- A G E N D A -

1. Call to Order & Introductions, Receipt of Proxies
2. Review of Agenda and Additional Agenda Items
3. Approval of Minutes
5. Formula Rate Task Force Report
6. Tariff Modifications – Control Area Reimbursement - Reserve Sharing Events
7. Business Practice 4.4, Tag Denial Criteria
8. Legal Opinion requested by MOPC - Recovery of transmission upgrades/rebuilds not under Base Plan funding through the zonal rates of the Transmission Owner.
9. CAWG Report
10. SPC and RSC Reports
11. Current and Pending Filings – Update
12. Review of Proposed Future Meeting Schedule
   ▪ RTWG Meetings
     ▪ March 28, 2006 – Firm
     ▪ May 4, 2006 – Tentative
13. Adjournment
Summary of Key Changes to SPP Large Generator Interconnection Agreement

SPP RTWG
March 2, 2006
Three-Party Agreement

Convert from a two-party agreement:
  Transmission Provider (TP)
  Interconnection Customer (IC)

to three-party agreement:
  Transmission Provider
  Interconnection Customer
  Transmission Owner (TO)

• Specifically identify and separate TP & TO responsibilities and rights.
Interconnection Service

- Offer only Energy Resource Interconnection Service (ERIS).
- Delete all terms associated with Network Resource Interconnection Service (NRIS).
- Additional requirements associated with NRIS are addressed through the transmission service request process.
Types of Facilities

- Interconnection Customer Interconnection Facilities (ICIF)
- Transmission Owner Interconnection Facilities (TOIF)
- Attachment Facilities (AF)
- Requested Upgrades (RU) - Replaces the term Network Upgrades (NU). Using RU avoids conflict with the definition of NU already in the OATT which is associated with transmission service.
Types of Facilities - continued

- Stand Alone Network Upgrades (SANU) – Delete this term. Instead, the portions of the TOIF, AF and RU to be built by the IC will be identified in Appendix A.
Facility Cost Allocation & Ownership

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<th>Ownership</th>
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<tr>
<td>ICIF</td>
<td>IC</td>
<td>None</td>
<td>IC</td>
</tr>
<tr>
<td>TOIF</td>
<td>IC</td>
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</tr>
<tr>
<td>AF</td>
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<td>None</td>
<td>TO</td>
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<tr>
<td>RU</td>
<td>IC</td>
<td>According to OATT</td>
<td>TO</td>
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</table>
Interconnection and Upgrade Facilities

**Example**

- **B1, B2, B3** = Interconnection Customer Interconnection Facilities
- **B4** = Transmission Owner Interconnection Facilities
- **B5** = Attachment Facilities (B1, B2 and B3)
- **New line** = Requested Upgrades (New line, B4 and B5)

*Legend*

- **Black** = Existing Transmission Facilities
- **Blue** = Interconnection Customer Interconnection Facilities
- **Orange** = Transmission Owner Interconnection Facilities
- **Pink** = Attachment Facilities (B1, B2 and B3)
- **Green** = Requested Upgrades (New line, B4 and B5)
Construction Options – Article 5

- **Standard Option** – TO builds according to IC’s schedule
- **Option to Build** – TO can’t commit to meet IC’s schedule, so IC builds some or all facilities
- **Negotiated Option** – Negotiate schedule and liquidated damages for TO to build some or all facilities.

- Delete “Alternate Option” – This duplicates Negotiated Option. Also, it’s unlikely a TO would voluntarily take on liquidated damages and commit to meet IC’s schedule.
Refer to the SPP OATT

- Definitions- Any Capitalized terms not in Article 1 will be based on the definition in the OATT.
- Generator Balancing Service (Section 4.3)
- Payment for Reactive Power (Section 9.6.3)
- Compensation for IC outage schedule changes (Section 9.7.1.2)
- Reimbursement for Requested Upgrades (Section 11.4.1)
- Any billing except for construction (Article 12)
- Dispute Resolution (Article 27)
Other Large Changes

- Move Generating Facility Information, Sections 24.3 and 24.4, to Sections 5.10.4 and 5.10.5 respectively
- Article 17 Default – Clarify to make this a three step process
  1. Breach
  2. Time to cure Breach
  3. Default
Significant Additions

• Add Appendix G – Interconnection Requirements for Wind Generation in compliance with FERC Order 661A.
Changes to the SPP OATT

• The Task Force recommends changes to several definitions in the OATT to bring consistency between the OATT and the LGIP/LGIA. *(NOTE: Capitalized terms that are not defined in the LGIP/LGIA are based on the OATT definitions)*

• Changes are recommended in Attachment J to clarify how Requested Upgrades will be addressed.

• The Task Force recommends that the RTWG review for consistency the various definitions of “Transmission Owner” in the OATT, the Membership Agreement and the Bylaws.
I. COMMON SERVICE PROVISIONS

1 Definitions

1.1 Aggregate Transmission Study: Transmission system impact and facilities studies that aggregate Transmission Service requests received over a 120-day period. These requests are evaluated simultaneously to provide for optimization of transmission expansion.

1.1a 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.

1.1b 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 System in accordance with Good Utility Practice.

1.2 Annual Transmission Cost: 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.

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

1.3a Attachment Facilities: Facilities that are necessary to physically and electrically interconnect a generating facility with the Transmission System.

1.3b Base Plan Avoided Revenue Requirement: The revenue requirement associated with previously approved Base Plan Upgrades that have been deferred or displaced due to a subsequently identified transmission upgrade.

1.3c Base Plan Charge: Charge assessed by SPP in accordance with Schedule 11 to recover the revenue requirement of facilities classified as Base Plan Upgrades.

1.3d Base Plan Region-wide Annual Transmission Revenue Requirement: The sum of the annual transmission revenue requirement for each Base Plan Upgrade and of the Base Plan Avoided Revenue Requirement(s), if any, that are allocated to the SPP Region in accordance with Attachment J to this Tariff.

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Issued on: February 28, 2005                Effective: May 5, 2005
1.3e **Base Plan Region-wide Charge:** Regional component of the charge assessed by SPP in accordance with Schedule 11 to recover the revenue requirement of facilities classified as Base Plan Upgrades.
1.3f **Base Plan Region-wide Load Ratio Share:** Ratio of a Network Customer's or Transmission Owner's Resident Load in the SPP Region to the total load in the SPP Region computed in accordance with Section II.B. to Schedule 11 of this Tariff and calculated on a calendar year basis, for the prior calendar year.

1.3g **Base Plan Region-wide Rate:** Regional component of the rate (per kW of Reserved Capacity for Point-to-Point Transmission Service) assessed by SPP in accordance with Schedule 11 to recover the revenue requirement of facilities classified as Base Plan Upgrades.

1.3h **Base Plan Upgrades:** Those upgrades included in and constructed pursuant to the SPP Transmission Expansion Plan in order to ensure the reliability of the Transmission System. Base Plan Upgrades shall also include those upgrades required for new or changed Designated Resources to the extent allowed for in Attachment J to this Tariff.

1.3i **Base Plan Zonal Annual Transmission Revenue Requirement:** For each Zone, the sum of the annual transmission revenue requirement for each Base Plan Upgrade and of the Base Plan Avoided Revenue Requirement(s), if any, that are allocated to the Zone in accordance with Attachments J and S to this Tariff.

1.3j **Base Plan Zonal Charge:** Zonal component of the charge assessed by SPP in accordance with Schedule 11 to recover the revenue requirement of facilities classified as Base Plan Upgrades.

1.3k **Base Plan Zonal Load Ratio Share:** Ratio of a Network Customer's or Transmission Owner’s Resident Load in a Zone to the total load in that Zone computed in accordance with Section II.A. to Schedule 11 of this Tariff and calculated on a calendar year basis, for the prior calendar year.

1.3l **Base Plan Zonal Rate:** Zonal component of the rate (per kW of Reserved Capacity for Point-to-Point Transmission Service) assessed by SPP in accordance with Schedule 11 to recover the revenue requirement of facilities classified as Base Plan Upgrades.

1.4 **Commission:** The Federal Energy Regulatory Commission (“FERC”).

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1.5 **Completed Application:** An Application that satisfies all of the information and other requirements of the Tariff, including any required deposit.

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. 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);

2. maintain scheduled interchange with other Control Areas, within the limits of Good Utility Practice;
(3) maintain the frequency of the electric power system(s) within reasonable limits in accordance with Good Utility Practice; and

(4) provide sufficient generating capacity to maintain operating reserves in accordance with Good Utility Practice.

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.

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

1.9 Designated Agent: Any entity that performs actions or functions required under the Tariff on behalf of the Transmission Provider, a Transmission Owner, an Eligible Customer, or the Transmission Customer.

1.9a Designated Resource: Any designated generation resource owned, purchased or leased by a Transmission Customer to serve load in the SPP Region. Designated 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 Transmission Customer's load on a non-interruptible basis.

1.10 Direct Assignment Facilities: Facilities or portions of facilities that are constructed by any Transmission Owner(s) for the sole use/benefit of a particular Transmission Customer or a particular Interconnection Customer requesting service under the Tariff. Direct Assignment Facilities shall be specified in the Service Agreements that govern service to the Transmission Customer(s) and Interconnection Customer(s) and shall be subject to Commission approval.

1.10a Economic Upgrades: Elective upgrades, identified in the SPP Transmission Expansion Plan, which have potential economic benefit to the SPP Region, but are not required for reliability reasons.

1.10b Effective Date: For Short-Term Firm and Non-Firm Point-To-Point Transmission Service the Effective Date of this Tariff is June 1, 1998. For Long-Term Firm Point-To-Point Transmission Service the Effective Date of this Tariff

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is April 1, 1999. For Network Integration Transmission Service the Effective Date of this Tariff is February 1, 2000.

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1.11 **Eligible Customer:** (i) Any electric utility (including the Transmission Owner(s) and any power marketer), Federal power marketing agency, or any person generating electric energy for sale for resale. 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 a Transmission Owner offer the unbundled transmission service, or pursuant to a voluntary offer of such service by a Transmission Owner. (ii) Any retail customer or eligible person taking unbundled transmission service pursuant to a state requirement that a Transmission Owner offer the transmission service, or pursuant to a voluntary offer of such service by a Transmission Owner, is an Eligible Customer under the Tariff.

1.11a **Existing Facilities:** (i) Transmission System facilities placed in service on or before December 31, 2005; or (ii) planned Transmission System facilities identified in the SPP Transmission Expansion Plan required to be in service to meet SPP and NERC reliability standards for the summer of 2005; or (iii) Transmission System facilities identified by Transmission Owners, and not included in the SPP Transmission Expansion Plan, required to be in service to meet SPP and NERC reliability standards for the summer of 2005.

1.11b **Existing Zonal Annual Transmission Revenue Requirement:** The revenue requirement for Existing Facilities in each Zone for purposes of determining the charges under Schedules 7, 8 and 9 of this Tariff.

1.12 **Facilities Study:** An engineering study conducted by the Transmission Provider in collaboration with the affected Transmission Owner(s) to determine the required modifications to the Transmission System, including the cost and scheduled completion date for such modifications, that will be required to provide the requested transmission service or Generation Interconnection Service.
The Transmission Provider shall have the ultimate responsibility for any such studies. However, the Transmission Provider’s final decision must be consistent with Good Utility Practice. Facilities studies for any facilities not under the operational control of the Transmission Provider shall be performed by the Transmission Owner or any entity it designates to perform the studies.

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1.12a **Feasibility Study:** A coordinated preliminary determination by the Transmission Provider and the affected Transmission Owner(s) of the Attachment Facilities, other Direct Assignment Facilities, and system upgrades that are needed to accept power into the grid at the interconnection receipt point, that will be necessary to accommodate a Generation Interconnection Request made under Attachment V.

1.12b **Federal Power:** All power and energy generated at reservoir projects under the control of the Department of Army in the marketing area of the Southwestern Power Administration (Southwestern) plus power and energy delivered to Southwestern from other sources for the purpose of fulfilling Southwestern’s contractual obligations for the sale of power and energy pursuant to Southwestern’s Federal power allocations.

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.

1.13a **Interconnection Customer:** An entity that submits a Generation Interconnection Request under Attachment V.

1.13b **Generation Interconnection Request:** A request made under Attachment V to connect a generating unit to the Transmission System or to increase the capacity of a generating unit that is connected to the Transmission System.

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.

1.14a **Grandfathered Agreements or Transactions:** Grandfathered Agreements or Transactions include (1) agreements providing long term firm transmission service executed prior to April 1, 1999 and Network Integration Transmission Service executed prior to February 1, 2000; (2) bundled wholesale contracts (that reserve transmission as part of the contract); (3) short-term firm and non-firm point-to-point transmission transactions which were accepted and confirmed prior to the Effective Date; (4) existing or new contracts entered into by the Southwestern Power Administration on behalf of the United States for the use of transmission facilities of the Southwestern Power Administration that are constructed or acquired by purchase or other agreement, as authorized under Section 5 of the Flood Control Act of 1944, for the transmission of Federal Power; and (5) contracts executed before the Effective Date, regardless of term, entered into by the Southwestern Power Administration on behalf of the United States for the transmission of power or energy across transmission facilities owned and operated by the Southwestern Power Administration. These agreements are set forth on the list which is Attachment W to this Tariff. Umbrella service agreements are specifically not Grandfathered.

1.15 **Interruption:** A reduction in non-firm transmission service due to economic reasons pursuant to Section 14.7.
1.16 **Load Ratio Share:** Ratio of a Transmission Customer's Network Load in a Zone to the total load in that Zone computed in accordance with Sections 34.2 and 34.3 of the Network Integration Transmission Service under Part III of this Tariff and calculated on a calendar year basis, for the prior calendar year.

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.

1.18 **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.

1.18a **Member:** A member of SPP.

1.19 **Native Load Customers:** The wholesale and retail power customers of the Transmission Owner(s) on whose behalf the Transmission Owner(s), by statute, franchise, regulatory requirement, or contract, has (have) undertaken an obligation to construct or operate the Transmission Owner's(s') system(s) to meet the reliable electric needs of such customers. In addition, Native Load Customers also may include the customers of the Federal Government on whose behalf the Government, by policy, statute, regulatory requirement, or contract, delivers Federal capacity and energy to meet all or a portion of the reliable electric needs of such customers.

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.

1.21 **Network Integration Transmission Service:** The transmission service provided under Part III of the Tariff.
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.

1.23 **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.

1.24 **Reserved:**

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.

1.26 **Network Upgrades:** All or a portion of the 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.
1.26a **Next-Hour-Market Service:** Non-firm transmission service that (a) is reserved for one clock hour and (b) is requested within sixty (60) minutes before the start of the next clock hour for service commencing at the start of that clock hour.
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 14.7 under Part II of this Tariff. Non-Firm Point-To-Point Transmission Service is available on a stand-alone basis for periods ranging from one hour to one month.

1.28 **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.

1.29 **Part I:** Tariff Definitions and Common Service Provisions contained in Sections 2 through 12.

1.30 **Part II:** Tariff Sections 13 through 27 pertaining to Point-To-Point Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.

1.31 **Part III:** Tariff Sections 28 through 36 pertaining to Network Integration Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.

1.31a **Part IV:** Tariff Sections 37 through 39 pertaining to special Tariff provisions related to the applicability of the Tariff during and after the Transition Period.

1.31b **Part V:** Tariff Sections 40 through 41 pertaining to recovery of costs for Base Plan Upgrades and appropriate Schedules and Attachments.

1.32 **Party or Parties:** The Transmission Provider, Transmission Owner, the Transmission Customer receiving service under the Tariff or the Interconnection Customer receiving service under the Tariff, or any combination of the above.

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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.

1.34 **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.

1.35 **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.

1.36 **Power Purchaser:** The entity that is purchasing the capacity and energy to be transmitted under the Tariff.

1.36a **Project Sponsor:** One or more entities that voluntarily agree to bear the costs of an Economic Upgrade.

1.37 **Receiving Party:** The entity receiving the capacity and energy transmitted by the Transmission Provider to Point(s) of Delivery.

1.37a **Regional State Committee:** A voluntary organization comprised of one designated commissioner from each participating state regulatory commission having jurisdiction over an SPP Member, established to collectively provide both direction and input on all matters pertinent to the participation of the Members in SPP pursuant to the SPP By-Laws.

1.38 **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.
1.38a Requested Upgrades: Transmission upgrades, requested by a Transmission Customer or other entity, which do not meet the definition of any other category of Network Upgrades.
1.39 **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.

1.39a **Resident Load:** The load for which Base Plan Charges are applicable pursuant to Part V of the Tariff.

