



Department of Energy

Southwestern Power Administration
One West Third Street
Tulsa, Oklahoma 74103-3502



September 26, 2007

Honorable Kimberly D. Bose
Office of the Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Room 1A, East
Washington, DC 20426

Re: Southwestern Power Administration
Docket No. NJ07-____-000

Dear Secretary Bose:

Pursuant to the Federal Energy Regulatory Commission's (Commission) Order Nos. 2003-C, 661, 661-A, 2006, 2006-A, 2006-B¹, 676, 676-A, 676-B,² and Sections 35.28(e) and (f) of the Commission's Regulations,³ the United States Department of Energy, Southwestern Power Administration (Southwestern) hereby submits revisions to its non-jurisdictional open access transmission tariff (Tariff). The purpose of the filing is to incorporate the Large Generator Interconnection Procedures (LGIP), Large Generator Interconnection Agreement (LGIA), Small Generator Interconnection Procedures (SGIP), and Small Generator Interconnection Agreement (SGIA) into Southwestern's Tariff. Additionally, in accordance with the Commission Order Nos. 676 and 676-B, Southwestern incorporates by reference certain North American Energy Standard Board (NAESB) business practices as an attachment to Southwestern's Tariff.

Enclosed please find original plus six copies of the proposed Tariff revisions. Also enclosed is an additional copy that I would appreciate being time-stamped and returned in the self-addressed envelope.

¹ Standardization of Generator Interconnection Agreements and Procedures, Order No. 2003, 68 Fed. Reg. 49845 (Aug. 19, 2003), FERC Stats. & Regs. ¶ 31,146 (2003) (Order No. 2003), order on reh'g, Order No. 2003-A, 69 Fed. Reg. 15932 (Mar. 26, 2004), FERC Stats. & Regs. ¶ 31,160 (2004) (Order No. 2003-A), order on reh'g, Order No. 2003-B, 70 Fed. Reg. 265 (Jan. 4, 2005), FERC Stats. & Regs. ¶ 31,171 (2005) (Order No. 2003-B), Order No. 2003-C, order on reh'g, 111 FERC ¶ 61,401 (2005) FERC Stats. & Regs. ¶ 31,190 (2005) (Order No. 2003-C).

² Standards for Business Practices and Communication Protocols for Public Utilities, Order No. 676, 71 Fed. Reg. 26199 (May 4, 2006), FERC Stats. & Regs., Regulations Preambles ¶ 31,216 (Apr. 25, 2006), reh'g denied, Order No. 676-A, 116 FERC ¶ 61,255 (2006); Standards for Business Practices and Communication Protocols for Public Utilities, Order No. 676-B, 119 FERC ¶ 61,049 (2007).

³ 18 C.F.R. § 35.28(e) and (f) (2007).

Southwestern was established in 1943 by the Secretary of the Interior, as a bureau of the Department of the Interior. On October 1, 1977, pursuant to the Department of Energy Organization Act, 42 U.S.C. § 7101 (2007) et.seq., Southwestern was transferred from the Department of the Interior to the Department of Energy. Southwestern operates under the direction of an Administrator with delegated authority to carry out the responsibilities of the Secretary under Section 5 of the Flood Control Act of 1944, 16 U.S.C. § 825(s) (2007), to market power generated at multi-purpose reservoir projects constructed in the Southwest by the Corps of Engineers of the Department of the Army.

Southwestern currently markets power from 24 hydroelectric projects located in the states of Arkansas, Missouri, Oklahoma, and Texas. Power is marketed in those four states, as well as Kansas and Louisiana, to cooperatives, government agencies, and municipalities. Southwestern operates transmission facilities, substations, and other facilities to fulfill its obligations. When adverse water conditions prevent Southwestern from meeting its contracts for delivery of power and energy from its own resources, Southwestern purchases energy from other suppliers. Southwestern has integrated its facilities in order to efficiently receive, transmit, and deliver power and energy.

Southwestern is not a public utility subject to the Commission's jurisdiction under Sections 205 and 206 of the Federal Power Act, 16 U.S.C. §§ 824d and 824e (2007); however, Southwestern is considered a transmitting utility subject to Sections 211-213 of the Federal Power Act, 16 U.S.C. §§ 824i-824k. Southwestern and the Southwest Power Pool Regional Transmission Organization (SPP) are parties to a contract (SPP/Southwestern Agreement)⁴ patterned after the provisions of Section 1232 of the Energy Policy Act of 2005, which describes the conditions by which Power Marketing Administrations such as Southwestern may participate in a Regional Transmission Organization.

On March 21, 2006 the Commission issued an order in Docket No. NJ06-4⁵ accepting Southwestern's Tariff provision changes which incorporated revisions to the Southwestern Tariff to conform the Tariff to the terms and conditions of the SPP/Southwestern Agreement. The Commission further noted that Southwestern will not have a valid safe harbor Tariff until it complies with, or obtains waiver of, Order Nos. 2003, 2006, and 661.

Southwestern requests that the Commission issue a declaratory order determining that this filing satisfies the Commission's comparability (non-discrimination) standards as provided by Sections 35.28(e) and (f) of the Commission's Regulations. Order Nos. 2003 and 2006 provide that non-jurisdictional utilities must adopt an LGIP, LGIA, SGIP and SGIA that "substantially conform to or are superior to" the Commission's pro forma documents.⁶ Additionally, the Commission has ruled that reciprocity requirement compliance shall be limited to those services the non-jurisdictional entity is capable of providing on its system and that the Commission will "consider

⁴Southwestern Contract No. DE-PM75-05SW00512. 110 FERC ¶ 061,406 (2005) Order accepting Interim Agreement & revised Attachment AD of SPP Tariff (SPP/Southwestern Agreement)

⁵ 114 FERC ¶ 61,292 (2006).

⁶ Order No. 2003 ¶ 842.

the legal and regulatory restrictions on non-jurisdictional entities' contractual rights" when evaluating reciprocity filings.⁷

This filing comports with Commission guidance and includes modifications to the Tariff generation interconnection documents that deviate from *pro forma*: (i) to further recognize the provisions of the SPP/Southwestern Agreement between SPP and Southwestern. This agreement provides for reciprocal use of each parties' transmission systems, and SPP's administration of Southwestern's Tariff and OASIS, including the study of transmission service requests to identify the regional available transfer capability impacts and any modifications to the SPP Transmission System required to support such service requests; (ii) to recognize Southwestern's arrangement with the SPP allowing SPP tariff procedures to govern significant aspects of the generation interconnection process, including the performance of interconnection studies and cost determinations applicable to network upgrades on the SPP Transmission System; (iii) to recognize Southwestern's non-jurisdictional status; and (iv) to recognize Southwestern's statutory and regulatory obligations and limitations as a Federal Power Marketing Administration under the Department of Energy.

Southwestern modified the *pro forma* language to reflect the responsibilities of both the SPP RTO and Southwestern under the proposed generation interconnection documents, to ensure consistency with the SPP/Southwestern Agreement, and to provide coordinated implementation of the Commission's generation interconnection rules. In order to expedite facility interconnection and provide for regional coordination, Southwestern has limited the scope of these documents to include only the interconnection facilities at the proposed point of interconnection. This allows the SPP's Commission-approved generation interconnection procedures and related-agreements to govern interconnection studies related to the determination of, and cost allocation for, network upgrades required for the generation interconnection. The SPP's analyses include all facilities within the SPP footprint including those of Southwestern. The Commission stated in *New England Power Pool and Bangor Hydro-Electric, et al.* that such an approach can be acceptable.⁸ More specifically, pursuant to this filing the SPP would be the entity to: (i) receive the initial interconnection request; (ii) determine and maintain the Interconnection Customer's queue status; (iii) perform all interconnection studies that analyze regional system impacts, including the feasibility and system impact studies and; (iv) determine any upgrades required beyond the point of interconnection, including Network Upgrades determined to be required on the Southwestern Transmission System.⁹

Southwestern proposes to coordinate the interconnection of non-Federal generating facilities to its transmission system with the SPP RTO, consistent with reliability-centered open access

⁷ Order No. 2003 ¶ 844.

⁸ 109 FERC ¶ 61,155 (2004), Paragraph 5: . . . "Should the Transmission Owners seek any variations from the *pro forma* provisions, they may do so in a new filing and either: (i) explain why the proposed variations are consistent with or superior to our Order No. 2003 standards; (ii) agree to transfer to ISO New England, or its successor RTO, control over the significant aspects of the Local OATT interconnection process, including the performance of all interconnection studies and cost determinations applicable to system upgrades; or (iii) as to any individual Transmission Owner variations based on a regional reliability standard, support such variations by reference to the specific regional reliability standard relied upon."

⁹ Modifications to the Southwestern Transmission System will be evidenced by separate agreement between Southwestern and SPP, pursuant to the SPP/Southwestern Agreement.

policies, to the extent that Southwestern's Federal statutory obligations and limitations allow. Southwestern's generation interconnection procedures for facilities at the point of interconnection are primarily intended to accommodate Southwestern's Federal obligations, particularly the National Environmental Policy Act (NEPA).¹⁰ Southwestern will therefore perform limited studies of the interconnection facilities at the point of interconnection, and the SPP will perform the regional interconnection studies including the feasibility and system impact studies.

The remaining changes from *pro forma* language in Southwestern's generation interconnection documents recognize Southwestern's obligation to comply with certain Federal statutes and regulations, NEPA requirements, advanced funding provisions complying with the Anti-Deficiency Act,¹¹ budgetary authority, and provisions pertaining to Southwestern's responsibilities under the Flood Control Act of 1944.¹² Southwestern has coordinated its proposed deviations from *pro forma* with language contained in the SPP documents to ensure regional consistency and to facilitate SPP's administration of Southwestern's Tariff, as provided for in the SPP/Southwestern Agreement.

Southwestern recognizes that the Commission has issued a Final Rule in Docket Nos. RM05-17 and RM05-5 (Order No. 890), and requests that the Commission rule on the substance of this instant filing so its Tariff can be updated, thus ensuring Southwestern and its customers are able to use standardized generation procedures and agreements accommodating interconnection of large, small, and wind generating facilities and providing for coordination with the SPP on a regional basis. Southwestern is undertaking a dialogue with its customers regarding implementation of Order No. 890 changes and possible deviations from *pro forma* to reflect Southwestern's Federal statutes, obligations, and limitations. Additionally, as evidenced by this and previous filings, Southwestern takes into consideration the tariff compliance actions of the SPP RTO, and intends to continue its coordination with SPP to facilitate SPP's administration of Southwestern's Tariff and the terms and conditions of the SPP/Southwestern Agreement. Southwestern will make a future filing to incorporate the Order No. 890 provisions, with appropriate modifications to address its Federal Power Marketing Administration status and further conform its Tariff to recognize the terms of the SPP/Southwestern Agreement.

I. A DETAILED LISTING OF MODIFICATIONS TO PRO FORMA INCLUDING EXPLANATION OF EACH CHANGE

A. PROPOSED REVISIONS TO SOUTHWESTERN'S TARIFF

1. Attachment K

Southwestern has revised its Attachment K "General Provisions Applicable to Transmission Service" which contains Southwestern's general contract provisions, to "General Provisions Applicable to Transmission and Generation Interconnection Service" to reflect the applicability to the standard generation interconnection procedures and agreements submitted in this instant filing.

¹⁰ 42 U.S.C. § 4321, *et seq.* (2007).

¹¹ 31 U.S.C. § 1341(a)(1)(2007).

¹² 16 U.S.C. § 825(s) (2007).

Furthermore, Southwestern has revised the provisions applicable to availability of funds to account for funds advanced to Southwestern or provided in a manner consistent with authority provided by the United States Congress.

2. New Attachment N

Southwestern incorporated a new Tariff Attachment N containing *pro forma* references to North American Energy Standards Board Wholesale Electric Quadrant standards as directed by the Commission in Order Nos. 676, and 676-A.¹³

B. PROPOSED REVISIONS TO THE *PRO FORMA* LGIP (Proposed Attachment L)

1. Section 1 (including “Distribution Upgrades,” “Energy Resource Interconnection Service,” “Interconnection Facilities Study,” “Interconnection Feasibility Study Agreement,” “Interconnection Request,” “Interconnection System Impact Study Agreement,” “Joint Operating Committee,” “Network Resource Interconnection Service,” “Optional Interconnection Study Agreement,” “Queue Position,” “Scoping Meeting,” “Stand Alone Network Upgrades,” “Standard Large Generator Interconnection Procedures,” and “Transmission System”), 2.1, 2.2, 2.3, 3.1, 3.2, 3.2.1.1, 3.2.1.2, 3.2.2.1, 3.2.2.2, 3.3.1, 3.3.2, 3.3.3, 3.3.4, 3.4, 3.5, 3.6, 4.1, 4.2, 4.3, 4.4, 4.4.1, 4.4.2, 4.4.3, 4.4.5, 5.1.1, 6.1, , 6.2, 6.3, 6.3.1. 6.4, 7.1, 7.2, 7.3, 7.4, 7.5, 7.6, 8.2.1, 8.3.1, 8.4, 8.5, 9, 10, 10.1, 10.2, 10.3, 12, 12.1, 12.2, 12.2.1, 12.2.2, 12.2.3, 12.2.4, Appendix 1 (including attachments), Appendix 2 (including attachments), Appendix 3 (including attachments), Appendix 4 (including 4.0), Appendix 5, and Appendix 7

These provisions were changed to distinguish between the roles of Southwestern and SPP with regard to functions performed under this LGIP, and to clarify for the Interconnection Customer the areas where the two entities shall actively coordinate. In order to better facilitate regional planning and reliability, Southwestern allows for the Southwest Power Pool RTO to receive the interconnection request; to manage the queue; to perform the feasibility study, the system impact study, any optional interconnection studies; and to determine facilities required beyond the point of interconnection, including cost allocation of those facilities. Furthermore, Southwestern allows for use of the existing SPP RTO processes for these functions, rather than duplicating them in this LGIP. This approach is beneficial to both the Interconnection Customer, who likely is familiar with the regional processes and for SPP by minimizing potential differences between the RTO’s processes and that of Southwestern and eliminating the administrative effort of updating the Southwestern Tariff as the SPP RTO Tariff may change in the future.

¹³ Standards for Business Practices and Communication Protocols for Public Utilities, (Order No. 676), 71 Fed. Reg. 26199 (May 4, 2006), FERC Stats & Regs. ¶ 31,216 (2006), 115 FERC ¶ 61,102; order on reh’g, (Order No. 676-A), 116 FERC ¶ 61,255 (2006); Standards for Business Practices and Communication Protocols for Public Utilities, (Order No. 676-B), 72 Fed. Reg. 21095 (April 30, 2007), 119 FERC ¶ 61,049 (2007).

This LGIP allows for the SPP to perform the Energy Resource Interconnection Service study or the Network Resource Interconnection Service study, whichever is applicable. The product of the existing SPP studies provides the Interconnection Customer with a larger regional view than would occur if the studies were limited to the Southwestern Transmission System. The SPP is the entity to initially receive the Interconnection Request and to determine if it is deficient or valid based on the SPP's requirements. Additionally, in order to better facilitate coordination this LGIP provides that the SPP shall manage the queue. Southwestern further clarifies that the base case data may be utilized by the Interconnection Customer, Southwestern, or by SPP to reflect the arrangement between Southwestern and SPP. The SPP may participate in and determine the date of the scoping meeting and may have representation on the joint operating committee.

2. “Transmission Provider” and “Transmission Owner”

To preclude confusion between SPP, (as the regional transmission provider and administrator of Southwestern's Tariff) and Southwestern, as the transmission owner whose facilities the Interconnection Customer is seeking to interconnect, the terms “Transmission Provider” and “Transmission Owner” were replaced throughout the document with the applicable entity in reference to the specific provision in which the term originally presided. This also includes instances where the *pro forma* provision referred to “Transmission Provider's facilities” or “Transmission Provider's Transmission System.”

Instances where “Transmission Provider” or “Transmission Provider's” was changed to “Southwestern”:

Section 1 (including “Ancillary Services,” “Base Case,” “Emergency Condition,” “Engineering and Procurement (E&P) Agreement,” “Governmental Authority,” “In-Service Date,” “Interconnection Customer,” “Interconnection Facilities,” “Interconnection Facilities Study,” “Interconnection Request,” “Interconnection Service,” “Joint Operating Committee,” “Network Resource Interconnection Service,” “Network Upgrades,” “Party or Parties,” “Point of Change of Ownership,” “Point of Interconnection,” “System Protection Facilities,” “Tariff,” and “Transmission Provider's Interconnection Facilities”), 2.2, 2.3, 3.1, 3.6, 4.4, 4.4.3, 4.4.4, 5.1.1.2, 5.1.2, 5.2, 8.1, 8.2.1, 8.3.1, 8.4, 9, 11.1, 11.2, 11.3, 11.4, 12, 12.1, 13.1.11, 13.2, 13.3, 13.4, 13.6.2, Appendix 4 (including Recitals, 1.0, 2.0, Attachment A, and Attachment B), and Appendix 7

Instances where “Transmission Provider” or “Transmission Provider's” was changed to “SPP”:

Section 1 (including “Base Case,” “Queue Position,” and “Scoping Meeting”), 3.5, 3.6, and 4.4

Instances where “Transmission Provider,” “Transmission Owner,” or “Transmission Provider's” was deleted:

Section 1 (including “Distribution System,” “Distribution Upgrades,” “Energy Resource Interconnection Service,” “Interconnection Customer,” “Interconnection Feasibility Study,” “Interconnection Service,” “Interconnection System Impact Study,” “Network Resource Interconnection Service,” “Network Upgrades,” “Party or Parties,” “Standard Large Generator Interconnection Agreement,” and “Standard Large Generator Procedures”)

3. Section 1 (including “Dispute Resolution”), 13.5, 13.5.1, 13.5.2, 13.5.3, and 13.5.4

The *pro forma* dispute resolution procedures included in the LGIP provide for binding arbitration. Pursuant to the Administrative Procedures Resolution Act,¹⁴ Southwestern is unable to participate in binding arbitration. The revisions to this section and its subsections ensure that Transmission Customers and Interconnection Customers both follow the same dispute resolution procedures, thus providing certainty and eliminating misunderstandings. Southwestern’s Tariff Section 12, as previously accepted by the Commission, properly recognizes the nature of Southwestern’s ability to pursue and adhere to non-binding dispute arbitration procedures.

4. Section 1 (including “Effective Date” and “Tariff”), Sections 3.4, 5.1.1.3, 5.1.2, 5.2, 11.1, 11.2, 11.3, 11.4, and Appendix 4 (including Section 1.0)

To the extent that Southwestern is not subject to the Commission’s jurisdiction under Sections 205 and 206 of the Federal Power Act,¹⁵ and not required to file its Tariff with FERC, Southwestern removed language from this LGIP indicating that Southwestern would or is required to file its Tariff or LGIA with FERC, or otherwise indicating that Southwestern must have a FERC-approved document on file.

5. Section 1 (including “Expansion Plan”) and Section 2.3

This definition was added to recognize the SPP’s regional transmission expansion plan. Southwestern’s transmission facilities are included in the SPP’s regional transmission planning processes, and Southwestern coordinates its local transmission planning with SPP. Additionally, SPP performs all transmission expansion and upgrade studies for transmission service requests under Southwestern’s Tariff, pursuant to the provisions of the SPP/Southwestern Agreement. Southwestern believes such cooperation between Southwestern and the RTO are superior to *pro forma* since such coordination takes into account impacts on a larger geographic scale than solely for the Southwestern Transmission System.

6. Section 1 (including “Force Majeure”)

This definition was modified for consistency and comparability to the definition of Force Majeure used in Southwestern’s Federal contracts and provides greater clarity to the Customer than the *pro forma* definition.

7. Section 1 (including “Interconnection Customer”)

Section 5 of the Flood Control Act does not authorize Southwestern to own generating facilities; therefore, reference to the term Interconnection Customer applying to “Transmission Provider” and “Transmission Owner” were removed from this definition.

¹⁴ *Administrative Dispute Resolution Act* 5 U.S.C. § 571-584 (2007).

¹⁵ Federal Power Act 16 U.S.C. §§ 824d, 824e (2007).

8. Section 1 (including “Interconnection Facilities Study”)

In addition to modifying the term “Transmission Provider,” Southwestern has deleted reference to Network Upgrades and facilities identified in the Interconnection System Impact Study. The Interconnection Facilities Study, as conducted by Southwestern with regard to these procedures, produces results that are only applicable to the facilities required at the Point of Interconnection to the Southwestern Transmission System. The Interconnection System Impact Study is beyond the scope of Southwestern’s LGIP. The study will be performed by the SPP in accordance with the SPP LGIP and any Network Upgrades or other facilities will be determined under the SPP’s LGIP.

9. Section 1 (including “Interconnection Facilities Study and Environmental Documentation Agreement”), 4.4.2, 8.0, 8.1, 8.2, 8.2.2, 8.3.2, 11.2, 11.3, 13.4, and Appendix 4 (including 2.0, 5.0, 5.1, 5.2, 15, Attachment A, and Attachment B)

As a Federal power marketing administration, Southwestern must follow certain procedures of the National Environmental Policy Act¹⁶ (NEPA) before performing certain actions, including the construction of facilities. Southwestern has included detailed information regarding the NEPA process in the Interconnection Facilities Study Agreement; therefore, the agreement’s title was modified to “Interconnection Facilities Study and Environmental Documentation Agreement” in order to reflect this additional information. Southwestern has also included reference to the NEPA process in appropriate provisions throughout the revised LGIP to provide more specificity to the Interconnection Customer.

10. Section 1 (including “Interconnection Feasibility Study Agreement”)

The reference to “Appendix 2” was changed to reflect that the Interconnection Feasibility Study Agreement will be performed by the SPP, pursuant to the SPP’s LGIP as it is beyond the scope of Southwestern’s LGIP.

11. Section 1 (including “Interconnection Request”)

These changes provide clearer distinctions between Southwestern and the SPP, with respect to roles performed under the LGIP, including the scope of applicability to the Southwestern Transmission System and the regional Transmission System. Furthermore, the changes clarify to the Interconnection Customer that the SPP procedures are applicable for system impact studies and resulting upgrades or modifications to facilities.

12. Section 1 (including “Interconnection System Impact Study Agreement”)

Southwestern modified this definition to clarify to the Interconnection Customer that the SPP will perform the applicable Interconnection System Impact Study Agreement in accordance with the SPP LGIP.

13. Section 1 (including “IRS”)

As a Federal entity Southwestern generally does not pay taxes as a rule and has removed all language in that regard. Due to these revisions term “IRS” is no longer needed in the document.

¹⁶ 42 U.S.C. § 4321, *et seq.* (2007).

14. Section 1 (including “Joint Operating Committee”)

Southwestern modified this definition to clarify that SPP may, at its discretion, attend and participate in the Joint Operating Committee. The addition of a representative from the SPP RTO will provide the Parties a more regional view of pertinent operating and technical considerations.

15. Section 1 (including “Network Resource Interconnection Service”)

This modification clarifies that the SPP will perform the Network Resource Interconnection Service evaluation based on the SPP Tariff footprint, results of which will take into account a larger geographic region.

16. Section 1 (including “Scoping Meeting”) and 3.3.4

This LGIP provides that SPP shall facilitate the scoping meeting in order to facilitate coordination between Southwestern, the Interconnection Customer, and the SPP. This definition has been revised to identify to the Interconnection Customer SPP’s representation at the Scoping Meeting. Additionally, teleconferences provide more flexibility to the Interconnection Customer.

17. Section 1 (including “Transmission Owner,” “Transmission Provider,” and “Transmission Provider’s Interconnection Facilities”)

Consistent with the discussion above, the term “Transmission Owner” was deleted,” “Transmission Provider’s Interconnection Facilities” and “Transmission Provider were modified to become “Southwestern’s Interconnection Facilities” and the defined term “Southwestern.”

18. Section 1 (including “Affected System,” “Energy Resource Interconnection Service,” and “Transmission System”) 2.3, 5.2, 8.2.1, and Appendix 4 (including Recitals and 4.0)

The general scope of these large generation interconnection procedures is limited to the point of interconnection between the large generating facility and the Southwestern Transmission System. However, there are instances in the *pro forma* standard large generation interconnection procedures where facilities and systems beyond the point of interconnection are considered. In order to distinguish whether the term “transmission system” is referring to the Southwestern Transmission System at the point of interconnection, or the facilities and systems beyond that point, both the definition of “Transmission System” and all *pro forma* instances referring to the “Transmission Provider’s Transmission System” have been modified.

19. Section 2.1

Southwestern modified the Applicability provision to clarify the scope of this LGIP. All facility upgrades or modifications beyond the site of the interconnection itself are managed under the SPP LGIP.

20. Section 2.3

Southwestern currently participates in the SPP transmission planning process and in doing so provides base case data to the SPP for SPP’s use in performing regional SPP transmission system-wide studies and inclusion in the SPP Transmission Expansion Plan. The

modifications to this section recognize that Southwestern will provide base case data to the SPP for the generation interconnection process as well.

21. Section 3.1

The composition of Southwestern’s control area results in a limited ability to provide control area services; therefore, Southwestern retains the discretion to determine whether inclusion of a Large Generating Facility within Southwestern’s control area could be reasonably accommodated without impairing reliability or the operation of the Federal generating facilities from which Southwestern, by statute, markets power.

Furthermore, this revised section clarifies the roles of Southwestern and SPP by identifying that the Interconnection Request is to be submitted to the SPP, pursuant to the terms (including required timelines and deposits) of the SPP LGIP and facilitates coordination by ensuring all entities receive correspondence related to the Interconnection Request.

22. Section 3.4

Southwestern does not have, nor foresees having, an affiliate relationship. Furthermore, Southwestern’s implementing legislation¹⁷ does not provide for affiliates; therefore, reference to affiliates of Southwestern has been deleted from this section. By the technical reading of the definition, the United States Army Corps of Engineers (Corps) could be considered an “affiliate” of Southwestern, as both entities are under the control of the Executive Branch of the U.S. Government. However, the two agencies should not be considered “affiliates” for purposes of this filing because, for all practical purposes, Southwestern and the Corps function independently of each other and share no senior officers, management officials, or employees. Though both agencies share a consolidated financial statement, the main purpose of which is legislatively mandated to account for repayment of hydropower-related investment and expenses, Southwestern has no control over the amount of generation, and therefore related revenues, provided by the multipurpose hydropower projects owned by the Corps. Similarly, Southwestern has no control of the Corps’ capital or operation and maintenance expenses. Furthermore, based on both entities’ legislative framework, Southwestern cannot exert control over the actions of the Corps.

23. Section 3.6, 4.4, 4.4.4, 5.2, 8.1, 8.1.1, 8.5, 9, 11.4, 13.3, 13.3.1, 13.3.2, 13.3.3, 13.3.4, 13.4, 13.3.5, and Appendix 4 (including 6.0, 6.1, 6.2, and 6.3)

Federal financial processes do not provide for accruing interest on funds paid to a Government agency as a deposit or as advanced funds for service; as such interest payments would be paid from appropriated funds and be borne by all of Southwestern’s customers. Therefore, such language has been deleted. Additionally, Southwestern clarifies throughout the LGIP that funds must be received from the Customer prior to commencement of work or commitment to commence work. Southwestern must comply with the Federal Anti-Deficiency Act,¹⁸ which restricts Southwestern from obligating funds which have not been Congressionally appropriated or authorized for expenditure. In any instance where the actual cost to the Customer exceeds that which was advanced, Southwestern will refund the overestimated amount to the Customer. The advance funding process including provisions

¹⁷ 16 U.S.C. § 825(s) (2007).

¹⁸ 31 U.S.C. § 1341(a) (1) (2007).

for invoicing, payment, and required funds or refunds is described in detail in Sections 13.3 through 13.3.5 and Section 6 of Appendix 4.

24. Section 1 (including “Effective Date”), 4.4.2, 8.1, 8.3.1, 11.1, 11.2, 11.3, 11.4, and Appendix 4 (including Attachment A)

Language referring to the Interconnection Customer executing or returning an executed agreement has been revised to reflect that while the Interconnection Customer signs the agreement, Southwestern’s longstanding Federal contract process does not consider a contract executed until signed by the Administrator or the Administrator’s authorized representative.

25. Section 4.4.4, 8.2.2, 8.3.1, 8.4, 8.5, 11.1, and 11.2

Southwestern is a Federal entity subject to Executive and Congressional oversight regarding staffing, funding, and authorization limits. Funding levels for these items may be established at a level which limits Southwestern’s ability to meet the timeframes proposed in the *pro forma* LGIP. Additionally, some of the LGIP deadlines may be impacted by coordination with or actions of the SPP, in performing its functions related to this LGIP. Therefore, Southwestern included language indicating its use of “Reasonable Efforts” to attain stated deadlines. The Commission has previously accepted similar provisions.¹⁹

26. Section 4.4.4

Revisions relating to reasonable efforts and advanced funding have been included. Southwestern has also inserted clarifying language providing more detail regarding the costs assigned to the Interconnection Customer resulting from a modification, which may potentially include costs related to satisfying NEPA requirements.

27. Section 4.4.5

This modification was made to recognize that if Southwestern must request a change in operation due date, for example, to meet NEPA requirements, Southwestern will not consider it a Material Modification. Furthermore, additional language was inserted to recognize that due to the required coordination between Southwestern and the SPP, any extensions of the Commercial Operation Date must be consistent with SPP’s LGIP.

28. Section 8.1

Southwestern added language to reflect its statutory obligations regarding advanced funding and Federal contract processing procedures for contract execution. References to the System Impact Study were removed as being beyond the scope of these procedures. Since SPP is the entity performing System Impact Study for the Interconnection Customer, Southwestern cannot “simultaneously” provide an Agreement at that time, but will provide a Facilities Study and Environmental Agreement upon request by the Interconnection Customer, and include a non-binding estimate for the cost and timeframe to complete the Study in that agreement.

¹⁹ *Western Area Power Administration (WAPA) order approving WAPA’s LGIP*, 112 FERC ¶ 61,044 (2005).

29. Section 8.2.1

References to the System Impact Study and Network Upgrades removed as beyond the scope of these procedures are provided for in the SPP's LGIP. For further clarity, Southwestern also added language indicating that communications and SCADA requirements would be included in the scope of the Interconnection Facilities Study.

30. Section 8.3.1

Southwestern has added language to clarify coordination with SPP. Southwestern has also removed language referring to Southwestern providing an estimate within certain bandwidths and timeframes. Southwestern must receive funds in advance to ensure compliance with the Anti-Deficiency Act.²⁰ Section 8.1 explains that Southwestern will provide the Interconnection Customer an invoice including a good faith estimate of the cost to perform the Study. Remaining changes to this section, including replacement of the term "Transmission Provider," are discussed previously in (I) (B) (2).

31. Section 11.2

Southwestern has inserted language in this section clarifying that the Interconnection Customer shall pay any cost of negotiations. Additionally, Southwestern had modified this section to inform the Interconnection Customer that, due to NEPA requirements, Southwestern shall make a determination whether to tender to the Customer a final LGIA for signature and subsequent execution. Similar provisions have previously been accepted by the Commission.²¹

32. Section 12

Southwestern replaced Section 12 in its entirety to reflect that the processes for studying and constructing Network Upgrades are beyond the scope of this LGIP and will be managed through the SPP LGIP. The deletion of text in Section 12.1 does not imply that Southwestern would not negotiate in good faith; rather, it simply reflects that at this stage in the process the negotiations concerning Southwestern's interconnection facilities, including milestones for construction, has already occurred and the product of those negotiations are included in the completed appendices of the LGIA.

33. Section 13

Southwestern inserted a sentence stating that all provisions included in this "miscellaneous" section shall be subject to the Federal statutory regulations applicable to Southwestern.

34. Section 13.1.8

Language implying any state regulatory jurisdiction over Southwestern has been removed.

²⁰ 31 U.S.C. § 1341(a) (1) (2007).

²¹ 112 FERC ¶ 61,044 (2005).

35. Section 13.2

This language has been revised to clarify that Southwestern is liable to the Interconnection Customer only to the extent permitted by with the Federal Tort Claims Act.²² A modification to this effect has been previously accepted by the Commission.²³

36. Section 13.4

Southwestern provided language addressing advance funding requirements and its obligation to complete environmental documentation. Southwestern also replaced the term “reasonably” with “mutually” acceptable to both Southwestern and the Interconnection Customer. Such modification removes ambiguity and therefore provides more certainty in the process.

37. Section 13.6

Southwestern is a Federal entity which does not own facilities financed by local furnishing bonds. Therefore the *pro forma* provisions of this section do not apply. Southwestern removed the capitalization of the term “Transmission Provider” since the capitalized definition no longer exists in this revised LGIP.

38. Section 13.1.7

This section was deleted entirely because Southwestern cannot execute an agreement with a blanket remedies statement.

39. Appendix 4 (including Preamble)

Southwestern revised the opening paragraph to the Interconnection Facilities Study and Environmental Documentation Agreement to ensure conformance between Southwestern’s long-standing Federal contractual practices and its as-filed forms agreement.

40. Appendix 4 (including Recitals)

Southwestern deleted language stating completion of the System Impact Study since it is beyond the scope of this LGIP. Additional language clarifying that the Interconnection Facilities Study and Environmental Documentation Agreement shall establish parties’ responsibilities for installation, replacement, operations and maintenance of such facilities was included. Southwestern also inserted an additional recital recognizing its requirement to complete NEPA documentation requirements.

41. Appendix 4 (including 4.0)

Southwestern removed language referring to the System Impact Study, since it is beyond the scope of this LGIP and performed by the SPP pursuant to the SPP LGIP. Southwestern included language referring to items which will be addressed in the Facilities Study report for clarity.

42. Appendix 4 (including 7, 8, 9, 10, 11, 12, 13, and 14)

Pro forma Section 6 of Appendix 4 “Miscellaneous” summarizes general contract provisions to be included in this Interconnection Facilities Study and Environmental Documentation

²² 28 U.S.C. §§ 1346(b), 1346(c), 2401(b), 2402, 2671, 2672, 2674-2680 (2007).

²³ 112 FERC ¶ 61,044 (2005).

Agreement. Rather than relying on generalized listing of contract provisions, Southwestern inserted specific provisions for, *inter alia*, notices, indemnity, breach and assignment. The addition of these provisions accomplishes several things, including providing clarity to the Interconnection Customer, comparability to similar provisions in the Standard Small Generator Interconnection Procedures, conformance to Southwestern's Federal contract language, and recognizing Southwestern's Federal obligations such as the Anti-Assignment Act²⁴ and the Anti-Deficiency Act.²⁵

43. Appendix 4 (including Attachment A)

Southwestern removed language referring to two specific bandwidths and deadlines and indicated it will use Reasonable Efforts to issue a draft Interconnection Facilities Report within 180 calendar days. Southwestern must follow invoice and payment procedures which ensure compliance with the Anti-Deficiency Act, including requiring funds in advance of undertaking work. Therefore, the +/- 20 and +/-10 percent estimates are moot. The Interconnection Customer will be invoiced by Southwestern for advance funds and shall pay actual costs.

44. Appendix 4 (including Attachment B)

Minor revisions were made to this data form, as discussed above, by changing the term "Transmission Provider" to "Southwestern" and reflecting the revised name of the Interconnection Facilities Study [and Environmental Documentation] Agreement. The phrase "service area" was changed to "control area" since Southwestern does not have a traditional "service" area. Southwestern clarifies that additional metering may be required when connecting to an existing Southwestern station.

45. Section 1 (including Base Case," "NERC," "Reasonable Efforts," and "Emergency Conditions,"), 3.4, 3.6, 4.4, 4.4.3, 5.1.1.2, 5.2, 8.2.1, 8.3.1, 8.4, 8.5, 9, 11.1, 11.2, 13.3, 13.4, Appendix 4 (including Recitals and Signature Block), and Appendix 7

Southwestern made minor changes throughout the LGIP such as inserting punctuation, changing "a" to "an"; adding "the" replacing the term "Interconnection Study" with the defined term "Interconnection Studies," and removing capitalization for undefined terms. The Commission has previously accepted similar minor edits to correct typographical and grammatical errors and improve consistency.²⁶

C. PROPOSED REVISIONS TO THE *PRO FORMA* LGIA (Appendix 6 to Proposed Attachment L)

1. Preamble

²⁴ 41 U.S.C. § 15 (2007).

²⁵ 31 U.S.C. § 1341(a) (1) (2007).

²⁶ Midwest Independent Transmission System Operator, Inc. (MISO), 114 FERC ¶ 61,134 at P 13 (2006), MISO 111 FERC ¶ 61,421 at P 14 (2005), Southern Company Services, Inc. 109 FERC ¶ 61,070 at P 81-82 (2004).

Southwestern revised the opening paragraph to the Large Generator Interconnection Agreement to ensure conformance between Southwestern's long-standing Federal contractual practices and its as-filed forms agreement.

2. Recitals

Southwestern revised the recitals to recognize its National Environmental Policy Act²⁷ documentation requirements, the contract between Southwestern and the SPP,²⁸ and the scope of the agreement, whereby facilities beyond the point of interconnection, such as Network Upgrades, are managed in the SPP processes.

3. Recitals, Article 1 (including "Base Case," "Distribution Upgrades," "Energy Resource Interconnection Service," "Interconnection Facilities Study," "Interconnection Feasibility Study," "Interconnection Feasibility Study Agreement," "Interconnection Request," "Interconnection System Impact Study Agreement," "Joint Operating Committee," "Network Resource Interconnection Service," "Network Upgrades," "Optional Interconnection Study Agreement," "Queue Position," "Scoping Meeting," "Stand Alone Network Upgrades," "Standard Large Interconnection Procedures," and "Transmission System"), 2.4.1, 4.1, 4.1.1, 4.1.1.1, 4.1.1.2, 4.1.2, 4.1.2.1, 4.1.2.2, 4.4, 5.1, 5.1.1, 5.1.3, 5.1.4, 5.2, 5.5, 5.6, 5.6.2, 5.9, 5.10, 5.10.1, 5.11, 5.13, 5.15, 5.16, 5.19.1, 6.1, 9.7.1, 9.7.1.2, 9.7.1.3, 9.7.3, 11.1, 11.2, 11.3, 11.4.1, 11.4.2, 11.4.3, 12.2, 13.5.1, 13.5.2, 13.6, 24.2, 24.3, 25.4, Appendix A, and Appendix G.

These provisions were changed to distinguish between the roles of Southwestern and SPP with regard to functions performed under this LGIA, and to clarify for the Interconnection Customer the areas where the two entities shall actively coordinate. The SPP may have a representative present at the Joint Operating Committee, and set the date for the Scoping Meeting. Southwestern will use reasonable efforts to work with the SPP to coordinate functions required to meet milestones in the generation interconnection process. Southwestern allows the Southwest Power Pool RTO to receive the interconnection request; to manage the queue; to perform the feasibility study, the system impact study, any optional interconnection studies; and to determine facilities required beyond the point of interconnection, including cost allocation of those facilities in order to better facilitate regional planning and reliability. The SPP performs the Energy Resource Interconnection or Network Resource Interconnection Service, whichever may be applicable. All processes involving Distribution Upgrades, Network Upgrades or Stand Alone Network Upgrades are managed under the Commission approved SPP generation interconnection process. Southwestern also recognizes the SPP role as reliability coordinator and its consequential authorities regarding interruption of service, outage schedules, and other reliability related functions. This approach is beneficial to both the Interconnection Customer, who likely is familiar with the regional processes and SPP. This approach minimizes potential differences between the RTO and Southwestern processes and eliminates the need to update the Southwestern Tariff as the SPP RTO Tariff changes in the future.

²⁷ 42 U.S.C. § 4321, *et seq.* (2007).

²⁸ Southwestern Contract No. DE-PM75-05SW00512. Southwest Power Pool, RTO Order Accepting Revised Attachment AD of SPP Tariff 110 FERC ¶ 61,046 (2005).

4. “Transmission Provider” and “Transmission Owner”

The terms “Transmission Provider” and “Transmission Owner” were replaced throughout the document with the applicable entity in reference to the specific provision in which the term originally resided to preclude confusion between SPP, (as the regional transmission provider and administrator of Southwestern’s Tariff) and Southwestern, as the transmission owner whose facilities the interconnection customer is seeking to interconnect. This also includes instances where the *pro forma* provision referred to “Transmission Provider’s facilities” or “Transmission Provider’s Transmission System.”

Instances where “Transmission Provider” or “Transmission Provider’s” was changed to “Southwestern”:

Recitals, Article 1 (including “Base Case,” “Emergency Condition,” “Engineering and Procurement (E&P) Agreement,” “Governmental Authority,” “In-Service Date,” “Interconnection Facilities,” “Interconnection Facilities Study,” “Interconnection Service,” “Joint Operating Committee,” “Network Resource Interconnection Service,” “Party or Parties,” “Point of Change of Ownership,” “Tariff,” “Transmission Provider,” and “Transmission Provider’s Interconnection Facilities”), 2.3.1, 2.4.1, 2.4.2, 4.2, 5.1, 5.1.1, 5.1.2, 5.1.3, 5.1.4, 5.2, 5.4, 5.5, 5.5.1, 5.5.2, 5.5.3, 5.6, 5.6.2, 5.6.3, 5.6.4, 5.7, 5.10.1, 5.10.2, 5.10.3, 5.11, 5.13, 5.14, 5.16, 5.19.1, 5.19.3, 6.1, 7.1, 7.2, 7.3, 7.4, 7.5, 8.1, 8.2, 9.2, 9.3, 9.6, 9.6.2, 9.6.3, 9.7.2.3, 9.7.2.4, 9.7.4, 9.7.5, 9.9.2, 10.1, 10.5, 11.2, 11.6, 11.6.1, 12.2, 12.4, 13.1, 13.3, 13.4, 13.5, 13.5.1, 13.5.2, 13.6, 19.1, 20.1, 24.1, 24.2, 24.3, 24.4, 25.3, 25.4, 26.2, 29.1, 29.1.3, 30.6, Signature Block, Appendix A (1)(b), Appendix D, Appendix E, Appendix F, and Appendix G.

Instances where “Transmission Provider” or “Transmission Provider’s” was changed to “SPP”:

Article 1 (including Base Case,” “Queue Position,” and “Scoping Meeting”)

Instances where “Transmission Provider,” “Transmission Owner,” or “Transmission Provider’s” was deleted:

Article 1 (“Distribution System,” “Distribution Upgrades,” “Energy Resource Interconnection Service,” “Interconnection Customer,” “Interconnection Service,” “Party or Parties,” “Standard Large Generator Interconnection Agreement,” “Standard Large Generator Interconnection Procedures,” “Transmission Owner,” “Transmission Provider”), 5.19.3, and 9.7.1.2

5. Article 1 (including “Affected System,” “Ancillary Services,” “Transmission System,” “Emergency Condition,” “Energy Resource Interconnection Service,” “Interconnection Customer,” “Interconnection Customer’s Interconnection Facilities,” “Interconnection Facilities,” “Interconnection Facilities Study,” “Interconnection Feasibility Study,” “Interconnection Request,” “Interconnection Service,” “Interconnection System Impact Study,” “Network Resource Integration Service,” “Network Upgrades,” “Point of

Interconnection,” “System Protection Facilities”), 2.5, 5.8, 5.12, 9.3, 9.5, 9.6.2, 9.6.2.1, 9.7.4.1, 9.9.1, 9.10, 13.5.1, and 24.2

The general scope of these Large Generator Interconnection Procedures is limited to the point of interconnection between the large generator facility and the Southwestern Transmission System. However, there are instances in the *pro forma* standard Large Generator Interconnection Agreement where facilities and systems beyond the point of interconnection are considered. Both the definition of “Transmission System” and all *pro forma* instances referring to the “Transmission Provider’s Transmission System” have been modified in order to distinguish whether the term “transmission system” is referring to the Southwestern Transmission System at the point of interconnection or the facilities and systems beyond that point.

6. Article 1 (including “Base Case” and “NERC”), 2.2, 5.4, 6.4, 13.1, Signature Block, and Appendix G

Southwestern made non-substantive changes throughout the LGIA such as inserting punctuation, changing “a” to “an,” adding “the,” and removing capitalization for undefined terms. The Commission has previously accepted similar minor edits to correct typographical and grammatical errors and to improve consistency.²⁹

7. Article 1 (including “Dispute Resolution”), 27.1, 27.2, 27.3, and 27.4

The *pro forma* dispute resolution procedures included in the LGIP provide for binding arbitration. Pursuant to the Administrative Procedures Resolution Act,³⁰ Southwestern does not participate in binding arbitration. The revisions to this section and its subsections ensure that Transmission Customers and Interconnection Customers both follow the same dispute resolution procedures, thus providing certainty and minimizing misunderstandings. Southwestern’s Tariff Section 12, as previously accepted by the Commission, properly recognizes Southwestern’s ability to pursue and adhere to non-binding dispute arbitration procedures.

8. Article 1 (including “Effective Date”) and 2.1

Language referring to the Interconnection Customer executing or returning an executed agreement has been revised to reflect that while the Interconnection Customer signs the agreement, Southwestern’s Federal contract process does not consider a contract executed until signed by the Administrator or the Administrator’s authorized representative.

9. Article 1 (including “Effective Date” and “Tariff”), 2.1, 2.3.3, 2.4, 3.1, 4.3, and 9.9.2

Southwestern is not subject to the Commission’s jurisdiction under Sections 205 or 206 of the Federal Power Act,³¹ and not required to file its Tariff with FERC. Therefore, Southwestern removed language from this LGIA indicating that Southwestern is required to

²⁹ Midwest Independent Transmission System Operator, Inc. (MISO), 114 FERC ¶ 61,134 at P 13 (2006), MISO 111 FERC ¶ 61,421 at P 14 (2005), Southern Company Services, Inc. 109 FERC ¶ 61,070 at P 81-82 (2004).

³⁰ Administrative Dispute Resolution Act 5 U.S.C. § 571-584 (2007).

³¹ 16. U.S.C. §§ 824 (d) and 824(e) (2007).

file its Tariff or LGIA with the Commission, have a FERC-approved document on file, or must obtain the Commission approval to terminate a contract.

10. Article 1 (including “Force Majeure”)

This definition was modified for consistency and comparability to the definition of Force Majeure used in Southwestern’s Federal contracts and provides greater clarity to the Customer than the *pro forma* definition.

11. Article 1 (including “Interconnection Customer”)

Section 5 of the Flood Control Act³² does not authorize Southwestern to own generating facilities; therefore, reference to the term Interconnection Customer applying to “Transmission Provider” and “Transmission Owner” were removed from this definition.

12. Article 1 (including “Interconnection Facilities Study Agreement”), 5.5.1, and 24.3

Southwestern is a Federal power marketing administration, which must adhere to provisions of the NEPA³³ before performing certain actions, including the construction of facilities. Southwestern has included detailed information regarding the NEPA process in the Interconnection Facilities Study Agreement; therefore, the agreement’s title was modified to “Interconnection Facilities Study and Environmental Documentation Agreement” in order to reflect this additional information. Southwestern has also included reference to the NEPA process in appropriate provisions throughout the revised LGIA to provide more specificity to the Interconnection Customer.

13. Article 1 (including “Interconnection Request”)

These changes better distinguish between Southwestern and the SPP, with respect to roles performed under the LGIA, including the scope of applicability to the Southwestern Transmission System and the regional Transmission System. Furthermore, the changes clarify for the Interconnection Customer that the SPP procedures are applicable for system impact studies and resulting upgrades or modifications to facilities.

14. Article 1 (including “IRS”)

Southwestern is a Federal entity which does not pay taxes as a general rule and has removed all such language. Due to these revisions the term “IRS” is no longer found in the document and no need exists for the definition to remain.

15. Article 1 (including “Point of Change of Ownership”)

Southwestern clarifies that details regarding the Point of Change of Ownership are included in Appendix A.

16. Article 1 (including “Scoping Meeting”)

This LGIA provides that SPP shall moderate the scoping meeting in order to facilitate coordination between Southwestern, the Interconnection Customer, and the SPP. This definition has been revised to identify to the Interconnection Customer SPP’s representation

³² 16 U.S.C. § 825 (s) (2007).

³³ 42 U.S.C. § 4321, *et seq.* (2007).

at the Scoping Meeting. Additionally, allowing the meeting to be conducted via conference call provides more flexibility to the Interconnection Customer.

17. Article 2.2

The *pro forma* language implies use of the Federal facilities on a perpetual basis, which could result in Southwestern violating the Anti-Deficiency Act.³⁴ Southwestern's modification, which has previously been accepted by the Commission,³⁵ contains a maximum term of 40 years, a duration which is representative of the typical lifespan of Interconnection Facilities.

18. Article 2.3.1

This provision allowing for termination of the LGIA under certain conditions was previously approved by the Commission in Midwest Independent System Operator, Inc., 103 FERC ¶ 61,027 (2004) at 150-154, and also in Western Area Power Administration, 112 FERC ¶ 61,044 (2005).

19. Articles 2.3.4, 2.3.4.1, 2.3.4.2, 2.3.4.3, 2.4, and 2.5

Southwestern is a Federal agency subject to Executive and Congressional oversight regarding staffing, funding, and authorization limits, which might prescribe levels for these items which could limit Southwestern's ability to carry out its obligations under this LGIA. Consistent with the Anti-Deficiency Act, should funds no longer be available, Southwestern may not undertake further work to perform under this LGIA. Therefore, Southwestern has inserted a new Article 2.34 and sub-articles explaining its limitations and obligations regarding availability of funds.

20. Article 2.4

Southwestern has revised language regarding payment of the costs of the terminating party to clarify that each party will pay for the costs for which it is responsible. This provision was previously accepted in Bonneville Power Administration, 112 FERC ¶ 61,195 (2005).

21. Article 2.4.1, 5.16, 5.5.3, 5.6.4, 5.16, 11.5, 11.5.1, 11.5.2, 11.5.3, 11.5.4, 11.5.5, 12.1, and 12.2

Federal financial processes do not provide for accruing interest on funds paid to a Government agency as a deposit or as advanced funds for service, as such interest payments would be paid from appropriated funds and be borne by all of Southwestern's customers. Therefore, such language has been deleted. Southwestern also clarifies throughout the LGIP that funds must be received from the Customer prior to commencement of work or commitment to commence work. Southwestern must comply with the Federal Anti-Deficiency Act, which prohibits Southwestern from obligating funds which have not been Congressionally-appropriated or authorized for expenditure. In any instance where the actual cost to the Customer exceeds that which was advanced, Southwestern will refund the overestimated amount to the Customer. The advance funding process including provisions

³⁴ 31 U.S.C. § 1341(a) (1) (2007).

³⁵ Western Area Power Administration, 112 FERC ¶ 61,044 (2005).

for invoicing, payment, and required funds or refunds is described in detail in Article 11.5 and its sub-articles.

22. Article 2.4.1

Southwestern has revised this Article to recognize Southwestern's need for advance funds. Southwestern also included language regarding its obligation to meet Federal Acquisition Regulations should the assignment of contracts to the Interconnection Customer be necessary. Southwestern also clarifies the Interconnection Customer termination costs under this LGIA. Such Interconnection Customer is obligated to pay expenses incurred including those costs reasonably incurred by Southwestern to restore the continuity of the Southwestern Transmission System to a condition comparable to its status prior to any work undertaken under this LGIA to ensure reliability.

23. Articles 4.2 and 9.2

The composition of Southwestern's control area limits the ability to provide control area services. Therefore, Southwestern retains the discretion to determine whether inclusion of a Large Generator Facility within Southwestern's control area could be reasonably accommodated without impairing reliability or the operation of the Federal generating facilities from which Southwestern is statutorily obligated to market power.

24. Article 5.1.1

The modifications to include "security" and "Good Utility Practice" were added to reflect Southwestern's general obligation to comply with the Department of Energy standards and directives related to physical infrastructure security and to specifically state that Southwestern is not required to undertake any action which is inconsistent with Good Utility Practice. These modifications were accepted by the Commission in Western Area Power Administration, 112 FERC ¶ 61,044 (2005).

25. Article 5.1.2, 5.1.4, 5.3, and 18.2

Southwestern has deleted any reference to liquidated damages from the LGIA. Any such payment would expose Southwestern above and beyond its Congressional authorization to expend funds, and could cause Southwestern to violate the Anti-Deficiency Act.³⁶ A similar provision has previously been accepted by the Commission.³⁷

26. Article 5.1.2, 5.13, 50.10.1, 5.11, 5.19.1, 24.2, and 24.4

Southwestern is a Federal agency subject to Executive and Congressional oversight regarding staffing, funding, and authorization limits. Such limits may on occasion impair Southwestern's ability to meet the time frames contained in the *pro forma* interconnection procedures and agreement. Southwestern supports the intent of the Commission's comparability standard and will apply the defined standard of "Reasonable Efforts" to each Interconnection Customer equally.

³⁶ 31 U.S.C. § 1341 (2007).

³⁷ Western Area Power Administration, 112 FERC ¶ 61,044 (2005).

27. Article 5.2(5)

Southwestern has revised this Article to directly assign the costs of inspecting Southwestern Interconnection Facilities being constructed by the Interconnection Customer to the Interconnection Customer. This allows assignment of costs to the party who caused them, and avoids the improper shifting of such costs to Southwestern's ratepayers. A similar provision has previously been accepted by the Commission.³⁸

28. Article 5.2(11)

Southwestern has added language to LGIA Article 5.2(11) requiring the Interconnection Customer to submit "as built" drawings in compliance with Southwestern's standards to avoid receiving facility designs and drawings in diverse document formats, which could result in significant incremental costs and losses of productivity due to the need to convert documents into a standard format. Such standards will be provided to the Interconnection Customer upon request.

29. Article 5.2(12) and 5.5

Southwestern has added a new Article 5.2(12) and clarified Article 5.5 to reflect that as a Federal agency Southwestern must follow certain Federal regulations regarding obtaining or transferring title to real property. Southwestern further clarifies that the Interconnection Customer bears the costs incurred for securing the real property through fencing and providing suitable access to the site. Southwestern retains the discretion to approve these aspects of the real property for Southwestern's Interconnection Facilities to ensure conformance to any existing critical infrastructure protection Reliability Standards for these facilities.

30. Article 5.9

The SPP is administrator of Southwestern's Tariff and will conduct any studies related to the use of the Southwestern Transmission System. Language referring to operating studies was deleted, and the Interconnection Customer is directed to contact SPP for determination of the Large Generating Facility's ability to operate prior to completion of Southwestern's Interconnection Facilities. Southwestern will permit the Interconnection Customer to operate the facility in accordance with the results of such studies completed by the SPP.

31. Article 5.10.1, 5.19.1, 6.4, and 22.1.2

Southwestern added language to the confidentiality provisions reflecting that although Southwestern will take steps to retain confidential information it receives, as a Federal agency Southwestern must comply with the Freedom of Information Act. Additionally, Southwestern may need to disclose information to the SPP, in its role of Southwestern's Tariff administrator.

32. Article 5.13, 14.2.1, 22.1.10, and 28.1.1

Southwestern amended provisions in this LGIA to clarify that Southwestern's obligations under this LGIA must be consistent with Federal law rather than state law, and that

³⁸ Id.

Southwestern is not subject to the jurisdiction of state regulatory bodies. Changes similar to this have previously been accepted by the Commission.³⁹

33. Article 5.14

Southwestern clarifies that it shall provide permitting assistance to the Interconnection Customer comparable to that it provides itself, and subject only to the availability of funds and advance funding requirements.

34. Articles 5.17 and 5.18

Southwestern is a Federal entity which generally does not pay taxes. Therefore, Article 5.17 and its sub-articles have been deleted. Additionally, for the same reason, Southwestern modified Article 5.18. These modifications have previously been accepted by the Commission.⁴⁰

35. Article 7.4

Southwestern added language to this article which clarifies that Southwestern will test its metering equipment at least once every two years; or more often if required by a Reliability Standard.

36. Article 8.1

Southwestern revised this provision to clarify the Interconnection Customer shall bear the costs related to providing voice communications equipment. This modification has previously been accepted by the Commission.⁴¹

37. Article 9.4.2

Southwestern has added this provision to clarify the Interconnection Customer's obligations regarding generation imbalance and applicability of Southwestern's rate schedule provisions regarding imbalance. A similar modification was accepted by the Commission previously,⁴² and is consistent with the Commission's direction in Order No. 890 to develop a new generator imbalance ancillary service rate schedule.

38. Article 9.6.3 and 18.3.5

Southwestern neither owns generating facilities, nor has an affiliate relationship. Furthermore, Southwestern's implementing legislation⁴³ does not provide for affiliates; therefore, references to affiliates of Southwestern have been deleted from this LGIA. By the technical reading of the definition, the United States Army Corps of Engineers (Corps) could be considered an "affiliate" of Southwestern, as both entities are under the control of the Executive Branch of the U.S. Government. However, the two agencies should not be considered "affiliates" for purposes of this filing because, for all practical purposes, Southwestern and the Corps function independently of each other and share no senior officers, management officials, or employees. Though both agencies share a consolidated

³⁹ Bonneville Power Administration (BPA), 112 FERC ¶ 91,195 (2005).

⁴⁰ Western Area Power Administration, 112 FERC ¶ 61,044 (2005).

⁴¹ Id.

⁴² Id.

⁴³ 16 U.S.C. § 825(s) (2007).

financial statement, the main purpose of which is legislatively mandated to account for repayment of hydropower-related investment and expenses, Southwestern has no control over the amount of generation, and therefore related revenues, provided by the multipurpose hydropower projects owned by the Corps. Similarly, Southwestern has no control of the Corps' capital or operation and maintenance expenses. Furthermore, based on both entities' legislative framework, Southwestern cannot exert control over the actions of the Corps.

39. Article 9.7.1.2

The first sentence was modified to clarify that SPP maintains a list of transmission facility outages on the SPP OASIS that includes Southwestern's. Southwestern will coordinate with SPP for the posting of transmission facility outages on the SPP OASIS to minimize redundancy and potential confusion from multiple locations containing the same information. Additionally, Southwestern clarifies that SPP, as Southwestern's reliability coordinator, may request the Interconnection Customer to reschedule its generating facility maintenance schedule.

40. Article 9.9.2

Southwestern clarifies this article to provide that should a third party use Southwestern's Interconnection Facilities, compensation to which the Interconnection Customer is entitled for capital expenses it incurred in connection with the Interconnection Facilities will be paid by the third party, and not by Southwestern. This allows assignment of costs to the party causing them, and avoids the improper shifting of those costs to Southwestern's ratepayers.

41. Article 12.3

Southwestern modified provisions related to due date for payment of invoiced amounts to 20 days after the date of the invoice, to reflect Southwestern's long-standing practice. Southwestern made this change in its original Tariff filing, which was subsequently accepted by the Commission.⁴⁴

42. Article 18.1

This language has been revised to clarify that Southwestern is liable to the Interconnection Customer only in accordance with the Federal Tort Claims Act.

43. Article 18.1, 18.1.1, 18.1.2, and 18.1.3

Southwestern cannot agree to indemnify the Interconnection Customer. Such agreement would result in violations of the Anti-Deficiency Act.⁴⁵

44. Articles 18.3 and 18.4

Southwestern is self-insured as a Federal agency and does not generally purchase insurance (except title insurance). Clarifications have been made to Article 18.3 so that it only applies to the Interconnection Customer. Southwestern has added Article 18.4 to specifically state that Southwestern shall self-provide insurance coverage as described in Article 18.3. Similar modifications have previously been accepted by the Commission.⁴⁶

⁴⁴ Letter Order in Docket No. NJ98-2, dated May 13, 1998.

⁴⁵ 31 U.S.C. § 1341 (a) (1) (2007).

⁴⁶ Western Area Power Administration, 112 FERC ¶ 61,044 (2005).

45. Article 19

Pursuant to the Anti-Assignment Act,⁴⁷ Southwestern cannot allow an Interconnection Customer to assign the LGIA to another party without Southwestern's concurrence.

46. Article 21

Southwestern acknowledges that its status as a reciprocity utility may depend on its compliance with relevant comparability and code of conduct rules and regulations, which the Commission may amend from time to time. However, Southwestern cannot commit to undefined obligations, such as unknown future Commission decisions regarding comparability. Therefore, this Article 21 has been deleted. Deletion of this Article has been accepted previously by the Commission.⁴⁸

47. Article 23.2 and 23.3

Southwestern has clarified that each party shall remedy any release of hazardous substances present at the interconnection or generation site as soon as practicable, and added language that requires all parties to comply with applicable laws when performing all functions under the LGIA in accordance with its environmental obligations as a Federal entity. A similar provision has previously been accepted by the Commission.⁴⁹

48. Article 30.4

The *pro forma* as written does not provide for the incorporation of Southwestern's Tariff Attachment K, which pertains to the budgetary and statutory requirements related to Southwestern's provision of open access transmission and interconnection services. Southwestern has revised the *pro forma* to incorporate this attachment by reference. Similar provisions have been accepted by the Commission.⁵⁰

D. PROPOSED REVISIONS TO THE *PRO FORMA* SGIP (Proposed Attachment M)

1. TABLE OF CONTENTS

This section was updated with the current and proposed section titles and modified page numbers to use the table of contents for its intended purpose.

2. "Transmission Provider" and "Transmission Owner"

The terms "Transmission Provider" and "Transmission Owner" were replaced throughout the document with the applicable entity in reference to the specific provision in which the term originally presided to preclude confusion between SPP, (as the regional transmission provider and administrator of Southwestern's Tariff) and Southwestern, as the transmission owner whose facilities the interconnection customer is seeking to interconnect. This also included instances where the *pro forma* provision referred to "Transmission Provider's facilities" or "Transmission Provider's Transmission System."

⁴⁷ 41 U.S.C. § 15 (2004).

⁴⁸ Bonneville Power Administration, 112 FERC ¶ 61,195 (2005) and Santee Cooper 108 FERC ¶ 61,019 (2004).

⁴⁹ Western Area Power Administration, 112 FERC ¶ 61,044 (2005).

⁵⁰ *Id.*

Instances where “Transmission Provider” or “Transmission Provider’s” was changed to “Southwestern” or “Southwestern Power Administration”:

1.1.4, 1.2, 1.4, 3.1, 3.2.1, 3.5.5, 3.5.8, 4.1, 4.3, 4.4, 4.6, 4.7, 4.8, Attachment 1 (including Affected System, Interconnection Customer, Interconnection Facilities, Interconnection Request, Network Upgrades, Party or Parties, Point of Interconnection, and Transmission Provider), and Attachment 8 (including Recitals, 2.0, 4.0, 6.4, 14.2, 18.1, Signature Block, and Attachment A)

Instances where “Transmission Provider” or “Transmission Provider’s” was changed to “SPP”:

3.2.2, 4.9, and Attachment 1 (including Queue Position)

Instances where “Transmission Provider,” “Transmission Owner,” or “Transmission Provider’s” or related provisions (such as “The term Transmission Provider should be read to include the Transmission Owner when the Transmission Owner is separate from the Transmission Provider.”) were deleted:

Attachment 1 (including Distribution System, Distribution Upgrades, Network Upgrades, Party or Parties, Transmission Owner [in its entirety], Southwestern, and Upgrades)

3. Coordination with SPP

Southwestern will coordinate this process with the SPP’s process to provide regional consistency. In order to better facilitate regional planning and reliability, Southwestern allows the SPP to receive the interconnection request, manage the queue, perform the feasibility study, system impact study, and optional interconnection studies as necessary, and determine the facilities required beyond the point of interconnection, including cost allocation of those facilities. The facilities study, as conducted by Southwestern and not the SPP, produces results that are only applicable to the Point of Interconnection to the Southwestern Transmission System. Furthermore, Southwestern has allowed for use of the existing documented SPP process for these functions, rather than duplicating the documentation in Southwestern’s SGIP. This approach is beneficial to the customer, who is likely familiar with the regional process, to the SPP by minimizing potential differences between the SPP’s and Southwestern’s processes, and also to Southwestern by eliminating the administrative effort of updating Southwestern’s Tariff if the SPP’s processes change in the future.

Instances where language concerning Southwestern actively coordinating with the SPP or indicating actions jointly pursued by Southwestern and the SPP for the purposes of coordination was inserted:

3.2.1, 4.6, and Attachment 1 (including Transmission System)

Instances where language was modified, deleted, and added to reflect the division of responsibilities and roles of Southwestern and the SPP and/or refer to the SPP's SGIP and/or further clarify the Interconnection Customer's obligations under this division of responsibilities:

1.1.4, 1.2, 1.3, 1.4, 1.5, 1.6, 1.7, 3.2 (including all subsections 3.2.1, 3.2.2, and 3.2.3), 3.3 (including all subsections 3.3.1, 3.3.2, 3.3.3, 3.3.4, and 3.3.5), 3.4 (including all subsections 3.4.1, 3.4.2, 3.4.3, 3.4.4, 3.4.5, 3.4.7, 3.4.8, and 3.4.9), 3.5.1, 3.5.2, 3.5.3, 3.5.5, 4.6, 4.9, Attachment 1 (including Distribution Upgrades, Interconnection Request, Queue Position, Southwestern, Transmission System, and Upgrades), Attachment 2, Attachment 6 (in its entirety and including Attachment A), Attachment 7 (in its entirety and including Attachment A), and Attachment 8 (including Recitals and 1.0)

4. “Fast Track Process” and “10 kW Inverter Process”

Southwestern provides open access transmission service only over high-voltage transmission facilities and is unable to process requests for interconnection to distribution-level facilities, as envisioned under the Fast Track and 10 kW Inverter processes. Additionally, the process does not accommodate Southwestern's need to perform environmental review under the National Environmental Policy Act (NEPA). Southwestern deleted references to the 10 kW Inverter Process because the process does not execute an SGIA and therefore does not ensure compliance with any of the statutes and regulations Southwestern is obligated to as a Federal agency. This modification of *pro forma* was accepted in Western Area Power Administration (WAPA), 119 FERC ¶ 61,329 (2007).

Instances where entire provisions were deleted or modified to remove references to the “Fast Track Process” and “10 kW Inverter Process”:

1.1.1, Section 2 (including all subsections 2.1, 2.2, 2.2.1, 2.2.1.1, 2.2.1.2, 2.2.1.3, 2.2.1.4, 2.2.1.5, 2.2.1.6, 2.2.1.7, 2.2.1.8, 2.2.1.9, 2.2.1.10, 2.2.2, 2.2.3, 2.2.4, 2.3, 2.3.1, 2.3.2, 2.3.3, 2.4, 2.4.1, 2.4.1.1, 2.4.1.2, 2.4.1.3, 2.4.1.4, and additional footnote 1), 3.1, Attachment 1 (including 10 kW Inverter Process and Fast Track Process), Attachment 3 (in its entirety), Attachment 4 (in its entirety), and Attachment 5 (in its entirety)

5. Disputes and Dispute Resolution

The *pro forma* dispute resolution procedures in the SGIP provide for binding arbitration. Southwestern does not participate in binding arbitration due to limitations in the Administrative Dispute Resolution Act, 5 U.S.C. § 571-584 (2007). Southwestern's goal is to provide for uniform dispute resolution procedures for all of its Tariff customers, so as to provide certainty and minimize any misunderstandings. Southwestern's Tariff Section 12, as previously accepted by the Commission, properly recognizes the nature of Southwestern's ability to pursue and adhere to non-binding dispute arbitration procedures.

Instances where entire provisions concerning disputes and dispute resolution were deleted or where language was inserted further clarifying the dispute resolution process:

4.2 (including subsections 4.2.1, 4.2.2, 4.2.3, 4.2.4, 4.2.5, and 4.2.6)

6. Environmental Documentation

Southwestern is a Federal power marketing administration, which must comply with section 102(2) of the National Environmental Policy Act (NEPA) of 1969 (42 U.S.C. 4332 (2)) and with the Council on Environmental Quality (CEQ) regulations (40 CFR parts 1500-1508), as amended, before performing certain actions, including the construction of facilities. These statutes require various degrees of environmental review. Furthermore, as part of these statutes, Southwestern must decide that the environmental review indicates that the Interconnection Customer may proceed with the interconnection as requested. Southwestern has included references to the NEPA process in appropriate provisions throughout the revised SGIP to provide more clarity to the Interconnection Customer.

Instances where language about “environmental review,” “Environmental Documentation,” and/or “environmental review and documentation” was inserted and where language was inserted to reflect that Southwestern has to approve the interconnection based on the results of the environmental review:

3.5, 3.5.1, 3.5.2, 3.5.4, 3.5.5, 3.5.7, 3.5.8, Attachment 1 (including Study Process), and Attachment 8 (including title, the Recitals, 5.0, 5.1, and Attachment A [including title])

7. Advanced Funds and Availability of Funds

Federal financial processes do not provide for accruing interest on funds paid to a Government agency as a deposit or as advanced funds for service, as such interest payments would be paid from appropriated funds and be borne by all of Southwestern’s customers. Therefore, such language has been deleted. Furthermore, as a Federal agency, Southwestern may only accept advanced funds received prior to commencement of work or commitment to commence work. Southwestern must comply with the Federal Anti-Deficiency Act, 31 U.S.C. § 1341(a)(1) (2007), which restricts Southwestern from obligating funds which have not been congressionally appropriated or authorized for expenditure. In any instance where the actual cost to Interconnection Customer exceeds that which was advanced, Southwestern will refund the overestimated amount to the Interconnection Customer. Furthermore, all estimates are non-binding Southwestern’s good faith estimates. The advanced funding process including provisions for invoicing, payment, and required funds or refunds is described in detail in this SGIP. Lastly, Southwestern is a Federal agency subject to both Executive and Congressional oversight regarding staffing, funding, and authorization limits. Levels for these items which could limit Southwestern’s ability to carry out its obligations under these procedures may be prescribed, and consistent with the Anti-Deficiency Act, should funds no longer be available Southwestern may not perform further work under this SGIP. Therefore, Southwestern has added a new section explaining its limitations and obligations regarding availability of funds.

Instances where advanced funds language was added or replaced language concerning deposits or where language concerning deposits was deleted or where availability of funds language was added:

3.5.6 and Attachment 8 (including the original 6.0, 6.0, 6.1, 6.2, 6.3, the original section 9.0, 9.4 [including subsections 9.4.1, 9.4.2, and 9.4.3], and the original 10.0)

Instances where language was added or replaced to clarify the nature of estimates Southwestern would provide to the Interconnection Customer:

3.5.3, 3.5.6, and Attachment 8 (including 5.2)

8. Upgrades

Any interconnection studies or provisions that address upgrades are beyond the scope of these procedures. The SPP performs the interconnection studies that analyze Upgrades, including Network Upgrades, and Southwestern's procedures address facilities at the point of interconnection. Therefore, references to Upgrades have been deleted throughout the document.

Instances where language referencing "Upgrades" was deleted:

3.5.5, 3.5.8, and Attachment 8 (including 4.0 and 7.0)

9. Executed or signed agreements

Language referring to the Interconnection Customer executing or returning an executed agreement has been revised to reflect that while the Interconnection Customer signs the agreement, Southwestern's Federal contract process does not consider a contract executed until it has been signed by the Administrator of Southwestern or the Administrator's authorized representative.

Instance where provisions were modified to reflect that the Interconnection Customer signs an agreement and Southwestern executes the agreement:

3.5.2

10. FERC authority

Southwestern is not subject to the Commission's jurisdiction under Sections 205 or 206 of the Federal Power Act, 16. U.S.C. §§ 824(d) and 824(e) (2007), and is not required to file its Tariff with FERC. Therefore Southwestern removed the language from this SGIP indicating that Southwestern is required to file its Tariff or SGIA with the Commission, have a FERC-approved document on file, or must obtain the Commission's approval to terminate a contract or must use Commission specifications in implementing provisions of this document.

Instances where provisions were deleted to reflect Southwestern's non-jurisdictional status:

4.3, 4.8, and Attachment 8 (including original 19.0)

11. State or local governmental authority and Federal statutes

Southwestern is a Federal agency not under state or local governmental jurisdiction. Language implying any state regulatory jurisdiction over Southwestern has been modified. Furthermore, Southwestern is obligated to comply with Federal statutes applicable to Southwestern.

Instances where provisions were modified to reflect Southwestern's non-jurisdictional status:

4.3, 4.5.3, and Attachment 8 (including 7.1 and 17.0)

Instance where provisions were added to reflect Southwestern's obligations to uphold Federal statutes:

4.5

12. Interconnection contact employee

Southwestern is a Federal agency subject to Executive and Congressional oversight regarding staffing and funding and therefore cannot ensure in perpetuity that a specific individual employee or office will be available to address interconnection issues and in what manner they will be made available. Therefore, Southwestern has made these references more general and include the option of convening meetings via teleconference or webinar. Furthermore, for Federal agency security and for the safety of Southwestern's staff, personal information of Southwestern's employees is not placed in the public domain.

Instances where language was modified to protect Southwestern's Federal employees:

1.1.4 and 1.2

Instances where language was modified to include the possibility of teleconference communications:

3.2.1

13. Freedom of Information Act (FOIA)

As a Federal agency, Southwestern must comply with the Freedom of Information Act, as amended. This statute outlines the manner in which Southwestern would disclose information.

Instances where language about FOIA was inserted:

1.2 and 3.5.5

14. Miscellaneous Changes

1. 1.1.5: "President's Critical Infrastructure Protection Board" was changed to "National Infrastructure Advisory Council" to reflect its new name. Furthermore, the language

was modified to include any successor organization. This change further clarifies the intentions of this provision.

2. 3.2.3: “of the Parties” was inserted to clarify that this is a mutual decision between Southwestern and the Interconnection Customer. This is a clarifying modification.
3. 3.4.1: “electric system” was changed to “Transmission System” to comport with the declared definitions of these procedures. This change provides more clarity.
4. 4.5.2.2: This section was deleted entirely because Southwestern cannot execute an agreement with a blanket remedies statement.
5. 4.11: The composition of Southwestern’s control area limits Southwestern’s ability to provide control area services. Therefore, Southwestern retains the discretion to determine whether inclusion of a Generating Facility with Southwestern’s control area could be reasonably accommodated without impairing reliability or the operation of the Federal generating facilities from which Southwestern, by statute, markets power. This section was added to clarify Southwestern’s statutory duty and the implication of this obligation on the ability to accommodate new generation into Southwestern’s control area.
6. Attachment 1 – Interconnection Customer: This definition was altered to reflect that Section 5 of the Flood Control Act does not authorize Southwestern to own generation, so Southwestern cannot be considered an Interconnection Customer.
7. Attachment 1 – Southwestern: Provisions were modified to delete references to distribution facilities because Southwestern does not own any distribution level facilities.
8. Attachment 8 – Preamble, title of 6.4, 7.0 (including title and titles of subsections 7.1 and 7.2), 8.0 (including subsections 8.1 and 8.2), 9.0 (including subsections 9.1, 9.2, and 9.3), 10.0 (including subsection 10.1), 11.0 (including subsection 11.1), 19.0 (including subsections 19.1, 19.1.1, 19.1.2, 19.1.3, and 19.1.4), 20.0 (including subsections 20.1, 20.2, 20.3, and 20.4), and Signature Block: Provisions were modified and added to be consistent and reflect Southwestern’s standard contract language and formatting. These provisions provide more clarity to the Interconnection Customer, comparability to similar provisions in the Standard Large Generator Procedures, conformance to Southwestern’s Federal contract language, and recognizing Southwestern’s Federal obligations such as those already mentioned and including the Anti-Assignment Act, 41 U.S.C. § 15 (2007).
9. Attachment 8 – Recitals and 4.0: “in accordance with Good Utility Practice, and to establish the Parties responsible for the installation, operations, maintenance and replacements of such equipment; and” was added to provide for the study results to complete an “ownership and responsibility table” in the Interconnection Agreement. Furthermore “The facilities study report (i) shall provide a description, estimated cost

of, and proposed construction schedule for required facilities to interconnect the Small Generating Facility to the Southwestern Transmission System and (ii) shall establish the installation, operation, ownership, maintenance, and replacement responsibilities of the Parties for the Interconnection Facilities.” was also added as a part of 4.0 to provide for the same “ownership and responsibility table.”

