

March 21, 2012

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street NE
Washington, DC 20426

RE: *Southwest Power Pool, Inc.*, Docket No. ER12-____
Submission of Interconnection Agreement

Dear Secretary Bose:

Pursuant to section 205 of the Federal Power Act, 16 U.S.C. § 824d, Southwest Power Pool, Inc. (“SPP”) encloses for filing an executed interconnection agreement between AEP Oklahoma Transmission Company, Inc. (“AEPOTC”) and ITC Great Plains, LLC (“ITC”) with SPP as a signatory (“ITC-AEPOTC Agreement”).¹ SPP requests that the Federal Energy Regulatory Commission (“Commission”) accept the proposed ITC-AEPOTC Agreement with an effective date of March 1, 2012. In support, SPP states the following:

I. Background

SPP is a Commission-approved Regional Transmission Organization (“RTO”), and SPP is an Arkansas non-profit corporation with its principal place of business in Little Rock, Arkansas. SPP has 65 members, including 14 investor-owned utilities, 11 municipal systems, 12 generation and transmission cooperatives, 4 state agencies, 7 independent power producers, 10 power marketers, and 7 independent transmission companies. As an RTO, SPP is a transmission provider administering transmission service over portions of Arkansas, Kansas, Louisiana, Missouri, Nebraska, New Mexico, Oklahoma, and Texas. SPP is responsible for providing independent transmission

¹ AEPOTC and ITC may be referred to individually as “Party” or collectively as “the Parties.” The ITC-AEPOTC Agreement is designated as Service Agreement No. 2268.

services over the transmission facilities its members have placed under the SPP Open Access Transmission Tariff (“Tariff”).

AEPOTC, an Oklahoma corporation, is a public utility that is engaged in transmitting electric energy in the state of Oklahoma. AEPOTC is a transmission-using member of SPP.

ITC is an independent, stand-alone transmission company engaged exclusively in the development, ownership and operation of facilities for the transmission of electric energy in interstate commerce. ITC is a subsidiary of ITC Holdings Corporation. ITC is a transmission-owning member of SPP.

The ITC-AEPOTC Agreement submitted herein allows the Parties to interconnect their respective transmission systems at certain points of interconnection described in the ITC-AEPOTC Agreement. The points of interconnection, as well as the transmission systems of the Parties, are under the functional control of SPP. Therefore, consistent with the Commission’s policy that that the RTO with the planning authority over transmission facilities under its Tariff (i.e., SPP) should be a signatory to interconnection agreements, SPP is a signatory to the ITC-AEPOTC Agreement.²

II. Description of the ITC-AEPOTC Agreement

There is no *pro forma* form for a transmission interconnection agreement in the SPP Tariff; however, many of the provisions in the ITC-AEPOTC Agreement are similar in scope and application to other utility-to-utility transmission interconnection agreements previously accepted by the Commission.³ Below is a brief summary of the Articles of the ITC-AEPOTC Agreement.

² See *Am. Elec. Power Serv. Corp.*, 110 FERC ¶ 61,276, at P 8, *order on reh 'g*, 112 FERC ¶ 61,128, at PP 10-14 (2005).

³ See, e.g., *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER11-4378-000 (Oct. 21, 2011); *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER10-3207-000 (Nov. 23, 2010); *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER10-2451-000 (Oct. 20, 2010); *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER10-1067-000 (June 1, 2010); *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER10-215-000 (Dec. 23, 2009); *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER09-1081-000 (June 16, 2009); *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER08-1546-000 (Nov. 7, 2008); *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER08-496-000 (Mar. 19, 2008); *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER07-200-000 (Jan. 8, 2007); *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER06-1060-000 (July 26, 2006); *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER06-766-000 (May 15, 2006); *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER06-447-000 (Feb. 16, 2006).

Article 1 provides a list of definitions for terms used throughout the ITC-AEPOTC Agreement.⁴

Article 2 provides that Parties have established or shall establish interconnection(s) between their transmission systems as identified in Exhibit A.⁵ Article 2 further states that the Parties may provide for additional interconnection(s) between their systems by mutual agreement in writing.⁶ Additionally, if ITC agrees to interconnect with a third party at any interconnection location for which AEPOTC acts as the balancing authority, ITC will notify AEPOTC and the Parties will add new information to Exhibit B of the ITC-AEPOTC Agreement regarding the third party interconnection.⁷ Specifically, Exhibit B will set forth the specific details of any third party interconnection, and will provide for AEPOTC to receive all meter data regarding such an interconnection.⁸

Article 3 provides that each Party will provide, at its own expense, the facilities and equipment on its own system which are necessary under the ITC-AEPOTC Agreement.⁹

Articles 4 and 5 specify the Parties' procedures for operations and maintenance and the service conditions for the interconnection.¹⁰

Article 6 provides that each Party shall make such modifications to its Interconnection Facilities as are necessary to comply with Good Utility Practice.¹¹

⁴ See ITC-AEPOTC Agreement at Article 1. All capitalized words not defined in this letter shall have the meaning as set forth in Article 1 of the ITC-AEPOTC Agreement.

⁵ See ITC-AEPOTC Agreement at Article 2.1 and Exhibit A.

⁶ See *id.* at Article 2.2.

⁷ See *id.* at Article 2.3 and Exhibit "B." Exhibit B currently is blank and serves as a placeholder for future information regarding the third party interconnection.

⁸ See *id.*

⁹ See *id.* at Article 3.

¹⁰ See *id.* at Articles 4 and 5.

¹¹ See *id.* at Article 6.

Article 6 also provides the notice provisions and cost responsibility for modifications to Interconnection Facilities.¹²

Article 7 provides that each Party shall construct its Interconnection Facilities in accordance with Good Utility Practice and with standards at least equal to those provided by the National Electrical Safety Code.¹³

Article 8 specifies that the Parties will adhere to the North American Electric Reliability Corporation (“NERC”) reliability standards.¹⁴

Article 9 provides emergency procedures pursuant to NERC standards and SPP emergency procedures.¹⁵

Article 10 contains provisions relating to metering requirements.¹⁶

Article 11 specifies that the Parties shall install, maintain, and operate communication facilities necessary for the effective operation of the ITC-AEPOTC Agreement.¹⁷

Article 12 provides that each Party will furnish information as may be necessary to the other Party, subject to applicable confidentiality agreements.¹⁸

Article 13 is reserved for future use.¹⁹

Article 14 includes billing and payment provisions for all bills, not otherwise billed by SPP.²⁰

¹² See ITC-AEPOTC Agreement at Articles 6.2 and 6.3.

¹³ See *id.* at Article 7.

¹⁴ See *id.* at Article 8.

¹⁵ See *id.* at Article 9.

¹⁶ See *id.* at Article 10.

¹⁷ See *id.* at Article 11.

¹⁸ See *id.* at Article 12.

¹⁹ See *id.* at Article 13.

²⁰ See *id.* at Article 14.

Article 15 contains the provisions related to force majeure events.²¹

Article 16 includes the provisions regarding events of breach, continued operation, cure, and default.²²

Article 17 provides the term of the agreement. The ITC-AEPOTC Agreement shall become effective on March 1, 2012, or upon such date specified by FERC, and shall continue in effect thereafter until terminated.²³ Article 17 also includes termination procedures, including the requisite notice requirements for termination by mutual agreement or by any Party.²⁴ Further, Article 17 provides that no termination shall become effective until the terminating Party (or the Parties jointly) tenders to the Commission any required notification of termination of the ITC-AEPOTC Agreement and obtains such acceptance by the Commission as may be required.²⁵ Article 17 also specifies the disconnection requirements and survival of rights after termination of the ITC-AEPOTC Agreement.²⁶

Article 18 contains provisions for waiver of, and failure to enforce obligations under, the ITC-AEPOTC Agreement.²⁷

Article 19 provides that the ITC-AEPOTC Agreement and all obligations thereunder are expressly conditioned upon the granting of approval and authorization by any regulatory body whose approval or authorization may be required by law.²⁸

Articles 20 and 21 specify the time of installation and the rights of installation, access, and removal for operation of all facilities.²⁹

²¹ See ITC-AEPOTC Agreement at Article 15.