1.40 **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.

1.41 **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 15.3 or Section 29.1 under the Tariff.

1.42 **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.

1.42a **SPP:** The Southwest Power Pool, Inc.

1.42b **SPP Membership Agreement:** The Southwest Power Pool Membership Agreement detailing the rights and obligations of the SPP and SPP Members.

1.42c **SPP Region:** The geographic area of the Transmission System.

1.42d **SPP Transmission Expansion Plan:** The SPP RTO shall regularly perform transmission planning studies. These studies shall assess the reliability and economic operation of the SPP Transmission System. Transmission expansion required over the planning period shall be submitted to the SPP Board of Directors.

1.43 **System Impact Study:** A coordinated assessment by the Transmission Provider and the affected Transmission Owner(s) 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 or (ii) to determine the

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Attachment Facilities, other Direct Assignment Facilities, and system upgrades
that are needed to accept power into the grid at
the interconnection receipt point, required to accommodate a request for

generation interconnection in accordance with Attachment V and (iii) whether any

additional costs may be incurred in order to provide transmission service or
generation interconnection.

**1.43a Tariff** shall mean the Transmission Provider'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.

**1.44 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.

**1.44a Transition Period:** The period from the Effective Date of this Tariff for the

provision of Network Integration Transmission Service to the last day of the fifth

year thereafter.

**1.45 Transmission Customer:** Any Eligible Customer (or its Designated Agent) that

(i) executes a Service Agreement, or (ii) requests in writing that the Transmission

Provider file with the Commission, a proposed unexecuted Service Agreement to

receive transmission service under Part II 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.

**1.45a Transmission Owner:** Each member of SPP whose transmission facilities (in

whole or in part) make up the Transmission System and has executed a

membership agreement as a Transmission Owner. Those Transmission Owners

that are not regulated by the Commission shall not become subject to Commission

regulation by virtue of their status as Transmission Owners under this Tariff;

provided, however, that service over their facilities classified as transmission and

covered by the Tariff shall be subject to Commission regulation.

**1.46 Transmission Provider:** The Southwest Power Pool, Inc., as agent for and on

behalf of the Transmission Owners.

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Transmission and Regulatory Policy

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1.47 **Transmission Provider's Monthly Transmission System Peak:** The maximum firm usage of the Transmission Provider's Transmission System in a calendar month.
1.48 Transmission Service: Point-To-Point Transmission Service provided under Part II of the Tariff on a firm and non-firm basis.

1.49 Transmission System: The facilities owned, controlled or operated by the Transmission Provider or the Transmission Owner that are used to provide transmission service under the Tariff.

1.49a Users: Transmission Customers or other entities that are parties to transactions under the Tariff.

1.49b Wholesale Distribution Service: The provision of distribution service over a Transmission Owner's Distribution Facilities necessary to effectuate a transaction under this Tariff. To the extent such service is required, it shall be specified in the Service Agreement for the associated service being provided under the Tariff. The charges for Wholesale Distribution Service are described in Schedule 10.

1.50 Zone: The geographic area of the facilities of a Transmission Owner or a specific combination of Transmission Owners as specified in Schedules 7, 8, and 9.

2 Initial Allocation and Renewal Procedures

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 the Transmission

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Issued on: February 28, 2005 Effective: May 5, 2005
STANDARD LARGE GENERATOR

INTERCONNECTION AGREEMENT (LGIA)
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Appendix A - Interconnection Facilities, Network Upgrades, and Distribution Upgrades

Appendix B – Milestones

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Appendix F – Addresses for Delivery of Notices and Billings

Appendix G – Requirements of Generators Relying on Newer Technologies
THIS STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT including all appendices referenced and attached ("Agreement") is made and entered into this ____ day of ___________ 20__, by and between _________________, a ____________________________ organized and existing under the laws of the State/Commonwealth of ________________ ("Interconnection Customer" with a Large Generating Facility), Southwest Power Pool, Inc., a corporation organized and existing under the laws of the State of Arkansas (“Transmission Provider) and _________________, a ___________________________ organized and existing under the laws of the State/Commonwealth of ________________ ("Transmission Owner"). Interconnection Customer, Transmission Provider and Transmission Owner each may be referred to as a "Party" or collectively as the "Parties."

Recitals

WHEREAS, Transmission Provider functionally controls the operation of the Transmission System; and,

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

WHEREAS, Transmission Owner owns facilities to which the Large Generating Facility is to be interconnected and may be constructing facilities to allow the interconnection; and,

WHEREAS, Interconnection Customer, Transmission Provider and Transmission Owner have agreed to enter into this Agreement for the purpose of interconnecting the Large Generating Facility with the Transmission System;

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

Article 1. Definitions

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

**Article 1. Definitions**

**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.

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

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

**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.

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

**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 Large Generating Facility is directly interconnected.

**Base Case** shall mean the base case power flow, short circuit, and stability data bases used for the Interconnection Study by the Transmission Provider.

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

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

**Clustering** shall mean the process whereby a group of Interconnection Requests is studied together, instead of serially, for the purpose of conducting the Interconnection Study.
**Commercial Operation** shall mean the status of a **Large** Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

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

**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.

**Default** shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 17 of the Standard Large Generator Interconnection Agreement.

**Dispute Resolution** shall mean the procedure in Section 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.

**Distribution System** shall mean the Transmission **Owner's** facilities and equipment that are not included in the Transmission System. The voltage levels at which Distribution Systems operate differ among areas.

**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 **Large** Generating Facility. Distribution Upgrades do not include Interconnection Facilities.

**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 Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Transmission System or the electric systems of others to which the Transmission System is directly connected; or (3) that, in the case of Transmission Owner, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to Transmission Owner’s Interconnection Facilities; or (4) 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 the Standard Large Generator Interconnection Agreement to possess black start capability.

**Energy Resource Interconnection Service ("ERIS")** shall mean a service that allows the Interconnection Customer to connect its Large Generating Facility to the Transmission System to be eligible to deliver the Large 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.

**Engineering & Procurement (E&P) Agreement** shall mean an agreement that authorizes the Transmission Owner 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.

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


**Force Majeure** shall mean 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 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 acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

**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.

**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.

**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, Transmission Provider, Transmission Owner or any Affiliate thereof.

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.

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

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

Interconnection Customer shall be as defined in the Tariff.

Interconnection Customer's Interconnection Facilities shall mean all facilities and equipment that are located between the Large 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 Large Generating Facility to the Transmission System. Interconnection Customer's Interconnection Facilities are sole use facilities. The Interconnection Customer’s Interconnection Facilities are identified in Appendix A of this Agreement.

Interconnection Facilities shall mean the Transmission Owner’s Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Large Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Large Generating Facility to the Transmission System. Interconnection Facilities are sole use facilities and shall not include Attachment Facilities, Distribution Upgrades, or Requested Upgrades.

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

**Interconnection Facilities Study Agreement** shall mean the completed agreement in the form of the agreement contained in Appendix 4 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection Facilities Study.

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

**Interconnection Feasibility Study Agreement** shall mean the completed agreement in the form of the agreement contained in Appendix 2 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection Feasibility Study.

**Interconnection Request** shall mean the completed Interconnection Customer's request, in the form of Appendix 1 to the Standard Large Generator Interconnection Procedures.

**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.

**Interconnection System Impact Study** shall mean an engineering study that evaluates the impact of the proposed interconnection on the safety and reliability of Transmission System and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Large 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.

**Interconnection System Impact Study Agreement** shall mean the form of agreement contained in Appendix 3 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection System Impact Study.
IRS shall mean the Internal Revenue Service.

**Joint Operating Committee** shall be a group made up of representatives from Interconnection Customer, Transmission Provider and the Transmission Provider to coordinate operating and technical considerations of Energy Resource Interconnection Service.

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

**LGIA Effective Date** shall mean the date on which the Standard Large Generator Interconnection Agreement becomes effective upon execution by the Parties subject to acceptance by FERC, or if filed unexecuted, upon the date specified by FERC.

**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 another 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.

**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.

**Metering Equipment** shall mean all metering equipment installed or to be installed at the Large 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.

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

**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.

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

**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.

**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 **Large 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.

**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.

**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.

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

**Transmission Owner’s Interconnection Facilities** shall mean all facilities and equipment owned, controlled or operated by the Transmission Owner from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the Standard Large Generator Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. Transmission Owner’s Interconnection Facilities and shall not include Attachment Facilities, Distribution Upgrades or Requested Upgrades.

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*Deleted: Transmission Provider's Queue Position* shall mean the order of a valid Interconnection Request, 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 Transmission Provider.

*Deleted: under the Standard Large Generator Interconnection Agreement* Scoping Meeting shall mean the meeting between representatives of the Interconnection Customer and Transmission Provider 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.

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

*Deleted: Transmission Provider's Transmission Upgrades* shall mean Network Upgrades that an Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction. Both the Transmission Provider and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the Standard Large Generator Interconnection Agreement.
Trial Operation shall mean the period during which Interconnection Customer is engaged in on-site test operations and commissioning of the Large Generating Facility prior to Commercial Operation.

Article 2. **LGIA Effective Date, Term, and Termination**

2.1 **LGIA Effective Date.** This Agreement shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by FERC. Transmission Provider shall promptly file this Agreement with FERC upon execution in accordance with Article 3.1, if required.

2.2 **Term of Agreement.** Subject to the provisions of Article 2.3, this LGIA shall remain in effect for a period of ten (10) years from the LGIA Effective Date or such other longer period as Interconnection Customer may request (Term to be specified in individual agreements) and shall be automatically renewed for each successive one-year period thereafter.

2.3 **Termination Procedures.**

2.3.1 **Written Notice.** The Interconnection Customer may terminate this Agreement after giving the Transmission Provider and Transmission Owner ninety (90) Calendar Days advance written notice.

2.3.2 **Default.** Any Party may terminate this Agreement in accordance with Article 17.

Notwithstanding the foregoing, no termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination, including the filing with FERC of a notice of termination of this Agreement, which notice has been accepted for filing by FERC.

2.4 **Termination Costs.** If a Party elects to terminate this Agreement pursuant to Article 2.3 above, Interconnection Customer and Transmission Owner shall pay all costs incurred (including any cancellation costs relating to orders or contracts for Interconnection Facilities, Attachment Facilities and Requested Upgrades) or charges assessed by any other Party, as of the date of such Party’s receipt of such notice of termination, that are the responsibility of the terminating party under this Agreement. In the event of termination by any Party, all Parties shall use Reasonable Efforts to mitigate the costs, damages and charges arising as a
consequence of termination. Upon termination of this Agreement, unless otherwise ordered or approved by FERC:

2.4.1 With respect to any portion of the Transmission Owner’s Interconnection Facilities, Attachment Facilities and Requested Upgrades that have not yet been constructed or installed, the Transmission Owner 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 the Transmission Owner shall deliver such material and equipment, and, if necessary, assign such contracts, to Interconnection Customer as soon as practicable, at Interconnection Customer's expense. To the extent that Interconnection Customer has already paid Transmission Owner for any or all such costs of materials or equipment not taken by Interconnection Customer, Transmission Owner shall promptly refund such amounts to Interconnection Customer, less any costs, including penalties incurred by the Transmission Owner to cancel any pending orders of or return such materials, equipment, or contracts.

If the Interconnection Customer terminates this Agreement, it shall be responsible for all costs incurred in association with the Interconnection Customer's interconnection, including any cancellation costs relating to orders or contracts for Interconnection Facilities, Attachment Facilities and Requested Upgrades for which the Transmission Owner has incurred expenses and has not been reimbursed by the Interconnection Customer.

2.4.2 Transmission Owner 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 Transmission Owner 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, Attachment Facilities and Requested Upgrades, 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 Agreement, the Parties will take all appropriate steps to disconnect the Large Generating Facility from the
Transmission System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from a non-terminating Party's Default of this Agreement or such non-terminating Party otherwise is responsible for these costs under this Agreement.

2.6 Survival. This Agreement 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 Agreement; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and to permit each Party to have access to the lands of another Party pursuant to this Agreement or other applicable agreements, to disconnect, remove or salvage its own facilities and equipment.

Article 3. Regulatory Filings

3.1 Filing. The Transmission Provider shall file this Agreement (and any amendment hereto) with the appropriate Governmental Authority, if required. Any information related to studies for interconnection asserted by Interconnection Customer to contain competitively sensitive commercial or financial information shall be maintained by the Transmission Provider and identified as “confidential” under seal stating that Interconnection Customer asserts such information is Confidential Information and has requested such information be kept under seal. If requested by the Transmission Provider, Interconnection Customer shall provide the Transmission Provider, in writing, with the Interconnection Customer's basis for asserting that the information referred to in this Article 3.1 is competitively sensitive information, and the Transmission Provider may disclose such writing to the appropriate Governmental Authority. Interconnection Customer shall be responsible for the costs associated with affording confidential treatment of such information. The Interconnection Customer and the Transmission Owner(s) shall reasonably cooperate with the Transmission Provider with respect to such filing and to provide any information reasonably requested by Transmission Provider needed to comply with applicable regulatory requirements.

Article 4. Scope of Service

4.1 Interconnection Product. Interconnection Customer has selected Energy Resource Interconnection Service:

4.1.1 Energy Resource Interconnection Service.
4.1.1 The Product. ERIS allows Interconnection Customer to connect the Large Generating Facility to the Transmission System and be eligible to deliver the Large Generating Facility's output using the existing firm or non-firm capacity of the Transmission System on an "as available" basis. ERIS does not in and of itself convey any transmission service.

4.1.1.2 Transmission Delivery Service Implications. Under Energy Resource Interconnection Service, the Interconnection Customer will be able to inject power from the Large Generating Facility into and deliver power across the Transmission System on an "as available" basis. The Interconnection Customer's ability to inject its Large Generating Facility output beyond the Point of Interconnection, therefore, will depend on the existing capacity of the Transmission System at such time as a transmission service request is made that would accommodate such delivery. The provision of firm Transmission Service may require the construction of additional facilities.

4.2 Provision of Service. Transmission Provider shall provide Energy Resource Interconnection Service for the Large Generating Facility at the Point of Interconnection.

4.3 Generator Balancing Service Arrangements. Interconnection Customer shall comply with the generator imbalance service provisions of the Tariff.

4.4 Performance Standards. Each Party shall perform all of its obligations under this Agreement 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 Agreement for its compliance therewith. If such Party is a Transmission Provider or Transmission Owner, then that Party shall amend the Agreement and submit the amendment to FERC for approval.

4.5 No Transmission Delivery Service. The execution of this Agreement does not constitute a request for, nor the provision of, any transmission delivery service under the Tariff or modify or limit in any way the requirements of the Tariff.
applicable to any transmission delivery service required or requested by the Interconnection Customer.

4.6 Interconnection Customer Provided Services. The services provided by Interconnection Customer under this Agreement are set forth in Article 9.6 and Article 13.4.1. Interconnection Customer shall be paid for such services in accordance with Article 11.6.

Article 5. Engineering, Procurement, and Construction

5.1 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 one of the construction options described below for completion of Transmission Owner’s Interconnection Facilities, Attachment Facilities, and Requested Upgrades as set forth in Appendix A, and such dates and selected option shall be set forth in Appendix B, Milestones. The construction option selected by the Interconnection Customer shall be specified in Appendix A.

5.1.1 Standard Option. The Transmission Owner shall design, procure, and construct the Transmission Owner’s Interconnection Facilities, Attachment Facilities, and Requested Upgrades, using Reasonable Efforts to complete the Transmission Owner’s Interconnection Facilities, Attachment Facilities, and Requested Upgrades by the dates mutually agreed to in Article 5.1 and set forth in Appendix B, Milestones. The Transmission Owner shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, and Applicable Laws and Regulations. In the event Transmission Owner reasonably expects that it will not be able to complete Transmission Owner’s Interconnection Facilities, Attachment Facilities, and Requested Upgrades by the specified dates, Transmission Owner shall promptly provide written notice to Interconnection Customer and shall undertake Reasonable Efforts to meet the earliest dates thereafter.

5.1.2 Option to Build. If the dates designated by Interconnection Customer are not acceptable to the Transmission Owner, the Transmission Owner shall so notify the 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 the Transmission Owner’s Interconnection Facilities.
Attachment Facilities and Requested Upgrades. Interconnection Customer shall construct the Transmission Owner’s Interconnection Facilities, the Attachment Facilities and the Requested Upgrades in accordance with the Transmission Owner’s material and equipment specifications, it’s design criteria and construction practices. Both the Transmission Owner and the Interconnection Customer must agree as to what portions of the Interconnection Facilities, Attachment Facilities and Requested Upgrades are to be built by the Interconnection Customer as identified in Appendix A.