10. Attachment 8 – 2.0: Deleted “Open Access Transmission” because Tariff is a defined term in the Tariff.
11. Attachment 8 – 3.0 (deleted original 7.0), 4.0 (deleted original 8.0), 6.4, and 7.0 (including subsections 7.1 and 7.2): Deletions and insertions modified *pro forma* agreement to arrange in a manner that made more sense with additions of other provisions.
12. Attachment 8 – 18.0: “; provided further, that Southwestern shall be liable to the Interconnection Customer for the performance of Southwestern’s subcontractors only in accordance with the Federal Tort Claims Act” was added because Southwestern as a Federal agency is subject to the Federal Tort Claims Act. A modification to this effect has been previously accepted by the Commission, 112 FERC ¶ 61,044 (2005).
13. Attachment 8 – Attachment A: Southwestern does not have a traditional “service” area as that of a typical utility (i.e. Southwestern does not have traditional “native load” or full requirements customers). Therefore, to avoid confusion or misrepresentation of Southwestern’s system, “service area” was changed to “control area.”

15. Ministerial Changes

The Commission has previously accepted “non-substantive edits to correct typographical errors and improve consistency,” Midwest Indep. Transmission Sys. Operator, Inc. (MISO), 114 FERC ¶ 61,134 at P 13 (2006), MISO 111 FERC ¶ 61,421 at P 14 (2005), Southern Company Services, Inc. 109 FERC ¶ 61,070 at P 81-82 (2004). These changes do not change what Southwestern understands to be the meaning of these provisions as intended by FERC. Primarily these changes include minor grammar or formatting modifications.

Instances of ministerial changes:

Header on page 1, 1.1.1, Attachment 1 (including Study Process), and Attachment 8 (including Recitals and Signature Block)

E. PROPOSED REVISIONS TO THE *PRO FORMA* SGIA (Proposed Attachment 9 to Attachment M)

1. TABLE OF CONTENTS

This section was updated with the current and proposed section titles and modified page numbers to use the table of contents for its intended purpose.

2. “Transmission Provider” and “Transmission Owner”

The terms “Transmission Provider” and “Transmission Owner” were replaced throughout the document with the applicable entity in reference to the specific provision in which the term originally presided to preclude confusion between SPP, (as the regional transmission provider and administrator of Southwestern’s Tariff) and Southwestern, as the transmission owner whose facilities the interconnection customer is seeking to interconnect. This also included instances where the *pro forma* provision referred to “Transmission Provider’s facilities” or “Transmission Provider’s Transmission System.”

Instances where “Transmission Provider” or “Transmission Provider’s” was changed to “Southwestern” or “Southwestern Power Administration”:

Recitals, 1.2, 1.4, 1.5.3, 1.5.4, 1.5.5, 1.5.6, 1.6, 1.7, 1.8.1, 1.8.2, 2.1.1, 2.1.2, 2.2.1, 2.2.2, 2.3.1, 2.3.2, 3.3.1, 3.3.3, 3.4.1, 3.4.2, 3.4.3, 3.4.4, 3.4.5, 3.4.6, 4.1.1, 4.1.2, 6.1.1, 6.1.2, 7.1.1, 7.1.2, 8.1, 8.2, 12.4.2, 12.11.1, 13.1, 13.2, 13.3, 13.4, the Signature Block, Attachment 1 (including Affected System, Governmental Authority, Interconnection Customer, Interconnection Facilities, Interconnection Request, Network Upgrade, Operating Requirements, Party or Parties, Point of Interconnection, Tariff, and Transmission Provider), Attachment 2, Attachment 4, and Attachment 5 (including the title)

Instances where “Transmission Provider,” “Transmission Owner,” or “Transmission Provider’s” or related provisions (such as “The term Transmission Provider should be read to include the Transmission Owner when the Transmission Owner is separate from the Transmission Provider.”) were deleted:

Attachment 1 (including Distribution System, Distribution Upgrades, Network Upgrades, Transmission Owner [in its entirety], and Upgrades), Attachment 2, Attachment 4, and Attachment 6 (including the title)

3. Coordination with SPP

Southwestern will coordinate this process with the SPP’s process to provide regional consistency. In order to better facilitate regional planning and reliability, Southwestern allows the SPP to receive the interconnection request, manage the queue, perform the feasibility study, system impact study, and optional interconnection studies as necessary, and determine the facilities required beyond the point of interconnection, including cost allocation of those facilities. The facilities study, as conducted by Southwestern and not the SPP, produces results that are only applicable to the Point of Interconnection to the Southwestern Transmission System. Furthermore, Southwestern has allowed for use of the existing documented SPP process for these functions, rather than duplicating the documentation in Southwestern’s SGIP. This approach is beneficial to the customer, who is likely familiar with the regional process, to the SPP by minimizing potential differences between the SPP’s and Southwestern’s processes, and also to Southwestern by eliminating the administrative effort of updating Southwestern’s Tariff if the SPP’s processes change in the future.

Instances where language concerning Southwestern actively coordinating with the SPP or indicating actions jointly pursued by Southwestern and the SPP for the purposes of coordination was inserted:

1.3, 1.5.6, and Attachment 1 (including Transmission System)

Instances where language was modified, deleted, and added to reflect the division of responsibilities and roles of Southwestern and the SPP and/or refer to the SPP's SGIP and/or further clarify the Interconnection Customer's obligations under this division of responsibilities:

1.5.3, 3.4.1, 3.4.5, 5.1, 6.1.1, Attachment 1 (including Distribution Upgrades, Interconnection Request, Southwestern, Tariff, Transmission System, and Upgrades), and Attachment 6

4. "Fast Track" and "10 kW Inverter Process"

Southwestern provides open access transmission service only over high-voltage transmission facilities and is unable to process requests for interconnection to distribution-level facilities, as envisioned under the Fast Track and 10 kW Inverter processes. Additionally, the process does not accommodate Southwestern's need to perform environmental review under the National Environmental Policy Act (NEPA). Southwestern deleted references to the 10 kW Inverter Process because the process does not execute an SGIA and therefore does not ensure compliance with any of the statutes and regulations Southwestern is obligated to as a Federal agency. This modification of *pro forma* was accepted in Western Area Power Administration (WAPA), 119 FERC ¶ 61,329 (2007).

Instance where provisions are modified to remove references to the "Fast Track Process" and "10 kW Inverter Process":

1.1

5. Disputes and Dispute Resolution

The *pro forma* dispute resolution procedures in the SGIP provide for binding arbitration. Southwestern does not to participate in binding arbitration pursuant to the Administrative Dispute Resolution Act, 5 U.S.C. § 571-584 (2007). Southwestern's goal is to provide for uniform dispute resolution procedures for all of its Tariff customers, so as to provide certainty and minimize any misunderstandings. Southwestern's Tariff Section 12, as previously accepted by the Commission, properly recognizes the nature of Southwestern's ability to pursue and adhere to non-binding dispute arbitration procedures.

Instances where entire provisions concerning disputes and dispute resolution were deleted or where language was inserted further clarifying the dispute resolution process:

10.1, 10.2, 10.3, 10.4, 10.5, and 10.6

6. Advanced Funds and Availability of Funds

Federal financial processes do not provide for accruing interest on funds paid to a Government agency as a deposit or as advanced funds for service, as such interest payments would be paid from appropriated funds and be borne by all of Southwestern's customers. Therefore, such language has been deleted. Furthermore, as a Federal agency, Southwestern may only accept advanced funds received prior to commencement of work or commitment to commence work. Southwestern must comply with the Federal Anti-Deficiency Act, 31 U.S.C. § 1341(a)(1) (2007), which restricts Southwestern from obligating funds which have not been congressionally appropriated or authorized for expenditure. In any instance where the actual cost to Interconnection Customer exceeds that which was advanced, Southwestern will refund the overestimated amount to the Interconnection Customer. Furthermore, all estimates are non-binding Southwestern good faith estimates. The advanced funding process including provisions for invoicing, payment, and required funds or refunds is described in detail in this SGIA. Lastly, Southwestern is a Federal agency subject to both Executive and Congressional oversight regarding staffing, funding, and authorization limits. Levels may be prescribed for these items which could limit Southwestern's ability to carry out its obligations under these procedures, and, consistent with the Anti-Deficiency Act, should funds no longer be available Southwestern may not perform further work under this SGIA. Therefore, Southwestern has added a new section explaining its limitations and obligations regarding availability of funds.

Instances where advanced funds language was added or replaced language concerning deposits or where language concerning deposits or financial security was deleted or where availability of funds language was added:

3.3.7 (including subsections 3.3.7.1, 3.3.7.2, and 3.3.7.3), Article 6 (including title), 6.1.1, 6.1.2, and 6.3 (including subsections 6.3.1, 6.3.2, 6.3.3, 6.3.4, and 6.3.5)

Instance where language was added or replaced to clarify the nature of estimates Southwestern would provide to the Interconnection Customer:

6.1.1

7. Upgrades

Any interconnection studies or provisions that address Upgrades are beyond the scope of these procedures. The SPP performs the interconnection studies that analyze Upgrades, including Network Upgrades, and Southwestern's procedures address facilities at the point of interconnection. Therefore, references to Upgrades have been deleted throughout the document.

Instances where language referencing "Upgrades" or "Network Upgrades" was deleted:

5.1, 5.2 (including subsection 5.2.1, 5.2.1.1, and 5.2.1.2), 5.3, 5.4, 6.1.1, 6.1.2, Attachment 3 (including title), and Attachment 6 (including title)

8. Executed or signed agreements

Language referring to the Interconnection Customer executing or returning an executed agreement has been revised to reflect that while the Interconnection Customer signs the agreement, Southwestern's Federal contract process does not consider a contract executed until it has been signed by the Administrator of Southwestern or the Administrator's authorized representative.

Instance where provisions were modified to reflect the Interconnection Customer signs an agreement and Southwestern executes the agreement:

3.1

9. FERC authority

Southwestern is not subject to the Commission's jurisdiction under Sections 205 or 206 of the Federal Power Act, 16. U.S.C. §§ 824(d) and 824(e) (2007), and is not required to file its Tariff with FERC. Therefore, Southwestern removed the language from this SGIP indicating that Southwestern is required to file its Tariff or SGIA with the Commission, have a FERC-approved document on file, or must obtain the Commission's approval to terminate a contract or must use Commission specifications in implementing provisions of this document.

Instances where provisions were deleted to reflect Southwestern's non-jurisdictional status:

3.1, 3.3, 12.2, 12.12, and Attachment 1 (including Tariff)

10. State or local governmental authority

Southwestern is a Federal agency not under state or local governmental jurisdiction. Language implying any state regulatory jurisdiction over Southwestern has been modified.

Instances where provisions were deleted to reflect Southwestern's non-jurisdictional status:

9.4 and 12.1

11. Distribution facilities

Southwestern does not own any distribution level facilities. Therefore, language referring to distribution facilities or distribution upgrades was deleted.

Instances where provisions were deleted to reflect that Southwestern does not own distribution level facilities:

Article 4 (including title), 4.2, and Attachment 1 (including Southwestern).

12. Assignment

Southwestern cannot allow the customer to assign this agreement to another entity without Southwestern's approval, pursuant to the Anti-Assignment Act.

Instances where language was deleted or modified to reflect that Southwestern cannot allow the Interconnection Customer to assign this agreement without Southwestern's approval:

7.1.1, 7.1.2, and 7.1.3

13. Miscellaneous Changes

1. Recitals, 13.1, 13.2, and 13.3: The addresses and contact information were completed in this standard agreement to provide certainty to the Interconnection Customer.
2. 1.5.4.1: Provisions were added to require the Interconnection Customer to provide Southwestern drawings and information necessary to reliably ensure operation of the Generating Facility. Furthermore, Southwestern has added this language requiring the submitted drawings and information to be in compliance with Southwestern's standards to avoid receiving facility designs and drawings in diverse document formats which could result in significant incremental costs and losses of productivity due to the need to convert documents into a standard format. Such standards will be provided to the Interconnection Customer upon request.
3. 1.5.5, 4.1.2, and Attachment 2: Provisions and language were added to provide for the study results to complete an Ownership and Responsibility Table in the Interconnection Agreement.
4. 1.8.2: Language was deleted because Southwestern does not have, nor foresees having, an affiliate relationship. Furthermore, Southwestern implementing legislation does not provide for affiliates, and Southwestern does not own generation. By the technical reading of the definition, the United States Army Corps of Engineers (Corps) could be considered an "affiliate" of Southwestern, as both entities are under the control of the Executive Branch of the U.S. Government. However, the two agencies should not be considered "affiliates" for purposes of this filing because, for all practical purposes, Southwestern and the Corps function independently of each other and share no senior officers, management officials, or employees. Though both agencies share a consolidated financial statement, the main purpose of which is legislatively mandated to account for repayment of hydropower-related investment and expenses, Southwestern has no control over the amount of generation, and therefore related revenues, provided by the multipurpose hydropower projects owned by the Corps. Similarly, Southwestern has no control of the Corps' capital or operation and maintenance expenses. Furthermore, based on both entities' legislative framework, Southwestern cannot exert control over the actions of the Corps.
5. 2.1.1: Southwestern is a Federal entity required to inspect the facilities before operation to ensure compliance with certain requirements. The inspection language was modified to show that it was at the Interconnection Customer's expense, consistent with the Anti-Deficiency Act.

6. 2.2.3: The composition of Southwestern’s control area limits Southwestern’s ability to provide control area services. Therefore, Southwestern retains the discretion to determine whether inclusion of a Generator Facility with Southwestern’s control area could be reasonably accommodated without impairing reliability or the operation of the Federal generating facilities from which Southwestern, by statute, markets power. This section was added to clarify Southwestern’s statutory duty and the implication of this obligation on the ability to accommodate new generation into Southwestern’s control area.
7. 3.2: Provisions were added because the *pro forma* language implies use of the Federal facilities on a perpetual basis. Southwestern cannot indefinitely commit Federal facilities, which could possibly result in non-compliance with the Anti-Deficiency Act. Southwestern’s modification places a maximum term of forty years, representative of the typical lifespan of Interconnection Facilities, and this change was previously accepted by the Commission in Western Area Power Administration (WAPA), 119 FERC ¶ 61,329 (2007).
8. 3.3.6: This addition makes the SGIA consistent with the LGIA and has been previously approved by FERC in Western Area Power Administration (WAPA), 119 FERC ¶ 61,329 (2007).
9. 7.2.1, 7.2.2, and 7.3.1: These provisions were modified because Southwestern as a Federal agency is liable to the Interconnection Customer only to the extent permitted by the Federal Tort Claims Act. A modification to this effect has been previously accepted by the Commission, 112 FERC ¶ 61,044 (2005).
10. 7.3.1, 7.3.2, 7.3.3, 7.3.4, and 7.3.5: These provisions were modified because Southwestern cannot indemnify others as such obligations may result in violations of the Anti-deficiency Act. Language was modified to apply only to the Interconnection Customer.
11. 8.2: The language was revised to provide that Southwestern is a Federal entity that is self-insured. Similar modifications have previously been accepted by the Commission, Western Area Power Administration, 112 FERC ¶ 61,044 (2005).
12. 9.2.2: This section was deleted entirely, because Southwestern cannot execute an agreement with a blanket remedies statement.
13. Article 11 (including subsections 11.1 and 11.2): These provisions were changed to apply only to the Interconnection Customer because Southwestern is a Federal agency that generally does not pay taxes.
14. 12.9: “President’s Critical Infrastructure Protection Board” was changed to “National Infrastructure Advisory Council” to reflect its new name. Furthermore, the language was modified to include any successor organization. This change further clarifies the intentions of this provision.

15. 12.10.1, 12.10.2, and 12.10.3: Rearranged provisions and inserted new provisions to provide for compliance with Southwestern’s environmental obligations as a Federal entity. The additions clarify that each party shall remedy any release of hazardous substances present at the interconnection or generation site as soon as practicable. Furthermore, the provisions require the parties to comply with applicable laws when performing all functions under the SGIA. These provisions have been previously accepted by the Commission, Western Area Power Administration, 112 FERC ¶ 61,044 (2005).
16. 13.2: Southwestern also provides other arrangements for customers to submit payments to Southwestern. This addition provides greater clarity to the Interconnection Customer of their payment options.
17. Attachment 1 – Interconnection Customer: This definition was altered to reflect that Section 5 of the Flood Control Act does not authorize Southwestern to own generation, so Southwestern cannot be considered an Interconnection Customer.
18. Attachment 1 – Reasonable Efforts: This definition was modified to reflect that Reasonable Efforts are applicable to the provisions of the SGIP as well as those included in this SGIA.
19. Preamble, Recitals, 1.1 (including title), 1.2 (including title), 1.3 (including title), 1.4 (including title), 7.5.1, and 12.5: Provisions were modified and added to be consistent and reflect Southwestern’s standard contract language and formatting.

14. Ministerial Changes

The Commission has previously accepted “non-substantive edits to correct typographical errors and improve consistency,” Midwest Indep. Transmission Sys. Operator, Inc. (MISO), 114 FERC ¶ 61,134 at P 13 (2006), MISO 111 FERC ¶ 61,421 at P 14 (2005), Southern Company Services, Inc., 109 FERC ¶ 61,070 at P 81-82 (2004). These changes do not change what Southwestern understands to be the meaning of these provisions as intended by FERC. Primarily these changes include minor grammar or formatting modifications.

Instances of ministerial changes:

Header on page 1, 1.6 (including title), 1.7 (including title), 1.8 (including title), 1.8.2, 2.1 (including title), 2.2 (including title), 2.3 (including title), 2.3.3, 3.1 (including title), 3.2 (including title), 3.3 (including title), 3.3.2, 3.3.5, 3.4 (including title), 3.4.1 (including title), 3.4.2 (including title), 3.4.3 (including title), 3.4.4 (including title), 3.4.5 (including title), 3.4.6 (including title), 4.1 (including title), 5.1 (including title), 6.1 (including title), 6.2 (including title), 7.1 (including subsections title, 7.1.1, 7.1.2, and 7.1.3), 7.2 (including title), 7.3 (including title), 7.3.1, 7.3.3, 7.4 (including title), 7.5 (including title), 7.5.1, 7.6 (including title), 7.6.1, 7.6.2, 12.1 (including title), 12.2 (including title), 12.3 (including title), 12.4 (including title), 12.5 (including title), 12.6 (including title), 12.7 (including title), 12.8 (including title), 12.9 (including title), 12.10 (including title), 12.11 (including title), 13.1

(including title), 13.2 (including title), 13.3 (including title), 13.4 (including title), 13.5 (including title), Signature Block, and Attachment 1 (including Operating Requirements)

II. PETITION FOR AN EXEMPTION FROM FILING FEES

Southwestern is an agency of the United States Department of Energy and hereby seeks an exemption in lieu of paying a filing fee applicable to petitions for declaratory orders. Southwestern is engaged in official business of the Federal Government in filing this petition for a declaratory order from the Commission. Southwestern is an agency of the United States and, therefore is exempt from filing fees.⁵¹

III. EFFECTIVE DATE

Southwestern requests that the revised Tariff become effective December 1, 2007.

IV. SERVICE

Southwestern shall make copies of this filing available for public inspection on its OASIS and website. A draft Form of Notice in hard copy is included as Attachment C and electronically in .doc format on the enclosed compact disk. Also included on the compact disk is a complete copy of the filing in .pdf format.

V. CONTENTS OF FILING

Along with this transmittal letter, the documents submitted with this filing include:

Attachment A – Southwestern’s proposed Tariff changes (including Attachment N), LGIP, LGIA, SGIP, and SGIA redlined, compared with Southwestern’s Tariff conditionally approved by the Commission on March 21, 2006 and compared with the *pro forma* documents as revised in Order Nos. 2003-C, 2006-B, and 661-A.

Attachment B – A clean version of Southwestern’s proposed Tariff changes, including the LGIP, LGIA, SGIP, SGIA, and Attachments K and N.

Attachment C – A Form of Notice suitable for publication in the Federal Register.

⁵¹ 18 C.F.R. §§ 381.102(a), 381.108(a), and 381.302(c) (2007).

VI. COMMUNICATION

Southwestern requests that all correspondence, pleadings, and other communications concerning this filing be served upon:

Laurence J. Yadon, II
General Counsel
Southwestern Power Administration
One West Third Street, Suite 1668
Tulsa, OK 74103
Telephone: 918-595-6607
Telefax: 918-595-6755
Email: larry.yadon@swpa.gov

James K. McDonald
Assistant Administrator
Office of Corporate Operations
Southwestern Power Administration
One West Third Street, Suite 1522
Tulsa, OK 74103
Telephone: 918-595-6690
Telefax: 918-595-6656
Email: jim.mcdonald@swpa.gov

Lot H. Cooke
Acting Assistant General Counsel (GC-76)
6D-033/FORS
U.S. Department of Energy
1000 Independence SW
Washington, DC 20585-0103
Telephone: 202-586-0503
Telefax: 202-586-7479
Email: lot.cooke@hq.doe.gov

Dated this 26th day of September, 2007.

Respectfully submitted,

Laurence J. Yadon, II
General Counsel
Southwestern Power Administration

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Tulsa, Oklahoma, this 26th day of September, 2007.

Laurence J. Yadon, II
General Counsel
Southwestern Power Administration
One West Third, Suite 1668
Tulsa, OK 74103
918-595-6609 (voice)
918-595-6755 (fax)

SERVICE LIST
SOUTHWESTERN POWER ADMINISTRATION
 NJ07____-000

Party	Primary Person or Counsel of Record to be Served	Other Contact to be Served
Arkansas Electric Cooperative Corporation	Sean Beeny Attorney Miller, Balis & O'Neil, P.C. 1140 19th St, NW Suite 700 Washington, DISTRICT OF COLUMBIA 20036 UNITED STATES	Robert M Lyford Senior V.P. and Gen. Counsel Arkansas Electric Cooperative Corporation PO Box 194208 Little Rock, ARKANSAS 72219-4208 Pulaski
Dynergy Power Marketing, Inc.	Daniel King Director and Reg Counsel Dynergy Power Marketing, Inc. 1000 Louisiana St Ste 5800 Houston, TEXAS 770025021 UNITED STATES	Betsy Carr Dynergy Power Marketing, Inc. 1000 Louisiana Suite 5800 Houston, TEXAS 77002
Oklahoma Corporation Commission		Jacqueline T. Miller Oklahoma Corporation Commission 2101 N. Lincoln Blvd. Oklahoma City, OKLAHOMA 73105
Southwestern Power Administration	Jim McDonald Southwestern Power Administration WILLIAMS CENTER TOWER ONE 1 W 3rd St Tulsa, OKLAHOMA 741033532 UNITED STATES jim.mcdonald@swpa.gov	Laurence J. Yadon II General Counsel Southwestern Power Administration One West Third Street Tulsa, OKLAHOMA 74103 larry.yadon@swpa.gov
Department of Energy	Lot H. Cooke Acting Assistant General Counsel (GC-76) 6D-033 Forrestal Building 1000 Independence SW Washington, DC 20585-0103 lot.cooke@hq.doe.gov	

SOUTHWESTERN POWER RESOURCES ASSOCIATION	James Pembroke Duncan, Weinberg, Genzer & Pembroke PC Suite 800 1615 M St., NW Washington, DISTRICT OF COLUMBIA 20036 UNITED STATES	TED COOMBES EX. DIRECTOR SOUTHWESTERN POWER RESOURCES ASSOCIATION PO Box 471827 Tulsa, OKLAHOMA 741471827 Tulsa
Tex-La Electric Cooperative of Texas, Inc.	Christine Ryan Attorney Brickfield, Burchette, Ritts & Stone, PC 1025 Thomas Jefferson St Suite 800 West Washington, DISTRICT OF COLUMBIA 20007 UNITED STATES	Tex-La Electric Cooperative of Texas, Inc. P.O. Box 631623 Nacogdoches, TX 75963-1623
Western Farmers Electric Cooperative	Keith McCrea Partner Sutherland Asbill & Brennan LLP 1275 Pennsylvania Avenue Washington, DISTRICT OF COLUMBIA 20004 UNITED STATES	Gary Roulet Chief Executive Officer Western Farmers Electric Cooperative PO Box 429 Anadarko, OKLAHOMA 730050429 Caddo

**Attachment A – Proposed Redlined
Attachment K, Attachment N,
LGIP, LGIA, SGIP, and SGIA**

ATTACHMENT K

General Provisions Applicable to Transmission and Generation Interconnection Service

- 1 **Propriety of Rates.** The Transmission Provider shall bill the Transmission Customer for the Transmission Customer's purchases of power, energy, and other services in accordance with the Rate Schedule, which is placed in effect pursuant to statute.
 - 1.1 The Transmission Customer hereby agrees to promptly pay the Transmission Provider under such Rate Schedule, whether or not the Transmission Customer agrees with the propriety or the levels of the rates placed into effect pursuant to law, regulation, or the order of an appropriate authority, subject to the Transmission Customer's rights to terminate service.
 - 1.2 In the event that the U.S. Congress amends the manner in which the Transmission Provider calculates or charges for its products and services, the Transmission Customer hereby agrees to promptly pay in such an amended manner, subject to the Transmission Customer's right to terminate.

- 2 **Changes in Rates.** The rates and/or terms and conditions set forth in the Rate Schedule may change upon confirmation and/or approval by the appropriate authority having responsibility to so confirm and/or approve rate schedules, and, whether on an interim basis or as finally confirmed and/or approved, such rates may be increased, decreased, modified, or superseded at any time and from time to time.
 - 2.1 If such rates are so increased, decreased, modified, or superseded, the rates and terms and conditions shall thereupon become effective and applicable to the Transmission Service furnished by the Transmission Provider under this Agreement, in accordance with and on the effective date specified in the order of the appropriate authority.
 - 2.2 The Transmission Provider shall promptly notify the Transmission Customer in writing of the redetermination and/or changes and modifications made in the then-effective Transmission Provider's rate schedules for Transmission Service.
 - 2.3 If such notice advises that the rates to be paid by the Transmission Customer for the Transmission Service furnished by the Transmission Provider under this Agreement are greater than the then-effective rate for such service, The Transmission Customer may, by written notice to the Transmission Provider at any time within 90 days following the date of receipt of such notice from the Transmission Provider, terminate this Agreement in its entirety, such termination to become effective as of the last day of any month following no less than 6 months after the date of receipt by the Transmission Provider of such notice of termination from the Transmission Customer.
 - 2.4 In the event that the Transmission Customer elects to terminate this Agreement pursuant to this Section 2, the Transmission Customer shall pay for services under this Agreement at the then-effective rates during the interim between the date of such notice and the effective termination date specified in such notice.

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

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

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

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

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

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

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

8 Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era. During the performance of this Agreement, the Transmission Customer agrees to comply with Section 402 of the Vietnam Era Veterans Readjustment Assistance Act of 1974, Public Law 93-508 as it amends Public Law 92-540, to take affirmative action to employ and advance in employment qualified

ATTACHMENT N

**North American Energy Standards Board
Business Practices**

The following North American Energy Standards Board Business Practices are hereby incorporated into and made part of this Tariff:

- (1) Business Practices for Open Access Same-Time Information Systems (OASIS) (WEQ-001, Version 000, January 15, 2005, with minor corrections applied March 25, 2005, and additional numbering added October 3, 2005) with the exception of Standards 001-0.1, 001-0.9 through 001-0.13, 001-1.0 through 001-1.8, and 001-9.7;
- (2) Business Practices for Open Access Same-Time Information Systems (OASIS) Standards & Communication Protocols (WEQ-002, Version 000, January 15, 2005, with minor corrections applied March 25, 2005, and additional numbering added October 3, 2005);
- (3) Open Access Same-Time Information Systems (OASIS) Data Dictionary (WEQ-003, Version 000, January 15, 2005, with minor corrections applied March 25, 2005, and additional numbering added October 3, 2005);
- (4) Coordinate Interchange (WEQ-004, June 22, 2006);
- (5) Area Control Error (ACE) Equation Special Cases (WEQ-005, Version 000, January 15, 2005, with minor corrections applied March 25, 2005, and additional numbering added October 3, 2005);
- (6) Manual Time Error Correction (WEQ-006, Version 000, January 15, 2005, with minor corrections applied March 25, 2005, and additional numbering added October 3, 2005); and
- (7) Inadvertent Interchange Payback (WEQ-007, Version 000, January 15, 2005, with minor corrections applied March 25, 2005, and additional numbering added October 3, 2005).

Issued by: Laurence J. Yadon, II
General Counsel, Southwestern Power Administration

Issued on: September 26, 2007

Effective: December 1, 2007

Note: This document reflects the state of the LGIP as of the issuance of Order No. 2003-C.

APPENDIX B

**STANDARD LARGE GENERATOR
INTERCONNECTION PROCEDURES (LGIP)**

including

**STANDARD LARGE GENERATOR
INTERCONNECTION AGREEMENT (LGIA)**

Issued by: Laurence J. Yadon, II
General Counsel, Southwestern Power Administration

Issued on: September 26, 2007

Effective: December 1, 2007

**Standard Large Generator
Interconnection Procedures (LGIP)
(Applicable to Generating Facilities that exceed 20 MW)**

Issued by: Laurence J. Yadon, II
General Counsel, Southwestern Power Administration

Issued on: September 26, 2007

Effective: December 1, 2007

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- Appendix 6 – Standard Large Generator Interconnection Agreement

Section 1. Definitions

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

Affected System shall mean an electric system other than the ~~Southwestern Transmission Provider's~~ Transmission System that may be affected by the proposed interconnection.

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

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

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

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

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

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

Base Case shall mean the base case power flow, short circuit, and stability data bases used for the Interconnection ~~StudyStudies~~ by the ~~SPP, Southwestern Transmission Provider~~ or Interconnection Customer.

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

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

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

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

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

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

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

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

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

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

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

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

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

Effective Date shall mean the date on which the Standard Large Generator Interconnection Agreement becomes effective upon execution by the ~~Administrator of Southwestern, or the Administrator's authorized representative~~ Parties subject to acceptance by FERC, or if filed unexecuted, upon the date specified by FERC.

Emergency Condition shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of ~~Southwestern Transmission Provider~~, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to ~~the Southwestern Transmission Provider's~~ Transmission System, Transmission Provider's Interconnection Facilities or the electric systems of others to which the ~~Southwestern Transmission Provider's~~ Transmission System is directly connected; or (3) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided that Interconnection Customer is not obligated by the Standard Large Generator Interconnection Agreement to possess black start capability.

Energy Resource Interconnection Service shall mean an Interconnection Service as evaluated by the SPP that allows the Interconnection Customer to connect its Generating Facility to the ~~Southwestern Transmission Provider's~~ Transmission System to be eligible to deliver the Generating Facility's electric output using the existing firm or nonfirm capacity of the ~~Southwestern Transmission~~

~~Provider's~~ Transmission System on an as available basis. Energy Resource Interconnection Service in and of itself does not convey transmission service.

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

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

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

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

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

Force Majeure shall mean acts of God (including but not limited to, failure of water supply, earthquakes, fires, floods, windstorms, landslides, and ice storms); strikes, lockout, or other labor disputes; acts of public enemy; wars, riots, and insurrection; epidemics; civil disturbances; explosions; train derailments; breakdown or failure of machinery or facilities, and delay in delivery of equipment to the extent such occurrences are beyond the reasonable control of the Parties; electrical disturbance originating in or transmitted through such Party's electrical system or equipment or any electrical system with which such Party's system or equipment is interconnected; and any other event, cause, or condition beyond the Party's reasonable control, which, by the exercise of reasonable diligence, prevents the Party claiming Force Majeure from performing its obligations under this Agreement~~any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.~~

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

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

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

Governmental Authority shall mean any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such

term does not include Interconnection Customer, ~~Southwestern Transmission Provider~~, or any Affiliate thereof.

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

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

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

Interconnection Customer shall mean any entity, ~~including the Transmission Provider, Transmission Owner~~ or any of the Affiliates or subsidiaries of ~~such entity~~ either, that proposes to interconnect its Generating Facility with the ~~Southwestern Transmission Provider's~~ Transmission System.

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

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

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

Interconnection Facilities Study and Environmental Documentation Agreement shall mean the ~~agreement between Southwestern and the Interconnection Customer that determines the facilities required for the interconnection and provides for Southwestern to complete its documentation requirements under the National Environmental Policy Act (NEPA) form of agreement contained in Appendix 4 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection Facilities Study.~~

Interconnection Feasibility Study shall mean a preliminary evaluation of the system impact and cost of interconnecting the Generating Facility to the ~~Transmission Provider's~~ Transmission System,

~~as the scope of which is~~ described in Section 6 of the Standard Large Generator Interconnection Procedures.

Interconnection Feasibility Study Agreement shall mean the form of agreement contained in ~~the SPP's Appendix 2 of the~~ Standard Large Generator Interconnection Procedures for conducting the Interconnection Feasibility Study.

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

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

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

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

Interconnection System Impact Study Agreement shall mean the form of agreement contained in ~~the SPP's Appendix 3 of the~~ Standard Large Generator Interconnection Procedures for conducting the Interconnection System Impact Study.

~~IRS shall mean the Internal Revenue Service.~~

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

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

Loss shall mean any and all losses relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's performance, or non-

performance of its obligations under the Standard Large Generator Interconnection Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnifying Party.

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

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

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

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

Network Resource Interconnection Service shall mean an Interconnection Service as evaluated by the SPP that allows the Interconnection Customer to integrate its Large Generating Facility with the ~~Southwestern Transmission Provider's~~ Transmission System (1) in a manner comparable to that in which ~~Southwestern the Transmission Provider~~ integrates its generating facilities to serve native load customers; or (2) in an RTO or ISO with market based congestion management, in the same manner as Network Resources. Network Resource Interconnection Service in and of itself does not convey transmission service.

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

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

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

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

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

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

Point of Interconnection shall mean the point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where the Interconnection Facilities connect to the ~~Southwestern Transmission Provider's~~ Transmission System.

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

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party ~~under the Standard Large Generator Interconnection Agreement~~, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

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

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

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

Stand Alone Network Upgrades shall mean Network Upgrades that an Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction, as determined by the SPP. ~~Both the Transmission Provider and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the Standard Large Generator Interconnection Agreement.~~

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

Standard Large Generator Interconnection Procedures (LGIP) shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Large Generating Facility that are included in the ~~Transmission Provider's~~ Tariff. Where the words "Standard Large Generator Interconnection Procedures" or "LGIP" are preceded by "SPP's" shall mean the SPP's interconnection procedures.

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

Tariff shall mean ~~Southwestern's the Transmission Provider's~~ Tariff through which open access transmission service and Interconnection Service are offered, as filed with FERC, and as amended or supplemented from time to time, or any successor tariff.

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

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

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

~~Transmission System shall mean the facilities owned, controlled or operated by Southwestern when preceded by the term "Southwestern" or the transmission facilities controlled by the SPP when preceded by the term "SPP" the Transmission Provider or Transmission Owner that are used to provide transmission service under Southwestern's the Tariff or the SPP tariff. Where the words "Transmission System" are not preceded by either shall mean the facilities of both.~~

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

Section 2. Scope and Application

2.1 Application of Standard Large Generator Interconnection Procedures.

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

2.2 Comparability.

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

2.3 Base Case Data.

Southwestern Transmission Provider shall provide upon request to the SPP all applicable base power flow, short circuit and stability databases, including all underlying assumptions, and contingency list for the Southwestern Transmission System upon request subject to confidentiality provisions in LGIP Section 13.1.

~~Southwestern Transmission Provider~~ is permitted to require that Interconnection Customer sign a confidentiality agreement before the release of commercially sensitive information or Critical Energy Infrastructure Information in the Base Case data. Such databases and lists, hereinafter referred to as Base Cases, shall include all (1) generation projects and (ii) transmission projects, including merchant transmission projects that are proposed for the Southwestern Transmission System for which a transmission ~~Expansion Plan~~expansion plan has been submitted and approved by the applicable authority.

2.4 No Applicability to Transmission Service.

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

Section 3. Interconnection Requests

3.1 General.

An Interconnection Customer shall submit to ~~the SPP Transmission Provider~~ an Interconnection Request ~~pursuant to the terms of the SPP's LGIP and applicable provisions of the SPP/Southwestern Agreement in the form of Appendix 1 to this LGIP and a refundable deposit of \$10,000. Transmission Provider shall apply the deposit toward the cost of an Interconnection Feasibility Study.~~ The Interconnection Customer shall submit a separate Interconnection Request for each site and may submit multiple Interconnection Requests for a single site. ~~Interconnection Customer must submit a deposit with each Interconnection Request even when more than one request is submitted for a single site.~~ An Interconnection Request to evaluate one site at two different voltage levels shall be treated as two Interconnection Requests. The Interconnection Customer shall provide Southwestern copies of all submissions to the SPP related to the Interconnection Request.

At Interconnection Customer's option, Southwestern in coordination with the SPP Transmission Provider and Interconnection Customer will identify alternative Point(s) of Interconnection and configurations at the Scoping Meeting to evaluate in this process and attempt to eliminate alternatives in a reasonable fashion given resources and information available. Interconnection Customer will select the definitive Point(s) of Interconnection to be studied in accordance with the SPP's LGIP no later than the execution of the Interconnection Feasibility Study Agreement.

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

3.2 Identification of Types of Interconnection Services.

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

~~however, any Interconnection Customer requesting Network Resource Interconnection Service may also request that it be concurrently studied for Energy Resource Interconnection Service, up to the point when an Interconnection Facility Study Agreement is executed. Interconnection Customer may then elect to proceed with Network Resource Interconnection Service or to proceed under a lower level of interconnection service to the extent that only certain upgrades will be completed.~~

3.2.1 Energy Resource Interconnection Service.

3.2.1.1 The Product. Energy Resource Interconnection Service allows Interconnection Customer to connect the Large Generating Facility to the Transmission System ~~as specified in the SPP's LGIP and be eligible to deliver the Large Generating Facility's output using the existing firm or non-firm capacity of the Transmission System on an "as available" basis. Energy Resource Interconnection Service does not in and of itself convey any right to deliver electricity to any specific customer or Point of Delivery.~~

3.2.1.2 The Study. The study ~~scope is specified in the SPP's LGIP consists of short-circuit/fault duty, steady state (thermal and voltage) and stability analyses. The short circuit/fault duty analysis would identify direct Interconnection Facilities required and the Network Upgrades necessary to address short circuit issues associated with the Interconnection Facilities. The stability and steady state studies would identify necessary upgrades to allow full output of the proposed Large Generating Facility and would also identify the maximum allowed output, at the time the study is performed, of the interconnecting Large Generating Facility without requiring additional Network Upgrades.~~

3.2.2 Network Resource Interconnection Service.

3.2.2.1 The Product. ~~Network Resource Interconnection Service allows Interconnection Customer to connect the Large Generating Facility to the Transmission System as specified in the SPP's LGIP. Transmission Provider must conduct the necessary studies and construct the Network Upgrades needed to integrate the Large Generating Facility (1) in a manner comparable to that in which Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an ISO or RTO with market based congestion management, in the same manner as Network Resources. Network Resource Interconnection Service Allows Interconnection Customer's Large Generating Facility to be designated as a Network Resource, up to the Large Generating Facility's full output, on the same basis as existing Network Resources interconnected to Transmission Provider's Transmission System, and to be studied as a Network Resource on the assumption that such a designation will occur.~~

3.2.2.2 The Study. ~~The study scope is as specified in the SPP's LGIP. The Interconnection Study for Network Resource Interconnection Service shall assure that Interconnection Customer's Large Generating Facility~~

~~meets the requirements for Network Resource Interconnection Service and as a general matter, that such Large Generating Facility's interconnection is also studied with Transmission Provider's Transmission System at peak load, under a variety of severely stressed conditions, to determine whether, with the Large Generating Facility at full output, the aggregate of generation in the local area can be delivered to the aggregate of load on Transmission Provider's Transmission System, consistent with Transmission Provider's reliability criteria and procedures. This approach assumes that some portion of existing Network Resources are displaced by the output of Interconnection Customer's Large Generating Facility. Network Resource Interconnection Service in and of itself does not convey any right to deliver electricity to any specific customer or Point of Delivery. The Transmission Provider may also study the Transmission System under non-peak load conditions. However, upon request by the Interconnection Customer, the Transmission Provider must explain in writing to the Interconnection Customer why the study of non-peak load conditions is required for reliability purposes.~~

3.3 Valid Interconnection Request.

3.3.1 Initiating an Interconnection Request.

~~To initiate an Interconnection Request, Interconnection Customer must submit a completed application to the SPP pursuant to the terms of the SPP's LGIP and applicable provisions of the SPP/Southwestern Agreement, all of the following: (i) a \$10,000 deposit, (ii) a completed application in the form of Appendix 1, and (iii) demonstration of Site Control or a posting of an additional deposit of \$10,000. Such deposits shall be applied toward any Interconnection Studies pursuant to the Interconnection Request. If Interconnection Customer demonstrates Site Control within the cure period specified in Section 3.3.3 after submitting its Interconnection Request, the additional deposit shall be refundable; otherwise, all such deposit(s), additional and initial, become non-refundable.~~

~~The expected In-Service Date of the new Large Generating Facility or increase in capacity of the existing Generating Facility shall be no more than the process window for the regional expansion planning period (or in the absence of a regional planning process, the process window for Transmission Provider's expansion planning period) not to exceed seven years from the date the Interconnection Request is received by Transmission Provider, unless Interconnection Customer demonstrates that engineering, permitting and construction of the new Large Generating Facility or increase in capacity of the existing Generating Facility will take longer than the regional expansion planning period. The In-Service Date may succeed the date the Interconnection Request is received by Transmission Provider by a period up to ten years, or longer where Interconnection Customer and Transmission Provider agree, such agreement not to be unreasonably withheld.~~

3.3.2 Acknowledgment of Interconnection Request.

~~The Interconnection Customer shall receive acknowledgment of the receipt of the Interconnection Request pursuant to the terms of the SPP's LGIP. Transmission Provider shall acknowledge receipt of the Interconnection Request within five (5)~~

~~Business Days of receipt of the request and attach a copy of the received Interconnection Request to the acknowledgement.~~

3.3.3 Deficiencies in Interconnection Request.

An Interconnection Request will not be considered to be a valid request until all items ~~required by the SPP's LGIP have been received by the SPP in Section 3.3.1 have been received by Transmission Provider. If an Interconnection Request fails to meet the requirements set forth in Section 3.3.1, Transmission Provider shall notify Interconnection Customer within five (5) Business Days of receipt of the initial Interconnection Request of the reasons for such failure and that the Interconnection Request does not constitute a valid request. Interconnection Customer shall provide Transmission Provider the additional requested information needed to constitute a valid request within ten (10) Business Days after receipt of such notice. Failure by Interconnection Customer to comply with this Section 3.3.3 shall be treated in accordance with Section 3.6.~~

3.3.4 Scoping Meeting.

~~Within ten (10) Business Days after receipt of a valid Interconnection Request, Transmission Provider shall establish a date agreeable to Interconnection Customer for the Scoping Meeting, and such date shall be no later than thirty (30) Calendar Days from receipt of the valid Interconnection Request, unless otherwise mutually agreed upon by the Parties.~~

~~Southwestern shall attend the Scoping Meeting at a date established by the SPP and mutually agreed upon by the Parties pursuant to the terms of the SPP's LGIP.~~ The purpose of the Scoping Meeting shall be to discuss alternative interconnection options, to exchange information including any transmission data that would reasonably be expected to impact such interconnection options, to analyze such information and to determine the potential feasible Points of Interconnection. ~~Southwestern Transmission Provider, the SPP and Interconnection Customer shall provide will bring to the meeting~~ such technical data, including, but not limited to: (i) general facility loadings, (ii) general instability issues, (iii) general short circuit issues, (iv) general voltage issues, and (v) general reliability issues as may be reasonably required to accomplish the purpose of the meeting. ~~Southwestern Transmission Provider, the SPP and Interconnection Customer will also make available bring to the meeting~~ personnel and other resources as may be reasonably required to accomplish the purpose of the meeting in the time allocated for the meeting. On the basis of the meeting, Interconnection Customer shall designate its Point of Interconnection, pursuant to ~~the SPP's LGIP Section 6.4,~~ and one or more available alternative Point(s) of Interconnection. The duration of the meeting shall be sufficient to accomplish its purpose.

3.4 OASIS Posting.

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

~~SPP's Transmission Provider will maintain on its~~ OASIS ~~will contain~~ a list of all Interconnection Requests. The list will identify, for each Interconnection Request: (i) the maximum summer and winter megawatt electrical output; (ii) the location by county and state; (iii) the station or transmission line or lines where the interconnection will be made;

(iv) the projected In-Service Date; (v) the status of the Interconnection Request, including Queue Position administered by the SPP; (vi) the type of Interconnection Service being requested; and (vii) the availability of any studies related to the Interconnection Request; (viii) the date of the Interconnection Request; (ix) the type of Generating Facility to be constructed (combined cycle, base load or combustion turbine and fuel type); and (x) for Interconnection Requests that have not resulted in a completed interconnection, an explanation as to why it was not completed. ~~The Except in the case of an Affiliate, the list will not disclose the identity of Interconnection Customer until Interconnection Customer executes an LGIA or requests that Transmission Provider file an unexecuted LGIA with FERC. Before holding a Scoping Meeting with its Affiliate, Transmission Provider shall post on OASIS an advance notice of its intent to do so. SPP in coordination with Southwestern Transmission Provider shall post to SPP's OASIS site any deviations from the study timelines set forth herein. Interconnection Study reports and Optional Interconnection Study reports shall be posted to SPP's Transmission Provider's OASIS site subsequent to the meeting between Interconnection Customer and Southwestern Transmission Provider to discuss the applicable study results. SPP in coordination with Southwestern Transmission Provider shall also post any known deviations in the Large Generating Facility's In-Service Date.~~

3.5 Coordination with Affected Systems.

~~Pursuant to the terms of the SPP's LGIP, the SPP Transmission Provider will coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Affected Systems with Affected System Operators and, if possible, include those results (if available) in its applicable Interconnection Study within the time frame specified in the SPP's this LGIP. SPP Transmission Provider will include such Affected System Operators in all meetings held with Interconnection Customer as required by the SPP's this LGIP. Interconnection Customer will cooperate with Transmission Provider in all matters related to the conduct of studies and the determination of modifications to Affected Systems. A Transmission Provider which may be an Affected System shall cooperate with Transmission Provider with whom interconnection has been requested in all matters related to the conduct of studies and the determination of modifications to Affected Systems.~~

3.6 Withdrawal.

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

~~Treatment of the Interconnection Customer's Queue Position upon withdrawal shall be determined by the SPP's LGIP. Withdrawal shall result in the loss of Interconnection Customer's Queue Position. If an Interconnection Customer disputes the withdrawal and loss of its Queue Position, then during Dispute Resolution, Interconnection Customer's Interconnection Request is eliminated from the queue until such time that the outcome of~~

~~Dispute Resolution would restore its Queue Position.~~ An Interconnection Customer that withdraws or is deemed to have withdrawn its Interconnection Request shall pay to ~~Southwestern Transmission Provider~~ all costs that ~~Southwestern Transmission Provider~~ prudently incurs with respect to that Interconnection Request prior to ~~Southwestern's Transmission Provider's~~ receipt of notice described above. ~~Interconnection Customer must pay all monies due to Transmission Provider before it is allowed to obtain any Interconnection Study data or results.~~

~~Southwestern Transmission Provider~~ shall (i) ~~update the OASIS Queue Position posting and (ii) refund to Interconnection Customer any portion of Interconnection Customer's advanced funds deposit or study payments that exceeds the costs that~~ ~~Southwestern Transmission Provider~~ has incurred, ~~including interest calculated in accordance with section 35.19a(a)(2) of FERC's regulations.~~ In the event of such withdrawal, ~~Southwestern Transmission Provider~~, subject to the confidentiality provisions of Section 13.1, shall provide, at Interconnection Customer's request, all information that ~~Southwestern Transmission Provider~~ developed for any completed study conducted up to the date of withdrawal of the Interconnection Request.

Section 4. Queue Position

4.1 General.

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

~~Transmission Provider shall assign a Queue Position based upon the date and time of receipt of the valid Interconnection Request; provided that, if the sole reason an Interconnection Request is not valid is the lack of required information on the application form, and Interconnection Customer provides such information in accordance with Section 3.3.3, then Transmission Provider shall assign Interconnection Customer a Queue Position based on the date the application form was originally filed. Moving a Point of Interconnection shall result in a lowering of Queue Position if it is deemed a Material Modification under Section 4.4.3.~~

~~The Queue Position of each Interconnection Request will be used to determine the order of performing the Interconnection Studies and determination of cost responsibility for the facilities necessary to accommodate the Interconnection Request. A higher queued Interconnection Request is one that has been placed "earlier" in the queue in relation to another Interconnection Request that is lower queued.~~

~~Transmission Provider may allocate the cost of the common upgrades for clustered Interconnection Requests without regard to Queue Position.~~

4.2 Clustering.

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

~~Clustering shall be implemented on the basis of Queue Position. If Transmission Provider elects to study Interconnection Requests using Clustering, all Interconnection Requests received within a period not to exceed one hundred and eighty (180) Calendar~~

~~Days, hereinafter referred to as the "Queue Cluster Window" shall be studied together without regard to the nature of the underlying Interconnection Service, whether Energy Resource Interconnection Service or Network Resource Interconnection Service. The deadline for completing all Interconnection System Impact Studies for which an Interconnection System Impact Study Agreement has been executed during a Queue Cluster Window shall be in accordance with Section 7.4, for all Interconnection Requests assigned to the same Queue Cluster Window. Transmission Provider may study an Interconnection Request separately to the extent warranted by Good Utility Practice based upon the electrical remoteness of the proposed Large Generating Facility.~~

~~Clustering Interconnection System Impact Studies shall be conducted in such a manner to ensure the efficient implementation of the applicable regional transmission expansion plan in light of the Transmission System's capabilities at the time of each study.~~

~~The Queue Cluster Window shall have a fixed time interval based on fixed annual opening and closing dates. Any changes to the established Queue Cluster Window interval and opening or closing dates shall be announced with a posting on Transmission Provider's OASIS beginning at least one hundred and eighty (180) Calendar Days in advance of the change and continuing thereafter through the end date of the first Queue Cluster Window that is to be modified.~~

4.3 Transferability of Queue Position.

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

~~An Interconnection Customer may transfer its Queue Position to another entity only if such entity acquires the specific Generating Facility identified in the Interconnection Request and the Point of Interconnection does not change.~~

4.4 Modifications.

~~Interconnection Customer shall submit to the SPP Transmission Provider, in writing, modifications to any information provided in the Interconnection Request. Changes to the Interconnection Customer's Queue Position due to modifications shall be determined by the SPP's LGIP. All other modifications shall be provided to the SPP in accordance with the SPP's LGIP. The Interconnection Customer shall provide Southwestern copies of all submissions to the SPP related to the Interconnection Request. Interconnection Customer shall retain its Queue Position if the modifications are in accordance with Sections 4.4.1, 4.4.2 or 4.4.5, or are determined not to be Material Modifications pursuant to Section 4.4.3.~~

~~Notwithstanding the above, during the course of the Interconnection Studies, either Interconnection Customer or Southwestern Transmission Provider may identify changes to the planned interconnection including but not limited to those changes that may improve the costs and benefits (including reliability) of the interconnection, and the ability of the proposed change to accommodate the Interconnection Request. To the extent the identified changes are acceptable to Southwestern Transmission Provider and Interconnection Customer, such acceptance not to be unreasonably withheld, Southwestern Transmission Provider shall modify the Point of Interconnection and/or configuration in accordance with such changes and subject to Southwestern's receipt of advanced funding proceed with any re-studies necessary in coordination with the SPP to do so in accordance with this LGIP Section 6.4, Section 7.6 and Section 8.5 as applicable and Interconnection Customer shall retain its Queue Position.~~

- 4.4.1 Prior to the return of the executed Interconnection System Impact Study Agreement to ~~SPP pursuant to the SPP's LGIP~~~~Transmission Provider~~, modifications permitted under this Section shall include specifically: (a) a decrease of up to 60 percent of electrical output (MW) of the proposed project; (b) modifying the technical parameters associated with the Large Generating Facility technology or the Large Generating Facility step-up transformer impedance characteristics; and (c) modifying the interconnection configuration. For plant increases, the incremental increase in plant output will go to the end of the queue for the purposes of cost allocation and study analysis provided, that such modifications are consistent with the SPP's LGIP.
- 4.4.2 Prior to the ~~execution return~~ of the ~~executed~~ Interconnection Facility Study and Environmental Documentation Agreement ~~to Transmission Provider~~, the modifications permitted under this Section shall include specifically: (a) additional 15 percent decrease of electrical output (MW), and (b) Large Generating Facility technical parameters associated with modifications to Large Generating Facility technology and transformer impedances; provided, however, the incremental costs associated with those modifications are the responsibility of the requesting Interconnection Customer; provided further, that such modifications are consistent with the SPP's LGIP.
- 4.4.3 Prior to making any modification other than those specifically permitted by Sections 4.4.1, 4.4.2, and 4.4.5, Interconnection Customer may first request that ~~Southwestern in coordination with SPP~~~~Transmission Provider~~ evaluate whether such modification is a Material Modification. In response to Interconnection Customer's request, ~~Southwestern in coordination with SPP~~~~Transmission Provider~~ shall evaluate the proposed modifications prior to making them and inform Interconnection Customer in writing of whether the modifications would constitute a Material Modification. Any change to the Point of Interconnection, except those deemed acceptable under ~~this LGIP of SPP's LGIP~~~~Sections 4.4.1, 6.1, 7.2~~ or so allowed elsewhere, shall constitute a Material Modification. Interconnection Customer may then withdraw the proposed modification or proceed with a new Interconnection Request for such modification.
- 4.4.4 Upon receipt of Interconnection Customer's request for modification permitted under this Section 4.4, ~~Southwestern~~~~Transmission Provider~~ shall use Reasonable Efforts to commence and perform any necessary additional studies ~~within as soon as practicable, but in no event shall Transmission Provider commence such studies later than~~ thirty (30) Calendar Days after receiving notice of Interconnection Customer's request. The cost of any of the following: a.) modifications, b.) additional studies, c.) modifications to studies, and d.) environmental review and documentation shall be borne by the Interconnection Customer with funding provided to Southwestern in advance.~~Any additional studies resulting from such modification shall be done at Interconnection Customer's cost.~~
- 4.4.5 Extensions of less than three (3) cumulative years in the Commercial Operation Date of the Large Generating Facility, at the request of the Interconnection Customer, to which the Interconnection Request relates are not ~~Material Modifications~~~~material~~ and should be handled through construction sequencing;

provided, that such extensions of the Commercial Operation Date as requested by the Interconnection Customer are consistent with the SPP's LGIP.

Section 5. Procedures for Interconnection Requests Submitted Prior to Effective Date of Standard Large Generator Interconnection Procedures

5.1 ~~Queue Position for~~ Pending Requests.

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

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

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

5.1.1.3 ~~**THIS SECTION INTENTIONALLY LEFT BLANK.** If an LGIA has been submitted to FERC for approval before the effective date of the LGIP, then the LGIA would be grandfathered.~~

5.1.2 Transition Period.

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

extension shall be granted by ~~Southwestern Transmission Provider~~ to the extent consistent with the intent and process provided for under this LGIP.

5.2 Transfer of Control of the Southwestern Transmission System~~New Transmission Provider.~~

~~Subject to Federal statutory requirements and regulations, if Southwestern# Transmission Provider transfers control of the Southwestern's Transmission System to a successor entity Transmission Provider during the period when an Interconnection Request is pending, Southwestern the original Transmission Provider shall transfer to the successor entity Transmission Provider any amount of the deposit or payment ~~with interest thereon~~ that exceeds the cost that it incurred to evaluate the request for interconnection. Any difference between such net amount and the deposit or payment required by this LGIP shall be paid by or refunded to the Interconnection Customer Provider, as appropriate. ~~Southwestern The original Transmission Provider~~ shall coordinate with the successor entity Transmission Provider to complete any Interconnection Study, as appropriate, that Southwestern the original Transmission Provider has begun but has not completed. If ~~Southwestern Transmission Provider~~ has tendered a draft LGIA to Interconnection Customer but Interconnection Customer has not ~~either~~ executed the LGIA ~~or requested the filing of an unexecuted LGIA with FERC~~, unless otherwise provided, Interconnection Customer must complete negotiations with the successor entity Transmission Provider.~~

Section 6. Interconnection Feasibility Study

~~6.1 Interconnection Feasibility Study Agreement.~~

~~6.1~~ The Interconnection Customer and the SPP shall coordinate the performance of an Interconnection Feasibility Study to evaluate the feasibility of the proposed interconnection with the Transmission System, in accordance with the SPP's LGIP and pursuant to applicable provisions of the SPP/Southwestern Agreement.
~~Simultaneously with the acknowledgement of a valid Interconnection Request Transmission Provider shall provide to Interconnection Customer an Interconnection Feasibility Study Agreement in the form of Appendix 2. The Interconnection Feasibility Study Agreement shall specify that Interconnection Customer is responsible for the actual cost of the Interconnection Feasibility Study. Within five (5) Business Days following the Scoping Meeting Interconnection Customer shall specify for inclusion in the attachment to the Interconnection Feasibility Study Agreement the Point(s) of Interconnection and any reasonable alternative Point(s) of Interconnection. Within five (5) Business Days following Transmission Provider's receipt of such designation, Transmission Provider shall tender to Interconnection Customer the Interconnection Feasibility Study Agreement signed by Transmission Provider, which includes a good faith estimate of the cost for completing the Interconnection Feasibility Study. Interconnection Customer shall execute and deliver to Transmission Provider the Interconnection Feasibility Study Agreement along with a \$10,000 deposit no later than thirty (30) Calendar Days after its receipt.~~

~~On or before the return of the executed Interconnection Feasibility Study Agreement to Transmission Provider, Interconnection Customer shall provide the technical data called for in Appendix 1, Attachment A.~~

~~If the Interconnection Feasibility Study uncovers any unexpected result(s) not contemplated during the Scoping Meeting, a substitute Point of Interconnection identified~~

~~by either Interconnection Customer or Transmission Provider, and acceptable to the other, such acceptance not to be unreasonably withheld, will be substituted for the designated Point of Interconnection specified above without loss of Queue Position, and Re-studies shall be completed pursuant to Section 6.4 as applicable. For the purpose of this Section 6.1, if Transmission Provider and Interconnection~~

~~Customer cannot agree on the substituted Point of Interconnection, then Interconnection Customer may direct that one of the alternatives as specified in the Interconnection Feasibility Study Agreement, as specified pursuant to Section 3.3.4, shall be the substitute.~~

~~If Interconnection Customer and Transmission Provider agree to forgo the Interconnection Feasibility Study, Transmission Provider will initiate an Interconnection System Impact Study under Section 7 of this LGIP and apply the \$10,000 deposit towards the Interconnection System Impact Study.~~

6.2 THIS SECTION INTENTIONALLY LEFT BLANK. ~~Scope of Interconnection Feasibility Study.~~

~~The Interconnection Feasibility Study shall preliminarily evaluate the feasibility of the proposed interconnection to the Transmission System.~~

~~The Interconnection Feasibility Study will consider the Base Case as well as all generating facilities (and with respect to (iii), any identified Network Upgrades) that, on the date the Interconnection Feasibility Study is commenced: (i) are directly interconnected to the Transmission System; (ii) are interconnected to Affected Systems and may have an impact on the Interconnection Request; (iii) have a pending higher queued Interconnection Request to interconnect to the Transmission System; and (iv) have no Queue Position but have executed an LGIA or requested that an unexecuted LGIA be filed with FERC. The Interconnection Feasibility Study will consist of a power flow and short circuit analysis. The Interconnection Feasibility Study will provide a list of facilities and a non-binding good faith estimate of cost responsibility and a non-binding good faith estimated time to construct.~~

6.3 THIS SECTION INTENTIONALLY LEFT BLANK. ~~Interconnection Feasibility Study Procedures.~~

~~Transmission Provider shall utilize existing studies to the extent practicable when it performs the study. Transmission Provider shall use Reasonable Efforts to complete the Interconnection Feasibility Study no later than forty-five (45) Calendar Days after Transmission Provider receives the fully executed Interconnection Feasibility Study Agreement. At the request of Interconnection Customer or at any time Transmission Provider determines that it will not meet the required time frame for completing the Interconnection Feasibility Study, Transmission Provider shall notify Interconnection Customer as to the schedule status of the Interconnection Feasibility Study. If Transmission Provider is unable to complete the Interconnection Feasibility Study within that time period, it shall notify Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required. Upon request, Transmission Provider shall provide Interconnection Customer supporting documentation, workpapers and relevant power flow, short circuit and stability databases for the Interconnection Feasibility Study, subject to confidentiality arrangements consistent with Section 13.1.~~

6.3.1 ~~THIS SECTION INTENTIONALLY LEFT BLANK.Meeting with Transmission Provider.~~

~~Within ten (10) Business Days of providing an Interconnection Feasibility Study report to Interconnection Customer, Transmission Provider and Interconnection Customer shall meet to discuss the results of the Interconnection Feasibility Study.~~

6.4 ~~THIS SECTION INTENTIONALLY LEFT BLANK.Re-Study.~~

~~If Re-Study of the Interconnection Feasibility Study is required due to a higher queued project dropping out of the queue, or a modification of a higher queued project subject to Section 4.4, or re-designation of the Point of Interconnection pursuant to Section 6.1 Transmission Provider shall notify Interconnection Customer in writing. Such Re-Study shall take not longer than forty-five (45) Calendar Days from the date of the notice. Any cost of Re-Study shall be borne by the Interconnection Customer being re-studied.~~

Section 7. Interconnection System Impact Study

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

~~Unless otherwise agreed, pursuant to the Scoping Meeting provided in Section 3.3.4, simultaneously with the delivery of the Interconnection Feasibility Study to Interconnection Customer, Transmission Provider shall provide to Interconnection Customer an Interconnection System Impact Study Agreement in the form of Appendix 3 to this LGIP. The Interconnection System Impact Study Agreement shall provide that Interconnection Customer shall compensate Transmission Provider for the actual cost of the Interconnection System Impact Study. Within three (3) Business Days following the Interconnection Feasibility Study results meeting, Transmission Provider shall provide to Interconnection Customer a non-binding good faith estimate of the cost and timeframe for completing the Interconnection System Impact Study.~~

7.2 ~~THIS SECTION INTENTIONALLY LEFT BLANK.Execution of Interconnection System Impact Study Agreement.~~

~~Interconnection Customer shall execute the Interconnection System Impact Study Agreement and deliver the executed Interconnection System Impact Study Agreement to Transmission Provider no later than thirty (30) Calendar Days after its receipt along with demonstration of Site Control, and a \$50,000 deposit.~~

~~If Interconnection Customer does not provide all such technical data when it delivers the Interconnection System Impact Study Agreement, Transmission Provider shall notify Interconnection Customer of the deficiency within five (5) Business Days of the receipt of the executed Interconnection System Impact Study Agreement and Interconnection Customer shall cure the deficiency within ten (10) Business Days of receipt of the notice, provided, however, such deficiency does not include failure to deliver the executed Interconnection System Impact Study Agreement or deposit.~~

~~If the Interconnection System Impact Study uncovers any unexpected result(s) not contemplated during the Scoping Meeting and the Interconnection Feasibility Study, a substitute Point of Interconnection identified by either Interconnection Customer or~~

~~Transmission Provider, and acceptable to the other, such acceptance not to be unreasonably withheld, will be substituted for the designated Point of Interconnection specified above without loss of Queue Position, and restudies shall be completed pursuant to Section 7.6 as applicable. For the purpose of this Section 7.2, if Transmission Provider and Interconnection Customer cannot agree on the substituted Point of Interconnection, then Interconnection Customer may direct that one of the alternatives as specified in the Interconnection Feasibility Study Agreement, as specified pursuant to Section 3.3.4, shall be the substitute.~~

7.3 THIS SECTION INTENTIONALLY LEFT BLANK.Scope of Interconnection System Impact Study.

~~The Interconnection System Impact Study shall evaluate the impact of the proposed interconnection on the reliability of the Transmission System. The Interconnection System Impact Study will consider the Base Case as well as all generating facilities (and with respect to (iii) below, any identified Network Upgrades associated with such higher queued interconnection) that, on the date the Interconnection System Impact Study is commenced: (i) are directly interconnected to the Transmission System; (ii) are interconnected to Affected Systems and may have an impact on the Interconnection Request; (iii) have a pending higher queued Interconnection Request to interconnect to the Transmission System; and (iv) have no Queue Position but have executed an LGIA or requested that an unexecuted LGIA be filed with FERC.~~

~~The Interconnection System Impact Study will consist of a short circuit analysis, a stability analysis, and a power flow analysis. The Interconnection System Impact Study will state the assumptions upon which it is based; state the results of the analyses; and provide the requirements or potential impediments to providing the requested interconnection service, including a preliminary indication of the cost and length of time that would be necessary to correct any problems identified in those analyses and implement the interconnection. The Interconnection System Impact Study will provide a list of facilities that are required as a result of the Interconnection Request and a non-binding good faith estimate of cost responsibility and a non-binding good faith estimated time to construct.~~

7.4 THIS SECTION INTENTIONALLY LEFT BLANK.Interconnection System Impact Study Procedures

~~Transmission Provider shall coordinate the Interconnection System Impact Study with any Affected System that is affected by the Interconnection Request pursuant to Section 3.5 above. Transmission Provider shall utilize existing studies to the extent practicable when it performs the study. Transmission Provider shall use Reasonable Efforts to complete the Interconnection System Impact Study within ninety (90) Calendar Days after the receipt of the Interconnection System Impact Study Agreement or notification to proceed, study payment, and technical data. If Transmission Provider uses Clustering, Transmission Provider shall use Reasonable Efforts to deliver a completed Interconnection System Impact Study within ninety (90) Calendar Days after the close of the Queue Cluster Window.~~

~~At the request of Interconnection Customer or at any time Transmission Provider determines that it will not meet the required time frame for completing the Interconnection System Impact Study, Transmission Provider shall notify Interconnection Customer as to the schedule status of the Interconnection System Impact Study. If Transmission Provider is unable to complete the Interconnection System Impact Study within the time period, it shall notify Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required. Upon request,~~

~~Transmission Provider shall provide Interconnection Customer all supporting documentation, workpapers and relevant pre-Interconnection Request and post-Interconnection Request power flow, short circuit and stability databases for the Interconnection System Impact Study, subject to confidentiality arrangements consistent with Section 13.1.~~

7.5 ~~**THIS SECTION INTENTIONALLY LEFT BLANK.** Meeting with Transmission Provider.~~ Within ten (10) Business Days of providing an Interconnection System Impact Study report to Interconnection Customer, Transmission Provider and Interconnection Customer shall meet to discuss the results of the Interconnection System Impact Study.

7.6 ~~**THIS SECTION INTENTIONALLY LEFT BLANK.** Re-Study.~~ If Re-Study of the Interconnection System Impact Study is required due to a higher queued project dropping out of the queue, or a modification of a higher queued project subject to Section 4.4, or re-designation of the Point of Interconnection pursuant to Section 7.2 Transmission Provider shall notify Interconnection Customer in writing. Such Re-Study shall take no longer than sixty (60) Calendar Days from the date of notice. Any cost of Re-Study shall be borne by the Interconnection Customer being re-studied.

Section 8. Interconnection Facilities Study and Environmental Documentation

8.1 ~~**Interconnection Facilities Study and Environmental Documentation Agreement.**~~ Upon request of the Simultaneously with the delivery of the Interconnection System Impact Study to Interconnection Customer, Transmission Provider shall provide to Interconnection Customer an Interconnection Facilities Study and Environmental Documentation Agreement in the form of Appendix 4 to this LGIP. The Interconnection Facilities Study and Environmental Documentation Agreement shall provide that Interconnection Customer shall compensate ~~Southwestern Transmission Provider~~ for the actual cost of the Interconnection Facilities Study and environmental review and documentation. ~~Within three (3) Business Days following the Interconnection System Impact Study results meeting, Transmission Provider shall provide to Interconnection Customer a~~ A non-binding good faith estimate of the cost and timeframe for completing the Interconnection Facilities Study and environmental review and documentation will be included in the agreement. Interconnection Customer shall ~~sign and deliver~~ execute the Interconnection Facilities Study and Environmental Documentation Agreement ~~and deliver the executed Interconnection Facilities Study Agreement to~~ ~~Southwestern Transmission Provider~~ within thirty (30) Calendar Days after its receipt, ~~together with the required technical data and the greater of \$100,000 or Interconnection Customer's portion of the estimated monthly cost of conducting the Interconnection Facilities Study.~~ After its receipt of the Interconnection Facilities Study and Environmental Documentation Agreement from the Interconnection Customer, Southwestern shall execute said agreement and invoice the Interconnection Customer for Southwestern's estimated cost to perform its work under the Interconnection Facilities Study and Environmental Documentation Agreement pursuant to Section 13.3 of this LGIP.

8.1.1 ~~**THIS SECTION INTENTIONALLY LEFT BLANK.**~~ ~~Transmission Provider shall invoice Interconnection Customer on a monthly basis for the work to be conducted on the Interconnection Facilities Study each month. Interconnection Customer shall pay invoiced amounts within thirty (30) Calendar Days of receipt~~

~~of invoice. Transmission Provider shall continue to hold the amounts on deposit until settlement of the final invoice.~~

8.2 Scope of Interconnection Facilities Study and Environmental Documentation.

8.2.1 Scope of Interconnection Facilities Study .

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

8.2.2 Scope of Environmental Documentation.

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

8.3 ~~Interconnection Facilities Study~~ Procedures.

8.3.1 Interconnection Facilities Study Procedures.

~~Southwestern Transmission Provider~~ shall coordinate the Interconnection Facilities Study with ~~the SPP any Affected System~~ pursuant to Section 3.5 ~~above~~. ~~Southwestern Transmission Provider~~ shall utilize existing studies to the extent practicable in performing the Interconnection Facilities Study. ~~Southwestern Transmission Provider~~ shall use Reasonable Efforts to complete the study and issue a draft Interconnection Facilities Study report to Interconnection Customer within one hundred and eighty (180) Calendar Days ~~the following number of days~~ after receipt of a signed and executed ~~a signed and executed~~ Interconnection Facilities Study and Environmental Documentation Agreement ~~Agreement~~; ~~ninety (90) Calendar Days, with no more than a +/- 20 percent cost estimate contained in the~~

~~report; or one hundred eighty (180) Calendar Days, if Interconnection Customer requests a +/- 10 percent cost estimate.~~

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

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

8.3.2 Environmental Documentation Procedures.

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

- (a) Is a categorical exclusion (CX) negating the need for an EIS or EA; or
- (b) Requires preparation of an Environmental Assessment (EA); and/or
- (c) Requires preparation of an Environmental Impact Statement (EIS).

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

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

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

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

8.4 Meeting with Southwestern Transmission Provider.

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

8.5 Re-Study.

The Parties recognize the assumptions used to perform an Interconnection Study are made on the proposed configuration of the Transmission System and are thereby impacted by higher queued Interconnection Requests, as administrated by the SPP, that may require modifications to the Transmission System. In the event the SPP informs Southwestern of changes to the queue such as a higher queued project dropping out of the queue or modifications to an Interconnection Request higher in the queue that necessitates Southwestern perform re-studies, Southwestern will notify the Interconnection Customer in writing. Southwestern shall use Reasonable Efforts to perform and complete such re-study no later If Re-Study of the Interconnection Facilities Study is required due to a higher queued project dropping out of the queue or a modification of a higher queued project pursuant to Section 4.4, Transmission Provider shall so notify Interconnection Customer in writing. Such Re-Study shall take no longer than sixty (60) Calendar Days from the date of notice. Any cost of re-study Re-Study shall be borne by the Interconnection Customer being re-studied pursuant to Section 13.3 of this LGIP.

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

Prior to executing an LGIA, an Interconnection Customer may, in order to advance the implementation of its interconnection, request and ~~Southwestern Transmission Provider~~ shall offer the Interconnection Customer, an E&P Agreement that authorizes ~~Southwestern Transmission Provider~~ to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection. However, ~~Southwestern Transmission Provider~~ shall not be obligated to offer an E&P Agreement if Interconnection Customer is in Dispute Resolution as a result of an allegation that Interconnection Customer has failed to meet any milestones or comply with any prerequisites specified in other parts of the LGIP. The E&P Agreement is an optional procedure and it will not alter the Interconnection Customer's ~~Queue Position or In-~~

Service Date. The E&P Agreement shall provide for Interconnection Customer to pay the cost of all activities authorized by Interconnection Customer in advance of Southwestern's work pursuant to Section 13.3 of this LGIP~~and to make advance payments or provide other satisfactory security for such costs.~~

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

Section 10. Optional Interconnection Study

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

10.1 ~~THIS SECTION INTENTIONALLY LEFT BLANK.~~ Optional Interconnection Study Agreement.

~~On or after the date when Interconnection Customer receives Interconnection System Impact Study results, Interconnection Customer may request, and Transmission Provider shall perform a reasonable number of Optional Studies. The request shall describe the assumptions that Interconnection Customer wishes Transmission Provider to study within the scope described in Section 10.2. Within five (5) Business Days after receipt of a request for an Optional Interconnection Study, Transmission Provider shall provide to Interconnection Customer an Optional Interconnection Study Agreement in the form of Appendix 5.~~

~~The Optional Interconnection Study Agreement shall: (i) specify the technical data that Interconnection Customer must provide for each phase of the Optional Interconnection Study, (ii) specify Interconnection Customer's assumptions as to which Interconnection Requests with earlier queue priority dates will be excluded from the Optional Interconnection Study case and assumptions as to the type of interconnection service for Interconnection Requests remaining in the Optional Interconnection Study case, and (iii) Transmission Provider's estimate of the cost of the Optional Interconnection Study. To the extent known by Transmission Provider, such estimate shall include any costs expected to be incurred by any Affected System whose participation is necessary to complete the Optional Interconnection Study. Notwithstanding the above, Transmission Provider shall not be required as a result of an Optional Interconnection Study request to conduct any additional Interconnection Studies with respect to any other Interconnection Request.~~

~~Interconnection Customer shall execute the Optional Interconnection Study Agreement within ten (10) Business Days of receipt and deliver the Optional Interconnection Study Agreement, the technical data and a \$10,000 deposit to Transmission Provider.~~

10.2 THIS SECTION INTENTIONALLY LEFT BLANK. Scope of Optional Interconnection Study.

~~The Optional Interconnection Study will consist of a sensitivity analysis based on the assumptions specified by Interconnection Customer in the Optional Interconnection Study Agreement. The Optional Interconnection Study will also identify Transmission Provider's Interconnection Facilities and the Network Upgrades, and the estimated cost thereof, that may be required to provide transmission service or Interconnection Service based upon the results of the Optional Interconnection Study. The Optional Interconnection Study shall be performed solely for informational purposes. Transmission Provider shall use Reasonable Efforts to coordinate the study with any Affected Systems that may be affected by the types of Interconnection Services that are being studied. Transmission Provider shall utilize existing studies to the extent practicable in conducting the Optional Interconnection Study.~~

10.3 THIS SECTION INTENTIONALLY LEFT BLANK. Optional Interconnection Study Procedures.

~~The executed Optional Interconnection Study Agreement, the prepayment, and technical and other data called for therein must be provided to Transmission Provider within ten (10) Business Days of Interconnection Customer receipt of the Optional Interconnection Study Agreement. Transmission Provider shall use Reasonable Efforts to complete the Optional Interconnection Study within a mutually agreed upon time period specified within the Optional Interconnection Study Agreement. If Transmission Provider is unable to complete the Optional Interconnection Study within such time period, it shall notify Interconnection Customer and provide an estimated completion date and an explanation of the reasons why additional time is required. Any difference between the study payment and the actual cost of the study shall be paid to Transmission Provider or refunded to Interconnection Customer, as appropriate. Upon request, Transmission Provider shall provide Interconnection Customer supporting documentation and workpapers and databases or data developed in the preparation of the Optional Interconnection Study, subject to confidentiality arrangements consistent with Section 13.1.~~

Section 11. Standard Large Generator Interconnection Agreement (LGIA)

11.1 Tender.

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

11.2 Negotiation.

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

11.3 Execution and Filing.

Within fifteen (15) Business Days after receipt of the final LGIA, Interconnection Customer shall provide ~~Southwestern Transmission Provider~~ (A) reasonable evidence that continued Site Control or (B) posting of \$250,000, non-refundable additional security, which shall be applied toward future construction costs. At the same time, Interconnection Customer also shall provide reasonable evidence that one or more of the following milestones in the development of the Large Generating Facility, at Interconnection Customer election, has been achieved: (i) the execution of a contract for the supply or transportation of fuel to the Large Generating Facility; (ii) the execution of a contract for the supply of cooling water to the Large Generating Facility; (iii) execution of a contract for the engineering for, procurement of major equipment for, or construction of, the Large Generating Facility; (iv) execution of a contract for the sale of electric energy or capacity from the Large Generating Facility; or (v) application for an air, water, or land use permit. After completion of all of Southwestern's environmental review and documentation requirements and Southwestern's determination to offer a final LGIA, Southwestern shall submit three originals of the LGIA to the Interconnection Customer for signing.

