

**Joint Operating Agreement  
Among And Between  
Southwest Power Pool, Inc. and  
Associated Electric Cooperative, Inc.**

**Date:** September 14, 2022

## TABLE OF CONTENTS

ARTICLE ONE: RECITALS .....	5
ARTICLE TWO: ABBREVIATIONS, ACRONYMS, AND DEFINITIONS .....	6
2.1 Abbreviations and Acronyms .....	6
2.2 Definitions.....	7
2.3 Rules of Construction .....	10
ARTICLE THREE: OPERATING COMMITTEE .....	11
3.1 Establishment and Functions of Operating Committee .....	11
3.2 Ongoing Review and Revisions.....	12
ARTICLE FOUR: EXCHANGE OF INFORMATION AND DATA .....	12
4.1 Exchange of Operating Data.....	12
4.2 Cost of Data and Information Exchange.....	16
ARTICLE FIVE: TTC/ATC/AFC CALCULATIONS .....	17
5.1 TTC/ATC/AFC Protocols.....	17
5.2 Consideration of External Limitation and Coordination of Short-Term Transmission Service.....	19
5.3 Transmission Capacity for Reserve Sharing.....	20
ARTICLE SIX: PRINCIPLES CONCERNING JOINT OPERATIONS IN EMERGENCIES.....	20
6.1 Emergency Operating Principles .....	20
ARTICLE SEVEN: COORDINATED REGIONAL TRANSMISSION EXPANSION PLANNING .....	21
7.1 Joint Planning Committee.....	21
7.2 Data and Information Exchange .....	22
7.3 Joint and Coordinated System Planning.....	24
7.4 Allocation of Costs of Upgrades.....	29

7.5	Agreement to Enforce Duties to Construct and Own .....	30
ARTICLE EIGHT: JOINT CHECKOUT PROCEDURES.....		30
8.1	Scheduling Checkout Protocols .....	30
ARTICLE NINE: VOLTAGE CONTROL AND REACTIVE POWER COORDINATION.....		32
9.1	Coordination Objectives .....	32
9.2	Specific Voltage and Reactive Power Coordination Procedures .....	32
ARTICLE TEN: DISPUTE RESOLUTION PROCEDURES .....		34
10.1	Dispute Resolution Procedures .....	34
ARTICLE ELEVEN: RETAINED RIGHTS OF PARTIES .....		35
11.1	Parties Entitled to Act Separately .....	35
ARTICLE TWELVE: EFFECTIVE DATE, IMPLEMENTATION, TERM AND TERMINATION.....		36
12.1.	Effective Date; Implementation .....	36
12.2	Term.....	36
12.3.	Right of a Party to Terminate.....	36
12.4.	Termination Due to Regulatory Action .....	36
12.5	Termination Due To FERC Modification.....	36
12.6	Change in NERC.....	36
12.7	Survival.....	36
12.8	Post-Termination Cooperation.....	37
ARTICLE THIRTEEN: CONFIDENTIAL INFORMATION.....		37
13.1	Definition .....	37
13.2	Protection .....	37
13.3	Scope.....	37
13.4	Standard of Care .....	37

13.5	Required Disclosure.....	38
13.6	Return of Confidential Information .....	38
13.7	Equitable Relief .....	38
ARTICLE FOURTEEN: ADDITIONAL PROVISIONS .....		39
14.1	Unauthorized Transfer of Third-Party Intellectual Property .....	39
14.2	Intellectual Property Developed Under This Agreement.....	39
14.3	Indemnification.....	39
14.4	Limitation of Liability.....	39
14.5	Assignments.....	39
14.6	Force Majeure .....	40
14.7	Amendment.....	40
14.8	Headings .....	40
14.9	Counterparts.....	40
14.10	Notices .....	40
14.11	Governing Law .....	41
14.12	Prior Agreements; Entire Agreement.....	41

**Attachment 1 – Emergency Energy Exchange**

**Joint Operating Agreement  
Among And Between  
Southwest Power Pool, Inc.,  
And  
Associated Electric Cooperative, Inc.**

This Joint Operating Agreement (“Agreement”) dated this 14th day of September, 2022, among and between the following Parties:

Southwest Power Pool, Inc. (“SPP”), an Arkansas non-profit corporation having a place of business at 201 Worthen Drive, Little Rock, AR; and

Associated Electric Cooperative, Inc. (“AECI”), a Missouri corporation having a place of business at 2814 S. Golden Avenue, Springfield, MO.

**ARTICLE ONE  
RECITALS**

1. SPP is the Regional Transmission Organization that provides operating and reliability functions in portions of the states of Arkansas, Iowa, Kansas, Louisiana, Minnesota, Missouri, Montana, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, Texas, and Wyoming. SPP administers an open access tariff for transmission and related services on its grid, and administers a centralized day-ahead and real-time energy and operating reserve market with locational marginal pricing and market-based congestion management.

2. AECI is a transmission provider that provides operating functions in the AECI service area which consists of six regional G&Ts and fifty one distribution cooperatives located in Missouri, Southeast Iowa and Northeast Oklahoma, and administers the AECI Open Access Transmission Tariff on its system.

3. On August 19, 2004, the Parties entered into a Transmission Coordination Agreement (“TCA”) which provided for coordination in data exchange, planning, scheduling and other aspects of transmission operations.

4. The Parties entered into the Agreement on August 10, 2008 to supersede the TCA with this Agreement.

5. The Parties entered into this revised Agreement on September 14, 2022 to add Attachment 1 – Emergency Energy Exchange.

NOW, THEREFORE, for good and valuable consideration including the Parties’ mutual reliance upon the covenants contained herein, the Parties agree as follows:

**ARTICLE TWO**  
**ABBREVIATIONS, ACRONYMS, AND DEFINITIONS**

**2.1 Abbreviations and Acronyms.**

- 2.1.1** “ATC” shall mean Available Transfer Capability.
- 2.1.2** “AFC” shall mean Available Flowgate Capability.
- 2.1.3** “CBM” shall mean Capacity Benefit Margin.
- 2.1.4** “CIM” shall mean Common Information Model.
- 2.1.5** “EFOR” shall mean Equivalent Forced Outage Rate.
- 2.1.6** “EMS” shall mean the respective Energy Management Systems utilized by the Parties to manage the flow of energy within their Regions.
- 2.1.7** “FERC” shall mean the Federal Energy Regulatory Commission or any successor agency thereto.
- 2.1.8** “FTP” shall mean the standardized file transfer protocol for data exchange.
- 2.1.9** “ICCP”, “ISN”, and “ICCP/ISN” shall mean those common communication protocols adopted to standardize information exchange.
- 2.1.10** “IDC” shall mean the NERC Interchange Distribution Calculator used for identifying and requesting congestion management relief.
- 2.1.11** “IROL” shall mean the Interconnected Reliability Operating Limit.
- 2.1.12** “ISN” shall have the meaning referred to in the reference to ICCP.
- 2.1.13** “JPC” shall mean the Joint Planning Committee.
- 2.1.14** “MMWG” shall mean the NERC working group that is charged with multi-regional modeling.
- 2.1.15** “MVAR” shall mean megavolt amp of reactive power.
- 2.1.16** “NERC” shall mean the North American Electricity Reliability Corporation or successor organization.
- 2.1.17** “OASIS” shall mean the Open Access Same-Time Information System required by FERC for the posting of market and transmission data on the internet.
- 2.1.18** “OATT” shall mean the applicable Open Access Transmission Tariff.
- 2.1.19** “OC” shall refer to the Operating Committee under this Agreement.

- 2.1.20 “P<sub>MAX</sub>” shall mean the maximum generator real power output reported in MWs on a seasonal basis.
- 2.1.21 “P<sub>MIN</sub>” shall mean the minimum generator real power output reported in MWs on a seasonal basis.
- 2.1.22 “Q<sub>MAX</sub>” shall mean the maximum generator reactive power output reported in MVARs at full real power output of the unit.
- 2.1.23 “Q<sub>MIN</sub>” shall mean the minimum generator reactive power output reported in MVARs at full real power output of the unit.
- 2.1.24 “RC” shall mean Reliability Coordinator.
- 2.1.25 “RCIS” shall mean the Reliability Coordinator Information System.
- 2.1.26 “RTO” refers to Regional Transmission Organization as defined in FERC’s Order No. 2000.
- 2.1.27 “SCADA” refers to a supervisory control and data acquisition system.
- 2.1.28 “SDX System” shall mean the system used by NERC to exchange system data.
- 2.1.29 “SOL” shall mean System Operating Limit.
- 2.1.30 “TLR” shall mean the NERC Transmission Loading Relief Procedures used in the Eastern Interconnection as specified in NERC Reliability Standards.
- 2.1.31 “TRM” shall mean Transmission Reliability Margin.
- 2.1.32 “TTC” shall mean Total Transfer Capability.

**2.2 Definitions.** Any undefined, capitalized term used in this Agreement that is not defined in this Section shall have the meaning given in the preamble of this Agreement; and if not defined in the preamble, shall have the meaning given under industry custom, and where applicable, in accordance with Good Utility Practice.

- 2.2.1 “a & b multipliers” shall mean the multipliers that are applied to TRM in the planning horizon and in the operating horizon to determine non-firm AFC/ATC. The “a” multiplier is applied to TRM in the planning horizon to determine non-firm AFC/ATC. The “b” multiplier is applied to TRM in the operating horizon to determine non-firm AFC/ATC. The “a & b” multipliers can vary between 0 and 1, inclusive. They are determined by individual transmission providers based on network reliability considerations.
- 2.2.2 “Agreement” shall have the meaning stated in the preamble.

- 2.2.3** “Available Flowgate Capability” shall mean the amount of transfer capability over a Flowgate that remains available for additional transmission service reservations above and beyond existing uses of that Flowgate capacity.
- 2.2.4** “Available Flowgate Rating” shall mean the maximum amount of power that can flow across the applicable interface without overloading (either on an actual or contingency basis) any element of the Flowgate. The Flowgate rating is in units of megawatts. If the Flowgate is voltage or stability limited, a megawatt proxy is determined to ensure adequate voltages and stability condition.
- 2.2.5** “Available Transfer Capability” shall mean the Total Transfer Capability less the projected loading across the interface, less TRM and CBM.
- 2.2.6** “Confidential Information” shall have the meaning stated in Section 13.1.
- 2.2.7** “Balancing Authority Area(s)” shall mean an electric power system or combination of electric power systems to which a common automatic generation control scheme is applied.
- 2.2.8** “Coordinated Operations” means all activities that will be undertaken by the Parties pursuant to this Agreement.
- 2.2.9** “Effective Date” shall have the meaning stated in Section 12.1.
- 2.2.10** “Flowgate” shall mean a representative modeling of facilities or groups of facilities that may act as potential constraint points on the regional system.
- 2.2.11** “Good Utility Practice” shall mean any of the practices, methods, and acts engaged in or approved of 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, and acts generally accepted in the region.
- 2.2.12** “Governmental Authority” shall mean any federal, state, regional, local, or foreign court, tribunal, government, governmental agency, military, governmental or regulatory body or authority over the transmission and/or generation facilities of a Party or the Parties.
- 2.2.13** “Intellectual Property” shall mean (i) ideas, designs, concepts, techniques, inventions, discoveries, or improvements, regardless of patentability, but including without limitation patents, patent applications, mask works, trade secrets, and know-how; (ii) works of authorship, regardless of copyright ability, including copyrights, and any moral rights recognized by law; and (iii) any other similar rights, in each case on a worldwide basis.



