes other than those set forth in this Section 23.1. and to enforce their rights under this LGIA.

23.2. Reporting of Non-Force Majeure Events

Each Party (the "notifying Party") shall notify the other Party when the notifying Party becomes aware of its inability to comply with the provisions of this LGIA for a reason other than a Force Majeure event. The Parties agree to cooperate with each other and provide necessary information regarding such inability to comply, including the date, duration, reason for the inability to comply, and corrective actions taken or planned to be taken with respect to such inability to comply. Notwithstanding the foregoing, notification, cooperation or information provided under this Section shall not entitle the Party receiving such notification to allege a cause for anticipatory breach of this LGIA.

23.3. Audit Rights

Subject to the requirements of confidentiality under Section 20. of this LGIA, each Party shall have the right, during normal business hours, and upon prior reasonable notice to the other Party, to audit at its own expense the other Party's accounts and records pertaining to either Party's performance or either Party's satisfaction of obligations under this LGIA. Such audit rights shall include audits of the other Party's costs, calculation of invoiced amounts, Southwestern's efforts to allocate responsibility for the provision of reactive support to the Southwestern Transmission System, Southwestern's efforts to allocate responsibility for interruption or reduction of generation on the Southwestern Transmission System, and each Party's actions in an Emergency Condition. Any audit authorized by this Section shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to each Party's performance and satisfaction of obligations under this LGIA. Each Party shall keep such accounts and records for a period equivalent to the audit rights periods described in Section 23.4.

23.4. Audit Rights Periods

23.4.1. Audit Rights Period for Construction-Related Accounts and Records

Accounts and records related to the design, engineering, procurement, and construction of Southwestern's Interconnection Facilities shall be subject to audit for a period of twenty-four months following Southwestern's issuance of a final invoice in accordance with Section 11.2.

23.4.2. Audit Rights Period for All Other Accounts and Records

Accounts and records related to either Party's performance or satisfaction of all obligations under this LGIA other than those described in Section 23.4.1. shall be subject to audit as follows: (i) for an audit relating to cost obligations, the applicable audit rights period shall be twenty-four months after the auditing Party's receipt of an invoice giving rise to such cost obligations; and (ii) for an audit relating to all other obligations, the applicable audit rights period shall be twenty-four months after the event for which the audit is sought.

23.5. **Audit Results**

If an audit by a Party determines that an overpayment or an underpayment has occurred, a notice of such overpayment or underpayment shall be given to the other Party together with those records from the audit which support such determination.

Effective Date: 8/17/2010

24. Subcontractors

24.1. General

Nothing in this LGIA shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this LGIA; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this LGIA in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

24.2. Responsibility of Principal

The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this LGIA. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall Southwestern be liable for the actions or inactions of Interconnection Customer or its subcontractors with respect to obligations of Interconnection Customer under Section 4. of this LGIA. Any applicable obligation imposed by this LGIA upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

24.3. No Limitation by Insurance

The obligations under this Section 24. will not be limited in any way by any limitation of subcontractor's insurance.

Effective Date: 8/17/2010

25. Disputes

25.1. Disputes

In the event any Party has a dispute, or asserts a claim, that arises out of or in connection with the LGIP, or their performance, the Parties agree to resolve such dispute using the dispute resolution procedures in Section 1.12. of the Tariff.

Effective Date: 8/17/2010

26. Representations, Warranties, and Covenants

26.1. General

Each Party makes the following representations, warranties and covenants:

26.1.1. Good Standing

Such Party is duly organized, validly existing and in good standing under Federal law or the laws of the state in which it is organized, formed, or incorporated, as applicable; that it is qualified to do business under Federal law or the laws of the state or states in which the Large Generating Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable, are located; and that it has the corporate power and authority to own its properties, to carry on its business as now being conducted and to enter into this LGIA and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this LGIA.

26.1.2. Authority

Such Party has the right, power and authority to enter into this LGIA, to become a Party hereto and to perform its obligations hereunder. This LGIA is a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforceability is sought in a proceeding in equity or at law).

26.1.3. No Conflict

The execution, delivery and performance of this LGIA does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.

26.1.4. Consent and Approval

Such Party has sought or obtained, or, in accordance with this LGIA will seek or obtain, each consent, approval, authorization, order, or acceptance by any Governmental Authority in connection with the execution, delivery and performance of this LGIA, and it will provide to any Governmental Authority notice of any actions under this LGIA that are required by Applicable Laws and Regulations.

27. Joint Operating Committee

27.1. Joint Operating Committee

Except in the case of ISOs and RTOs, Southwestern shall constitute a Joint Operating Committee to coordinate operating and technical considerations of Interconnection Service. At least six (6) months prior to the expected Initial Synchronization Date, Interconnection Customer and Southwestern shall each appoint one representative and one alternate to the Joint Operating Committee. Each Interconnection Customer shall notify Southwestern of its appointment in writing. Such appointments may be changed at any time by similar notice. The Joint Operating Committee shall meet as necessary, but not less than once each calendar year, to carry out the duties set forth herein. The Joint Operating Committee shall hold a meeting at the request of either Party, at a time and place agreed upon by the representatives. The Joint Operating Committee shall perform all of its duties consistent with the provisions of this LGIA. Each Party shall cooperate in providing to the Joint Operating Committee all information required in the performance of the Joint Operating Committee's duties. All decisions and agreements, if any, made by the Joint Operating Committee, shall be evidenced in writing. The duties of the Joint Operating Committee shall include the following:

27.1.1. Establish data requirements and operating record requirements.

27.1.2. Review the requirements, standards, and procedures for data acquisition equipment, protective equipment, and any other equipment or software.

27.1.3. Annually review the one (1) year forecast of maintenance and planned outage schedules of Southwestern's and Interconnection Customer's facilities at the Point of Interconnection.

27.1.4. Coordinate the scheduling of maintenance and planned outages on the Interconnection Facilities, the Large Generating Facility and other facilities that impact the normal operation of the interconnection of the Large Generating Facility to the Transmission System.

27.1.5. Ensure that information is being provided by each Party regarding equipment availability.

27.1.6. Perform such other duties as may be conferred upon it by mutual agreement of the Parties.

Effective Date: 8/17/2010

28. Miscellaneous

28.1. Binding Effect

This LGIA and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.

28.2. Conflicts

In the event of a conflict between the body of this LGIA and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this LGIA shall prevail and be deemed the final intent of the Parties.

28.3. Rules of Interpretation

This LGIA, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this LGIA, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this LGIA), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any Applicable Laws and Regulations means such Applicable Laws and Regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Section, Attachment, or Appendix means such Section of this LGIA or such Attachment to this LGIA, or such Section to the LGIP or such Appendix to the LGIP, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this LGIA as a whole and not to any particular Section or other provision hereof or thereof; (7) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding" and "through" means "through and including".

28.4. Entire Agreement

This LGIA, including all Attachments and Schedules attached hereto, and also incorporating through reference Attachment K, General Provisions Applicable to Transmission Service and Generation Interconnection, of the Tariff as if it was a part hereof, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this LGIA. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this LGIA.

28.5. No Third Party Beneficiaries

This LGIA is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.

28.6. **Waiver**

The failure of a Party to this LGIA to insist, on any occasion, upon strict performance of any provision of this LGIA will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

Any waiver at any time by either Party of its rights with respect to this LGIA shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this LGIA. Termination or Default of this LGIA for any reason by Interconnection Customer shall not constitute a waiver of Interconnection Customer's legal rights to obtain an interconnection from Southwestern. Any waiver of this LGIA shall, if requested, be provided in writing.

28.7. **Headings**

The descriptive headings of the various Sections of this LGIA have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this LGIA.

28.8. **Multiple Counterparts**

This LGIA may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

28.9. **Amendment**

The Parties may by mutual agreement amend this LGIA by a written instrument duly executed by the Parties.

28.10. **Modification by the Parties**

The Parties may by mutual agreement amend the Appendices to this LGIA by a written instrument duly executed by the Parties. Such amendment shall become effective and a part of this LGIA upon satisfaction of all Applicable Laws and Regulations.

28.11. **No Partnership**

This LGIA shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

IN WITNESS WHEREOF, the Parties have executed this LGIA in duplicate originals, each of which shall constitute and be an original effective Agreement between the Parties.

AGREE:

[INTERCONNECTION CUSTOMER]	UNITED STATES OF AMERICA SOUTHWESTERN POWER ADMINISTRATION
By _____	By _____
Title _____	Title _____
Date _____	Date _____

ATTEST:

I, _____, certify that I am the _____ of [INTERCONNECTION CUSTOMER], and that _____, who signed this Agreement on behalf of said Entity, was then the_____ of said Entity, and that the said Agreement was duly signed for and on behalf of the said Entity by authority of its governing body, which has within the scope if its corporate powers the authority to legally bind the Entity under the foregoing Agreement.

(SEAL) By _____

Effective Date: 8/17/2010

Attachment A to Appendix 6
LGIA

INTERCONNECTION FACILITIES

1. Interconnection Facilities:

    (a) [insert Interconnection Customer's Interconnection Facilities]:

    (b) [insert Southwestern's Interconnection Facilities]:

Effective Date: 8/17/2010

Attachment B to Appendix 6
LGIA

MILESTONES

Effective Date: 8/17/2010

Attachment C to Appendix 6
LGIA

INTERCONNECTION DETAILS

Effective Date: 8/17/2010

Attachment D to Appendix 6
LGIA

SECURITY ARRANGEMENTS DETAILS

Infrastructure security of the Transmission System equipment and operations and control hardware and software is essential to ensure day-to-day Transmission System reliability and operational security. FERC will expect Southwestern, all market participants, and all Interconnection Customers interconnected to the Transmission System to comply with the recommendations offered by the National Infrastructure Advisory Council or its successor and, eventually, best practice recommendations from NERC. All public utilities will be expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

Effective Date: 8/17/2010

Attachment E to Appendix 6
LGIA

COMMERCIAL OPERATION DATE

This Attachment E is a part of the LGIA between Transmission Provider and Interconnection Customer.

[Date]

ATTN: Assistant Administrator, Corporate Operations
Southwestern Power Administration
One West Third Street
Tulsa, OK 74103

Re: _____ Large Generating Facility

Dear: _____

On **[Date] [Interconnection Customer]** has completed Trial Operation of Unit No. ___. This letter confirms that [Interconnection Customer] commenced Commercial Operation of Unit No. ___ at the Large Generating Facility, effective as of **[Date plus one day]**.

Thank you.

[Signature]

[Interconnection Customer Representative]

Effective Date: 8/17/2010

Attachment F to Appendix 6
LGIA

ADDRESSES FOR DELIVERY OF NOTICES AND BILLINGS

Notices:

Southwestern:
ATTN: Assistant Administrator, Corporate Operations
Southwestern Power Administration
One West Third Street
Tulsa, OK 74103

Interconnection Customer:

[To be supplied.]

Billings and Payments:

Southwestern:
ATTN: Assistant Administrator, Corporate Operations
Southwestern Power Administration
One West Third Street
Tulsa, OK 74103

Interconnection Customer:

[To be supplied.]

Alternative Forms of Delivery of Notices (telephone, facsimile or email):

Southwestern:
ATTN: Assistant Administrator, Corporate Operations
Southwestern Power Administration
One West Third Street
Tulsa, OK 74103

Interconnection Customer:

[To be supplied.]

Effective Date: 8/17/2010

Attachment G to Appendix 6
LGIA

INTERCONNECTION REQUIREMENTS FOR A WIND GENERATING PLANT

Attachment G sets forth requirements and provisions specific to a wind generating plant. All other requirements of this LGIA continue to apply to wind generating plant interconnections.

Technical Standards Applicable to a Wind Generating Plant

1. Low Voltage Ride-Through (LVRT) Capability

A wind generating plant shall be able to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the standard below.

1.1. Wind generating plants are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4-9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by the SPP. The maximum clearing time the wind generating plant shall be required to withstand for a three phase fault shall be 9 cycles after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the Southwestern Transmission System. A wind generating plant shall remain interconnected during such a fault on the Transmission System for a voltage level as low as zero volts, as measured at the high voltage side of the wind GSU.

1.2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU.

1.3. Wind generating plants may be tripped after the fault period if this action is intended as part of a special protection system.

1.4. Wind generating plants may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAr Compensator) within the wind generating plant or by a combination of generator performance and additional equipment.

1.5. Existing individual generator units that are, or have been, interconnected to the network at the same location at the effective date of the Attachment G LVRT Standard are exempt from meeting the Attachment G LVRT Standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Attachment G LVRT Standard.

2. Power Factor Design Criteria (Reactive Power)

A wind generating plant shall maintain a power factor within the range of 0.95 leading to 0.95 lagging, measured at the Point of Interconnection as defined in this LGIA, if the System Impact Study

shows that such a requirement is necessary to ensure safety or reliability. The power factor range standard can be met by using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors if agreed to by Southwestern, or a combination of the two. The Interconnection Customer shall not disable power factor equipment while the wind plant is in operation. Wind plants shall also be able to provide sufficient dynamic voltage support in lieu of the power system stabilizer and automatic voltage regulation at the generator excitation system if the System Impact Study shows this to be required for system safety or reliability.

3. Supervisory Control and Data Acquisition (SCADA) Capability

The wind plant shall provide SCADA capability to transmit data and receive instructions from Southwestern to protect system reliability. Southwestern and the wind plant Interconnection Customer shall determine what SCADA information is essential for the proposed wind plant, taking into account the size of the plant and its characteristics, location, and importance in maintaining generation resource adequacy and the Southwestern Transmission System reliability in its area.

Effective Date: 8/17/2010

APPENDIX 7 to LGIP
INTERCONNECTION PROCEDURES FOR A WIND GENERATING PLANT

Appendix 7 sets forth procedures specific to a wind generating plant. All other requirements of this LGIP continue to apply to wind generating plant interconnections.

Special Procedures Applicable to Wind Generators

The wind plant Interconnection Customer, in completing the Interconnection Request required by Section 3.3. of this LGIP, may provide to the SPP a set of preliminary electrical design specifications depicting the wind plant as a single equivalent generator. The Interconnection Customer shall copy Southwestern on all submissions to the SPP related to the Interconnection Request. The satisfaction of applicable conditions for an Interconnection Request and entry into the queue, as maintained by the SPP, are pursuant to the SPP's LGIP.

Any additional detailed electrical design specifications and other data (including collector system layout data) needed by the SPP to complete the System Impact Study is to be submitted by the Interconnection Customer in accordance with the SPP's LGIP.

Effective Date: 8/17/2010

ATTACHMENT M

Small Generator Interconnection Procedures (SGIP)
(For Generating Facilities No Larger Than 20 MW)

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APPENDIX 6 – SMALL GENERATOR INTERCONNECTION AGREEMENT (SGIA) (FOR GENERATING FACILITIES NO LARGER THAN 20 MW)

Effective Date: 8/17/2010

1. Application

1.1. Applicability

1.1.1. A request to interconnect a Small Generating Facility shall be evaluated under Section 2., Study Process.

1.1.2. Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Appendix 1 or the body of these procedures.