Interconnection Customer shall ~~sign the three~~ either: (i) ~~execute two~~ originals of the tendered LGIA and return them to ~~Southwestern Transmission Provider~~; or (ii) ~~request in writing that Transmission Provider file with FERC an LGIA in unexecuted form~~. As soon as practicable, but not later than ten (10) Business Days after receiving ~~the three signed either the two executed~~ originals of the tendered LGIA, ~~Southwestern shall execute the LGIA and return one original copy to the Interconnection Customer (if it does not conform with a FERC-approved standard form of interconnection agreement) or the request to file an unexecuted LGIA, Transmission Provider shall file the LGIA with FERC,~~ together with its explanation of any matters as to which Interconnection Customer and Transmission Provider disagree and support for the costs that Transmission Provider proposes to charge to Interconnection Customer under the LGIA. ~~An unexecuted LGIA should contain terms and conditions deemed appropriate by Transmission Provider for the Interconnection Request. If the Parties agree to proceed with design, procurement, and construction of facilities and upgrades under the agreed-upon terms of the unexecuted LGIA, they may proceed pending FERC action.~~

11.4 Commencement of Interconnection Activities.

~~Upon execution of If Interconnection Customer executes~~ the final LGIA, ~~Southwestern Transmission Provider~~ and Interconnection Customer shall perform their respective obligations in accordance with the terms of the LGIA, ~~subject to modification by FERC. Upon submission of an unexecuted LGIA, Interconnection Customer and Transmission Provider shall promptly comply with the unexecuted LGIA, subject to modification by FERC.~~ ~~Southwestern shall invoice the Interconnection Customer for Southwestern's estimated cost to perform work pursuant to the LGIA in accordance with the invoicing schedule in the LGIA. Southwestern shall not perform any work under the LGIA prior to receiving funds from the Interconnection Customer for such work.~~

Section 12. Construction of ~~Southwestern's Transmission Provider's~~ Interconnection Facilities and Network Upgrades

12.1 Schedule.

~~The schedule for the construction of Southwestern's Interconnection Facilities shall be as set forth in the LGIA. Transmission Provider and Interconnection Customer shall negotiate in good faith concerning a schedule for the construction of Transmission Provider's Interconnection Facilities and the Network Upgrades.~~

12.2 Construction Sequencing.

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

12.2.1 ~~THIS SECTION INTENTIONALLY LEFT BLANK. General.~~

~~In general, the In-Service Date of an Interconnection Customers seeking interconnection to the Transmission System will determine the sequence of construction of Network Upgrades.~~

12.2.2 ~~THIS SECTION INTENTIONALLY LEFT BLANK. Advance Construction of Network Upgrades that are an Obligation of an Entity other than Interconnection Customer.~~

~~An Interconnection Customer with an LGIA, in order to maintain its In-Service Date, may request that Transmission Provider advance to the extent necessary the completion of Network Upgrades that: (i) were assumed in the Interconnection Studies for such Interconnection Customer, (ii) are necessary to support such In-Service Date, and (iii) would otherwise not be completed, pursuant to a contractual obligation of an entity other than Interconnection Customer that is seeking interconnection to the Transmission System, in time to support such In-Service Date. Upon such request, Transmission Provider will use Reasonable Efforts to advance the construction of such Network Upgrades to accommodate such request; provided that Interconnection Customer commits to pay Transmission Provider: (i) any associated expediting costs and (ii) the cost of such Network Upgrades.~~

~~Transmission Provider will refund to Interconnection Customer both the expediting costs and the cost of Network Upgrades, in accordance with Article 11.4 of the LGIA. Consequently, the entity with a contractual obligation to construct such Network Upgrades shall be obligated to pay only that portion of the costs of the Network Upgrades that Transmission Provider has not refunded to Interconnection Customer. Payment by that entity shall be due on the date that it would have been due had there been no request for advance construction. Transmission Provider shall forward to Interconnection Customer the amount paid by the entity with a contractual obligation to construct the Network Upgrades as payment in full for the outstanding balance owed to Interconnection Customer. Transmission Provider then shall refund to that entity the amount that it paid for the Network Upgrades, in accordance with Article 11.4 of the LGIA.~~

12.2.3 THIS SECTION INTENTIONALLY LEFT BLANK. Advancing Construction of Network Upgrades that are Part of an Expansion Plan of the Transmission Provider.

~~An Interconnection Customer with an LGIA, in order to maintain its In-Service Date, may request that Transmission Provider advance to the extent necessary the completion of Network Upgrades that: (i) are necessary to support such In-Service Date and (ii) would otherwise not be completed, pursuant to an expansion plan of Transmission Provider, in time to support such In-Service Date. Upon such request, Transmission Provider will use Reasonable Efforts to advance the construction of such Network Upgrades to accommodate such request; provided that Interconnection Customer commits to pay Transmission Provider any associated expediting costs. Interconnection Customer shall be entitled to transmission credits, if any, for any expediting costs paid.~~

12.2.4 THIS SECTION INTENTIONALLY LEFT BLANK. Amended Interconnection System Impact Study.

~~An Interconnection System Impact Study will be amended to determine the facilities necessary to support the requested In-Service Date. This amended study will include those transmission and Large Generating Facilities that are expected to be in service on or before the requested In-Service Date.~~

Section 13. Miscellaneous

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

13.1 Confidentiality.

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

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

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

13.1.1 Scope.

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

13.1.2 Release of Confidential Information.

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

13.1.3 Rights.

Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party. The disclosure by each Party to the other Party of Confidential Information shall not be deemed a waiver by either

Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

13.1.4 No Warranties.

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

13.1.5 Standard of Care.

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

13.1.6 Order of Disclosure.

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

13.1.7 ~~THIS SECTION INTENTIONALLY LEFT BLANK. Remedies.~~

~~The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Section 13.1. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Section 13.1, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Section 13.1, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Section 13.1.~~

13.1.8 Disclosure to FERC, or its Staff, ~~or a State.~~

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

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

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

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

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

13.2 Delegation of Responsibility.

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

13.3 Obligation for Study Costs.

~~Transmission Provider shall charge and The~~ Interconnection Customer shall pay ~~Southwestern's~~ the actual costs ~~for any of the~~ Interconnection Studies ~~performed by Southwestern pursuant to this LGIP. Southwestern shall not undertake any work on the Interconnection Studies until advanced funds are received by Southwestern from Interconnection Customer.~~ Any difference between the ~~advanced funds~~ ~~study deposit~~ and the actual cost of the applicable Interconnection Study ~~may be refunded. shall be paid by or refunded, except as otherwise provided herein, to Interconnection Customer or offset against the cost of any future Interconnection Studies associated with the applicable Interconnection Request prior to beginning of any such future Interconnection Studies.~~ Any invoices for Interconnection Studies shall include a detailed and itemized accounting of the cost of each Interconnection Study. ~~Interconnection Customer shall pay any such undisputed costs within thirty (30) Calendar Days of receipt of an invoice therefor.~~ ~~Southwestern~~ ~~Transmission Provider~~ shall not be obligated to perform or continue to perform any studies unless Interconnection Customer has paid all undisputed amounts in compliance herewith.

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

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

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

13.3.4 Refund of Excess and Payment of Additional Funds. ~~Following completion of Southwestern's obligations pursuant to these procedures, Southwestern shall submit a statement to Interconnection Customer of the actual costs incurred by Southwestern. If the amount provided by the Interconnection Customer pursuant to this Section 13.3 is greater than the actual costs, Southwestern shall refund any difference to the Interconnection Customer, except as otherwise provided herein, or use the excess funds to offset the cost of any future Interconnection~~

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

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

13.4 Third Parties Conducting Studies.

If (i) at the time of the signing of an Interconnection Facilities Study and Environmental Documentation Agreement there is disagreement as to the estimated time to complete ~~the~~ Interconnection Facilities Study, (ii) Interconnection Customer receives notice pursuant to Sections ~~6.3, 7.4 or~~ 8.3 that ~~Southwestern Transmission Provider~~ will not complete an Interconnection Study within the applicable timeframe for such Interconnection Study, or (iii) Interconnection Customer receives neither the Interconnection Study nor a notice under Sections ~~6.3, 7.4 or~~ 8.3 within the applicable timeframe for such Interconnection Study, then Interconnection Customer may require ~~Southwestern Transmission Provider~~ to utilize a third party consultant mutually reasonably acceptable to Interconnection Customer and ~~Southwestern Transmission Provider~~ to perform such Interconnection Study under the direction of Southwestern; provided, that this Section 13.4 shall not apply to Southwestern's obligation to complete its environmental review and documentation requirements ~~Transmission Provider~~. At other times, ~~Southwestern Transmission Provider~~ may also utilize a third party consultant to perform such Interconnection Study, either in response to a general request of Interconnection Customer, or on its own volition.

In all cases, use of a third party consultant shall be in accord with Article 26 of the LGIA (Subcontractors) and limited to situations where ~~Southwestern Transmission Provider~~ determines that doing so will help maintain or accelerate the study process for Interconnection Customer's pending Interconnection Request and not interfere with ~~Southwestern's Transmission Provider's~~ progress on Interconnection Studies for other pending Interconnection Requests. In cases where Interconnection Customer requests use of a third party consultant to perform such Interconnection Study, Interconnection Customer and ~~Southwestern Transmission Provider~~ shall negotiate all of the pertinent

terms and conditions, including reimbursement and advanced funding arrangements and the estimated study completion date and study review deadline. Southwestern Transmission Provider shall convey all workpapers, data bases, study results and all other supporting documentation prepared to date with respect to the Interconnection Request as soon as soon as practicable upon Interconnection Customer's request subject to the confidentiality provision in Section 13.1. In any case, such third party contract may be entered into with either Interconnection Customer or Southwestern Transmission Provider at Southwestern's Transmission Provider's discretion. In the case of (iii) Interconnection Customer maintains its right to submit a claim to Dispute Resolution to recover the costs of such third party study. Such third party consultant shall be required to comply with this LGIP, Article 26 of the LGIA (Subcontractors), and the relevant Tariff procedures and protocols as would apply if Southwestern Transmission Provider were to conduct the Interconnection Study and shall use the information provided to it solely for purposes of performing such services and for no other purposes. Southwestern Transmission Provider shall cooperate with such third party consultant and Interconnection Customer to complete and issue the Interconnection Study in the shortest reasonable time.

13.5 Disputes.

In the event any Party has a dispute, or asserts a claim, that arises out of or in connection with the LGIP, or their performance, the Parties agree to resolve such dispute using the Dispute Resolution procedures in Section 12 of the Tariff.

13.5.1 THIS SECTION INTENTIONALLY LEFT BLANK.Submission.

~~In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with the LGIA, the LGIP, or their performance, such Party (the "disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this LGIA.~~

13.5.2 THIS SECTION INTENTIONALLY LEFT BLANK.External Arbitration Procedures.

~~Any arbitration initiated under these procedures shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) Calendar Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the~~

~~Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("Arbitration Rules") and any applicable FERC regulations or RTO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Section 13, the terms of this Section 13 shall prevail.~~

13.5.3 THIS SECTION INTENTIONALLY LEFT BLANK. Arbitration Decisions.

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

13.5.4 THIS SECTION INTENTIONALLY LEFT BLANK. Costs.

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

13.6 Local Furnishing Bonds.

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

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

13.6.2 Alternative Procedures for Requesting Interconnection Service.

If ~~Southwestern Transmission Provider~~ determines that the provision of Interconnection Service requested by Interconnection Customer would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance ~~its~~ facilities that would be used in providing such Interconnection Service, it shall

advise the Interconnection Customer within thirty (30) Calendar Days of receipt of the Interconnection Request.

Interconnection Customer thereafter may renew its request for interconnection using the process specified in Article 5.2(ii) of the ~~Transmission Provider's~~ Tariff.

APPENDIX 1 to LGIP INTERCONNECTION REQUEST FOR A LARGE GENERATING FACILITY

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

1. ~~The undersigned Interconnection Customer submits this request to interconnect its Large Generating Facility with Transmission Provider's Transmission System pursuant to a Tariff.~~

2. ~~This Interconnection Request is for (check one):
_____ A proposed new Large Generating Facility.
_____ An increase in the generating capacity or a Material Modification of an existing Generating Facility.~~

3. ~~The type of interconnection service requested (check one):
_____ Energy Resource Interconnection Service
_____ Network Resource Interconnection Service~~

4. ~~_____ Check here only if Interconnection Customer requesting Network Resource Interconnection Service also seeks to have its Generating Facility studied for Energy Resource Interconnection Service~~

5. ~~Interconnection Customer provides the following information:
 - a. ~~Address or location of the proposed new Large Generating Facility site (to the extent known) or, in the case of an existing Generating Facility, the name and specific location of the existing Generating Facility;~~

 - b. ~~Maximum summer at _____ degrees C and winter at _____ degrees C megawatt electrical output of the proposed new Large Generating Facility or the amount of megawatt increase in the generating capacity of an existing Generating Facility;~~

 - c. ~~General description of the equipment configuration;~~

 - d. ~~Commercial Operation Date (Day, Month, and Year);~~

 - e. ~~Name, address, telephone number, and e-mail address of Interconnection Customer's contact person;~~

 - f. ~~Approximate location of the proposed Point of Interconnection (optional); and~~

 - g. ~~Interconnection Customer Data (set forth in Attachment A)~~~~

6. ~~Applicable deposit amount as specified in the LGIP.~~

7. ~~Evidence of Site Control as specified in the LGIP (check one)
_____ Is attached to this Interconnection Request
_____ Will be provided at a later date in accordance with this LGIP~~

8. ~~This Interconnection Request shall be submitted to the representative indicated below:
_____ [To be completed by Transmission Provider]~~

Appendix 1, page 1

Issued by: Laurence J. Yadon, II
General Counsel, Southwestern Power Administration

Issued on: September 26, 2007

Effective: December 1, 2007

~~9. Representative of Interconnection Customer to contact:
_____ [To be completed by Interconnection Customer]~~

~~10. This Interconnection Request is submitted by:~~

~~_____ Name of Interconnection Customer: _____~~

~~_____ By (signature): _____~~

~~_____ Name (type or print): _____~~

~~_____ Title: _____~~

~~_____ Date: _____~~

**Attachment A to Appendix 1
Interconnection Request**

LARGE GENERATING FACILITY DATA

UNIT RATINGS

kVA _____ °F _____ Voltage _____
 Power Factor _____
 Speed (RPM) _____ Connection (e.g. Wye) _____
 Short Circuit Ratio _____ Frequency, Hertz _____
 Stator Amperes at Rated kVA _____ Field Volts _____
 Max Turbine MW _____ °F _____

COMBINED TURBINE-GENERATOR-EXCITER INERTIA DATA

Inertia Constant, H = _____ kW-sec/kVA
 Moment-of-Inertia, WR² = _____ lb. ft.²

REACTANCE DATA (PER UNIT-RATED KVA)

DIRECT AXIS QUADRATURE AXIS

Synchronous – saturated	X _{dv} _____	X _{qv} _____
Synchronous – unsaturated	X _{di} _____	X _{qi} _____
Transient – saturated	X' _{dv} _____	X' _{qv} _____
Transient – unsaturated	X' _{di} _____	X' _{qi} _____
Subtransient – saturated	X" _{dv} _____	X" _{qv} _____
Subtransient – unsaturated	X" _{di} _____	X" _{qi} _____
Negative Sequence – saturated	X _{2v} _____	
Negative Sequence – unsaturated	X _{2i} _____	
Zero Sequence – saturated	X _{0v} _____	
Zero Sequence – unsaturated	X _{0i} _____	
Leakage Reactance	X _{lm} _____	

FIELD TIME CONSTANT DATA (SEC)

Open Circuit _____ T'do _____ T'qo _____
 Three-Phase Short Circuit Transient _____ T'd3 _____ T'q _____
 Line to Line Short Circuit Transient _____ T'd2 _____
 Line to Neutral Short Circuit Transient _____ T'd1 _____
 Short Circuit Subtransient _____ T"d _____ T"q _____
 Open Circuit Subtransient _____ T"do _____ T"qo _____

ARMATURE TIME CONSTANT DATA (SEC)

Three Phase Short Circuit _____ Ta3 _____
 Line to Line Short Circuit _____ Ta2 _____
 Line to Neutral Short Circuit _____ Ta1 _____

NOTE: If requested information is not applicable, indicate by marking "N/A."

**MW CAPABILITY AND PLANT CONFIGURATION
 LARGE GENERATING FACILITY DATA**

ARMATURE WINDING RESISTANCE DATA (PER UNIT)

Positive _____ R1 _____
 Negative _____ R2 _____
 Zero _____ R0 _____

Rotor Short Time Thermal Capacity I22t = _____
 Field Current at Rated kVA, Armature Voltage and PF = _____ amps
 Field Current at Rated kVA and Armature Voltage, 0 PF = _____ amps
 Three-Phase Armature Winding Capacitance = _____ microfarad
 Field Winding Resistance = _____ ohms _____ °C
 Armature Winding Resistance (Per Phase) = _____ ohms _____ °C

CURVES

~~Provide Saturation, Vee, Reactive Capability, Capacity Temperature Correction curves. Designate normal and emergency Hydrogen Pressure operating range for multiple curves.~~

GENERATOR STEP-UP TRANSFORMER DATA RATINGS

~~Capacity _____ Self-cooled/
_____ Maximum Nameplate
_____ / _____ kVA~~

~~Voltage Ratio(Generator Side/System side/Tertiary)
_____ / _____ / _____ kV~~

~~Winding Connections (Low V/High V/Tertiary V (Delta or Wye))
_____ / _____ / _____~~

~~Fixed Taps Available _____~~

~~Present Tap Setting _____~~

IMPEDANCE

~~Positive _____ Z1 (on self-cooled kVA rating) _____ % _____ X/R~~

~~Zero _____ Z0 (on self-cooled kVA rating) _____ % _____ X/R~~

~~EXCITATION SYSTEM DATA~~

~~Identify appropriate IEEE model block diagram of excitation system and power system stabilizer (PSS) for computer representation in power system stability simulations and the corresponding excitation system and PSS constants for use in the model.~~

~~GOVERNOR SYSTEM DATA~~

~~Identify appropriate IEEE model block diagram of governor system for computer representation in power system stability simulations and the corresponding governor system constants for use in the model.~~

~~WIND GENERATORS~~

~~Number of generators to be interconnected pursuant to this Interconnection Request:~~

~~_____~~

~~Elevation: _____ Single Phase _____ Three Phase~~

~~Inverter manufacturer, model name, number, and version:~~

~~_____~~

~~List of adjustable setpoints for the protective equipment or software:~~

~~_____~~

~~Note: A completed General Electric Company Power Systems Load Flow (PSLF) data sheet or other compatible formats, such as IEEE and PTI power flow models, must be supplied with the Interconnection Request. If other data sheets are more appropriate to the proposed device, then they shall be provided and discussed at Scoping Meeting.~~

INDUCTION GENERATORS

- (*) Field Volts: _____
- (*) Field Amperes: _____
- (*) Motoring Power (kW): _____
- (*) Neutral Grounding Resistor (If Applicable): _____
- (*) I²t or K (Heating Time Constant): _____
- (*) Rotor Resistance: _____
- (*) Stator Resistance: _____
- (*) Stator Reactance: _____
- (*) Rotor Reactance: _____
- (*) Magnetizing Reactance: _____
- (*) Short Circuit Reactance: _____
- (*) Exciting Current: _____
- (*) Temperature Rise: _____
- (*) Frame Size: _____
- (*) Design Letter: _____
- (*) Reactive Power Required In Vars (No Load): _____
- (*) Reactive Power Required In Vars (Full Load): _____
- (*) Total Rotating Inertia, H: _____ Per Unit on KVA Base

Note: Please consult Transmission Provider prior to submitting the Interconnection Request to determine if the information designated by (*) is required.

APPENDIX 2 to LGIP INTERCONNECTION FEASIBILITY STUDY AGREEMENT

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

~~THIS AGREEMENT~~ is made and entered into this _____ day of _____, 20____ by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") and _____ a _____ existing under the laws of the State of _____, ("Transmission Provider"). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

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

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

~~WHEREAS~~, Interconnection Customer has requested Transmission Provider to perform an Interconnection Feasibility Study to assess the feasibility of interconnecting the proposed Large Generating Facility to the Transmission System, and of any Affected Systems;

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

~~1.0~~ When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's FERC-approved LGIP.

~~2.0~~ Interconnection Customer elects and Transmission Provider shall cause to be performed an Interconnection Feasibility Study consistent with Section 6.0 of this LGIP in accordance with the Tariff.

~~3.0~~ The scope of the Interconnection Feasibility Study shall be subject to the assumptions set forth in Attachment A to this Agreement.

~~4.0~~ The Interconnection Feasibility Study shall be based on the technical information provided by Interconnection Customer in the Interconnection Request, as may be modified as the result of the Scoping Meeting. Transmission Provider reserves the right to request additional technical information from Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Interconnection Feasibility Study and as designated in accordance with Section 3.3.4 of the LGIP. If, after the designation of the Point of Interconnection pursuant to Section 3.3.4 of the LGIP, Interconnection Customer modifies its Interconnection Request pursuant to Section 4.4, the time to complete the Interconnection Feasibility Study may be extended.

~~5.0~~ The Interconnection Feasibility Study report shall provide the following information:

~~_____ preliminary identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;~~

~~_____ preliminary identification of any thermal overload or voltage limit violations resulting from the interconnection; and~~

~~_____ preliminary description and non-bonding estimated cost of facilities required to interconnect the Large Generating Facility to the Transmission System and to address the identified short circuit and power flow issues.~~

~~_____ 6.0 _____ Interconnection Customer shall provide a deposit of \$10,000 for the performance of the Interconnection Feasibility Study.~~

~~Upon receipt of the Interconnection Feasibility Study Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Interconnection Feasibility Study.~~

~~Any difference between the deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer, as appropriate.~~

~~_____ 7.0 _____ Miscellaneous. The Interconnection Feasibility Study Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, and that are consistent with regional practices, Applicable Laws and Regulations, and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of the LGIP and the LGIA.~~

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

~~**[Insert name of Transmission Provider or Transmission Owner, if applicable]**~~

~~By: _____ By: _____~~

~~Title: _____ Title: _____~~

~~Date: _____ Date: _____~~

~~**[Insert name of Interconnection Customer]**~~

~~By: _____~~

~~Title: _____~~

~~Date: _____~~

**Attachment A to Appendix 2
Interconnection Feasibility
Study Agreement**

**~~ASSUMPTIONS USED IN CONDUCTING THE
INTERCONNECTION FEASIBILITY STUDY~~**

~~_____ The Interconnection Feasibility Study will be based upon the information set forth in the
Interconnection Request and agreed upon in the Scoping Meeting held on
_____;~~

~~_____ Designation of Point of Interconnection and configuration to be studied.~~

~~_____ Designation of alternative Point(s) of Interconnection and configuration.~~

~~_____ [Above assumptions to be completed by Interconnection Customer and other assumptions to be
provided by Interconnection Customer and Transmission Provider]~~

APPENDIX 3 to LGIP INTERCONNECTION SYSTEM IMPACT STUDY AGREEMENT

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

~~THIS AGREEMENT~~ is made and entered into this _____ day of _____, 20____ by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") and _____ a _____ existing under the laws of the State of _____, ("Transmission Provider"). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

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

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

~~WHEREAS~~, Transmission Provider has completed an Interconnection Feasibility Study (the "Feasibility Study") and provided the results of said study to Interconnection Customer (This recital to be omitted if Transmission Provider does not require the Interconnection Feasibility Study.); and

~~WHEREAS~~, Interconnection Customer has requested Transmission Provider to perform an Interconnection System Impact Study to assess the impact of interconnecting the Large Generating Facility to the Transmission System, and of any Affected Systems;

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

~~1.0~~ When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's FERC-approved LGIP.

~~2.0~~ Interconnection Customer elects and Transmission Provider shall cause to be performed an Interconnection System Impact Study consistent with Section 7.0 of this LGIP in accordance with the Tariff.

~~3.0~~ The scope of the Interconnection System Impact Study shall be subject to the assumptions set forth in Attachment A to this Agreement.

~~4.0~~ The Interconnection System Impact Study will be based upon the results of the Interconnection Feasibility Study and the technical information provided by Interconnection Customer in the Interconnection Request, subject to any modifications in accordance with Section 4.4 of the LGIP. Transmission Provider reserves the right to request additional technical information from Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Interconnection Customer System Impact Study. If Interconnection Customer modifies its designated Point of Interconnection, Interconnection Request, or the technical information provided therein is modified, the time to complete the Interconnection System Impact Study may be extended.

Appendix 3, page 1

Issued by: Laurence J. Yadon, II
General Counsel, Southwestern Power Administration

Issued on: September 26, 2007

Effective: December 1, 2007

~~5.0 The Interconnection System Impact Study report shall provide the following information:~~

~~identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;~~

~~identification of any thermal overload or voltage limit violations resulting from the interconnection;~~

~~identification of any instability or inadequately damped response to system disturbances resulting from the interconnection and~~

~~description and non-binding, good faith estimated cost of facilities required to interconnect the Large Generating Facility to the Transmission System and to address the identified short circuit, instability, and power flow issues.~~

~~6.0 Interconnection Customer shall provide a deposit of \$50,000 for the performance of the Interconnection System Impact Study. Transmission Provider's good faith estimate for the time of completion of the Interconnection System Impact Study is [insert date].~~

~~Upon receipt of the Interconnection System Impact Study, Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Interconnection System Impact Study.~~

~~Any difference between the deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer, as appropriate.~~

~~7.0 Miscellaneous. The Interconnection System Impact Study Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, that are consistent with regional practices, Applicable Laws and Regulations and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of the LGIP and the LGIA.]~~

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

~~**[Insert name of Transmission Provider or Transmission Owner, if applicable]**~~

~~By: _____ By: _____~~

~~Title: _____ Title: _____~~

~~Date: _____ Date: _____~~

~~**[Insert name of Interconnection Customer]**~~

~~By: _____~~

~~Title: _____~~

Date: _____

**~~Attachment A To Appendix 3
Interconnection System Impact
Study Agreement~~**

**~~ASSUMPTIONS USED IN CONDUCTING THE
INTERCONNECTION SYSTEM IMPACT STUDY~~**

~~_____The Interconnection System Impact Study will be based upon the results of the Interconnection Feasibility Study, subject to any modifications in accordance with Section 4.4 of the LGIP, and the following assumptions:~~

~~Designation of Point of Interconnection and configuration to be studied.
Designation of alternative Point(s) of Interconnection and configuration.~~

~~_____ [Above assumptions to be completed by Interconnection Customer and other assumptions to be provided by Interconnection Customer and Transmission Provider]~~

**APPENDIX 4 to LGIP
INTERCONNECTION FACILITIES AND ENVIRONMENTAL
DOCUMENTATION STUDY AGREEMENT**

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

RECITALS

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

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

~~**WHEREAS**, Transmission Provider has completed an Interconnection System Impact Study (the "System Impact Study") and provided the results of said study to Interconnection Customer; and~~

WHEREAS, Interconnection Customer has requested ~~Southwestern Transmission Provider~~ to perform an Interconnection Facilities Study to specify and estimate the cost of the equipment, engineering, procurement and construction work needed to ~~implement the conclusions of the Interconnection System Impact Study in accordance with Good Utility Practice to~~ physically and electrically connect the Large Generating Facility to the Southwestern Transmission System, and establish the Parties responsible for the installation, operations, maintenance and replacements of such equipment; and

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

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

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Southwestern's Transmission Provider's FERC-approved LGIP.

2.0 Interconnection Customer elects and Southwestern Transmission Provider shall cause an Interconnection Facilities Study and environmental review and documentation consistent with Section 8.0 of this LGIP to be performed in accordance with the Tariff.

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

4.0 The Interconnection Facilities Study report (i) shall provide a description, estimated cost of ~~(consistent with Attachment A), and~~ schedule for required facilities to interconnect the Large Generating Facility to the Southwestern Transmission System and (ii) shall establish the installation, operation, ownership, maintenance and replacement responsibilities of the Parties for the Interconnection Facilities~~address the short circuit, instability, and power flow issues identified in the Interconnection System Impact Study.~~

5.0 The scope of Southwestern's environmental review and documentation requirements shall depend on whether Southwestern is required to complete an Environmental Assessment ("EA") or an Environmental Impact Statement ("EIS") for the requested interconnection pursuant to Section 8.0 of the LGIP. Southwestern has the authority to perform an EA. An EIS must be completed according to the Department of Energy's procedures.

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

5.2 Southwestern shall invoice for the cost of the environmental work pursuant to Section 6.0.

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

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

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

To Interconnection Customer:

The Party receiving the invoice shall pay the invoice within twenty (20) Calendar Days of date of the invoice or the next Business Day thereafter. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing

Party. Payment of invoices by either Party will not constitute a waiver of any rights or claims either Party may have under the LGIP.

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

6.2 Statement of Actual Costs and Refund. Within six months after completion of the work Southwestern shall provide a statement of the final cost of the work and shall set forth such costs in sufficient detail to enable the Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Any difference between the funds advanced to Southwestern pursuant to this Section 6.0 and the actual costs shall be paid by or refunded to Interconnection Customer, as appropriate.

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

7.0 Governing Law

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

7.2 Applicability. This Agreement is subject to all Applicable Laws and Regulations.

8.0 Notices

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

To Southwestern:

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

To Interconnection Customer:

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

9.0 Force Majeure

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

9.2 Economic Hardship. Economic hardship is not considered a Force Majeure event.

9.3 Default. Neither Party shall be considered to be in Default with respect to any obligation hereunder, (including obligations under Section 10), other than the obligation to pay money when due, if prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this Section 9.3 shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

9.4 Availability of Funds.

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

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

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

10.0 Indemnity

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

11.0 Assignment

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

12.0 Severability

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

13.0 Representations, Warranties, and Covenants

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

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

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

13.1.3 No Conflict. The execution, delivery and performance of this Agreement does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.

Appendix 4, page 5

Issued by: Laurence J. Yadon, II
General Counsel, Southwestern Power Administration

Issued on: September 26, 2007

Effective: December 1, 2007

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

14.0 Breach, Cure, and Default

14.1 General. A breach of this Agreement ("Breach") shall occur upon the failure by a Party to perform or observe any material term or condition of this Agreement. A default of this Agreement ("Default") shall occur upon the failure of a Party in Breach of this Agreement to cure such Breach in accordance with the provisions of Section 14.5.

14.2 Events of Breach. A Breach of this Agreement shall include:

(a) The failure to pay any amount when due;

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

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

(d) Assignment of this Agreement in a manner inconsistent with the terms of this Agreement;

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

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

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

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

Appendix 4, page 6

Issued by: Laurence J. Yadon, II
General Counsel, Southwestern Power Administration

Issued on: September 26, 2007

Effective: December 1, 2007

~~Interconnection Customer shall provide a deposit of \$100,000 for the performance of the Interconnection Facilities Study. The time for completion of the Interconnection Facilities Study is specified in Attachment A.~~

~~Transmission Provider shall invoice Interconnection Customer on a monthly basis for the work to be conducted on the Interconnection Facilities Study each month. Interconnection Customer shall pay invoiced amounts within thirty (30) Calendar Days of receipt of invoice. Transmission Provider shall continue to hold the amounts on deposit until settlement of the final invoice.~~

~~15.06.0~~ Miscellaneous. The Interconnection ~~Facilities~~Facility Study ~~and Environmental Documentation~~ Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, and that are consistent with regional practices, Applicable Laws and Regulations, and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of the LGIP and the LGIA.

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

AGREE:

[INTERCONNECTION CUSTOMER]

UNITED STATES OF AMERICA
SOUTHWESTERN POWER ADMINISTRATION

By _____

By _____

Title _____

Title _____

Date _____

Date _____

ATTEST:

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

(SEAL) _____ By _____

[Insert name of Transmission Provider or Transmission Owner, if applicable]

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____

**Attachment A To Appendix 4
Interconnection Facilities
Study and Environmental Documentation Agreement**

**INTERCONNECTION CUSTOMER SCHEDULE ELECTION FOR
CONDUCTING THE INTERCONNECTION FACILITIES STUDY**

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

- ~~_____ ninety (90) Calendar Days with no more than a +/- 20 percent cost estimate contained in the report, or~~
- one hundred eighty (180) Calendar ~~Days~~ Days ~~with no more than a +/- 10 percent cost estimate contained in the report.~~

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

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

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

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

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

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

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

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

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

What protocol does the control system or PLC use?

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

Physical dimensions of the proposed interconnection station:

Bus length from generation to interconnection station:

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

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

Number of third party easements required for transmission lines*:

Appendix 4, Attachment B, page 1

Issued by: Laurence J. Yadon, II
General Counsel, Southwestern Power Administration

Issued on: September 26, 2007

Effective: December 1, 2007

APPENDIX 5 to LGIP OPTIONAL INTERCONNECTION STUDY AGREEMENT

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

~~THIS AGREEMENT~~ is made and entered into this _____ day of _____, 20____ by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") and _____ a _____ existing under the laws of the State of _____, ("Transmission Provider"). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

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

~~WHEREAS~~, Interconnection Customer is proposing to establish an interconnection with the Transmission System; and

~~WHEREAS~~, Interconnection Customer has submitted to Transmission Provider an Interconnection Request; and

~~WHEREAS~~, on or after the date when Interconnection Customer receives the Interconnection System Impact Study results, Interconnection Customer has further requested that Transmission Provider prepare an Optional Interconnection Study;

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

~~1.0~~ When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's FERC approved LGIP.

~~2.0~~ Interconnection Customer elects and Transmission Provider shall cause an Optional Interconnection Study consistent with Section 10.0 of this LGIP to be performed in accordance with the Tariff.

~~3.0~~ The scope of the Optional Interconnection Study shall be subject to the assumptions set forth in Attachment A to this Agreement.

~~4.0~~ The Optional Interconnection Study shall be performed solely for informational purposes.

~~5.0~~ The Optional Interconnection Study report shall provide a sensitivity analysis based on the assumptions specified by Interconnection Customer in Attachment A to this Agreement. The Optional Interconnection Study will identify Transmission Provider's Interconnection Facilities and the Network Upgrades, and the estimated cost thereof, that may be required to provide transmission service or interconnection service based upon the assumptions specified by Interconnection Customer in Attachment A.

~~6.0 Interconnection Customer shall provide a deposit of \$10,000 for the performance of the Optional Interconnection Study. Transmission Provider's good faith estimate for the time of completion of the Optional Interconnection Study is [insert date].~~

~~Upon receipt of the Optional Interconnection Study, Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Optional Study.~~

~~Any difference between the initial payment and the actual cost of the study shall be paid by or refunded to Interconnection Customer, as appropriate.~~

~~7.0 Miscellaneous. The Optional Interconnection Study Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, and that are consistent with regional practices, Applicable Laws and Regulations, and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of the LGIP and the LGIA.~~

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

~~[Insert name of Transmission Provider or Transmission Owner, if applicable]~~

~~By: _____ By: _____
Title: _____ Title: _____
Date: _____ Date: _____~~

~~[Insert name of Interconnection Customer]~~

~~By: _____
Title: _____
Date: _____~~

Note: This document reflects the state of the LGIA as of the issuance of Order No. 2003-C.

**Appendix 6 to the Standard Large
Generator Interconnection Procedures**

**STANDARD LARGE GENERATOR
INTERCONNECTION AGREEMENT (LGIA)**

Issued by: Laurence J. Yadon, II
General Counsel, Southwestern Power Administration

Issued on: September 26, 2007

Effective: December 1, 2007

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Appendix B – Milestones

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Appendix E – Commercial Operation Date

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Appendix G – Requirements of Generators Relying on Newer Technologies

STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT

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

~~THIS STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT ("Agreement") is made and entered into this ____ day of _____, 20____, by and between _____, a _____ organized and existing under the laws of the State/Commonwealth of _____ ("Interconnection Customer" with a Large Generating Facility), and _____, a _____ organized and existing under the laws of the State/Commonwealth of _____ ("Transmission Provider and/or Transmission Owner"). Interconnection Customer and Transmission Provider each may be referred to as a "Party" or collectively as the "Parties."~~

Recitals

~~WHEREAS, Transmission Provider operates the Transmission System; and~~

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

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

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

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

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

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

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

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

Article 1. Definitions

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

Affected System shall mean an electric system other than the ~~Southwestern Transmission Provider's~~ Transmission System that may be affected by the proposed interconnection.

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

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

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

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

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

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

Base Case shall mean the base case power flow, short circuit, and stability data bases used for the Interconnection ~~StudyStudies~~ by the ~~SPP, Southwestern Transmission Provider~~ or Interconnection Customer.

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

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

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

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

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

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

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

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

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

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

Dispute Resolution shall mean the procedure in Section 12 of the Tariff for resolution of a dispute between the Parties in which they will first attempt to resolve the dispute on an informal basis.

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

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

Effective Date shall mean the date on which the Standard Large Generator Interconnection Agreement becomes effective upon execution by the Administrator of Southwestern or the Administrator's authorized representative ~~Parties subject to acceptance by FERC, or if filed unexecuted, upon the date specified by FERC.~~

Emergency Condition shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of ~~Southwestern Transmission Provider~~, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Southwestern Transmission Provider's Transmission System, ~~Southwestern's Transmission Provider's~~ Interconnection Facilities or the electric systems of others to which the ~~Southwestern Transmission Provider's~~ Transmission System is directly connected; or (3) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by the Standard Large Generator Interconnection Agreement to possess black start capability.

Energy Resource Interconnection Service shall mean an Interconnection Service as evaluated by the SPP that allows the Interconnection Customer to connect its Generating Facility to the ~~Southwestern Transmission Provider's~~ Transmission System to be eligible to deliver the Generating Facility's electric output using the existing firm or nonfirm capacity of the ~~Transmission Provider's~~

Transmission System on an as available basis. Energy Resource Interconnection Service in and of itself does not convey transmission service.

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

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

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

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

Force Majeure shall mean acts of God (including but not limited to, failure of water supply, earthquakes, fires, floods, windstorms, landslides, and ice storms); strikes, lockout, or other labor disputes; acts of public enemy; wars, riots, and insurrection; epidemics; civil disturbances; explosions; train derailments; breakdown or failure of machinery or facilities, and delay in delivery of equipment to the extent such occurrences are beyond the reasonable control of the Parties; electrical disturbance originating in or transmitted through such Party's electrical system or equipment or any electrical system with which such Party's system or equipment is interconnected; and any other event, cause, or condition beyond the Party's reasonable control, which, by the exercise of reasonable diligence, prevents the Party claiming Force Majeure from performing its obligations under this Agreement. any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

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

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

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

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

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

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

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

Interconnection Customer shall mean any entity, ~~including the Transmission Provider, Transmission Owner~~ or any of the Affiliates or subsidiaries of ~~such entity~~~~either~~, that proposes to interconnect its Generating Facility with the ~~Southwestern Transmission Provider's~~ Transmission System.

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

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

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

Interconnection Facilities Study and Environmental Documentation Agreement shall mean ~~the executed agreement between Southwestern and the Interconnection Customer that determines the facilities required for the interconnection and provides for Southwestern to complete its documentation requirements under the National Environmental Policy Act (NEPA). the form of agreement contained in Appendix 4 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection Facilities Study.~~

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

Interconnection Feasibility Study Agreement shall mean the executed form of agreement contained in ~~the SPP's Appendix 2 of the~~ Standard Large Generator Interconnection Procedures for conducting the Interconnection Feasibility Study.

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

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

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

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

Interconnection System Impact Study Agreement shall mean the executed form of agreement contained in ~~the SPP's Appendix 3 of the~~ Standard Large Generator Interconnection Procedures for conducting the Interconnection System Impact Study.

~~IRS shall mean the Internal Revenue Service.~~

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

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

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

of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnifying Party.

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

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

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

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

Network Resource Interconnection Service shall mean an Interconnection Service as evaluated by the SPP that allows the Interconnection Customer to integrate its Large Generating Facility with the ~~Transmission Provider's~~ Transmission System (1) in a manner comparable to that in which ~~Southwestern the Transmission Provider~~ integrates its generating facilities to serve native load customers; or (2) in an RTO or ISO with market based congestion management, in the same manner as Network Resources. Network Resource Interconnection Service in and of itself does not convey transmission service.

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

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

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

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

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

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

Point of Interconnection shall mean the point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where the Interconnection Facilities connect to the ~~Southwestern Transmission Provider's~~ Transmission System.

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

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

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

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

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

Stand Alone Network Upgrades shall mean Network Upgrades that an Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction, as determined by the SPP. ~~Both the Transmission Provider and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the Standard Large Generator Interconnection Agreement.~~

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

Standard Large Generator Interconnection Procedures (LGIP) shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Large Generating Facility that are included in the ~~Transmission Provider's~~ Tariff. Where the words "Standard Large Generator Interconnection Procedures" or "LGIP" are preceded by "SPP's" shall mean the SPP's interconnection procedures.

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

Tariff shall mean ~~Southwestern's the Transmission Provider's~~ Tariff through which open access transmission service and Interconnection Service are offered, ~~as filed with FERC~~, and as amended or supplemented from time to time, or any successor tariff.

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

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

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

Transmission System shall mean the facilities owned, controlled or operated by ~~Southwestern~~ when preceded by the term "Southwestern" or transmission facilities controlled by the SPP when preceded by the term "SPP" the Transmission Provider or Transmission Owner that are used to provide transmission service under ~~Southwestern's the~~ Tariff or the SPP tariff. Where the words "Transmission System" are not preceded by either shall mean the facilities of both.

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

Article 2. Effective Date, Term, and Termination

- 2.1 Effective Date.** This LGIA shall become effective upon the date signed by the Administrator of Southwestern, or the Administrator's authorized representative execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by FERC. ~~Transmission Provider shall promptly file this LGIA with FERC upon execution in accordance with Article 3.1, if required.~~
- 2.2 Term of Agreement.** Subject to the provisions of Article 2.3, this LGIA shall remain in effect for a period of ten (10) years from the Effective Date or such other longer period as Interconnection Customer may request as mutually agreed upon by the Parties (Term to be specified in individual agreements) and shall be automatically renewed for each successive one-year period thereafter. Notwithstanding this Article 2.2 or Article 2.3; the maximum effective period for this LGIA shall be forty (40) years from the Effective Date. Five years prior to termination, Interconnection Customer shall provide written notice of its intention to extend the LGIA. Upon receiving such notice, Southwestern shall enter into good faith discussions regarding an extension of the LGIA at the Interconnection Customer's request.

2.3 Termination Procedures.

2.3.1 Written Notice. This LGIA may be terminated by Interconnection Customer after giving ~~Southwestern Transmission Provider~~ ninety (90) Calendar Days advance written notice, or by ~~Southwestern Transmission Provider if the Generating Facility has ceased Commercial Operations for three (3) consecutive years, beginning on the last date of Commercial Operations of the Generating Facility, after giving Interconnection Customer ninety (90) Calendar Days advance written notice.~~ notifying FERC after the Generating Facility permanently ceases Commercial Operation.

2.3.2 Default. Either Party may terminate this LGIA in accordance with Article 17.

2.3.3 Notwithstanding Articles 2.3.1 and 2.3.2, no termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination, ~~including the filing with FERC of a notice of termination of this LGIA, which notice has been accepted for filing by FERC.~~

2.3.4 Availability of Funds.

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

2.3.4.2 No obligation contained herein for the future payment of money by Southwestern, or liability on the part of Southwestern for breach of any of the provisions contained herein, shall be binding upon or enforceable against Southwestern unless and until funds, as provided in Article 2.3.4.1, are available out of which such obligations or liability can be legally paid.

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

2.4 Termination Costs. If a Party elects to terminate this Agreement pursuant to Article 2.3 above, each Party shall pay all costs incurred (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) or charges assessed by the other Party, as of the date of the other Party's receipt of such notice of termination,

~~for which it is responsible that are the responsibility of the Terminating Party~~ under this LGIA. ~~Southwestern shall not be responsible for any costs if it terminates this Agreement due to unavailability of funds pursuant to the provisions of Article 2.3.4.~~ In the event of termination by a Party, the Parties shall use commercially Reasonable Efforts to mitigate the costs, damages and charges arising as a consequence of termination. Upon termination of this LGIA, ~~unless otherwise ordered or approved by FERC:~~

2.4.1 With respect to any portion of ~~Southwestern's Transmission Provider's~~ Interconnection Facilities that have not yet been constructed or installed, ~~Southwestern Transmission Provider~~ shall to the extent possible and with Interconnection Customer's authorization cancel any pending orders of, or return, any materials or equipment for, or contracts for construction of, such facilities; provided that in the event Interconnection Customer elects not to authorize such cancellation, Interconnection Customer shall assume all payment obligations with respect to such materials, equipment, and contracts, and ~~Southwestern Transmission Provider~~ shall deliver such material and equipment, and, if necessary, assign such contracts to the extent allowable by Federal Acquisition Regulations, to Interconnection Customer as soon as practicable, at Interconnection Customer's expense. To the extent that Interconnection Customer has already paid ~~Southwestern Transmission Provider~~ for any or all such costs of materials or equipment not taken by Interconnection Customer, ~~Southwestern Transmission Provider~~ shall promptly refund such amounts to Interconnection Customer, less any costs, including penalties incurred by ~~Southwestern Transmission Provider~~ to cancel any pending orders of or return such materials, equipment, or contracts.

If an Interconnection Customer terminates this LGIA, it shall be responsible for all costs incurred ~~attributable to in association with~~ that Interconnection Customer's interconnection, including but not limited to any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment, and other expenses including any costs incurred by Southwestern for the restoration of continuity of the Southwestern Transmission System Network Upgrades for which ~~Southwestern Transmission Provider~~ has incurred expenses and has not been provided advanced funding reimbursed by Interconnection Customer.

2.4.2 ~~Southwestern Transmission Provider~~ may, at its option, retain any portion of such materials, equipment, or facilities that Interconnection Customer chooses not to accept delivery of, in which case ~~Southwestern Transmission Provider~~ shall be responsible for all costs associated with procuring such materials, equipment, or facilities.

2.4.3 With respect to any portion of the Interconnection Facilities, and any other facilities already installed or constructed pursuant to the terms of this LGIA, Interconnection Customer shall be responsible for all costs associated with the removal, relocation or other disposition or retirement of such materials, equipment, or facilities.

2.5 **Disconnection.** Upon termination of this LGIA, the Parties will take all appropriate steps to disconnect the Large Generating Facility from the ~~Southwestern~~ Transmission System. All costs required to effectuate such disconnection shall be borne by the terminating

Party, unless such termination resulted from the non-terminating Party's Default of this LGIA or such non-terminating Party otherwise is responsible for these costs under this LGIA; provided, that Southwestern shall not be responsible for the Interconnection Customer's costs if such termination by Southwestern was a result of unavailability of funds pursuant to Article 2.3.4.

- 2.6 Survival.** This LGIA shall continue in effect after termination to the extent necessary to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this LGIA; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this LGIA was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this LGIA or other applicable agreements, to disconnect, remove or salvage its own facilities and equipment.

Article 3. THIS ARTICLE INTENTIONALLY LEFT BLANKRegulatory Filings

~~3.1. Transmission Provider shall file this LGIA (and any amendment hereto) with the appropriate Governmental Authority, if required. Interconnection Customer may request that any information so provided be subject to the confidentiality provisions of Article 22. If Interconnection Customer has executed this LGIA, or any amendment thereto, Interconnection Customer shall reasonably cooperate with Transmission Provider with respect to such filing and to provide any information reasonably requested by Transmission Provider needed to comply with applicable regulatory requirements.~~

Article 4. Scope of Service

4.1 Interconnection Customer has coordinated with the SPP to select either Energy Resource Interconnection Service or Network Resource Interconnection Service pursuant to the terms of the SPP's LGIP and applicable provisions of the SPP/Southwestern Agreement. ~~Interconnection Product Options. Interconnection Customer has selected the following (checked) type of Interconnection Service:~~

4.1.1 THIS ARTICLE INTENTIONALLY LEFT BLANK.Energy Resource Interconnection Service.

~~4.1.1.1The Product. Energy Resource Interconnection Service allows Interconnection Customer to connect the Large Generating Facility to the Transmission System and be eligible to deliver the Large Generating Facility's output using the existing firm or non-firm capacity of the Transmission System on an "as available" basis. To the extent Interconnection Customer wants to receive Energy Resource Interconnection Service, Transmission Provider shall construct facilities identified in Attachment A.~~

~~4.1.1.2Transmission Delivery Service Implications. Under Energy Resource Interconnection Service, Interconnection Customer will be eligible to inject power from the Large Generating Facility into and deliver power across the interconnecting Transmission Provider's Transmission~~

~~System on an "as available" basis up to the amount of MWs identified in the applicable stability and steady state studies to the extent the upgrades initially required to qualify for Energy Resource Interconnection Service have been constructed. Where eligible to do so (e.g., PJM, ISO-NE, NYISO), Interconnection Customer may place a bid to sell into the market up to the maximum identified Large Generating Facility output, subject to any conditions specified in the interconnection service approval, and the Large Generating Facility will be dispatched to the extent Interconnection Customer's bid clears. In all other instances, no transmission delivery service from the Large Generating Facility is assured, but Interconnection Customer may obtain Point-to-Point Transmission Service, Network Integration Transmission Service, or be used for secondary network transmission service, pursuant to Transmission Provider's Tariff, up to the maximum output identified in the stability and steady state studies. In those instances, in order for Interconnection Customer to obtain the right to deliver or inject energy beyond the Large Generating Facility Point of Interconnection or to improve its ability to do so, transmission delivery service must be obtained pursuant to the provisions of Transmission Provider's Tariff. The Interconnection Customer's ability to inject its Large Generating Facility output beyond the Point of Interconnection, therefore, will depend on the existing capacity of Transmission Provider's Transmission System at such time as a transmission service request is made that would accommodate such delivery. The provision of firm Point-to-Point Transmission Service or Network Integration Transmission Service may require the construction of additional Network Upgrades.~~

4.1.2 ~~THIS ARTICLE INTENTIONALLY LEFT BLANK.~~ Network Resource Interconnection Service:

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

4.1.2.2 Transmission Delivery Service Implications. ~~Network Resource Interconnection Service allows Interconnection Customer's Large Generating Facility to be designated by any Network Customer under the Tariff on Transmission Provider's Transmission System as a Network Resource, up to the Large Generating Facility's full output, on the same basis as existing Network Resources interconnected to Transmission Provider's Transmission System, and to be studied as a Network Resource on the assumption that such a designation will occur. Although Network Resource Interconnection Service does not convey a reservation of transmission service, any Network Customer under the Tariff can utilize its network service under the Tariff to obtain delivery of~~

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

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

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

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

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

- 4.2 Provision of Service.** Transmission Provider shall provide Interconnection Service for the Large Generating Facility at the Point of Interconnection. ~~The Parties recognize that Southwestern has a statutory duty to fulfill its obligations under Section 5 of the 1944 Flood Control Act, and Southwestern has limited ability to provide Control Area services to accommodate the inclusion of generation in Southwestern's Control Area. Southwestern shall have the discretion to determine, based on Southwestern's review of the operational characteristics of each generating facility in conjunction with the capabilities of Southwestern's resources and authorities, whether such facility will electrically reside within the Control Area of Southwestern.~~
- 4.3 Performance Standards.** Each Party shall perform all of its obligations under this LGIA in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice, and to the extent a Party is required or prevented or limited in taking any action by such regulations and standards, such Party shall not be deemed to be in Breach of this LGIA for its compliance therewith. ~~If such Party is a Transmission Provider or Transmission Owner, then that Party shall amend the LGIA and submit the amendment to FERC for approval.~~
- 4.4 No Transmission Delivery Service.** The execution of this LGIA does not constitute a request for, nor the provision of, any transmission delivery service under ~~the SPP's or Southwestern's tariff pursuant to the applicable provisions of the SPP/Southwestern Agreement~~ Transmission Provider's Tariff, and does not convey any right to deliver electricity to any specific customer or Point of Delivery.
- 4.5 Interconnection Customer Provided Services.** The services provided by Interconnection Customer under this LGIA are set forth in Article 9.6 and Article 13.5.1. Interconnection Customer shall be paid for such services in accordance with Article 11.6.

Article 5. Interconnection Facilities Engineering, Procurement, and Construction

- 5.1 Options.** Unless otherwise mutually agreed to between the Parties, Interconnection Customer shall select the In-Service Date, Initial Synchronization Date, and Commercial Operation Date, and either Standard Option or Alternate Option set forth below for completion of ~~Southwestern's Transmission Provider's~~ Interconnection Facilities ~~and Network Upgrades~~ as set forth in Appendix A, Interconnection Facilities ~~and Network Upgrades~~, and such dates and selected option shall be set forth in Appendix B, Milestones. Southwestern will work with the SPP to coordinate dates as set forth in Appendix B, Milestones, of this LGIA with those established between the SPP and the Interconnection Customer for the engineering, procurement, and construction of Network Upgrades.

5.1.1 Standard Option. ~~Southwestern Transmission Provider~~ shall design, procure, and construct ~~Southwestern's Transmission Provider's~~ Interconnection Facilities ~~and Network Upgrades~~, using Reasonable Efforts to complete ~~Southwestern's Transmission Provider's~~ Interconnection Facilities ~~and Network Upgrades~~ by the dates set forth in Appendix B, Milestones. ~~Southwestern Transmission Provider~~ shall not be required to undertake any action which is inconsistent with its standard safety ~~and security~~ practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, ~~and~~ Applicable Laws and Regulations, ~~and~~ Good Utility Practice. In the event ~~Southwestern Transmission Provider~~ reasonably expects that it will not be able to complete ~~Southwestern's Transmission Provider's~~ Interconnection Facilities ~~and Network Upgrades~~ by the specified dates, ~~Southwestern Transmission Provider~~ shall promptly provide written notice to Interconnection Customer and shall undertake Reasonable Efforts to meet the earliest dates thereafter.

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

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

5.1.3 Option to Build. If the dates designated by Interconnection Customer are not acceptable to ~~Southwestern Transmission Provider~~, ~~Southwestern Transmission Provider~~ shall use Reasonable Efforts to ~~so~~ notify Interconnection Customer within thirty (30) Calendar Days, and unless the Parties agree otherwise, Interconnection Customer shall have the option to assume responsibility for the design, procurement and construction of ~~Southwestern's Transmission Provider's~~ Interconnection Facilities ~~and Stand Alone Network Upgrades~~ on the dates specified in Article 5.1.2. ~~Transmission Provider and Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify such Stand Alone Network Upgrades in Appendix A. Except for Stand Alone Network Upgrades, Interconnection Customer shall have no right to construct Network Upgrades under this option.~~

5.1.4 Negotiated Option. If Interconnection Customer elects not to exercise its option under Article 5.1.3, Option to Build, Interconnection Customer shall so notify

~~Southwestern Transmission Provider~~ within thirty (30) Calendar Days, and the Parties shall in good faith attempt to negotiate terms and conditions (including revision of the specified dates ~~and liquidated damages~~, the provision of incentives or the procurement and construction of a portion of ~~Southwestern's Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades~~ by Interconnection Customer) pursuant to which ~~Southwestern Transmission Provider~~ is responsible for the design, procurement and construction of ~~Southwestern's Transmission Provider's Interconnection Facilities and Network Upgrades~~. If the Parties are unable to reach agreement on such terms and conditions, ~~Southwestern Transmission Provider~~ shall assume responsibility for the design, procurement and construction of ~~Southwestern's Transmission Provider's Interconnection Facilities and Network Upgrades~~ pursuant to 5.1.1, Standard Option.

5.2 General Conditions Applicable to Option to Build. If Interconnection Customer assumes responsibility for the design, procurement and construction of ~~Southwestern's Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades~~,

- (1) Interconnection Customer shall engineer, procure equipment, and construct ~~Southwestern's Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades~~ (or portions thereof) using Good Utility Practice and using standards and specifications provided in advance by ~~Southwestern Transmission Provider~~;
- (2) Interconnection Customer's engineering, procurement and construction of ~~Southwestern's Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades~~ shall comply with all requirements of law to which ~~Southwestern Transmission Provider~~ would be subject in the engineering, procurement or construction of ~~Southwestern's Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades~~;
- (3) ~~Southwestern Transmission Provider~~ shall review and approve the engineering design, equipment acceptance tests, and the construction of ~~Southwestern's Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades~~;
- (4) prior to commencement of construction, Interconnection Customer shall provide to ~~Southwestern Transmission Provider~~ a schedule for construction of ~~Southwestern's Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades~~, and shall promptly respond to requests for information from ~~Southwestern Transmission Provider~~;
- (5) at any time during construction, ~~Southwestern Transmission Provider~~ shall have the right to gain unrestricted access to ~~Southwestern's Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades~~ and to conduct inspections, at the Interconnection Customer's cost, of the same;
- (6) at any time during construction, should any phase of the engineering, equipment procurement, or construction of ~~Southwestern's Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades~~ not meet the standards and specifications provided by ~~Southwestern Transmission~~

~~Provider~~, Interconnection Customer shall be obligated to remedy deficiencies in that portion of ~~Southwestern's Transmission Provider's~~ Interconnection Facilities and Stand Alone Network Upgrades;

(7) Interconnection Customer shall indemnify ~~Southwestern Transmission Provider~~ for claims arising from Interconnection Customer's construction of ~~Southwestern's Transmission Provider's~~ Interconnection Facilities ~~and Stand Alone Network Upgrades~~ under the terms and procedures applicable to Article 18.1, Indemnity;

(8) Interconnection Customer shall transfer control of ~~Southwestern's Transmission Provider's~~ Interconnection Facilities ~~and Stand Alone Network Upgrades~~ to ~~Southwestern Transmission Provider~~;

(9) Unless Parties otherwise agree, Interconnection Customer shall transfer ownership of ~~Southwestern's Transmission Provider's~~ Interconnection Facilities ~~and Stand Alone Network Upgrades~~ to ~~Southwestern Transmission Provider~~;

(10) ~~Southwestern Transmission Provider~~ shall approve and accept for operation and maintenance ~~Southwestern's Transmission Provider's~~ Interconnection Facilities ~~and Stand Alone Network Upgrades~~ to the extent engineered, procured, and constructed in accordance with this Article 5.2; ~~and~~

(11) Interconnection Customer shall deliver to ~~Southwestern Transmission Provider~~ "as-built" drawings, information, and any other documents in compliance with Southwestern's standards that are reasonably required by ~~Southwestern Transmission Provider~~ to assure that the Interconnection Facilities ~~and Stand Alone Network Upgrades~~ are built to the standards and specifications required by Transmission Provider; ~~and~~

(12) Interconnection Customer shall acquire land "in fee" for the location of Southwestern's Interconnection Facilities. Such land shall be transferred to Southwestern with an unencumbered title. Property shall be fenced and have an access road as approved by Southwestern at the Interconnection Customer's expense.

5.3 ~~**THIS ARTICLE INTENTIONALLY LEFT BLANK. Liquidated Damages.** The actual damages to Interconnection Customer, in the event Transmission Provider's Interconnection Facilities or Network Upgrades are not completed by the dates designated by Interconnection Customer and accepted by Transmission Provider pursuant to subparagraphs 5.1.2 or 5.1.4, above, may include Interconnection Customer's fixed operation and maintenance costs and lost opportunity costs. Such actual damages are uncertain and impossible to determine at this time. Because of such uncertainty, any liquidated damages paid by Transmission Provider to Interconnection Customer in the event that Transmission Provider does not complete any portion of Transmission Provider's Interconnection Facilities or Network Upgrades by the applicable dates, shall be an amount equal to 1/2 of 1 percent per day of the actual cost of Transmission Provider's Interconnection Facilities and Network Upgrades, in the aggregate, for which Transmission Provider has assumed responsibility to design, procure and construct.~~

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

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

5.4 Power System Stabilizers. The Interconnection Customer shall procure, install, maintain and operate power system stabilizers~~Power System Stabilizers~~ in accordance with the guidelines and procedures established by the Applicable Reliability Council. ~~Southwestern Transmission Provider~~ reserves the right to reasonably establish minimum acceptable settings for any installed power system stabilizers~~Power System Stabilizers~~, subject to the design and operating limitations of the Large Generating Facility. If the Large Generating Facility's power system stabilizers~~Power System Stabilizers~~ are removed from service or not capable of automatic operation, Interconnection Customer shall immediately notify ~~Southwestern's Transmission Provider's~~ system operator, or its designated representative. The requirements of this paragraph shall not apply to wind generators.

5.5 Equipment Procurement. If responsibility for construction of ~~Southwestern's Transmission Provider's~~ Interconnection Facilities or Network Upgrades is to be borne by ~~Southwestern Transmission Provider~~, then ~~Southwestern Transmission Provider~~ shall commence design of ~~Southwestern's Transmission Provider's~~ Interconnection Facilities or ~~Network Upgrades~~ and procure necessary equipment and acquire necessary property rights as soon as practicable after all of the following conditions are satisfied, unless the Parties otherwise agree in writing:

5.5.1 ~~Southwestern Transmission Provider~~ has completed its work the Facilities Study pursuant to the Facilities Study and Environmental Documentation Agreement;

- 5.5.2 ~~Southwestern Transmission Provider~~ has received written authorization to proceed with design and procurement from Interconnection Customer by the date specified in Appendix B, Milestones; and
- 5.5.3 Interconnection Customer has provided advanced payment security to ~~Southwestern Transmission Provider~~ in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.
- 5.6 **Construction Commencement.** ~~Southwestern Transmission Provider~~ shall commence construction of ~~Southwestern's Transmission Provider's~~ Interconnection Facilities ~~and Network Upgrades~~ for which it is responsible as soon as practicable after the following additional conditions are satisfied:
- 5.6.1 Approval of the appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval;
- 5.6.2 Necessary real property rights and rights-of-way have been obtained, to the extent required for the construction of a discrete aspect of ~~Southwestern's Transmission Provider's~~ Interconnection ~~Facilities and Network Upgrades~~;
- 5.6.3 ~~Southwestern Transmission Provider~~ has received written authorization to proceed with construction from Interconnection Customer by the date specified in Appendix B, Milestones; and
- 5.6.4 Interconnection Customer has provided advanced funds security to ~~Southwestern Transmission Provider~~ in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.
- 5.7 **Work Progress.** The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Either Party may, at any time, request a progress report from the other Party. If, at any time, Interconnection Customer determines that the completion of ~~Southwestern's Transmission Provider's~~ Interconnection Facilities will not be required until after the specified In-Service Date, Interconnection Customer will provide written notice to ~~Southwestern Transmission Provider~~ of such later date upon which the completion of ~~Southwestern's Transmission Provider's~~ Interconnection Facilities will be required.
- 5.8 **Information Exchange.** As soon as reasonably practicable after the Effective Date, the Parties shall exchange information regarding the design and compatibility of the Parties' Interconnection Facilities and compatibility of the Interconnection Facilities with the Southwestern Transmission Provider's Transmission System, and shall work diligently and in good faith to make any necessary design changes.
- 5.9 **Limited Operation.** Unless otherwise agreed in writing by Southwestern and except as provided in 5.10.3, all work pursuant to this Agreement must be fully completed prior to the Initial Synchronization Date. The Interconnection Customer shall coordinate with the

~~SPP for the performance of operating studies to determine the extent of limited operation of the Large Generating Facility and Interconnection Customer's Interconnection Facilities. If any of Transmission Provider's Interconnection Facilities or Network Upgrades are not reasonably expected to be completed prior to the Commercial Operation Date of the Large Generating Facility, Transmission Provider shall, upon the request and at the expense of Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the Large Generating Facility and Interconnection Customer's Interconnection Facilities may operate prior to the completion of Transmission Provider's Interconnection Facilities or Network Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this LGIA. Southwestern Transmission Provider shall permit Interconnection Customer to operate the Large Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with the results of such studies.~~

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

5.10.1 Interconnection Customer's Interconnection Facility Specifications.

Interconnection Customer shall submit initial specifications for the ICIF, including System Protection Facilities, to ~~Southwestern Transmission Provider~~ at least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date; and final specifications for review and comment at least ninety (90) Calendar Days prior to the Initial Synchronization Date. ~~Southwestern Transmission Provider~~ shall review such specifications to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of ~~Southwestern Transmission Provider~~ and shall use reasonable Efforts to comment on such specifications within thirty (30) Calendar Days of Interconnection Customer's submission. All specifications provided hereunder shall be deemed confidential, subject to the Freedom of Information Act (FOIA) and Southwestern's reporting requirements to the SPP.

5.10.2 ~~Southwestern's Transmission Provider's Review.~~

~~Southwestern's Transmission Provider's~~ review of Interconnection Customer's final specifications shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the Large Generating Facility, or the ICIF. Interconnection Customer shall make such changes to the ICIF as may reasonably be required by ~~Southwestern Transmission Provider~~, in accordance with Good Utility Practice, to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of ~~Southwestern Transmission Provider~~.

5.10.3 ICIF Construction. The ICIF shall be designed and constructed in accordance with Good Utility Practice. Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Interconnection Customer shall deliver to ~~Southwestern Transmission Provider~~ "as-built" drawings, information and documents for the ICIF, such as: a one-line diagram, a site plan showing the Large Generating Facility and the ICIF, plan and elevation drawings showing the

layout of the ICIF, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with Interconnection Customer's step-up transformers, the facilities connecting the Large Generating Facility to the step-up transformers and the ICIF, and the impedances (determined by factory tests) for the associated step-up transformers and the Large Generating Facility. The Interconnection Customer shall provide ~~Southwestern Transmission Provider~~ specifications for the excitation system, automatic voltage regulator, Large Generating Facility control and protection settings, transformer tap settings, and communications, if applicable.

- 5.11 ~~Southwestern's Transmission Provider's Interconnection Facilities Construction.~~** ~~Southwestern's Transmission Provider's~~ Interconnection Facilities shall be designed and constructed in accordance with Good Utility Practice. ~~Unless Upon request, within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline,~~ ~~Southwestern Transmission Provider~~ shall use Reasonable Efforts to deliver to Interconnection Customer within one hundred twenty (120) Calendar Days after the Commercial Operation Date the following "as-built" drawings, information and documents for ~~Southwestern's Transmission Provider's~~ Interconnection Facilities [include appropriate drawings and relay diagrams].

~~Southwestern Transmission Provider~~ will obtain control of ~~Southwestern's Transmission Provider's~~ Interconnection Facilities ~~and Stand-Alone Network Upgrades~~ upon completion of such facilities.

- 5.12 Access Rights.** Upon reasonable notice and supervision by a Party, and subject to any required or necessary regulatory approvals, a Party ("Granting Party") shall furnish at no cost to the other Party ("Access Party") any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by the Granting Party, its agents (if allowed under the applicable agency agreement), or any Affiliate, that are necessary to enable the Access Party to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to: (i) interconnect the Large Generating Facility with the Southwestern Transmission System; (ii) operate and maintain the Large Generating Facility, the Interconnection Facilities and the Southwestern Transmission System; and (iii) disconnect or remove the Access Party's facilities and equipment upon termination of this LGIA. In exercising such licenses, rights of way and easements, the Access Party shall not unreasonably disrupt or interfere with normal operation of the Granting Party's business and shall adhere to the safety rules and procedures established in advance, as may be changed from time to time, by the Granting Party and provided to the Access Party.
- 5.13 Lands of Other Property Owners.** If any part of ~~Southwestern's Transmission Provider or Transmission Owner's~~ Interconnection Facilities ~~and/or Network Upgrades~~ is to be installed on property owned by persons other than Interconnection Customer or ~~Southwestern Transmission Provider or Transmission Owner,~~ Southwestern Transmission Provider or Transmission Owner shall at Interconnection Customer's expense use efforts, similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority, and to the extent consistent with Federal or state law as applicable, to procure from such persons any rights of use, licenses, rights of way and easements that are necessary to construct, operate, maintain, test, inspect, replace or remove ~~Southwestern's Transmission Provider~~

~~or Transmission Owner's~~ Interconnection Facilities ~~and/or Network Upgrades~~ upon such property.

5.14 Permits. ~~Southwestern Transmission Provider or Transmission Owner~~ and Interconnection Customer shall cooperate with each other in good faith in obtaining all permits, licenses, and authorizations that are necessary to accomplish the interconnection in compliance with Applicable Laws and Regulations. With respect to this paragraph ~~and subject to Article 2.3.4 and Article 11.5, Southwestern Transmission Provider or Transmission Owner~~ shall provide permitting assistance to Interconnection Customer comparable to that provided to ~~Southwestern's Transmission Provider's~~ own, or an Affiliate's generation.

5.15 ~~**THIS ARTICLE INTENTIONALLY LEFT BLANK.** Early Construction of Base Case Facilities.~~ Interconnection Customer may request ~~Transmission Provider to construct, and Transmission Provider shall construct, using Reasonable Efforts to accommodate Interconnection Customer's In-Service Date, all or any portion of any Network Upgrades required for Interconnection Customer to be interconnected to the Transmission System which are included in the Base Case of the Facilities Study for Interconnection Customer, and which also are required to be constructed for another Interconnection Customer, but where such construction is not scheduled to be completed in time to achieve Interconnection Customer's In-Service Date.~~

5.16 Suspension. Interconnection Customer reserves the right, upon written notice to ~~Southwestern Transmission Provider~~, to suspend at any time all work by ~~Southwestern Transmission Provider~~ associated with the construction and installation of ~~Southwestern's Transmission Provider's~~ Interconnection Facilities ~~and/or Network Upgrades~~ required under this LGIA with the condition that ~~the Southwestern~~ Transmission System shall be left in a safe and reliable condition in accordance with Good Utility Practice and ~~Southwestern's Transmission Provider's~~ safety and reliability criteria. In such event, Interconnection Customer shall be responsible for all reasonable and necessary costs which ~~Southwestern Transmission Provider~~ (i) has incurred pursuant to this LGIA prior to the suspension and (ii) incurs in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the ~~Southwestern~~ Transmission System during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which ~~Southwestern Transmission Provider~~ cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, ~~Southwestern Transmission Provider~~ shall obtain Interconnection Customer's authorization to do so; ~~provided, that Southwestern shall not be obligated to perform work not covered by advanced funding from the Interconnection Customer.~~

~~Southwestern Transmission Provider~~ shall invoice Interconnection Customer for such costs pursuant to Article 12 and shall use due diligence to minimize its costs. In the event Interconnection Customer suspends work by ~~Southwestern Transmission Provider~~ required under this LGIA pursuant to this Article 5.16, and has not requested ~~Southwestern Transmission Provider~~ to recommence the work required under this LGIA on or before the expiration of three (3) years following commencement of such suspension, this LGIA shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to ~~Southwestern Transmission Provider~~, if no effective date is specified.

5.17 ~~**THIS ARTICLE INTENTIONALLY LEFT BLANK.**~~ ~~**Taxes.**~~

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

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

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

~~**5.17.3 Indemnification for the Cost Consequences of Current Tax Liability Imposed Upon the Transmission Provider.**~~ Notwithstanding Article 5.17.1, Interconnection Customer shall protect, indemnify and hold harmless Transmission Provider from the cost consequences of any current tax liability imposed against Transmission Provider as the result of payments or property transfers made by Interconnection Customer to Transmission Provider under this LGIA for Interconnection Facilities, as well as any interest and penalties, other than interest and penalties attributable to any delay caused by Transmission Provider.

Transmission Provider shall not include a gross-up for the cost consequences of any current tax liability in the amounts it charges Interconnection Customer under this LGIA unless (i) Transmission Provider has determined, in good faith, that the payments or property transfers made by Interconnection Customer to Transmission Provider should be reported as income subject to taxation or (ii) any Governmental Authority directs Transmission Provider to report payments or

~~property as income subject to taxation; provided, however, that Transmission Provider may require Interconnection Customer to provide security for Interconnection Facilities, in a form reasonably acceptable to Transmission Provider (such as a parental guarantee or a letter of credit), in an amount equal to the cost consequences of any current tax liability under this Article 5.17. Interconnection Customer shall reimburse Transmission Provider for such costs on a fully grossed-up basis, in accordance with Article 5.17.4, within thirty (30) Calendar Days of receiving written notification from Transmission Provider of the amount due, including detail about how the amount was calculated.~~

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

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

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

~~**5.17.5 Private Letter Ruling or Change or Clarification of Law.** At Interconnection Customer's request and expense, Transmission Provider shall file with the IRS a~~

~~request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by Interconnection Customer to Transmission Provider under this LGIA are subject to federal income taxation. Interconnection Customer will prepare the initial draft of the request for a private letter ruling, and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of Interconnection Customer's knowledge. Transmission Provider and Interconnection Customer shall cooperate in good faith with respect to the submission of such request.~~

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

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

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

~~Interconnection Customer shall pay to Transmission Provider on a periodic basis, as invoiced by Transmission Provider, Transmission Provider's documented reasonable costs of prosecuting such appeal, protest, abatement or other contest. At any time during the contest, Transmission Provider may agree to a settlement either with Interconnection Customer's consent or after obtaining~~

~~written advice from nationally recognized tax counsel, selected by Transmission Provider, but reasonably acceptable to Interconnection Customer, that the proposed settlement represents a reasonable settlement given the hazards of litigation. Interconnection Customer's obligation shall be based on the amount of the settlement agreed to by Interconnection Customer, or if a higher amount, so much of the settlement that is supported by the written advice from nationally recognized tax counsel selected under the terms of the preceding sentence. The settlement amount shall be calculated on a fully grossed-up basis to cover any related cost consequences of the current tax liability. Any settlement without Interconnection Customer's consent or such written advice will relieve Interconnection Customer from any obligation to indemnify Transmission Provider for the tax at issue in the contest.~~

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

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

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

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

~~Provider has received a tax refund, credit or offset from any Governmental Authority for any applicable overpayment of income tax related to Transmission Provider's Interconnection Facilities.~~

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

~~**5.17.9 Taxes Other Than Income Taxes.** Upon the timely request by Interconnection Customer, and at Interconnection Customer's sole expense, Transmission Provider may appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against Transmission Provider for which Interconnection Customer may be required to reimburse Transmission Provider under the terms of this LGIA. Interconnection Customer shall pay to Transmission Provider on a periodic basis, as invoiced by Transmission Provider, Transmission Provider's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. Interconnection Customer and Transmission Provider shall cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be payable by Interconnection Customer to Transmission Provider for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due and payable after appeal, Interconnection Customer will be responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by Transmission Provider.~~

~~**5.17.10 Transmission Owners Who Are Not Transmission Providers.** If Transmission Provider is not the same entity as the Transmission Owner, then (i) all references in this Article 5.17 to Transmission Provider shall be deemed also to refer to and to include the Transmission Owner, as appropriate, and (ii) this LGIA shall not become effective until such Transmission Owner shall have agreed in writing to assume all of the duties and obligations of Transmission Provider under this Article 5.17 of this LGIA.~~

5.18 Tax Status. Each Party shall cooperate with the other to maintain the other Party's tax status. ~~Nothing in this LGIA is intended to adversely affect any Transmission Provider's tax exempt status with respect to the issuance of bonds including, but not limited to, Local Furnishing Bonds.~~

5.19 Modification.

5.19.1 General. Either Party may undertake modifications to its facilities. If a Party plans to undertake a modification that reasonably may be expected to affect the other Party's facilities, that Party shall provide to the other Party sufficient information regarding such modification so that the other Party may evaluate the potential impact of such modification prior to commencement of the work. Such information shall be deemed to be confidential hereunder subject to FOIA and

Southwestern's reporting requirements to the SPP, and shall include information concerning the timing of such modifications and whether such modifications are expected to interrupt the flow of electricity from the Large Generating Facility. The Party desiring to perform such work shall provide the relevant drawings, plans, and specifications to the other Party at least ninety (90) Calendar Days in advance of the commencement of the work or such shorter period upon which the Parties may agree, which agreement shall not unreasonably be withheld, conditioned or delayed.

