

April 25, 2012

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

RE: *Southwest Power Pool, Inc.*, Docket No. ER12-____
Submission of 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 between Oklahoma Gas and Electric Company (“OG&E”) and Westar Energy, Inc. (“Westar”) with SPP as a signatory (“Westar-OG&E Agreement”).¹ SPP requests that the Federal Energy Regulatory Commission (“Commission”) accept the proposed Westar-OG&E Agreement with an effective date of May 1, 2012. 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 66 members, including 14 investor-owned utilities, 11 municipal systems, 12 generation and transmission cooperatives, 4 state agencies, 8 independent power producers, 10 power marketers, and 7 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 (“Tariff”).

¹ OG&E and Westar may be referred to individually as “Party” or collectively as “the Parties.” The Westar-OG&E Agreement is designated as Service Agreement No. 2424.

OG&E, an Oklahoma corporation, is a public utility that is engaged in transmitting electric energy in the state of Oklahoma. OG&E is a transmission-owning member of SPP.

Westar, a Kansas corporation, is a public utility that is engaged in transmitting electric energy in the state of Kansas. Westar is a transmission-owning member of SPP.

The Westar-OG&E Agreement submitted herein allows the Parties to interconnect their respective transmission systems at certain points of interconnection described in the Westar-OG&E Agreement. The points of interconnection, as well as the transmission systems of the Parties, are under the functional control of SPP. Therefore, consistent with the Commission's policy that that the RTO with the planning authority over transmission facilities under its Tariff (i.e. SPP) should be a signatory to interconnection agreements, SPP is a signatory to the Westar-OG&E Agreement.²

II. Description of the Westar-OG&E Agreement

There is no *pro forma* form for a transmission interconnection agreement in the SPP Tariff; however, many of the provisions in the Westar-OG&E Agreement are similar in scope and application to other utility-to-utility transmission interconnection agreements previously accepted by the Commission to which SPP is a signatory.³ Below is a brief summary of the Articles of the Westar-OG&E Agreement.

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).

³ See, e.g., *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER11-4378-000 (Oct. 21, 2011); *Sw. Power Pool, Inc.*, Letter Order, Docket No. ER10-3207-000 (Nov. 23, 2010); *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).

Article 1 provides a list of definitions for terms used throughout the Westar-OG&E Agreement.⁴

Article 2 specifies the term of the agreement. The Westar-OG&E Agreement shall become effective on May 1, 2012, or upon such other date specified by the Commission and shall continue in effect thereafter for a period of ten years from said date, and from year to year thereafter unless terminated.⁵ Article 2 also includes termination procedures, including the requisite notice requirements for termination by mutual agreement or by any Party.⁶ Article 2 also specifies the survival of rights after termination of the Westar-OG&E Agreement.⁷ Further, Article 2 provides that no termination shall become effective until the terminating Party (or the Parties jointly) tenders to the Commission any required notification of termination of the Westar-OG&E Agreement and obtains such acceptance by the Commission as may be required.⁸

Article 3 specifies that the Parties belong to a North American Electric Reliability Corporation (“NERC”) Regional Entity and agree to comply with approved reliability standards issued by NERC or the Regional Entity.⁹ Article 3 also provides that the Parties are both members of SPP and are bound to the SPP Criteria and contractual requirements.¹⁰

Article 4 outlines the procedures for operation of the interconnection and provides that the Interconnection Facilities and the Interconnection Points are identified in Exhibit A.¹¹

⁴ See Westar-OG&E Agreement at Article 1. All capitalized words not defined in this letter shall have the meaning as set forth in Article 1 of the Westar-OG&E Agreement.

⁵ See Westar-OG&E Agreement at Article 2.1.

⁶ See *id.* at Article 2.1, 2.2.

⁷ See *id.* at Article 2.3

⁸ See *id.* at Article 2.4.

⁹ See *id.* at Article 3.1

¹⁰ See *id.* at Article 3.2

¹¹ See *id.* at Article 4 and Exhibit A.