- 2.2.14** “Interconnected Reliability Operating Limit” shall mean the value (such as MW, MVAR, Amperes, Frequency, or Volts) derived from, or a subset of, the System Operating Limits, which if exceeded, could expose a widespread area of the bulk electrical system to instability, uncontrolled separation(s) or cascading outages.
- 2.2.15** “Joint and Coordinated System Plan” shall mean the studies that are performed by SPP and AECI for the purpose of development of a transmission expansion plan as defined in Article 7.3.5.
- 2.2.16** “Joint Planning Committee” shall have the meaning referred to in Section 7.1.
- 2.2.17** “Market-Based Operating Entity” shall mean an Operating Entity that operates a security constrained, bid-based economic dispatch bounded by a clearly defined market area.
- 2.2.18** “Market Flows” shall mean the calculated energy flows on a specified Flowgate as a result of dispatch of generating resources within a Market Based Operating Entity’s market (excluding tagged transactions).
- 2.2.19** “Network Upgrades” shall mean those facilities located beyond the point of interconnection of the generating facility to the transmission grid.
- 2.2.20** “Notice” shall have the meaning stated in Section 14.10.
- 2.2.21** “Operating Committee” shall have the meaning stated in Section 3.1.
- 2.2.22** “Operating Entity” shall mean an entity that operates and controls a portion of the bulk transmission system with the goal of ensuring reliable energy interchange between generators, loads, and other operating entities.
- 2.2.23** “Party” or “Parties” refers to each party to this Agreement or all, as applicable.
- 2.2.24** “Region” shall mean the Balancing Authority Areas and transmission facilities with respect to which a Party serves as the Transmission Service Provider under NERC Reliability Standards.
- 2.2.25** “Reliability Coordinator” shall mean an entity approved by NERC to be responsible for performance of the Reliability Coordination function, as that function is defined by NERC, for one or more Balancing Authorities and/or Transmission Operators.
- 2.2.26** “SCADA Data” shall mean the electric system security data that is used to monitor the electrical state of facilities, as specified in NERC Reliability Standards.
- 2.2.27** “Scheduled Outage” shall mean the planned unavailability of transmission and/or generation facilities dispatched by a Party and do not include forced or other unplanned outages.

- 2.2.28** “System Operating Limit” shall mean the value (such as MW, MVAR, Amperes, Frequency, or Volts) that satisfies the most limiting of the prescribed operating criteria for a specified system configuration to ensure operation within acceptable reliability criteria.
- 2.2.29** “Third Party” refers to any entity other than a Party to this Agreement.
- 2.2.30** “Total Transfer Capability” shall mean the amount of electric energy that can be transferred over applicable transmission facilities in a reliable manner, generally the applicable rating of the applicable transmission facility.
- 2.2.31** “Transmission Reliability Margin” shall mean that amount of transmission transfer capability necessary to ensure that the interconnected transmission network is secure under a reasonable range of uncertainties in system conditions.
- 2.2.32** “Voltage and Reactive Power Coordination Procedures” shall have the meaning given under Article Nine.

### **2.3 Rules of Construction.**

- 2.3.1 No Interpretation Against Drafter.** Each Party participated in the drafting of this Agreement and each Party agrees that no rule of construction or interpretation against the drafter shall be applied to the construction or the interpretation of this Agreement.
- 2.3.2 Incorporation of Preamble and Recitals.** The Preamble and Recitals of this Agreement are incorporated into the terms and conditions of this Agreement and made a part thereof.
- 2.3.3 Rules of Interpretation.** Defined terms in the singular shall include the plural and vice versa, and the masculine, feminine, or neuter gender shall include all genders. Whenever the words “include,” “includes,” or “including” are used in this Agreement, they are not limiting and have the meaning as if followed by the words “without limitation.” The word “Section” refers to the applicable section of this Agreement and, unless otherwise stated, includes all subsections thereof. The word “Article” refers to articles of this Agreement.
- 2.3.4 NERC Reliability Standards.** All activities under this Agreement shall be conducted in a manner that meets or exceeds the applicable NERC Reliability Standards, as such standards may be revised from time to time.
- 2.3.5 Geographic Scope.** Each Party will perform this Agreement with respect to each Balancing Authority Area for which the Party serves as the Transmission Service Provider.

**ARTICLE THREE  
OPERATING COMMITTEE**

**3.1 Establishment and Functions of Operating Committee.** The purpose of this Agreement is to coordinate data exchange, planning, scheduling and other aspects of transmission operations and planning in accordance with industry standards and Good Utility Practices. The Parties expect that their systems and technology applicable to those systems and to the collection and exchange of data will change from time to time throughout the term of this Agreement. To administer the arrangements under this Agreement, the Parties shall establish an Operating Committee (“OC”).

**3.1.1** The OC shall have the following duties and responsibilities:

**3.1.1.1** Determine the date(s) for implementing the various parts of this Agreement in accordance with Section 12.1;

**3.1.1.2** Meet no less than semi-annually to address any issues associated with this Agreement that a Party may raise and to determine whether any changes to this Agreement, or procedures employed under this Agreement, would enhance reliability, efficiency, or economy;

**3.1.1.3** Conduct additional meetings upon Notice given by any Party, provided that the Notice specifies the reason(s) for the requested meeting;

**3.1.1.4** Conduct dispute resolution in accordance with Article Ten of this Agreement;

**3.1.1.5** Initiate process reviews at the request of any Party for activities undertaken in the performance of this Agreement;

**3.1.1.6** In its discretion, take other actions, including the establishment of subcommittees and/or task forces, to address any issues that the OC deems necessary in the implementation of this Agreement.

**3.1.1.7** Designate a planning representative and an operating representative for each Party to serve as a single point of contact with respect to planning and operational issues.

**3.1.2 Operating Committee Representatives.** Upon execution of this Agreement, each Party shall designate a primary and alternate representative to the OC and shall inform the other Party of its designated representatives by Notice. A Party may change its designated OC representatives at any time, provided that timely Notice is given to the other Party. Each designated OC representative shall have the authority to make decisions on issues that arise during the performance of this Agreement. The costs and expenses associated with each Party’s designated OC representatives shall be the responsibility of the designating Party.

**3.1.3 Limitations Upon Authority of Operating Committee.** Actions taken by the OC pursuant to this Agreement shall only be taken after a meeting in which there is mutual agreement of the OC representatives regarding an action to be taken. Neither Party shall be obligated to make any changes to its systems or operations or to purchase, install or otherwise implement new equipment, software or devices except as specifically required herein.

**3.2 Ongoing Review and Revisions.** The Parties have agreed to the terms and conditions of this Agreement as their respective systems exist and are contemplated as of the Effective Date. The Parties expect that these systems and technology applicable to those systems and to the collection and exchange of data will change from time to time throughout the term of this Agreement. The Parties agree that the objectives of this Agreement can be fulfilled only if the Parties, from time to time, review and, as appropriate, revise the requirements stated herein in response to changes, including deleting, adding, or revising requirements and protocols. Each Party shall negotiate in good faith in response to such revisions the other Party may propose from time to time. Nothing in this Agreement, however, shall require any Party to reach agreement with respect to any such changes, or to purchase, install, or otherwise implement new equipment, software, or devices, or functions except as required to perform this Agreement.

## **ARTICLE FOUR EXCHANGE OF INFORMATION AND DATA**

**4.1 Exchange of Operating Data.** The Parties will exchange the following types of data and information: (a) Real-Time and Projected Operating Data; (b) SCADA Data; (c) EMS Models; (d) Operations Planning Data; and (e) Planning Information and Models. The frequency of exchange will be as stated with respect to specific exchanges provided under this Article or, if no frequency is stated, then the frequency shall be as necessary or appropriate to support the purpose of the exchange or otherwise in accordance with Good Utility Practice. The Operating Committee will determine various commencement dates for the exchange of information hereunder. Nothing in this Agreement shall require a Party to provide or exchange information that it does not possess or cannot obtain.

To facilitate the exchange of all such data, each Party will designate to the other a contact to be available twenty-four (24) hours each day, seven (7) days per week and an alternate contact to act in the absence or unavailability of the primary contact, to respond to any inquiries. With respect to each contact and alternate, each Party shall provide the name, telephone number, e-mail address, and fax number. Each Party may change a contact from time to time by Notice to the other Party.

The Parties agree to exchange data in a timely manner consistent with existing defined formats or such other formats to which the Parties may agree. The Parties have independently developed certain methodologies for the compilation, formatting, transmitting, and integration of the data that is the subject of this Agreement. The Parties agree to use, to the extent possible, their previously developed methodologies for

exchanging the data set forth in this Article Four. If the use of a previously developed methodology is impracticable, the Parties shall negotiate in good faith to develop a substitute methodology for that data that will minimize the cost of developing new data exchange methodologies for both Parties. If any required data exchange format has not been agreed upon as of the Effective Date, or if a Party determines that an agreed format should be revised, a Party shall give Notice of the need for an agreed format or revision and the Parties will jointly seek to complete development of the format within thirty (30) days of such Notice.

#### **4.1.1 Real-Time and Projected Operating Data.**

**4.1.1.1** The Parties shall exchange the following information:

- (a) Real-time operating information:
  - (i) Generation status of the units in each Party's Region;
  - (ii) Transmission line status;
  - (iii) Real-time loads;
  - (iv) Scheduled use of reservations;
  - (v) TLR information, including, if applicable, calculation of Market Flows;
  - (vi) Redispatch information, including the next most economical generation block to decrement/increment; and
  - (vii) Real-time constraints.
  
- (b) Projected operating information:
  - (i) Unit commitment/merit order;
  - (ii) Maintenance schedules;
  - (iii) Forced outage rates;
  - (iv) Firm purchase and sales;
  - (v) Independent power producer information including current operating level, projected operating levels, Scheduled Outage start and end dates;
  - (vi) The planned and actual operational start-up dates for any permanently added, removed, or significantly altered transmission segments; and
  - (vii) The planned and actual start-up testing and operational start-up dates for any permanently added, removed, or significantly altered generation units.