In the case of Large Generating Facility modifications that do not require Interconnection Customer to submit an Interconnection Request, ~~Southwestern Transmission Provider~~ shall use Reasonable Efforts to provide, within thirty (30) Calendar Days (or such other time as the Parties may agree), an estimate of any additional modifications to the Southwestern Transmission System, ~~or Southwestern's Transmission Provider's Interconnection Facilities or Network Upgrades~~ necessitated by such Interconnection Customer modification and a good faith estimate of the costs thereof; provided, that modifications beyond the Point of Interconnection such as Network Upgrades shall be coordinated with the SPP.

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

5.19.3 Modification Costs. Interconnection Customer shall not be directly assigned for the costs of any additions, modifications, or replacements that ~~Southwestern Transmission Provider~~ makes to Southwestern's Transmission Provider's Interconnection Facilities ~~or the Transmission System~~ to facilitate the interconnection of a third party to Southwestern's Transmission Provider's Interconnection Facilities ~~or the Transmission System~~, or to provide transmission service to a third party under ~~the Transmission Provider's~~ Tariff. Interconnection Customer shall be responsible for the costs of any additions, modifications, or replacements to Interconnection Customer's Interconnection Facilities that may be necessary to maintain or upgrade such Interconnection Customer's Interconnection Facilities consistent with Applicable Laws and Regulations, Applicable Reliability Standards or Good Utility Practice.

Article 6. Testing and Inspection

6.1 Pre-Commercial Operation Date Testing and Modifications. Prior to the Commercial Operation Date, ~~Southwestern Transmission Provider~~ shall test ~~Southwestern's Transmission Provider's~~ Interconnection Facilities ~~and Network Upgrades~~ and Interconnection Customer shall test the Large Generating Facility and Interconnection Customer's Interconnection Facilities to ensure their safe and reliable operation. Similar testing may be required after initial operation. Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing. Interconnection Customer shall bear the cost of all such testing and modifications. Interconnection Customer shall generate test energy at the Large Generating Facility only if it has arranged for the delivery of such test energy.

- 6.2 Post-Commercial Operation Date Testing and Modifications.** Each Party shall at its own expense perform routine inspection and testing of its facilities and equipment in accordance with Good Utility Practice as may be necessary to ensure the continued interconnection of the Large Generating Facility with the Transmission System in a safe and reliable manner. Each Party shall have the right, upon advance written notice, to require reasonable additional testing of the other Party's facilities, at the requesting Party's expense, as may be in accordance with Good Utility Practice.
- 6.3 Right to Observe Testing.** Each Party shall notify the other Party in advance of its performance of tests of its Interconnection Facilities. The other Party has the right, at its own expense, to observe such testing.
- 6.4 Right to Inspect.** Each Party shall have the right, but shall have no obligation to: (i) observe the other Party's tests and/or inspection of any of its System Protection Facilities and other protective equipment, including ~~power system stabilizers~~~~Power System Stabilizers~~; (ii) review the settings of the other Party's System Protection Facilities and other protective equipment; and (iii) review the other Party's maintenance records relative to the Interconnection Facilities, the System Protection Facilities and other protective equipment. A Party may exercise these rights from time to time as it deems necessary upon reasonable notice to the other Party. The exercise or non-exercise by a Party of any such rights shall not be construed as an endorsement or confirmation of any element or condition of the Interconnection Facilities or the System Protection Facilities or other protective equipment or the operation thereof, or as a warranty as to the fitness, safety, desirability, or reliability of same. Any information that a Party obtains through the exercise of any of its rights under this Article 6.4 shall be deemed to be Confidential Information, subject to FOIA and Southwestern's reporting requirements to the SPP, and treated pursuant to Article 22 of this LGIA.

Article 7. Metering

- 7.1 General.** Each Party shall comply with the Applicable Reliability Council requirements. Unless otherwise agreed by the Parties, ~~Southwestern Transmission Provider~~ shall install Metering Equipment at the Point of Interconnection prior to any operation of the Large Generating Facility and shall own, operate, test and maintain such Metering Equipment. Power flows to and from the Large Generating Facility shall be measured at or, at ~~Southwestern's Transmission Provider's~~ option, compensated to, the Point of Interconnection. ~~Southwestern Transmission Provider~~ shall provide metering quantities, in analog and/or digital form, to Interconnection Customer upon request. Interconnection Customer shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment.
- 7.2 Check Meters.** Interconnection Customer, at its option and expense, may install and operate, on its premises and on its side of the Point of Interconnection, one or more check meters to check ~~Southwestern's Transmission Provider's~~ meters. Such check meters shall be for check purposes only and shall not be used for the measurement of power flows for purposes of this LGIA, except as provided in Article 7.4 below. The check meters shall be subject at all reasonable times to inspection and examination by ~~Southwestern Transmission Provider~~ or its designee. The installation, operation and maintenance thereof shall be performed entirely by Interconnection Customer in accordance with Good Utility Practice.

- 7.3 Standards.** ~~Southwestern Transmission Provider~~ shall install, calibrate, and test revenue quality Metering Equipment in accordance with applicable ANSI standards.
- 7.4 Testing of Metering Equipment.** ~~Southwestern Transmission Provider~~ shall inspect and test all ~~Southwestern Transmission Provider~~-owned Metering Equipment upon installation and at least once every two (2) years thereafter, or more frequently is required by the relevant Regional Entity or NERC. If requested to do so by Interconnection Customer, ~~Southwestern Transmission Provider~~ shall, at Interconnection Customer's expense, inspect or test Metering Equipment more frequently than every two (2) years, or more frequently is required by the relevant Regional Entity or NERC. ~~Southwestern Transmission Provider~~ shall give reasonable notice of the time when any inspection or test shall take place, and Interconnection Customer may have representatives present at the test or inspection. If at any time Metering Equipment is found to be inaccurate or defective, it shall be adjusted, repaired or replaced at Interconnection Customer's expense, in order to provide accurate metering, unless the inaccuracy or defect is due to ~~Southwestern's Transmission Provider's~~ failure to maintain, then ~~Southwestern Transmission Provider~~ shall pay. If Metering Equipment fails to register, or if the measurement made by Metering Equipment during a test varies by more than two percent from the measurement made by the standard meter used in the test, ~~Southwestern Transmission Provider~~ shall adjust the measurements by correcting all measurements for the period during which Metering Equipment was in error by using Interconnection Customer's check meters, if installed. If no such check meters are installed or if the period cannot be reasonably ascertained, the adjustment shall be for the period immediately preceding the test of the Metering Equipment equal to one-half the time from the date of the last previous test of the Metering Equipment.
- 7.5 Metering Data.** At Interconnection Customer's expense, the metered data shall be telemetered to one or more locations designated by ~~Southwestern Transmission Provider~~ and one or more locations designated by Interconnection Customer. Such telemetered data shall be used, under normal operating conditions, as the official measurement of the amount of energy delivered from the Large Generating Facility to the Point of Interconnection.

Article 8. Communications

- 8.1 Interconnection Customer Obligations.** Interconnection Customer shall maintain satisfactory operating communications with ~~the Southwestern Transmission Provider's~~ Transmission System dispatcher or representative designated by ~~Southwestern Transmission Provider~~. Interconnection Customer shall provide, at its expense, standard voice line, dedicated voice line and facsimile communications at its Large Generating Facility control room or central dispatch facility through use of either the public telephone system, or a voice communications system that does not rely on the public telephone system. Interconnection Customer shall also provide the dedicated data circuit(s) necessary to provide Interconnection Customer data to ~~Southwestern Transmission Provider~~ as set forth in Appendix D, Security Arrangements Details. The data circuit(s) shall extend from the Large Generating Facility to the location(s) specified by ~~Southwestern Transmission Provider~~. Any required maintenance of such communications equipment shall be performed by Interconnection Customer. Operational communications shall be activated and maintained under, but not be limited

to, the following events: system paralleling or separation, scheduled and unscheduled shutdowns, equipment clearances, and hourly and daily load data.

- 8.2 Remote Terminal Unit.** Prior to the Initial Synchronization Date of the Large Generating Facility, a Remote Terminal Unit, or equivalent data collection and transfer equipment acceptable to the Parties, shall be installed by Interconnection Customer, or by ~~Southwestern Transmission Provider~~ at Interconnection Customer's expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by ~~Southwestern Transmission Provider~~ through use of a dedicated point-to-point data circuit(s) as indicated in Article 8.1. The communication protocol for the data circuit(s) shall be specified by ~~Southwestern Transmission Provider~~. Instantaneous bi-directional analog real power and reactive power flow information must be telemetered directly to the location(s) specified by ~~Southwestern Transmission Provider~~.

Each Party will promptly advise the other Party if it detects or otherwise learns of any metering, telemetry or communications equipment errors or malfunctions that require the attention and/or correction by the other Party. The Party owning such equipment shall correct such error or malfunction as soon as reasonably feasible.

- 8.3 No Annexation.** Any and all equipment placed on the premises of a Party shall be and remain the property of the Party providing such equipment regardless of the mode and manner of annexation or attachment to real property, unless otherwise mutually agreed by the Parties.

Article 9. Operations

- 9.1 General.** Each Party shall comply with the Applicable Reliability Council requirements. Each Party shall provide to the other Party all information that may reasonably be required by the other Party to comply with Applicable Laws and Regulations and Applicable Reliability Standards.
- 9.2 Control Area Notification.** At least three months before Initial Synchronization Date, Interconnection Customer shall notify ~~Southwestern Transmission Provider~~ in writing of the Control Area in which the Large Generating Facility will be located. The Parties recognize that Southwestern has a statutory duty to fulfill its obligations under Section 5 of the 1944 Flood Control Act, and Southwestern has limited ability to provide Control Area services to accommodate the inclusion of generation in Southwestern's Control Area. Southwestern shall have the discretion to determine, based on Southwestern's review of the operational characteristics of each generating facility in conjunction with the capabilities of Southwestern's resources and authorities, whether such facility will electrically reside within the Control Area of Southwestern. If Interconnection Customer elects to locate the Large Generating Facility in a Control Area other than ~~Southwestern's~~ the Control Area ~~in which the Large Generating Facility is physically located~~, and if permitted to do so by the relevant transmission tariffs, all necessary arrangements, including but not limited to those set forth in Article 7 and Article 8 of this LGIA, and remote Control Area generator interchange agreements, if applicable, and the appropriate measures under such agreements, shall be executed and implemented prior to the placement of the Large Generating Facility in the other Control Area.

- 9.3 Southwestern Transmission Provider Obligations.** Southwestern Transmission Provider shall cause the Southwestern Transmission System and Southwestern's Transmission Provider's Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this LGIA. Southwestern Transmission Provider may provide operating instructions to Interconnection Customer consistent with this LGIA and Southwestern's Transmission Provider's operating protocols and procedures as they may change from time to time. Southwestern Transmission Provider will consider changes to its operating protocols and procedures proposed by Interconnection Customer.
- 9.4 Interconnection Customer Obligations.**
- 9.4.1 General Obligations.** Interconnection Customer shall at its own expense operate, maintain and control the Large Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA. Interconnection Customer shall operate the Large Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with all applicable requirements of the Control Area of which it is part, as such requirements are set forth in Appendix C, Interconnection Details, of this LGIA. Appendix C, Interconnection Details, will be modified to reflect changes to the requirements as they may change from time to time. Either Party may request that the other Party provide copies of the requirements set forth in Appendix C, Interconnection Details, of this LGIA.
- 9.4.2 Generator Balancing Obligation.** In the event Southwestern determines it can accommodate operation of the Large Generating Facility in its Control Area, Interconnection Customer shall at its own expense be responsible for ensuring that its actual Large Generating Facility output matches the scheduled delivery from the Large Generating Facility to the Southwestern Transmission System, consistent with the scheduling requirements of the Tariff and rate schedules, including ramping into and out of such scheduled delivery as measured at the Point of Interconnection. To the extent Interconnection Customer's Large Generating Facility output does not match the scheduled delivery from the Large Generating Facility to the Southwestern Transmission System, any such disparate amounts shall be subject to Southwestern's energy imbalance rate and/or any other applicable scheduling incentives set forth under Southwestern's rate schedules.
- 9.5 Start-Up and Synchronization.** Consistent with the Parties' mutually acceptable procedures, Interconnection Customer is responsible for the proper synchronization of the Large Generating Facility to the Southwestern Transmission Provider's Transmission System.
- 9.6 Reactive Power.**
- 9.6.1 Power Factor Design Criteria.** Interconnection Customer shall design the Large Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless Southwestern Transmission

~~Provider~~ has established different requirements that apply to all generators in the Control Area on a comparable basis. The requirements of this paragraph shall not apply to wind generators.

9.6.2 Voltage Schedules. Once Interconnection Customer has synchronized the Large Generating Facility with the Southwestern Transmission System, ~~Southwestern Transmission Provider~~ shall require Interconnection Customer to operate the Large Generating Facility to produce or absorb reactive power within the design limitations of the Large Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). ~~Southwestern's Transmission Provider's~~ voltage schedules shall treat all sources of reactive power in the Control Area in an equitable and not unduly discriminatory manner. ~~Southwestern Transmission Provider~~ shall exercise Reasonable Efforts to provide Interconnection Customer with such schedules at least one (1) day in advance, and may make changes to such schedules as necessary to maintain the reliability of the Southwestern Transmission System. Interconnection Customer shall operate the Large Generating Facility to maintain the specified output voltage or power factor at the Point of Interconnection within the design limitations of the Large Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). If Interconnection Customer is unable to maintain the specified voltage or power factor, it shall promptly notify the System Operator.

9.6.2.1 Governors and Regulators. Whenever the Large Generating Facility is operated in parallel with the Southwestern Transmission System and the speed governors (if installed on the generating unit pursuant to Good Utility Practice) and voltage regulators are capable of operation, Interconnection Customer shall operate the Large Generating Facility with its speed governors and voltage regulators in automatic operation. If the Large Generating Facility's speed governors and voltage regulators are not capable of such automatic operation, Interconnection Customer shall immediately notify ~~Southwestern's Transmission Provider's~~ system operator, or its designated representative, and ensure that such Large Generating Facility's reactive power production or absorption (measured in MVARs) are within the design capability of the Large Generating Facility's generating unit(s) and steady state stability limits. Interconnection Customer shall not cause its Large Generating Facility to disconnect automatically or instantaneously from the Transmission System or trip any generating unit comprising the Large Generating Facility for an under or over frequency condition unless the abnormal frequency condition persists for a time period beyond the limits set forth in ANSI/IEEE Standard C37.106, or such other standard as applied to other generators in the Control Area on a comparable basis.

9.6.3 Payment for Reactive Power. Southwestern Transmission Provider is required to pay Interconnection Customer for reactive power that Interconnection Customer provides or absorbs from the Large Generating Facility when Southwestern Transmission Provider requests Interconnection Customer to operate its Large Generating Facility outside the range specified in Article 9.6.1, ~~provided that if Transmission Provider pays its own or affiliated generators for reactive power service within the specified range, it must also pay~~

~~Interconnection Customer~~. Payments shall be pursuant to Article 11.6 or such other agreement to which the Parties have otherwise agreed.

9.7 Outages and Interruptions.

9.7.1 Outages.

9.7.1.1 Outage Authority and Coordination. Each Party may in accordance with Good Utility Practice in coordination with the other Party remove from service any of its respective Interconnection Facilities or Network Upgrades that may impact the other Party's facilities as necessary to perform maintenance or testing or to install or replace equipment. Absent an Emergency Condition, the Party scheduling a removal of such facility(ies) from service will use Reasonable Efforts to schedule such removal on a date and time mutually acceptable to the Parties. In all circumstances, any Party planning to remove such facility(ies) from service shall use Reasonable Efforts to minimize the effect on the other Party of such removal.

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

9.7.1.3 Outage Restoration. If an outage on a Party's Interconnection Facilities ~~or Network Upgrades~~ adversely affects the other Party's operations or facilities, the Party that owns or controls the facility that is out of service shall use Reasonable Efforts to promptly restore such facility(ies) to a normal operating condition consistent with the nature of the outage. The Party that owns or controls the facility that is out of service shall provide the other Party, to the extent such information is known, information on the nature of the Emergency Condition, an estimated time of restoration,

and any corrective actions required. Initial verbal notice shall be followed up as soon as practicable with written notice explaining the nature of the outage.

9.7.2 Interruption of Service. If required by Good Utility Practice or directed by the SPP to do so, ~~Southwestern Transmission Provider~~ may require Interconnection Customer to interrupt or reduce deliveries of electricity if such delivery of electricity could adversely affect ~~Southwestern's Transmission Provider's~~ ability to perform such activities as are necessary to safely and reliably operate and maintain the Transmission System. The following provisions shall apply to any interruption or reduction permitted under this Article 9.7.2:

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

9.7.2.2 Any such interruption or reduction shall be made on an equitable, non-discriminatory basis with respect to all generating facilities directly connected to the Transmission System;

9.7.2.3 When the interruption or reduction must be made under circumstances which do not allow for advance notice, ~~Southwestern Transmission Provider~~ shall notify Interconnection Customer by telephone as soon as practicable of the reasons for the curtailment, interruption, or reduction, and, if known, its expected duration. Telephone notification shall be followed by written notification as soon as practicable;

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

9.7.2.5 The Parties shall cooperate and coordinate with each other to the extent necessary in order to restore the Large Generating Facility, Interconnection Facilities, and the Transmission System to their normal operating state, consistent with system conditions and Good Utility Practice.

9.7.3 Under-Frequency and Over Frequency Conditions. The Transmission System is designed to automatically activate a load-shed program as required by the Applicable Reliability Council in the event of an under-frequency system disturbance. Interconnection Customer shall implement under-frequency and over-frequency relay set points for the Large Generating Facility as required by the Applicable Reliability Council to ensure "ride through" capability of the Transmission System. Large Generating Facility response to frequency

deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be studied and coordinated with Southwestern and the SPP Transmission Provider in accordance with Good Utility Practice. The term "ride through" as used herein shall mean the ability of a Generating Facility to stay connected to and synchronized with the Transmission System during system disturbances within a range of under-frequency and over-frequency conditions, in accordance with Good Utility Practice.

9.7.4 System Protection and Other Control Requirements.

9.7.4.1 System Protection Facilities. Interconnection Customer shall, at its expense, install, operate and maintain System Protection Facilities as a part of the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Southwestern Transmission Provider shall install at Interconnection Customer's expense any System Protection Facilities that may be required on Southwestern's Transmission Provider's Interconnection Facilities or the Southwestern Transmission System as a result of the interconnection of the Large Generating Facility and Interconnection Customer's Interconnection Facilities.

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

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

9.7.4.4 Each Party's protective relay design shall incorporate the necessary test switches to perform the tests required in Article 6. The required test switches will be placed such that they allow operation of lockout relays while preventing breaker failure schemes from operating and causing unnecessary breaker operations and/or the tripping of Interconnection Customer's units.

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

9.7.4.6 Prior to the In-Service Date, and again prior to the Commercial Operation Date, each Party or its agent shall perform a complete calibration test and functional trip test of the System Protection Facilities. At intervals suggested by Good Utility Practice and following any apparent malfunction of the System Protection Facilities, each Party shall perform both calibration and functional trip tests of its System Protection Facilities. These tests do not require the tripping of any in-service generation unit. These tests do, however, require that all protective relays and lockout contacts be activated.

9.7.5 Requirements for Protection. In compliance with Good Utility Practice, Interconnection Customer shall provide, install, own, and maintain relays, circuit

breakers and all other devices necessary to remove any fault contribution of the Large Generating Facility to any short circuit occurring on the Transmission System not otherwise isolated by ~~Southwestern's Transmission Provider's~~ equipment, such that the removal of the fault contribution shall be coordinated with the protective requirements of the Southwestern Transmission System. Such protective equipment shall include, without limitation, a disconnecting device or switch with load-interrupting capability located between the Large Generating Facility and the Southwestern Transmission System at a site selected upon mutual agreement (not to be unreasonably withheld, conditioned or delayed) of the Parties. Interconnection Customer shall be responsible for protection of the Large Generating Facility and Interconnection Customer's other equipment from such conditions as negative sequence currents, over or under-frequency, sudden load rejection, over or under-voltage, and generator loss-of-field. Interconnection Customer shall be solely responsible to disconnect the Large Generating Facility and Interconnection Customer's other equipment if conditions on the Southwestern Transmission System could adversely affect the Large Generating Facility.

9.7.6 Power Quality. Neither Party's facilities shall cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves as defined by ANSI Standard C84.1-1989, in accordance with IEEE Standard 519, or any applicable superseding electric industry standard. In the event of a conflict between ANSI Standard C84.1-1989, or any applicable superseding electric industry standard, ANSI Standard C84.1-1989, or the applicable superseding electric industry standard, shall control.

9.8 Switching and Tagging Rules. Each Party shall provide the other Party a copy of its switching and tagging rules that are applicable to the other Party's activities. Such switching and tagging rules shall be developed on a non-discriminatory basis. The Parties shall comply with applicable switching and tagging rules, as amended from time to time, in obtaining clearances for work or for switching operations on equipment.

9.9 Use of Interconnection Facilities by Third Parties.

9.9.1 Purpose of Interconnection Facilities. Except as may be required by Applicable Laws and Regulations, or as otherwise agreed to among the Parties, the Interconnection Facilities shall be constructed for the sole purpose of interconnecting the Large Generating Facility to the Southwestern Transmission System and shall be used for no other purpose.

9.9.2 Third Party Users. If required by Applicable Laws and Regulations or if the Parties mutually agree, such agreement not to be unreasonably withheld, to allow one or more third parties to use ~~Southwestern's Transmission Provider's~~ Interconnection Facilities, or any part thereof, Interconnection Customer will be entitled to compensation from the third party user for the capital expenses it incurred in connection with the Interconnection Facilities based upon the pro rata use of ~~Southwestern's the~~ Interconnection Facilities by ~~Southwestern Transmission Provider~~, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually-agreed upon methodology. In addition, cost responsibility for

ongoing costs, including operation and maintenance costs associated with the Interconnection Facilities, will be allocated between Interconnection Customer and any third party users based upon the pro rata use of the Interconnection Facilities by ~~Southwestern Transmission Provider~~, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually agreed upon methodology. ~~If the issue of such compensation or allocation cannot be resolved through such negotiations, it shall be submitted to FERC for resolution.~~

- 9.10 Disturbance Analysis Data Exchange.** The Parties will cooperate with one another in the analysis of disturbances to either the Large Generating Facility or ~~the Transmission Provider's~~ Transmission System by gathering and providing access to any information relating to any disturbance, including information from oscillography, protective relay targets, breaker operations and sequence of events records, and any disturbance information required by Good Utility Practice.

Article 10. Maintenance

- 10.1 ~~Southwestern Transmission Provider~~ Obligations.** ~~Southwestern Transmission Provider~~ shall maintain the ~~Southwestern~~ Transmission System and ~~Southwestern's Transmission Provider's~~ Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.
- 10.2 Interconnection Customer Obligations.** Interconnection Customer shall maintain the Large Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.
- 10.3 Coordination.** The Parties shall confer regularly to coordinate the planning, scheduling and performance of preventive and corrective maintenance on the Large Generating Facility and the Interconnection Facilities.
- 10.4 Secondary Systems.** Each Party shall cooperate with the other in the inspection, maintenance, and testing of control or power circuits that operate below 600 volts, AC or DC, including, but not limited to, any hardware, control or protective devices, cables, conductors, electric raceways, secondary equipment panels, transducers, batteries, chargers, and voltage and current transformers that directly affect the operation of a Party's facilities and equipment which may reasonably be expected to impact the other Party. Each Party shall provide advance notice to the other Party before undertaking any work on such circuits, especially on electrical circuits involving circuit breaker trip and close contacts, current transformers, or potential transformers.
- 10.5 Operating and Maintenance Expenses.** Subject to the provisions herein addressing the use of facilities by others, and except for operations and maintenance expenses associated with modifications made for providing interconnection or transmission service to a third party and such third party pays for such expenses, Interconnection Customer shall be responsible for all reasonable expenses including overheads, associated with: (1) owning, operating, maintaining, repairing, and replacing Interconnection Customer's Interconnection Facilities; and (2) operation, maintenance, repair and replacement of ~~Southwestern's Transmission Provider's~~ Interconnection Facilities.

Article 11. Performance Obligation

11.1 Interconnection Customer Interconnection Facilities. Interconnection Customer shall design, procure, construct, install, own and/or control Interconnection Customer Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at its sole expense.

11.2 ~~Southwestern's Transmission Provider's~~ Interconnection Facilities. ~~Southwestern Transmission Provider or Transmission Owner~~ shall design, procure, construct, install, own and/or control ~~Southwestern's the Transmission Provider's~~ Interconnection Facilities described in Appendix A, Interconnection Facilities, ~~Network Upgrades and Distribution Upgrades~~, at the sole expense of the Interconnection Customer.

11.3 ~~THIS ARTICLE INTENTIONALLY LEFT BLANK. Network Upgrades and Distribution Upgrades.~~ ~~Transmission Provider or Transmission Owner shall design, procure, construct, install, and own the Network Upgrades and Distribution Upgrades described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades. The Interconnection Customer shall be responsible for all costs related to Distribution Upgrades. Unless Transmission Provider or Transmission Owner elects to fund the capital for the Network Upgrades, they shall be solely funded by Interconnection Customer.~~

11.4 Transmission Credits.

11.4.1 Repayment of Amounts Advanced for Network Upgrades. ~~Network Upgrades are beyond the scope of this Agreement and are pursuant to SPP's LGIP. The Interconnection Customer and the SPP shall coordinate to determine repayment of amounts advanced for Network Upgrades. Interconnection Customer shall be entitled to a cash repayment, equal to the total amount paid to Transmission Provider and Affected System Operator, if any, for the Network Upgrades, including any tax gross-up or other tax-related payments associated with Network Upgrades, and not refunded to Interconnection Customer pursuant to Article 5.17.8 or otherwise, to be paid to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, as payments are made under Transmission Provider's Tariff and Affected System's Tariff for transmission services with respect to the Large Generating Facility. Any repayment shall include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. 35.19a(a)(2)(iii) from the date of any payment for Network Upgrades through the date on which the Interconnection Customer receives a repayment of such payment pursuant to this subparagraph. Interconnection Customer may assign such repayment rights to any person.~~

~~Notwithstanding the foregoing, Interconnection Customer, Transmission Provider, and Affected System Operator may adopt any alternative payment schedule that is mutually agreeable so long as Transmission Provider and Affected System Operator take one of the following actions no later than five years from the Commercial Operation Date: (1) return to Interconnection Customer any amounts advanced for Network Upgrades not previously repaid, or~~

~~(2) declare in writing that Transmission Provider or Affected System Operator will continue to provide payments to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, or develop an alternative schedule that is mutually agreeable and provides for the return of all amounts advanced for Network Upgrades not previously repaid; however, full reimbursement shall not extend beyond twenty (20) years from the Commercial Operation Date.~~

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

11.4.2 ~~**THIS ARTICLE INTENTIONALLY LEFT BLANK.** **Special Provisions for Affected Systems.** Unless Transmission Provider provides, under the LGIA, for the repayment of amounts advanced to Affected System Operator for Network Upgrades, Interconnection Customer and Affected System Operator shall enter into an agreement that provides for such repayment. The agreement shall specify the terms governing payments to be made by Interconnection Customer to the Affected System Operator as well as the repayment by the Affected System Operator.~~

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

11.5 ~~**Advance Payment Provision of Security.** Neither Interconnection Customer nor Southwestern may undertake any work on the Interconnection Facilities until advanced funds are received by Southwestern from Interconnection Customer pursuant to this Article 11.5.~~

11.5.1 ~~**Invoicing and Payment.** Southwestern shall provide an estimate of Southwestern's costs for work pursuant to this LGIA. Southwestern shall invoice the Interconnection Customer once for the entire estimated costs or in multiple scheduled invoices on dates as provided by Southwestern in advance for portions of the entire estimated costs until an amount equaling the entire estimated costs has been received. If Interconnection Customer does not make such payments to Southwestern within twenty (20) Calendar Days of the date of the invoice(s) or the next Business Day thereafter, this Agreement shall terminate~~

and be without further force or effect. Such termination shall not result in a penalty to either Party.

11.5.2 Use of Funds. Advanced funds received by Southwestern pursuant to Article 11.5.1 shall be used for Southwestern's costs and expenses incurred to establish the interconnection pursuant to this Agreement including, but not limited to, the cost of necessary tools, materials, equipment, engineering, labor, inspection, travel expenses, personnel per diem allowances, and general, administrative, and overhead expenses, pursuant to this Agreement.

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

11.5.4 Refund of Excess and Payment of Additional Funds. Following completion of Southwestern's obligations pursuant to this LGIA, Southwestern shall submit a statement to Interconnection Customer of the actual costs incurred by Southwestern. If the amount provided by the Interconnection Customer pursuant to this Article 11.5 is greater than the actual costs, Southwestern shall refund any difference to the Interconnection Customer. During implementation of the work required pursuant to this Agreement, Southwestern shall monitor the status of expenditures and obligations. If it is apparent that additional funds are required for completion of the required work, Southwestern shall notify the Interconnection Customer of the need for additional funds. Such additional funds shall be provided to Southwestern prior to continuation of work past a point estimated to be covered by the initial payment. If the additional funds are not made available, all remaining work associated with this Agreement shall cease until additional funds are received.

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

~~At least thirty (30) Calendar Days prior to the commencement of the procurement, installation, or construction of a discrete portion of a Transmission Provider's Interconnection Facilities, Network Upgrades, or Distribution Upgrades, Interconnection Customer shall provide Transmission Provider, at Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably~~

~~acceptable to Transmission Provider and is consistent with the Uniform Commercial Code of the jurisdiction identified in Article 14.2.1. Such security for payment shall be in an amount sufficient to cover the costs for constructing, procuring and installing the applicable portion of Transmission Provider's Interconnection Facilities, Network Upgrades, or Distribution Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to Transmission Provider for these purposes.~~

~~In addition:~~

~~11.5.1 The guarantee must be made by an entity that meets the creditworthiness requirements of Transmission Provider, and contain terms and conditions that guarantee payment of any amount that may be due from Interconnection Customer, up to an agreed-to maximum amount.~~

~~11.5.2 The letter of credit must be issued by a financial institution reasonably acceptable to Transmission Provider and must specify a reasonable expiration date.~~

~~11.5.3 The surety bond must be issued by an insurer reasonably acceptable to Transmission Provider and must specify a reasonable expiration date.~~

11.6 Interconnection Customer Compensation. If ~~Southwestern Transmission Provider~~ requests or directs Interconnection Customer to provide a service pursuant to Articles 9.6.3 (Payment for Reactive Power), or 13.5.1 of this LGIA, ~~Southwestern Transmission Provider~~ shall compensate Interconnection Customer in accordance with Interconnection Customer's applicable rate schedule then in effect unless the provision of such service(s) is subject to an RTO or ISO FERC-approved rate schedule. Interconnection Customer shall serve ~~Southwestern or the SPP Transmission Provider or RTO or ISO~~ with any filing of a proposed rate schedule at the time of such filing with FERC. To the extent that no rate schedule is in effect at the time the Interconnection Customer is required to provide or absorb any Reactive Power under this LGIA, ~~Southwestern Transmission Provider~~ agrees to compensate Interconnection Customer in such amount as would have been due Interconnection Customer had the rate schedule been in effect at the time service commenced; provided, however, that such rate schedule must be filed at FERC or other appropriate Governmental Authority within sixty (60) Calendar Days of the commencement of service.

11.6.1 Interconnection Customer Compensation for Actions During Emergency Condition. ~~Southwestern Transmission Provider~~ or RTO or ISO shall compensate Interconnection Customer for its provision of real and reactive power and other Emergency Condition services that Interconnection Customer provides to support the Transmission System during an Emergency Condition in accordance with Article 11.6.

Article 12. Invoice

12.1 General. Each Party shall submit to the other Party, on a monthly basis, invoices of amounts due for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the

same date through netting, in which case all amounts a Party owes to the other Party under this LGIA, ~~including interest payments or credits~~, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

- 12.2 Final Invoice.** Within six months after completion of the construction of ~~Southwestern's Transmission Provider's~~ Interconnection Facilities ~~and the Network Upgrades~~, ~~Southwestern Transmission Provider~~ shall provide an invoice of the final cost of the construction of ~~Southwestern's Transmission Provider's~~ Interconnection Facilities ~~and the Network Upgrades~~ and shall set forth such costs in sufficient detail to enable Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. ~~Southwestern Transmission Provider~~ shall refund to Interconnection Customer any amount by which the actual payment by Interconnection Customer for estimated costs exceeds the actual costs in accordance with Article 11.5.4 of this LGIA of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.
- 12.3 Payment.** Invoices shall be rendered to the paying Party at the address specified in Appendix F. The Party receiving the invoice shall pay the invoice within ~~twenty (20)~~ thirty (30) Calendar Days of receipt of the date of the invoice. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by either Party will not constitute a waiver of any rights or claims either Party may have under this LGIA.
- 12.4 Disputes.** In the event of a billing dispute between ~~Southwestern Transmission Provider~~ and Interconnection Customer, ~~Southwestern Transmission Provider~~ shall continue to provide Interconnection Service under this LGIA as long as Interconnection Customer: (i) continues to make all payments not in dispute; and (ii) pays to ~~Southwestern Transmission Provider~~ or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Interconnection Customer fails to meet these two requirements for continuation of service, then ~~Southwestern Transmission Provider~~ may provide notice to Interconnection Customer of a Default pursuant to Article 17. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due with the Interconnection Customer to pay the amount due plus interest calculated in accord with the methodology set forth in FERC's regulations at 18 CFR § 35.19a(a)(2)(iii).

Article 13. Emergencies

- 13.1 Definition.** "Emergency Condition" shall mean a condition or situation: (i) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (ii) that, in the case of ~~Southwestern Transmission Provider~~, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Southwestern Transmission System, ~~Southwestern's Transmission Provider's~~ Interconnection Facilities or the Transmission Systems of others to which the Southwestern Transmission System is directly connected; or (iii) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Large Generating Facility or Interconnection Customer's Interconnection ~~Facilities~~ Facilities. System restoration and black start shall be considered Emergency

Conditions; provided, that Interconnection Customer is not obligated by this LGIA to possess black start capability.

- 13.2 Obligations.** Each Party shall comply with the Emergency Condition procedures of the applicable ISO/RTO, NERC, the Applicable Reliability Council, Applicable Laws and Regulations, and any emergency procedures agreed to by the Joint Operating Committee.
- 13.3 Notice.** ~~Southwestern Transmission Provider~~ shall notify Interconnection Customer promptly when it becomes aware of an Emergency Condition that affects ~~Southwestern's Transmission Provider's~~ Interconnection Facilities or the Transmission System that may reasonably be expected to affect Interconnection Customer's operation of the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Interconnection Customer shall notify ~~Southwestern Transmission Provider~~ promptly when it becomes aware of an Emergency Condition that affects the Large Generating Facility or Interconnection Customer's Interconnection Facilities that may reasonably be expected to affect the Transmission System or ~~Southwestern's Transmission Provider's~~ Interconnection Facilities. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of Interconnection Customer's or ~~Southwestern's Transmission Provider's~~ facilities and operations, its anticipated duration and the corrective action taken and/or to be taken. The initial notice shall be followed as soon as practicable with written notice.
- 13.4 Immediate Action.** Unless, in Interconnection Customer's reasonable judgment, immediate action is required, Interconnection Customer shall obtain the consent of ~~Southwestern Transmission Provider~~, such consent to not be unreasonably withheld, prior to performing any manual switching operations at the Large Generating Facility or Interconnection Customer's Interconnection Facilities in response to an Emergency Condition either declared by ~~Southwestern Transmission Provider~~ or otherwise regarding the Transmission System.
- 13.5 ~~Southwestern Transmission Provider~~ Authority.**
- 13.5.1 General.** ~~Southwestern Transmission Provider~~ may take whatever actions or inactions with regard to the ~~Southwestern~~ Transmission System or ~~Southwestern's Transmission Provider's~~ Interconnection Facilities it deems necessary during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Transmission System or ~~Southwestern's Transmission Provider's~~ Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service.
- ~~Southwestern Transmission Provider~~ shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Large Generating Facility or Interconnection Customer's Interconnection Facilities.
- ~~Southwestern Transmission Provider~~ may, in coordination with the SPP on the basis of technical considerations, require the Large Generating Facility to mitigate an Emergency Condition by taking actions necessary and limited in scope to remedy the Emergency Condition, including, but not limited to, directing Interconnection Customer to shut-down, start-up, increase or decrease the real

or reactive power output of the Large Generating Facility; implementing a reduction or disconnection pursuant to Article 13.5.2; directing Interconnection Customer to assist with blackstart (if available) or restoration efforts; or altering the outage schedules of the Large Generating Facility and Interconnection Customer's Interconnection Facilities. Interconnection Customer shall comply with all of ~~Southwestern's and/or the SPP's Transmission Provider's~~ operating instructions concerning Large Generating Facility real power and reactive power output within the manufacturer's design limitations of the Large Generating Facility's equipment that is in service and physically available for operation at the time, in compliance with Applicable Laws and Regulations.

13.5.2 Reduction and Disconnection. ~~Southwestern Transmission Provider~~ may reduce Interconnection Service or disconnect the Large Generating Facility or Interconnection Customer's Interconnection Facilities, when such, reduction or disconnection is necessary under Good Utility Practice due to Emergency Conditions or at the direction of the SPP. These rights are separate and distinct from any right of curtailment of ~~Southwestern Transmission Provider~~ pursuant to ~~the Transmission Provider's~~ Tariff. When ~~Southwestern Transmission Provider~~ can schedule the reduction or disconnection in advance, ~~Southwestern Transmission Provider~~ shall notify Interconnection Customer of the reasons, timing and expected duration of the reduction or disconnection. ~~Southwestern Transmission Provider~~ shall coordinate with Interconnection Customer using Good Utility Practice to schedule the reduction or disconnection during periods of least impact to Interconnection Customer and ~~Southwestern Transmission Provider~~. Any reduction or disconnection shall continue only for so long as reasonably necessary under Good Utility Practice or at the direction of the SPP. The Parties shall cooperate with each other to restore the Large Generating Facility, the Interconnection Facilities, and the Transmission System to their normal operating state as soon as practicable consistent with Good Utility Practice or at the direction of the SPP.

13.6 Interconnection Customer Authority. Consistent with Good Utility Practice, the direction of the SPP, and the LGIA and the LGIP, Interconnection Customer may take actions or inactions with regard to the Large Generating Facility or Interconnection Customer's Interconnection Facilities during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Large Generating Facility or Interconnection Customer's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service. Interconnection Customer shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Transmission System and ~~Southwestern's Transmission Provider's~~ Interconnection Facilities. ~~Southwestern Transmission Provider~~ shall use Reasonable Efforts to assist Interconnection Customer in such actions.

13.7 Limited Liability. Except as otherwise provided in Article 11.6.1 of this LGIA, neither Party shall be liable to the other for any action it takes in responding to an Emergency Condition so long as such action is made in good faith and is consistent with Good Utility Practice.

Article 14. Regulatory Requirements and Governing Law

14.1 Regulatory Requirements. Each Party's obligations under this LGIA shall be subject to its receipt of any required approval or certificate from one or more Governmental Authorities in the form and substance satisfactory to the applying Party, or the Party making any required filings with, or providing notice to, such Governmental Authorities, and the expiration of any time period associated therewith. Each Party shall in good faith seek and use its Reasonable Efforts to obtain such other approvals. Nothing in this LGIA shall require Interconnection Customer to take any action that could result in its inability to obtain, or its loss of, status or exemption under the Federal Power Act, the Public Utility Holding Company Act of 1935, as amended, or the Public Utility Regulatory Policies Act of 1978.

14.2 Governing Law.

14.2.1 The validity, interpretation and performance of this LGIA and each of its provisions shall be governed by Federal law or the laws of the state where the Point of Interconnection is located, ~~as applicable without regard to its conflicts of law principles.~~

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

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

Article 15. Notices.

15.1 General. Unless otherwise provided in this LGIA, any notice, demand or request required or permitted to be given by either Party to the other and any instrument required or permitted to be tendered or delivered by either Party in writing to the other shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Party, or personally delivered to the Party, at the address set out in Appendix F, Addresses for Delivery of Notices and Billings.

Either Party may change the notice information in this LGIA by giving five (5) Business Days written notice prior to the effective date of the change.

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

15.3 Alternative Forms of Notice. Any notice or request required or permitted to be given by a Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or email to the telephone numbers and email addresses set out in Appendix F.

- 15.4 Operations and Maintenance Notice.** Each Party shall notify the other Party in writing of the identity of the person(s) that it designates as the point(s) of contact with respect to the implementation of Articles 9 and 10.

Article 16. Force Majeure

16.1 Force Majeure.

16.1.1 Economic hardship is not considered a Force Majeure event.

16.1.2 Neither Party shall be considered to be in Default with respect to any obligation hereunder, (including obligations under Article 4), other than the obligation to pay money when due, if prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this article shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

Article 17. Default

17.1 Default

17.1.1 General. No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of Force Majeure as defined in this LGIA or the result of an act of omission of the other Party. Upon a Breach, the non-breaching Party shall give written notice of such Breach to the breaching Party. Except as provided in Article 17.1.2, the breaching Party shall have thirty (30) Calendar Days from receipt of the Default notice within which to cure such Breach; provided however, if such Breach is not capable of cure within thirty (30) Calendar Days, the breaching Party shall commence such cure within thirty (30) Calendar Days after notice and continuously and diligently complete such cure within ninety (90) Calendar Days from receipt of the Default notice; and, if cured within such time, the Breach specified in such notice shall cease to exist.

17.1.2 Right to Terminate. If a Breach is not cured as provided in this article, or if a Breach is not capable of being cured within the period provided for herein, the non-breaching Party shall have the right to declare a Default and terminate this LGIA by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this LGIA, to recover from the breaching Party all amounts due hereunder, plus all other

damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive termination of this LGIA.

Article 18. Indemnity, Consequential Damages and Insurance

18.1 Indemnity. ~~Interconnection Customer~~~~The Parties~~ shall at all times indemnify, defend, and hold ~~Southwestern~~~~the other Party~~ harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from ~~Southwestern's~~~~the other Party's~~ action or inactions of its obligations under this LGIA on behalf of the ~~Interconnection Customer~~~~Indemnifying Party~~, except in cases of gross negligence or intentional wrongdoing by ~~Southwestern.~~ The liability of Southwestern shall be determined in accordance with the Federal Tort Claims Act~~the indemnified Party.~~

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

18.1.2 Indemnifying Party. If an ~~Interconnection Customer~~~~Indemnifying Party~~ is obligated to indemnify and hold any ~~indemnified person~~~~Indemnified Person~~ harmless under this Article 18, the amount owing to the ~~indemnified person~~~~Indemnified Person~~ shall be the amount of such ~~indemnified person's~~~~Indemnified Person's~~ actual Loss, net of any ~~insurance or~~ other recovery.

18.1.3 Indemnity Procedures. Promptly after receipt by an ~~indemnified person~~~~Indemnified Person~~ of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in Article 18.1 may apply, the ~~indemnified person~~~~Indemnified Person~~ shall notify the ~~Interconnection Customer~~~~Indemnifying Party~~ of such fact. Any failure of or delay in such notification shall not affect ~~Interconnection Customer's~~~~a Party's~~ indemnification obligation unless such failure or delay is materially prejudicial to the ~~Interconnection Customer~~~~Indemnifying Party~~.

The ~~Interconnection Customer~~ ~~Indemnifying Party~~ shall have the right to assume the defense thereof with counsel designated by such ~~Interconnection Customer~~~~Indemnifying Party~~ and reasonably satisfactory to the ~~indemnified person~~~~Indemnified Person~~. If the defendants in any such action include one or more ~~indemnified person~~~~Indemnified Persons~~ and the ~~Interconnection Customer~~~~Indemnifying Party~~ and if the ~~indemnified person~~~~Indemnified Person~~ reasonably concludes that there may be legal defenses available to it and/or other ~~indemnified persons~~~~Indemnified Persons~~ which are different from or additional to those available to the ~~Interconnection Customer~~~~Indemnifying Party~~, the ~~indemnified person~~~~Indemnified Person~~ shall have the right to select separate

counsel to assert such legal defenses and to otherwise participate in the defense of such action on its own behalf. In such instances, the ~~Interconnection Customer~~~~Indemnifying Party~~ shall only be required to pay the fees and expenses of one additional attorney to represent an ~~indemnified person~~~~Indemnified Person~~ or ~~indemnified persons~~~~Indemnified Persons~~ having such differing or additional legal defenses.

The ~~indemnified person~~~~Indemnified Person~~ shall be entitled, at its expense, to participate in any such action, suit or proceeding, the defense of which has been assumed by the ~~Interconnection Customer~~~~Indemnifying Party~~. Notwithstanding the foregoing, the ~~Interconnection Customer~~~~Indemnifying Party~~ (i) shall not be entitled to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the opinion of the ~~indemnified person~~~~Indemnified Person~~ and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the ~~indemnified person~~~~Indemnified Person~~, or there exists a conflict or adversity of interest between the ~~indemnified person~~~~Indemnified Person~~ and the ~~Interconnection Customer~~~~Indemnifying Party~~, in such event the ~~Interconnection Customer~~~~Indemnifying Party~~ shall pay the reasonable expenses of the ~~indemnified person~~~~Indemnified Person~~, and (ii) shall not settle or consent to the entry of any judgment in any action, suit or proceeding without the consent of the ~~indemnified person~~~~Indemnified Person~~, which shall not be reasonably withheld, conditioned or delayed.

18.2 Consequential Damages. ~~In Other than the Liquidated Damages heretofore described,~~ ~~in~~ no event shall either Party be liable under any provision of this LGIA for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

18.3 Insurance. ~~Interconnection Customer~~~~Each party~~ shall, at its own expense, maintain in force throughout the period of this LGIA, and until released by the other Party, the following minimum insurance coverages, with insurers authorized to do business in the state where the Point of Interconnection is located:

18.3.1 Employers' Liability and Workers' Compensation Insurance providing statutory benefits in accordance with the laws and regulations of the state in which the Point of Interconnection is located.

18.3.2 Commercial General Liability Insurance including premises and operations, personal injury, broad form property damage, broad form blanket contractual liability coverage (including coverage for the contractual indemnification) products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, coverage for pollution to the extent normally available and punitive damages to the extent normally available and a cross liability endorsement, with minimum limits of One

Million Dollars (\$1,000,000) per occurrence/One Million Dollars (\$1,000,000) aggregate combined single limit for personal injury, bodily injury, including death and property damage.

- 18.3.3** Comprehensive Automobile Liability Insurance for coverage of owned and non-owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum, combined single limit of One Million Dollars (\$1,000,000) per occurrence for bodily injury, including death, and property damage.
- 18.3.4** Excess Public Liability Insurance over and above the Employers' Liability Commercial General Liability and Comprehensive Automobile Liability Insurance coverage, with a minimum combined single limit of Twenty Million Dollars (\$20,000,000) per occurrence/Twenty Million Dollars (\$20,000,000) aggregate.
- 18.3.5** The Commercial General Liability Insurance, Comprehensive Automobile Insurance and Excess Public Liability Insurance policies shall name ~~Southwestern and its the other Party, its parent, associated and Affiliate companies and their~~ respective directors, officers, agents, servants and employees ("Other Party Group") as additional insured. All policies shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the provisions of this LGIA against the Other Party Group and provide thirty (30) Calendar Days advance written notice to the Other Party Group prior to anniversary date of cancellation or any material change in coverage or condition.
- 18.3.6** The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies shall contain provisions that specify that the policies are primary and shall apply to such extent without consideration for other policies separately carried and shall state that each insured is provided coverage as though a separate policy had been issued to each, except the insurer's liability shall not be increased beyond the amount for which the insurer would have been liable had only one insured been covered. ~~Interconnection Customer~~ ~~Each Party~~ shall be responsible for its respective deductibles or retentions.
- 18.3.7** The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies, if written on a Claims First Made Basis, shall be maintained in full force and effect for two (2) years after termination of this LGIA, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Parties.
- 18.3.8** The requirements contained herein as to the types and limits of all insurance to be maintained by the Parties are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by the Parties under this LGIA.
- 18.3.9** Within ten (10) days following execution of this LGIA, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) days thereafter, ~~Interconnection Customer~~ ~~each Party~~

shall provide certification of all insurance required in this LGIA, executed by each insurer or by an authorized representative of each insurer.

18.3.10 Notwithstanding the foregoing, ~~Interconnection Customer~~~~each Party~~ may self-insure to meet the minimum insurance requirements of Articles 18.3.2 through 18.3.8 to the extent it maintains a self-insurance program; provided that, ~~Interconnection Customer's~~~~such Party's~~ senior secured debt is rated at investment grade or better by Standard & Poor's and that its self-insurance program meets the minimum insurance requirements of Articles 18.3.2 through 18.3.8. For any period of time that ~~Interconnection Customer's~~~~a Party's~~ senior secured debt is unrated by Standard & Poor's or is rated at less than investment grade by Standard & Poor's, ~~Interconnection Customer~~~~such Party~~ shall comply with the insurance requirements applicable to it under Articles 18.3.2 through 18.3.9. In the event that ~~Interconnection Customer~~~~a Party~~ is permitted to self-insure pursuant to this article, it shall notify the other Party that it meets the requirements to self-insure and that its self-insurance program meets the minimum insurance requirements in a manner consistent with that specified in Article 18.3.9.

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

18.4 Southwestern Insurance. Subject to the Availability of Funds provisions of Article 2.3.4, Southwestern shall provide title insurance and shall self-provide comparable liability insurance coverage as the Interconnection Customer as described under Article 18.3 of this LGIA for itself.

Article 19. Assignment

19.1 Assignment. This LGIA may be assigned by either Party only with the written consent of the other; provided, that ~~Interconnection Customer~~~~either Party~~ may assign this LGIA without the consent of ~~Southwestern~~~~the other Party~~ to any Affiliate of the ~~Interconnection Customer~~~~assigning Party~~ with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the ~~Interconnection Customer~~~~assigning Party~~ under this LGIA; and provided further, that Interconnection Customer ~~may~~ ~~shall have the right to~~ assign this LGIA, without the consent of ~~Southwestern~~~~Transmission Provider~~, for collateral security purposes to aid in providing financing for the Large Generating Facility, ~~provided that Interconnection Customer will promptly notify Transmission Provider of any such assignment.~~ Any financing arrangement entered into by Interconnection Customer pursuant to this article will provide that prior to or upon the exercise of the secured ~~Party's~~~~party's~~, trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify ~~Southwestern~~~~Transmission Provider~~ of the date and particulars of any such exercise of assignment right(s), including providing ~~Southwestern~~~~the~~ ~~Transmission Provider~~ with proof that it meets the requirements of Articles 11.5 and 18.3. Any attempted assignment that violates this article is void and ineffective. Any assignment under this LGIA shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

Article 20. Severability

- 20.1 Severability.** If any provision in this LGIA is finally determined to be invalid, void or unenforceable by any court or other Governmental Authority having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this LGIA; provided that if Interconnection Customer (or any third party, but only if such third party is not acting at the direction of ~~Southwestern Transmission Provider~~) seeks and obtains such a final determination with respect to any provision of the Alternate Option (Article 5.1.2), or the Negotiated Option (Article 5.1.4), then none of these provisions shall thereafter have any force or effect and the Parties' rights and obligations shall be governed solely by the Standard Option (Article 5.1.1).

Article 21. THIS ARTICLE INTENTIONALLY LEFT BLANK. Comparability

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

Article 22. Confidentiality

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

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

If requested by either Party, the other Party shall provide in writing, the basis for asserting that the information referred to in this Article 22 warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

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

- 22.1.2 Scope.** Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to

Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this LGIA; or (6) is required, in accordance with Article 22.1.7 of the LGIA, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, including the Freedom of Information Act [5USC § 552], as amended, or is necessary in any legal proceeding establishing rights and obligations under this LGIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

- 22.1.3 Release of Confidential Information.** Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with this LGIA, unless such person has first been advised of the confidentiality provisions of this Article 22 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 22.
- 22.1.4 Rights.** Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party. The disclosure by each Party to the other Party of Confidential Information shall not be deemed a waiver by either Party or any other person or entity of the right to protect the Confidential Information from public disclosure.
- 22.1.5 No Warranties.** By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.
- 22.1.6 Standard of Care.** Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this LGIA or its regulatory requirements.
- 22.1.7 Order of Disclosure.** If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of this LGIA. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information

which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

22.1.8 Termination of Agreement. Upon termination of this LGIA for any reason, each Party shall, within ten (10) Calendar Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the other Party) or return to the other Party, without retaining copies thereof, any and all written or electronic Confidential Information received from the other Party.

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

22.1.10 Disclosure to FERC, or its Staff, ~~or a State.~~ Notwithstanding anything in this Article 22 to the contrary, and pursuant to 18 CFR section 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this LGIA, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 CFR section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this LGIA prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the LGIA when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR section 388.112. ~~Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.~~

22.1.11 Subject to the exception in Article 22.1.10, any information that a Party claims is competitively sensitive, commercial or financial information under this LGIA ("Confidential Information") shall not be disclosed by the other Party to any person not employed or retained by the other Party, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the

Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this LGIA or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a regional or national reliability organization. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

Article 23. Environmental Releases

23.1 Each Party shall notify the other Party, first orally and then in writing, of the release of any Hazardous Substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Large Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall: (i) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than twenty-four hours after such Party becomes aware of the occurrence; and (ii) promptly furnish to the other Party copies of any publicly available reports filed with any Governmental Authorities addressing such events.

23.2 Each Party shall as soon as practicable remedy all releases of Hazardous Substances brought to, or created at, real property it owns underlying the Large Generating Facility or Interconnection Facilities, and any such substances migrating from real property it owns at the Large Generating Facility site. The Party that caused the release shall bear the costs of the remedial action, which shall meet applicable Federal and State environmental standards at the time of the action. Such costs may include, but are not limited to, Federal and State supervision, remedial action plans, removal and remedial actions, and negotiation of voluntary and judicial agreements required to meet such environmental standards.

23.3 The Parties agree to comply fully with the substantive requirements of all applicable Federal, State and local environmental laws in the performance of their obligations hereunder, and to mitigate and abate adverse environmental impacts accordingly.

Article 24. Information Requirements

24.1 **Information Acquisition.** ~~Southwestern Transmission Provider~~ and Interconnection Customer shall submit specific information regarding the electrical characteristics of their respective facilities to each other as described below and in accordance with Applicable Reliability Standards.

24.2 Information Submission by ~~Southwestern Transmission Provider~~. ~~Southwestern shall use Reasonable Efforts to submit information to Interconnection Customer. The initial information submission by Transmission Provider shall occur~~ no later than one hundred eighty (180) Calendar Days prior to Trial Operation ~~which~~ and shall include ~~the~~ Southwestern Transmission System information necessary to allow Interconnection Customer to select equipment and meet any system protection and stability requirements, unless otherwise agreed to by the Parties. On a monthly basis ~~Southwestern Transmission Provider~~ shall provide Interconnection Customer a status report on the construction and installation of ~~Southwestern's Transmission Provider's~~ Interconnection Facilities ~~and Network Upgrades~~, including, but not limited to, the following information: (1) progress to date; (2) a description of the activities since the last report (3) a description of the action items for the next period; and (4) the delivery status of equipment ordered.

24.3 Updated Information Submission by Interconnection Customer. The updated information submission by Interconnection Customer, including manufacturer information, shall occur no later than one hundred eighty (180) Calendar Days prior to the Trial Operation. Interconnection Customer shall submit a completed copy of the Large Generating Facility data requirements contained in Appendix 1 to the LGIP. It shall also include any additional information provided to ~~Southwestern Transmission Provider~~ for the ~~Interconnection Feasibility and~~ Facilities Study. ~~Furthermore, the Interconnection Customer shall provide Southwestern copies of all submissions to the SPP of updated information regarding the Large Generating Facility.~~ Information in this submission shall be the most current Large Generating Facility design or expected performance data. Information submitted for stability models shall be compatible with ~~Southwestern Transmission Provider~~ standard models. If there is no compatible model, Interconnection Customer will work with a consultant mutually agreed to by the Parties to develop and supply a standard model and associated information.

If Interconnection Customer's data is materially different from what was originally provided to ~~Southwestern Transmission Provider~~ pursuant to the Interconnection ~~Facilities~~ Study ~~and Environmental Documentation~~ Agreement between ~~Southwestern Transmission Provider~~ and Interconnection Customer, then ~~Southwestern Transmission Provider~~ will conduct appropriate studies to determine the impact on ~~the Southwestern Transmission Provider~~ Transmission System based on the actual data submitted pursuant to this Article 24.3. The Interconnection Customer shall not begin Trial Operation until such studies are completed.

24.4 Information Supplementation. Prior to the Operation Date, the Parties shall supplement their information submissions described above in this Article 24 with any and all "as-built" Large Generating Facility information or "as-tested" performance information that differs from the initial submissions or, alternatively, written confirmation that no such differences exist. The Interconnection Customer shall conduct tests on the Large Generating Facility as required by Good Utility Practice such as an open circuit "step voltage" test on the Large Generating Facility to verify proper operation of the Large Generating Facility's automatic voltage regulator.

Unless otherwise agreed, the test conditions shall include: (1) Large Generating Facility at synchronous speed; (2) automatic voltage regulator on and in voltage control mode; and (3) a five percent change in Large Generating Facility terminal voltage initiated by a change in the voltage regulators reference voltage. Interconnection Customer shall

provide validated test recordings showing the responses of Large Generating Facility terminal and field voltages. In the event that direct recordings of these voltages is impractical, recordings of other voltages or currents that mirror the response of the Large Generating Facility's terminal or field voltage are acceptable if information necessary to translate these alternate quantities to actual Large Generating Facility terminal or field voltages is provided. Large Generating Facility testing shall be conducted and results provided to ~~Southwestern Transmission Provider~~ for each individual generating unit in a station.

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

Article 25. Information Access and Audit Rights

- 25.1 Information Access.** Each Party (the "disclosing Party") shall make available to the other Party information that is in the possession of the disclosing Party and is necessary in order for the other Party to: (i) verify the costs incurred by the disclosing Party for which the other Party is responsible under this LGIA; and (ii) carry out its obligations and responsibilities under this LGIA. The Parties shall not use such information for purposes other than those set forth in this Article 25.1 and to enforce their rights under this LGIA.
- 25.2 Reporting of Non-Force Majeure Events.** Each Party (the "notifying Party") shall notify the other Party when the notifying Party becomes aware of its inability to comply with the provisions of this LGIA for a reason other than a Force Majeure event. The Parties agree to cooperate with each other and provide necessary information regarding such inability to comply, including the date, duration, reason for the inability to comply, and corrective actions taken or planned to be taken with respect to such inability to comply. Notwithstanding the foregoing, notification, cooperation or information provided under this article shall not entitle the Party receiving such notification to allege a cause for anticipatory breach of this LGIA.
- 25.3 Audit Rights.** Subject to the requirements of confidentiality under Article 22 of this LGIA, each Party shall have the right, during normal business hours, and upon prior reasonable notice to the other Party, to audit at its own expense the other Party's accounts and records pertaining to either Party's performance or either Party's satisfaction of obligations under this LGIA. Such audit rights shall include audits of the other Party's costs, calculation of invoiced amounts, ~~Southwestern's Transmission Provider's~~ efforts to allocate responsibility for the provision of reactive support to the ~~Southwestern Transmission System~~, ~~Southwestern's Transmission Provider's~~ efforts to allocate responsibility for interruption or reduction of generation on the ~~Southwestern Transmission System~~, and each Party's actions in an Emergency Condition. Any audit authorized by this article shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and

records that relate to each Party's performance and satisfaction of obligations under this LGIA. Each Party shall keep such accounts and records for a period equivalent to the audit rights periods described in Article 25.4.

25.4 Audit Rights Periods.

25.4.1 Audit Rights Period for Construction-Related Accounts and Records.

Accounts and records related to the design, engineering, procurement, and construction of ~~Southwestern's Transmission Provider's~~ Interconnection Facilities ~~and Network Upgrades~~ shall be subject to audit for a period of twenty-four months following ~~Southwestern's Transmission Provider's~~ issuance of a final invoice in accordance with Article 12.2.

25.4.2 Audit Rights Period for All Other Accounts and Records. Accounts and records related to either Party's performance or satisfaction of all obligations under this LGIA other than those described in Article 25.4.1 shall be subject to audit as follows: (i) for an audit relating to cost obligations, the applicable audit rights period shall be twenty-four months after the auditing Party's receipt of an invoice giving rise to such cost obligations; and (ii) for an audit relating to all other obligations, the applicable audit rights period shall be twenty-four months after the event for which the audit is sought.

25.5 Audit Results. If an audit by a Party determines that an overpayment or an underpayment has occurred, a notice of such overpayment or underpayment shall be given to the other Party together with those records from the audit which support such determination.

Article 26. Subcontractors

26.1 General. Nothing in this LGIA shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this LGIA; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this LGIA in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

26.2 Responsibility of Principal. The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this LGIA. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall ~~Southwestern Transmission Provider~~ be liable for the actions or inactions of Interconnection Customer or its subcontractors with respect to obligations of Interconnection Customer under Article 5 of this LGIA. Any applicable obligation imposed by this LGIA upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

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

Article 27. Disputes

- 27.1 Disputes.** ~~In the event any Party has a dispute, or asserts a claim, that arises out of or in connection with the LGIP, or their performance, the Parties agree to resolve such dispute using the dispute resolution procedures in Section 12 of the Tariff.~~ **Submission.** ~~In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this LGIA or its performance, such Party (the "disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this LGIA.~~
- 27.2 THIS SECTION INTENTIONALLY LEFT BLANK.** ~~**External Arbitration Procedures.** Any arbitration initiated under this LGIA shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) Calendar Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("Arbitration Rules") and any applicable FERC regulations or RTO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Article 27, the terms of this Article 27 shall prevail.~~
- 27.3 THIS SECTION INTENTIONALLY LEFT BLANK.** ~~**Arbitration Decisions.** Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this LGIA and shall have no power to modify or change any provision of this Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with FERC if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, or Network Upgrades.~~
- 27.4 THIS SECTION INTENTIONALLY LEFT BLANK.** ~~**Costs.** Each Party shall be responsible for its own costs incurred during the arbitration process and for the following~~

~~costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or (2) one half the cost of the single arbitrator jointly chosen by the Parties.~~

Article 28. Representations, Warranties, and Covenants

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

28.1.1 Good Standing. Such Party is duly organized, validly existing and in good standing under ~~Federal law or~~ the laws of the state in which it is organized, formed, or incorporated, as applicable; that it is qualified to do business ~~under Federal law or the laws of~~ the state or states in which the Large Generating Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable, are located; and that it has the corporate power and authority to own its properties, to carry on its business as now being conducted and to enter into this LGIA and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this LGIA.

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

28.1.3 No Conflict. The execution, delivery and performance of this LGIA does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.

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

Article 29. Joint Operating Committee

29.1 Joint Operating Committee. Except in the case of ISOs and RTOs, ~~Southwestern Transmission Provider~~ shall constitute a Joint Operating Committee to coordinate operating and technical considerations of Interconnection Service. At least six (6) months prior to the expected Initial Synchronization Date, Interconnection Customer and ~~Southwestern Transmission Provider~~ shall each appoint one representative and one

alternate to the Joint Operating Committee. Each Interconnection Customer shall notify ~~Southwestern Transmission Provider~~ of its appointment in writing. Such appointments may be changed at any time by similar notice. The Joint Operating Committee shall meet as necessary, but not less than once each calendar year, to carry out the duties set forth herein. The Joint Operating Committee shall hold a meeting at the request of either Party, at a time and place agreed upon by the representatives. The Joint Operating Committee shall perform all of its duties consistent with the provisions of this LGIA. Each Party shall cooperate in providing to the Joint Operating Committee all information required in the performance of the Joint Operating Committee's duties. All decisions and agreements, if any, made by the Joint Operating Committee, shall be evidenced in writing. The duties of the Joint Operating Committee shall include the following:

- 29.1.1 Establish data requirements and operating record requirements.
- 29.1.2 Review the requirements, standards, and procedures for data acquisition equipment, protective equipment, and any other equipment or software.
- 29.1.3 Annually review the one (1) year forecast of maintenance and planned outage schedules of ~~Southwestern's Transmission Provider's~~ and Interconnection Customer's facilities at the Point of Interconnection.
- 29.1.4 Coordinate the scheduling of maintenance and planned outages on the Interconnection Facilities, the Large Generating Facility and other facilities that impact the normal operation of the interconnection of the Large Generating Facility to the Transmission System.
- 29.1.5 Ensure that information is being provided by each Party regarding equipment availability.
- 29.1.6 Perform such other duties as may be conferred upon it by mutual agreement of the Parties.

Article 30. Miscellaneous

- 30.1 **Binding Effect.** This LGIA and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.
- 30.2 **Conflicts.** In the event of a conflict between the body of this LGIA and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this LGIA shall prevail and be deemed the final intent of the Parties.
- 30.3 **Rules of Interpretation.** This LGIA, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this LGIA, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this LGIA),

document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any Applicable Laws and Regulations means such Applicable Laws and Regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article of this LGIA or such Appendix to this LGIA, or such Section to the LGIP or such Appendix to the LGIP, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this LGIA as a whole and not to any particular Article or other provision hereof or thereof; (7) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding" and "through" means "through and including".

- 30.4 Entire Agreement.** This LGIA, including all Appendices and Schedules attached hereto, and also incorporating through reference Attachment K, General Provisions Applicable to Transmission Service and Generation Interconnection, of the Tariff as if it was a part hereof, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this LGIA. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this LGIA.
- 30.5 No Third Party Beneficiaries.** This LGIA is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.
- 30.6 Waiver.** The failure of a Party to this LGIA to insist, on any occasion, upon strict performance of any provision of this LGIA will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.
- Any waiver at any time by either Party of its rights with respect to this LGIA shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this LGIA. Termination or Default of this LGIA for any reason by Interconnection Customer shall not constitute a waiver of Interconnection Customer's legal rights to obtain an interconnection from Southwestern Transmission Provider. Any waiver of this LGIA shall, if requested, be provided in writing.
- 30.7 Headings.** The descriptive headings of the various Articles of this LGIA have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this LGIA.
- 30.8 Multiple Counterparts.** This LGIA may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

- 30.9 Amendment.** The Parties may by mutual agreement amend this LGIA by a written instrument duly executed by the Parties.
- 30.10 Modification by the Parties.** The Parties may by mutual agreement amend the Appendices to this LGIA by a written instrument duly executed by the Parties. Such amendment shall become effective and a part of this LGIA upon satisfaction of all Applicable Laws and Regulations.
- 30.11 ~~THIS ARTICLE INTENTIONALLY LEFT BLANK. Reservation of Rights.~~** ~~Transmission Provider shall have the right to make a unilateral filing with FERC to modify this LGIA with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this LGIA pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this LGIA shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.~~
- 30.12 No Partnership.** This LGIA shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

IN WITNESS WHEREOF, the Parties have executed this LGIA in duplicate originals, each of which shall constitute and be an original effective Agreement between the Parties.

AGREE:

[INTERCONNECTION CUSTOMER]

UNITED STATES OF AMERICA
SOUTHWESTERN POWER ADMINISTRATION

By _____

By _____

Title _____

Title _____

Date _____

Date _____

ATTEST:

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

(SEAL) _____ By _____

~~[Insert name of Transmission Provider or Transmission Owner, if applicable]~~

~~By: _____ By: _____
Title: _____ Title: _____
Date: _____ Date: _____~~

~~[Insert name of Interconnection Customer]~~

~~By: _____
Title: _____
Date: _____~~

Appendix A to LGIA

Interconnection Facilities, ~~Network Upgrades and Distribution Upgrades~~

1. Interconnection Facilities:

(a) [insert Interconnection Customer's Interconnection Facilities]:

(b) [insert ~~Southwestern's Transmission Provider's~~ Interconnection Facilities]:

~~2. Network Upgrades:~~

~~—— (a) [insert Stand Alone Network Upgrades]:~~

~~—— (b) [insert Other Network Upgrades]:~~

~~3. Distribution Upgrades:~~

Appendix B to LGIA

Milestones

B-1

Issued by: Laurence J. Yadon, II
General Counsel, Southwestern Power Administration

Issued on: September 26, 2007

Effective: December 1, 2007

Appendix C to LGIA

Interconnection Details

Appendix D to LGIA

Security Arrangements Details

Infrastructure security of the Transmission System equipment and operations and control hardware and software is essential to ensure day-to-day Transmission System reliability and operational security. FERC will expect ~~Southwestern~~all Transmission Providers, all market participants, and all Interconnection Customers interconnected to the Transmission System to comply with the recommendations offered by the ~~National Infrastructure Advisory Council or its successor~~President's Critical Infrastructure Protection Board and, eventually, best practice recommendations from ~~NERC~~the electric reliability authority. All public utilities will be expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

D-1

Issued by: Laurence J. Yadon, II
General Counsel, Southwestern Power Administration

Issued on: September 26, 2007

Effective: December 1, 2007

Appendix E to LGIA

Commercial Operation Date

This Appendix E is a part of the LGIA between Transmission Provider and Interconnection Customer.

[Date]

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

~~_____ [Transmission Provider Address]~~

Re: _____ Large Generating Facility

Dear _____:

On **[Date]** **[Interconnection Customer]** has completed Trial Operation of Unit No. _____. This letter confirms that **[Interconnection Customer]** commenced Commercial Operation of Unit No. _____ at the Large Generating Facility, effective as of **[Date plus one day]**.

Thank you.

[Signature]

[Interconnection Customer Representative]

Appendix F to LGIA

Addresses for Delivery of Notices and Billings

Notices:

~~Southwestern Transmission Provider:~~
~~**ATTN: Assistant Administrator, Corporate Operations**~~
~~**Southwestern Power Administration**~~
~~**One West Third Street**~~
~~**Tulsa, OK 74103**~~
~~[To be supplied.]~~

Interconnection Customer:

[To be supplied.]

Billings and Payments:

~~Southwestern Transmission Provider:~~
~~**ATTN: Assistant Administrator, Corporate Operations**~~
~~**Southwestern Power Administration**~~
~~**One West Third Street**~~
~~**Tulsa, OK 74103**~~
~~[To be supplied.]~~

Interconnection Customer:

[To be supplied.]

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

~~Southwestern Transmission Provider:~~
~~**ATTN: Assistant Administrator, Corporate Operations**~~
~~**Southwestern Power Administration**~~
~~**One West Third Street**~~
~~**Tulsa, OK 74103**~~
~~[To be supplied.]~~

Interconnection Customer:

[To be supplied.]

Appendix G to LGIA

Requirements of Generators Relying on Newer Technologies

[NOTE: THESE PROVISIONS TO BE ADOPTED AS APPENDIX G TO THE LGIA]**APPENDIX G INTERCONNECTION REQUIREMENTS FOR A WIND GENERATING PLANT**

Appendix G sets forth requirements and provisions specific to a wind generating plant. All other requirements of this LGIA continue to apply to wind generating plant interconnections.

A. Technical Standards Applicable to a Wind Generating Plant**i. Low Voltage Ride-Through (LVRT) Capability**

A wind generating plant shall be able to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the standard ~~in Figure 1, below, if the Transmission Provider's System Impact Study shows that low voltage ride-through capability is required to ensure safety or reliability.~~

1. Wind generating plants are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4-9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by the SPP. The maximum clearing time the wind generating plant shall be required to withstand for a three phase fault shall be 9 cycles after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the Southwestern Transmission System. A wind generating plant shall remain interconnected during such a fault on the Transmission System for a voltage level as low as zero volts, as measured at the high voltage side of the wind GSU.
2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU.
3. Wind generating plants may be tripped after the fault period if this action is intended as part of a special protection system.
4. Wind generating plants may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAR Compensator) within the wind generating plant or by a combination of generator performance and additional equipment.
5. Existing individual generator units that are, or have been, interconnected to the network at the same location at the effective date of the Appendix G LVRT Standard are exempt from meeting the Appendix G LVRT Standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Appendix G LVRT Standard.

~~The standard applies to voltage measured at the Point of Interconnection as defined in this LGIA. The figure shows the ratio of actual to nominal voltage (on the vertical axis) over time (on the horizontal axis). Before time 0.0, the voltage at the transformer is the nominal voltage. At time 0.0, the voltage drops. If the voltage remains at a level greater than 15 percent of the nominal voltage for a period that does not exceed 0.625 seconds, the plant must stay online. Further, if the voltage returns to 90 percent of the~~

nominal voltage within 3 seconds of the beginning of the voltage drop (with the voltage at any given time never falling below the minimum voltage indicated by the solid line in Figure 1), the plant must stay online. The Interconnection Customer may not disable low voltage ride-through equipment while the wind plant is in operation. Two key features of this regulation are:

1. A wind generating plant must have low voltage ride-through capability down to 15 percent of the rated line voltage for 0.625 seconds;
2. A wind generating plant must be able to operate continuously at 90 percent of the rated line voltage, measured at the high voltage side of the wind plant substation transformer(s).

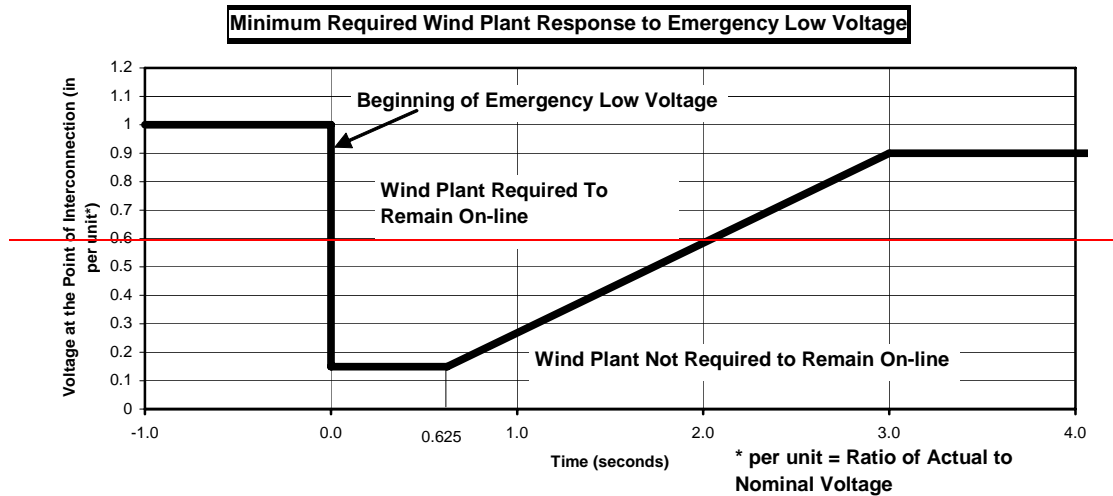


Figure 1—Proposed low voltage ride-through standard

ii. Power Factor Design Criteria (Reactive Power)

A wind generating plant shall maintain a power factor within the range of 0.95 leading to 0.95 lagging, measured at the Point of Interconnection as defined in this LGIA, if the ~~Transmission Provider's~~ System Impact Study shows that such a requirement is necessary to ensure safety or reliability. The power factor range standard can be met by using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors if agreed to by ~~the Transmission ProviderSouthwestern~~, or a combination of the two. The Interconnection Customer shall not disable power factor equipment while the wind plant is in operation. Wind plants shall also be able to provide sufficient dynamic voltage support in lieu of the power system stabilizer and automatic voltage regulation at the generator excitation system if the System Impact Study shows this to be required for system safety or reliability.

iii. Supervisory Control and Data Acquisition (SCADA) Capability

The wind plant shall provide SCADA capability to transmit data and receive instructions from ~~the Transmission ProviderSouthwestern~~ to protect system reliability. ~~The Transmission ProviderSouthwestern~~ and the wind plant Interconnection Customer shall determine what SCADA information is essential for the proposed wind plant, taking into account the size of the plant and its characteristics, location, and importance in maintaining generation resource adequacy and ~~the Southwestern transmission-Transmission system-System~~ reliability in its area.