Article 5 provides that ownership of Interconnection Facilities for the Interconnection Points shall be identified in Exhibit A.¹² In addition, each Party shall be responsible for the operation, maintenance, removals or replacements, and upgrades to the facilities it owns in accordance with Good Utility Practice.¹³

Article 6 addresses metering and losses.¹⁴ Article 7 specifies that transmission service is not part of the Westar-OG&E Agreement.¹⁵ Article 8 provides the requirements for interchange and curtailment.¹⁶ Article 9 includes billing and payment provisions for all bills.¹⁷ Article 10 provides for the furnishing of information and the establishment of an Operating Committee.¹⁸

Article 11 contains provisions addressing liability, indemnification, and survival of the limitation of liability and indemnification obligations.¹⁹ Article 11 also includes a provision limiting SPP's liability under the agreement, and clarifying that SPP's involvement is limited to the sections of the Westar-OG&E Agreement that may affect or involve SPP transmission service or SPP's role as a Commission-approved RTO.²⁰ Article 11.4 further states that the Parties acknowledge that SPP's role as a signatory to the Westar-OG&E Agreement is limited, and while SPP must be apprised of the matters addressed in the Westar-OG&E Agreement, SPP's role as a signatory to the Westar-OG&E Agreement does not imply that: (1) SPP is taking responsibility for the actions of any Party; (2) SPP has any affirmative duties under the Westar-OG&E Agreement; or (3) SPP is liable in any way under the Westar-OG&E Agreement except, as provided in the SPP Tariff.²¹

¹² See Westar-OG&E Agreement at Article 5.1 and Exhibit A.

¹³ See *id.* at Article 5.2.

¹⁴ See *id.* at Article 6.

¹⁵ See *id.* at Article 7.

¹⁶ See *id.* at Article 8.

¹⁷ See *id.* at Article 9.

¹⁸ See *id.* at Article 10.

¹⁹ See *id.* at Article 11.

²⁰ See *id.* at Article 11.3 and 11.4.

²¹ See *id.*

Article 12 contains general contract provisions related to captions, notices and communications, amendments, successors/assigns, uncontrollable forces, waivers, right of access, governing law, no third party rights, severability and regulatory approval.²²

Finally, Exhibit A provides descriptions of the interconnection facilities and points of interconnection under the Westar-OG&E Agreement.²³

III. Effective Date

On behalf of the Parties, SPP requests an effective date of May 1, 2012 for the Westar-OG&E Agreement. To permit such an effective date, pursuant to section 35.11 of the Commission's rules and regulations, 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 Westar-OG&E Agreement is being filed prior to the requested effective date.²⁴ The Commission previously has granted waiver of the 60-day notice requirement for service agreements for which there is no *pro forma* form in the filing entities' Tariff when the agreements were filed within 30 days of the requested effective date,²⁵ and consistent with that precedent should do so here.

²² See Westar-OG&E Agreement at Article 12.

²³ See *id.* at Exhibit A.

²⁴ 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.").

²⁵ 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, 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, 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).

IV. Service, Notice, and Communication

SPP is serving a copy of this filing on the representatives for OG&E and Westar listed in the Westar-OG&E Agreement.

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:

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V. Additional Information

A. Information Required by Section 35.13 of the Commission's Regulations, 18 C.F.R. § 35.13:²⁶

(1) Documents submitted with this filing:

In addition to this transmittal letter, SPP submits a clean version of the Westar-OG&E Agreement.

(2) Effective Date:

As noted above, SPP requests that the Commission grant an effective date of May 1, 2012.

²⁶ Because the Westar-OG&E Agreement 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 Westar-OG&E Agreement. No other agreements are necessary.

(4) Specifically Assignable Facilities Installed or Modified:

There are none.

VI. Conclusion

For the foregoing stated reasons, SPP requests that the Commission accept the Westar-OG&E Agreement effective May 1, 2012.

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. 2424

INTERCONNECTION AND INTERCHANGE AGREEMENT

between

OKLAHOMA GAS AND ELECTRIC COMPANY

and

WESTAR ENERGY, INC.