²² See *id.* at Article 16.

²³ See *id.* at Article 17.1.

²⁴ See *id.* at Article 17.2.

²⁵ See *id.* at Article 17.3.

²⁶ See *id.* at Articles 17.4 and 17.5

²⁷ See *id.* at Article 18.

²⁸ See *id.* at Article 19.

²⁹ See *id.* at Articles 20 and 21.

Article 22 contains provisions for liability, indemnification, and survival of the limitation of liability and indemnification obligations.³⁰ Article 22 also includes a provision granting a limitation of liability for SPP, and clarifying that SPP's involvement is limited to the sections of the ITC-AEPOTC Agreement that may affect or involve SPP transmission service or SPP's role as a Commission-approved RTO.³¹ Article 22.4 further states that the Parties acknowledge that SPP's role as a signatory to the ITC-AEPOTC Agreement is limited, and while SPP must be apprised of the matters addressed in the ITC-AEPOTC Agreement, SPP's role as a signatory to the ITC-AEPOTC Agreement does not imply that: (1) SPP is taking responsibility for the actions of any Party; (2) SPP has any affirmative duties under the ITC-AEPOTC Agreement; or (3) SPP is liable in any way under the ITC-AEPOTC Agreement, except as provided in the SPP Tariff.³²

Articles 23 through 27 contain various routine contract provisions. Article 23 contains the provisions for assignment of the ITC-AEPOTC Agreement.³³ Article 24 sets forth provisions for the use of resources (i.e., affiliates, consultants, contractors and suppliers).³⁴ Article 25 contains dispute resolution provisions.³⁵ Article 26 provides the notice provisions between the Parties for administrative matters.³⁶ Article 27 contains miscellaneous provisions, including among others, Governing Law provisions, Amendment provisions, and Severability provisions.³⁷

Finally, Exhibit A provides descriptions of the ITC-AEPOTC Agreement's interconnections, metering requirements, and telecommunications, as well as a one-line diagram illustrating the Point(s) of Interconnection.³⁸ As discussed above, a blank Exhibit B is also included.

³⁰ See ITC-AEPOTC Agreement at Article 22.

³¹ See *id.* at Article 22.3 and 22.4.

³² See *id.*

³³ See *id.* at Article 23.

³⁴ See *id.* at Article 24.

³⁵ See *id.* at Article 25.

³⁶ See *id.* at Article 26.

³⁷ See *id.* at Article 27.

³⁸ See *id.* at Exhibit A.

III. Effective Date

SPP requests, on behalf of the Parties, an effective date of March 1, 2012 for the ITC-AEPOTC Agreement. To permit such an effective date, pursuant to section 35.11 of the Commission's rules and regulations, SPP requests a waiver of the Commission's 60-day notice requirement set forth at 18 C.F.R. § 35.3. Waiver is appropriate because the ITC-AEPOTC Agreement is being filed within 30 days of its requested effective date.³⁹ The Commission previously has granted waiver of the 60-day notice requirement for service agreements for which there is no *pro forma* form in the filing entities' Tariff when the agreements were filed within 30 days of the requested effective date,⁴⁰ and the Commission should do so here.

IV. Service, Notice, and Communication

SPP is serving a copy of this filing on the representatives for AEPOTC and ITC listed in the ITC-AEPOTC Agreement.

³⁹ See *Prior Notice and Filing Requirements Under Part II of the Federal Power Act*, 64 FERC ¶ 61,139, at 61,983-84, *order on reh'g*, 65 FERC ¶ 61,081 (1993) (the Commission will grant waiver of the 60-day prior notice requirement "if service agreements are filed within 30 days after service commences.").

⁴⁰ See *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER09-1081-000 (June 16, 2009) (Granting waiver of the 60-day prior notice requirement and accepting a transmission to transmission interconnection agreement that was filed within 30 days of the requested effective date.); *Sw. Power Pool, Inc.*, 128 FERC ¶ 61,191 (2009) (Granting waiver of the 60-day prior notice requirement and conditionally accepting an Interim Large Generator Interconnection Agreement ("Interim LGIA"), which was not part of the SPP Tariff at the time, that was filed within 30 days of the requested effective date); *PJM Interconnection, L.L.C.*, Letter Order, Docket No. ER11-3645-000 (July 15, 2011) (Granting waiver of the 60-day prior notice requirement and accepting a Wholesale Market Participation Agreement, an agreement which is not part of the PJM Tariff, that was filed within 30 days of the requested effective date).

SPP requests that all correspondence and communications with respect to this filing should be sent to, and that the Secretary include on the official service list, the following:

Heather Starnes, J.D.
Manager – Regulatory Policy
Southwest Power Pool, Inc.
415 North McKinley, #140 Plaza West
Little Rock, AR 72205
Telephone: (501) 614-3380
Fax: (501) 664-9553
hstarnes@spp.org

Carrie L. Bumgarner
Tyler R. Brown
Wright & Talisman, P.C.
1200 G Street, N.W., Suite 600
Washington, DC 20005-3802
Telephone: (202) 393-1200
Fax: (202) 393-1240
bumgarner@wrightlaw.com
brown@wrightlaw.com

V. Additional Information

A. Information Required by Section 35.13 of the Commission's Regulations, 18 C.F.R. § 35.13:⁴¹

(1) Documents submitted with this filing:

In addition to this transmittal letter, SPP submits a clean version of the ITC-AEPOTC Agreement.

(2) Effective Date:

As noted above, SPP requests that the Commission grant an effective date of March 1, 2012.

(3) Requisite Agreements:

SPP and the Parties have all executed the ITC-AEPOTC Agreement. No other agreements are necessary.

(4) Specifically Assignable Facilities Installed or Modified:

There are none.

⁴¹ Because the ITC-AEPOTC Agreement does not involve any change in rates, the use of the abbreviated filing procedures as set forth in 18 C.F.R. § 35.13(a)(2)(iii) is appropriate.

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VI. Conclusion

For the foregoing stated reasons, SPP requests that the Commission accept the ITC-AEPOTC Agreement effective March 1, 2012.

Respectfully submitted,

/s/ Tyler R. Brown

Carrie L. Bumgarner

Tyler R. Brown

**Attorneys for Southwest
Power Pool, Inc.**

Southwest Power Pool, Inc.
Original Service Agreement No. 2268

**INTERCONNECTION AGREEMENT
BETWEEN
AEP OKLAHOMA TRANSMISSION COMPANY, INC.
AND
ITC GREAT PLAINS, LLC**

This Interconnection Agreement (the “Agreement”) is made and entered into as of March 1, 2012, by and between AEP OKLAHOMA TRANSMISSION COMPANY, INC., an Oklahoma corporation (“AEPOTC”), and ITC GREAT PLAINS, LLC, a Michigan limited liability company (“ITC”), and SOUTHWEST POWER POOL, INC. (“SPP” or “Transmission Provider”). AEPOTC and ITC are each individually referred to as a “Party” and collectively referred to as the “Parties” herein.