**4.1.1.2** The Parties agree that the data exchanged under Section 4.1, with the exception of that data already made available on the owning Party's OASIS, are Confidential Information with protections provided under Article Thirteen

**4.1.2 Exchange of SCADA Data.** Subject to applicable NERC Reliability Standards, the Parties will exchange data as follows:

**4.1.2.1** The Parties shall exchange requested transmission power flows, measured bus voltages, and breaker equipment statuses of their bulk transmission facilities via ICCP or ISN.

**4.1.2.2** Each Party shall accommodate, as soon as practical, the other Party's request for additional ICCP/ISN bulk transmission data points, but in any event, no more than one (1) week after the request has been submitted.

**4.1.2.3** The Parties will comply with all governing confidentiality agreements executed by the Parties relating to ICCP/ISN data.

**4.1.2.4** The Parties shall exchange SCADA data consisting of:

- (a) Status measurements 69 kV and above (breaker statuses) (as available and required to observe for reliability as the respective Parties may determine);
- (b) Analog measurements 69 kV and above (flows and voltages) as available and required to observe for reliability as the respective Parties may determine;
- (c) Generation point measurements, including generator output for each unit in MW and MVARs, as available;
- (d) Load point measurements, including bus loads, and specific loads at each substation in MW and MVARs, as available;
- (e) Balancing Authority Area net interchange;
- (f) Balancing Authority Area total load;
- (g) Balancing Authority Area operating reserves; and
- (h) Identification of other real-time data available through ICCP/ISN.

**4.1.3 Models.** The Parties will exchange their detailed EMS models once a year in CIM format, and shall exchange updates of the CIM files as new data becomes available. The annual exchange shall include the ICCP/ISN mapping files, identification of individual bus loads, seasonal equipment ratings, and one-line drawings that shall be used to expedite the model conversion process. The Parties shall also exchange updates that represent the incremental changes that have occurred to the EMS model since the most recent update.

**4.1.4 Operations Planning Data.** Upon receiving the written request of the other Party ("requesting Party"), a Party ("providing Party") shall provide the information specified in this Section to the extent such information is available or can be calculated or obtained. The requesting Party may ask for additional data in

its written request and, if the providing Party agrees, the providing Party shall make a good faith effort to provide the requested information.

#### **4.1.4.1 Flowgates.**

- (a) Flowgate definitions including seasonal TTC, TRM, CBM, and a & b multipliers;
- (b) Flowgates to be added on demand;
- (c) List of Flowgates to recognize when granting transmission service; and
- (d) Firm and non-firm AFC for all Flowgates identified pursuant to Sections 4.1.4.1(b) and (c).

#### **4.1.4.2 Transmission Service Reservations.**

- (a) Daily list of all reservations, hourly increment of new reservations;
- (b) List of reservations to exclude from AFC calculations;
- (c) Reservation and interchange schedules required to permit the accurate calculation of TTC and ATC/AFC values.

**4.1.4.3 Available Flowgate Capability Data.** The providing Party shall calculate and make available to the requesting Party the specified AFC data at the following frequencies:

- (a) Hourly AFC data for first seven (7) days, once per hour;
- (b) Daily AFC data for days eight (8) through thirty-one (31), once per day; and
- (c) Monthly AFC data for months two (2) through eighteen (18), twice per month.

#### **4.1.4.4 Load Forecast.**

- (a) Hourly load forecast data for next seven (7) days, daily load forecast data for days eight (8) through thirty-one (31), and monthly load forecast data for months two (2) through eighteen (18), provided once a day;
- (b) The origin of the forecast (e.g., identity of RTO, RC, Balancing Authority Area, etc.);
- (c) An indication of whether this forecast includes transmission system losses, and if so, what the percent losses are;

- (d) An identification of non-conforming loads;
- (e) A description of how municipal entities, cooperatives, and other entity loads are treated as well as an indication of whether they are included in the forecast, and if so, an indication of the total load or net load after removing other entity generation.

**4.1.4.5 Generator Data.** For all generators explicitly modeled:

- (a) Unit owner, bus location in model;
- (b) Seasonal ratings, PMIN, PMAX, QMIN, QMAX;
- (c) Station auxiliaries to the extent gross generation has been reported;
- (d) Regulated bus, target voltage and actual voltage; and
- (e) EFOR.

**4.1.4.6 Dynamic Schedules.**

- (a) List of all dynamic schedules;
- (b) Identification of the dynamic schedules being used to move load into the Balancing Authority Area or out of the Balancing Authority Area;
- (c) Identification of marginal generation zones.

**4.1.4.7 Generation and Transmission Scheduled and Forced Outages.**

- (a) Scheduled Outages of generation resources that are planned or forecast, provided as soon as practicable, including all data specified in Section 5.1.1;
- (b) Scheduled Outages of transmission resources that are planned or forecast, provided as soon as practicable, including all data specified in Section 5.1.3; and
- (c) Notification of all forced outages of both generation and transmission resources within thirty (30) minutes after they are identified.

**4.2 Cost of Data and Information Exchange.** Each Party shall bear its own cost of providing the data and information to the other Party as required under this Article Four and otherwise under this Agreement.



**ARTICLE FIVE**  
**TTC/ATC/AFC CALCULATIONS**

**5.1 TTC/ATC/AFC Protocols.** As of the date of this Agreement, the Parties use the NERC SDX System and shall use such system to provide to the other Party the planned status of all generators rated greater than 50 MW, Scheduled Outages of all interconnections and other transmission facilities, and peak load forecasts subject to NERC SDX Data Exchange Requirements. Reporting of forced outages and update of information on a basis more frequent than once a day will be completed using a separate data exchange system.

**5.1.1 Scheduled Outages of Generation Resources.** Each Party shall provide to the other Party the projected status of generation availability for a minimum of eighteen (18) months, or for a longer period if the information is available. The Parties will update this data no less than once daily for the full posting horizon and more often as required by system conditions. The data shall include complete generation maintenance schedules and the most current available generator availability data, including the “return date” of a generator from a scheduled or forced outage. Each Party shall include the status of all generators rated greater than 50 MW. If the status of a particular generator of equal to or less than 50 MW is used within a Party’s TTC/ATC/AFC calculation, the status of this unit shall also be supplied.

**5.1.2 Generation Dispatch Order.** Each Party shall provide to the other Party a typical generation dispatch order or the generation participation factors of all units on an affected Balancing Authority Area basis. The typical generation dispatch order or the generation participation factors shall be provided in sufficient detail to permit the other Party to develop a reasonably accurate dispatch for any model conditions. The generation dispatch order will be updated as required by changes in the status of the unit; however, a new generation dispatch order need not be provided more often than prior to each peak load season.

**5.1.3 Scheduled Outages of Transmission Resources.** Each Party shall provide to the other Party the projected status of all Scheduled Outages of transmission facilities for a minimum of eighteen (18) months or more if available (“posting horizon”). The projected status of the Scheduled Outages shall be updated no less than once daily for the full posting horizon and more often as required by system conditions. The projected status of the Scheduled Outages shall include current, accurate, and complete transmission facility maintenance schedules, including the “outage date” and “return date” of a transmission facility from a Scheduled Outage or forced outage. If the status of a particular transmission facility is critical to the determination of TTC and ATC/AFC of a Party, the status of such facility will also be provided.

**5.1.4 Transmission Interchange Schedules and Reservations Schedules.** Each Party shall make available all of its reservation and interchange schedules, as required to permit accurate calculation of TTC and ATC/AFC values. The Parties shall

post this data to an FTP site for downloading by the other Party as required by other Party's process and schedules. The Parties may request NERC to modify the IDC to allow for selected interrogation by the Parties as an alternative to the process set forth in the sentence above.

#### **5.1.5 Reservations.**

**5.1.5.1** Each Party shall make available, on an FTP site, actual transmission reservation information for integration into the other Party's TTC/ATC/AFC determination process.

**5.1.5.2** Each Party shall develop and implement practices and procedures for modeling reservations, including external reservations, and incorporating counterflows created by reservations in electrically opposite directions. Each Party shall provide the other Party with such practices and procedures.

**5.1.5.3** Each Party shall create, maintain, and exchange a list of reservations from its OASIS that should not be considered in ATC/AFC calculations. If a Party does not include a reservation from its OASIS in its own evaluation, the reservation shall be included on the list and should be excluded in the other Party's ATC/AFC calculations.

**5.1.6 Load Data.** Each Party shall provide to the other Party peak load data for each period (*e.g.*, daily, weekly, and monthly) in accordance with NERC Reliability Standards and NAESB Business Practices. For the next seven (7) day horizon, the Parties shall either supply hourly load forecasts, or they shall supply daily peak load forecasts with a load profile.

**5.1.7 Calculated Firm and Non-firm Available Flowgate Capability.** Each Party shall provide to the other Party firm and non-firm AFC for all relevant Flowgates. Each Party shall accept or reject transmission service requests based upon projected AFCs applicable to both Parties Flowgates.

**5.1.8 Exchange of Available Flowgate Ratings.** Each Party shall provide to the other Party all Available Flowgate Ratings (seasonal, normal, and emergency) as well as all limiting conditions (thermal, voltage, or stability). The Parties shall update this information in a timely manner as required by changes on the transmission system. Voltage and stability limits shall be periodically manually updated.

**5.1.9 Identification of Flowgates.** Each Party shall consider in its TTC and ATC/AFC determination process all Flowgates that may be reasonably expected to initiate a TLR event.

#### **5.1.10 Configuration/Facility Changes (for power system model updates).**

**5.1.10.1** Initially, each Party shall communicate transmission configuration changes and generation additions (or retirements) to the other Party

through the NERC MMWG process. The Parties shall incorporate such changes and additions that occur to the transmission network in their models used in the TTC/ATC/AFC calculation as soon as practical. Within sixty (60) days after the Effective Date of this Agreement, the Parties shall institute a process designed to incorporate all such significant changes and additions of an adjacent Transmission Provider neighbor in each Party's TTC/ATC/AFC calculation model.

Such changes and additions shall include at a minimum the "New Facilities" listings typically included in inter-regional reports as well as any explicit modeling information associated with the listings to accomplish the modifications described above. This data exchange shall occur no less often than prior to each peak load season.

**5.1.10.2** The Parties shall exchange TTC/ATC/AFC calculation models of their transmission systems as soon as mechanisms can be established to facilitate this exchange.

**5.1.11 Dynamic Schedule Flows.** Each Party will provide the other Party with the actual amount and future projection of dynamic schedule flows. All dynamic schedule flows and tags will be submitted in accordance with NERC policy and procedures.

## **5.2 Consideration of External Limitations and Coordination of Short-Term Transmission Service.**

Each Party shall continue to use its established methodology for determining AFC/ATC information, by which it evaluates requests for and grants access to short-term transmission service (less than one year), but shall consider limitations on the other Party's system as follows:

**5.2.1** Each Party shall consider impacts on the other Party's facilities in its AFC/ATC calculation and short-term transmission service evaluation processes from service requests to use its transmission system that can be scheduled upon without a corresponding transmission reservation on the other Party's system. However, each Party shall only consider such facilities on the other Party's system with a response factor of equal to or greater than 5%, or as otherwise agreed upon by both Parties, to reservations on the first Party's system.

