

**PUBLIC VERSION**  
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BEFORE THE STATE CORPORATION COMMISSION  
OF THE STATE OF KANSAS

Received  
on

APR 20 2012

DIRECT TESTIMONY OF

ROBERT N. BELL

by  
State Corporation Commission  
of Kansas

ON BEHALF OF  
KANSAS CITY POWER & LIGHT COMPANY

IN THE MATTER OF THE APPLICATION OF  
KANSAS CITY POWER & LIGHT COMPANY  
TO MAKE CERTAIN CHANGES IN  
ITS CHARGES FOR ELECTRIC SERVICE

DOCKET NO. 12-KCPE-764-RTS

1 I. INTRODUCTION AND PURPOSE

2 Q: Please state your name and business address.

3 A: My name is Robert N. Bell. My business address is 1200 Main Street, Kansas City,  
4 Missouri 64105.

5 Q: By whom and in what capacity are you employed?

6 A: I am employed by Kansas City Power & Light Company ("KCP&L") as Senior Director  
7 - Construction.

8 Q: What are your responsibilities?

9 A: My responsibilities include oversight of all aspects of the Company's large generation  
10 construction projects. Currently, my primary responsibility is oversight of the installation

1 of certain environmental equipment at the La Cygne Generating Station needed to  
2 comply with state and federal environmental obligations.

3 **Q: What is the purpose of your testimony?**

4 A: The purpose of my testimony is to describe the ongoing Commission-approved  
5 construction at La Cygne Station known as “the La Cygne Environmental Project.” In  
6 this case, KCP&L is seeking recovery of the accumulated cost booked as Construction  
7 Work in Progress (“CWIP”) related to the La Cygne Environmental Project.

8 In addition, I will provide data to support the in-service designation for 32 wind  
9 turbines that were completed and operational at the end of calendar year 2010 at the  
10 Company’s Spearville Wind Energy Facility located at in Spearville, Kansas. These  
11 32 wind turbines, designated as Spearville 2, are located adjacent to the Company’s  
12 Spearville 1 wind turbines. In this case, KCP&L is seeking to add the Kansas  
13 jurisdictional share of Spearville 2 to the Company’s Kansas rate base.

14 The relevant accounting adjustments and cost of service impact of both of these  
15 plant additions are discussed in the Direct Testimony of KCP&L witness Mr. John P.  
16 Weisensee. The La Cygne Environmental Project CWIP costs and the Spearville 2 plant  
17 in service costs are included in rate base in Mr. Weisensee’s Schedule JPW-2. Spearville  
18 2 depreciation expense is included in adjustment CS-120 in Mr. Weisensee’s Schedule  
19 JPW-4.

20 **Q: Before we get into your discussion of the La Cygne Environmental Project and**  
21 **Spearville 2, please describe your education, experience and employment history.**

22 A: I received my Bachelor of Science degree in Electrical Engineering from the University  
23 of Kentucky in 1981. Since that time, I have worked in numerous positions related to

1 utility construction. From May 1981 to September 1982, I was a field engineer at the  
2 Tennessee Valley Authority, where my responsibilities included testing and trouble-  
3 shooting nuclear, coal and hydro generation, transmission and distribution equipment.  
4 From 1982 to 1997, I held the positions of Construction Manager, Start-up Manager, and  
5 Senior Controls Specialist for General Electric International (“GE”). During my 15 years  
6 with GE, I managed the construction and start-up support of eight Frame 5 gas turbines,  
7 three heat recovery steam generators (“HRSGs”) and a 70 megawatt (“MW”) steam  
8 turbine in Fayetteville, North Carolina. I also managed craft labor for the construction of  
9 the first GE 7F combined cycle power plant and performed the electrical start-up in  
10 Richmond, Virginia; managed electrical craft for retrofit of twenty Frame 5N and 7B  
11 combustion turbines; and performed the MK 4 start-up in Memphis, Tennessee. Also  
12 while with GE, I was a Team Leader in the Turbine Controls and Combustion Services  
13 for development of MK 6 Integrated Control System (“ICS”) power plant control system  
14 as well as performed performance tuning and start-up of multiple fossil units worldwide.

15 In 1997, I started work with Black & Veatch in its Power Division as the Project  
16 Manager for Y2K Projects, which we implemented for nine different utilities. In 1999, I  
17 was promoted to Vice President of Strategic Initiatives, where I worked to reorganize the  
18 Power Division within the company. From 2004 until my arrival at KCP&L in March of  
19 2009, I was Vice President and Director of Programs for Black & Veatch’s Special  
20 Projects Corp. During this time, I was Program Director of the energy projects that were  
21 part of the \$1.4 billion USAID Afghanistan Infrastructure and Rehabilitation Program.  
22 My duties included responsibility for all home office support and in-country engineer-  
23 procure-construct (“EPC”) activities. The projects included as part of the program were

1 power plants, transmission and distribution, hydro-electric dams, and establishing power  
2 purchase agreements. I was also Project Manager of the U.S. Army Corp of Engineers  
3 Transatlantic Programs Center (“CETAC 1”) reconstruction contract in Iraq with  
4 responsibility for the installation and start-up of two new combustion turbine power  
5 plants. In addition, it was my responsibility to budget and manage all business-unit  
6 overhead costs as well as interface with and manage the costs from Corporate Shared  
7 Services (Finance, CIO/IT, Procurement, Insurance/Risk Management and Human  
8 Resources). I was the business unit representative for the Corporate Services Board, the  
9 group that develops and implements all budgets, processes and procedures for Black &  
10 Veatch Corporation. I was hired by KCP&L in 2009 to manage the start-up of a new  
11 850 MW coal plant, Iatan Unit 2. I was named Senior Director – Construction in 2010.

12 **Q: Have you previously testified in a proceeding before the Kansas Corporation**  
13 **Commission (“Commission” or “KCC”) or before any other utility regulatory**  
14 **agency?**

15 A: Yes. I previously testified before the KCC in Docket Nos. 10-KCPE-415-RTS and 11-  
16 KCPE-581-PRE. I have also testified before the Missouri Public Service Commission  
17 (“MPSC”).

## 18 **II. LA CYGNE ENVIRONMENTAL PROJECT STATUS UPDATE**

19 **Q: What is the La Cygne Environmental Project (or “the Project”)?**

20 A: The Project includes installation of wet scrubbers, baghouses and a common dual-flue  
21 chimney for both La Cygne Units 1 and 2, and a selective catalytic reduction (“SCR”)  
22 system, low-nitrogen oxide (“NOx”) burners (“LNBS”) and an over-fire air (“OFA”)  
23 system for Unit 2. The Project is anticipated to be complete and in-service in June 2015.

1 This Project was described at length to the Commission in Docket No. 11-KCPE-581-  
2 PRE (the “581 Docket”).

3 **Q: Please briefly describe the progress on the Project to date.**

4 A: KCP&L issued a Limited Notice to Proceed to La Cygne Environmental Partners  
5 (“LEP”) on May 18, 2011 to begin preliminary engineering and design for the Project in  
6 order to keep the Project on schedule to meet a 2015 compliance deadline. LEP is a joint  
7 venture formed by Kiewit Industrial Contractors and Sargent and Lundy for purposes of  
8 engineering, procurement and construction of the La Cygne Environmental Project.  
9 KCP&L and LEP completed negotiations of commercial terms and technical  
10 specifications of the Engineer-Procure-Construct (“EPC”) contract and, following the  
11 Commission’s August 19, 2011 Order in the 581 Docket, KCP&L issued notice to LEP  
12 on August 29, 2011 to execute the contract. The Baseline Schedule was completed in  
13 September 2011. The Baseline Schedule integrates the thousands of planned activities  
14 (“Plan”) required to be completed on the Project. Planned activities are logically tied and  
15 updated weekly based on actual progress of each activity. Any variances to the planned  
16 schedule are included in the weekly schedule update. The updated schedule will indicate  
17 whether any variances to Plan impact key milestones and/or the critical path of the  
18 Project. Opportunity exists for LEP, if necessary, to make adjustments to the Plan to  
19 mitigate any impact to key milestones and critical path to keep the Project on schedule.  
20 KCP&L reviews the planned and actual activities of LEP and validates LEP’s Baseline  
21 Schedule on a weekly basis.

22 During the first seven months of the Project, construction activities were focused  
23 on concrete work. Pouring of foundations for the chimney, absorbers, and absorber

1 building have been completed. Included in this broad scope of work are the design and  
2 engineering of embedded conduit and piping in the foundations. Design and engineering,  
3 procurement of equipment, and fabrication of material precede construction activities for  
4 the various systems and components of the Project. Even though construction activity  
5 has been largely focused on concrete work, other disciplines continue to make progress  
6 on design, procurement, and fabrication so that steel, ductwork and other material will be  
7 available and on site when required by construction pursuant to the Baseline Schedule.

8 **Q: What is the current status of the Project?**

9 A: The Project currently is tracking on budget and on schedule. The estimated completion  
10 date continues to be June 2015. KCP&L has an excellent working relationship with LEP  
11 and both entities are diligently working together to ensure successful completion of the  
12 Project on time and on budget.

13 KCP&L submits a monthly status report on the Project to the Commission in  
14 Compliance Docket No. 12-KCPE-258-CPL. Each report covers actual cost data for the  
15 La Cygne Environmental Project, as well as schedule and metric data. Each monthly  
16 report also includes a written narrative that describes overall progress on the Project.  
17 This provides the Commission with ongoing visibility of the progress being made on the  
18 Project. In addition, KCP&L and Westar meet with the Staff of the KCC each month  
19 subsequent to the filing of each monthly report to review cost, performance metrics,  
20 provide an update on activities since the report was filed, and to walk through the site to  
21 view construction progress.

1 **Q: Is the Company seeking to recover the costs of the Project in this proceeding?**

2 A: It is my understanding that the Company is seeking to recover what is known as  
3 Construction Work in Progress (“CWIP”) that is anticipated to be accumulated as of  
4 June 30, 2012. The accounting adjustments related to CWIP for the La Cygne  
5 Environmental Project are presented in the testimony of Mr. Weisensee.

6 **III. SPEARVILLE 2 WIND FACILITY**

7 **Q: Please describe the Spearville 2 wind project.**

8 A: KCP&L constructed, owns and operates a 48 MW wind farm known as Spearville 2 at  
9 the Spearville Wind Energy facility near Spearville, Kansas (approximately 15 miles  
10 northeast of Dodge City, Kansas). Spearville 2 consists of 32 General Electric wind  
11 turbines, 1.5 MW each, adjacent to the Company’s Spearville 1 wind farm. The wind  
12 turbines and related facilities were constructed by Mastec Renewable Construction  
13 Company in the latter half of calendar year 2010. To facilitate operation of Spearville 2,  
14 the Spearville 1 substation was expanded with the addition of a set of enclosed  
15 switchgear and a 34.5 kV to 230 kV Transformer. KCP&L has firm transmission service  
16 for both Spearville 1 and Spearville 2. The first of the 32 wind turbines was turned over  
17 to KCP&L for operation on December 3, 2010 and the final turbine on December 17,  
18 2010. The Spearville 2 project was constructed on budget and there were no major issues  
19 during construction. The Spearville 2 facility operated during calendar year 2011 at a  
20 97% availability and 45% capacity factor. Capacity factor represents the combination of  
21 availability and the speed and duration of wind at the site. Both the availability and  
22 capacity factor are some of the highest, if not the highest, in the nation.

1 **Q: Have there been any unexpected maintenance or operational issues with the**  
2 **Spearville 2 wind turbines?**

3 A: No, as indicated by the availability and capacity factors experienced during the first full  
4 year of operation the facility has operated beyond expectations.

5 **Q: Are there any criteria required to be met in order to establish the wind turbines**  
6 **located at Spearville 2 are operational and deemed in-service for purposes of**  
7 **including them in the Company's rate base in this case?**

8 A: Yes, as a part of the Regulatory Plan approved by the Commission in Docket No. 04-  
9 KCPE-1025-GIE, KCP&L established certain "In-Service Criteria" for the Spearville 1  
10 wind turbines. These In-Service Criteria were developed through discussions and  
11 agreement with the Staff of the KCC, the Staff of the MPSC and the Missouri Office of  
12 Public Counsel. These same measures were used by KCP&L to validate in-service for  
13 the Spearville 2 facility. On December 30, 2010, in Case No. ER-2010-0355, the MPSC  
14 Staff determined that all 32 wind turbine generators (Spearville 2) met the In-Service  
15 Test Criteria. The In-Service Report and test data are attached hereto as Schedule  
16 RNB-1. KCP&L requests that the Commission approve the Company's In-Service  
17 Report and order that Spearville 2 is deemed used and useful.

18 **Q: Is the Company seeking to include Spearville 2 in rate base in this proceeding?**

19 A: Yes. It is my understanding that the Company is seeking to add Spearville 2 to rate base  
20 in this proceeding. The relevant accounting adjustments are presented in the testimony of  
21 Mr. Weisensee.

22 **Q: Does that conclude your testimony?**

23 A: Yes, it does.







**Spearville 2 Wind Energy Generating Facility  
In-Service Testing Report**

**For testing completed December 21, 2010**

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## 1.0 Executive Summary

The Spearville 2 Wind Energy Facility is a 48 MW wind-powered electric generating facility consisting of 32 wind turbine generators owned by Kansas City Power & Light Company (KCP&L). During the second quarter of 2010, KCP&L decided to install the 32 turbines owned and in storage near the Spearville 1 Wind Energy Facility. A request for proposals (RFP) was issued seeking proposals for erection of the turbines and performance of the Balance of Plant work. MasTec Renewables Construction Company, Inc. (MasTec) was selected to perform the work. Construction work began on September 20, 2010 and the last turbine was turned over to General Electric (GE) for commissioning and testing on December 10, 2010. The last turbine was commissioned and tested by GE on December 21, 2010. The facility has been in service and providing power to KCP&L's customers since that time. The following sections detail the project as well as the testing procedures and results.

## 2.0 Spearville 2 Project Background and Description

In the second quarter of 2010, KCP&L elected to pursue the erection of thirty-two (32) Wind Turbine Generators (WTG) which it had in storage near Spearville, Kansas. The Spearville 2 facility is located on approximately 3,000 acres of land north and northeast of Spearville, Kansas. The facility is adjacent to the 100.5 MW Spearville 1 facility, located on approximately 5,500 acres, which entered service in 2006. The Spearville 2 facility consists of thirty-two (32) General Electric 1.5sle WTG's rated at 1.5 MW each. An RFP was issued for a contractor to complete the engineering, erect the turbines and construct the Balance of Plant (BOP). A total of eight (8) proposals were received.

After extensive due diligence, the proposal by MasTec was accepted and a contract was signed on September 8, 2010. By September 20, 2010, MasTec had begun mobilization to the site. Construction by MasTec proceeded on schedule through the end of 2010. KCP&L employees completed the remaining work on the expanded 34.5 kV to 230 kV substation and switchgear. Once the turbines were installed and connected to the substation the turbines were turned over to GE for commissioning and testing. The last turbines were turned over to GE for commissioning and testing on December 10, 2010. The last turbines were commissioned and turned over to KCP&L for operation on December 21, 2010.

In addition to the turbine and substation installation, a 40' x 80' addition was added to the existing Spearville 1 Operations and Maintenance building. The extra space was required to handle the added parts inventory, inside service vehicle parking, and additional staff members hired to maintain the expanded wind facility.

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The combined facility is electrically interconnected via three underground 34.5 kV circuits to a switchgear and transformer located adjacent to the Spearville 1 substation. The equipment for both Spearville 1 and Spearville 2 is maintained by the Spearville Site Superintendent, one Wind Technician Working Foreman and seven Wind Technicians.

### 3.0 In-Service Test Criteria and Procedures

As a part of the KCP&L Comprehensive Energy Plan<sup>1</sup> (CEP or Regulatory Plan), KCP&L established in-service criteria for the Spearville 1 wind turbines. KCP&L collaborated with the Staff of the MPSC, the Office of Public Counsel, and the Staff of the KCC to develop these criteria for the Spearville 1 facility and adopted the same measures to verify in-service for the Spearville 2 facility. The in-service criteria are as follows:

1. All major construction for each of the units to be considered for inclusion in rate base shall be completed.
2. All pre-operational tests for each of the units to be considered for inclusion in rate base shall be completed.
3. Each unit to be considered for inclusion in rate base has operated at several different wind speeds and delivered power output near or in excess of anticipated output based on guaranteed power curve while vibrations are within design limits. The analysis necessary to meet this requirement will involve:
  - a. Taking the guaranteed power curve for each of the unit types and dividing the range of design wind speeds into three equal ranges of wind speeds;
  - b. Reviewing wind speed data vs. power output for each of the units being evaluated;
  - c. Confirming that each of the units being evaluated had a power output of 95% or more of guaranteed output for the wind speed observed in at least two of the three wind speed ranges noted above with at least one point at or above the 50% design wind speed; and
  - d. Confirming that each of the units being evaluated did not exhibit any unusual vibration outside of design specification requirements.
4. The operational testing required in criterion (3) above shall be conducted on the first five units constructed and, if all five units operate in an acceptable manner

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<sup>1</sup> The Regulatory Plan was established through Kansas Docket No. 04-KCPE-1025-GIE and Missouri Case No. EO-2005-0329.

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as described in criterion (3) above, testing will only be required on every other unit built thereafter at each particular wind generation site utilizing these exact unit types. If any of the units tested during the period where every other unit is being tested fails to operate in an acceptable manner as described in criterion (3) above, the next five units installed will be required to be tested and operate in an acceptable manner as described in criterion (3) above before testing can resume on an every other unit basis again.

5. Unit rotor lock or brake has been checked and confirmed to be installed correctly for each of the units to be considered for inclusion in rate base.
6. Sufficient transmission interconnection facilities shall exist to carry the total net electrical capacity from the completed number of generating units into the distribution/transmission system.
7. Only units that have been constructed and are operating in an acceptable manner as described in criterion (3) above shall be considered for inclusion in rate base. Units under construction or that have been constructed but have not met these in-service criteria will not be considered for inclusion in rate base until such time units have met in-service criteria.

#### **4.0 In-Service Tests and Results**

Testing began on November 17, 2010 and consisted of individual examinations and tests of each turbine. As part of the process to determine that the turbines had met the criteria outlined in criterion (3) of Section 3.0 of the in-service test criteria, the turbine commissioning technicians ran multiple tests to determine that each machine was functioning as designed. The commissioning documentation includes the test data as well as sample screen shots of both the actual output power curve superimposed on the GE-supplied power curve and the control panel showing the production date since commissioning as well as for the running month.

Once all turbines met the commissioning criteria, the turbine supplier performed a Park Reliability Test (PRT). The PRT is a 75-hour test where GE aims to demonstrate that the Spearville 2 facility can produce power with a reliability of 95% or better, with no more than two (2) resettable faults per turbine during the test period. The first turbine was commissioned by GE and turned over to KCP&L for operation on December 3, 2010. By December 21, 2010, the last turbine was commissioned by GE and turned over to KCP&L for operation. All turbines met the criteria described in Section 3.0 above.

KCP&L completed multiple additions required for Spearville 2 interconnection to the power grid. Notable additions included expansion of the 34.5 kV to 230 kV substation and a 34.5 kV switchgear addition. To document that the transmission system is in

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place and sufficient facilities exist to transfer capacity into the KCP&L territories, see the Large Generator Interconnection Agreement dated January 15, 2010. On the basis of this documentation and the operational results experienced, KCP&L satisfied the Transmission Interconnection criteria.

The In-Service Test Results are compiled in the bound tabbed inserts following the printed copy of this report. Because each turbine is treated as an individual generating unit there is not an efficient way to summarize the test results other than documenting them under the tabs for each turbine.

The following exhibits were assembled for each of the 32 wind turbines and/or Project:

1. Exhibit U – Foundation Completion Certificate
2. Exhibit V – Electrical Commissioning Certificate
3. Exhibit W-1 – WTG Mechanical Completion Certificate
4. Exhibit X – WTG Commissioning Certificate
5. Exhibit Y-1 – WTG Commissioning Certificate
6. Exhibit Y-2 – Project Commissioning Certificate
7. Exhibit Y-3 – Electrical Commissioning Certificate
8. Exhibit Z – Final Completion Certificate
9. Field Commissioning Acceptance Test FCAT Checklist
10. Turbine Power Curve
11. Turbine SCADA Screen Shot

## **5.0 Conclusion**

KCP&L and its contractors have completed all major construction at Spearville 2. The wind turbines are operating satisfactorily to support in-service testing and demonstrated an ability to meet in-service criteria. Transmission interconnections are in place to deliver the facilities' capacity to customers. Therefore, as of December 21, 2010, the Spearville 2 facility can be declared "fully operational and used for service" for KCP&L's customers. On December 30, 2010, in an effort related to KCP&L's 2010 rate case, Case No. ER-2010-0355, the Missouri Public Service Commission Staff concluded their independent evaluation of the in-service tests and supporting materials and determined that all 32 WTGs had met the In-Service Test Criteria and were deemed Used and Useful for the purposes of that case.

SA# 1911

INTERCONNECTION AGREEMENT

entered into by the

Southwest Power Pool, Inc.,

Mid Kansas Electric Power Company, LLC

and

Kansas City Power & Light

entered into on the 15<sup>th</sup> day of January, <sup>2010</sup>~~2009~~

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## STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT

**THIS STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT** ("Agreement") is made and entered into this 15<sup>th</sup> day of January 2009, by and among Kansas City Power & Light, a corporation organized and existing under the laws of the State of Missouri ("Interconnection Customer" with a Large Generating Facility), Southwest Power Pool, Inc., a corporation organized and existing under the laws of the State of Arkansas ("Transmission Provider") and Mid Kansas Electric Company, a limited liability company organized and existing under the laws of the State of Kansas ("Transmission Owner"). Interconnection Customer, Transmission Provider and Transmission Owner each may be referred to as a "Party" or collectively as the "Parties."

### RECITALS

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

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

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

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

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

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

**ARTICLE 1. DEFINITIONS**

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

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

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

**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 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 Studies by the Transmission Provider.

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

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

**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 Interconnection Studies.

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**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.

**Definitive Interconnection System Impact Study** shall mean an engineering study that evaluates the impact of the proposed interconnection on the safety and reliability of Transmission System and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility were interconnected without project modifications or system modifications, focusing on the Adverse System Impacts identified in a Preliminary Interconnection System Impact Study or that may be caused by the withdrawal or addition of an Interconnection Request, 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.

**Definitive Interconnection System Impact Study Agreement** shall mean the form of agreement contained in Appendix 3A of the Standard Large Generator Interconnection Procedures for conducting the Definitive Interconnection System Impact Study.

**Definitive Interconnection System Impact Study Queue** shall mean a Transmission Provider separately maintained queue for valid Interconnection Requests for a Definitive Interconnection System Impact Study.

**Dispute Resolution** shall mean the procedure in Section 12 of the Tariff for resolution of a dispute between the Parties in which they will first attempt to resolve the dispute on an informal basis.

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

**Distribution Upgrades** shall mean the additions, modifications, and upgrades to the Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility and render the transmission service necessary to effect Interconnection Customer's wholesale sale of electricity in interstate commerce. 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 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 Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Transmission System or the electric systems of others to which the Transmission System is directly connected; or (3) that, in the case of Transmission Owner, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to Transmission Owner's Interconnection Facilities; or (4) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the 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 that allows the Interconnection Customer to connect its Generating Facility to the 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 the Transmission Owner to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.

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

**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.

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**Force Majeure** shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

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

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

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

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

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

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

**Interconnection Customer** shall mean any entity, including the Transmission Owner or any of the Affiliates or subsidiaries of either, that proposes to interconnect its Generating Facility with the 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 Transmission System. Interconnection Customer's Interconnection Facilities are sole use facilities.

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

**Interconnection Facilities Study Agreement** shall mean the 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 System, 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 Appendix 2 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection Feasibility Study.

**Interconnection Feasibility Study Queue** shall mean a Transmission Provider separately maintained queue for valid Interconnection Requests for an Interconnection Feasibility Study.

**Interconnection Request** shall mean an Interconnection Customer's request, in the form of Appendix 1 to the 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 Transmission System.

**Interconnection Service** shall mean the service provided by the Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to the 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 Tariff.

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

**Interconnection Study Agreement** shall mean any of the following agreements: the Interconnection Feasibility Study Agreement, the Preliminary Interconnection System Impact Study Agreement, the Definitive Interconnection System Impact Study Agreement and the Interconnection Facilities Study Agreement described in the Standard Large Generator Interconnection Procedures.

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

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

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

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

**Metering Equipment** shall mean all metering equipment installed or to be installed at the 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 that allows the Interconnection Customer to integrate its Large Generating Facility with the Transmission System in a manner comparable to that in which the Transmission Owner integrates its generating facilities to serve native load customers as a Network Resource. 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 Transmission System to accommodate the interconnection of the Large Generating Facility to the 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.

**Party or Parties** shall mean 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 the Transmission Owner's Interconnection Facilities.

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

**Preliminary Interconnection System Impact Study** shall mean an engineering study that evaluates the impact of the proposed interconnection on the safety and reliability of Transmission System and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility were interconnected without project modifications or system modifications, focusing on the Adverse System Impacts identified in an Interconnection Feasibility Study or that may be caused by an Interconnection Request, 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.

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

**Preliminary Interconnection System Impact Study Queue** shall mean a Transmission Provider separately maintained queue for valid Interconnection Requests for a Preliminary Interconnection System Impact Study.

**Queue** shall mean the Interconnection Feasibility Study Queue, the Preliminary Interconnection System Impact Study Queue or the Definitive Interconnection System Impact Study Queue, as applicable.

**Queue Position** shall mean the order of a valid Interconnection Request within the Interconnection Feasibility Study Queue, relative to all other pending valid Interconnection Requests within the Interconnection Feasibility Study Queue, the order of a valid Interconnection Request within the Preliminary Interconnection System Impact Study Queue, relative to all other pending valid Interconnection Requests within the Preliminary Interconnection System Impact Study Queue, or the order of a valid Interconnection Request within the Definitive Interconnection System Impact Study Queue, relative to all other pending valid Interconnection Requests within the Definitive Interconnection System Impact Study Queue, as applicable, that is established based upon the date and time of receipt of the valid Interconnection Request and the date and time of receipt of other information specified under Section 4.1 of this LGIP, as applicable, by the 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, Transmission Owner 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.

**Site Control** shall mean documentation reasonably demonstrating: (1) ownership of, a leasehold interest in, or a right to develop a site of sufficient size for the purpose of constructing the Generating Facility; (2) an option to purchase or acquire a leasehold site of sufficient size 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 of sufficient size 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. The Transmission Provider, Transmission Owner 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.

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

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

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

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

**Transmission Owner's Interconnection Facilities** shall mean all facilities and equipment owned, controlled or operated by the Transmission Owner from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the Standard Large Generator Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. Transmission Owner's Interconnection Facilities 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 the Transmission Provider or Transmission Owner that are used to provide transmission service under the Tariff.

**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 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 (Term to be specified in individual agreements) and shall be automatically renewed for each successive one-year period thereafter.
- 2.3 Termination Procedures.**
- 2.3.1 Written Notice.** This LGIA may be terminated by Interconnection Customer after giving Transmission Provider and Transmission Owner ninety (90) Calendar Days advance written notice, or by Transmission Provider notifying FERC after the Generating Facility permanently ceases Commercial Operation.
- 2.3.2 Default.** Any 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.
- 2.4 Termination Costs.** If a Party elects to terminate this Agreement pursuant to Article 2.3 above, Interconnection Customer and Transmission Owner shall pay all costs incurred (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) or charges assessed by any other Party, as of the date of such Party's receipt of such notice of termination, that are the responsibility of the Terminating Party under this LGIA. In the event of termination by any Party, all 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 Transmission Owner's Interconnection Facilities that have not yet been constructed or installed, Transmission Owner shall to the extent possible and with Interconnection Customer's authorization cancel any pending orders of, or return, any materials or equipment for, or contracts for construction of, such facilities; provided that in the event Interconnection Customer elects not to authorize such cancellation, Interconnection Customer shall assume all payment obligations with respect to such materials, equipment, and contracts, and Transmission Owner shall deliver such material and equipment, and, if necessary, assign such contracts, to Interconnection Customer as soon as practicable, at Interconnection Customer's expense. To the extent that Interconnection Customer has already paid Transmission Owner for any or all such costs of materials or equipment not taken by Interconnection Customer,

Transmission Owner shall promptly refund such amounts to Interconnection Customer, less any costs, including penalties incurred by Transmission Owner 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 in association with that Interconnection Customer's interconnection, including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment, and other expenses including any Network Upgrades for which Transmission Owner has incurred expenses and has not been reimbursed by Interconnection Customer and the Interconnection Customer's allocated share of Network Upgrade(s) costs as calculated pursuant to Section 4.2.5 of the LGIP and as listed in Appendix A of this LGIA which are required for service to other Interconnection Customer(s).

- 2.4.2** Transmission Owner may, at its option, retain any portion of such materials, equipment, or facilities that Interconnection Customer chooses not to accept delivery of, in which case Transmission Owner shall be responsible for all costs associated with procuring such materials, equipment, or facilities.
- 2.4.3** With respect to any portion of the Interconnection Facilities, 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 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.
- 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 payments for any credits under 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 another Party pursuant to this LGIA or other applicable agreements, to disconnect, remove or salvage its own facilities and equipment.

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### **ARTICLE 3. REGULATORY FILINGS**

- 3.1 Filing.** 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 Product Options.** Interconnection Customer has selected the following (checked) type of Interconnection Service:

**4.1.1 Energy Resource Interconnection Service.**

**4.1.1.1 The 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 Appendix A.

**4.1.1.2 Transmission 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 Transmission System on an "as available" basis. The Interconnection Customer's ability to inject its Large Generating Facility output beyond the Point of Interconnection, therefore, will depend on the existing capacity of the Transmission System at such time as a transmission service request is made that would accommodate such delivery. The provision of firm Point-to-Point Transmission Service or Network Integration Transmission Service may require the construction of additional Network Upgrades.

**4.1.2 Network Resource Interconnection Service.**

**4.1.2.1 The Product.** Transmission Provider must conduct the necessary studies and construct the Network Upgrades needed to integrate the Large Generating Facility in a manner comparable to that in which Transmission Owner integrates its generating facilities to serve native load customers as all Network Resources. To the extent Interconnection Customer wants to

receive Network Resource Interconnection Service, Transmission Owner shall construct the facilities identified in Appendix 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 the 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 the 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 the Transmission System without incurring congestion costs. In the event of transmission constraints on the 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.

The Network Resource Interconnection Service studies are done in accordance with the process set out in Attachment Z of the Tariff. 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 the 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 the 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.
- 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 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 the Option To Build as described under Article 5.1.2 or the Negotiated Option described under Article 5.1.3 if the Interconnection Customer and the Transmission Owner cannot reach agreement under the Standard Option described under Article 5.1.1, for completion of Transmission Owner's Interconnection Facilities and Network Upgrades as set forth in Appendix A, Interconnection Facilities and Network Upgrades, and such dates and selected option, as applicable, shall be set forth in Appendix B, Milestones.

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

**5.1.2 Option to Build.** If the dates designated by Interconnection Customer are not acceptable to Transmission Owner, Transmission Owner shall 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 Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades on the dates specified in Article 5.1.1. Transmission Owner 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.

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

- (1) Interconnection Customer shall engineer, procure equipment, and construct Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades (or portions thereof) using Good Utility Practice and using standards and specifications provided in advance by Transmission Owner;
- (2) Interconnection Customer's engineering, procurement and construction of Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades shall comply with all requirements of law to which Transmission Provider would be subject in the engineering, procurement or construction of Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades;
- (3) Transmission Owner shall review and approve the engineering design, equipment acceptance tests, and the construction of Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades;
- (4) prior to commencement of construction, Interconnection Customer shall provide to Transmission Provider and Transmission Owner a schedule for construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades, and shall promptly respond to requests for information from Transmission Provider and Transmission Owner;
- (5) at any time during construction, Transmission Owner shall have the right to gain unrestricted access to Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades and to conduct inspections of the same;
- (6) at any time during construction, should any phase of the engineering, equipment procurement, or construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades not meet the standards and

specifications provided by Transmission Owner, Interconnection Customer shall be obligated to remedy deficiencies in that portion of Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades;

- (7) Interconnection Customer shall indemnify Transmission Provider and Transmission Owner for claims arising from Interconnection Customer's construction of Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades under the terms and procedures applicable to Article 18.1 Indemnity;
- (8) The Interconnection Customer shall transfer control of Transmission Owner's Interconnection Facilities and Stand Alone Network Upgrades to Transmission Provider;
- (9) Unless Parties otherwise agree, Interconnection Customer shall transfer ownership of Transmission Owner's Interconnection Facilities and Stand-Alone Network Upgrades to Transmission Owner not later than the Commercial Operation Date;
- (10) Transmission Owner shall approve and accept for operation and maintenance Transmission Owner'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 Transmission Owner "as-built" drawings, information, and any other documents that are reasonably required by Transmission Owner to assure that the Interconnection Facilities and Stand-Alone Network Upgrades are built to the standards and specifications required by Transmission Provider.

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

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

No liquidated damages shall be paid to Interconnection Customer if: (1) Interconnection Customer is not ready to commence use of Transmission Owner's Interconnection Facilities 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 Owner'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 Owner's delay; (2) Transmission Owner's failure to meet the specified dates is the result of the action or inaction of Interconnection Customer or any other Interconnection Customer who has entered into an LGIA with Transmission Owner or any cause beyond Transmission Owner's reasonable control or reasonable ability to cure; (3) the Interconnection Customer has assumed responsibility for the design, procurement and construction of Transmission Owner's Interconnection Facilities 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 in accordance with the guidelines and procedures established by the Applicable Reliability Council. Transmission Provider reserves the right to reasonably establish minimum acceptable settings for any installed Power System Stabilizers, subject to the design and operating limitations of the Large Generating Facility. If the Large Generating Facility's Power System Stabilizers are removed from service or not capable of automatic operation, Interconnection Customer shall immediately notify Transmission Owner's system operator, or its designated representative. The requirements of this paragraph shall not apply to wind generators.

**5.5 Equipment Procurement.** If responsibility for construction of Transmission Owner's Interconnection Facilities or Network Upgrades is to be borne by Transmission Owner, then Transmission Owner shall commence design of Transmission Owner's Interconnection Facilities or Network Upgrades and procure necessary equipment as soon as practicable after all of the following conditions are satisfied, unless the Parties otherwise agree in writing:

**5.5.1** Transmission Provider has completed the Interconnection Facilities Study pursuant to the Interconnection Facilities Study Agreement;

- 5.5.2 Transmission Owner has received written authorization to proceed with design and procurement from Interconnection Customer by the date specified in Appendix B, Milestones; and
- 5.5.3 Interconnection Customer has provided security to Transmission Owner in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.
- 5.6 **Construction Commencement.** Transmission Owner shall commence construction of Transmission Owner'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 Transmission Owner's Interconnection Facilities and Network Upgrades;
- 5.6.3 Transmission Owner has received written authorization to proceed with construction from Interconnection Customer by the date specified in Appendix B, Milestones; and
- 5.6.4 Interconnection Customer has provided security to Transmission Owner in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.
- 5.7 **Work Progress.** The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Parties may, at any time, request a progress report from other Parties. If, at any time, Interconnection Customer determines that the completion of Transmission Owner's Interconnection Facilities and Network Upgrades will not be required until after the specified In-Service Date, Interconnection Customer will provide written notice to Transmission Provider and Transmission Owner of such later date upon which the completion of Transmission Owner's Interconnection Facilities and Network Upgrades 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 Transmission System, and shall work diligently and in good faith to make any necessary design changes.

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- 5.9 Limited Operation.** If any of Transmission Owner'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 Owner shall, upon the request and at the expense of Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the Large Generating Facility and Interconnection Customer's Interconnection Facilities may operate prior to the completion of Transmission Owner's Interconnection Facilities or Network Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this LGIA. Transmission Owner shall permit Interconnection Customer to operate the Large Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with the results of such studies.
- 5.10 Interconnection Customer's Interconnection Facilities ('ICIF').** Interconnection Customer shall, at its expense, design, procure, construct, own and install the ICIF, as set forth in Appendix A, 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 Transmission Owner at least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date; and final specifications for review and comment at least ninety (90) Calendar Days prior to the Initial Synchronization Date. Transmission Owner shall review such specifications to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Transmission Owner and comment on such specifications within thirty (30) Calendar Days of Interconnection Customer's submission. All specifications provided hereunder shall be deemed confidential.
- 5.10.2 Transmission Owner's Review.** Transmission Owner's review of Interconnection Customer's final specifications shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the Large Generating Facility, or the ICIF. Interconnection Customer shall make such changes to the ICIF as may reasonably be required by Transmission Owner, in accordance with Good Utility Practice, to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Transmission Owner.

**5.10.3 ICIF Construction.** The ICIF shall be designed and constructed in accordance with Good Utility Practice. Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Interconnection Customer shall deliver to Transmission Owner "as-built" drawings, information and documents for the ICIF, such as: a one-line diagram, a site plan showing the Large Generating Facility and the ICIF, plan and elevation drawings showing the layout of the ICIF, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with Interconnection Customer's step-up transformers, the facilities connecting the Large Generating Facility to the step-up transformers and the ICIF, and the impedances (determined by factory tests) for the associated step-up transformers and the Large Generating Facility. The Interconnection Customer shall provide Transmission Owner specifications for the excitation system, automatic voltage regulator, Large Generating Facility control and protection settings, transformer tap settings, and communications, if applicable.

**5.10.4 Updated Information Submission by Interconnection Customer.** The updated information submission by the Interconnection Customer, including manufacturer information, shall occur no later than one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date. Interconnection Customer shall submit a completed copy of the Generating Facility data requirements contained in Appendix 1 to the LGIP. It shall also include any additional information provided to Transmission Provider for the Interconnection Feasibility and Interconnection Facilities Studies. Information in this submission shall be the most current Generating Facility design or expected performance data. Information submitted for stability models shall be compatible with Transmission Provider standard models. If there is no compatible model, the Interconnection Customer will work with a consultant mutually agreed to by the Parties to develop and supply a standard model and associated information.

If the Interconnection Customer's data is materially different from what was originally provided to Transmission Provider pursuant to the Interconnection Study agreements between Transmission Provider and Interconnection Customer, then Transmission Provider will conduct appropriate studies to determine the impact on the Transmission System based on the actual data submitted pursuant to this Article 5.10.4. The Interconnection Customer shall not begin Trial Operation until such studies are completed.

**5.10.5 Information Supplementation.** Prior to the Commercial Operation Date, or as soon as possible thereafter, the Parties shall supplement their information submissions described above in this Article 5 with any and all "as-built" 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 Generating Facility as required by Good Utility Practice such as an open circuit "step voltage" test on the Generating Facility to verify proper operation of the Generating Facility's automatic voltage regulator.

Unless otherwise agreed, the test conditions shall include: (1) Generating Facility at synchronous speed; (2) automatic voltage regulator on and in voltage control mode; and (3) a five percent (5 percent) change in 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 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 Generating Facility's terminal or field voltage are acceptable if information necessary to translate these alternate quantities to actual Generating Facility terminal or field voltages is provided. Generating Facility testing shall be conducted and results provided to the Transmission Provider for each individual generating unit in a station.

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

**5.11 Transmission Owner's Interconnection Facilities Construction.** Transmission Owner's Interconnection Facilities and Network Upgrades shall be designed and constructed in accordance with Good Utility Practice. Upon request, within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Transmission Owner shall deliver to Interconnection Customer the following "as-built" drawings, information and documents for Transmission Owner's Interconnection Facilities and Network Upgrades [include appropriate drawings and relay diagrams].

Transmission Owner will obtain control of Transmission Owner'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 any other Party ("Access Party") any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by the Granting Party, 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 Transmission System; (ii) operate and maintain the Large Generating Facility, the Interconnection Facilities and the 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 Transmission Owner's Interconnection Facilities and/or Network Upgrades is to be installed on property owned by persons other than Interconnection Customer or Transmission Owner, Transmission Owner shall at Interconnection Customer's expense use efforts, similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority, and to the extent consistent with state law, to procure from such persons any rights of use, licenses, rights of way and easements that are necessary to construct, operate, maintain, test, inspect, replace or remove Transmission Owner's Interconnection Facilities and/or Network Upgrades upon such property.
- 5.14 Permits.** 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, Transmission Provider or Transmission Owner shall provide permitting assistance to Interconnection Customer comparable to that provided to Transmission Provider's own, or an Affiliate's generation.
- 5.15 Early Construction of Base Case Facilities.** Interconnection Customer may request Transmission Owner to construct, and Transmission Owner shall construct, using Reasonable Efforts to accommodate Interconnection Customer's In-Service Date, all or any portion of any 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.

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## **5.16 Suspension.**

**5.16.1** Interconnection Customer, upon written notice to Transmission Provider and Transmission Owner, may suspend, for a period not to exceed 18 months, work by Transmission Owner associated with the construction and installation of Transmission Owner's Interconnection Facilities and/or Network Upgrades required under this LGIA under the following terms and conditions,

- i. Construction of Network Upgrades that are required to provide Interconnection Service to other Generating Facilities and for which Interconnection Customer shares cost responsibility cannot be suspended pursuant to this Article 5.16.
- ii. If the suspension period begins later than or extends beyond six months following the Effective Date of the LGIA, the Interconnection Customer shall provide to the Transmission Provider security in the form described under Article 11.5 in an amount equal to the greater of:
  - a. the Interconnection Customer's allocated share of Network Upgrade(s) as calculated pursuant to Section 4.2.5 of the LGIP and as identified in Appendix A of this LGIA unless previously provided under Section 8.7 of the LGIP;
  - b. \$5,000,000 if the Generating Facility is greater than or equal to 100 MW;
  - c. \$2,500,000 if the Generating Facility is greater than or equal to 50 MW and less than 100 MW;
  - d. \$1,000,000 if the Generating Facility is less than 50 MW.
- iii. In the event that this LGIA is terminated under this Article 5.16, the Transmission Provider shall retain the security provided pursuant to Article 5.16.1.ii in the amount required to meet Interconnection Customer's obligations pursuant to this LGIA. Any difference between the security provided and Interconnection Customer's obligations shall be settled pursuant to Article 12.
- iv. In the event Interconnection Customer suspends work by Transmission Owner required under this LGIA pursuant to this Article 5.16 and has not requested Transmission Owner to resume the work required under this LGIA on or before the expiration of 18 months from the date of suspension, this LGIA shall be deemed terminated unless Article 16 applies.
- v. In the event Interconnection Customer suspends work by Transmission Owner required under this LGIA pursuant to this Article 5.16 and has not complied requirements of Article 5.16.1.ii on or before the later of the expiration of 6 months following the effective date of the LGIA or the date the suspension is requested, this LGIA shall be deemed terminated by the Interconnection Customer.

- vi. In the event Interconnection Customer suspends work by Transmission Owner required under this LGIA pursuant to this Article 5.16, the Transmission System shall be left in a safe and reliable condition in accordance with Good Utility Practice and Transmission Owner's safety and reliability criteria. Interconnection Customer shall be responsible for all reasonable and necessary costs which Transmission Owner and Transmission Provider (i) have incurred pursuant to this LGIA prior to the suspension and (ii) incur in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the Transmission System during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which Transmission Owner cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, Transmission Owner shall obtain Interconnection Customer's authorization to do so. Transmission Owner and Transmission Provider shall invoice Interconnection Customer for such costs pursuant to Article 12 and shall use due diligence to minimize its costs.
- vii. In the event Interconnection Customer provides written notice to resume work for those facilities for which work has been suspended pursuant to this Article 5.16.1, the Interconnection Customer shall receive a refund, including interest, of any payments provided in accordance with Article 5.16.1.ii in excess of the sum of Interconnection Customer's allocated share of Network Upgrade(s) costs and any costs incurred under Article 5.16.1.vi within 30 days of the date of such notice.

**5.16.2 Exemptions.** The Interconnection Customer shall be exempt from the payments described under Article 5.16.1.ii.b, 5.16.1.ii.c and 5.16.1.ii.d if the following occurs or Suspension is requested for the following reasons:

- i. Construction of a Network Upgrade or the Generating Facility is prevented by order of a Governmental Authority; or
- ii. Transmission Provider determines through an Interconnection Study that the Suspension does not qualify as a modification that has an impact on the cost or timing of any Interconnection Request with an equal or later Queue priority date (Material Modification); or
- iii. Transmission Owner or Transmission Provider determines that a Force Majeure event prevents construction of a Network Upgrade.

## **5.17 Taxes.**

**5.17.1 Interconnection Customer Payments Not Taxable.** The Parties intend that all payments or property transfers made by Interconnection Customer to Transmission Owner for the installation of Transmission Owner'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 Owner for Transmission Owner'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 Owner's Interconnection Facilities that is a "dual-use intertie," within the meaning of IRS Notice 88-129, is reasonably expected to carry only a de minimis amount of electricity in the direction of the Large Generating Facility. For this purpose, "de minimis amount" means no more than 5 percent of the total power flows in both directions, calculated in accordance with the "5 percent test" set forth in IRS Notice 88-129. This is not intended to be an exclusive list of the relevant conditions that must be met to conform to IRS requirements for non-taxable treatment.

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

**5.17.3 Indemnification for the Cost Consequences of Current Tax Liability Imposed Upon the Transmission Owner.** Notwithstanding Article 5.17.1, Interconnection Customer shall protect, indemnify and hold harmless Transmission Owner from the cost consequences of any current tax liability imposed against Transmission Owner as the result of payments or property transfers made by Interconnection Customer to Transmission Owner under this LGIA for Interconnection Facilities, as well as any interest and penalties, other than interest and penalties attributable to any delay caused by Transmission Owner.

Transmission Owner shall not include a gross-up for the cost consequences of any current tax liability in the amounts it charges Interconnection Customer under this LGIA unless (i) Transmission Owner has determined, in good faith, that the payments or property transfers made by Interconnection Customer to Transmission Owner should be reported as income subject to taxation or (ii) any Governmental Authority directs Transmission Owner to report payments or property as income subject to taxation; provided, however, that Transmission Owner may require Interconnection Customer to provide security for Interconnection Facilities, in a form reasonably acceptable to Transmission Owner (such as a parental guarantee or a letter of credit), in an amount equal to the cost consequences of any current tax liability under this Article 5.17.

Interconnection Customer shall reimburse Transmission Owner for such costs on a fully grossed-up basis, in accordance with Article 5.17.4, within thirty (30) Calendar Days of receiving written notification from Transmission Owner of the amount due, including detail about how the amount was calculated.

The indemnification obligation shall terminate at the earlier of (1) the expiration of the ten year testing period and the applicable statute of limitation, as it may be extended by Transmission Owner upon request of the IRS, to keep these years open for audit or adjustment, or

(2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article 5.17.

**5.17.4 Tax Gross-Up Amount.** Interconnection Customer's liability for the cost consequences of any current tax liability under this Article 5.17 shall be calculated on a fully grossed-up basis. Except as may otherwise be agreed to by the parties, this means that Interconnection Customer will pay Transmission Owner, in addition to the amount paid for the Interconnection Facilities, and Network Upgrades, an amount equal to (1) the current taxes imposed on Transmission Owner ("Current Taxes") on the excess of (a) the gross income realized by Transmission Owner as a result of payments or property transfers made by Interconnection Customer to Transmission Owner under this 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 Owner to receive and retain, after the payment of all Current Taxes, an amount equal to the net amount described in clause (1).

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

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**5.17.5 Private Letter Ruling or Change or Clarification of Law.** At Interconnection Customer's request and expense, Transmission Owner shall file with the IRS a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by Interconnection Customer to Transmission Owner under this 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 Owner and Interconnection Customer shall cooperate in good faith with respect to the submission of such request.

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

**5.17.6 Subsequent Taxable Events.** If, within 10 years from the date on which the relevant Transmission Owner's Interconnection Facilities are placed in service, (i) Interconnection Customer Breaches the covenants contained in Article 5.17.2, (ii) a "disqualification event" occurs within the meaning of IRS Notice 88-129, or (iii) this LGIA terminates and Transmission Owner 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 Owner, calculated using the methodology described in Article 5.17.4 and in accordance with IRS Notice 90-60.

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

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

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

- (i) any payment made by Interconnection Customer under this Article 5.17 for taxes that is attributable to the amount determined to be non-taxable, together with interest thereon,
- (ii) interest on any amount paid by Interconnection Customer to Transmission Owner for such taxes which Transmission Owner did not submit to the taxing authority, calculated in accordance with the methodology set forth in FERC's regulations at 18 CFR §35.19a(a)(2)(iii) from the date payment was made by Interconnection Customer to the date Transmission Owner refunds such payment to Interconnection Customer, and

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

The intent of this provision is to leave the Parties, to the extent practicable, in the event that no taxes are due with respect to any payment for Interconnection Facilities 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 Owner may appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against Transmission Owner for which Interconnection Customer may be required to reimburse Transmission Owner under the terms of this LGIA. Interconnection Customer shall pay to Transmission Owner on a periodic basis, as invoiced by Transmission Owner, Transmission Owner's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. Interconnection Customer and Transmission Owner shall cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be payable by Interconnection Customer to Transmission Owner for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due and payable after appeal, Interconnection Customer will be responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by Transmission Owner.

**5.18 Tax Status.** All Parties shall cooperate with each other to maintain their tax status. Nothing in this LGIA is intended to adversely affect any Party's tax exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds.

**5.19 Modification.**

**5.19.1 General.** Each Party may undertake modifications to its facilities. If a Party plans to undertake a modification that reasonably may be expected to affect another Party's facilities, that Party shall provide to the other Parties sufficient information regarding such modification so that the other Parties may evaluate the potential impact of such modification prior to commencement of the work. Such information shall be deemed to be confidential hereunder and shall include

information concerning the timing of such modifications and whether such modifications are expected to interrupt the flow of electricity from the Large Generating Facility. The Party desiring to perform such work shall provide the relevant drawings, plans, and specifications to the other Parties at least 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, Transmission Owner shall provide, within thirty (30) Calendar Days (or such other time as the Parties may agree), an estimate of any additional modifications to the Transmission System, Transmission Owner's Interconnection Facilities or Network Upgrades necessitated by such Interconnection Customer modification and a good faith estimate of the costs thereof.

**5.19.2 Standards.** Any additions, modifications, or replacements made to a Party's facilities shall be designed, constructed and operated in accordance with this 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 Transmission Owner makes to Transmission Owner's Interconnection Facilities or the Transmission System to facilitate the interconnection of a third party to Transmission Owner's Interconnection Facilities or the Transmission System, or to provide transmission service to a third party under Transmission Provider's Tariff. Interconnection Customer shall be responsible for the costs of any additions, modifications, or replacements to Interconnection Customer's Interconnection Facilities that may be necessary to maintain or upgrade such Interconnection Customer's Interconnection Facilities consistent with Applicable Laws and Regulations, Applicable Reliability Standards or Good Utility Practice.

## **ARTICLE 6. TESTING AND INSPECTION**

**6.1 Pre-Commercial Operation Date Testing and Modifications.** Prior to the Commercial Operation Date, Transmission Owner shall test Transmission Owner'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.

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- 6.2 Post-Commercial Operation Date Testing and Modifications.** Each Party shall at its own expense perform routine inspection and testing of its facilities and equipment in accordance with Good Utility Practice as may be necessary to ensure the continued interconnection of the Large Generating Facility with the Transmission System in a safe and reliable manner. Each Party shall have the right, upon advance written notice, to require reasonable additional testing of the other Party's facilities, at the requesting Party's expense, as may be in accordance with Good Utility Practice.
- 6.3 Right to Observe Testing.** Each Party shall notify the other Parties in advance of its performance of tests of its Interconnection Facilities. The other Parties have the right, at its own expense, to observe such testing.
- 6.4 Right to Inspect.** Each Party shall have the right, but shall have no obligation to: (i) observe another Parties' tests and/or inspection of any of its System Protection Facilities and other protective equipment, including power system stabilizers; (ii) review the settings of the other Parties' System Protection Facilities and other protective equipment; and (iii) review another Parties' maintenance records relative to the Interconnection Facilities, the System Protection Facilities and other protective equipment. Any Party may exercise these rights from time to time as it deems necessary upon reasonable notice to the other Parties. The exercise or non-exercise by another Party of any such rights shall not be construed as an endorsement or confirmation of any element or condition of the Interconnection Facilities or the System Protection Facilities or other protective equipment or the operation thereof, or as a warranty as to the fitness, safety, desirability, or reliability of same. Any information that any Party obtains through the exercise of any of its rights under this Article 6.4 shall be deemed to be Confidential Information 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, Transmission Owner shall install Metering Equipment at the Point of Interconnection prior to any operation of the Large Generating Facility and shall own, operate, test and maintain such Metering Equipment. Power flows to and from the Large Generating Facility shall be measured at or, at Transmission Owner's option, compensated to, the Point of Interconnection. Transmission Owner shall provide metering quantities, in analog and/or digital form, to Interconnection Customer and Transmission Provider on a same-time basis using communication as provided in Article 8. Interconnection Customer shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment.

- 7.2 Check Meters.** Interconnection Customer, at its option and expense, may install and operate, on its premises and on its side of the Point of Interconnection, one or more check meters to check Transmission Owner's meters. Such check meters shall be for check purposes only and shall not be used for the measurement of power flows for purposes of this LGIA, except as provided in Article 7.4 below. The check meters shall be subject at all reasonable times to inspection and examination by Transmission Owner or its designee. The installation, operation and maintenance thereof shall be performed entirely by Interconnection Customer in accordance with Good Utility Practice.
- 7.3 Standards.** Transmission Owner shall install, calibrate, and test revenue quality Metering Equipment in accordance with applicable ANSI standards.
- 7.4 Testing of Metering Equipment.** Transmission Owner shall inspect and test all Transmission Owner-owned Metering Equipment upon installation and at least once every two (2) years thereafter. If requested to do so by Interconnection Customer, Transmission Owner shall, at Interconnection Customer's expense, inspect or test Metering Equipment more frequently than every two (2) years. Transmission Owner shall give reasonable notice of the time when any inspection or test shall take place, and Interconnection Customer may have representatives present at the test or inspection. If at any time Metering Equipment is found to be inaccurate or defective, it shall be adjusted, repaired or replaced at Interconnection Customer's expense, in order to provide accurate metering, unless the inaccuracy or defect is due to Transmission Owner's failure to maintain, then Transmission Owner shall pay. If Metering Equipment fails to register, or if the measurement made by Metering Equipment during a test varies by more than two percent from the measurement made by the standard meter used in the test, Transmission Owner shall adjust the measurements by correcting all measurements for the period during which Metering Equipment was in error by using Interconnection Customer's check meters, if installed. If no such check meters are installed or if the period cannot be reasonably ascertained, the adjustment shall be for the period immediately preceding the test of the Metering Equipment equal to one-half the time from the date of the last previous test of the Metering Equipment.
- 7.5 Metering Data.** At Interconnection Customer's expense, the metered data shall be telemetered to one or more locations designated by Transmission Owner and one or more locations designated by Interconnection Customer. Such telemetered data shall be used, under normal operating conditions, as the official measurement of the amount of energy delivered from the Large Generating Facility to the Point of Interconnection.

## ARTICLE 8. COMMUNICATIONS

- 8.1 Interconnection Customer Obligations.** Interconnection Customer shall maintain satisfactory operating communications with Transmission Owner's Transmission System dispatcher or representative designated by Transmission Owner. Interconnection Customer shall provide standard voice line, dedicated voice line and facsimile communications at its Large Generating Facility control room or central dispatch facility through use of either the public telephone system, or a voice communications system that does not rely on the public telephone system. Interconnection Customer shall also provide the dedicated data circuit(s) necessary to provide Interconnection Customer data to Transmission Owner as set forth in Appendix D, Security Arrangements Details. The data circuit(s) shall extend from the Large Generating Facility to the location(s) specified by Transmission Owner. Any required maintenance of such communications equipment shall be performed by Interconnection Customer. Operational communications shall be activated and maintained under, but not be limited to, the following events: system paralleling or separation, scheduled and unscheduled shutdowns, equipment clearances, and hourly and daily load data.
- 8.2 Remote Terminal Unit.** Prior to the Initial Synchronization Date of the Large Generating Facility, a Remote Terminal Unit, or equivalent data collection and transfer equipment acceptable to the Parties, shall be installed by Interconnection Customer, or by Transmission Owner at Interconnection Customer's expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by Transmission Owner through use of a dedicated point-to-point data circuit(s) as indicated in Article 8.1. The communication protocol for the data circuit(s) shall be specified by Transmission Owner. Instantaneous bi-directional analog real power and reactive power flow information must be telemetered directly to the location(s) specified by Transmission Owner.

Each Party will promptly advise the other Party if it detects or otherwise learns of any metering, telemetry or communications equipment errors or malfunctions that require the attention and/or correction by the other Party. The Party owning such equipment shall correct such error or malfunction as soon as reasonably feasible.

- 8.3 No Annexation.** Any and all equipment placed on the premises of a Party shall be and remain the property of the Party providing such equipment regardless of the mode and manner of annexation or attachment to real property, unless otherwise mutually agreed by the Parties.

## ARTICLE 9. OPERATIONS

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

- 9.2 Control Area Notification.** At least three months before Initial Synchronization Date, Interconnection Customer shall notify Transmission Provider and Transmission Owner in writing of the Control Area in which the Large Generating Facility will be located. If Interconnection Customer elects to locate the Large Generating Facility in a Control Area other than the Control Area in which the Large Generating Facility is physically located, and if permitted to do so by the relevant transmission tariffs, all necessary arrangements, including but not limited to those set forth in Article 7 and Article 8 of this 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 Transmission Provider and Transmission Owner Obligations.** Transmission Provider and Transmission Owner shall cause the Transmission System and Transmission Owner's Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this LGIA. Transmission Provider or Transmission Owner may provide operating instructions to Interconnection Customer consistent with this LGIA and Transmission Owner's operating protocols and procedures as they may change from time to time. Transmission Provider and Transmission Owner will consider changes to its operating protocols and procedures proposed by Interconnection Customer.
- 9.4 Interconnection Customer Obligations.** Interconnection Customer shall at its own expense operate, maintain and control the Large Generating Facility and the Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this 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. Any Party may request that another Party provide copies of the requirements set forth in Appendix C, Interconnection Details, of this LGIA.
- 9.5 Start-Up and Synchronization.** Consistent with the Parties' mutually acceptable procedures, the Interconnection Customer is responsible for the proper synchronization of the Large Generating Facility to the Transmission System.
- 9.6 Reactive Power.**
- 9.6.1 Power Factor Design Criteria.** Interconnection Customer shall design the Large Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless Transmission Provider or Transmission Owner has established different requirements that apply to all generators in the Control Area on a comparable basis. A wind generator plant shall maintain a power factor within the range of .95 leading to .95 lagging, measured at the Point of Interconnection as defined in the LGIA, if the Transmission Provider's System Impact Study shows that such a requirement is necessary to ensure safety or reliability.

**9.6.2 Voltage Schedules.** Once Interconnection Customer has synchronized the Large Generating Facility with the Transmission System, Transmission Provider and/or Transmission Owner shall require Interconnection Customer to operate the Large Generating Facility to produce or absorb reactive power within the design limitations of the Large Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). Transmission Owner's voltage schedules shall treat all sources of reactive power in the Control Area in an equitable and not unduly discriminatory manner. Transmission Owner shall exercise Reasonable Efforts to provide Interconnection Customer with such schedules at least one (1) day in advance, and may make changes to such schedules as necessary to maintain the reliability of the Transmission System. Interconnection Customer shall operate the Large Generating Facility to maintain the specified output voltage or power factor at the Point of Interconnection within the design limitations of the Large Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). If Interconnection Customer is unable to maintain the specified voltage or power factor, it shall promptly notify the Transmission Owner.

**9.6.2.1 Governors and Regulators.** Whenever the Large Generating Facility is operated in parallel with the Transmission System and the speed governors (if installed on the generating unit pursuant to Good Utility Practice) and voltage regulators are capable of operation, Interconnection Customer shall operate the Large Generating Facility with its speed governors and voltage regulators in automatic operation. If the Large Generating Facility's speed governors and voltage regulators are not capable of such automatic operation, the Interconnection Customer shall immediately notify Transmission Owner's system operator, or its designated representative, and ensure that such Large Generating Facility's reactive power production or absorption (measured in Mvars) are within the design capability of the Large Generating Facility's generating unit(s) and steady state stability limits. Interconnection Customer shall not cause its Large Generating Facility to disconnect automatically or instantaneously from the Transmission System or trip any generating unit comprising the Large Generating Facility for an under or over frequency condition in accordance with Good Utility Practice and Applicable Reliability Standards.

**9.6.3 Payment for Reactive Power.** Transmission Provider is required to pay Interconnection Customer for reactive power that Interconnection Customer provides or absorbs from the Large Generating Facility when Transmission Owner 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; provided however, to the extent the Tariff contains a provision providing for such compensation, that Tariff provision shall control.

## **9.7 Outages and Interruptions.**

### **9.7.1 Outages.**

**9.7.1.1 Outage Authority and Coordination.** Each Party may in accordance with Good Utility Practice in coordination with the other Party remove from service any of its respective Interconnection Facilities 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 all Parties. In all circumstances, any Party planning to remove such facility(ies) from service shall use Reasonable Efforts to minimize the effect on the other Parties of such removal.

**9.7.1.2 Outage Schedules.** Transmission Provider shall post scheduled outages of its transmission facilities on the OASIS. Interconnection Customer shall submit its planned maintenance schedules for the Large Generating Facility to Transmission Provider for a minimum of a rolling twenty-four month period. Interconnection Customer shall update its planned maintenance schedules as necessary. Transmission Provider may request Interconnection Customer to reschedule its maintenance as necessary to maintain the reliability of the Transmission System; provided, however, adequacy of generation supply shall not be a criterion in determining Transmission System reliability. 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 another Party's operations or facilities, the Party that owns or controls the facility that is out of service shall use Reasonable Efforts to promptly restore such facility(ies) to a normal operating condition consistent with the nature of the outage. The Party that owns or controls the facility that is out of service shall provide the other Parties, to the extent such information is known, information on the nature of the Emergency Condition, an estimated time of restoration, and any corrective actions required. Initial verbal notice shall be followed up as soon as practicable with written notice explaining the nature of the outage.

**9.7.2 Interruption of Service.** If required by Good Utility Practice to do so, Transmission Provider and/or Transmission Owner may require Interconnection Customer to interrupt or reduce deliveries of electricity if such delivery of electricity could adversely affect Transmission Provider's and/or Transmission Owner's ability to perform such activities as are necessary to safely and reliably operate and maintain the Transmission System. The following provisions shall apply to any interruption or reduction permitted under this Article 9.7.2:

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

**9.7.2.2** Any such interruption or reduction shall be made on an equitable, non-discriminatory basis with respect to all generating facilities directly connected to the Transmission System;

**9.7.2.3** When the interruption or reduction must be made under circumstances which do not allow for advance notice, Transmission Provider or Transmission Owner shall notify Interconnection Customer by telephone as soon as practicable of the reasons for the curtailment, interruption, or reduction, and, if known, its expected duration. Telephone notification shall be followed by written notification as soon as practicable;

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

**9.7.2.5** The Parties shall cooperate and coordinate with each other to the extent necessary in order to restore the Large Generating Facility, Interconnection Facilities, and the Transmission System to their normal operating state, consistent with system conditions and Good Utility Practice.

**9.7.3 Under-Frequency and Over Frequency Conditions.** The Transmission System is designed to automatically activate a load-shed program as required by the Applicable Reliability Council in the event of an under-frequency system disturbance. Interconnection Customer shall implement under-frequency and over-frequency relay set points for the Large Generating Facility as required by the Applicable Reliability Council to ensure "ride through" capability of the Transmission System. Large Generating Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be studied and coordinated with 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. Transmission Owner shall install at Interconnection Customer's expense any System Protection Facilities that may be required on Transmission Owner's Interconnection Facilities or the Transmission System as a result of the interconnection of the Large Generating Facility and the Interconnection Customer's Interconnection Facilities.

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

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

**9.7.4.4** Each Party's protective relay design shall incorporate the necessary test switches to perform the tests required in Article 6. The required test switches will be placed such that they allow operation of lockout relays while preventing breaker failure schemes from operating and causing unnecessary breaker operations and/or the tripping of 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.

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- 9.7.5 Requirements for Protection.** In compliance with Good Utility Practice, Interconnection Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Large Generating Facility to any short circuit occurring on the Transmission System not otherwise isolated by Transmission Owner's equipment, such that the removal of the fault contribution shall be coordinated with the protective requirements of the Transmission System. Such protective equipment shall include, without limitation, a disconnecting device or switch with load-interrupting capability located between the Large Generating Facility and the Transmission System at a site selected upon mutual agreement (not to be unreasonably withheld, conditioned or delayed) of the Parties. Interconnection Customer shall be responsible for protection of the Large Generating Facility and Interconnection Customer's other equipment from such conditions as negative sequence currents, over- or under-frequency, sudden load rejection, over- or under-voltage, and generator loss-of-field. Interconnection Customer shall be solely responsible to disconnect the Large Generating Facility and Interconnection Customer's other equipment if conditions on the Transmission System could adversely affect the Large Generating Facility.
- 9.7.6 Power Quality.** No Party's facilities shall cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves 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 Parties a copy of its switching and tagging rules that are applicable to the other Party's activities. Such switching and tagging rules shall be developed on a non-discriminatory basis. The Parties shall comply with applicable switching and tagging rules, as amended from time to time, in obtaining clearances for work or for switching operations on equipment.
- 9.9 Use of Interconnection Facilities by Third Parties.**
- 9.9.1 Purpose of Interconnection Facilities.** Except as may be required by Applicable Laws and Regulations, or as otherwise agreed to among the Parties, the Interconnection Facilities shall be constructed for the sole purpose of interconnecting the Large Generating Facility to the Transmission System and shall be used for no other purpose.

**9.9.2 Third Party Users.** If required by Applicable Laws and Regulations or if the Parties mutually agree, such agreement not to be unreasonably withheld, to allow one or more third parties to use Transmission Owner's Interconnection Facilities, or any part thereof, Interconnection Customer will be entitled to compensation for the capital expenses it incurred in connection with the Interconnection Facilities based upon the pro rata use of the Interconnection Facilities by Transmission Owner, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually-agreed upon methodology. In addition, cost responsibility for ongoing costs, including operation and maintenance costs associated with the Interconnection Facilities, will be allocated between Interconnection Customer and any third party users based upon the pro rata use of the Interconnection Facilities by Transmission Owner, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually agreed upon methodology. If the issue of such compensation or allocation cannot be resolved through such negotiations, it shall be submitted to FERC for resolution.

**9.10 Disturbance Analysis Data Exchange.** The Parties will cooperate with one another in the analysis of disturbances to either the Large Generating Facility or the Transmission System by gathering and providing access to any information relating to any disturbance, including information from oscillography, protective relay targets, breaker operations and sequence of events records, and any disturbance information required by Good Utility Practice.

## **ARTICLE 10. MAINTENANCE**

**10.1 Transmission Owner Obligations.** Transmission Owner shall maintain the Transmission System and Transmission Owner's Interconnection Facilities in a safe and reliable manner and in accordance with this 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 others in the inspection, maintenance, and testing of control or power circuits that operate below 600 volts, AC or DC, including, but not limited to, any hardware, control or protective devices, cables, conductors, electric raceways, secondary equipment panels, transducers, batteries, chargers, and voltage and current transformers that directly affect the operation of a Party's facilities and equipment which may reasonably be expected to impact another Party. Each Party shall provide advance notice to the other Parties before undertaking any work on such circuits, especially on electrical circuits involving circuit breaker trip and close contacts, current transformers, or potential transformers.

**10.5 Operating and Maintenance Expenses.** Subject to the provisions herein addressing the use of facilities by others, and except for operations and maintenance expenses associated with modifications made for providing interconnection or transmission service to a third party and such third party pays for such expenses, Interconnection Customer shall be responsible for all reasonable expenses including overheads, associated with: (1) owning, operating, maintaining, repairing, and replacing Interconnection Customer's Interconnection Facilities; and (2) operation, maintenance, repair and replacement of Transmission Owner's Interconnection Facilities.

## **ARTICLE 11. PERFORMANCE OBLIGATION**

**11.1 Interconnection Customer Interconnection Facilities.** Interconnection Customer shall design, procure, construct, install, own and/or control Interconnection Customer's Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at its sole expense.

**11.2 Transmission Owner's Interconnection Facilities.** Transmission Owner shall design, procure, construct, install, own and/or control the Transmission Owner's Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at the sole expense of the Interconnection Customer.

**11.3 Network Upgrades and Distribution Upgrades.** All Network Upgrades and Distribution Upgrades described in Appendix A shall be constructed in accordance with the process set forth in Section VIII of Attachment O. 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 that are associated with that Transmission Owner's system. The Distribution Upgrades and Network Upgrades described in Appendix A shall be solely funded by Interconnection Customer unless Transmission Owner elects to fund the capital for the Distribution Upgrades or Network Upgrades.

**11.4 Transmission Credits.**

**11.4.1 Credits for Amounts Advanced for Network Upgrades.** Interconnection Customer shall be entitled to credits in accordance with Attachment Z2 of the Tariff for any 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.

**11.4.2 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** 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 transmission credits for transmission service that is not associated with the Large Generating Facility.

**11.5 Provision of Security.** At least thirty (30) Calendar Days prior to the commencement of the procurement, installation, or construction of a discrete portion of Interconnection Facilities, Network Upgrades, or Distribution Upgrades as defined in Appendix A of this LGIA, 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 Interconnection Facilities, Network Upgrades, or Distribution Upgrades as defined in Appendix A of this LGIA and shall be reduced on a dollar-for-dollar basis for payments made to Transmission Provider or Transmission Owner for these purposes. If Interconnection Customer requests suspension pursuant to Article 5.16, Interconnection Customer may be required to provide Transmission Provider security in the form described above for its allocated share of Network Upgrade(s) costs as calculated pursuant to Section 4.2.5 of the LGIP and defined in Appendix A of this LGIA.

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.

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**11.6 Interconnection Customer Compensation.** If Transmission Provider or Transmission Owner requests or directs Interconnection Customer to provide a service pursuant to Articles 9.6.3 (Payment for Reactive Power), or 13.5.1 of this LGIA, Transmission Provider shall compensate Interconnection Customer in accordance with Interconnection Customer's applicable rate schedule then in effect unless the provision of such service(s) is subject to the Tariff. Interconnection Customer shall serve Transmission Provider with any filing of a proposed rate schedule at the time of such filing with FERC. To the extent that no rate schedule is in effect at the time the Interconnection Customer is required to provide or absorb any Reactive Power under this LGIA, 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.** Transmission Provider 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**

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

**12.1 General.** Each Party shall submit to the other Party, on a monthly basis, invoices of amounts due for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party under this 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 Interconnection Facilities and the Network Upgrades, the Interconnection Customer shall receive an invoice of the final cost due under this LGIA, including any applicable cost due to termination, which 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. Interconnection Customer shall receive a refund of any amount by which the actual payment by Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

- 12.3 Payment.** Invoices shall be rendered to the paying Party at the address specified in Appendix F. The Party receiving the invoice shall pay the invoice within thirty (30) Calendar Days of receipt. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by 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 the Parties, Transmission Owner, and 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 Transmission Owner or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Interconnection Customer fails to meet these two requirements for continuation of service, then Transmission Owner may provide notice to Interconnection Customer of a Default pursuant to Article 17. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due with interest calculated in accord with the methodology set forth in FERC's regulations at 18 C.F.R. § 35.19a(a)(2)(iii).

#### **ARTICLE 13. EMERGENCIES**

- 13.1 Definition.** "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 a Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Transmission System, or the electric systems of others to which the Transmission Provider's Transmission System is directly connected; or (3) that, in the case of Transmission Owner, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, Transmission Owner's Interconnection Facilities; or (4) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the 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.
- 13.2 Obligations.** Each Party shall comply with the Emergency Condition procedures of NERC, the Applicable Reliability Council, Transmission Provider, Applicable Laws and Regulations, and any emergency procedures agreed to by the Joint Operating Committee.
- 13.3 Notice.** Transmission Provider or Transmission Owner shall notify Interconnection Customer promptly when it becomes aware of an Emergency Condition that affects Transmission Owner's Interconnection Facilities or the Transmission System that may reasonably be expected to affect Interconnection Customer's operation of the Large Generating Facility or Interconnection Customer's Interconnection Facilities.

Interconnection Customer shall notify Transmission Provider and Transmission Owner promptly when it becomes aware of an Emergency Condition that affects the Large Generating Facility or Interconnection Customer's Interconnection Facilities that may reasonably be expected to affect the Transmission System or Transmission Owner's Interconnection Facilities. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of Interconnection Customer's or Transmission Owner's facilities and operations, its anticipated duration and the corrective action taken and/or to be taken. The initial notice shall be followed as soon as practicable with written notice.

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

**13.5 Transmission Provider and Transmission Owner Authority.**

**13.5.1 General.** Transmission Provider and/or Transmission Owner may take whatever actions or inactions with regard to the Transmission System or Transmission Owner's Interconnection Facilities it deems necessary during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Transmission System or Transmission Owner's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service.

Transmission Provider and Transmission Owner shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Transmission Provider and/or Transmission Owner may, on the basis of technical considerations, require the Large Generating Facility to mitigate an Emergency Condition by taking actions necessary and limited in scope to remedy the Emergency Condition, including, but not limited to, directing Interconnection Customer to shut-down, start-up, increase or decrease the real or reactive power output of the Large Generating Facility; implementing a reduction or disconnection pursuant to Article 13.5.2; 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 Transmission Provider's and Transmission Owner's operating instructions concerning Large Generating Facility real power and reactive power output within the manufacturer's design limitations of the Large Generating Facility's equipment that is in service and physically available for operation at the time, in compliance with Applicable Laws and Regulations.

**13.5.2 Reduction and Disconnection.** Transmission Provider and/or Transmission Owner 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. These rights are separate and distinct from any right of curtailment of Transmission Provider pursuant to Transmission Provider's Tariff. When Transmission Provider and/or Transmission Owner can schedule the reduction or disconnection in advance, Transmission Provider and/or Transmission Owner shall notify Interconnection Customer of the reasons, timing and expected duration of the reduction or disconnection. Transmission Provider and/or Transmission Owner shall coordinate with Interconnection Customer using Good Utility Practice to schedule the reduction or disconnection during periods of least impact to Interconnection Customer, Transmission Provider and/or Transmission Owner. Any reduction or disconnection shall continue only for so long as reasonably necessary under Good Utility Practice. The Parties shall cooperate with each other to restore the Large Generating Facility, the Interconnection Facilities, and the Transmission System to their normal operating state as soon as practicable consistent with Good Utility Practice.

**13.6 Interconnection Customer Authority.** Consistent with Good Utility Practice 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 Transmission Owner's Interconnection Facilities. Transmission Provider and/or Transmission Owner 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, no Party shall be liable to the other Parties for any action it takes in responding to an Emergency Condition so long as such action is made in good faith and is consistent with Good Utility Practice.

#### **ARTICLE 14. REGULATORY REQUIREMENTS AND GOVERNING LAW**

**14.1 Regulatory Requirements.** Each Party's obligations under this 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 2005, or the Public Utility Regulatory Policies Act of 1978 as amended by the 2005 Energy Policy Act.

**14.2 Governing Law.**

**14.2.1** The validity, interpretation and performance of this LGIA and each of its provisions shall be governed by the laws of the state where the Point of Interconnection is located, 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 any Party to another and any instrument required or permitted to be tendered or delivered by any Party in writing to another shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Party, or personally delivered to the Party, at the address set out in Appendix F, Addresses for Delivery of Notices and Billings.

Any Party may change the notice information in this 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 any Party to another and not required by this Agreement to be given in writing may be so given by telephone, facsimile or email to the telephone numbers and email addresses set out in Appendix F.

**15.4 Operations and Maintenance Notice.** Each Party shall notify the other Parties in writing of the identity of the person(s) that it designates as the point(s) of contact with respect to the implementation of Articles 9 and 10.

**ARTICLE 16.FORCE MAJEURE**

**16.1 Force Majeure.**

**16.1.1** Economic hardship is not considered a Force Majeure event.

**16.1.2** No Party shall be considered to be in Default with respect to any obligation hereunder, (including obligations under Article 4), other than the obligation to pay money when due, if prevented from fulfilling such obligation by Force Majeure.

A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Parties in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this article shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

## **ARTICLE 17. 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 or omission of another 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.** The Parties shall at all times indemnify, defend, and hold the other Parties harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Parties' action or inactions of its obligations under this LGIA on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

- 18.1.1 Indemnified Person.** If an indemnified person is entitled to indemnification under this Article 18 as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under Article 18.1, to assume the defense of such claim, such indemnified person may at the expense of the indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.
- 18.1.2 Indemnifying Party.** If an indemnifying Party is obligated to indemnify and hold any indemnified person harmless under this Article 18, the amount owing to the indemnified person shall be the amount of such indemnified person's actual Loss, net of any insurance or 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 indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying Party.

The Indemnifying Party shall have the right to assume the defense thereof with counsel designated by such indemnifying Party and reasonably satisfactory to the indemnified person. If the defendants in any such action include one or more indemnified persons and the indemnifying Party 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 indemnifying Party, 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 indemnifying Party 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 indemnifying Party. Notwithstanding the foregoing, the indemnifying Party (i) shall not be entitled to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the opinion of the 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 indemnifying Party, in such event the indemnifying Party 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.** Other than the Liquidated Damages heretofore described, in no event shall any Party be liable to any other Party 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 any Party may be liable to another Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.
- 18.3 Insurance.** Interconnection Customer and Transmission Owner shall at their own expense, maintain in force throughout the period of this LGIA, and until released by all other Parties, the following minimum insurance coverages, with insurers authorized to do business in the state where the Point of Interconnection is located:
- 18.3.1 Employers' Liability and Workers' Compensation Insurance** providing statutory benefits in accordance with the laws and regulations of the state in which the Point of Interconnection is located. The minimum limits for the Employers' Liability insurance shall be One Million Dollars (\$1,000,000) each accident bodily injury by accident, One Million Dollars (\$1,000,000) each employee bodily injury by disease, and One Million Dollars (\$1,000,000) policy limit bodily injury by disease.
- 18.3.2 Commercial General Liability Insurance** including premises and operations, personal injury, broad form property damage, broad form blanket contractual liability coverage (including coverage for the contractual indemnification) products and completed operations coverage, coverage for explosion, collapse and underground hazards (if applicable), independent contractors coverage, coverage for pollution (if exposure is present) and punitive or exemplary damages, with minimum limits of One Million Dollars (\$1,000,000) each occurrence/Two Million Dollars (\$2,000,000) general aggregate and Two Million Dollars (\$2,000,000) products and completed operations aggregate combined single limit for personal injury, bodily injury, including death and property damage.
- 18.3.3 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 Liability Insurance** over and above the Employers' Liability Commercial General Liability and Comprehensive Automobile Liability Insurance coverage, with a minimum combined single limit of Twenty Million Dollars (\$20,000,000) each occurrence/Twenty Million Dollars (\$20,000,000) general aggregate.

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- 18.3.5** The Commercial General Liability Insurance, Comprehensive Automobile Insurance and Excess Public Liability Insurance policies shall name 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. 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 to by all Parties.
- 18.3.8** The requirements contained herein as to the types and limits of all insurance to be maintained by the Interconnection Customer and Transmission Owner are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by the Parties under this Agreement.
- 18.3.9** 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 and Transmission Owner shall provide certification of all insurance required in this LGIA, executed by each insurer or by an authorized representative of each insurer to the Other Party Group.

**18.3.10** Notwithstanding the foregoing, 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, 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 a Party's senior secured debt is unrated by Standard & Poor's or is rated at less than investment grade by Standard & Poor's, such Party shall

comply with the insurance requirements applicable to it under Articles 18.3.2 through 18.3.9. In the event that 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.

#### **ARTICLE 19. ASSIGNMENT**

**19.1 Assignment.** This LGIA may be assigned by any Party only with the written consent of the other Parties; provided that any Party may assign this LGIA without the consent of the other Parties to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this LGIA; and provided further that Interconnection Customer shall have the right to assign this LGIA, without the consent of Transmission Provider or Transmission Owner, for collateral security purposes to aid in providing financing for the Large Generating Facility, provided that Interconnection Customer will promptly notify Transmission Provider and Transmission Owner of any such assignment. Any financing arrangement entered into by the Interconnection Customer pursuant to this article will provide that prior to or upon the exercise of the secured party's, trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify Transmission Provider and Transmission Owner of the date and particulars of any such exercise of assignment right(s), including providing 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 Transmission Owner) seeks and obtains such a final determination with respect to any provision of the Negotiated Option (Article 5.1.3), then none of these provisions shall thereafter have any force or effect and the Parties' rights and obligations shall be governed solely by the Standard Option (Article 5.1.1).

## **ARTICLE 21. COMPARABILITY**

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

## **ARTICLE 22. CONFIDENTIALITY**

- 22.1 Confidentiality.** Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by any of the Parties to another prior to the execution of this 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 any Party, a 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, 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.** No 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 another other Party. The disclosure by any Party to another Party of Confidential Information shall not be deemed a waiver by the disclosing Party or any other person or entity of the right to protect the Confidential Information from public disclosure.
- 22.1.5 No Warranties.** By providing Confidential Information, no Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, no Party obligates itself to provide any particular information or Confidential Information to another Party nor to enter into any further agreements or proceed with any other relationship or joint venture.
- 22.1.6 Standard of Care.** Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to another Party under this LGIA or its regulatory requirements.

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- 22.1.7 Order of Disclosure.** If a court or a Governmental Authority or entity with the right, power, and apparent authority to do so requests or requires a Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Parties with prompt notice of such request(s) or requirement(s) so that the other Parties may seek an appropriate protective order or waive compliance with the terms of this 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 another Party, use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the other Party) or return to the other Party, without retaining copies thereof, any and all written or electronic Confidential Information received from the other Party.
- 22.1.9 Remedies.** In the instance where Transmission Owner is a Federal Power Agency, as specified in the opening paragraph of this Agreement, then this section 22.1.9 shall not apply to Transmission Owner. The Parties agree that monetary damages would be inadequate to compensate a Party for another Party's Breach of its obligations under this Article 22. Each Party accordingly agrees that the other Parties shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Article 22, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 22, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 22.
- 22.1.10 Disclosure to FERC, its Staff, or a State.** Notwithstanding anything in this Article 22 to the contrary, and pursuant to 18 C.F.R. section 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this 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 C.F.R. section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying another Party to this

LGIA prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Parties 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 any of the Parties may respond before such information would be made public, pursuant to 18 C.F.R. 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 another 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.

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

#### **ARTICLE 23. ENVIRONMENTAL RELEASES**

**23.1** Each Party shall notify the other Party, first orally and then in writing, of the release of any Hazardous Substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Large Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall: (i) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than twenty-four hours after such Party becomes aware of the occurrence; and (ii) promptly furnish to the other Party copies of any publicly available reports filed with any Governmental Authorities addressing such events.

## **ARTICLE 24. INFORMATION REQUIREMENTS**

- 24.1 Information Acquisition.** Transmission Provider and Interconnection Customer shall submit specific information regarding the electrical characteristics of their respective facilities to each other as described below and in accordance with Applicable Reliability Standards.
- 24.2 Information Submission by Transmission Provider.** The initial information submission by Transmission Provider shall occur no later than one hundred eighty (180) Calendar Days prior to Trial Operation and shall include Transmission System information necessary to allow Interconnection Customer to select equipment and meet any system protection and stability requirements, unless otherwise agreed to by the Parties. On a monthly basis Transmission Provider shall provide Interconnection Customer a status report on the construction and installation of Transmission Provider's Interconnection Facilities and Network Upgrades, including, but not limited to, the following information: (1) progress to date; (2) a description of the activities since the last report (3) a description of the action items for the next period; and (4) the delivery status of equipment ordered.

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## **ARTICLE 25. INFORMATION ACCESS AND AUDIT RIGHTS**

- 25.1 Information Access.** Each Party (the "disclosing Party") shall make available to the other Parties information that is in the possession of the disclosing Party and is necessary in order for the other Parties to: (i) verify the costs incurred by the disclosing Party for which the other Parties are responsible under this 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 Parties 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 Parties 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 another Party, to audit at its own expense that other Party's accounts and records pertaining to either Party's performance or either Party's satisfaction of obligations under this LGIA. Such audit rights shall include audits of the other Party's costs, calculation of invoiced amounts, Transmission Provider's efforts to allocate responsibility for the provision of reactive support to the Transmission System, Transmission Provider's efforts to allocate responsibility for interruption or reduction of generation on the Transmission System, and each Party's actions in an Emergency Condition. Any audit authorized by this article shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to each Party's performance and satisfaction of obligations under this 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 Transmission Owner's Interconnection Facilities, and Network Upgrades shall be subject to audit for a period of twenty-four months following Transmission Owner's issuance of a final invoice in accordance with Article 12.2.

**25.4.2 Audit Rights Period for All Other Accounts and Records.** Accounts and records related to any Party's performance or satisfaction of all obligations under this 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 Parties for the performance of such subcontractor.

**26.2 Responsibility of Principal.** The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this LGIA. The hiring Party shall be fully responsible to the other Parties for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall Transmission Owner 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 Submission.** In the event any Party has a dispute, or asserts a claim, that arises out of or in connection with this LGIA or its performance, the Parties agree to resolve such dispute using the dispute resolution procedures 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 the laws of the state in which it is organized, formed, or incorporated, as applicable; that it is qualified to do business in the state or states in which the Large Generating Facility, Interconnection Facilities 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.** At least six (6) months prior to the expected Initial Synchronization Date, Interconnection Customer, Transmission Owner and Transmission Provider shall each appoint one representative and one alternate to the Joint Operating Committee. Each Party shall notify the other Parties of its appointment in writing. Such appointments may be changed at any time by similar notice. The Joint Operating Committee shall meet as necessary, but not less than once each calendar year, to carry out the duties set forth herein. The Joint Operating Committee shall hold a meeting at the request of any 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. All Parties shall cooperate in providing to the Joint Operating Committee all information required in the performance of the Joint Operating Committee's duties. All decisions and agreements, if any, made by the Joint Operating Committee, shall be evidenced in writing. The duties of the Joint Operating Committee shall include the following:

**29.1.1** Establish data requirements and operating record requirements.

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

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

**29.1.4** Coordinate the scheduling of maintenance and planned outages on the Interconnection Facilities, the Large Generating Facility and other facilities that impact the normal operation of the interconnection of the Large Generating Facility to the Transmission System.

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

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

## ARTICLE 30. MISCELLANEOUS

**30.1 Binding Effect.** This 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.

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- 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, constitutes the entire agreement among the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, among the Parties with respect to the subject matter of this LGIA. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, a Party's compliance with its obligations under this 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 a 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 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 three or more counterparts, each of which is deemed an original but all constitute one and the same instrument.
- 30.9 Amendment.** The Parties may by mutual agreement amend this LGIA by a written instrument duly executed by each of 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 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 another 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 among the Parties or to impose any partnership obligation or partnership liability upon any Party. No Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, another Party.

IN WITNESS WHEREOF, the Parties have executed this LGIA in triplicate originals, each of which shall constitute and be an original effective Agreement among the Parties.

**SOUTHWEST POWER POOL, INC.**

APPROVED  
TK  
BY

By: [Signature]  
Title: Executive Vice President and Chief Operating Officer  
Date: January 15, 2010

**Mid Kansas Electric Company (Transmission Owner)**

By: [Signature]  
Title: V.P. Transmission Policy Engineers  
Date: 12/11/09

**Kansas City Power & Light (Interconnection Customer)**

By: [Signature]  
Title: Sr. VP - Supply  
Date: 12/8/09

## APPENDIX A TO LGIA

### Interconnection Facilities, Network Upgrades and Distribution Upgrades

#### All Facilities Currently in Place and no further funding required

#### 1. Interconnection Facilities:

##### (a) Interconnection Customer's Interconnection Facilities:

- One (1) 230kV overhead transmission line from the Interconnection Customer's Interconnection Facilities to the Point-of-Interconnection and Point-of-Change-of-Ownership with the Transmission Owner; and
- All necessary relay, protection, control and communication systems required to protect Interconnection Customer's Generating Facilities and Interconnection Facilities and coordinate with Transmission Owner's relay, protection, control, and communication systems.

##### (b) Transmission Provider's Interconnection Facilities:

- Revenue Metering at Spearville Substation including (3) 230kV potential transformers and (3) 230kV current transformers.
- Dead end tower and miscellaneous terminal equipment at Spearville Substation

#### 2. Network Upgrades:

##### (a) Stand Alone Network Upgrades:

None

##### (b) Network Upgrades:

- 230kV circuit breaker addition to the ring bus at Spearville Substation

#### 3. Distribution Upgrades:

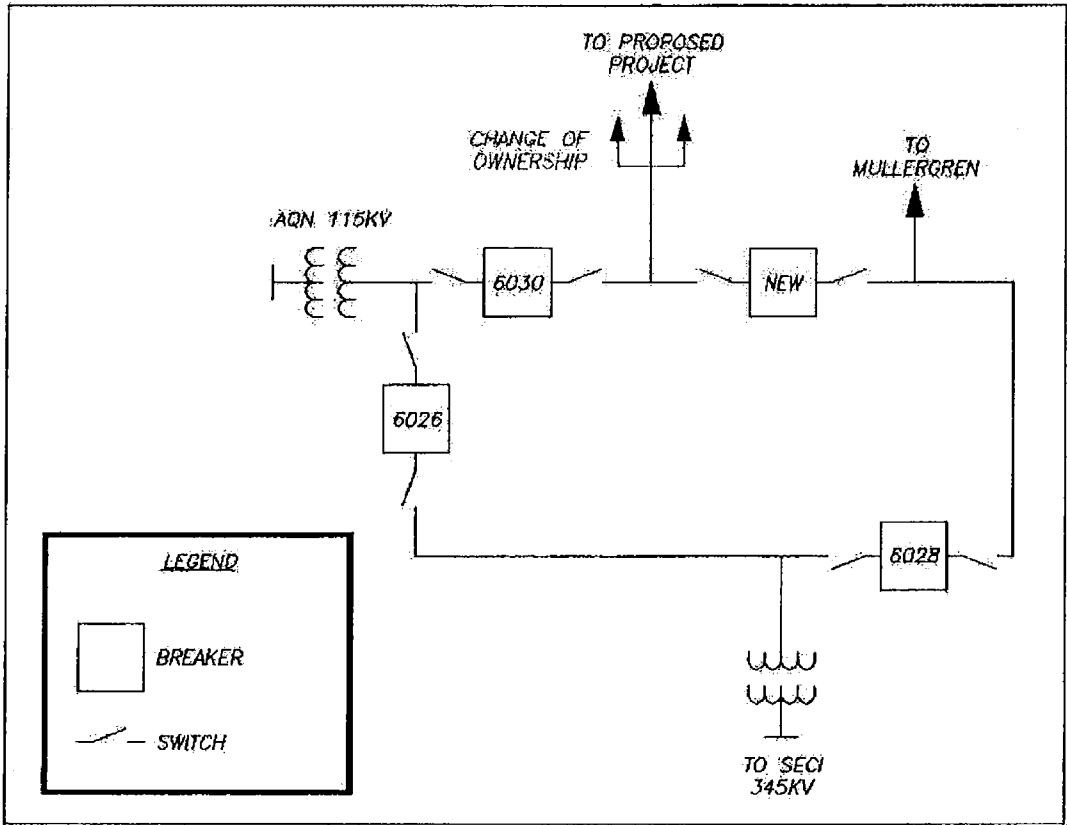
None

#### 4. Interconnection Service; Interconnection Customer has selected the following:

304.5 MW Energy Resource Interconnection Service  
\_\_\_ MW Network Resource Interconnection Service

**5. Termination Costs of LGIA (Original Service Agreement #1651)**

As the assignee of the LGIA among enXco Development Corporation, SPP, and MKEC designated as Original Service Agreement No. 1651 with an effective date of July 24, 2008 ("enXco LGIA"); Interconnection Customer shall be responsible for all Termination Costs specified in Article 2.4 of the enXco LGIA resulting from the termination of the enXco LGIA, including any Termination Costs billed to enXco Development Corporation.