~~[NOTE: THESE PROVISIONS TO BE ADOPTED AS APPENDIX G TO THE LGIP]~~

~~APPENDIX G~~

INTERCONNECTION PROCEDURES FOR A WIND GENERATING PLANT

Appendix G sets forth procedures specific to a wind generating plant. All other requirements of this LGIP continue to apply to wind generating plant interconnections.

A. Special Procedures Applicable to Wind Generators

The wind plant Interconnection Customer, in completing the Interconnection Request required by ~~section~~ Section 3.3 of this LGIP, may provide to the ~~Transmission Provider~~ SPP a set of preliminary electrical design specifications depicting the wind plant as a single equivalent generator. The Interconnection Customer shall copy Southwestern on all submissions to the SPP related to the Interconnection Request. Upon satisfying these and other applicable Interconnection Request conditions, the wind plant may enter the queue and receive the base case data as provided for in this LGIP. The satisfaction of applicable conditions for an Interconnection Request and entry into the queue, as maintained by the SPP, are pursuant to the SPP's LGIP.

~~No later than six months after submitting an Interconnection Request completed in this manner, the wind plant Interconnection Customer must submit completed~~ Any additional detailed electrical design specifications and other data (including collector system layout data) needed ~~to allow the Transmission Provider~~ by the SPP to complete the System Impact Study is to be submitted by the Interconnection Customer in accordance with the SPP's LGIP.

~~The revisions to this document take effect August 26, 2006, per FERC Order No. 2006-B issued July 20, 2006, which was published in the Federal Register July 27, 2006 (71 FR 42587)~~

**SMALL GENERATOR
INTERCONNECTION PROCEDURES (SGIP)**

(For Generating Facilities No Larger Than 20 MW)

Issued by: Laurence J. Yadon, II
General Counsel, Southwestern Power Administration

Issued on: September 26, 2007

Effective: December 1, 2007

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- Attachment 1 – Glossary of Terms
- Attachment 2 – Small Generator Interconnection Request
- Attachment 3 – Certification Codes and Standards
- Attachment 4 – Certification of Small Generator Equipment Packages
- Attachment 5 – Application, Procedures, and Terms and Conditions for Interconnecting a Certified Inverter-Based Small Generating Facility No Larger than 10 kW ("10 kW Inverter Process")
- Attachment 6 – Feasibility Study Agreement
- Attachment 7 – System Impact Study Agreement
- Attachment 8 – Facilities Study and Environmental Documentation Agreement

Section 1. Application

1.1 Applicability

- 1.1.1** ~~A request to interconnect a certified Small Generating Facility (See Attachments 3 and 4 for description of certification criteria) no larger than 2 MW shall be evaluated under the section 2 Fast Track Process. A request to interconnect a certified inverter-based Small Generating Facility no larger than 10 kW shall be evaluated under the Attachment 5 10 kW Inverter Process.~~ A request to interconnect a Small Generating Facility **larger than 2 MW but no larger than 20 MW or a Small Generating Facility that does not pass the Fast Track Process or the 10 kW Inverter Process,** shall be evaluated under **the s**Section 3. Study Process.
- 1.1.2** Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment 1 or the body of these procedures.
- 1.1.3** Neither these procedures nor the requirements included hereunder apply to Small Generating Facilities interconnected or approved for interconnection prior to 60 Business Days after the effective date of these procedures.
- 1.1.4** Prior to submitting its Interconnection Request (Attachment 2 of the SPP's SGIP), the Interconnection Customer may ask ~~the Transmission Provider's interconnection contact employee or office~~Southwestern whether the proposed interconnection is subject to these procedures. ~~The Transmission Provider~~Southwestern shall respond within 15 Business Days.
- 1.1.5** Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. The Federal Energy Regulatory Commission expects all Transmission Providers, market participants, and Interconnection Customers interconnected with electric systems to comply with the recommendations offered by the ~~President's National Critical Infrastructure Protection Board~~Advisory Council or its successor and with best practice recommendations from the electric reliability authority. All public utilities are expected to meet basic standards for electric system infrastructure and operational security, including physical, operational, and cyber-security practices.
- 1.1.6** References in these procedures to interconnection agreement are to the Small Generator Interconnection Agreement (SGIA).

1.2 Pre-Application

~~The Transmission Provider~~Southwestern shall designate an employee or office from which information on ~~the Southwestern's~~ application process and on an Affected System can be obtained through informal requests from the Interconnection Customer presenting a proposed project for a specific site. The ~~name,~~ telephone number, and e-mail address

of such contact employee or office shall be made available on ~~the Transmission Provider~~Southwestern's Internet web site. Electric system information provided to the Interconnection Customer should include relevant system studies, interconnection studies, and other materials useful to an understanding of an interconnection at a particular point on the ~~Transmission Provider's~~Southwestern Transmission System, to the extent such provision does not violate confidentiality provisions of prior agreements or critical infrastructure requirements and in accordance with the provisions of the Freedom of Information Act (FOIA). ~~The Transmission Provider~~Southwestern shall comply with reasonable requests for such information.

1.3 Interconnection Request

The Interconnection Customer shall submit its Interconnection Request to the ~~Transmission Provider~~SPP, ~~together with the processing fee or deposit specified in the Interconnection Request pursuant to the terms of SPP's SGIP and applicable provisions of the SPP/Southwestern Agreement.~~ The Interconnection Customer shall provide Southwestern copies of all submissions to the SPP related to the Interconnection Request. ~~The Interconnection Request shall be date and time stamped upon receipt. The original date and time stamp applied to the Interconnection Request at the time of its original submission shall be accepted as the qualifying date and time stamp for the purposes of any timetable in these procedures. The Interconnection Customer shall be notified of receipt by the Transmission Provider within three Business Days of receiving the Interconnection Request. The Transmission Provider shall notify the Interconnection Customer within ten Business Days of the receipt of the Interconnection Request as to whether the Interconnection Request is complete or incomplete. If the Interconnection Request is incomplete, the Transmission Provider shall provide along with the notice that the Interconnection Request is incomplete, a written list detailing all information that must be provided to complete the Interconnection Request. The Interconnection Customer will have ten Business Days after receipt of the notice to submit the listed information or to request an extension of time to provide such information. If the Interconnection Customer does not provide the listed information or a request for an extension of time within the deadline, the Interconnection Request will be deemed withdrawn. An Interconnection Request will be deemed complete upon submission of the listed information to the Transmission Provider.~~ The Interconnection Customer shall receive acknowledgement of the receipt of the Interconnection Request pursuant to the terms of the SPP's SGIP.

1.4 Modification of the Interconnection Request

Any modification to machine data or equipment configuration or to the interconnection site of the Small Generating Facility not agreed to in writing by ~~the Transmission Provider~~Southwestern and the Interconnection Customer may be deemed a withdrawal of the Interconnection Request and may require submission of a new Interconnection Request, unless proper notification of the SPP and of each Party by the other and a reasonable time to cure the problems created by the changes are undertaken.

1.5 Site Control

Documentation of site control must be submitted with the Interconnection Request in accordance with the SPP SGIP. Site control may be demonstrated through:

- 1.5.1 Ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Small Generating Facility;

- 1.5.2 An option to purchase or acquire a leasehold site for such purpose; or
- 1.5.3 An exclusivity or other business relationship between the Interconnection Customer and the entity having the right to sell, lease, or grant the Interconnection Customer the right to possess or occupy a site for such purpose.

1.6 Queue Position

~~Pursuant to the terms of the SPP's SGIP, the Interconnection Customer shall submit a valid Interconnection Request to the SPP and the SPP shall assign and maintain the Interconnection Customer's Queue Position. The Transmission Provider shall assign a Queue Position based upon the date and time stamp of the Interconnection Request. The Queue Position of each Interconnection Request will be used to determine the cost responsibility for the Upgrades necessary to accommodate the interconnection. The Transmission Provider shall maintain a single queue per geographic region. At the Transmission Provider's option, Interconnection Requests may be studied serially or in clusters for the purpose of the system impact study.~~

1.7 Interconnection Requests Submitted Prior to the Effective Date of the SGIP

Nothing in this SGIP affects an Interconnection Customer's Queue Position as assigned by the SPP before the effective date of this SGIP. The Parties agree to complete work on any interconnection study agreement executed prior the effective date of this SGIP in accordance with the terms and conditions of that interconnection study agreement. Any new studies or other additional work will be completed pursuant to this SGIP.

Section 2. THIS SECTION INTENTIONALLY LEFT BLANK.Fast Track Process

2.1 THIS SECTION INTENTIONALLY LEFT BLANK.Applicability

~~The Fast Track Process is available to an Interconnection Customer proposing to interconnect its Small Generating Facility with the Transmission Provider's Transmission System if the Small Generating Facility is no larger than 2 MW and if the Interconnection Customer's proposed Small Generating Facility meets the codes, standards, and certification requirements of Attachments 3 and 4 of these procedures, or the Transmission Provider has reviewed the design or tested the proposed Small Generating Facility and is satisfied that it is safe to operate.~~

2.2 THIS SECTION INTENTIONALLY LEFT BLANK.Initial Review

~~Within 15 Business Days after the Transmission Provider notifies the Interconnection Customer it has received a complete Interconnection Request, the Transmission Provider shall perform an initial review using the screens set forth below, shall notify the Interconnection Customer of the results, and include with the notification copies of the analysis and data underlying the Transmission Provider's determinations under the screens.~~

2.2.1 THIS SECTION INTENTIONALLY LEFT BLANK.Screens

2.2.1.1 THIS SECTION INTENTIONALLY LEFT BLANK.The proposed Small Generating Facility's Point of Interconnection must be on a portion of

~~the Transmission Provider's Distribution System that is subject to the Tariff.~~

- 2.2.1.2** ~~**THIS SECTION INTENTIONALLY LEFT BLANK.**For interconnection of a proposed Small Generating Facility to a radial distribution circuit, the aggregated generation, including the proposed Small Generating Facility, on the circuit shall not exceed 15 % of the line section annual peak load as most recently measured at the substation. A line section is that portion of a Transmission Provider's electric system connected to a customer bounded by automatic sectionalizing devices or the end of the distribution line.~~
- 2.2.1.3** ~~**THIS SECTION INTENTIONALLY LEFT BLANK.**For interconnection of a proposed Small Generating Facility to the load side of spot network protectors, the proposed Small Generating Facility must utilize an inverter-based equipment package and, together with the aggregated other inverter-based generation, shall not exceed the smaller of 5 % of a spot network's maximum load or 50 kW¹.~~
- 2.2.1.4** ~~**THIS SECTION INTENTIONALLY LEFT BLANK.**The proposed Small Generating Facility, in aggregation with other generation on the distribution circuit, shall not contribute more than 10 % to the distribution circuit's maximum fault current at the point on the high voltage (primary) level nearest the proposed point of change of ownership.~~
- 2.2.1.5** ~~**THIS SECTION INTENTIONALLY LEFT BLANK.**The proposed Small Generating Facility, in aggregate with other generation on the distribution circuit, shall not cause any distribution protective devices and equipment (including, but not limited to, substation breakers, fuse cutouts, and line reclosers), or Interconnection Customer equipment on the system to exceed 87.5 % of the short circuit interrupting capability; nor shall the interconnection be proposed for a circuit that already exceeds 87.5 % of the short circuit interrupting capability.~~
- 2.2.1.6** ~~**THIS SECTION INTENTIONALLY LEFT BLANK.**Using the table below, determine the type of interconnection to a primary distribution line. This screen includes a review of the type of electrical service provided to the Interconnecting Customer, including line configuration and the transformer connection to limit the potential for creating over-voltages on the Transmission Provider's electric power system due to a loss of ground during the operating time of any anti-islanding function.~~

~~**THIS SECTION INTENTIONALLY LEFT BLANK.**¹A spot Network is a type of distribution system found within modern commercial buildings to provide high reliability of service to a single customer. (Standard Handbook for Electrical Engineers, 11th edition, Donald Fink, McGraw Hill Book Company)~~

Primary Distribution Line Type	Type of Interconnection to Primary Distribution Line	Result/Criteria
Three-phase, three-wire	3-phase or single phase, phase-to-phase	Pass screen
Three-phase, four-wire	Effectively-grounded 3-phase or Single-phase, line-to-neutral	Pass screen

2.2.1.7 **THIS SECTION INTENTIONALLY LEFT BLANK.** ~~If the proposed Small Generating Facility is to be interconnected on single-phase shared secondary, the aggregate generation capacity on the shared secondary, including the proposed Small Generating Facility, shall not exceed 20 kW.~~

2.2.1.8 **THIS SECTION INTENTIONALLY LEFT BLANK.** ~~If the proposed Small Generating Facility is single-phase and is to be interconnected on a center tap neutral of a 240 volt service, its addition shall not create an imbalance between the two sides of the 240 volt service of more than 20% of the nameplate rating of the service transformer.~~

2.2.1.9 **THIS SECTION INTENTIONALLY LEFT BLANK.** ~~The Small Generating Facility, in aggregate with other generation interconnected to the transmission side of a substation transformer feeding the circuit where the Small Generating Facility proposes to interconnect shall not exceed 10 MW in an area where there are known, or posted, transient stability limitations to generating units located in the general electrical vicinity (e.g., three or four transmission busses from the point of interconnection).~~

2.2.1.10 **THIS SECTION INTENTIONALLY LEFT BLANK.** ~~No construction of facilities by the Transmission Provider on its own system shall be required to accommodate the Small Generating Facility.~~

2.2.2 **THIS SECTION INTENTIONALLY LEFT BLANK.** ~~If the proposed interconnection passes the screens, the Interconnection Request shall be approved and the Transmission Provider will provide the Interconnection Customer an executable interconnection agreement within five Business Days after the determination.~~

2.2.3 **THIS SECTION INTENTIONALLY LEFT BLANK.** ~~If the proposed interconnection fails the screens, but the Transmission Provider determines that the Small Generating Facility may nevertheless be interconnected consistent with safety, reliability, and power quality standards, the Transmission Provider shall provide the Interconnection Customer an executable interconnection agreement within five Business Days after the determination.~~

2.2.4 **THIS SECTION INTENTIONALLY LEFT BLANK.** ~~If the proposed interconnection fails the screens, but the Transmission Provider does not or cannot determine from the initial review that the Small Generating Facility may nevertheless be interconnected consistent with safety, reliability, and power quality standards~~

~~unless the Interconnection Customer is willing to consider minor modifications or further study, the Transmission Provider shall provide the Interconnection Customer with the opportunity to attend a customer options meeting.~~

- 2.3** ~~**THIS SECTION INTENTIONALLY LEFT BLANK.Customer Options Meeting**~~
~~If the Transmission Provider determines the Interconnection Request cannot be approved without minor modifications at minimal cost; or a supplemental study or other additional studies or actions; or at significant cost to address safety, reliability, or power quality problems, within the five Business Day period after the determination, the Transmission Provider shall notify the Interconnection Customer and provide copies of all data and analyses underlying its conclusion. Within ten Business Days of the Transmission Provider's determination, the Transmission Provider shall offer to convene a customer options meeting with the Transmission Provider to review possible Interconnection Customer facility modifications or the screen analysis and related results, to determine what further steps are needed to permit the Small Generating Facility to be connected safely and reliably. At the time of notification of the Transmission Provider's determination, or at the customer options meeting, the Transmission Provider shall:~~
- 2.3.1** ~~**THIS SECTION INTENTIONALLY LEFT BLANK.Offer to perform facility modifications or minor modifications to the Transmission Provider's electric system(e.g., changing meters, fuses, relay settings) and provide a non-binding good faith estimate of the limited cost to make such modifications to the Transmission Provider's electric system; or**~~
- 2.3.2** ~~**THIS SECTION INTENTIONALLY LEFT BLANK.Offer to perform a supplemental review if the Transmission Provider concludes that the supplemental review might determine that the Small Generating Facility could continue to qualify for interconnection pursuant to the Fast Track Process, and provide a non-binding good faith estimate of the costs of such review; or**~~
- 2.3.3** ~~**THIS SECTION INTENTIONALLY LEFT BLANK.Obtain the Interconnection Customer's agreement to continue evaluating the Interconnection Request under the section 3 Study Process.**~~
- 2.4** ~~**THIS SECTION INTENTIONALLY LEFT BLANK.Supplemental Review**~~
~~If the Interconnection Customer agrees to a supplemental review, the Interconnection Customer shall agree in writing within 15 Business Days of the offer, and submit a deposit for the estimated costs. The Interconnection Customer shall be responsible for the Transmission Provider's actual costs for conducting the supplemental review. The Interconnection Customer must pay any review costs that exceed the deposit within 20 Business Days of receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced costs, the Transmission Provider will return such excess within 20 Business Days of the invoice without interest.~~
- 2.4.1** ~~**THIS SECTION INTENTIONALLY LEFT BLANK.Within ten Business Days following receipt of the deposit for a supplemental review, the Transmission Provider will determine if the Small Generating Facility can be interconnected safely and reliably.**~~

- 2.4.1.1** ~~**THIS SECTION INTENTIONALLY LEFT BLANK.**~~~~If so, the Transmission Provider shall forward an executable interconnection agreement to the Interconnection Customer within five Business Days.~~
- 2.4.1.2** ~~**THIS SECTION INTENTIONALLY LEFT BLANK.**~~~~If so, and Interconnection Customer facility modifications are required to allow the Small Generating Facility to be interconnected consistent with safety, reliability, and power quality standards under these procedures, the Transmission Provider shall forward an executable interconnection agreement to the Interconnection Customer within five Business Days after confirmation that the Interconnection Customer has agreed to make the necessary changes at the Interconnection Customer's cost.~~
- 2.4.1.3** ~~**THIS SECTION INTENTIONALLY LEFT BLANK.**~~~~If so, and minor modifications to the Transmission Provider's electric system are required to allow the Small Generating Facility to be interconnected consistent with safety, reliability, and power quality standards under the Fast Track Process, the Transmission Provider shall forward an executable interconnection agreement to the Interconnection Customer within ten Business Days that requires the Interconnection Customer to pay the costs of such system modifications prior to interconnection.~~
- 2.4.1.4** ~~**THIS SECTION INTENTIONALLY LEFT BLANK.**~~~~If not, the Interconnection Request will continue to be evaluated under the section 3 Study Process.~~

Section 3. Study Process

3.1 Applicability

The Study Process shall be used by an Interconnection Customer proposing to interconnect its Small Generating Facility with the ~~Transmission Provider's~~Southwestern Transmission System ~~if the Small Generating Facility (1) is larger than 2 MW but no larger than 20 MW, (2) is not certified, or (3) is certified but did not pass the Fast Track Process or the 10 kW Inverter Process.~~

3.2 Scoping Meeting

3.2.1 A scoping meeting will be held within ten Business Days after the Interconnection Request is deemed complete ~~by SPP,~~ or as otherwise mutually agreed to by the Parties ~~at a date established by the SPP and mutually agreed upon by the Parties pursuant to the terms of the SPP's SGIP. The Transmission Provider~~Southwestern, the SPP, and the Interconnection Customer will bring to the meeting ~~personnel, including system engineers and other~~ resources as may be reasonably required to accomplish the purpose of the meeting ~~and shall make available personnel, including system engineers.~~

3.2.2 The purpose of the scoping meeting is to discuss the Interconnection Request and review existing studies relevant to the Interconnection Request. The Parties

shall further discuss whether the ~~Transmission Provider~~SPP should perform a feasibility study or proceed directly to a system impact study, ~~or a facilities study, or an interconnection agreement~~. If the Parties agree that a feasibility study should be performed, ~~the Transmission Provider shall provide the Interconnection Customer, as soon as possible, but not later than five Business Days after the scoping meeting, a feasibility study agreement (Attachment 6) including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study~~ the Interconnection Customer shall coordinate with the SPP for the performance of the study, in accordance with the SPP's SGIP and applicable provisions of the SPP/Southwestern Agreement. Furthermore, the Parties shall review Southwestern's scope of work associated with the Facilities Study and Environmental Documentation Agreement.

- 3.2.3 The scoping meeting may be omitted by mutual agreement ~~of the Parties~~. ~~In order to remain in consideration for interconnection, an Interconnection Customer who has requested a feasibility study must return the executed feasibility study agreement within 15 Business Days.~~ If the Parties agree not to perform a feasibility study, ~~the Transmission Provider shall provide the Interconnection Customer, no later than five Business Days after the scoping meeting, a system impact study agreement (Attachment 7) including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study~~ the Interconnection Customer shall coordinate with the SPP for the performance of a system impact study, in accordance with the SPP's SGIP and applicable provisions of the SPP/Southwestern Agreement.

3.3 Feasibility Study

- 3.3.1 The Interconnection Customer shall coordinate with the SPP for the performance of a feasibility study shall to identify any potential adverse system impacts that would result from the interconnection of the Small Generating Facility, in accordance with the SPP's SGIP.
- 3.3.2 **THIS SECTION INTENTIONALLY LEFT BLANK.** ~~A deposit of the lesser of 50 percent of the good faith estimated feasibility study costs or earnest money of \$1,000 may be required from the Interconnection Customer.~~
- 3.3.3 **THIS SECTION INTENTIONALLY LEFT BLANK.** ~~The scope of and cost responsibilities for the feasibility study are described in the attached feasibility study agreement (Attachment 6).~~
- 3.3.4 **THIS SECTION INTENTIONALLY LEFT BLANK.** ~~If the feasibility study shows no potential for adverse system impacts, the Transmission Provider shall send the Interconnection Customer a facilities study agreement, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study. If no additional facilities are required, the Transmission Provider shall send the Interconnection Customer an executable interconnection agreement within five Business Days.~~

- 3.3.5 ~~**THIS SECTION INTENTIONALLY LEFT BLANK.**~~ ~~If the feasibility study shows the potential for adverse system impacts, the review process shall proceed to the appropriate system impact study(s).~~

3.4 System Impact Study

- 3.4.1 ~~**A-The Interconnection Customer shall coordinate with the SPP for the performance of a system impact study shall to**~~ identify and detail the ~~electric Transmission system-System~~ impacts that would result if the proposed Small Generating Facility were interconnected without project modifications or ~~electric Transmission system-System~~ modifications, focusing on the adverse system impacts identified in the feasibility study, or to study potential impacts, including but not limited to those identified in the scoping meeting. ~~A system impact study shall evaluate the impact of the proposed interconnection on the reliability of the electric system, in accordance with the SPP's SGIP.~~
- 3.4.2 ~~**THIS SECTION INTENTIONALLY LEFT BLANK.**~~ ~~If no transmission system impact study is required, but potential electric power Distribution System adverse system impacts are identified in the scoping meeting or shown in the feasibility study, a distribution system impact study must be performed. The Transmission Provider shall send the Interconnection Customer a distribution system impact study agreement within 15 Business Days of transmittal of the feasibility study report, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study, or following the scoping meeting if no feasibility study is to be performed.~~
- 3.4.3 ~~**THIS SECTION INTENTIONALLY LEFT BLANK.**~~ ~~In instances where the feasibility study or the distribution system impact study shows potential for transmission system adverse system impacts, within five Business Days following transmittal of the feasibility study report, the Transmission Provider shall send the Interconnection Customer a transmission system impact study agreement, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study, if such a study is required.~~
- 3.4.4 ~~**THIS SECTION INTENTIONALLY LEFT BLANK.**~~ ~~If a transmission system impact study is not required, but electric power Distribution System adverse system impacts are shown by the feasibility study to be possible and no distribution system impact study has been conducted, the Transmission Provider shall send the Interconnection Customer a distribution system impact study agreement.~~
- 3.4.5 ~~**THIS SECTION INTENTIONALLY LEFT BLANK.**~~ ~~If the feasibility study shows no potential for transmission system or Distribution System adverse system impacts, the Transmission Provider shall send the Interconnection Customer either a facilities study agreement (Attachment 8), including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study, or an executable interconnection agreement, as applicable.~~

- 3.4.6 ~~**THIS SECTION INTENTIONALLY LEFT BLANK.**~~In order to remain under consideration for interconnection, the Interconnection Customer must return executed system impact study agreements, if applicable, within 30 Business Days.
- 3.4.7 ~~**THIS SECTION INTENTIONALLY LEFT BLANK.**~~A deposit of the good faith estimated costs for each system impact study may be required from the Interconnection Customer.
- 3.4.8 ~~**THIS SECTION INTENTIONALLY LEFT BLANK.**~~The scope of and cost responsibilities for a system impact study are described in the attached system impact study agreement.
- 3.4.9 ~~**THIS SECTION INTENTIONALLY LEFT BLANK.**~~Where transmission systems and Distribution Systems have separate owners, such as is the case with transmission dependent utilities ("TDUs")—whether investor owned or not—the Interconnection Customer may apply to the nearest Transmission Provider (Transmission Owner, Regional Transmission Operator, or Independent Transmission Provider) providing transmission service to the TDU to request project coordination. Affected Systems shall participate in the study and provide all information necessary to prepare the study.

3.5 **Facilities Study and Environmental Documentation**

- 3.5.1 ~~Once the required system impact study(s) is completed, a system impact study report shall be prepared and transmitted to the Interconnection Customer. Upon request by the Interconnection Customer, Southwestern shall prepare and transmit along with a facilities study and environmental documentation agreement to the Interconnection Customer within five Business Days, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the facilities study and the environmental review and documentation. In the case where one or both impact studies are determined to be unnecessary, a notice of the fact shall be transmitted to the Interconnection Customer within the same timeframe.~~
- 3.5.2 In order to remain under consideration for interconnection, ~~or, as appropriate, in the Transmission Provider's interconnection queue,~~ the Interconnection Customer must return the ~~executed signed~~ facilities study and environmental documentation agreement for execution or a request for an extension of time within 30 Business Days.
- 3.5.3 The facilities study performed by Southwestern shall specify and provide a non-binding good faith estimate of the cost of the equipment, engineering, procurement and construction work (including overheads) needed ~~to implement the conclusions of the system impact study(s) for the facilities at the point of interconnection.~~

3.5.4 ~~The environmental review and documentation as provided for by Southwestern shall review the environmental impacts of physically and electrically connecting the Small Generating Facility to the Southwestern Transmission System. Southwestern shall have completed the environmental review and documentation for the Interconnection Request before rendering a decision to offer the Interconnection Customer a final draft SGIA. If Southwestern decides to provide a final draft SGIA for the Interconnection Customer to sign, Southwestern shall provide such agreement within five Business Days of rendering Southwestern's decision and shall proceed with design and construction immediately following the execution of the SGIA.~~

3.5.43.5.5 ~~Any Design design required for any required Southwestern's Interconnection Facilities and/or Upgrades shall be performed under the facilities study and environmental documentation agreement. The Transmission Provider Southwestern may contract with consultants to perform activities required under the facilities study and environmental documentation agreement. The Interconnection Customer and the Transmission Provider Southwestern may agree to allow the Interconnection Customer to separately arrange for the design of some of the Southwestern's Interconnection Facilities. In such cases, facilities design will be reviewed and/or modified prior to acceptance by the Transmission Provider Southwestern, under the provisions of the facilities study and environmental documentation agreement. If the Parties agree to separately arrange for design and construction, and provided security and confidentiality requirements can be met, the Transmission Provider Southwestern shall make sufficient information available to the Interconnection Customer in accordance with confidentiality, and critical infrastructure, and FOIA requirements to permit the Interconnection Customer to obtain an independent design and cost estimate for any necessary facilities.~~

3.5.53.5.6 ~~A deposit of the good faith estimated costs for the facilities study may be required from t~~The Interconnection Customer must provide advanced funds for the good faith estimated costs of the facilities study and the environmental review and documentation prior to Southwestern performing any work pursuant to the facilities study and environmental documentation agreement.

3.5.63.5.7 ~~The scope of and cost responsibilities for the facilities study and the environmental review and documentation are described in the attached facilities study and environmental documentation agreement.~~

3.5.73.5.8 ~~Upon completion of the facilities study and environmental review and documentation, and with the agreement of the Interconnection Customer to pay for Interconnection Facilities and Upgrades identified in the facilities study, and provided Southwestern determines to offer the Interconnection Customer a final draft SGIA, the Transmission Provider Southwestern shall provide the Interconnection Customer an executable interconnection agreement within five Business Days.~~

Section 4. Provisions that Apply to All Interconnection Requests

4.1 Reasonable Efforts

~~The Transmission Provider~~Southwestern shall make reasonable efforts to meet all time frames provided in these procedures unless ~~the Transmission Provider~~Southwestern and the Interconnection Customer agree to a different schedule. If ~~the Transmission Provider~~Southwestern cannot meet a deadline provided herein, it shall notify the Interconnection Customer, explain the reason for the failure to meet the deadline, and provide an estimated time by which it will complete the applicable interconnection procedure in the process.

4.2 Disputes

In the event any Party has a dispute, or asserts a claim, that arises out of or in connection with the SGIP, or their performance, the Parties agree to resolve such dispute using the Dispute Resolution procedures in Section 12 of the Tariff.

4.2.1 ~~THIS SECTION INTENTIONALLY LEFT BLANK.~~~~The Parties agree to attempt to resolve all disputes arising out of the interconnection process according to the provisions of this article.~~

4.2.2 ~~THIS SECTION INTENTIONALLY LEFT BLANK.~~~~In the event of a dispute, either Party shall provide the other Party with a written Notice of Dispute. Such Notice shall describe in detail the nature of the dispute.~~

4.2.3 ~~THIS SECTION INTENTIONALLY LEFT BLANK.~~~~If the dispute has not been resolved within two Business Days after receipt of the Notice, either Party may contact FERC's Dispute Resolution Service (DRS) for assistance in resolving the dispute.~~

4.2.4 ~~THIS SECTION INTENTIONALLY LEFT BLANK.~~~~The DRS will assist the Parties in either resolving their dispute or in selecting an appropriate dispute resolution venue (e.g., mediation, settlement judge, early neutral evaluation, or technical expert) to assist the Parties in resolving their dispute. DRS can be reached at 1-877-337-2237 or via the internet at <http://www.ferc.gov/legal/adr.asp>.~~

4.2.5 ~~THIS SECTION INTENTIONALLY LEFT BLANK.~~~~Each Party agrees to conduct all negotiations in good faith and will be responsible for one-half of any costs paid to neutral third parties.~~

4.2.6 ~~THIS SECTION INTENTIONALLY LEFT BLANK.~~~~If neither Party elects to seek assistance from the DRS, or if the attempted dispute resolution fails, then either Party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of these procedures.~~

4.3 Interconnection Metering

Any metering necessitated by the use of the Small Generating Facility shall be installed at the Interconnection Customer's expense in accordance with ~~Federal Energy~~

~~Regulatory Commission, state, or local regulatory requirements or the Transmission ProviderSouthwestern's specifications.~~

4.4 Commissioning

Commissioning tests of the Interconnection Customer's installed equipment shall be performed pursuant to applicable codes and standards. ~~The Transmission ProviderSouthwestern~~ must be given at least five Business Days written notice, or as otherwise mutually agreed to by the Parties, of the tests and may be present to witness the commissioning tests.

4.5 Confidentiality

All provisions of this Section 4.5 shall be subject to Southwestern's Federal statutory regulations.

4.5.1 Confidential information shall mean any confidential and/or proprietary information provided by one Party to the other Party that is clearly marked or otherwise designated "Confidential." For purposes of these procedures all design, operating specifications, and metering data provided by the Interconnection Customer shall be deemed confidential information regardless of whether it is clearly marked or otherwise designated as such.

4.5.2 Confidential Information does not include information previously in the public domain, required to be publicly submitted or divulged by Governmental Authorities (after notice to the other Party and after exhausting any opportunity to oppose such publication or release), or necessary to be divulged in an action to enforce these procedures. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under these procedures, or to fulfill legal or regulatory requirements.

4.5.2.1 Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Party as it employs to protect its own Confidential Information.

4.5.2.2 ~~**THIS SECTION INTENTIONALLY LEFT BLANK.** Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or proof of damages, and may seek other remedies available at law or in equity for breach of this provision.~~

4.5.3 Notwithstanding anything in this article to the contrary, and pursuant to 18 CFR § 1b.20, if FERC, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to these procedures, the Party shall provide the requested information to FERC, within the time provided for in the request for information. In providing the information to FERC, the Party may, consistent with 18 CFR § 388.112, request that the information be treated as confidential and non-public by FERC and that the information be withheld from public disclosure. Parties are

prohibited from notifying the other Party prior to the release of the Confidential Information to FERC. The Party shall notify the other Party when it is notified by FERC that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR § 388.112. ~~Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.~~

4.6 Comparability

~~The Transmission Provider~~Southwestern shall, in coordination with SPP, receive, process and analyze all Interconnection Requests in a timely manner as set forth in this document. ~~The Transmission Provider~~Southwestern, in coordination with SPP, shall use the same reasonable efforts in processing and analyzing Interconnection Requests from all Interconnection Customers, whether the Small Generating Facility is owned or operated by ~~the Transmission Provider~~Southwestern, its subsidiaries or affiliates, or others.

4.7 Record Retention

~~The Transmission Provider~~Southwestern shall maintain for three years records, subject to audit, of all Interconnection Requests received under these procedures, the times required to complete Interconnection Request approvals and disapprovals, and justification for the actions taken on the Interconnection Requests.

4.8 Interconnection Agreement

After receiving an interconnection agreement from ~~the Transmission Provider~~Southwestern, the Interconnection Customer shall have 30 Business Days or another mutually agreeable timeframe to sign and return the interconnection agreement, ~~or request that the Transmission Provider file an unexecuted interconnection agreement with the Federal Energy Regulatory Commission.~~ If the Interconnection Customer does not sign the interconnection agreement, ~~or ask that it be filed unexecuted by the Transmission Provider~~ within 30 Business Days, the Interconnection Request shall be deemed withdrawn. After the interconnection agreement is signed by the Parties, the interconnection of the Small Generating Facility shall proceed under the provisions of the interconnection agreement.

4.9 Coordination with Affected Systems

~~The Transmission Provider~~Pursuant to the terms of the SPP's SGIP, the SPP shall coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Affected Systems with Affected System operators and, if possible, include those results (if available) in its applicable interconnection study within the time frame specified in ~~these procedures~~the SPP's SGIP. ~~The Transmission Provider will include such Affected System operators in all meetings held with the Interconnection Customer as required by these procedures. The Interconnection Customer will cooperate with the Transmission Provider in all matters related to the conduct of studies and the determination of modifications to Affected Systems. A Transmission Provider which may be an Affected System shall cooperate with the Transmission Provider with whom interconnection has been requested in all matters related to the conduct of studies and the determination of modifications to Affected Systems.~~

4.10 Capacity of the Small Generating Facility

- 4.10.1 If the Interconnection Request is for an increase in capacity for an existing Small Generating Facility, the Interconnection Request shall be evaluated on the basis of the new total capacity of the Small Generating Facility.
- 4.10.2 If the Interconnection Request is for a Small Generating Facility that includes multiple energy production devices at a site for which the Interconnection Customer seeks a single Point of Interconnection, the Interconnection Request shall be evaluated on the basis of the aggregate capacity of the multiple devices.
- 4.10.3 The Interconnection Request shall be evaluated using the maximum rated capacity of the Small Generating Facility.

4.11 Control Area

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

Glossary of Terms

~~**10-kW Inverter Process**—The procedure for evaluating an Interconnection Request for a certified inverter-based Small Generating Facility no larger than 10-kW that uses the section 2 screens. The application process uses an all-in-one document that includes a simplified Interconnection Request, simplified procedures, and a brief set of terms and conditions. See SGIP Attachment 5.~~

Affected System – An electric system other than the ~~Transmission Provider's~~Southwestern Transmission System that may be affected by the proposed interconnection.

Business Day – Monday through Friday, excluding Federal Holidays.

Distribution System – The ~~Transmission Provider's~~ facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which Distribution Systems operate differ among areas.

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

~~**Fast Track Process**—The procedure for evaluating an Interconnection Request for a certified Small Generating Facility no larger than 2-MW that includes the section 2 screens, customer options meeting, and optional supplemental review.~~

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

Interconnection Customer – Any entity, ~~including the Transmission Provider, the Transmission Owner~~ or any of the affiliates or subsidiaries of ~~either such entity~~, that proposes to interconnect its Small Generating Facility with the ~~Transmission Provider's~~Southwestern Transmission System.

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

Interconnection Request – The Interconnection Customer's request made to the SPP, in accordance with the Tariff the form of Attachment 2 to the SPP's Standard Small Generator Interconnection Procedure, to interconnect a new Small Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Small Generating Facility that is interconnected with the ~~Transmission Provider's~~Southwestern Transmission System. Southwestern's

involvement in the procedures and agreements resulting from an "Interconnection Request" as used herein shall be limited to the establishment of interconnection facilities to connect the Small Generating Facility to the Southwestern Transmission System. The need for system upgrades/modifications to, and service in, the Transmission System, such as Network Upgrades and services, shall be coordinated by the Interconnection Customer with the SPP and determined under the SPP's Standard Small Generator Interconnection Procedures.

Material Modification – A modification that has a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

Network Upgrades – Additions, modifications, and upgrades to the ~~Transmission Provider's~~ Transmission System required at or beyond the point at which the Small Generating Facility interconnects with the ~~Transmission Provider's Southwestern~~ Transmission System to accommodate the interconnection with the Small Generating Facility to the ~~Transmission Provider's Southwestern~~ Transmission System. Network Upgrades do not include Distribution Upgrades.

Party or Parties – ~~The Transmission Provider Southwestern, Transmission Owner,~~ Interconnection Customer or any combination of the above.

Point of Interconnection – The point where the Interconnection Facilities connect with the ~~Transmission Provider's Southwestern~~ Transmission System.

Queue Position – The order of a valid Interconnection Request as determined by the SPP, relative to all other pending valid Interconnection Requests, that is established based upon the date and time of receipt of the valid Interconnection Request by the ~~Transmission Provider SPP~~.

Small Generating Facility – The Interconnection Customer's device for the production of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

Study Process – The procedure for evaluating an Interconnection Request that includes the ~~section~~ Section 3 scoping meeting, feasibility study, system impact study, and facilities study and environmental review and documentation.

~~**Transmission Owner** – The entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Small Generator Interconnection Agreement to the extent necessary.~~

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

~~**Transmission System** – The facilities owned, controlled or operated by the Transmission Provider Southwestern when preceded by the term "Southwestern" or the Transmission Owner transmission facilities controlled by the SPP when preceded by the term "SPP" that are used to provide transmission service under the Southwestern's Tariff or the SPP tariff. Where the words "Transmission System" are not preceded by either shall mean the facilities of both.~~

Upgrades – The required additions and modifications to the ~~Transmission Provider's~~ Transmission System at or beyond the Point of Interconnection as determined by the SPP. Upgrades may be Network Upgrades or Distribution Upgrades. Upgrades do not include Interconnection Facilities.

**SMALL GENERATOR INTERCONNECTION REQUEST
(Application Form)**

~~The Interconnection Request is made using Attachment 2 of the SPP's SGIP Transmission Provider:~~

~~Designated Contact Person:~~ _____

~~Address:~~ _____

~~Telephone Number:~~ _____

~~Fax:~~ _____

~~E-Mail Address:~~ _____

~~An Interconnection Request is considered complete when it provides all applicable and correct information required below. Per SGIP section 1.5, documentation of site control must be submitted with the Interconnection Request.~~

~~Preamble and Instructions~~

~~An Interconnection Customer who requests a Federal Energy Regulatory Commission jurisdictional interconnection must submit this Interconnection Request by hand delivery, mail, e-mail, or fax to the Transmission Provider.~~

~~Processing Fee or Deposit:~~

~~If the Interconnection Request is submitted under the Fast Track Process, the non-refundable processing fee is \$500.~~

~~If the Interconnection Request is submitted under the Study Process, whether a new submission or an Interconnection Request that did not pass the Fast Track Process, the Interconnection Customer shall submit to the Transmission Provider a deposit not to exceed \$1,000 towards the cost of the feasibility study.~~

~~Interconnection Customer Information~~

~~Legal Name of the Interconnection Customer (or, if an individual, individual's name)~~

~~Name:~~ _____

~~Contact Person:~~ _____

~~Mailing Address:~~ _____

~~City:~~ _____ ~~State:~~ _____ ~~Zip:~~ _____

~~Facility Location (if different from above):~~ _____

~~Telephone (Day):~~ _____ ~~Telephone (Evening):~~ _____

Fax: _____ E-Mail Address: _____

Alternative Contact Information (if different from the Interconnection Customer)

Contact Name: _____

Title: _____

Address: _____

Telephone (Day): _____ Telephone (Evening): _____

Fax: _____ E-Mail Address: _____

Application is for: _____ New Small Generating Facility
_____ Capacity addition to Existing Small Generating Facility

If capacity addition to existing facility, please describe: _____

Will the Small Generating Facility be used for any of the following?

Net Metering? Yes ___ No ___

To Supply Power to the Interconnection Customer? Yes ___ No ___

To Supply Power to Others? Yes ___ No ___

For installations at locations with existing electric service to which the proposed Small Generating Facility will interconnect, provide:

_____ (Local Electric Service Provider*) _____ (Existing Account Number*)

[*To be provided by the Interconnection Customer if the local electric service provider is different from the Transmission Provider]

Contact Name: _____

Title: _____

Address: _____

Telephone (Day): _____ Telephone (Evening): _____

Fax: _____ E-Mail Address: _____

Requested Point of Interconnection: _____

Interconnection Customer's Requested In-Service Date: _____

Small Generating Facility Information

Data apply only to the Small Generating Facility, not the Interconnection Facilities.

Energy Source: Solar Wind Hydro Hydro Type (e.g. Run-of-River): _____
 Diesel Natural Gas Fuel Oil Other (state type) _____

Prime Mover: Fuel Cell Recip Engine Gas Turb Steam Turb
 Microturbine PV Other

Type of Generator: Synchronous Induction Inverter

Generator Nameplate Rating: _____ kW (Typical) Generator Nameplate kVAR: _____

Interconnection Customer or Customer-Site Load: _____ kW (if none, so state)

Typical Reactive Load (if known): _____

Maximum Physical Export Capability Requested: _____ kW

List components of the Small Generating Facility equipment package that are currently certified:

Equipment Type	Certifying Entity
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____

Is the prime mover compatible with the certified protective relay package? Yes No

Generator (or solar collector)
Manufacturer, Model Name & Number: _____
Version Number: _____

Nameplate Output Power Rating in kW: (Summer) _____ (Winter) _____
Nameplate Output Power Rating in kVA: (Summer) _____ (Winter) _____

Individual Generator Power Factor
Rated Power Factor: Leading: _____ Lagging: _____

Total Number of Generators in wind farm to be interconnected pursuant to this
Interconnection Request: _____ Elevation: _____ Single phase Three phase

Inverter Manufacturer, Model Name & Number (if used): _____

List of adjustable set points for the protective equipment or software: _____

Note: A completed Power Systems Load Flow data sheet must be supplied with the Interconnection Request.

Small Generating Facility Characteristic Data (for inverter-based machines)

Max design fault contribution current: _____ Instantaneous _____ or RMS? _____

Harmonics Characteristics: _____

Start-up requirements: _____

~~Small Generating Facility Characteristic Data (for rotating machines)~~

RPM Frequency: _____

(* Neutral Grounding Resistor (If Applicable): _____

~~Synchronous Generators:~~

Direct Axis Synchronous Reactance, X_d : _____ P.U.

Direct Axis Transient Reactance, X'_d : _____ P.U.

Direct Axis Subtransient Reactance, X''_d : _____ P.U.

Negative Sequence Reactance, X_2 : _____ P.U.

Zero Sequence Reactance, X_0 : _____ P.U.

KVA Base: _____

Field Volts: _____

Field Amperes: _____

~~Induction Generators:~~

Motoring Power (kW): _____

I^2R or K (Heating Time Constant): _____

Rotor Resistance, R_r : _____

Stator Resistance, R_s : _____

Stator Reactance, X_s : _____

Rotor Reactance, X_r : _____

Magnetizing Reactance, X_m : _____

Short Circuit Reactance, X_d'' : _____

Exciting Current: _____

Temperature Rise: _____

Frame Size: _____

Design Letter: _____

Reactive Power Required In Vars (No Load): _____

Reactive Power Required In Vars (Full Load): _____

Total Rotating Inertia, H: _____ Per Unit on kVA Base

~~Note: Please contact the Transmission Provider prior to submitting the Interconnection Request to determine if the specified information above is required.~~

~~Excitation and Governor System Data for Synchronous Generators Only~~

~~Provide appropriate IEEE model block diagram of excitation system, governor system and power system stabilizer (PSS) in accordance with the regional reliability council criteria. A PSS may be determined to be required by applicable studies. A copy of the manufacturer's block diagram may not be substituted.~~

~~Interconnection Facilities Information~~

Will a transformer be used between the generator and the point of common coupling? Yes No

Will the transformer be provided by the Interconnection Customer? Yes No

Transformer Data (If Applicable, for Interconnection Customer-Owned Transformer):

Is the transformer: single phase three phase? Size: _____ kVA
Transformer Impedance: _____% on _____ kVA Base

If Three Phase:

Transformer Primary: _____ Volts Delta Wye Wye Grounded
Transformer Secondary: _____ Volts Delta Wye Wye Grounded
Transformer Tertiary: _____ Volts Delta Wye Wye Grounded

Transformer Fuse Data (If Applicable, for Interconnection Customer-Owned Fuse):

(Attach copy of fuse manufacturer's Minimum Melt and Total Clearing Time-Current Curves)

Manufacturer: _____ Type: _____ Size: _____ Speed: _____

Interconnecting Circuit Breaker (if applicable):

Manufacturer: _____ Type: _____
Load Rating (Amps): _____ Interrupting Rating (Amps): _____ Trip Speed (Cycles): _____

Interconnection Protective Relays (If Applicable):

If Microprocessor-Controlled:

List of Functions and Adjustable Setpoints for the protective equipment or software:

Setpoint Function _____ Minimum _____ Maximum

1. _____

2. _____

3. _____

4. _____

5. _____

6. _____

If Discrete Components:

(Enclose Copy of any Proposed Time-Overcurrent Coordination Curves)

Manufacturer: _____ Type: _____ Style/Catalog No.: _____ Proposed Setting: _____

Manufacturer: _____ Type: _____ Style/Catalog No.: _____ Proposed Setting: _____

Manufacturer: _____ Type: _____ Style/Catalog No.: _____ Proposed Setting: _____

Manufacturer: _____ Type: _____ Style/Catalog No.: _____ Proposed Setting: _____

~~Manufacturer: _____ Type: _____ Style/Catalog No.: _____ Proposed Setting: _____~~

~~Current Transformer Data (If Applicable):~~

~~(Enclose Copy of Manufacturer's Excitation and Ratio Correction Curves)~~

~~Manufacturer: _____
Type: _____ Accuracy Class: _____ Proposed Ratio Connection: _____~~

~~Manufacturer: _____
Type: _____ Accuracy Class: _____ Proposed Ratio Connection: _____~~

~~Potential Transformer Data (If Applicable):~~

~~Manufacturer: _____
Type: _____ Accuracy Class: _____ Proposed Ratio Connection: _____~~

~~Manufacturer: _____
Type: _____ Accuracy Class: _____ Proposed Ratio Connection: _____~~

General Information

~~Enclose copy of site electrical one-line diagram showing the configuration of all Small Generating Facility equipment, current and potential circuits, and protection and control schemes. This one-line diagram must be signed and stamped by a licensed Professional Engineer if the Small Generating Facility is larger than 50 kW. Is One-Line Diagram Enclosed? _____Yes _____No~~

~~Enclose copy of any site documentation that indicates the precise physical location of the proposed Small Generating Facility (e.g., USGS topographic map or other diagram or documentation).~~

~~Proposed location of protective interface equipment on property (include address if different from the Interconnection Customer's address) _____~~

~~Enclose copy of any site documentation that describes and details the operation of the protection and control schemes. Is Available Documentation Enclosed? _____Yes _____No~~

~~Enclose copies of schematic drawings for all protection and control circuits, relay current circuits, relay potential circuits, and alarm/monitoring circuits (if applicable).
Are Schematic Drawings Enclosed? _____Yes _____No~~

Applicant Signature

~~I hereby certify that, to the best of my knowledge, all the information provided in this Interconnection Request is true and correct.~~

~~For Interconnection Customer: _____ Date: _____~~

Certification Codes and Standards

~~THIS SECTION INTENTIONALLY LEFT BLANK. IEEE 1547 Standard for Interconnecting Distributed Resources with Electric Power Systems (including use of IEEE 1547.1 testing protocols to establish conformity)~~

~~UL 1741 Inverters, Converters, and Controllers for Use in Independent Power Systems~~

~~IEEE Std 929-2000 IEEE Recommended Practice for Utility Interface of Photovoltaic (PV) Systems~~

~~NFPA 70 (2002), National Electrical Code~~

~~IEEE Std C37.90.1-1989 (R1994), IEEE Standard Surge Withstand Capability (SWC) Tests for Protective Relays and Relay Systems~~

~~IEEE Std C37.90.2 (1995), IEEE Standard Withstand Capability of Relay Systems to Radiated Electromagnetic Interference from Transceivers~~

~~IEEE Std C37.108-1989 (R2002), IEEE Guide for the Protection of Network Transformers~~

~~IEEE Std C57.12.44-2000, IEEE Standard Requirements for Secondary Network Protectors~~

~~IEEE Std C62.41.2-2002, IEEE Recommended Practice on Characterization of Surges in Low Voltage (1000V and Less) AC Power Circuits~~

~~IEEE Std C62.45-1992 (R2002), IEEE Recommended Practice on Surge Testing for Equipment Connected to Low Voltage (1000V and Less) AC Power Circuits~~

~~ANSI C84.1-1995 Electric Power Systems and Equipment—Voltage Ratings (60 Hertz)~~

~~IEEE Std 100-2000, IEEE Standard Dictionary of Electrical and Electronic Terms
NEMA MG 1-1998, Motors and Small Resources, Revision 3~~

~~IEEE Std 519-1992, IEEE Recommended Practices and Requirements for Harmonic Control in Electrical Power Systems~~

~~NEMA MG 1-2003 (Rev 2004), Motors and Generators, Revision 1~~

Certification of Small Generator Equipment Packages

- ~~**THIS SECTION INTENTIONALLY LEFT BLANK.**~~ 1.0 — ~~Small Generating Facility equipment proposed for use separately or packaged with other equipment in an interconnection system shall be considered certified for interconnected operation if (1) it has been tested in accordance with industry standards for continuous utility interactive operation in compliance with the appropriate codes and standards referenced below by any Nationally Recognized Testing Laboratory (NRTL) recognized by the United States Occupational Safety and Health Administration to test and certify interconnection equipment pursuant to the relevant codes and standards listed in SGIP Attachment 3, (2) it has been labeled and is publicly listed by such NRTL at the time of the interconnection application, and (3) such NRTL makes readily available for verification all test standards and procedures it utilized in performing such equipment certification, and, with consumer approval, the test data itself. The NRTL may make such information available on its website and by encouraging such information to be included in the manufacturer's literature accompanying the equipment.~~
- 2.0 — ~~The Interconnection Customer must verify that the intended use of the equipment falls within the use or uses for which the equipment was tested, labeled, and listed by the NRTL.~~
- 3.0 — ~~Certified equipment shall not require further type test review, testing, or additional equipment to meet the requirements of this interconnection procedure; however, nothing herein shall preclude the need for an on-site commissioning test by the parties to the interconnection nor follow-up production testing by the NRTL.~~
- 4.0 — ~~If the certified equipment package includes only interface components (switchgear, inverters, or other interface devices), then an Interconnection Customer must show that the generator or other electric source being utilized with the equipment package is compatible with the equipment package and is consistent with the testing and listing specified for this type of interconnection equipment.~~
- 5.0 — ~~Provided the generator or electric source, when combined with the equipment package, is within the range of capabilities for which it was tested by the NRTL, and does not violate the interface components' labeling and listing performed by the NRTL, no further design review, testing or additional equipment on the customer side of the point of common coupling shall be required to meet the requirements of this interconnection procedure.~~
- 6.0 — ~~An equipment package does not include equipment provided by the utility.~~
- 7.0 — ~~Any equipment package approved and listed in a state by that state's regulatory body for interconnected operation in that state prior to the effective date of these small generator interconnection procedures shall be considered certified under these procedures for use in that state.~~

**Application, Procedures, and Terms and Conditions for Interconnecting
a Certified Inverter-Based Small Generating Facility No
Larger than 10 kW ("10 kW Inverter Process")**

~~THIS SECTION INTENTIONALLY LEFT BLANK. 1.0 — The Interconnection Customer ("Customer") completes the Interconnection Request ("Application") and submits it to the Transmission Provider ("Company").~~

~~2.0 — The Company acknowledges to the Customer receipt of the Application within three Business Days of receipt.~~

~~3.0 — The Company evaluates the Application for completeness and notifies the Customer within ten Business Days of receipt that the Application is or is not complete and, if not, advises what material is missing.~~

~~4.0 — The Company verifies that the Small Generating Facility can be interconnected safely and reliably using the screens contained in the Fast Track Process in the Small Generator Interconnection Procedures (SGIP). The Company has 15 Business Days to complete this process. Unless the Company determines and demonstrates that the Small Generating Facility cannot be interconnected safely and reliably, the Company approves the Application and returns it to the Customer. Note to Customer: Please check with the Company before submitting the Application if disconnection equipment is required.~~

~~5.0 — After installation, the Customer returns the Certificate of Completion to the Company. Prior to parallel operation, the Company may inspect the Small Generating Facility for compliance with standards which may include a witness test, and may schedule appropriate metering replacement, if necessary.~~

~~6.0 — The Company notifies the Customer in writing that interconnection of the Small Generating Facility is authorized. If the witness test is not satisfactory, the Company has the right to disconnect the Small Generating Facility. The Customer has no right to operate in parallel until a witness test has been performed, or previously waived on the Application. The Company is obligated to complete this witness test within ten Business Days of the receipt of the Certificate of Completion. If the Company does not inspect within ten Business Days or by mutual agreement of the Parties, the witness test is deemed waived.~~

~~7.0 — Contact Information — The Customer must provide the contact information for the legal applicant (i.e., the Interconnection Customer). If another entity is responsible for interfacing with the Company, that contact information must be provided on the Application.~~

~~8.0 — Ownership Information — Enter the legal names of the owner(s) of the Small Generating Facility. Include the percentage ownership (if any) by any utility or public utility holding company, or by any entity owned by either.~~

~~9.0 — UL1741 Listed — This standard ("Inverters, Converters, and Controllers for Use in Independent Power Systems") addresses the electrical interconnection design of various forms of generating equipment. Many manufacturers submit their equipment to a Nationally Recognized Testing Laboratory (NRTL) that verifies compliance with UL1741. This "listing" is then marked on the equipment and supporting documentation.~~

Application for Interconnecting a Certified Inverter-Based Small Generating Facility No Larger than 10kW

This Application is considered complete when it provides all applicable and correct information required below. Additional information to evaluate the Application may be required. Per SGIP section 1.5, documentation of site control must be submitted with the Interconnection Request.

Processing Fee

A non-refundable processing fee of \$100 must accompany this Application.

Interconnection Customer

Name: _____

Contact Person: _____

Address: _____

City: _____ State: _____ Zip: _____

Telephone (Day): _____ (Evening): _____

Fax: _____ E-Mail Address: _____

Contact (if different from Interconnection Customer)

Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Telephone (Day): _____ (Evening): _____

Fax: _____ E-Mail Address: _____

Owner of the facility (include % ownership by any electric utility): _____

Small Generating Facility Information

Location (if different from above): _____

Electric Service Company: _____

Account Number: _____

Inverter Manufacturer: _____ Model _____

Nameplate Rating: _____ (kW) _____ (kVA) _____ (AC Volts)

_____ Single Phase _____ Three Phase _____

System Design Capacity: _____ (kW) _____ (kVA)

Prime Mover: Photovoltaic Reciprocating Engine Fuel Cell _____

_____ Turbine _____ Other _____

Energy Source: Solar Wind Hydro Diesel Natural Gas _____

_____ Fuel Oil Other (describe) _____

Is the equipment UL1741 Listed? _____ Yes _____ No _____

If Yes, attach manufacturer's cut-sheet showing UL1741 listing

Estimated Installation Date: _____ Estimated In-Service Date: _____

The 10 kW Inverter Process is available only for inverter-based Small Generating Facilities no larger than 10 kW that meet the codes, standards, and certification requirements of Attachments 3 and 4 of the Small Generator Interconnection Procedures (SGIP), or the Transmission Provider has reviewed the design or tested the proposed Small Generating Facility and is satisfied that it is safe to operate.

List components of the Small Generating Facility equipment package that are currently certified:

~~Equipment Type _____ Certifying Entity~~

- ~~1. _____~~
- ~~2. _____~~
- ~~3. _____~~
- ~~4. _____~~
- ~~5. _____~~

~~Interconnection Customer Signature~~

~~I hereby certify that, to the best of my knowledge, the information provided in this Application is true. I agree to abide by the Terms and Conditions for Interconnecting an Inverter-Based Small Generating Facility No Larger than 10kW and return the Certificate of Completion when the Small Generating Facility has been installed.~~

~~Signed: _____~~

~~Title: _____ Date: _____~~

~~Contingent Approval to Interconnect the Small Generating Facility~~

~~(For Company use only)~~

~~Interconnection of the Small Generating Facility is approved contingent upon the Terms and Conditions for Interconnecting an Inverter-Based Small Generating Facility No Larger than 10kW and return of the Certificate of Completion.~~

~~Company Signature: _____~~

~~Title: _____ Date: _____~~

~~Application ID number: _____~~

~~Company waives inspection/witness test? Yes _____ No _____~~

Small Generating Facility Certificate of Completion

Is the Small Generating Facility owner installed? Yes _____ No _____

Interconnection Customer: _____

Contact Person: _____

Address: _____

Location of the Small Generating Facility (if different from above): _____

City: _____ State: _____ Zip Code: _____

Telephone (Day): _____ (Evening): _____

Fax: _____ E-Mail Address: _____

Electrician:

Name: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Telephone (Day): _____ (Evening): _____

Fax: _____ E-Mail Address: _____

License number: _____

Date Approval to Install Facility granted by the Company: _____

Application ID number: _____

Inspection:

The Small Generating Facility has been installed and inspected in compliance with the local building/electrical code of _____

Signed (Local electrical wiring inspector, or attach signed electrical inspection):

Print Name: _____

Date: _____

As a condition of interconnection, you are required to send/fax a copy of this form along with a copy of the signed electrical permit to (insert Company information below):

Name: _____

Company: _____

Address: _____

City, State ZIP: _____

~~_____ Fax: _____~~

~~Approval to Energize the Small Generating Facility (For Company use only)
Energizing the Small Generating Facility is approved contingent upon the Terms and Conditions for
Interconnecting an Inverter-Based Small Generating Facility No Larger than 10kW~~

~~Company Signature: _____~~

~~Title: _____ Date: _____~~

**Terms and Conditions for Interconnecting an Inverter-Based
Small Generating Facility No Larger than 10kW**

~~1.0 — Construction of the Facility~~

~~The Interconnection Customer (the "Customer") may proceed to construct (including operational testing not to exceed two hours) the Small Generating Facility when the Transmission Provider (the "Company") approves the Interconnection Request (the "Application") and returns it to the Customer.~~

~~2.0 — Interconnection and Operation~~

~~The Customer may operate Small Generating Facility and interconnect with the Company's electric system once all of the following have occurred:~~

~~2.1 — Upon completing construction, the Customer will cause the Small Generating Facility to be inspected or otherwise certified by the appropriate local electrical wiring inspector with jurisdiction, and~~

~~2.2 — The Customer returns the Certificate of Completion to the Company, and~~

~~2.3 — The Company has either:~~

~~2.3.1 — Completed its inspection of the Small Generating Facility to ensure that all equipment has been appropriately installed and that all electrical connections have been made in accordance with applicable codes. All inspections must be conducted by the Company, at its own expense, within ten Business Days after receipt of the Certificate of Completion and shall take place at a time agreeable to the Parties. The Company shall provide a written statement that the Small Generating Facility has passed inspection or shall notify the Customer of what steps it must take to pass inspection as soon as practicable after the inspection takes place; or~~

~~2.3.2 — If the Company does not schedule an inspection of the Small Generating Facility within ten business days after receiving the Certificate of Completion, the witness test is deemed waived (unless the Parties agree otherwise); or~~

~~2.3.3 — The Company waives the right to inspect the Small Generating Facility.~~

~~2.4 — The Company has the right to disconnect the Small Generating Facility in the event of improper installation or failure to return the Certificate of Completion.~~

~~2.5 — Revenue quality metering equipment must be installed and tested in accordance with applicable ANSI standards.~~

~~3.0 — Safe Operations and Maintenance~~

~~The Customer shall be fully responsible to operate, maintain, and repair the Small Generating Facility as required to ensure that it complies at all times with the interconnection standards to which it has been certified.~~

~~4.0 — Access~~

~~The Company shall have access to the disconnect switch (if the disconnect switch is required) and metering equipment of the Small Generating Facility at all times. The Company shall provide reasonable notice to the Customer when possible prior to using its right of access.~~

~~5.0 — Disconnection~~

~~The Company may temporarily disconnect the Small Generating Facility upon the following conditions:~~

~~5.1 — For scheduled outages upon reasonable notice.~~

~~5.2 — For unscheduled outages or emergency conditions.~~

~~5.3 — If the Small Generating Facility does not operate in the manner consistent with these Terms and Conditions.~~

~~5.4 — The Company shall inform the Customer in advance of any scheduled disconnection, or as is reasonable after an unscheduled disconnection.~~

~~6.0 — Indemnification~~

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

~~7.0 — Insurance~~

~~The Parties agree to follow all applicable insurance requirements imposed by the state in which the Point of Interconnection is located. All insurance policies must be maintained with insurers authorized to do business in that state.~~

~~8.0 — Limitation of Liability~~

~~Each party's liability to the other party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall either party be liable to the other party for any indirect, incidental, special, consequential, or punitive damages of any kind whatsoever, except as allowed under paragraph 6.0.~~

~~9.0 — Termination~~

~~The agreement to operate in parallel may be terminated under the following conditions:~~

~~9.1 — By the Customer
By providing written notice to the Company.~~

~~9.2 — By the Company
If the Small Generating Facility fails to operate for any consecutive 12 month period or the Customer fails to remedy a violation of these Terms and Conditions.~~

~~9.3 — Permanent Disconnection
In the event this Agreement is terminated, the Company shall have the right to disconnect its facilities or direct the Customer to disconnect its Small Generating Facility.~~

~~9.4 — Survival Rights~~

~~This Agreement shall continue in effect after termination to the extent necessary to allow or require either Party to fulfill rights or obligations that arose under the Agreement.~~

~~10.0 — Assignment/Transfer of Ownership of the Facility~~

~~This Agreement shall survive the transfer of ownership of the Small Generating Facility to a new owner when the new owner agrees in writing to comply with the terms of this Agreement and so notifies the Company.~~

Feasibility Study Agreement

~~This Agreement is between the Interconnection Customer and the SPP, pursuant to the terms and conditions of the SPP's SGIP. THIS AGREEMENT is made and entered into this _____ day of _____, 20____ by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") and _____, a _____ existing under the laws of the State of _____, ("Transmission Provider"). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."~~

RECITALS

~~WHEREAS, Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Small Generating Facility consistent with the Interconnection Request completed by Interconnection Customer on _____; and~~

~~WHEREAS, Interconnection Customer desires to interconnect the Small Generating Facility with the Transmission Provider's Transmission System; and~~

~~WHEREAS, Interconnection Customer has requested the Transmission Provider to perform a feasibility study to assess the feasibility of interconnecting the proposed Small Generating Facility with the Transmission Provider's Transmission System, and of any Affected Systems;~~

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

~~1.0 — When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in the standard Small Generator Interconnection Procedures.~~

~~2.0 — The Interconnection Customer elects and the Transmission Provider shall cause to be performed an interconnection feasibility study consistent the standard Small Generator Interconnection Procedures in accordance with the Open Access Transmission Tariff.~~

~~3.0 — The scope of the feasibility study shall be subject to the assumptions set forth in Attachment A to this Agreement.~~

~~4.0 — The feasibility study shall be based on the technical information provided by the Interconnection Customer in the Interconnection Request, as may be modified as the result of the scoping meeting. The Transmission Provider reserves the right to request additional technical information from the Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the feasibility study and as designated in accordance with the standard Small Generator Interconnection Procedures. If the Interconnection Customer modifies its Interconnection Request, the time to complete the feasibility study may be extended by agreement of the Parties.~~

~~5.0 — In performing the study, the Transmission Provider shall rely, to the extent reasonably practicable, on existing studies of recent vintage. The Interconnection Customer shall not be charged for such existing studies; however, the Interconnection Customer shall be responsible for charges associated~~

~~with any new study or modifications to existing studies that are reasonably necessary to perform the feasibility study.~~

~~6.0 — The feasibility study report shall provide the following analyses for the purpose of identifying any potential adverse system impacts that would result from the interconnection of the Small Generating Facility as proposed:~~

~~6.1 — Initial identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;~~

~~6.2 — Initial identification of any thermal overload or voltage limit violations resulting from the interconnection;~~

~~6.3 — Initial review of grounding requirements and electric system protection; and~~

~~6.4 — Description and non-binding estimated cost of facilities required to interconnect the proposed Small Generating Facility and to address the identified short circuit and power flow issues.~~

~~7.0 — The feasibility study shall model the impact of the Small Generating Facility regardless of purpose in order to avoid the further expense and interruption of operation for reexamination of feasibility and impacts if the Interconnection Customer later changes the purpose for which the Small Generating Facility is being installed.~~

~~8.0 — The study shall include the feasibility of any interconnection at a proposed project site where there could be multiple potential Points of Interconnection, as requested by the Interconnection Customer and at the Interconnection Customer's cost.~~

~~9.0 — A deposit of the lesser of 50 percent of good faith estimated feasibility study costs or earnest money of \$1,000 may be required from the Interconnection Customer.~~

~~10.0 — Once the feasibility study is completed, a feasibility study report shall be prepared and transmitted to the Interconnection Customer. Barring unusual circumstances, the feasibility study must be completed and the feasibility study report transmitted within 30 Business Days of the Interconnection Customer's agreement to conduct a feasibility study.~~

~~11.0 — Any study fees shall be based on the Transmission Provider's actual costs and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.~~

~~12.0 — The Interconnection Customer must pay any study costs that exceed the deposit without interest within 30 calendar days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, the Transmission Provider shall refund such excess within 30 calendar days of the invoice without interest.~~

~~13.0 — Governing Law, Regulatory Authority, and Rules~~

~~The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the state of _____ (where the Point of Interconnection is located), without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.~~

~~14.0 — Amendment~~

~~The Parties may amend this Agreement by a written instrument duly executed by both Parties.~~

~~15.0 — No Third-Party Beneficiaries~~

~~This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.~~

~~16.0 — Waiver~~

~~16.1 — The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.~~

~~16.2 — Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Transmission Provider. Any waiver of this Agreement shall, if requested, be provided in writing.~~

~~17.0 — Multiple Counterparts~~

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

~~18.0 — No Partnership~~

~~This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.~~

~~19.0 — Severability~~

~~If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.~~

~~20.0 — Subcontractors~~

~~Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.~~

~~20.1 The creation of any subcontract relationship shall not relieve the hiring~~

~~_____ Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the Transmission Provider be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.~~

~~20.2 The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.~~

~~21.0 Reservation of Rights~~

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

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

~~[Insert name of Transmission Provider] [Insert name of Interconnection Customer]~~

Signed _____ Signed _____

Name (Printed): _____ Name (Printed): _____

Title _____ Title _____

**Attachment A to
Feasibility Study Agreement**

Assumptions Used in Conducting the Feasibility Study

~~**THIS SECTION INTENTIONALLY LEFT BLANK.** The feasibility study will be based upon the information set forth in the Interconnection Request and agreed upon in the scoping meeting held on _____:~~

~~1) Designation of Point of Interconnection and configuration to be studied.~~

~~2) Designation of alternative Points of Interconnection and configuration.~~

~~1) and 2) are to be completed by the Interconnection Customer. Other assumptions (listed below) are to be provided by the Interconnection Customer and the Transmission Provider.~~

System Impact Study Agreement

~~This Agreement is between the Interconnection Customer and the SPP, pursuant to the terms and conditions of the SPP's SGIP. THIS AGREEMENT is made and entered into this _____ day of _____, 20___ by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") and _____, a _____ existing under the laws of the State of _____, ("Transmission Provider"). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."~~

RECITALS

~~WHEREAS, the Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Small Generating Facility consistent with the Interconnection Request completed by the Interconnection Customer on _____; and~~

~~WHEREAS, the Interconnection Customer desires to interconnect the Small Generating Facility with the Transmission Provider's Transmission System;~~

~~WHEREAS, the Transmission Provider has completed a feasibility study and provided the results of said study to the Interconnection Customer (This recital to be omitted if the Parties have agreed to forego the feasibility study.); and~~

~~WHEREAS, the Interconnection Customer has requested the Transmission Provider to perform a system impact study(s) to assess the impact of interconnecting the Small Generating Facility with the Transmission Provider's Transmission System, and of any Affected Systems;~~

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

- ~~1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in the standard Small Generator Interconnection Procedures.~~
- ~~2.0 The Interconnection Customer elects and the Transmission Provider shall cause to be performed a system impact study(s) consistent with the standard Small Generator Interconnection Procedures in accordance with the Open Access Transmission Tariff.~~
- ~~3.0 The scope of a system impact study shall be subject to the assumptions set forth in Attachment A to this Agreement.~~
- ~~4.0 A system impact study will be based upon the results of the feasibility study and the technical information provided by Interconnection Customer in the Interconnection Request. The Transmission Provider reserves the right to request additional technical information from the Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the system impact study. If the Interconnection Customer modifies its designated Point of Interconnection, Interconnection Request, or the technical information provided therein is modified, the time to complete the system impact study may be extended.~~

- ~~5.0 — A system impact study shall consist of a short circuit analysis, a stability analysis, a power flow analysis, voltage drop and flicker studies, protection and set point coordination studies, and grounding reviews, as necessary. A system impact study shall state the assumptions upon which it is based, state the results of the analyses, and provide the requirement or potential impediments to providing the requested interconnection service, including a preliminary indication of the cost and length of time that would be necessary to correct any problems identified in those analyses and implement the interconnection. A system impact study shall provide a list of facilities that are required as a result of the Interconnection Request and non-binding good faith estimates of cost responsibility and time to construct.~~
- ~~6.0 — A distribution system impact study shall incorporate a distribution load flow study, an analysis of equipment interrupting ratings, protection coordination study, voltage drop and flicker studies, protection and set point coordination studies, grounding reviews, and the impact on electric system operation, as necessary.~~
- ~~7.0 — Affected Systems may participate in the preparation of a system impact study, with a division of costs among such entities as they may agree. All Affected Systems shall be afforded an opportunity to review and comment upon a system impact study that covers potential adverse system impacts on their electric systems, and the Transmission Provider has 20 additional Business Days to complete a system impact study requiring review by Affected Systems.~~
- ~~8.0 — If the Transmission Provider uses a queuing procedure for sorting or prioritizing projects and their associated cost responsibilities for any required Network Upgrades, the system impact study shall consider all generating facilities (and with respect to paragraph 8.3 below, any identified Upgrades associated with such higher queued interconnection) that, on the date the system impact study is commenced —~~
- ~~8.1 — Are directly interconnected with the Transmission Provider's electric system; or~~
- ~~8.2 — Are interconnected with Affected Systems and may have an impact on the proposed interconnection; and~~
- ~~8.3 — Have a pending higher queued Interconnection Request to interconnect with the Transmission Provider's electric system.~~
- ~~9.0 — A distribution system impact study, if required, shall be completed and the results transmitted to the Interconnection Customer within 30 Business Days after this Agreement is signed by the Parties. A transmission system impact study, if required, shall be completed and the results transmitted to the Interconnection Customer within 45 Business Days after this Agreement is signed by the Parties, or in accordance with the Transmission Provider's queuing procedures.~~
- ~~10.0 — A deposit of the equivalent of the good faith estimated cost of a distribution system impact study and the one half the good faith estimated cost of a transmission system impact study may be required from the Interconnection Customer.~~
- ~~11.0 — Any study fees shall be based on the Transmission Provider's actual costs and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.~~
- ~~12.0 — The Interconnection Customer must pay any study costs that exceed the deposit without interest within 30 calendar days on receipt of the invoice or resolution of any dispute. If the deposit~~

~~exceeds the invoiced fees, the Transmission Provider shall refund such excess within 30 calendar days of the invoice without interest.~~

~~13.0 — Governing Law, Regulatory Authority, and Rules~~

~~The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the state of _____ (where the Point of Interconnection is located), without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.~~

~~14.0 — Amendment~~

~~The Parties may amend this Agreement by a written instrument duly executed by both Parties.~~

~~15.0 — No Third-Party Beneficiaries~~

~~This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.~~

~~16.0 — Waiver~~

~~16.1 — The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.~~

~~16.2 — Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Transmission Provider. Any waiver of this Agreement shall, if requested, be provided in writing.~~

~~17.0 — Multiple Counterparts~~

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

~~18.0 — No Partnership~~

~~This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.~~

~~19.0 — Severability~~

~~If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.~~

~~20.0 — Subcontractors~~

~~Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.~~

~~20.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the Transmission Provider be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.~~

~~20.2 The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.~~

~~21.0 Reservation of Rights~~

~~The Transmission Provider shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and the Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Agreement under any applicable provision of the Federal Power Act and FERC's rules and regulations; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications~~

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

~~[Insert name of Transmission Provider] [Insert name of Interconnection Customer]~~

Signed _____ Signed _____

Name (Printed): _____ Name (Printed): _____

Title _____ Title _____

**Attachment A to System
Impact Study Agreement**

Assumptions Used in Conducting the System Impact Study

~~THIS SECTION INTENTIONALLY LEFT BLANK. The system impact study shall be based upon the results of the feasibility study, subject to any modifications in accordance with the standard Small Generator Interconnection Procedures, and the following assumptions:~~

~~1) Designation of Point of Interconnection and configuration to be studied.~~

~~2) Designation of alternative Points of Interconnection and configuration.~~

~~1) and 2) are to be completed by the Interconnection Customer. Other assumptions (listed below) are to be provided by the Interconnection Customer and the Transmission Provider.~~

Facilities Study and Environmental Documentation Agreement

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

RECITALS

~~WHEREAS, the Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Small Generating Facility consistent with the Interconnection Request completed-submitted by the Interconnection Customer ondated _____; and~~

~~WHEREAS, the Interconnection Customer desires to interconnect the Small Generating Facility with the Transmission Provider's Southwestern Transmission System; and~~

~~WHEREAS, the Transmission Provider has completed a system impact study and provided the results of said study to the Interconnection Customer; and~~

~~WHEREAS, the Interconnection Customer has requested the Transmission Provider Southwestern to perform a facilities study to specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the system impact study in accordance with Good Utility Practice to physically and electrically connect the Small Generating Facility with the Transmission Provider's Southwestern Transmission System in accordance with Good Utility Practice-, and establish the Parties responsible for the installation, operations, maintenance and replacements of such equipment; and~~

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

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

~~1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the~~

SGIP Facilities Study and
Environmental Documentation Agreement 1

Issued by: Laurence J. Yadon, II
General Counsel, Southwestern Power Administration

Issued on: September 26, 2007

Effective: December 1, 2007

meanings indicated or the meanings specified in ~~the Southwestern's~~ standard Small Generator Interconnection Procedures.