**5.2.2** For short-term transmission service on the path between the two Parties, the Parties shall work together to develop jointly agreed upon values for AFC/ATC postings.

**5.2.3** Each Party shall evaluate all requests for short-term transmission service on its transmission system that are expected to affect provision of short-term

transmission service on the other Party's system using the data provided pursuant to Article Four.

**5.2.4** If a Party cannot accept a short-term transmission service request due to an AFC/ATC limitation on the other Party's system, it shall notify the other Party and the Parties shall work in good faith to develop and implement in a timely manner, a mutually acceptable solution that will mitigate the limitation ("mitigation plan"). The Party shall not accept the short-term transmission service request until a mitigation plan is developed and implemented. The mitigation plan and any associated cost allocation measures shall be implemented as soon as possible. If the Parties disagree on the development or implementation of the mitigation plan or associated cost allocation measures, they shall refer the issue to the OC. Upon the mutual agreement of a mitigation plan and any associated cost allocation measures, the Party receiving the short-term transmission service request may accept it. Such cost allocation measures shall be subject to any regulatory approvals that may be required by law.

**5.3 Transmission Capacity for Reserve Sharing.** Each Party shall make transmission capacity available for reserve sharing by either redispatching its generation or holding TRM on its Flowgates for generation outages in the other Party's system. The Party responsible for making transmission capacity available for the reserve sharing obligation shall bear the costs of the redispatch to the extent the costs may be recovered under such Party's OATT.

## **ARTICLE SIX PRINCIPLES CONCERNING JOINT OPERATIONS IN EMERGENCIES**

### **6.1 Emergency Operating Principles.**

**6.1.1** In the event a Party declares an emergency condition in accordance with its published operating protocols, the Parties shall coordinate respective actions to provide immediate relief until the declaring Party eliminates the declaration of emergency. The Parties shall notify each other of emergency maintenance and forced outages as soon as possible after the conditions are known. The Parties shall evaluate the impact of emergency and forced outages on the Parties' systems and coordinate their actions to develop remedial steps as necessary and appropriate. If time permits, the normal procedures for action requests will be followed. The Parties shall conduct joint annual emergency drills, and shall require that all appropriate operating staff are trained and certified, and shall practice joint emergency drills for declaring an emergency, prioritizing action plans, staffing and responsibilities, and communications.

**6.1.2** Each Party shall communicate with and to its respective Reliability Coordinator to identify and assist in the resolution of any emergency condition that develops or is expected to develop on the system(s) of the Party(ies).

**6.1.3 Joint Voltage Stability Operating Protocol.** The Parties shall coordinate their operations in accordance with Good Utility Practice in order to maintain stable voltage profiles throughout their respective Regions. The Parties shall coordinate their established daily voltage/reactive management plans.

**6.1.4 Operating to the Most Conservative Result.** When either Party identifies an overload/emergency situation that may impact the other Party's system and the affected Party's results/systems do not observe a similar situation, the Parties will operate to the most conservative result until the Parties can identify the reasons for these difference(s).

## **ARTICLE SEVEN**

### **COORDINATED REGIONAL TRANSMISSION EXPANSION PLANNING**

**7.1 Joint Planning Committee.** The OC shall form, as a subcommittee of the OC, a "Joint Planning Committee" ("JPC") comprised of representatives of the Parties' staffs in numbers and functions to be identified from time to time. Each Party shall have the right, every other year, to designate a Chairman of the JPC to serve a one-year calendar term, except that the term of the first Chairman shall commence on the Effective Date and end December 31, 2008. The OC shall designate the first Chairman. The Chairman shall be responsible for the scheduling of meetings, the preparation of agendas for meetings, and the production of minutes of meetings. The JPC shall coordinate the joint and coordinated system planning under this Agreement, including the following:

- a) Prepare and document detailed procedures for the development of power system analysis models. At a minimum, and unless otherwise agreed, the JPC shall develop common power system analysis models to perform systems planning, as well as models for power flow analyses, short circuit analyses, and stability analyses. For studies of generator or transmission interconnections between or in close electrical proximity at the boundaries between the systems of the Parties, the JPC will direct the performance of a detailed review of the appropriateness of applicable power system models.
- b) Prepare, every other year beginning in 2010, a Joint and Coordinated System Plan, as required under Section 7.3.5.
- c) Coordinate all planning activities under this Article Seven, including the exchange of data provided under this Article.
- d) Maintain and share the cost of maintaining an Internet site and e-mail or other electronic lists for the communication of information related to the coordinated planning process.
- e) Meet at least semi-annually to review and coordinate transmission planning activities.

- f) Establish working groups as necessary to provide adequate review and development of the regional plans.
- g) Establish a schedule for the rotation of responsibility for data management, coordination of stakeholder meetings, coordination of analysis activities, report preparation, and other activities.
- h) Oversee an annual meeting of the Parties' system operations, market operations, and system planning personnel (such personnel as the Parties may designate for the meeting), to review the issues impacting the coordination of these functions as they impact long range planning and the coordination of planning between the systems.
- i) Coordinate the provision of information by the Parties to federal and state agencies or other regional or multi-state bodies in order to enable any required review of elements of the Joint and Coordinated System Plan or to facilitate multi-state planning of transmission facilities.

**7.1.1 Inter-regional Planning Stakeholder Advisory Committee.** The Parties shall form an Inter-regional Planning Stakeholder Advisory Committee ("IPSAC"). The IPSAC shall facilitate stakeholder review and input into coordinated system planning for the development of the Joint and Coordinated System Plan. IPSAC members shall be members of AECI, or its successor, and the SPP Markets and Operations Policy Committee, or its successor. Other stakeholders shall be permitted to become members, including stakeholders created by change of geographic scope. The IPSAC will meet no less frequently than prior to the start of each cycle of the coordinated planning process, during the development of the Joint and Coordinated System Plan, and upon completion of the Plan to review final results. If AECI and SPP mutually agree, coordinated system planning for the development of the Joint and Coordinated System Plan alternatively can be accomplished by way of the SPP stakeholder process for the development of the STEP established under the SPP Tariff. In such event, AECI shall participate in such stakeholder process in the same manner as SPP transmission owners, provided, however, that AECI shall not be subject to any requirement to construct upgrades under that process.

**7.2 Data and Information Exchange.** In support of joint and coordinated system planning, each Party shall provide the other with the following data and information. Unless otherwise indicated, such data and information shall be provided annually.

- a) Data required for the development of load flow cases, short-circuit cases, and stability cases, including ten (10) year load forecasts, including all critical assumptions that are used in the development of these cases.
- b) Fully detailed planning models (up to the next ten (10) years) on an annual basis and monthly updates that reflect system enhancement changes or other changes, as they occur. The Parties agree to support model building and maintenance

activities on a collaborative basis with appropriate documentation and details regarding any proposed model changes, including but not limited to planned transmission expansion projects, generation commitment and dispatch schedules, firm imports and exports, and load forecasts.

- c) The regional plan document produced by the Party, any long-term or short-term reliability assessment documents produced by the Party, and any operating assessment reports produced by the Party.
- d) The status of expansion studies, system impact studies and generation interconnection studies, such that each Party has knowledge that a commitment has been made to a system enhancement as a result of any such studies.
- e) Transmission system maps for the Party's bulk transmission system and lower voltage transmission system maps that are relevant to the coordination of planning between the systems.
- f) Contingency lists for use in load flow and stability analyses, including lists of all single contingency events and multiple facility tower line contingencies, as well as breaker diagrams for the portions of the Party's transmission system that are relevant to the coordination of planning between the systems.
- g) The timing of each planned enhancement, including estimated completion dates and project mobilization schedules, and indications of the likelihood a system enhancement will be completed and whether the system enhancement should be included in system expansion studies, system impact studies and generation interconnection studies, and all related applications for regulatory approval and the status thereof. This information shall be provided quarterly and from time to time upon changes in status.
- h) Monthly identification of generation and transmission interconnection requests that have been received and any long-term firm transmission services that have been approved that may impact the operation of a Party's system in a manner that affects the other Party's system.
- i) Quarterly, the status of all generation and transmission interconnection requests that have been identified.
- j) Information regarding long-term firm transmission services on all interfaces relevant to the coordination of planning between or among the systems.
- k) Load flow and short-circuit data initially will be exchanged in PSS/E format. To the extent practical, the maintenance and exchange of power system modeling data will be implemented through databases. When feasible, transmission maps and breaker diagrams will be provided in an electronic format agreed upon by the Parties. Formats for the exchange of other data will be agreed upon by the Parties from time to time.

- I) Such other data and information as is needed for each Party to plan its own system accurately and reliably and to assess the impact of conditions existing on the system of the other Party.

**7.3 Joint and Coordinated System Planning.** The primary purpose of joint and coordinated transmission planning is to ensure that transmission planning analyses are performed to identify expansions or enhancements to transmission system capability needed to maintain reliability, improve operational performance, or provide an economic benefit to the Parties.

**7.3.1 Single Party Planning.** Each Party shall engage in such transmission planning activities, including expansion plans, system impact studies, and generator interconnection studies, as are necessary to fulfill its obligations under its agreements and OATT. Such planning shall conform to applicable reliability requirements of NERC, applicable regional reliability entities, or any successor organizations, and all applicable requirements of federal, state, or regulatory authorities. Each Party agrees to prepare a regional transmission planning report and document the procedures, methodologies, and business practices that are utilized in preparing and completing this transmission planning report. The Parties further agree to share, on an ongoing basis, information that arises in the performance of such single party planning activities as is necessary or appropriate for effective coordination between the Parties, including, in addition to the information sharing requirements of Sections 7.2 and 7.3, the identification of proposed transmission system enhancements that may affect the Parties' respective systems.

**7.3.2 Joint and Coordinated System Plan.** The Parties will perform joint and coordinated studies required to assure the reliable, efficient, and effective operation of the transmission system. Results of such coordinated studies will be included in the Joint and Coordinated System Plan. The Joint and Coordinated System Plan shall have as input the results of ongoing analyses of requests for generation and transmission interconnection and ongoing analyses of requests for long-term (one year or longer) firm transmission service. Construction of upgrades on the SPP system that are identified as necessary in the Joint and Coordinated System Plan shall be subject to the terms and conditions of the SPP Membership Agreement and SPP Tariff applicable to the construction of upgrades identified in the expansion planning process. Construction of upgrades on the AECI system that are identified as necessary in the Joint and Coordinated System Plan shall be subject to the approval of the AECI Board of Directors and approval of the applicable AECI member's Board of Directors. The Parties shall coordinate in the analyses of these ongoing service requests in accordance with Sections 7.3.3 and 7.3.4. The Joint and Coordinated System Plan shall be an integral part of the expansion plans of each Party. Construction of upgrades that are identified as necessary in the Joint and Coordinated System Plan shall be under the terms of the Transmission Owner Agreements of SPP, applicable to the construction of upgrades identified in the expansion planning process. If AECI and SPP mutually agree, the performance of joint and coordinated studies and the



production of a Joint and Coordinated System Plan alternatively can be accomplished by way of the SPP stakeholder process for the development of the STEP established under the SPP Tariff. In such event, AECI shall participate in such stakeholder process in the same manner as SPP transmission owners, provided, however, that AECI shall not be subject to any requirement to construct upgrades under that process.