5.1.3 Negotiated Option. If the Interconnection Customer elects not to exercise its option under Article 5.1.2, Option to Build, Interconnection Customer shall so notify Transmission Provider and Transmission Owner within thirty (30) Calendar Days, and the Parties shall in good faith attempt to negotiate terms and conditions (including revision of the specified dates and liquidated damages, the provision of incentives or the procurement and construction of a portion of Transmission Owner’s Interconnection Facilities, Attachment Facilities and Requested Upgrades by Interconnection Customer) pursuant to which the Transmission Owner is responsible for the design, procurement and construction of the Transmission Owner’s Interconnection Facilities, Attachment Facilities and Requested Upgrades. If the Parties are unable to reach agreement on such terms and conditions, Transmission Owner shall assume responsibility for the design, procurement and construction of the Transmission Owner’s Interconnection Facilities, Attachment Facilities, and Requested Upgrades pursuant to 5.1.1, Standard Option.

5.2 General Conditions Applicable to Option to Build. If Interconnection Customer assumes responsibility for the design, procurement and construction of the Transmission Owner’s Interconnection Facilities, Attachment Facilities and Requested Upgrades,

5.2.1 The Interconnection Customer shall engineer, procure equipment, and construct the Transmission Owner’s Interconnection Facilities, Attachment Facilities and Requested Upgrades (or portions thereof) using Good Utility Practice and in accordance with the Transmission Owner’s material and equipment specifications, it’s design criteria and construction practices.

5.2.2 Interconnection Customer's engineering, procurement and construction of the Transmission Owner’s Interconnection Facilities, Attachment Facilities and Requested Upgrades shall comply with all applicable law and regulations to which Transmission Owner would be subject in the
engineering, procurement or construction of the Transmission Owner's Interconnection Facilities, Attachment Facilities and Requested Upgrades.

5.2.3 The Transmission Owner shall review and approve the engineering design, equipment acceptance tests, and the construction of the Transmission Owner's Interconnection Facilities, Attachment Facilities and Requested Upgrades.

5.2.4 Prior to commencement of construction, Interconnection Customer shall provide to Transmission Provider and Transmission Owner a schedule for construction of the Transmission Owner's Interconnection Facilities, Attachment Facilities and Requested Upgrades, and shall promptly respond to requests for information from Transmission Provider and Transmission Owner.

5.2.5 At any time during construction, Transmission Owner shall have the right to gain unrestricted access to the Transmission Owner's Interconnection Facilities, Attachment Facilities and Requested Upgrades and to conduct inspections of the same;

5.2.6 At any time during construction, should any phase of the engineering, equipment procurement, or construction of the Transmission Provider's Interconnection Facilities, Attachment Facilities and Requested Upgrades not meet Transmission Owner's material and equipment specifications, it's design criteria or construction practices, Interconnection Customer shall be obligated to remedy deficiencies in that portion of Transmission Owner's Interconnection Facilities, Attachment Facilities and Requested Upgrades.

5.2.7 Interconnection Customer shall indemnify Transmission Provider and Transmission Owner for claims arising from Interconnection Customer's construction of the Transmission Owner's Interconnection Facilities, Attachment Facilities and Requested Upgrades under the terms and procedures applicable to Article 18.1 Indemnity.

5.2.8 The Interconnection Customer shall transfer control of the Transmission Owner's Interconnection Facilities, Attachment Facilities and Requested Upgrades to Transmission Owner not later than the In-Service Date.

5.2.9 Unless Parties otherwise agree, Interconnection Customer shall transfer ownership of Transmission Owner's Interconnection Facilities, Attachment Facilities and Requested Upgrades to Transmission Owner not later than the Commercial Operation Date.

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5.2.10 Transmission **Owner** shall approve and accept for operation and maintenance Transmission **Owner’s Interconnection Facilities, Attachment Facilities** and Requested Upgrades to the extent engineered, procured, and constructed in accordance with this Article 5.2.

5.2.11 Within 120 Calendar Days after Commercial Operation date, Interconnection Customer shall deliver to Transmission **Owner** "as-built" drawings, information, and any other documents that are reasonably required by Transmission **Owner** to assure that the Interconnection Facilities, Attachment Facilities and Requested Upgrades are built to the standards and specifications required by Transmission **Owner**.

5.2.12 Within six months after Interconnection Customer completes construction of its portions of the Requested Upgrades as specified in Appendix A, Interconnection Customer shall notify Transmission Provider and Transmission Owner of its applicable cost for its portion of the Requested Upgrades.

5.3 **Liquidated Damages.** The actual damages to Interconnection Customer, in the event Transmission **Owner’s Interconnection Facilities, Attachment Facilities** or Requested Upgrades are not completed by the dates designated by Interconnection Customer and accepted by Transmission **Owner** pursuant to subparagraph 5.1.3 above, may include Interconnection Customer’s fixed operation and maintenance costs and lost opportunity costs. Such actual damages are uncertain and impossible to determine at this time. Because of such uncertainty, any liquidated damages paid by Transmission **Owner** to Interconnection Customer in the event that Transmission **Owner** does not complete any portion of Transmission **Owner’s Interconnection Facilities, Attachment Facilities** or Requested Upgrades by the applicable dates, shall be an amount equal to ½ of 1 percent per day of the actual cost of Transmission **Owner’s Interconnection Facilities, Attachment Facilities** and Requested Upgrades, in the aggregate, for which Transmission **Owner** has assumed responsibility to design, procure and construct.

However, in no event shall the total liquidated damages exceed 20 percent of the actual cost of Transmission **Owner’s Interconnection Facilities, Attachment Facilities** and Requested Upgrades for which Transmission **Owner** has assumed responsibility to design, procure, and construct. The foregoing payments will be made by Transmission **Owner** to Interconnection Customer as just compensation for the damages caused to Interconnection Customer, which actual damages are uncertain and impossible to determine at this time, and as reasonable liquidated
damages, but not as a penalty or a method to secure performance of this Agreement. Liquidated damages, when the Parties agree to them, are the exclusive remedy for the Transmission Owner’s failure to meet its schedule.

No liquidated damages shall be paid to Interconnection Customer if: (1) Interconnection Customer is not ready to commence use of Transmission Owner’s Interconnection Facilities, Attachment Facilities or Requested Upgrades to take the delivery of power for the Large Generating Facility’s Trial Operation or to export power from the Large Generating Facility on the specified dates, unless Interconnection Customer would have been able to commence use of Transmission Owner’s Interconnection Facilities, Attachment Facilities or Requested Upgrades to take the delivery of power for the Large Generating Facility’s Trial Operation or to export power from the Large Generating Facility, but for Transmission Owner’s delay; (2) Transmission Owner’s failure to meet the specified dates is the result of the action or inaction of Interconnection Customer or any other Interconnection Customer who has entered into an LGIA with Transmission Owner or any cause beyond Transmission Owner’s reasonable control or reasonable ability to cure; (3) the interconnection Customer has assumed responsibility for the design, procurement and construction of Transmission Owner’s Interconnection Facilities, Attachment Facilities and Requested Upgrades; or (4) the Parties have otherwise agreed.

5.4 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. Transmission Provider 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, the Interconnection Customer shall immediately notify Transmission Owner’s system operator, or its designated representative. The requirements of this paragraph shall not apply to wind generators.

5.5 Design and Equipment Procurement. For design and equipment procurement of the portion of Transmission Owner’s Interconnection Facilities, Attachment Facilities or Requested Upgrades that is to be borne by Transmission Owner, the design and equipment procurement of Transmission Owner’s Interconnection Facilities, Attachment Facilities and Requested Upgrades shall commence as soon as practicable after all of the following conditions are satisfied, unless the Parties otherwise agree in writing:
5.5.1 Transmission Provider has completed the Interconnection Facilities Study pursuant to the Interconnection Facilities Study Agreement;

5.5.2 Transmission Owner has received written authorization to proceed with design and procurement from Interconnection Customer by the date specified in Appendix B, Milestones; and

5.5.3 Interconnection Customer has provided security to Transmission Owner in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

5.6 Construction Commencement. For construction of the portion of Transmission Owner’s Interconnection Facilities, Attachment Facilities and Requested Upgrades that is to be borne by Transmission Owner, the construction shall commence as soon as practicable after the following additional conditions are satisfied:

5.6.1 Approval of the appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval, as identified in the Appendices;

5.6.2 Necessary real property rights and rights-of-way have been obtained, to the extent required for the construction of Transmission Owner’s Interconnection Facilities, Attachment Facilities and Requested Upgrades;

5.6.3 Transmission Owner has received written authorization to proceed with construction from Interconnection Customer by the date specified in Appendix B, Milestones; and

5.6.4 Interconnection Customer has provided security to Transmission Owner in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

5.7 Work Progress. The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Parties may, at any time, request a progress report from other Parties. If, at any time, Interconnection Customer determines that the completion of Transmission Owner’s Interconnection Facilities, Attachment Facilities and/or Requested will not be required until after the specified In-Service Date, Interconnection Customer will provide written notice to Transmission Provider and Transmission Owner of such later date upon which the completion of Transmission Owner’s Interconnection Facilities Attachment Facilities and/or Requested will be required.
5.8 **Information Exchange.** As soon as reasonably practicable after the LGIA Effective Date, the Parties shall exchange information regarding the design and compatibility of the Parties' Interconnection Facilities, Attachment Facilities and Requested and compatibility of the Interconnection Facilities, Attachment Facilities and Requested with the Transmission System, and shall work diligently and in good faith to make any necessary design changes.

5.9 **Limited Operation.** If any of Transmission Owner’s Interconnection Facilities, Attachment Facilities or Requested Upgrades are not reasonably expected to be completed prior to the Commercial Operation Date of the Large Generating Facility, Transmission Owner shall, upon the request and at the expense of Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the Large Generating Facility and Interconnection Customer's Interconnection Facilities may operate prior to the completion of Transmission Owner's Interconnection Facilities, Attachment Facilities or Requested Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this Agreement. Transmission Owner shall permit Interconnection Customer to operate the Large Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with the results of such studies.

5.10 **Interconnection Customer's Interconnection Facilities ('ICIF').**
Interconnection Customer shall, at its expense, design, procure, construct, own and install the ICIF, as set forth in Appendix A.

5.10.1 **Interconnection Customer's Interconnection Facility Specifications.** Interconnection Customer shall submit initial specifications for the ICIF, including System Protection Facilities, to Transmission Owner 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. Transmission Owner shall review such specifications to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Transmission Owner and comment on such specifications within thirty (30) Calendar Days of Interconnection Customer's submission. All specifications provided hereunder shall be deemed confidential.

5.10.2 **Transmission Owner’s Review.** Transmission Owner’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 Transmission Owner, in accordance with Good Utility Practice, to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Transmission Owner.

5.10.3 **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 Transmission Owner "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 Transmission Owner specifications for the excitation system, automatic voltage regulator, Large Generating Facility control and protection settings, transformer tap settings, and communications, if applicable.

5.10.4 **Updated Information Submission by Interconnection Customer.** The updated information submission by the Interconnection Customer, including manufacturer information, shall occur no later than one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date. 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 Transmission Provider for the Interconnection Feasibility and Interconnection Facilities Studies. 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 Transmission Provider standard models. If there is no compatible model, the Interconnection Customer will work with a consultant mutually agreed to by the Parties to develop and supply a standard model and associated information.
If the Interconnection Customer’s data is materially different from what was originally provided to Transmission Provider pursuant to the Interconnection Study agreements between Transmission Provider and Interconnection Customer, then Transmission Provider will conduct appropriate studies to determine the impact on the Transmission System based on the actual data submitted pursuant to this Article 5.10.4. The Interconnection Customer shall not begin Trial Operation until such studies are completed.

5.10.5 Information Supplementation. Prior to the Commercial Operation Date, or as soon as possible thereafter, the Parties shall supplement their information submissions described above in this Article 5 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 (5 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 the Transmission Provider for each individual generating unit in a station.

Subsequent to the Commercial Operation Date, the Interconnection Customer shall provide Transmission Owner and Transmission Provider any information changes due to equipment replacement, repair, or adjustment. Transmission Owner shall provide the
Interconnection Customer and Transmission Provider any information changes due to equipment replacement, repair or adjustment in the directly connected substation or any adjacent Transmission Owner-owned substation that may affect the Interconnection Customer’s Interconnection Facilities equipment ratings, protection or operating requirements. The Parties shall provide such information no later than thirty (30) Calendar Days after the date of the equipment replacement, repair or adjustment.

5.11 Transmission Owner’s Facilities Construction. Transmission Owner’s Interconnection Facilities, the Attachment Facilities and the Requested Upgrades shall be designed and constructed in accordance with Good Utility Practice and Transmission Owner’s material and equipment specifications, its design criteria and construction practices. After the Commercial Operation Date and upon request, within one hundred twenty (120) Calendar Days, unless the Parties agree on another mutually acceptable deadline, Transmission Owner shall deliver to Interconnection Customer the following "as-built" drawings, information and documents for Transmission Owner's Interconnection Facilities, the Attachment Facilities and the Requested Upgrades [include appropriate drawings and relay diagrams].

Transmission Owner will obtain ownership and control of Transmission Owner’s Interconnection Facilities, the Attachment Facilities and the Requested Upgrades upon completion of such facilities.

5.12 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 any 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, and its agents 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 Transmission System; (ii) operate and maintain the Large Generating Facility, the Interconnection Facilities, Attachment Facilities and Requested Upgrades and the Transmission System; and (iii) disconnect or remove the Access Party's facilities and equipment upon termination of this Agreement. 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.
5.13 **Lands of Other Property Owners.** If any part of Transmission Owner's Interconnection Facilities, Attachment Facilities and/or Requested Upgrades is to be installed on property owned by persons other than Interconnection Customer or Transmission Owner, Transmission Owner 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 state law, 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 Transmission Owner's Interconnection Facilities, Attachment Facilities and/or Requested Upgrades upon such property.

5.14 **Permits.** Transmission Owner 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, the Transmission Owner and the Interconnection Customer shall cooperate with each other in good faith in obtaining any such permits, licenses and authorizations.

5.15 **Advanced Construction of Base Case Facilities.** Reimbursement for costs of advanced construction, as described below, shall be addressed according to Section 12.2 of the LGIP. Interconnection Customer may request Transmission Owner to construct, and Transmission Owner shall construct, using Reasonable Efforts to accommodate Interconnection Customer's In-Service Date, all or any portion of any Interconnection Facilities, Attachment Facilities and Requested Upgrades required for Interconnection Customer to be interconnected to the Transmission System which are included in the Facilities Study for Interconnection Customer, and which also are required to be constructed for another Interconnection Customer, but where such construction is not scheduled to be completed in time to achieve Interconnection Customer's In-Service Date.

5.16 **Suspension.** Interconnection Customer reserves the right, upon written notice to Transmission Provider and Transmission Owner, to suspend at any time all work by Transmission Owner associated with the construction and installation of Transmission Owner's Interconnection Facilities, Attachment Facilities and/or Requested Upgrades required under this Agreement with the condition that Transmission System shall be left in a safe and reliable condition in accordance with Good Utility Practice and the Transmission Owner's safety and reliability criteria. In such event, Interconnection Customer shall be responsible for all reasonable and necessary costs which Transmission Owner and Transmission Provider (i) have incurred pursuant to this Agreement prior to the suspension and
(ii) incur 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 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 Transmission Owner cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, Transmission Owner shall obtain Interconnection Customer's authorization to do so.

Transmission Owner and Transmission Provider shall invoice Interconnection Customer for such costs pursuant to Article 12 and shall use due diligence to minimize its costs. In the event Interconnection Customer suspends work by Transmission Owner required under this Agreement pursuant to this Article 5.16, and has not requested Transmission Owner to recommence the work required under this Agreement 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 Transmission Provider and Transmission Owner, if no effective date is specified. Interconnection Customer can request more than one suspension, however the cumulative duration of the suspensions must not exceed three (3) years or this Agreement shall be deemed terminated.

5.17 Taxes.

5.17.1 Interconnection Customer Payments Not Taxable. The Parties intend that all payments or property transfers made by Interconnection Customer to Transmission Owner for the installation of the Transmission Owner’s Interconnection Facilities, Attachment Facilities and the Requested Upgrades shall be non-taxable, either as contributions to capital, or as an advance, in accordance with the Internal Revenue Code and any applicable state income tax laws and shall not be taxable as contributions in aid of construction or otherwise under the Internal Revenue Code and any applicable state income tax laws.