1.1.3. Neither these procedures nor the requirements included hereunder apply to Small Generating Facilities interconnected or approved for interconnection prior to 60 Business Days after the effective date of these procedures.

1.1.4. Prior to submitting its Interconnection Request (Attachment 2 of the SPP's SGIP), the Interconnection Customer may ask Southwestern whether the proposed interconnection is subject to these procedures. Southwestern shall respond within 15 Business Days.

1.1.5. Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. The Federal Energy Regulatory Commission expects all Transmission Providers, market participants, and Interconnection Customers interconnected with electric systems to comply with the recommendations offered by the National Infrastructure Advisory Council or its successor and with best practice recommendations from the electric reliability authority. All public utilities are expected to meet basic standards for electric system infrastructure and operational security, including physical, operational, and cyber-security practices.

1.1.6. References in these procedures to interconnection agreement are to the Small Generator Interconnection Agreement (SGIA).

1.2. Pre-Application

Southwestern shall designate an employee or office from which information on Southwestern's application process and on an Affected System can be obtained through informal requests from the Interconnection Customer presenting a proposed project for a specific site. The telephone number and e-mail address of such contact employee or office shall be made available on Southwestern's Internet web site. Electric system information provided to the Interconnection Customer should include relevant system studies, interconnection studies, and other materials useful to an understanding of an interconnection at a particular point on the Southwestern Transmission System, to the extent such provision does not violate confidentiality provisions of prior agreements or critical infrastructure requirements and in accordance with the provisions of the Freedom of Information Act (FOIA). Southwestern shall comply with reasonable requests for such information.

1.3. Interconnection Request

The Interconnection Customer shall submit its Interconnection Request to the SPP pursuant to the terms of SPP's SGIP and applicable provisions of the SPP/Southwestern Agreement. The Interconnection Customer shall provide Southwestern copies of all submissions to the SPP related to the Interconnection Request. The Interconnection Customer shall receive acknowledgement of the receipt of the Interconnection Request pursuant to the terms of the SPP's SGIP.

1.4. Modification of the Interconnection Request

Any modification to machine data or equipment configuration or to the interconnection site of the Small Generating Facility not agreed to in writing by Southwestern and the Interconnection Customer may be deemed a withdrawal of the Interconnection Request and may require submission of a new Interconnection Request, unless proper notification of the SPP and of each Party by the other and a reasonable time to cure the problems created by the changes are undertaken.

1.5. Site Control

Documentation of site control must be submitted in accordance with the SPP SGIP. Site control may be demonstrated through:

1.5.1. Ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Small Generating Facility;

1.5.2. An option to purchase or acquire a leasehold site for such purpose; or

1.5.3. An exclusivity or other business relationship between the Interconnection Customer and the entity having the right to sell, lease, or grant the Interconnection Customer the right to possess or occupy a site for such purpose.

1.6. Queue Position

Pursuant to the terms of the SPP's SGIP, the Interconnection Customer shall submit a valid Interconnection Request to the SPP and the SPP shall assign and maintain the Interconnection Customer's Queue Position.

1.7. Interconnection Requests Submitted Prior to the Effective Date of the SGIP

Nothing in this SGIP affects an Interconnection Customer's Queue Position as assigned by the SPP before the effective date of this SGIP. The Parties agree to complete work on any interconnection study agreement executed prior the effective date of this SGIP in accordance with the terms and conditions of that interconnection study agreement. Any new studies or other additional work will be completed pursuant to this SGIP.

2. Study Process

2.1. Applicability

The Study Process shall be used by an Interconnection Customer proposing to interconnect its Small Generating Facility with the Southwestern Transmission System.

2.2. Scoping Meeting

2.2.1. A scoping meeting will be held within ten Business Days after the Interconnection Request is deemed complete by SPP, or as otherwise mutually agreed to by the Parties at a date established by the SPP and mutually agreed upon by the Parties pursuant to the terms of the SPP's SGIP. Southwestern, the SPP, and the Interconnection Customer will bring to the meeting resources as may be reasonably required to accomplish the purpose of the meeting and shall make available personnel, including system engineers.

2.2.2. The purpose of the scoping meeting is to discuss the Interconnection Request and review existing studies relevant to the Interconnection Request. The Parties shall further discuss whether the SPP should perform a feasibility study or proceed directly to a system impact study. If the Parties agree that a feasibility study should be performed, the Interconnection Customer shall coordinate with the SPP for the performance of the study, in accordance with the SPP's SGIP and applicable provisions of the SPP/Southwestern Agreement. Furthermore, the Parties shall review Southwestern's scope of work associated with the Facilities Study and Environmental Documentation Agreement.

2.2.3. The scoping meeting may be omitted by mutual agreement of the Parties. If the Parties agree not to perform a feasibility study, the Interconnection Customer shall coordinate with the SPP for the performance of a system impact study, in accordance with the SPP's SGIP and applicable provisions of the SPP/Southwestern Agreement.

2.3. Feasibility Study

2.3.1. The Interconnection Customer shall coordinate with the SPP for the performance of a feasibility study to identify any potential adverse system impacts that would result from the interconnection of the Small Generating Facility, in accordance with the SPP's SGIP.

2.4. System Impact Study

2.4.1. The Interconnection Customer shall coordinate with the SPP for the performance of a system impact study to identify and detail the Transmission System impacts that would result if the proposed Small Generating Facility were interconnected without project modifications or Transmission System modifications, focusing on the adverse system impacts identified in the feasibility study, or to study potential impacts, including but not limited to those identified in the scoping meeting, in accordance with the SPP's SGIP.

2.5. Facilities Study and Environmental Documentation

2.5.1. Upon request by the Interconnection Customer, Southwestern shall prepare and transmit a facilities study and environmental documentation agreement to the Interconnection Customer within five Business Days, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the facilities study and the environmental review and documentation.

2.5.2. In order to remain under consideration for interconnection, the Interconnection Customer must return the signed facilities study and environmental documentation agreement for execution or a request for an extension of time within 30 Business Days.

2.5.3. The facilities study performed by Southwestern shall specify and provide a non-binding good faith estimate of the cost of the equipment, engineering, procurement and construction work (including overheads) needed for the facilities at the point of interconnection.

2.5.4. The environmental review and documentation as provided for by Southwestern shall review the environmental impacts of physically and electrically connecting the Small Generating Facility to the Southwestern Transmission System. Southwestern shall have completed the environmental review and documentation for the Interconnection Request before rendering a decision to offer the Interconnection Customer a final draft SGIA. If Southwestern decides to provide a final draft SGIA for the Interconnection Customer to sign, Southwestern shall provide such agreement within five Business Days of rendering Southwestern's decision and shall proceed with design and construction immediately following the execution of the SGIA.

2.5.5. Any design required for Southwestern's Interconnection Facilities shall be performed under the facilities study and environmental documentation agreement. Southwestern may contract with consultants to perform activities required under the facilities study and environmental documentation agreement. The Interconnection Customer and Southwestern may agree to allow the Interconnection Customer to separately arrange for the design of some of Southwestern's Interconnection Facilities. In such cases, facilities design will be reviewed and/or modified prior to acceptance by Southwestern, under the provisions of the facilities study and environmental documentation agreement. If the Parties agree to separately arrange for design and construction, and provided security and confidentiality requirements can be met, Southwestern shall make sufficient information available to the Interconnection Customer in accordance with confidentiality, critical infrastructure, and FOIA requirements to permit the Interconnection Customer to obtain an independent design and cost estimate for any necessary facilities.

2.5.6. The Interconnection Customer must provide advanced funds for the good faith estimated costs of the facilities study and the environmental review and documentation prior to Southwestern performing any work pursuant to the facilities study and environmental documentation agreement.

2.5.7. The scope of and cost responsibilities for the facilities study and the

environmental review and documentation are described in the attached facilities study and environmental documentation agreement.

2.5.8. Upon completion of the facilities study and environmental review and documentation, with the agreement of the Interconnection Customer to pay for Interconnection Facilities identified in the facilities study, and provided Southwestern determines to offer the Interconnection Customer a final draft SGIA, Southwestern shall provide the Interconnection Customer an executable interconnection agreement within five Business Days.

Effective Date: 8/17/2010

3. Provisions that Apply to All Interconnection Requests

3.1. Reasonable Efforts

Southwestern shall make reasonable efforts to meet all time frames provided in these procedures unless Southwestern and the Interconnection Customer agree to a different schedule. If Southwestern cannot meet a deadline provided herein, it shall notify the Interconnection Customer, explain the reason for the failure to meet the deadline, and provide an estimated time by which it will complete the applicable interconnection procedure in the process.

3.2. Disputes

In the event any Party has a dispute, or asserts a claim, that arises out of or in connection with the SGIP, or their performance, the Parties agree to resolve such dispute using the Dispute Resolution procedures in Section 1.12.of the Tariff.

3.3. Interconnection Metering

Any metering necessitated by the use of the Small Generating Facility shall be installed at the Interconnection Customer's expense in accordance with Southwestern's specifications.

3.4. Commissioning

Commissioning tests of the Interconnection Customer's installed equipment shall be performed pursuant to applicable codes and standards. Southwestern must be given at least five Business Days written notice, or as otherwise mutually agreed to by the Parties, of the tests and may be present to witness the commissioning tests.

3.5. Confidentiality

All provisions of this Section 3.5. shall be subject to Southwestern's Federal statutory regulations.

3.5.1. Confidential information shall mean any confidential and/or proprietary information provided by one Party to the other Party that is clearly marked or otherwise designated "Confidential." For purposes of these procedures all design, operating specifications, and metering data provided by the Interconnection Customer shall be deemed confidential information regardless of whether it is clearly marked or otherwise designated as such.

3.5.2. Confidential Information does not include information previously in the public domain, required to be publicly submitted or divulged by Governmental Authorities (after notice to the other Party and after exhausting any opportunity to oppose such publication or release), or necessary to be divulged in an action to enforce these procedures. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor

to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under these procedures, or to fulfill legal or regulatory requirements.

3.5.2.1. Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Party as it employs to protect its own Confidential Information.

3.5.3. Notwithstanding anything in this Section to the contrary, and pursuant to 18 CFR § 1b.20, if FERC, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to these procedures, the Party shall provide the requested information to FERC, within the time provided for in the request for information. In providing the information to FERC, the Party may, consistent with 18 CFR § 388.112, request that the information be treated as confidential and non-public by FERC and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party prior to the release of the Confidential Information to FERC. The Party shall notify the other Party when it is notified by FERC that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR § 388.112.

3.6. Comparability

Southwestern shall, in coordination with SPP, receive and analyze all Interconnection Requests in a timely manner as set forth in this document. Southwestern, in coordination with SPP, shall use the same reasonable efforts in processing and analyzing Interconnection Requests from all Interconnection Customers, whether the Small Generating Facility is owned or operated by Southwestern, its subsidiaries or affiliates, or others.

3.7. Record Retention

Southwestern shall maintain for three years records, subject to audit, of all Interconnection Requests received under these procedures, the times required to complete Interconnection Request approvals and disapprovals, and justification for the actions taken on the Interconnection Requests.

3.8. Interconnection Agreement

After receiving an interconnection agreement from Southwestern, the Interconnection Customer shall have 30 Business Days or another mutually agreeable timeframe to sign and return the interconnection agreement. If the Interconnection Customer does not sign the interconnection agreement within 30 Business Days, the Interconnection Request shall be deemed withdrawn. After the interconnection agreement is signed by the Parties, the interconnection of the Small Generating Facility shall proceed under the provisions of the interconnection agreement.

3.9. Coordination with Affected Systems

Pursuant to the terms of the SPP's SGIP, the SPP shall coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Affected Systems with Affected System operators and, if possible, include those results (if available) in its applicable interconnection study within the time frame specified in the SPP's SGIP.

3.10. Capacity of the Small Generating Facility

3.10.1. If the Interconnection Request is for an increase in capacity for an existing Small Generating Facility, the Interconnection Request shall be evaluated on the basis of the new total capacity of the Small Generating Facility.

3.10.2. If the Interconnection Request is for a Small Generating Facility that includes multiple energy production devices at a site for which the Interconnection Customer seeks a single Point of Interconnection, the Interconnection Request shall be evaluated on the basis of the aggregate capacity of the multiple devices.

3.10.3. The Interconnection Request shall be evaluated using the maximum rated capacity of the Small Generating Facility.

3.11. Control Area

Southwestern has a statutory duty to fulfill its obligations under Section 5 of the 1944 Flood Control Act. However Southwestern has limited ability to provide Control Area services to accommodate the inclusion of generation in Southwestern's Control Area. Southwestern shall have the discretion to determine, based on Southwestern's review of the operational characteristics of each generating facility in conjunction with the capabilities of Southwestern's resources and authorities, whether such facility will electrically reside within the Control Area of Southwestern.

Effective Date: 8/17/2010

APPENDIX 1 to SGIP
GLOSSARY OF TERMS

1. **Affected System –** An electric system other than the Southwestern Transmission System that may be affected by the proposed interconnection.

2. **Business Day –** Monday through Friday, excluding Federal Holidays.

3. **Distribution System –** The facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which Distribution Systems operate differ among areas.

4. **Distribution Upgrades –** The additions, modifications, and upgrades to the Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Small Generating Facility and render the transmission service necessary to effect the Interconnection Customer's wholesale sale of electricity in interstate commerce, as determined by the SPP. Distribution Upgrades do not include Interconnection Facilities.

5. **Good Utility Practice –** Any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

6. **Interconnection Customer –** Any entity or any of the affiliates or subsidiaries of such entity, that proposes to interconnect its Small Generating Facility with the Southwestern Transmission System.

7. **Interconnection Facilities –** Southwestern's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Small Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Small Generating Facility to the Southwestern Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades or Network Upgrades.

8. **Interconnection Request –** The Interconnection Customer's request made to the SPP, in the form of Attachment 2 to the SPP's Standard Small Generator Interconnection Procedure, to interconnect a new Small Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Small Generating Facility that is interconnected with the Southwestern Transmission System. Southwestern's involvement in the procedures and agreements resulting from an "Interconnection Request" as used herein shall be limited to the establishment of interconnection facilities to connect the Small Generating Facility to the Southwestern Transmission System. The need for system upgrades/modifications to, and service in, the Transmission System, such as Network Upgrades and services, shall be coordinated by the Interconnection Customer with the SPP and determined under the SPP's Standard Small Generator Interconnection Procedures.

9. **Material Modification –** A modification that has a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

10. **Network Upgrades –** Additions, modifications, and upgrades to the Transmission System required at or beyond the point at which the Small Generating Facility interconnects with the Southwestern Transmission System to accommodate the interconnection with the Small Generating Facility to the Southwestern Transmission System. Network Upgrades do not include Distribution Upgrades.