Recitals

WHEREAS, AEPOTC is a public utility that is engaged in transmitting electric energy in the State of Oklahoma;

WHEREAS, ITC is a public utility transmitting electric energy in Oklahoma;

WHEREAS, it will be advantageous to AEPOTC and ITC to have their respective transmission systems interconnected so that each will realize the mutual benefits of such interconnecting of facilities, and to establish additional points of interconnection in the future whenever mutually beneficial;

WHEREAS, in order to take advantage of the benefits which AEPOTC and ITC can achieve by interconnection of the transmission systems of the Parties, the Parties are willing to enter into this Agreement, it being understood that the Parties will preserve their identity and integrity and perform their respective responsibilities to their customers;

WHEREAS, SPP is a Regional Transmission Organization (“RTO”) pursuant to the orders of the Federal Energy Regulatory Commission (“FERC”) and, as such, is responsible for, among other items, functional control over appropriate transmission facilities within its footprint; and

WHEREAS, the systems of the Parties are interconnected at various locations herein defined as “Points of Interconnection.” The Points of Interconnection are operated in synchronism, and are under the functional control of the SPP.

NOW THEREFORE, the Parties covenant and agree as follows:

ARTICLE I
DEFINITIONS

In addition to such terms as are defined elsewhere in this Agreement, capitalized terms used in this Agreement have the meanings set forth below:

1.1 “Affiliate” means that 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.

1.2 “Applicable Law” means any statute, law, ordinance, executive order, rule, or regulation (including a regulation that has been formally promulgated in a rule making proceeding but, pending final adoption, is in proposed or temporary form having force of law); guideline, or notice having force of law; or approval, permit, license, franchise, judgment, order, decree, injunction, or writ of any Governmental Authority applicable to a specified person or specified property, as in effect from time to time.

1.3 “Dispatching Office” of ITC and AEPOTC shall mean the location designated by each entity to receive and send out operational and metering information.

1.4 “Emergency” shall mean a condition or situation (i) that in the reasonable judgment of the Party making the claim is imminently likely to endanger, or is contributing to the endangerment of, life or property, or public health and safety; or (ii) that, in the case of a Party, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the AEPOTC transmission system, the ITC transmission system, or the electric systems of others to which the Parties are directly connected.

1.5 “Good Utility Practice” shall mean any of the applicable 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 by a Party 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, giving due regard to the requirements of governmental agencies having jurisdiction. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather includes all acceptable practices, methods, or acts generally accepted in the region as they may be applicable to the Parties as transmission system operators.

1.6 “Governmental Authority” means any federal, state, tribal, local, or municipal governmental body; and any governmental, regulatory, or administrative agency, commission, body, agency, instrumentality, or other authority exercising or entitled to exercise any executive, judicial, legislative, administrative, regulatory, or taxing authority or power, including any court or other tribunal.

1.7 “Interconnection Facilities” shall mean the facilities of ITC and AEPOTC that are interconnected pursuant to this Agreement.

1.8 “Modification” shall mean any new construction, additions, design changes or modifications made to, or the abandonment, retirement, relocation or rearrangement of, a Party’s transmission facilities.

1.9 “NERC” shall mean the North American Electric Reliability Corporation or its successor.

1.10 “Point(s) of Interconnection” shall mean the location(s) where the facilities of ITC and the facilities of AEPOTC are interconnected as identified in Article II herein.

1.11 “SPP” shall mean the Southwest Power Pool or its successor RTO.

1.12 “SPP Tariff” shall mean the Southwest Power Pool Open Access Transmission Tariff, Sixth Revised Volume No. 1, as such may be amended from time to time.

ARTICLE II INTERCONNECTION OF FACILITIES

2.1 General. It is understood and agreed that the Parties have established or shall establish interconnections between their systems at the locations and subject to the terms and conditions set forth in this Agreement, with such interconnections set forth in Exhibit A of this Agreement, attached hereto and made a part hereof.

2.2 Additional Interconnections. The Parties may at any time and from time to time provide for additional interconnections and for modifications to existing interconnections between their systems by mutual agreement in writing. When any such additional interconnections or modified interconnections are agreed to, a new sheet will be added to Exhibit A to this Agreement setting forth the specific details of that interconnection, and any specific provisions which apply to that interconnection, including but not limited to the assignment of loss revenue. In the event of a conflict between any provision in the body of this Agreement and the provisions set forth in Exhibit A with respect to a specific interconnection, the provisions in Exhibit A shall control.

2.3 AEPOTC Balancing/Third Party Interconnections. If ITC agrees to interconnect with a third party at any interconnection location established under this Agreement for which AEPOTC acts as the balancing authority, ITC will notify AEPOTC of the interconnection at least 90 days prior to such interconnection and a new sheet will be added to Exhibit B of this Agreement, attached hereto and made a part hereof, setting forth the specific details of that interconnection and providing, among other things, for AEPOTC to receive all meter data regarding that interconnection that AEPOTC reasonably requires to fulfill its balancing authority responsibilities.

ARTICLE III
FACILITIES TO BE PROVIDED

Each Party agrees to provide at its own expense the facilities and equipment on its own system which are necessary to effect the interconnections provided for under this Agreement as specified in Exhibit A attached hereto and made a part hereof, except as provided herein.

ARTICLE IV
OPERATIONS AND MAINTENANCE

4.1 Parties' Obligations. Each Party shall operate and maintain its respective transmission systems and Interconnection Facilities in accordance with Good Utility Practice, the requirements of NERC and SPP, the applicable procedures and requirements of the SPP Tariff, and Applicable Law.

4.2 Switching and Protective Tagging Rules. The Parties shall abide by their respective switching and protective tagging rules, and shall coordinate with each other, for obtaining clearances for work or for switching operations at the Interconnection Facilities.

4.3 Preventive and Corrective Maintenance Outages. In accordance with Good Utility Practice and in order to facilitate maintenance or reliability of the AEPOTC transmission system and the ITC transmission system, the Parties shall confer regularly to coordinate the planning and scheduling of preventive and corrective maintenance of, and Modifications to, the Interconnection Facilities that might reasonably be expected to affect the operation of the other Party's transmission system. Absent an Emergency or a contrary directive from SPP, the Parties shall coordinate their respective schedules for any such activities and will, to the extent practicable and appropriate under the circumstances, give reasonable consideration to, among other things, the impact of the schedule on the other Parties' operations; provided, however, that no Party shall be obligated to schedule such activities to coincide with another Party's scheduled outages, except to the extent required by SPP.

4.4 Inspections and Testing.

4.4.1 Inspections. The Parties shall perform routine inspection and testing of their equipment on their respective Interconnection Facilities in accordance with Good Utility Practice and the applicable requirements of NERC and SPP as may be necessary to ensure the continued interconnection of the AEPOTC transmission system and ITC transmission system in a safe and reliable manner.

4.4.2 Right to Observe Testing. The Parties shall have the right to observe the testing of the testing Party's Interconnection Facilities, the performance of

which may reasonably be expected to affect the reliability of the observing Party's transmission system. The testing Party shall notify the other Party in advance of such testing unless, in the testing Party's reasonable judgment, the testing must be performed immediately, in which case the testing Party shall provide notice as soon as practicable. The observing Party may have a representative attend and be present during any such testing.