5.17.2 Representations And Covenants. In accordance with IRS Notice 2001-82 and IRS Notice 88-129, Interconnection Customer represents and covenants that (i) ownership of the electricity generated at the Large Generating Facility will pass to another party prior to the transmission of the electricity on the Transmission System, (ii) for income tax purposes, the amount of any payments
and the cost of any property transferred to Transmission Owner for Transmission Owner’s Interconnection Facilities, Attachment Facilities will be capitalized by Interconnection Customer as an intangible asset and recovered using the straight-line method over a useful life of twenty (20) years, and (iii) any portion of Transmission Owner’s Interconnection Facilities that is a "dual-use intertie," within the meaning of IRS Notice 88-129, is reasonably expected to carry only a de minimis amount of electricity in the direction of the Large Generating Facility. For this purpose, "de minimis amount" means no more than 5 percent of the total power flows in both directions, calculated in accordance with the "5 percent test" set forth in IRS Notice 88-129. This is not intended to be an exclusive list of the relevant conditions that must be met to conform to IRS requirements for non-taxable treatment.

At Transmission Owner’s request, Interconnection Customer shall provide Transmission Owner with a report from an independent engineer confirming its representation in clause (iii), above. Transmission Owner represents and covenants that the cost of Transmission Owner’s Interconnection Facilities, Attachment Facilities paid for by Interconnection Customer will have no net effect on the base upon which rates are determined.

5.17.3 Indemnification for the Cost Consequences of Current Tax Liability Imposed Upon the Transmission Owner.

Notwithstanding Article 5.17.1, Interconnection Customer shall protect, indemnify and hold harmless Transmission Owner from the cost consequences of any current tax liability imposed against Transmission Owner as the result of payments or property transfers made by Interconnection Customer to Transmission Owner under this Agreement for Interconnection Facilities and Attachment Facilities, as well as any interest and penalties, other than interest and penalties attributable to any delay caused by Transmission Owner.

Transmission Owner shall not include a gross-up for the cost consequences of any current tax liability in the amounts it charges Interconnection Customer under this Agreement unless (i) Transmission Owner has determined, in good faith, that the payments or property transfers made by Interconnection Customer to Transmission Owner should be reported as income subject to taxation or (ii) any Governmental Authority directs Transmission Owner...
Owner to report payments or property as income subject to taxation; provided, however, that Transmission Owner may require Interconnection Customer to provide security for Interconnection Facilities, in a form reasonably acceptable to Transmission Owner (such as a parental guarantee or a letter of credit), in an amount equal to the cost consequences of any current tax liability under this Article 5.17. Interconnection Customer shall reimburse Transmission Owner for such costs on a fully grossed-up basis, in accordance with Article 5.17.4, within thirty (30) Calendar Days of receiving written notification from Transmission Owner of the amount due, including detail about how the amount was calculated.

The indemnification obligation shall terminate at the earlier of (1) the expiration of the ten year testing period and the applicable statute of limitation, as it may be extended by Transmission Owner upon request of the IRS, to keep these years open for audit or adjustment, or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article 5.17.

5.17.4 Tax Gross-Up Amount. Interconnection Customer’s liability for the cost consequences of any current tax liability under this Article 5.17 shall be calculated on a fully grossed-up basis. Except as may otherwise be agreed to by the parties, this means that Interconnection Customer will pay Transmission Owner, in addition to the amount paid for the Interconnection Facilities, Attachment Facilities and Requested Upgrades, an amount equal to (1) the current taxes imposed on Transmission Owner ("Current Taxes") on the excess of (a) the gross income realized by Transmission Owner as a result of payments or property transfers made by Interconnection Customer to Transmission Owner under this Agreement (without regard to any payments under this Article 5.17) (the "Gross Income Amount") over (b) the present value of future tax deductions for depreciation that will be available as a result of such payments or property transfers (the "Present Value Depreciation Amount"), plus (2) an additional amount sufficient to permit Transmission Owner to receive and retain, after the payment of all Current Taxes, an amount equal to the net amount described in clause (1).

For this purpose, (i) Current Taxes shall be computed based on Transmission Owner’s composite federal and state tax rates at the time the payments or property transfers are received and
Transmission Owner will be treated as being subject to tax at the highest marginal rates in effect at that time (the "Current Tax Rate"), and (ii) the Present Value Depreciation Amount shall be computed by discounting Transmission Owner’s anticipated tax depreciation deductions as a result of such payments or property transfers by Transmission Owner’s current weighted average cost of capital. Thus, the formula for calculating Interconnection Customer's liability to Transmission Owner pursuant to this Article 5.17.4 can be expressed as follows: (Current Tax Rate x (Gross Income Amount – Present Value of Tax Depreciation))/(1-Current Tax Rate). Interconnection Customer's estimated tax liability in the event taxes are imposed shall be stated in Appendix A.

5.17.5 Private Letter Ruling or Change or Clarification of Law. At Interconnection Customer's request and expense, Transmission Owner shall file with the IRS a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by Interconnection Customer to Transmission Owner under this Agreement are subject to federal income taxation. Interconnection Customer will prepare the initial draft of the request for a private letter ruling, and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of Interconnection Customer's knowledge. Transmission Owner and Interconnection Customer shall cooperate in good faith with respect to the submission of such request.

Transmission Owner shall keep Interconnection Customer fully informed of the status of such request for a private letter ruling and shall execute either a privacy act waiver or a limited power of attorney, in a form acceptable to the IRS, that authorizes Interconnection Customer to participate in all discussions with the IRS regarding such request for a private letter ruling. Transmission Owner shall allow Interconnection Customer to attend all meetings with IRS officials about the request and shall permit Interconnection Customer to prepare the initial drafts of any follow-up letters in connection with the request.

5.17.6 Subsequent Taxable Events. If, within 10 years from the date on which the relevant Transmission Owner’s Interconnection Facilities are placed in service, (i) Interconnection Customer Breaches the covenants contained in Article 5.17.2, (ii) a "disqualification event" occurs within the meaning of IRS Notice 88-129, or (iii) this
Agreement terminates and Transmission Owner retains ownership of the Interconnection Facilities, Attachment Facilities and Requested Upgrades, Interconnection Customer shall pay a tax gross-up for the cost consequences of any current tax liability imposed on Transmission Owner, calculated using the methodology described in Article 5.17.4 and in accordance with IRS Notice 90-60.

5.17.7 Contests. In the event any Governmental Authority determines that Transmission Owner’s receipt of payments or property constitutes income that is subject to taxation, Transmission Owner shall notify Interconnection Customer, in writing, within thirty (30) Calendar Days of receiving notification of such determination by a Governmental Authority. Upon the timely written request by Interconnection Customer and at Interconnection Customer's sole expense, Transmission Owner may appeal, protest, seek abatement of, or otherwise oppose such determination. Upon Interconnection Customer's written request and sole expense, Transmission Owner may file a claim for refund with respect to any taxes paid under this Article 5.17, whether or not it has received such a determination. Transmission Owner reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the selection of counsel and compromise or settlement of the claim, but Transmission Owner shall keep Interconnection Customer informed, shall consider in good faith suggestions from Interconnection Customer about the conduct of the contest, and shall reasonably permit Interconnection Customer or an Interconnection Customer representative to attend contest proceedings.

Interconnection Customer shall pay to Transmission Owner on a periodic basis, as invoiced by Transmission Owner, Transmission Owner’s documented reasonable costs of prosecuting such appeal, protest, abatement or other contest. At any time during the contest, Transmission Owner may agree to a settlement either with Interconnection Customer's consent or after obtaining written advice from nationally-recognized tax counsel, selected by Transmission Owner, but reasonably acceptable to Interconnection Customer, that the proposed settlement represents a reasonable settlement given the hazards of litigation. Interconnection Customer's obligation shall be based on the amount of the settlement agreed to by Interconnection Customer, or if a higher amount, so much of the settlement that is supported by the written advice from nationally-recognized tax
counsel selected under the terms of the preceding sentence. The settlement amount shall be calculated on a fully grossed-up basis to cover any related cost consequences of the current tax liability. Any settlement without Interconnection Customer's consent or such written advice will relieve Interconnection Customer from any obligation to indemnify Transmission Owner for the tax at issue in the contest.

5.17.8 Refund. In the event that (a) a private letter ruling is issued to Transmission Owner which holds that any amount paid or the value of any property transferred by Interconnection Customer to Transmission Owner under the terms of this Agreement is not subject to federal income taxation, (b) any legislative change or administrative announcement, notice, ruling or other determination makes it reasonably clear to Transmission Owner in good faith that any amount paid or the value of any property transferred by Interconnection Customer to Transmission Owner under the terms of this Agreement is not taxable to Transmission Owner, (c) any abatement, appeal, protest, or other contest results in a determination that any payments or transfers made by Interconnection Customer to Transmission Owner are not subject to federal income tax, or (d) if Transmission Owner receives a refund from any taxing authority for any overpayment of tax attributable to any payment or property transfer made by Interconnection Customer to Transmission Owner pursuant to this Agreement, Transmission Owner shall promptly refund to Interconnection Customer the following:

(i) any payment made by Interconnection Customer under this Article 5.17 for taxes that is attributable to the amount determined to be non-taxable, together with interest thereon,

(ii) interest on any amount paid by Interconnection Customer to Transmission Owner for such taxes which Transmission Owner did not submit to the taxing authority, calculated in accordance with the methodology set forth in FERC's regulations at 18 CFR §35.19a(a)(2)(iii) from the date payment was made by Interconnection Customer to the date Transmission Owner refunds such payment to Interconnection Customer, and

(iii) with respect to any such taxes paid by Transmission Owner, any refund or credit Transmission Owner receives or
to which it may be entitled from any Governmental Authority, interest (or that portion thereof attributable to the payment described in clause (i), above) owed to Transmission Owner for such overpayment of taxes (including any reduction in interest otherwise payable by Transmission Owner to any Governmental Authority resulting from an offset or credit); provided, however, that Transmission Owner will remit such amount promptly to Interconnection Customer only after and to the extent that Transmission Owner has received a tax refund, credit or offset from any Governmental Authority for any applicable overpayment of income tax related to Transmission Owner's Interconnection Facilities.

The intent of this provision is to leave the Parties, to the extent practicable, in the event that no taxes are due with respect to any payment for Interconnection Facilities, Attachment Facilities and Requested Upgrades hereunder, in the same position they would have been in had no such tax payments been made.

5.17.9 Taxes Other Than Income Taxes. Upon the timely request by Interconnection Customer, and at Interconnection Customer's sole expense, Transmission Owner may appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against Transmission Owner for which Interconnection Customer may be required to reimburse Transmission Owner under the terms of this Agreement. Interconnection Customer shall pay to Transmission Owner on a periodic basis, as invoiced by Transmission Owner, Transmission Owner's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. Interconnection Customer and Transmission Owner shall cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be payable by Interconnection Customer to Transmission Owner for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due and payable after appeal, Interconnection Customer will be responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by Transmission Owner.
5.18 Tax Status. **All Parties** shall cooperate with **each** other to maintain their tax status. Nothing in this **Agreement** is intended to adversely affect any **Party's tax** exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds.

5.19 Modification.

5.19.1 General. **Each** Party may undertake modifications to its facilities. If a Party plans to undertake a modification that reasonably may be expected to affect another Party's facilities, that Party shall provide to the other **Parties** sufficient information regarding such modification so that the other **Parties** may evaluate the potential impact of such modification prior to commencement of the work. Such information shall be deemed to be confidential hereunder 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 **Parties** at least **one hundred eighty (180) 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, Transmission **Owner** shall provide, within thirty (30) Calendar Days (or such other time as the Parties may agree), an estimate of any additional modifications to the Transmission System, Transmission **Owner's** Interconnection Facilities, Attachment **Facilities** or Requested Upgrades necessitated by such Interconnection Customer modification and a good faith estimate of the costs thereof.

5.19.2 Standards. Any additions, modifications, or replacements made to a Party's facilities shall be designed, constructed and operated in accordance with this **Agreement** and Good Utility Practice.

5.19.3 Modification Costs. Interconnection Customer shall not be directly assigned for the costs of any additions, modifications, or replacements that Transmission **Owner** makes to Transmission **Owner's** Interconnection Facilities or the Transmission System to
facilitate the interconnection of a third party to Transmission Owner's Interconnection Facilities or the Transmission System, or to provide transmission service to a third party under Transmission Provider's 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.

Article 6. Testing and Inspection

6.1 Pre-Commercial Operation Date Testing and Modifications. Prior to the Commercial Operation Date, the Transmission Owner shall test Transmission Owner's Interconnection Facilities, Attachment Facilities and Requested Upgrades 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. The 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.

6.2 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.

6.3 Right to Observe Testing. Each Party shall notify the other Parties in advance of its performance of tests of its Interconnection Facilities. The other Parties have the right, at its own expense, to observe such testing.

6.4 Right to Inspect. Each Party shall have the right, but shall have no obligation to: (i) observe another Parties', 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 Parties’ System Protection Facilities and other protective equipment; and (iii) review another Parties’ maintenance records relative to the Interconnection Facilities, the System Protection Facilities and other protective equipment. Any Party may exercise these rights from time to time as it deems necessary upon reasonable notice to the other Parties. The exercise or non-exercise by another 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 any Party obtains through the exercise of any of its rights under this Article shall be deemed to be Confidential Information and treated pursuant to Article 22 of this Agreement.

Article 7. Metering

7.1 General. Each Party shall comply with the Applicable Reliability Council requirements. Unless otherwise agreed by the Parties, Transmission Owner 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 Transmission Owner’s option, compensated to, the Point of Interconnection. Transmission Owner shall provide metering quantities, in analog and/or digital form, to Interconnection Customer and Transmission Provider on a same-time basis using communication as provided in Article 8. Interconnection Customer shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment.

7.2 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 Transmission Owner’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 Agreement, except as provided in Article 7.4 below. The check meters shall be subject at all reasonable times to inspection and examination by Transmission Owner or its designee. The installation, operation and maintenance thereof shall be performed entirely by Interconnection Customer in accordance with Good Utility Practice.

7.3 Standards. Transmission Owner shall install, calibrate, and test revenue quality Metering Equipment in accordance with applicable SPP Market Protocols.
7.4 Testing of Metering Equipment. Transmission Owner shall inspect and test all Transmission Owner-owned Metering Equipment upon installation and at least once every two (2) years thereafter. If requested to do so by Interconnection Customer, Transmission Owner shall, at Interconnection Customer's expense, inspect or test Metering Equipment more frequently than every two (2) years. Transmission Owner 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 Transmission Owner's failure to maintain, then Transmission Owner 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, Transmission Owner 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.

7.5 Metering Data. At Interconnection Customer's expense, the metered data shall be telemetered to one or more locations designated by Transmission Owner 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.

Article 8. Communications

8.1 Interconnection Customer Obligations. Interconnection Customer shall maintain satisfactory operating communications with Transmission Owner’s Transmission System dispatcher or representative designated by Transmission Owner. Interconnection Customer shall provide 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 Transmission Owner as set forth in Appendix D, Security Arrangements Details. The data circuit(s) shall extend from the Large Generating Facility to the location(s) specified by
Transmission Owner. 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.

8.2 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 Transmission Owner at Interconnection Customer's expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by Transmission Owner through use of a dedicated point-to-point data circuit(s) as indicated in Article 8.1. The communication protocol for the data circuit(s) shall be specified by Transmission Owner. Instantaneous bi-directional analog real power and reactive power flow information must be telemetered directly to the location(s) specified by Transmission Owner.

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.

8.3 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.

Article 9. Operations

9.1 General. Each Party shall comply with the Applicable Reliability Council requirements. Each Party shall provide to the other Parties all information that may reasonably be required by the other Parties to comply with Applicable Laws and Regulations and Applicable Reliability Standards.

9.2 Control Area Notification. At least three months before the Initial Synchronization Date, Interconnection Customer shall notify Transmission Provider and Transmission Owner in writing of the Control Area in which the Large Generating Facility will be located. If Interconnection Customer elects to locate the Large Generating Facility in a Control Area other than the Control Area in which the Large Generating Facility is physically located, and if permitted to do
so by the relevant transmission tariffs, all necessary arrangements, including but
not limited to those set forth in Article 7 and Article 8 of this Agreement, 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.

9.3 Transmission Provider and Transmission Owner Obligations. Transmission
Provider and Transmission Owner shall cause the Transmission System and
Transmission Owner's Interconnection Facilities to be operated, maintained and
controlled in a safe and reliable manner and in accordance with this Agreement.
Transmission Provider or Transmission Owner may provide operating instructions
to Interconnection Customer consistent with this Agreement and Transmission
Owner’s operating protocols and procedures as they may change from time to
time. Transmission Provider and Transmission Owner will consider changes to its
operating protocols and procedures proposed by Interconnection Customer.