**7.3.3 Analysis of Generation Interconnection Requests.** In accordance with the procedures under which the Parties provide generator interconnection service, each Party will coordinate with the other and conduct, in a timely manner, any studies required in determining the impact of, and necessary upgrades required to provide, such requested generation interconnection service. Results of such coordinated studies will be included in the impacts reported to the generator interconnection customers as appropriate. If AECI and SPP mutually agree, the coordination of studies required for generator interconnections alternatively can be accomplished by way of the SPP study procedures for generator interconnection under the SPP Tariff. In such event, AECI shall participate in such procedures in the same manner as SPP transmission owners, provided, however, that AECI shall not be subject to any requirement to construct those or alternative upgrades under those SPP tariff procedures, unless as otherwise required by AECI's tariff or agreed to by the Parties. Coordination of studies and upgrades will include the following:

- a) Upon the posting to the OASIS of a request for generator interconnection, the Party (or Parties) receiving the request(s) ("direct connect system(s)") will determine whether the other Party is potentially impacted. If the other Party (Parties) is potentially impacted, the directly connected system(s) will notify the other Party (Parties) and convey the information provided in the posting.
- b) If the potentially impacted Party (Parties) determines that its system may be materially impacted by the generator interconnection, that Party will contact the direct connect system(s), and request participation in the applicable generator interconnection studies. The Parties will coordinate with respect to the nature of studies to be performed to test the impacts of the generator interconnection on the potentially impacted Party, who will perform the studies. The Parties will strive to minimize the costs associated with the joint and coordinated study process.
- c) Any joint and coordinated studies will be performed in accordance with the study timeline requirements of the applicable generation interconnection procedures of the direct connect system(s). The potentially impacted Party will comply with this schedule.
- d) The potentially impacted Party may participate in the joint and coordinated study either by taking responsibility for performance of studies of its system, or by providing input to the studies to be performed

by the direct connect system(s). The study cost estimates indicated in the study agreement between the direct connect system(s) and the generator interconnection customer will reflect the costs, and the associated roles of the study participants including the potentially impacted Party. The direct connect system(s) will review the cost estimates submitted by all participants for reasonableness, based on expected level of participation and responsibilities in the study.

- e) The direct connect system(s) will collect from the generator interconnection customer the costs incurred by the potentially impacted Party associated with the performance of such studies and forward collected amounts to the potentially impacted Party.
- f) If the results of the joint and coordinated study indicate that Network Upgrades are required in accordance with procedures, guidelines, criteria, or standards applicable to the potentially impacted system, the direct connect system(s) will identify the need for such Network Upgrades in the system impact study prepared for the generator interconnection customer.
- g) Requirements for construction of, and the reimbursement of costs related to, such Network Upgrades will be under the terms and conditions of the potentially impacted system and consistent with applicable federal or state regulatory policy.
- h) Each Party will maintain a separate generator interconnection queue. The JPC will maintain a composite listing of generator interconnection requests for all interconnection projects that have been identified as potentially impacting the systems of both Parties. The JPC will post this listing on the Internet site maintained for the communication of information related to the joint and coordinated system planning process. The Internet site will contain links to the web sites of each Party where individual generator interconnection study results will be maintained.

**7.3.4 Analysis of Long-Term Firm Transmission Service Requests.** In accordance with applicable procedures under which the Parties provide long-term firm transmission service (one year or more), the Parties will coordinate with each other and conduct, in a timely manner, any studies required to determine the impact of, and necessary upgrades required to provide, such requested service. Results of such joint and coordinated studies will be included in the impacts reported to the transmission service customers as appropriate. If AEI and SPP mutually agree, the coordination of studies required to determine the impact of long-term transmission service requests alternatively can be accomplished by way of the SPP study procedures for transmission service requests under the SPP Tariff. In such event, AEI shall participate in such procedures in the same manner as SPP transmission owners, provided, however, that AEI shall not be subject to any requirement to construct those or alternative upgrades under that

SPP tariff process, unless as otherwise required by AECl's tariff or agreed to by the Parties. Coordination of studies will include the following:

- a) If applicable, the Parties will coordinate the calculation of ATC values associated with the service, based on contingencies on the systems of each Party that may be impacted by the granting of the service.
- b) Upon the posting to the OASIS of a request for service, the Party receiving the request will determine whether the other Party is potentially impacted. If the other Party is potentially impacted, the Party receiving the request will notify the other Party and convey the information provided in the posting.
- c) If the potentially impacted Party determines that its system may be materially impacted by the service, that Party will contact the Party receiving the request and request participation in the applicable transmission service studies. The Parties will coordinate with respect to the nature of studies to be performed to test the impacts of the requested service on the potentially impacted Party, who will perform the studies. The Parties will strive to maximize the cost efficiency of the joint and coordinated study process. The JPC will develop screening procedures to assist in the identification of service requests that may impact systems of parties other than the system receiving the request.
- d) Any joint and coordinated studies will be performed in accordance with the study timeline requirements of the applicable transmission service procedures of the Party receiving the request. The potentially impacted Party will comply with this schedule.
- e) The potentially impacted system may participate in the joint and coordinated study either by taking responsibility for performance of studies of their system, or by providing input to the studies to be performed by the Party receiving the request. The study cost estimates indicated in the study agreement between the Party receiving the request and the transmission service customer will reflect the costs and the associated roles of the study participants. The Party receiving the request will review the cost estimates submitted by all participants for reasonableness, based on expected levels of participation and responsibilities in the study.
- f) The Party receiving the request will collect from the transmission service customer, and forward to the potentially impacted system, the costs incurred by the potentially impacted Party associated with the performance of such studies.
- g) If the results of a joint and coordinated study indicate that Network Upgrades are required in accordance with procedures, guidelines, criteria,

or standards applicable to the potentially impacted system, the system receiving the request will identify the need for such Network Upgrades in the system impact study prepared for the transmission service customer.

- h)** Requirements for the construction of such Network Upgrades will be under the terms and conditions of the potentially impacted system and consistent with applicable federal and state regulatory policy.

**7.3.5 Development of the Joint and Coordinated System Plan.** Each Party agrees to assist in the preparation of a Joint and Coordinated System Plan applicable to the Parties' systems. Each Party's annual transmission planning reports will be incorporated into the Joint and Coordinated System Plan, however, neither Party shall have the right to veto any planning of the other Party nor shall either Party have the right, under this Article, to obtain financial compensation due to the impact of another Party's plans or additions. The IPSAC will have an opportunity to review and comment before the Joint and Coordinated System Plan is finalized. The IPSAC's approval is not required to finalize the Joint and Coordinated System Plan.

The Joint and Coordinated System Plan shall:

- a)** Integrate the Parties' respective transmission expansion plans, including any reliability and economic additions to system infrastructure (such as generation or transmission projects) and transmission system upgrades identified jointly by the Parties, together with alternatives to upgrades that were considered.
- b)** Set forth actions to resolve any impacts that may result across the seams between the Parties' systems due to such system additions or upgrades; and
- c)** Describe results of the analysis for the combined transmission systems, as well as the procedures, methodologies, and business practices that were utilized in preparing and completing the joint transmission analysis.

**7.3.5.1** Coordination of studies required for the development of the Joint and Coordinated System Plan will include the following steps:

- a)** Every other year, the Parties shall perform a comprehensive, joint and coordinated regional transmission expansion planning study. Sensitivity analyses will be performed, as required, during the off years based on a review by the JPC and IPSAC of discrete reliability problems or operability issues that arise due to changing system conditions. Ad hoc study groups may be formed as needed to address localized seams issues identified.
- b)** Each Party will be responsible for providing the technical support required to complete the analysis for the study. The responsibility

for the joint and coordinated study and the compilation of the joint and coordinated study report will alternate between the Parties.

- c) The JPC will develop a scope and procedure for the Joint and Coordinated System Plan. The scope of the study will include evaluations of the transmission systems against the reliability criteria, operational performance criteria, and economic performance criteria applicable to each Party. Each Party will provide a baseline model that includes all transmission enhancements included in the Party's regional transmission expansion plan, and all of the committed interconnection projects and any associated transmission upgrades.
- d) The Parties will use planning models that are developed in accordance with the procedures to be established by the JPC. Exchange of power flow models will be in a format that is acceptable to both Parties and will use a consistent bus numbering convention and bus naming convention to minimize work that is needed to merge detailed power flow models.
- e) The Joint and Coordinated System Plan will initially evaluate the reliability of the combined transmission systems. Any upgrades required to resolve criteria violations will be agreed upon and included in an updated baseline model.
- f) The performance of the combined transmission systems will be tested against agreed upon operational and economic criteria, where applicable, using the updated baseline model derived from 7.3.5.1(e). Agreed upon upgrades required to resolve operational and/or economic performance criteria violations will be included in the Joint and Coordinated System Plan.
- g) Economic planning criteria applicable to either Party shall be consistent with any such criteria on file with any regulatory authority having jurisdiction over such Party or policies established by the Parties' respective Board of Directors.

#### **7.4 Allocation of Costs of Upgrades.**

**7.4.1 Upgrades Associated with Generation Interconnections.** Costs associated with transmission system upgrades required as a result of the reliability related impacts of requests for generation interconnection will be recovered under the terms of the tariff of the impacted Party or other controlling agreements and consistent with applicable federal and state regulatory policy.

**7.4.2 Upgrades Associated with Transmission Service Requests.** Costs associated with transmission system upgrades required as a result of any reliability related impacts of requests for long-term firm delivery service requests will be recovered

under the terms of the tariff of the impacted Party or other controlling agreements and consistent with applicable federal and state regulatory policy.

**7.4.3 Upgrades Under Joint and Coordinated System Plan.** Cost responsibility for the transmission upgrades identified in the Joint and Coordinated System Plan to resolve thermal or reactive system constraints related to reliability criteria or operational or economic system performance will be assigned to the Parties equitably, based on the nature of the constraint being resolved. The JPC will develop procedures for evaluating, on a case-by-case basis, the relative contribution of the Party's systems to the constraint and the relative benefits derived by the Parties by the resolution of the constraint. The JPC will propose an allocation of costs for each transmission system upgrade. Upgrade proposals and cost allocations are subject to the approval process of both Parties for transmission upgrades. Each Party's allocation and the recovery of the costs of such Network Upgrades shall be consistent with the terms and conditions of its own OATT or other controlling agreements, as it may be modified from time to time pursuant to the rights of various parties under the Federal Power Act, and such other regulatory approvals as may be required by law.