- 4.4.3 Observation of Deficiencies. If any Party observes any condition it believes may be inconsistent with Good Utility Practice with respect to a Party's Interconnection Facilities that might reasonably be expected to adversely affect the observing Party's transmission system, the observing Party shall notify the other Party. Notwithstanding the foregoing, no Party shall be relieved from liability for adversely affecting another Party's transmission system due to the observing Party's failure to give such notice.
- 4.5 Disconnection. In the event of an Emergency, a Party may disconnect the Interconnection Facilities for so long as is necessary under Good Utility Practice and the applicable requirements of Applicable Law, NERC and SPP, including the period of time necessary to establish the reconnection of the Interconnection Facilities.
- 4.6 Planned Outage. The Parties agree to cooperate in scheduling planned outages as needed for operation, maintenance and construction. In the event of a planned outage of either Party's transmission system that may adversely affect the other Party with respect to its transmission system, the Party that is subject to the outage will use efforts consistent with Good Utility Practice, Applicable Law, and NERC and SPP requirements to restore the transmission system to service in accordance with its schedule for the work that necessitated the planned outage.

ARTICLE V SERVICE CONDITIONS

- 5.1 Normally Operated Closed. The systems of the Parties shall be normally operated with the interconnections closed between the systems. Nothing contained herein shall restrict or limit either Party in effecting other interconnections or interconnection agreements with other systems.
- 5.2 Notice to Open Switch. Each Party will advise the other Party promptly of any necessity for opening a switch or switches to relieve a situation of overload, undue burden, or service impairment.
- 5.3 Notice of Adverse Conditions. Each Party will advise the other Party of any conditions on its system, which appear to be approaching overload or undue burden on its line, facilities or equipment, or appear to be prejudicial to service to its customers when

such conditions may reasonably be expected to impact the other Party's transmission system. Each Party agrees to assist in studies of methods to correct such conditions.

5.4 Restoration. Each Party shall exercise commercially reasonable efforts, consistent with Good Utility Practice and applicable SPP requirements, to restore normal interconnected operations once the overload, undue burden, situation or conditions discussed above is or are resolved or overcome.

ARTICLE VI MODIFICATIONS

6.1 Generally. Each Party may make such Modifications to its Interconnection Facilities as it deems necessary in its sole judgment based on Good Utility Practice. Modifications shall be subject to the approval process set forth in Attachment O of the SPP Tariff as may be applicable.

6.2 Notice. In the event a Party plans to undertake Modifications to its Interconnection Facilities that reasonably may be expected to impact the other Party's transmission system, the initiating Party shall provide the other Party and SPP with at least ninety (90) days' advance notice of the desired Modifications. The nature of and the schedule of work for performing such Modifications shall be subject to review and acceptance by the other Party and SPP, which review and acceptance shall not be untimely nor unreasonably withheld or delayed, to ensure that such Modifications will (i) not adversely affect a Party's transmission system, or other facilities, and (ii) are consistent with Good Utility Practice. Subject to all applicable requirements imposed by Applicable Law, SPP and NERC, the suitability and the responsibility for the safe and adequate design, construction, operation and maintenance of the initiating Party's Modifications shall be and remain the sole obligation of the initiating Party. If the other Party does not respond within one hundred twenty (120) days after receipt of the notice, then the other Party will be deemed to have approved the proposed Modifications.

6.3 Cost Responsibility. When the actions of a Party necessitate Modifications to the other Party's Interconnection Facilities that are not required by SPP, FERC, NERC or other Governmental Authority, such Modifications to the other Party's Interconnection Facilities shall be made at the sole cost and expense of the Party initiating the changes, unless otherwise agreed to in writing by the Parties. The initiating Party's responsibility for such Modification costs is limited to those costs that are incremental to costs already planned to be incurred by the other Party for such Modifications.

ARTICLE VII CONSTRUCTION STANDARDS

Each Party shall construct its Interconnection Facilities used in connection with the interchange of electric energy hereunder in accordance Good Utility Practice, Applicable

Law, the requirements of NERC and SPP, and with standards at least equal to those provided by the National Electrical Safety Code of the Institute of Electrical and Electronics Engineers.

ARTICLE VIII RELIABILITY STANDARDS

The Parties agree to adhere to the reliability standards, including coordination requirements and mitigation procedures, promulgated by NERC and SPP, provided that any such reliability standard has been approved by the FERC. The Parties shall use commercially reasonable efforts to comply with reliability standards, or modifications thereto, that are adopted by SPP or NERC, but not yet approved by FERC. Each Party is responsible for their own NERC compliance responsibilities and agrees to jointly develop mitigation procedures if necessary.

ARTICLE IX EMERGENCIES

9.1 Generally. The Parties agree to adopt, implement and maintain emergency procedures which comply with NERC standards and SPP emergency procedures.

9.2 Notice. In compliance with, and pursuant to, Section 26.3 herein, each Party shall provide the other Party with verbal notification that is prompt under the circumstances of an Emergency that may reasonably be expected to affect the other Party's operation of its transmission system, to the extent the notifying Party is aware of the Emergency. Such notification shall describe, as known, the Emergency, the extent of any damage or deficiency, 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.

9.3 Immediate Action. In the event of an Emergency, the Party becoming aware of the Emergency may, in accordance with Good Utility Practice and using its reasonable judgment, take such action with respect to its own facilities as is reasonable and necessary to prevent, avoid, or mitigate injury, danger and/or loss of life or property. The Parties shall, consistent with Good Utility Practice, take whatever actions or inactions the Parties deem necessary during an Emergency, including, without limitation, to request and comply with directives of SPP, in order to: (i) preserve public health and safety; (ii) preserve the reliability of the Parties' transmission systems; (iii) limit or prevent damage; and (iv) expedite restoration of service.

9.4 Restoration of Operations. Each Party shall exercise commercially reasonable efforts to restore normal interconnected operations under this Agreement upon resolution of the Emergency.

ARTICLE X
METERING

10.1 Ownership. The ownership of the metering facilities for each of the interconnections listed in Section 2.1 shall be as shown on the sheet in Exhibit A attached hereto that pertains to that interconnection.

10.2 Telemetry of Meter Data. Metering facilities for the interconnections listed in Article II shall provide for the measurement of energy and for the transducing of the measured energy, using industry acceptable telemetry practices, into electrical quantities which can be readily transmitted by practical and acceptable communication channels to the Dispatching Office of ITC and to the Public Service Company of Oklahoma (“PSO”) Transmission Dispatch Center.

10.3 Meter Maintenance. The metering facilities required for the purposes of this Agreement shall be provided and maintained in accordance with Good Utility Practice by the owner, at the owner’s cost and expense.

10.4 Check Meters. Each Party shall have the right to install, at its own cost and expense, suitable metering equipment at any Point of Interconnection provided for herein for the purpose of backing up and/or checking the meters installed by the other Party.

10.5 Point of Measurement. The amounts of energy supplied and received hereunder shall be determined from measurements taken at or adjusted to the Points of Interconnection.

10.6 Testing of Meters. The aforesaid metering equipment shall be tested by the owner at least annually and its accuracy of registration maintained in accordance with Good Utility Practices, at the owner’s cost and expense. On request of either Party concerned, a special test shall be made. If any special meter test discloses the questioned meter to be registered correctly or within one half percent (0.5%) thereof, then the Party who requested such special meter test shall bear the expense thereof. Otherwise, the expense of such test shall be borne by the owner of such meter. Representatives of the other Party shall be afforded opportunity to be present at all routine or special tests and upon occasions when any readings for purposes of settlements hereunder are taken. If at any test of metering equipment an inaccuracy shall be disclosed, exceeding one half percent (0.5%), the account between the Parties for service theretofore supplied shall be adjusted to correct for the inaccuracy disclosed, such adjustment to apply to a period of thirty (30) days prior to the date of the test or to the period during which such inaccuracy may be determined to have existed, whichever period to be shorter. Should any metering equipment at any time fail to register, or should the registration thereof be so erratic as to be meaningless, the power and energy delivered shall be determined from the best available data.