9.4 Interconnection Customer Obligations. Interconnection Customer shall at its
own expense operate, maintain and control the Large Generating Facility and the
Interconnection Customer's Interconnection Facilities in a safe and reliable manner
and in accordance with this Agreement. Interconnection Customer shall operate
the Large Generating Facility and the 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 Appendix C, Interconnection
Details, of this Agreement. Appendix C, Interconnection Details, will be modified
to reflect changes to the requirements as they may change from time to time. Any
Party may request that another Party provide copies of the requirements set forth
in Appendix C, Interconnection Details, of this Agreement.

9.5 Start-Up and Synchronization. Consistent with the Parties' mutually acceptable
procedures, the Interconnection Customer is responsible for the proper
synchronization of the Large Generating Facility to the Transmission System.

9.6 Reactive Power.

9.6.1 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 Transmission
Provider or Transmission Owner has established different requirements that
apply to all generators in the Control Area on a comparable basis.
9.6.2 Voltage Schedules. Once the Interconnection Customer has synchronized the Large Generating Facility with the Transmission System, Transmission Provider and/or Transmission Owner 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 Article 9.6.1 (Power Factor Design Criteria). Transmission Owner's voltage schedules shall treat all sources of reactive power in the Control Area in an equitable and not unduly discriminatory manner. Transmission Owner 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 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 Article 9.6.1 (Power Factor Design Criteria). If Interconnection Customer is unable to maintain the specified voltage or power factor, it shall promptly notify the Transmission Owner.

9.6.2.1 Governors and Regulators. Whenever the Large Generating Facility is operated in parallel with the 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, the Interconnection Customer shall immediately notify Transmission Owner'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 in accordance with Good Utility Practice and Applicable Reliability Standards.
9.6.3 **Payment for Reactive Power.** Transmission Provider is required to pay Interconnection Customer for reactive power that Interconnection Customer provides or absorbs from the Large Generating Facility **only in those instances where the Transmission Owner requests the Interconnection Customer to operate its Large Generating Facility outside the range specified in Article 9.6.1.** Payments shall be pursuant to Article 11.6 or such other agreement to which the Parties have otherwise agreed; provided however, to the extent the Tariff contains a provision providing for such compensation, that Tariff provision shall control.

9.7 **Outages and Interruptions.**

9.7.1 **Outages.**

9.7.1.1 **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, Attachment Facilities or Requested 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 all 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 Parties of such removal.

9.7.1.2 **Outage Schedules.** The Transmission Provider shall post scheduled outages of its transmission facilities on the OASIS. Interconnection Customer shall submit its planned maintenance schedules for the Large Generating Facility to Transmission Provider for a minimum of a rolling twenty-four month period. Interconnection Customer shall update its planned maintenance schedules as necessary. **Applicable Reliability Council, Transmission Provider or Transmission Owner** may request Interconnection Customer to reschedule its maintenance as necessary to maintain the reliability of the Transmission System; provided, however, adequacy of generation supply shall not be a criterion in determining Transmission System reliability. **The Interconnection Customer shall be compensated** for any additional direct costs
that the Interconnection Customer incurs as a result of having to reschedule maintenance, including any additional overtime, breaking of maintenance contracts or other costs above and beyond the cost Interconnection Customer would have incurred absent the request to reschedule maintenance. The Interconnection Customer shall not be eligible to receive compensation, if during the twelve (12) months prior to the date of the scheduled maintenance, the Interconnection Customer had modified its schedule of maintenance activities. Such compensation will be pursuant to the applicable provisions in the Tariff.

9.7.1.3 **Outage Restoration.** If an outage on a Party's Interconnection Facilities, Attachment Facilities or Requested Upgrades adversely affects another 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 Parties, 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.

9.7.2 **Interruption of Service.** If required by Good Utility Practice to do so, Transmission Provider and/or Transmission Owner may require Interconnection Customer to interrupt or reduce deliveries of electricity if such delivery of electricity could adversely affect Transmission Provider's and/or Transmission Owner'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 Article 9.7.2:

9.7.2.1 The interruption or reduction shall continue only for so long as reasonably necessary under Good Utility Practice;

9.7.2.2 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 that can effectively relieve the conditions causing the interruption or reduction;

9.7.2.3 When the interruption or reduction must be made under circumstances which do not allow for advance notice, Transmission Provider or Transmission Owner 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;

9.7.2.4 Except during the existence of an Emergency Condition, when the interruption or reduction can be scheduled without advance notice, Transmission Provider or Transmission Owner shall notify Interconnection Customer in advance regarding the timing of such scheduling and further notify Interconnection Customer of the expected duration. Transmission Provider or Transmission Owner shall coordinate with Interconnection Customer using Good Utility Practice to schedule the interruption or reduction during periods of least impact to the Interconnection Customer and the Transmission Owner;

9.7.2.5 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.

9.7.3 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 the Transmission Provider 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.

9.7.4 System Protection and Other Control Requirements.

9.7.4.1 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 the Interconnection Customer's Interconnection Facilities. Transmission Owner shall install at Interconnection Customer's expense any System Protection Facilities that may be required on the Transmission Owner's Interconnection Facilities or the Transmission System as a result of the interconnection of the Large Generating Facility and the Interconnection Customer's Interconnection Facilities.

9.7.4.2 Each Party's protection facilities shall be designed and coordinated with other systems in accordance with Good Utility Practice.

9.7.4.3 Each Party shall be responsible for protection of its facilities consistent with Good Utility Practice.

9.7.4.4 Each Party's protective relay design shall incorporate the necessary test switches to perform the tests required in Article 6. 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 any portion of the Large Generating Facility.

9.7.4.5 Each Party will test, operate and maintain System Protection Facilities in accordance with Good Utility Practice.

9.7.4.6 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.

9.7.5 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 Transmission Owner's equipment, such that the removal of the fault contribution shall be coordinated with the protective requirements of the 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 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 Transmission System could adversely affect the Large Generating Facility.

9.7.6 Power Quality. No Party's facilities shall cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves, in accordance with Good Utility Practice and Applicable Reliability Standards.

9.8 Switching and Tagging Rules. Each Party shall provide the other Parties 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.

9.9 Use of Interconnection Facilities by Third Parties.

9.9.1 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 Transmission System and shall be used for no other purpose.

9.9.2 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 the Transmission Owner’s Interconnection Facilities, or any part thereof, Interconnection Customer will be entitled to compensation for the capital expenses it incurred in connection with the Interconnection Facilities based upon the pro rata use of the Interconnection Facilities by Transmission Owner, 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 Transmission Owner, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually agreed upon methodology. If the issue of such compensation or allocation cannot be resolved through such negotiations, it shall be submitted to FERC for resolution.

9.10 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 or Applicable Reliability Standards.

Article 10. Maintenance

10.1 Transmission Owner Obligations. Transmission Owner shall maintain the Transmission System and Transmission Owner’s Interconnection Facilities in a safe and reliable manner and in accordance with this Agreement.

10.2 Interconnection Customer Obligations. Interconnection Customer shall maintain the Large Generating Facility and the Interconnection Customer’s Interconnection Facilities in a safe and reliable manner and in accordance with this Agreement.
10.3 **Coordination.** 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.

10.4 **Secondary Systems.** Each Party shall cooperate with the others 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 another Party. Each Party shall provide advance notice to the other Parties before undertaking any work on such circuits, especially on electrical circuits involving circuit breaker trip and close contacts, current transformers, or potential transformers.

10.5 **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 Transmission Owner’s Interconnection Facilities.

**Article 11. Performance Obligation**

11.1 **Interconnection Customer’s Interconnection Facilities.** Interconnection Customer shall design, procure, construct, install, own and control Interconnection Customer’s Interconnection Facilities described in Appendix A at its sole expense.

11.2 **Transmission Owner’s Interconnection Facilities and Attachment Facilities.** In accordance with Article 5, the Transmission Owner’s Interconnection Facilities and Attachment Facilities, as described in Appendix A, shall be designed, procured, constructed, and installed at the sole expense of the Interconnection Customer. The Transmission Owner shall own and control the Transmission Owner’s Interconnection Facilities and Attachment Facilities.

11.3 **Requested Upgrades and Distribution Upgrades.** In accordance with Article 5, the Requested Upgrades and Distribution Upgrades, as described in Appendix A,
shall be designed, procured, constructed, and installed at the sole expense of the Interconnection Customer. The Transmission Owner shall own and control the Requested Upgrades and Distribution Upgrades. The Interconnection Customer shall be responsible for all costs related to Distribution Upgrades as described in Appendix A.

11.4 Transmission Credits.

11.4.1 Repayment of Amounts Advanced for Requested Upgrades. Interconnection Customer shall be entitled to reimbursement in an amount equal to the total amount paid for Requested Upgrades in accordance with the Tariff. Such reimbursement shall not apply to Interconnection Facilities or Attachment Facilities.

11.4.2 Special Provisions for Affected Systems. Unless the repayment of amounts advanced by Interconnection Customer to Affected System Operator for Requested Upgrades is addressed in this Agreement, Interconnection Customer and Affected System Operator shall negotiate and enter into an agreement that provides for such repayment.

11.4.3 Notwithstanding any other provision of this Agreement, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, transmission congestion rights, or transmission credits, that the Interconnection Customer, shall be entitled to, now or in the future under any other agreement or tariff as a result of, or otherwise associated with, the transmission capacity, if any, created by the Requested Upgrades, including the right to obtain refunds or transmission credits for transmission service that is not associated with the Large Generating Facility.

11.5 Provision of Security. At least thirty (30) Calendar Days prior to the commencement of the procurement, installation, or construction of a discrete portion of a Transmission Owner’s Interconnection Facilities, Attachment Facilities, Requested Upgrades, or Distribution Upgrades, Interconnection Customer shall provide and maintain in effect until Interconnection Customer has completed all applicable payments to Transmission Owner for such facilities, an unconditional and irrevocable letter of credit as security to meet its responsibilities and obligations under this Agreement, or an alternative form of security proposed.
by the Interconnection Customer and acceptable to the Transmission Provider and consistent with commercial practices established by the Uniform Commercial Code of the jurisdiction identified in Article 14.2.1 that protects the Transmission Provider and Transmission Owner against the risk of non-payment. Such security
for payment shall be in an amount sufficient to cover the costs for constructing, procuring and installing the applicable portion of Transmission Owner’s Interconnection Facilities, Attachment Facilities, Requested Upgrades, or Distribution Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to Transmission Owner for these purposes.

In addition:

11.5.1 The letter of credit must be issued by a financial institution reasonably acceptable to Transmission Provider and must specify a reasonable expiration date.

11.6 Interconnection Customer Compensation. If Transmission Provider or Transmission Owner requests or directs Interconnection Customer to provide a service pursuant to Articles 9.6.3 (Payment for Reactive Power), or 13.4.1 of this Agreement, Transmission Provider 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 the Tariff. Interconnection Customer shall serve Transmission Provider 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 Agreement, Transmission Provider agrees to compensate the Interconnection Customer in such amount as would have been due the 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.

Article 12. Invoice

The terms of this Article 12 apply to billing between Transmission Owner and Interconnection Customer for construction and operation and maintenance charges. All other billing will be handled according to the Tariff.

12.1 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 Agreement, including interest payments or credits, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

12.2 Final Invoice. Within six months after Transmission Owner completes construction of its portions of the Transmission Owner’s Interconnection Facilities, Attachment Facilities and the Requested Upgrades as specified in Appendix A, Transmission Owner shall provide an invoice of the final cost of the construction of its portion of the Transmission Owner’s Interconnection Facilities, Attachment Facilities and the Requested Upgrades 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. Transmission Owner shall refund to Interconnection Customer any amount by which the actual payment by Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

12.3 Payment. Invoices shall be rendered to the paying Party at the address specified in Appendix F. The Party receiving the invoice shall pay the invoice within thirty (30) Calendar Days of receipt. 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 Interconnection Customer will not constitute a waiver of any rights or claims Interconnection Customer may have under this Agreement.

12.4 Disputes. In the event of a billing dispute between Transmission Owner and Interconnection Customer, Transmission Owner shall continue to provide Energy Resource Interconnection Service under this Agreement as long as Interconnection Customer: (i) continues to make all payments not in dispute; and (ii) pays to Transmission Owner 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 Transmission Owner may provide notice to Interconnection Customer of a Default pursuant to Article 17. 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 interest calculated in accord with the methodology set forth in FERC’s regulations at 18 CFR § 35.19a(a)(2)(ii).

Article 13. Emergencies
13.1 **Obligations.** Each Party shall comply with the Emergency Condition procedures of the applicable NERC, the Applicable Reliability Council, Transmission Provider, Applicable Laws and Regulations, and any emergency procedures agreed to by the Joint Operating Committee.

13.2 **Notice.** Transmission Provider or Transmission Owner shall notify Interconnection Customer promptly when it becomes aware of an Emergency Condition that affects Transmission Owner's Interconnection Facilities or the Transmission System that may reasonably be expected to affect Interconnection Customer's operation of the Large Generating Facility or the Interconnection Customer's Interconnection Facilities. Interconnection Customer shall notify Transmission Provider and Transmission Owner promptly when it becomes aware of an Emergency Condition that affects the Large Generating Facility or the Interconnection Customer's Interconnection Facilities that may reasonably be expected to affect the Transmission System or the Transmission Owner'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 Transmission Owner'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.

13.3 **Immediate Action.** Unless, in Interconnection Customer's reasonable judgment, immediate action is required, Interconnection Customer shall obtain the consent of Transmission Owner, such consent to not be unreasonably withheld, prior to performing any manual switching operations at the Large Generating Facility or the Interconnection Customer's Interconnection Facilities in response to an Emergency Condition either declared by Transmission Provider or Transmission Owner or otherwise regarding the Transmission System.

13.4 **Transmission Provider and Transmission Owner Authority.**

13.4.1 **General.** Transmission Provider and/or Transmission Owner may take whatever actions or inactions with regard to the Transmission System or the Transmission Owner'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 the Transmission Owner's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service.
Transmission Provider and Transmission Owner shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Large Generating Facility or the Interconnection Customer's Interconnection Facilities. Transmission Provider and/or Transmission Owner may, on the basis of technical considerations, 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 Article 13.4.2; directing the Interconnection Customer to assist with blackstart (if available) or restoration efforts; or altering the outage schedules of the Large Generating Facility and the Interconnection Customer's Interconnection Facilities. Interconnection Customer shall comply with all of Transmission Provider's and Transmission Owner'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.

13.4.2 Reduction and Disconnection. Transmission Provider and/or Transmission Owner may require reduction of the Large Generating Facility real or reactive power output within the manufacturer’s design limits or disconnection of the Large Generating Facility or the Interconnection Customer's Interconnection Facilities, when such reduction or disconnection is necessary under Good Utility Practice due to Emergency Conditions. These rights are separate and distinct from any right of curtailment of Transmission Provider pursuant to the Tariff. When the Transmission Provider and/or Transmission Owner can schedule the reduction or disconnection in advance, Transmission Provider and/or Transmission Owner shall notify Interconnection Customer of the reasons, timing and expected duration of the reduction or disconnection. Transmission Provider and/or Transmission Owner shall coordinate with Interconnection Customer using Good Utility Practice to schedule the reduction or disconnection during periods of least impact to Interconnection Customer. Transmission Provider and/or Transmission Owner. Any reduction or disconnection shall continue only for so long as reasonably necessary under Good Utility Practice. 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.

13.5 **Interconnection Customer Authority.** Consistent with Good Utility Practice and this Agreement, Interconnection Customer may take actions or inactions with regard to the Large Generating Facility or the 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 the 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 Transmission Owner’s Interconnection Facilities. Transmission Provider and/or Transmission Owner shall use Reasonable Efforts to assist Interconnection Customer in such actions. Interconnection Customer shall not be obligated to follow Transmission Provider’s and/or Transmission Owner’s instructions to the extent the instruction would have a material adverse impact on the safe and reliable operation of the Large Generating Facility. Upon request, Interconnection shall within 24 hours provide Transmission Provider and/or Transmission Owner with documentation of any such alleged material adverse impact.

13.6 **Limited Liability.** Except as otherwise provided in Article 11.6.1 and Article 18 of this Agreement, no Party shall be liable to the other Parties 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.

**Article 14. Regulatory Requirements and Governing Law**

14.1 **Regulatory Requirements.** Each Party's obligations under this Agreement 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 Agreement 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 2005, or the Public Utility Regulatory Policies Act of 1978.
14.2 Governing Law.