11. **Party or Parties –** Southwestern, Interconnection Customer or any combination of the above.

12. **Point of Interconnection –** The point where the Interconnection Facilities connect with the Southwestern Transmission System.

13. **Queue Position –** The order of a valid Interconnection Request as determined by the SPP, relative to all other pending valid Interconnection Requests, that is established based upon the date and time of receipt of the valid Interconnection Request by the SPP.

14. **Small Generating Facility –** The Interconnection Customer's device for the production of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

15. **Study Process –** The procedure for evaluating an Interconnection Request that includes the Section 2. scoping meeting, feasibility study, system impact study, and facilities study and environmental review and documentation.

16. **Southwestern –** The Southwestern Power Administration that owns, controls, or operates transmission facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff.

17. **Transmission System –** The facilities owned, controlled or operated by Southwestern when preceded by the term “Southwestern” or transmission facilities controlled by the SPP when preceded by the term “SPP” that are used to provide transmission service under Southwestern’s Tariff or the SPP tariff. Where the words “Transmission System” are not preceded by either shall mean the facilities of both.

18. **Upgrades –** The required additions and modifications to the Transmission System at or beyond the Point of Interconnection as determined by the SPP. Upgrades may be Network Upgrades or Distribution Upgrades. Upgrades do not include Interconnection Facilities.

Effective Date: 8/17/2010

APPENDIX 2 to SGIP
SMALL GENERATOR INTERCONNECTION REQUEST
(APPLICATION FORM)

The Interconnection Request is made using Attachment 2 of the SPP's SGIP.

Effective Date: 8/17/2010

APPENDIX 3 to SGIP
FEASIBILITY STUDY AGREEMENT

This Agreement is between the Interconnection Customer and the SPP, pursuant to the terms and conditions of the SPP's SGIP.

Effective Date: 8/17/2010

APPENDIX 4 to SGIP
SYSTEM IMPACT STUDY AGREEMENT

This Agreement is between the Interconnection Customer and the SPP, pursuant to the terms and conditions of the SPP's SGIP.

Effective Date: 8/17/2010

APPENDIX 5 to SGIP
FACILITIES STUDY AND ENVIRONMENTAL DOCUMENTATION AGREEMENT

THIS AGREEMENT, made and entered into this _____ day of _____, 20_____, by and between the UNITED STATES OF AMERICA, represented by the Secretary of Energy, acting by and through the Administrator, Southwestern Power Administration ("Southwestern"), an Administration within the Department of Energy, and _____, organized and existing under the laws of the State/Commonwealth of _____ ("Interconnection Customer" with a Small Generating Facility), acting through its duly authorized officials (Southwestern and Interconnection Customer being hereinafter sometimes referred to individually as "Party" and collectively as "Parties"); WITNESSETH, That,

RECITALS

WHEREAS, the Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Small Generating Facility consistent with the Interconnection Request submitted by the Interconnection Customer dated _____; and

WHEREAS, the Interconnection Customer desires to interconnect the Small Generating Facility with the Southwestern Transmission System; and

WHEREAS, the Interconnection Customer has requested Southwestern to perform a facilities study to specify and estimate the cost of the equipment, engineering, procurement and construction work needed to physically and electrically connect the Small Generating Facility with the Southwestern Transmission System in accordance with Good Utility Practice, and establish the Parties responsible for the installation, operations, maintenance and replacements of such equipment; and

WHEREAS, prior to any modifications of the Southwestern Transmission System to implement the requested interconnection, Southwestern must complete its environmental review and documentation requirements pursuant to the Department of Energy (DOE) implementing procedures of section 102(2) of the National Environmental Policy Act (NEPA) of 1969 (42 U.S.C. 4332 (2)) and the DOE implementing procedures of NEPA (10 CFR part 1021), and complying with the Council on Environmental Quality (CEQ) regulations (40 CFR parts 1500-1508), as amended, as part of this Agreement.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

1. When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in Southwestern's standard Small Generator Interconnection Procedures.

2. The Interconnection Customer elects and Southwestern shall cause a facilities study consistent with the standard Small Generator Interconnection Procedures to be performed in accordance with the Tariff.

3. The scope of the facilities study shall be subject to data provided in Attachment A to this Agreement. The facilities study must be completed within 30 Business Days.

4. The facilities study shall identify (1) the electrical switching configuration of the equipment, including, without limitation, transformer, switchgear, meters, and other station equipment, (2) the nature and estimated cost of Southwestern's Interconnection Facilities necessary to accomplish the interconnection, and (3) an estimate of the time required to complete the construction and installation of such facilities. Once the facilities study is completed, a facilities study report shall be prepared and transmitted to the Interconnection Customer. Barring unusual circumstances, the facilities study shall be completed and the facilities study report transmitted within 30 Business Days of the execution of this Agreement. The facilities study report (i) shall provide a description, estimated cost of, and proposed construction schedule for required facilities to interconnect the Small Generating Facility to the Southwestern Transmission System and (ii) shall establish the installation, operation, ownership, maintenance, and replacement responsibilities of the Parties for the Interconnection Facilities.

5. The scope of Southwestern's environmental review and documentation requirements shall depend on whether Southwestern is required to complete an Environmental Assessment ("EA") or an Environmental Impact Statement ("EIS") for the requested interconnection pursuant to Section 2.5. of the SGIP. Southwestern has the authority to perform an EA. An EIS must be completed according to the Department of Energy's procedures.

5.1. Southwestern's environmental review and documentation will encompass all facilities related to the Interconnection Request including but not limited to the generator/generation site, interconnecting transmission lines, and switchyards.

5.2. Southwestern shall invoice for the estimated cost of the environmental review and documentation pursuant to Section 6.

6. Invoice Procedures

Upon execution of this Agreement by the Parties, Southwestern shall invoice the Interconnection Customer for Southwestern's estimated cost to perform the facilities study and environmental review and documentation.

6.1. Payment

Subject to the provisions of Section 2.5.6. of the SGIP, the Interconnection Customer shall pay the actual costs of the facilities study and environmental review and documentation and Southwestern shall invoice the Interconnection Customer if additional funds are required to complete the facilities study and environmental review and documentation. Southwestern shall not perform any work without advanced funding.

Invoices shall be rendered to the paying Party at the address specified below:

To Southwestern:

Attention: Assistant Administrator, Corporate Operations
Southwestern Power Administration
One West Third Street
Tulsa, OK 74103

To Interconnection Customer:

The Party receiving the invoice shall pay the invoice within twenty (20) Calendar Days of the date of the invoice or the next Business Day thereafter. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by either Party will not constitute a waiver of any rights or claims either Party may have under the SGIP.

Southwestern and the Interconnection Customer may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party under the SGIP, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

6.2. Statement of Actual Costs and Refund

Within six months after completion of the work Southwestern shall provide a statement of the final cost of the work and shall set forth such costs in sufficient detail to enable the Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Any difference between the funds advanced to Southwestern pursuant to this Section 6. and the actual costs shall be paid by or refunded to Interconnection Customer, as appropriate.

6.3. Disputes

In the event of a billing dispute between Southwestern and Interconnection Customer, Southwestern shall continue to provide work on the facilities study and environmental review and documentation for Interconnection Service under the SGIP as long as the Interconnection Customer: (i) continues to make all payments not in dispute; and (ii) pays into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If the Interconnection Customer fails to meet these two requirements for continuation of service, then Southwestern may provide notice to the Interconnection Customer of its intention to suspend service in sixty (60) days, in accordance with Commission policy.

6.4. Facilities Grouping

Southwestern may propose to group facilities required for more than one Interconnection Customer in order to minimize facilities costs through economies of scale, but any Interconnection Customer may require the installation of facilities required for its own Small Generating Facility if it is willing to pay the costs of those facilities.

7. Governing Law

7.1. Governance

The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by Federal law or the laws of the state where the Point of Interconnection is located, as applicable.

7.2. Applicability

This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

8. Notices

8.1. General

Unless otherwise provided in this Agreement, any notice, demand or request required or permitted to be given by either Party to the other and any instrument required or permitted to be tendered or delivered by either Party in writing to the other shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Party or personally delivered to the Party. Any such notice, demand, or request shall be deemed properly given to or served on Southwestern if mailed to the following address:

To Southwestern:

Attention: Assistant Administrator, Corporate Operations
Southwestern Power Administration
One West Third Street
Tulsa, OK 74103

To Interconnection Customer:

8.2. Alternative Forms of Notice

Any notice or request required or permitted to be given by a Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or e-mail.

9. Force Majeure

9.1. General

Force majeure shall mean acts of God (including but not limited to, failure of water

supply, earthquakes, fires, floods, windstorms, landslides, and ice storms); strikes, lockout, or other labor disputes; acts of public enemy; wars, riots, and insurrection; epidemics; civil disturbances; explosions; train derailments; breakdown or failure of machinery or facilities, and delay in delivery of equipment to the extent such occurrences are beyond the reasonable control of the Parties; electrical disturbance originating in or transmitted through such Party's electrical system or equipment or any electrical system with which such Party's system or equipment is interconnected; and any other event, cause, or condition beyond the Party's reasonable control, which, by the exercise of reasonable diligence, prevents the Party claiming Force Majeure from performing its obligations under this Agreement.

9.2. Economic Hardship

Economic hardship is not considered a Force Majeure event.

9.3. Default

Neither Party shall be considered to be in Default with respect to any obligation hereunder, (including obligations under Section 10.), 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 9.3. 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.

9.4. Availability of Funds

9.4.1. This interconnection facilities study and environmental documentation agreement and all rights and obligations hereunder, and the expenditure of funds by Southwestern under the provisions hereof, are expressly conditioned and contingent upon the United States Congress making available (through direct appropriation, authorization of a revolving fund, the authority to borrow funds, or through such other means as it may provide) the necessary funds or the authority to accept funds from others to enable Southwestern to carry out the provisions of this Agreement, and if such funds or authorities are not available, this Agreement shall terminate and have no further force or effect as of the last day for which funds or authorities were available, and the Interconnection Customer hereby releases Southwestern from any and all liability for failure to perform and fulfill its obligations under this Agreement for that reason.

9.4.2. No obligation contained herein for the future payment of money by Southwestern, or liability on the part of Southwestern for breach of any of the provisions contained herein, shall be binding upon or enforceable against Southwestern unless and until funds, as provided in Section 9.4.1 of this interconnection facilities study and environmental documentation agreement, are available out of which such obligations or liability can be legally paid.

9.4.3. Nothing in this interconnection facilities study and environmental documentation agreement may be considered as implying that the United States Congress will, at a later date, appropriate funds sufficient to meet any deficiencies or obligations incurred under this Agreement.

10. Indemnity

10.1. Indemnity

The Interconnection Customer shall at all times indemnify, defend, and hold Southwestern harmless from any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties arising out of or resulting from the Interconnection Customer action or inactions of its obligations under this Agreement on behalf of the Interconnection Customer, except in cases of gross negligence or intentional wrongdoing by Southwestern.

11. Assignment

11.1. Assignment

No voluntary transfer of this Agreement or of the rights of the Interconnection Customer hereunder shall be made without the written approval of the Administrator, Southwestern; provided, that any successor to or assignee of the rights of the Interconnection Customer, whether by voluntary transfer, judicial sale, foreclosure sale, or otherwise, shall be subject to all the provisions and conditions of this Agreement to the same extent as though such successor or assignee were the original contractor hereunder; provided further, that the execution of a mortgage or trust deed, or judicial or foreclosure sale made thereunder, shall not be deemed voluntary transfers within the meaning of this Section 11.

12. Amendment

12.1. The Parties may amend this Agreement by a written instrument duly executed by both Parties.

13. No Third-Party Beneficiaries

13.1. This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

14. Waiver

14.1. The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

14.2. Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Southwestern. Any waiver of this Agreement shall, if requested, be provided in writing.

15. Multiple Counterparts

15.1. This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

16. No Partnership

16.1. This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

17. Severability

17.1. If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any Federal court of competent jurisdiction, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

18. Subcontractors

18.1. Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor; provided further, that Southwestern shall be liable to the Interconnection Customer for the performance of Southwestern's subcontractors only in accordance with the Federal Tort Claims Act.

18.2. The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall Southwestern be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

18.3. The obligations under this Section will not be limited in any way by any limitation of subcontractor's insurance.

19. Representations, Warranties, and Covenants

19.1. General

Each Party makes the following representations, warranties and covenants:

19.1.1. Good Standing

Such Party is duly organized, validly existing and in good standing under Federal law or the laws of the state in which it is organized, formed, or incorporated, as applicable; and that it has the corporate power and authority to own its properties, to carry on its business as now being conducted and to enter into this Agreement and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this Agreement.

19.1.2. Authority

Such Party has the right, power and authority to enter into this Agreement, to become a party hereto and to perform its obligations hereunder. This Agreement is a legal, valid, and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforceability is sought in a proceeding in equity or at law).

19.1.3. No Conflict

The execution, delivery and performance of this Agreement does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement of such Party or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.

19.1.4. Consent and Approval

Such Party has sought or obtained, or, in accordance with this Agreement will seek or obtain, each consent, approval, authorization, order, or acceptance by any Governmental Authority in connection with the execution, delivery and performance of this Agreement, and it will provide to any Governmental Authority notice of any actions under this Agreement that are required by Applicable Laws and Regulations.

20. Breach, Cure, and Default

20.1. General

A breach of this Agreement ("Breach") shall occur upon the failure by a Party to perform or observe any material term or condition of this Agreement. A default of this Agreement ("Default") shall occur upon the failure of a Party in Breach of this Agreement to cure such Breach in accordance with the provisions of Section 20.3.

20.2. Events of Breach

A Breach of this Agreement shall include:

20.2.1. The failure to pay any amount when due;

20.2.2. The failure to comply with any material term or condition of this Agreement, including but not limited to any material Breach of a representation, warranty or covenant made in this Agreement;

20.2.3. If a Party: (1) becomes insolvent; (2) files a voluntary petition in bankruptcy under any provision of any Federal or state bankruptcy law as applicable or shall consent to the filing of any bankruptcy or reorganization petition against it under any similar law; (3) makes a general assignment for the benefit of its creditors; or (4) consents to the appointment of a receiver, trustee or liquidator;

20.2.4. Assignment of this Agreement in a manner inconsistent with the terms of this Agreement;

20.2.5. Failure of any Party to provide information or data to the other Party as required under this Agreement, provided the Party entitled to the information or data under this Agreement requires such information or data to satisfy its obligations under this Agreement.