- 2.0 The Interconnection Customer elects and ~~the Transmission Provider~~Southwestern shall cause a facilities study consistent with the standard Small Generator Interconnection Procedures to be performed in accordance with the ~~Open Access Transmission~~ Tariff.
- 3.0 The scope of the facilities study shall be subject to data provided in Attachment A to this Agreement. The facilities study must be completed within 30 Business Days.
- 4.0 ~~The facilities study shall specify and estimate the cost of the equipment, engineering, procurement and construction work (including overheads) needed to implement the conclusions of the system impact study(s).~~ The facilities study shall also identify (1) the electrical switching configuration of the equipment, including, without limitation, transformer, switchgear, meters, and other station equipment, (2) the nature and estimated cost of ~~the Transmission Provider~~Southwestern's Interconnection Facilities ~~and Upgrades~~ necessary to accomplish the interconnection, and (3) an estimate of the time required to complete the construction and installation of such facilities. Once the facilities study is completed, a facilities study report shall be prepared and transmitted to the Interconnection Customer. Barring unusual circumstances, the facilities study shall be completed and the facilities study report transmitted within 30 Business Days of the execution of this Agreement. The facilities study report (i) shall provide a description, estimated cost of, and proposed construction schedule for required facilities to interconnect the Small Generating Facility to the Southwestern Transmission System and (ii) shall establish the installation, operation, ownership, maintenance, and replacement responsibilities of the Parties for the Interconnection Facilities.
- 5.0 The scope of Southwestern's environmental review and documentation requirements shall depend on whether Southwestern is required to complete an Environmental Assessment ("EA") or an Environmental Impact Statement ("EIS") for the requested interconnection pursuant to Section 3.5 of the SGIP. Southwestern has the authority to perform an EA. An EIS must be completed according to the Department of Energy's procedures.
- 5.1 Southwestern's environmental review and documentation will encompass all facilities related to the Interconnection Request including but not limited to the generator/generation site, interconnecting transmission lines, and switchyards.
- 5.2 Southwestern shall invoice for the estimated cost of the environmental review and documentation pursuant to Section 6.0.
- 6.0 Invoice Procedures. Upon execution of this Agreement by the Parties, Southwestern shall invoice the Interconnection Customer for Southwestern's estimated cost to perform the facilities study and environmental review and documentation.
- 6.1 Payment. Subject to the provisions of Section 3.5.6 of the SGIP, the Interconnection Customer shall pay the actual costs of the facilities study and environmental review and documentation and Southwestern shall invoice the Interconnection Customer if additional funds are required to complete the facilities study and environmental review and documentation. Southwestern shall not perform any work without advanced funding.

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

To Southwestern:

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Environmental Documentation Agreement 2

Issued by: Laurence J. Yadon, II
General Counsel, Southwestern Power Administration

Issued on: September 26, 2007

Effective: December 1, 2007

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

To Interconnection Customer:

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

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

6.2 Statement of Actual Costs and Refund. Within six months after completion of the work Southwestern shall provide a statement of the final cost of the work and shall set forth such costs in sufficient detail to enable the Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Any difference between the funds advanced to Southwestern pursuant to this Section 6.0 and the actual costs shall be paid by or refunded to Interconnection Customer, as appropriate.

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

6.4 Facilities Grouping. ~~The Transmission Provider~~Southwestern may propose to group facilities required for more than one Interconnection Customer in order to minimize facilities costs through economies of scale, but any Interconnection Customer may require the installation of facilities required for its own Small Generating Facility if it is willing to pay the costs of those facilities.

~~6.0 A deposit of the good faith estimated facilities study costs may be required from the Interconnection Customer.~~

~~7.0 In cases where Upgrades are required, the facilities study must be completed within 45 Business Days of the receipt of this Agreement. In cases where no Upgrades are necessary, and the required facilities are limited to Interconnection Facilities, the facilities study must be completed within 30 Business Days.~~

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~~8.0 Once the facilities study is completed, a facilities study report shall be prepared and transmitted to the Interconnection Customer. Barring unusual circumstances, the facilities study must be completed and the facilities study report transmitted within 30 Business Days of the Interconnection Customer's agreement to conduct a facilities study.~~

~~9.0 Any study fees shall be based on the Transmission Provider's actual costs and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.~~

~~10.0 The Interconnection Customer must pay any study costs that exceed the deposit without interest within 30 calendar days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, the Transmission Provider shall refund such excess within 30 calendar days of the invoice without interest.~~

~~14.7.0 Governing Law, Regulatory Authority, and Rules~~

~~7.1 Governance. The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by Federal law or the laws of the state of _____ (where the Point of Interconnection is located), without regard to its conflicts of law principles as applicable.~~

~~7.2 Applicability. –This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.~~

8.0 Notices

~~8.1 General. Unless otherwise provided in this Agreement, any notice, demand or request required or permitted to be given by either Party to the other and any instrument required or permitted to be tendered or delivered by either Party in writing to the other shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Party or personally delivered to the Party. Any such notice, demand, or request shall be deemed properly given to or served on Southwestern if mailed to the following address:~~

 To Southwestern:

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

 To Interconnection Customer:

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

9.0 Force Majeure

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

9.2 Economic Hardship. Economic hardship is not considered a Force Majeure event.

9.3 Default. Neither Party shall be considered to be in Default with respect to any obligation hereunder, (including obligations under Section 10), other than the obligation to pay money when due, if prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this Section 9.3 shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

9.4 Availability of Funds.

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

9.4.2 No obligation contained herein for the future payment of money by Southwestern, or liability on the part of Southwestern for breach of any of the provisions contained herein, shall be binding upon or enforceable against Southwestern unless and until funds, as provided in Section 9.4.1 of this interconnection facilities study and environmental documentation agreement, are available out of which such obligations or liability can be legally paid.

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9.4.3 Nothing in this interconnection facilities study and environmental documentation agreement may be considered as implying that the United States Congress will, at a later date, appropriate funds sufficient to meet any deficiencies or obligations incurred under this Agreement.

10.0 Indemnity

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

11.0 Assignment

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

12.0 Amendment

The Parties may amend this Agreement by a written instrument duly executed by both Parties.

13.0 No Third-Party Beneficiaries

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

14.0 Waiver

14.1 The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

14.2 Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the ~~Transmission Provider~~Southwestern. Any waiver of this Agreement shall, if requested, be provided in writing.

15.0 Multiple Counterparts

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Environmental Documentation Agreement 6

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

16.0 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

17.0 Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any Federal court of competent jurisdiction ~~or other Governmental Authority~~, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

18.0 Subcontractors

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor; provided further, that Southwestern shall be liable to the Interconnection Customer for the performance of Southwestern's subcontractors only in accordance with the Federal Tort Claims Act.

18.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall ~~the Transmission Provider~~Southwestern be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

18.2 The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

~~19.0 — Reservation of Rights~~

~~The Transmission Provider shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and the Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Agreement under any applicable provision of the Federal Power Act and FERC's rules and regulations; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications~~

19.0 Representations, Warranties, and Covenants

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

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

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

19.1.3 No Conflict. The execution, delivery and performance of this Agreement does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement of such Party or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.

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

20.0 Breach, Cure, and Default

20.1 General. A breach of this Agreement ("Breach") shall occur upon the failure by a Party to perform or observe any material term or condition of this Agreement. A default of this Agreement ("Default") shall occur upon the failure of a Party in Breach of this Agreement to cure such Breach in accordance with the provisions of Section 20.5.

20.2 Events of Breach. A Breach of this Agreement shall include:

- (a) The failure to pay any amount when due;
- (b) The failure to comply with any material term or condition of this Agreement, including but not limited to any material Breach of a representation, warranty or covenant made in this Agreement;
- (c) If a Party: (1) becomes insolvent; (2) files a voluntary petition in bankruptcy under any provision of any Federal or state bankruptcy law as applicable or shall consent to the filing of any bankruptcy or reorganization petition against it under any similar law; (3) makes a general assignment for the benefit of its creditors; or (4) consents to the appointment of a receiver, trustee or liquidator;
- (d) Assignment of this Agreement in a manner inconsistent with the terms of this Agreement;

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

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

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

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

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

AGREE:

[INTERCONNECTION CUSTOMER]

UNITED STATES OF AMERICA
SOUTHWESTERN POWER ADMINISTRATION

By _____

By _____

Title _____

Title _____

Date _____

Date _____

ATTEST:

I, _____, certify that I am the _____ of [INTERCONNECTION CUSTOMER], and that _____ who signed this Agreement on behalf of said Entity, was then the _____ of said Entity, and that the said Agreement was duly signed for and on behalf of the said Entity by authority of its

governing body, which has within the scope of its corporate powers the authority to legally bind the Entity under the foregoing Agreement.

(SEAL) _____ By _____

[Insert name of Transmission Provider] [Insert name of Interconnection Customer]

By: _____ By: _____

Signed _____ Signed _____

Name (Printed): _____ Name (Printed): _____

Title: _____ Title: _____

Date: _____ Date: _____

**Attachment A to
Facilities Study and
Environmental Documentation Agreement**

**Data to Be Provided by the Interconnection Customer
with the Facilities Study and Environmental Documentation Agreement**

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

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

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

One set of metering is required for each generation connection to the new ring bus or existing ~~Transmission Provider~~Southwestern station. Number of generation connections: _____

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

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

What type of control system or PLC will be located at the Small Generating Facility?

What protocol does the control system or PLC use?

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

Physical dimensions of the proposed interconnection station:

Bus length from generation to interconnection station:

**SMALL GENERATOR
INTERCONNECTION AGREEMENT (SGIA)**

(For Generating Facilities No Larger Than 20 MW)

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- Attachment 6 – ~~Transmission Provider's~~ Description of ~~its~~ Upgrades and Best Estimate of Upgrade Costs

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

This Interconnection Agreement ("Agreement") is made and entered into this _____ day of _____, 20____, by _____ ("Transmission Provider"), and _____ ("Interconnection Customer") each hereinafter sometimes referred to individually as "Party" or both referred to collectively as the "Parties."

Recitals

WHEREAS, Interconnection Customer intends to own, lease and/or control and operate the generating facility identified as a Small Generating Facility in Attachment 3 to this Agreement; and,

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

WHEREAS, Southwestern has completed its work under the interconnection facilities study and environmental documentation agreement; and

WHEREAS, Interconnection Customer and Southwestern have agreed to enter into this Agreement to provide for the construction, operation, and maintenance of facilities at the Point of Interconnection of the Small Generating Facility in accordance with the conclusions of the work performed pursuant to the interconnection facilities study and environmental documentation agreement; and

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

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

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

Transmission Provider/Southwestern Information

Transmission Provider: Southwestern Power Administration
Attention: Director, Division of Customer Service
Address: One West Third Street
City: Tulsa State: OK Zip: 74103
Phone: (918)595-6764 Fax: (918)595-6656

Small Generator Interconnection Agreement (SGIA) 1

Issued by: Laurence J. Yadon, II
General Counsel, Southwestern Power Administration

Issued on: September 26, 2007

Effective: December 1, 2007

Interconnection Customer Information

Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ Fax: _____

Interconnection Customer Application No: _____

~~In consideration of the mutual covenants set forth herein, the Parties agree as follows:~~

Article 1. Scope and Limitations of Agreement

- 1.1 **Applicability.** This Agreement shall be used for all Interconnection Requests submitted under the Small Generator Interconnection Procedures (SGIP) ~~except for those submitted under the 10 kW Inverter Process contained in SGIP Attachment 5.~~
- 1.2 **Purpose.** This Agreement governs the terms and conditions under which the Interconnection Customer's Small Generating Facility will interconnect with, and operate in parallel with, the ~~Transmission Provider's~~ Southwestern Transmission System.
- 1.3 **No Agreement to Purchase or Deliver Power.** This Agreement does not constitute an agreement to purchase or deliver the Interconnection Customer's power. The purchase or delivery of power and other services that the Interconnection Customer may require will be covered under separate agreements, if any. The Interconnection Customer will be responsible for separately making all necessary arrangements (including scheduling) for delivery of electricity with Southwestern and the SPP, pursuant to applicable provisions of the SPP/Southwestern Agreement. ~~the applicable Transmission Provider.~~
- 1.4 **Limitations.** Nothing in this Agreement is intended to affect any other agreement between ~~the Transmission Provider~~ Southwestern and the Interconnection Customer.
- 1.5 **Responsibilities of the Parties**
- 1.5.1 The Parties shall perform all obligations of this Agreement in accordance with all Applicable Laws and Regulations, Operating Requirements, and Good Utility Practice.
- 1.5.2 The Interconnection Customer shall construct, interconnect, operate and maintain its Small Generating Facility and construct, operate, and maintain its Interconnection Facilities in accordance with the applicable manufacturer's recommended maintenance schedule, and in accordance with this Agreement, and with Good Utility Practice.

Small Generator Interconnection Agreement (SGIA) 2

Issued by: Laurence J. Yadon, II
General Counsel, Southwestern Power Administration

Issued on: September 26, 2007

Effective: December 1, 2007

- 1.5.3** ~~The Transmission Provider~~Southwestern shall construct, operate, and maintain ~~its the Southwestern~~ Transmission System and Southwestern's Interconnection Facilities in accordance with this Agreement, and with Good Utility Practice.
- 1.5.4** The Interconnection Customer agrees to construct its facilities or systems in accordance with applicable specifications that meet or exceed those provided by the National Electrical Safety Code, the American National Standards Institute, IEEE, Underwriter's Laboratory, and Operating Requirements in effect at the time of construction and other applicable national and state codes and standards. The Interconnection Customer agrees to design, install, maintain, and operate its Small Generating Facility so as to reasonably minimize the likelihood of a disturbance adversely affecting or impairing the system or equipment of ~~the~~ Transmission Provider Southwestern and any Affected Systems.
- 1.5.4.1** Within 120 calendar days before the commercial operation date of the Small Generating Facility, unless the Parties agree on another mutually acceptable deadline, the Interconnection Customer shall deliver to Southwestern "as-built" drawings, information and documents for the Interconnection Customer's Interconnection Facilities, such as: a one line diagram, a site plan showing the Small Generating Facility and the Interconnection Customer's Interconnection Facilities, plan and elevation drawings showing the layout of the Interconnection Customer's Interconnection Facilities, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with the Interconnection Customer's step-up transformers, the facilities connecting the Small Generating Facility to the step-up transformers and the Interconnection Customer's Interconnection Facilities, and the impedances (determined by factory tests) for the associated step-up transformers and the Small Generating Facility. The Interconnection Customer shall provide Southwestern with specifications for the excitation system, automatic voltage regulator, Small Generating Facility control and protection settings, transformer tap settings, and communications, if applicable.
- 1.5.5** Each Party shall operate, maintain, repair, and inspect, and shall be fully responsible for the facilities that it now or subsequently may own ~~unless otherwise as~~ specified in the Attachments to this Agreement. Each Party shall be responsible for the safe installation, maintenance, repair and condition of their respective lines and appurtenances on their respective sides of the point of change of ownership. ~~The Transmission Provider~~Southwestern and the Interconnection Customer, as appropriate, shall provide Interconnection Facilities that adequately protect the ~~Transmission Provider's~~Southwestern Transmission System, personnel, and other persons from damage and injury. The allocation of responsibility for the design, installation, operation, maintenance and ownership of Interconnection Facilities shall be delineated in the Attachments to this Agreement.
- 1.5.6** ~~The Transmission Provider~~Southwestern shall, pursuant to applicable provisions of the SPP/Southwestern Agreement, coordinate with all Affected Systems to support the interconnection.

1.6 Parallel Operation Obligations.

Once the Small Generating Facility has been authorized to commence parallel operation, the Interconnection Customer shall abide by all rules and procedures pertaining to the parallel operation of the Small Generating Facility in the applicable control area, including, but not limited to; 1) the rules and procedures concerning the operation of generation set forth in the Tariff or by the applicable system operator(s) for the ~~Transmission Provider's~~Southwestern Transmission System and; 2) the Operating Requirements set forth in Attachment 5 of this Agreement.

1.7 Metering.

The Interconnection Customer shall be responsible for ~~the Transmission Provider~~Southwestern's reasonable and necessary cost for the purchase, installation, operation, maintenance, testing, repair, and replacement of metering and data acquisition equipment specified in Attachments 2 and 3 of this Agreement. The Interconnection Customer's metering (and data acquisition, as required) equipment shall conform to applicable industry rules and Operating Requirements.

1.8 Reactive Power.

1.8.1 The Interconnection Customer shall design its Small Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless ~~the Transmission Provider~~Southwestern has established different requirements that apply to all similarly situated generators in the control area on a comparable basis. The requirements of this paragraph shall not apply to wind generators.

1.8.2 ~~The Transmission Provider~~Southwestern is required to pay the Interconnection Customer for reactive power that the Interconnection Customer provides or absorbs from the Small Generating Facility when ~~the Transmission Provider~~Southwestern requests the Interconnection Customer to operate its Small Generating Facility outside the range specified in ~~article~~Article 1.8.1. ~~In addition, if the Transmission Provider pays its own or affiliated generators for reactive power service within the specified range, it must also pay the Interconnection Customer.~~

1.8.3 Payments shall be in accordance with the Interconnection Customer's applicable rate schedule then in effect unless the provision of such service(s) is subject to a regional transmission organization or independent system operator FERC-approved rate schedule. To the extent that no rate schedule is in effect at the time the Interconnection Customer is required to provide or absorb reactive power under this Agreement, the Parties agree to expeditiously file such rate schedule and agree to support any request for waiver of the Commission's prior notice requirement in order to compensate the Interconnection Customer from the time service commenced.

1.9 Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment 1 or the body of this Agreement.

Article 2. Inspection, Testing, Authorization, and Right of Access

2.1 Equipment Testing and Inspection.

2.1.1 The Interconnection Customer shall test and inspect its Small Generating Facility and Interconnection Facilities prior to interconnection. The Interconnection Customer shall notify ~~the Transmission Provider~~Southwestern of such activities no fewer than five Business Days (or as may be agreed to by the Parties) prior to such testing and inspection. Testing and inspection shall occur on a Business Day. ~~The Transmission Provider~~Southwestern may, at ~~its own~~the Interconnection Customer's expense, send qualified personnel to the Small Generating Facility site to inspect the interconnection and observe the testing. The Interconnection Customer shall provide ~~the Transmission Provider~~Southwestern a written test report when such testing and inspection is completed.

2.1.2 ~~The Transmission Provider~~Southwestern shall provide the Interconnection Customer written acknowledgment that it has received the Interconnection Customer's written test report. Such written acknowledgment shall not be deemed to be or construed as any representation, assurance, guarantee, or warranty by ~~the Transmission Provider~~Southwestern of the safety, durability, suitability, or reliability of the Small Generating Facility or any associated control, protective, and safety devices owned or controlled by the Interconnection Customer or the quality of power produced by the Small Generating Facility.

2.2 Authorization Required Prior to Parallel Operation.

2.2.1 ~~The Transmission Provider~~Southwestern shall use Reasonable Efforts to list applicable parallel operation requirements in Attachment 5 of this Agreement. Additionally, ~~the Transmission Provider~~Southwestern shall notify the Interconnection Customer of any changes to these requirements as soon as they are known. ~~The Transmission Provider~~Southwestern shall make Reasonable Efforts to cooperate with the Interconnection Customer in meeting requirements necessary for the Interconnection Customer to commence parallel operations by the in-service date.

2.2.2 The Interconnection Customer shall not operate its Small Generating Facility in parallel with the ~~Transmission Provider's~~Southwestern Transmission System without prior written authorization of ~~the Transmission Provider~~Southwestern. ~~The Transmission Provider~~Southwestern will provide such authorization once ~~Southwestern~~the Transmission Provider receives notification that the Interconnection Customer has complied with all applicable parallel operation requirements. Such authorization shall not be unreasonably withheld, conditioned, or delayed.

2.2.3 The Parties recognize that Southwestern has a statutory duty to fulfill its obligations under Section 5 of the 1944 Flood Control Act, and Southwestern has limited ability to provide Control Area services to accommodate the inclusion of generation in Southwestern's Control Area. Southwestern shall have the

discretion to determine, based on Southwestern's review of the operational characteristics of each generating facility in conjunction with the capabilities of Southwestern's resources and authorities, whether such facility will electrically reside within the Control Area of Southwestern.

2.3 Right of Access.

- 2.3.1** Upon reasonable notice, ~~Southwestern the Transmission Provider~~ may send a qualified person to the premises of the Interconnection Customer at or immediately before the time the Small Generating Facility first produces energy to inspect the interconnection, and observe the commissioning of the Small Generating Facility (including any required testing), startup, and operation for a period of up to three Business Days after initial start-up of the unit. In addition, the Interconnection Customer shall notify ~~Southwestern the Transmission Provider~~ at least five Business Days prior to conducting any on-site verification testing of the Small Generating Facility.
- 2.3.2** Following the initial inspection process described above, at reasonable hours, and upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition, ~~Southwestern the Transmission Provider~~ shall have access to the Interconnection Customer's premises for any reasonable purpose in connection with the performance of the obligations imposed on it by this Agreement or if necessary to meet its legal obligation to provide service to its customers.
- 2.3.3** Each Party shall be responsible for its own costs associated with following this ~~article~~Article 2.3.

Article 3. Effective Date, Term, Termination, and Disconnection

3.1 Effective Date.

This Agreement shall become effective upon execution by the Administrator of Southwestern or the Administrator's authorized representative~~Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by the FERC. The Transmission Provider shall promptly file this Agreement with the FERC upon execution, if required.~~

3.2 Term of Agreement.

This Agreement shall become effective on the Effective Date and shall remain in effect for a period of ten years from the Effective Date or such other longer period as the Interconnection Customer may request and shall be automatically renewed for each successive one-year period thereafter, unless terminated earlier in accordance with ~~article~~Article 3.3 of this Agreement. Notwithstanding this Article 3.2 or 3.3, the maximum effective period of this Agreement shall be 40 years from the Effective Date. Five years prior to termination, the Interconnection Customer shall provide written notice of its intention to extend this Agreement. Upon receiving such notice, Southwestern shall enter into good faith discussions regarding an extension of this Agreement at the Interconnection Customer's request.

3.3 Termination.

No termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination, ~~including the filing with FERC of a notice of termination of this Agreement (if required), which notice has been accepted for filing by FERC.~~

3.3.1 The Interconnection Customer may terminate this Agreement at any time by giving ~~the Transmission Provider~~Southwestern 20 Business Days written notice.

3.3.2 Either Party may terminate this Agreement after Default pursuant to ~~article~~Article 7.6.

3.3.3 Upon termination of this Agreement, the Small Generating Facility will be disconnected from the ~~Transmission Provider's~~Southwestern Transmission System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this SGIA or such non-terminating Party otherwise is responsible for these costs under this SGIA.

3.3.4 The termination of this Agreement shall not relieve either Party of its liabilities and obligations, owed or continuing at the time of the termination

3.3.5 ~~This~~The provisions of this ~~article~~Article shall survive termination or expiration of this Agreement.

3.3.6 Southwestern may terminate this Agreement if the Small Generating Facility has ceased operation for three consecutive years, beginning on the last date of operation for the Small Generating Facility, after giving the Interconnection Customer 20 Business Days advance written notice.

3.3.7 Availability of Funds.

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

3.3.7.2 No obligation contained herein for the future payment of money by Southwestern, or liability on the part of Southwestern for breach of any of the provisions contained herein, shall be binding upon or enforceable against Southwestern unless and until funds, as provided in Article 3.3.7.1, are available out of which such obligations or liability can be legally paid.

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

3.4 Temporary Disconnection.

Temporary disconnection shall continue only for so long as reasonably necessary under Good Utility Practice.

3.4.1 Emergency Conditions. "Emergency Condition" shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of ~~the Transmission Provider~~Southwestern, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Southwestern Transmission System, ~~Southwestern~~the Transmission Provider's Interconnection Facilities or the Transmission Systems of others to which the Southwestern Transmission System is directly connected; or (3) that, in the case of the Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Small Generating Facility or the Interconnection Customer's Interconnection Facilities. Under Emergency Conditions, ~~Southwestern~~the Transmission Provider may immediately suspend interconnection service and temporarily disconnect the Small Generating Facility. ~~Southwestern~~The Transmission Provider shall notify the Interconnection Customer promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Interconnection Customer's operation of the Small Generating Facility. The Interconnection Customer shall notify ~~Southwestern~~the Transmission Provider promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the ~~Transmission Provider's~~Southwestern Transmission System or any Affected Systems. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of both Parties' facilities and operations, its anticipated duration, and the necessary corrective action.

3.4.2 Routine Maintenance, Construction, and Repair.

~~Southwestern~~The Transmission Provider may interrupt interconnection service or curtail the output of the Small Generating Facility and temporarily disconnect the Small Generating Facility from the ~~Southwestern~~Transmission Provider's Transmission System when necessary for routine maintenance, construction, and repairs on the ~~Southwestern~~Transmission Provider's Transmission System. ~~Southwestern~~The Transmission Provider shall provide the Interconnection Customer with five Business Days notice prior to such interruption. ~~Southwestern~~The Transmission Provider shall use Reasonable Efforts to

coordinate such reduction or temporary disconnection with the Interconnection Customer.

3.4.3 Forced Outages.

During any forced outage, ~~Southwestern the Transmission Provider~~ may suspend interconnection service to effect immediate repairs on the ~~Southwestern Transmission Provider's~~ Transmission System. ~~Southwestern The Transmission Provider~~ shall use Reasonable Efforts to provide the Interconnection Customer with prior notice. If prior notice is not given, ~~Southwestern the Transmission Provider~~ shall, upon request, provide the Interconnection Customer written documentation after the fact explaining the circumstances of the disconnection.

3.4.4 Adverse Operating Effects.

~~Southwestern The Transmission Provider~~ shall notify the Interconnection Customer as soon as practicable if, based on Good Utility Practice, operation of the Small Generating Facility may cause disruption or deterioration of service to other customers served from the same electric system, or if operating the Small Generating Facility could cause damage to the ~~Southwestern Transmission Provider's~~ Transmission System or Affected Systems. Supporting documentation used to reach the decision to disconnect shall be provided to the Interconnection Customer upon request. If, after notice, the Interconnection Customer fails to remedy the adverse operating effect within a reasonable time, ~~Southwestern the Transmission Provider~~ may disconnect the Small Generating Facility. ~~Southwestern The Transmission Provider~~ shall provide the Interconnection Customer with five Business Day notice of such disconnection, unless the provisions of ~~article Article~~ 3.4.1 apply.

3.4.5 Modification of the Small Generating Facility.

The Interconnection Customer must receive written authorization from ~~Southwestern the Transmission Provider~~ before making any change to the Small Generating Facility that may have a material impact on the safety or reliability of the ~~Southwestern~~ Transmission System. Such authorization shall not be unreasonably withheld. Modifications shall be done in accordance with Good Utility Practice. If the Interconnection Customer makes such modification without ~~Southwestern the Transmission Provider's~~ prior written authorization, the latter shall have the right to temporarily disconnect the Small Generating Facility.

3.4.6 Reconnection.

The Parties shall cooperate with each other to restore the Small Generating Facility, Interconnection Facilities, and the ~~Southwestern Transmission Provider's~~ Transmission System to their normal operating state as soon as reasonably practicable following a temporary disconnection.

Article 4. Cost Responsibility for Interconnection Facilities and Distribution Upgrades

4.1 Interconnection Facilities.

- 4.1.1 The Interconnection Customer shall pay for the cost of the Interconnection Facilities itemized in Attachment 2 of this Agreement. ~~The Transmission ProviderSouthwestern~~ shall provide a best estimate cost, including overheads, for the purchase and construction of its Interconnection Facilities and provide a detailed itemization of such costs. Costs associated with Interconnection Facilities may be shared with other entities that may benefit from such facilities by agreement of the Interconnection Customer, such other entities, and ~~the Transmission ProviderSouthwestern~~.
- 4.1.2 The Interconnection Customer shall be responsible for its share of all reasonable expenses, including overheads, associated with (1) owning, operating, maintaining, repairing, and replacing its own Interconnection Facilities, and (2) operating, maintaining, repairing, and replacing ~~the Transmission ProviderSouthwestern's~~ Interconnection Facilities as specified in the Attachments to this Agreement.

- 4.2 **THIS ARTICLE INTENTIONALLY LEFT BLANK.**~~Distribution Upgrades~~
~~The Transmission Provider shall design, procure, construct, install, and own the Distribution Upgrades described in Attachment 6 of this Agreement. If the Transmission Provider and the Interconnection Customer agree, the Interconnection Customer may construct Distribution Upgrades that are located on land owned by the Interconnection Customer. The actual cost of the Distribution Upgrades, including overheads, shall be directly assigned to the Interconnection Customer.~~

Article 5. Cost Responsibility for Network Upgrades

- 5.1 **Applicability.**
~~Network Upgrades are beyond the scope of this Agreement and are pursuant to SPP's SGIP. The Interconnection Customer and the SPP shall coordinate to determine cost responsibility for Network Upgrades. No portion of this article 5 shall apply unless the interconnection of the Small Generating Facility requires Network Upgrades.~~
- 5.2 **THIS ARTICLE INTENTIONALLY LEFT BLANK.**~~Network Upgrades~~
~~The Transmission Provider or the Transmission Owner shall design, procure, construct, install, and own the Network Upgrades described in Attachment 6 of this Agreement. If the Transmission Provider and the Interconnection Customer agree, the Interconnection Customer may construct Network Upgrades that are located on land owned by the Interconnection Customer. Unless the Transmission Provider elects to pay for Network Upgrades, the actual cost of the Network Upgrades, including overheads, shall be borne initially by the Interconnection Customer.~~
- 5.2.1 **THIS ARTICLE INTENTIONALLY LEFT BLANK.**~~Repayment of Amounts Advanced for Network Upgrades~~
~~The Interconnection Customer shall be entitled to a cash repayment, equal to the total amount paid to the Transmission Provider and Affected System operator, if any, for Network Upgrades, including any tax gross-up or other tax-related payments associated with the Network Upgrades, and not otherwise refunded to the Interconnection Customer, to be paid to the Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission~~

~~charges, as payments are made under the Transmission Provider's Tariff and Affected System's Tariff for transmission services with respect to the Small Generating Facility. Any repayment shall include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. § 35.19a(a)(2)(iii) from the date of any payment for Network Upgrades through the date on which the Interconnection Customer receives a repayment of such payment pursuant to this subparagraph. The Interconnection Customer may assign such repayment rights to any person.~~

5.2.1.1 ~~**THIS ARTICLE INTENTIONALLY LEFT BLANK.** Notwithstanding the foregoing, the Interconnection Customer, the Transmission Provider, and any applicable Affected System operators may adopt any alternative payment schedule that is mutually agreeable so long as the Transmission Provider and said Affected System operators take one of the following actions no later than five years from the Commercial Operation Date: (1) return to the Interconnection Customer any amounts advanced for Network Upgrades not previously repaid, or (2) declare in writing that the Transmission Provider or any applicable Affected System operators will continue to provide payments to the Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, or develop an alternative schedule that is mutually agreeable and provides for the return of all amounts advanced for Network Upgrades not previously repaid; however, full reimbursement shall not extend beyond twenty (20) years from the commercial operation date.~~

5.2.1.2 ~~**THIS ARTICLE INTENTIONALLY LEFT BLANK.** If the Small Generating Facility fails to achieve commercial operation, but it or another generating facility is later constructed and requires use of the Network Upgrades, the Transmission Provider and Affected System operator shall at that time reimburse the Interconnection Customer for the amounts advanced for the Network Upgrades. Before any such reimbursement can occur, the Interconnection Customer, or the entity that ultimately constructs the generating facility, if different, is responsible for identifying the entity to which reimbursement must be made.~~

5.3 ~~**THIS ARTICLE INTENTIONALLY LEFT BLANK.** **Special Provisions for Affected Systems**
Unless the Transmission Provider provides, under this Agreement, for the repayment of amounts advanced to any applicable Affected System operators for Network Upgrades, the Interconnection Customer and Affected System operator shall enter into an agreement that provides for such repayment. The agreement shall specify the terms governing payments to be made by the Interconnection Customer to Affected System operator as well as the repayment by Affected System operator.~~

5.4 ~~**THIS ARTICLE INTENTIONALLY LEFT BLANK.** **Rights Under Other Agreements**
Notwithstanding any other provision of this Agreement, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, transmission congestion rights, or transmission credits, that the~~

~~Interconnection Customer shall be entitled to, now or in the future, under any other agreement or tariff as a result of, or otherwise associated with, the transmission capacity, if any, created by the Network Upgrades, including the right to obtain cash reimbursements or transmission credits for transmission service that is not associated with the Small Generating Facility.~~

Article 6. Billing, Payment, Milestones, and Financial Security Advance Payment

6.1 Billing and Payment Procedures and Final Accounting.

6.1.1 ~~The Transmission Provider~~Southwestern shall bill the Interconnection Customer for Southwestern's good faith estimate of costs related to the design, engineering, construction, and procurement ~~costs~~ of Interconnection Facilities ~~and Upgrades~~ contemplated by this Agreement ~~on a monthly basis, or as otherwise agreed by the Parties in accordance with Article 6.3 of this Agreement.~~ The Interconnection Customer shall pay each bill within ~~30-20~~ calendar days of ~~receipt~~the date of the invoice(s) or the next business day thereafter, or as otherwise agreed to by the Parties.

6.1.2 Within three months of completing the construction and installation of ~~the Transmission Provider~~Southwestern's Interconnection Facilities ~~and/or Upgrades~~ described in the Attachments to this Agreement, ~~the Transmission Provider~~Southwestern shall provide the Interconnection Customer with a final accounting report of any difference between (1) the Interconnection Customer's cost responsibility for the actual cost of such facilities ~~or Upgrades~~, and (2) the Interconnection Customer's previous ~~aggregate advance~~ payments to ~~the Transmission Provider~~Southwestern for such facilities ~~or Upgrades~~. If the Interconnection Customer's cost responsibility exceeds its previous aggregate payments, ~~the Transmission Provider~~Southwestern shall invoice the Interconnection Customer for the amount due in accordance with Article 6.3.4 of this Agreement ~~and the Interconnection Customer shall make payment to the Transmission Provider within 30 calendar days.~~ If the Interconnection Customer's previous aggregate payments exceed its cost responsibility under this Agreement, ~~the Transmission Provider~~Southwestern shall refund to the Interconnection Customer an amount equal to the difference within 30 calendar days of the final accounting report in accordance with Article 6.3.4 of this Agreement.

6.2 Milestones.

The Parties shall agree on milestones for which each Party is responsible and list them in Attachment 4 of this Agreement. A Party's obligations under this provision may be extended by agreement. If a Party anticipates that it will be unable to meet a milestone for any reason other than a Force Majeure Event, it shall immediately notify the other Party of the reason(s) for not meeting the milestone and (1) propose the earliest reasonable alternate date by which it can attain this and future milestones, and (2) requesting appropriate amendments to Attachment 4. The Party affected by the failure to meet a milestone shall not unreasonably withhold agreement to such an amendment unless it will suffer significant uncompensated economic or operational harm from the delay, (2) attainment of the same milestone has previously been delayed, or (3) it has

reason to believe that the delay in meeting the milestone is intentional or unwarranted notwithstanding the circumstances explained by the Party proposing the amendment.

6.3 Financial Security Arrangements Advance Payment.

Neither Interconnection Customer nor Southwestern may undertake any work on the Interconnection Facilities until advanced funds are received by Southwestern from Interconnection Customer pursuant to this Article 6.3.

6.3.1 Southwestern shall provide an estimate of Southwestern's costs for work pursuant to this SGIA. Southwestern shall invoice Interconnection Customer once for the entire estimated costs or in multiple scheduled invoices on dates as provided by Southwestern in advance for portions of the entire estimated costs until an amount equaling the entire estimated costs has been received. If Interconnection Customer does not make such payments to Southwestern within 20 days of the date of the invoice(s) or the next business day thereafter, this Agreement shall terminate and be without further force or effect. Such termination shall not result in a penalty to either Party.

6.3.2 Advanced funds received by Southwestern pursuant to Article 6.3.1 shall be used for Southwestern's costs and expenses incurred to establish the interconnection pursuant to this Agreement including, but not limited to, the cost of necessary tools, materials, equipment, engineering, labor, inspection, travel expenses, personnel per diem allowances, and general, administrative, and overhead expenses.

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

6.3.4 Following completion of Southwestern's obligations pursuant to this SGIA, Southwestern shall submit a statement to Interconnection Customer of the actual costs incurred by Southwestern. If the amount provided by the Interconnection Customer pursuant to this Article 6.3 is greater than the actual costs, Southwestern shall refund any difference to the Interconnection Customer. During implementation of the work required pursuant to this Agreement, Southwestern shall monitor the status of expenditures and obligations. If it is apparent that additional funds are required for completion of the required work, Southwestern shall notify the Interconnection Customer of the need for additional funds. Such additional funds shall be provided to Southwestern prior to continuation of work past a point estimated to be covered by the initial payment. If the additional funds are not made available, all remaining work associated with this Agreement shall cease until additional funds are received.

6.3.5 Southwestern agrees to account for the costs incurred under a Work Order accounting procedure and in accordance with the Uniform System of Accounts prescribed for public utilities by the FERC, or under procedures established by any successor authority having jurisdiction over the accounts of Southwestern.

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

~~At least 20 Business Days prior to the commencement of the design, procurement, installation, or construction of a discrete portion of the Transmission Provider's Interconnection Facilities and Upgrades, the Interconnection Customer shall provide the Transmission Provider, at the Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the Transmission Provider and is consistent with the Uniform Commercial Code of the jurisdiction where the Point of Interconnection is located. Such security for payment shall be in an amount sufficient to cover the costs for constructing, designing, procuring, and installing the applicable portion of the Transmission Provider's Interconnection Facilities and Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to the Transmission Provider under this Agreement during its term. In addition:~~

~~**6.3.1**—The guarantee must be made by an entity that meets the creditworthiness requirements of the Transmission Provider, and contain terms and conditions that guarantee payment of any amount that may be due from the Interconnection Customer, up to an agreed-to maximum amount.~~

~~**6.3.2**—The letter of credit or surety bond must be issued by a financial institution or insurer reasonably acceptable to the Transmission Provider and must specify a reasonable expiration date.~~

Article 7. **Assignment, Liability, Indemnity, Force Majeure, Consequential Damages, and Default**

7.1 **Assignment.**

This Agreement may be assigned by either Party upon 15 Business Days prior written notice and opportunity to object by the other Party; provided, that:

7.1.1 Either Party may assign this Agreement with~~out~~ the consent of the other Party to any affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement; ~~provided, that the Interconnection Customer promptly notifies the Transmission ProviderSouthwestern~~ of any such assignment;

7.1.2 The Interconnection Customer shall have the right to assign this Agreement, with~~out~~ the consent of ~~the Transmission ProviderSouthwestern~~, for collateral security purposes to aid in providing financing for the Small Generating Facility;~~;~~

provided, that the Interconnection Customer will promptly notify ~~the Transmission Provider~~Southwestern of any such assignment.

- 7.1.3 Any attempted assignment that violates this ~~article~~Article is void and ineffective. Assignment shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. An assignee of the Interconnection Customer is responsible for meeting the same financial, credit, and insurance obligations as the Interconnection Customer. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

7.2 Limitation of Liability.

7.2.1 Each Party's~~The Interconnection Customer's~~ liability to ~~the other Party~~Southwestern for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall ~~either Party~~the Interconnection Customer be liable to ~~the other Party~~Southwestern for any indirect, special, consequential, or punitive damages, except as authorized by this Agreement.

7.2.2 The liability of Southwestern shall be determined only in accordance with the Federal Tort Claims Act.

7.3 Indemnity.

7.3.1 This provision protects ~~each Party~~Southwestern from liability incurred to third parties as a result of carrying out the provisions of this Agreement. Liability under this provision is exempt from the general limitations on liability found in ~~article~~Article 7.2.1.

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

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

7.3.4 If ~~an indemnifying party~~ the Interconnection Customer is obligated to indemnify and hold any indemnified person harmless under this article, the amount owing to the indemnified person shall be the amount of such indemnified person's actual loss, net of any insurance or other recovery.

7.3.5 Promptly after receipt by an indemnified person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in this article may apply, the indemnified person shall notify the ~~indemnifying party~~ Interconnection Customer of such fact. Any failure of or delay in such notification shall not affect ~~a Party~~ the Interconnection Customer's indemnification obligation unless such failure or delay is materially prejudicial to the ~~indemnifying party~~ Interconnection Customer.

7.4 **Consequential Damages.**

Other than as expressly provided for in this Agreement, neither Party shall be liable under any provision of this Agreement for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

7.5 **Force Majeure.**

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

~~"any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure Event does not include an act of negligence or intentional wrongdoing."~~

7.5.2 If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, the Party affected by the Force Majeure Event (Affected Party) shall promptly notify the other Party, either in writing or via the telephone, of the existence of the Force Majeure Event. The notification must specify in reasonable detail the circumstances of the Force Majeure Event, its expected duration, and the steps that the Affected Party is taking to mitigate the effects of the event on its performance. The Affected Party shall keep the other Party

informed on a continuing basis of developments relating to the Force Majeure Event until the event ends. The Affected Party will be entitled to suspend or modify its performance of obligations under this Agreement (other than the obligation to make payments) only to the extent that the effect of the Force Majeure Event cannot be mitigated by the use of Reasonable Efforts. The Affected Party will use Reasonable Efforts to resume its performance as soon as possible.

7.6 Default.

7.6.1 No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of a Force Majeure Event as defined in this Agreement or the result of an act or omission of the other Party. Upon a Default, the non-defaulting Party shall give written notice of such Default to the defaulting Party. Except as provided in ~~article~~Article 7.6.2, the defaulting Party shall have 60 calendar days from receipt of the Default notice within which to cure such Default; provided, however, if such Default is not capable of cure within 60 calendar days, the defaulting Party shall commence such cure within 20 calendar days after notice and continuously and diligently complete such cure within six months from receipt of the Default notice; and, if cured within such time, the Default specified in such notice shall cease to exist.

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

Article 8. Insurance

8.1 The Interconnection Customer shall, at its own expense, maintain in force general liability insurance without any exclusion for liabilities related to the interconnection undertaken pursuant to this Agreement. The amount of such insurance shall be sufficient to insure against all reasonably foreseeable direct liabilities given the size and nature of the generating equipment being interconnected, the interconnection itself, and the characteristics of the system to which the interconnection is made. The Interconnection Customer shall obtain additional insurance only if necessary as a function of owning and operating a generating facility. Such insurance shall be obtained from an insurance provider authorized to do business in the State where the interconnection is located. Certification that such insurance is in effect shall be provided upon request of ~~the Transmission Provider Southwestern~~, except that the Interconnection Customer shall show proof of insurance to ~~the Transmission Provider Southwestern~~ no later than ten Business Days prior to the anticipated commercial operation date. An Interconnection Customer of sufficient credit-worthiness may propose to self-insure for such liabilities, and such a proposal shall not be unreasonably rejected.

- 8.2 ~~The Transmission Provider~~Southwestern agrees to ~~maintain general liability insurance or self-insurance insure itself~~ consistent with ~~the Transmission Provider's~~Southwestern's normal commercial practice. Such ~~insurance or self-insurance~~ shall not exclude coverage for ~~the Transmission Provider~~Southwestern's liabilities undertaken pursuant to this Agreement. Furthermore, Southwestern agrees to maintain title insurance.
- 8.3 The Parties further agree to notify each other whenever an accident or incident occurs resulting in any injuries or damages that are included within the scope of coverage of such insurance, whether or not such coverage is sought.

Article 9. Confidentiality

- 9.1 Confidential Information shall mean any confidential and/or proprietary information provided by one Party to the other Party that is clearly marked or otherwise designated "Confidential." For purposes of this Agreement all design, operating specifications, and metering data provided by the Interconnection Customer shall be deemed Confidential Information regardless of whether it is clearly marked or otherwise designated as such.
- 9.2 Confidential Information does not include information previously in the public domain, required to be publicly submitted or divulged by Governmental Authorities (after notice to the other Party and after exhausting any opportunity to oppose such publication or release), or necessary to be divulged in an action to enforce this Agreement. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under this Agreement, or to fulfill legal or regulatory requirements.
- 9.2.1 Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Party as it employs to protect its own Confidential Information.
- 9.2.2 ~~THIS ARTICLE INTENTIONALLY LEFT BLANK. Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or proof of damages, and may seek other remedies available at law or in equity for breach of this provision.~~
- 9.3 Notwithstanding anything in this article to the contrary, and pursuant to 18 CFR § 1b.20, if FERC, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to FERC, within the time provided for in the request for information. In providing the information to FERC, the Party may, consistent with 18 CFR § 388.112, request that the information be treated as confidential and non-public by FERC and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this Agreement prior to the release of the Confidential Information to FERC. The Party shall notify the other Party to this Agreement when it is notified by FERC that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond

before such information would be made public, pursuant to 18 CFR § 388.112. ~~Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.~~

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

Article 10. Disputes

- 10.1 The Parties agree to attempt to resolve all disputes arising out of the interconnection process according to the provisions of ~~this article~~ Section 12 of the Tariff.
- 10.2 ~~**THIS ARTICLE INTENTIONALLY LEFT BLANK.**In the event of a dispute, either Party shall provide the other Party with a written Notice of Dispute. Such Notice shall describe in detail the nature of the dispute.~~
- 10.3 ~~**THIS ARTICLE INTENTIONALLY LEFT BLANK.**If the dispute has not been resolved within two Business Days after receipt of the Notice, either Party may contact FERC's Dispute Resolution Service (DRS) for assistance in resolving the dispute.~~
- 10.4 ~~**THIS ARTICLE INTENTIONALLY LEFT BLANK.**The DRS will assist the Parties in either resolving their dispute or in selecting an appropriate dispute resolution venue (e.g., mediation, settlement judge, early neutral evaluation, or technical expert) to assist the Parties in resolving their dispute. DRS can be reached at 1-877-337-2237 or via the internet at <http://www.ferc.gov/legal/adr.asp>.~~
- 10.5 ~~**THIS ARTICLE INTENTIONALLY LEFT BLANK.**Each Party agrees to conduct all negotiations in good faith and will be responsible for one-half of any costs paid to neutral third-parties.~~
- 10.6 ~~**THIS ARTICLE INTENTIONALLY LEFT BLANK.**If neither Party elects to seek assistance from the DRS, or if the attempted dispute resolution fails, then either Party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of this Agreement.~~

Article 11. Taxes

- 11.1 The ~~Parties~~ Interconnection Customer agrees to follow all applicable tax laws and regulations, consistent with FERC policy and Internal Revenue Service requirements.

- 11.2 Each Party shall cooperate with the other to maintain the other Party's tax status. ~~Nothing in this Agreement is intended to adversely affect the Transmission Provider's tax exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds.~~

Article 12. Miscellaneous

12.1 Governing Law, Regulatory Authority, and Rules.

The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by Federal law or the laws of the state of _____ (where the Point of Interconnection is located), ~~without regard to its conflicts of law principles as applicable.~~ This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

12.2 Amendment.

The Parties may amend this Agreement by a written instrument duly executed by both Parties, ~~or under article 12.12 of this Agreement.~~

12.3 No Third-Party Beneficiaries.

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

12.4 Waiver.

12.4.1 The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

12.4.2 Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from ~~the Transmission Provider~~ Southwestern. Any waiver of this Agreement shall, if requested, be provided in writing.

12.5 Entire Agreement.

This Agreement, including all Attachments, including by reference Attachment K, General Provisions Applicable to Transmission Service and Generation Interconnection, of Southwestern's Tariff as if it was a part hereof, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration

for, or any condition to, either Party's compliance with its obligations under this Agreement.

12.6 Multiple Counterparts.

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

12.7 No Partnership.

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

12.8 Severability.

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

12.9 Security Arrangements.

Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. FERC expects all Transmission Providers, market participants, and Interconnection Customers interconnected to electric systems to comply with the recommendations offered by the ~~President's Critical Infrastructure Protection Board~~ National Infrastructure Advisory Council or its successor and, eventually, with best practice recommendations from the electric reliability authority. All public utilities are expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

12.10 Environmental Releases.

12.10.1 Each Party shall notify the other Party, first orally and then in writing, of the release of any hazardous substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Small Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall (1) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than 24 hours after such Party becomes aware of the occurrence, and (2) promptly furnish to the other Party copies of any publicly available reports filed with any governmental authorities addressing such events.

12.10.2 Each Party shall remedy as soon as practicable all releases of hazardous substances brought to, or created at, real property it owns underlying the Small Generating Facility or Interconnection Facilities, and any such substances

migrating from real property it owns at the Small Generating Facility site. The Party that caused the release shall bear the costs of the remedial action, which shall meet applicable Federal and state environmental standards at the time of the action. Such costs may include, but are not limited to, Federal and state supervision, remedial action plans, removal and remedial actions, and negotiation of voluntary and judicial agreements required to meet such environmental standards.

12.10.3 The Parties agree to comply fully with the substantive requirements of all applicable Federal, state and local environmental laws in the performance of their obligations hereunder, and to mitigate and abate adverse environmental impacts accordingly.

12.11 Subcontractors.

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

12.11.1.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall ~~the Transmission Provider~~Southwestern be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

12.11.1.2 The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

12.12 THIS ARTICLE INTENTIONALLY LEFT BLANK. Reservation of Rights

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

Article 13. Notices

13.1 General.

Unless otherwise provided in this Agreement, any written notice, demand, or request required or authorized in connection with this Agreement ("Notice") shall be deemed properly given if delivered in person, delivered by recognized national courier service, or sent by first class mail, postage prepaid, to the person specified below:

If to the Interconnection Customer:
Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ Fax: _____

If to ~~the Transmission Provider~~Southwestern:
~~Transmission Provider:~~
~~Southwestern Power Administration~~
Attention: Assistant Administrator, Corporate Operations
Address: One West Third Street
City: Tulsa State: OK Zip: 74103
Phone: (918)595-6690 Fax: (918)595-6656

13.2 Billing and Payment.

Billings and payments shall be sent to the addresses set out below:

Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____

~~Transmission Provider:~~
~~Southwestern Power Administration~~
Attention:- _____
Address: One West Third Street
City: Tulsa State:OK Zip: 74103

Otherwise the Interconnection Customer shall make arrangements with Southwestern to make payments by wire transfer or other electronic means.

13.3 Alternative Forms of Notice.

Any notice or request required or permitted to be given by either Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or e-mail to the telephone numbers and e-mail addresses set out below:

If to the Interconnection Customer:
Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ Fax: _____

If to ~~the Transmission Provider~~Southwestern:
~~Transmission Provider~~:
Southwestern Power Administration
Attention: Assistant Administrator, Corporate Operations
Address: One West Third Street
City: Tulsa State: OK Zip: 74103
Phone: (918)595-6690 Fax: (918)595-6656

13.4 Designated Operating Representative.

The Parties may also designate operating representatives to conduct the communications which may be necessary or convenient for the administration of this Agreement. This person will also serve as the point of contact with respect to operations and maintenance of the Party's facilities.

Interconnection Customer's Operating Representative:

Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ Fax: _____

~~Transmission Provider~~Southwestern's Operating Representative:

~~Transmission Provider~~Southwestern Power Administration
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ Fax: _____

13.5 Changes to the Notice Information.

Either Party may change this information by giving five Business Days written notice prior to the effective date of the change.

Article 14. Signatures

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

AGREE:

[INTERCONNECTION CUSTOMER]

UNITED STATES OF AMERICA
SOUTHWESTERN POWER ADMINISTRATION

By _____
Title _____

By _____
Title _____

Date _____ Date _____

ATTEST:

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

(SEAL) _____ By _____

~~For the Transmission Provider~~

Name: _____

Title: _____

Date: _____

~~For the Interconnection Customer~~

Name: _____

Title: _____

Date: _____

Glossary of Terms

Affected System – An electric system other than the ~~Transmission Provider's~~ Southwestern Transmission System that may be affected by the proposed interconnection.

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

Business Day – Monday through Friday, excluding Federal Holidays.

Default – The failure of a breaching Party to cure its breach under the Small Generator Interconnection Agreement.

Distribution System – The ~~Transmission Provider's~~ facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which Distribution Systems operate differ among areas.

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

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

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

Interconnection Customer – Any entity, ~~including the Transmission Provider, the Transmission Owner~~ or any of the affiliates or subsidiaries of ~~either such entity~~, that proposes to interconnect its Small Generating Facility with the ~~Transmission Provider's~~ Southwestern Transmission System.

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

Interconnection Request – The Interconnection Customer's request ~~made to the SPP, in accordance with the Tariff~~ in the form of Attachment 2 to the SPP's Standard Small Generator Interconnection Procedure, to interconnect a new Small Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Small Generating Facility that is interconnected with the ~~Transmission Provider's~~Southwestern Transmission System. ~~Southwestern's involvement in the procedures and agreements resulting from an "Interconnection Request" as used herein shall be limited to the establishment of interconnection facilities to connect the Small Generating Facility to the Southwestern Transmission System. The need for system upgrades/modifications to, and service in, the SPP Transmission System, such as Network Upgrades and services, shall be coordinated by the Interconnection Customer with the SPP and determined under the SPP's Standard Small Generator Interconnection Procedures.~~

Material Modification – A modification that has a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

Network Upgrades – Additions, modifications, and upgrades to the ~~Transmission Provider's~~ Transmission System required at or beyond the point at which the Small Generating Facility interconnects with the ~~Transmission Provider's~~Southwestern Transmission System to accommodate the interconnection of the Small Generating Facility with the ~~Transmission Provider's~~Southwestern Transmission System. Network Upgrades do not include Distribution Upgrades.

Operating Requirements – Any operating and technical requirements that may be applicable due to a Regional Transmission Organization, Independent System Operator, or control area, or ~~the Transmission Provider's~~Southwestern's requirements, including those set forth in the Small Generator Interconnection Agreement.

Party or Parties – ~~The Transmission Provider, Transmission Owner~~Southwestern, Interconnection Customer or any combination of the above.

Point of Interconnection – The point where the Interconnection Facilities connect with the ~~Transmission Provider's~~Southwestern Transmission System.

Reasonable Efforts – With respect to an action required to be attempted or taken by a Party ~~under the Small Generator Interconnection Agreement~~, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Small Generating Facility – The Interconnection Customer's device for the production of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

Tariff – ~~The Transmission Provider~~Southwestern's ~~or Affected System's~~ Tariff through which open access transmission service and Interconnection Service are offered, ~~as filed with the FERC~~, and as amended or supplemented from time to time, or any successor tariff.

~~**Transmission Owner** – The entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Small Generator Interconnection Agreement to the extent necessary.~~

~~**Transmission Provider**Southwestern – The public utility (or its designated agent)Southwestern Power Administration that owns, controls, or operates transmission ~~or distribution~~ facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff.~~~~The~~

~~term Transmission Provider should be read to include the Transmission Owner when the Transmission Owner is separate from the Transmission Provider.~~

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

Upgrades – The required additions and modifications to the ~~Transmission Provider’s~~ Transmission System at or beyond the Point of Interconnection as determined by the SPP. Upgrades may be Network Upgrades or Distribution Upgrades. Upgrades do not include Interconnection Facilities.

**Description and Costs of the Small Generating Facility,
Interconnection Facilities, and Metering Equipment**

Equipment, including the Small Generating Facility, Interconnection Facilities, and metering equipment shall be itemized and identified as being owned and maintained by the Interconnection Customer, ~~the Transmission Provider, or the Transmission Owner~~ Southwestern. ~~The Transmission Provider~~ Southwestern will provide a best estimate itemized cost, including overheads, of its Interconnection Facilities and metering equipment, and a best estimate itemized cost of the annual operation and maintenance expenses associated with its Interconnection Facilities and metering equipment.

**One-line Diagram Depicting the Small Generating Facility, Interconnection
Facilities, and Metering Equipment, ~~and Upgrades~~**

Milestones

In-Service Date: _____

Critical milestones and responsibility as agreed to by the Parties:

	Milestone/Date	Responsible Party
(1)	_____	_____
(2)	_____	_____
(3)	_____	_____
(4)	_____	_____
(5)	_____	_____
(6)	_____	_____
(7)	_____	_____
(8)	_____	_____
(9)	_____	_____
(10)	_____	_____

Agreed to by:

For ~~the Transmission Provider~~ Southwestern _____ Date _____

~~For the Transmission Owner (If Applicable)~~ _____ ~~Date~~ _____

For the Interconnection Customer _____ Date _____

**Additional Operating Requirements for the ~~Transmission Provider's~~Southwestern
Transmission System and Affected Systems Needed to Support
the Interconnection Customer's Needs**

~~The Transmission Provider~~Southwestern shall also provide requirements that must be met by the Interconnection Customer prior to initiating parallel operation with the ~~Transmission Provider's~~Southwestern Transmission System.

**~~Transmission Provider's~~ Description of ~~its~~ Upgrades
and Best Estimate of Upgrade Costs**

Upgrades are determined based on study arrangements between the Interconnection Customer and the SPP, pursuant to the terms and conditions of the SPP's SGIP.

~~The Transmission Provider shall describe Upgrades and provide an itemized best estimate of the cost, including overheads, of the Upgrades and annual operation and maintenance expenses associated with such Upgrades. The Transmission Provider shall functionalize Upgrade costs and annual expenses as either transmission or distribution related.~~

**Attachment B – Proposed Clean
Attachment K, Attachment N,
LGIP, LGIA, SGIP, and SGIA**

ATTACHMENT K

General Provisions Applicable to Transmission and Generation Interconnection Service

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

 - 1.1** The Transmission Customer hereby agrees to promptly pay the Transmission Provider under such Rate Schedule, whether or not the Transmission Customer agrees with the propriety or the levels of the rates placed into effect pursuant to law, regulation, or the order of an appropriate authority, subject to the Transmission Customer's rights to terminate service.
 - 1.2** In the event that the U.S. Congress amends the manner in which the Transmission Provider calculates or charges for its products and services, the Transmission Customer hereby agrees to promptly pay in such an amended manner, subject to the Transmission Customer's right to terminate.

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

 - 2.1** If such rates are so increased, decreased, modified, or superseded, the rates and terms and conditions shall thereupon become effective and applicable to the Transmission Service furnished by the Transmission Provider under this Agreement, in accordance with and on the effective date specified in the order of the appropriate authority.
 - 2.2** The Transmission Provider shall promptly notify the Transmission Customer in writing of the redetermination and/or changes and modifications made in the then-effective Transmission Provider's rate schedules for Transmission Service.
 - 2.3** If such notice advises that the rates to be paid by the Transmission Customer for the Transmission Service furnished by the Transmission Provider under this Agreement are greater than the then-effective rate for such service, The Transmission Customer may, by written notice to the Transmission Provider at any time within 90 days following the date of receipt of such notice from the Transmission Provider, terminate this Agreement in its entirety, such termination to become effective as of the last day of any month following no less than 6 months after the date of receipt by the Transmission Provider of such notice of termination from the Transmission Customer.
 - 2.4** In the event that the Transmission Customer elects to terminate this Agreement pursuant to this Section 2, the Transmission Customer shall pay for services under this Agreement at the then-effective rates during the interim between the date of such notice and the effective termination date specified in such notice.

- 3 Availability of Funds to the Transmission Provider.** This Agreement and all rights and obligations hereunder, and the expenditure of funds by the Transmission Provider under its provisions, are expressly conditioned and contingent upon the U.S. Congress's making available (through direct appropriation, authorization of a revolving fund, the authority to borrow funds, or through such other means as it may provide) the necessary funds or the authority to accept funds from others to enable the Transmission Provider to carry out the provisions of this Agreement, and if such funds or authorities are not available, this Agreement shall terminate and have no further force or effect as of the last day for which funds or authorities were available, and the Transmission Customer hereby releases the Transmission Provider from any and all liability for failure to perform and fulfill its obligations under this Agreement for that reason.
- 3.1** No obligation contained herein for the future payment of money by the Transmission Provider, or liability on the part of the Transmission Provider for breach of any of the provisions contained herein, shall be binding upon or enforceable against the Transmission Provider unless and until funds, as provided in this Section 3, are available out of which such obligations or liability can be legally paid.
- 3.2** Nothing in this Agreement may be considered as implying that the U.S. Congress will, at a later date, appropriate funds sufficient to meet any deficiencies or obligations incurred under this Agreement.
- 4 Covenant Against Contingent Fees.** The Transmission Customer warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except bona fide employees or bona fide established commercial or selling agencies maintained by the Transmission Customer for the purpose of securing business. For breach or violation of this warranty, the Transmission Provider shall have the right to annul this Agreement without liability, or, at its discretion, to add to the Agreement price or consideration the full amount of such commission, percentage, brokerage, or contingent fee.
- 5 Termination for Breach.** If either Party breaches a material provision of this Agreement, the other Party, at its option, may terminate this Agreement upon 30 days' prior written notice of its intention to do so, and this Agreement ipso facto shall terminate at the end of such 30-day period unless such violation is corrected within that period. Neither Party shall be considered to be in default or breach with respect to any obligation under this Agreement if prevented from fulfilling such obligation by reason of an Uncontrollable Force.
- 6 Convict Labor.** In connection with the performance of work under this Agreement, the Transmission Customer agrees not to employ any person undergoing sentence of imprisonment except as provided by Public Law 89-176, September 10, 1965 (18 U.S.C. 4062 (c)(2)), and Executive Order 11755, December 29, 1973.
- 7 Equal Employment Opportunity.** During the performance of this Agreement, the Transmission Customer agrees to abide by and to fulfill the nondiscrimination requirements of the "equal opportunity clause" contained in Section 202 of Executive Order 11246 dated September 24, 1965 (30 FR 12319), any Executive Order amending such order, and any other Executive Order superseding such order.
- 8 Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era.** During the performance of this Agreement, the Transmission Customer agrees to comply with Section 402 of the Vietnam Era Veterans Readjustment Assistance Act of 1974, Public Law 93-508 as it amends Public Law 92-540, to take affirmative action to employ and advance in employment qualified

ATTACHMENT N

**North American Energy Standards Board
Business Practices**

The following North American Energy Standards Board Business Practices are hereby incorporated into and made part of this Tariff:

- (1) Business Practices for Open Access Same-Time Information Systems (OASIS) (WEQ-001, Version 000, January 15, 2005, with minor corrections applied March 25, 2005, and additional numbering added October 3, 2005) with the exception of Standards 001-0.1, 001-0.9 through 001-0.13, 001-1.0 through 001-1.8, and 001-9.7;
- (2) Business Practices for Open Access Same-Time Information Systems (OASIS) Standards & Communication Protocols (WEQ-002, Version 000, January 15, 2005, with minor corrections applied March 25, 2005, and additional numbering added October 3, 2005);
- (3) Open Access Same-Time Information Systems (OASIS) Data Dictionary (WEQ-003, Version 000, January 15, 2005, with minor corrections applied March 25, 2005, and additional numbering added October 3, 2005);
- (4) Coordinate Interchange (WEQ-004, June 22, 2006);
- (5) Area Control Error (ACE) Equation Special Cases (WEQ-005, Version 000, January 15, 2005, with minor corrections applied March 25, 2005, and additional numbering added October 3, 2005);
- (6) Manual Time Error Correction (WEQ-006, Version 000, January 15, 2005, with minor corrections applied March 25, 2005, and additional numbering added October 3, 2005); and
- (7) Inadvertent Interchange Payback (WEQ-007, Version 000, January 15, 2005, with minor corrections applied March 25, 2005, and additional numbering added October 3, 2005).

Issued by: Laurence J. Yadon, II
General Counsel, Southwestern Power Administration

Issued on: September 26, 2007

Effective: December 1, 2007

Note: This document reflects the state of the LGIP as of the issuance of Order No. 2003-C.

APPENDIX B

**STANDARD LARGE GENERATOR
INTERCONNECTION PROCEDURES (LGIP)**

including

**STANDARD LARGE GENERATOR
INTERCONNECTION AGREEMENT (LGIA)**

Issued by: Laurence J. Yadon, II
General Counsel, Southwestern Power Administration

Issued on: September 26, 2007

Effective: December 1, 2007

**Standard Large Generator
Interconnection Procedures (LGIP)
(Applicable to Generating Facilities that exceed 20 MW)**

Issued by: Laurence J. Yadon, II
General Counsel, Southwestern Power Administration

Issued on: September 26, 2007

Effective: December 1, 2007

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Section 1. Definitions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Emergency Condition shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of Southwestern, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Southwestern Transmission System, Transmission Provider's Interconnection Facilities or the electric systems of others to which the Southwestern Transmission System is directly connected; or (3) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided that Interconnection Customer is not obligated by the Standard Large Generator Interconnection Agreement to possess black start capability.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

services, shall be coordinated by the Interconnection Customer with the SPP and determined under the SPP's Standard Large Generator Interconnection Procedures.

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

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

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

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

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

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

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

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

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

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

Network Resource shall mean any designated generating resource owned, purchased, or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties

or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

Network Resource Interconnection Service shall mean an Interconnection Service as evaluated by the SPP that allows the Interconnection Customer to integrate its Large Generating Facility with the Southwestern Transmission System (1) in a manner comparable to that in which Southwestern integrates its generating facilities to serve native load customers; or (2) in an RTO or ISO with market based congestion management, in the same manner as Network Resources. Network Resource Interconnection Service in and of itself does not convey transmission service.

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

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

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

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

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

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

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

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

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

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

Site Control shall mean documentation reasonably demonstrating: (1) ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Generating Facility; (2) an option

to purchase or acquire a leasehold site for such purpose; or (3) an exclusivity or other business relationship between Interconnection Customer and the entity having the right to sell, lease or grant Interconnection Customer the right to possess or occupy a site for such purpose.

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

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

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

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

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

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

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

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

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

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

Section 2. Scope and Application

2.1 Application of Standard Large Generator Interconnection Procedures.

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

2.2 Comparability.

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

2.3 Base Case Data.

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

2.4 No Applicability to Transmission Service.

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

Section 3. Interconnection Requests

3.1 General.

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

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

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

3.2 Identification of Types of Interconnection Services.

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

3.2.1 Energy Resource Interconnection Service.

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

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

3.2.2 Network Resource Interconnection Service.

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

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

3.3 Valid Interconnection Request.

3.3.1 Initiating an Interconnection Request.

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

3.3.2 Acknowledgment of Interconnection Request.

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

3.3.3 Deficiencies in Interconnection Request.

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

3.3.4 Scoping Meeting.

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

3.4 OASIS Posting.

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

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

3.5 Coordination with Affected Systems.

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

3.6 Withdrawal.

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

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

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

Section 4. Queue Position

4.1 General.

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

4.2 Clustering.

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

4.3 Transferability of Queue Position.

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

4.4 Modifications.

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

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

- 4.4.1** Prior to the return of the executed Interconnection System Impact Study Agreement to SPP pursuant to the SPP's LGIP, modifications permitted under this Section shall include specifically: (a) a decrease of up to 60 percent of electrical output (MW) of the proposed project; (b) modifying the technical parameters associated with the Large Generating Facility technology or the Large Generating Facility step-up transformer impedance characteristics; and (c) modifying the interconnection configuration. For plant increases, the incremental increase in plant output will go to the end of the queue for the purposes of cost allocation and study analysis provided, that such modifications are consistent with the SPP's LGIP.
- 4.4.2** Prior to the execution of the Interconnection Facility Study and Environmental Documentation Agreement, the modifications permitted under this Section shall include specifically: (a) additional 15 percent decrease of electrical output (MW), and (b) Large Generating Facility technical parameters associated with modifications to Large Generating Facility technology and transformer impedances; provided, however, the incremental costs associated with those modifications are the responsibility of the requesting Interconnection Customer; provided further, that such modifications are consistent with the SPP's LGIP.
- 4.4.3** Prior to making any modification other than those specifically permitted by Sections 4.4.1, 4.4.2, and 4.4.5, Interconnection Customer may first request that Southwestern in coordination with SPP evaluate whether such modification is a Material Modification. In response to Interconnection Customer's request, Southwestern in coordination with SPP shall evaluate the proposed modifications prior to making them and inform Interconnection Customer in writing of whether the modifications would constitute a Material Modification. Any change to the Point of Interconnection, except those deemed acceptable under this LGIP of SPP's LGIP or so allowed elsewhere, shall constitute a Material Modification. Interconnection Customer may then withdraw the proposed modification or proceed with a new Interconnection Request for such modification.
- 4.4.4** Upon receipt of Interconnection Customer's request for modification permitted under this Section 4.4, Southwestern shall use Reasonable Efforts to commence and perform any necessary additional studies within thirty (30) Calendar Days after receiving notice of Interconnection Customer's request. The cost of any of the following: a.) modifications, b.) additional studies, c.) modifications to studies, and d.) environmental review and documentation shall be borne by the Interconnection Customer with funding provided to Southwestern in advance.

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

Section 5. Procedures for Interconnection Requests Submitted Prior to Effective Date of Standard Large Generator Interconnection Procedures

5.1 Pending Requests.

- 5.1.1 Any Interconnection Customer assigned a Queue Position prior to the effective date of this LGIP shall retain that Queue Position, as determined by the SPP's LGIP.
 - 5.1.1.1 If an Interconnection Study Agreement has not been executed as of the effective date of this LGIP, then such Interconnection Study, and any subsequent Interconnection Studies, shall be processed in accordance with this LGIP.
 - 5.1.1.2 If an Interconnection Study Agreement has been executed prior to the effective date of this LGIP, such Interconnection Study shall be completed in accordance with the terms of such agreement. With respect to any remaining studies for which an Interconnection Customer has not signed an Interconnection Study Agreement prior to the effective date of the LGIP, Southwestern must offer Interconnection Customer the option of either continuing under Southwestern's existing interconnection study process or going forward with the completion of the necessary Interconnection Studies (for which it does not have a signed Interconnection Studies Agreement) in accordance with this LGIP.
 - 5.1.1.3 **THIS SECTION INTENTIONALLY LEFT BLANK.**

5.1.2 Transition Period.

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

5.2 Transfer of Control of the Southwestern Transmission System.

Subject to Federal statutory requirements and regulations, if Southwestern transfers control of the Southwestern Transmission System to a successor entity during the period when an Interconnection Request is pending, Southwestern shall transfer to the successor entity any amount of the deposit or payment that exceeds the cost that it incurred to evaluate the request for interconnection. Any difference between such net amount and the deposit or payment required by this LGIP shall be paid by or refunded to the Interconnection Customer, as appropriate. Southwestern shall coordinate with the successor entity to complete any Interconnection Study, as appropriate, that Southwestern has begun but has not completed. If Southwestern has tendered a draft LGIA to Interconnection Customer but Interconnection Customer has not executed the LGIA, unless otherwise provided, Interconnection Customer must complete negotiations with the successor entity.

Section 6. Interconnection Feasibility Study

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

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Section 7. Interconnection System Impact Study

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

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Section 8. Interconnection Facilities Study and Environmental Documentation

8.1 Interconnection Facilities Study and Environmental Documentation Agreement.

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

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8.2 Scope of Interconnection Facilities Study and Environmental Documentation.

8.2.1 Scope of Interconnection Facilities Study .

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

8.2.2 Scope of Environmental Documentation.

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

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

8.3 Procedures.

8.3.1 Interconnection Facilities Study Procedures.

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

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

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

8.3.2 Environmental Documentation Procedures.

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

- (a) Is a categorical exclusion (CX) negating the need for an EIS or EA; or
- (b) Requires preparation of an Environmental Assessment (EA); and/or
- (c) Requires preparation of an Environmental Impact Statement (EIS).

Southwestern shall assess the Interconnection Request to determine if the action is defined in 40 CFR 1508.4 and stated in Section D of the Department of Energy National Environmental Procedures Act (NEPA) Guidelines, and that the

proposed interconnection does not individually or cumulatively have a significant effect on the human environment for which neither an EA nor an EIS is normally required and a CX is prepared.

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

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

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

8.4 Meeting with Southwestern.

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

8.5 Re-Study.

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

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

Prior to executing an LGIA, an Interconnection Customer may, in order to advance the implementation of its interconnection, request and Southwestern shall offer the Interconnection Customer, an E&P Agreement that authorizes Southwestern to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection. However, Southwestern shall not be obligated to offer an E&P Agreement if Interconnection Customer is in Dispute Resolution as a result of an

allegation that Interconnection Customer has failed to meet any milestones or comply with any prerequisites specified in other parts of the LGIP. The E&P Agreement is an optional procedure and it will not alter the Interconnection Customer's In-Service Date. The E&P Agreement shall provide for Interconnection Customer to pay the cost of all activities authorized by Interconnection Customer in advance of Southwestern's work pursuant to Section 13.3 of this LGIP.

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

Section 10. Optional Interconnection Study

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

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Section 11. Standard Large Generator Interconnection Agreement (LGIA)

11.1 Tender.

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

11.2 Negotiation.

Notwithstanding Section 11.1, at the request of Interconnection Customer, Southwestern shall begin negotiations with Interconnection Customer concerning the appendices to the

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

11.3 Execution and Filing.

Within fifteen (15) Business Days after receipt of the final LGIA, Interconnection Customer shall provide Southwestern (A) reasonable evidence that continued Site Control or (B) posting of \$250,000, non-refundable additional security, which shall be applied toward future construction costs. At the same time, Interconnection Customer also shall provide reasonable evidence that one or more of the following milestones in the development of the Large Generating Facility, at Interconnection Customer election, has been achieved: (i) the execution of a contract for the supply or transportation of fuel to the Large Generating Facility; (ii) the execution of a contract for the supply of cooling water to the Large Generating Facility; (iii) execution of a contract for the engineering for, procurement of major equipment for, or construction of, the Large Generating Facility; (iv) execution of a contract for the sale of electric energy or capacity from the Large Generating Facility; or (v) application for an air, water, or land use permit. After completion of all of Southwestern's environmental review and documentation requirements and Southwestern's determination to offer a final LGIA, Southwestern shall submit three originals of the LGIA to the Interconnection Customer for signing.

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

11.4 Commencement of Interconnection Activities.

Upon execution of the final LGIA, Southwestern and Interconnection Customer shall perform their respective obligations in accordance with the terms of the LGIA.

Southwestern shall invoice the Interconnection Customer for Southwestern's estimated cost to perform work pursuant to the LGIA in accordance with the invoicing schedule in the LGIA. Southwestern shall not perform any work under the LGIA prior to receiving funds from the Interconnection Customer for such work.

Section 12. Construction of Southwestern's Interconnection Facilities

12.1 Schedule.

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

12.2 Construction Sequencing.

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

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Section 13. Miscellaneous

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

13.1 Confidentiality.

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

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

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

13.1.1 Scope.

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

13.1.2 Release of Confidential Information.

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

13.1.3 Rights.

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

13.1.4 No Warranties.

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

13.1.5 Standard of Care.

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

13.1.6 Order of Disclosure.

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

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13.1.8 Disclosure to FERC, or its Staff.

Notwithstanding anything in this Section 13.1 to the contrary, and pursuant to 18 CFR section 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to the LGIP, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 CFR section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the LGIA when its is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR section 388.112.

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

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

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

13.2 Delegation of Responsibility.

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

13.3 Obligation for Study Costs.

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

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

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

13.3.3 Credits. In computing such costs and expenses, no credits shall be granted to the Interconnection Customer for the cost of any improvements made by Southwestern to the Southwestern Transmission System or elements that

support the Southwestern Transmission System which Southwestern determines are required due to the establishment of the interconnection.

13.3.4 Refund of Excess and Payment of Additional Funds. Following completion of Southwestern's obligations pursuant to these procedures, Southwestern shall submit a statement to Interconnection Customer of the actual costs incurred by Southwestern. If the amount provided by the Interconnection Customer pursuant to this Section 13.3 is greater than the actual costs, Southwestern shall refund any difference to the Interconnection Customer, except as otherwise provided herein, or use the excess funds to offset the cost of any future Interconnection Studies associated with the applicable Interconnection Request prior to the beginning of any such future Interconnection Studies. During implementation of the work required pursuant to these procedures, Southwestern shall monitor the status of expenditures and obligations. If it is apparent that additional funds are required for completion of the required work, Southwestern shall notify the Interconnection Customer of the need for additional funds. Such additional funds shall be provided to Southwestern prior to continuation of work past a point estimated to be covered by the initial payment. If the additional funds are not made available, all remaining work associated with these procedures shall cease until additional funds are received.

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

13.4 Third Parties Conducting Studies.

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

In all cases, use of a third party consultant shall be in accord with Article 26 of the LGIA (Subcontractors) and limited to situations where Southwestern determines that doing so will help maintain or accelerate the study process for Interconnection Customer's pending Interconnection Request and not interfere with Southwestern's progress on Interconnection Studies for other pending Interconnection Requests. In cases where Interconnection Customer requests use of a third party consultant to perform such Interconnection Study, Interconnection Customer and Southwestern shall negotiate all of the pertinent terms and conditions, including reimbursement and advanced funding arrangements and the estimated study completion date and study review deadline. Southwestern shall convey all workpapers, data bases, study results and all other supporting documentation prepared to date with respect to the Interconnection Request as soon as soon as practicable upon Interconnection Customer's request subject to the confidentiality provision in Section 13.1. In any case, such third party contract may be entered into with either Interconnection Customer or Southwestern at Southwestern's discretion. In the case of (iii) Interconnection Customer maintains its right to submit a claim to Dispute Resolution to recover the costs of such third party study. Such third party consultant shall be required to comply with this LGIP, Article 26 of the LGIA (Subcontractors), and the relevant Tariff procedures and protocols as would apply if Southwestern were to conduct the Interconnection Study and shall use the information provided to it solely for purposes of performing such services and for no other purposes. Southwestern shall cooperate with such third party consultant and Interconnection Customer to complete and issue the Interconnection Study in the shortest reasonable time.

