600001

INTERCONNECTION AGREEMENT

BETWEEN

THE CITY OF DENTON, TEXAS

AND

TEXAS MUNICIPAL POWER AGENCY

This Interconnection Agreement **("Agreement")** is made and entered into this 18 day of April, 2017, **("Effective Date")** between the City of Denton, a Texas home-rule municipal corporation which owns and operates a municipal electric utility known as "Denton Municipal Electric ", ("Member City") and the Texas Municipal Power Agency (**"TMPA"**), each hereinafter sometimes referred to individually as "Party" or both referred to collectively as the "Parties".

Recitals

The Parties have executed this Interconnection Agreement in order to provide for the interconnection of their transmission facilities and to define the rights and obligations of the Parties with respect thereto.

NOW, THEREFORE, in consideration of the mutual obligations of the Parties, the Parties agree as follows:

ARTICLE 1. DEFINITIONS

Capitalized terms shall have the meanings as set forth below, except as otherwise specified in the Agreement:

1.1 **"Agreement"** means this Interconnection Agreement, including all attachments hereto, as the same may be amended, supplemented, or modified.

1.2 **"Confidential Information"** shall have the meaning set forth in Section 15.1 hereof.

1.3 **"Distribution System"** shall mean an electrical system operating below 60,000 volts (60kV) Steady-State Voltage, when measured phase-to-phase.

1.4 **"Distribution System Control Center"** shall mean the electric Distribution System Control Center(s) that is/are responsible for monitoring and controlling the Distribution System in real time.

1.5 **"Emergency"** means a condition or situation that in the reasonable good faith determination of the affected Party in accordance with Good Utility Practice contributes to an existing or imminent physical threat of danger to life or a significant threat to health, property or the environment.

1.6 **"ERCOT"** shall mean the Electric Reliability Council of Texas or its successor in function.

1.7 **"ERCOT Nodal Operating Guides"** shall mean those operating and metering guides promulgated by ERCOT relating to practices to be followed in the operation of the interconnected systems of the member utilities of ERCOT, in effect and as amended from time to time, and any successor guides or rules of ERCOT applicable to the same subject matter.

1.8 **"ERCOT Protocols"** shall mean the documents adopted by ERCOT, including any attachments or referenced exhibits, in effect and as amended from time to time that contain the scheduling, operating, planning, reliability, settlement policies, rules, guidelines, procedures, standards, and criteria of ERCOT, and any successor rules of ERCOT applicable to the same subject matter.

1.9 **"Facility Schedule"** shall specify for each Point of Interconnection the facilities to be provided by the Parties, the ownership thereof, the nominal voltage at the interconnection, the method of metering, the operating and maintenance responsibilities of each Party with respect to each Point of Interconnection, and such other terms and conditions as are deemed mutually agreeable by the Parties.

1.10 **"FERC"** shall mean the Federal Energy Regulatory Commission or its successor federal agency.

1.11 **"Good Utility Practice"** shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region. Good Utility Practice shall include, but not be limited to, conformance with the applicable and consistently applied reliability criteria, standards and operating guides of ERCOT and the North American Electric Reliability Corporation, or successor organization(s).

1.12 **"Governmental Authority"** shall mean any foreign, federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, arbitrating body, or other governmental authority; provided such entity possesses valid jurisdictional authority to regulate the Parties and the terms and conditions of this Agreement.

1.13 **"Interconnection Equipment"** shall mean all the equipment that is necessary for the interconnection of the Distribution System to the Transmission System which is located at the substations listed in Exhibit ___ hereto as it may be revised from time to time.

1.14 **"NERC"** shall mean the North American Electric Reliability Corporation or its successor.

1.15 **"Party or Parties"** shall have the meaning set forth in the introductory paragraph of this Agreement.

1.16 **"Person"** shall mean any individual, governmental legal entity, or private legal entity.

1.17 **"Planned Outage"** shall mean action by a Party to take its equipment, facilities or systems out of service, partially or completely, to perform work on specific components that is scheduled in advance and has a predetermined start date and duration. Planned Outage shall not include the construction of new facilities or system elements, the modification of existing facilities or system elements addressed in Article 5, which includes, but is not limited to, activities associated with the construction of third party facilities or with the modifications required to accommodate third party facilities.

1.18 **"Point(s) of Interconnection"** shall mean the interconnection location(s) specified on Exhibit A hereto and the attached Facility Schedules where the Parties interconnect their facilities.

1.19 **"Protective Relay"** is a device which detects abnormal power system conditions and, in response, initiates automatic control action.

1.20 **"Protective Relay System"** is a group of Protective Relays and associated sensing devices and communications equipment that detects system abnormalities and performs automatic control action to mitigate or reduce adverse effects of such abnormalities.

1.21 **"PUCT"** shall mean the Public Utility Commission of Texas or its successor in function.

1.22 **"PUCT Substantive Rule(s)"** shall mean Substantive Rules as promulgated by the Public Utility Commission of Texas ("PUCT"), in effect and as amended from time to time, and any successor rules of the PUCT applicable to this Agreement.

1.23 **"Qualified Personnel"** shall mean individuals trained for their positions in accordance with Good Utility Practice.

1.24 **"Release"** shall mean, spill, leak, discharge, dispose of, pump, pour, emit, empty, inject, leach, dump, or allow to escape into or through the environment.

1.25 **"RTU – Remote Terminal Units"** shall mean a device connected by a communication system to one or more master computers with appropriate software placed at various locations to collect data and perform remote control. It may also perform intelligent autonomous control of electrical systems and report the results back to the master computer(s).

1.26 **"Steady-State Voltage"** shall mean the value of a voltage after all transients have decayed to a negligible value. The root-mean-square value in the steady-state does not vary with time.

1.27 **"SCADA"** shall mean a supervisory control and data acquisition system that provides data acquisition, supervisory control and alarm display and control from remote field locations to control centers.

1.28 **"TCOS"** Transmission Cost of Service, as defined by the Public Utility Commission of Texas ("PUCT"), in effect and as amended from time to time, and any successor rules of the PUCT applicable to this Agreement, are costs incurred by an electric utility, a municipally-owned utility, or an electric cooperative to own, operate, and maintain facilities for the transmission of electric energy at or above 60,000 (60 KV) volts when measured phase-to-phase.

1.29 **"Telemetry"** shall have the meaning set forth in the ERCOT Nodal Operating Guides.

1.30 **"Transmission System"** shall mean an electrical system operating at 60,000 volts (60kV) or above Steady-State Voltage, when measured phase-to-phase.

1.31 **"Transmission System Operations Center(s)"** shall mean the electric Transmission System control center(s) that is/are responsible for monitoring and controlling the transmission System in real time.

ARTICLE 2. ESTABLISHMENT, MODIFICATION AND TERMINATION OF POINTS OF INTERCONNECTION

2.1 The Parties agree to interconnect their facilities at the locations and in accordance with the terms and conditions, specified on Exhibit A hereto and the attached Facility Schedules (the "Points of Interconnection").

2.2 The Parties agree to comply with NERC Reliability Standards as they relate to the Points of Interconnection and to operate and maintain all Points of Interconnection of their facilities at the locations identified and described on Exhibit A and the Facility Schedules attached hereto and incorporated herein.

2.3 Upon termination of this Agreement, each Party shall discontinue the use of the facilities of the other and shall disconnect the Point(s) of Interconnection. The Parties agree to use reasonable efforts to coordinate the termination of a Point of Interconnection to minimize any disruption in service to either Party. Any TCOS recovery obligations in this Agreement shall survive termination of this Agreement until such obligations are fulfilled in accordance to the provisions in the applicable Facility Schedule.

2.4 Subject to regulatory approval, if required, unless mutually agreed, neither party shall have the right to disconnect from the other Party at any Point of Interconnection specified on Exhibit A and a Facility Schedule, originally attached to this Agreement or added subsequent to the execution of this Agreement, except as set forth in Section 4.9 herein, or for reason of a material violation of the terms of this Agreement, for which opportuity to correct such violation was given under Paragraph 14.2 of this Agreement and such violation was not corrected in accordance with said Paragraph 14.2.

2.5 This Agreement may be amended only upon mutual agreement by the Parties, which amendment will not be effective until reduced to writing and executed by both Parties. From time to time, a Point of Interconnection may be added, changed, modified, or deleted from this Agreement as mutually agreed to in writing by the Parties and/or as ordered by a regulatory authority having jurisdiction thereof. Any such change, addition, or deletion shall be recorded in an amenment to this Agreement incorporating Exhibit A and a Facility Schedule in such a way that the numbering of the other Facility Schedules is not changed. Prior to such addition, deletion, or change of a Point of Interconnection, the Parties shall engage in coordinated joint planning studies to evaluate the impact of such addition, deletion, or change and identify any mitigation measures (including but not limited to new or upgraded facilities) that might be needed in conjunction therwith. Such Point of Interconnection will not be connected, disconnected, or changed until the valuation process described in the preceding sentence has been completed, all required mitigating measures have been implemented, any required regulatory approval has been obtained, and the appropriate Facility Schedule has been added, terminated, or amended, as the case may be.

2.6 Either Party may request the other Party to upgrade or modify its terminal facilities at a Point of Interconnection in accordance with the other Party's standard design of equipment and practice, provided that the upgrade or modification is consistent with Good Utility Practice and, if applicable, approved by the ERCOT Regional Planning Group or its successor in function. The requesting Party shall provide the responsive Party a minimum of at least three (3) years notice of the upgrade or modification of its terminal facilities at a Point of Interconnection. A shorter notice term is acceptable but only by mutual acceptance of both Parties. Such request shall not be unreasonably denied.

2.7 The responsibilities of the Parties for the costs associated with the establishment of each Point of Interconnection shall be as specified in the applicable Facility

Schedule. Both Parties agree that each Point of Interconnection will be established, constructed and maintained in conformance with the ERCOT Nodal Operating Guides and ERCOT Protocols.

2.8 Unless otherwise provided in a Facility Schedule, each Party shall, at each Point of Interconnection, at its own risk and expense, design, install, or cause the design and installation of the transmission or distribution facilities (including all apparatus and necessary protective devices) on its side of the Point of Interconnection, so as to reasonably minimize the likelihood of voltage and frequency abnormalities, originating in the system of one Party, from affecting or impairing the system of the other Party, or other systems to which the system of such Party is interconnected. The Parties agree to cause their systems to be constructed in accordance with specifications at least equal to those provided by the National Electrical Safety Code, as approved by the American National Standards Institute, in effect at the time of construction.

2.9 Unidirectional or bi-directional operation for each Point of Interconnection shall be specified on the applicable Facility Schedule.

2.10 This Agreement, including all attached Exhibits and Facility Schedules, which are expressly made a part hereof for all purposes, constitutes the entire agreement and understanding between the Parties with regard to the interconnection of the facilities of the Parties at the Points of Interconnection expressly provided for in this Agreement. This Agreement replaces all other agreements and undertakings, oral and written, between the Parties with regard to the subject matter hereof. It is expressly acknowledged that the Parties may have other agreements covering other services not expressly provided for herein, which agreements are unaffected by this Agreement.

ARTICLE 3. SYSTEM OPERATION AND MAINTENANCE

3.1 Each Party will, at its own cost and expense, operate, maintain, repair, and inspect the transmission and distribution lines and related facilities which it now or hereafter may own located at or connected to each Point of Interconnection, unless otherwise specified on the applicable Facility Schedule.

3.2 All operation and maintenance activities will be the financial responsibility of the owning Party except as otherwise expressly agreed.

3.3 Operational responsibility for facilities owned by one Party, but installed in another Party's substation or transmission line will be identified in the Facility Schedule for that particular Point of Interconnection.

3.4 Maintenance by either Party that will cause a deviation from normal power and energy flow at a Point of Interconnection will be scheduled at a mutually agreeable time. Emergency operations shall be in accordance with the applicable provisions in the ERCOT Nodal Operating Guides. No changes will be made in

the normal operation of a Point of Interconnection without the mutual agreement of the Parties.

3.5 The Parties will review, coordinate, and exchange equipment specifications, operating limits, protective relaying information and settings, and other information necessary affecting the establishment of, and interconnected operations of, the Points of Interconnections. Each Party will coordinate the protective devices of the lines and facilities it owns and operates at each Point of Interconnection.

3.6 Each Party shall operate any equipment that might reasonably be expected to have impact on the operations of the other Party in a safe and efficient manner and in accordance with all applicable federal, state, and local laws, NERC and ERCOT Nodal Operating Guides, and Good Utility Practice, and otherwise in accordance with the terms of this Agreement. Each Party shall comply with the reasonable requests, orders, directives and requirements of the other Party, which are authorized under this Agreement.

3.7 Each Party covenants and agrees to, consistent with Good Utility Practice, design, install, maintain, and operate, or cause the design, installation, maintenance, and operation of its Transmission System and Distribution System and related facilities so as to maintain continuity of service to their respective customers and to minimize the likelihood of a disturbance originating in the system of one Party affecting or impairing the system of the other Party, or other systems with which the Party is interconnected.

3.8 The Parties shall design, install, test, calibrate, set, and maintain their respective Protective Relay equipment in accordance with Good Utility Practice and applicable federal, state or local laws and this Agreement. In the case of jointly owned relaying equipment, the Party having direction and control thereof shall design, install, calibrate, set, and maintain Protective Relay equipment in accordance with Good Utility Practice.

3.9 The Parties shall design, install, test, calibrate, program, and maintain their respective Metering equipment in accordance with Good Utility Practice and applicable federal, state or local laws and this Agreement.

3.10 Each Party will provide the reactive requirements for its own system as required by the PUCT or by the ERCOT Nodal Operating Guides and ERCOT Protocols.

3.11 The operation of either Party's facilities shall not cause a synchronous interconnection between ERCOT and any other transmission facilities operated outside of ERCOT. Any such interconnection will give either Party the right to immediately disconnect the affected Point(s) of Interconnection until such interconnection is removed.

3.12 In accordance with Good Utility Practice, each Party may, in close cooperation with the other, remove from service its system elements that may impact the other Party's system as necessary to perform maintenance or testing or to replace installed equipment. Absent the existence of an Emergency, the Party scheduling a removal of a system element from service will schedule such removal on a date mutually acceptable to both Parties, in accordance with Good Utility Practice.

3.13 The Parties shall use best efforts in accordance with Good Utility Practice to coordinate operations in the event of any Forced or Planned Outage that affects the other Party's system.

ARTICLE 4. PROTECTIVE RELAYING AND CONTROL

4.1 The Parties shall, in accordance with Good Utility Practice, coordinate, review and approve all new Protective Relaying equipment, including equipment settings, Protective Relaying schemes, drawings, and functionality associated with each Interconnection Point. When existing equipment or schemes are replaced or when new equipment or schemes are installed per this Article 4 or in association with new Interconnection Points, then the terms and conditions of Article 4 shall apply. Each Party shall incur the expense for the work on its system.

4.2 TMPA (itself or via a contracted party) shall own, operate, maintain and test those Protective Relay Systems that control its breakers or equivalent protective devices. Member City shall own, operate, maintain, and test those Protective Relay Systems that control its breakers or equivalent protective devices governed by this Article 4. The Parties shall maintain, and, as necessary, upgrade their respective Protective Relay Systems and shall provide the other Party with access to available copies of operation and maintenance manuals and test records for all relay equipment upon request. TMPA will provide protective relay settings for the relays that control breakers or equivalent protective devices owned by Member City that also protect TMPA's equipment. Member City will review and apply the settings.

4.3 The owner of the line will provide the relay communication channel necessary for line protection at its expense.

4.4 The Parties shall test their respective relays associated with the Interconnection Points for correct calibration and operation. Parties shall coordinate design, installation, operation, and testing of Protective Relaying schemes to insure that such relays operate in a coordinated manner so as to not cause adverse operating conditions on the other Party's system.

4.5 Each Party shall be responsible for Protective Relay maintenance, calibration and functional testing of relay systems that protect its equipment associated with the Interconnection Points and that protect the other Party from the Party's Interconnection Equipment to the extent such calibration and testing are in accordance with Good Utility Practice. All such maintenance and testing must be

performed by Qualified Personnel selected by each Party. In addition, each Party shall allow the other Party to conduct visual inspection of all Protective Relays and associated maintenance records directly related to the interconnection. Related maintenance and operational records shall be maintained by each Party in accordance with Good Utility Practice. Upon completion of Protective Relay calibration testing and relay functional testing, each Party shall make available copies of test reports and related records for review by the other Party upon request.

4.6 (a) As TMPA's system protection requirements change, TMPA will upgrade its Protective Relaying System in accordance with Good Utility Practice. If these upgrades affect the serviceability and acceptability of the Protective Relaying Systems on the Interconnection Equipment which may be installed, owned, and operated by the Member City, then the Member City must upgrade its Protective Relaying Systems at its expense as necessary to bring them into compatibility with that installed by TMPA. TMPA shall give the Member City notice of such upgrade as soon as practicable prior to the anticipated date of such upgrade.

(b) As the Member City's system protection requirements change, the Member City will upgrade its Protective Relaying System in accordance with Good Utility Practice. If these upgrades affect the serviceability and acceptability of the Protective Relaying Systems on the Interconnection Equipment which may be installed, owned, and operated by TMPA, then TMPA must upgrade its Protective Relaying Systems at its expense as necessary to bring them into compatibility with that installed by the Member City. The Member City shall give TMPA notice of such upgrade as soon as practicable prior to the anticipated date of such upgrade.

4.7 Each Party shall permit duly authorized representatives and employees of the other Party to enter upon its premises for the purpose of inspecting, testing, repairing, renewing or exchanging any or all of the equipment owned by such other Party that is located on such premises or for the purpose of performing any work necessary in the performance of this Agreement.

4.8 During periods of emergency conditions declared by ERCOT or as necessary to restore customer service, either Party may operate equipment that is normally operated by the other Party, provided that authorization to do so must first be received from the Party that normally operates the equipment, such authorization not to be unreasonably withheld or delayed. It shall be considered reasonable for the Party that normally operates such equipment to deny such a request by the other Party if the withholding Party will provide such operation within the time frame called for in the circumstances. Such operations by the other Party will be at no cost to the owner or normal operator of the equipment.

4.9 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 to in writing by the Parties.

ARTICLE 5. NEW CONSTRUCTION AND MODIFICATION

5.1 Subject to this Article 5, TMPA may construct additional Transmission System elements or modify the existing Transmission System and Member City may construct additional Transmission System elements or Distribution System elements or modify the existing Transmission System or Distribution System. All such modifications and construction provided for herein shall be conducted in accordance with Good Utility Practice and all applicable NERC and ERCOT standards. The Party that modifies the system elements or constructs new system elements is obligated to maintain the transmission, distribution and communications capabilities of the other Party in accordance with Good Utility Practice to avoid or minimize any adverse impact on the other Party.

5.2 Notwithstanding the foregoing, no modifications to or new construction of facilities or access thereto, including but not limited to rights-of-way, fences, and gates, shall be made by either Party which might reasonably be expected to have a material effect upon the other Party with respect to operations or performance under this Agreement, without providing the other Party with sufficient information regarding the work prior to commencement to enable such Party to evaluate the impact of the proposed work on its operations. The information provided must be of sufficient detail to satisfy reasonable TMPA or Member City review and operational requirements. Each Party shall use reasonable efforts to minimize any adverse impact on the other Party.

5.3 If any Party intends to install any new facilities, equipment, systems, or circuits or any modifications to existing or future facilities, equipment, systems or circuits that could reasonably be expected to have a material effect upon the operation of the other Party, the Party desiring to perform said work shall, in addition to the requirements of Section 5.2, provide the other Party with drawings, plans, specifications and other necessary documentation for review at least 60 days prior to the start of the construction of any such installation. This notice period shall not apply to modifications or new installations made to resolve or prevent pending Emergency Conditions.

5.4 The Party reviewing any drawings, plans, specifications, or other necessary documentation for review shall promptly review the same and provide any comments to the performing Party no later than 30 days prior to the start of the construction of any installation. All such reviews shall be performed at no cost to either Party. The performing Party shall incorporate all requested modifications to the extent required in accordance with Good Utility Practice and compliance with this Agreement.

5.5 Within 180 days following placing in-service of any modification or construction subject to this Article 5, the Party initiating the work shall provide "as built" drawings, plans and related technical data to the other Party. Approval or review of any document referenced herein shall not relieve the initiating Party of its responsibility for the design or construction of any proposed facility.

5.6 Each Party shall, at its own expense, have the right to inspect or observe all maintenance activities, equipment tests, installation work, construction work, and modification work to the facilities of the other Party that could have a material effect upon the facilities or operations of the first Party.

5.7 If any test or inspection of metering equipment shows that it does not meet the accuracy requirements established by the ERCOT Protocols and ERCOT Operating Guides, the meter or other equipment found to be inaccurate or defective shall be promptly repaired, adjusted, or replaced by the owner. Should metering equimment fail to register, the power and energy delivered and received shall be determined in accordance with the ERCOT Protocols and ERCOT Operating Guides.

5.8 Each Party shall provide, at its own expense, the necessary communication and telemetering facilities needed for the control and operation of its transmission and/or distribution system.

5.9 All communication and telemetering facilities required herein shall be selected, installed, tested, operated, and maintained by the Party owning such equipment in accordance with Good Utility Practice and ERCOT Protocols and ERCOT Guides.

5.10 Construction and installation of any facility shall meet all or exceed all environmental permitting requirements, reviews or approvals as required by Federal, State or local law prior to the installation of such facilities. The Parties agree to coordinate environmental permitting related activities such as site review for regulated resources, permit application and project oversight (e.g. monitoring as applicable).

5.11 Any and all equipment, apparatus, and devices placed or installed, or caused to be placed or installed by one Party on, or in, the premises of the other Party, shall be and remain the property of the Party owning and installing such equipment, apparatus, devices, or facilities, regardless of the mode and manner of annexation or attachment to real property. Upon the termination of any Point of Interconnection under this Agreement, the Party owning and installing such equipment, apparatus, devices, or facilities on the property of the other Party, shall 1) have the right to sell such equipment, apparatus, devices, or facilities to the other Party if the other Party wishes to purchase such equipment, apparatus, devices, or facilities or 2) to enter the premises of the other Party and, within a reasonable time, remove such equipment, apparatus, devices, or facilities, at no

cost to the owner of the premises. If, upon the termination of any Point of Interconnection uner this Agreement, equipment of a Party that is installed on the premises of the other Party is neither sold to the other Party nor removed by the owning Party within a reasonable time, it shall be considered abandoned by the owning Party and may be disposed of by the other Party in the manner it shall determine appropriate; provided, however, that any net cost incurred by the disposing Party shall be reimbursed by the abandoning Party.

ARTICLE 6. ACCESS TO FACILITIES

6.1 The Parties hereby agree to provide each other reasonable access to their respective property as may be necessary and appropriate to enable each Party to install, operate and maintain its respective facilities and equipment required for the performance of the Agreement. Such right of access shall be provided in a manner so as not to unreasonably interfere with either Party's ongoing business operations, rights and obligations.

6.2 Each Party shall provide the other Party keys, access codes or other access methods necessary to enter the other Party's facilities to exercise rights under this Agreement. Access shall only be granted to Qualified Personnel.

ARTICLE 7. NOTIFICATIONS AND REPORTING

7.1 Notice to TMPA shall be to TMPA's Representative, at the addresses identified in Article 19. Notice to the Member City shall be to the Member City's Representative, at the addresses identified in Article 19.

7.2 Each Party shall provide prompt notice describing the nature and extent of the condition, the impact on operations, and all corrective action, to the other Party of any Emergency Condition which may be reasonably anticipated to affect the other Party's equipment, facilities or operations. Either Party may take reasonable and necessary action, both on its own and the other Party's system, equipment, and facilities, to prevent, avoid or mitigate injury, danger, damage or loss to its own equipment and facilities, or to expedite restoration of service; provided however, that the Party taking such action shall give the other Party prior notice, if at all possible, before taking any action on the other Party's system, equipment, or facilities.

7.3 In the event of an Emergency Condition contemplated by Section 7.2, each Party shall provide the other with such information, documents, and data necessary for operation of the Transmission System and Distribution System, including, without limitation, such information which is to be supplied to any Governmental Authority, NERC, ERCOT, or Transmission System Operations Center or Distribution System Control Center.

7.4 In order to continue interconnection of the Distribution System and Transmission System, each Party shall promptly provide the other Party with all relevant

information, documents, or data regarding the Distribution System and the Transmission System that would be expected to affect the Distribution System or Transmission System, and which is reasonably requested by NERC, ERCOT, or any Governmental Authority having jurisdiction.

7.5 For routine maintenance and inspection activities on either Party's system that will require major equipment or system outages, and could impact the other Party's system, the Party performing the same shall provide the other Party with not less than seventy-two (72) hours prior notice, if practicable.

7.6 TMPA shall notify Member City prior to entering Member City's facilities for routine measurements, inspections and meter reads in accordance with the requirements of Section 7.5. Member City shall notify TMPA prior to entering TMPA's facilities, including switchyards, for routine maintenance, operations, measurements, inspections and meter reads, in accordance with the requirements of Section 7.5.

7.7 Each Party shall provide prompt verbal notice to the other Party of any system alarm that applies to the other Party's equipment, unless the system alarm is automatically sent to the other Party.

7.8 Each Party shall provide a report or a copy of the available data from a system events recorder, voice recordings, SCADA system sequence of events or digital fault recorder that applies to the other Party's equipment or system operation.

ARTICLE 8. SAFETY

8.1 Each Party agrees that all work performed by either Party that may reasonably be expected to affect the other Party shall be performed in accordance with Good Utility Practice and all applicable laws, regulations, safety standards, practices and procedures and other requirements pertaining to the safety of Persons or property, (including, but only to the extent applicable, those of the Occupational Safety and Health Administration, the National Electrical Safety Code and those developed or accepted by TMPA and Member City for use on their respective systems) when entering or working in the other Party's property or facilities or switching area. A Party performing work within the boundaries of the other Party's facilities must abide by the safety rules applicable to the site.

8.2 Each Party shall be solely responsible for the safety and supervision of its own employees, agents, representatives, and subcontractors.

8.3 TMPA shall immediately report any injuries that occur while working on Member City's property or facilities or switching area to appropriate agencies and Member City's site representative. Member City shall immediately report any injuries that occur while working on TMPA's property or facilities or switching area to appropriate agencies and TMPA's Site Representative.

8.4 Each Party will provide the other with its clearing/tagging/lockout procedures. For clearances requested or initiated by Member City on Member City's equipment that utilizes TMPA's equipment as an isolation device, Member City procedures shall govern. For clearances requested or initiated by TMPA on TMPA's equipment that utilizes Member City's equipment as an isolation device, TMPA procedures shall govern. Under no circumstances shall either Party remove the other Party's protective tags without proper authorization.

ARTICLE 9. ENVIRONMENTAL COMPLIANCE AND PROCEDURES

9.1 Release Prevention and Response. Each Party shall notify the other Party, verbally within 24 hours upon discovery of any Release of any Regulated Substance caused by the Party's operations or equipment that impacts the property or facilities of the other Party, or which may migrate to, or adversely impact the property, facilities or operations of the other Party and shall promptly furnish to the other Party copies of any reports filed with any governmental agencies addressing such events. Such verbal notification shall be followed by written notification within five (5) days. The Party responsible for the Release of any Regulated Substance on the property or facilities of the other Party, or which may migrate to, or adversely impact the property, facilities or operations of the other Party shall be responsible for: (1) the cost and completion of reasonable remediation or abatement activity for that Release, and; (2) required notifications to governmental agencies and submitting of all reports or filings required by environmental laws for that Release. Advance written notification (except in Emergency situations, in which verbal, followed by written notification, shall be provided as soon as practicable) shall be provided to the other Party by the Party responsible for any remediation or abatement activity on the property or facilities of the other Party, or which may adversely impact the property, facilities, or operations of the other Party. Except in Emergency situations such remediation or abatement activity shall be performed only with the consent of the Party owning the affected property or facilities.

9.2 The Parties agree to coordinate, to the extent necessary, the preparation of site plans, reports, environmental permits, clearances and notifications required by federal and state law or regulation, including but not limited to Spill Prevention, Control and Countermeasures (SPCC), Storm Water Pollution Prevention Plans (SWPP), CERCLA, EPCRA, TSCA, soil erosion and sedimentation control plans (SESC) or activities, wetland or other water-related permits, threatened or endangered species reviews or management and archeological clearances or notifications required by any regulatory agency or competent jurisdiction. Notification of permits applied for and/or received will occur in a timeframe manner suitable to the interests of both Parties.

ARTICLE 10. OTHER SERVICES

10.1 This Agreement is applicable only to the interconnection of the facilities of the Parties at the Points of Interconnection as defined by the Facility Schedules and

does not obligate the Parties to provide, or entitle the Parties to receive, any service not expressly provided for herein. Each Party is responsible for making the arrangements necessary for it to receive any other service that it may desire from the other Party or any third party.

10.2 Each Facility Schedule shall indicate whether any other tariffs, services or rates apply at each Point of Interconnection.

10.3 All transmission, transformation, distribution, metering, operations, and maintenance, engineering, billing or other miscellanious services will be provided and charged under agreements separate from this Agreement.

ARTICLE 11. INDEMNIFICATION

11.1 Except as prohibited by the Constitution and/or statutes of the State of Texas, the provisions of PUCT Substantive Rule 25.202, or its successor in function, in effect and as amended from time to time throughout the term of this Agreement, shall govern the liabilities of each Party, including any liabilities for damages in the event of any act beyond such Party's control, and the obligation of each Party to indemnify the other in the event of losses resulting from negligence or other fault in the design, construction or operation of their respective facilities.

11.2 Any and all implied warranties are disclaimed by the Parties, including, without limitation, the implied warranties of **MERCHANTABILITY AND FITNESS FOR PARTICULAR PURPOSE.**

ARTICLE 12. SUCCESSORS AND ASSIGNS

12.1 This Agreement is not intended to and does not create any rights, remedies, or benefits whatsoever in favor of any persons or entities other than the Parties to this Agreement. A Party's rights under this Agreement may not be assigned without the written consent of the other Party. The rights and obligations of this Agreement are solely for the use and benefit of, and shall be binding upon, the Parties, their successors-in-interest and, where permitted, their assigns.

12.2 This Agreement shall not be interpreted or construed to create an association, joint venture or partnership between the Parties, nor to impose any partnership obligations or liability on either Party. Furthermore, neither Party shall have any right, power, or authority to enter into any agreement or undertaking for or on behalf of, to act as or be an agent or representative of, or to otherwise bind the other Party.

ARTICLE 13. GOVERNING LAW AND REGULATION

13.1 This Agreement was executed in the State of Texas and must in all respects be governed by, interpreted, construed, and enforced in accordance with the laws thereof, without regard to conflicts of law principles, except as to matters exclusively controlled by the Constitution and statutes of the United States of

America. This Agreement is subject to all valid, applicable federal, state, and local laws, ordinances, and rules and regulations of duly constituted regulatory authorities having jurisdiction.

13.2 This Agreement and all obligations hereunder are expressly conditioned upon obtaining approval or authorization or acceptance for filing by any regulatory body whose approval, authorization or acceptance for filing is required by law. Both Parties hereby agree to support the approval of the Agreement before such regulatory authority and to provide such documents, information, and opinions as may be reasonably required or requested by either Party in the course of approval proceedings.

13.3 In the event a Court of competent jurisdiction declares any part of this Agreement invalid, the remainder of said Agreement shall remain in full force and effect and shall constitute a binding agreement between the Parties.

ARTICLE 14. DEFAULT AND FORCE MAJEURE

14.1 Neither Party shall be considered in default with respect to any obligation hereunder, other than the payment of money, if prevented from fulfilling such obligation by reason of any cause beyond its reasonable control including, but not limited to, outages or interruptions due to weather, accidents, equipment failures or threat of failure, strikes, civil unrest, injunctions or order of governmental authority having jurisdiction. If performance by either Party has been prevented by such event, the affected Party shall promptly and diligently attempt to remove the cause of its failure to perform, except that neither TMPA nor Member City shall be obligated to agree to any quick settlement of any strike or labor disturbance, which, in the affected Party's opinion, may be inadvisable or detrimental, or to appeal from any administrative or judicial ruling.

14.2 Should either of the Parties hereto violate any material provisions of this Agreement, the other Party shall give written notice to the violating Party specifying the violation. Upon actual receipt of the Notice of Violation, such Party shall have one hundred eighty (180) days to correct such violation. In the event such violation of this Agreement is not corrected by the expiration of said one hundred eighty (180) days, this Agreement, subject to the applicable regulations of any jurisdictional regulatory authority, may be terminated by giving no less than sixty (60) days written notice of the Intention To Terminate, but no other remedy or remedies, available under the law, for such violation shall be limited in any way because of this provision or the exercise of the right conferred hereunder.

14.3 The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered to waive the obligations, rights, or duties imposed upon the Parties.

ARTICLE 15. CONFIDENTIALITY

15.1 (a) "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 in good faith as Confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection or otherwise. Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, customer-specific load data that constitutes a trade secret, and any information supplied by either of the Parties to the other prior to the execution of this Agreement.

(b) General. Each Party will hold in confidence any and all Confidential Information unless (1) compelled to disclose such information by judicial or administrative process or other provisions of law or as otherwise provided for in this Agreement, or (2) to meet obligations imposed by FERC or by a state or other federal entity or by membership in NERC or ERCOT (including other Transmission Providers). To the extent it is necessary for either Party to release or disclose such information to a third party in order to perform that Party's obligations herein, such Party shall advise said third party of the confidentiality provisions of this Agreement and use its best efforts to require said third party to agree in writing to comply with such provisions.

(c) Term: During the term of this Agreement, and for a period of three (3) years after the expiration or termination of this Agreement, except as otherwise provided in this Article 15, each Party shall hold in confidence and shall not disclose to any Person Confidential Information.

(d) Standard of Care: Each Party shall use at least the same standard of care to protect Confidential Information it receives as that it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination.

15.2 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 disclosure by the receiving Party (2) was in the lawful possession of the receiving Party on a non-confidential basis prior to receiving it from the disclosing Party; or (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party, after due inquiry was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or breach of this Agreement; or (6) is required to be disclosed by any federal or state government or agency or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and

obligations under this Agreement. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

15.3 Order of Disclosure. If a court or a government agency or entity with the right power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of this Agreement. The notifying Party shall have no obligation to oppose or object to any attempt to obtain such production except to the extent requested to do so by the disclosing Party and at the disclosing Party's expense. If either Party desires to object or oppose such production, it must do so at its own expense. The disclosing Party may request a protective order to prevent any Confidential Information from being made public. 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 effort to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

15.4 Notwithstanding anything to the contrary in this Article 15, in the event a receiving Party is requested pursuant to applicable law to disclose Confidential Information, such receiving Party shall, to the extent permitted by applicable law, give the disclosing Party prompt written notice of such request so that the disclosing Party may seek an appropriate protective order. If, in the absence of a protective order, the receiving Party is nonetheless advised by counsel that disclosure of the Confidential Information is finally required (after, if advance notice to the disclosing Party is permitted by applicable law, exhausting any appeal requested by the disclosing Party at the disclosing Party's expense), the receiving Party may disclose such Confidential Information.

15.5 Use of Information or Documentation. Each Party may utilize information or documentation furnished by the disclosing Party and subject to Section 15.1 in any proceeding under Article 20 or in an administrative agency or court of competent jurisdiction addressing any dispute arising under this Agreement, subject to a confidentiality agreement with all participants (including, if applicable, any arbitrator) or a protective order.

15.6 Remedies Regarding Confidentiality. The Parties agree that monetary damages by themselves will be inadequate to compensate a Party for the other Party's breach of its obligations under this article. Each Party accordingly agrees that the other Party is entitled to equitable relief, by way of injunction or otherwise, if it breaches or threatens to breach its obligations under this article.

ARTICLE 16. TERM

16.1 Term. This Agreement shall become effective as of the Effective Date and shall continue in full force and effect so long as any Interconnection Point exists between the Parties, except that it may be terminated by mutual agreement of the Parties.

16.2 Material Adverse Change.

(a) In the event of a material change in law or regulation that adversely affects, or may reasonably be expected to adversely affect, either Party's performance under this Agreement, including but not limited to the following:

(i) NERC or ERCOT prevents, in whole or in part, either Party from performing any provision of this Agreement in accordance with its terms; or

(ii) The FERC, the United States Congress, any state, or any federal or state regulatory agency or commission implements any change in any law, regulation, rule or practice which materially affects or is reasonably expected to materially affect either Party's ability to perform under this Agreement.

The Parties will negotiate in good faith any amendment or amendments to the Agreement necessary to adapt the terms of this Agreement to such change in law or regulation.

(b) If the Parties are unable to reach agreement on any such amendments, then the Parties shall continue to perform under this Agreement to the extent permitted by applicable law, taking all reasonable steps to mitigate any adverse effect on each other resulting from the Event.

16.3 Survival. The applicable provisions of this Agreement shall continue in effect after expiration, cancellation or termination hereof to the extent necessary to provide for final billings, billing adjustments and the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect.

ARTICLE 17. ASSIGNMENT/CHANGE IN CORPORATE IDENTITY

17.1 TMPA Assignment Rights. TMPA may not assign this Agreement or any of its rights, interests, or obligations hereunder without the prior written consent of Member City, which consent shall not be unreasonably withheld.

17.2 Member City Assignment Rights. Member City may not assign this Agreement or any of its rights, interests or obligations hereunder without the prior written consent of TMPA, which consent shall not be unreasonably withheld.

17.3 This Agreement and all of the provisions hereof are binding upon, and inure to the benefit of, the Parties and their respective successors and permitted assigns.

ARTICLE 18. CONTRACTORS

18.1 Nothing in this Agreement shall prevent the Parties from utilizing the services of contractors as they deem appropriate; provided, however, the Parties agree that, where applicable, all said contractors shall comply with the terms and conditions of this Agreement.

18.2 Except as provided herein, the creation of any contractor relationship shall not relieve the hiring Party of any of its obligations under this Agreement. Each Party shall be fully responsible to the other Party for the acts and/or omissions of any contractor it hires as if no subcontract had been made.

18.3 No contractor is intended to be or shall be deemed a third-party beneficiary of this Agreement.

18.4 Each Party shall require its contractors to comply with all federal, state and local laws and ordinances regarding insurance requirements and shall maintain standard and ordinary insurance coverage.

ARTICLE 19. NOTICES

19.1 Notices of an administrative nature, including but not limited to a notice of termination, a request for amendment, a change to a Point of Interconnection, or a request for a new Point of Interconnection shall be forwarded to the designees listed below for each Party and shall be deemed to have been duly delivered if hand delivered, delivered by nationally recognized courier service, or sent by United States certified mail, return receipt requested, postage prepaid.

If to City of Denton:

Denton Municipal Electric
Attn: General Manager
1659 Spencer Road
Denton, Texas 76205

With a copy to:

Denton Municipal Electric
Attn: Executive Mananger of Energy Delivery
1659 Spencer Road

Denton, Texas 76205

If to TMPA:
Texas Municipal Power Agency
Attn: Compliance and Ethics Officer or Regulatory and Compliance Manager
P.O. Box 7000
Bryan, Texas 77805-7000

or

Texas Municipal Power Agency
Attn: Compliance and Ethics Officer or Regulatory and Compliance Manager
12824 FM 244
Anderson, Texas 77830

The above listed names, titles, and addresses of either Party may be changed upon written notification to the other Party.

19.2 Invoices for sums due hereunder will be rendered by City of Denton to TMPA or by TMPA to City of Denton as follows:

If by City of Denton to TMPA:
Texas Municipal Power Agency
Attn: Accounts Payable
P.O. Box 7000
Bryan, Texas 77805-7000

If by TMPA to City of Denton:
Denton Municipal Electric
Attn: Accounts Payable
1659 Spencer Road
Denton, Texas 76205

Billing and payments will be in accordance with PUCT Substantive Rule 25.202 or its successor in function.

ARTICLE 20. MISCELLANEOUS PROVISIONS

20.1 The descriptive headings of the various articles and sections of this Agreement have been inserted for convenience of reference only and are to be afforded no significance in the interpretation or construction of this Agreement.

20.2 Facsimile copies of operational correspondence, other than notices required hereunder, including signatures thereon shall constitute original copies thereof and shall be as binding on the Parties hereto as the original.

20.3 No failure or delay on the part of TMPA or Member City in exercising any of its rights under this Agreement, no partial exercise by either Party of any of its rights under this Agreement, and no course of dealing between the Parties shall constitute a waiver of the rights of either Party under this Agreement. Any waiver shall be effective only by a written instrument signed by the Party granting such waiver, and such shall not operate as a waiver of, or estoppel with respect to, any subsequent failure to comply therewith.

20.4 Nothing in this Agreement, express or implied, is intended to confer on any other Person except the Parties hereto any rights, interests, obligations or remedies hereunder.

20.5 In the event that any clause or provision of this Agreement or any part hereof shall be held to be invalid, void, or unenforceable by any court or Governmental Authority of competent jurisdiction, said holding or action shall be strictly construed and shall not affect the validity or effect of any other provision hereof, and the Parties shall endeavor in good faith to replace such invalid or unenforceable provisions with a valid and enforceable provision which achieves the purposes intended by the Parties to the greatest extent permitted by law.

20.6 In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of authorship of any of the provisions of this Agreement. Any reference to any federal, state, local, or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The word "including" in this Agreement shall mean including without limitation.

20.7 To the extent this Agreement would obligate the Member City to make a payment or an expenditure, such payment or expenditure obligation shall be payable solely from electric utility system revenues. Without limiting the foregoing, no such payment or expenditure obligation shall be payable from moneys to be raised by taxation, and no debt is created by this Agreement within the contemplation of Article 11, sections 5 or 7 of the Texas Constitution.

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

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IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed by their respective duly authorized representatives.

TEXAS MUNICIPAL POWER AGENCY

cgs By: _____
Bob Kahn, General Manager

CITY OF DENTON, a Texas home-rule municipal corporation

By: _____
Todd Hileman, City Manager, under the authority of the Ordinance No. 2017 - 115 .