10.7 Provision of Meter Data. Each Party shall furnish the other Party, upon request and within reasonable time frames, with appropriate data from meter registrations and

other sources in such detail and with such segregations as may be needed for operating records, or for settlements hereunder or for other reasonable purposes, including but not limited to fulfillment of balancing authority responsibilities.

10.8 Additional Requirements. Specific provisions concerning metering and metering facilities for a specific interconnection shall be set forth on the sheets in Exhibits A or B attached hereto pertaining to that specific interconnection. In the event of a conflict between this Article X and the metering-related provisions set forth in an exhibit, the provisions in the exhibit shall control.

ARTICLE XI COMMUNICATION FACILITIES

11.1 Communication Facilities. Communication facilities for voice, telemetry or supervisory control necessary for the effective operation of this Agreement, shall be installed, maintained, and operated by the Parties and responsibility for the capital costs and operating and maintenance costs of such facilities shall be as specified in Exhibits A or B.

11.2 Additional Requirements. Specific provisions concerning communications and communication facilities for a specific interconnection shall be set forth on the sheet in Exhibits A or B attached hereto pertaining to that specific interconnection. In the event of a conflict between this Article XI and the communications-related provisions set forth in an exhibit, the provisions of the exhibit shall control.

ARTICLE XII FURNISHING OF INFORMATION

Subject to applicable confidentiality agreements, each Party agrees that it will furnish to the other Party such data concerning its system as may be reasonably necessary to construct, operate and maintain the Interconnection Facilities and the Modifications and to support the other Party's system reliability. The receipt and/or review of such information will not constitute approval of or agreement with such information.

ARTICLE XIII

Reserved.

ARTICLE XIV BILLINGS AND PAYMENTS

14.1 Billing. All bills for amounts owed by one Party to the other hereunder, not otherwise billed by SPP, shall be due on the 15th day after the close of the billing period

to which such bills are applicable or on the 10th day following receipt of bill, whichever shall be the later. The standard period for the purpose of settlements hereunder shall be a calendar month.

14.2 Records. On reasonable advance written notice, a Party that receives an invoice will have the right to examine the pertinent records of the invoicing Party as reasonably necessary to verify the costs invoiced. Any such examination will be conducted during regular business hours at the offices of the invoicing Party. The Party that received the bill will not have the right to examine the records pertaining to a particular bill more than once or to examine the records pertaining to a bill unless written notice of the examination is given within 24 months of the date of such bill.

ARTICLE XV FORCE MAJEURE

15.1 Force Majeure Events. Neither Party will be liable for any act or event beyond the reasonable control of the Party claiming force majeure, and occurring or arising without the fault of negligence of such Party, which materially prevents, delays, or impairs the performance of such Party's obligations under this Agreement, including storm, flood, lightning, earthquake, fire, explosion, failure or imminent failure of equipment or facilities, civil unrest, strike, boycott, or other labor disturbance, sabotage, terrorism, war, national emergency, or the operation of any Applicable Law that is not an adjudication against such party for violation of Applicable Law. The Party claiming force majeure is obligated to use commercially reasonable efforts to remedy the cause thereof as diligently and expeditiously as possible.

15.2 Limitations. The provisions of this Article 15 will not excuse a Party from the prompt and full performance of any payment obligation under this Agreement. Additionally, neither Party will be required by this Agreement to settle any strike, walkout, lockout, or other labor dispute on terms which, in the sole judgment of the Party involved in the dispute, are contrary to its interest, it being understood that the settlement of strikes, walkouts, lockouts, or other labor disputes will be at the sole discretion of the Party having the difficulty.

15.3 Notice. A Party claiming force majeure will notify the other Party in writing or by telephone as soon as reasonably possible after the force majeure event but in event within 7 days of the determination that a force majeure event has occurred. Telephone notices will be confirmed in writing as soon as reasonably possible, and all written notices will describe the force majeure event, including the time and date that it occurred, the plan for mitigating or terminating its effects, and when it is reasonably expected to cease.

ARTICLE XVI
BREACH, CURE AND DEFAULT

16.1 Events of Breach. The occurrence of any one of the following shall constitute an “Event of Breach” by a Party (the “Breaching Party”):

- (a) The failure to comply with any material term or condition of this Agreement;
- (b) If a Party: (i) by decree of a court of competent jurisdiction, is adjudicated bankrupt or insolvent; (ii) files a voluntary petition in bankruptcy under any provision of any federal or state bankruptcy law or shall consent to the filing of any bankruptcy or reorganization petition against it under any similar law; (iii) makes a general assignment for the benefit of its creditors; or (iv) consents to the appointment of a receiver, trustee or liquidator;
- (c) Assignment of this Agreement in a manner inconsistent with the terms of this Agreement;
- (d) Failure of any Party to provide such access rights, or a Party’s attempt to revoke or terminate such access rights, as provided under this Agreement;
- (e) Failure of any Party to provide information or data to another 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;
- (f) Failure of any Party to act in accordance with the terms and requirements resulting from dispute resolution; or
- (g) Failure of any Party to remain legally authorized to own and operate electric transmission facilities in the State of Oklahoma.

16.2 Continued Operation. In the event of an Event of Breach by any Party, the Parties shall continue to operate and maintain, as applicable, such DC power systems, protection and metering equipment, telemetering equipment, supervisory control and data acquisition (“SCADA”) equipment, transformers, communications equipment, building facilities, software, documentation, structural components, and other facilities and appurtenances that are reasonably necessary for the Parties to operate and maintain their respective transmission systems in a safe and reliable manner.

16.3 Cure and Default.

- (a) A Breaching Party automatically will be deemed to be in “Default” of this Agreement upon the occurrence of any one of the Events of Breach described in Section 16.1(b) (ii)-(iv) of the Agreement.
- (b) Upon the occurrence of any Event of Breach other than those described in Section 16.1(b) (ii)-(iv), any Party not in breach (hereinafter a “Non-Breaching Party”), when it becomes aware of any such Event of Breach, shall give written notice of the Event of Breach to 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) days to cure such breach. If the breach is such that it cannot be cured within such thirty-day (30-day) time period, the Breaching Party will commence in good faith all steps as are reasonable and appropriate to cure the breach within such thirty-day (30-day) time period and thereafter diligently pursue such action to completion. In the event the Breaching Party fails to cure the breach, or to commence reasonable and appropriate steps to cure the breach, within such thirty-day (30-day) time period, the Breaching Party will be in “Default” of the Agreement.
- (c) Upon the occurrence of a Default, any Non-Breaching Party may, subject to the limitations contained in Article 17, terminate this Agreement as to the Breaching Party by providing written notice of termination to the Breaching Party and to the other Parties, except that where a Default has been disputed by the Breaching Party, termination of this Agreement on account of such Default may not occur absent a final, binding and non-appealable decision by FERC, an arbitrator, or a court of competent authority having jurisdiction, making a determination of said Default.

ARTICLE XVII

TERM AND TERMINATION OF INTERCONNECTION SERVICE

17.1 Term. This Agreement shall become effective March 1, 2012, or upon such other date specified by FERC (the “Effective Date”) and shall continue in effect thereafter until terminated pursuant to Section 17.2.

17.2 Termination.

- 17.2.1 By Mutual Consent. This Agreement may be terminated at any time by mutual agreement of the Parties and following the expiration of a one (1) year written notice to SPP.

17.2.2 By Any Party. Following the expiration of one (1) year written notice to SPP, either Party may terminate this Agreement as follows:

- (a) upon the removal of said Party's transmission system from service following the expiration of a one (1) year written notice to the other Party; or
- (b) as to a Non-Breaching Party, upon a Default by Breaching Party as provided in Section 16.3; or
- (c) on or after December 31, 2028, by either Party following the expiration of a two-year written notice of termination to the other Party.

17.3 FERC Approval. No termination hereunder shall become effective until the terminating Party (or the Parties jointly) tender(s) to FERC any required notification of termination of this Agreement (if any) and obtains such acceptance thereof by the FERC as may be required (if at all).

17.4 Disconnection. Upon termination of this Agreement in accordance with this Article, a Party shall, in coordination with the other Party, physically disconnect its transmission system from the terminated Party's transmission system.

17.5 Survival of Rights. Termination of this Agreement shall not relieve any Party of any of its liabilities and obligations arising hereunder prior to the date termination becomes effective, and each Party may take whatever judicial or administrative actions as appear necessary or desirable to enforce its rights hereunder. Applicable provisions of this Agreement will continue in effect after expiration, cancellation or termination of this Agreement to the extent necessary to provide for final billings, billing adjustments, and the determination and enforcement of liability and indemnification obligations arising from events or acts that occurred while this Agreement was in effect.

ARTICLE XVIII WAIVERS

18.1 Waiver. Except as otherwise provided in this Agreement, a Party's compliance with any obligation, covenant, agreement, or condition herein may be waived by the Party entitled to the benefits thereof only by a written instrument signed by the Party granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, covenant, agreement, or condition will not operate as a waiver of, or estoppel with respect to, any subsequent or other failure of any obligation, covenant, agreement, or condition herein.

18.2 Failure to Enforce. Failure of any Party to enforce or insist upon compliance with any of the terms or conditions of this Agreement, or to give notice or declare this

Agreement or the rights hereunder terminated, shall not constitute a waiver or relinquishment of any rights set out herein, but the same shall be and remain at all times in full force and effect as to future acts and omissions, unless and only to the extent expressly set forth in a writing signed by the Party granting such waiver or relinquishing any such right(s). Any waiver granted, or relinquishment of any right, by a Party shall not operate as a relinquishment of any other rights or a waiver or of any other failure of the Party granted the waiver to comply with any obligation, covenant, agreement, or condition herein.

ARTICLE XIX
REGULATORY APPROVAL

This Agreement and all obligations hereunder are expressly conditioned upon the granting of such approval and authorization by any Governmental Authority whose approval or authorization may be required by Applicable Law. Each Party shall exercise commercially reasonable efforts to assist the other Party in obtaining any such necessary approval and authorization.

ARTICLE XX
TIME OF INSTALLATION

AEPOTC and ITC shall use commercially reasonable efforts and shall reasonably cooperate to furnish and install, complete, test and make ready for operation the facilities identified in Exhibits A and B by the timeframes specified in Exhibits A or B for such facilities. Final connection and energization of the circuitry for each interconnection will be as specified in Exhibits A or B for such interconnection.

ARTICLE XXI
RIGHTS OF INSTALLATION, ACCESS AND REMOVAL

21.1 Provision of Required Easements. Each Party shall, pursuant to a separate easement agreement for each interconnection, grant to the other Party the right to install, maintain, and operate on the premises of the other during the term of this Agreement, together with any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by the Party, its agents, or any Affiliate that are necessary to enable the other Party to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment, apparatus and devices which may be reasonably necessary for use in the performance of this Agreement, and, as to AEPTOTC, fulfillment of its balancing authority responsibilities.

21.2 Access to Premises. In the exercise of the rights granted under this Agreement, the Party accessing the premises of the other Party shall not unreasonably disrupt or interfere with the normal operation of the other Party's business and shall adhere to the

safety rules and procedures regarding access and operations on the premises established in advance, as the same may be changed from time to time, by the other Party and provided to the accessing Party.

21.3 Ownership of Equipment. Any equipment, apparatus, and devices necessary to fulfill either AEPOTC's obligations, or ITC's obligations hereunder placed or erected by either Party on or in the premises of the other Party shall be and remain property of the Party owning and installing such equipment, apparatus, and devices regardless of the mode and manner of its annexation or attachment to real property of the other; and upon the termination of service provided for hereunder and for a period of six (6) months thereafter, AEPOTC and ITC shall have the right, upon reasonable notice, to enter upon the premises of the other during normal working hours to remove such equipment, apparatus, or devices owned by it or in its lawful possession or control. If such facilities are not removed within such six (6) month period, the owner shall forfeit all right to recover same and to be compensated for same.

ARTICLE XXII LIABILITY AND INDEMNIFICATION

22.1 Limitations of Liability. Neither Party nor SPP nor Users (as defined in the SPP Tariff) may seek to enforce any claims under this Agreement against the directors, members, shareholders, officers, employees or agents of either Party or its Affiliates by reason of their status as directors, members, shareholders, officers, employees or agents of a Party or its Affiliates. Neither Party shall be liable for acts or omissions done in compliance or good faith attempts to comply with directives of the Transmission Provider. In no event shall either Party be liable for any incidental, consequential, punitive, special, exemplary or indirect damages, loss of revenues or profits, arising out of, or connected in any way with its performance or non-performance under this Agreement.

22.2 Indemnification. Each Party (the "Indemnifying Party") shall at all times indemnify, defend and save the other Party, its Affiliates, and its or their officers, directors, employees, agents, consultants and contractors (the "Indemnified Parties") 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's fees, and all other obligations by or to third parties, arising out of or resulting from the Indemnifying Party's (and its Affiliates', and its or their officers, directors, employees, agents, consultants and contractors) performance of obligations under this Agreement. If such personal injury or property damage is caused by the joint or concurrent negligence of the Parties, their Affiliates, or their officers, directors, employees, agents, consultants and contractors, each Party will bear the loss in proportion to the degree of its negligence or that of its Affiliates, or its or their officers, directors, employees, agents, consultants and subcontractors.

22.3 SPP Limitation of Liability. Nothing in this Agreement shall be construed to create or give rise to any liability on the part of SPP, and the Parties expressly waive any claims that may arise against SPP under this Agreement.

22.4 Effect of SPP Signature. By executing this Agreement, SPP does not agree to the provisions that do not affect or involve SPP transmission service or SPP's role as a FERC-approved RTO. The Parties acknowledge and understand that the signature of the authorized officer of SPP on this Agreement is for the limited purpose of: (1) acknowledging that an officer of SPP has read the terms of this Agreement; and (2) acknowledging and agreeing any sections which may affect or involve SPP transmission service or SPP's role as a FERC-approved RTO. The Parties and SPP further state that they understand that FERC desires that the Parties keep SPP fully apprised of the matters addressed herein as well as any reliability and planning issues that may arise under this Agreement, and that the signature of the SPP officer shall not in any way be deemed to imply that SPP is taking responsibility for the actions of any Party, that SPP has any affirmative duties under this Agreement, or that SPP is liable in any way under this Agreement except as specifically provided in the SPP Tariff.

22.5 Survival. The limitation of liability provided for, and the indemnification obligations of each Party under this Article shall continue in full force and effect regardless of whether this Agreement has either expired or been terminated or canceled with respect to matters that arise during the effectiveness of the Agreement.

22.6 Subsequent Directives. If, subsequent to the execution of this Agreement, (a) SPP modifies its tariff to specify standards of liability to be included in interconnection agreements between transmission owners ("T to T Agreements"), or (b) FERC issues an order applicable to SPP specifically or of general applicability specifying specific standards of liability in T to T Agreements, then the Parties shall negotiate in good faith to amend Article XXII of this Agreement to address such standards.

ARTICLE XXIII ASSIGNMENT

23.1 Successors and Assigns. This Agreement, and the rights and obligations created thereby, shall bind and inure to the benefit of the successors and permitted assigns of the Parties and SPP.

23.2 Consent Required. Subject to paragraph 23.3 below, neither Party may assign any rights or obligations hereunder without obtaining the consent of the other Party, which consent shall not unreasonably be withheld.

23.3 Permitted Assignments. Neither Party may assign this Agreement without the prior written consent of the other Party and SPP, which consent shall not be unreasonably withheld, conditioned or delayed. Notwithstanding anything to the contrary herein, either Party, without the consent of the other Party or SPP but with reasonable prior written

notice, may assign this Agreement to any of its Affiliates provided that in each case the assignee agrees, in writing, to assume the assigning Party's obligations and duties under, and be bound by, the terms of this Agreement, and the assignee has an equal or greater credit rating than the assigning Party and has the legal authority and operational ability to satisfy the Party's obligations under this Agreement. In addition, either Party, without the consent of the other Party or SPP but with reasonable prior written notice, may transfer, sell, pledge, encumber or assign this Agreement and the accounts, revenues or proceeds hereof in connection with any financing of or for such Party or other financial arrangements involving such Party (including to any trustee or other agent on behalf of one or more entities providing financing to or for, or involving, such Party).

ARTICLE XXIV RESOURCES

24.1 Generally. Nothing in this Agreement shall prevent a Party from utilizing the services of its Affiliates, consultants, contractors, and suppliers ("Resources") as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall be responsible for assuring that its Resources perform their services in a manner that complies with all applicable terms and conditions of this Agreement.

24.2 Responsibility of Principal. The use of any Resource shall not relieve the hiring Party of any of its obligations under this Agreement. Subject to the limitation of liability set forth in Section 22.1, each Party shall be fully responsible to the other Party and SPP for the acts or omissions of any Resource it uses as if no Resource had been used.

24.3 No Limitation by Insurance. The obligations under this Article will not be limited in any way by any limitation on a Resource's insurance.

ARTICLE XXV DISPUTE RESOLUTION

In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this Agreement or its performance, such Party (the "disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the non-disputing Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) calendar days of the non-disputing Parties' receipt of the Notice of Dispute, such claim or dispute shall be submitted for resolution in accordance with the dispute resolution procedures of the SPP Tariff which is hereby adopted mutatis mutandis.

ARTICLE XXVI
NOTICES AND COMMUNICATIONS

26.1 Notices. Unless otherwise specified herein, all notices, requests, claims, demands and other communications required or permitted to be given under this Agreement must be in writing, and must be given (and will be deemed to have been duly given if so given) 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 respective Parties and SPP as follows:

To: AEP Oklahoma Transmission Company, Inc.

Director, Transmission and Interconnection
Services

American Electric Power Service Corporation

212 E. 6th Street

Tulsa, OK 74119

Telephone: 918-599-2723

Facsimile: 908-599-3071

Email: rlpennybaker@aep.com

With a copy to:

Managing Director, Transmission Operations

American Electric Power Service Corporation

8400 Smith's Mill Road

New Albany, OH 43054

(614) 552-1600

Email: rwbradish@aep.com

To: ITC Great Plains, LLC

Carl Huslig

President

ITC Great Plains, LLC

3500 SW Fairlawn, Suite 101

Topeka, KS 6614

Telephone: (785)-783-2226

Fax: (785)-783-2230

Email: chuslig@itctransco.com

To SPP:

Carl Monroe, Executive Vice President &

Chief Operating Officer

Southwest Power Pool, Inc

415 N. McKinley, # 140 Plaza West

Little Rock, AR 72205-3020

Phone: (501) 614-3218
Fax: (501) 688-9553
Email: cmonroe@spp.org

Any such notice or communication will be deemed to have been given as of the date received.

26.2 Changes. Either Party or SPP may change its address or designated representative for notices by notice to the others in the manner provided above.

26.3 Emergency notices. Notwithstanding Section 26.1, any notice hereunder concerning an Emergency or other occurrence requiring prompt attention, or as necessary during day-to-day operations, may be made by telephone or in person provided that such notice is confirmed in writing promptly thereafter. Notice in an Emergency, or as necessary during day-to-day operations, shall be provided: (i) if by ITC, to the operator on duty at the PSO Transmission Dispatch Center, (ii) if by AEPOTC, to the shift supervisor at ITC's transmission control center, and (iii) if by SPP, pursuant to the SPP's established procedures. The Parties and SPP shall distribute to each other the contact information for their respective control centers and shall ensure that such information is kept up to date.

ARTICLE XXVII MISCELLANEOUS PROVISIONS

27.1 Governing Law.

- (a) When not in conflict with or preempted by federal law, this Agreement will be governed by and construed in accordance with the laws of the State of Oklahoma without giving effect to the conflict of law principles thereof.
- (b) Except for those matters covered in this Agreement and which are either jurisdictional to FERC or submitted to dispute resolution pursuant to Article XXV, any action arising out of or concerning this Agreement must be brought in State of Oklahoma District Court in Oklahoma County or the United States District Court for the Northern District of Oklahoma. Both Parties hereby consent to the jurisdiction by these Courts for the purpose of hearing and determining any action not pre-empted by FERC.

27.2 Relationship of the Parties. Nothing in this Agreement is intended to create a partnership, joint venture, or other joint legal entity making any Party jointly or severally liable for the acts of the other Party. Unless otherwise agreed to in a writing signed by all Parties, no Party shall have any authority to create or assume in another Party's name or on its behalf any obligation, express or implied or to act or purport to act as any other Party's agent or legally-empowered representative for any purpose whatsoever. Each Party shall be solely liable for the payment of all wages, taxes, and other costs related to the employment of persons by that Party to perform under this Agreement, including all

federal, state, and local income, social security, payroll and employment taxes and statutorily-mandated workers' compensation coverage. None of the persons employed by any Party shall be considered employees of the other Party for any purpose; nor shall any Party represent to any person that such persons are or shall become employees of the other Party. Except as expressly provided for herein, no Party shall be liable to any third Party in any way for any engagement, obligation, commitment, contract, representation, or for any negligent act or omission to act of the other Party.

27.3 No Third Party Rights. Nothing in this Agreement, express or implied, is intended to confer on any person, other than the Parties and SPP, any benefits, interests, rights, or remedies under or by reason of the Agreement.

27.4 Amendments. Except as otherwise provided, (a) this Agreement may only be modified in writing and signed by both Parties and SPP, and (b) no amendment or modification to this Agreement or waiver of a Party's rights hereunder shall be binding unless the same shall be in writing and signed by the Parties and SPP. Notwithstanding any provision in this Agreement to the contrary, any Party may unilaterally make application to the FERC under Sections 205 or 206, as applicable, of the Federal Power Act and pursuant to FERC's rules and regulations promulgated thereunder for a change in any rate, term, condition, charge, classification of service, rule or regulation under or related to this Agreement over which the FERC has jurisdiction.

27.5 Severability. If any term, condition, covenant, restriction or other provision of this Agreement is held by a court or regulatory agency of competent jurisdiction or by legislative enactment to be invalid, void or otherwise unenforceable, the remainder of the terms, conditions, covenants restrictions and other provisions of this Agreement shall remain in full force and effect unless such an interpretation would materially alter the rights and privileges of either Party. If any term, condition, covenant, restriction or other provision of this Agreement is held invalid, void or otherwise unenforceable, the Parties shall attempt to negotiate an appropriate and equitable replacement, revision or adjustment to the provision of this Agreement to restore the benefits and obligations conferred under the original Agreement.