13.5 Disputes.

In the event any Party has a dispute, or asserts a claim, that arises out of or in connection with the LGIP, or their performance, the Parties agree to resolve such dispute using the Dispute Resolution procedures in Section 12 of the Tariff.

13.5.1 THIS SECTION INTENTIONALLY LEFT BLANK.

13.5.2 THIS SECTION INTENTIONALLY LEFT BLANK.

13.5.3 THIS SECTION INTENTIONALLY LEFT BLANK.

13.5.4 THIS SECTION INTENTIONALLY LEFT BLANK.

13.6 Local Furnishing Bonds.

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

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

furnishing bond(s) used to finance transmission provider's facilities that would be used in providing such Interconnection Service.

13.6.2 Alternative Procedures for Requesting Interconnection Service.

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

Interconnection Customer thereafter may renew its request for interconnection using the process specified in Article 5.2(ii) of the Tariff.

**APPENDIX 1 to LGIP
INTERCONNECTION REQUEST FOR A
LARGE GENERATING FACILITY**

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

Appendix 1, page 1

Issued by: Laurence J. Yadon, II
General Counsel, Southwestern Power Administration

Issued on: September 26, 2007

Effective: December 1, 2007

**APPENDIX 2 to LGIP
INTERCONNECTION FEASIBILITY STUDY AGREEMENT**

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

Appendix 2, page 1

Issued by: Laurence J. Yadon, II
General Counsel, Southwestern Power Administration

Issued on: September 26, 2007

Effective: December 1, 2007

**APPENDIX 3 to LGIP
INTERCONNECTION SYSTEM IMPACT STUDY AGREEMENT**

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

Appendix 3, page 1

Issued by: Laurence J. Yadon, II
General Counsel, Southwestern Power Administration

Issued on: September 26, 2007

Effective: December 1, 2007

**APPENDIX 4 to LGIP
INTERCONNECTION FACILITIES AND ENVIRONMENTAL
DOCUMENTATION STUDY AGREEMENT**

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

RECITALS

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

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

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

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

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

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

2.0 Interconnection Customer elects and Southwestern shall cause an Interconnection Facilities Study and environmental review and documentation consistent with Section 8.0 of this LGIP to be performed in accordance with the Tariff.

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

4.0 The Interconnection Facilities Study report (i) shall provide a description, estimated cost of, and schedule for required facilities to interconnect the Large Generating Facility to the Southwestern

Appendix 4, page 1

Issued by: Laurence J. Yadon, II
General Counsel, Southwestern Power Administration

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Transmission System and (ii) shall establish the installation, operation, ownership, maintenance and replacement responsibilities of the Parties for the Interconnection Facilities.

5.0 The scope of Southwestern's environmental review and documentation requirements shall depend on whether Southwestern is required to complete an Environmental Assessment ("EA") or an Environmental Impact Statement ("EIS") for the requested interconnection pursuant to Section 8.0 of the LGIP. Southwestern has the authority to perform an EA. An EIS must be completed according to the Department of Energy's procedures.

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

5.2 Southwestern shall invoice for the cost of the environmental work pursuant to Section 6.0.

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

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

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

To Interconnection Customer:

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

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

6.2 Statement of Actual Costs and Refund. Within six months after completion of the work Southwestern shall provide a statement of the final cost of the work and shall set forth such costs in sufficient detail to enable the Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Any difference between the funds advanced to Southwestern pursuant to this Section 6.0 and the actual costs shall be paid by or refunded to Interconnection Customer, as appropriate.

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Issued by: Laurence J. Yadon, II
General Counsel, Southwestern Power Administration

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Effective: December 1, 2007

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

7.0 Governing Law

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

7.2 Applicability. This Agreement is subject to all Applicable Laws and Regulations.

8.0 Notices

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

To Southwestern:

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

To Interconnection Customer:

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

9.0 Force Majeure

9.1 General. Force majeure shall mean acts of God (including but not limited to, failure of water supply, earthquakes, fires, floods, windstorms, landslides, and ice storms); strikes, lockout, or other labor disputes; acts of public enemy; wars, riots, and insurrection; epidemics; civil disturbances; explosions; train derailments; breakdown or failure of machinery or facilities, and delay in delivery of equipment to the extent such occurrences are beyond the reasonable control of the Parties; electrical disturbance originating in or transmitted through such Party's electrical system or equipment or any

Appendix 4, page 3

Issued by: Laurence J. Yadon, II
General Counsel, Southwestern Power Administration

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Effective: December 1, 2007

electrical system with which such Party's system or equipment is interconnected; and any other event, cause, or condition beyond the Party's reasonable control, which, by the exercise of reasonable diligence, prevents the Party claiming Force Majeure from performing its obligations under this Agreement.

9.2 Economic Hardship. Economic hardship is not considered a Force Majeure event.

9.3 Default. Neither Party shall be considered to be in Default with respect to any obligation hereunder, (including obligations under Section 10), other than the obligation to pay money when due, if prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this Section 9.3 shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

9.4 Availability of Funds.

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

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

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

10.0 Indemnity

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

11.0 Assignment

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Issued by: Laurence J. Yadon, II
General Counsel, Southwestern Power Administration

Issued on: September 26, 2007

Effective: December 1, 2007

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

12.0 Severability

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

13.0 Representations, Warranties, and Covenants

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

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

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

13.1.3 No Conflict. The execution, delivery and performance of this Agreement does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.

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

14.0 Breach, Cure, and Default

14.1 General. A breach of this Agreement ("Breach") shall occur upon the failure by a Party to perform or observe any material term or condition of this Agreement. A default of this Agreement ("Default") shall occur upon the failure of a Party in Breach of this Agreement to cure such Breach in accordance with the provisions of Section 14.5.

14.2 Events of Breach. A Breach of this Agreement shall include:

- (a) The failure to pay any amount when due;

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Issued by: Laurence J. Yadon, II
General Counsel, Southwestern Power Administration

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Effective: December 1, 2007

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

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

(d) Assignment of this Agreement in a manner inconsistent with the terms of this Agreement;

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

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

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

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

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

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

AGREE:

[INTERCONNECTION CUSTOMER]

UNITED STATES OF AMERICA
SOUTHWESTERN POWER ADMINISTRATION

By _____

By _____

Title _____

Title _____

Date _____

Date _____

ATTEST:

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

(SEAL)

By _____

**Attachment A To Appendix 4
Interconnection Facilities
Study and Environmental Documentation Agreement**

**INTERCONNECTION CUSTOMER SCHEDULE ELECTION FOR
CONDUCTING THE INTERCONNECTION FACILITIES STUDY**

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

- one hundred eighty (180) Calendar Days

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

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

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

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

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

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

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

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

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

What protocol does the control system or PLC use?

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

Physical dimensions of the proposed interconnection station:

Bus length from generation to interconnection station:

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

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

Number of third party easements required for transmission lines*:

**APPENDIX 5 to LGIP
OPTIONAL INTERCONNECTION STUDY AGREEMENT**

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

Appendix 5, page 1

Issued by: Laurence J. Yadon, II
General Counsel, Southwestern Power Administration

Issued on: September 26, 2007

Effective: December 1, 2007

Note: This document reflects the state of the LGIA as of the issuance of Order No. 2003-C.

**Appendix 6 to the Standard Large
Generator Interconnection Procedures**

**STANDARD LARGE GENERATOR
INTERCONNECTION AGREEMENT (LGIA)**

Issued by: Laurence J. Yadon, II
General Counsel, Southwestern Power Administration

Issued on: September 26, 2007

Effective: December 1, 2007

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STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT

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

Recitals

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

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

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

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

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

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

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

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

Article 1. Definitions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Dispute Resolution shall mean the procedure in Section 12 of the Tariff for resolution of a dispute between the Parties in which they will first attempt to resolve the dispute on an informal basis.

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

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

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

Emergency Condition shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of Southwestern, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Southwestern Transmission System, Southwestern's Interconnection Facilities or the electric systems of others to which the Southwestern Transmission System is directly connected; or (3) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by the Standard Large Generator Interconnection Agreement to possess black start capability.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Interconnection Service shall mean the service provided by Southwestern associated with interconnecting the Interconnection Customer's Generating Facility to the Southwestern Transmission

System and enabling it to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Standard Large Generator Interconnection Agreement and, if applicable, the Tariff.

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

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

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

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

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

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

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

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

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

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

Network Resource Interconnection Service shall mean an Interconnection Service as evaluated by the SPP that allows the Interconnection Customer to integrate its Large Generating Facility

with the Transmission System (1) in a manner comparable to that in which Southwestern integrates its generating facilities to serve native load customers; or (2) in an RTO or ISO with market based congestion management, in the same manner as Network Resources. Network Resource Interconnection Service in and of itself does not convey transmission service.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Article 2. Effective Date, Term, and Termination

- 2.1 Effective Date.** This LGIA shall become effective upon the date signed by the Administrator of Southwestern, or the Administrator's authorized representative.

2.2 Term of Agreement. Subject to the provisions of Article 2.3, this LGIA shall remain in effect for a period of ten (10) years from the Effective Date or such other longer period as Interconnection Customer may request as mutually agreed upon by the Parties (Term to be specified in individual agreements) and shall be automatically renewed for each successive one-year period thereafter. Notwithstanding this Article 2.2 or Article 2.3; the maximum effective period for this LGIA shall be forty (40) years from the Effective Date. Five years prior to termination, Interconnection Customer shall provide written notice of its intention to extend the LGIA. Upon receiving such notice, Southwestern shall enter into good faith discussions regarding an extension of the LGIA at the Interconnection Customer's request.

2.3 Termination Procedures.

2.3.1 Written Notice. This LGIA may be terminated by Interconnection Customer after giving Southwestern ninety (90) Calendar Days advance written notice, or by Southwestern if the Generating Facility has ceased Commercial Operations for three (3) consecutive years, beginning on the last date of Commercial Operations of the Generating Facility, after giving Interconnection Customer ninety (90) Calendar Days advance written notice, notifying FERC after the Generating Facility permanently ceases Commercial Operation.

2.3.2 Default. Either Party may terminate this LGIA in accordance with Article 17.

2.3.3 Notwithstanding Articles 2.3.1 and 2.3.2, no termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination.

2.3.4 Availability of Funds.

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

2.3.4.2 No obligation contained herein for the future payment of money by Southwestern, or liability on the part of Southwestern for breach of any of the provisions contained herein, shall be binding upon or enforceable against Southwestern unless and until funds, as provided in Article 2.3.4.1, are available out of which such obligations or liability can be legally paid.

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

2.4 Termination Costs. If a Party elects to terminate this Agreement pursuant to Article 2.3 above, each Party shall pay all costs incurred (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) or charges assessed by the other Party, as of the date of the other Party's receipt of such notice of termination, for which it is responsible under this LGIA. Southwestern shall not be responsible for any costs if it terminates this Agreement due to unavailability of funds pursuant to the provisions of Article 2.3.4. In the event of termination by a Party, the Parties shall use commercially Reasonable Efforts to mitigate the costs, damages and charges arising as a consequence of termination. Upon termination of this LGIA:

2.4.1 With respect to any portion of Southwestern's Interconnection Facilities that have not yet been constructed or installed, Southwestern shall to the extent possible and with Interconnection Customer's authorization cancel any pending orders of, or return, any materials or equipment for, or contracts for construction of, such facilities; provided that in the event Interconnection Customer elects not to authorize such cancellation, Interconnection Customer shall assume all payment obligations with respect to such materials, equipment, and contracts, and Southwestern shall deliver such material and equipment, and, if necessary, assign such contracts to the extent allowable by Federal Acquisition Regulations, to Interconnection Customer as soon as practicable, at Interconnection Customer's expense. To the extent that Interconnection Customer has already paid Southwestern for any or all such costs of materials or equipment not taken by Interconnection Customer, Southwestern shall promptly refund such amounts to Interconnection Customer, less any costs, including penalties incurred by Southwestern to cancel any pending orders of or return such materials, equipment, or contracts.

If an Interconnection Customer terminates this LGIA, it shall be responsible for all costs incurred attributable to that Interconnection Customer's interconnection, including but not limited to any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment, and other expenses including any costs incurred by Southwestern for the restoration of continuity of the Southwestern Transmission System for which Southwestern has incurred expenses and has not been provided advanced funding by Interconnection Customer.

2.4.2 Southwestern may, at its option, retain any portion of such materials, equipment, or facilities that Interconnection Customer chooses not to accept delivery of, in which case Southwestern shall be responsible for all costs associated with procuring such materials, equipment, or facilities.

2.4.3 With respect to any portion of the Interconnection Facilities, and any other facilities already installed or constructed pursuant to the terms of this LGIA, Interconnection Customer shall be responsible for all costs associated with the removal, relocation or other disposition or retirement of such materials, equipment, or facilities.

2.5 Disconnection. Upon termination of this LGIA, the Parties will take all appropriate steps to disconnect the Large Generating Facility from the Southwestern Transmission System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this LGIA or such non-terminating Party otherwise is responsible for these costs under this LGIA; provided, that Southwestern shall not be responsible for the Interconnection Customer's costs if such termination by Southwestern was a result of unavailability of funds pursuant to Article 2.3.4.

2.6 Survival. This LGIA shall continue in effect after termination to the extent necessary to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this LGIA; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this LGIA was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this LGIA or other applicable agreements, to disconnect, remove or salvage its own facilities and equipment.

Article 3. THIS ARTICLE INTENTIONALLY LEFT BLANK

Article 4. Scope of Service

4.1 Interconnection Customer has coordinated with the SPP to select either Energy Resource Interconnection Service or Network Resource Interconnection Service pursuant to the terms of the SPP's LGIP and applicable provisions of the SPP/Southwestern Agreement.

4.1.1 THIS ARTICLE INTENTIONALLY LEFT BLANK.

4.1.2 THIS ARTICLE INTENTIONALLY LEFT BLANK.

4.2 Provision of Service. Transmission Provider shall provide Interconnection Service for the Large Generating Facility at the Point of Interconnection. The Parties recognize that Southwestern has a statutory duty to fulfill its obligations under Section 5 of the 1944 Flood Control Act, and Southwestern has limited ability to provide Control Area services to accommodate the inclusion of generation in Southwestern's Control Area. Southwestern shall have the discretion to determine, based on Southwestern's review of the operational characteristics of each generating facility in conjunction with the capabilities of Southwestern's resources and authorities, whether such facility will electrically reside within the Control Area of Southwestern.

4.3 Performance Standards. Each Party shall perform all of its obligations under this LGIA in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice, and to the extent a Party is required or prevented or limited in taking any action by such regulations and standards, such Party shall not be deemed to be in Breach of this LGIA for its compliance therewith.

- 4.4 No Transmission Delivery Service.** The execution of this LGIA does not constitute a request for, nor the provision of, any transmission delivery service under the SPP's or Southwestern's tariff pursuant to the applicable provisions of the SPP/Southwestern Agreement, and does not convey any right to deliver electricity to any specific customer or Point of Delivery.
- 4.5 Interconnection Customer Provided Services.** The services provided by Interconnection Customer under this LGIA are set forth in Article 9.6 and Article 13.5.1. Interconnection Customer shall be paid for such services in accordance with Article 11.6.

Article 5. Interconnection Facilities Engineering, Procurement, and Construction

- 5.1 Options.** Unless otherwise mutually agreed to between the Parties, Interconnection Customer shall select the In-Service Date, Initial Synchronization Date, and Commercial Operation Date, and either Standard Option or Alternate Option set forth below for completion of Southwestern's Interconnection Facilities as set forth in Appendix A, Interconnection Facilities, and such dates and selected option shall be set forth in Appendix B, Milestones. Southwestern will work with the SPP to coordinate dates as set forth in Appendix B, Milestones, of this LGIA with those established between the SPP and the Interconnection Customer for the engineering, procurement, and construction of Network Upgrades.
- 5.1.1 Standard Option.** Southwestern shall design, procure, and construct Southwestern's Interconnection Facilities, using Reasonable Efforts to complete Southwestern's Interconnection Facilities by the dates set forth in Appendix B, Milestones. Southwestern shall not be required to undertake any action which is inconsistent with its standard safety and security practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, Applicable Laws and Regulations, and Good Utility Practice. In the event Southwestern reasonably expects that it will not be able to complete Southwestern's Interconnection Facilities by the specified dates, Southwestern shall promptly provide written notice to Interconnection Customer and shall undertake Reasonable Efforts to meet the earliest dates thereafter.
- 5.1.2 Alternate Option.** If the dates designated by Interconnection Customer are acceptable to Southwestern, Southwestern shall use Reasonable Efforts to notify Interconnection Customer within thirty (30) Calendar Days, and shall assume responsibility for the design, procurement and construction of Southwestern's Interconnection Facilities by the designated dates.
- 5.1.3 Option to Build.** If the dates designated by Interconnection Customer are not acceptable to Southwestern, Southwestern shall use Reasonable Efforts to notify Interconnection Customer within thirty (30) Calendar Days, and unless the Parties agree otherwise, Interconnection Customer shall have the option to assume responsibility for the design, procurement and construction of Southwestern's Interconnection Facilities on the dates specified in Article 5.1.2.

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

5.2 General Conditions Applicable to Option to Build. If Interconnection Customer assumes responsibility for the design, procurement and construction of Southwestern's Interconnection,

(1) Interconnection Customer shall engineer, procure equipment, and construct Southwestern's Interconnection Facilities (or portions thereof) using Good Utility Practice and using standards and specifications provided in advance by Southwestern;

(2) Interconnection Customer's engineering, procurement and construction of Southwestern's Interconnection Facilities shall comply with all requirements of law to which Southwestern would be subject in the engineering, procurement or construction of Southwestern's Interconnection Facilities;

(3) Southwestern shall review and approve the engineering design, equipment acceptance tests, and the construction of Southwestern's Interconnection Facilities;

(4) prior to commencement of construction, Interconnection Customer shall provide to Southwestern a schedule for construction of Southwestern's Interconnection Facilities, and shall promptly respond to requests for information from Southwestern;

(5) at any time during construction, Southwestern shall have the right to gain unrestricted access to Southwestern's Interconnection Facilities and to conduct inspections, at the Interconnection Customer's cost, of the same;

(6) at any time during construction, should any phase of the engineering, equipment procurement, or construction of Southwestern's Interconnection Facilities not meet the standards and specifications provided by Southwestern, Interconnection Customer shall be obligated to remedy deficiencies in that portion of Southwestern's Interconnection Facilities and Stand Alone Network Upgrades;

(7) Interconnection Customer shall indemnify Southwestern for claims arising from Interconnection Customer's construction of Southwestern's Interconnection Facilities under the terms and procedures applicable to Article 18.1, Indemnity;

(8) Interconnection Customer shall transfer control of Southwestern's Interconnection Facilities to Southwestern;

(9) Unless Parties otherwise agree, Interconnection Customer shall transfer ownership of Southwestern's Interconnection Facilities to Southwestern;

(10) Southwestern shall approve and accept for operation and maintenance Southwestern's Interconnection Facilities to the extent engineered, procured, and constructed in accordance with this Article 5.2;

(11) Interconnection Customer shall deliver to Southwestern "as-built" drawings, information, and any other documents in compliance with Southwestern's standards that are reasonably required by Southwestern to assure that the Interconnection Facilities are built to the standards and specifications required by Transmission Provider; and

(12) Interconnection Customer shall acquire land "in fee" for the location of Southwestern's Interconnection Facilities. Such land shall be transferred to Southwestern with an unencumbered title. Property shall be fenced and have an access road as approved by Southwestern at the Interconnection Customer's expense.

5.3 THIS ARTICLE INTENTIONALLY LEFT BLANK.

5.4 Power System Stabilizers. The Interconnection Customer shall procure, install, maintain and operate power system stabilizers in accordance with the guidelines and procedures established by the Applicable Reliability Council. Southwestern reserves the right to reasonably establish minimum acceptable settings for any installed power system stabilizers, subject to the design and operating limitations of the Large Generating Facility. If the Large Generating Facility's power system stabilizers are removed from service or not capable of automatic operation, Interconnection Customer shall immediately notify Southwestern's system operator, or its designated representative. The requirements of this paragraph shall not apply to wind generators.

5.5 Equipment Procurement. If responsibility for construction of Southwestern's Interconnection Facilities is to be borne by Southwestern, then Southwestern shall commence design of Southwestern's Interconnection Facilities or and procure necessary equipment and acquire necessary property rights as soon as practicable after all of the following conditions are satisfied, unless the Parties otherwise agree in writing:

5.5.1 Southwestern has completed its work pursuant to the Facilities Study and Environmental Documentation Agreement;

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

5.5.3 Interconnection Customer has provided advanced payment to Southwestern in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

- 5.6 Construction Commencement.** Southwestern shall commence construction of Southwestern's Interconnection Facilities for which it is responsible as soon as practicable after the following additional conditions are satisfied:
- 5.6.1** Approval of the appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval;
 - 5.6.2** Necessary real property rights and rights-of-way have been obtained, to the extent required for the construction of a discrete aspect of Southwestern's Interconnection;
 - 5.6.3** Southwestern has received written authorization to proceed with construction from Interconnection Customer by the date specified in Appendix B, Milestones; and
 - 5.6.4** Interconnection Customer has provided advanced funds to Southwestern in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.
- 5.7 Work Progress.** The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Either Party may, at any time, request a progress report from the other Party. If, at any time, Interconnection Customer determines that the completion of Southwestern's Interconnection Facilities will not be required until after the specified In-Service Date, Interconnection Customer will provide written notice to Southwestern of such later date upon which the completion of Southwestern's Interconnection Facilities will be required.
- 5.8 Information Exchange.** As soon as reasonably practicable after the Effective Date, the Parties shall exchange information regarding the design and compatibility of the Parties' Interconnection Facilities and compatibility of the Interconnection Facilities with the Southwestern Transmission System, and shall work diligently and in good faith to make any necessary design changes.
- 5.9 Limited Operation.** Unless otherwise agreed in writing by Southwestern and except as provided in 5.10.3, all work pursuant to this Agreement must be fully completed prior to the Initial Synchronization Date. The Interconnection Customer shall coordinate with the SPP for the performance of operating studies to determine the extent of limited operation of the Large Generating Facility and Interconnection Customer's Interconnection Facilities. Southwestern shall permit Interconnection Customer to operate the Large Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with the results of such studies.
- 5.10 Interconnection Customer's Interconnection Facilities ('ICIF').** Interconnection Customer shall, at its expense, design, procure, construct, own and install the ICIF, as set forth in Appendix A, Interconnection Facilities.
- 5.10.1 Interconnection Customer's Interconnection Facility Specifications.**
Interconnection Customer shall submit initial specifications for the ICIF, including

System Protection Facilities, to Southwestern at least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date; and final specifications for review and comment at least ninety (90) Calendar Days prior to the Initial Synchronization Date. Southwestern shall review such specifications to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Southwestern and shall use reasonable Efforts to comment on such specifications within thirty (30) Calendar Days of Interconnection Customer's submission. All specifications provided hereunder shall be deemed confidential, subject to the Freedom of Information Act (FOIA) and Southwestern's reporting requirements to the SPP.

5.10.2 Southwestern's Review. Southwestern's review of Interconnection Customer's final specifications shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the Large Generating Facility, or the ICIF. Interconnection Customer shall make such changes to the ICIF as may reasonably be required by Southwestern, in accordance with Good Utility Practice, to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Southwestern.

5.10.3 ICIF Construction. The ICIF shall be designed and constructed in accordance with Good Utility Practice. Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Interconnection Customer shall deliver to Southwestern "as-built" drawings, information and documents for the ICIF, such as: a one-line diagram, a site plan showing the Large Generating Facility and the ICIF, plan and elevation drawings showing the layout of the ICIF, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with Interconnection Customer's step-up transformers, the facilities connecting the Large Generating Facility to the step-up transformers and the ICIF, and the impedances (determined by factory tests) for the associated step-up transformers and the Large Generating Facility. The Interconnection Customer shall provide Southwestern specifications for the excitation system, automatic voltage regulator, Large Generating Facility control and protection settings, transformer tap settings, and communications, if applicable.

5.11 Southwestern's Interconnection Facilities Construction. Southwestern's Interconnection Facilities shall be designed and constructed in accordance with Good Utility Practice. Unless the Parties agree on another mutually acceptable deadline, Southwestern shall use Reasonable Efforts to deliver to Interconnection Customer within one hundred twenty (120) Calendar Days after the Commercial Operation Date the following "as-built" drawings, information and documents for Southwestern's Interconnection Facilities [include appropriate drawings and relay diagrams].

Southwestern will obtain control of Southwestern's Interconnection Facilities upon completion of such facilities.

5.12 Access Rights. Upon reasonable notice and supervision by a Party, and subject to any required or necessary regulatory approvals, a Party ("Granting Party") shall furnish at no cost to the other Party ("Access Party") any rights of use, licenses, rights of way and

easements with respect to lands owned or controlled by the Granting Party, its agents (if allowed under the applicable agency agreement), or any Affiliate, that are necessary to enable the Access Party to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to: (i) interconnect the Large Generating Facility with the Southwestern Transmission System; (ii) operate and maintain the Large Generating Facility, the Interconnection Facilities and the Southwestern Transmission System; and (iii) disconnect or remove the Access Party's facilities and equipment upon termination of this LGIA. In exercising such licenses, rights of way and easements, the Access Party shall not unreasonably disrupt or interfere with normal operation of the Granting Party's business and shall adhere to the safety rules and procedures established in advance, as may be changed from time to time, by the Granting Party and provided to the Access Party.

- 5.13 Lands of Other Property Owners.** If any part of Southwestern's Interconnection Facilities is to be installed on property owned by persons other than Interconnection Customer or Southwestern, Southwestern shall at Interconnection Customer's expense use efforts, similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority, and to the extent consistent with Federal or state law as applicable, to procure from such persons any rights of use, licenses, rights of way and easements that are necessary to construct, operate, maintain, test, inspect, replace or remove Southwestern's Interconnection Facilities upon such property.
- 5.14 Permits.** Southwestern and Interconnection Customer shall cooperate with each other in good faith in obtaining all permits, licenses, and authorizations that are necessary to accomplish the interconnection in compliance with Applicable Laws and Regulations. With respect to this paragraph and subject to Article 2.3.4 and Article 11.5, Southwestern shall provide permitting assistance to Interconnection Customer comparable to that provided to Southwestern's own, or an Affiliate's generation.
- 5.15 THIS ARTICLE INTENTIONALLY LEFT BLANK.**
- 5.16 Suspension.** Interconnection Customer reserves the right, upon written notice to Southwestern, to suspend at any time all work by Southwestern associated with the construction and installation of Southwestern's Interconnection Facilities required under this LGIA with the condition that the Southwestern Transmission System shall be left in a safe and reliable condition in accordance with Good Utility Practice and Southwestern's safety and reliability criteria. In such event, Interconnection Customer shall be responsible for all reasonable and necessary costs which Southwestern (i) has incurred pursuant to this LGIA prior to the suspension and (ii) incurs in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the Southwestern Transmission System during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which Southwestern cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, Southwestern shall obtain Interconnection Customer's authorization to do so; provided, that Southwestern shall not be obligated to perform work not covered by advanced funding from the Interconnection Customer.

Southwestern shall invoice Interconnection Customer for such costs pursuant to Article 12 and shall use due diligence to minimize its costs. In the event Interconnection Customer suspends work by Southwestern required under this LGIA pursuant to this Article 5.16, and has not requested Southwestern to recommence the work required under this LGIA on or before the expiration of three (3) years following commencement of such suspension, this LGIA shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Southwestern, if no effective date is specified.

5.17 THIS ARTICLE INTENTIONALLY LEFT BLANK.

5.18 Tax Status. Each Party shall cooperate with the other to maintain the other Party's tax status.

5.19 Modification.

5.19.1 General. Either Party may undertake modifications to its facilities. If a Party plans to undertake a modification that reasonably may be expected to affect the other Party's facilities, that Party shall provide to the other Party sufficient information regarding such modification so that the other Party may evaluate the potential impact of such modification prior to commencement of the work. Such information shall be deemed to be confidential hereunder subject to FOIA and Southwestern's reporting requirements to the SPP, and shall include information concerning the timing of such modifications and whether such modifications are expected to interrupt the flow of electricity from the Large Generating Facility. The Party desiring to perform such work shall provide the relevant drawings, plans, and specifications to the other Party at least ninety (90) Calendar Days in advance of the commencement of the work or such shorter period upon which the Parties may agree, which agreement shall not unreasonably be withheld, conditioned or delayed.

In the case of Large Generating Facility modifications that do not require Interconnection Customer to submit an Interconnection Request, Southwestern shall use Reasonable Efforts to provide, within thirty (30) Calendar Days (or such other time as the Parties may agree), an estimate of any additional modifications to the Southwestern Transmission System, or Southwestern's Interconnection Facilities necessitated by such Interconnection Customer modification and a good faith estimate of the costs thereof; provided, that modifications beyond the Point of Interconnection such as Network Upgrades shall be coordinated with the SPP.

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

5.19.3 Modification Costs. Interconnection Customer shall not be directly assigned for the costs of any additions, modifications, or replacements that Southwestern makes to Southwestern's Interconnection Facilities to facilitate the interconnection of a third party to Southwestern's Interconnection Facilities, or to

provide transmission service to a third party under the Tariff. Interconnection Customer shall be responsible for the costs of any additions, modifications, or replacements to Interconnection Customer's Interconnection Facilities that may be necessary to maintain or upgrade such Interconnection Customer's Interconnection Facilities consistent with Applicable Laws and Regulations, Applicable Reliability Standards or Good Utility Practice.

Article 6. Testing and Inspection

- 6.1 Pre-Commercial Operation Date Testing and Modifications.** Prior to the Commercial Operation Date, Southwestern shall test Southwestern's Interconnection Facilities and Interconnection Customer shall test the Large Generating Facility and Interconnection Customer's Interconnection Facilities to ensure their safe and reliable operation. Similar testing may be required after initial operation. Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing. Interconnection Customer shall bear the cost of all such testing and modifications. Interconnection Customer shall generate test energy at the Large Generating Facility only if it has arranged for the delivery of such test energy.
- 6.2 Post-Commercial Operation Date Testing and Modifications.** Each Party shall at its own expense perform routine inspection and testing of its facilities and equipment in accordance with Good Utility Practice as may be necessary to ensure the continued interconnection of the Large Generating Facility with the Transmission System in a safe and reliable manner. Each Party shall have the right, upon advance written notice, to require reasonable additional testing of the other Party's facilities, at the requesting Party's expense, as may be in accordance with Good Utility Practice.
- 6.3 Right to Observe Testing.** Each Party shall notify the other Party in advance of its performance of tests of its Interconnection Facilities. The other Party has the right, at its own expense, to observe such testing.
- 6.4 Right to Inspect.** Each Party shall have the right, but shall have no obligation to: (i) observe the other Party's tests and/or inspection of any of its System Protection Facilities and other protective equipment, including power system stabilizers; (ii) review the settings of the other Party's System Protection Facilities and other protective equipment; and (iii) review the other Party's maintenance records relative to the Interconnection Facilities, the System Protection Facilities and other protective equipment. A Party may exercise these rights from time to time as it deems necessary upon reasonable notice to the other Party. The exercise or non-exercise by a Party of any such rights shall not be construed as an endorsement or confirmation of any element or condition of the Interconnection Facilities or the System Protection Facilities or other protective equipment or the operation thereof, or as a warranty as to the fitness, safety, desirability, or reliability of same. Any information that a Party obtains through the exercise of any of its rights under this Article 6.4 shall be deemed to be Confidential Information, subject to FOIA and Southwestern's reporting requirements to the SPP, and treated pursuant to Article 22 of this LGIA.

Article 7. Metering

- 7.1 General.** Each Party shall comply with the Applicable Reliability Council requirements. Unless otherwise agreed by the Parties, Southwestern shall install Metering Equipment at the Point of Interconnection prior to any operation of the Large Generating Facility and shall own, operate, test and maintain such Metering Equipment. Power flows to and from the Large Generating Facility shall be measured at or, at Southwestern's option, compensated to, the Point of Interconnection. Southwestern shall provide metering quantities, in analog and/or digital form, to Interconnection Customer upon request. Interconnection Customer shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment.
- 7.2 Check Meters.** Interconnection Customer, at its option and expense, may install and operate, on its premises and on its side of the Point of Interconnection, one or more check meters to check Southwestern's meters. Such check meters shall be for check purposes only and shall not be used for the measurement of power flows for purposes of this LGIA, except as provided in Article 7.4 below. The check meters shall be subject at all reasonable times to inspection and examination by Southwestern or its designee. The installation, operation and maintenance thereof shall be performed entirely by Interconnection Customer in accordance with Good Utility Practice.
- 7.3 Standards.** Southwestern shall install, calibrate, and test revenue quality Metering Equipment in accordance with applicable ANSI standards.
- 7.4 Testing of Metering Equipment.** Southwestern shall inspect and test all Southwestern - owned Metering Equipment upon installation and at least once every two (2) years thereafter, or more frequently is required by the relevant Regional Entity or NERC. If requested to do so by Interconnection Customer, Southwestern shall, at Interconnection Customer's expense, inspect or test Metering Equipment more frequently than every two (2) years, or more frequently is required by the relevant Regional Entity or NERC. Southwestern shall give reasonable notice of the time when any inspection or test shall take place, and Interconnection Customer may have representatives present at the test or inspection. If at any time Metering Equipment is found to be inaccurate or defective, it shall be adjusted, repaired or replaced at Interconnection Customer's expense, in order to provide accurate metering, unless the inaccuracy or defect is due to Southwestern's failure to maintain, then Southwestern shall pay. If Metering Equipment fails to register, or if the measurement made by Metering Equipment during a test varies by more than two percent from the measurement made by the standard meter used in the test, Southwestern shall adjust the measurements by correcting all measurements for the period during which Metering Equipment was in error by using Interconnection Customer's check meters, if installed. If no such check meters are installed or if the period cannot be reasonably ascertained, the adjustment shall be for the period immediately preceding the test of the Metering Equipment equal to one-half the time from the date of the last previous test of the Metering Equipment.
- 7.5 Metering Data.** At Interconnection Customer's expense, the metered data shall be telemetered to one or more locations designated by Southwestern and one or more locations designated by Interconnection Customer. Such telemetered data shall be used, under normal operating conditions, as the official measurement of the amount of energy delivered from the Large Generating Facility to the Point of Interconnection.

Article 8. Communications

8.1 Interconnection Customer Obligations. Interconnection Customer shall maintain satisfactory operating communications with the Southwestern Transmission System dispatcher or representative designated by Southwestern. Interconnection Customer shall provide, at its expense, standard voice line, dedicated voice line and facsimile communications at its Large Generating Facility control room or central dispatch facility through use of either the public telephone system, or a voice communications system that does not rely on the public telephone system. Interconnection Customer shall also provide the dedicated data circuit(s) necessary to provide Interconnection Customer data to Southwestern as set forth in Appendix D, Security Arrangements Details. The data circuit(s) shall extend from the Large Generating Facility to the location(s) specified by Southwestern. Any required maintenance of such communications equipment shall be performed by Interconnection Customer. Operational communications shall be activated and maintained under, but not be limited to, the following events: system paralleling or separation, scheduled and unscheduled shutdowns, equipment clearances, and hourly and daily load data.

8.2 Remote Terminal Unit. Prior to the Initial Synchronization Date of the Large Generating Facility, a Remote Terminal Unit, or equivalent data collection and transfer equipment acceptable to the Parties, shall be installed by Interconnection Customer, or by Southwestern at Interconnection Customer's expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by Southwestern through use of a dedicated point-to-point data circuit(s) as indicated in Article 8.1. The communication protocol for the data circuit(s) shall be specified by Southwestern. Instantaneous bi-directional analog real power and reactive power flow information must be telemetered directly to the location(s) specified by Southwestern

Each Party will promptly advise the other Party if it detects or otherwise learns of any metering, telemetry or communications equipment errors or malfunctions that require the attention and/or correction by the other Party. The Party owning such equipment shall correct such error or malfunction as soon as reasonably feasible.

8.3 No Annexation. Any and all equipment placed on the premises of a Party shall be and remain the property of the Party providing such equipment regardless of the mode and manner of annexation or attachment to real property, unless otherwise mutually agreed by the Parties.

Article 9. Operations

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

9.2 Control Area Notification. At least three months before Initial Synchronization Date, Interconnection Customer shall notify Southwestern in writing of the Control Area in which the Large Generating Facility will be located. The Parties recognize that Southwestern has a statutory duty to fulfill its obligations under Section 5 of the 1944

Flood Control Act, and Southwestern has limited ability to provide Control Area services to accommodate the inclusion of generation in Southwestern's Control Area.

Southwestern shall have the discretion to determine, based on Southwestern's review of the operational characteristics of each generating facility in conjunction with the capabilities of Southwestern's resources and authorities, whether such facility will electrically reside within the Control Area of Southwestern. If Interconnection Customer elects to locate the Large Generating Facility in a Control Area other than Southwestern's Control Area, and if permitted to do so by the relevant transmission tariffs, all necessary arrangements, including but not limited to those set forth in Article 7 and Article 8 of this LGIA, and remote Control Area generator interchange agreements, if applicable, and the appropriate measures under such agreements, shall be executed and implemented prior to the placement of the Large Generating Facility in the other Control Area.

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

9.4 Interconnection Customer Obligations.

9.4.1 General Obligations. Interconnection Customer shall at its own expense operate, maintain and control the Large Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA. Interconnection Customer shall operate the Large Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with all applicable requirements of the Control Area of which it is part, as such requirements are set forth in Appendix C, Interconnection Details, of this LGIA. Appendix C, Interconnection Details, will be modified to reflect changes to the requirements as they may change from time to time. Either Party may request that the other Party provide copies of the requirements set forth in Appendix C, Interconnection Details, of this LGIA.

9.4.2 Generator Balancing Obligation. In the event Southwestern determines it can accommodate operation of the Large Generating Facility in its Control Area, Interconnection Customer shall at its own expense be responsible for ensuring that its actual Large Generating Facility output matches the scheduled delivery from the Large Generating Facility to the Southwestern Transmission System, consistent with the scheduling requirements of the Tariff and rate schedules, including ramping into and out of such scheduled delivery as measured at the Point of Interconnection. To the extent Interconnection Customer's Large Generating Facility output does not match the scheduled delivery from the Large Generating Facility to the Southwestern Transmission System, any such disparate amounts shall be subject to Southwestern's energy imbalance rate and/or any other applicable scheduling incentives set forth under Southwestern's rate schedules.

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

9.6 Reactive Power.

9.6.1 Power Factor Design Criteria. Interconnection Customer shall design the Large Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless Southwestern has established different requirements that apply to all generators in the Control Area on a comparable basis. The requirements of this paragraph shall not apply to wind generators.

9.6.2 Voltage Schedules. Once Interconnection Customer has synchronized the Large Generating Facility with the Southwestern Transmission System, Southwestern shall require Interconnection Customer to operate the Large Generating Facility to produce or absorb reactive power within the design limitations of the Large Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). Southwestern's voltage schedules shall treat all sources of reactive power in the Control Area in an equitable and not unduly discriminatory manner. Southwestern shall exercise Reasonable Efforts to provide Interconnection Customer with such schedules at least one (1) day in advance, and may make changes to such schedules as necessary to maintain the reliability of the Southwestern Transmission System. Interconnection Customer shall operate the Large Generating Facility to maintain the specified output voltage or power factor at the Point of Interconnection within the design limitations of the Large Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). If Interconnection Customer is unable to maintain the specified voltage or power factor, it shall promptly notify the System Operator.

9.6.2.1 Governors and Regulators. Whenever the Large Generating Facility is operated in parallel with the Southwestern Transmission System and the speed governors (if installed on the generating unit pursuant to Good Utility Practice) and voltage regulators are capable of operation, Interconnection Customer shall operate the Large Generating Facility with its speed governors and voltage regulators in automatic operation. If the Large Generating Facility's speed governors and voltage regulators are not capable of such automatic operation, Interconnection Customer shall immediately notify Southwestern's system operator, or its designated representative, and ensure that such Large Generating Facility's reactive power production or absorption (measured in MVARs) are within the design capability of the Large Generating Facility's generating unit(s) and steady state stability limits. Interconnection Customer shall not cause its Large Generating Facility to disconnect automatically or instantaneously from the Transmission System or trip any generating unit comprising the Large Generating Facility for an under or over frequency condition unless the abnormal frequency condition persists for a time period beyond the limits set forth in

ANSI/IEEE Standard C37.106, or such other standard as applied to other generators in the Control Area on a comparable basis.

9.6.3 Payment for Reactive Power. Southwestern is required to pay Interconnection Customer for reactive power that Interconnection Customer provides or absorbs from the Large Generating Facility when Southwestern requests Interconnection Customer to operate its Large Generating Facility outside the range specified in Article 9.6.1. Payments shall be pursuant to Article 11.6 or such other agreement to which the Parties have otherwise agreed.

9.7 Outages and Interruptions.

9.7.1 Outages.

9.7.1.1 Outage Authority and Coordination. Each Party may in accordance with Good Utility Practice in coordination with the other Party remove from service any of its respective Interconnection Facilities or Network Upgrades that may impact the other Party's facilities as necessary to perform maintenance or testing or to install or replace equipment. Absent an Emergency Condition, the Party scheduling a removal of such facility(ies) from service will use Reasonable Efforts to schedule such removal on a date and time mutually acceptable to the Parties. In all circumstances, any Party planning to remove such facility(ies) from service shall use Reasonable Efforts to minimize the effect on the other Party of such removal.

9.7.1.2 Outage Schedules. Scheduled outages of Southwestern's transmission facilities are posted on the SPP OASIS. Interconnection Customer shall submit its planned maintenance schedules for the Large Generating Facility to Southwestern for a minimum of a rolling twenty-four month period. Interconnection Customer shall update its planned maintenance schedules as necessary. The SPP may request Interconnection Customer to reschedule its maintenance as necessary to maintain the reliability of the Transmission System pursuant to an agreement between SPP and the Interconnection Customer.

9.7.1.3 Outage Restoration. If an outage on a Party's Interconnection Facilities adversely affects the other Party's operations or facilities, the Party that owns or controls the facility that is out of service shall use Reasonable Efforts to promptly restore such facility(ies) to a normal operating condition consistent with the nature of the outage. The Party that owns or controls the facility that is out of service shall provide the other Party, to the extent such information is known, information on the nature of the Emergency Condition, an estimated time of restoration, and any corrective actions required. Initial verbal notice shall be followed up as soon as practicable with written notice explaining the nature of the outage.

- 9.7.2 Interruption of Service.** If required by Good Utility Practice or directed by the SPP to do so, Southwestern may require Interconnection Customer to interrupt or reduce deliveries of electricity if such delivery of electricity could adversely affect Southwestern's ability to perform such activities as are necessary to safely and reliably operate and maintain the Transmission System. The following provisions shall apply to any interruption or reduction permitted under this Article 9.7.2:
- 9.7.2.1** The interruption or reduction shall continue only for so long as reasonably necessary under Good Utility Practice;
- 9.7.2.2** Any such interruption or reduction shall be made on an equitable, non-discriminatory basis with respect to all generating facilities directly connected to the Transmission System;
- 9.7.2.3** When the interruption or reduction must be made under circumstances which do not allow for advance notice, Southwestern shall notify Interconnection Customer by telephone as soon as practicable of the reasons for the curtailment, interruption, or reduction, and, if known, its expected duration. Telephone notification shall be followed by written notification as soon as practicable;
- 9.7.2.4** Except during the existence of an Emergency Condition, when the interruption or reduction can be scheduled without advance notice, Southwestern shall notify Interconnection Customer in advance regarding the timing of such scheduling and further notify Interconnection Customer of the expected duration. Southwestern shall coordinate with Interconnection Customer using Good Utility Practice to schedule the interruption or reduction during periods of least impact to Interconnection Customer and Southwestern;
- 9.7.2.5** The Parties shall cooperate and coordinate with each other to the extent necessary in order to restore the Large Generating Facility, Interconnection Facilities, and the Transmission System to their normal operating state, consistent with system conditions and Good Utility Practice.
- 9.7.3 Under-Frequency and Over Frequency Conditions.** The Transmission System is designed to automatically activate a load-shed program as required by the Applicable Reliability Council in the event of an under-frequency system disturbance. Interconnection Customer shall implement under-frequency and over-frequency relay set points for the Large Generating Facility as required by the Applicable Reliability Council to ensure "ride through" capability of the Transmission System. Large Generating Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be studied and coordinated with Southwestern and the SPP in accordance with Good Utility Practice. The term "ride through" as used herein shall mean the ability of a Generating Facility to stay connected to and synchronized with the Transmission System during system disturbances

within a range of under-frequency and over-frequency conditions, in accordance with Good Utility Practice.

9.7.4 System Protection and Other Control Requirements.

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

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

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

9.7.4.4 Each Party's protective relay design shall incorporate the necessary test switches to perform the tests required in Article 6. The required test switches will be placed such that they allow operation of lockout relays while preventing breaker failure schemes from operating and causing unnecessary breaker operations and/or the tripping of Interconnection Customer's units.

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

9.7.4.6 Prior to the In-Service Date, and again prior to the Commercial Operation Date, each Party or its agent shall perform a complete calibration test and functional trip test of the System Protection Facilities. At intervals suggested by Good Utility Practice and following any apparent malfunction of the System Protection Facilities, each Party shall perform both calibration and functional trip tests of its System Protection Facilities. These tests do not require the tripping of any in-service generation unit. These tests do, however, require that all protective relays and lockout contacts be activated.

9.7.5 Requirements for Protection. In compliance with Good Utility Practice, Interconnection Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Large Generating Facility to any short circuit occurring on the Transmission System not otherwise isolated by Southwestern's equipment, such that the removal of the fault contribution shall be coordinated with the protective requirements of the Southwestern Transmission System. Such protective

equipment shall include, without limitation, a disconnecting device or switch with load-interrupting capability located between the Large Generating Facility and the Southwestern Transmission System at a site selected upon mutual agreement (not to be unreasonably withheld, conditioned or delayed) of the Parties. Interconnection Customer shall be responsible for protection of the Large Generating Facility and Interconnection Customer's other equipment from such conditions as negative sequence currents, over or under-frequency, sudden load rejection, over or under-voltage, and generator loss-of-field. Interconnection Customer shall be solely responsible to disconnect the Large Generating Facility and Interconnection Customer's other equipment if conditions on the Southwestern Transmission System could adversely affect the Large Generating Facility.

9.7.6 Power Quality. Neither Party's facilities shall cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves as defined by ANSI Standard C84.1-1989, in accordance with IEEE Standard 519, or any applicable superseding electric industry standard. In the event of a conflict between ANSI Standard C84.1-1989, or any applicable superseding electric industry standard, ANSI Standard C84.1-1989, or the applicable superseding electric industry standard, shall control.

9.8 Switching and Tagging Rules. Each Party shall provide the other Party a copy of its switching and tagging rules that are applicable to the other Party's activities. Such switching and tagging rules shall be developed on a non-discriminatory basis. The Parties shall comply with applicable switching and tagging rules, as amended from time to time, in obtaining clearances for work or for switching operations on equipment.

9.9 Use of Interconnection Facilities by Third Parties.

9.9.1 Purpose of Interconnection Facilities. Except as may be required by Applicable Laws and Regulations, or as otherwise agreed to among the Parties, the Interconnection Facilities shall be constructed for the sole purpose of interconnecting the Large Generating Facility to the Southwestern Transmission System and shall be used for no other purpose.

9.9.2 Third Party Users. If required by Applicable Laws and Regulations or if the Parties mutually agree, such agreement not to be unreasonably withheld, to allow one or more third parties to use Southwestern's Interconnection Facilities, or any part thereof, Interconnection Customer will be entitled to compensation from the third party user for the capital expenses it incurred in connection with the Interconnection Facilities based upon the pro rata use of Southwestern's Interconnection Facilities by Southwestern, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually-agreed upon methodology. In addition, cost responsibility for ongoing costs, including operation and maintenance costs associated with the Interconnection Facilities, will be allocated between Interconnection Customer and any third party users based upon the pro rata use of the Interconnection Facilities by Southwestern, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually agreed upon methodology

- 9.10 Disturbance Analysis Data Exchange.** The Parties will cooperate with one another in the analysis of disturbances to either the Large Generating Facility or the Transmission System by gathering and providing access to any information relating to any disturbance, including information from oscillography, protective relay targets, breaker operations and sequence of events records, and any disturbance information required by Good Utility Practice.

Article 10. Maintenance

- 10.1 Southwestern Obligations.** Southwestern shall maintain the Southwestern Transmission System and Southwestern's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.
- 10.2 Interconnection Customer Obligations.** Interconnection Customer shall maintain the Large Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.
- 10.3 Coordination.** The Parties shall confer regularly to coordinate the planning, scheduling and performance of preventive and corrective maintenance on the Large Generating Facility and the Interconnection Facilities.
- 10.4 Secondary Systems.** Each Party shall cooperate with the other in the inspection, maintenance, and testing of control or power circuits that operate below 600 volts, AC or DC, including, but not limited to, any hardware, control or protective devices, cables, conductors, electric raceways, secondary equipment panels, transducers, batteries, chargers, and voltage and current transformers that directly affect the operation of a Party's facilities and equipment which may reasonably be expected to impact the other Party. Each Party shall provide advance notice to the other Party before undertaking any work on such circuits, especially on electrical circuits involving circuit breaker trip and close contacts, current transformers, or potential transformers.
- 10.5 Operating and Maintenance Expenses.** Subject to the provisions herein addressing the use of facilities by others, and except for operations and maintenance expenses associated with modifications made for providing interconnection or transmission service to a third party and such third party pays for such expenses, Interconnection Customer shall be responsible for all reasonable expenses including overheads, associated with: (1) owning, operating, maintaining, repairing, and replacing Interconnection Customer's Interconnection Facilities; and (2) operation, maintenance, repair and replacement of Southwestern's Interconnection Facilities.

Article 11. Performance Obligation

- 11.1 Interconnection Customer Interconnection Facilities.** Interconnection Customer shall design, procure, construct, install, own and/or control Interconnection Customer Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at its sole expense.

- 11.2 Southwestern's Interconnection Facilities.** Southwestern shall design, procure, construct, install, own and/or control Southwestern's Interconnection Facilities described in Appendix A, Interconnection Facilities, at the sole expense of the Interconnection Customer.
- 11.3 THIS ARTICLE INTENTIONALLY LEFT BLANK.**
- 11.4 Transmission Credits.**
- 11.4.1 Repayment of Amounts Advanced for Network Upgrades.** Network Upgrades are beyond the scope of this Agreement and are pursuant to SPP's LGIP. The Interconnection Customer and the SPP shall coordinate to determine repayment of amounts advanced for Network Upgrades.
- 11.4.2 THIS ARTICLE INTENTIONALLY LEFT BLANK.**
- 11.4.3 THIS ARTICLE INTENTIONALLY LEFT BLANK.**
- 11.5 Advance Payment .** Neither Interconnection Customer nor Southwestern may undertake any work on the Interconnection Facilities until advanced funds are received by Southwestern from Interconnection Customer pursuant to this Article 11.5.
- 11.5.1 Invoicing and Payment.** Southwestern shall provide an estimate of Southwestern's costs for work pursuant to this LGIA. Southwestern shall invoice the Interconnection Customer once for the entire estimated costs or in multiple scheduled invoices on dates as provided by Southwestern in advance for portions of the entire estimated costs until an amount equaling the entire estimated costs has been received. If Interconnection Customer does not make such payments to Southwestern within twenty (20) Calendar Days of the date of the invoice(s) or the next Business Day thereafter, this Agreement shall terminate and be without further force or effect. Such termination shall not result in a penalty to either Party.
- 11.5.2 Use of Funds.** Advanced funds received by Southwestern pursuant to Article 11.5.1 shall be used for Southwestern's costs and expenses incurred to establish the interconnection pursuant to this Agreement including, but not limited to, the cost of necessary tools, materials, equipment, engineering, labor, inspection, travel expenses, personnel per diem allowances, and general, administrative, and overhead expenses, pursuant to this Agreement.
- 11.5.3 Credits.** In computing such costs and expenses, no credits shall be granted to the Interconnection Customer for the cost of any improvements made by Southwestern to the Southwestern Transmission System or elements that support the Southwestern Transmission System which Southwestern determines are required due to the establishment of the interconnection.

11.5.4 Refund of Excess and Payment of Additional Funds. Following completion of Southwestern's obligations pursuant to this LGIA, Southwestern shall submit a statement to Interconnection Customer of the actual costs incurred by Southwestern. If the amount provided by the Interconnection Customer pursuant to this Article 11.5 is greater than the actual costs, Southwestern shall refund any difference to the Interconnection Customer. During implementation of the work required pursuant to this Agreement, Southwestern shall monitor the status of expenditures and obligations. If it is apparent that additional funds are required for completion of the required work, Southwestern shall notify the Interconnection Customer of the need for additional funds. Such additional funds shall be provided to Southwestern prior to continuation of work past a point estimated to be covered by the initial payment. If the additional funds are not made available, all remaining work associated with this Agreement shall cease until additional funds are received.

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

11.6 Interconnection Customer Compensation. If Southwestern requests or directs Interconnection Customer to provide a service pursuant to Articles 9.6.3 (Payment for Reactive Power), or 13.5.1 of this LGIA, Southwestern shall compensate Interconnection Customer in accordance with Interconnection Customer's applicable rate schedule then in effect unless the provision of such service(s) is subject to an RTO or ISO FERC-approved rate schedule. Interconnection Customer shall serve Southwestern or the SPP with any filing of a proposed rate schedule at the time of such filing with FERC. To the extent that no rate schedule is in effect at the time the Interconnection Customer is required to provide or absorb any Reactive Power under this LGIA, Southwestern agrees to compensate Interconnection Customer in such amount as would have been due Interconnection Customer had the rate schedule been in effect at the time service commenced; provided, however, that such rate schedule must be filed at FERC or other appropriate Governmental Authority within sixty (60) Calendar Days of the commencement of service.

11.6.1 Interconnection Customer Compensation for Actions During Emergency Condition. Southwestern or RTO or ISO shall compensate Interconnection Customer for its provision of real and reactive power and other Emergency Condition services that Interconnection Customer provides to support the Transmission System during an Emergency Condition in accordance with Article 11.6.

Article 12. Invoice

- 12.1 General.** Each Party shall submit to the other Party, on a monthly basis, invoices of amounts due for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party under this LGIA, shall be netted so that only the net amount remaining due shall be paid by the owing Party.
- 12.2 Final Invoice.** Within six months after completion of the construction of Southwestern's Interconnection Facilities, Southwestern shall provide an invoice of the final cost of the construction of Southwestern's Interconnection Facilities and shall set forth such costs in sufficient detail to enable Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Southwestern shall refund to Interconnection Customer any amount by which the actual payment by Interconnection Customer for estimated costs exceeds the actual costs in accordance with Article 11.5.4 of this LGIA of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.
- 12.3 Payment.** Invoices shall be rendered to the paying Party at the address specified in Appendix F. The Party receiving the invoice shall pay the invoice within twenty (20) Calendar Days of receipt of the date of the invoice. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by either Party will not constitute a waiver of any rights or claims either Party may have under this LGIA.
- 12.4 Disputes.** In the event of a billing dispute between Southwestern and Interconnection Customer, Southwestern shall continue to provide Interconnection Service under this LGIA as long as Interconnection Customer: (i) continues to make all payments not in dispute; and (ii) pays to Southwestern or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Interconnection Customer fails to meet these two requirements for continuation of service, then Southwestern may provide notice to Interconnection Customer of a Default pursuant to Article 17. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due with the Interconnection Customer to pay the amount due plus interest calculated in accord with the methodology set forth in FERC's regulations at 18 CFR § 35.19a(a)(2)(iii).

Article 13. Emergencies

- 13.1 Definition.** "Emergency Condition" shall mean a condition or situation: (i) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (ii) that, in the case of Southwestern, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Southwestern Transmission System, Southwestern's Interconnection Facilities or the Transmission Systems of others to which the Southwestern Transmission System is directly connected; or (iii) that, in the case of Interconnection Customer, is imminently

likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Large Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by this LGIA to possess black start capability.

- 13.2 Obligations.** Each Party shall comply with the Emergency Condition procedures of the applicable ISO/RTO, NERC, the Applicable Reliability Council, Applicable Laws and Regulations, and any emergency procedures agreed to by the Joint Operating Committee.
- 13.3 Notice.** Southwestern shall notify Interconnection Customer promptly when it becomes aware of an Emergency Condition that affects Southwestern's Interconnection Facilities or the Transmission System that may reasonably be expected to affect Interconnection Customer's operation of the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Interconnection Customer shall notify Southwestern promptly when it becomes aware of an Emergency Condition that affects the Large Generating Facility or Interconnection Customer's Interconnection Facilities that may reasonably be expected to affect the Transmission System or Southwestern's Interconnection Facilities. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of Interconnection Customer's or Southwestern's facilities and operations, its anticipated duration and the corrective action taken and/or to be taken. The initial notice shall be followed as soon as practicable with written notice.
- 13.4 Immediate Action.** Unless, in Interconnection Customer's reasonable judgment, immediate action is required, Interconnection Customer shall obtain the consent of Southwestern, such consent to not be unreasonably withheld, prior to performing any manual switching operations at the Large Generating Facility or Interconnection Customer's Interconnection Facilities in response to an Emergency Condition either declared by Southwestern or otherwise regarding the Transmission System.
- 13.5 Southwestern Authority.**
- 13.5.1 General.** Southwestern may take whatever actions or inactions with regard to the Southwestern Transmission System or Southwestern's Interconnection Facilities it deems necessary during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Transmission System or Southwestern's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service.

Southwestern shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Southwestern may, in coordination with the SPP, require the Large Generating Facility to mitigate an Emergency Condition by taking actions necessary and limited in scope to remedy the Emergency Condition, including, but not limited to, directing Interconnection Customer to shut-down, start-up, increase or decrease the real or reactive power output of the Large Generating Facility; implementing a reduction or disconnection pursuant to Article 13.5.2; directing Interconnection Customer to assist with blackstart (if

available) or restoration efforts; or altering the outage schedules of the Large Generating Facility and Interconnection Customer's Interconnection Facilities. Interconnection Customer shall comply with all of Southwestern's and/or the SPP's operating instructions concerning Large Generating Facility real power and reactive power output within the manufacturer's design limitations of the Large Generating Facility's equipment that is in service and physically available for operation at the time, in compliance with Applicable Laws and Regulations.

13.5.2 Reduction and Disconnection. Southwestern may reduce Interconnection Service or disconnect the Large Generating Facility or Interconnection Customer's Interconnection Facilities, when such, reduction or disconnection is necessary under Good Utility Practice due to Emergency Conditions or at the direction of the SPP. These rights are separate and distinct from any right of curtailment of Southwestern pursuant to the Tariff. When Southwestern can schedule the reduction or disconnection in advance, Southwestern shall notify Interconnection Customer of the reasons, timing and expected duration of the reduction or disconnection. Southwestern shall coordinate with Interconnection Customer using Good Utility Practice to schedule the reduction or disconnection during periods of least impact to Interconnection Customer and Southwestern. Any reduction or disconnection shall continue only for so long as reasonably necessary under Good Utility Practice or at the direction of the SPP. The Parties shall cooperate with each other to restore the Large Generating Facility, the Interconnection Facilities, and the Transmission System to their normal operating state as soon as practicable consistent with Good Utility Practice or at the direction of the SPP.

13.6 Interconnection Customer Authority. Consistent with Good Utility Practice, the direction of the SPP, and the LGIA and the LGIP, Interconnection Customer may take actions or inactions with regard to the Large Generating Facility or Interconnection Customer's Interconnection Facilities during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Large Generating Facility or Interconnection Customer's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service. Interconnection Customer shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Transmission System and Southwestern's Interconnection Facilities. Southwestern shall use Reasonable Efforts to assist Interconnection Customer in such actions.

13.7 Limited Liability. Except as otherwise provided in Article 11.6.1 of this LGIA, neither Party shall be liable to the other for any action it takes in responding to an Emergency Condition so long as such action is made in good faith and is consistent with Good Utility Practice.

Article 14. Regulatory Requirements and Governing Law

14.1 Regulatory Requirements. Each Party's obligations under this LGIA shall be subject to its receipt of any required approval or certificate from one or more Governmental Authorities in the form and substance satisfactory to the applying Party, or the Party making any required filings with, or providing notice to, such Governmental Authorities, and the expiration of any time period associated therewith. Each Party shall in good faith seek and use its Reasonable Efforts to obtain such other approvals. Nothing in this LGIA

shall require Interconnection Customer to take any action that could result in its inability to obtain, or its loss of, status or exemption under the Federal Power Act, the Public Utility Holding Company Act of 1935, as amended, or the Public Utility Regulatory Policies Act of 1978.

14.2 Governing Law.

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

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

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

Article 15. Notices.

15.1 General. Unless otherwise provided in this LGIA, any notice, demand or request required or permitted to be given by either Party to the other and any instrument required or permitted to be tendered or delivered by either Party in writing to the other shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Party, or personally delivered to the Party, at the address set out in Appendix F, Addresses for Delivery of Notices and Billings.

Either Party may change the notice information in this LGIA by giving five (5) Business Days written notice prior to the effective date of the change.

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

15.3 Alternative Forms of Notice. Any notice or request required or permitted to be given by a Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or email to the telephone numbers and email addresses set out in Appendix F.

15.4 Operations and Maintenance Notice. Each Party shall notify the other Party in writing of the identity of the person(s) that it designates as the point(s) of contact with respect to the implementation of Articles 9 and 10.

Article 16. Force Majeure

16.1 Force Majeure.

16.1.1 Economic hardship is not considered a Force Majeure event.

16.1.2 Neither Party shall be considered to be in Default with respect to any obligation hereunder, (including obligations under Article 4), other than the obligation to pay money when due, if prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this article shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

Article 17. Default

17.1 Default

17.1.1 General. No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of Force Majeure as defined in this LGIA or the result of an act of omission of the other Party. Upon a Breach, the non-breaching Party shall give written notice of such Breach to the breaching Party. Except as provided in Article 17.1.2, the breaching Party shall have thirty (30) Calendar Days from receipt of the Default notice within which to cure such Breach; provided however, if such Breach is not capable of cure within thirty (30) Calendar Days, the breaching Party shall commence such cure within thirty (30) Calendar Days after notice and continuously and diligently complete such cure within ninety (90) Calendar Days from receipt of the Default notice; and, if cured within such time, the Breach specified in such notice shall cease to exist.

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

Article 18. Indemnity, Consequential Damages and Insurance

18.1 Indemnity. Interconnection Customer shall at all times indemnify, defend, and hold Southwestern harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from Southwestern's action or inactions of its

obligations under this LGIA on behalf of the Interconnection Customer, except in cases of gross negligence or intentional wrongdoing by Southwestern. The liability of Southwestern shall be determined in accordance with the Federal Tort Claims Act.

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

18.1.2 Indemnifying Party. If an Interconnection Customer is obligated to indemnify and hold any indemnified person harmless under this Article 18, the amount owing to the indemnified person shall be the amount of such indemnified person's actual Loss, net of any other recovery.

18.1.3 Indemnity Procedures. Promptly after receipt by an indemnified person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in Article 18.1 may apply, the indemnified person shall notify the Interconnection Customer of such fact. Any failure of or delay in such notification shall not affect Interconnection Customer's indemnification obligation unless such failure or delay is materially prejudicial to the Interconnection Customer.

The Interconnection Customer shall have the right to assume the defense thereof with counsel designated by such Interconnection Customer and reasonably satisfactory to the indemnified person. If the defendants in any such action include one or more indemnified person and the Interconnection Customer and if the indemnified person reasonably concludes that there may be legal defenses available to it and/or other indemnified persons which are different from or additional to those available to the Interconnection Customer, the indemnified person shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on its own behalf. In such instances, the Interconnection Customer shall only be required to pay the fees and expenses of one additional attorney to represent an indemnified person or indemnified persons having such differing or additional legal defenses.

The indemnified person shall be entitled, at its expense, to participate in any such action, suit or proceeding, the defense of which has been assumed by the Interconnection Customer. Notwithstanding the foregoing, the Interconnection Customer (i) shall not be entitled to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the opinion of the indemnified person and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the indemnified person, or there exists a conflict or adversity of interest between the indemnified person and the Interconnection Customer, in such event the Interconnection Customer shall pay the reasonable expenses of the indemnified person, and (ii) shall not settle or consent to the entry of any judgment in any action, suit or proceeding without the consent of the indemnified person, which shall not be reasonably withheld, conditioned or delayed.

- 18.2 Consequential Damages.** In no event shall either Party be liable under any provision of this LGIA for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.
- 18.3 Insurance.** Interconnection Customer shall, at its own expense, maintain in force throughout the period of this LGIA, and until released by the other Party, the following minimum insurance coverages, with insurers authorized to do business in the state where the Point of Interconnection is located:
- 18.3.1** Employers' Liability and Workers' Compensation Insurance providing statutory benefits in accordance with the laws and regulations of the state in which the Point of Interconnection is located.
- 18.3.2** Commercial General Liability Insurance including premises and operations, personal injury, broad form property damage, broad form blanket contractual liability coverage (including coverage for the contractual indemnification) products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, coverage for pollution to the extent normally available and punitive damages to the extent normally available and a cross liability endorsement, with minimum limits of One Million Dollars (\$1,000,000) per occurrence/One Million Dollars (\$1,000,000) aggregate combined single limit for personal injury, bodily injury, including death and property damage.
- 18.3.3** Comprehensive Automobile Liability Insurance for coverage of owned and non-owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum, combined single limit of One Million Dollars (\$1,000,000) per occurrence for bodily injury, including death, and property damage.
- 18.3.4** Excess Public Liability Insurance over and above the Employers' Liability Commercial General Liability and Comprehensive Automobile Liability Insurance coverage, with a minimum combined single limit of Twenty Million Dollars (\$20,000,000) per occurrence/Twenty Million Dollars (\$20,000,000) aggregate.
- 18.3.5** The Commercial General Liability Insurance, Comprehensive Automobile Insurance and Excess Public Liability Insurance policies shall name Southwestern and its respective directors, officers, agents, servants and employees ("Other Party Group") as additional insured. All policies shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the provisions of this LGIA against the Other Party Group and provide thirty (30) Calendar Days advance written notice to the Other Party Group prior to anniversary date of cancellation or any material change in coverage or condition.

- 18.3.6** The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies shall contain provisions that specify that the policies are primary and shall apply to such extent without consideration for other policies separately carried and shall state that each insured is provided coverage as though a separate policy had been issued to each, except the insurer's liability shall not be increased beyond the amount for which the insurer would have been liable had only one insured been covered. Interconnection Customer shall be responsible for its respective deductibles or retentions.
- 18.3.7** The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies, if written on a Claims First Made Basis, shall be maintained in full force and effect for two (2) years after termination of this LGIA, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Parties.
- 18.3.8** The requirements contained herein as to the types and limits of all insurance to be maintained by the Parties are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by the Parties under this LGIA.
- 18.3.9** Within ten (10) days following execution of this LGIA, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) days thereafter, Interconnection Customer shall provide certification of all insurance required in this LGIA, executed by each insurer or by an authorized representative of each insurer.
- 18.3.10** Notwithstanding the foregoing, Interconnection Customer may self-insure to meet the minimum insurance requirements of Articles 18.3.2 through 18.3.8 to the extent it maintains a self-insurance program; provided that, Interconnection Customer's senior secured debt is rated at investment grade or better by Standard & Poor's and that its self-insurance program meets the minimum insurance requirements of Articles 18.3.2 through 18.3.8. For any period of time that Interconnection Customer's senior secured debt is unrated by Standard & Poor's or is rated at less than investment grade by Standard & Poor's, Interconnection Customer shall comply with the insurance requirements applicable to it under Articles 18.3.2 through 18.3.9. In the event that Interconnection Customer is permitted to self-insure pursuant to this article, it shall notify the other Party that it meets the requirements to self-insure and that its self-insurance program meets the minimum insurance requirements in a manner consistent with that specified in Article 18.3.9.
- 18.3.11** The Parties agree to report to each other in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this LGIA.
- 18.4 Southwestern Insurance.** Subject to the Availability of Funds provisions of Article 2.3.4, Southwestern shall provide title insurance and shall self-provide comparable liability

insurance coverage as the Interconnection Customer as described under Article 18.3 of this LGIA for itself.

Article 19. Assignment

- 19.1 Assignment.** This LGIA may be assigned by either Party only with the written consent of the other; provided, that Interconnection Customer may assign this LGIA with the consent of Southwestern to any Affiliate of the Interconnection Customer with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the Interconnection Customer under this LGIA; and provided further, that Interconnection Customer may assign this LGIA, with the consent of Southwestern, for collateral security purposes to aid in providing financing for the Large Generating Facility. Any financing arrangement entered into by Interconnection Customer pursuant to this article will provide that prior to or upon the exercise of the secured Party's, trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify Southwestern of the date and particulars of any such exercise of assignment right(s), including providing Southwestern with proof that it meets the requirements of Articles 11.5 and 18.3. Any attempted assignment that violates this article is void and ineffective. Any assignment under this LGIA shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

Article 20. Severability

- 20.1 Severability.** If any provision in this LGIA is finally determined to be invalid, void or unenforceable by any court or other Governmental Authority having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this LGIA; provided that if Interconnection Customer (or any third party, but only if such third party is not acting at the direction of Southwestern) seeks and obtains such a final determination with respect to any provision of the Alternate Option (Article 5.1.2), or the Negotiated Option (Article 5.1.4), then none of these provisions shall thereafter have any force or effect and the Parties' rights and obligations shall be governed solely by the Standard Option (Article 5.1.1).

Article 21. THIS ARTICLE INTENTIONALLY LEFT BLANK.

Article 22. Confidentiality

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

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

If requested by either Party, the other Party shall provide in writing, the basis for asserting that the information referred to in this Article 22 warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

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

22.1.2 Scope. Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this LGIA; or (6) is required, in accordance with Article 22.1.7 of the LGIA, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, including the Freedom of Information Act [5USC § 552], as amended, or is necessary in any legal proceeding establishing rights and obligations under this LGIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

22.1.3 Release of Confidential Information. Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with this LGIA, unless such person has first been advised of the confidentiality provisions of this Article 22 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 22.

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

22.1.5 No Warranties. By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by

supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.

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

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

22.1.8 Termination of Agreement. Upon termination of this LGIA for any reason, each Party shall, within ten (10) Calendar Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the other Party) or return to the other Party, without retaining copies thereof, any and all written or electronic Confidential Information received from the other Party.

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22.1.10 Disclosure to FERC, or its Staff . Notwithstanding anything in this Article 22 to the contrary, and pursuant to 18 CFR section 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this LGIA, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 CFR section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this LGIA prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the LGIA when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR section 388.112.

22.1.11 Subject to the exception in Article 22.1.10, any information that a Party claims is competitively sensitive, commercial or financial information under this LGIA ("Confidential Information") shall not be disclosed by the other Party to any person not employed or retained by the other Party, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this LGIA or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a regional or national reliability organization. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

Article 23. Environmental Releases

- 23.1** Each Party shall notify the other Party, first orally and then in writing, of the release of any Hazardous Substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Large Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall: (i) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than twenty-four hours after such Party becomes aware of the occurrence; and (ii) promptly furnish to the other Party copies of any publicly available reports filed with any Governmental Authorities addressing such events.
- 23.2** Each Party shall as soon as practicable remedy all releases of Hazardous Substances brought to, or created at, real property it owns underlying the Large Generating Facility or Interconnection Facilities, and any such substances migrating from real property it owns at the Large Generating Facility site. The Party that caused the release shall bear the costs of the remedial action, which shall meet applicable Federal and State environmental standards at the time of the action. Such costs may include, but are not limited to, Federal and State supervision, remedial action plans, removal and remedial actions, and negotiation of voluntary and judicial agreements required to meet such environmental standards.
- 23.3** The Parties agree to comply fully with the substantive requirements of all applicable Federal, State and local environmental laws in the performance of their obligations hereunder, and to mitigate and abate adverse environmental impacts accordingly.

Article 24. Information Requirements

- 24.1 Information Acquisition.** Southwestern and Interconnection Customer shall submit specific information regarding the electrical characteristics of their respective facilities to each other as described below and in accordance with Applicable Reliability Standards.
- 24.2 Information Submission by Southwestern .** Southwestern shall use Reasonable Efforts to submit information to Interconnection Customer no later than one hundred eighty (180) Calendar Days prior to Trial Operation which shall include the Southwestern Transmission System information necessary to allow Interconnection Customer to select equipment and meet any system protection and stability requirements, unless otherwise agreed to by the Parties. On a monthly basis Southwestern shall provide Interconnection Customer a status report on the construction and installation of Southwestern's Interconnection Facilities, including, but not limited to, the following information: (1) progress to date; (2) a description of the activities since the last report (3) a description of the action items for the next period; and (4) the delivery status of equipment ordered.
- 24.3 Updated Information Submission by Interconnection Customer.** The updated information submission by Interconnection Customer, including manufacturer information, shall occur no later than one hundred eighty (180) Calendar Days prior to the Trial Operation. Interconnection Customer shall submit a completed copy of the Large Generating Facility data requirements contained in Appendix 1 to the LGIP. It shall also include any additional information provided to Southwestern for the Interconnection Facilities Study. Furthermore, the Interconnection Customer shall provide Southwestern copies of all submissions to the SPP of updated information regarding the Large Generating Facility. Information in this submission shall be the most current Large Generating Facility design or expected performance data. Information submitted for stability models shall be compatible with Southwestern standard models. If there is no compatible model, Interconnection Customer will work with a consultant mutually agreed to by the Parties to develop and supply a standard model and associated information.
- If Interconnection Customer's data is materially different from what was originally provided to Southwestern pursuant to the Interconnection Facilities Study and Environmental Documentation Agreement between Southwestern and Interconnection Customer, then Southwestern will conduct appropriate studies to determine the impact on the Southwestern Transmission System based on the actual data submitted pursuant to this Article 24.3. The Interconnection Customer shall not begin Trial Operation until such studies are completed.
- 24.4 Information Supplementation.** Prior to the Operation Date, the Parties shall supplement their information submissions described above in this Article 24 with any and all "as-built" Large Generating Facility information or "as-tested" performance information that differs from the initial submissions or, alternatively, written confirmation that no such differences exist. The Interconnection Customer shall conduct tests on the Large Generating Facility as required by Good Utility Practice such as an open circuit "step voltage" test on the Large Generating Facility to verify proper operation of the Large Generating Facility's automatic voltage regulator.

Unless otherwise agreed, the test conditions shall include: (1) Large Generating Facility at synchronous speed; (2) automatic voltage regulator on and in voltage control mode;

and (3) a five percent change in Large Generating Facility terminal voltage initiated by a change in the voltage regulators reference voltage. Interconnection Customer shall provide validated test recordings showing the responses of Large Generating Facility terminal and field voltages. In the event that direct recordings of these voltages is impractical, recordings of other voltages or currents that mirror the response of the Large Generating Facility's terminal or field voltage are acceptable if information necessary to translate these alternate quantities to actual Large Generating Facility terminal or field voltages is provided. Large Generating Facility testing shall be conducted and results provided to Southwestern for each individual generating unit in a station.