EFFECTIVE: May 1, 2012

TABLE OF CONTENTS

<u>ARTICLE</u>	<u>TITLE</u>	<u>PAGE</u>
1	Recitals	1
2	Definitions	2
3	Term and Termination	3
4	Regulatory	4
5	Facility Interconnection and Operation	4
6	Facility Ownership	6
7	Metering and losses	7
8	Transmission Service	8
9	Interchange and Curtailment	8
10	Billing	9
11	Operating Committee	9
12	Indemnification and Liability	10
13	General Contract Provisions	10
<u>EXHIBIT</u>		
A	Interconnection Facilities	

This Interconnection and Interchange Agreement (Agreement) is made and entered into on May 1st, 2012, by and between Oklahoma Gas and Electric Company, an Oklahoma corporation (OG&E) with its corporate office located in Oklahoma City, Oklahoma and Westar Energy, Inc. (Westar), a Kansas corporation with its corporate office located in Topeka, Kansas, , hereinafter referred to individually as “Party” or collectively as “Parties” and Southwest Power Pool, Inc. (“SPP” or “Transmission Provider”).

RECITALS

WHEREAS, OG&E and Westar each own, lease or purchase the output of, and operate or have operating control over certain electric generating facilities together with a transmission system and distribution systems and are engaged in the generation, purchase, transmission, distribution and sale of electric power and energy at retail and wholesale, and

WHEREAS, both Parties plan to add high voltage transmission facilities to their respective systems and desire to enhance the benefits of reliability and economy through the interconnection of their transmission systems, and

WHEREAS, both Parties are participating members in the Southwest Power Pool (SPP) and have transferred functional control of the operation of their respective systems to SPP which is responsible for providing electric transmission and interconnection service on the electric transmission facilities under its functional control, and

WHEREAS, the Parties desire to set forth their rights and obligations with respect to the Interconnected Operation of their respective electric systems and the interchange of power and energy associated with said Interconnected Operation.

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

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the Parties hereto agree as follows:

ARTICLE 1 **DEFINITIONS**

- 1.1 “Balancing Authority” shall mean the responsible entity that integrates resource plans ahead of time, maintains load-interchange-generation balance within a Balancing Authority Area.

- 1.2 “FERC” shall mean the Federal Energy Regulatory Commission or its successor.
- 1.3 “Interconnection Facilities” shall mean, collectively, all facilities identified in Exhibit A required to interconnect the systems of the Parties at the Points of Interconnection. Interconnection Facilities shall include the substation protection and control equipment.
- 1.4 “Interconnected Operation” shall mean the Interconnected Facilities have been fully tested and have the capability of transmitting electrical energy at the Interconnection Points.
- 1.5 “NERC” shall mean North American Electric Reliability Corporation or its successor or replacement electric reliability organization.
- 1.6 “Regional Entity (RE)” shall mean the regional entity, SPP as of the date of this Agreement, authorized by NERC and approved by FERC with delegated authority to establish and enforce reliability requirements and to engage in other reliability related functions associated with the operation of the Parties’ transmission systems. The Parties agree that reference to the Regional entity within this Agreement shall apply to the SPP, the current regional entity, or any successor organizations.
- 1.7 “Points of Interconnection” or “Interconnection Points” shall be the points that the systems of the Parties are interconnected as identified in Exhibit A attached herein and made a part of this Agreement.
- 1.8 “Points of Measurement” shall be the metering points of delivery as identified in Exhibit A attached herein and made part of this Agreement.
- 1.9 “Reliability Coordinator” shall have the meaning as defined by NERC.
- 1.10 “SPP” shall mean the Southwest Power Pool, Inc., a regional transmission organization, which includes a reserve sharing pool and energy market that administers the provision of open access transmission service on a regional basis across the transmission facilities that SPP member Transmission Owners, as defined by the SPP Membership Agreement, have placed under the SPP Open Access Transmission Tariff (OATT). The Parties agree that reference to SPP within this Agreement shall apply to SPP or any successor organizations.
- 1.11 “SPP Criteria” shall mean the SPP document, including any revisions made by SPP.
- 1.12 Good Utility Practice. Good Utility Practice at any particular time means any of the practices, methods and acts which, in the exercise of reasonable judgment in the light of the facts (including but not limited to the practices, methods and acts

engaged in or approved by a significant portion of the electrical utility industry prior hereto) known at the time the decision was made, would have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety, and expedition. It is understood that Good Utility Practice is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather a spectrum of possible practices, methods, or acts which could have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety, and expedition. Good Utility Practice includes due regard for manufacturer's warranties, and the requirements of governmental agencies having jurisdiction.