**Figure A - 1 Spearville Substation showing the Point of Interconnection**

## Appendix B to LGIA

<u>Action</u>	<u>Party</u>	<u>Date</u>
Complete All Studies	Transmission Provider	Complete
COD Phase 1 (100.5 MW)	Interconnection Customer	Complete
COD Initial Segment of Phase 2 (48MW)	Interconnection Customer	Dec. 31, 2010 <sup>1</sup>
COD Second Segment of Phase 2 (100.5 MW)	Interconnection Customer	Sep. 30, 2011 <sup>2</sup>

<sup>1</sup> Interconnection Customer plans to add the 204 MW of Phase 2 capacity in segments rather than all at once. This date represents an extension of the original Commercial Operation Date of June 15, 2006 specified in the LGIA for the Interconnection Request associated with queue position GEN-2002-025A received by Aquila West Plains on October 31, 2002 and later transferred to SPP. Interconnection Customer may desire Commercial Operation of the Initial Segment of Phase 2 or a portion thereof prior or subsequent to the date specified above. In such event, Transmission Provider's approval of the revised Commercial Operation Date shall be required, which approval shall not unreasonably be withheld.

<sup>2</sup> Interconnection Customer plans to add the 204 MW of Phase 2 capacity in segments rather than all at once. This date represents an extension of the original Commercial Operation Date of December 31, 2009 specified in the LGIA for the Interconnection Request associated with queue position GEN-2004-014 received by SPP on April 22, 2004. Interconnection Customer may desire Commercial Operation of the Second Segment of Phase 2 or a portion thereof prior or subsequent to the date specified above. In such event, Transmission Provider's approval of the revised Commercial Operation Date shall be required, which approval shall not unreasonably be withheld.

Action	Party	Date
COD Final Segment of Phase 2 (55.5 MW)	Interconnection Customer	Dec. 31, 2012 <sup>3</sup>

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<sup>3</sup> Interconnection Customer plans to add the 204 MW of Phase 2 capacity in segments rather than all at once. This date represents an extension of the original Commercial Operation Date of December 31, 2009 specified in the LGIA for the Interconnection Request associated with queue position GEN-2004-014 received by SPP on April 22, 2004. Interconnection Customer may desire Commercial Operation of the Final Segment of Phase 2 or a portion thereof prior or subsequent to the date specified above. In such event, Transmission Provider's approval of the revised Commercial Operation Date shall be required, which approval shall not unreasonably be withheld.

## APPENDIX C TO LGIA

### Interconnection Details

This Appendix C is an integral part of the Interconnection and Operating Agreement among the Interconnection Customer, Transmission Provider and Transmission Owner.

**Generating Facility.** Interconnection Customer's Generating Facility will consist of two-hundred-three (203) G.E. 1.5 MW wind turbines. The first phase of the facility (100.5MW) will include the manufacturer's low voltage ride through LVRT I low voltage ride through setup.

The remaining turbines of the facility will be equipped with the manufacturer's LVRT II package to meet the requirements of Appendix G.

Each wind turbine will have a rated capacity of 1.5 MW, for a maximum total output of 304.5 MW from the Interconnection Customer's Generating Facility.

**Point of Change of Ownership.** The point of change of ownership shall be the point where the Interconnection Customer's 230kV transmission line connects to the Transmission Owner's dead-end tower.

**Point of Interconnection.** The Point of Interconnection will be the Mid Kansas Electric (MKEC) 230kV Ring Bus.

The unique requirements of each generation interconnection will dictate the establishment of mutually agreeable Interconnection Guidelines that further define the requirements of this Interconnection and Operating Agreement. The Interconnection Guidelines will address, but not be limited to, the following:

- (a) **Auxiliary Power;**  
Interconnection Customer will arrange for auxiliary power as allowed by the Kansas Corporation Commission, for periods when the Generating Facility is not generating.
- (b) **Capacity determination and verification (including ancillary services and certification);**  
If Interconnection Customer seeks to provide ancillary services, Interconnection Customer will obtain certification under the requirements of the Transmission Provider.
- (c) **Data reporting requirements;**  
As required by NERC Operating Policies, Transmission Provider Criteria, and responsible reliability entities.

- d) Grounding Requirements;**  
Interconnection Customer shall tie the ground for its transmission line to the Interconnection Customer's facility line to the ground grid of the Transmission Owner's Stand Alone Network Upgrades at a point provided by the Transmission Owner.
- e) Maintenance and Testing;**  
Transmission Owner will provide Interconnection Customer 30 days notice for planned maintenance and testing that will affect the ability of the generator to remain interconnected to the Transmission System. For emergency maintenance and testing, the Transmission Owner will provide notice as soon as the Transmission Owner is aware of the need for the emergency maintenance and testing. The Interconnection Customer will provide the Transmission Owner 30 days notice of an outage of the Interconnection Customer facilities that will require electrical clearance at the Interconnection Facility. In the event of the need for an emergency outage of the Generator Facilities, the Interconnection Customer will provide the Transmission Owner notice of the need for electrical clearance as soon as the Interconnection Customer is aware of the need for the outage. Nothing in this paragraph prohibits the Transmission Owner or the Interconnection Customer from opening their respective connection facilities without notice in the event of an Emergency Condition.
- f) Provision of ancillary services:**  
Nothing in this Agreement should be construed as obligating Transmission Owner to provide Ancillary Services to Interconnection Customer. Ancillary Services necessary to deliver the energy produced by the Generator Facilities over the Transmission System, if any, will be provided to Interconnection Customer or any entity purchasing or otherwise acquiring energy generated by the Generator Facilities pursuant to the provisions of the Transmission Provider's Open Access Transmission Tariff or any successor tariff. Phase 1 output of the Generator Facilities will be dynamically scheduled out of the Transmission Owner's control area. A portion of the Phase 2 Generator Facilities will also be dynamically scheduled out of the Transmission Owner's control area.
- g) Power Factor;**  
Refer to Appendix G.
- (h) Good Utility Practice;**  
The Interconnection Customer agrees to operate its facilities in accordance with Good Utility Practice. In the event the Transmission Provider or Transmission Owner determines that the Interconnection Customer is not operating its generation facilities in accordance with Good Utility Practice, or that its operating practices threaten the safety of persons or property or the integrity of the Transmission System, it may require disconnection of the generation facilities.

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## **Appendix D to LGIA**

### **Security Arrangements Details**

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

**Appendix E to LGIA**

**Commercial Operation Date**

**[Date]**

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

Mid-Kansas Electric Company, LLC  
c/o Noman Williams  
V.P. Transmission Services and Engineering  
Sunflower Electric Power Corporation  
P.O. Box 1020  
Hays, Kansas 67601

Re: Spearville Wind Project

Dear Mr. Monroe and Mr. Williams:

On **[Date]** **Kansas City Power & Light** has completed Trial Operation of the Spearville Wind Project Phase \_\_\_\_\_. This letter confirms that **Kansas City Power & Light** commenced Commercial Operation of the Spearville Wind Project Phase \_\_\_\_\_, effective as of **[Date plus one day]**.

Thank you.

**[Signature]**

Phillip Duncan  
Spearville Wind Project Manager  
Kansas City Power & Light Company  
P.O. Box 418679  
Kansas City, MO 64141-9679

Note: The Interconnection Customer anticipates staging the interconnection of the remaining 204 MW of wind generation and will complete the above form for each segment (or project) as that segment (or project) commences Commercial Operation.

President's Office

DEC 09 2009

Sunflower Electric Power

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**Appendix F to LGIA**

**ADDRESSES FOR DELIVERY OF NOTICES AND BILLINGS**

**Notices:**

Transmission Provider:

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

Transmission Owner:

Mid-Kansas Electric Company, LLC  
c/o Noman Williams  
V.P. Transmission Services and Engineering  
Sunflower Electric Power Corporation  
P.O. Box 1020  
Hays, Kansas 67601

Interconnection Customer:

Phillip Duncan  
Project Manager  
Kansas City Power & Light Company  
P.O. Box 418679  
Kansas City, MO 64141-9679

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

Transmission Provider:

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

**Transmission Owner:**

Mid-Kansas Electric Company, LLC  
c/o Noman Williams  
V.P. Transmission Services and Engineering  
Sunflower Electric Power Corporation  
P.O. Box 1020  
Hays, Kansas 67601

**Interconnection Customer:**

Phillip Duncan  
Project Manager  
Kansas City Power & Light Company  
P.O. Box 418679  
Kansas City, MO 64141-9679

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

Transmission Provider:

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

Transmission Owner

Mid-Kansas Electric Company, LLC  
c/o Noman Williams  
V.P. Transmission Services and Engineering  
Sunflower Electric Power Corporation  
P.O. Box 1020  
Hays, Kansas 67601

Interconnection Customer:

Phillip Duncan  
Project Manager  
Kansas City Power & Light Company  
P.O. Box 418679  
Kansas City, MO 64141-9679  
816-556-2054 (Office)  
816-812-7680 (Cell)  
[Facsimile: 816-556-2290]

**Operational Communications:** [Identify contacts for operations]

Transmission Provider:

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

**Transmission Owner:**

Mid-Kansas Electric Company, LLC  
c/o Bill Nolte  
Manager, System Operations  
Sunflower Electric Power Corporation  
P.O. Box 1649  
Garden City, Kansas 67846

**Interconnection Customer:**

Phillip Duncan  
Project Manager  
Kansas City Power & Light Company  
P.O. Box 418679  
Kansas City, MO 64141-9679  
816-556-2054 (Office)  
816-812-7680 (Cell)  
[Facsimile:816-556-2290]

**APPENDIX G to LGIA**  
**REQUIREMENTS OF GENERATORS RELYING ON NEWER TECHNOLOGIES**

Appendix G sets forth requirements and provisions specific to a wind generating plant. All other requirements of this LGIA continue to apply to wind generating plant interconnections.

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

**Transition Period LVRT Standard**

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

1. Wind generating plants are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 – 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to pre-fault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by the transmission provider. The maximum clearing time the wind generating plant shall be required to withstand for a three-phase fault shall be 9 cycles at a voltage as low as 0.15 p.u., as measured at the high side of the wind generating plant step-up transformer (i.e. the transformer that steps the voltage up to the transmission interconnection voltage or “GSU”), after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the transmission system.

2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU or to faults that would result in a voltage lower than 0.15 per unit on the high side of the GSU serving the facility.
3. Wind generating plants may be tripped after the fault period if this action is intended as part of a special protection system.
4. Wind generating plants may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static var Compensator, etc.) within the wind generating plant or by a combination of generator performance and additional equipment.
5. Existing individual generator units that are, or have been, interconnected to the Transmission System at the same location at the effective date of the Appendix G LVRT Standard are exempt from meeting the Appendix G LVRT Standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Appendix G LVRT Standard.

#### **Post-transition Period LVRT Standard**

All wind generating plants subject to FERC Order No. 661 and not covered by the transition period described above must meet the following requirements:

1. Wind generating plants are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 – 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by the transmission provider. The maximum clearing time the wind generating plant shall be required to withstand for a three phase fault shall be 9 cycles after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the transmission system. A wind generating plant shall remain interconnected during such a fault on the transmission system for a voltage level as low as zero volts, as measured at the high voltage side of the wind GSU.

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2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU.
3. Wind generating plants may be tripped after the fault period if this action is intended as part of a special protection system.
4. Wind generating plants may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static var Compensator) within the wind generating plant or by a combination of generator performance and additional equipment.
5. Existing individual generator units that are, or have been, interconnected to the Transmission System at the same location at the effective date of the Appendix G LVRT Standard are exempt from meeting the Appendix G LVRT Standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Appendix G LVRT Standard

**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 Provider, or a combination of the two. The Interconnection Customer shall not disable power factor equipment while the wind plant is in operation. Wind plants shall also be able to provide sufficient dynamic voltage support in lieu of the power system stabilizer and automatic voltage regulation at the generator excitation system if the System Impact Study shows this to be required for system safety or reliability.

**iii. Supervisory Control and Data Acquisition (SCADA) Capability**

The wind plant shall provide SCADA capability to transmit data and receive instructions from the Transmission Provider to protect system reliability. The Transmission Provider and the wind plant Interconnection Customer shall determine what SCADA information is essential for the proposed wind plant, taking into account the size of the plant and its characteristics, location, and importance in maintaining generation resource adequacy and transmission system reliability in its area.

**SCHEDULE RNB-1; pp. 102-746  
THESE DOCUMENTS CONTAIN  
CONFIDENTIAL INFORMATION NOT  
AVAILABLE TO THE PUBLIC  
ORIGINAL FILED UNDER SEAL**