27.6 Headings and Captions. Article headings, section headings, and/or other captions are included in this Agreement for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement. Whenever used herein the singular number shall include the plural, the plural shall include the singular, and the use of any gender shall include all genders.

27.7 Further Assurances. Each Party shall do such other and further acts and things, and shall execute and deliver such instruments and documents, as any other Party reasonably requests from time to time in furtherance of the purposes of this Agreement, provided that any such acts, things, instruments and documents are commercially reasonable.

27.8 Entire Agreement. This Agreement, including all exhibits, schedules, appendices and other attachments hereto and hereby made a part hereof, sets forth the entire understanding and agreement of the Parties as to the subject matter of this Agreement and merges and supersedes all prior written and oral understandings, offers, agreements, commitments, representations, writings, discussions or other communications of every kind between the Parties, pertaining to the subject matter hereof.

27.9 Rights Cumulative. The rights and remedies set forth in this Agreement are cumulative and non-exclusive.

27.10 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized officers, as of the day and year first hereinbefore written.

AEP OKLAHOMA TRANSMISSION COMPANY, INC.

By: /s/ Scott N. Smith
Name: Scott N. Smith
Title: Senior Vice President

ITC GREAT PLAINS, LLC

By: ITC Grid Development, LLC,
its Sole Member

By: ITC Holdings Corp.,
its Sole Member

By: /s/ Brian Slocum
Name: Brian A. Slocum
Title: Vice President, Engineering

SOUTHWEST POWER POOL, INC.

By: /s/ Carl Monroe
Name: Carl Monroe
Title: Executive Vice President and Chief Operating Officer

EXHIBIT A – Points of Interconnection

Point of Interconnection No. A-1 – Valliant 345 kV

Description: The interconnection shall be between the 345 kV facilities of AEPOTC and ITC at the PSO Valliant 345 kV substation in McCurtain County, Oklahoma.

Point of Interconnection: Where ITC's 345 kV transmission line from Western Farmers Electric Cooperative's ("WFEC") Hugo Power Plant attaches to AEPOTC's new A-frame dead-end structure in the PSO 345 kV Valliant Substation as shown in Figure A-1.

AEPOTC Facilities: AEPOTC will add a terminal to the existing PSO Valliant 345 kV substation and convert it into a 5- breaker 345 kV ring (see Figure A-1). AEPOTC will install and own the following major items:

- Two 345 kV circuit breakers and associated switches
- A-frame dead-end structure
- Relay panel
- 345 KV meter PT's, CT's and meter panel
- Station Data Recorder
- Control building

ITC Facilities: ITC will construct a ~19 mile 345 kV transmission line from the WFEC Hugo Power Plant to the point where ITC's conductor attaches to AEPOTC's A-frame dead-end structure at the PSO 345 kV Valliant Substation.

In-Service Date: The Parties shall use commercially reasonable efforts to place the interconnection in service by April 1, 2012. AEPOTC will control the final connection and energization of the circuitry for these Interconnection Facilities and ITC will reasonably cooperate with such activities.

Metering: AEPOTC will install, own and maintain 345 kV metering facilities at the Point of Interconnection.

Telecommunication: AEPOTC will provide necessary communication from the Point of Interconnection to its Control Center. AEPOTC will make data available to ITC at the Point of Interconnection. Each Party is responsible for the capital costs and operating and maintenance costs of its telecommunication facilities.

FIGURE A-1

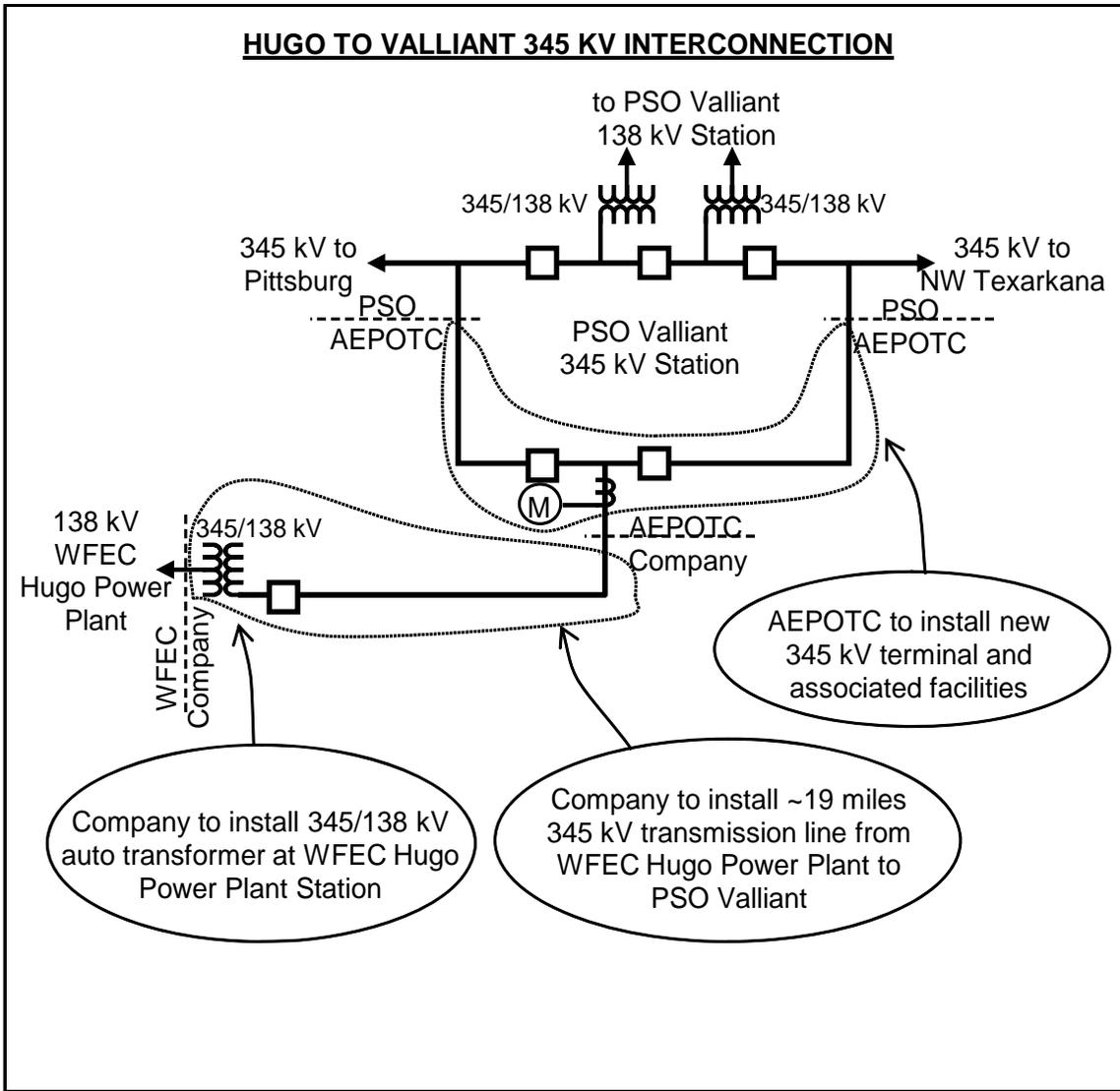


EXHIBIT B - Interconnections through Third Parties

None