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

Article 25. Information Access and Audit Rights

- 25.1 Information Access.** Each Party (the "disclosing Party") shall make available to the other Party information that is in the possession of the disclosing Party and is necessary in order for the other Party to: (i) verify the costs incurred by the disclosing Party for which the other Party is responsible under this LGIA; and (ii) carry out its obligations and responsibilities under this LGIA. The Parties shall not use such information for purposes other than those set forth in this Article 25.1 and to enforce their rights under this LGIA.
- 25.2 Reporting of Non-Force Majeure Events.** Each Party (the "notifying Party") shall notify the other Party when the notifying Party becomes aware of its inability to comply with the provisions of this LGIA for a reason other than a Force Majeure event. The Parties agree to cooperate with each other and provide necessary information regarding such inability to comply, including the date, duration, reason for the inability to comply, and corrective actions taken or planned to be taken with respect to such inability to comply. Notwithstanding the foregoing, notification, cooperation or information provided under this article shall not entitle the Party receiving such notification to allege a cause for anticipatory breach of this LGIA.
- 25.3 Audit Rights.** Subject to the requirements of confidentiality under Article 22 of this LGIA, each Party shall have the right, during normal business hours, and upon prior reasonable notice to the other Party, to audit at its own expense the other Party's accounts and records pertaining to either Party's performance or either Party's satisfaction of obligations under this LGIA. Such audit rights shall include audits of the other Party's costs, calculation of invoiced amounts, Southwestern's efforts to allocate responsibility for the provision of reactive support to the Southwestern Transmission System, Southwestern's efforts to allocate responsibility for interruption or reduction of generation on the Southwestern Transmission System, and each Party's actions in an Emergency Condition. Any audit authorized by this article shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to each Party's performance and satisfaction of

obligations under this LGIA. Each Party shall keep such accounts and records for a period equivalent to the audit rights periods described in Article 25.4.

25.4 Audit Rights Periods.

25.4.1 Audit Rights Period for Construction-Related Accounts and Records.

Accounts and records related to the design, engineering, procurement, and construction of Southwestern's Interconnection Facilities shall be subject to audit for a period of twenty-four months following Southwestern's issuance of a final invoice in accordance with Article 12.2.

25.4.2 Audit Rights Period for All Other Accounts and Records. Accounts and records related to either Party's performance or satisfaction of all obligations under this LGIA other than those described in Article 25.4.1 shall be subject to audit as follows: (i) for an audit relating to cost obligations, the applicable audit rights period shall be twenty-four months after the auditing Party's receipt of an invoice giving rise to such cost obligations; and (ii) for an audit relating to all other obligations, the applicable audit rights period shall be twenty-four months after the event for which the audit is sought.

25.5 Audit Results. If an audit by a Party determines that an overpayment or an underpayment has occurred, a notice of such overpayment or underpayment shall be given to the other Party together with those records from the audit which support such determination.

Article 26. Subcontractors

26.1 General. Nothing in this LGIA shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this LGIA; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this LGIA in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

26.2 Responsibility of Principal. The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this LGIA. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall Southwestern be liable for the actions or inactions of Interconnection Customer or its subcontractors with respect to obligations of Interconnection Customer under Article 5 of this LGIA. Any applicable obligation imposed by this LGIA upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

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

Article 27. Disputes

27.1 Disputes. In the event any Party has a dispute, or asserts a claim, that arises out of or in connection with the LGIP, or their performance, the Parties agree to resolve such dispute using the dispute resolution procedures in Section 12 of the Tariff.

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Article 28. Representations, Warranties, and Covenants

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

28.1.1 Good Standing. Such Party is duly organized, validly existing and in good standing under Federal law or the laws of the state in which it is organized, formed, or incorporated, as applicable; that it is qualified to do business under Federal law or the laws of the state or states in which the Large Generating Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable, are located; and that it has the corporate power and authority to own its properties, to carry on its business as now being conducted and to enter into this LGIA and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this LGIA.

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

28.1.3 No Conflict. The execution, delivery and performance of this LGIA does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.

28.1.4 Consent and Approval. Such Party has sought or obtained, or, in accordance with this LGIA will seek or obtain, each consent, approval, authorization, order, or acceptance by any Governmental Authority in connection with the execution, delivery and performance of this LGIA, and it will provide to any Governmental

Authority notice of any actions under this LGIA that are required by Applicable Laws and Regulations.

Article 29. Joint Operating Committee

29.1 Joint Operating Committee. Except in the case of ISOs and RTOs, Southwestern shall constitute a Joint Operating Committee to coordinate operating and technical considerations of Interconnection Service. At least six (6) months prior to the expected Initial Synchronization Date, Interconnection Customer and Southwestern shall each appoint one representative and one alternate to the Joint Operating Committee. Each Interconnection Customer shall notify Southwestern of its appointment in writing. Such appointments may be changed at any time by similar notice. The Joint Operating Committee shall meet as necessary, but not less than once each calendar year, to carry out the duties set forth herein. The Joint Operating Committee shall hold a meeting at the request of either Party, at a time and place agreed upon by the representatives. The Joint Operating Committee shall perform all of its duties consistent with the provisions of this LGIA. Each Party shall cooperate in providing to the Joint Operating Committee all information required in the performance of the Joint Operating Committee's duties. All decisions and agreements, if any, made by the Joint Operating Committee, shall be evidenced in writing. The duties of the Joint Operating Committee shall include the following:

- 29.1.1** Establish data requirements and operating record requirements.
- 29.1.2** Review the requirements, standards, and procedures for data acquisition equipment, protective equipment, and any other equipment or software.
- 29.1.3** Annually review the one (1) year forecast of maintenance and planned outage schedules of Southwestern's and Interconnection Customer's facilities at the Point of Interconnection.
- 29.1.4** Coordinate the scheduling of maintenance and planned outages on the Interconnection Facilities, the Large Generating Facility and other facilities that impact the normal operation of the interconnection of the Large Generating Facility to the Transmission System.
- 29.1.5** Ensure that information is being provided by each Party regarding equipment availability.
- 29.1.6** Perform such other duties as may be conferred upon it by mutual agreement of the Parties.

Article 30. Miscellaneous

30.1 Binding Effect. This LGIA and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.

- 30.2 Conflicts.** In the event of a conflict between the body of this LGIA and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this LGIA shall prevail and be deemed the final intent of the Parties.
- 30.3 Rules of Interpretation.** This LGIA, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this LGIA, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this LGIA), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any Applicable Laws and Regulations means such Applicable Laws and Regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article of this LGIA or such Appendix to this LGIA, or such Section to the LGIP or such Appendix to the LGIP, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this LGIA as a whole and not to any particular Article or other provision hereof or thereof; (7) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding" and "through" means "through and including".
- 30.4 Entire Agreement.** This LGIA, including all Appendices and Schedules attached hereto, and also incorporating through reference Attachment K, General Provisions Applicable to Transmission Service and Generation Interconnection, of the Tariff as if it was a part hereof, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this LGIA. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this LGIA.
- 30.5 No Third Party Beneficiaries.** This LGIA is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.
- 30.6 Waiver.** The failure of a Party to this LGIA to insist, on any occasion, upon strict performance of any provision of this LGIA will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

Any waiver at any time by either Party of its rights with respect to this LGIA shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this LGIA. Termination or Default of this LGIA for any reason by Interconnection Customer shall not constitute a waiver of Interconnection

Customer's legal rights to obtain an interconnection from Southwestern. Any waiver of this LGIA shall, if requested, be provided in writing.

- 30.7 Headings.** The descriptive headings of the various Articles of this LGIA have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this LGIA.
- 30.8 Multiple Counterparts.** This LGIA may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.
- 30.9 Amendment.** The Parties may by mutual agreement amend this LGIA by a written instrument duly executed by the Parties.
- 30.10 Modification by the Parties.** The Parties may by mutual agreement amend the Appendices to this LGIA by a written instrument duly executed by the Parties. Such amendment shall become effective and a part of this LGIA upon satisfaction of all Applicable Laws and Regulations.
- 30.11 THIS ARTICLE INTENTIONALLY LEFT BLANK.**
- 30.12 No Partnership.** This LGIA shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

IN WITNESS WHEREOF, the Parties have executed this LGIA in duplicate originals, each of which shall constitute and be an original effective Agreement between the Parties.

AGREE:

[INTERCONNECTION CUSTOMER]

UNITED STATES OF AMERICA
SOUTHWESTERN POWER ADMINISTRATION

By _____
Title _____
Date _____

By _____
Title _____
Date _____

ATTEST:

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

(SEAL)

By _____

Appendix A to LGIA
Interconnection Facilities

1. Interconnection Facilities:

(a) [insert Interconnection Customer's Interconnection Facilities]:

(b) [insert Southwestern's Interconnection Facilities]:

Appendix B to LGIA

Milestones

B-1

Issued by: Laurence J. Yadon, II
General Counsel, Southwestern Power Administration

Issued on: September 26, 2007

Effective: December 1, 2007

Appendix C to LGIA

Interconnection Details

Appendix D to LGIA

Security Arrangements Details

Infrastructure security of the Transmission System equipment and operations and control hardware and software is essential to ensure day-to-day Transmission System reliability and operational security. FERC will expect Southwestern, all market participants, and all Interconnection Customers interconnected to the Transmission System to comply with the recommendations offered by the National Infrastructure Advisory Council or its successor and, eventually, best practice recommendations from NERC. All public utilities will be expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

Appendix E to LGIA

Commercial Operation Date

This Appendix E is a part of the LGIA between Transmission Provider and Interconnection Customer.

[Date]

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

Re: _____ Large Generating Facility

Dear _____:

On **[Date]** **[Interconnection Customer]** has completed Trial Operation of Unit No. _____. This letter confirms that **[Interconnection Customer]** commenced Commercial Operation of Unit No. _____ at the Large Generating Facility, effective as of **[Date plus one day]**.

Thank you.

[Signature]

[Interconnection Customer Representative]

Appendix F to LGIA

Addresses for Delivery of Notices and Billings

Notices:

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

Interconnection Customer:

[To be supplied.]

Billings and Payments:

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

Interconnection Customer:

[To be supplied.]

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

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

Interconnection Customer:

[To be supplied.]

Appendix G to LGIA

Requirements of Generators Relying on Newer Technologies

INTERCONNECTION REQUIREMENTS FOR A WIND GENERATING PLANT

Appendix G sets forth requirements and provisions specific to a wind generating plant. All other requirements of this LGIA continue to apply to wind generating plant interconnections.

A. Technical Standards Applicable to a Wind Generating Plant**i. Low Voltage Ride-Through (LVRT) Capability**

A wind generating plant shall be able to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the standard below.

1. Wind generating plants are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4-9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by the SPP. The maximum clearing time the wind generating plant shall be required to withstand for a three phase fault shall be 9 cycles after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the Southwestern Transmission System. A wind generating plant shall remain interconnected during such a fault on the Transmission System for a voltage level as low as zero volts, as measured at the high voltage side of the wind GSU.
2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU.
3. Wind generating plants may be tripped after the fault period if this action is intended as part of a special protection system.
4. Wind generating plants may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAR Compensator) within the wind generating plant or by a combination of generator performance and additional equipment.
5. Existing individual generator units that are, or have been, interconnected to the network at the same location at the effective date of the Appendix G LVRT Standard are exempt from meeting the Appendix G LVRT Standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Appendix G LVRT Standard.

ii. Power Factor Design Criteria (Reactive Power)

A wind generating plant shall maintain a power factor within the range of 0.95 leading to 0.95 lagging, measured at the Point of Interconnection as defined in this LGIA, if the System Impact Study shows that such a requirement is necessary to ensure safety or reliability. The power factor range standard can be met by using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors if agreed to by Southwestern, or a combination of the two. The Interconnection Customer shall not disable power factor equipment while the wind plant is in operation. Wind plants shall

also be able to provide sufficient dynamic voltage support in lieu of the power system stabilizer and automatic voltage regulation at the generator excitation system if the System Impact Study shows this to be required for system safety or reliability.

iii. **Supervisory Control and Data Acquisition (SCADA) Capability**

The wind plant shall provide SCADA capability to transmit data and receive instructions from Southwestern to protect system reliability. Southwestern and the wind plant Interconnection Customer shall determine what SCADA information is essential for the proposed wind plant, taking into account the size of the plant and its characteristics, location, and importance in maintaining generation resource adequacy and the Southwestern Transmission System reliability in its area.

INTERCONNECTION PROCEDURES FOR A WIND GENERATING PLANT

Appendix G sets forth procedures specific to a wind generating plant. All other requirements of this LGIP continue to apply to wind generating plant interconnections.

A. Special Procedures Applicable to Wind Generators

The wind plant Interconnection Customer, in completing the Interconnection Request required by Section 3.3 of this LGIP, may provide to the SPP a set of preliminary electrical design specifications depicting the wind plant as a single equivalent generator. The Interconnection Customer shall copy Southwestern on all submissions to the SPP related to the Interconnection Request. The satisfaction of applicable conditions for an Interconnection Request and entry into the queue, as maintained by the SPP, are pursuant to the SPP's LGIP.

Any additional detailed electrical design specifications and other data (including collector system layout data) needed by the SPP to complete the System Impact Study is to be submitted by the Interconnection Customer in accordance with the SPP's LGIP.

**SMALL GENERATOR
INTERCONNECTION PROCEDURES (SGIP)**

(For Generating Facilities No Larger Than 20 MW)

Issued by: Laurence J. Yadon, II
General Counsel, Southwestern Power Administration

Issued on: September 26, 2007

Effective: December 1, 2007

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- Attachment 1 – Glossary of Terms
- Attachment 2 – Small Generator Interconnection Request
- Attachment 3 – Certification Codes and Standards
- Attachment 4 – Certification of Small Generator Equipment Packages
- Attachment 5 – Application, Procedures, and Terms and Conditions for Interconnecting a Certified Inverter-Based Small Generating Facility No Larger than 10 kW ("10 kW Inverter Process")
- Attachment 6 – Feasibility Study Agreement
- Attachment 7 – System Impact Study Agreement
- Attachment 8 – Facilities Study and Environmental Documentation Agreement

Section 1. Application

1.1 Applicability

- 1.1.1** A request to interconnect a Small Generating Facility shall be evaluated under Section 3, Study Process.
- 1.1.2** Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment 1 or the body of these procedures.
- 1.1.3** Neither these procedures nor the requirements included hereunder apply to Small Generating Facilities interconnected or approved for interconnection prior to 60 Business Days after the effective date of these procedures.
- 1.1.4** Prior to submitting its Interconnection Request (Attachment 2 of the SPP's SGIP), the Interconnection Customer may ask Southwestern whether the proposed interconnection is subject to these procedures. Southwestern shall respond within 15 Business Days.
- 1.1.5** Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. The Federal Energy Regulatory Commission expects all Transmission Providers, market participants, and Interconnection Customers interconnected with electric systems to comply with the recommendations offered by the National Infrastructure Advisory Council or its successor and with best practice recommendations from the electric reliability authority. All public utilities are expected to meet basic standards for electric system infrastructure and operational security, including physical, operational, and cyber-security practices.
- 1.1.6** References in these procedures to interconnection agreement are to the Small Generator Interconnection Agreement (SGIA).

1.2 Pre-Application

Southwestern shall designate an employee or office from which information on Southwestern's application process and on an Affected System can be obtained through informal requests from the Interconnection Customer presenting a proposed project for a specific site. The telephone number and e-mail address of such contact employee or office shall be made available on Southwestern's Internet web site. Electric system information provided to the Interconnection Customer should include relevant system studies, interconnection studies, and other materials useful to an understanding of an interconnection at a particular point on the Southwestern Transmission System, to the extent such provision does not violate confidentiality provisions of prior agreements or critical infrastructure requirements and in accordance with the provisions of the Freedom of Information Act (FOIA). Southwestern shall comply with reasonable requests for such information.

1.3 Interconnection Request

The Interconnection Customer shall submit its Interconnection Request to the SPP pursuant to the terms of SPP's SGIP and applicable provisions of the SPP/Southwestern Agreement. The Interconnection Customer shall provide Southwestern copies of all submissions to the SPP related to the Interconnection Request. The Interconnection Customer shall receive acknowledgement of the receipt of the Interconnection Request pursuant to the terms of the SPP's SGIP.

1.4 Modification of the Interconnection Request

Any modification to machine data or equipment configuration or to the interconnection site of the Small Generating Facility not agreed to in writing by Southwestern and the Interconnection Customer may be deemed a withdrawal of the Interconnection Request and may require submission of a new Interconnection Request, unless proper notification of the SPP and of each Party by the other and a reasonable time to cure the problems created by the changes are undertaken.

1.5 Site Control

Documentation of site control must be submitted in accordance with the SPP SGIP. Site control may be demonstrated through:

- 1.5.1 Ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Small Generating Facility;
- 1.5.2 An option to purchase or acquire a leasehold site for such purpose; or
- 1.5.3 An exclusivity or other business relationship between the Interconnection Customer and the entity having the right to sell, lease, or grant the Interconnection Customer the right to possess or occupy a site for such purpose.

1.6 Queue Position

Pursuant to the terms of the SPP's SGIP, the Interconnection Customer shall submit a valid Interconnection Request to the SPP and the SPP shall assign and maintain the Interconnection Customer's Queue Position.

1.7 Interconnection Requests Submitted Prior to the Effective Date of the SGIP

Nothing in this SGIP affects an Interconnection Customer's Queue Position as assigned by the SPP before the effective date of this SGIP. The Parties agree to complete work on any interconnection study agreement executed prior the effective date of this SGIP in accordance with the terms and conditions of that interconnection study agreement. Any new studies or other additional work will be completed pursuant to this SGIP.

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Section 3. Study Process

3.1 Applicability

The Study Process shall be used by an Interconnection Customer proposing to interconnect its Small Generating Facility with the Southwestern Transmission System.

3.2 Scoping Meeting

3.2.1 A scoping meeting will be held within ten Business Days after the Interconnection Request is deemed complete by SPP, or as otherwise mutually agreed to by the Parties at a date established by the SPP and mutually agreed upon by the Parties pursuant to the terms of the SPP's SGIP. Southwestern, the SPP, and the Interconnection Customer will bring to the meeting resources as may be reasonably required to accomplish the purpose of the meeting and shall make available personnel, including system engineers.

3.2.2 The purpose of the scoping meeting is to discuss the Interconnection Request and review existing studies relevant to the Interconnection Request. The Parties shall further discuss whether the SPP should perform a feasibility study or proceed directly to a system impact study. If the Parties agree that a feasibility study should be performed, the Interconnection Customer shall coordinate with the SPP for the performance of the study, in accordance with the SPP's SGIP and applicable provisions of the SPP/Southwestern Agreement. Furthermore, the Parties shall review Southwestern's scope of work associated with the Facilities Study and Environmental Documentation Agreement.

3.2.3 The scoping meeting may be omitted by mutual agreement of the Parties. If the Parties agree not to perform a feasibility study, the Interconnection Customer shall coordinate with the SPP for the performance of a system impact study, in accordance with the SPP's SGIP and applicable provisions of the SPP/Southwestern Agreement.

3.3 Feasibility Study

3.3.1 The Interconnection Customer shall coordinate with the SPP for the performance of a feasibility study to identify any potential adverse system impacts that would result from the interconnection of the Small Generating Facility, in accordance with the SPP's SGIP.

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3.4 System Impact Study

3.4.1 The Interconnection Customer shall coordinate with the SPP for the performance of a system impact study to identify and detail the Transmission System impacts that would result if the proposed Small Generating Facility were interconnected without project modifications or Transmission System modifications, focusing on the adverse system impacts identified in the feasibility study, or to study potential impacts, including but not limited to those identified in the scoping meeting, in accordance with the SPP's SGIP.

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3.5 Facilities Study and Environmental Documentation

- 3.5.1** Upon request by the Interconnection Customer, Southwestern shall prepare and transmit a facilities study and environmental documentation agreement to the Interconnection Customer within five Business Days, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the facilities study and the environmental review and documentation.
- 3.5.2** In order to remain under consideration for interconnection, the Interconnection Customer must return the signed facilities study and environmental documentation agreement for execution or a request for an extension of time within 30 Business Days.
- 3.5.3** The facilities study performed by Southwestern shall specify and provide a non-binding good faith estimate of the cost of the equipment, engineering, procurement and construction work (including overheads) needed for the facilities at the point of interconnection.
- 3.5.4** The environmental review and documentation as provided for by Southwestern shall review the environmental impacts of physically and electrically connecting the Small Generating Facility to the Southwestern Transmission System. Southwestern shall have completed the environmental review and documentation for the Interconnection Request before rendering a decision to offer the Interconnection Customer a final draft SGIA. If Southwestern decides to provide a final draft SGIA for the Interconnection Customer to sign, Southwestern shall provide such agreement within five Business Days of rendering Southwestern's decision and shall proceed with design and construction immediately following the execution of the SGIA.
- 3.5.5** Any design required for Southwestern's Interconnection Facilities shall be performed under the facilities study and environmental documentation agreement. Southwestern may contract with consultants to perform activities required under the facilities study and environmental documentation agreement. The Interconnection Customer and Southwestern may agree to allow the Interconnection Customer to separately arrange for the design of some of Southwestern's Interconnection Facilities. In such cases, facilities design will be reviewed and/or modified prior to acceptance by Southwestern, under the provisions of the facilities study and environmental documentation agreement. If the Parties agree to separately arrange for design and construction, and provided security and confidentiality requirements can be met, Southwestern shall make sufficient information available to the Interconnection Customer in accordance with confidentiality, critical infrastructure, and FOIA requirements to permit the Interconnection Customer to obtain an independent design and cost estimate for any necessary facilities.
- 3.5.6** The Interconnection Customer must provide advanced funds for the good faith estimated costs of the facilities study and the environmental review and documentation prior to Southwestern performing any work pursuant to the facilities study and environmental documentation agreement.

3.5.7 The scope of and cost responsibilities for the facilities study and the environmental review and documentation are described in the attached facilities study and environmental documentation agreement.

3.5.8 Upon completion of the facilities study and environmental review and documentation, with the agreement of the Interconnection Customer to pay for Interconnection Facilities identified in the facilities study, and provided Southwestern determines to offer the Interconnection Customer a final draft SGIA, Southwestern shall provide the Interconnection Customer an executable interconnection agreement within five Business Days.

Section 4. Provisions that Apply to All Interconnection Requests

4.1 Reasonable Efforts

Southwestern shall make reasonable efforts to meet all time frames provided in these procedures unless Southwestern and the Interconnection Customer agree to a different schedule. If Southwestern cannot meet a deadline provided herein, it shall notify the Interconnection Customer, explain the reason for the failure to meet the deadline, and provide an estimated time by which it will complete the applicable interconnection procedure in the process.

4.2 Disputes

In the event any Party has a dispute, or asserts a claim, that arises out of or in connection with the SGIP, or their performance, the Parties agree to resolve such dispute using the Dispute Resolution procedures in Section 12 of the Tariff.

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4.3 Interconnection Metering

Any metering necessitated by the use of the Small Generating Facility shall be installed at the Interconnection Customer's expense in accordance with Southwestern's specifications.

4.4 Commissioning

Commissioning tests of the Interconnection Customer's installed equipment shall be performed pursuant to applicable codes and standards. Southwestern must be given at

least five Business Days written notice, or as otherwise mutually agreed to by the Parties, of the tests and may be present to witness the commissioning tests.

4.5 Confidentiality

All provisions of this Section 4.5 shall be subject to Southwestern's Federal statutory regulations.

4.5.1 Confidential information shall mean any confidential and/or proprietary information provided by one Party to the other Party that is clearly marked or otherwise designated "Confidential." For purposes of these procedures all design, operating specifications, and metering data provided by the Interconnection Customer shall be deemed confidential information regardless of whether it is clearly marked or otherwise designated as such.

4.5.2 Confidential Information does not include information previously in the public domain, required to be publicly submitted or divulged by Governmental Authorities (after notice to the other Party and after exhausting any opportunity to oppose such publication or release), or necessary to be divulged in an action to enforce these procedures. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under these procedures, or to fulfill legal or regulatory requirements.

4.5.2.1 Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Party as it employs to protect its own Confidential Information.

4.5.2.2 THIS SECTION INTENTIONALLY LEFT BLANK.

4.5.3 Notwithstanding anything in this article to the contrary, and pursuant to 18 CFR § 1b.20, if FERC, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to these procedures, the Party shall provide the requested information to FERC, within the time provided for in the request for information. In providing the information to FERC, the Party may, consistent with 18 CFR § 388.112, request that the information be treated as confidential and non-public by FERC and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party prior to the release of the Confidential Information to FERC. The Party shall notify the other Party when it is notified by FERC that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR § 388.112.

4.6 Comparability

Southwestern shall, in coordination with SPP, receive and analyze all Interconnection Requests in a timely manner as set forth in this document. Southwestern, in coordination with SPP, shall use the same reasonable efforts in processing and analyzing Interconnection Requests from all Interconnection Customers, whether the Small

Generating Facility is owned or operated by Southwestern, its subsidiaries or affiliates, or others.

4.7 Record Retention

Southwestern shall maintain for three years records, subject to audit, of all Interconnection Requests received under these procedures, the times required to complete Interconnection Request approvals and disapprovals, and justification for the actions taken on the Interconnection Requests.

4.8 Interconnection Agreement

After receiving an interconnection agreement from Southwestern, the Interconnection Customer shall have 30 Business Days or another mutually agreeable timeframe to sign and return the interconnection agreement. If the Interconnection Customer does not sign the interconnection agreement within 30 Business Days, the Interconnection Request shall be deemed withdrawn. After the interconnection agreement is signed by the Parties, the interconnection of the Small Generating Facility shall proceed under the provisions of the interconnection agreement.

4.9 Coordination with Affected Systems

Pursuant to the terms of the SPP's SGIP, the SPP shall coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Affected Systems with Affected System operators and, if possible, include those results (if available) in its applicable interconnection study within the time frame specified in the SPP's SGIP.

4.10 Capacity of the Small Generating Facility

4.10.1 If the Interconnection Request is for an increase in capacity for an existing Small Generating Facility, the Interconnection Request shall be evaluated on the basis of the new total capacity of the Small Generating Facility.

4.10.2 If the Interconnection Request is for a Small Generating Facility that includes multiple energy production devices at a site for which the Interconnection Customer seeks a single Point of Interconnection, the Interconnection Request shall be evaluated on the basis of the aggregate capacity of the multiple devices.

4.10.3 The Interconnection Request shall be evaluated using the maximum rated capacity of the Small Generating Facility.

4.11 Control Area

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

Glossary of Terms

Affected System – An electric system other than the Southwestern Transmission System that may be affected by the proposed interconnection.

Business Day – Monday through Friday, excluding Federal Holidays.

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

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

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

Interconnection Customer – Any entity or any of the affiliates or subsidiaries of such entity, that proposes to interconnect its Small Generating Facility with the Southwestern Transmission System.

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

Interconnection Request – The Interconnection Customer's request made to the SPP, in the form of Attachment 2 to the SPP's Standard Small Generator Interconnection Procedure, to interconnect a new Small Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Small Generating Facility that is interconnected with the Southwestern Transmission System. Southwestern's involvement in the procedures and agreements resulting from an "Interconnection Request" as used herein shall be limited to the establishment of interconnection facilities to connect the Small Generating Facility to the Southwestern Transmission System. The need for system upgrades/modifications to, and service in, the Transmission System, such as Network Upgrades and services, shall be coordinated by the Interconnection Customer with the SPP and determined under the SPP's Standard Small Generator Interconnection Procedures.

Material Modification – A modification that has a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

Network Upgrades – Additions, modifications, and upgrades to the Transmission System required at or beyond the point at which the Small Generating Facility interconnects with the Southwestern

Transmission System to accommodate the interconnection with the Small Generating Facility to the Southwestern Transmission System. Network Upgrades do not include Distribution Upgrades.

Party or Parties – Southwestern, Interconnection Customer or any combination of the above.

Point of Interconnection – The point where the Interconnection Facilities connect with the Southwestern Transmission System.

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

Small Generating Facility – The Interconnection Customer's device for the production of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

Study Process – The procedure for evaluating an Interconnection Request that includes the Section 3 scoping meeting, feasibility study, system impact study, and facilities study and environmental review and documentation.

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

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

Upgrades – The required additions and modifications to the Transmission System at or beyond the Point of Interconnection as determined by the SPP. Upgrades may be Network Upgrades or Distribution Upgrades. Upgrades do not include Interconnection Facilities.

Attachment 2

**SMALL GENERATOR INTERCONNECTION REQUEST
(Application Form)**

The Interconnection Request is made using Attachment 2 of the SPP's SGIP.

Small Generator Interconnection Request 1

Issued by: Laurence J. Yadon, II
General Counsel, Southwestern Power Administration

Issued on: September 26, 2007

Effective: December 1, 2007

Certification Codes and Standards

THIS SECTION INTENTIONALLY LEFT BLANK.

Certification of Small Generator Equipment Packages

THIS SECTION INTENTIONALLY LEFT BLANK.

Attachment 5

**Application, Procedures, and Terms and Conditions for Interconnecting
a Certified Inverter-Based Small Generating Facility No
Larger than 10 kW ("10 kW Inverter Process")**

THIS SECTION INTENTIONALLY LEFT BLANK.

Feasibility Study Agreement

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

**Attachment A to
Feasibility Study Agreement**

Assumptions Used in Conducting the Feasibility Study

THIS SECTION INTENTIONALLY LEFT BLANK.

System Impact Study Agreement

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

**Attachment A to System
Impact Study Agreement**

Assumptions Used in Conducting the System Impact Study

THIS SECTION INTENTIONALLY LEFT BLANK.

Facilities Study and Environmental Documentation Agreement

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

RECITALS

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

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

WHEREAS, the Interconnection Customer has requested Southwestern to perform a facilities study to specify and estimate the cost of the equipment, engineering, procurement and construction work needed to physically and electrically connect the Small Generating Facility with the Southwestern Transmission System in accordance with Good Utility Practice, and establish the Parties responsible for the installation, operations, maintenance and replacements of such equipment; and

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

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

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in Southwestern's standard Small Generator Interconnection Procedures.
- 2.0 The Interconnection Customer elects and Southwestern shall cause a facilities study consistent with the standard Small Generator Interconnection Procedures to be performed in accordance with the Tariff.
- 3.0 The scope of the facilities study shall be subject to data provided in Attachment A to this Agreement. The facilities study must be completed within 30 Business Days.
- 4.0 The facilities study shall identify (1) the electrical switching configuration of the equipment, including, without limitation, transformer, switchgear, meters, and other station equipment, (2) the

SGIP Facilities Study and
Environmental Documentation Agreement 1

Issued by: Laurence J. Yadon, II
General Counsel, Southwestern Power Administration

Issued on: September 26, 2007

Effective: December 1, 2007

nature and estimated cost of Southwestern's Interconnection Facilities necessary to accomplish the interconnection, and (3) an estimate of the time required to complete the construction and installation of such facilities. Once the facilities study is completed, a facilities study report shall be prepared and transmitted to the Interconnection Customer. Barring unusual circumstances, the facilities study shall be completed and the facilities study report transmitted within 30 Business Days of the execution of this Agreement. The facilities study report (i) shall provide a description, estimated cost of, and proposed construction schedule for required facilities to interconnect the Small Generating Facility to the Southwestern Transmission System and (ii) shall establish the installation, operation, ownership, maintenance, and replacement responsibilities of the Parties for the Interconnection Facilities.

- 5.0 The scope of Southwestern's environmental review and documentation requirements shall depend on whether Southwestern is required to complete an Environmental Assessment ("EA") or an Environmental Impact Statement ("EIS") for the requested interconnection pursuant to Section 3.5 of the SGIP. Southwestern has the authority to perform an EA. An EIS must be completed according to the Department of Energy's procedures.
- 5.1 Southwestern's environmental review and documentation will encompass all facilities related to the Interconnection Request including but not limited to the generator/generation site, interconnecting transmission lines, and switchyards.
- 5.2 Southwestern shall invoice for the estimated cost of the environmental review and documentation pursuant to Section 6.0.
- 6.0 Invoice Procedures. Upon execution of this Agreement by the Parties, Southwestern shall invoice the Interconnection Customer for Southwestern's estimated cost to perform the facilities study and environmental review and documentation.
- 6.1 Payment. Subject to the provisions of Section 3.5.6 of the SGIP, the Interconnection Customer shall pay the actual costs of the facilities study and environmental review and documentation and Southwestern shall invoice the Interconnection Customer if additional funds are required to complete the facilities study and environmental review and documentation. Southwestern shall not perform any work without advanced funding.

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

To Southwestern:

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

To Interconnection Customer:

The Party receiving the invoice shall pay the invoice within twenty (20) Calendar Days of the date of the invoice or the next Business Day thereafter. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account

SGIP Facilities Study and
Environmental Documentation Agreement 2

Issued by: Laurence J. Yadon, II
General Counsel, Southwestern Power Administration

Issued on: September 26, 2007

Effective: December 1, 2007

designated by the invoicing Party. Payment of invoices by either Party will not constitute a waiver of any rights or claims either Party may have under the SGIP.

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

- 6.2 Statement of Actual Costs and Refund. Within six months after completion of the work Southwestern shall provide a statement of the final cost of the work and shall set forth such costs in sufficient detail to enable the Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Any difference between the funds advanced to Southwestern pursuant to this Section 6.0 and the actual costs shall be paid by or refunded to Interconnection Customer, as appropriate.
- 6.3 Disputes. In the event of a billing dispute between Southwestern and Interconnection Customer, Southwestern shall continue to provide work on the facilities study and environmental review and documentation for Interconnection Service under the SGIP as long as the Interconnection Customer: (i) continues to make all payments not in dispute; and (ii) pays into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If the Interconnection Customer fails to meet these two requirements for continuation of service, then Southwestern may provide notice to the Interconnection Customer of its intention to suspend service in sixty (60) days, in accordance with Commission policy.
- 6.4 Facilities Grouping. Southwestern may propose to group facilities required for more than one Interconnection Customer in order to minimize facilities costs through economies of scale, but any Interconnection Customer may require the installation of facilities required for its own Small Generating Facility if it is willing to pay the costs of those facilities.
- 7.0 Governing Law
- 7.1 Governance. The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by Federal law or the laws of the state where the Point of Interconnection is located, as applicable.
- 7.2 Applicability. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.
- 8.0 Notices
- 8.1 General. Unless otherwise provided in this Agreement, any notice, demand or request required or permitted to be given by either Party to the other and any instrument required or permitted to be tendered or delivered by either Party in writing to the other shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Party or personally delivered to the Party. Any such notice, demand, or request shall be deemed properly given to or served on Southwestern if mailed to the following address:

To Southwestern:

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

To Interconnection Customer:

- 8.2 Alternative Forms of Notice. Any notice or request required or permitted to be given by a Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or e-mail.
- 9.0 Force Majeure
- 9.1 General. Force majeure shall mean acts of God (including but not limited to, failure of water supply, earthquakes, fires, floods, windstorms, landslides, and ice storms); strikes, lockout, or other labor disputes; acts of public enemy; wars, riots, and insurrection; epidemics; civil disturbances; explosions; train derailments; breakdown or failure of machinery or facilities, and delay in delivery of equipment to the extent such occurrences are beyond the reasonable control of the Parties; electrical disturbance originating in or transmitted through such Party's electrical system or equipment or any electrical system with which such Party's system or equipment is interconnected; and any other event, cause, or condition beyond the Party's reasonable control, which, by the exercise of reasonable diligence, prevents the Party claiming Force Majeure from performing its obligations under this Agreement.
- 9.2 Economic Hardship. Economic hardship is not considered a Force Majeure event.
- 9.3 Default. Neither Party shall be considered to be in Default with respect to any obligation hereunder, (including obligations under Section 10), other than the obligation to pay money when due, if prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this Section 9.3 shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.
- 9.4 Availability of Funds.
- 9.4.1 This interconnection facilities study and environmental documentation agreement and all rights and obligations hereunder, and the expenditure of funds by Southwestern under the provisions hereof, are expressly conditioned and contingent upon the United States

SGIP Facilities Study and
Environmental Documentation Agreement 4

Issued by: Laurence J. Yadon, II
General Counsel, Southwestern Power Administration

Issued on: September 26, 2007

Effective: December 1, 2007

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

9.4.2 No obligation contained herein for the future payment of money by Southwestern, or liability on the part of Southwestern for breach of any of the provisions contained herein, shall be binding upon or enforceable against Southwestern unless and until funds, as provided in Section 9.4.1 of this interconnection facilities study and environmental documentation agreement, are available out of which such obligations or liability can be legally paid.

9.4.3 Nothing in this interconnection facilities study and environmental documentation agreement may be considered as implying that the United States Congress will, at a later date, appropriate funds sufficient to meet any deficiencies or obligations incurred under this Agreement.

10.0 Indemnity

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

11.0 Assignment

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

12.0 Amendment

The Parties may amend this Agreement by a written instrument duly executed by both Parties.

13.0 No Third-Party Beneficiaries

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

14.0 Waiver

SGIP Facilities Study and

Environmental Documentation Agreement 5

Issued by: Laurence J. Yadon, II
General Counsel, Southwestern Power Administration

Issued on: September 26, 2007

Effective: December 1, 2007

- 14.1 The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.
- 14.2 Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Southwestern. Any waiver of this Agreement shall, if requested, be provided in writing.
- 15.0 **Multiple Counterparts**
This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.
- 16.0 **No Partnership**
This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.
- 17.0 **Severability**
If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any Federal court of competent jurisdiction, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.
- 18.0 **Subcontractors**
Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor; provided further, that Southwestern shall be liable to the Interconnection Customer for the performance of Southwestern's subcontractors only in accordance with the Federal Tort Claims Act.
- 18.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall Southwestern be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.
- 18.2 The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

19.0 Representations, Warranties, and Covenants

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

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

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

19.1.3 No Conflict. The execution, delivery and performance of this Agreement does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement of such Party or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.

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

20.0 Breach, Cure, and Default

20.1 General. A breach of this Agreement ("Breach") shall occur upon the failure by a Party to perform or observe any material term or condition of this Agreement. A default of this Agreement ("Default") shall occur upon the failure of a Party in Breach of this Agreement to cure such Breach in accordance with the provisions of Section 20.5.

20.2 Events of Breach. A Breach of this Agreement shall include:

- (a) The failure to pay any amount when due;
- (b) The failure to comply with any material term or condition of this Agreement, including but not limited to any material Breach of a representation, warranty or covenant made in this Agreement;
- (c) If a Party: (1) becomes insolvent; (2) files a voluntary petition in bankruptcy under any provision of any Federal or state bankruptcy law as applicable or shall consent to the filing of any bankruptcy or reorganization petition against it under any similar law; (3) makes a general assignment for the benefit of its creditors; or (4) consents to the appointment of a receiver, trustee or liquidator;

- (d) Assignment of this Agreement in a manner inconsistent with the terms of this Agreement;
- (e) Failure of any Party to provide information or data to the other Party as required under this Agreement, provided the Party entitled to the information or data under this Agreement requires such information or data to satisfy its obligations under this Agreement.

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

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

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

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

AGREE:

[INTERCONNECTION CUSTOMER]

UNITED STATES OF AMERICA
SOUTHWESTERN POWER ADMINISTRATION

By _____

By _____

Title _____

Title _____

Date _____

Date _____

ATTEST:

I, _____, certify that I am the _____ of [INTERCONNECTION CUSTOMER], and that _____,

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

(SEAL)

By _____

**Attachment A to
Facilities Study and
Environmental Documentation Agreement**

**Data to Be Provided by the Interconnection Customer
with the Facilities Study and Environmental Documentation Agreement**

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

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

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

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

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

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

What type of control system or PLC will be located at the Small Generating Facility?

What protocol does the control system or PLC use?

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

Physical dimensions of the proposed interconnection station:

Bus length from generation to interconnection station:

**SMALL GENERATOR
INTERCONNECTION AGREEMENT (SGIA)**

(For Generating Facilities No Larger Than 20 MW)

Issued by: Laurence J. Yadon, II
General Counsel, Southwestern Power Administration

Issued on: September 26, 2007

Effective: December 1, 2007

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- Attachment 1 – Glossary of Terms
- Attachment 2 – Description and Costs of the Small Generating Facility, Interconnection Facilities, and Metering Equipment
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- Attachment 5 – Additional Operating Requirements for the Southwestern Transmission System and Affected Systems Needed to Support the Interconnection Customer’s Needs
- Attachment 6 – Description of Upgrades and Best Estimate of Upgrade Costs

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

Recitals

WHEREAS, Interconnection Customer intends to own, lease and/or control and operate the generating facility identified as a Small Generating Facility in Attachment 3 to this Agreement; and,

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

WHEREAS, Southwestern has completed its work under the interconnection facilities study and environmental documentation agreement; and

WHEREAS, Interconnection Customer and Southwestern have agreed to enter into this Agreement to provide for the construction, operation, and maintenance of facilities at the Point of Interconnection of the Small Generating Facility in accordance with the conclusions of the work performed pursuant to the interconnection facilities study and environmental documentation agreement; and

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

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

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

Southwestern Information

Southwestern Power Administration
Attention: Director, Division of Customer Service
Address: One West Third Street
City: Tulsa State: OK Zip: 74103
Phone: (918)595-6764 Fax: (918)595-6656

Interconnection Customer Information

Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ Fax: _____

Interconnection Customer Application No: _____

Article 1. Scope and Limitations of Agreement

- 1.1 Applicability.** This Agreement shall be used for all Interconnection Requests submitted under the Small Generator Interconnection Procedures (SGIP).
- 1.2 Purpose.** This Agreement governs the terms and conditions under which the Interconnection Customer's Small Generating Facility will interconnect with, and operate in parallel with, the Southwestern Transmission System.
- 1.3 No Agreement to Purchase or Deliver Power.** This Agreement does not constitute an agreement to purchase or deliver the Interconnection Customer's power. The purchase or delivery of power and other services that the Interconnection Customer may require will be covered under separate agreements, if any. The Interconnection Customer will be responsible for separately making all necessary arrangements (including scheduling) for delivery of electricity with Southwestern and the SPP, pursuant to applicable provisions of the SPP/Southwestern Agreement.
- 1.4 Limitations.** Nothing in this Agreement is intended to affect any other agreement between Southwestern and the Interconnection Customer.
- 1.5 Responsibilities of the Parties**
- 1.5.1** The Parties shall perform all obligations of this Agreement in accordance with all Applicable Laws and Regulations, Operating Requirements, and Good Utility Practice.
- 1.5.2** The Interconnection Customer shall construct, interconnect, operate and maintain its Small Generating Facility and construct, operate, and maintain its Interconnection Facilities in accordance with the applicable manufacturer's recommended maintenance schedule, and in accordance with this Agreement, and with Good Utility Practice.
- 1.5.3** Southwestern shall construct, operate, and maintain the Southwestern Transmission System and Southwestern's Interconnection Facilities in accordance with this Agreement, and with Good Utility Practice.

1.5.4 The Interconnection Customer agrees to construct its facilities or systems in accordance with applicable specifications that meet or exceed those provided by the National Electrical Safety Code, the American National Standards Institute, IEEE, Underwriter's Laboratory, and Operating Requirements in effect at the time of construction and other applicable national and state codes and standards. The Interconnection Customer agrees to design, install, maintain, and operate its Small Generating Facility so as to reasonably minimize the likelihood of a disturbance adversely affecting or impairing the system or equipment of Southwestern and any Affected Systems.

1.5.4.1 Within 120 calendar days before the commercial operation date of the Small Generating Facility, unless the Parties agree on another mutually acceptable deadline, the Interconnection Customer shall deliver to Southwestern "as-built" drawings, information and documents for the Interconnection Customer's Interconnection Facilities, such as: a one line diagram, a site plan showing the Small Generating Facility and the Interconnection Customer's Interconnection Facilities, plan and elevation drawings showing the layout of the Interconnection Customer's Interconnection Facilities, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with the Interconnection Customer's step-up transformers, the facilities connecting the Small Generating Facility to the step-up transformers and the Interconnection Customer's Interconnection Facilities, and the impedances (determined by factory tests) for the associated step-up transformers and the Small Generating Facility. The Interconnection Customer shall provide Southwestern with specifications for the excitation system, automatic voltage regulator, Small Generating Facility control and protection settings, transformer tap settings, and communications, if applicable.

1.5.5 Each Party shall operate, maintain, repair, and inspect, and shall be fully responsible for the facilities that it now or subsequently may own as specified in the Attachments to this Agreement. Each Party shall be responsible for the safe installation, maintenance, repair and condition of their respective lines and appurtenances on their respective sides of the point of change of ownership. Southwestern and the Interconnection Customer, as appropriate, shall provide Interconnection Facilities that adequately protect the Southwestern Transmission System, personnel, and other persons from damage and injury. The allocation of responsibility for the design, installation, operation, maintenance and ownership of Interconnection Facilities shall be delineated in the Attachments to this Agreement.

1.5.6 Southwestern shall, pursuant to applicable provisions of the SPP/Southwestern Agreement, coordinate with all Affected Systems to support the interconnection.

1.6 Parallel Operation Obligations.

Once the Small Generating Facility has been authorized to commence parallel operation, the Interconnection Customer shall abide by all rules and procedures pertaining to the parallel operation of the Small Generating Facility in the applicable control area, including, but not limited to; 1) the rules and procedures concerning the operation of

generation set forth in the Tariff or by the applicable system operator(s) for the Southwestern Transmission System and; 2) the Operating Requirements set forth in Attachment 5 of this Agreement.

1.7 Metering.

The Interconnection Customer shall be responsible for Southwestern's reasonable and necessary cost for the purchase, installation, operation, maintenance, testing, repair, and replacement of metering and data acquisition equipment specified in Attachments 2 and 3 of this Agreement. The Interconnection Customer's metering (and data acquisition, as required) equipment shall conform to applicable industry rules and Operating Requirements.

1.8 Reactive Power.

1.8.1 The Interconnection Customer shall design its Small Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless Southwestern has established different requirements that apply to all similarly situated generators in the control area on a comparable basis. The requirements of this paragraph shall not apply to wind generators.

1.8.2 Southwestern is required to pay the Interconnection Customer for reactive power that the Interconnection Customer provides or absorbs from the Small Generating Facility when Southwestern requests the Interconnection Customer to operate its Small Generating Facility outside the range specified in Article 1.8.1.

1.8.3 Payments shall be in accordance with the Interconnection Customer's applicable rate schedule then in effect unless the provision of such service(s) is subject to a regional transmission organization or independent system operator FERC-approved rate schedule. To the extent that no rate schedule is in effect at the time the Interconnection Customer is required to provide or absorb reactive power under this Agreement, the Parties agree to expeditiously file such rate schedule and agree to support any request for waiver of the Commission's prior notice requirement in order to compensate the Interconnection Customer from the time service commenced.

1.9 Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment 1 or the body of this Agreement.

Article 2. Inspection, Testing, Authorization, and Right of Access

2.1 Equipment Testing and Inspection.

2.1.1 The Interconnection Customer shall test and inspect its Small Generating Facility and Interconnection Facilities prior to interconnection. The Interconnection Customer shall notify Southwestern of such activities no fewer than five Business

Days (or as may be agreed to by the Parties) prior to such testing and inspection. Testing and inspection shall occur on a Business Day. Southwestern may, at the Interconnection Customer's expense, send qualified personnel to the Small Generating Facility site to inspect the interconnection and observe the testing. The Interconnection Customer shall provide Southwestern a written test report when such testing and inspection is completed.

2.1.2 Southwestern shall provide the Interconnection Customer written acknowledgment that it has received the Interconnection Customer's written test report. Such written acknowledgment shall not be deemed to be or construed as any representation, assurance, guarantee, or warranty by Southwestern of the safety, durability, suitability, or reliability of the Small Generating Facility or any associated control, protective, and safety devices owned or controlled by the Interconnection Customer or the quality of power produced by the Small Generating Facility.

2.2 Authorization Required Prior to Parallel Operation.

2.2.1 Southwestern shall use Reasonable Efforts to list applicable parallel operation requirements in Attachment 5 of this Agreement. Additionally, Southwestern shall notify the Interconnection Customer of any changes to these requirements as soon as they are known. Southwestern shall make Reasonable Efforts to cooperate with the Interconnection Customer in meeting requirements necessary for the Interconnection Customer to commence parallel operations by the in-service date.

2.2.2 The Interconnection Customer shall not operate its Small Generating Facility in parallel with the Southwestern Transmission System without prior written authorization of Southwestern. Southwestern will provide such authorization once Southwestern receives notification that the Interconnection Customer has complied with all applicable parallel operation requirements. Such authorization shall not be unreasonably withheld, conditioned, or delayed.

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

2.3 Right of Access.

2.3.1 Upon reasonable notice, Southwestern may send a qualified person to the premises of the Interconnection Customer at or immediately before the time the Small Generating Facility first produces energy to inspect the interconnection, and observe the commissioning of the Small Generating Facility (including any required testing), startup, and operation for a period of up to three Business Days

after initial start-up of the unit. In addition, the Interconnection Customer shall notify Southwestern at least five Business Days prior to conducting any on-site verification testing of the Small Generating Facility.

2.3.2 Following the initial inspection process described above, at reasonable hours, and upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition, Southwestern shall have access to the Interconnection Customer's premises for any reasonable purpose in connection with the performance of the obligations imposed on it by this Agreement or if necessary to meet its legal obligation to provide service to its customers.

2.3.3 Each Party shall be responsible for its own costs associated with following this Article 2.3.

Article 3. Effective Date, Term, Termination, and Disconnection

3.1 Effective Date.

This Agreement shall become effective upon execution by the Administrator of Southwestern or the Administrator's authorized representative.

3.2 Term of Agreement.

This Agreement shall become effective on the Effective Date and shall remain in effect for a period of ten years from the Effective Date or such other longer period as the Interconnection Customer may request and shall be automatically renewed for each successive one-year period thereafter, unless terminated earlier in accordance with Article 3.3 of this Agreement. Notwithstanding this Article 3.2 or 3.3, the maximum effective period of this Agreement shall be 40 years from the Effective Date. Five years prior to termination, the Interconnection Customer shall provide written notice of its intention to extend this Agreement. Upon receiving such notice, Southwestern shall enter into good faith discussions regarding an extension of this Agreement at the Interconnection Customer's request.

3.3 Termination.

No termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination.

3.3.1 The Interconnection Customer may terminate this Agreement at any time by giving Southwestern 20 Business Days written notice.

3.3.2 Either Party may terminate this Agreement after Default pursuant to Article 7.6.

3.3.3 Upon termination of this Agreement, the Small Generating Facility will be disconnected from the Southwestern Transmission System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this SGIA or such non-terminating Party otherwise is responsible for these costs under this SGIA.

3.3.4 The termination of this Agreement shall not relieve either Party of its liabilities and obligations, owed or continuing at the time of the termination

3.3.5 The provisions of this Article shall survive termination or expiration of this Agreement.

3.3.6 Southwestern may terminate this Agreement if the Small Generating Facility has ceased operation for three consecutive years, beginning on the last date of operation for the Small Generating Facility, after giving the Interconnection Customer 20 Business Days advance written notice.

3.3.7 Availability of Funds.

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

3.3.7.2 No obligation contained herein for the future payment of money by Southwestern, or liability on the part of Southwestern for breach of any of the provisions contained herein, shall be binding upon or enforceable against Southwestern unless and until funds, as provided in Article 3.3.7.1, are available out of which such obligations or liability can be legally paid.

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

3.4 Temporary Disconnection.

Temporary disconnection shall continue only for so long as reasonably necessary under Good Utility Practice.

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

Transmission Systems of others to which the Southwestern Transmission System is directly connected; or (3) that, in the case of the Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Small Generating Facility or the Interconnection Customer's Interconnection Facilities. Under Emergency Conditions, Southwestern may immediately suspend interconnection service and temporarily disconnect the Small Generating Facility. Southwestern shall notify the Interconnection Customer promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Interconnection Customer's operation of the Small Generating Facility. The Interconnection Customer shall notify Southwestern promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Southwestern Transmission System or any Affected Systems. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of both Parties' facilities and operations, its anticipated duration, and the necessary corrective action.

3.4.2 Routine Maintenance, Construction, and Repair.

Southwestern may interrupt interconnection service or curtail the output of the Small Generating Facility and temporarily disconnect the Small Generating Facility from the Southwestern Transmission System when necessary for routine maintenance, construction, and repairs on the Southwestern Transmission System. Southwestern shall provide the Interconnection Customer with five Business Days notice prior to such interruption. Southwestern shall use Reasonable Efforts to coordinate such reduction or temporary disconnection with the Interconnection Customer.

3.4.3 Forced Outages.

During any forced outage, Southwestern may suspend interconnection service to effect immediate repairs on the Southwestern Transmission System. Southwestern shall use Reasonable Efforts to provide the Interconnection Customer with prior notice. If prior notice is not given, Southwestern shall, upon request, provide the Interconnection Customer written documentation after the fact explaining the circumstances of the disconnection.

3.4.4 Adverse Operating Effects.

Southwestern shall notify the Interconnection Customer as soon as practicable if, based on Good Utility Practice, operation of the Small Generating Facility may cause disruption or deterioration of service to other customers served from the same electric system, or if operating the Small Generating Facility could cause damage to the Southwestern Transmission System or Affected Systems. Supporting documentation used to reach the decision to disconnect shall be provided to the Interconnection Customer upon request. If, after notice, the Interconnection Customer fails to remedy the adverse operating effect within a reasonable time, Southwestern may disconnect the Small Generating Facility. Southwestern shall provide the Interconnection Customer with five Business Day notice of such disconnection, unless the provisions of Article 3.4.1 apply.

3.4.5 Modification of the Small Generating Facility.

The Interconnection Customer must receive written authorization from Southwestern before making any change to the Small Generating Facility that may have a material impact on the safety or reliability of the Southwestern Transmission System. Such authorization shall not be unreasonably withheld. Modifications shall be done in accordance with Good Utility Practice. If the Interconnection Customer makes such modification without Southwestern's prior written authorization, the latter shall have the right to temporarily disconnect the Small Generating Facility.

3.4.6 Reconnection.

The Parties shall cooperate with each other to restore the Small Generating Facility, Interconnection Facilities, and the Southwestern Transmission System to their normal operating state as soon as reasonably practicable following a temporary disconnection.

Article 4. Cost Responsibility for Interconnection Facilities

4.1 Interconnection Facilities.

4.1.1 The Interconnection Customer shall pay for the cost of the Interconnection Facilities itemized in Attachment 2 of this Agreement. Southwestern shall provide a best estimate cost, including overheads, for the purchase and construction of its Interconnection Facilities and provide a detailed itemization of such costs. Costs associated with Interconnection Facilities may be shared with other entities that may benefit from such facilities by agreement of the Interconnection Customer, such other entities, and Southwestern.

4.1.2 The Interconnection Customer shall be responsible for its share of all reasonable expenses, including overheads, associated with (1) owning, operating, maintaining, repairing, and replacing its own Interconnection Facilities, and (2) operating, maintaining, repairing, and replacing Southwestern's Interconnection Facilities as specified in the Attachments to this Agreement.

4.2 THIS ARTICLE INTENTIONALLY LEFT BLANK.

Article 5. Cost Responsibility for Network Upgrades

5.1 Applicability.

Network Upgrades are beyond the scope of this Agreement and are pursuant to SPP's SGIP. The Interconnection Customer and the SPP shall coordinate to determine cost responsibility for Network Upgrades.

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Article 6. Billing, Payment, Milestones, and Advance Payment

6.1 Billing and Payment Procedures and Final Accounting.

6.1.1 Southwestern shall bill the Interconnection Customer for Southwestern's good faith estimate of costs related to the design, engineering, construction, and procurement of Interconnection Facilities contemplated by this Agreement in accordance with Article 6.3 of this Agreement. The Interconnection Customer shall pay each bill within 20 calendar days of the date of the invoice(s) or the next business day thereafter, or as otherwise agreed to by the Parties.

6.1.2 Within three months of completing the construction and installation of Southwestern's Interconnection Facilities described in the Attachments to this Agreement, Southwestern shall provide the Interconnection Customer with a final accounting report of any difference between (1) the Interconnection Customer's cost responsibility for the actual cost of such facilities, and (2) the Interconnection Customer's previous advance payments to Southwestern for such facilities. If the Interconnection Customer's cost responsibility exceeds its previous aggregate payments, Southwestern shall invoice the Interconnection Customer for the amount due in accordance with Article 6.3.4 of this Agreement. If the Interconnection Customer's previous aggregate payments exceed its cost responsibility under this Agreement, Southwestern shall refund to the Interconnection Customer an amount equal to the difference in accordance with Article 6.3.4 of this Agreement.

6.2 Milestones.

The Parties shall agree on milestones for which each Party is responsible and list them in Attachment 4 of this Agreement. A Party's obligations under this provision may be extended by agreement. If a Party anticipates that it will be unable to meet a milestone for any reason other than a Force Majeure Event, it shall immediately notify the other Party of the reason(s) for not meeting the milestone and (1) propose the earliest reasonable alternate date by which it can attain this and future milestones, and (2) requesting appropriate amendments to Attachment 4. The Party affected by the failure to meet a milestone shall not unreasonably withhold agreement to such an amendment unless it will suffer significant uncompensated economic or operational harm from the delay, (2) attainment of the same milestone has previously been delayed, or (3) it has reason to believe that the delay in meeting the milestone is intentional or unwarranted notwithstanding the circumstances explained by the Party proposing the amendment.

6.3 Advance Payment.

Neither Interconnection Customer nor Southwestern may undertake any work on the Interconnection Facilities until advanced funds are received by Southwestern from Interconnection Customer pursuant to this Article 6.3.

- 6.3.1** Southwestern shall provide an estimate of Southwestern's costs for work pursuant to this SGIA. Southwestern shall invoice Interconnection Customer once for the entire estimated costs or in multiple scheduled invoices on dates as provided by Southwestern in advance for portions of the entire estimated costs until an amount equaling the entire estimated costs has been received. If Interconnection Customer does not make such payments to Southwestern within 20 days of the date of the invoice(s) or the next business day thereafter, this Agreement shall terminate and be without further force or effect. Such termination shall not result in a penalty to either Party.
- 6.3.2** Advanced funds received by Southwestern pursuant to Article 6.3.1 shall be used for Southwestern's costs and expenses incurred to establish the interconnection pursuant to this Agreement including, but not limited to, the cost of necessary tools, materials, equipment, engineering, labor, inspection, travel expenses, personnel per diem allowances, and general, administrative, and overhead expenses.
- 6.3.3** In computing such costs and expenses, no credits shall be granted to the Interconnection Customer for the cost of any improvements made by Southwestern to the Southwestern Transmission System or elements that support the Southwestern Transmission System which Southwestern determines are required due to the establishment of the interconnection.
- 6.3.4** Following completion of Southwestern's obligations pursuant to this SGIA, Southwestern shall submit a statement to Interconnection Customer of the actual costs incurred by Southwestern. If the amount provided by the Interconnection Customer pursuant to this Article 6.3 is greater than the actual costs, Southwestern shall refund any difference to the Interconnection Customer. During implementation of the work required pursuant to this Agreement, Southwestern shall monitor the status of expenditures and obligations. If it is apparent that additional funds are required for completion of the required work, Southwestern shall notify the Interconnection Customer of the need for additional funds. Such additional funds shall be provided to Southwestern prior to continuation of work past a point estimated to be covered by the initial payment. If the additional funds are not made available, all remaining work associated with this Agreement shall cease until additional funds are received.
- 6.3.5** Southwestern agrees to account for the costs incurred under a Work Order accounting procedure and in accordance with the Uniform System of Accounts prescribed for public utilities by the FERC, or under procedures established by any successor authority having jurisdiction over the accounts of Southwestern. Interconnection Customer or its authorized representative shall have the right to audit Southwestern's cost records and accounts to verify statements of costs submitted by Southwestern. Southwestern agrees to refund any amounts paid if they are found in such audit to exceed the total amount due Southwestern for its

actual costs for work hereunder without any penalty or interest. Interconnection Customer agrees that such audit of Southwestern's records and accounts is for the sole purpose of verifying that an itemized billing statement sets forth the actual costs as reflected by the Work Order records and that accounts are maintained in accordance with the accounting procedures prescribed by the FERC.

Article 7. Assignment, Liability, Indemnity, Force Majeure, Consequential Damages, and Default

7.1 Assignment.

This Agreement may be assigned by either Party upon 15 Business Days prior written notice and opportunity to object by the other Party; provided, that:

7.1.1 Either Party may assign this Agreement with the consent of the other Party to any affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement; provided, that the Interconnection Customer promptly notifies Southwestern of any such assignment;

7.1.2 The Interconnection Customer shall have the right to assign this Agreement, with the consent of Southwestern, for collateral security purposes to aid in providing financing for the Small Generating Facility; provided, that the Interconnection Customer will promptly notify Southwestern of any such assignment.

7.1.3 Any attempted assignment that violates this Article is void and ineffective. Assignment shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. An assignee of the Interconnection Customer is responsible for meeting the same financial, credit, and insurance obligations as the Interconnection Customer. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

7.2 Limitation of Liability.

7.2.1 The Interconnection Customer's liability to Southwestern for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall the Interconnection Customer be liable to Southwestern for any indirect, special, consequential, or punitive damages, except as authorized by this Agreement.

7.2.2 The liability of Southwestern shall be determined only in accordance with the Federal Tort Claims Act.

7.3 Indemnity.

7.3.1 This provision protects Southwestern from liability incurred to third parties as a result of carrying out the provisions of this Agreement. Liability under this provision is exempt from the general limitations on liability found in Article 7.2.1.

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

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

7.3.4 If the Interconnection Customer is obligated to indemnify and hold any indemnified person harmless under this article, the amount owing to the indemnified person shall be the amount of such indemnified person's actual loss, net of any insurance or other recovery.

7.3.5 Promptly after receipt by an indemnified person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in this article may apply, the indemnified person shall notify the Interconnection Customer of such fact. Any failure of or delay in such notification shall not affect the Interconnection Customer's indemnification obligation unless such failure or delay is materially prejudicial to the Interconnection Customer.

7.4 Consequential Damages.

Other than as expressly provided for in this Agreement, neither Party shall be liable under any provision of this Agreement for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

7.5 Force Majeure.

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

7.5.2 If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, the Party affected by the Force Majeure Event (Affected Party) shall promptly notify the other Party, either in writing or via the telephone, of the existence of the Force Majeure Event. The notification must specify in reasonable detail the circumstances of the Force Majeure Event, its expected duration, and the steps that the Affected Party is taking to mitigate the effects of the event on its performance. The Affected Party shall keep the other Party informed on a continuing basis of developments relating to the Force Majeure Event until the event ends. The Affected Party will be entitled to suspend or modify its performance of obligations under this Agreement (other than the obligation to make payments) only to the extent that the effect of the Force Majeure Event cannot be mitigated by the use of Reasonable Efforts. The Affected Party will use Reasonable Efforts to resume its performance as soon as possible.

7.6 Default.

7.6.1 No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of a Force Majeure Event as defined in this Agreement or the result of an act or omission of the other Party. Upon a Default, the non-defaulting Party shall give written notice of such Default to the defaulting Party. Except as provided in Article 7.6.2, the defaulting Party shall have 60 calendar days from receipt of the Default notice within which to cure such Default; provided, however, if such Default is not capable of cure within 60 calendar days, the defaulting Party shall commence such cure within 20 calendar days after notice and continuously and diligently complete such cure within six months from receipt of the Default notice; and, if cured within such time, the Default specified in such notice shall cease to exist.

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

Article 8. Insurance

- 8.1** The Interconnection Customer shall, at its own expense, maintain in force general liability insurance without any exclusion for liabilities related to the interconnection undertaken pursuant to this Agreement. The amount of such insurance shall be sufficient to insure against all reasonably foreseeable direct liabilities given the size and nature of the generating equipment being interconnected, the interconnection itself, and the characteristics of the system to which the interconnection is made. The Interconnection Customer shall obtain additional insurance only if necessary as a function of owning and operating a generating facility. Such insurance shall be obtained from an insurance provider authorized to do business in the State where the interconnection is located. Certification that such insurance is in effect shall be provided upon request of Southwestern, except that the Interconnection Customer shall show proof of insurance to Southwestern no later than ten Business Days prior to the anticipated commercial operation date. An Interconnection Customer of sufficient credit-worthiness may propose to self-insure for such liabilities, and such a proposal shall not be unreasonably rejected.
- 8.2** Southwestern agrees to self-insure itself consistent with Southwestern's normal practice. Such self-insurance shall not exclude coverage for Southwestern's liabilities undertaken pursuant to this Agreement. Furthermore, Southwestern agrees to maintain title insurance.
- 8.3** The Parties further agree to notify each other whenever an accident or incident occurs resulting in any injuries or damages that are included within the scope of coverage of such insurance, whether or not such coverage is sought.

Article 9. Confidentiality

- 9.1** Confidential Information shall mean any confidential and/or proprietary information provided by one Party to the other Party that is clearly marked or otherwise designated "Confidential." For purposes of this Agreement all design, operating specifications, and metering data provided by the Interconnection Customer shall be deemed Confidential Information regardless of whether it is clearly marked or otherwise designated as such.
- 9.2** Confidential Information does not include information previously in the public domain, required to be publicly submitted or divulged by Governmental Authorities (after notice to the other Party and after exhausting any opportunity to oppose such publication or release), or necessary to be divulged in an action to enforce this Agreement. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under this Agreement, or to fulfill legal or regulatory requirements.
- 9.2.1** Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Party as it employs to protect its own Confidential Information.

9.2.2 THIS ARTICLE INTENTIONALLY LEFT BLANK.

- 9.3** Notwithstanding anything in this article to the contrary, and pursuant to 18 CFR § 1b.20, if FERC, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to FERC, within the time provided for in the request for information. In providing the information to FERC, the Party may, consistent with 18 CFR § 388.112, request that the information be treated as confidential and non-public by FERC and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this Agreement prior to the release of the Confidential Information to FERC. The Party shall notify the other Party to this Agreement when it is notified by FERC that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR § 388.112.
- 9.4** If a court or Government Authority with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, or otherwise, to disclose confidential information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of this SGIA. Notwithstanding the absence of a protective order or waiver, the Party may disclose such confidential information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any confidential information so furnished.

Article 10. Disputes

- 10.1** The Parties agree to attempt to resolve all disputes arising out of the interconnection process according to the provisions of Section 12 of the Tariff.
- 10.2 THIS ARTICLE INTENTIONALLY LEFT BLANK.**
- 10.3 THIS ARTICLE INTENTIONALLY LEFT BLANK.**
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- 10.5 THIS ARTICLE INTENTIONALLY LEFT BLANK.**
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Article 11. Taxes

- 11.1** The Interconnection Customer agrees to follow all applicable tax laws and regulations, consistent with FERC policy and Internal Revenue Service requirements.
- 11.2** Each Party shall cooperate with the other to maintain the other Party's tax status.

Article 12. Miscellaneous

12.1 Governing Law, Regulatory Authority, and Rules.

The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by Federal law or the laws of the state where the Point of Interconnection is located, as applicable. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

12.2 Amendment.

The Parties may amend this Agreement by a written instrument duly executed by both Parties.

12.3 No Third-Party Beneficiaries.

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

12.4 Waiver.

12.4.1 The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

12.4.2 Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from Southwestern. Any waiver of this Agreement shall, if requested, be provided in writing.

12.5 Entire Agreement.

This Agreement, including all Attachments, including by reference Attachment K, General Provisions Applicable to Transmission Service and Generation Interconnection, of Southwestern's Tariff as if it was a part hereof, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this Agreement.

12.6 Multiple Counterparts.

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

12.7 No Partnership.

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

12.8 Severability.

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

12.9 Security Arrangements.

Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. FERC expects all Transmission Providers, market participants, and Interconnection Customers interconnected to electric systems to comply with the recommendations offered by the National Infrastructure Advisory Council or its successor and, eventually, with best practice recommendations from the electric reliability authority. All public utilities are expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

12.10 Environmental Releases.

12.10.1 Each Party shall notify the other Party, first orally and then in writing, of the release of any hazardous substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Small Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall (1) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than 24 hours after such Party becomes aware of the occurrence, and (2) promptly furnish to the other Party copies of any publicly available reports filed with any governmental authorities addressing such events.

12.10.2 Each Party shall remedy as soon as practicable all releases of hazardous substances brought to, or created at, real property it owns underlying the Small Generating Facility or Interconnection Facilities, and any such substances migrating from real property it owns at the Small Generating Facility site. The Party that caused the release shall bear the costs of the remedial action, which shall meet applicable Federal and state environmental standards at the time of the action. Such costs may include, but are not limited to, Federal and state supervision, remedial action plans, removal and remedial actions, and negotiation of voluntary and judicial agreements required to meet such environmental standards.

12.10.3 The Parties agree to comply fully with the substantive requirements of all applicable Federal, state and local environmental laws in the performance of their obligations hereunder, and to mitigate and abate adverse environmental impacts accordingly.

12.11 Subcontractors.

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

12.11.1.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall Southwestern be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

12.11.1.2 The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

12.12 THIS ARTICLE INTENTIONALLY LEFT BLANK.

Article 13. Notices

13.1 General.

Unless otherwise provided in this Agreement, any written notice, demand, or request required or authorized in connection with this Agreement ("Notice") shall be deemed properly given if delivered in person, delivered by recognized national carrier service, or sent by first class mail, postage prepaid, to the person specified below:

If to the Interconnection Customer:
Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ Fax: _____

If to Southwestern:

Southwestern Power Administration
Attention: Assistant Administrator, Corporate Operations
Address: One West Third Street
City: Tulsa State: OK Zip: 74103
Phone: (918)595-6690 Fax: (918)595-6656

13.2 Billing and Payment.

Billings and payments shall be sent to the addresses set out below:

Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____

Southwestern Power Administration
Attention: _____
Address: One West Third Street
City: Tulsa State: OK Zip: 74103

Otherwise the Interconnection Customer shall make arrangements with Southwestern to make payments by wire transfer or other electronic means.

13.3 Alternative Forms of Notice.

Any notice or request required or permitted to be given by either Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or e-mail to the telephone numbers and e-mail addresses set out below:

If to the Interconnection Customer:
Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ Fax: _____

If to Southwestern:

Southwestern Power Administration
Attention: Assistant Administrator, Corporate Operations
Address: One West Third Street
City: Tulsa State: OK Zip: 74103
Phone: (918)595-6690 Fax: (918)595-6656

13.4 Designated Operating Representative.

The Parties may also designate operating representatives to conduct the communications which may be necessary or convenient for the administration of this Agreement. This person will also serve as the point of contact with respect to operations and maintenance of the Party's facilities.

Interconnection Customer's Operating Representative:

Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ Fax: _____

Southwestern's Operating Representative:

Southwestern Power Administration Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ Fax: _____

13.5 Changes to the Notice Information.

Either Party may change this information by giving five Business Days written notice prior to the effective date of the change.

Article 14. Signatures

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

AGREE:

[INTERCONNECTION CUSTOMER]

UNITED STATES OF AMERICA
SOUTHWESTERN POWER ADMINISTRATION

By _____

By _____

Title _____

Title _____

Date _____

Date _____

ATTEST:

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

(SEAL)

By _____

Glossary of Terms

Affected System – An electric system other than the Southwestern Transmission System that may be affected by the proposed interconnection.

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

Business Day – Monday through Friday, excluding Federal Holidays.

Default – The failure of a breaching Party to cure its breach under the Small Generator Interconnection Agreement.

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

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

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

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

Interconnection Customer – Any entity or any of the affiliates or subsidiaries of such entity, that proposes to interconnect its Small Generating Facility with the Southwestern Transmission System.

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

Interconnection Request – The Interconnection Customer's request made to the SPP, in the form of Attachment 2 to the SPP's Standard Small Generator Interconnection Procedure, to interconnect a new Small Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Small Generating Facility that is interconnected with the Southwestern Transmission System. Southwestern's involvement in the procedures and agreements resulting from an "Interconnection Request" as used herein shall be limited to the establishment of interconnection facilities to connect the Small Generating Facility to the Southwestern Transmission System. The need for system upgrades/modifications to, and service in, the SPP Transmission System, such as Network Upgrades and services, shall be coordinated by the Interconnection Customer with the SPP and determined under the SPP's Standard Small Generator Interconnection Procedures.

Material Modification – A modification that has a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

Network Upgrades – Additions, modifications, and upgrades to the Transmission System required at or beyond the point at which the Small Generating Facility interconnects with the Southwestern Transmission System to accommodate the interconnection of the Small Generating Facility with the Southwestern Transmission System. Network Upgrades do not include Distribution Upgrades.

Operating Requirements – Any operating and technical requirements that may be applicable due to a Regional Transmission Organization, Independent System Operator, or control area, or Southwestern's requirements, including those set forth in the Small Generator Interconnection Agreement.

Party or Parties – Southwestern, Interconnection Customer or any combination of the above.

Point of Interconnection – The point where the Interconnection Facilities connect with the Southwestern Transmission System.

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

Small Generating Facility – The Interconnection Customer's device for the production of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

Tariff – Southwestern's Tariff through which open access transmission service and Interconnection Service are offered, and as amended or supplemented from time to time, or any successor tariff.

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

Transmission System – The facilities owned, controlled or operated by Southwestern when preceded by the term "Southwestern" or transmission facilities controlled by the SPP when preceded by the term "SPP" that are used to provide transmission service under Southwestern's Tariff or the SPP Tariff. Where the words "Transmission System" are not preceded by either shall mean the facilities of both.

Upgrades – The required additions and modifications to the Transmission System at or beyond the Point of Interconnection as determined by the SPP. Upgrades may be Network Upgrades or Distribution Upgrades. Upgrades do not include Interconnection Facilities.

**Description and Costs of the Small Generating Facility,
Interconnection Facilities, and Metering Equipment**

Equipment, including the Small Generating Facility, Interconnection Facilities, and metering equipment shall be itemized and identified as being owned and maintained by the Interconnection Customer or Southwestern. Southwestern will provide a best estimate itemized cost, including overheads, of its Interconnection Facilities and metering equipment, and a best estimate itemized cost of the annual operation and maintenance expenses associated with its Interconnection Facilities and metering equipment.

**One-line Diagram Depicting the Small Generating Facility, Interconnection
Facilities, and Metering Equipment**

Milestones

In-Service Date: _____

Critical milestones and responsibility as agreed to by the Parties:

	Milestone/Date	Responsible Party
(1)	_____	_____
(2)	_____	_____
(3)	_____	_____
(4)	_____	_____
(5)	_____	_____
(6)	_____	_____
(7)	_____	_____
(8)	_____	_____
(9)	_____	_____
(10)	_____	_____

Agreed to by:

For Southwestern _____ Date _____

For the Interconnection Customer _____ Date _____

**Additional Operating Requirements for the Southwestern
Transmission System and Affected Systems Needed to Support
the Interconnection Customer's Needs**

Southwestern shall also provide requirements that must be met by the Interconnection Customer prior to initiating parallel operation with the Southwestern Transmission System.

**Description of Upgrades
and Best Estimate of Upgrade Costs**

Upgrades are determined based on study arrangements between the Interconnection Customer and the SPP, pursuant to the terms and conditions of the SPP's SGIP.

ATTACHMENT C:
NOTICE OF FILING

**UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION**

United States Department of Energy)
Southwestern Power Administration)

Docket No. NJ07-____-000

NOTICE OF FILING

(_____)

Take Notice that on September 26, 2007, the United States Department of Energy - Southwestern Power Administration (Southwestern), filed a non-jurisdictional modification to its Open Access Transmission Tariff, including Small Generator Interconnection Procedures, Small Generator Interconnection Agreement, Large Generator Interconnection Procedures, and Large Generator Interconnection Agreement. Southwestern has requested that the effective date of the revised non-jurisdictional Open Access Transmission Tariff be December 1, 2007.

Any person desiring to intervene or to protest this filing should file with the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, DC 20426, in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure (18 CFR 385.211 and 385.214). Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a motion to intervene. All such motions or protests should be filed on or before the comment date, and, to the extent applicable, must be served on the applicant and on any other person designated on the official service list. This filing is available for review at the Commission or may be viewed on the Commission's web site at <http://www.ferc.gov>, using the eLibrary (FERRIS) link. Enter the docket number excluding the last three digits in the docket number field to access the document. For assistance, please contact FERC Online Support at FERCOnlineSupport@ferc.gov or toll-free at (866) 208-3676, or for TYY, contact (202) 502-8659. Protests and interventions may be filed electronically via the internet in lieu of paper; see 18 CFR 385.2001(a)(1)(iii) and the instruction on the Commission's web site under the "efiling" link. The Commission strongly encourages electronic filings.

Comment Date: