

August 26, 2011

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street NE
Washington, DC 20426

Re: *Southwest Power Pool, Inc.*, Docket No. ER11-_____
Submission of Transmission Interconnection Agreement

Dear Secretary Bose:

Pursuant to section 205 of the Federal Power Act, 16 U.S.C. § 824d, Southwest Power Pool, Inc. (“SPP”) encloses for filing an executed Interconnection Agreement (“IA”) between Midwest Energy, Inc. (“Midwest”) and the City of Larned, Kansas (“Larned”), with SPP as a signatory (“Larned IA”).¹ The Larned IA is designated as Original Service Agreement No. 2205. SPP requests that the Federal Energy Regulatory Commission (“Commission”) accept the Larned IA with an effective date of July 28, 2011. In support, SPP states the following:

I. Background

SPP is a Commission-approved Regional Transmission Organization (“RTO”). SPP is an Arkansas non-profit corporation with its principal place of business in Little Rock, Arkansas. SPP has 64 members, including 14 investor-owned utilities, 11 municipal systems, 12 generation and transmission cooperatives, 4 state agencies, 7 independent power producers, 10 power marketers, and 6 independent transmission companies. As an RTO, SPP is a transmission provider administering transmission service over portions of Arkansas, Kansas, Louisiana, Missouri, Nebraska, New Mexico, Oklahoma, and Texas. SPP is responsible for providing independent transmission services over the transmission facilities its members have placed under the SPP Open Access Transmission Tariff (“SPP Tariff”).

Midwest is a corporation organized under the laws of Kansas. Midwest is a not-for-profit gas and electric cooperative serving Central and Western Kansas that provides bundled electric sales service to approximately 48,000 retail customers, wholesale

¹ Midwest and Larned may be referred to collectively as “the Parties.”

electric sales and or transmission service to ten municipal electric systems, and natural gas distribution service to approximately 42,000 retail customers. Midwest is a Transmission Owner in SPP.

Larned is a municipal utility in Kansas engaged in generating, distributing, and selling electric energy within Larned. Larned is not a member of SPP.

The Larned and Midwest transmission systems will interconnect at the Pawnee 115kV substation owned and operated by Midwest. Larned and Midwest entered into the Larned IA to govern the Parties' responsibilities with respect to an interconnection of the Parties' transmission facilities. The point of interconnection between the Parties' systems will be under the functional control of SPP. Accordingly, consistent with Commission precedent,² SPP is a signatory to the Larned IA, and SPP files the Larned IA.

II. Description of the Larned IA

There is no *pro forma* form for a transmission interconnection agreement in the SPP Tariff. However, the provisions in the Larned IA are similar in scope and application to provisions in other utility-to-utility transmission interconnection agreements to which SPP is a signatory that the Commission previously has accepted.³ In addition, many of the Larned IA provisions are standard contract provisions, such as (e.g. force majeure provisions, liability and indemnification provisions, term and termination provisions). Below is a brief description of the Articles of the Larned IA.

² See *Am. Elec. Power Serv. Corp.*, 110 FERC ¶ 61,276, at P 8, *order on reh'g*, 112 FERC ¶ 61,128, at PP 10-14 (2005) (Commission required PJM Interconnection, LLC ("PJM") and the Midwest Independent Transmission System Operator, Inc. ("Midwest ISO"), to be signatories to utility-to-utility interconnection agreements regarding the interconnected operations of transmission systems which are under the operational control of PJM and the Midwest ISO).

³ See, e.g., *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER10-2451-000 (Oct. 20, 2010); *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER10-1067-000 (June 1, 2010); *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER10-215-000 (Dec. 23, 2009); *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER09-1081-000 (June 16, 2009); *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER08-1546-000 (Nov. 7, 2008); *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER08-496-000 (Mar. 19, 2008); *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER07-200-000 (Jan. 8, 2007); *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER06-1060-000 (July 26, 2006); *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER06-766-000 (May 15, 2006); *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER06-447-000 (Feb. 16, 2006).

The “whereas” clauses provide background information on the Parties and SPP, as well as the circumstances necessitating the Larned IA. Article I contains the Definitions applicable to the Larned IA.

Articles II and III contain terms and conditions pertaining to the interconnection of the Parties’ transmission facilities and the interconnection facilities necessary to facilitate the interconnection, respectively. The Parties’ interconnection facilities are listed in Exhibit A of the Larned IA, discussed *infra*.

Article IV outlines the Parties’ obligations with respect to Operations and Maintenance of their respective transmission systems and the interconnection facilities discussed in the Larned IA. Article V contains the service conditions governing the operation of the proposed interconnection. Article VI governs the modifications that the Parties may make to their respective interconnection facilities, the process for notifying Parties of modifications, and the cost responsibility for modifications. Article VII pertains to construction standards under the Larned IA. Article VIII contains the provisions for engineering, procurement, and construction for the interconnection facilities. Article IX addresses emergencies under the Larned IA.

Article X sets forth provisions regarding the metering requirements associated with the interconnection. Exhibit B of the Larned IA also contains pertinent metering requirements.

Article XI contains provisions regarding the communication facilities necessary for the Larned IA. Article XII governs the exchange of information between the Parties. Article XIII describes the operating committee that will act for the Parties “in the operating arrangements for the interchange or delivery of energy” pursuant to the Larned IA.⁴ Article XIV governs the schedule for billings and payments under the Larned IA.

Article XV contains force majeure provisions. Article XVI contains provisions on breach, cure, and default under the Larned IA. Article XVII contains the term and termination provisions of the Larned IA. Article XVIII contains waiver provisions. Article XIX contains provisions on regulatory approval of the Larned IA.

Articles XX and XXI specify the timing requirements for the installation of all facilities called for under the Larned IA and the Parties’ rights regarding installation, access, and removal of facilities under the Larned IA, respectively.

Article XXII contains provisions on liability and indemnification. Articles 22.3 and 22.4 limit SPP’s role and liability as a signatory to the Larned IA. Specifically, Articles 22.3 and 22.4 provide that, by executing the Larned IA, SPP does not agree to

⁴ See Larned IA at Article 13.1.

the provisions that do not affect or involve SPP transmission or SPP's role as a FERC-approved regional entity.⁵ The provisions further clarify that "SPP's only purpose and involvement in executing this Agreement is with regard to any sections which may affect or involve SPP transmission or SPP's role as a FERC-approved regional entity."⁶

Article XXIII contains provisions regarding assignment of the Larned IA. Article XXIV contains provisions regarding subcontractors. Article XXV contains provisions on dispute resolution between the Parties. Article XXVI contains provisions on notices and communications between the Parties. Article XXVII contains miscellaneous provisions including, among others, provisions on the governing law, third party rights, severability, and confidentiality.

Exhibit A contains details regarding the interconnection between the Parties, including construction of interconnection facilities and a one-line diagram depicting the interconnection. Exhibit C contains the milestones for the construction of the interconnection facilities necessary for the interconnection of the Parties' systems.

III. Effective Date

SPP requests an effective date of July 28, 2011 for the Larned IA. Pursuant to section 35.11 of the Commission's rules and regulations, 18 C.F.R. § 35.11, SPP requests a waiver of the Commission's 60-day notice requirement set forth at 18 C.F.R. § 35.3. Waiver is appropriate because the Larned IA is being filed within 30 days of its requested effective date.⁷ The Commission previously has granted waiver of the 60-day notice requirement for agreements not contained in the filing entities' Tariff when the agreements were filed within 30 days of the requested effective date,⁸ and the Commission should do so here.

⁵ See Larned IA at Article 22.3.

⁶ *Id.*

⁷ See *Prior Notice and Filing Requirements Under Part II of the Federal Power Act*, 64 FERC ¶ 61,139, at 61,983-84, *order on reh'g*, 65 FERC ¶ 61,081 (1993) (the Commission will grant waiver of the 60-day prior notice requirement "if service agreements are filed within 30 days after service commences.").

⁸ See *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER09-1081-000 (June 16, 2009) (Granting waiver of the 60-day prior notice requirement and accepting a transmission to transmission interconnection agreement that was filed within 30 days of the requested effective date.); *Sw. Power Pool, Inc.*, 128 FERC ¶ 61,191 (2009) (Granting waiver of the 60-day prior notice requirement and conditionally accepting an Interim Large Generator Interconnection Agreement ("Interim LGIA"), which was not part of the SPP Tariff at the time, that was filed within 30 days of the requested effective date); *PJM Interconnection, L.L.C.*, Letter Order, (Cont'd . . .)

IV. Service, Notice, and Communication

SPP requests that all correspondence and communications with respect to this filing should be sent to, and that the Secretary include on the official service list, the following:

Heather H. Starnes, J.D.
Manager, Regulatory Policy
Southwest Power Pool, Inc.
415 North McKinley, Suite 140, Plaza West
Little Rock, AR 72205
Telephone: (501) 614-3380
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V. Additional Information

A. Information Required by Section 35.13 of the Commission's Regulations, 18 C.F.R. § 35.13:⁹

(1) Documents Submitted with this Filing:

In addition to this transmittal letter, SPP submits a copy of the Larned IA.

(2) Effective Date:

As noted above, SPP requests that the Commission grant an effective date of July 28, 2011 for the Larned IA.

(. . . cont'd)

Docket No. ER11-3645-000 (July 15, 2011) (Granting waiver of the 60-day prior notice requirement and accepting a Wholesale Market Participation Agreement, an agreement which is not part of the PJM Tariff, that was filed within 30 days of the requested effective date).

⁹ Because the Larned IA does not involve any change in rates, the use of the abbreviated filing procedures as set forth in 18 C.F.R. § 35.13(a)(2)(iii) is appropriate.

(3) Requisite Agreements:

SPP and the Parties have all executed the Larned IA. No other agreements are necessary.

(4) Specifically Assignable Facilities Installed or Modified:

There are none.

VI. Conclusion

For the reasons stated herein, SPP requests that the Commission accept the Larned IA effective July 28, 2011.

Respectfully submitted,

/s/Tyler R. Brown

Carrie L. Bumgarner

Tyler R. Brown

**Attorneys for Southwest Power
Pool, Inc.**

**Southwest Power Pool, Inc.
Original Service Agreement No. 2205**

**INTERCONNECTION AGREEMENT
BETWEEN
MIDWEST ENERGY, INC.
AND
CITY OF LARNED, KANSAS**

This Interconnection Agreement (hereinafter the "Agreement") made and entered into this 28th day of July, 2011, by and between MIDWEST ENERGY, INC., a Kansas not for profit corporation (hereinafter referred to as "Midwest"), and the CITY OF LARNED, KANSAS, (hereinafter called "City"), Midwest and the City are each individually referred to as a "Party" and collectively referred to as the "Parties" herein), and SOUTHWEST POWER POOL, INC. (hereinafter referred to as "SPP" or "Transmission Provider").

WITNESSETH, that,

WHEREAS, Midwest is a cooperative utility engaged in generating, transmitting, distributing and selling electric energy in the State of Kansas, and

WHEREAS, City is a municipal utility engaged in generating, distributing and selling electric energy in the State of Kansas, and

WHEREAS, City desires to construct, own and operate a new 115kV interconnection between the City and Midwest to replace the existing interconnection owned and operated by Midwest, and

WHEREAS, SPP is a Regional Transmission Organization ("RTO") pursuant to the orders of the Federal Energy Regulatory Commission ("FERC") and, as such, is responsible for, among other items, functional control over appropriate transmission facilities within its footprint, and

WHEREAS, Midwest and the City desire to have their respective transmission systems interconnected so that each will realize the mutual benefits of such interconnecting of facilities, and

WHEREAS, in order to take advantage of the benefits which Midwest and City can achieve by interconnection of the transmission systems of the Parties, the Parties are willing to enter into this Agreement, it being understood that the Parties will preserve their identity and integrity and perform their respective responsibilities to their customers, and

WHEREAS, the systems of the Parties will be interconnected at a location herein defined as the "Point of Interconnection." The Point of Interconnection will be operated in synchronism, and is therefore under the functional control of the SPP.

NOW THEREFORE, the Parties covenant and agree as follows

ARTICLE I
DEFINITIONS

- 1.1. "City's Interconnection Facilities" shall mean all facilities and equipment, as identified in Exhibit A of the Agreement, that are located between the City's existing facilities and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the City's facilities to the Transmission System. City's Interconnection Facilities are sole use facilities.
- 1.2. "Control Center" of the City and Midwest shall mean the location designated by each entity to receive and send out operational and metering information.
- 1.3. "ERO" shall mean an Electric Reliability Organization certified by FERC.
- 1.4. "Emergency" shall mean a condition or situation (i) that in the reasonable judgment of the Party making the claim is imminently likely to endanger, or is contributing to the endangerment of, life or property, or public health and safety; or (ii) that, in the case of a Party, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Midwest transmission system, the City transmission system, or the electric systems of others.
- 1.5. "FERC" shall mean the Federal Energy Regulatory Commission.
- 1.6. "Good Utility Practice" shall mean any of the applicable 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 by a Party 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, giving due regard to the requirements of governmental agencies having jurisdiction. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather includes all acceptable practices, methods, or acts generally accepted in the region as they may be applicable to the Parties as transmission system operators.
- 1.7. "Hazardous Substance" shall mean any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "hazardous constituents," "restricted hazardous materials," "extremely hazardous substances," "toxic substances," "radioactive substances," "contaminants," "pollutants," "toxic pollutants" or words of similar meaning and

regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

1.8. “KCC” shall mean the Kansas Corporation Commission.

1.9. “Initial Synchronization Date” shall mean the date upon which the Interconnection Facilities of the respective Parties are first energized, connected to each other and electrically synchronized as to phase and voltage.

1.10. “Interconnection Facilities” shall mean the facilities of the City and Midwest that are interconnected pursuant to this Agreement.

1.11. “Interconnection Studies” shall mean all studies and analysis required by SPP, including as applicable but not limited to (i) Delivery Point Addition/Modification studies as more fully described in Attachment AQ of the SPP Tariff, (ii) load flow, stability and short circuit studies to analyze the impact of the interconnection on the existing network and approval of same by the appropriate Working Group(s) of SPP, and (iii) to the extent required, submittal of a Generator Interconnection Request pursuant to Attachment V to the SPP Tariff.

1.12. “Midwest’s Interconnection Facilities” shall mean all facilities and equipment owned, controlled or operated by Midwest from the Point of Change of Ownership to the Point of Interconnection as identified in Exhibit A to the Agreement, including any modifications, additions or upgrades to such facilities and equipment. Midwest’s Interconnection Facilities are sole use facilities.

1.13. “Modification” shall mean any material, new construction, additions, or design changes made to, or the abandonment, retirement, relocation or rearrangement of, the Midwest transmission system or the City transmission system.

1.14. “NERC” shall mean the North American Electric Reliability Corporation.

1.15. “Point(s) of Interconnection” shall mean the location(s) where the facilities of the City and the facilities of Midwest are interconnected as identified in Article II herein.

1.16. “SCADA” shall mean the Supervisory Control and Data Acquisition System of Midwest. It shall include all equipment used to transmit status, telemetry and control information, including but not limited to remote terminal units, telecommunications equipment, computers, software, and metering equipment owned and operated by Midwest.

1.17. “SPP” shall mean the Southwest Power Pool, Inc.

1.18. “SPP RE” shall mean the SPP Regional Entity.

1.19. "SPP Tariff" shall mean the Open Access Transmission Tariff for service offered by Southwest Power Pool, Inc., as filed with FERC, as such may be amended from time to time.

1.20. "Transmission Facilities" shall mean the respective facilities owned and operated by Midwest or City. With respect to Midwest, this shall include all facilities owned and operated by Midwest pursuant to the SPP Tariff, and designated by the Kansas Corporation Commission to be transmission facilities in Docket No. 08-MDWE-594-RTS.

1.21. "Transmission Operator" shall mean the term as defined in the effective version of the NERC Reliability Functional Model Technical Document.

1.22. "Transmission Owner" shall mean the term as defined in the effective version of the NERC Reliability Functional Model Technical Document.

ARTICLE II INTERCONNECTION OF FACILITIES

2.1 It is understood and agreed that the Parties have established or shall establish interconnections between their systems at the locations identified in Exhibit A, attached hereto and made a part hereof, and under the stipulated conditions set forth below and in Exhibit A, with such modifications in such interconnections or future interconnections as may be mutually agreed upon.

2.2 The Parties may at any time and from time to time provide for additional interconnections between their systems by mutual agreement in writing. When any such additional interconnections are agreed to, a new sheet will be added to Exhibit A to this Agreement setting forth the specific details of that interconnection, and any specific provisions which apply to that interconnection. In the event of a conflict between any provision in the body of this Agreement and the provisions set forth in Exhibit A with respect to a specific interconnection, the provisions in Exhibit A shall control.

2.3 If the City agrees to interconnect with a third party at any interconnection location established under this Agreement for which location a third party balancing authority acts as the balancing authority on behalf of Midwest, City will notify Midwest of that interconnection and a new sheet will be added to Exhibit B of this Agreement, attached hereto and made a part hereof, setting forth the specific details of that interconnection and providing, among other things, for Midwest and such third party balancing authority to receive all meter data regarding that interconnection that Midwest and the third party balancing authority reasonably require to fulfill their respective balancing authority responsibilities.

2.4 If the City agrees to increase the capacity of its existing generating equipment, install new generating equipment, or connect additional generating equipment owned by a third party to its electric system, any of which shall provide in excess of one thousand (1,000) kW of additional generating capacity, either individually or in aggregate, it shall notify Midwest of such addition at least ninety (90) days prior to connecting such new generation. City shall supply such information as may be reasonably requested by Midwest to determine if there will be any impact on Midwest's transmission system or the transmission system of SPP. To the extent Midwest determines there will or may be an impact on the transmission system of Midwest or SPP the parties will work together to submit a generator interconnection request to SPP pursuant to the terms of the SPP Tariff.

ARTICLE III FACILITIES TO BE PROVIDED

3.1 Each Party agrees to provide the facilities and equipment necessary to effect the interconnections provided for under this Agreement as specified in Exhibit A attached hereto and made a part hereof, except as provided herein.

3.2 City's Interconnection Facilities. City shall design, procure, construct, install, own and/or control City's Interconnection Facilities described in Exhibit A, Interconnection No. 1, at its sole expense.

3.3 Midwest's Interconnection Facilities. Midwest shall design, procure, construct, install, own and/or control Midwest's Interconnection Facilities described in Exhibit A, Interconnection Facilities No. 1, at the sole expense of City.

ARTICLE IV OPERATIONS AND MAINTENANCE

4.1 Parties' Obligations. Each Party shall operate and maintain its respective transmission systems and Interconnection Facilities in accordance with Good Utility Practice and, as applicable to each Party, the requirements of NERC, SPP and SPP RE and subject to the applicable procedures and requirements of the SPP Tariff. Each Party, to the extent required, will register with NERC as the Transmission Owner and Transmission Operator of its respective transmission system.

4.2 Start-Up and Synchronization. Consistent with the Parties' mutually acceptable procedures, the City is responsible for the proper synchronization of City's Interconnection Facility to Midwest's Transmission System.

4.3 Power Factor Design Criteria. City shall design the its facilities to maintain a composite power factor within the range of 0.95 leading to 0.95 lagging, unless SPP or Midwest has established different requirements that apply to all generators in the Balancing Area on a comparable basis.

4.2 Switching, Tagging, and Blocking Rules. The Parties shall abide by their respective switching, tagging and blocking rules, and shall coordinate with each other and with SPP for obtaining clearances for work or for switching operations at the Interconnection Facilities.

4.3 Preventive and Corrective Maintenance Outages. In accordance with Good Utility Practice and in order to facilitate maintenance or reliability of the Midwest transmission system and the City transmission system, the Parties shall confer regularly to coordinate the planning and scheduling of preventive and corrective maintenance of, and Modifications to, the Interconnection Facilities that might reasonably be expected to affect the operation of the other Party's transmission system. Scheduled outages or switching operations shall be coordinated with SPP and other transmission-owning members of SPP as required by SPP. Absent an Emergency or a contrary directive from SPP, the Parties shall coordinate their respective schedules for any such activities and will, to the extent practicable and appropriate under the circumstances, give reasonable consideration to, among other things, the impact of the schedule on the other Parties' operations; provided, however, that no Party shall be obligated to schedule such activities to coincide with another Party's scheduled outages, except to the extent required by SPP.

4.4 Inspections and Testing.

4.4.1 Inspections. The Parties shall perform routine inspection and testing of their equipment on their respective Interconnection Facilities in accordance with Good Utility Practice and the applicable requirements of FERC, NERC, SPP and SPP RE as may be necessary to ensure the continued interconnection of the Midwest transmission system and City transmission, generation and distribution systems in a safe and reliable manner.

4.4.2 Right to Observe Testing. The Parties shall have the right to observe the testing of the testing Party's Interconnection Facilities, the performance of which may reasonably be expected to affect the reliability of the observing Party's transmission system. Such testing shall be scheduled at the sole discretion of the testing Party. The testing Party shall notify the other Party at least seven (7) days in advance of such testing unless, in the testing Party's reasonable judgment, the testing must be performed immediately, in which case the testing Party shall provide notice as soon as practicable. The observing Party may have a representative attend and be present during any such testing, but the presence of the observing Party's representative shall not be a prerequisite for the initiation, continuation, or completion of such testing.

4.4.3 Observation of Deficiencies. If any Party observes any condition it believes may be inconsistent with Good Utility Practice with respect to a Party's Interconnection Facilities that might reasonably be expected to

adversely affect the observing Party's transmission system, the observing Party shall notify the other Party. Notwithstanding the foregoing, no Party shall be relieved from liability for adversely affecting another Party's transmission system due to the observing Party's failure to give such notice.

4.5 Disconnection. In the event of an Emergency, or upon mutual agreement of the Parties, a Party may disconnect the Interconnection Facilities for so long as is necessary under Good Utility Practice and the applicable requirements of NERC, SPP and SPP RE, including the period of time necessary to establish the reconnection of the Interconnection Facilities.

4.6 Planned Outage. In the event of a planned outage of any Party's transmission system that may adversely affect the other Party with respect to its transmission system, the Party that is subject to the outage will use efforts consistent with Good Utility Practice, and NERC, SPP and SPP RE requirements to restore the transmission system to service in accordance with its schedule for the work that necessitated the planned outage.

ARTICLE V SERVICE CONDITIONS

5.1 Normally Operated Closed. The systems of the Parties shall be normally operated with the interconnections closed between the systems. Nothing contained herein shall restrict or limit either Party in effecting other interconnections or interconnection agreements with other systems.

5.2 Notice to Initiate Switching. Each Party will advise the other Party promptly of any necessity for initiating a switching operation to relieve a situation of overload, undue burden, or service impairment that might reasonably be expected to impact the other Party's Interconnection Facilities or transmission system. Any such switching shall be coordinated with SPP as required by applicable NERC or SPP standards or by the SPP tariff. If there is insufficient time to notify the other Party or SPP prior to initiating the switching due to system conditions, then the other Party and SPP shall be notified immediately thereafter.

5.3 Notice of Adverse Conditions. Each Party will advise the other Party of any conditions on its system which appear to be approaching overload or undue burden on its line, facilities or equipment, are anticipated to result in exceeding a System Operating Limit (SOL) or Interconnection Reliability Operating Limit (IROL), or appear to be prejudicial to service to its customers and which might reasonably be expected to impact the other Party's Interconnection Facilities or transmission system. Each Party agrees to consider reasonable requests from the other Party regarding methods to relieve such conditions, it being understood that there shall be no obligation that such requests be implemented.

5.4 Each Party shall exercise commercially reasonable efforts, consistent with Good Utility Practice and applicable NERC, SPP and SPP RE requirements, to restore normal interconnected operations once the overload, undue burden, situation or conditions discussed above is or are resolved or overcome.

ARTICLE VI MODIFICATIONS

6.1 General. Each Party may undertake modifications to its facilities. If a Party plans to undertake a modification that reasonably may be expected to affect another Party's facilities, that Party shall provide to the other Parties sufficient information regarding such modification so that the other Parties may evaluate the potential impact of such modification prior to commencement of the work. Such information shall be deemed to be confidential hereunder and shall include information concerning the timing of such modifications and ensure such modifications (i) will not adversely affect a Party's transmission system, or other facilities, and (ii) are consistent with Good Utility Practice. The Party desiring to perform such work shall provide the relevant drawings, plans, and specifications to the other Parties at least ninety (90) Calendar Days in advance of the commencement of the work or such shorter period upon which the Parties may agree, which agreement shall not unreasonably be withheld, conditioned or delayed. Subject to all applicable requirements imposed by SPP, FERC, NERC, and SPP RE, the suitability and the responsibility for the safe and adequate design, operation and maintenance of the initiating Party's facilities shall be and shall remain the sole obligation of the initiating Party.

6.2 Modifications to City's Generating Facilities. In the case of modifications to City's generating facilities that do not require City to submit an Interconnection Request to SPP, Midwest shall provide, within thirty (30) Calendar Days (or such other time as the Parties may agree), an estimate of any additional modifications to Midwest's transmission system or Midwest's Interconnection Facilities necessitated by such City modification and a good faith estimate of the costs thereof.

6.3 Cost Responsibility. When the actions of a Party necessitate Modifications to the other Party's Interconnection Facilities that are not required or directed by SPP, FERC, or NERC, or are not otherwise needed to satisfy SPP RE requirements, such Modifications to the other Party's Interconnection Facilities shall be made at the sole cost and expense of the Party initiating the changes, unless (i) otherwise agreed to in writing by the Parties, or (ii) otherwise allocated pursuant to the SPP Tariff. The initiating Party's responsibility for such Modification costs is limited to those costs that are incremental to costs already planned to be incurred by the other Party.

ARTICLE VII CONSTRUCTION STANDARDS

7.1 Construction Standards. Each Party shall construct its Interconnection Facilities used in connection with the interchange of electric energy hereunder in accordance with standards at least equal to those provided by the National Electrical Safety Code of the United States Bureau of Standards.

ARTICLE VIII

INTERCONNECTION FACILITIES ENGINEERING, PROCUREMENT AND CONSTRUCTION

8.1 Construction. Unless otherwise mutually agreed to between the Parties, City shall select the In-Service Date, Initial Synchronization Date, and Commercial Operation Date for completion of Midwest's Interconnection Facilities as set forth in Exhibit A, Interconnection No. 1, and such dates set forth in Exhibit C, Milestones.

8.1.1 Midwest shall design, procure, and construct Midwest's Interconnection Facilities, using reasonable efforts to complete Midwest's Interconnection Facilities by the dates set forth in Exhibit C, Milestones. Midwest shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, and applicable laws and regulations. In the event Midwest reasonably expects that it will not be able to complete Midwest's Interconnection Facilities by the specified dates, Midwest shall promptly provide written notice to City and shall undertake reasonable efforts to meet the earliest dates thereafter.

8.1.2 Midwest and City shall cooperate with each other and with SPP to ensure that all required Interconnection Studies are completed in a timely fashion consistent with Exhibit C to this Interconnection Agreement.

8.2 [Intentionally Not Used]

8.3 Equipment Procurement. Midwest shall commence design of Midwest's Interconnection Facilities and procure necessary equipment as soon as practicable after all of the following conditions are satisfied, unless the Parties otherwise agree in writing:

8.3.1 Midwest has received written authorization to proceed with the development of an Interconnection Study as required by Midwest. Such interconnection study shall include, but not be limited to, power flow analysis, short circuit analysis, and voltage stability if required by SPP.

8.3.2 Midwest has received written authorization to proceed with design and procurement from City by the date specified in Exhibit C, Milestones; and

8.3.3 City has provided payment to Midwest by the dates specified in Exhibit C, Milestones.

8.4 Construction Commencement. Midwest shall commence construction of Midwest's Interconnection Facilities for which it is responsible as soon as practicable after the following additional conditions are satisfied:

8.4.1 Approval of the Interconnection Study by SPP has been obtained.

8.4.2 Approval of the KCC or other appropriate governmental authority has been obtained for any facilities requiring regulatory approval;

8.4.2 Necessary real property rights and rights-of-way have been obtained, to the extent required for the construction of a discrete aspect of Midwest's Interconnection Facilities;

8.4.3 Midwest has received written authorization to proceed with construction from City by the date specified in Exhibit C, Milestones; and

8.4.4 City has provided payment to Midwest by the dates specified in Exhibit C, Milestones.

8.5 Work Progress. The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Parties may, at any time, request a progress report from other Parties. If, at any time, City determines that the completion of Midwest's Interconnection Facilities will not be required until after the specified In-Service Date, City will provide written notice to Midwest of such later date upon which the completion of Midwest's Interconnection Facilities will be required.

8.6 Information Exchange. As soon as reasonably practicable after the Effective Date, the Parties shall exchange information regarding the design and compatibility of the Parties' Interconnection Facilities and compatibility of the Interconnection Facilities with the Transmission System, and shall work diligently and in good faith to make any necessary design changes.

8.7 City's Interconnection Facilities ('CIF'). City shall, at its expense, design, procure, construct, own and install the CIF, as set forth in Exhibit A, Interconnection No. 1.

8.7.1 City's Interconnection Facility Specifications. City shall submit initial specifications for the CIF, including System Protection Facilities, to Midwest on or before those dates specified in Exhibit C, Milestones. Midwest shall review such specifications to ensure that the CIF are compatible with the technical specifications, operational control, and safety requirements of Midwest and comment on such specifications within thirty (30) Calendar Days of City's submission.

- 8.7.2 Midwest's Review. Midwest's review of City's final specifications shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the CIF. City shall make such changes to the CIF as may reasonably be required by Midwest, in accordance with Good Utility Practice, to ensure that the CIF are compatible with the technical specifications, operational control, and safety requirements of Midwest.
- 8.7.3 CIF Construction. The CIF shall be designed and constructed in accordance with Good Utility Practice. Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, City shall deliver to Midwest "as-built" drawings, information and documents for the CIF, such as: a one-line diagram, a site plan showing the CIF, plan and elevation drawings showing the layout of the CIF, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with City's step-up transformers, the facilities connecting the City's generating facilities to the CIF, and the impedances (determined by factory tests) for the associated step-up transformers and the generating facility.

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

8.8 Midwest's Interconnection Facilities Construction. Midwest's Interconnection Facilities and Network Upgrades shall be designed and constructed in accordance with Good Utility Practice. Upon request, within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Midwest shall deliver to City the "as-built" drawings, information and documents for Midwest's Interconnection Facilities a one-line diagram, including a site plan, plan and elevation drawings showing the layout of Midwest's Interconnection Facilities, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings.

8.9 Access Rights. Upon reasonable notice and supervision by a Party, and subject to any required or necessary regulatory approvals, a Party ("Granting Party") shall furnish at no cost to any other Party ("Access Party") any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by the Granting Party, its agents (if allowed under the applicable agency agreement), or any Affiliate, that are necessary to

enable the Access Party to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to: (i) interconnect the Customers Interconnection Facilities with Midwest's Interconnection Facilities; (ii) operate and maintain the Interconnection Facilities; and (iii) disconnect or remove the Access Party's facilities and equipment upon termination of this Agreement. In exercising such licenses, rights of way and easements, the Access Party shall not unreasonably disrupt or interfere with normal operation of the Granting Party's business and shall adhere to the safety rules and procedures established in advance, as may be changed from time to time, by the Granting Party and provided to the Access Party.

8.10 Lands of Other Property Owners. If any part of Midwest's Interconnection Facilities and/or Network Upgrades is to be installed on property owned by persons other than City or Midwest, Midwest shall at City's expense use efforts, similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority, and to the extent consistent with state law, to procure from such persons any rights of use, licenses, rights of way and easements that are necessary to construct, operate, maintain, test, inspect, replace or remove Midwest's Interconnection Facilities and/or Network Upgrades upon such property.

8.11 Permits. Transmission Provider or Midwest and City shall cooperate with each other in good faith in obtaining all permits, licenses, and authorizations that are necessary to accomplish the interconnection in compliance with applicable laws and regulations.

8.12 [Intentionally Not Used.]

8.13 The terms of this Article 8.13 apply to billing between Midwest and City for construction and operation and maintenance charges. All other billing will be handled according to the applicable Tariff or agreement.

8.13.1 General. Each Party shall submit to the other Party, on a monthly basis, invoices of amounts due for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party hereunder, including interest payments or credits, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

8.13.2 Final Invoice. Within six months after Midwest's completion of the construction of Midwest's Interconnection Facilities, Midwest shall provide an invoice of the final cost of the construction of Midwest's Interconnection Facilities and shall set forth such costs in sufficient detail to enable City to compare the actual costs with the estimates and to

ascertain deviations, if any, from the cost estimates. Midwest shall refund to City any amount by which the actual payment by City for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

8.13.3 Payment. Invoices shall be rendered to the paying Party at the address specified in Article 26. The Party receiving the invoice shall pay the invoice within thirty (30) Calendar Days of receipt. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by either Party will not constitute a waiver of any rights or claims either Party may have hereunder.

8.13.4 Disputes. In the event of a billing dispute between Midwest and City, Midwest shall continue to provide Interconnection Service under this Agreement as long as City: (i) continues to make all payments not in dispute; and (ii) pays to Midwest or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If City fails to meet these two requirements for continuation of service, then Midwest may provide notice to City of a Default pursuant to Article 25. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due with interest calculated in accord with the methodology set forth in FERC's regulations at 18 CFR § 35.19a(a)(2)(iii).

ARTICLE IX EMERGENCIES

9.1 Generally. The Parties agree to adopt, implement and maintain emergency procedures which comply with NERC standards and SPP RE emergency procedures.

9.2 Notice. In compliance with, and pursuant to, Section 26.3 herein, any Party shall provide the other Party with verbal notification that is prompt under the circumstances of an Emergency that may reasonably be expected to affect the other Party's operation of their respective transmission systems, to the extent the notifying Party is aware of the Emergency. Such notification shall describe, as known, the Emergency, the extent of any damage or deficiency, its anticipated duration, and the corrective action taken and/or to be taken.

9.3 Immediate Action. In the event of an Emergency, the Party becoming aware of the Emergency may, in accordance with Good Utility Practice, take such action with respect to its own facilities as is reasonable and necessary to prevent, avoid, or mitigate injury, danger, degradation of transmission system reliability and/or loss of life or property. The Parties shall, consistent with Good Utility Practice, take whatever actions or inactions the Parties deem necessary during an Emergency, including, without

limitation, to request and comply with directives of SPP, in order to: (i) preserve public health and safety; (ii) preserve the reliability of the Parties' transmission systems; (iii) limit or prevent damage; and (iv) expedite restoration of service.

9.4 Restoration of Operations. Each Party shall in accordance with Good Utility Practice restore normal interconnected operations under this Agreement upon resolution of the Emergency.

9.5 Limited Liability. Except as otherwise provided herein, no Party shall be liable to the other Party for any action it takes in responding to an Emergency Condition so long as such action is made in good faith and is consistent with Good Utility Practice.

ARTICLE X METERING

10.1 General. Each Party shall comply with the Applicable SPP requirements. Unless otherwise agreed by the Parties, Midwest shall install Metering Equipment at the Point of Interconnection prior to any operation of the Interconnection Facilities and shall own, operate, test and maintain such Metering Equipment. Power flows to and from the City shall be measured at or, at Midwest's option, compensated to, the Point of Interconnection. Midwest shall provide metering quantities, in analog and/or digital form, to City, the applicable balancing authority providing balancing services on behalf of Midwest, and to SPP on a same-time basis using communication as provided in Article 8. City shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment.

10.2 Ownership. The ownership of the metering facilities for each of the interconnections listed in Section 2.1 shall be as shown on the sheet in Exhibit A attached hereto that pertains to that interconnection.

10.3 Meter Maintenance. Metering facilities required for the purposes of this Agreement shall be provided and owned by the Company and the cost borne by City. Such metering facilities required pursuant to this agreement shall be maintained in accordance with Good Utility Practice by Midwest, at Midwest's cost and expense.

10.4 Check Meters. Each Party shall have the right to install, at its own cost and expense, suitable metering equipment at any Point of Interconnection provided for herein for the purpose of backing up and/or checking the meters installed by the other Party.

10.5 Point of Measurement. The amounts of energy supplied and received hereunder shall be determined from measurements taken at or adjusted to the Point of Interconnection.

10.6 Testing of Meters. The aforesaid metering equipment shall be tested by the owner at least annually and its accuracy of registration maintained in accordance with Good Utility Practices, at the owner's cost and expense. On request of either Party concerned, a special test shall be made. If any special meter test discloses the questioned meter to be registered correctly or within one half percent (.5%) thereof (or such other standard of accuracy as may be required by SPP), then the Party who requested such special meter test shall bear the expense thereof. Otherwise, the expense of such test shall be borne by the owner of such meter. In accordance with the provisions of Section 4.4.2, representatives of the other Party shall be afforded opportunity to be present at all routine or special tests.

10.7 Provision of Meter Data. Each Party shall furnish the other Party, upon request and within reasonable time frames, with appropriate data from meter registrations and other sources in such detail and with such segregations as may be needed for operating records, or for settlements hereunder or for other reasonable purposes, including but not limited to fulfillment of balancing authority responsibilities.

10.8 Additional Requirements. Specific provisions concerning metering and metering facilities for a specific interconnection may be set forth on the sheets in Exhibits A or B attached hereto pertaining to that specific interconnection. In the event of a conflict between this Article X and the metering-related provisions set forth in an exhibit, the provisions in the exhibit shall control.

10.9 Inaccurate Metering. If a meter test discloses an inaccuracy greater than said acceptable limits, the account between the Parties shall be adjusted to correct for the full percentage of inaccuracy. Such adjustment shall be made for a maximum period of 180 days prior to the date of the test or to the period during which such inaccuracy may be determined to have existed, whichever period is the shorter. If any metering equipment at any time fails to register, or if the registration thereof be so erratic as to be meaningless, the power and energy delivered shall be determined from the best available data. Any required adjustment for amounts owed by one Party to the other due to inaccurate metering shall be reflected on the owing Party's next monthly bill. The Parties acknowledge that meter testing may reveal that a Party has either been under-paying or over-paying for services received.

10.10 Generation Metering. To the extent the City obtains transmission service pursuant to a Network Integration Transmission Service Agreement from SPP, either directly or through a third party, City shall install and maintain metering equipment and other necessary telemetry equipment to provide to Midwest instantaneous and integrated quantities of both real and reactive power generation. Such telemetered data shall be provided in a format compatible with Midwest's SCADA system and acceptable to Midwest.

ARTICLE XI
COMMUNICATION FACILITIES

11.1 Communication Facilities. Communication facilities for voice, telemetry or supervisory control necessary for the effective operation of this Agreement shall be installed, maintained, and operated by the Parties and the capital costs and operating and maintenance costs of such facilities shall be shared as mutually agreed upon by the Parties as specified in Exhibit A.

11.2 Remote Terminal Unit. Prior to the Initial Synchronization Date of the Interconnection Facilities, a Remote Terminal Unit, or equivalent data collection and transfer equipment acceptable to Midwest, shall be installed by Midwest at City's expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by Midwest through use of a dedicated point-to-point data circuit(s) as indicated in Article 8.1. The communication protocol for the data circuit(s) shall be specified by Midwest. Instantaneous bi-directional analog real power and reactive power flow information must be telemetered directly to the location(s) specified by Midwest.

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

11.4 Additional Requirements. Specific provisions concerning communications and communication facilities for a specific interconnection may be set forth on the sheet in Exhibits A or B attached hereto pertaining to that specific interconnection. In the event of a conflict between this Article XI and the communications-related provisions set forth in an exhibit, the provisions of the exhibit shall control.

11.5 In the event City enters into a third party agreement that requires it to provide telemetry or supervisory control data to such third party it shall do so at its own expense.

ARTICLE XII
FURNISHING OF INFORMATION

12.1 Furnishing of Information. It is recognized by the Parties that the successful operation of this Agreement depends upon the cooperation by the Parties in the operation of their systems. As a part of such cooperation, subject to applicable confidentiality agreements, each Party agrees that it will furnish to the other Party and to SPP, as requested, such data concerning its system as may be reasonably necessary to support the other Party's and regional system reliability.

12.2 Facility Rating and Modeling Data. Notwithstanding the applicability provisions with respect to Midwest and City of the following NERC standards, Midwest and City

agree to provide to the other all data and information in a manner consistent with the effective requirements of the following NERC reliability standards:

- FAC-009: Establish and Communicate Facility Ratings
- MOD-010: Steady-State Data for Modeling and Simulation of the Interconnected Transmission System
- MOD_011: Maintenance and Distribution of Steady-State Data Requirements and Reporting Procedures
- MOD-012: Dynamics Data for Modeling and Simulation of the Interconnected Transmission System
- MOD-013: Maintenance and Distribution of Dynamics Data Requirements and Reporting Procedures

ARTICLE XIII OPERATING COMMITTEE

13.1 Establishing the Operating Committee. Each Party shall appoint one representative, and one alternate representative, to act for it solely in the operating arrangements for the interchange or delivery of energy under or pursuant to this Agreement, said two representatives being hereinafter referred to collectively as the Operating Committee. Each Party shall evidence such appointment by written notice to the other Party, and by similar notice either Party may at any time change its representative on the Operating Committee.

13.2 Authority. The two representatives, or one or both of the alternate representatives when acting as a representative, on the Operating Committee shall be of equal authority, and all decisions made or directions given by the Operating Committee must be unanimous. If the Operating Committee cannot reach a unanimous decision, the dispute shall be resolved pursuant to Article XXV titled “Dispute Resolution” herein.

ARTICLE XIV BILLINGS AND PAYMENTS

14.1 All bills for amounts owed by one Party to the other hereunder, not otherwise billed by SPP, shall be due on the 15th day after the close of the billing period to which such bills are applicable or on the 10th day following receipt of bill, whichever shall be the later. The standard period for the purpose of settlements hereunder shall be a calendar month.

ARTICLE XV
FORCE MAJEURE

15.1 Neither Party shall be considered to be in default in respect of any obligation hereunder if prevented from fulfilling such obligation by reason of “Force Majeure” The term “Force Majeure” shall be deemed for the purposes hereof to include among others such causes as storm, flood, lightning, earthquake, fire, explosion, accident damaging facilities upon which performance is dependent, failure of manufacturers to make scheduled deliveries of equipment, act of the public enemy, sabotage, civil disturbance, labor disturbance or strike, impact of war or mobilization, national emergency, restraint or order by court or by public authority, or other causes beyond the control of the Party affected, which such Party could not reasonably have been expected to avoid by exercise of due diligence and foresight and by provision of reserve facilities in accordance with Good Utility Practice. “Force Majeure” shall not include any change in economic conditions, change in operations of the Party asserting that uncontrollable forces exist, or change in contracts or contractual relations with third parties. Either Party unable to fulfill any obligation by reason of Force Majeure shall exercise due diligence to remove such disability, if practicable, with reasonable dispatch.

ARTICLE XVI
BREACH, CURE AND DEFAULT

16.1 Events of Breach. The occurrence of any one of the following shall constitute an Event of Breach by a Party (the “Breaching Party”):

- (a) The failure to comply with any material term or condition of this Agreement, including but not limited to any material breach of a representation, warranty or covenant made in this Agreement;
- (b) If a Party: (i) by decree of a court of competent jurisdiction, is adjudicated bankrupt or insolvent; (ii) engages in acts or omissions that constitute a default on outstanding debt; (iii) files a voluntary petition in bankruptcy under any provision of any federal or state bankruptcy law or shall consent to the filing of any bankruptcy or reorganization petition against it under any similar law; (iv) makes a general assignment for the benefit of its creditors; or (v) consents to the appointment of a receiver, trustee or liquidator;
- (c) Assignment of this Agreement in a manner inconsistent with the terms of this Agreement;
- (d) Failure of any Party to provide such access rights, or a Party’s attempt to revoke or terminate such access rights, as provided under this Agreement;

- (e) Failure of any Party to provide information or data to another Party as required under this Agreement, provided the Party entitled to the information or data under this Agreement requires such information or data to satisfy its obligations under this Agreement;
- (f) Failure of any Party to act in accordance with the terms and requirements resulting from dispute resolution.

16.2 Continued Operation. In the event of an Event of Breach by any Party, the Parties shall continue to operate and maintain, as applicable, such DC power systems, protection and metering equipment, telemetering equipment, SCADA equipment, transformers, communications equipment, building facilities, software, documentation, structural components, and other facilities and appurtenances that are reasonably necessary for the Parties to operate and maintain their respective transmission systems in a safe and reliable manner. Such operation shall continue throughout the period in which the interconnection is energized.

16.3 Cure and Default.

- (a) A Breaching Party automatically will be deemed to be in “Default” of this Agreement upon the occurrence of any one of the Events of Breach described in Section 16.1(b) of the Agreement.
- (b) Upon the occurrence of any Event of Breach other than those described in Section 16.1(b), any Party not in breach (hereinafter a “Non-Breaching Party”), when it becomes aware of any such Event of Breach, shall give written notice of the Event of Breach to the Breaching Party. Such notice shall set forth, in reasonable detail, the nature of the breach, and where known and applicable, the steps necessary to cure such breach. Upon receiving written notice of the breach hereunder, the Breaching Party shall have ninety (90) days to cure such breach. If the breach is such that it cannot be cured within such ninety-day (90-day) time period, the Breaching Party will commence in good faith all steps as are reasonable and appropriate to cure the breach within such ninety-day (90-day) time period and thereafter diligently pursue such action to completion. In the event the Breaching Party fails to cure the breach, or to commence reasonable and appropriate steps to cure the breach, within such ninety-day (90-day) time period, the Breaching Party will be in “Default” of the Agreement.
- (c) When a Breaching Party is deemed to be in Default pursuant to Section 16.3(a), any Non-Breaching Party may terminate this Agreement as to the Breaching Party by providing written notice of termination to the Breaching Party and to SPP, except that where a Default has been disputed by the Breaching Party, termination of this Agreement on account of such

Default may not occur absent a final, binding and non-appealable decision by FERC, an arbitrator, or a court of competent authority having jurisdiction, making a determination of said Default.

ARTICLE XVII
TERM AND TERMINATION OF INTERCONNECTION SERVICE

17.1 Term. This Agreement shall become effective as of the date first above written, or upon approval by all regulatory bodies having jurisdiction in the premises, whichever is later, (the “Effective Date”) and shall continue in effect thereafter for an initial period ending December 31, 2030, and shall continue in effect thereafter until terminated.

17.2 Regulatory Filing. Midwest shall file this Agreement with the (and any amendment hereto) with the KCC or other appropriate governmental authority, if required. City shall reasonably cooperate with Midwest with respect to such filing and provide any information reasonably requested by Midwest needed to comply with applicable regulatory requirements.

17.3 Termination.

17.3.1 By Mutual Consent. This Agreement may be terminated at any time by mutual agreement of the Parties and following the expiration of a one (1) year written notice to SPP.

17.3.2 By Any Party. In addition to the termination rights set forth in Section 16.3(c), any Party may terminate this Agreement on or after December 31, 2030, following the expiration of a two-year written notice of termination to the other Party and to SPP.

17.3.3 Regulatory Approval of Termination. No termination hereunder shall become effective until the terminating Party (or the Parties jointly) tender(s) to the appropriate governmental authority any required notification of termination of this Agreement (if any) and obtains such acceptance thereof as may be required (if at all).

17.4 Disconnection. Upon termination of this Agreement in accordance with this Article, a Party shall, in coordination with the other Party, physically disconnect its transmission system from the terminated Party’s transmission system.

17.5 Survival of Rights. Termination of this Agreement shall not relieve any Party of any of its liabilities and obligations arising hereunder prior to the date termination becomes effective, and each Party may take whatever judicial or administrative actions as appear necessary or desirable to enforce its rights hereunder. Applicable provisions of this Agreement will continue in effect after expiration, cancellation or termination of this Agreement to the extent necessary to provide for final billings, billing adjustments, and

the determination and enforcement of liability and indemnification obligations arising from events or acts that occurred while this Agreement was in effect.

ARTICLE XVIII
WAIVERS

18.1 Waiver. Except as otherwise provided in this Agreement, a Party's compliance with any obligation, covenant, agreement, or condition herein may be waived by the Party entitled to the benefits thereof only by a written instrument signed by the Party granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, covenant, agreement, or condition will not operate as a waiver of, or estoppel with respect to, any subsequent or other failure of any obligation, covenant, agreement, or condition herein.

18.2 Failure to Enforce. Failure of any Party to enforce or insist upon compliance with any of the terms or conditions of this Agreement, or to give notice or declare this Agreement or the rights hereunder terminated, shall not constitute a waiver or relinquishment of any rights set out herein, but the same shall be and remain at all times in full force and effect as to future acts and omissions, unless and only to the extent expressly set forth in a writing signed by the Party granting such waiver or relinquishing any such right(s). Any waiver granted, or relinquishment of any right, by a Party shall not operate as a relinquishment of any other rights or a waiver or of any other failure of the Party granted the waiver to comply with any obligation, covenant, agreement, or condition herein.

ARTICLE XIX
REGULATORY APPROVAL

19.1 Regulatory Approval. This Agreement and all obligations hereunder are expressly conditioned upon the granting of such approval and authorization by any regulatory body, whose approval or authorization may be required by law. Each Party shall aid and assist the other in obtaining any such necessary approval and authorization. If in the process of aiding and assisting in seeking regulatory approval it is discovered that modifications of the Parties' obligations under this Agreement are needed, or any regulatory body requires modification to the Parties' obligations under the terms of this Agreement, the Parties agree to negotiate in good faith such modifications. In the event the Parties agree to modify and amend the terms of this Agreement to conform to the decisions or directives of any regulatory body such modification will be made pursuant to Section 27.4 herein. In the event the Parties are unable to negotiate mutually agreeable modifications to this Agreement, the provisions of Section 27.5 shall apply. It is expressly understood, pursuant to Section 201(f) of the Federal Power Act, that, at the time of execution of this Agreement, Midwest is exempt from Part II of the Federal Power Act because Midwest is an electric cooperative that sells less than 4,000,000 megawatt hours of electricity per year.

ARTICLE XX
TIME OF INSTALLATION

20.1 Midwest and City shall use commercially reasonable efforts to furnish and install, complete and ready for operation, all facilities called for under the terms of this Agreement in compliance with mutually agreeable timeframes.

ARTICLE XXI
RIGHTS OF INSTALLATION, ACCESS AND REMOVAL

21.1 Provision of Required Easements. Each Party shall grant to the other Party and its respective agents the right to install, maintain, and operate on the premises of the other during the terms of this Agreement all its equipment, apparatus and devices which may be reasonably necessary for use in its performance of this Agreement, and, as to Midwest and its balancing authority agent, fulfillment of its balancing authority responsibilities. Each Party shall furnish the other Party any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by the Party, its agents, or any affiliate that are necessary to enable the other Party to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment.

21.2 Safety Rules. This Section 21.2 applies to all employees, agents, subcontractors, suppliers and contractors of either Party, including the employees of any of them (herein called "Authorized Personnel") when performing work on any assets owned by one Party that are located on the premises of the other Party. Prior to commencement of any such work, the Parties will agree through the Operating Committee to procedures that ensure that Authorized Personnel adhere to a mutually satisfactory safety program at all times while on the other Party's property, by adopting procedures (the "Safety Rules") that incorporate the more stringent of the various safety procedures of either Party or otherwise as the Operating Committee may agree. Each Party shall instruct all of its Authorized Personnel to conform to all Safety Rules and to attend relevant safety training provided by either Party before starting to perform any work. Prior to executing this Agreement, each Party shall provide to the other Party its current applicable safety manual and other safety-related documents. Each Party will timely provide to the other Party any updates to its safety manual as they become effective. The Operating Committee shall be responsible for updating the Safety Rules that govern the Parties when working on the premises of the other Party. Each Party will in turn provide its Authorized Personnel all Safety Rules and instruct them to review and be familiar with them and to report any infractions thereof to the respective Party without fear of recrimination. Each Party shall immediately correct any such infractions by its Authorized Personnel.

21.3 Access to Premises. Each Party shall give all necessary permission to the other to enable its representatives to carry out this Agreement and shall give the other Party the right by duly authorized representatives and employees, upon reasonable notice and subject to the Safety Rules, to enter the premises of the other Party at all reasonable times for the purpose of reading or checking meters, or inspecting, testing, repairing, renewing, or exchanging all of its equipment, apparatus, and devices which may be located on the property of the other, or for the purpose of performing any other work incident to the performance of this Agreement, including, as to Midwest, fulfillment of its balancing authority responsibilities as applicable. An authorized representative of the Party owning the premises shall, unless otherwise mutually agreed, accompany the representatives of the other Party at all such times.

21.4 Ownership of Equipment. Any equipment, apparatus, and devices necessary to fulfill either Midwest's obligations, or City's obligations hereunder placed or erected by either Party on or in the premises of the other Party shall be and remain property of the Party owning and installing such equipment, apparatus, and devices regardless of the mode and manner of its annexation or attachment to real property of the other; and upon the termination of service provided for hereunder and for a period of six (6) months thereafter, Midwest and City shall have the right, upon reasonable notice and subject to the Safety Rules, to enter upon the premises of the other during normal working hours to remove such equipment, apparatus, or devices owned by it or in its lawful possession or control. An authorized representative of the Party owning the premises shall, unless otherwise mutually agreed, accompany the representatives of the other Party at all such times. If such facilities are not removed within such six (6) month period, the owner shall forfeit all right to recover same and to be compensated for same.

ARTICLE XXII LIABILITY AND INDEMNIFICATION

22.1 Limitations of Liability. Neither Party shall be liable for money damages or other compensation to the other Party or to SPP or Users (as defined in the SPP Tariff) for actions or omissions in performing its obligations under this Agreement, except to the extent such act or omission is found to result from its gross negligence or intentional wrongdoing. Neither Party may seek to enforce any claims against the directors, members, shareholders, officers, employees or agents of either Party or its Affiliates by reason of their status as directors, members, shareholders, officers, employees or agents of a Party or its Affiliates. Neither Party shall be liable for damages arising out of its actions or omissions in performing its obligations under this Agreement, including, but not limited to any act or omission that results in an interruption, deficiency or imperfection of service, occurring as a result of Uncontrollable Forces, or resulting from electric system design or practices which are in accordance with Good Utility Practice. Neither Party shall be liable for acts or omissions done in compliance or good faith attempts to comply with directives of the Transmission Provider. In no event shall a Party be liable for any incidental, consequential, punitive, special, exemplary or indirect

damages, loss of revenues or profits, arising out of, or connected in any way with its performance or non-performance under this Agreement.

22.2 Indemnification. Each Party (the “Indemnifying Party”), subject to the limitations set forth in the Kansas Tort Claims Act, K.S.A. 75-6101 *et seq.*, shall at all times indemnify, defend and save the other Party (the “Indemnified Party”) harmless from any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demands, suits, recoveries, costs and expenses, court costs, attorney’s fees, and all other obligations by or to third parties, arising out of or resulting from the Indemnifying Party’s performance of obligations under this Agreement, except in cases of gross negligence or intentional wrongdoing by the Indemnified Party.

22.3 SPP Limitation of Liability. No Party shall be liable for the failure of any other Party or SPP to perform its obligations hereunder. Nothing in this Agreement shall be construed to create or give rise to any liability on the part of SPP and the Parties expressly waive any claims that may arise against SPP under this Agreement. By executing this Agreement, SPP does not agree to the provisions that do not affect or involve SPP transmission or SPP’s role as a FERC-approved regional entity. SPP’s only purpose and involvement in executing this Agreement is with regard to any sections which may affect or involve SPP transmission or SPP’s role as a FERC-approved regional entity.

22.4 Effect of SPP Signature. The Parties acknowledge and understand that the signature of the authorized officer of SPP on this Agreement is for the limited purpose of acknowledging that an officer of SPP has read the terms of this Agreement. The Parties and SPP further state that they understand that FERC desires that the Parties keep SPP fully apprised of the matters addressed herein as well as any reliability and planning issues that may arise under this Agreement, and that the signature of the SPP officer shall not in any way be deemed to imply that SPP is taking responsibility for the actions of any Party, that SPP has any affirmative duties under this Agreement, or that SPP is liable in any way under this Agreement except as specifically provided in the SPP Tariff.

22.5 Survival. The limitation of liability provided for, and the indemnification obligations of each Party under this Article shall continue in full force and effect regardless of whether this Agreement has either expired or been terminated or canceled with respect to matters that arise during the effectiveness of the Agreement.

ARTICLE XXIII ASSIGNMENT

23.1 Successors and Assigns. This Agreement, and the rights and obligations created thereby, shall bind and inure to the benefit of the successors and permitted assigns of the Parties hereto.

23.2 Consent Required. Subject to paragraph 23.3 below, no Party may assign any rights or obligations hereunder without obtaining the consent of the other Parties, which consent shall not unreasonably be withheld or delayed.

23.3 Assignment in Event of Merger or for Financing. Notwithstanding anything to the contrary herein, either Party, without the consent of the other Party or SPP but with reasonable prior written notice, may (i) assign this Agreement to any entity or entities in connection with a merger, consolidation, reorganization or other change in the organizational structure of the assigning Party, provided that the surviving entity(ies) agrees, in writing, to assume the assigning Party's obligations and duties under, and be bound by, the terms of this Agreement, or (ii) transfer, sell, pledge, encumber or assign this Agreement and the accounts, revenues or proceeds hereof in connection with any financing of or for such Party or other financial arrangements involving such Party (including to any trustee or other agent on behalf of one or more entities providing financing to or for, or involving, such Party).

ARTICLE XXIV SUBCONTRACTOR

24.1 Generally. Nothing in this Agreement shall prevent a Party from utilizing the services of such subcontractors as it deems appropriate to perform its obligations under this Agreement; provided, however, that all Parties shall require their subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services.

24.2 Responsibility of Principal. The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. Each Party shall be fully responsible to the other Parties for the acts or omissions of any subcontractor it hires as if no subcontract had been made. Any applicable obligation imposed by this Agreement upon a Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

24.3 No Third Party Beneficiary. No subcontractor is intended to be, nor will it be deemed to be, a third-party beneficiary of this Agreement.

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

ARTICLE XXV DISPUTE RESOLUTION

25.1 Dispute Resolution. In the event any Party has a dispute, or asserts a claim, that arises out of or in connection with this Agreement or its performance, and such dispute cannot be resolved by the Operating Committee or its established alternates, such Party

(the “Disputing Party”) shall provide the other Parties with written notice of the dispute or claim (“Notice of Dispute”). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the non-disputing Parties. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the non-disputing Parties’ receipt of the Notice of Dispute, such claim or dispute shall be submitted for resolution in accordance with the dispute resolution procedures of the SPP Tariff which is hereby adopted mutatis mutandis.

ARTICLE XXVI
NOTICES AND COMMUNICATIONS

26.1 Unless otherwise specified herein, all notices, requests, claims, demands and other communications required or permitted to be given under this Agreement must be in writing, and must be given (and will be deemed to have been duly given if so given) by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Party, or personally delivered to the respective Parties as follows:

To: Midwest Energy, Inc.

Midwest Energy, Inc.
Attn: Vice President Energy Mgmt. &
Supply
1330 Canterbury Dr.
Hays, KS 67601
Phone: 785-625-1432
Fax: 785-625-1487

To: City of Larned, Kansas

City Clerk
City of Larned
417 Broadway
Larned, KS 67550
620-285-8500
FAX 620-285-8544

To SPP:

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

Any such notice or communication will be deemed to have been given as of the date received.

26.2 Any Party may change its address or designated representative for notices by notice to the other Parties in the manner provided above.

26.3 Notwithstanding Section 26.1, any notice hereunder concerning an Emergency or other occurrence requiring prompt attention, or as necessary during day-to-day operations, may be made by telephone or in person. Notice in an Emergency, or as necessary during day-to-day operations, shall be provided: (i) if by City, to the operator on duty at Midwest's Control Center, (ii) if by Midwest, to the operator on duty at City's Control Center, and (iii) if by SPP, pursuant to the SPP's established procedures. The Operating Committee shall distribute to both Parties and to SPP the contact information for the respective Control Centers and shall ensure that such information is kept current.

ARTICLE XXVII MISCELLANEOUS PROVISIONS

27.1 Governing Law.

- (a) When not in conflict with or preempted by federal law, this Agreement will be governed by and construed in accordance with the laws of the State of Kansas without giving effect to the conflict of law principles thereof.
- (b) Except for those matters covered in this Agreement and which are either jurisdictional to FERC or submitted to dispute resolution pursuant to Article XXV, any action arising out of or concerning this Agreement must be brought in State of Kansas District Court in Pawnee County or the United States District Court for the District of Kansas. Both Parties hereby consent to the jurisdiction by these Courts for the purpose of hearing and determining any action not pre-empted by FERC.

27.2 Relationship of the Parties. Nothing in this Agreement is intended to create a partnership, joint venture, or other joint legal entity making any Party jointly or severally liable for the acts of the other Party. Unless otherwise agreed to in a writing signed by all Parties, no Party shall have any authority to create or assume in another Party's name or on its behalf any obligation, express or implied or to act or purport to act as any other Party's agent or legally-empowered representative for any purpose whatsoever. Each Party shall be solely liable for the payment of all wages, taxes, and other costs related to the employment of persons by that Party to perform under this Agreement, including all federal, state, and local income, social security, payroll and employment taxes and statutorily-mandated workers' compensation coverage. None of the persons employed by any Party shall be considered employees of the other Party for any purpose; nor shall any Party represent to any person that such persons are or shall become employees of the other Party. Except as expressly provided for herein, no Party shall be liable to any third Party in any way for any engagement, obligation, commitment, contract, representation, or for any negligent act or omission to act of the other Party.

27.3 No Third Party Rights. No provision of this Agreement shall in any way inure to the benefit of any third Person (including the public at large) so as to constitute any such Person as a third party beneficiary of this Agreement or of any one or more of the terms hereof, or otherwise give rise to any cause of action in any Person not a Party, successor or permitted assignee.

27.4 Amendment Modification. Except as otherwise provided, (a) this Agreement may only be modified in writing and signed by all Parties, and (b) no amendment or modification to this Agreement or waiver of a Party's rights hereunder shall be binding unless the same shall be in writing and signed by the Parties. Notwithstanding any provision in this Agreement to the contrary, any Party may unilaterally make application to the FERC under Sections 205 or 206, as applicable, of the Federal Power Act and pursuant to FERC's rules and regulations promulgated thereunder, or to the Kansas Corporation Commission, as applicable, for a change in any rate, term, condition, charge, classification of service, rule or regulation under or related to this Agreement over which the applicable regulatory body has jurisdiction.

27.5 Severability. If any term, condition, covenant, restriction or other provision of this Agreement is held by a court or regulatory agency of competent jurisdiction or by legislative enactment to be invalid, void or otherwise unenforceable, the remainder of the terms, conditions, covenants, restrictions and other provisions of this Agreement shall remain in full force and effect unless such an interpretation would materially alter the rights and privileges of any Party. If any term, condition, covenant, restriction or other provision of this Agreement is held invalid, void or otherwise unenforceable, the Parties shall attempt to negotiate an appropriate and equitable replacement, revision or adjustment to the provision of this Agreement to restore the benefits and obligations conferred under the original Agreement.

27.6 Headings and Captions. Article headings, section headings, and/or other captions are included in this Agreement for reference purposes only and shall not constitute a part of this Agreement or in any way affect the meaning or interpretation of this Agreement. Whenever used herein the singular number shall include the plural, the plural shall include the singular, and the use of any gender shall include all genders.

27.7 Further Assurances. Each Party shall do such other and further acts and things, and shall execute and deliver such instruments and documents, as any other Party reasonably requests from time to time in furtherance of the purposes of this Agreement, provided that any such acts, things, instruments and documents are commercially reasonable.

27.8 Entire Agreement. This Agreement, including all exhibits, schedules, appendices and other attachments hereto and hereby made a part hereof, sets forth the entire understanding and agreement of the Parties as to the subject matter of this Agreement and merges and supersedes all prior written and oral understandings, offers, agreements,

commitments, representations, writings, discussions or other communications of every kind between the Parties, pertaining to the subject matter hereof.

27.9 Rights Cumulative. The rights and remedies set forth in this Agreement are cumulative and non-exclusive.

27.10 Confidentiality. Confidential Information shall be understood to include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other prior to the execution of this Agreement that is clearly designated or marked as confidential. Furthermore, Confidential Information shall be understood to include information exchanged by the Parties related to the equipment specification, design or technology to be utilized by either Party in constructing or operating the Interconnection Facilities, including any equipment or assets designed as Critical Assets or Critical Cyber Assets as those terms are defined by the relevant NERC standards. During the term of this Agreement, and for a period of three (3) years after the expiration or termination of this Agreement, each Party shall hold in confidence and shall not disclose to any person Confidential Information, except that a Party may release or disclose Confidential Information when required by law or subpoena, or when the disclosure of such Confidential Information is necessary in any legal proceeding to establish the rights and obligations under this Agreement.

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

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

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized officers, as of the day and year first hereinbefore written.

MIDWEST ENERGY, INC.

By: /s/ William N. Dowling

Printed Name: William N. Dowling

Title: Vice President, Energy Mgmt. & Supply

CITY OF LARNED, KS

By: /s/ Robert C Pivonka

Printed Name: Robert C Pivonka

Title: Mayor

SOUTHWEST POWER POOL, INC.

By: /s/ Carl Monroe

Printed Name: Carl Monroe

Title: Senior Vice President and Chief Operating Officer

EXHIBIT A

Interconnection No. 1

A.1. This interconnection between the Parties (“Point of Interconnection”) shall be established at the Pawnee 115kV Substation owned and operated by Midwest. Midwest shall retain ownership of all facilities, land, structures, equipment and appurtenances existing in the substation prior to establishment of this interconnection.

A.2. The City shall be responsible for the construction of City’s Interconnection Facilities, including the 115kV transmission line from the Point of Interconnection at the Pawnee 115kV Substation to its municipal power plant, including any new facilities required to connect City’s existing facilities to such transmission line.

A.2.1. The City shall install, or cause to be installed, all equipment required for the construction and operation of the City’s Interconnection Facilities, including but not limited to:

- i. 115kV transmission line to connect from City’s Santa Fe substation to Midwest’s Pawnee substation.
- ii. 24 fiber OPGW fiber optic single mode overhead ground wire installed from City’s Santa Fe substation to Midwest’s Pawnee substation.

Items located at City’s Santa Fe substation:

- iii. Three (3) 115kV station class arrestors
- iv. 115kV line disconnect switch
- v. 115kV Circuit Switcher
- vi. 115/13.8 kV 14MVA Transformer
- vii. 13.8kV Voltage Regulators
- viii. SEL 387L Line Current Differential Relay for 115kV line protection
- ix. Required protective relaying for transformer differential protection
- x. Required protective relaying for 13.8kV mains protection
- xi. Fiber Optic Cable, hardware and transceiver(s) to connect City’s fiber optic cable to City’s protection equipment
- xii. Fiber Optic Cable, hardware and transceiver(s) to connect City’s fiber optic cable to Midwest’s RTU equipment located in Santa Fe Substation

A.3. Midwest shall install, at the sole expense of the City, Midwest's Interconnection Facilities comprised of all equipment necessary to switch, protect and operate the Interconnection, including but not limited to the following:

A.3.1. Pawnee 115kV Substation:

- i. 1 - 115kV Circuit Breaker
- ii. 2 - 115kV Breaker Disconnect Switches
- iii. 1 – 115kV Line Bypass Switch
- iv. Site preparation, including grading, surfacing, etc.
- v. 115kV Revenue Metering panel, including revenue meter and associated devices for revenue metering at the Point of Interconnection, as approved and installed by Midwest in accordance with SPP requirements
- vi. Transducers, switches and other appurtenances to provide telemetry data required by Midwest and SPP
- vii. Three (3) 115kV PTs, suitable for revenue metering
- viii. Three (3) 115kV CTs, suitable for revenue metering
- ix. Fiber Optic Cable, hardware and transceiver(s) to connect City's fiber optic cable on their transmission line to Midwest's protection equipment
- x. Three (3) 115kV Station Class Arresters
- xi. Required protective relaying and communications equipment to protect transmission line from terminal to City's facilities
- xii. Carrier Equipment required to provide directional comparison blocking function to Midwest's St. John 115kV Substation, including carrier transceiver, wave trap, line tuner, CCVT, coaxial cable and associated appurtenances
- xiii. Expansion or replacement of current SCADA RTU as required by Midwest
- xiv. Control house expansion/modifications or replacement
- xv. Associated steel, foundations, structures, insulators, bus, grounding, conduit, control cable, appurtenances, grounding and miscellaneous equipment and hardware
- xvi. Conductor, shield wire, insulators and hardware to Midwest's steel full-tension deadend substation structure
- xvii. All engineering, design and surveying work required
- xviii. Any additional land required for the installation of the Interconnection Facilities at the Pawnee substation, whether obtained by purchase, lease, easement, or otherwise.

A.3.2. St. John 115kV Substation:

- i. Modifications to St. John 115kV Substation to accommodate addition of directional comparison blocking protection, including additional relays, carrier transceiver, wave trap, line tuner, CCVT, coaxial cable and associated appurtenances.

A.3.3. Total Estimated Cost of Midwest' Interconnection Facilities:

- ii. The total estimated cost to design, procure, construct and commission Midwest's Interconnection Facilities is \$735,000.00.
- iii. City agrees to reimburse Midwest for the actual cost of the design, procurement and construction of Midwest's Interconnection Facilities, consistent with the payment provisions in Article 8.3 and 8.4, and Exhibit C hereto.

A.4. Point of Change of Ownership. The Point of Change of Ownership shall be Midwest's full-tension deadend structure to which the City's 115kV transmission line from the City's Interconnection Facility is attached.

A.5. The Point of Interconnection shall be Midwest's 115kV revenue metering equipment at the Pawnee Substation.

A.6. The following provisions will apply to all work that requires coordination between the City and Midwest:

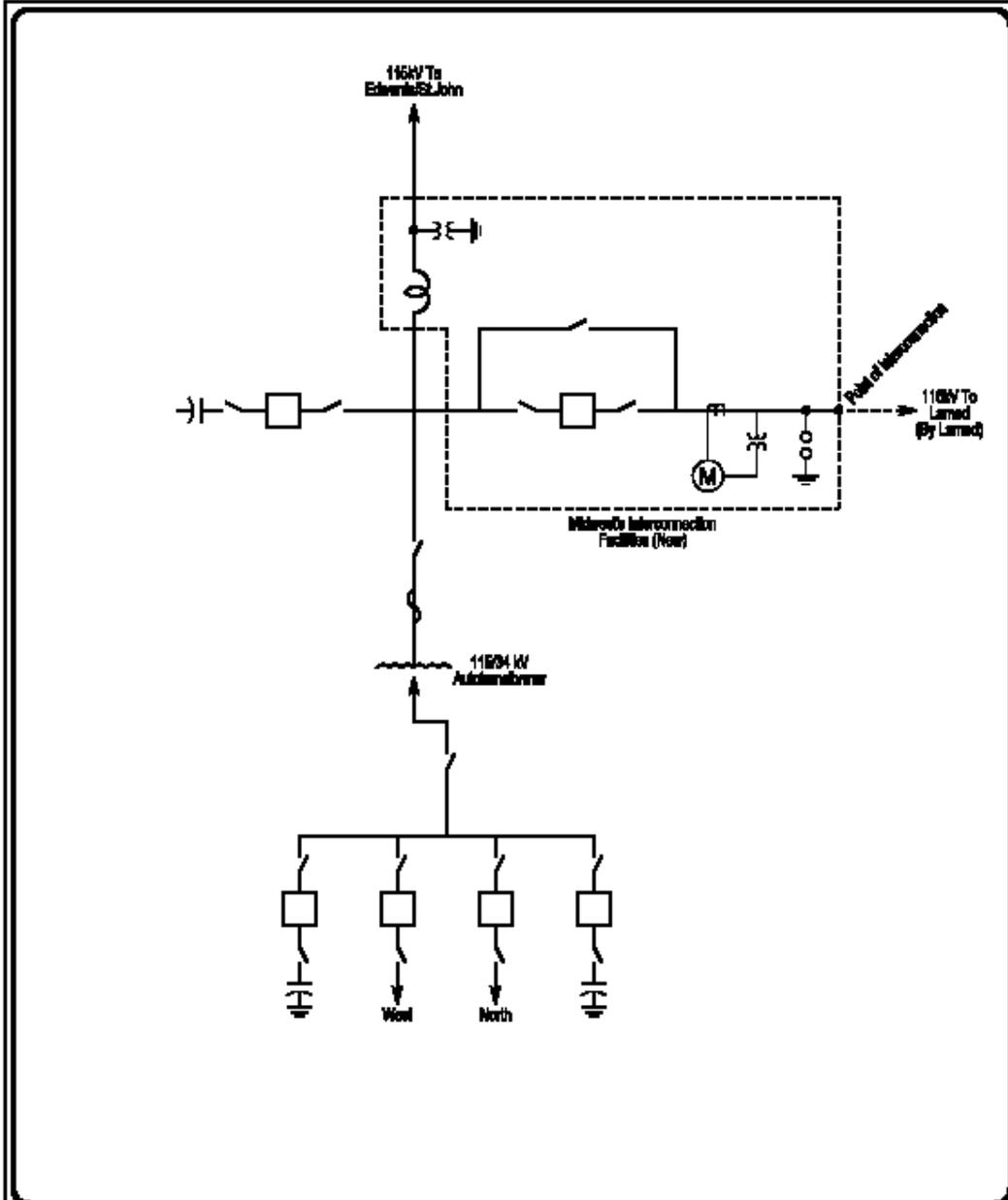
A.6.1. The 115kV transmission line from the City's facilities will connect to a full tension dead end structure inside Midwest's Pawnee Substation. The City will coordinate all transmission line design work within one-half mile of the Pawnee 115kV Substation with Midwest to ensure the structural integrity of all structures and that adequate clearances are provided at the Point of Change of Ownership.

A.6.2.

A.6.3. The City shall submit to Midwest at least thirty (30) days prior to commencement of construction of the transmission line a detailed construction schedule covering the portion of the line within one-half mile of the Pawnee 115kV Substation. Such schedule will also address the complete testing and commissioning process of the transmission line and the City's Interconnection Facilities. Thereafter the City shall submit weekly updates of the construction and commissioning schedule to Midwest. Requests for switching or transmission outages must be submitted to Midwest no less than ten (10) days prior to the requested activities. Midwest shall be responsible for coordination of all switching and outages with the Southwest Power Pool and other affected transmission owners in accordance with SPP requirements.

A.6.4. No less than thirty (30) days prior to anticipated commencement of testing and commissioning the City shall submit to Midwest for review and approval (i) a detailed schedule of all equipment and system testing and commissioning activities, and (ii) all proposed protective relay settings and the philosophies, assumptions and calculations used to derive such settings. Such schedules and protective relay information shall be updated at least weekly thereafter.

**FIGURE A-1
INTERCONNECTION FACILITY ONE-LINE DIAGRAM**




Midwest Energy, Inc.
 1330 Canterbury Rd.
 Hays, Kansas 67901
 (785) 628-5437

**City of Larned
Interconnection**

NOB	1-588	DATE		DIVISION NO.
DESIGN BY:	SJB	5-19-11		Larned11
CHECK BY:	WND	5-19-11		SHEET 1 OF 1
DATE:	SJB			SCALE NONE

EXHIBIT B

Additional Metering Requirements

B.1. The electric metering systems installed shall be designed to meet the requirements of the SPP and Midwest as to accuracy, availability, and redundancy applicable to the project. The requirements of the SPP shall include, but are not limited to, those set forth in the current revision of Meter Technical Protocols for the SPP Energy Imbalance Market.

B.2. The metering equipment shall be installed by Midwest at the sole expense of the City, and shall also make available to City certain telemetered values representing instantaneous real and reactive power production and time-integrated production values from the facility, as well as status information related to the interconnection facilities for breaker status, instantaneous voltage at the interconnection, etc. This information will be made available in an electronic format compatible with the SCADA system of Midwest.

B.3. In the event the SPP requires changes to the metering equipment installed at the Point of Interconnection the cost of such changes shall be borne equally by the Parties.

EXHIBIT C

MILESTONES

Action	Party	Date
Execute Interconnection Agreement (no later than date shown)	SPP (SPP), Midwest (MIDW), and City (City)	6/15/2011
June 15, 2011, City completes design and contract documents and begins bid process for transmission line construction	CITY	6/15/2011
Provide authorization to proceed with Interconnection Studies as required by SPP pursuant to Article 8.3. Provide payment of \$10,000.00 to Midwest	CITY	6/22/2011
City to provide all required data for fault study initiation to Midwest	CITY	6/22/2011
Midwest to initiate fault study to determine available fault currents for Midwest and City	MIDW	6/22/2011
Provide authorization to proceed with design of Midwest's Interconnection Facilities pursuant to Article 8.3. Provide payment of \$60,000.00 to Midwest	CITY	7/8/2011
Midwest to provide preliminary fault study to City for review/comment. City to provide comments within 10 working days.	MIDW and City	7/8/2011
Hold initial design meeting between Midwest and City. Agree on conceptual design of facilities, protection and communication equipment.	CITY and MIDW	7/15/2011
SPP approval of Interconnection Studies, as required	SPP	7/29/2011
Provide authorization to proceed with procurement per Article 8.3. Provide payment of \$280,000.00 to Midwest.	CITY	8/5/2011
Start design and procurement of Midwest's Interconnection Facilities	MIDW	8/5/2011
Midwest to provide final fault study to City for facility design.	MIDW	8/12/2011
City to provide preliminary design for City's Interconnection Facilities, including all protective relaying and communications facilities.	CITY	8/12/2011
City awards bid for transmission line construction	CITY	8/15/2011
Purchase long lead time items for Midwest's Interconnection Facilities.	MIDW	9/16/2011
Complete conceptual design and preliminary engineering of Midwest's Interconnection Facilities.	MIDW	10/14/2011
Hold final design meeting between Midwest and City. Agree on final design of facilities, protection and communication equipment.	CITY and MIDW	10/21/2011
Provide equipment layout of Midwest's Interconnection Facilities to City for coordination of transmission line design.	MIDW	10/14/2011

Obtain necessary permitting for Midwest's Interconnection Facility	MIDW	10/28/2011
Complete final design of City's Interconnection Facilities, and submit to Midwest for review and approval. Midwest to provide comments to City within 20 working days.	CITY	11/11/2011
Issue bid documents for construction of Midwest's Interconnection Facilities.	MIDW	11/11/2011
City completes construction of transmission line and substation on City side of transmission line	CITY	1/1/2012
Complete final design of Midwest's Interconnection Facilities.	MIDW	12/16/2011
Procure remaining equipment for Midwest's Interconnection Facilities.	MIDW	12/16/2011
City to provide final design of City's Interconnection Facilities, including incorporation of Midwest's comments and requirements.	CITY	12/23/2011
Provide authorization to award contracts for construction of Midwest's Interconnection Facilities per Article 8.4. Provide payment of <u>\$350,000.00</u> to Midwest.	CITY	12/11/2011
Award construction contract for Midwest's Interconnection Facilities. Provide to City a preliminary construction, testing and commissioning schedule.	MIDW	12/23/2011
Start construction – Midwest's Interconnection Facilities. Midwest to update construction and commissioning schedule bi-weekly.	MIDW	1/16/2012
Start construction – City's Interconnection Facilities. City to update construction and commissioning schedule bi-weekly.	CITY	1/16/2012
City to verify compliance with (a) NERC requirements for registration as Generation Operator and (b) SPP market participation requirements, as applicable.	CITY and SPP	2/1/2012
City to verify compliance with NERC requirements for registration as Transmission Owner and Transmission Operator, as applicable.	CITY	2/1/2012
Midwest and City to provide facility rating and modeling data pursuant to Section 12.2.	MIDW and CITY	3/1/2012
Complete construction of Midwest's Interconnection Facilities and initiate testing/commissioning activities.	MIDW	4/13/2012
Complete construction of City's Interconnection Facilities and initiate testing/commissioning activities.	CITY and MIDW	4/13/2012
Energize Midwest's Interconnection Facilities and continue testing/commissioning activities.	MIDW	5/11/2012

City to provide access to City's Interconnection Facilities to allow Midwest to install, test and commission backup revenue metering equipment (if installed), and to test and commission protective equipment for 115kV transmission line required communications equipment.	CITY and MIDW	5/11/2012
In-Service Date for City's Interconnection Facilities and continue joint testing/commissioning activities.	CITY and MIDW	5/25/2012
Joint testing of City's Interconnection Facilities.	CITY and MIDW	6/1/2012
Complete all testing/commissioning of Midwest and City facilities.	MIDW and CITY	6/8/2012
Initial Synchronization. Conclude testing and commissioning of all Interconnection Facilities.	CITY and MIDW	6/15/2012
Commercial Operation Date	CITY	6/15/2012
Provide to City Final Cost Data and Invoice for construction of Midwest's Interconnection Facilities. Midwest to provide refund if Final Cost Data less than payments received from City. City to pay any positive difference between Final Cost and previous payments made by City.	MIDW	7/20/2012
Provide final payment to Midwest for construction of Midwest's Interconnection Facilities.	CITY	8/1/2012
Deliver to Midwest As-Built drawings of City's Interconnection Facilities.	CITY	7/20/2012

**Southwest Power Pool, Inc.
Original Service Agreement No. 2205**

**INTERCONNECTION AGREEMENT
BETWEEN
MIDWEST ENERGY, INC.
AND
CITY OF LARNED, KANSAS**

This Interconnection Agreement (hereinafter the "Agreement") made and entered into this 28th day of July, 2011, by and between MIDWEST ENERGY, INC., a Kansas not for profit corporation (hereinafter referred to as "Midwest"), and the CITY OF LARNED, KANSAS, (hereinafter called "City"), Midwest and the City are each individually referred to as a "Party" and collectively referred to as the "Parties" herein), and SOUTHWEST POWER POOL, INC. (hereinafter referred to as "SPP" or "Transmission Provider").

WITNESSETH, that,

WHEREAS, Midwest is a cooperative utility engaged in generating, transmitting, distributing and selling electric energy in the State of Kansas, and

WHEREAS, City is a municipal utility engaged in generating, distributing and selling electric energy in the State of Kansas, and

WHEREAS, City desires to construct, own and operate a new 115kV interconnection between the City and Midwest to replace the existing interconnection owned and operated by Midwest, and

WHEREAS, SPP is a Regional Transmission Organization ("RTO") pursuant to the orders of the Federal Energy Regulatory Commission ("FERC") and, as such, is responsible for, among other items, functional control over appropriate transmission facilities within its footprint, and

WHEREAS, Midwest and the City desire to have their respective transmission systems interconnected so that each will realize the mutual benefits of such interconnecting of facilities, and

WHEREAS, in order to take advantage of the benefits which Midwest and City can achieve by interconnection of the transmission systems of the Parties, the Parties are willing to enter into this Agreement, it being understood that the Parties will preserve their identity and integrity and perform their respective responsibilities to their customers, and

WHEREAS, the systems of the Parties will be interconnected at a location herein defined as the "Point of Interconnection." The Point of Interconnection will be operated in synchronism, and is therefore under the functional control of the SPP.

NOW THEREFORE, the Parties covenant and agree as follows

ARTICLE I
DEFINITIONS

1.1. "City's Interconnection Facilities" shall mean all facilities and equipment, as identified in Exhibit A of the Agreement, that are located between the City's existing facilities and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the City's facilities to the Transmission System. City's Interconnection Facilities are sole use facilities.

1.2. "Control Center" of the City and Midwest shall mean the location designated by each entity to receive and send out operational and metering information.

1.3. "ERO" shall mean an Electric Reliability Organization certified by FERC.

1.4. "Emergency" shall mean a condition or situation (i) that in the reasonable judgment of the Party making the claim is imminently likely to endanger, or is contributing to the endangerment of, life or property, or public health and safety; or (ii) that, in the case of a Party, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Midwest transmission system, the City transmission system, or the electric systems of others.

1.5. "FERC" shall mean the Federal Energy Regulatory Commission.

1.6. "Good Utility Practice" shall mean any of the applicable 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 by a Party 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, giving due regard to the requirements of governmental agencies having jurisdiction. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather includes all acceptable practices, methods, or acts generally accepted in the region as they may be applicable to the Parties as transmission system operators.

1.7. "Hazardous Substance" shall mean any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "hazardous constituents," "restricted hazardous materials," "extremely hazardous substances," "toxic substances," "radioactive substances," "contaminants," "pollutants," "toxic pollutants" or words of similar meaning and

regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

1.8. “KCC” shall mean the Kansas Corporation Commission.

1.9. “Initial Synchronization Date” shall mean the date upon which the Interconnection Facilities of the respective Parties are first energized, connected to each other and electrically synchronized as to phase and voltage.

1.10. “Interconnection Facilities” shall mean the facilities of the City and Midwest that are interconnected pursuant to this Agreement.

1.11. “Interconnection Studies” shall mean all studies and analysis required by SPP, including as applicable but not limited to (i) Delivery Point Addition/Modification studies as more fully described in Attachment AQ of the SPP Tariff, (ii) load flow, stability and short circuit studies to analyze the impact of the interconnection on the existing network and approval of same by the appropriate Working Group(s) of SPP, and (iii) to the extent required, submittal of a Generator Interconnection Request pursuant to Attachment V to the SPP Tariff.

1.12. “Midwest’s Interconnection Facilities” shall mean all facilities and equipment owned, controlled or operated by Midwest from the Point of Change of Ownership to the Point of Interconnection as identified in Exhibit A to the Agreement, including any modifications, additions or upgrades to such facilities and equipment. Midwest’s Interconnection Facilities are sole use facilities.

1.13. “Modification” shall mean any material, new construction, additions, or design changes made to, or the abandonment, retirement, relocation or rearrangement of, the Midwest transmission system or the City transmission system.

1.14. “NERC” shall mean the North American Electric Reliability Corporation.

1.15. “Point(s) of Interconnection” shall mean the location(s) where the facilities of the City and the facilities of Midwest are interconnected as identified in Article II herein.

1.16. “SCADA” shall mean the Supervisory Control and Data Acquisition System of Midwest. It shall include all equipment used to transmit status, telemetry and control information, including but not limited to remote terminal units, telecommunications equipment, computers, software, and metering equipment owned and operated by Midwest.

1.17. “SPP” shall mean the Southwest Power Pool, Inc.

1.18. “SPP RE” shall mean the SPP Regional Entity.

1.19. "SPP Tariff" shall mean the Open Access Transmission Tariff for service offered by Southwest Power Pool, Inc., as filed with FERC, as such may be amended from time to time.

1.20. "Transmission Facilities" shall mean the respective facilities owned and operated by Midwest or City. With respect to Midwest, this shall include all facilities owned and operated by Midwest pursuant to the SPP Tariff, and designated by the Kansas Corporation Commission to be transmission facilities in Docket No. 08-MDWE-594-RTS.

1.21. "Transmission Operator" shall mean the term as defined in the effective version of the NERC Reliability Functional Model Technical Document.

1.22. "Transmission Owner" shall mean the term as defined in the effective version of the NERC Reliability Functional Model Technical Document.

ARTICLE II INTERCONNECTION OF FACILITIES

2.1 It is understood and agreed that the Parties have established or shall establish interconnections between their systems at the locations identified in Exhibit A, attached hereto and made a part hereof, and under the stipulated conditions set forth below and in Exhibit A, with such modifications in such interconnections or future interconnections as may be mutually agreed upon.

2.2 The Parties may at any time and from time to time provide for additional interconnections between their systems by mutual agreement in writing. When any such additional interconnections are agreed to, a new sheet will be added to Exhibit A to this Agreement setting forth the specific details of that interconnection, and any specific provisions which apply to that interconnection. In the event of a conflict between any provision in the body of this Agreement and the provisions set forth in Exhibit A with respect to a specific interconnection, the provisions in Exhibit A shall control.

2.3 If the City agrees to interconnect with a third party at any interconnection location established under this Agreement for which location a third party balancing authority acts as the balancing authority on behalf of Midwest, City will notify Midwest of that interconnection and a new sheet will be added to Exhibit B of this Agreement, attached hereto and made a part hereof, setting forth the specific details of that interconnection and providing, among other things, for Midwest and such third party balancing authority to receive all meter data regarding that interconnection that Midwest and the third party balancing authority reasonably require to fulfill their respective balancing authority responsibilities.

2.4 If the City agrees to increase the capacity of its existing generating equipment, install new generating equipment, or connect additional generating equipment owned by a third party to its electric system, any of which shall provide in excess of one thousand (1,000) kW of additional generating capacity, either individually or in aggregate, it shall notify Midwest of such addition at least ninety (90) days prior to connecting such new generation. City shall supply such information as may be reasonably requested by Midwest to determine if there will be any impact on Midwest's transmission system or the transmission system of SPP. To the extent Midwest determines there will or may be an impact on the transmission system of Midwest or SPP the parties will work together to submit a generator interconnection request to SPP pursuant to the terms of the SPP Tariff.

ARTICLE III FACILITIES TO BE PROVIDED

3.1 Each Party agrees to provide the facilities and equipment necessary to effect the interconnections provided for under this Agreement as specified in Exhibit A attached hereto and made a part hereof, except as provided herein.

3.2 City's Interconnection Facilities. City shall design, procure, construct, install, own and/or control City's Interconnection Facilities described in Exhibit A, Interconnection No. 1, at its sole expense.

3.3 Midwest's Interconnection Facilities. Midwest shall design, procure, construct, install, own and/or control Midwest's Interconnection Facilities described in Exhibit A, Interconnection Facilities No. 1, at the sole expense of City.

ARTICLE IV OPERATIONS AND MAINTENANCE

4.1 Parties' Obligations. Each Party shall operate and maintain its respective transmission systems and Interconnection Facilities in accordance with Good Utility Practice and, as applicable to each Party, the requirements of NERC, SPP and SPP RE and subject to the applicable procedures and requirements of the SPP Tariff. Each Party, to the extent required, will register with NERC as the Transmission Owner and Transmission Operator of its respective transmission system.

4.2 Start-Up and Synchronization. Consistent with the Parties' mutually acceptable procedures, the City is responsible for the proper synchronization of City's Interconnection Facility to Midwest's Transmission System.

4.3 Power Factor Design Criteria. City shall design the its facilities to maintain a composite power factor within the range of 0.95 leading to 0.95 lagging, unless SPP or Midwest has established different requirements that apply to all generators in the Balancing Area on a comparable basis.

4.2 Switching, Tagging, and Blocking Rules. The Parties shall abide by their respective switching, tagging and blocking rules, and shall coordinate with each other and with SPP for obtaining clearances for work or for switching operations at the Interconnection Facilities.

4.3 Preventive and Corrective Maintenance Outages. In accordance with Good Utility Practice and in order to facilitate maintenance or reliability of the Midwest transmission system and the City transmission system, the Parties shall confer regularly to coordinate the planning and scheduling of preventive and corrective maintenance of, and Modifications to, the Interconnection Facilities that might reasonably be expected to affect the operation of the other Party's transmission system. Scheduled outages or switching operations shall be coordinated with SPP and other transmission-owning members of SPP as required by SPP. Absent an Emergency or a contrary directive from SPP, the Parties shall coordinate their respective schedules for any such activities and will, to the extent practicable and appropriate under the circumstances, give reasonable consideration to, among other things, the impact of the schedule on the other Parties' operations; provided, however, that no Party shall be obligated to schedule such activities to coincide with another Party's scheduled outages, except to the extent required by SPP.

4.4 Inspections and Testing.

4.4.1 Inspections. The Parties shall perform routine inspection and testing of their equipment on their respective Interconnection Facilities in accordance with Good Utility Practice and the applicable requirements of FERC, NERC, SPP and SPP RE as may be necessary to ensure the continued interconnection of the Midwest transmission system and City transmission, generation and distribution systems in a safe and reliable manner.

4.4.2 Right to Observe Testing. The Parties shall have the right to observe the testing of the testing Party's Interconnection Facilities, the performance of which may reasonably be expected to affect the reliability of the observing Party's transmission system. Such testing shall be scheduled at the sole discretion of the testing Party. The testing Party shall notify the other Party at least seven (7) days in advance of such testing unless, in the testing Party's reasonable judgment, the testing must be performed immediately, in which case the testing Party shall provide notice as soon as practicable. The observing Party may have a representative attend and be present during any such testing, but the presence of the observing Party's representative shall not be a prerequisite for the initiation, continuation, or completion of such testing.

4.4.3 Observation of Deficiencies. If any Party observes any condition it believes may be inconsistent with Good Utility Practice with respect to a Party's Interconnection Facilities that might reasonably be expected to

adversely affect the observing Party's transmission system, the observing Party shall notify the other Party. Notwithstanding the foregoing, no Party shall be relieved from liability for adversely affecting another Party's transmission system due to the observing Party's failure to give such notice.

4.5 Disconnection. In the event of an Emergency, or upon mutual agreement of the Parties, a Party may disconnect the Interconnection Facilities for so long as is necessary under Good Utility Practice and the applicable requirements of NERC, SPP and SPP RE, including the period of time necessary to establish the reconnection of the Interconnection Facilities.

4.6 Planned Outage. In the event of a planned outage of any Party's transmission system that may adversely affect the other Party with respect to its transmission system, the Party that is subject to the outage will use efforts consistent with Good Utility Practice, and NERC, SPP and SPP RE requirements to restore the transmission system to service in accordance with its schedule for the work that necessitated the planned outage.

ARTICLE V SERVICE CONDITIONS

5.1 Normally Operated Closed. The systems of the Parties shall be normally operated with the interconnections closed between the systems. Nothing contained herein shall restrict or limit either Party in effecting other interconnections or interconnection agreements with other systems.

5.2 Notice to Initiate Switching. Each Party will advise the other Party promptly of any necessity for initiating a switching operation to relieve a situation of overload, undue burden, or service impairment that might reasonably be expected to impact the other Party's Interconnection Facilities or transmission system. Any such switching shall be coordinated with SPP as required by applicable NERC or SPP standards or by the SPP tariff. If there is insufficient time to notify the other Party or SPP prior to initiating the switching due to system conditions, then the other Party and SPP shall be notified immediately thereafter.

5.3 Notice of Adverse Conditions. Each Party will advise the other Party of any conditions on its system which appear to be approaching overload or undue burden on its line, facilities or equipment, are anticipated to result in exceeding a System Operating Limit (SOL) or Interconnection Reliability Operating Limit (IROL), or appear to be prejudicial to service to its customers and which might reasonably be expected to impact the other Party's Interconnection Facilities or transmission system. Each Party agrees to consider reasonable requests from the other Party regarding methods to relieve such conditions, it being understood that there shall be no obligation that such requests be implemented.

5.4 Each Party shall exercise commercially reasonable efforts, consistent with Good Utility Practice and applicable NERC, SPP and SPP RE requirements, to restore normal interconnected operations once the overload, undue burden, situation or conditions discussed above is or are resolved or overcome.

ARTICLE VI MODIFICATIONS

6.1 General. Each Party may undertake modifications to its facilities. If a Party plans to undertake a modification that reasonably may be expected to affect another Party's facilities, that Party shall provide to the other Parties sufficient information regarding such modification so that the other Parties may evaluate the potential impact of such modification prior to commencement of the work. Such information shall be deemed to be confidential hereunder and shall include information concerning the timing of such modifications and ensure such modifications (i) will not adversely affect a Party's transmission system, or other facilities, and (ii) are consistent with Good Utility Practice. The Party desiring to perform such work shall provide the relevant drawings, plans, and specifications to the other Parties at least ninety (90) Calendar Days in advance of the commencement of the work or such shorter period upon which the Parties may agree, which agreement shall not unreasonably be withheld, conditioned or delayed. Subject to all applicable requirements imposed by SPP, FERC, NERC, and SPP RE, the suitability and the responsibility for the safe and adequate design, operation and maintenance of the initiating Party's facilities shall be and shall remain the sole obligation of the initiating Party.

6.2 Modifications to City's Generating Facilities. In the case of modifications to City's generating facilities that do not require City to submit an Interconnection Request to SPP, Midwest shall provide, within thirty (30) Calendar Days (or such other time as the Parties may agree), an estimate of any additional modifications to Midwest's transmission system or Midwest's Interconnection Facilities necessitated by such City modification and a good faith estimate of the costs thereof.

6.3 Cost Responsibility. When the actions of a Party necessitate Modifications to the other Party's Interconnection Facilities that are not required or directed by SPP, FERC, or NERC, or are not otherwise needed to satisfy SPP RE requirements, such Modifications to the other Party's Interconnection Facilities shall be made at the sole cost and expense of the Party initiating the changes, unless (i) otherwise agreed to in writing by the Parties, or (ii) otherwise allocated pursuant to the SPP Tariff. The initiating Party's responsibility for such Modification costs is limited to those costs that are incremental to costs already planned to be incurred by the other Party.

ARTICLE VII CONSTRUCTION STANDARDS

7.1 Construction Standards. Each Party shall construct its Interconnection Facilities used in connection with the interchange of electric energy hereunder in accordance with standards at least equal to those provided by the National Electrical Safety Code of the United States Bureau of Standards.

ARTICLE VIII

INTERCONNECTION FACILITIES ENGINEERING, PROCUREMENT AND CONSTRUCTION

8.1 Construction. Unless otherwise mutually agreed to between the Parties, City shall select the In-Service Date, Initial Synchronization Date, and Commercial Operation Date for completion of Midwest's Interconnection Facilities as set forth in Exhibit A, Interconnection No. 1, and such dates set forth in Exhibit C, Milestones.

8.1.1 Midwest shall design, procure, and construct Midwest's Interconnection Facilities, using reasonable efforts to complete Midwest's Interconnection Facilities by the dates set forth in Exhibit C, Milestones. Midwest shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, and applicable laws and regulations. In the event Midwest reasonably expects that it will not be able to complete Midwest's Interconnection Facilities by the specified dates, Midwest shall promptly provide written notice to City and shall undertake reasonable efforts to meet the earliest dates thereafter.

8.1.2 Midwest and City shall cooperate with each other and with SPP to ensure that all required Interconnection Studies are completed in a timely fashion consistent with Exhibit C to this Interconnection Agreement.

8.2 [Intentionally Not Used]

8.3 Equipment Procurement. Midwest shall commence design of Midwest's Interconnection Facilities and procure necessary equipment as soon as practicable after all of the following conditions are satisfied, unless the Parties otherwise agree in writing:

8.3.1 Midwest has received written authorization to proceed with the development of an Interconnection Study as required by Midwest. Such interconnection study shall include, but not be limited to, power flow analysis, short circuit analysis, and voltage stability if required by SPP.

8.3.2 Midwest has received written authorization to proceed with design and procurement from City by the date specified in Exhibit C, Milestones; and

8.3.3 City has provided payment to Midwest by the dates specified in Exhibit C, Milestones.

8.4 Construction Commencement. Midwest shall commence construction of Midwest's Interconnection Facilities for which it is responsible as soon as practicable after the following additional conditions are satisfied:

8.4.1 Approval of the Interconnection Study by SPP has been obtained.

8.4.2 Approval of the KCC or other appropriate governmental authority has been obtained for any facilities requiring regulatory approval;

8.4.2 Necessary real property rights and rights-of-way have been obtained, to the extent required for the construction of a discrete aspect of Midwest's Interconnection Facilities;

8.4.3 Midwest has received written authorization to proceed with construction from City by the date specified in Exhibit C, Milestones; and

8.4.4 City has provided payment to Midwest by the dates specified in Exhibit C, Milestones.

8.5 Work Progress. The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Parties may, at any time, request a progress report from other Parties. If, at any time, City determines that the completion of Midwest's Interconnection Facilities will not be required until after the specified In-Service Date, City will provide written notice to Midwest of such later date upon which the completion of Midwest's Interconnection Facilities will be required.

8.6 Information Exchange. As soon as reasonably practicable after the Effective Date, the Parties shall exchange information regarding the design and compatibility of the Parties' Interconnection Facilities and compatibility of the Interconnection Facilities with the Transmission System, and shall work diligently and in good faith to make any necessary design changes.

8.7 City's Interconnection Facilities ('CIF'). City shall, at its expense, design, procure, construct, own and install the CIF, as set forth in Exhibit A, Interconnection No. 1.

8.7.1 City's Interconnection Facility Specifications. City shall submit initial specifications for the CIF, including System Protection Facilities, to Midwest on or before those dates specified in Exhibit C, Milestones. Midwest shall review such specifications to ensure that the CIF are compatible with the technical specifications, operational control, and safety requirements of Midwest and comment on such specifications within thirty (30) Calendar Days of City's submission.

- 8.7.2 Midwest's Review. Midwest's review of City's final specifications shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the CIF. City shall make such changes to the CIF as may reasonably be required by Midwest, in accordance with Good Utility Practice, to ensure that the CIF are compatible with the technical specifications, operational control, and safety requirements of Midwest.
- 8.7.3 CIF Construction. The CIF shall be designed and constructed in accordance with Good Utility Practice. Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, City shall deliver to Midwest "as-built" drawings, information and documents for the CIF, such as: a one-line diagram, a site plan showing the CIF, plan and elevation drawings showing the layout of the CIF, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with City's step-up transformers, the facilities connecting the City's generating facilities to the CIF, and the impedances (determined by factory tests) for the associated step-up transformers and the generating facility.

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

8.8 Midwest's Interconnection Facilities Construction. Midwest's Interconnection Facilities and Network Upgrades shall be designed and constructed in accordance with Good Utility Practice. Upon request, within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Midwest shall deliver to City the "as-built" drawings, information and documents for Midwest's Interconnection Facilities a one-line diagram, including a site plan, plan and elevation drawings showing the layout of Midwest's Interconnection Facilities, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings.

8.9 Access Rights. Upon reasonable notice and supervision by a Party, and subject to any required or necessary regulatory approvals, a Party ("Granting Party") shall furnish at no cost to any other Party ("Access Party") any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by the Granting Party, its agents (if allowed under the applicable agency agreement), or any Affiliate, that are necessary to

enable the Access Party to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to: (i) interconnect the Customers Interconnection Facilities with Midwest's Interconnection Facilities; (ii) operate and maintain the Interconnection Facilities; and (iii) disconnect or remove the Access Party's facilities and equipment upon termination of this Agreement. In exercising such licenses, rights of way and easements, the Access Party shall not unreasonably disrupt or interfere with normal operation of the Granting Party's business and shall adhere to the safety rules and procedures established in advance, as may be changed from time to time, by the Granting Party and provided to the Access Party.

8.10 Lands of Other Property Owners. If any part of Midwest's Interconnection Facilities and/or Network Upgrades is to be installed on property owned by persons other than City or Midwest, Midwest shall at City's expense use efforts, similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority, and to the extent consistent with state law, to procure from such persons any rights of use, licenses, rights of way and easements that are necessary to construct, operate, maintain, test, inspect, replace or remove Midwest's Interconnection Facilities and/or Network Upgrades upon such property.

8.11 Permits. Transmission Provider or Midwest and City shall cooperate with each other in good faith in obtaining all permits, licenses, and authorizations that are necessary to accomplish the interconnection in compliance with applicable laws and regulations.

8.12 [Intentionally Not Used.]

8.13 The terms of this Article 8.13 apply to billing between Midwest and City for construction and operation and maintenance charges. All other billing will be handled according to the applicable Tariff or agreement.

8.13.1 General. Each Party shall submit to the other Party, on a monthly basis, invoices of amounts due for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party hereunder, including interest payments or credits, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

8.13.2 Final Invoice. Within six months after Midwest's completion of the construction of Midwest's Interconnection Facilities, Midwest shall provide an invoice of the final cost of the construction of Midwest's Interconnection Facilities and shall set forth such costs in sufficient detail to enable City to compare the actual costs with the estimates and to

ascertain deviations, if any, from the cost estimates. Midwest shall refund to City any amount by which the actual payment by City for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.

8.13.3 Payment. Invoices shall be rendered to the paying Party at the address specified in Article 26. The Party receiving the invoice shall pay the invoice within thirty (30) Calendar Days of receipt. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by either Party will not constitute a waiver of any rights or claims either Party may have hereunder.

8.13.4 Disputes. In the event of a billing dispute between Midwest and City, Midwest shall continue to provide Interconnection Service under this Agreement as long as City: (i) continues to make all payments not in dispute; and (ii) pays to Midwest or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If City fails to meet these two requirements for continuation of service, then Midwest may provide notice to City of a Default pursuant to Article 25. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due with interest calculated in accord with the methodology set forth in FERC's regulations at 18 CFR § 35.19a(a)(2)(iii).

ARTICLE IX EMERGENCIES

9.1 Generally. The Parties agree to adopt, implement and maintain emergency procedures which comply with NERC standards and SPP RE emergency procedures.

9.2 Notice. In compliance with, and pursuant to, Section 26.3 herein, any Party shall provide the other Party with verbal notification that is prompt under the circumstances of an Emergency that may reasonably be expected to affect the other Party's operation of their respective transmission systems, to the extent the notifying Party is aware of the Emergency. Such notification shall describe, as known, the Emergency, the extent of any damage or deficiency, its anticipated duration, and the corrective action taken and/or to be taken.

9.3 Immediate Action. In the event of an Emergency, the Party becoming aware of the Emergency may, in accordance with Good Utility Practice, take such action with respect to its own facilities as is reasonable and necessary to prevent, avoid, or mitigate injury, danger, degradation of transmission system reliability and/or loss of life or property. The Parties shall, consistent with Good Utility Practice, take whatever actions or inactions the Parties deem necessary during an Emergency, including, without

limitation, to request and comply with directives of SPP, in order to: (i) preserve public health and safety; (ii) preserve the reliability of the Parties' transmission systems; (iii) limit or prevent damage; and (iv) expedite restoration of service.

9.4 Restoration of Operations. Each Party shall in accordance with Good Utility Practice restore normal interconnected operations under this Agreement upon resolution of the Emergency.

9.5 Limited Liability. Except as otherwise provided herein, no Party shall be liable to the other Party for any action it takes in responding to an Emergency Condition so long as such action is made in good faith and is consistent with Good Utility Practice.

ARTICLE X METERING

10.1 General. Each Party shall comply with the Applicable SPP requirements. Unless otherwise agreed by the Parties, Midwest shall install Metering Equipment at the Point of Interconnection prior to any operation of the Interconnection Facilities and shall own, operate, test and maintain such Metering Equipment. Power flows to and from the City shall be measured at or, at Midwest's option, compensated to, the Point of Interconnection. Midwest shall provide metering quantities, in analog and/or digital form, to City, the applicable balancing authority providing balancing services on behalf of Midwest, and to SPP on a same-time basis using communication as provided in Article 8. City shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment.

10.2 Ownership. The ownership of the metering facilities for each of the interconnections listed in Section 2.1 shall be as shown on the sheet in Exhibit A attached hereto that pertains to that interconnection.

10.3 Meter Maintenance. Metering facilities required for the purposes of this Agreement shall be provided and owned by the Company and the cost borne by City. Such metering facilities required pursuant to this agreement shall be maintained in accordance with Good Utility Practice by Midwest, at Midwest's cost and expense.

10.4 Check Meters. Each Party shall have the right to install, at its own cost and expense, suitable metering equipment at any Point of Interconnection provided for herein for the purpose of backing up and/or checking the meters installed by the other Party.

10.5 Point of Measurement. The amounts of energy supplied and received hereunder shall be determined from measurements taken at or adjusted to the Point of Interconnection.

10.6 Testing of Meters. The aforesaid metering equipment shall be tested by the owner at least annually and its accuracy of registration maintained in accordance with Good Utility Practices, at the owner's cost and expense. On request of either Party concerned, a special test shall be made. If any special meter test discloses the questioned meter to be registered correctly or within one half percent (.5%) thereof (or such other standard of accuracy as may be required by SPP), then the Party who requested such special meter test shall bear the expense thereof. Otherwise, the expense of such test shall be borne by the owner of such meter. In accordance with the provisions of Section 4.4.2, representatives of the other Party shall be afforded opportunity to be present at all routine or special tests.

10.7 Provision of Meter Data. Each Party shall furnish the other Party, upon request and within reasonable time frames, with appropriate data from meter registrations and other sources in such detail and with such segregations as may be needed for operating records, or for settlements hereunder or for other reasonable purposes, including but not limited to fulfillment of balancing authority responsibilities.

10.8 Additional Requirements. Specific provisions concerning metering and metering facilities for a specific interconnection may be set forth on the sheets in Exhibits A or B attached hereto pertaining to that specific interconnection. In the event of a conflict between this Article X and the metering-related provisions set forth in an exhibit, the provisions in the exhibit shall control.

10.9 Inaccurate Metering. If a meter test discloses an inaccuracy greater than said acceptable limits, the account between the Parties shall be adjusted to correct for the full percentage of inaccuracy. Such adjustment shall be made for a maximum period of 180 days prior to the date of the test or to the period during which such inaccuracy may be determined to have existed, whichever period is the shorter. If any metering equipment at any time fails to register, or if the registration thereof be so erratic as to be meaningless, the power and energy delivered shall be determined from the best available data. Any required adjustment for amounts owed by one Party to the other due to inaccurate metering shall be reflected on the owing Party's next monthly bill. The Parties acknowledge that meter testing may reveal that a Party has either been under-paying or over-paying for services received.

10.10 Generation Metering. To the extent the City obtains transmission service pursuant to a Network Integration Transmission Service Agreement from SPP, either directly or through a third party, City shall install and maintain metering equipment and other necessary telemetry equipment to provide to Midwest instantaneous and integrated quantities of both real and reactive power generation. Such telemetered data shall be provided in a format compatible with Midwest's SCADA system and acceptable to Midwest.

ARTICLE XI
COMMUNICATION FACILITIES

11.1 Communication Facilities. Communication facilities for voice, telemetry or supervisory control necessary for the effective operation of this Agreement shall be installed, maintained, and operated by the Parties and the capital costs and operating and maintenance costs of such facilities shall be shared as mutually agreed upon by the Parties as specified in Exhibit A.

11.2 Remote Terminal Unit. Prior to the Initial Synchronization Date of the Interconnection Facilities, a Remote Terminal Unit, or equivalent data collection and transfer equipment acceptable to Midwest, shall be installed by Midwest at City's expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by Midwest through use of a dedicated point-to-point data circuit(s) as indicated in Article 8.1. The communication protocol for the data circuit(s) shall be specified by Midwest. Instantaneous bi-directional analog real power and reactive power flow information must be telemetered directly to the location(s) specified by Midwest.

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

11.4 Additional Requirements. Specific provisions concerning communications and communication facilities for a specific interconnection may be set forth on the sheet in Exhibits A or B attached hereto pertaining to that specific interconnection. In the event of a conflict between this Article XI and the communications-related provisions set forth in an exhibit, the provisions of the exhibit shall control.

11.5 In the event City enters into a third party agreement that requires it to provide telemetry or supervisory control data to such third party it shall do so at its own expense.

ARTICLE XII
FURNISHING OF INFORMATION

12.1 Furnishing of Information. It is recognized by the Parties that the successful operation of this Agreement depends upon the cooperation by the Parties in the operation of their systems. As a part of such cooperation, subject to applicable confidentiality agreements, each Party agrees that it will furnish to the other Party and to SPP, as requested, such data concerning its system as may be reasonably necessary to support the other Party's and regional system reliability.

12.2 Facility Rating and Modeling Data. Notwithstanding the applicability provisions with respect to Midwest and City of the following NERC standards, Midwest and City

agree to provide to the other all data and information in a manner consistent with the effective requirements of the following NERC reliability standards:

- FAC-009: Establish and Communicate Facility Ratings
- MOD-010: Steady-State Data for Modeling and Simulation of the Interconnected Transmission System
- MOD_011: Maintenance and Distribution of Steady-State Data Requirements and Reporting Procedures
- MOD-012: Dynamics Data for Modeling and Simulation of the Interconnected Transmission System
- MOD-013: Maintenance and Distribution of Dynamics Data Requirements and Reporting Procedures

ARTICLE XIII OPERATING COMMITTEE

13.1 Establishing the Operating Committee. Each Party shall appoint one representative, and one alternate representative, to act for it solely in the operating arrangements for the interchange or delivery of energy under or pursuant to this Agreement, said two representatives being hereinafter referred to collectively as the Operating Committee. Each Party shall evidence such appointment by written notice to the other Party, and by similar notice either Party may at any time change its representative on the Operating Committee.

13.2 Authority. The two representatives, or one or both of the alternate representatives when acting as a representative, on the Operating Committee shall be of equal authority, and all decisions made or directions given by the Operating Committee must be unanimous. If the Operating Committee cannot reach a unanimous decision, the dispute shall be resolved pursuant to Article XXV titled “Dispute Resolution” herein.

ARTICLE XIV BILLINGS AND PAYMENTS

14.1 All bills for amounts owed by one Party to the other hereunder, not otherwise billed by SPP, shall be due on the 15th day after the close of the billing period to which such bills are applicable or on the 10th day following receipt of bill, whichever shall be the later. The standard period for the purpose of settlements hereunder shall be a calendar month.

ARTICLE XV
FORCE MAJEURE

15.1 Neither Party shall be considered to be in default in respect of any obligation hereunder if prevented from fulfilling such obligation by reason of “Force Majeure” The term “Force Majeure” shall be deemed for the purposes hereof to include among others such causes as storm, flood, lightning, earthquake, fire, explosion, accident damaging facilities upon which performance is dependent, failure of manufacturers to make scheduled deliveries of equipment, act of the public enemy, sabotage, civil disturbance, labor disturbance or strike, impact of war or mobilization, national emergency, restraint or order by court or by public authority, or other causes beyond the control of the Party affected, which such Party could not reasonably have been expected to avoid by exercise of due diligence and foresight and by provision of reserve facilities in accordance with Good Utility Practice. “Force Majeure” shall not include any change in economic conditions, change in operations of the Party asserting that uncontrollable forces exist, or change in contracts or contractual relations with third parties. Either Party unable to fulfill any obligation by reason of Force Majeure shall exercise due diligence to remove such disability, if practicable, with reasonable dispatch.

ARTICLE XVI
BREACH, CURE AND DEFAULT

16.1 Events of Breach. The occurrence of any one of the following shall constitute an Event of Breach by a Party (the “Breaching Party”):

- (a) The failure to comply with any material term or condition of this Agreement, including but not limited to any material breach of a representation, warranty or covenant made in this Agreement;
- (b) If a Party: (i) by decree of a court of competent jurisdiction, is adjudicated bankrupt or insolvent; (ii) engages in acts or omissions that constitute a default on outstanding debt; (iii) files a voluntary petition in bankruptcy under any provision of any federal or state bankruptcy law or shall consent to the filing of any bankruptcy or reorganization petition against it under any similar law; (iv) makes a general assignment for the benefit of its creditors; or (v) consents to the appointment of a receiver, trustee or liquidator;
- (c) Assignment of this Agreement in a manner inconsistent with the terms of this Agreement;
- (d) Failure of any Party to provide such access rights, or a Party’s attempt to revoke or terminate such access rights, as provided under this Agreement;

- (e) Failure of any Party to provide information or data to another Party as required under this Agreement, provided the Party entitled to the information or data under this Agreement requires such information or data to satisfy its obligations under this Agreement;
- (f) Failure of any Party to act in accordance with the terms and requirements resulting from dispute resolution.

16.2 Continued Operation. In the event of an Event of Breach by any Party, the Parties shall continue to operate and maintain, as applicable, such DC power systems, protection and metering equipment, telemetering equipment, SCADA equipment, transformers, communications equipment, building facilities, software, documentation, structural components, and other facilities and appurtenances that are reasonably necessary for the Parties to operate and maintain their respective transmission systems in a safe and reliable manner. Such operation shall continue throughout the period in which the interconnection is energized.

16.3 Cure and Default.

- (a) A Breaching Party automatically will be deemed to be in “Default” of this Agreement upon the occurrence of any one of the Events of Breach described in Section 16.1(b) of the Agreement.
- (b) Upon the occurrence of any Event of Breach other than those described in Section 16.1(b), any Party not in breach (hereinafter a “Non-Breaching Party”), when it becomes aware of any such Event of Breach, shall give written notice of the Event of Breach to the Breaching Party. Such notice shall set forth, in reasonable detail, the nature of the breach, and where known and applicable, the steps necessary to cure such breach. Upon receiving written notice of the breach hereunder, the Breaching Party shall have ninety (90) days to cure such breach. If the breach is such that it cannot be cured within such ninety-day (90-day) time period, the Breaching Party will commence in good faith all steps as are reasonable and appropriate to cure the breach within such ninety-day (90-day) time period and thereafter diligently pursue such action to completion. In the event the Breaching Party fails to cure the breach, or to commence reasonable and appropriate steps to cure the breach, within such ninety-day (90-day) time period, the Breaching Party will be in “Default” of the Agreement.
- (c) When a Breaching Party is deemed to be in Default pursuant to Section 16.3(a), any Non-Breaching Party may terminate this Agreement as to the Breaching Party by providing written notice of termination to the Breaching Party and to SPP, except that where a Default has been disputed by the Breaching Party, termination of this Agreement on account of such

Default may not occur absent a final, binding and non-appealable decision by FERC, an arbitrator, or a court of competent authority having jurisdiction, making a determination of said Default.

ARTICLE XVII
TERM AND TERMINATION OF INTERCONNECTION SERVICE

17.1 Term. This Agreement shall become effective as of the date first above written, or upon approval by all regulatory bodies having jurisdiction in the premises, whichever is later, (the “Effective Date”) and shall continue in effect thereafter for an initial period ending December 31, 2030, and shall continue in effect thereafter until terminated.

17.2 Regulatory Filing. Midwest shall file this Agreement with the (and any amendment hereto) with the KCC or other appropriate governmental authority, if required. City shall reasonably cooperate with Midwest with respect to such filing and provide any information reasonably requested by Midwest needed to comply with applicable regulatory requirements.

17.3 Termination.

17.3.1 By Mutual Consent. This Agreement may be terminated at any time by mutual agreement of the Parties and following the expiration of a one (1) year written notice to SPP.

17.3.2 By Any Party. In addition to the termination rights set forth in Section 16.3(c), any Party may terminate this Agreement on or after December 31, 2030, following the expiration of a two-year written notice of termination to the other Party and to SPP.

17.3.3 Regulatory Approval of Termination. No termination hereunder shall become effective until the terminating Party (or the Parties jointly) tender(s) to the appropriate governmental authority any required notification of termination of this Agreement (if any) and obtains such acceptance thereof as may be required (if at all).

17.4 Disconnection. Upon termination of this Agreement in accordance with this Article, a Party shall, in coordination with the other Party, physically disconnect its transmission system from the terminated Party’s transmission system.

17.5 Survival of Rights. Termination of this Agreement shall not relieve any Party of any of its liabilities and obligations arising hereunder prior to the date termination becomes effective, and each Party may take whatever judicial or administrative actions as appear necessary or desirable to enforce its rights hereunder. Applicable provisions of this Agreement will continue in effect after expiration, cancellation or termination of this Agreement to the extent necessary to provide for final billings, billing adjustments, and

the determination and enforcement of liability and indemnification obligations arising from events or acts that occurred while this Agreement was in effect.

ARTICLE XVIII
WAIVERS

18.1 Waiver. Except as otherwise provided in this Agreement, a Party's compliance with any obligation, covenant, agreement, or condition herein may be waived by the Party entitled to the benefits thereof only by a written instrument signed by the Party granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, covenant, agreement, or condition will not operate as a waiver of, or estoppel with respect to, any subsequent or other failure of any obligation, covenant, agreement, or condition herein.

18.2 Failure to Enforce. Failure of any Party to enforce or insist upon compliance with any of the terms or conditions of this Agreement, or to give notice or declare this Agreement or the rights hereunder terminated, shall not constitute a waiver or relinquishment of any rights set out herein, but the same shall be and remain at all times in full force and effect as to future acts and omissions, unless and only to the extent expressly set forth in a writing signed by the Party granting such waiver or relinquishing any such right(s). Any waiver granted, or relinquishment of any right, by a Party shall not operate as a relinquishment of any other rights or a waiver or of any other failure of the Party granted the waiver to comply with any obligation, covenant, agreement, or condition herein.

ARTICLE XIX
REGULATORY APPROVAL

19.1 Regulatory Approval. This Agreement and all obligations hereunder are expressly conditioned upon the granting of such approval and authorization by any regulatory body, whose approval or authorization may be required by law. Each Party shall aid and assist the other in obtaining any such necessary approval and authorization. If in the process of aiding and assisting in seeking regulatory approval it is discovered that modifications of the Parties' obligations under this Agreement are needed, or any regulatory body requires modification to the Parties' obligations under the terms of this Agreement, the Parties agree to negotiate in good faith such modifications. In the event the Parties agree to modify and amend the terms of this Agreement to conform to the decisions or directives of any regulatory body such modification will be made pursuant to Section 27.4 herein. In the event the Parties are unable to negotiate mutually agreeable modifications to this Agreement, the provisions of Section 27.5 shall apply. It is expressly understood, pursuant to Section 201(f) of the Federal Power Act, that, at the time of execution of this Agreement, Midwest is exempt from Part II of the Federal Power Act because Midwest is an electric cooperative that sells less than 4,000,000 megawatt hours of electricity per year.

ARTICLE XX
TIME OF INSTALLATION

20.1 Midwest and City shall use commercially reasonable efforts to furnish and install, complete and ready for operation, all facilities called for under the terms of this Agreement in compliance with mutually agreeable timeframes.

ARTICLE XXI
RIGHTS OF INSTALLATION, ACCESS AND REMOVAL

21.1 Provision of Required Easements. Each Party shall grant to the other Party and its respective agents the right to install, maintain, and operate on the premises of the other during the terms of this Agreement all its equipment, apparatus and devices which may be reasonably necessary for use in its performance of this Agreement, and, as to Midwest and its balancing authority agent, fulfillment of its balancing authority responsibilities. Each Party shall furnish the other Party any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by the Party, its agents, or any affiliate that are necessary to enable the other Party to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment.

21.2 Safety Rules. This Section 21.2 applies to all employees, agents, subcontractors, suppliers and contractors of either Party, including the employees of any of them (herein called "Authorized Personnel") when performing work on any assets owned by one Party that are located on the premises of the other Party. Prior to commencement of any such work, the Parties will agree through the Operating Committee to procedures that ensure that Authorized Personnel adhere to a mutually satisfactory safety program at all times while on the other Party's property, by adopting procedures (the "Safety Rules") that incorporate the more stringent of the various safety procedures of either Party or otherwise as the Operating Committee may agree. Each Party shall instruct all of its Authorized Personnel to conform to all Safety Rules and to attend relevant safety training provided by either Party before starting to perform any work. Prior to executing this Agreement, each Party shall provide to the other Party its current applicable safety manual and other safety-related documents. Each Party will timely provide to the other Party any updates to its safety manual as they become effective. The Operating Committee shall be responsible for updating the Safety Rules that govern the Parties when working on the premises of the other Party. Each Party will in turn provide its Authorized Personnel all Safety Rules and instruct them to review and be familiar with them and to report any infractions thereof to the respective Party without fear of recrimination. Each Party shall immediately correct any such infractions by its Authorized Personnel.

21.3 Access to Premises. Each Party shall give all necessary permission to the other to enable its representatives to carry out this Agreement and shall give the other Party the right by duly authorized representatives and employees, upon reasonable notice and subject to the Safety Rules, to enter the premises of the other Party at all reasonable times for the purpose of reading or checking meters, or inspecting, testing, repairing, renewing, or exchanging all of its equipment, apparatus, and devices which may be located on the property of the other, or for the purpose of performing any other work incident to the performance of this Agreement, including, as to Midwest, fulfillment of its balancing authority responsibilities as applicable. An authorized representative of the Party owning the premises shall, unless otherwise mutually agreed, accompany the representatives of the other Party at all such times.

21.4 Ownership of Equipment. Any equipment, apparatus, and devices necessary to fulfill either Midwest's obligations, or City's obligations hereunder placed or erected by either Party on or in the premises of the other Party shall be and remain property of the Party owning and installing such equipment, apparatus, and devices regardless of the mode and manner of its annexation or attachment to real property of the other; and upon the termination of service provided for hereunder and for a period of six (6) months thereafter, Midwest and City shall have the right, upon reasonable notice and subject to the Safety Rules, to enter upon the premises of the other during normal working hours to remove such equipment, apparatus, or devices owned by it or in its lawful possession or control. An authorized representative of the Party owning the premises shall, unless otherwise mutually agreed, accompany the representatives of the other Party at all such times. If such facilities are not removed within such six (6) month period, the owner shall forfeit all right to recover same and to be compensated for same.

ARTICLE XXII LIABILITY AND INDEMNIFICATION

22.1 Limitations of Liability. Neither Party shall be liable for money damages or other compensation to the other Party or to SPP or Users (as defined in the SPP Tariff) for actions or omissions in performing its obligations under this Agreement, except to the extent such act or omission is found to result from its gross negligence or intentional wrongdoing. Neither Party may seek to enforce any claims against the directors, members, shareholders, officers, employees or agents of either Party or its Affiliates by reason of their status as directors, members, shareholders, officers, employees or agents of a Party or its Affiliates. Neither Party shall be liable for damages arising out of its actions or omissions in performing its obligations under this Agreement, including, but not limited to any act or omission that results in an interruption, deficiency or imperfection of service, occurring as a result of Uncontrollable Forces, or resulting from electric system design or practices which are in accordance with Good Utility Practice. Neither Party shall be liable for acts or omissions done in compliance or good faith attempts to comply with directives of the Transmission Provider. In no event shall a Party be liable for any incidental, consequential, punitive, special, exemplary or indirect

damages, loss of revenues or profits, arising out of, or connected in any way with its performance or non-performance under this Agreement.

22.2 Indemnification. Each Party (the “Indemnifying Party”), subject to the limitations set forth in the Kansas Tort Claims Act, K.S.A. 75-6101 *et seq.*, shall at all times indemnify, defend and save the other Party (the “Indemnified Party”) harmless from any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demands, suits, recoveries, costs and expenses, court costs, attorney’s fees, and all other obligations by or to third parties, arising out of or resulting from the Indemnifying Party’s performance of obligations under this Agreement, except in cases of gross negligence or intentional wrongdoing by the Indemnified Party.

22.3 SPP Limitation of Liability. No Party shall be liable for the failure of any other Party or SPP to perform its obligations hereunder. Nothing in this Agreement shall be construed to create or give rise to any liability on the part of SPP and the Parties expressly waive any claims that may arise against SPP under this Agreement. By executing this Agreement, SPP does not agree to the provisions that do not affect or involve SPP transmission or SPP’s role as a FERC-approved regional entity. SPP’s only purpose and involvement in executing this Agreement is with regard to any sections which may affect or involve SPP transmission or SPP’s role as a FERC-approved regional entity.

22.4 Effect of SPP Signature. The Parties acknowledge and understand that the signature of the authorized officer of SPP on this Agreement is for the limited purpose of acknowledging that an officer of SPP has read the terms of this Agreement. The Parties and SPP further state that they understand that FERC desires that the Parties keep SPP fully apprised of the matters addressed herein as well as any reliability and planning issues that may arise under this Agreement, and that the signature of the SPP officer shall not in any way be deemed to imply that SPP is taking responsibility for the actions of any Party, that SPP has any affirmative duties under this Agreement, or that SPP is liable in any way under this Agreement except as specifically provided in the SPP Tariff.

22.5 Survival. The limitation of liability provided for, and the indemnification obligations of each Party under this Article shall continue in full force and effect regardless of whether this Agreement has either expired or been terminated or canceled with respect to matters that arise during the effectiveness of the Agreement.

ARTICLE XXIII ASSIGNMENT

23.1 Successors and Assigns. This Agreement, and the rights and obligations created thereby, shall bind and inure to the benefit of the successors and permitted assigns of the Parties hereto.

23.2 Consent Required. Subject to paragraph 23.3 below, no Party may assign any rights or obligations hereunder without obtaining the consent of the other Parties, which consent shall not unreasonably be withheld or delayed.

23.3 Assignment in Event of Merger or for Financing. Notwithstanding anything to the contrary herein, either Party, without the consent of the other Party or SPP but with reasonable prior written notice, may (i) assign this Agreement to any entity or entities in connection with a merger, consolidation, reorganization or other change in the organizational structure of the assigning Party, provided that the surviving entity(ies) agrees, in writing, to assume the assigning Party's obligations and duties under, and be bound by, the terms of this Agreement, or (ii) transfer, sell, pledge, encumber or assign this Agreement and the accounts, revenues or proceeds hereof in connection with any financing of or for such Party or other financial arrangements involving such Party (including to any trustee or other agent on behalf of one or more entities providing financing to or for, or involving, such Party).

ARTICLE XXIV SUBCONTRACTOR

24.1 Generally. Nothing in this Agreement shall prevent a Party from utilizing the services of such subcontractors as it deems appropriate to perform its obligations under this Agreement; provided, however, that all Parties shall require their subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services.

24.2 Responsibility of Principal. The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. Each Party shall be fully responsible to the other Parties for the acts or omissions of any subcontractor it hires as if no subcontract had been made. Any applicable obligation imposed by this Agreement upon a Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

24.3 No Third Party Beneficiary. No subcontractor is intended to be, nor will it be deemed to be, a third-party beneficiary of this Agreement.

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

ARTICLE XXV DISPUTE RESOLUTION

25.1 Dispute Resolution. In the event any Party has a dispute, or asserts a claim, that arises out of or in connection with this Agreement or its performance, and such dispute cannot be resolved by the Operating Committee or its established alternates, such Party

(the “Disputing Party”) shall provide the other Parties with written notice of the dispute or claim (“Notice of Dispute”). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the non-disputing Parties. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the non-disputing Parties’ receipt of the Notice of Dispute, such claim or dispute shall be submitted for resolution in accordance with the dispute resolution procedures of the SPP Tariff which is hereby adopted mutatis mutandis.

ARTICLE XXVI
NOTICES AND COMMUNICATIONS

26.1 Unless otherwise specified herein, all notices, requests, claims, demands and other communications required or permitted to be given under this Agreement must be in writing, and must be given (and will be deemed to have been duly given if so given) by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Party, or personally delivered to the respective Parties as follows:

To: Midwest Energy, Inc.

Midwest Energy, Inc.
Attn: Vice President Energy Mgmt. &
Supply
1330 Canterbury Dr.
Hays, KS 67601
Phone: 785-625-1432
Fax: 785-625-1487

To: City of Larned, Kansas

City Clerk
City of Larned
417 Broadway
Larned, KS 67550
620-285-8500
FAX 620-285-8544

To SPP:

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

Any such notice or communication will be deemed to have been given as of the date received.

26.2 Any Party may change its address or designated representative for notices by notice to the other Parties in the manner provided above.

26.3 Notwithstanding Section 26.1, any notice hereunder concerning an Emergency or other occurrence requiring prompt attention, or as necessary during day-to-day operations, may be made by telephone or in person. Notice in an Emergency, or as necessary during day-to-day operations, shall be provided: (i) if by City, to the operator on duty at Midwest's Control Center, (ii) if by Midwest, to the operator on duty at City's Control Center, and (iii) if by SPP, pursuant to the SPP's established procedures. The Operating Committee shall distribute to both Parties and to SPP the contact information for the respective Control Centers and shall ensure that such information is kept current.

ARTICLE XXVII MISCELLANEOUS PROVISIONS

27.1 Governing Law.

- (a) When not in conflict with or preempted by federal law, this Agreement will be governed by and construed in accordance with the laws of the State of Kansas without giving effect to the conflict of law principles thereof.
- (b) Except for those matters covered in this Agreement and which are either jurisdictional to FERC or submitted to dispute resolution pursuant to Article XXV, any action arising out of or concerning this Agreement must be brought in State of Kansas District Court in Pawnee County or the United States District Court for the District of Kansas. Both Parties hereby consent to the jurisdiction by these Courts for the purpose of hearing and determining any action not pre-empted by FERC.

27.2 Relationship of the Parties. Nothing in this Agreement is intended to create a partnership, joint venture, or other joint legal entity making any Party jointly or severally liable for the acts of the other Party. Unless otherwise agreed to in a writing signed by all Parties, no Party shall have any authority to create or assume in another Party's name or on its behalf any obligation, express or implied or to act or purport to act as any other Party's agent or legally-empowered representative for any purpose whatsoever. Each Party shall be solely liable for the payment of all wages, taxes, and other costs related to the employment of persons by that Party to perform under this Agreement, including all federal, state, and local income, social security, payroll and employment taxes and statutorily-mandated workers' compensation coverage. None of the persons employed by any Party shall be considered employees of the other Party for any purpose; nor shall any Party represent to any person that such persons are or shall become employees of the other Party. Except as expressly provided for herein, no Party shall be liable to any third Party in any way for any engagement, obligation, commitment, contract, representation, or for any negligent act or omission to act of the other Party.

27.3 No Third Party Rights. No provision of this Agreement shall in any way inure to the benefit of any third Person (including the public at large) so as to constitute any such Person as a third party beneficiary of this Agreement or of any one or more of the terms hereof, or otherwise give rise to any cause of action in any Person not a Party, successor or permitted assignee.

27.4 Amendment Modification. Except as otherwise provided, (a) this Agreement may only be modified in writing and signed by all Parties, and (b) no amendment or modification to this Agreement or waiver of a Party's rights hereunder shall be binding unless the same shall be in writing and signed by the Parties. Notwithstanding any provision in this Agreement to the contrary, any Party may unilaterally make application to the FERC under Sections 205 or 206, as applicable, of the Federal Power Act and pursuant to FERC's rules and regulations promulgated thereunder, or to the Kansas Corporation Commission, as applicable, for a change in any rate, term, condition, charge, classification of service, rule or regulation under or related to this Agreement over which the applicable regulatory body has jurisdiction.

27.5 Severability. If any term, condition, covenant, restriction or other provision of this Agreement is held by a court or regulatory agency of competent jurisdiction or by legislative enactment to be invalid, void or otherwise unenforceable, the remainder of the terms, conditions, covenants, restrictions and other provisions of this Agreement shall remain in full force and effect unless such an interpretation would materially alter the rights and privileges of any Party. If any term, condition, covenant, restriction or other provision of this Agreement is held invalid, void or otherwise unenforceable, the Parties shall attempt to negotiate an appropriate and equitable replacement, revision or adjustment to the provision of this Agreement to restore the benefits and obligations conferred under the original Agreement.

27.6 Headings and Captions. Article headings, section headings, and/or other captions are included in this Agreement for reference purposes only and shall not constitute a part of this Agreement or in any way affect the meaning or interpretation of this Agreement. Whenever used herein the singular number shall include the plural, the plural shall include the singular, and the use of any gender shall include all genders.

27.7 Further Assurances. Each Party shall do such other and further acts and things, and shall execute and deliver such instruments and documents, as any other Party reasonably requests from time to time in furtherance of the purposes of this Agreement, provided that any such acts, things, instruments and documents are commercially reasonable.

27.8 Entire Agreement. This Agreement, including all exhibits, schedules, appendices and other attachments hereto and hereby made a part hereof, sets forth the entire understanding and agreement of the Parties as to the subject matter of this Agreement and merges and supersedes all prior written and oral understandings, offers, agreements,

commitments, representations, writings, discussions or other communications of every kind between the Parties, pertaining to the subject matter hereof.

27.9 Rights Cumulative. The rights and remedies set forth in this Agreement are cumulative and non-exclusive.

27.10 Confidentiality. Confidential Information shall be understood to include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other prior to the execution of this Agreement that is clearly designated or marked as confidential. Furthermore, Confidential Information shall be understood to include information exchanged by the Parties related to the equipment specification, design or technology to be utilized by either Party in constructing or operating the Interconnection Facilities, including any equipment or assets designed as Critical Assets or Critical Cyber Assets as those terms are defined by the relevant NERC standards. During the term of this Agreement, and for a period of three (3) years after the expiration or termination of this Agreement, each Party shall hold in confidence and shall not disclose to any person Confidential Information, except that a Party may release or disclose Confidential Information when required by law or subpoena, or when the disclosure of such Confidential Information is necessary in any legal proceeding to establish the rights and obligations under this Agreement.

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

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

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized officers, as of the day and year first hereinbefore written.

MIDWEST ENERGY, INC.

By: /s/ William N. Dowling

Printed Name: William N. Dowling

Title: Vice President, Energy Mgmt. & Supply

CITY OF LARNED, KS

By: /s/ Robert C Pivonka

Printed Name: Robert C Pivonka

Title: Mayor

SOUTHWEST POWER POOL, INC.

By: /s/ Carl Monroe

Printed Name: Carl Monroe

Title: Senior Vice President and Chief Operating Officer

EXHIBIT A

Interconnection No. 1

A.1. This interconnection between the Parties (“Point of Interconnection”) shall be established at the Pawnee 115kV Substation owned and operated by Midwest. Midwest shall retain ownership of all facilities, land, structures, equipment and appurtenances existing in the substation prior to establishment of this interconnection.

A.2. The City shall be responsible for the construction of City’s Interconnection Facilities, including the 115kV transmission line from the Point of Interconnection at the Pawnee 115kV Substation to its municipal power plant, including any new facilities required to connect City’s existing facilities to such transmission line.

A.2.1. The City shall install, or cause to be installed, all equipment required for the construction and operation of the City’s Interconnection Facilities, including but not limited to:

- i. 115kV transmission line to connect from City’s Santa Fe substation to Midwest’s Pawnee substation.
- ii. 24 fiber OPGW fiber optic single mode overhead ground wire installed from City’s Santa Fe substation to Midwest’s Pawnee substation.

Items located at City’s Santa Fe substation:

- iii. Three (3) 115kV station class arrestors
- iv. 115kV line disconnect switch
- v. 115kV Circuit Switcher
- vi. 115/13.8 kV 14MVA Transformer
- vii. 13.8kV Voltage Regulators
- viii. SEL 387L Line Current Differential Relay for 115kV line protection
- ix. Required protective relaying for transformer differential protection
- x. Required protective relaying for 13.8kV mains protection
- xi. Fiber Optic Cable, hardware and transceiver(s) to connect City’s fiber optic cable to City’s protection equipment
- xii. Fiber Optic Cable, hardware and transceiver(s) to connect City’s fiber optic cable to Midwest’s RTU equipment located in Santa Fe Substation

A.3. Midwest shall install, at the sole expense of the City, Midwest's Interconnection Facilities comprised of all equipment necessary to switch, protect and operate the Interconnection, including but not limited to the following:

A.3.1. Pawnee 115kV Substation:

- i. 1 - 115kV Circuit Breaker
- ii. 2 - 115kV Breaker Disconnect Switches
- iii. 1 – 115kV Line Bypass Switch
- iv. Site preparation, including grading, surfacing, etc.
- v. 115kV Revenue Metering panel, including revenue meter and associated devices for revenue metering at the Point of Interconnection, as approved and installed by Midwest in accordance with SPP requirements
- vi. Transducers, switches and other appurtenances to provide telemetry data required by Midwest and SPP
- vii. Three (3) 115kV PTs, suitable for revenue metering
- viii. Three (3) 115kV CTs, suitable for revenue metering
- ix. Fiber Optic Cable, hardware and transceiver(s) to connect City's fiber optic cable on their transmission line to Midwest's protection equipment
- x. Three (3) 115kV Station Class Arresters
- xi. Required protective relaying and communications equipment to protect transmission line from terminal to City's facilities
- xii. Carrier Equipment required to provide directional comparison blocking function to Midwest's St. John 115kV Substation, including carrier transceiver, wave trap, line tuner, CCVT, coaxial cable and associated appurtenances
- xiii. Expansion or replacement of current SCADA RTU as required by Midwest
- xiv. Control house expansion/modifications or replacement
- xv. Associated steel, foundations, structures, insulators, bus, grounding, conduit, control cable, appurtenances, grounding and miscellaneous equipment and hardware
- xvi. Conductor, shield wire, insulators and hardware to Midwest's steel full-tension deadend substation structure
- xvii. All engineering, design and surveying work required
- xviii. Any additional land required for the installation of the Interconnection Facilities at the Pawnee substation, whether obtained by purchase, lease, easement, or otherwise.

A.3.2. St. John 115kV Substation:

- i. Modifications to St. John 115kV Substation to accommodate addition of directional comparison blocking protection, including additional relays, carrier transceiver, wave trap, line tuner, CCVT, coaxial cable and associated appurtenances.

A.3.3. Total Estimated Cost of Midwest' Interconnection Facilities:

- ii. The total estimated cost to design, procure, construct and commission Midwest's Interconnection Facilities is \$735,000.00.
- iii. City agrees to reimburse Midwest for the actual cost of the design, procurement and construction of Midwest's Interconnection Facilities, consistent with the payment provisions in Article 8.3 and 8.4, and Exhibit C hereto.

A.4. Point of Change of Ownership. The Point of Change of Ownership shall be Midwest's full-tension deadend structure to which the City's 115kV transmission line from the City's Interconnection Facility is attached.

A.5. The Point of Interconnection shall be Midwest's 115kV revenue metering equipment at the Pawnee Substation.

A.6. The following provisions will apply to all work that requires coordination between the City and Midwest:

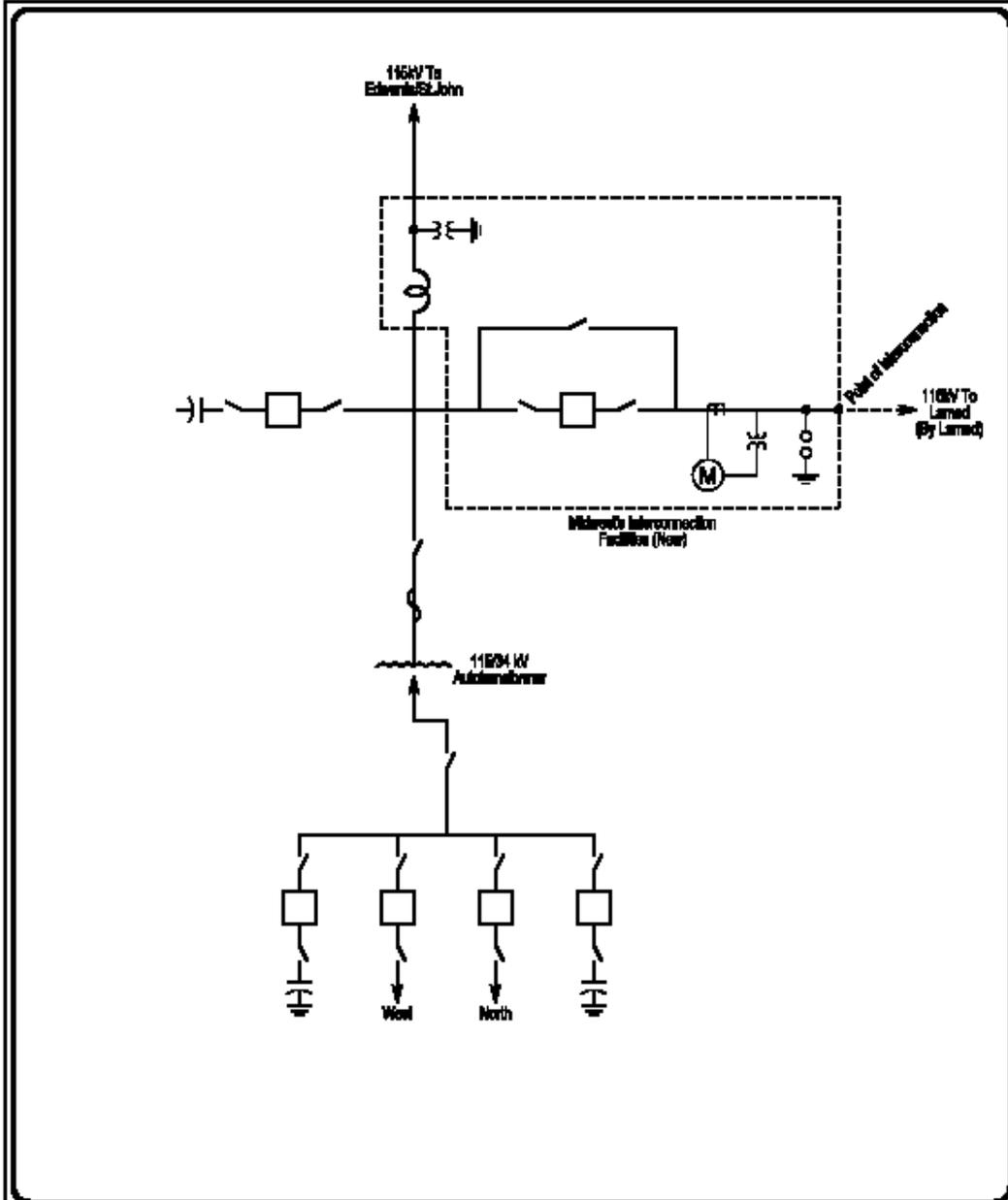
A.6.1. The 115kV transmission line from the City's facilities will connect to a full tension dead end structure inside Midwest's Pawnee Substation. The City will coordinate all transmission line design work within one-half mile of the Pawnee 115kV Substation with Midwest to ensure the structural integrity of all structures and that adequate clearances are provided at the Point of Change of Ownership.

A.6.2.

A.6.3. The City shall submit to Midwest at least thirty (30) days prior to commencement of construction of the transmission line a detailed construction schedule covering the portion of the line within one-half mile of the Pawnee 115kV Substation. Such schedule will also address the complete testing and commissioning process of the transmission line and the City's Interconnection Facilities. Thereafter the City shall submit weekly updates of the construction and commissioning schedule to Midwest. Requests for switching or transmission outages must be submitted to Midwest no less than ten (10) days prior to the requested activities. Midwest shall be responsible for coordination of all switching and outages with the Southwest Power Pool and other affected transmission owners in accordance with SPP requirements.

A.6.4. No less than thirty (30) days prior to anticipated commencement of testing and commissioning the City shall submit to Midwest for review and approval (i) a detailed schedule of all equipment and system testing and commissioning activities, and (ii) all proposed protective relay settings and the philosophies, assumptions and calculations used to derive such settings. Such schedules and protective relay information shall be updated at least weekly thereafter.

**FIGURE A-1
INTERCONNECTION FACILITY ONE-LINE DIAGRAM**




Midwest Energy, Inc.
 1330 Canterbury Rd.
 Hays, Kansas 67901
 (785) 828-3437

**City of Larned
Interconnection**

WOB: 1-588	DATE: 5-19-11	DIVISION NO.: Larned11
DESIGN BY: SJB	DATE: 5-19-11	SHEET 1 OF 1
CHECK BY: WND	DATE: 5-19-11	SCALE: NONE
APPV: SJB		

EXHIBIT B

Additional Metering Requirements

B.1. The electric metering systems installed shall be designed to meet the requirements of the SPP and Midwest as to accuracy, availability, and redundancy applicable to the project. The requirements of the SPP shall include, but are not limited to, those set forth in the current revision of Meter Technical Protocols for the SPP Energy Imbalance Market.

B.2. The metering equipment shall be installed by Midwest at the sole expense of the City, and shall also make available to City certain telemetered values representing instantaneous real and reactive power production and time-integrated production values from the facility, as well as status information related to the interconnection facilities for breaker status, instantaneous voltage at the interconnection, etc. This information will be made available in an electronic format compatible with the SCADA system of Midwest.

B.3. In the event the SPP requires changes to the metering equipment installed at the Point of Interconnection the cost of such changes shall be borne equally by the Parties.

EXHIBIT C

MILESTONES

Action	Party	Date
Execute Interconnection Agreement (no later than date shown)	SPP (SPP), Midwest (MIDW), and City (City)	6/15/2011
June 15, 2011, City completes design and contract documents and begins bid process for transmission line construction	CITY	6/15/2011
Provide authorization to proceed with Interconnection Studies as required by SPP pursuant to Article 8.3. Provide payment of \$10,000.00 to Midwest	CITY	6/22/2011
City to provide all required data for fault study initiation to Midwest	CITY	6/22/2011
Midwest to initiate fault study to determine available fault currents for Midwest and City	MIDW	6/22/2011
Provide authorization to proceed with design of Midwest's Interconnection Facilities pursuant to Article 8.3. Provide payment of \$60,000.00 to Midwest	CITY	7/8/2011
Midwest to provide preliminary fault study to City for review/comment. City to provide comments within 10 working days.	MIDW and City	7/8/2011
Hold initial design meeting between Midwest and City. Agree on conceptual design of facilities, protection and communication equipment.	CITY and MIDW	7/15/2011
SPP approval of Interconnection Studies, as required	SPP	7/29/2011
Provide authorization to proceed with procurement per Article 8.3. Provide payment of \$280,000.00 to Midwest.	CITY	8/5/2011
Start design and procurement of Midwest's Interconnection Facilities	MIDW	8/5/2011
Midwest to provide final fault study to City for facility design.	MIDW	8/12/2011
City to provide preliminary design for City's Interconnection Facilities, including all protective relaying and communications facilities.	CITY	8/12/2011
City awards bid for transmission line construction	CITY	8/15/2011
Purchase long lead time items for Midwest's Interconnection Facilities.	MIDW	9/16/2011
Complete conceptual design and preliminary engineering of Midwest's Interconnection Facilities.	MIDW	10/14/2011
Hold final design meeting between Midwest and City. Agree on final design of facilities, protection and communication equipment.	CITY and MIDW	10/21/2011
Provide equipment layout of Midwest's Interconnection Facilities to City for coordination of transmission line design.	MIDW	10/14/2011

Obtain necessary permitting for Midwest's Interconnection Facility	MIDW	10/28/2011
Complete final design of City's Interconnection Facilities, and submit to Midwest for review and approval. Midwest to provide comments to City within 20 working days.	CITY	11/11/2011
Issue bid documents for construction of Midwest's Interconnection Facilities.	MIDW	11/11/2011
City completes construction of transmission line and substation on City side of transmission line	CITY	1/1/2012
Complete final design of Midwest's Interconnection Facilities.	MIDW	12/16/2011
Procure remaining equipment for Midwest's Interconnection Facilities.	MIDW	12/16/2011
City to provide final design of City's Interconnection Facilities, including incorporation of Midwest's comments and requirements.	CITY	12/23/2011
Provide authorization to award contracts for construction of Midwest's Interconnection Facilities per Article 8.4. Provide payment of <u>\$350,000.00</u> to Midwest.	CITY	12/11/2011
Award construction contract for Midwest's Interconnection Facilities. Provide to City a preliminary construction, testing and commissioning schedule.	MIDW	12/23/2011
Start construction – Midwest's Interconnection Facilities. Midwest to update construction and commissioning schedule bi-weekly.	MIDW	1/16/2012
Start construction – City's Interconnection Facilities. City to update construction and commissioning schedule bi-weekly.	CITY	1/16/2012
City to verify compliance with (a) NERC requirements for registration as Generation Operator and (b) SPP market participation requirements, as applicable.	CITY and SPP	2/1/2012
City to verify compliance with NERC requirements for registration as Transmission Owner and Transmission Operator, as applicable.	CITY	2/1/2012
Midwest and City to provide facility rating and modeling data pursuant to Section 12.2.	MIDW and CITY	3/1/2012
Complete construction of Midwest's Interconnection Facilities and initiate testing/commissioning activities.	MIDW	4/13/2012
Complete construction of City's Interconnection Facilities and initiate testing/commissioning activities.	CITY and MIDW	4/13/2012
Energize Midwest's Interconnection Facilities and continue testing/commissioning activities.	MIDW	5/11/2012

City to provide access to City's Interconnection Facilities to allow Midwest to install, test and commission backup revenue metering equipment (if installed), and to test and commission protective equipment for 115kV transmission line required communications equipment.	CITY and MIDW	5/11/2012
In-Service Date for City's Interconnection Facilities and continue joint testing/commissioning activities.	CITY and MIDW	5/25/2012
Joint testing of City's Interconnection Facilities.	CITY and MIDW	6/1/2012
Complete all testing/commissioning of Midwest and City facilities.	MIDW and CITY	6/8/2012
Initial Synchronization. Conclude testing and commissioning of all Interconnection Facilities.	CITY and MIDW	6/15/2012
Commercial Operation Date	CITY	6/15/2012
Provide to City Final Cost Data and Invoice for construction of Midwest's Interconnection Facilities. Midwest to provide refund if Final Cost Data less than payments received from City. City to pay any positive difference between Final Cost and previous payments made by City.	MIDW	7/20/2012
Provide final payment to Midwest for construction of Midwest's Interconnection Facilities.	CITY	8/1/2012
Deliver to Midwest As-Built drawings of City's Interconnection Facilities.	CITY	7/20/2012