20.3. Cure and Default

Upon the occurrence of an event of Breach, the Party not in Breach (hereinafter the “Non-Breaching Party”), when it becomes aware of the Breach, shall give written notice of the Breach to the Breaching Party (the “Breaching Party”). Such notice shall set forth, in reasonable detail, the nature of the Breach, and where known and applicable, the steps necessary to cure such Breach. Upon receiving written notice of the Breach hereunder, the Breaching Party shall have thirty (30) Calendar Days to cure such Breach. In the event the Breaching Party fails to cure the Breach, or to commence reasonable and appropriate steps to cure the Breach, within thirty (30) Calendar Days of becoming aware of the Breach, the Breaching Party will be in Default of the Agreement.

If Southwestern is the Non-Breaching Party the Interconnection Customer shall have the right of appeal to the Administrator, Southwestern Power Administration within the same thirty (30) Calendar Days after notice of Breach. Southwestern shall continue work under this Agreement until the Administrator makes a determination on the Interconnection Customer’s appeal. This Agreement may be terminated without further notice if the Interconnection Customer’s appeal is denied.

20.4. Right to Compel Performance

Notwithstanding the foregoing, upon the occurrence of an event of Default, the non-Defaulting Party shall be entitled to: (1) commence an action to require the Defaulting Party to remedy such Default and specifically perform its duties and obligations hereunder in accordance with the terms and conditions hereof, and (2) exercise such other rights and remedies as it may have in equity or at law.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

AGREE:

[INTERCONNECTION CUSTOMER]	UNITED STATES OF AMERICA SOUTHWESTERN POWER ADMINISTRATION
By _____	By _____
Title _____	Title _____
Date _____	Date _____

ATTEST:

I, _____, certify that I am the _____ of [INTERCONNECTION CUSTOMER], and that _____, who signed this Agreement on behalf of said Entity, was then the_____ of said Entity, and that the said Agreement was duly signed for and on behalf of the said Entity by authority of its governing body, which has within the scope if its corporate powers the authority to legally bind the Entity under the foregoing Agreement.

(SEAL) By _____

Effective Date: 8/17/2010

Attachment A to Appendix 5
Facilities Study and
Environmental Documentation Agreement

DATA TO BE PROVIDED BY THE INTERCONNECTION CUSTOMER WITH THE FACILITIES STUDY AND ENVIRONMENTAL DOCUMENTATION AGREEMENT

Provide location plan and simplified one-line diagram of the plant and station facilities. For staged projects, please indicate future generation, transmission circuits, etc.

On the one-line diagram, indicate the generation capacity attached at each metering location. (Maximum load on CT/PT)

On the one-line diagram, indicate the location of auxiliary power. (Minimum load on CT/PT) Amps

One set of metering is required for each generation connection to the new ring bus or existing Southwestern station. Number of generation connections: _____

Will an alternate source of auxiliary power be available during CT/PT maintenance?
_____ Yes _____ No

Will a transfer bus on the generation side of the metering require that each meter set be designed for the total plant generation? _____ Yes _____ No (Please indicate on the one-line diagram).

What type of control system or PLC will be located at the Small Generating Facility?
_____

What protocol does the control system or PLC use?
_____

Please provide a 7.5-minute quadrangle map of the site. Indicate the plant, station, transmission line, and property lines.

Physical dimensions of the proposed interconnection station:
_____

Bus length from generation to interconnection station:
_____

Line length from interconnection station to the Southwestern Transmission System.
_____

Tower number observed in the field. (Painted on tower leg)*: _____

Number of third party easements required for transmission lines*:
_____

* To be completed in coordination with Southwestern.

Is the Small Generating Facility located in Southwestern's control area?
_____ Yes _____ No If No, please provide name of local provider: _____

Please provide the following proposed schedule dates:

Begin Construction	Date: _____
Generator step-up transformers receive back feed power	Date: _____
Generation Testing	Date: _____
Commercial Operation	Date: _____

Effective Date: 8/17/2010

APPENDIX 6 to SGIP
SMALL GENERATOR INTERCONNECTION AGREEMENT (SGIA)
(FOR GENERATING FACILITIES NO LARGER THAN 20 MW)

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THIS AGREEMENT, made and entered into this _____ day of _____, 20_____, by and between the UNITED STATES OF AMERICA, represented by the Secretary of Energy, acting by and through the Administrator, Southwestern Power Administration ("Southwestern"), an Administration within the Department of Energy, and _____, organized and existing under the laws of the State/Commonwealth of _____ ("Interconnection Customer" with a Large Generating Facility), acting through its duly authorized officials (Southwestern and Interconnection Customer being hereinafter sometimes referred to individually as "Party" and collectively as "Parties"); WITNESSETH, That,

RECITALS

WHEREAS, Interconnection Customer intends to own, lease and/or control and operate the generating facility identified as a Small Generating Facility in Attachment C to this Agreement; and,

WHEREAS, Southwestern owns and operates transmission facilities that the Interconnection Customer desires to interconnect with its Small Generating Facility; and

WHEREAS, Southwestern has completed its work under the interconnection facilities study and environmental documentation agreement; and

WHEREAS, Interconnection Customer and Southwestern have agreed to enter into this Agreement to provide for the construction, operation, and maintenance of facilities at the Point of Interconnection of the Small Generating Facility in accordance with the conclusions of the work performed pursuant to the interconnection facilities study and environmental documentation agreement; and

WHEREAS, the Southwestern Transmission System is integrated with the SPP Transmission System pursuant to applicable provisions of Contract No. DE-PM75-05SW00512, as amended, (“SPP/Southwestern Agreement”) between Southwestern and the SPP; and

WHEREAS, any upgrades or modifications to the Transmission System beyond the Point of Interconnection, including the Southwestern Transmission System, to accommodate the interconnection, such as Network Upgrades, have been coordinated by the Interconnection Customer with the SPP, pursuant to applicable provisions of the SPP/Southwestern Agreement.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, it is agreed:

Southwestern Information:

Southwestern Power Administration
Attention: Director, Division of Customer Service
Address: One West Third Street
City: Tulsa State: OK Zip: 74103
Phone: (918)595-6764 Fax: (918)595-6656

Interconnection Customer Information

Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ Fax: _____

Interconnection Customer Application No: _____

Effective Date: 8/17/2010

1. Scope and Limitations of Agreement

1.1. Applicability

This Agreement shall be used for all Interconnection Requests submitted under the Small Generator Interconnection Procedures (SGIP).

1.2. Purpose

This Agreement governs the terms and conditions under which the Interconnection Customer's Small Generating Facility will interconnect with, and operate in parallel with, the Southwestern Transmission System.

1.3. No Agreement to Purchase or Deliver Power

This Agreement does not constitute an agreement to purchase or deliver the Interconnection Customer's power. The purchase or delivery of power and other services that the Interconnection Customer may require will be covered under separate agreements, if any. The Interconnection Customer will be responsible for separately making all necessary arrangements (including scheduling) for delivery of electricity with Southwestern and the SPP, pursuant to applicable provisions of the SPP/Southwestern Agreement.

1.4. Limitations

Nothing in this Agreement is intended to affect any other agreement between Southwestern and the Interconnection Customer.

1.5. Responsibilities of the Parties

1.5.1. The Parties shall perform all obligations of this Agreement in accordance with all Applicable Laws and Regulations, Operating Requirements, and Good Utility Practice.

1.5.2. The Interconnection Customer shall construct, interconnect, operate and maintain its Small Generating Facility and construct, operate, and maintain its Interconnection Facilities in accordance with the applicable manufacturer's recommended maintenance schedule, and in accordance with this Agreement, and with Good Utility Practice.

1.5.3. Southwestern shall construct, operate, and maintain the Southwestern Transmission System and Southwestern's Interconnection Facilities in accordance with this Agreement, and with Good Utility Practice.

1.5.4. The Interconnection Customer agrees to construct its facilities or systems in accordance with applicable specifications that meet or exceed those provided by the National Electrical Safety Code, the American National Standards Institute, IEEE, Underwriter's Laboratory, and Operating Requirements in effect at the time

of construction and other applicable national and state codes and standards. The Interconnection Customer agrees to design, install, maintain, and operate its Small Generating Facility so as to reasonably minimize the likelihood of a disturbance adversely affecting or impairing the system or equipment of Southwestern and any Affected Systems.

1.5.4.1. Within 120 calendar days before the commercial operation date of the Small Generating Facility, unless the Parties agree on another mutually acceptable deadline, the Interconnection Customer shall deliver to Southwestern "as-built" drawings, information and documents for the Interconnection Customer's Interconnection Facilities, such as: a one line diagram, a site plan showing the Small Generating Facility and the Interconnection Customer's Interconnection Facilities, plan and elevation drawings showing the layout of the Interconnection Customer's Interconnection Facilities, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with the Interconnection Customer's step-up transformers, the facilities connecting the Small Generating Facility to the step-up transformers and the Interconnection Customer's Interconnection Facilities, and the impedances (determined by factory tests) for the associated step-up transformers and the Small Generating Facility. The Interconnection Customer shall provide Southwestern with specifications for the excitation system, automatic voltage regulator, Small Generating Facility control and protection settings, transformer tap settings, and communications, if applicable.

1.5.5. Each Party shall operate, maintain, repair, and inspect, and shall be fully responsible for the facilities that it now or subsequently may own as specified in the Attachments to this Agreement. Each Party shall be responsible for the safe installation, maintenance, repair and condition of their respective lines and appurtenances on their respective sides of the point of change of ownership. Southwestern and the Interconnection Customer, as appropriate, shall provide Interconnection Facilities that adequately protect the Southwestern Transmission System, personnel, and other persons from damage and injury. The allocation of responsibility for the design, installation, operation, maintenance and ownership of Interconnection Facilities shall be delineated in the Attachments to this Agreement.

1.5.6. Southwestern shall, pursuant to applicable provisions of the SPP/Southwestern Agreement, coordinate with all Affected Systems to support the interconnection.

1.6. Parallel Operation Obligations

Once the Small Generating Facility has been authorized to commence parallel operation, the Interconnection Customer shall abide by all rules and procedures pertaining to the parallel operation of the Small Generating Facility in the applicable control area, including, but not limited to; 1) the rules and procedures concerning the operation of generation set forth in the Tariff or by the applicable system operator(s) for the Southwestern Transmission System and; 2) the Operating Requirements set forth in Attachment E of this Agreement.

1.7. Metering

The Interconnection Customer shall be responsible for Southwestern's reasonable and necessary cost for the purchase, installation, operation, maintenance, testing, repair, and replacement of metering and data acquisition equipment specified in Attachments B and C of this Agreement. The Interconnection Customer's metering (and data acquisition, as required) equipment shall conform to applicable industry rules and Operating Requirements.

1.8. Reactive Power

1.8.1. The Interconnection Customer shall design its Small Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless Southwestern has established different requirements that apply to all similarly situated generators in the control area on a comparable basis. The requirements of this paragraph shall not apply to wind generators.

1.8.2. Southwestern is required to pay the Interconnection Customer for reactive power that the Interconnection Customer provides or absorbs from the Small Generating Facility when Southwestern requests the Interconnection Customer to operate its Small Generating Facility outside the range specified in Section 1.8.1.

1.8.3. Payments shall be in accordance with the Interconnection Customer's applicable rate schedule then in effect unless the provision of such service(s) is subject to a regional transmission organization or independent system operator FERC-approved rate schedule. To the extent that no rate schedule is in effect at the time the Interconnection Customer is required to provide or absorb reactive power under this Agreement, the Parties agree to expeditiously file such rate schedule and agree to support any request for waiver of the Commission's prior notice requirement in order to compensate the Interconnection Customer from the time service commenced.

1.9. Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment A or the body of this Agreement.

2. Inspection, Testing, Authorization, and Right of Access

2.1. Equipment Testing and Inspection

2.1.1. The Interconnection Customer shall test and inspect its Small Generating Facility and Interconnection Facilities prior to interconnection. The Interconnection Customer shall notify Southwestern of such activities no fewer than five Business Days (or as may be agreed to by the Parties) prior to such testing and inspection. Testing and inspection shall occur on a Business Day. Southwestern may, at the Interconnection Customer's expense, send qualified personnel to the Small Generating Facility site to inspect the interconnection and observe the testing. The Interconnection Customer shall provide Southwestern a written test report when such testing and inspection is completed.

2.1.2. Southwestern shall provide the Interconnection Customer written acknowledgment that it has received the Interconnection Customer's written test report. Such written acknowledgment shall not be deemed to be or construed as any representation, assurance, guarantee, or warranty by Southwestern of the safety, durability, suitability, or reliability of the Small Generating Facility or any associated control, protective, and safety devices owned or controlled by the Interconnection Customer or the quality of power produced by the Small Generating Facility.

2.2. Authorization Required Prior to Parallel Operation

2.2.1. Southwestern shall use Reasonable Efforts to list applicable parallel operation requirements in Attachment E of this Agreement. Additionally, Southwestern shall notify the Interconnection Customer of any changes to these requirements as soon as they are known. Southwestern shall make Reasonable Efforts to cooperate with the Interconnection Customer in meeting requirements necessary for the Interconnection Customer to commence parallel operations by the in-service date.

2.2.2. The Interconnection Customer shall not operate its Small Generating Facility in parallel with the Southwestern Transmission System without prior written authorization of Southwestern. Southwestern will provide such authorization once Southwestern receives notification that the Interconnection Customer has complied with all applicable parallel operation requirements. Such authorization shall not be unreasonably withheld, conditioned, or delayed.

2.2.3. The Parties recognize that Southwestern has a statutory duty to fulfill its obligations under Section 5 of the 1944 Flood Control Act, and Southwestern has limited ability to provide Control Area services to accommodate the inclusion of generation in Southwestern's Control Area. Southwestern shall have the discretion to determine, based on Southwestern's review of the operational characteristics of each generating facility in conjunction with the capabilities of Southwestern's resources and authorities, whether such facility will electrically reside within the Control Area of Southwestern.

2.3. Right of Access

2.3.1. Upon reasonable notice, Southwestern may send a qualified person to the premises of the Interconnection Customer at or immediately before the time the Small Generating Facility first produces energy to inspect the interconnection, and observe the commissioning of the Small Generating Facility (including any required testing), startup, and operation for a period of up to three Business Days after initial start-up of the unit. In addition, the Interconnection Customer shall notify Southwestern at least five Business Days prior to conducting any on-site verification testing of the Small Generating Facility.

2.3.2. Following the initial inspection process described above, at reasonable hours, and upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition, Southwestern shall have access to the Interconnection Customer's premises for any reasonable purpose in connection with the performance of the obligations imposed on it by this Agreement or if necessary to meet its legal obligation to provide service to its customers.

2.3.3. Each Party shall be responsible for its own costs associated with following this Section 2.3.

Effective Date: 8/17/2010

3. Effective Date, Term, Termination, and Disconnection

3.1. Effective Date

This Agreement shall become effective upon execution by the Administrator of Southwestern or the Administrator's authorized representative.

3.2. Term of Agreement

This Agreement shall become effective on the Effective Date and shall remain in effect for a period of ten years from the Effective Date or such other longer period as the Interconnection Customer may request and shall be automatically renewed for each successive one-year period thereafter, unless terminated earlier in accordance with Section 3.3. of this Agreement. Notwithstanding this Section 3.2. or 3.3., the maximum effective period of this Agreement shall be 40 years from the Effective Date. Five years prior to termination, the Interconnection Customer shall provide written notice of its intention to extend this Agreement. Upon receiving such notice, Southwestern shall enter into good faith discussions regarding an extension of this Agreement at the Interconnection Customer's request.

3.3. Termination

No termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination.

3.3.1. The Interconnection Customer may terminate this Agreement at any time by giving Southwestern 20 Business Days written notice.

3.3.2. Either Party may terminate this Agreement after Default pursuant to Section 7.6.

3.3.3. Upon termination of this Agreement, the Small Generating Facility will be disconnected from the Southwestern Transmission System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this SGIA or such non-terminating Party otherwise is responsible for these costs under this SGIA.

3.3.4. The termination of this Agreement shall not relieve either Party of its liabilities and obligations, owed or continuing at the time of the termination

3.3.5. The provisions of this Section shall survive termination or expiration of this Agreement.

3.3.6. Southwestern may terminate this Agreement if the Small Generating Facility has ceased operation for three consecutive years, beginning on the last date of operation for the Small Generating Facility, after giving the Interconnection Customer 20 Business Days advance written notice.

3.3.7. Availability of Funds

3.3.7.1. This SGIA and all rights and obligations hereunder, and the expenditure of funds by Southwestern under the provisions hereof, are expressly conditioned and contingent upon the United States Congress making available (through direct appropriation, authorization of a revolving fund, the authority to borrow funds, or through such other means as it may provide) the necessary funds or the authority to accept funds from others to enable Southwestern to carry out the provisions of this Agreement, and if such funds or authorities are not available, this Agreement shall terminate and have no further force or effect as of the last day for which funds or authorities were available, and the Interconnection Customer hereby releases Southwestern from any and all liability for failure to perform and fulfill its obligations under this Agreement for that reason.

3.3.7.2. No obligation contained herein for the future payment of money by Southwestern, or liability on the part of Southwestern for breach of any of the provisions contained herein, shall be binding upon or enforceable against Southwestern unless and until funds, as provided in Section 3.3.7.1., are available out of which such obligations or liability can be legally paid.

3.3.7.3. Nothing in this SGIA may be considered as implying that the United States Congress will, at a later date, appropriate funds sufficient to meet any deficiencies or obligations incurred under this Agreement.

3.4. Temporary Disconnection

Temporary disconnection shall continue only for so long as reasonably necessary under Good Utility Practice.

3.4.1. Emergency Conditions

"Emergency Condition" shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of Southwestern, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Southwestern Transmission System, Southwestern's Interconnection Facilities or the Transmission Systems of others to which the Southwestern Transmission System is directly connected; or (3) that, in the case of the Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Small Generating Facility or the Interconnection Customer's Interconnection Facilities. Under Emergency Conditions, Southwestern may immediately suspend interconnection service and temporarily disconnect the Small Generating Facility. Southwestern shall notify the Interconnection Customer promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Interconnection Customer's operation of the Small Generating Facility. The Interconnection Customer shall notify Southwestern promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the

Southwestern Transmission System or any Affected Systems. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of both Parties' facilities and operations, its anticipated duration, and the necessary corrective action.

3.4.2. Routine Maintenance, Construction, and Repair

Southwestern may interrupt interconnection service or curtail the output of the Small Generating Facility and temporarily disconnect the Small Generating Facility from the Southwestern Transmission System when necessary for routine maintenance, construction, and repairs on the Southwestern Transmission System. Southwestern shall provide the Interconnection Customer with five Business Days notice prior to such interruption. Southwestern shall use Reasonable Efforts to coordinate such reduction or temporary disconnection with the Interconnection Customer.

3.4.3. Forced Outages

During any forced outage, Southwestern may suspend interconnection service to effect immediate repairs on the Southwestern Transmission System. Southwestern shall use Reasonable Efforts to provide the Interconnection Customer with prior notice. If prior notice is not given, Southwestern shall, upon request, provide the Interconnection Customer written documentation after the fact explaining the circumstances of the disconnection.

3.4.4. Adverse Operating Effects

Southwestern shall notify the Interconnection Customer as soon as practicable if, based on Good Utility Practice, operation of the Small Generating Facility may cause disruption or deterioration of service to other customers served from the same electric system, or if operating the Small Generating Facility could cause damage to the Southwestern Transmission System or Affected Systems. Supporting documentation used to reach the decision to disconnect shall be provided to the Interconnection Customer upon request. If, after notice, the Interconnection Customer fails to remedy the adverse operating effect within a reasonable time, Southwestern may disconnect the Small Generating Facility. Southwestern shall provide the Interconnection Customer with five Business Day notice of such disconnection, unless the provisions of Section 3.4.1. apply.

3.4.5. Modification of the Small Generating Facility

The Interconnection Customer must receive written authorization from Southwestern before making any change to the Small Generating Facility that may have a material impact on the safety or reliability of the Southwestern Transmission System. Such authorization shall not be unreasonably withheld. Modifications shall be done in accordance with Good Utility Practice. If the Interconnection Customer makes such modification without Southwestern's prior written authorization, the latter shall have the right to temporarily disconnect the Small Generating Facility.

3.4.6. Reconnection

The Parties shall cooperate with each other to restore the Small Generating Facility, Interconnection Facilities, and the Southwestern Transmission System to their normal operating state as soon as reasonably practicable following a temporary disconnection.

Effective Date: 8/17/2010

4. Cost Responsibility for Interconnection Facilities

4.1. Interconnection Facilities

4.1.1. The Interconnection Customer shall pay for the cost of the Interconnection Facilities itemized in Attachment B of this Agreement. Southwestern shall provide a best estimate cost, including overheads, for the purchase and construction of its Interconnection Facilities and provide a detailed itemization of such costs. Costs associated with Interconnection Facilities may be shared with other entities that may benefit from such facilities by agreement of the Interconnection Customer, such other entities, and Southwestern.

4.1.2. The Interconnection Customer shall be responsible for its share of all reasonable expenses, including overheads, associated with (1) owning, operating, maintaining, repairing, and replacing its own Interconnection Facilities, and (2) operating, maintaining, repairing, and replacing Southwestern's Interconnection Facilities as specified in the Attachments to this Agreement.

Effective Date: 8/17/2010

5. Cost Responsibility for Network Upgrades

5.1. Applicability

Network Upgrades are beyond the scope of this Agreement and are pursuant to SPP's SGIP. The Interconnection Customer and the SPP shall coordinate to determine cost responsibility for Network Upgrades.

Effective Date: 8/17/2010

6. Billing, Payment, Milestones, and Advance Payment

6.1. Billing and Payment Procedures and Final Accounting

6.1.1. Southwestern shall bill the Interconnection Customer for Southwestern's good faith estimate of costs related to the design, engineering, construction, and procurement of Interconnection Facilities contemplated by this Agreement in accordance with Section 6.3. of this Agreement. The Interconnection Customer shall pay each bill within 20 calendar days of the date of the invoice(s) or the next business day thereafter, or as otherwise agreed to by the Parties.

6.1.2. Within three months of completing the construction and installation of Southwestern's Interconnection Facilities described in the Attachments to this Agreement, Southwestern shall provide the Interconnection Customer with a final accounting report of any difference between (1) the Interconnection Customer's cost responsibility for the actual cost of such facilities, and (2) the Interconnection Customer's previous advance payments to Southwestern for such facilities. If the Interconnection Customer's cost responsibility exceeds its previous aggregate payments, Southwestern shall invoice the Interconnection Customer for the amount due in accordance with Section 6.3.4. of this Agreement. If the Interconnection Customer's previous aggregate payments exceed its cost responsibility under this Agreement, Southwestern shall refund to the Interconnection Customer an amount equal to the difference in accordance with Section 6.3.4. of this Agreement.

6.2. Milestones

The Parties shall agree on milestones for which each Party is responsible and list them in Attachment D of this Agreement. A Party's obligations under this provision may be extended by agreement. If a Party anticipates that it will be unable to meet a milestone for any reason other than a Force Majeure Event, it shall immediately notify the other Party of the reason(s) for not meeting the milestone and (1) propose the earliest reasonable alternate date by which it can attain this and future milestones, and (2) requesting appropriate amendments to Attachment D. The Party affected by the failure to meet a milestone shall not unreasonably withhold agreement to such an amendment unless it will suffer significant uncompensated economic or operational harm from the delay, (2) attainment of the same milestone has previously been delayed, or (3) it has reason to believe that the delay in meeting the milestone is intentional or unwarranted notwithstanding the circumstances explained by the Party proposing the amendment.

6.3. Advance Payment

Neither Interconnection Customer nor Southwestern may undertake any work on the Interconnection Facilities until advanced funds are received by Southwestern from Interconnection Customer pursuant to this Section 6.3.

6.3.1. Southwestern shall provide an estimate of Southwestern's costs for work pursuant to this SGIA. Southwestern shall invoice Interconnection Customer once for the entire estimated costs or in multiple scheduled invoices on dates as provided by Southwestern in advance for portions of the entire estimated costs until an amount equaling the entire estimated costs has been received. If

Interconnection Customer does not make such payments to Southwestern within 20 days of the date of the invoice(s) or the next business day thereafter, this Agreement shall terminate and be without further force or effect. Such termination shall not result in a penalty to either Party.

6.3.2. Advanced funds received by Southwestern pursuant to Section 6.3.1. shall be used for Southwestern's costs and expenses incurred to establish the interconnection pursuant to this Agreement including, but not limited to, the cost of necessary tools, materials, equipment, engineering, labor, inspection, travel expenses, personnel per diem allowances, and general, administrative, and overhead expenses.

6.3.3. In computing such costs and expenses, no credits shall be granted to the Interconnection Customer for the cost of any improvements made by Southwestern to the Southwestern Transmission System or elements that support the Southwestern Transmission System which Southwestern determines are required due to the establishment of the interconnection.

6.3.4. Following completion of Southwestern's obligations pursuant to this SGIA, Southwestern shall submit a statement to Interconnection Customer of the actual costs incurred by Southwestern. If the amount provided by the Interconnection Customer pursuant to this Section 6.3. is greater than the actual costs, Southwestern shall refund any difference to the Interconnection Customer. During implementation of the work required pursuant to this Agreement, Southwestern shall monitor the status of expenditures and obligations. If it is apparent that additional funds are required for completion of the required work, Southwestern shall notify the Interconnection Customer of the need for additional funds. Such additional funds shall be provided to Southwestern prior to continuation of work past a point estimated to be covered by the initial payment. If the additional funds are not made available, all remaining work associated with this Agreement shall cease until additional funds are received.

6.3.5. Southwestern agrees to account for the costs incurred under a Work Order accounting procedure and in accordance with the Uniform System of Accounts prescribed for public utilities by the FERC, or under procedures established by any successor authority having jurisdiction over the accounts of Southwestern. Interconnection Customer or its authorized representative shall have the right to audit Southwestern's cost records and accounts to verify statements of costs submitted by Southwestern. Southwestern agrees to refund any amounts paid if they are found in such audit to exceed the total amount due Southwestern for its actual costs for work hereunder without any penalty or interest. Interconnection Customer agrees that such audit of Southwestern's records and accounts is for the sole purpose of verifying that an itemized billing statement sets forth the actual costs as reflected by the Work Order records and that accounts are maintained in accordance with the accounting procedures prescribed by the FERC.

7. General Provisions

7.1. Assignment

This Agreement may be assigned by either Party upon 15 Business Days prior written notice and opportunity to object by the other Party; provided, that:

7.1.1. Either Party may assign this Agreement with the consent of the other Party to any affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement; provided, that the Interconnection Customer promptly notifies Southwestern of any such assignment;

7.1.2. The Interconnection Customer shall have the right to assign this Agreement, with the consent of Southwestern, for collateral security purposes to aid in providing financing for the Small Generating Facility; provided, that the Interconnection Customer will promptly notify Southwestern of any such assignment.

7.1.3. Any attempted assignment that violates this Section is void and ineffective. Assignment shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. An assignee of the Interconnection Customer is responsible for meeting the same financial, credit, and insurance obligations as the Interconnection Customer. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

7.2. Limitation of Liability

7.2.1. The Interconnection Customer's liability to Southwestern for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall the Interconnection Customer be liable to Southwestern for any indirect, special, consequential, or punitive damages, except as authorized by this Agreement.

7.2.2. The liability of Southwestern shall be determined only in accordance with the Federal Tort Claims Act.

7.3. Indemnity

7.3.1. This provision protects Southwestern from liability incurred to third parties as a result of carrying out the provisions of this Agreement. Liability under this provision is exempt from the general limitations on liability found in Section 7.2.1.

7.3.2. The Interconnection Customer shall at all times indemnify, defend, and hold Southwestern harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from

Southwestern's action or failure to meet its obligations under this Agreement on behalf of the Interconnection Customer, except in cases of gross negligence or intentional wrongdoing by Southwestern.

7.3.3. If an indemnified person is entitled to indemnification under this Section as a result of a claim by a third party, and the Interconnection Customer fails, after notice and reasonable opportunity to proceed under this Section, to assume the defense of such claim, such indemnified person may at the expense of the Interconnection Customer contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

7.3.4. If the Interconnection Customer is obligated to indemnify and hold any indemnified person harmless under this Section, the amount owing to the indemnified person shall be the amount of such indemnified person's actual loss, net of any insurance or other recovery.

7.3.5. Promptly after receipt by an indemnified person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in this Section may apply, the indemnified person shall notify the Interconnection Customer of such fact. Any failure of or delay in such notification shall not affect the Interconnection Customer's indemnification obligation unless such failure or delay is materially prejudicial to the Interconnection Customer.

7.4. Consequential Damages

Other than as expressly provided for in this Agreement, neither Party shall be liable under any provision of this Agreement for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

7.5. Force Majeure

7.5.1. As used in this Section, a Force Majeure Event shall mean (including but not limited to, failure of water supply, earthquakes, fires, floods, windstorms, landslides, and ice storms); strikes, lockout, or other labor disputes; acts of public enemy; wars, riots, and insurrection; epidemics; civil disturbances; explosions; train derailments; breakdown or failure of machinery or facilities, and delay in delivery of equipment to the extent such occurrences are beyond the reasonable control of the Parties; electrical disturbance originating in or transmitted through such Party's electrical system or equipment or any electrical system with which such Party's system or equipment is interconnected; and any other event, cause, or condition beyond the Party's reasonable control, which, by the exercise of reasonable diligence, prevents the Party claiming Force Majeure from performing its obligations under this Agreement.