Attest:

_____
Jennifer Walters, City Secretary

Approved as to legal form:

_____
Aaron Leal, Interim City Attorney

The Exhibits attached behind this page contain Critical Electric Infrastructure Information (CEII)

DO NOT RELEASE

City of Denton / TMPA Interconnection Agreement
Exhibit A

Facility Schedule Summary

Facility Schedule Number	Point of Interconnection	Voltage KV	Effective Service Date	Minimum Monthly Demand	Service to be Provided	Service Provider
1	Arco Switch Substation	138	Existing	N/A	N/A	N/A
2	Denton North Substation	138	Existing	N/A	N/A	N/A
3	Denton West Substation	138	Existing	N/A	N/A	N/A
4	Spencer Interchange Substation	138	Existing	N/A	N/A	N/A
5	Jim Christal Substation	138	Existing	N/A	N/A	N/A
6	Pockrus Substation	138	Existing	N/A	N/A	N/A
7	Teasley Substation	138	Existing	N/A	N/A	N/A
8	Industrial Substation	138	Existing	N/A	N/A	N/A
9	Fort Worth Substation	138	Existing	N/A	N/A	N/A
10	Cooper Creek Substation	138	Existing	N/A	N/A	N/A
11	Arco Substation	138	Existing	N/A	N/A	N/A

City of Denton / TMPA Interconnection Agreement

Facility Schedule No. 1

ARCO Switch Substation

1. Name: Arco Substation

2. Point of Interconnection Location: (1) At Denton Municipal Electric's bus connecting to existing TMPA bus, and at the A-frame west of existing switch DNAR8021. (2) At Denton Municipal Electric's bus connecting to existing TMPA bus, and at the A-frame east of existing switch DNAR8023. (3) At TMPA's existing dead-end pole located 115' west of Arco Switch fence, in-line with DME Arco to Arco Switch transmission line, and at a point where DME's dead-end insulators contact the north side of TMPA's existing dead-end structure pole. Physical address is 1868 Geesling Road, Denton, TX 76208. Physical location is at the intersection of Geesling Road and Blagg Road, Denton, TX

3. Interconnecting Voltage: 138kV bi-directional

4. Metering: This is a bi-directional point of interconnection. No metering is required for this Point of Interconnection. Metering equipment provided by TMPA will be in accordance with the applicable requirements of the ERCOT Operating Guides, or its successor in function. ERCOT Polled Settlement metering is provided by the City of Denton.

5. Normally closed (check one): __X___Yes _____No

6. One line diagram attached (check one): __X___Yes _____No

7. Facilities to be furnished, installed and owned by City of Denton: This is an existing point of interconnection with City of Denton owning the following facilities:
   a. 1 – 138kV circuit breaker (DNAR-8010)
   b. 3 – 138kV disconnect switches (DNAR-8011, DNAR-8012, DNAR-8013)
   c. 1 – DNAR 8010 Panel (per TMPA Ownership Drawing #307-E-001)
   d. Fiber and associated equipment (per TMPA Ownership Drawing #307-E-001)
   e. RTU (per TMPA Ownership Drawing #307-E-001)
   f. ERCOT Polled Settlement Meter (per TMPA Ownership Drawing #307-E-001)
   g. Buses, supports, insulators, connectors, bushing current transformers associated with above
   h. Right-of-way and access necessary to maintain facilities
   i. 138kV line from pole described in Point of Interconnection Location #3 (above) at Arco Switch to DME Arco (0.17 mile)

8. Facilities to be furnished, installed and owned by TMPA: This is an existing point of interconnection with TMPA owning the following facilities:

   a. 3 – 138kV circuit breakers (DNAR-8020, DNAR-8030, DNAR-8050)
   b. 10 – 138kV disconnect switches (DNAR-8021, DNAR-8022, DNAR-8023, DNAR-8031, DNAR-8032, DNAR-8041, DNAR-8043, DNAR-8051, DNAR-8052, DNAR-8053)
   c. 2 – ground switches (DNAR-8026, DNAR-8056)
   d. 9 – surge arrestors
   e. 6 – potential transformers
   f. 3 – coupling capacitor voltage transformers
   g. 3 – line wave trap

h. 3 – line tuning unit
i. 3 – current transformers
j. 1 – station service transformer (per TMPA Ownership Drawing #307-E-001)
k. This shall also include but not be limited to bus work, structures, insulators, connectors, distribution bays, relaying, wiring, conduit, control house, battery systems, fencing, property and metering equipment.
l. Property to accommodate facilities in this station.
m. Right-Of-Way and access necessary to maintain facilities.
n. Protection relays/associated communication systems associated with above equipment.

9. Operation and Maintenance: All operation and maintenance shall be in accordance with the *Transmission Operation, Maintenance, and Construction Services Agreement.*

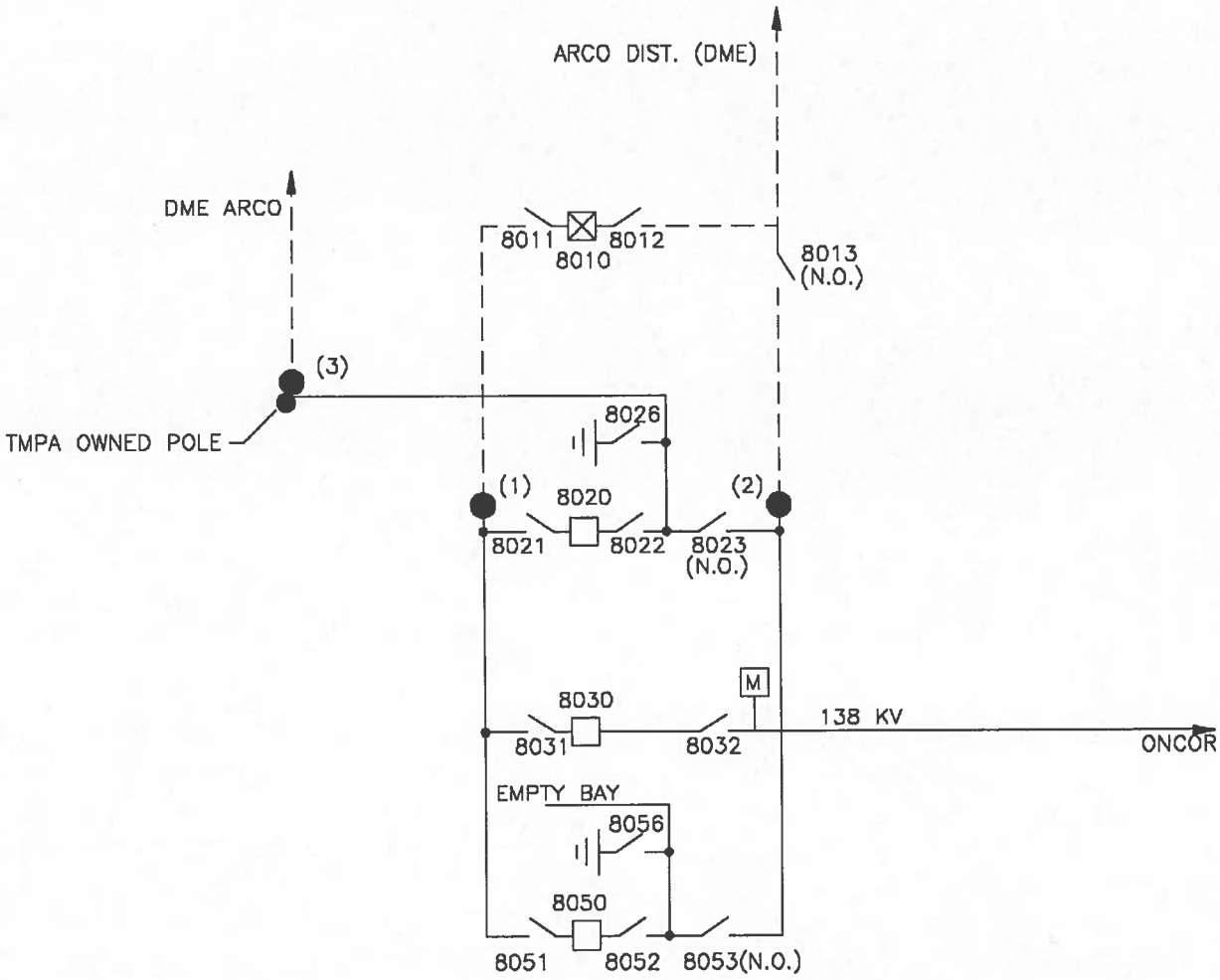
10. Cost Responsibility: Each Party will be fully responsible for the liabilities related to the facilities it owns.

11. Control area interchange point:

12. Supplemental Terms and Conditions: None

Denton ARCO 138kV Points of Interconnection

One-Line Diagram Facility Schedule 1



ARCO SWITCH (TMPA)

983

TMPA POINT OF INTERCONNECTION
TMPA OWNERSHIP
DME OWNERSHIP

Facility Schedule No. 2

Denton North Interchange Substation

1. Name: Denton North Interchange Substation

2. Point of Interconnection Location: (1) At TMPA's existing 4" high bus running south of DNND8042, at the existing A-frame, and at a point where DME 4" bus contacts the swagged connector. (2) At DNND8081 and at a point where DME's breaker jumper contacts the switch. (3) At DNND8011 and at a point where DME's 5" bus contacts west side of the switch.Physical location is 0.3 mile south of the intersection of FM 2164 and Loop 288 on FM 2164, Denton, TX

3. Interconnecting Voltage: 138kV and 69kV

4. Metering: This is a bi-directional point of interconnection. No metering is required for this Point of Interconnection. Metering equipment provided by TMPA will be in accordance with the applicable requirements of the ERCOT Operating Guides, or its successor in function. ERCOT Polled Settlement metering is provided by the City of Denton.

5. Normally closed (check one): __X___Yes _____No

6. One line diagram attached (check one): __X___Yes _____No

7. Facilities to be furnished, installed and owned by City of Denton: This is an existing point of interconnection with City of Denton owning the following facilities:

    a. 69kV line from North Denton to North Lakes Substation
    b. 3 – 69kV circuit breakers (DNND-300, DNND-330, DNND-340)
    c. 7 – 69kV disconnect switches (DNND-301, DNND-303, DNND-331, DNND-332, DNND-333, DNND-341, DNND-343, DN351)
    d. 1 – 138kV motor operated switche (DNND-411)
    e. 2 – coupling capacitor voltage transformers
    f. 15 – surge arrestors
    g. 14 – potential transformers
    h. 2 – station service transformers
    i. 1 – manual transfer switch
    j. 1 - RTU (per TMPA Ownership Drawing #307-E-003)
    k. 1 - ERCOT Polled Settlement Meter (per TMPA Ownership Drawing #307-E-003)
    l. 2 – 138kV switches (DNND8082, DNND8017)
    m. 1 – 138Kv circuit breaker (DNND8080)
    n. All protective relaying panels,main control building, and all equipement housed in main control building
    o. Bus between 8082 and 8011
    p. Kings Row transmission line deadend structure
    q. Buses, supports, insulators, connectors, bushing current transformers, and protective relaying associated with above
    r. Right-of-way and access necessary to maintain facilities

8. Facilities to be furnished, installed and owned by TMPA: This is an existing point of interconnection with TMPA owning the following facilities:

a. 138kV line from Denton North to Denton Arco (5.90 miles)
b. 138kV line from Denton North to Jim Christal (6.91 miles)
c. 138kV overhead lines to dead-end structures in Denton North substation to terminate Brazos Electric's transmission line to Sanger Line and Brazos Electric's North Substation.
d. 1 – 138/69kV autotransformer
e. 7 – 138kV circuit breakers (DNND-8010, DNND-8020, DNND-8030, DNND-8040, DNND-8050, DNND-8070)
f. 1 – 69kV circuit breaker (DNND-9010)
g. 15 – 138kV breaker disconnect switches (DNND-8011, DNND-8012, DNND-8021, DNND-8022, DNND-8031, DNND-8032, DNND-8041, DNND-8042, DNND-8051, DNND-8052, DNND-8062, DNND-8071, DNND-8072, DNND-8081,)
h. 1 - 138kV transformer disconnect switch (M8019)
i. 5 – 138kV line switch (DNND-8027, DNND-8037, DNND-8077, DNND-8087)
j. 2 – 69kV breaker disconnect switches (DNND-9011, DNND-9012)
k. 4 – 138kV ground switches (DNND-8026, DNND-8036, DNND-8076, DNND-8086)
l. 21 – surge arrestors
m. 4 – potential transformers
n. 14 – coupling capacitor voltage transformers
o. 2 – station service transformers
p. 1 – automatic transfer switch
q. Protective relays/associated communication systems associated with above
r. This shall also include but not be limited to bus work, structures, insulators, connectors, distribution bays, wiring, conduit, control house, battery systems, fencing, property and metering equipment.
s. Property to accommodate facilities in this Substation
t. Right-Of-Way and access necessary to maintain facilities

9. Operation and Maintenance: All operation and maintenance shall be in accordance with the *Transmission Operation, Maintenance, and Construction Services Agreement.*

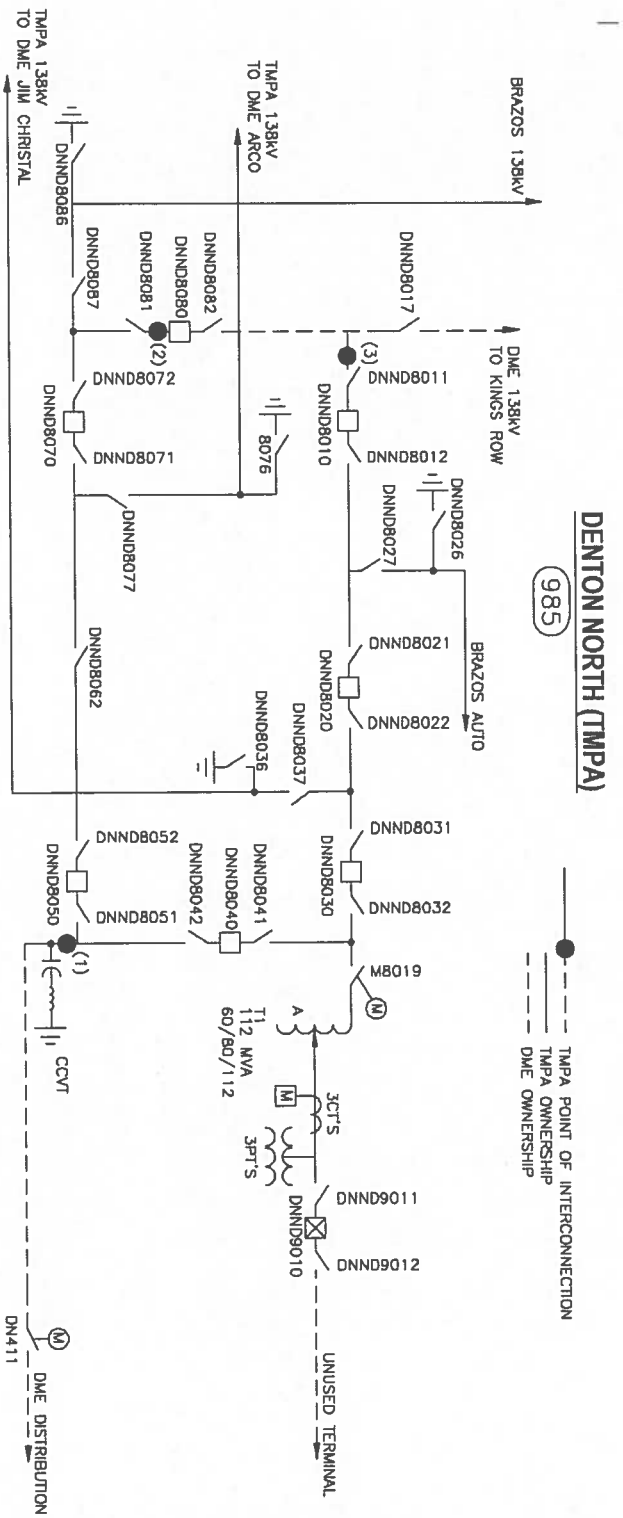
10. Cost Responsibility: Each Party will be fully responsible for the liabilities related to the facilities it owns.