**7.4.4** For any projects impacting AECI and SPP that are identified through the joint planning process, the Parties will attempt to reach an equitable cost and usage agreement. Such agreement shall be subject to any regulatory approvals as may be required by law.

**7.5 Agreement to Enforce Duties to Construct and Own.** To obtain Network Upgrades under this Article Seven, SPP will enforce obligations to construct and own or finance enhancements or additions to transmission facilities in accordance with the SPP Membership Agreement and the SPP OATT, as both may be amended or restated from time to time, and AECI will obtain AECI Board Approval and the applicable AECI member's Board Approval.

## **ARTICLE EIGHT JOINT CHECKOUT PROCEDURES**

### **8.1 Scheduling Checkout Protocols.**

**8.1.1 Scheduling Protocols.** Each Party shall utilize to the greatest extent possible technology to perform electronic approvals of schedules, and to perform electronic checkouts, in lieu of telephone calls. The Parties shall follow the following scheduling protocols:

**8.1.1.1** Each Party, acting as the scheduling agent for its respective Balancing Authority Areas, shall conduct all checkouts with its first-tier Balancing

Authority Areas. A first-tier Balancing Authority Area is any Balancing Authority Area that is directly connected to the Party.

- 8.1.1.2** The Parties shall require all schedules to be tagged in accord with the NERC tagging standard. For reserve sharing and other emergency schedules that are not tagged, the Parties will enter manual schedules after the fact into their respective scheduling systems to facilitate checkout between the Parties.
- 8.1.1.3** When there is a scheduling conflict, the Parties shall modify the schedule as soon as practical in order to properly resolve the conflict. If there is a scheduling conflict that is identified before the schedule has started, then both Parties shall make the correction in real-time and not wait until the quarter hour. If the schedule has already started and one Party identifies an error, then the Parties will make the correction at the earliest quarter hour increment. If a scheduling conflict cannot be resolved between the Parties but the source and sink have agreed to a MW value, then the Parties will both adjust their numbers to that same MW value. If source and sink are unable to agree to a MW value, then the previously tagged value will stand for both Parties.
- 8.1.1.4** For entities that do not use the respective Parties' electronic scheduling interfaces, the Parties shall contact the non-member first-tier entities by telephone to perform checkouts.
- 8.1.1.5** The Parties shall perform the following types of checkouts:
  - (a) Pre-schedule (Day-Ahead), daily between 1600 and 2000 hours.
  - (b) Hourly Before the Fact (Real-Time):
    - (i) Hourly before the fact checkout includes the verification of import and export totals, and is not limited to net scheduled interchange for Balancing Authority Areas with the ability to determine such net scheduled interchange. At a future time, the Parties may checkout individual schedules.
    - (ii) Hourly checkout shall be performed starting at the half hour and ending at the ramp hour.
    - (iii) Intra-hour checkout/schedule confirmation shall occur as required due to intra-hour scheduled changes.
  - (c) After the fact (day end) daily starting at 0100 hours.
  - (d) After the fact (monthly) on a daily basis (usually via email), starting on the first business day of the following month and ending by the tenth (10<sup>th</sup>) business day of that month.

**8.1.1.6** The Parties shall require that each of these checkouts be performed with all first-tier Balancing Authority Areas. If a checkout discrepancy is discovered, the Parties will use the NERC tag to determine where the discrepancy exists. The Parties shall require any entity that conducts business within its Region to checkout with the applicable Party using NERC tag numbers; a Party shall not permit a special naming convention be used by that entity or other naming conventions be given to schedules by other entities.

## **ARTICLE NINE VOLTAGE CONTROL AND REACTIVE POWER COORDINATION**

**9.1 Coordination Objectives.** The Parties shall follow the following procedures (“Voltage and Reactive Power Coordination Procedures”) under this Article.

**9.1.1** The Voltage and Reactive Power Coordination Procedures address the following components: (a) procedures to assist the Parties in maintaining a wide area view of interconnection conditions by enhancing the coordination of voltage and reactive levels throughout their respective footprints as transmission providers; (b) procedures to ensure the maintenance of sufficient reactive reserves to respond to scenarios of high load periods, loss of critical reactive resources, and unusually high transfers; and (c) procedures for sharing of data with other neighboring Reliability Coordinators for their analysis and coordinated operation.

**9.1.2** The Parties will review the Voltage and Reactive Power Coordination Procedures from time to time to make revisions and enhancements as appropriate to accommodate additional capabilities or changes to industry reliability requirements.

**9.2 Specific Voltage and Reactive Power Coordination Procedures.** The Parties will utilize the following procedures to coordinate the use of voltage control equipment to maintain a reliable bulk power transmission system voltage profile on their respective systems.

**9.2.1** Under normal conditions, each Party shall coordinate with the owners of the transmission facilities subject to its control, and the Balancing Authority Areas as necessary and feasible to supply its own reactive load and losses at all load levels.

**9.2.2** Each Party shall work with its owners of transmission facilities and Balancing Authority Areas and shall determine adequate and reliable voltage schedules under actual and post-contingency conditions.

**9.2.3** Each Party shall establish voltage limits at critical locations within its own system and provide this information to the other Party. This information shall include: normal high voltage limits; normal low voltage limits; post-contingency emergency high voltage limits; post-contingency emergency low voltage limits;



and the voltage limit value (if available) at which load shedding will be implemented.

- 9.2.4** Each Party shall remain aware of the voltage limits in the other Party's area (where the EMS Model includes sufficient detail to permit this) and of outages and potential contingencies that could result in violation of those voltage limits. Each Party shall attempt to avoid exceeding such voltage limits.
- 9.2.5** The Parties shall clearly communicate the level of voltage support needed during pre- or post-contingency conditions requiring voltage and reactive power coordination.
- 9.2.6** Each Party shall maintain a list of actions that are available to be taken when voltage support is necessary to respond to anticipated or prevailing system conditions.
- 9.2.7** At least once each calendar quarter, the Parties will exchange voltage schedules and meet and confer to identify system conditions that could impact the schedules. The Parties shall determine adjustments to the schedules, consistent with reliability.
- 9.2.8** The Parties shall use voltage control equipment in a cooperative manner to maintain a reliable bulk power transmission system voltage profile on their systems and surrounding systems, as follows:
- 9.2.8.1** Each Party has operational or functional control of reactive sources within its system, and shall direct adjustments to voltage schedules at appropriate facilities.
- (a) Each Party generally will adjust its voltage schedules to best utilize its resources for operation.
  - (b) If a Party anticipates voltage or reactive problems, it shall inform the other Party (operations planning with respect to future day and Reliability Coordinator with respect to same day) of the situation, describe the conditions, and request voltage/reactive support under these procedures. As a part of the request, the Party shall identify the specific area where voltage/reactive support is requested, and provide an estimate of the magnitude and time duration of the request as well as the specific voltage and limit.
  - (c) The requesting Party shall arrange a conference call between the affected Balancing Authority Areas/transmission owners and the other Party. The purpose of this call is to ensure that the situation is fully understood and that an effective operating plan to address the situation has been or will be developed.

- (d) Each Party shall implement or direct voltage schedule changes requested by the other Party, provided that a Party may decline a requested change if the change would result in equipment violations or reduce the effective operation of its facilities. A Party that declines a requested change must inform the requesting Party that the request cannot be granted and state the reason for denial.

## **ARTICLE TEN DISPUTE RESOLUTION PROCEDURES**

**10.1 Dispute Resolution Procedures.** The Parties shall attempt in good faith to achieve consensus with respect to all matters arising under this Agreement and to use reasonable efforts through good faith discussion and negotiation to avoid and resolve disputes that could delay or impede a Party from receiving the benefits of this Agreement. These dispute resolution procedures apply to any dispute that arises from a Party's performance of, or failure to perform, this Agreement and which the Parties are unable to resolve prior to invocation of these procedures.

**10.1.1 Step One.** In the event a dispute arises, a Party shall give Notice of the dispute to the other Party. Within fifteen (15) days of such Notice, the OC shall meet and the Parties will attempt to resolve the Dispute by reasonable efforts through good faith discussion and negotiation. In addition to a Party's OC representative, a Party shall also be permitted to bring no more than two (2) additional individuals to OC meetings held under this Step One as subject matter experts; however, all such participants must be employees of the Party they represent. In addition, each Party may bring no more than two (2) attorneys.

**10.1.2 Step Two.** In the event the OC is unable to resolve the dispute under Step One within thirty (30) days of the giving of Notice as provided under Section 10.1.1, and only in such event, a Party shall be entitled to invoke Step Two. A Party may invoke Step Two by giving Notice thereof to the OC no later than thirty (30) days after the meeting of the OC under Step One. **IF A PARTY DOES NOT INVOKE STEP TWO WITHIN SUCH THIRTY (30)-DAY PERIOD, IT WILL BE DEEMED TO HAVE WAIVED ITS RIGHTS WITH RESPECT TO THE DISPUTE, AND SHALL BE PRECLUDED FROM PURSUING ITS RIGHTS OR DEFENDING UNDER STEP TWO AND STEP THREE.** In the event a Party invokes Step Two, the OC shall, in writing, and no later than ten (10) days after receipt of the Notice, refer the dispute in writing for consideration to the officers of highest authority of the applicable Parties. Such officers shall meet in person no later than twenty-one (21) days after such referral, and shall make a good faith effort to resolve the dispute. The Parties shall exchange written position papers concerning the dispute no later than forty-eight (48) hours in advance of

such meeting. In the event the Parties fail to resolve the dispute under Step Two, either of the disputing Parties shall be entitled to invoke Step Three.

**10.1.3 Step Three.** After completion of Steps One and Two, any Party to the dispute shall have the right to file, with respect to the dispute, an action with the Federal Energy Regulatory Commission (“FERC”). Either Party, including the filing Party, shall have the right to assert that FERC does not have jurisdiction of the dispute. If the FERC should decline to exercise jurisdiction, then any Party to the dispute shall have the right to file, in an appropriate Court of general jurisdiction as provided below, and each Party submits itself to the personal jurisdiction of such Court. Any action filed by AECI or by anyone claiming by through or under AECI must be filed in the State of Arkansas. Any action filed by SPP or by anyone claiming by through or under SPP must be filed in the State of Missouri. The Parties waive any right to a trial of the dispute by jury.