7.5.2. If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, the Party affected by the Force Majeure Event (Affected Party) shall promptly notify the other Party, either in writing or via the telephone, of the existence of the Force Majeure Event. The notification must specify in reasonable detail the circumstances of the Force Majeure Event, its expected duration, and the steps that the Affected Party is taking to mitigate the effects of the event on its performance. The Affected Party shall keep the other Party informed on a continuing basis of developments relating to the Force Majeure Event until the event ends. The Affected Party will be entitled to suspend or modify its performance of obligations under this Agreement (other than the obligation to make payments) only to the extent that the effect of the Force Majeure Event cannot be mitigated by the use of Reasonable Efforts. The Affected Party will use Reasonable Efforts to resume its performance as soon as possible.

7.6. Default

7.6.1. No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of a Force Majeure Event as defined in this Agreement or the result of an act or omission of the other Party. Upon a Default, the non-defaulting Party shall give written notice of such Default to the defaulting Party. Except as provided in Section 7.6.2., the defaulting Party shall have 60 calendar days from receipt of the Default notice within which to cure such Default; provided, however, if such Default is not capable of cure within 60 calendar days, the defaulting Party shall commence such cure within 20 calendar days after notice and continuously and diligently complete such cure within six months from receipt of the Default notice; and, if cured within such time, the Default specified in such notice shall cease to exist.

7.6.2. If a Default is not cured as provided in this Section, or if a Default is not capable of being cured within the period provided for herein, the non-defaulting Party shall have the right to terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this Agreement, to recover from the defaulting Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this Section will survive termination of this Agreement.

8. Insurance

8.1. The Interconnection Customer shall, at its own expense, maintain in force general liability insurance without any exclusion for liabilities related to the interconnection undertaken pursuant to this Agreement. The amount of such insurance shall be sufficient to insure against all reasonably foreseeable direct liabilities given the size and nature of the generating equipment being interconnected, the interconnection itself, and the characteristics of the system to which the interconnection is made. The Interconnection Customer shall obtain additional insurance only if necessary as a function of owning and operating a generating facility. Such insurance shall be obtained from an insurance provider authorized to do business in the State where the interconnection is located. Certification that such insurance is in effect shall be provided upon request of Southwestern, except that the Interconnection Customer shall show proof of insurance to Southwestern no later than ten Business Days prior to the anticipated commercial operation date. An Interconnection Customer of sufficient credit-worthiness may propose to self-insure for such liabilities, and such a proposal shall not be unreasonably rejected.

8.2. Southwestern agrees to self-insure itself consistent with Southwestern's normal practice. Such self-insurance shall not exclude coverage for Southwestern's liabilities undertaken pursuant to this Agreement. Furthermore, Southwestern agrees to maintain title insurance.

8.3. The Parties further agree to notify each other whenever an accident or incident occurs resulting in any injuries or damages that are included within the scope of coverage of such insurance, whether or not such coverage is sought.

Effective Date: 8/17/2010

9. Confidentiality

9.1. Confidential Information shall mean any confidential and/or proprietary information provided by one Party to the other Party that is clearly marked or otherwise designated "Confidential." For purposes of this Agreement all design, operating specifications, and metering data provided by the Interconnection Customer shall be deemed Confidential Information regardless of whether it is clearly marked or otherwise designated as such.

9.2. Confidential Information does not include information previously in the public domain, required to be publicly submitted or divulged by Governmental Authorities (after notice to the other Party and after exhausting any opportunity to oppose such publication or release), or necessary to be divulged in an action to enforce this Agreement. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under this Agreement, or to fulfill legal or regulatory requirements.

9.2.1. Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Party as it employs to protect its own Confidential Information.

9.3. Notwithstanding anything in this Section to the contrary, and pursuant to 18 CFR § 1b.20, if FERC, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to FERC, within the time provided for in the request for information. In providing the information to FERC, the Party may, consistent with 18 CFR § 388.112, request that the information be treated as confidential and non-public by FERC and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this Agreement prior to the release of the Confidential Information to FERC. The Party shall notify the other Party to this Agreement when it is notified by FERC that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR § 388.112.

9.4. If a court or Government Authority with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, or otherwise, to disclose confidential information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of this SGIA. Notwithstanding the absence of a protective order or waiver, the Party may disclose such confidential information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any confidential information so furnished.

Effective Date: 8/17/2010

10. Disputes

10.1. The Parties agree to attempt to resolve all disputes arising out of the interconnection process according to the provisions of Section 1.12. of the Tariff.

Effective Date: 8/17/2010

11. Taxes

11.1. The Interconnection Customer agrees to follow all applicable tax laws and regulations, consistent with FERC policy and Internal Revenue Service requirements.

11.2. Each Party shall cooperate with the other to maintain the other Party's tax status.

Effective Date: 8/17/2010

12. Miscellaneous

12.1. Governing Law, Regulatory Authority, and Rules

The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by Federal law or the laws of the state where the Point of Interconnection is located, as applicable. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

12.2. Amendment

The Parties may amend this Agreement by a written instrument duly executed by both Parties.

12.3. No Third-Party Beneficiaries

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

12.4. Waiver

12.4.1. The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

12.4.2. Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from Southwestern. Any waiver of this Agreement shall, if requested, be provided in writing.

12.5. Entire Agreement

This Agreement, including all Attachments, including by reference Attachment K, General Provisions Applicable to Transmission Service and Generation Interconnection, of Southwestern's Tariff as if it was a part hereof, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this Agreement.

12.6. Multiple Counterparts

This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

12.7. No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

12.8. Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

12.9. Security Arrangements

Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. FERC expects all Transmission Providers, market participants, and Interconnection Customers interconnected to electric systems to comply with the recommendations offered by the National Infrastructure Advisory Council or its successor and, eventually, with best practice recommendations from the electric reliability authority. All public utilities are expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

12.10. Environmental Releases

12.10.1. Each Party shall notify the other Party, first orally and then in writing, of the release of any hazardous substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Small Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall (1) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than 24 hours after such Party becomes aware of the occurrence, and (2) promptly furnish to the other Party copies of any publicly available reports filed with any governmental authorities addressing such events.

12.10.2. Each Party shall remedy as soon as practicable all releases of hazardous substances brought to, or created at, real property it owns underlying the Small Generating Facility or Interconnection Facilities, and any such substances

migrating from real property it owns at the Small Generating Facility site. The Party that caused the release shall bear the costs of the remedial action, which shall meet applicable Federal and state environmental standards at the time of the action. Such costs may include, but are not limited to, Federal and state supervision, remedial action plans, removal and remedial actions, and negotiation of voluntary and judicial agreements required to meet such environmental standards.

12.10.3. The Parties agree to comply fully with the substantive requirements of all applicable Federal, state and local environmental laws in the performance of their obligations hereunder, and to mitigate and abate adverse environmental impacts accordingly.

12.11. Subcontractors

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

12.11.1. The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall Southwestern be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

12.11.2. The obligations under this Section will not be limited in any way by any limitation of subcontractor's insurance.

13. Notices

13.1. General

Unless otherwise provided in this Agreement, any written notice, demand, or request required or authorized in connection with this Agreement ("Notice") shall be deemed properly given if delivered in person, delivered by recognized national currier service, or sent by first class mail, postage prepaid, to the person specified below:

If to the Interconnection Customer:

Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ Fax: _____

If to Southwestern:

Southwestern Power Administration
Attention: Assistant Administrator, Corporate Operations
Address: One West Third Street
City: Tulsa State: OK Zip: 74103
Phone: (918)595-6690 Fax: (918)595-6656

13.2. Billing and Payment

Billings and payments shall be sent to the addresses set out below:

Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____

Southwestern Power Administration
Attention: _____
Address: One West Third Street
City: Tulsa State: OK Zip: 74103

Otherwise the Interconnection Customer shall make arrangements with Southwestern to make payments by wire transfer or other electronic means.

13.3. Alternative Forms of Notice

Any notice or request required or permitted to be given by either Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or e-mail to the telephone numbers and e-mail addresses set out below:

If to the Interconnection Customer:

Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ Fax: _____

If to Southwestern:

Southwestern Power Administration
Attention: Assistant Administrator, Corporate Operations
Address: One West Third Street
City: Tulsa State: OK Zip: 74103
Phone: (918)595-6690 Fax: (918)595-6656

13.4. Designated Operating Representative

The Parties may also designate operating representatives to conduct the communications which may be necessary or convenient for the administration of this Agreement. This person will also serve as the point of contact with respect to operations and maintenance of the Party's facilities.

Interconnection Customer's Operating Representative:

Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ Fax: _____

Southwestern's Operating Representative:

Southwestern Power Administration
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ Fax: _____

13.5. Changes to the Notice Information

Either Party may change this information by giving five Business Days written notice prior to the effective date of the change.

Effective Date: 8/17/2010

14. Signatures

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

AGREE:

[INTERCONNECTION CUSTOMER]	UNITED STATES OF AMERICA SOUTHWESTERN POWER ADMINISTRATION
By _____	By _____
Title _____	Title _____
Date _____	Date _____

ATTEST:

I, _____, certify that I am the _____ of [INTERCONNECTION CUSTOMER], and that _____, who signed this Agreement on behalf of said Entity, was then the_____ of said Entity, and that the said Agreement was duly signed for and on behalf of the said Entity by authority of its governing body, which has within the scope if its corporate powers the authority to legally bind the Entity under the foregoing Agreement.

(SEAL) By _____

Effective Date: 8/17/2010

Attachment A to Appendix 6
SGIA

GLOSSARY OF TERMS

1. **Affected System –** An electric system other than the Southwestern Transmission System that may be affected by the proposed interconnection.

2. **Applicable Laws and Regulations –** All duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

3. **Business Day –** Monday through Friday, excluding Federal Holidays.

4. **Default –** The failure of a breaching Party to cure its breach under the Small Generator Interconnection Agreement.

5. **Distribution System –** The facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which Distribution Systems operate differ among areas.

6. **Distribution Upgrades –** The additions, modifications, and upgrades to the Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Small Generating Facility and render the transmission service necessary to effect the Interconnection Customer's wholesale sale of electricity in interstate commerce, as determined by the SPP. Distribution Upgrades do not include Interconnection Facilities.

7. **Good Utility Practice –** Any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

8. **Governmental Authority –** Any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include the Interconnection Customer, Southwestern, or any Affiliate thereof.

9. **Interconnection Customer –** Any entity or any of the affiliates or subsidiaries of such entity, that proposes to interconnect its Small Generating Facility with the Southwestern Transmission System.

10. **Interconnection Facilities –** Southwestern's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Small Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Small Generating Facility to the Southwestern Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades or Network Upgrades.

11. **Interconnection Request –** The Interconnection Customer's request made to the SPP, in the form of Attachment 2 to the SPP's Standard Small Generator Interconnection Procedure, to interconnect a new Small Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Small Generating Facility that is interconnected with the Southwestern Transmission System. Southwestern's involvement in the procedures and agreements resulting from an "Interconnection Request" as used herein shall be limited to the establishment of interconnection facilities to connect the Small Generating Facility to the Southwestern Transmission System. The need for system upgrades/modifications to, and service in, the SPP Transmission System, such as Network Upgrades and services, shall be coordinated by the Interconnection Customer with the SPP and determined under the SPP's Standard Small Generator Interconnection Procedures.

12. **Material Modification –** A modification that has a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

13. **Network Upgrades –** Additions, modifications, and upgrades to the Transmission System required at or beyond the point at which the Small Generating Facility interconnects with the Southwestern Transmission System to accommodate the interconnection of the Small Generating Facility with the Southwestern Transmission System. Network Upgrades do not include Distribution Upgrades.

14. **Operating Requirements –** Any operating and technical requirements that may be applicable due to a Regional Transmission Organization, Independent System Operator, or control area, or Southwestern's requirements, including those set forth in the Small Generator Interconnection Agreement.

15. **Party or Parties –** Southwestern, Interconnection Customer or any combination of the above.

16. **Point of Interconnection –** The point where the Interconnection Facilities connect with the Southwestern Transmission System.

17. **Reasonable Efforts –** With respect to an action required to be attempted or taken by a Party, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

18. **Small Generating Facility –** The Interconnection Customer's device for the production of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

19. **Tariff –** Southwestern's Tariff through which open access transmission service and Interconnection Service are offered, and as amended or supplemented from time to time, or any successor tariff.

20. **Southwestern –** The Southwestern Power Administration that owns, controls, or operates transmission facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff.

21. **Transmission System –** The facilities owned, controlled or operated by Southwestern when preceded by the term "Southwestern" or transmission facilities controlled by the SPP when preceded by the term "SPP" that are used to provide transmission service under Southwestern's Tariff or the SPP Tariff. Where the words "Transmission System" are not preceded by either shall mean the facilities of both.

22. **Upgrades –** The required additions and modifications to the Transmission System at or beyond the Point of Interconnection as determined by the SPP. Upgrades may be Network Upgrades or Distribution Upgrades. Upgrades do not include Interconnection Facilities.

Effective Date: 8/17/2010

Attachment B to Appendix 6
SGIA

DESCRIPTION AND COSTS OF THE SMALL GENERATING FACILITY, INTERCONNECTION FACILITIES, AND METERING EQUIPMENT

Equipment, including the Small Generating Facility, Interconnection Facilities, and metering equipment shall be itemized and identified as being owned and maintained by the Interconnection Customer or Southwestern. Southwestern will provide a best estimate itemized cost, including overheads, of its Interconnection Facilities and metering equipment, and a best estimate itemized cost of the annual operation and maintenance expenses associated with its Interconnection Facilities and metering equipment.

Effective Date: 8/17/2010

Attachment C to Appendix 6
SGIA

ONE-LINE DIAGRAM DEPICTING THE SMALL GENERATING FACILITY, INTERCONNECTION FACILITIES, AND METERING EQUIPMENT

Effective Date: 8/17/2010

Attachment D to Appendix 6
SGIA

MILESTONES

In-Service Date:_____

Critical milestones and responsibility as agreed to by the Parties:

	Milestone/Date	Responsible Party
(1)	_____	_____
(2)	_____	_____
(3)	_____	_____
(4)	_____	_____
(5)	_____	_____
(6)	_____	_____
(7)	_____	_____
(8)	_____	_____
(9)	_____	_____
(10)	_____	_____

Agreed to by:

For Southwestern _____ Date _____

For the Interconnection Customer _____ Date _____

Effective Date: 8/17/2010

Attachment E to Appendix 6
SGIA

ADDITIONAL OPERATING REQUIREMENTS FOR THE SOUTHWESTERN TRANSMISSION SYSTEM AND AFFECTED SYSTEMS NEEDED TO SUPPORT THE INTERCONNECTION CUSTOMER'S NEEDS

Southwestern shall also provide requirements that must be met by the Interconnection Customer prior to initiating parallel operation with the Southwestern Transmission System.