11. Control area interchange point:

12. Supplemental Terms and Conditions: None

Denton North Points of Interconnection

One-Line Diagram Facility Schedule 2



Facility Schedule No. 3

Denton West Substation

1. Name: Denton West Substation

2. Point of Interconnection Location: (1) At DME's 25kVA pad mount transformer outside of the north fence, and at a point where TMPA's conductors contact the highside of the transformer pads. (2) At TMPA's existing transmission line dead-end structure, between DNWD8102 and DNWD8092, and at a point where DME's dead-end insulators contact the north side of TMPA's existing transmission line dead-end structure. Physical address is 5353 FM 2449, Ponder, TX 76259. Physical location is approximately 2.5 miles west of the intersection of FM 2449 and I-35.

3. Interconnecting Voltage: 138kV

4. Metering: This is a bi-directional point of interconnection. No metering is required for this Point of Interconnection. Metering equipment provided by TMPA will be in accordance with the applicable requirements of the ERCOT Operating Guides, or its successor in function.

5. Normally closed (check one): __X___Yes _____No

6. One line diagram attached (check one): __X___Yes _____No

7. Facilities to be furnished, installed and owned by City of Denton: This is an existing point of interconnection with City of Denton owning the following facilities:

    a. 25kVA padmount transformer and all secondary underground cabling
    b. 1 - RTU
    c. Fiber Optics (per TMPA Ownership Drawing #307-E-004)
    d. Right-of-way and access necessary to maintain facilities
    e. 138kV line from West Denton to DME RD Wells (4.47 miles)

8. Facilities to be furnished, installed and owned by TMPA: This is an existing point of interconnection with TMPA owning the following facilities:

    a. 345kV line from West Denton to termination of TMPA's transmission line on dead-end structure within Roanoke Substation (ONCOR)(15.20 miles)
    b. 138kV line from West Denton to termination of TMPA's transmission line on dead-end structure within Jim Christal Substation (3.55 miles)
    c. 138kV line from West Denton to termination of TMPA's transmission line on dead-end structure within Fort Worth Substation (7.81 miles)
    d. Termination of 345kV line from Jacksboro to West Denton at dead-end structure within substation at ONCOR's line conductors
    e. 2 – 345/138kV 600 MVA autotransformers (Autotransformer #1 and Autotransformer #2)
    f. 4 – 345kV circuit breakers (DNWD-5010, DNWD-5020, DNWD-5040, DNWD-5050)
    g. 9 - 138kV circuit breakers (DNWD-8010, DNWD-8020, , DNWD-8040, DNWD-8050, DNWD-8080, DNWD-8090, DNWD-8100, DNWD-8110)
    h. 16 – 345kV breaker disconnect switches (DNWD-5011, DNWD-5012, DNWD-5016, DNWD-5017, DNWD-5019, DNWD-5021, DNWD-5022, DNWD-5029, DNWD-5031, DNWD-5041, DNWD-5042, DNWD-5046, DNWD-5047, DNWD-5051, DNWD-5052, DNWD-5061)

i. 21 – 138kV disconnect switches (DNWD-8012, DNWD-8019, DNWD-8022, DNWD-8029, DNWD-8031, DNWD-8032, DNWD-8041, DNWD-8042, DNWD-8051, DNWD-8052, DNWD-8056, DNWD-8057, DNWD-8081, DNWD-8091, DNWD-8092, DNWD-8101, DNWD-8102, DNWD-8111, DNWD-8112, DNWD-8116, DNWD-8117, DNND8121)
j. 27 – surge arrestors
k. 3 – potential transformers
l. 12 – coupling capacitor voltage transformers
m. 4 – line wave traps
n. 1 – station service transformer
o. 1 – pole mount transformer
p. 1 – capacitor bank, 30 MVAR
q. 2 - fused disconnect switches
r. 1 – automatic transfer switch
s. This shall also include but not be limited to bus work, structures, insulators, connectors, distribution bays, associated protective relaying, wiring, conduit, control house, battery systems, fencing, property and metering equipment.
t. Property to accommodate facilities in this Substation
u. Right-Of-Way and access necessary to maintain facilities.

9. Operation and Maintenance: All operation and maintenance shall be in accordance with the *Transmission Operation, Maintenance, and Construction Services Agreement.*

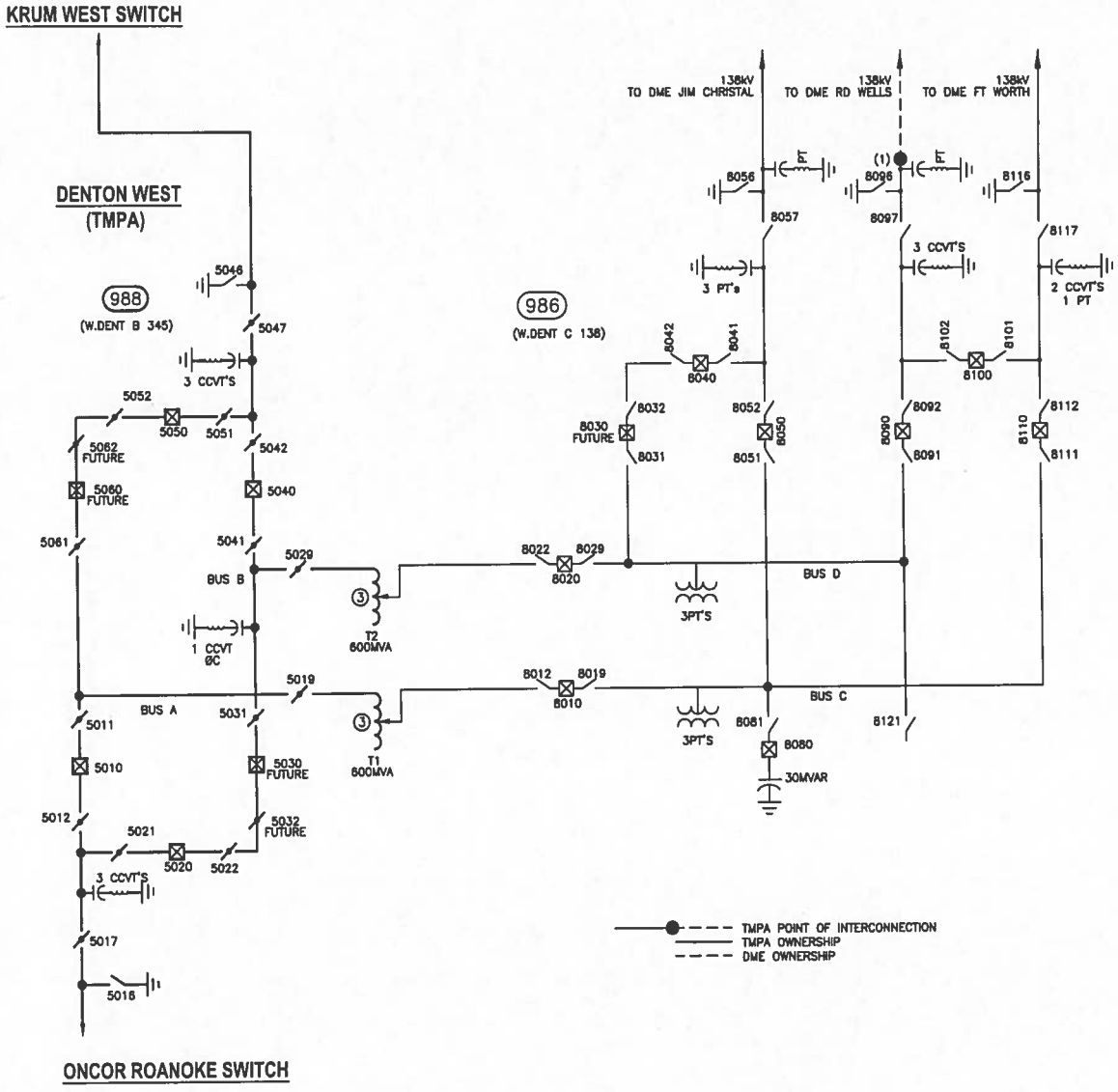
10. Cost Responsibility: Each Party will be fully responsible for the liabilities related to the facilities it owns.

11. Control area interchange point:

12. Supplemental Terms and Conditions: None

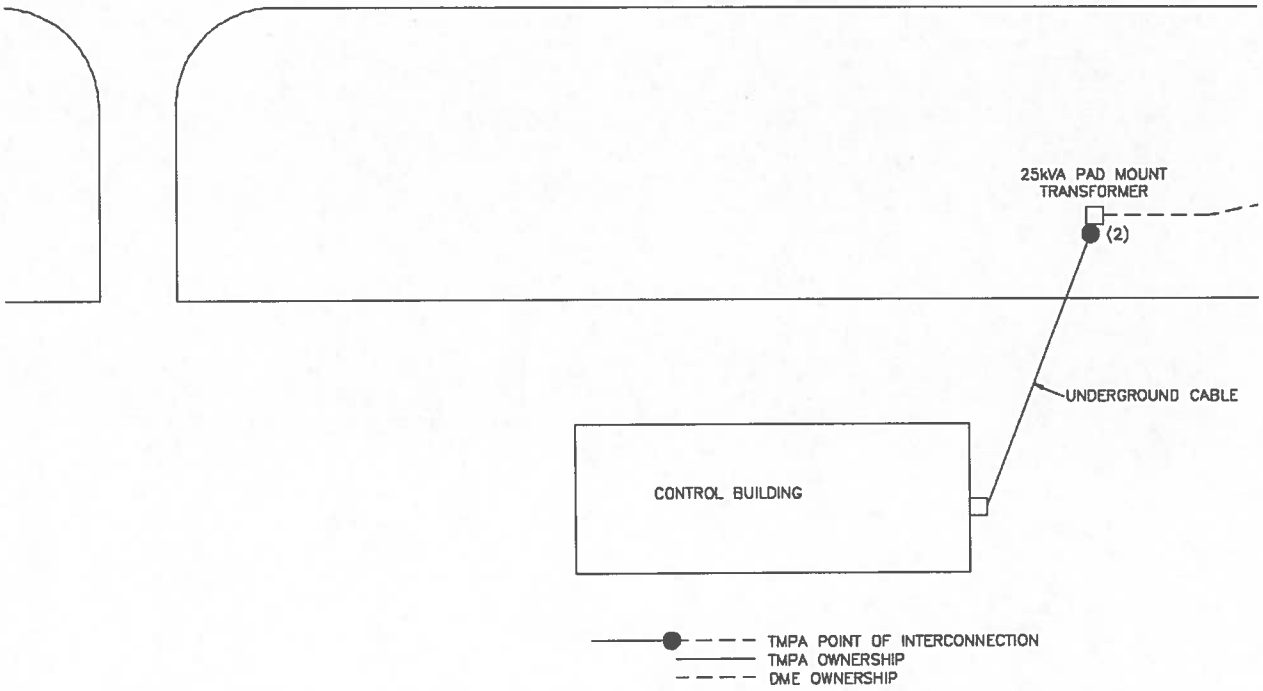
Denton West 138kV Points of Interconnection

One-Line Diagram Facility Schedule 3



Denton West 138kV Points of Interconnection

One-Line Diagram Facility Schedule 3



Facility Schedule No. 4

Denton Steam (Spencer) Substation

1. Name: Denton Steam (Spencer) Substation

2. Point of Interconnection Location: (1) At TMPA's existing transmission line dead-end structure located west of DNSP9017 and at a point where DME's dead-end insulators contact the west side of TMPA's existing transmission line dead-end structure. (2) At TMPA's existing 4" bus located between DNSP8052 and DNSP8061 and at a point where DME's verticle jumper contacts the connector pad. (3) At DME's breaker jumper located between DNSP8060 and DNSP8062 and at a point where the jumper contacts DNSP8062. (4) At DME's breaker jumper located between DNSP8060 and DNSP8061 and at a point where the jumper contacts DNSP8061. Physical location is approximately 1 mile west of the intersection of Spencer Road and HWY 288.

3. Interconnecting Voltage: 138/69kV

4. Metering: This is a bi-directional point of interconnection. No metering is required for this Point of Interconnection. Metering equipment provided by TMPA will be in accordance with the applicable requirements of the ERCOT Operating Guides, or its successor in function. ERCOT Polled Settlement metering is provided by the City of Denton.