**10.1.4 Exceptions.** In the event of disputes involving Confidential Information, infringement or ownership of Intellectual Property or rights pertaining thereto, or any dispute where a Party seeks temporary or preliminary injunctive relief to avoid alleged immediate and irreparable harm, the procedures stated in this Article shall apply, but shall not preclude a Party from seeking such temporary or preliminary injunctive relief. If a Party seeks such judicial relief but fails to obtain it, the Party seeking such relief shall pay the reasonable attorneys’ fees and costs of the other Party or Parties incurred with respect to opposing such relief.

## **ARTICLE ELEVEN RETAINED RIGHTS OF PARTIES**

**11.1 Parties Entitled to Act Separately.** This Agreement does not create or establish, and shall not be construed to create or establish, any partnership or joint venture between or among any of the Parties. This Agreement establishes terms and conditions solely of a contractual relationship, among independent entities, to facilitate the achievement of the joint objectives described in the Agreement. The contractual relationship established hereunder implies no duties or obligations among the Parties except as specified expressly herein. All obligations hereunder shall be subject to, and performed in a manner that complies with each Party’s internal requirements; provided, however, this sentence shall not limit any payment obligation, or indemnity obligation under Section 14.3.

**ARTICLE TWELVE**  
**EFFECTIVE DATE, IMPLEMENTATION, TERM AND TERMINATION**

- 12.1 Effective Date; Implementation.** This Agreement shall become effective on the date it is executed by the Parties (“Effective Date”). Commencing with the Effective Date, the Parties shall commence and continue efforts to implement other provisions of this Agreement on dates determined by the OC, which dates shall be the earliest dates reasonably feasible for the Parties but none of which are expected to be earlier than six (6) months from the date of the execution of this Agreement.
- 12.2 Term.** This Agreement shall continue in full force and effect for a term of ten (10) years (Initial Term) and shall continue year to year thereafter, unless terminated earlier in accordance with the provisions of this Agreement.
- 12.3 Right of a Party to Terminate.**
- 12.3.1** Either Party may terminate this Agreement after the Initial Term upon not less than twelve (12) months’ Notice.
- 12.3.2** Both Parties may terminate at any time by mutual agreement of both Parties.
- 12.3.4** Either Party may terminate this Agreement in accordance with Section 12.4, 12.5, or 12.6.
- 12.4. Termination Due to Regulatory Action.** In the event that FERC, or any person, takes any action to subject AECI or AECI’s activities under this Agreement to FERC’s jurisdiction under the Federal Power Act, any Party may terminate this Agreement upon thirty (30) days’ Notice. This provision is not applicable to the exercise of either Party in submitting to FERC a dispute involving this Agreement as provided for in Section 10.1.3, Step Three of the Dispute Resolution Procedures provided in this Agreement.
- 12.5 Termination Due To FERC Modification.** SPP has concluded that this Agreement must be filed with FERC under the Federal Power Act and its implementing regulations. Should FERC require any modifications to this Agreement that adversely affect the rights or obligations of a Party, that Party may terminate this Agreement upon thirty (30) days’ written notice.
- 12.6 Change in NERC.** This Agreement is premised on the existence of NERC, and the applicability of NERC definitions, policies, and procedures. To the extent that NERC ceases to exist in its current form, and/or is replaced with an entity with authority for reliability over the transmission systems of the Parties, the Parties shall promptly meet to determine whether to revise this Agreement to reflect the new reliability entity and the Parties’ obligations in light of the authority of the new reliability entity or to terminate this Agreement.
- 12.7 Survival.** The applicable provisions of this Agreement shall continue in effect after any termination of this Agreement to provide for adjustments and payments under Article

Ten, dispute resolution, determination and enforcement of liability, and indemnification, arising from acts or events that occurred during the period this Agreement was in effect.

- 12.8 Post-Termination Cooperation.** Following any termination of this Agreement, all Parties shall thereafter cooperate fully and work diligently in good faith to achieve an orderly resolution of all matters resulting from such termination.

## **ARTICLE THIRTEEN CONFIDENTIAL INFORMATION**

- 13.1 Definition.** The term “Confidential Information” shall mean: (a) all data and information, whether furnished before or after the execution of this Agreement, whether oral, written, or recorded/electronic, and regardless of the manner in which it is furnished, that is marked “Confidential” or “Proprietary” or which under all of the circumstances should be treated as confidential or proprietary; (b) any data or information deemed confidential under some other form of confidentiality agreement or tariff provided to a Party by a generator; (c) all reports, summaries, compilations, analyses, notes, or any other data or information of a Party hereto which are based on, contain, or reflect any Confidential Information; and (e) any data and information which, if disclosed by a transmission function employee of a utility regulated by the FERC to a market function employee of the same utility system, other than by public posting, would violate the FERC’s Standards of Conduct set forth in 18 C.F.R. Part 358. The Parties agree that Confidential Information constitutes commercially sensitive and proprietary trade secret information.
- 13.2 Protection.** During the course of the Parties’ performance under this Agreement, a Party may receive or become exposed to Confidential Information. Except as set forth herein, the Parties agree to keep in confidence, and not to copy, disclose, or distribute any Confidential Information or any part thereof, without the prior written permission of the issuing Party. In addition, each Party shall ensure that its employees, its agents, its subcontractors, and its subcontractors’ employees, and agents to whom Confidential Information is given or exposed, agree to be bound by the terms and conditions contained herein. Each Party shall be liable for any breach of this Article by its employees, its agents, its subcontractors, and its subcontractors’ employees and agents.
- 13.3 Scope.** This obligation of confidentiality shall not extend to data and information that, at no fault of a recipient Party, is or was: (a) in the public domain or generally available or known to the public; (b) disclosed to a recipient by a non-Party who had a legal right to do so; (c) independently developed by a Party or known to such Party prior to its disclosure hereunder; and (d) which is required to be disclosed by subpoena, law, or other directive of a Governmental Authority.
- 13.4 Standard of Care.** Each Party shall protect Confidential Information from disclosure, dissemination, or publication. Regardless of whether a Party is subject to the jurisdiction of the FERC under the Federal Power Act, and regardless of whether a Party is a RTO,

each Party agrees to restrict access to all Confidential Information to only those persons authorized to view such information: (a) by the FERC's Standards of Conduct, 18 C.F.R. Part 358 or, if more restrictive, (b) by such Party's board resolutions, tariff provisions, or other internal policies governing access to, and the sharing of, energy market or transmission system information.

- 13.5 Required Disclosure.** If a Governmental Authority requests or requires a Party to disclose any Confidential Information, such Party shall provide the supplying Party with prompt Notice of such request or requirement so that the supplying Party may seek an appropriate protective order or other appropriate remedy or waive compliance with the provisions of this Agreement. Notwithstanding the absence of a protective order or a waiver, a Party shall disclose only such Confidential Information that it is legally required to disclose. Each Party shall use reasonable efforts to obtain reliable assurances that confidential treatment will be accorded to Confidential Information required to be disclosed.

If a Party is required to disclose any Confidential Information (the Disclosing Party) under this Section, a Party supplying such Confidential Information (the Supplying Party) shall have the right to immediately suspend supplying such Confidential Information to the Disclosing Party. In that event, the Parties shall meet as soon as practicable in an effort to resolve any and all issues associated with the required disclosure of such Confidential Information, and the likelihood of additional disclosures of such Confidential Information. If the Parties are unable to resolve those issues within ten (10) days, notwithstanding Section 12.3, the Supplying Party shall have the right to terminate this Agreement immediately.

- 13.6 Return of Confidential Information.** All Confidential Information provided by the supplying Party shall be returned by the receiving Parties to the supplying Party promptly upon request. Upon termination or expiration of this Agreement, a Party shall use reasonable efforts to destroy, erase, delete, or return to the supplying Party any and all written or electronic Confidential Information. In no event shall a receiving Party retain copies of any Confidential Information provided by a supplying Party.

- 13.7 Equitable Relief.** Each Party acknowledges that remedies at law are inadequate to protect against breach of the covenants and agreements in this Article, and hereby in advance agrees, without prejudice to any rights to judicial relief that it may otherwise have, to the granting of equitable relief, including injunction, in the supplying Party's favor without proof of actual damages. In addition to the equitable relief referred to in this Section, a supplying Party shall only be entitled to recover from a receiving Party any and all gains wrongfully acquired, directly or indirectly, from a receiving Party's unauthorized disclosure of Confidential Information.

**ARTICLE FOURTEEN  
ADDITIONAL PROVISIONS**

- 14.1 Unauthorized Transfer of Third-Party Intellectual Property.** In the performance of this Agreement, neither Party shall transfer to the other Party any Intellectual Property, the use of which by the other Party would constitute an infringement of the rights of any non-Party. In the event such transfer occurs, whether or not inadvertent, the transferring Party shall, promptly upon learning of the transfer, provide Notice to the receiving Party and upon receipt of such Notice the receiving Party shall take reasonable steps to avoid claims and mitigate losses.
- 14.2 Intellectual Property Developed Under This Agreement.** If during the term of this Agreement, the Parties mutually develop any new Intellectual Property that is reduced to writing, the Parties shall negotiate in good faith concerning the ownership and licensing of such Intellectual Property.
- 14.3 Indemnification.** Each Party will defend, indemnify, and hold the other Party harmless from all actual losses, damages, liabilities, claims, expenses, causes of action, and judgments (collectively, "Losses"), brought or obtained by any non-Party against such Party, only to the extent that such Losses arise directly from:
- (a) Gross negligence, recklessness, or willful misconduct of such Party or any of its agents or employees, in the performance of this Agreement, except to the extent the Losses arise (i) from gross negligence, recklessness, willful misconduct or breach of contract or law by another Party or such other Party's agents or employees, or (ii) as a consequence of strict liability imposed as a matter of law upon another Party, or such other Party's agents or employees;
  - (b) Any claim that such Party violated any copyright, patent, trademark, license, or other intellectual property right of a non-Party in the performance of this Agreement;
  - (c) Any claim arising from the transfer of Intellectual Property in violation of Section 14.1; or
  - (d) Any claim that such Party caused bodily injury to an employee of the other Party due to gross negligence, recklessness, or willful conduct of such Party.
- 14.4 Limitation of Liability.** Except as set forth in this Article: (a) neither Party shall be liable to the other Party, directly or indirectly, for any damages or losses of any kind sustained due to any failure to perform its obligations under this Agreement, unless such failure to perform was malicious or reckless; and (b) any liability of a Party to the other Party shall be limited to direct damages, and no lost profits, damages to compensate for lost goodwill, consequential damages, or punitive damages shall be sought or awarded.
- 14.5 Assignments.** This Agreement may not be assigned either Party except: (a) with the written consent of the non-assigning Party, which consent may be withheld in such

Party's absolute discretion; and (b) in the case of a merger, consolidation, sale, or spin-off of substantially all of a Party's assets. In the case of a merger, consolidation, sale, reorganization, or spin-off by a Party, such Party shall assure that the successor or purchaser adopts this Agreement, and the other Party shall be deemed to have consented to such adoption.