14.2.1 The validity, interpretation and performance of this Agreement and each of its provisions shall be governed by the laws of the United States of America except to the extent that the laws of the state where the Point of Interconnection is located may apply.

14.2.2 This Agreement is subject to all Applicable Laws and Regulations.

14.2.3 Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, rules, or regulations of a Governmental Authority.

Article 15. Notices.

15.1 General. Unless otherwise provided in this Agreement, any notice, demand or request required or permitted to be given by any Party to another and any instrument required or permitted to be tendered or delivered by any Party in writing to another 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 Appendix F, Addresses for Delivery of Notices and Billings.

Any Party may change the notice information in this Agreement by giving ten (10) Calendar Days written notice prior to the effective date of the change.

15.2 Billings and Payments. Billings and payments shall be sent to the addresses set out in Appendix F.

15.3 Alternative Forms of Notice. Any notice or request required or permitted to be given by any Party to another 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 Appendix F.

15.4 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 Articles 9 and 10.
Article 16. Force Majeure

16.1 Force Majeure.

16.1.1 Economic hardship is not considered a Force Majeure event.

16.1.2 No Party shall be considered to be in Default with respect to any obligation hereunder, (including obligations under Article 4), 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 Parties in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this Article shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

Article 17. Breach and Default

17.1 Breach and Default

17.1.1 General. No Breach shall exist where such failure to discharge an obligation (other than the payment of money) is the result of Force Majeure as defined in this Agreement or the result of an act or omission of another Party. Upon a Breach, a non-Breaching Party shall give written notice of such Breach to the Breaching Party. Except as provided in Article 17.1.2, the Breaching Party shall have
thirty (30) Calendar Days from receipt of the Breach 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 Breach notice; and, if cured within such time, the Breach specified in such notice shall cease to exist.

17.1.2 Right to Terminate. A default shall occur if a Breach is not cured as provided in this Article, or if a Breach is not capable of being cured within the period provided for herein. Upon Default, a non-Defaulting Party shall have the right to terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this Agreement, to recover from the Defaulting Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this Article will survive termination of this Agreement.

Article 18. Indemnity, Consequential Damages and Insurance

18.1 Indemnity. The Parties shall at all times indemnify, defend, and hold the other 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, 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 Parties’ action or inactions of its obligations under this Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

18.1.1 Indemnified Person. If an indemnified person is entitled to indemnification under this Article 18 as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under Article 18.1, to assume the defense of such claim, such indemnified person may at the expense of the indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

18.1.2 Indemnifying Party. If an indemnifying Party is obligated to indemnify and hold any indemnified person harmless under this Article 18, the indemnifying Party shall pay all costs associated with the defense of such claim, and the indemnified person shall cooperate in any reasonable manner to facilitate such defense.
Article 18, the amount owing to the indemfified person shall be the amount of such indemfified person's actual Loss, net of any insurance or other recovery.

18.1.3 Indemnity Procedures. Promptly after receipt by an indemfified 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 Article 18.1 may apply, the indemfified person shall notify the indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying Party.

The Indemnifying Party shall have the right to assume the defense thereof with counsel designated by such indemnifying Party and reasonably satisfactory to the indemfified person. If the defendants in any such action include one or more indemfified persons and the indemnifying Party and if the indemfified person reasonably concludes that there may be legal defenses available to it and/or other indemfified persons which are different from or additional to those available to the indemnifying Party, the indemfified 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 indemnifying Party shall only be required to pay the fees and expenses of one additional attorney to represent an indemfified person or indemfified persons having such differing or additional legal defenses.

The indemfified 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 indemnifying Party. Notwithstanding the foregoing, the indemnifying Party (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 indemfified person and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the indemfified person, or there exists a conflict or adversity of interest between the indemfified person and the indemnifying Party, in such event the indemnifying Party shall pay the reasonable expenses of the indemfified 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.

18.2 Consequential Damages. Other than the Liquidated Damages heretofore described, in no event shall any Party be liable to any other Party 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 any Party may be liable to another Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

18.3 Insurance. Interconnection Customer and Transmission Owner shall at their own expense, maintain in force throughout the period of this Agreement, and until released by all other Parties, the following minimum insurance coverages, with insurers authorized to do business in the state where the Point of Interconnection is located:

18.3.1 Employers' Liability and Workers' Compensation Insurance providing statutory benefits in accordance with the laws and regulations of the state in which the employees are domiciled and the Point of Interconnection is located. The minimum limits for the Employers' Liability insurance shall be One Million Dollars ($1,000,000) each accident bodily injury by accident, One Million Dollars ($1,000,000) each employee bodily injury by disease, and One Million Dollars ($1,000,000) policy limit bodily injury by disease.

18.3.2 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 (if applicable), independent contractors coverage, coverage for pollution (if exposure is present) and punitive or exemplary damages, with minimum limits of One Million Dollars ($1,000,000) each occurrence/Two Million Dollars ($2,000,000) general aggregate and Two Million Dollars ($2,000,000) products and completed operations aggregate combined single limit for personal injury, bodily injury, including death and property damage.
18.3.3 Excess Liability Insurance may be procured and maintained in lieu of Commercial General Liability Insurance. The Excess Liability Policy shall attach and underlying limit self-insured retention not to exceed One Million Dollars ($1,000,000) each occurrence.

18.3.4 Comprehensive Automobile Liability Insurance for coverage of owned and non-owned and hired vehicles, trailers or semi-trailers licensed 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.

18.3.5 Excess 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) each occurrence/Twenty Million Dollars ($20,000,000) general aggregate.

18.3.6 The Commercial General Liability Insurance, Comprehensive Automobile Insurance and Excess Liability Insurance policies shall name the other Parties, their parent, associated and Affiliate companies and their 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 Agreement against the Other Party Group and provide thirty (30) Calendar Days advance written notice to the Other Party Group prior to any date of cancellation, non-renewal or prior to any material change in coverage or condition.

18.3.7 The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Liability Insurance policies shall contain provisions that specify that the policies are primary and non-contributing with respect to any other insurance policies separately carried by other Parties. The insurer’s liability shall not be increased beyond the amount by which the insurer would have been liable had only one insured been covered. Interconnection Customer and Transmission Owner shall be responsible for their respective deductibles or retentions.
18.3.8 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 a minimum of two (2) years after termination of this Agreement. Coverage may be in the form of tail coverage or extended reporting period coverage if notified and agreed to by all Parties.

18.3.9 The requirements contained herein as to the types and limits of all insurance to be maintained by the Interconnection Customer and Transmission Owner are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by the Parties under this Agreement.

18.3.10 Within ten (10) days following execution of this Agreement, 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 and Transmission Owner shall provide certification of all insurance required in this Agreement, executed by each insurer or by an authorized representative of each insurer to the Other Party Group.

18.3.11 All required insurance shall be in a form reasonably satisfactory to all Parties and shall be written with an insurance company carrying an AM Best Rating no lower than class A- and a financial category of IX and authorization to do business in the state in which the Point of Interconnection is located.

18.3.12 Notwithstanding the foregoing, a Party may self-insure to the extent it maintains a self-insurance program; provided that, such Party's senior secured debt is rated at investment grade, or better, by Standard & Poor's. For any period of time that a Party's senior secured debt is unrated by Standard & Poor's or is rated at less than investment grade by Standard & Poor's, such Party shall comply with the insurance requirements applicable to it under Articles 18.3.1 through 18.3.11. In the event that a Party is permitted to self-insure pursuant to this Article 18.3.12, it shall not be required to comply with the insurance requirements applicable to it under Articles 18.3.1 through 18.3.11.

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

Article 19. Assignment

19.1 Assignment. This Agreement may be assigned by any Party only with the written consent of the other Parties; provided that any Party may assign this Agreement without the consent of the other Parties 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, and provided further that the Interconnection Customer shall have the right to assign this Agreement, without the consent of Transmission Provider or Transmission Owner, for collateral security purposes to aid in providing financing for the Large Generating Facility, provided that the Interconnection Customer will require any secured party, trustee or mortgagee to notify the Transmission Provider and Transmission Owner of any such assignment. Any financing arrangement entered into by the Interconnection Customer pursuant to this Article 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 the Transmission Provider and Transmission Owner of the date and particulars of any such exercise of assignment right. Any attempted assignment that violates this Article or Applicable Laws and Regulations is void and ineffective. Any assignment under this Agreement 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.

Article 20. Severability

20.1 Severability. If any provision in this Agreement 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 Agreement; provided that if the Interconnection Customer (or any third party, but only if such third party is not acting at the direction of the Transmission Owner) seeks and obtains such a final determination with respect to any provision of the Negotiated Option (Article 5.1.3), 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 (Article 5.1.1).
Article 21. Comparability

21.1 Comparability. The Parties will comply with all applicable comparability and code of conduct laws, rules and regulations, as amended from time to time.

Article 22. Confidentiality

22.1 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 any of the Parties to another prior to the execution of this Agreement.

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 any Party, a Party shall provide in writing, the basis for asserting that the information referred to in this Article 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.

22.1.1 Term. During the term of this Agreement, and for a period of three (3) years after the expiration or termination of this Agreement, except as otherwise provided in this Article 22, each Party shall hold in confidence and shall not disclose to any person Confidential Information.

22.1.2 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 Agreement; or (6) is required, in accordance with Article 22.1.7 of this Agreement, 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 this Agreement. 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.

22.1.3 Release of Confidential Information. No Party shall release or disclose Confidential Information to any other person, except to its 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 Agreement, unless such person has first been advised of the confidentiality provisions of this Article 22 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 Article 22.

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

22.1.5 No Warranties. By providing Confidential Information, no Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, no Party obligates itself to provide any particular information or Confidential Information to another Party nor to enter into any further agreements or proceed with any other relationship or joint venture.

22.1.6 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 another Party under this Agreement or its regulatory requirements.

22.1.7 Order of Disclosure. If a court or a Governmental Authority or entity with the right, power, and apparent authority to do so requests or requires a 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 Parties with prompt notice of such request(s) or requirement(s) so that the other Parties may seek an appropriate protective order or waive compliance with the terms of this Agreement. 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.

22.1.8 Termination of Agreement. Upon termination of this Agreement for any reason, each Party shall, within ten (10) Calendar Days of receipt of a written request from another 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.

22.1.9 Remedies. In the instance where Transmission Owner is a Federal Power Agency, as specified in the opening paragraph of this Agreement, then this section 22.1.9 shall not apply to Transmission Owner. The Parties agree that monetary damages would be inadequate to compensate a Party for another Party's Breach of its obligations under this Article 22. Each Party accordingly agrees that the other Parties shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Article 22, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 22, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are
reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 22.

22.1.10 Disclosure to FERC or its Staff. Notwithstanding anything in this Article 22 to the contrary, and pursuant to 18 C.F.R. 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 Agreement, 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 C.F.R. 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 another Party to this Agreement prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Parties to this Agreement when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time any of the Parties may respond before such information would be made public, pursuant to 18 C.F.R. section 388.112.

22.1.11 Subject to the exception in Article 22.1.10, any information that a Party claims is competitively sensitive, commercial or financial information under this Agreement ("Confidential Information") shall not be disclosed by another Party to any person not employed or retained by that 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 Agreement 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.

22.1.12 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).

Article 23. Environmental Releases

23.1 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.

Article 25. Information Access and Audit Rights

25.1 Information Access. Each Party (the "disclosing Party") shall make available to the other Parties information that is in the possession of the disclosing Party and is necessary in order for the other Parties to: (i) verify the costs incurred by the disclosing Party for which the other Parties are responsible under this Agreement; and (ii) carry out its obligations and responsibilities under this Agreement. The Parties shall not use such information for purposes other than those set forth in this Article 25.1 and to enforce their rights under this Agreement.

25.2 Reporting of Non-Force Majeure Events. Each Party (the "notifying Party") shall notify the other Parties when the notifying Party becomes aware of its
inability to comply with the provisions of this Agreement 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 Article shall not entitle the Parties receiving such notification to allege a cause for anticipatory breach of this Agreement.

25.3 Audit Rights. Subject to the requirements of confidentiality under Article 22 of this Agreement, each Party shall have the right, during normal business hours, and upon prior reasonable notice to another Party, to audit at its own expense that other Party's accounts and records pertaining to either Party's performance or either Party's satisfaction of obligations under this Agreement. Such audit rights shall include audits of the other Party's costs, calculation of invoiced amounts, the Transmission Provider's efforts to allocate responsibility for the provision of reactive support to the Transmission System, the Transmission Provider's efforts to allocate responsibility for interruption or reduction of generation on the Transmission System, and each Party's actions in an Emergency Condition. Any audit authorized by this Article 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 Agreement. Each Party shall keep such accounts and records for a period equivalent to the audit rights periods described in Article 25.4.

25.4 Audit Rights Periods.

25.4.1 Audit Rights Period for Construction-Related Accounts and Records. Accounts and records related to the design, engineering, procurement, and construction of Transmission Owner’s Interconnection Facilities, Attachment Facilities and Requested Upgrades shall be subject to audit for a period of twenty-four months following Transmission Owner’s issuance of a final invoice in accordance with Article 12.2.

25.4.2 Audit Rights Period for All Other Accounts and Records. Accounts and records related to any Party's performance or satisfaction of all obligations under this Agreement other than those described in Article 25.4.1 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.

25.5 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.

Article 26. Subcontractors

26.1 General. 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 Parties for the performance of such subcontractor.

26.2 Responsibility of Principal. 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 Parties 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 the Transmission Owner be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under Article 5 of 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.

26.3 No Limitation by Insurance. The obligations under this Article 26 will not be limited in any way by any limitation of subcontractor's insurance.

Article 27. Disputes

27.1 Submission. In the event any Party has a dispute, or asserts a claim, that arises out of or in connection with this Agreement or its performance, the Parties agree to resolve such dispute using the dispute resolution procedures of the Tariff.
Article 28. Representations, Warranties, and Covenants

28.1 General. Each Party makes the following representations, warranties and covenants:

28.1.1 Good Standing. Such Party is duly organized, validly existing and in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable; that it is qualified to do business in the state or states in which the Large Generating Facility, Interconnection Facilities, Attachment Facilities and Requested 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 Agreement 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 Agreement.

28.1.2 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).

28.1.3 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.

28.1.4 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.
Article 29. Joint Operating Committee

29.1 Joint Operating Committee. At least six (6) months prior to the expected Initial Synchronization Date, Interconnection Customer, Transmission Owner and Transmission Provider shall each appoint one representative and one alternate to the Joint Operating Committee. Each Party shall notify the other Parties 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 perform all of its duties consistent with the provisions of this Agreement. All Parties 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:

29.1.1 Establish data requirements and operating record requirements.

29.1.2 Review the requirements, standards, and procedures for data acquisition equipment, protective equipment, and any other equipment or software.

29.1.3 Annually review the one (1) year forecast of maintenance and planned outage schedules of Transmission Owner’s and Interconnection Customer's facilities at the Point of Interconnection.

29.1.4 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.

29.1.5 Ensure that information is being provided by each Party regarding equipment availability.

29.1.6 Perform such other duties as may be conferred upon it by mutual agreement of the Parties.
Article 30. Miscellaneous

30.1 Binding Effect. This Agreement 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.

30.2 Conflicts. In the event of a conflict between the body of this Agreement and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this Agreement shall prevail and be deemed the final intent of the Parties.

30.3 Rules of Interpretation. This Agreement, 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 Agreement, 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 Agreement), 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 Article, Section or Appendix means such Article of this Agreement or such Appendix to this Agreement, 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 Agreement as a whole and not to any particular Article 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".

30.4 Entire Agreement. This Agreement, including all Appendices and Schedules attached hereto, constitutes the entire agreement among the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, among 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, a Party's compliance with its obligations under this Agreement.

30.5 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.

30.6 Waiver. 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.

Any waiver at any time by a 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 the Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection to the Transmission System. Any waiver of this Agreement shall, if requested, be provided in writing.

30.7 Headings. The descriptive headings of the various Articles of this Agreement have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this Agreement.

30.8 Multiple Counterparts. This Agreement may be executed in three or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

30.9 Amendment. The Parties may by mutual agreement amend this Agreement by a written instrument duly executed by each of the Parties.

30.10 Reservation of Rights. Transmission Provider shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Agreement pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by another Party and to participate fully in any proceeding before FERC in which such modifications may be considered.
Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.

30.11 No Partnership. This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership among the Parties or to impose any partnership obligation or partnership liability upon any Party. No 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, another Party.
IN WITNESS WHEREOF, the Parties have executed this Agreement in triplicate originals, each of which shall constitute and be an original effective Agreement among the Parties.