Effective Date: 8/17/2010

Attachment F to Appendix 6
SGIA

DESCRIPTION OF UPGRADES AND BEST ESTIMATE OF UPGRADE COSTS

Upgrades are determined based on study arrangements between the Interconnection Customer and the SPP, pursuant to the terms and conditions of the SPP's SGIP.

Effective Date: 8/17/2010

ATTACHMENT N

North American Energy Standards Board Business Practices

The following North American Energy Standards Board Business Practices are hereby incorporated into and made part of this Tariff:

1. Business Practices for Open Access Same-Time Information Systems (OASIS) (WEQ–001, Version 000, January 15, 2005, with minor corrections applied March 25, 2005, and additional numbering added October 3, 2005) with the exception of Standards 001–0.1, 001–0.9 through 001–0.13, 001–1.0 through 001–1.8, and 001–9.7;

2. Business Practices for Open Access Same-Time Information Systems (OASIS) Standards & Communication Protocols (WEQ–002, Version 000, January 15, 2005, with minor corrections applied March 25, 2005, and additional numbering added October 3, 2005);

3. Open Access Same-Time Information Systems (OASIS) Data Dictionary (WEQ–003, Version 000, January 15, 2005, with minor corrections applied March 25, 2005, and additional numbering added October 3, 2005);

4. Coordinate Interchange (WEQ–004, June 22, 2006);

5. Area Control Error (ACE) Equation Special Cases (WEQ–005, Version 000, January 15, 2005, with minor corrections applied March 25, 2005, and additional numbering added October 3, 2005);

6. Manual Time Error Correction (WEQ–006, Version 000, January 15, 2005, with minor corrections applied March 25, 2005, and additional numbering added October 3, 2005); and

7. Inadvertent Interchange Payback (WEQ–007, Version 000, January 15, 2005, with minor corrections applied March 25, 2005, and additional numbering added October 3, 2005).

Effective Date: 8/17/2010

ATTACHMENT O

Transmission Planning Process

Effective Date: 8/17/2010

1. Definitions

1.1. **Balancing Authority** shall mean the responsible entity that integrates resource plans ahead of time, maintains load-interchange-generation balance within a Balancing Authority Area, and supports interconnection frequency in real time.

1.2. **Balancing Authority Area** shall mean the collection of generation, transmission, and loads within the metered boundaries of the Balancing Authority. The Balancing Authority maintains load-resource balance within this area.

1.3. **Southwestern** shall mean the Southwestern Power Administration, an agency of the United State Department of Energy, that owns and operates transmission facilities used for the transmission of electricity to fulfill its obligations under Section 5 of the Flood Control Act of 1944 and additional obligations under Section 1222 of the Energy Policy Act of 2005.

1.4. **Transmission Expansion Plan** shall mean an approved plan by the Southwest Power Pool, Inc. (SPP) that consolidates the regional and local transmission needs, both reliability and economic opportunities, into a single plan for the improvement of the Transmission System.

1.5. **Southwestern Transmission System** shall mean the transmission facilities owned and operated by Southwestern.

Effective Date: 8/17/2010

2. General

This Attachment O describes Southwestern's procedures for local transmission planning and expansion of the Southwestern Transmission System and Southwestern's participation in regional planning initiatives. Pursuant to the provisions of the SPP/Southwestern Agreement, SPP coordinates and performs, in cooperation with Southwestern and other transmission owners, regional planning functions, including the development of transmission planning models, Transmission Expansion Plans, transmission assessments, aggregate studies for transmission service/generator interconnection, and flowgate determination. When used in this Attachment O, terms with initial capitalization that are not defined in Section 1. shall have the meanings specified in the section in which they are used or the Tariff.

Effective Date: 8/17/2010

3. Local Planning

3.1. Scope

The scope of Southwestern's local planning process includes the following:

3.1.1. Reliability planning for the Southwestern Transmission System and associated loads (including radial loads) in Southwestern's Balancing Authority Area in compliance with North American Electric Reliability Corporation (NERC) reliability standards and SPP planning standards; and

3.1.2. Planning to ensure continuity of transmission service to Southwestern's existing Transmission Customers.

There is no distinction between Southwestern's local planning activities and Southwestern's participation in regional planning activities, in accordance with the SPP/Southwestern Agreement. The roles that both parties play in Southwestern's local planning are as specified in this contract. Information regarding SPP's local planning processes including updates to such processes, information discussed at local planning meetings, and model development may be found through websites and documents linked from Southwestern's OASIS.

All materials produced by Southwestern for the local planning forums facilitated by SPP will be posted on Southwestern's OASIS in advance of the planning meetings as soon as available to provide for meaningful review by Southwestern's stakeholders.

3.2. Stakeholders

The stakeholders identified for Southwestern's local transmission planning process include:

3.2.1. Entities with load served from the Southwestern Transmission System;

3.2.2. Transmission Customers;

3.2.3. Generation resources, including resource planners and demand resources

3.2.4. Transmission resources, including third-party transmission developers; and

3.2.5. Regulators.

Southwestern's local transmission planning process is open to participation by all affected entities.

3.3. Local Planning Region

Southwestern's local planning region includes the Southwestern Transmission System,

the transmission facilities and generation resources internal to Southwestern's Balancing Authority Area, and loads served from the Southwestern Transmission System.

3.4. Transmission Planning Procedures

3.4.1. Transmission Planning Model Development

Southwestern participates in the SPP's model development process as described in the *SPP Power Flow Model Development Procedure Manual* to develop load flow, short circuit, and stability models. During this process a series of seasonal models are developed for a ten year planning horizon.

3.4.1.1. Data Collection for Model Development

The commencement of data collection for model development will be announced on Southwestern's OASIS. Southwestern tenders formal data requests annually to its customers to obtain data necessary for model development. Southwestern requests that entities with loads located in Southwestern's Balancing Authority Area or served from the Southwestern Transmission System submit load projections to Southwestern for their summer and winter peaks through the ten year planning horizon and specify the source(s) of power that will be utilized to serve such loads. These entities should incorporate demand resources in their load forecast projections or submit additional demand resource data in accordance with Section 3.4.4. Such data should be submitted to Southwestern no later than thirty (30) calendar days from the date Southwestern tendered the data request.

Southwestern also requests data from neighboring Balancing Authority Areas. Throughout the model development process, Southwestern reviews tie line ratings and electrical characteristics of transmission facilities in the Southwestern Transmission System. Southwestern coordinates the modeling of tie line characteristics with neighboring Balancing Authority Areas and, where applicable, modifies the characteristics used in the models in accordance with *SPP Criteria*. Southwestern also requests interchange and transaction data from neighboring Balancing Authority Areas to coordinate inclusion of this information in the models.

Southwestern incorporates data obtained from neighboring Balancing Authority Areas and stakeholders into the power flow data that is submitted to SPP in accordance with the *SPP Power Flow Model Development Procedure Manual*.

3.4.1.2. Model Development Assumptions

3.4.1.2.1. Transmission Service

Existing transmission service modeled in the base cases is limited to service associated with firm contractual agreements

and does not include other transfers such as emergency power. Long-term reservations for transmission service are included in future models if there is a reasonable expectation that a customer will continue to contract for service.

3.4.1.2.2. Load

Southwestern models all load served from the Southwestern Transmission System.

3.4.1.2.3. Generation

When transmission customers' forecasted load modeled within Southwestern's Balancing Authority Area during the ten year planning horizon exceeds available generation, such customers are notified of the need to acquire additional resources.

3.4.1.3. Transparency of Model Development

Southwestern submits data related to model development electronically to SPP including various supporting files that document Southwestern's compliance and participation in the model update process. Any entity, including Southwestern and Southwestern's stakeholders, that obtains access to the SPP modeling and data coordination website may access all electronic files that have been submitted by Southwestern and other transmission owners located within the SPP Footprint. Access to this website is granted by SPP.

3.4.2. Transmission Planning Criteria

The NERC reliability standards and the *SPP Criteria*, as amended from time to time and posted on SPP's website, form the basis for Southwestern's transmission planning criteria, as addressed in the SPP/Southwestern Agreement. Voltage limits used in Southwestern's transmission planning studies are as follows:

	Minimum (in per unit)	Maximum (in per unit)
Base Case	0.95	1.05
Contingency Cases	0.90	1.05

When determining ratings for Southwestern's transmission lines, Southwestern considers both the thermal limits of the transmission line conductors and terminal equipment in accordance with *SPP Criteria*. Although *SPP Criteria* specifies the maximum allowable line loading for normal and contingency conditions based on a maximum allowable conductor temperature of 85 °C, Southwestern analyzes transmission line plan and profile charts to determine if higher temperature ratings, such as 100 °C, are permissible during contingencies without violating NERC clearance criteria.

SPP Criteria specifies that the allowable transformer loading during normal

conditions is the highest nameplate rating of the transformer, and the contingency rating is a minimum of 100 percent of the highest nameplate rating. In Southwestern's planning process, the maximum allowable transformer loading during both normal and contingency conditions is 100 percent of nameplate rating.

Information regarding Southwestern's transmission planning criteria in addition to that already provided in the Tariff may be found through websites and documents linked from Southwestern's OASIS, including a link to the current *SPP Criteria*. Any questions about Southwestern's local planning can be submitted to the e-mail address found on Southwestern's OASIS. Southwestern shall respond to such questions no later than thirty (30) days after receipt by Southwestern.

When Southwestern modifies its transmission planning criteria, the change will be announced on Southwestern's OASIS approximately thirty (30) calendar days prior to the finalization of the new criteria.

Stakeholders wishing to participate in the development of Southwestern's transmission planning criteria may do so at Southwestern's Transmission Planning Criteria Development Forum (Criteria Forum). Should no one indicate an intent to attend by the deadline, no such Criteria Forum will be held. This Criteria Forum will be scheduled no sooner than thirty (30) calendar days from the date of publication of the notice on Southwestern's OASIS. Persons interested in attending the Criteria Forum should indicate in writing by letter, e-mail (planning@swpa.gov), or facsimile transmission (918-595-6656) at least two weeks prior to the date scheduled for the Criteria Forum. The Criteria Forum will be held in:

Southwestern's offices, Room 1402
Williams Center Tower I
One West Third Street
Tulsa, OK 74103

Persons interested in speaking at the Criteria Forum should indicate in writing by letter, e-mail (planning@swpa.gov), or facsimile transmission (918-595-6656) at least seven (7) calendar days prior to the Criteria Forum so a list of speakers can be developed. Written comments are due on or before the date of the Criteria Forum and must be submitted using the Transmission Planning Criteria Development Form, attached as Appendix 2.

All revised criteria will be posted on Southwestern's OASIS in advance of the Criteria Forum as soon as available to provide for meaningful review by Southwestern's stakeholders.

For disputes with Southwestern's planning criteria, please refer to Section 6.

3.4.3. Transmission Planning Studies

Southwestern analyzes the reliability of the Southwestern Transmission System annually utilizing load flow models developed in coordination with the SPP as described in Section 3.4.1. Southwestern considers the following contingencies

in its annual assessments:

3.4.3.1. Single Contingency Outages

All branches, including transmission lines, transformers, and related facilities, within Southwestern's Balancing Authority Area, and in any Balancing Authority Area directly interconnected with Southwestern, are removed from service individually.

3.4.3.2. Generation Unit Outages

Generating units within Southwestern's Balancing Authority Area are removed from service individually. In cases where two generating units share a common step-up transformer, they are removed from service in pairs. For this analysis, area interchange control is disabled to allow for the importing of generation from outside Southwestern's Balancing Authority Area.

3.4.3.3. Double-Circuit Line Outages

Outages of both circuits on double-circuit lines are studied when the lines are double-circuited for a significant distance. In the Southwestern Transmission System, this includes an outage of the Bull Shoals-Dardanelle and Bull Shoals-Buford Tap 161-kV lines, which are on double-circuit structures for approximately 10 miles, and an outage of the Dardanelle-Bull Shoals and Dardanelle-Clarksville 161-kV lines, which are on double-circuit structures for approximately 20 miles.

In addition, Southwestern assesses the performance of the Southwestern Transmission System for outages of entire bus sections and substations. For this assessment, controlled loss of load is allowed if it is necessary to maintain Transmission System voltage and loading within specified limits.

Southwestern uses the ACCC feature of the PSS/E simulator model to perform Southwestern's assessments of the Southwestern Transmission System.

The results of Southwestern's annual assessments are reported in Southwestern's Federal Energy Regulatory Commission (FERC) Form 715 filing. In addition, the results are used to provide input into SPP's assessments, including the NERC mitigation review, SPP's regional Transmission Expansion Plan, individual system impact studies performed by SPP, and any other regional studies in which Southwestern participates.

SPP performs an AC contingency analysis on the final models for both the current year and long-term ten-year planning horizon summer peak period. Based on the results of these analyses, Southwestern submits a mitigation plan to SPP annually.

3.4.4. Stakeholder Participation

The commencement of Southwestern's annual assessment for local transmission planning will be announced on Southwestern's OASIS approximately thirty (30) calendar days prior to the initiation of requests for stakeholder data and information.

Stakeholders wishing to participate in Southwestern's local planning may do so at Southwestern's Local Planning Forum (Planning Forum). Should no one indicate an intent to attend by the deadline, no such Planning Forum will be held. This Planning Forum will be scheduled no sooner than thirty (30) calendar days from the date of publication of the notice on Southwestern's OASIS. Persons interested in attending the Planning Forum should indicate in writing by letter, e-mail (planning@swpa.gov), or facsimile transmission (918-595-6656) at least two weeks prior to the date scheduled for the Planning Forum. The Planning Forum will be held in:

Southwestern's offices, Room 1402
Williams Center Tower I
One West Third Street
Tulsa, OK 74103

Persons interested in speaking at the Planning Forum should indicate in writing by letter, e-mail (planning@swpa.gov), or facsimile transmission (918-595-6656) at least seven (7) calendar days prior to the Planning Forum so a list of speakers can be developed. Written comments are due on or before the date of the Planning Forum and must be submitted using the Local Transmission Planning Participation Form, attached as Appendix 1.

Stakeholders wishing to provide additional data to be considered in the model development other than that requested by Southwestern as identified in Section 3.4.1.1. may do so by submitting the Local Transmission Planning Participation Form. This additional data shall be treated in a comparable manner to that data explicitly requested by Southwestern in Section 3.4.1.1. Southwestern will provide a response to all data submittals within thirty (30) calendar days.

Southwestern's stakeholders will have the opportunity to review and comment on information before it is incorporated in SPP's models and comment on SPP's models before they are incorporated into Southwestern's annual assessments by participating in SPP's model development process as described in Section 3.4.1.