- 14.6 Force Majeure.** Neither Party shall be in breach of this Agreement to the extent and during the period that such Party's performance is made impracticable by any unanticipated cause or causes beyond such Party's control, and without such Party's fault or negligence, which may include, but are not limited to, any act, omission, or circumstance occasioned by or in consequence of any act of God, labor dispute, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, or curtailment, order, regulation or restriction imposed by a Governmental Authority. Upon the occurrence of an event considered by a Party to constitute a *force majeure* event, such Party shall use reasonable efforts to endeavor to continue to perform its obligations as far as reasonably practicable and to remedy the event, provided that this Section shall not require any Party to settle any strike or labor dispute. A Party claiming a *force majeure* event shall notify the other Parties in writing immediately, and in no event later than forty-eight (48) hours after the occurrence of the *force majeure* event. The foregoing notwithstanding, the occurrence of a cause under this Section shall not excuse a Party from making any payment otherwise required under this Agreement.
- 14.7 Amendment.** No amendment of or modification to this Agreement shall be made or become enforceable except by a written instrument duly executed by both Parties.
- 14.8 Headings.** The headings used for the Articles and Sections of this Agreement are for convenience and reference purposes only, and shall not be construed to modify, expand, limit, or restrict the provisions of this Agreement.
- 14.9 Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together will constitute one instrument, binding upon the Parties hereto, notwithstanding that all Parties may not have executed the same counterpart.
- 14.10 Notices.** A notice ("Notice") shall be effective only if in writing and delivered by: hand; reputable overnight courier; United States mail; or telefacsimile. Electronic mail is not effective Notice. Notice shall be deemed to have been given: (a) when delivered to the recipient by hand, overnight courier, or telefacsimile or (b) if delivered by United States mail, on the postmark date. Notice shall be addressed as follows:

SPP: Executive Vice President and Chief Operating Officer  
201 Worthen Drive  
Little Rock, AR 72223

AECI: Chief Executive Officer and General Manager



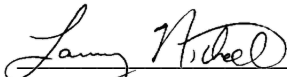
2814 S. Golden Avenue  
Springfield, MO 65801

**14.11 Governing Law.** This Agreement and the rights and duties of the Parties relating to this Agreement shall be governed by and construed in accordance with the State laws of Arkansas, subject to Article Ten (Dispute Resolution).

**14.12 Prior Agreements; Entire Agreement.** All prior agreements between the Parties relating to the matters contemplated by this Agreement, whether written or oral, are superseded by this Agreement, and shall be of no further force or effect. For the avoidance of doubt this Agreement supersedes the Transmission Coordination Agreement of August 19, 2004.

SOUTHWEST POWER POOL, INC.


By:

  
\_\_\_\_\_

Lanny Nickell  
Executive Vice President and Chief Operating Officer

ASSOCIATED ELECTRIC COOPERATIVE, INC.

By:

  
\_\_\_\_\_

David J. Tudor  
Chief Executive Officer and General Manager

# **ATTACHMENT 1**

## **Emergency Energy Exchange**

# **1 Process for Requesting Emergency Energy Assistance**

## **1.1 Initiating an Emergency Energy Request**

In the event that a Party declares an emergency condition and seeks relief from the other Party under Article 6 of this Agreement and the relief takes the form of energy, this Attachment 1 shall apply.

“Emergency Energy” for purposes of this Attachment 1 means energy requested by one Party and provided by the other when either Party is experiencing an Energy Emergency and has declared an Energy Emergency Alert, Level 2 or higher, as defined in Attachment 1 of NERC Standard EOP-011-1, or as defined in a subsequent revision of such Standard. To meet this definition, the energy must be requested and provided in accordance with the Process for Coordination in Section 1.2 of Attachment 1.

In the event that one Party requests Emergency Energy assistance from the other Party pursuant to this Agreement, the Party in need of Emergency Energy (“Receiving Party”) shall initiate the process for Emergency Energy pursuant to Section 1.2.

## **1.2 Process for Coordinating Emergency Energy**

- 1.2.1 Receiving Party shall request its own Reliability Coordinator issue an Energy Emergency Alert Level 2 (EEA2) on behalf of the Receiving Party.
- 1.2.2 Receiving Party shall request Emergency Energy from the other Party (“Delivering Party”). Receiving Party shall state in the request that it is requesting Emergency Energy pursuant to this Agreement, the amount of Emergency Energy Required (MW) and the time frame for which it requests the Delivering Party to provide Emergency Energy.
- 1.2.3 Delivering Party shall evaluate if it can accommodate the request for delivery of Emergency Energy.
- 1.2.4 The Delivering Party will provide notice to the Receiving Party if it can accommodate all, a portion of, or none of the requested Emergency Energy.
- 1.2.5 To the extent the Delivering Party can provide Emergency Energy, AECI shall create an Electronic Tag (E-tag) with the Delivering Party as source and Receiving Party as sink. The E-tags shall be created as “Emergency” transaction type. E-tags shall be created by AECI power marketing irrespective of if AECI is the Delivering Party or Receiving Party.
- 1.2.6 SPP shall provide AECI with the necessary SPP transmission service information so that AECI can complete the E-tag. AECI will be responsible for providing AECI transmission service information on the E-tag.
- 1.2.7 The Receiving Party and Delivering Party shall each approve the E-tag. Approval of an E-tag by the Parties will confirm that each Party agrees with the amount of Emergency Energy (MW and duration) to be delivered to the Receiving Party.
- 1.2.8 The E-tag will be the final record of Emergency Energy transferred between the Parties. To the extent the E-tag is curtailed for any reason, the Parties agree that the amount of

Emergency Energy delivered will equal the amount of non-curtailed energy delivered to the Receiving Party as shown on the E-tag.

- 1.2.9 To the extent the Parties are unable to create, submit, or approve an E-tag in real-time, the Parties agree to coordinate on alternative methods to facilitate the transfer of Emergency Energy including, but not limited to, the utilization of manual NSI offsets in their respective energy management systems. Prior to the Delivering Party providing Emergency Energy when the Parties are unable to create, submit, or approve an E-tag in real-time, the Parties will confirm verbally on a recorded phone line or in writing the amount of Emergency Energy to be delivered and the time frame for which the Delivering Party will provide the Emergency Energy. Subsequent to the provision of Emergency Energy under this section and once the Parties are able to do so, the Parties will coordinate the submission and approval of an E-tag to document the amount of Emergency Energy that was provided.

## **2 Rates and Billing**

### **2.1 Financial Settlement of Emergency Energy and Transmission Service between the Parties**

Pricing for Emergency Energy delivered from AECI to SPP and the commensurate transmission service under Article Six of the Agreement will be calculated and invoiced by AECI. Pricing for Emergency Energy delivered from SPP to AECI and the commensurate transmission service under Article Six of the Agreement will be calculated and invoiced by SPP.

### **2.2 Direct Transaction**

The charge for Emergency Energy supplied by the Delivering Party in any hour to the Receiving Party shall be calculated using the following two-part formula. The first part of the formula calculates the energy portion of the charge and the second part incorporates any transmission charges incurred by the Delivering Party to deliver the Emergency Energy to the interface between AECI and SPP ("Delivery Point").

In the case of SPP as the Delivering Party, the cost of the energy portion for each 5-minute interval when Emergency Energy was delivered shall be the greater of:

- a) 150% of the SPP Integrated Marketplace Locational Marginal Price ("LMP") at the AECI Settlement Location; or
- b) \$100/MW.

#### **Energy portion for an hour when SPP is the Delivering Party =**

*Sum of (((Emergency Energy supplied in the 5-minute interval in MW) times (cost of such energy in \$/MW))/12) for all 5-minute intervals where Emergency Energy was supplied*

In the case of AECI as the Delivering Party, the cost of the energy portion shall be the greater of:

- a) The product of 18 MMBtu/MWh and the Chicago City Gate Natural Gas Spot Price (\$/MMBtu) as published on the day the Emergency Energy is delivered if natural gas is the fuel source utilized to generate Emergency Energy; or
- b) The product of 18 MMBtu/MWh and the Ultra-Low-Sulfur No. 2 Diesel Fuel – U.S. Gulf Coast Spot Price (converted to \$/MMBtu) as published by the U.S. Energy Information Administration on the day the Emergency Energy is delivered if diesel is the fuel source utilized to generate Emergency Energy; or
- c) \$100/MWh

**Energy portion for an hour when AECI is the Delivering Party =**

*(Emergency Energy supplied in the hour in MWhr) times (delivering Party's cost of such energy in \$/MWhr)*

**Transmission charge to Delivery Point (if applicable) =**

The actual ancillary services (including Delivering Party's market charges applicable to export schedules) and transmission costs incurred by the Delivering Party in delivering such Emergency Energy to the Receiving Party pursuant to the Delivering Party's Tariff or the equivalent thereof and, if applicable, costs incurred pursuant to the transmission tariff of any third party transmission service provider.

**Total charge for Emergency Energy supplied in any hour =**

*The sum of the energy portion for an hour and the transmission charge for that same hour.*

A Party requesting Emergency Energy is obligated to pay for the Emergency Energy in the amount requested, times a minimum period of one clock hour, once the Delivering Party has initiated the process of providing Emergency Energy so that the energy will be made available at the time requested to the Receiving Party at the Delivery Point.

2.3 Metering

All Emergency Energy supplied at the Delivery Point shall be metered via an approved E-Tag. The Delivering Party shall be responsible for the actual losses as a result of Emergency Energy delivered to the Delivery Point and the Receiving Party shall be responsible for all losses from the Delivery Point.

**3 Compensation, Billing, and Payment**

3.1 Invoicing and Payment

Unless otherwise agreed upon by AECI and SPP in writing, invoices shall be issued and payment shall be made in accordance with the SPP Integrated Marketplace settlement invoice process as described in the SPP Integrated Marketplace Protocols. Weekly invoices will be distributed by SPP every Thursday by no later than 8:00 a.m. CPT subject to the exceptions described in the

SPP Integrated Marketplace Protocols for holidays. Weekly invoices will include the seven (7) daily Settlement Statements (Scheduled Settlements and any Resettlements) produced for the previous Wednesday through Tuesday cycle. Balances owed by AECI to SPP are due by 5:00 p.m. (CPT) of the first (1st) Wednesday following the Thursday invoice date. Balances owed by SPP to AECI will be paid on the second (2nd) Friday following the invoice date by 5:00 p.m. (CPT).

### 3.2 Disputing Invoices

If a Party objects to all or a portion of any invoice, that Party shall, on or before the date payment of the invoice is due, pay the full amount of the invoice and shall give Notice to the other Party within thirty (30) days from the date the invoice is rendered, setting forth in specific details the basis for its objection and the amount thereof in dispute. The Parties shall thereafter engage in Dispute Resolution pursuant to Article Ten of this Agreement.