5. Normally closed (check one): __X___Yes _____No

6. One line diagram attached (check one): __X___Yes _____No

7. Facilities to be furnished, installed and owned by City of Denton: This is an existing point of interconnection with City of Denton owning the following facilities:

    a. 69kV Spencer Switch to Denton Steam (0.23 miles)
    b. Termination of Denton's Emergency source within the substation connected to Station Service Transformer B.
    c. 1 - RTU (per TMPA Ownership Drawing #307-E-002)
    d. Fiber and associated equipment (per TMPA Ownership Drawing #307-E-002)
    e. 1 – ERCOT Polled Settlement Meter (per TMPA Ownership Drawing #307-E-002)
    f. 138kV line from DME Woodrow to Denton Steam (0.47 miles)
    g. 1 – 138kV circuit breaker (DNSP8060)
    h. 1 – 138kV line switch (DNSP8067)
    i. DNSP8060 Woodrow line relay panel
    j. 3 – potential transformers
    k. 1 - Woodrow deadend line structure
    l. Buses, supports, insulators, connectors, bushing current transformers, and protective relaying associated with above
    m. Right-of-way and access necessary to maintain facilities

8. Facilities to be furnished, installed and owned by TMPA: This is an existing point of interconnection with TMPA owning the following facilities:

    a. 138kV Industrial to Denton Steam (0.32 miles)
    b. 138kV Pockrus to Denton Steam (2.15 miles)
    c. 1 – 138/69kV autotransformer
    d. 4 – 138kV circuit breakers (DNSP-8010, DNSP-8030, DNSP-8040, DNSP-8050)

e. 21 – 138kV disconnect switches (DNSP-8011, DNSP-8012, DNSP-8017, DNSP-8019, DNSP-8021, DNSP-8022, DNSP-8031, DNSP-8032, DNSP-8037, DNSP-8041, DNSP-8042, DNSP-8046, DNSP-8047, DNSP-8051, DNSP-8052, DNSP-8061, DNSP-8062, DNSP-8071, DNSP-8072, DNSP-8081, DNSP-8082)
f. 1 – 69kV disconnect switch (DNSP-9017)
g. 18 – surge arrestors
h. 9 – potential transformers
i. 7 – coupling capacitor voltage transformers
j. 3 – line wave traps
k. 2 – station service transformers
l. 9 – current transformers
m. 1 – capacitor bank
n. 3 – line tuning units
o. 2 - fused disconnect switches
p. 1 – manual transfer switch
q. This shall also include but not be limited to bus work, structures, insulators, connectors, distribution bays, associated protective relaying, wiring, conduit, control house, battery systems, fencing, property and metering equipment.
r. Property to accommodate facilities in this Substation.
s. Right-Of-Way and access necessary to maintain facilities.

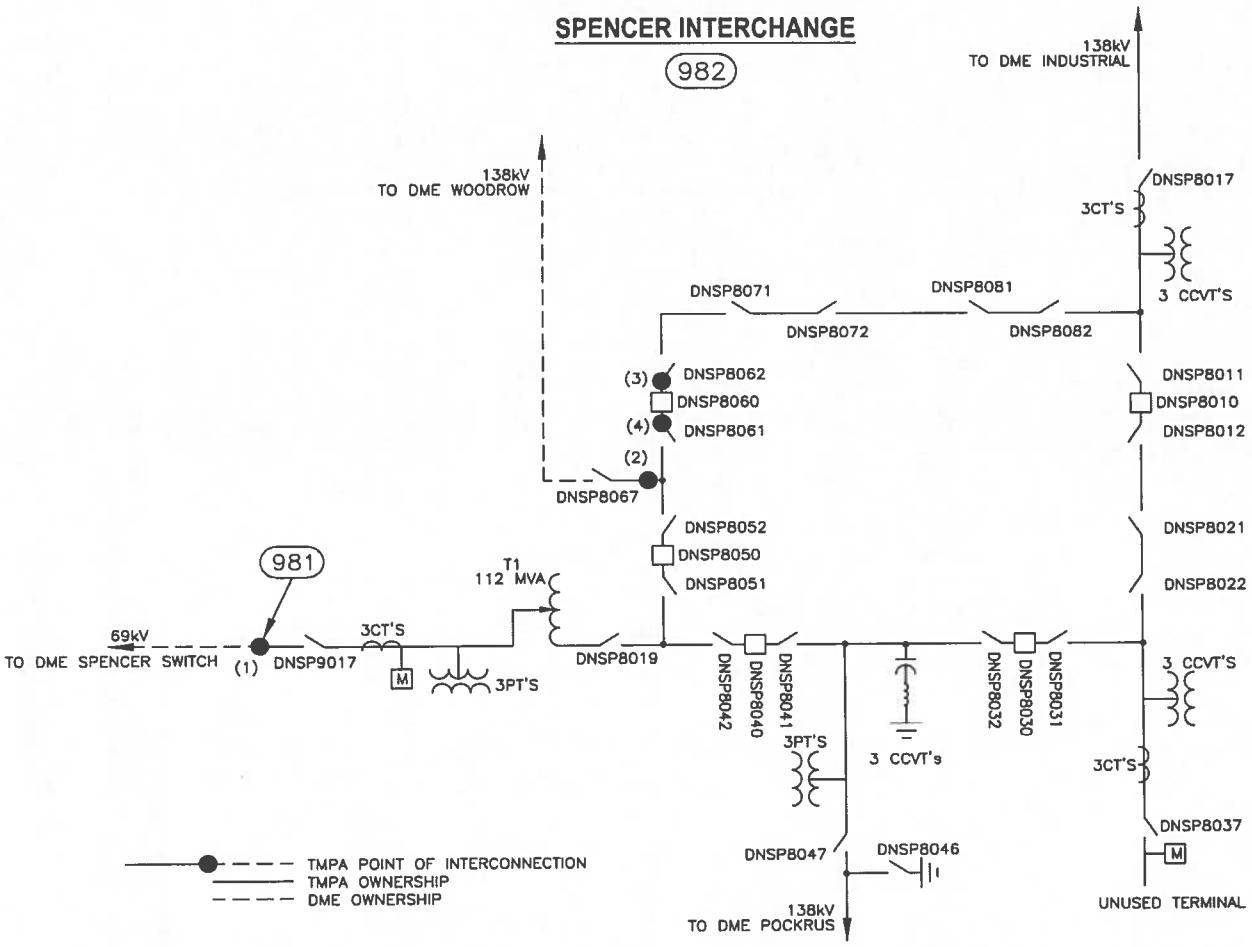
9. Operation and Maintenance: All operation and maintenance shall be in accordance with the *Transmission Operation, Maintenance, and Construction Services Agreement.*Cost Responsibility: Each Party will be fully responsible for the liabilities related to the facilities it owns.

10. Control area interchange point:

11. Supplemental Terms and Conditions: None

Denton Steam (Spencer) 138kV Points of Interconnection

One-Line Diagram Facility Schedule 4



Facility Schedule No. 5

Denton Jim Christal Substation

1. Name: Denton Jim Christal Substation

2. Point of Interconnection Location: (1) At TMPA's existing dead-end structure housing bypass switch JC8014 and at a point where DME's verticle jumpers contact the bottom side of existing double tongue compression fitting on the Denton North transmission line. (2) At TMPA's existing dead-end structure housing bypass switch JC8014 and at a point where DME's verticle jumpers contact the bottom side of existing double tongue compression fitting on the Denton West transmission line. Physical location is 8101 Jim Christal Rd., Denton TX 76259.

3. Interconnecting Voltage: 138kV

4. Metering: This is a bi-directional point of interconnection. No metering is required for this Point of Interconnection. Metering equipment provided by TMPA will be in accordance with the applicable requirements of the ERCOT Operating Guides, or its successor in function. ERCOT Polled Settlement metering is provided by the City of Denton.

5. Normally closed (check one): __X___Yes _____No

6. One line diagram attached (check one): __X___Yes _____No

7. Facilities to be furnished, installed and owned by City of Denton: This is an existing point of interconnection with City of Denton owning the following facilities:

    a. All equipment located on the substation property excluding items described in #8 below.

8. Facilities to be furnished, installed and owned by TMPA: This is an existing point of interconnection with TMPA owning the following facilities:

    a. 138kV Denton North to Jim Christal (7.21 miles)
    b. 138kV Denton West to Jim Christal (3.31 miles)
    c. 1 – 138kV motor operated disconnect switch (DNJC 8014)
    d. 1 – 138kV dead-end structure
    e. Right-Of-Way and access necessary to maintain facilities.

9. Operation and Maintenance: All operation and maintenance shall be in accordance with the *Transmission Operation, Maintenance, and Construction Services Agreement.*

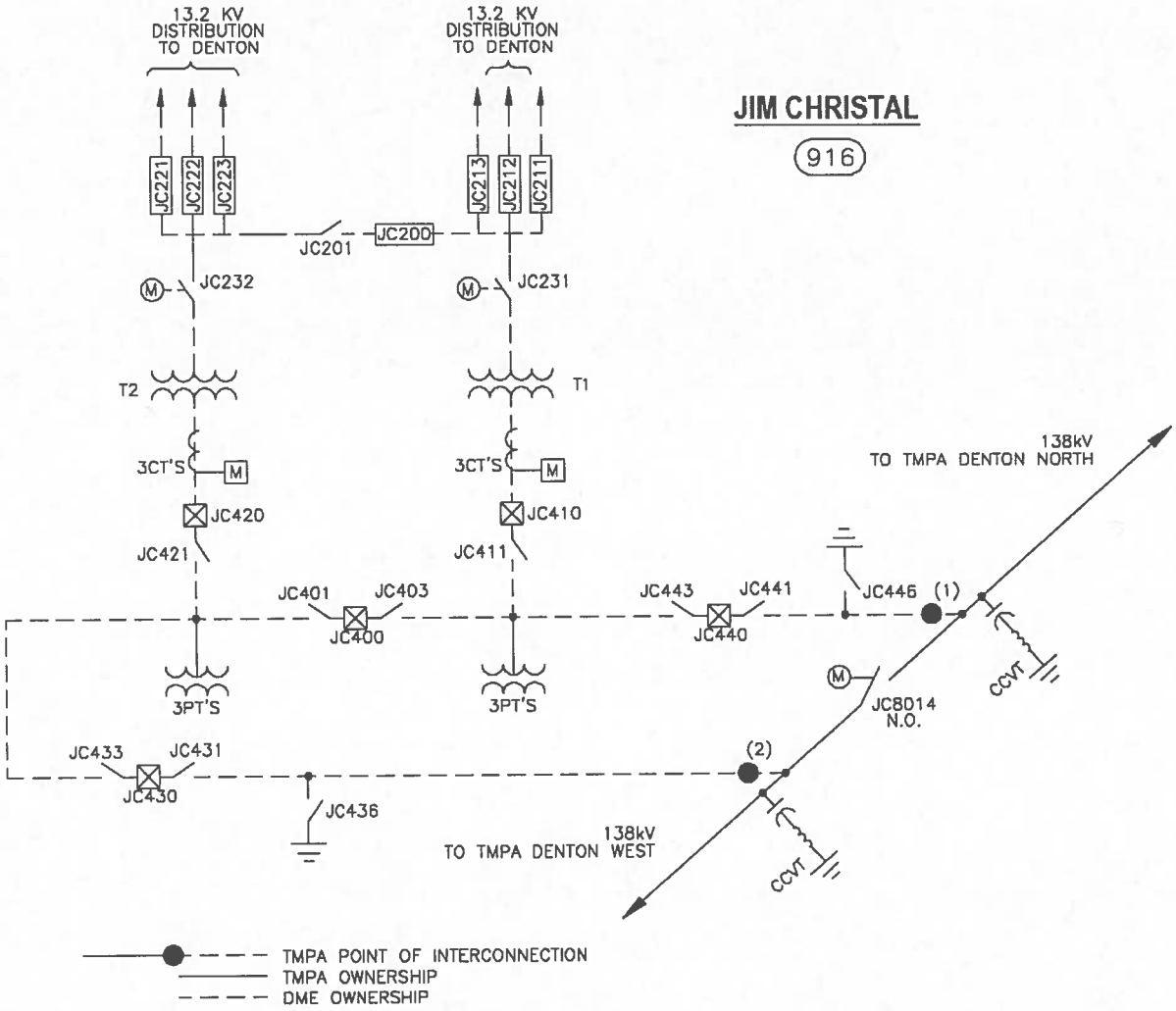
10. Cost Responsibility: Each Party will be fully responsible for the liabilities related to the facilities it owns.

11. Control area interchange point:

12. Supplemental Terms and Conditions: None

Denton Jim Christal 138kV Points of Interconnection

One-Line Diagram Facility Schedule No. 5



Facility Schedule No. 6

Denton Pockrus Substation

1. Name: Denton Pockrus Substation

2. Point of Interconnection Location: At DME's dead-end pole located 40' south of original control building, in-line with TMPA Pockrus to Spencer Steam transmission line, and at a point where TMPA's dead-end insulators contact the west side of the pole. Physical location is 3501 Pockrus-Page Rd., Denton TX 76208.

3. Interconnecting Voltage: 138kV

4. Metering: This is a bi-directional point of interconnection. No metering is required for this Point of Interconnection. Metering equipment provided by City of Denton will be in accordance with the applicable requirements of the ERCOT Operating Guides, or its successor in function. ERCOT Polled Settlement metering is provided by the City of Denton.

5. Normally closed (check one): __X___Yes _____No

6. One line diagram attached (check one): __X___Yes _____No

7. Facilities to be furnished, installed and owned by City of Denton: This is an existing point of interconnection with City of Denton owning the following facilities:

    a. All equipment located on the substation property excluding items described in #8 below.

8. Facilities to be furnished, installed and owned by TMPA: This is an existing point of interconnection with TMPA owning the following facilities:

    a. 138kV Denton Steam to Pockrus (2.15 miles)
    b. Right-Of-Way and access necessary to maintain facilities

9. Operation and Maintenance: All operation and maintenance shall be in accordance with the *Transmission Operation, Maintenance, and Construction Services Agreement.*

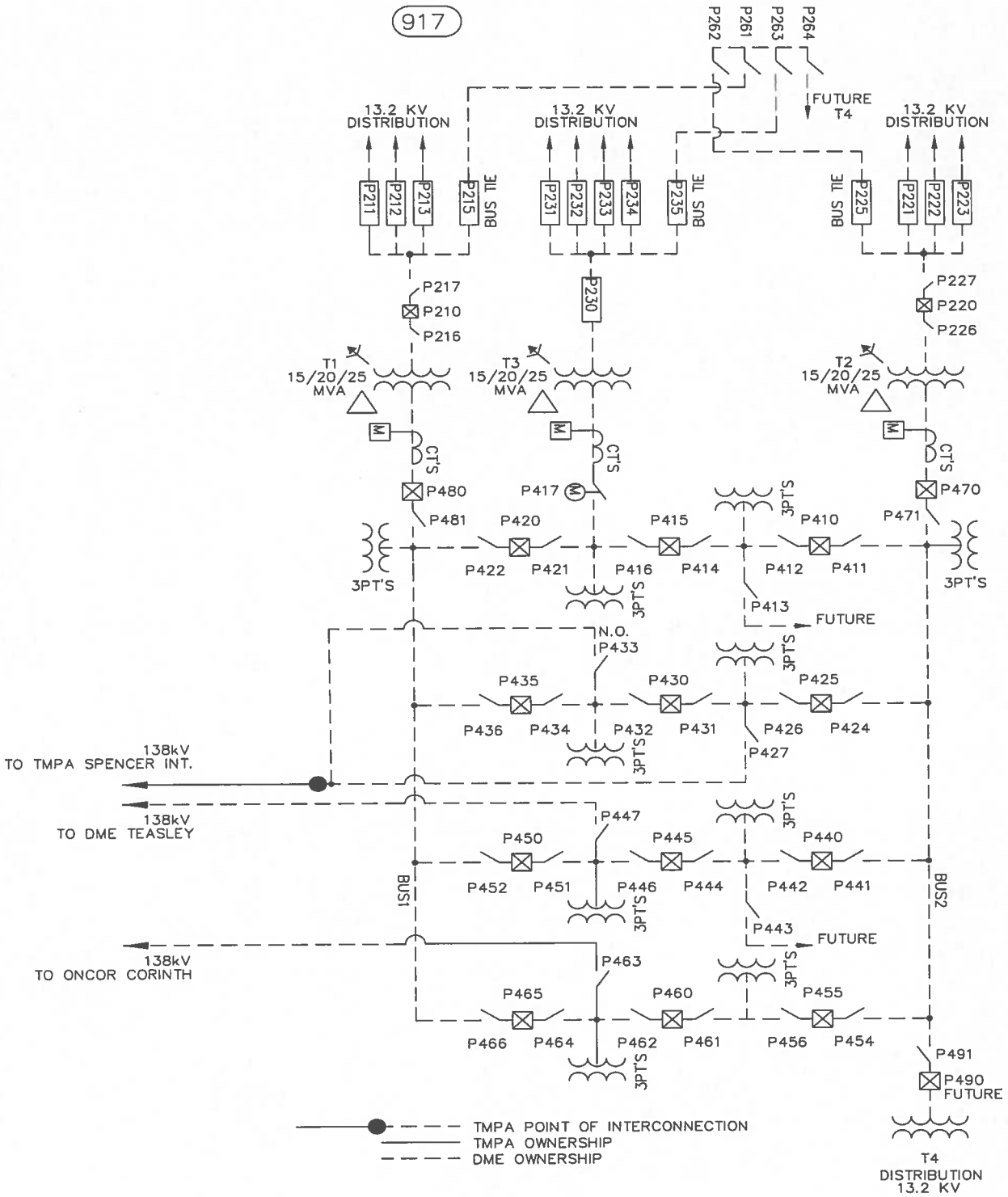
10. Cost Responsibility: Each Party will be fully responsible for the liabilities related to the facilities it owns.

11. Control area interchange point:

12. Supplemental Terms and Conditions: None

Denton Pockrus 138kV Point of Interconnection

One-Line Diagram Facility Schedule No. 6



Facility Schedule No. 7

Denton Teasley Substation

1. Name: Denton Teasley Substation

2. Point of Interconnection Location: At DME's existing dead-end structure and at a point where TMPA's dead-end insulators contact the north side of the structure.Physical location is 2428 Hickory Creek, Denton TX 76210.

3. Interconnecting Voltage: 138kV

4. Metering: This is a bi-directional point of interconnection. No metering is required for this Point of Interconnection. Metering equipment provided by City of Denton will be in accordance with the applicable requirements of the ERCOT Operating Guides, or its successor in function. ERCOT Polled Settlement metering is provided by the City of Denton.

5. Normally closed (check one): __X___Yes _____No

6. One line diagram attached (check one): __X___Yes _____No

7. Facilities to be furnished, installed and owned by City of Denton: This is an existing point of interconnection with City of Denton owning the following facilities:

    a. All equipment located on the substation property excluding items described in #8 below.

8. Facilities to be furnished, installed and owned by TMPA: This is an existing point of interconnection with TMPA owning the following facilities:

    a. 138kV Teasley to Fort Worth (4.05 miles)
    b. Right-Of-Way and access necessary to maintain facilities

9. Operation and Maintenance: All operation and maintenance shall be in accordance with the *Transmission Operation, Maintenance, and Construction Services Agreement.*

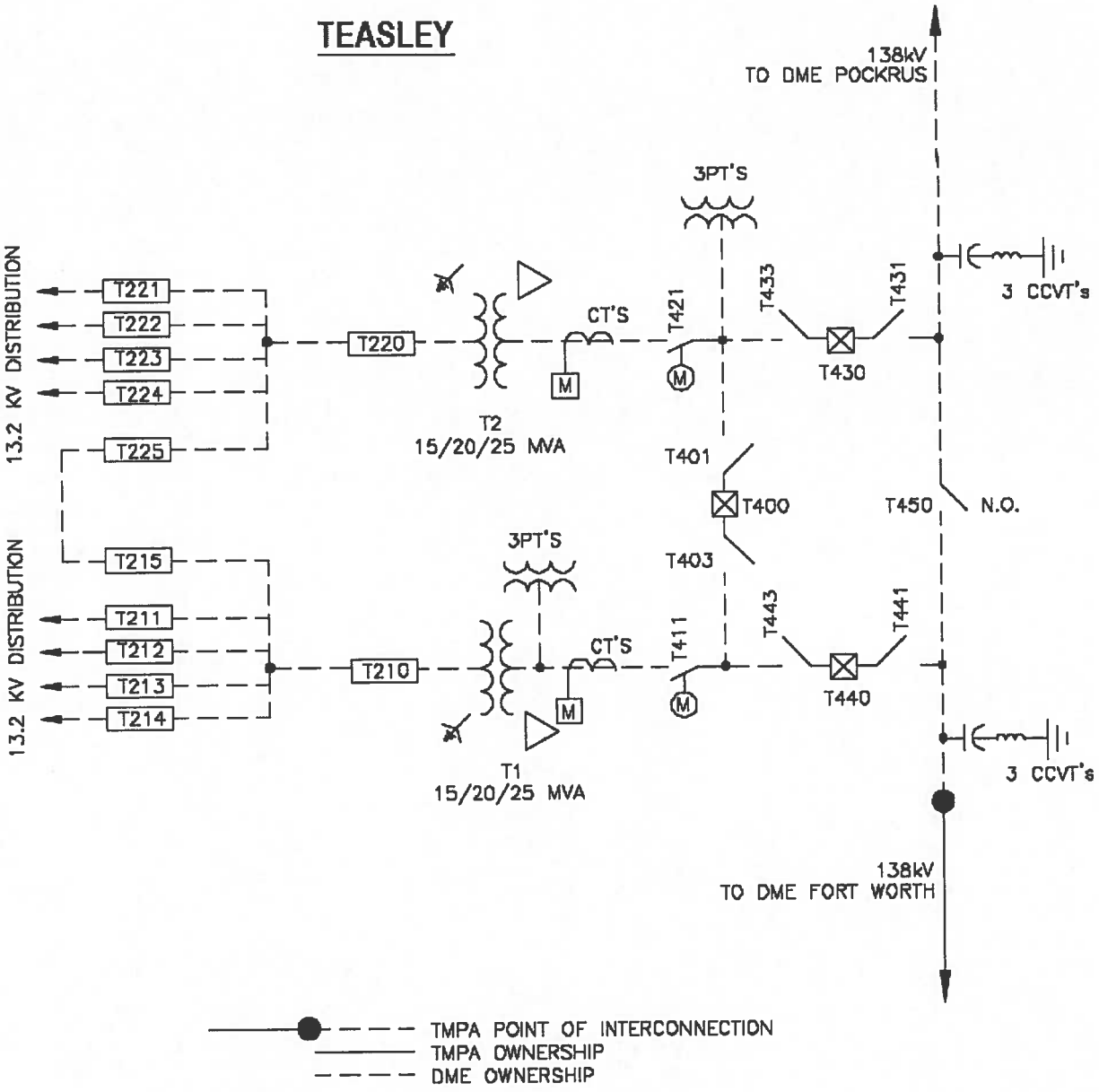
10. Cost Responsibility: Each Party will be fully responsible for the liabilities related to the facilities it owns.

11. Control area interchange point:

12. Supplemental Terms and Conditions: None

Denton Teasley 138kV Point of Interconnection

One-Line Diagram Facility Schedule No. 7



Facility Schedule No. 8

Denton Industrial Substation

1. Name: Denton Industrial Substation

2. Point of Interconnection Location: (1) At DME's existing dead-end structure and at a point where TMPA's dead-end insulators contact the east side of the structure. (2) At DME's existing dead-end structure and at a point where TMPA's dead-end insulators contact the west side of the structure.Physical location is 1950 Shady Oaks, Denton TX 76205.

3. Interconnecting Voltage: 138kV

4. Metering: This is a bi-directional point of interconnection. No metering is required for this Point of Interconnection. Metering equipment provided by City of Denton will be in accordance with the applicable requirements of the ERCOT Operating Guides, or its successor in function. ERCOT Polled Settlement metering is provided by the City of Denton.

5. Normally closed (check one): __X___Yes _____No

6. One line diagram attached (check one): __X___Yes _____No

7. Facilities to be furnished, installed and owned by City of Denton: This is an existing point of interconnection with City of Denton owning the following facilities:

    a. All equipment located on the substation property excluding items described in #8 below.

8. Facilities to be furnished, installed and owned by TMPA: This is an existing point of interconnection with TMPA owning the following facilities:

    a. 138kV Cooper Creek to Industrial (2.34 miles)
    b. 138kV Denton Steam to Industrial (0.33 miles)
    c. Right-Of-Way and access necessary to maintain facilities.

9. Operation and Maintenance: All operation and maintenance shall be in accordance with the *Transmission Operation, Maintenance, and Construction Services Agreement*.

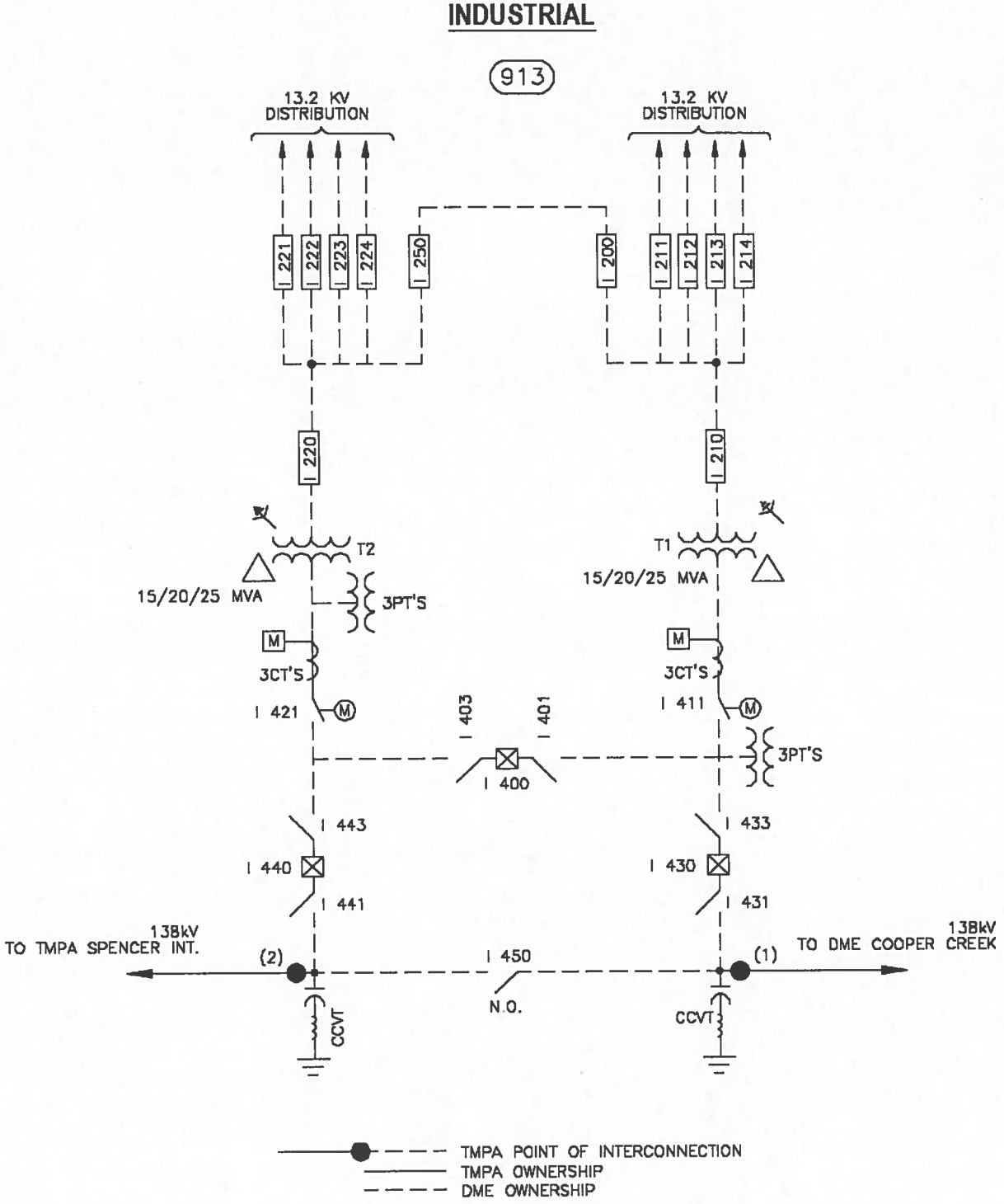
10. Cost Responsibility: Each Party will be fully responsible for the liabilities related to the facilities it owns.