<table>
<thead>
<tr>
<th>SOUTHWEST POWER POOL, INC.</th>
</tr>
</thead>
<tbody>
<tr>
<td>By: ______________________</td>
</tr>
<tr>
<td>Title: ____________________</td>
</tr>
<tr>
<td>Date: ____________________</td>
</tr>
</tbody>
</table>

[Insert name of Transmission Owner]

| By: ______________________ |
| Title: ____________________ |
| Date: ____________________ |

[Insert name of Interconnection Customer]

| By: ______________________ |
| Title: ____________________ |
| Date: ____________________ |
Appendix A to LGIA

Interconnection Facilities, Attachment Facilities, Requested Upgrades and Distribution Upgrades

NOTE: The facilities described in this Appendix are based on the studies conducted in response to the Interconnection Request. In the event that other interconnection customers suspend, terminate or request unexecuted filing of their LGIAs, then additional studies may be required in accordance with the LGIP.

1. Interconnection Customer’s Interconnection Facilities:

Interconnection Customer's Interconnection Facilities (to be designed, procured, constructed, installed and owned by Interconnection Customer):

| Description |

2. Transmission Owner’s Interconnection Facilities:

(a) Transmission Owner’s Interconnection Facilities to be designed, procured, constructed and installed by Interconnection Customer. Upon completion, ownership of these facilities will transfer to Transmission Owner:

<table>
<thead>
<tr>
<th>Description</th>
<th>Estimated Cost</th>
<th>Expedited Effort</th>
</tr>
</thead>
</table>

(b) Transmission Owner’s Interconnection Facilities to be designed, procured, constructed, installed and owned by Transmission Owner:

<table>
<thead>
<tr>
<th>Description</th>
<th>Estimated Cost</th>
<th>Expedited Effort</th>
</tr>
</thead>
</table>
3. Attachment Facilities:

(a) Attachment Facilities to be designed, procured, constructed and installed by Interconnection Customer. Upon completion, ownership of these facilities will transfer to Transmission Owner:

<table>
<thead>
<tr>
<th>Description</th>
<th>Estimated Cost</th>
<th>Expedited Effort</th>
</tr>
</thead>
</table>

(b) Attachment Facilities to be designed, procured, constructed, installed and owned by Transmission Owner:

<table>
<thead>
<tr>
<th>Description</th>
<th>Estimated Cost</th>
<th>Expedited Effort</th>
</tr>
</thead>
</table>

4. Requested Upgrades:

(a) Requested Upgrades to be designed, procured, constructed and installed by Interconnection Customer. Upon completion, ownership of these facilities will transfer to Transmission Owner:

<table>
<thead>
<tr>
<th>Description</th>
<th>Estimated Cost</th>
<th>Expedited Effort</th>
</tr>
</thead>
</table>

(b) Requested Upgrades to be designed, procured, constructed, installed and owned by Transmission Owner:

<table>
<thead>
<tr>
<th>Description</th>
<th>Estimated Cost</th>
<th>Expedited Effort</th>
</tr>
</thead>
</table>

5. Other Upgrades

Previous facilities are facilities that: 1) are critical to the operation of the Facility; 2) another customer(s) has agreed to fund and 3) construction of these upgrades is not yet completed.

<table>
<thead>
<tr>
<th>Description</th>
<th>Estimated Cost</th>
</tr>
</thead>
</table>
6. Distribution Upgrades:

Distribution Upgrades to be designed, procured, constructed, installed and owned by Transmission Owner:

<table>
<thead>
<tr>
<th>Description</th>
<th>Estimated Cost</th>
<th>Expedited Effort</th>
</tr>
</thead>
</table>

7. Penalty, Redispatch or Market-Related Costs

The cost, including penalties, of redispatch or market-related costs arising from outages described in Section 9.7.1 of the Agreement is estimated at $ ?? OR will be determined at the time of construction based on the actual construction design, system generation, transaction scheduling and, configuration of the transmission system.

8. Estimated Tax Liability

Interconnection Customer’s liability for reimbursement of Transmission Owner for taxes, interest and/or penalties under Section 5.17.3 is estimated at $ ?? . This estimate assumes that there are no costs incurred by the Transmission Owner for land.

9. Energy Resource Interconnection Service:

Interconnection Customer has selected ____ MW Energy Resource Interconnection Service.

10. Construction Option Selected by Interconnection Customer:

Interconnection Customer has selected:

- Standard Option
- Option to Build
- Negotiated Option

for construction of the Transmission Owner’s Interconnection Facilities, the Attachment Facilities and the Requested Upgrades. {If the Negotiated Option is
11. Permits, Licenses and Authorizations:

<table>
<thead>
<tr>
<th>Permit, License and Authorization</th>
<th>Responsible Party</th>
</tr>
</thead>
</table>

[List the permits, licenses and authorizations that each party is obligated to obtain]

12. Point of Change of ownership

13. Point of Interconnection

[insert one-line diagram]
### Appendix B to LGIA

#### Milestones

<table>
<thead>
<tr>
<th>Action</th>
<th>Responsible Party</th>
<th>Completion Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complete Facilities Study</td>
<td>Transmission Provider</td>
<td></td>
</tr>
<tr>
<td>Provide insurance certificates (Section 18.3)</td>
<td>All</td>
<td></td>
</tr>
<tr>
<td>Obtain Governmental Authorization (if applicable)</td>
<td>Transmission Owner</td>
<td></td>
</tr>
<tr>
<td>Appoint Joint Operating Committee Representatives (Section 29.1)</td>
<td>All</td>
<td></td>
</tr>
<tr>
<td>Provide authorization to proceed with design and procurement</td>
<td>Interconnection Customer</td>
<td></td>
</tr>
<tr>
<td>Provide initial information (Section 5.10.4)</td>
<td>Interconnection Customer</td>
<td></td>
</tr>
<tr>
<td>Provide financial security for design and procurement</td>
<td>Interconnection Customer</td>
<td></td>
</tr>
<tr>
<td>Provide authorization to proceed with construction</td>
<td>Interconnection Customer</td>
<td></td>
</tr>
<tr>
<td>Provide financial security for construction</td>
<td>Interconnection Customer</td>
<td></td>
</tr>
<tr>
<td>Provide supplemental information (Section 5.10.5)</td>
<td>Interconnection Customer</td>
<td></td>
</tr>
<tr>
<td>Complete Transmission Owner’s Interconnection Facilities</td>
<td>Transmission Owner</td>
<td></td>
</tr>
<tr>
<td>Complete Attachment Facilities</td>
<td>Transmission Owner</td>
<td></td>
</tr>
<tr>
<td>In-Service Date</td>
<td>Interconnection Customer</td>
<td></td>
</tr>
<tr>
<td>Energize Interconnection Customer’s Interconnection Facilities</td>
<td>Interconnection Customer</td>
<td></td>
</tr>
<tr>
<td>Complete Requested Upgrades</td>
<td>Transmission Owner</td>
<td></td>
</tr>
<tr>
<td>Initial Synchronization Date</td>
<td>Interconnection Customer</td>
<td></td>
</tr>
<tr>
<td>Begin Trial Operation</td>
<td>Interconnection Customer</td>
<td></td>
</tr>
<tr>
<td>Projected commercial operation date</td>
<td>Interconnection Customer</td>
<td></td>
</tr>
</tbody>
</table>
Appendix C to LGIA

Interconnection Details

- Identify the SPP generation study number
- Provide additional details on Transmission Owner Interconnection Facilities
- Provide Interconnection Customer Interconnection Facilities
- Include a reference to the Transmission Owner Interconnection Guidelines (SPP Facility Connection Requirements once they are available) if applicable.
Appendix D to LGIA

Security Arrangements Details

Infrastructure security of 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 all Transmission Providers, market participants, and Interconnection Customers interconnected to the Transmission System to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and, eventually, best practice recommendations from the electric reliability authority. All public utilities will be expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

[Include communications details as required in Section 8.1]
Appendix E to LGIA

Commercial Operation Date

[Date]

Carl Monroe, Sr. Vice President, Operations
Chief Operating Officer
Southwest Power Pool, Inc.
415 N. McKinley, # 140 Plaza West
Little Rock, AR. 72205-3020

[Transmission Owner Address]

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]
Appendix F to LGIA

Addresses for Delivery of Notices and Billings

Notices:

Transmission Provider:

Carl Monroe, Sr. Vice President, Operations
Chief Operating Officer
Southwest Power Pool, Inc
415 N. McKinley, # 140 Plaza West
Little Rock, AR. 72205-3020

Transmission Owner:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

Billings and Payments: [Specify addresses for construction invoices, O&M invoices and settlement of ancillary services]

Transmission Provider:

Tony Alexander, Supervisor of Tariff Accounting
Southwest Power Pool, Inc.
415 N. McKinley, # 140 Plaza West
Little Rock, AR. 72205-3020

Transmission Owner:

[To be supplied.]
Interconnection Customer:

[To be supplied.]

Alternative Forms of Delivery of Notices (telephone, facsimile or email):

Transmission Provider:

Carl Monroe, Sr. Vice President, Operations
Chief Operating Officer
Southwest Power Pool, Inc.
415 N. McKinley, # 140 Plaza West
Little Rock, AR. 72205-3020
Phone:  501-614-3218
Facsimile: 501-664-9553

Transmission Owner:

[To be supplied.]

Operational Communications: [Identify contacts for operations]

Transmission Provider:

Lanny Nickell, Director, Operations
Southwest Power Pool, Inc.
415 N. McKinley, # 140 Plaza West
Little Rock, AR. 72205-3020
Phone:  501-614-3232
Facsimile: 501-664-9553

Transmission Owner:
[To be supplied.]

Interconnection Customer:  
[To be supplied.]
Appendix G to LGIA

Requirements of Generators Relying on Newer Technologies

Appendix 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. The LVRT standard provides for a transition period standard and a post-transition period standard.

(a) Transition Period LVRT Standard
The transition period standard applies to wind generating plants subject to FERC Order 661 that have either: (i) interconnection agreements signed and filed with the Commission, filed with the Commission in unexecuted form, or filed with the Commission as non-conforming agreements between January 1, 2006 and December 31, 2006, with a scheduled in-service date no later than December 31, 2007, or (ii) wind generating turbines subject to a wind turbine procurement contract executed prior to December 31, 2005, for delivery through 2007.

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 transmission provider. The maximum clearing time the wind generating plant shall be required to withstand for a three-phase fault shall be 9 cycles at a voltage as low as 0.15 p.u., as measured at the high side of the wind generating plant step-up transformer (i.e. the transformer that steps the voltage up to the transmission interconnection voltage or “GSU”), 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 transmission system.

2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU or to faults that
would result in a voltage lower than 0.15 per unit on the high side of the GSU serving the facility.

3. Wind generating plants may be tripped after the fault period if this action is intended as part of a special protection system.

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, etc.) within the wind generating plant or by a combination of generator performance and additional equipment.

5. Existing individual generator units that are, or have been, interconnected to the Transmission System at the same location at the effective date of the Appendix G LVRT Standard are exempt from meeting the Appendix G LVRT Standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Appendix G LVRT Standard.

(b) Post-transition Period LVRT Standard
All wind generating plants subject to FERC Order No. 661 and not covered by the transition period described above must meet the following requirements:

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 transmission provider. 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 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.

2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU.

3. Wind generating plants may be tripped after the fault period if this action is intended as part of a special protection system.
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.

5. Existing individual generator units that are, or have been, interconnected to the Transmission System at the same location at the effective date of the Appendix G LVRT Standard are exempt from meeting the Appendix G LVRT Standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Appendix 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 Transmission Provider’s 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 606 (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors if agreed to by the Transmission Provider, 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 the Transmission Provider to protect system reliability. The Transmission Provider 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 transmission system reliability in its area.
Optional Interconnection Study shall mean a sensitivity analysis based on assumptions specified by the Interconnection Customer in the Optional Interconnection Study Agreement.

Optional Interconnection Study Agreement shall mean the form of agreement contained in Appendix 5 of the Standard Large Generator Interconnection Procedures for conducting the Optional Interconnection Study.

Party or Parties shall mean Transmission Provider, Transmission Owner, Interconnection Customer or any combination of the above.

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

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. Both the Transmission Provider and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the Standard Large Generator Interconnection Agreement.

Tariff shall mean the Transmission Provider'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.

Transmission Owner shall mean an entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Standard Large Generator Interconnection Agreement to the extent necessary.

Transmission Provider shall mean the public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff. The term Transmission Provider should be read to include the Transmission Owner when the Transmission Owner is separate from the Transmission Provider.

up to the amount of MWs identified in the applicable stability and steady state studies to the extent the upgrades initially required to
qualify for Energy Resource Interconnection Service have been constructed. Where eligible to do so (e.g., PJM, ISO-NE, NYISO), Interconnection Customer may place a bid to sell into the market up to the maximum identified Large Generating Facility output, subject to any conditions specified in the interconnection service approval, and the Large Generating Facility will be dispatched to the extent Interconnection Customer's bid clears. In all other instances, no transmission delivery service from the Large Generating Facility is assured, but Interconnection Customer may obtain Point-to-Point Transmission Service, Network Integration Transmission Service, or be used for secondary network transmission service, pursuant to Transmission Provider's Tariff, up to the maximum output identified in the stability and steady state studies. In those instances, in order for Interconnection Customer to obtain the right to deliver or inject energy beyond the Large Generating Facility Point of Interconnection or to improve its ability to do so, transmission delivery service must be obtained pursuant to the provisions of Transmission Provider's Tariff.

4.1.2 Network Resource Interconnection Service.

4.1.2.1 The Product. Transmission Provider must conduct the necessary studies and construct the Network Upgrades needed to integrate the Large Generating Facility (1) in a manner comparable to that in which Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an ISO or RTO with market based congestion management, in the same manner as all Network Resources. To the extent Interconnection Customer wants to receive Network Resource Interconnection Service, Transmission Provider shall construct the facilities identified in Attachment A to this LGIA.

4.1.2.2 Transmission Delivery Service Implications. Network Resource Interconnection Service allows Interconnection Customer's Large Generating Facility
to be designated by any Network Customer under the Tariff on Transmission Provider's Transmission System as a Network Resource, up to the Large Generating Facility's full output, on the same basis as existing Network Resources interconnected to Transmission Provider's Transmission System, and to be studied as a Network Resource on the assumption that such a designation will occur. Although Network Resource Interconnection Service does not convey a reservation of transmission service, any Network Customer under the Tariff can utilize its network service under the Tariff to obtain delivery of energy from the interconnected Interconnection Customer's Large Generating Facility in the same manner as it accesses Network Resources. A Large Generating Facility receiving Network Resource Interconnection Service may also be used to provide Ancillary Services after technical studies and/or periodic analyses are performed with respect to the Large Generating Facility's ability to provide any applicable Ancillary Services, provided that such studies and analyses have been or would be required in connection with the provision of such Ancillary Services by any existing Network Resource. However, if an Interconnection Customer's Large Generating Facility has not been designated as a Network Resource by any load, it cannot be required to provide Ancillary Services except to the extent such requirements extend to all generating facilities that are similarly situated. The provision of Network Integration Transmission Service or firm Point-to-Point Transmission Service may require additional studies and the construction of additional upgrades. Because such studies and upgrades would be associated with a request for delivery service under the Tariff, cost responsibility for the studies and upgrades would be in accordance with FERC's policy for pricing transmission delivery services.

Network Resource Interconnection Service does not necessarily provide Interconnection Customer with the capability to physically deliver the output of its Large Generating Facility to any particular load on
Transmission Provider's Transmission System without incurring congestion costs. In the event of transmission constraints on Transmission Provider's Transmission System, Interconnection Customer's Large Generating Facility shall be subject to the applicable congestion management procedures in Transmission Provider's Transmission System in the same manner as Network Resources.

There is no requirement either at the time of study or interconnection, or at any point in the future, that Interconnection Customer's Large Generating Facility be designated as a Network Resource by a Network Service Customer under the Tariff or that Interconnection Customer identify a specific buyer (or sink). To the extent a Network Customer does designate the Large Generating Facility as a Network Resource, it must do so pursuant to Transmission Provider's Tariff.

Once an Interconnection Customer satisfies the requirements for obtaining Network Resource Interconnection Service, any future transmission service request for delivery from the Large Generating Facility within Transmission Provider's Transmission System of any amount of capacity and/or energy, up to the amount initially studied, will not require that any additional studies be performed or that any further upgrades associated with such Large Generating Facility be undertaken, regardless of whether or not such Large Generating Facility is ever designated by a Network Customer as a Network Resource and regardless of changes in ownership of the Large Generating Facility. However, the reduction or elimination of congestion or redispatch costs may require additional studies and the construction of additional upgrades.