Southwestern's stakeholders may also participate in Southwestern's local planning process during local transmission planning meetings facilitated by SPP. The SPP planning meetings are held at least annually, in conjunction with the meetings of the SPP Transmission Working Group (TWG) or a successor group or SPP faction. These meetings provide an open forum for transmission owners in each region, including Southwestern, to present local planning issues and cost effective solutions and stakeholders to provide input and feedback as well as propose alternative projects. All solutions offered by Southwestern and alternatives proposed by stakeholders will be evaluated comparably against each other based on Southwestern's comparison of their relative economics and effectiveness of performance and based on adherence to the Federal statutes, regulations, and budget process requirements applicable to Southwestern. SPP posts notice of the transmission planning meetings on the SPP website and via

e-mail distribution lists administrated by SPP.

If a stakeholder wishes to establish a new interconnection or point of delivery, they may submit an application for interconnection according to Southwestern's Tariff or may contact Southwestern to inquire about submitting an interconnection request. Furthermore, if an upgrade or project coordinated by Southwestern affects delivery to one or more of Southwestern's stakeholders, Southwestern will contact the affected stakeholder(s) to solicit their comments.

Southwestern's stakeholders may submit questions or comments to Southwestern at any time, and Southwestern will respond to such inquiries as soon as practicable.

3.4.5. Design and Construction Criteria

Southwestern designs and constructs new transmission facilities according to both Southwestern's *Design Manual – Standard 330-04, Volume 1* and guide specifications for specific equipment. Guide specifications and Southwestern's *Design Manual* can be made available to any entity upon request.

Information regarding the status of upgrades on the Southwestern Transmission System may be found through websites and documents linked from Southwestern's OASIS, including a link to the current webpage where SPP tracks the status of upgrades identified in the Transmission Expansion Plan.

Effective Date: 8/17/2010

4. Regional Planning

4.1. Scope

The scope of Southwestern's participation in regional planning includes the following:

4.1.1. Reliability planning for the bulk power system in compliance with NERC reliability standards and SPP planning standards; and

4.1.2. Planning for regional power transfer capability, including Balancing Authority Area import/export capability.

There is no distinction between Southwestern's local planning activities, including the reliability assessment Southwestern and SPP perform for the Southwestern Transmission System, and Southwestern's participation in regional planning activities and the Transmission Expansion Plan, in accordance with the SPP/Southwestern Agreement. All reliability upgrades on the Southwestern Transmission System are included in the Transmission Expansion Plan. The roles that Southwestern and SPP play in regional planning are as specified in the SPP/Southwestern Agreement. Information regarding regional planning including updates to such regional planning processes, information discussed at planning meetings, and model development may be found through websites and documents linked from Southwestern's OASIS.

4.2. Stakeholders

The stakeholders Southwestern has identified as affected by Southwestern's participation in regional planning include:

4.2.1. Entities with load served from the Southwestern Transmission System;

4.2.2. Transmission Customers;

4.2.3. Entities, including neighboring Balancing Authority Areas and utilities, with which Southwestern has transmission and generation interconnections;

4.2.4. Generation resources, including resource planners and demand resources;

4.2.5. Transmission resources, including third-party transmission developers; and

4.2.6. Regulators.

The regional transmission planning process in which Southwestern participates is open to participation by all affected entities.

4.3. Regional Planning Area

Southwestern participates in regional planning that includes all or portions of the SPP

Footprint and those transmission facilities that are not a part of SPP, but which are in close electrical vicinity to the Southwestern Transmission System and could impact reliability of the Transmission System. This includes the facilities of neighboring Balancing Authority Areas and those utilities with which Southwestern is interconnected whose facilities are not part of the SPP Footprint. All of Southwestern's transmission facilities are included in regional assessments performed by SPP; therefore, Southwestern participates in the regional planning process facilitated by SPP. Southwestern also participates in ad hoc regional planning groups and initiatives to promote increased regional coordination.

4.4. Participation in Regional Transmission Planning

Southwestern participates in the annual stakeholder process facilitated by SPP to develop the SPP Transmission Expansion Plan. SPP provides notice of the commencement of the process via e-mail to the SPP TWG or a successor group or SPP faction, which includes Southwestern and other stakeholders, and other SPP Transmission Expansion Planning stakeholder distribution lists. SPP also posts announcements about this process on the SPP website. Access to the various e-mail distribution lists is granted by SPP. Although Southwestern is not bound by Attachment O of the SPP *Open Access Transmission Tariff*, Southwestern voluntarily complies only as outlined in and in accordance with the SPP/Southwestern Agreement.

4.4.1. Transmission Planning Model Development

Model development for regional transmission planning is the same as that for Southwestern's local planning and is described in Section 3.4.1.

4.4.2. Transmission Planning Criteria

Southwestern uses the same criteria for regional planning as that used for local planning, as described in Section 3.4.2.

4.4.3. Transmission Planning Studies

SPP performs reliability assessments for the Transmission System and evaluates historical congestion data. Southwestern performs assessments of the Southwestern Transmission System. These assessments use the same models as those used by SPP for the regional transmission expansion planning process facilitated by SPP. As part of these assessments, Southwestern evaluates potential alternatives to mitigate any deficiencies in the Southwestern Transmission System. Southwestern provides feedback to SPP regarding various alternatives based on the results of these assessments.

5. Operational Planning Studies and Assessments

Southwestern uses seasonal load flow models to identify operating constraints and potential reliability violations that may exist in the upcoming season. In the event a potential reliability violation is identified, Southwestern develops alternatives to remove the potential violation and presents the mitigation plan to SPP for review and approval.

Effective Date: 8/17/2010

6. Dispute Resolution

The process for resolving disputes that may arise with or among stakeholders, SPP, or other entities with which Southwestern interacts in the local or regional transmission planning process under the Tariff shall be referred to a designated senior representative of Southwestern and a senior representative of the stakeholder for resolution on an informal basis as promptly as practicable. In the event the designated representatives are unable to resolve the dispute within thirty (30) days, or such other period as the parties may agree upon, by mutual agreement, such dispute may be resolved in accordance with the procedures set forth below.

6.1. External Dispute Resolution Procedures

Any complaint arising concerning implementation of this Tariff shall be resolved as follows:

6.1.1. through a dispute resolution process, pursuant to the terms of a regional transmission association governing agreement of which both Parties are members; or

6.1.2. if both Parties are not members of the same regional transmission association, through a dispute resolution process agreed to by the Parties, or through a transmission complaint filed with the Commission, to the extent the Commission has jurisdiction over such dispute.

6.2. Administrative Disputes Resolution Act

Any dispute regarding transmission planning provided under this Tariff will be resolved in a manner consistent with the Administrative Disputes Resolution Act, as amended, subject to statutory and regulatory limits on Southwestern's authority to submit disputes to arbitration.

6.3. Rights Under the Federal Power Act

Nothing in this section shall restrict the rights of any party to file a complaint with the Commission under relevant provisions of the Federal Power Act.

Effective Date: 8/17/2010

7. Cost Allocation

All provisions of this Section 7. shall be subject to the Federal statutes and regulations applicable to Southwestern including Southwestern's availability of funds, advance funding, and budgetary requirements as outlined in the Tariff, including Attachment K, General Provisions Applicable to Transmission and Generation Interconnection Service.

For cost allocation in Southwestern's local planning process, Section 2.15. of the Tariff outlines the Point-To-Point Transmission Service customers' share of the responsibilities of the costs of new projects. Section 3.1.2. of the Tariff outlines the conditions by which Southwestern upgrades facilities for Network Customers. The costs for reliability upgrades are incorporated in Southwestern's rates for transmission service.

Southwestern's participation in the SPP regional cost allocation methodology is provided for in the SPP/Southwestern Agreement, which recognizes Southwestern's legal and regulatory obligations. Additionally, the cost of economic upgrades identified by SPP is allocated in accordance with the SPP/Southwestern Agreement.

Effective Date: 8/17/2010

8. Confidentiality

Southwestern complies with all Federal statutes pertaining to confidentiality of sensitive information, including the Freedom of Information Act (FOIA).

Stakeholders must submit all information to Southwestern using the Local Transmission Planning Participation Form. Furthermore, the stakeholders must declare on this form if the information provided is proprietary, has never been made available to the public, and is being provided to Southwestern only after the assurance of confidentiality except as provided to appropriate staff at SPP or unless Southwestern is legally obligated to do so. Furthermore, since Southwestern coordinates with SPP, Southwestern participates in and complies with SPP's confidentiality processes to the extent allowed by Federal statute.

All public electronic forums provided and facilitated by SPP for participation by entities including Southwestern's stakeholders incorporate password protected access for the distribution and retrieval of confidential information related to the regional planning process and modeling or project data. A confidentiality agreement must be executed with SPP to receive password protected access. A stakeholder must submit a request in accordance with FOIA to obtain information directly from Southwestern. For information about how to submit a FOIA request to Southwestern or to submit an electronic FOIA request refer to Southwestern's OASIS or website.

Effective Date: 8/17/2010

9. Comparability

Southwestern's local planning process and the regional transmission planning process in which Southwestern participates is open to participation by all affected entities. Subject to the Federal statutes and regulations applicable to Southwestern, Southwestern treats similarly situated customers comparably for transmission planning.

Effective Date: 8/17/2010

10. Economic Planning Studies

All provisions of this Section 10. shall be subject to the Federal statutory regulations applicable to Southwestern including Southwestern's availability of funds, advance funding, and budgetary requirements as outlined in the Tariff, including Attachment K, General Provisions Applicable to Transmission and Generation Interconnection Service.

Southwestern shall refer all potential economic upgrades requested by Southwestern's stakeholders to SPP to study as part of the SPP transmission planning in Attachment O of the SPP *Open Access Transmission Tariff*, or successive document. Southwestern shall provide to SPP all data and required planning information to perform the requisite economic studies. Any upgrades on the Southwestern Transmission System that are identified as part of SPP's economic planning shall be recommended to Southwestern in accordance with the SPP/Southwestern Agreement.

Effective Date: 8/17/2010

11. Recovery of Planning Costs

All provisions of this Section 11. shall be subject to the Federal statutory regulations applicable to Southwestern including Southwestern's availability of funds, advance funding, and budgetary requirements as outlined in the Tariff, including Attachment K, General Provisions Applicable to Transmission and Generation Interconnection Service.

Southwestern recovers the costs for transmission planning in its rates, including the costs associated with a planning engineer to perform studies as part of Southwestern's local planning and coordinate and interface with SPP for regional planning and Southwestern's participation in the Transmission Expansion Plan.

Special projects, including upgrades brought to Southwestern in accordance with the SPP/Southwestern Agreement, require advance funding.

Effective Date: 8/17/2010

APPENDIX 1 to Transmission Planning Process

SWPA F 431.2 (Rev. 10/08)	U.S. Department of Energy Southwestern Power Administration **LOCAL TRANSMISSION PLANNING PARTICIPATION FORM**	Page 1 of __

Thank you for your interest in the Southwestern Power Administration (Southwestern) transmission planning process. Please complete this form and return it to Southwestern to ensure the most expedient and thorough response. Completing this form does not qualify the participant for receipt of any service, access to confidential information, or any other right not explicitly stated in Southwestern's Open Access Transmission Tariff applicable to providing input into Southwestern's local transmission planning.

Date of Submittal:

PARTICIPANT INFORMATION	
Name and Title:	Name and Title:
Company/Organization Name:	Company/Organization Name:
Full Street Address (include State and ZIP):	Full Street Address (include State and ZIP):
Telephone Number:	Telephone Number:
Fax Number:	Fax Number:
E-mail Address:	E-mail Address:

The signature below indicates that the information submitted with this form is proprietary, has never been made available to the public, and is being provided to Southwestern only after the assurance of confidentiality except as provided to the appropriate staff at the Southwestern Power Pool, Inc. or unless Southwestern is legally obligated to do so.

Signature:_____ Title: _____

Please provide your comments in separate pages submitted with and/or attached to this form. Please include as much of the following information as possible on attached sheets; **label all information clearly.**

1. Data to be included in planning assessments, including load projects, potential generating resources, and demand response.
2. Projects to be considered as possible alternatives in planning assessments.
3. Copies of relevant planning or operational studies.
4. Proposed construction schedules of projects potentially impacting the Southwestern Transmission System.
5. Copies of relevant environmental impact assessments, reports, or projections, or description of anticipated scope of environmental reviews.
6. Other: _____

Please submit the completed form to Southwestern as described below. A Southwestern representative will contact you when the form is received. Please allow up to 30 days for processing of the form once it is received by Southwestern.

Submit Application by facsimile or e-mail:	Submit Application by mail or overnight courier:
Attn: Director, Division of Engineering and Planning 918-595-6656 planning@swpa.gov	Attn: Director, Division of Engineering and Planning Southwestern Power Administration One West Third Street Tulsa, OK 74103-3502

For more information, contact the Director of the Division of Engineering and Planning at 918-595-6600.

Effective Date: 8/17/2010

APPENDIX 2 to Transmission Planning Process

SWPA F 431.3 (Rev. 10/08)	U.S. Department of Energy Southwestern Power Administration **TRANSMISSION PLANNING CRITERIA**	Page 1 of __

Thank you for your interest in the Southwestern Power Administration (Southwestern) transmission planning process. Please complete this form and return it to Southwestern to ensure the most expedient and thorough response. Completing this form does not qualify the participant for receipt of any service, access to confidential information, or any other right not explicitly stated in Southwestern's Open Access Transmission Tariff applicable to providing input into Southwestern's transmission planning criteria.

Date of Submittal:

PARTICIPANT INFORMATION	PARTICIPANT'S AGENT/REPRESENTATIVE INFORMATION (If applicable)
Name and Title:	Name and Title:
Company/Organization Name:	Company/Organization Name:
Full Street Address (include State and ZIP):	Full Street Address (include State and ZIP):
Telephone Number:	Telephone Number:
Fax Number:	Fax Number:
E-mail Address:	E-mail Address:

The signature below indicates that the information submitted with this form is proprietary, has never been made available to the public, and is being provided to Southwestern only after the assurance of confidentiality except as provided to the appropriate staff at the Southwestern Power Pool, Inc. or unless Southwestern is legally obligated to do so.

Signature:_____ Title: _____

Please provide your comments in separate pages submitted with and/or attached to this form. Please include as much of the following information as possible on attached sheets; **label all information clearly.**

1. Recommended criteria or revisions to existing criteria.
2. Examples of existing use of such criteria.
3. Other: _____

Please submit the completed form to Southwestern as described below. A Southwestern representative will contact you when the form is received. Please allow up to 30 days for processing of the form once it is received by Southwestern.

Submit Application by facsimile or e-mail:	Submit Application by mail or overnight courier:
Attn: Director, Division of Engineering and Planning 918-595-6656 planning@swpa.gov	Attn: Director, Division of Engineering and Planning Southwestern Power Administration One West Third Street Tulsa, OK 74103-3502

For more information, contact the Director of the Division of Engineering and Planning at 918-595-6600.

Effective Date: 8/17/2010

UNITED STATES

DEPARTMENT OF ENERGY

SOUTHWESTERN POWER ADMINISTRATION

RATE SCHEDULES

Effective Date: 8/17/2010