11. Control area interchange point:

12. Supplemental Terms and Conditions: None

Denton Industrial 138kV Points of Interconnection

One-Line Diagram Facility Schedule No. 8



City of Denton / TMPA Interconnection Agreement

Facility Schedule No. 9

Denton Fort Worth Substation

1. Name: Denton Fort Worth Substation

2. Point of Interconnection Location: (1) At DME's existing dead-end structure and at a point where TMPA's dead-end insulators contact the west side of the structure. (2) At DME's existing dead-end structure and at a point where TMPA's dead-end insulators contact the east side of the structure.. Physical location is 4171 Forth Worth Drive, Denton TX 76226.

3. Interconnecting Voltage: 138kV

4. Metering: This is a bi-directional point of interconnection. No metering is required for this Point of Interconnection. Metering equipment provided by City of Denton will be in accordance with the applicable requirements of the ERCOT Operating Guides, or its successor in function. ERCOT Polled Settlement metering is provided by the City of Denton.

5. Normally closed (check one): __X___Yes _____No

6. One line diagram attached (check one): __X___Yes _____No

7. Facilities to be furnished, installed and owned by City of Denton: This is an existing point of interconnection with City of Denton owning the following facilities:
8. All equipment located on the substation property excluding items described in #8 below.Facilities to be furnished, installed and owned by TMPA: This is an existing point of interconnection with TMPA owning the following facilities:

    a. Termination of TMPA's 138kV transmission line to Denton Teasley from line conductors on dead-end structure
    b. Termination of TMPA's 138kV transmission line to Denton Fort Worth Substation from line conductors on dead-end structure
    c. Right-Of-Way and access necessary to maintain facilities

9. Operation and Maintenance: All operation and maintenance shall be in accordance with the *Transmission Operation, Maintenance, and Construction Services Agreement.*

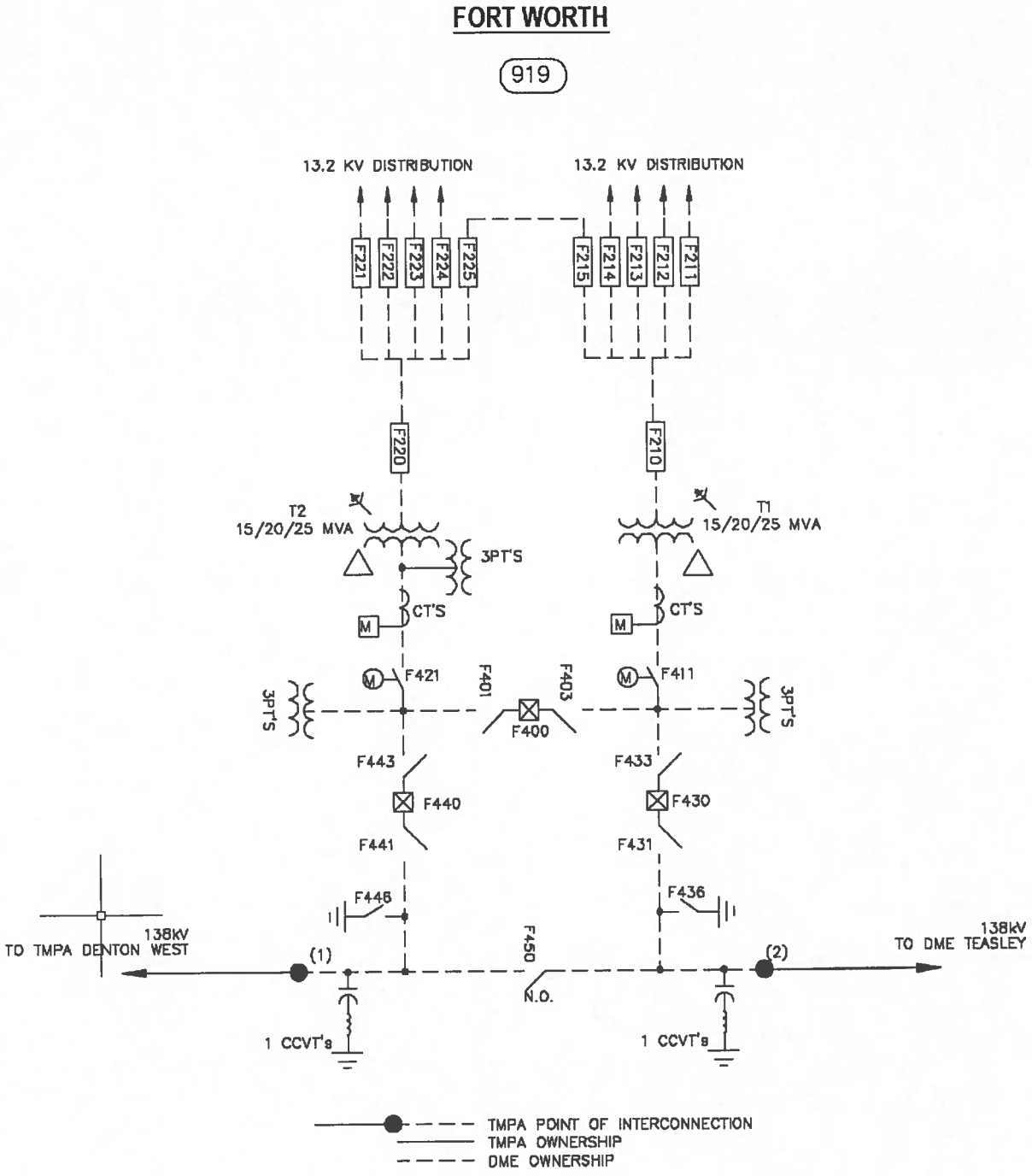
10. Cost Responsibility: Each Party will be fully responsible for the liabilities related to the facilities it owns.

11. Control area interchange point:

12. Supplemental Terms and Conditions: None

Denton Forth Worth 138kV Points of Interconnection

One-Line Diagram Facility Schedule No. 9



Facility Schedule No. 10

Cooper Creek Substation

1. Name: Cooper Creek Substation

2. Point of Interconnection Location: (1) At DME's transmission pole located 260' east of the northeast corner of the substation fence, in-line with the DME Arco transmission line, and at a point where TMPA's dead-end insulators contact the north side of the pole. (2) At DME's transmission pole located 330' southeast of the southeast corner of the substation fence, in-line with the DME Industrial transmission line, and at a point where TMPA's dead-end insulators contact the south side of the pole. Physical location is 2230 Audra Lane, Denton TX 76209.

3. Interconnecting Voltage: 138kV

4. Metering: This is a bi-directional point of interconnection. No metering is required for this Point of Interconnection. Metering equipment provided by City of Denton will be in accordance with the applicable requirements of the ERCOT Operating Guides, or its successor in function. ERCOT Polled Settlement metering is provided by the City of Denton.

5. Normally closed (check one): __X___Yes _____No

6. One line diagram attached (check one): __X___Yes _____No

7. Facilities to be furnished, installed and owned by City of Denton: This is an existing point of interconnection with City of Denton owning the following facilities:

    a. All equipment located on the substation property excluding items described in #8 below.
    b. Two poles inline the TMPA transmission line as described above in the Point of Interconnection Location section.
    c. Conductor from the substation to the two inline poles.

8. Facilities to be furnished, installed and owned by TMPA: This is an existing point of interconnection with TMPA owning the following facilities:

    d. Termination of TMPA's 138kV transmission line to Denton Arco from line conductors on dead-end structure
    e. Termination of TMPA's 138kV transmission line to Denton Industrial Substation from line conductors on dead-end structure
    f. Right-Of-Way and access necessary to maintain facilities

9. Operation and Maintenance: All operation and maintenance shall be in accordance with the *Transmission Operation, Maintenance, and Construction Services Agreement.*

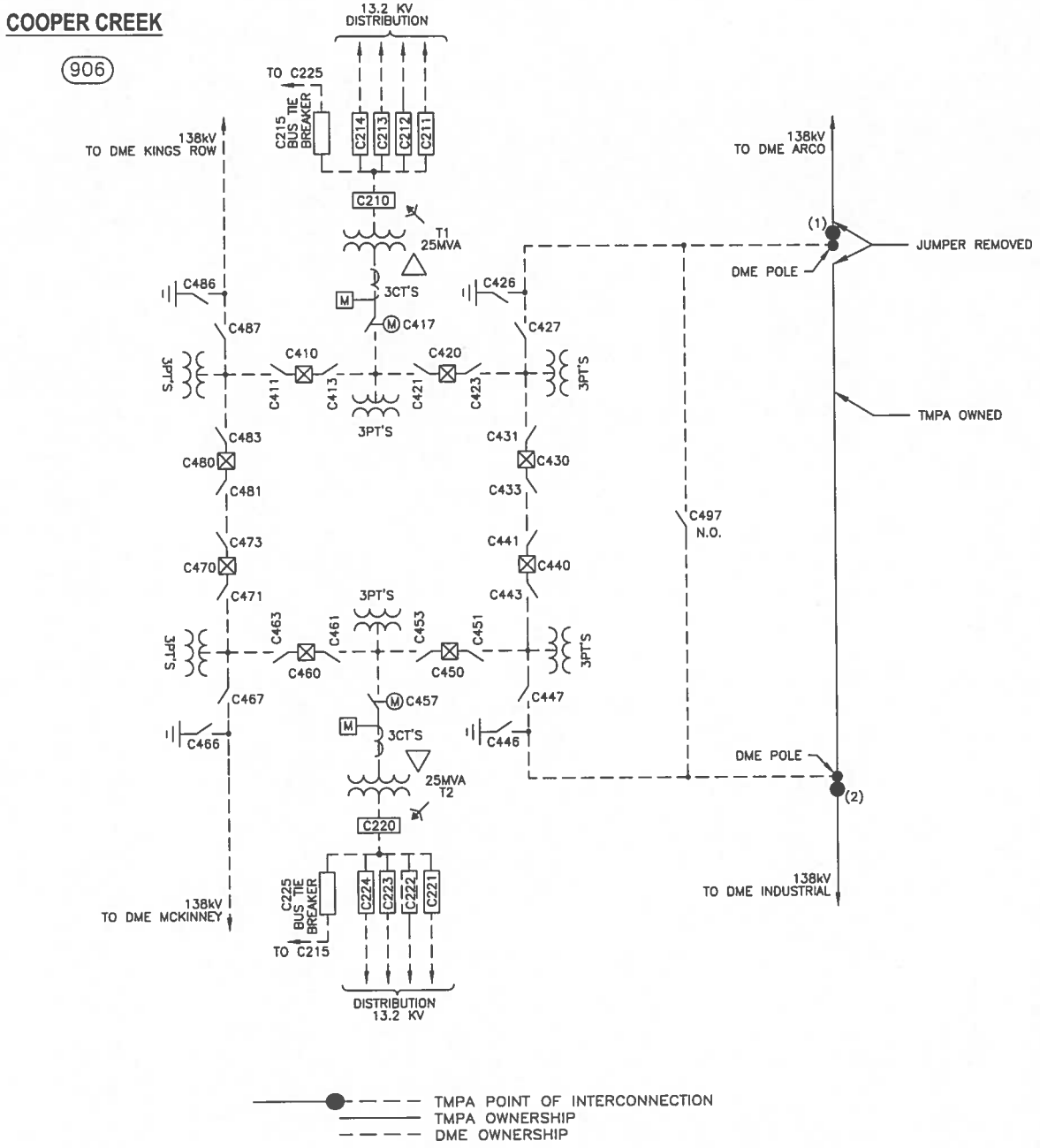
10. Cost Responsibility: Each Party will be fully responsible for the liabilities related to the facilities it owns.

11. Control area interchange point:

12. Supplemental Terms and Conditions: None

Cooper Creek 138kV Points of Interconnection

One-Line Diagram Facility Schedule No.10



Facility Schedule No. 11

Arco Substation

1. Name: Arco Substation

2. Point of Interconnection Location: lines of demarcation are: (1) At Denton Municipal Electric's dead-end pole located 285' west of the Arco substation gate, in-line with the existing Denton North to Arco transmission line, and at a point where TMPA's dead-end insulators contact the north side of Denton Municipal Electric's dead end pole. (2) At Denton Municipal Electric's dead-end pole located 50' north of Blagg Rd., in-line with the existing Cooper Creek to Arco transmission line, and at a point where TMPA's dead-end insulators contact the west side of Denton Municipal Electric's dead end structure pole. Physical location is 2230 Audra Lane, Denton TX 76209.

3. Interconnecting Voltage: 138kV

4. Metering: This is a bi-directional point of interconnection. No metering is required for this Point of Interconnection. Metering equipment provided by City of Denton will be in accordance with the applicable requirements of the ERCOT Operating Guides, or its successor in function. ERCOT Polled Settlement metering is provided by the City of Denton.

5. Normally closed (check one): __X___Yes _____No

6. One line diagram attached (check one): __X___Yes _____No

7. Facilities to be furnished, installed and owned by City of Denton:

   a. All equipment located on the substation property excluding items described in #8 below.
   b. 138kV DME Arco to TMPA Arco (0.17 mile)

8. Facilities to be furnished, installed and owned by TMPA:

   g. 138kV Denton North to DME Arco (5.91 miles)
   h. 138kV Cooper Creek to DME Arco (1.62 miles)

9. Operation and Maintenance: All operation and maintenance shall be in accordance with the *Transmission Operation, Maintenance, and Construction Services Agreement.*

10. Cost Responsibility: Each Party will be fully responsible for the liabilities related to the facilities it owns.

11. Control area interchange point:

12. Supplemental Terms and Conditions: None

Arco 138kV Points of Interconnection

One-Line Diagram Facility Schedule No.11