To the extent Interconnection Customer enters into an arrangement for long term transmission service for deliveries from the Large Generating Facility outside Transmission Provider's Transmission System, such
request may require additional studies and upgrades in order for Transmission Provider to grant such request.

5.1.2 **Alternate Option.** If the dates designated by Interconnection Customer are acceptable to Transmission Provider, Transmission Provider shall so notify Interconnection Customer within thirty (30) Calendar Days, and shall assume responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities by the designated dates.

If Transmission Provider subsequently fails to complete Transmission Provider's Interconnection Facilities by the In-Service Date, to the extent necessary to provide back feed power; or fails to complete Network Upgrades by the Initial Synchronization Date to the extent necessary to allow for Trial Operation at full power output, unless other arrangements are made by the Parties for such Trial Operation; or fails to complete the Network Upgrades by the Commercial Operation Date, as such dates are reflected in Appendix B, Milestones; Transmission Provider shall pay Interconnection Customer liquidated damages in accordance with Article 5.3, Liquidated Damages, provided, however, the dates designated by Interconnection Customer shall be extended day for day for each day that the applicable RTO or ISO refuses to grant clearances to install equipment.

or otherwise, to be paid to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, as payments are made under Transmission Provider's Tariff and Affected System's Tariff for transmission services with respect to the Large Generating Facility. Any repayment shall include interest calculated in accordance with the methodology set forth in FERC regulations at 18 C.F.R. ' 35.19a(a)(2)(iii) from the date of any payment for Network Upgrades through the date on which the Interconnection Customer receives a repayment of such payment pursuant to this subparagraph. Interconnection Customer may assign such repayment rights to any person.
Notwithstanding the foregoing, Interconnection Customer, Transmission Provider, and Affected System Operator may adopt any alternative payment schedule that is mutually agreeable so long as Transmission Provider and Affected System Operator take one of the following actions no later than five years from the Commercial Operation Date: (1) return to Interconnection Customer any amounts advanced for Network Upgrades not previously repaid, or (2) declare in writing that Transmission Provider or Affected System Operator will continue to provide payments to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, or develop an alternative schedule that is mutually agreeable and provides for the return of all amounts advanced for Network Upgrades not previously repaid; however, full reimbursement shall not extend beyond twenty (20) years from the Commercial Operation Date.

If the Large Generating Facility fails to achieve commercial operation, but it or another Generating Facility is later constructed and makes use of the Network Upgrades, Transmission Provider and Affected System Operator shall at that time reimburse Interconnection Customer for the amounts advanced for the Network Upgrades. Before any such reimbursement can occur, the Interconnection Customer, or the entity that ultimately constructs the Generating Facility, if different, is responsible for identifying the entity to which reimbursement must be made.

The agreement shall specify the terms governing payments to be made by Interconnection Customer to the Affected System Operator as well as the repayment by the Affected System Operator.

24.1 Information Acquisition. Transmission Provider 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.

24.2 Information Submission by Transmission Provider. The initial information submission by Transmission Provider shall occur no later than one hundred eighty (180) Calendar Days prior to Trial Operation and shall
include 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 Transmission Provider shall provide Interconnection Customer a status report on the construction and installation of Transmission Provider's Interconnection Facilities and Network Upgrades, 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.

24.3 **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 Transmission Provider for the Feasibility and Facilities Study. 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 Transmission Provider 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 Transmission Provider pursuant to the Interconnection Study Agreement between Transmission Provider and Interconnection Customer, then Transmission Provider will conduct appropriate studies to determine the impact on Transmission Provider Transmission System based on the actual data submitted pursuant to this Article 24.3. The Interconnection Customer shall not begin Trial Operation until such studies are completed.

24.4 **Information Supplementation.** Prior to the Operation Date, the Parties shall supplement their information submissions described above in this Article 24 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 Transmission Provider for each individual generating unit in a
station.

Subsequent to the Operation Date, Interconnection Customer shall provide
Transmission Provider any information changes due to equipment
replacement, repair, or adjustment. Transmission Provider shall provide
Interconnection Customer any information changes due to equipment
replacement, repair or adjustment in the directly connected substation or
any adjacent Transmission Provider-owned substation that may affect
Interconnection Customer's Interconnection Facilities equipment ratings,
protection or operating requirements. The Parties shall provide such
information no later than thirty (30) Calendar Days after the date of the
equipment replacement, repair or adjustment.

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 other 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 other Party's receipt of
the Notice of Dispute, such claim or dispute may, upon mutual agreement
of the Parties, be submitted to arbitration and resolved in accordance with
the arbitration procedures set forth below. In the event the Parties do not
agree to submit such claim or dispute to arbitration, each Party may
exercise whatever rights and remedies it may have in equity or at law
consistent with the terms of this LGIA.
27.2 **External Arbitration Procedures.** Any arbitration initiated under this LGIA shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) Calendar Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("Arbitration Rules") and any applicable FERC regulations or RTO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Article 27, the terms of this Article 27 shall prevail.

27.3 **Arbitration Decisions.** Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this LGIA and shall have no power to modify or change any provision of this Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with FERC if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, or Network Upgrades.

27.4 **Costs.** Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or (2) one half the cost of the single arbitrator jointly chosen by the Parties.
TREATMENT OF RESERVE SHARING CHARGES AND REVENUES

I. Payments and Distribution of Revenues

A. Reserve Sharing Activation

An Operating Reserve Contingency is called in accordance with Criteria 6. The CAO will notify SPP and activate the Reserve Sharing System, on a non-discriminatory basis.

B. Charges for Reserve Sharing Services

Charges for energy assistance supplied during an RSA will be calculated in accordance with the applicable contracts between members of the Reserve Sharing Group (RSG) to facilitate billing and payment for such energy. The affected CAO will be invoiced by the members of the RSG in accordance with the applicable contracts and will submit these invoices and its own charges calculated as if it was supplying assistance to another RSG member to SPP for reimbursement.

Option A

If the Resource causing the RSA is Self-Dispatched or it is Scheduled and Offered into the EIS market, SPP will invoice each Market Participant receiving the scheduled output of the Resource for energy supplied by the RSS to meet the Resource’s scheduled output as designated by the Resource operator. Such designation should be consistent with any schedules curtailed by the Resource operator, if any, following the RSA. Any energy supplied by the RSS in excess of the Resource’s schedule(s) will be treated as energy supplied to the EIS market. If the Resource causing the RSA is, in whole or in part, supplying energy to the EIS market, SPP will charge each Market Participant purchasing energy from the EIS market for the energy supplied by the RSS, based on each Market Participant’s pro rata portion of all EIS energy withdrawn during the RSA event. There will be a penalty applied to poor performance.

Option B
SPP will invoice the Resource causing the RSA for the total of the charges provided to SPP by the affected CAO.

II. **Revenues for Reserve Sharing Services**
   Revenues collected by the Transmission Provider under this Attachment ___ will be distributed to the affected Control Area Operator

III. **Transmission Service Charges**
    Except as provided in Schedule 4, there shall be no SPP transmission service charges associated with an RSA.
ADDITIONAL REVIEW BY ORWG ON MARCH 1ST.

IV. Documentation

In the event that any charge for an RSA is allocated to a non-RSG member, the following data will be forwarded to SPP within 24 hours of the event. This documentation is critical to provide an audit trail for the dispute resolution process, and for the Market Monitoring Unit to determine if exercise of market power and undue discrimination has taken place.

The data collected by the entity calling for the RSA will be submitted by such entity, and will be available to the non-RSG member within seven days of the RSA. In addition, non-RSG members will have access to this data for all events called with respect to Generators that are affiliated with the entity that called the RSA. The data will include, at a minimum:

* MW capacity lost
* Duration of the MW capacity loss
* MW capacity de-rated
* Duration of the MW capacity de-rate
* System frequency at the beginning of the Reserve Sharing Event
* System Frequency at the end of the Reserve Sharing Event
* CA load at the time of the event
* CA ACE at the beginning of the event
* CA ACE at the end of the event
* SPP regional load at the time of the event
* CA Net Actual Interchange at the beginning of the event
* CA Net Actual Interchange at the end of the event
* Documented effect on SPP flowgates and accompanying LIP prices as a result of the event
* SPP Region inadvertent accumulations during the time of the event
* Dispatch levels of the CA generators at the beginning of the event
* Dispatch levels of the CA generators during the event
* Dispatch levels of the CA generators at the end of the event
* Dispatch levels of RSG member generators at the beginning of the event
* Dispatch levels of RSG member generators during the event
* Dispatch levels of RSG member generators at the end of the event
* A cross index to records of previous, similar events and actions taken
You requested an opinion as to recovery of non-Base Plan facilities. In the following, I attempt to answer the basic questions as I understand them.

I. Issue-May transmission owners recover the costs of transmission facilities that are not directly addressed by SPP’s Tariff?

I see nothing in the SPP tariff or FERC precedent which would prevent transmission owners from seeking to include in rates the costs of transmission upgrades which may not come from the SPP process or may not be covered by the SPP Tariff. There is no indication in the Commission’s order approving SPP’s transmission cost allocation proposal indicating that transmission owners are so limited. Southwest Power Pool, 111 FERC 61,118 (2005). While Attachment J states that: “There shall be four types of Network Upgrades,” that statement is in the context of Attachment J. I think that it would be a stretch to state that a facility which is otherwise reasonable and does not qualify under those categories cannot be otherwise recovered in rates. The rate provisions of the SPP tariff certainly do not state that. In fact, under the SPP tariff the transmission system consists of booked transmission facilities which would include upgrades that owners build outside of the SPP process. If current rates include facilities similar to the types of facilities that are the subject of this memo, that would aid substantially any argument for recovery of new similar facilities.

FERC precedent supports this interpretation. In Pacific Gas & Elec, 106 FERC 61,242, the Commission set for hearing a transmission rate request by PG&E that included upgrades to facilities not built pursuant to a Cal ISO plan or which were approved by the Cal ISO. These facilities involved traditional infrastructure improvements designed to meet “on-going system availability or reliability concerns.” While the Commission denied accelerated depreciation treatment because the facilities were not part of an RTO plan, there is certainly no indication that the fact that the facilities are not part of an RTO would disqualify the facilities from being included in rates.

Further, a transmission owner that constructs transmission facilities, where the investment decision was prudent, possesses both a statutory and Constitutional right to recover a reasonable return on those facilities. The SPP tariff cannot deny those fundamental rights. Also, the fact that the owners control their own zonal rates (as shown by the Membership Agreement) and may in fact have their own tariffs setting the rates (such as Xcel) adds further support to this conclusion.

To be sure, if a transmission owner constructs new facilities that are not part of an RTO plan, the transmission owner may be subject to greater prudence review. However, I am not aware of FERC denying recovery of new transmission costs due to a finding of imprudence. With regard to prudence, “the appropriate test to be used is whether they are costs which a reasonable utility management . . . would have made, in good faith, under the same circumstances and at the relevant point in time.” National Grid, 97 FERC
61,329, quoting Iroquois, 87 FERC 61,295. I would expect that if a state indicates that it wants additional facilities built, even if those facilities would not be required under SPP Criteria, that it would be highly unlikely that FERC would disallow the costs.

Having said that, I do not mean to suggest that a transmission owner will be able to build any facility that it wants and to recover the costs of the new facility without any regulatory review. The transmission owner will have the burden of showing that its actions were reasonable. If a regulatory agency determines that the transmission owner acted unreasonably in constructing the facility, then the facility would not be included in rates. Customers possess the ability at FERC to challenge the rate recovery, with FERC deciding the issue with regard to wholesale and unbundled transmission rates.

This response is limited to transmission facilities that are of a type that are recoverable under the SPP tariff. This opinion does not address facilities which do not qualify as transmission under the SPP tariff. Any facilities that are not recoverable under the SPP tariff for which the owner want recovery will require a separate FERC filing by the owner for recovery. I offer no opinion as to the structure of the filing or FERC’s reaction to any such filing as it should not be a SPP matter because it would not involve SPP transmission facilities.

II. Assuming that the transmission facilities are not explicitly covered by the new transmission cost allocation and recovery provisions of the SPP Tariff (Attachments J and Z), how could a transmission owner recover the costs of those facilities?

Under the SPP Tariff, SPP currently provides transmission service over all booked transmission facilities (though SPP did recently file a tariff revision defining transmission facilities which may have an impact in the future). Transmission Owners have the opportunity to include transmission facilities in their zonal rates which are available for service under the SPP Tariff. Given the fact that most if not all of the zonal rates are fixed rates, a transmission owner seeking to include the costs of new facilities in its zonal rates would need to make a filing at FERC under Section 205 of the FPA to increase its zonal rates. If a formula rate structure is adopted, then the new booked transmission facilities would be automatically picked up each year and included in rates. FERC also would likely accept a formula that allowed projections of new transmission facilities to be included in the formula as FERC accepted that structure for New England.

III. Could there be facilities which would qualify under the new transmission cost allocation and recovery provisions of the SPP Tariff?

As I understand the question, transmission owners may want to build facilities which are not required by SPP or SPP criteria and are not in response to a transmission or interconnection request and also would not qualify as Economic Upgrades. These facilities may qualify under the definition of Requested Upgrades. The definition of Requested Upgrade in the tariff is: “Transmission upgrades, required by a Transmission Customer or other entity, which do not meet the definition of any other category of Network Upgrades.” SPP Tariff Section 1.38a. This a broad catch-all definition. The
fact that the definition refers to upgrades required by any “other entity” would seem to include facilities which a transmission owner believes it needs to construct.

A problem with this interpretation (which is based on a plain reading of the definition) is that it does not work well with the rest of the SPP Tariff. Attachment J, for example, contains language stating: “The Project Sponsor(s) for an Economic Upgrade, the Transmission Customer for a Requested Upgrade or the Interconnection Customer for a generation interconnection . . . shall be responsible for the net of the present value of the total cost for its upgrade less the present value of the Base Plan Avoided Revenue Requirements.” Thus, Attachment J assumes that the Transmission Customer pays for the Requested Upgrade and does not contemplate a TO as a Project Sponsor.

Further, with regard to Requested Upgrades, Attachment J requires cost allocation and revenue crediting in accordance with Attachment Z. The language of Attachment Z, however, as it applies to Requested Upgrades refers to transmission customers or transmission requests which would not cover these types of facilities. Section V of Attachment Z only addresses cost allocation in the context of transmission service requests. Section VI A which addresses cost recovery of Requested Upgrade costs assumes that there is either a point to point customer or a network customer which is responsible for the upgrade. Section VI B on revenue credits states that only transmission customers paying for Requested Upgrades shall receive revenue credits. Section VII also refers to transmission customers receiving revenue credits. In contrast, with regard to Economic Upgrades, Attachment Z allows revenue credits to go back to Project Sponsors.

Thus, while the facilities being contemplated here would fit under the broad definition of Requested Upgrades, the tariff provisions on cost responsibility, payment, revenue credits, and allocation do not work unless there is a transmission service request. Thus, if you want these types of facilities to be included under the definition of Requested Upgrade, SPP will need to make revisions to its Tariff as described below.

If these facilities do not fall under the definitions in the Tariff, then each Transmission Owner will need to consider whether to file a rate case under FPA Section 205 to include the new facilities in its zonal rates. Or, alternatively, this could be addressed through formula rates which would only require one FPA Section 205 filing to set up the formula (and likely some annual informational filings which are not FPA 205 filings and which are limited, narrow cases). In addition, as I noted above, you also could structure the formula to use a forecasted period for the new facilities and a historic period for the existing facilities and to calculate the fixed charge rate to apply to the new facilities. FERC has accepted this structure on a number of occasions including a recent NE RTO settlement.

IV. Possible Further Actions

SPP should consider tariff revisions. There is no doubt that the tariff does not work with regard to the facilities in question if they are considered Requested Upgrades. The
TO would not receive credits or be able to have a facility allocated to others. There is an easy fix. With regard to Economic Upgrades, the tariff, for example, sends the credits back to Project Sponsors. All that you would need to do would be to recognize that there may be Project Sponsors for Requested Upgrades and tweak the language to ensure that allocation and crediting would apply to Project Sponsors. In addition, if SPP members have any discomfort that Attachment J may prevent recovery of the costs of facilities discussed herein, then it would be a simple matter to put in explicit language in Attachment J addressing this issue (for example, we could include language stating that Attachment J is not exclusive or the sole means of recovering these costs).

Mike Small