ARTICLE 2

TERM and TERMINATION

- 2.1 This Agreement shall become effective on May 1, 2012, or upon such other date as specified by FERC and shall continue in force and effect for a period of ten (10) years from said date, and from year to year thereafter unless terminated by either Party providing at least twelve (12) months prior written notice to the other Party.
- 2.2 This Agreement may be terminated by a Party, in the event the other Party fails to comply with any material term or condition of this Agreement, upon sixty (60) days written notice to the other Party; provided, the Party receiving such termination notice shall have sixty (60) days from the date of the notice to come into compliance with the applicable term or condition of the Agreement which caused said termination notice, in which case the Agreement shall continue in full force and effect.
- 2.3 Survival of Rights. Termination of this Agreement shall not relieve any Party of any of its liabilities and obligations arising under this Agreement prior to the date termination become effective. 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.
- 2.4 No termination hereunder shall become effective until the terminating Party (or the Parties jointly) tender(s) to FERC any required notification of termination of this Agreement (if any) and obtains such acceptance thereof by the FERC as may be required (if at all). Upon the effective date of the termination of this Agreement the interconnection between the Parties shall be physically disconnected by both Parties.

ARTICLE 3
REGULATORY

- 3.1 The Parties acknowledge that the NERC promotes the reliability of the bulk electric system for North America through standards adoption and a compliance monitoring and enforcement program administered in conjunction with NERC Regional Entities.

Each Party herein belongs to a NERC Regional Entity and agrees to comply with approved reliability standards issued by NERC or the Regional Entity.

Each Party agrees that it will comply with, and be solely responsible for, all applicable NERC Reliability Standards associated with its own system. Each Party shall be solely responsible for any penalties or fines assessed against it by NERC or the Regional Entity.

- 3.2 As of the effective date of this Agreement, OG&E and Westar are members of the SPP and are bound to the SPP Criteria and contractual requirements.

If for any reason either Party's membership in SPP is terminated or changes, the Parties agree to negotiate such changes to this Agreement as are required and appropriate.

ARTICLE 4
FACILITY INTERCONNECTION AND OPERATION

- 4.1 The Interconnection Facilities and the Interconnection Points are identified on Exhibit A, attached hereto, and made part of this Agreement by reference. Exhibit A may be revised from time to time by mutual agreement of the Parties, subject to any required FERC approval under the Federal Power Act. The Parties agree to operate their systems in an interconnected manner at the Points of Interconnection identified and defined on Exhibit A of this Agreement.

- 4.2 Before facilities identified in Exhibit A to this Agreement are interconnected, each Party shall test the facilities it owns. The Parties shall mutually agree to a testing plan for such tests. This testing may include, but need not be limited to:

- (i) the placement of in-service relay settings;
- (ii) the acceptance testing of all protective equipment according to mutually accepted minimum requirements;
- (iii) the operability of the protective equipment and associated communication equipment;

- (iv) the phasing and synchronizing checks of all related equipment; and
- (v) metering equipment.

Prior to energizing and actual power flow over the interconnected facilities, the Party performing such tests on its facilities shall provide to the other Party copies of the test reports or such other documentation as may be necessary to verify the performance of such tests and the readiness of such facilities for being placed into service.

Each Party shall provide the other Party with notice when it believes the facilities it is responsible for under this Agreement, or portions thereof, which are planned to interconnect with the other Party's facilities, are completed. Following such notice, the Party receiving notice shall promptly provide approval to interconnect or, in the event that the Party receiving notice does not agree that the Parties' facilities are capable or ready to be interconnected, provide documentation of such defects or the other Party's failure to comply with this Agreement. The Party receiving the notice shall not unreasonably withhold or delay giving consent to such interconnection. The Party found to have defects or failing to comply with this Agreement shall take appropriate actions to correct any such defects or failure and shall obtain the other Party's approval of the corrections.

- 4.3 The Parties agree that the Operating Committee (as defined in Article 10) will develop mutually accepted protocols for switching, prior to energizing the Interconnection Facilities identified in Exhibit A. Said switching protocols established by the Operating Committee shall govern all future operations of the Interconnection Facilities until changed by mutual agreement of the Parties. Switching operations shall be coordinated through each Party's dispatch/control centers.
- 4.4 Neither Party shall effect a material change in the Interconnection Facilities without prior agreement and approval from the other Party; provided, however such prior agreement and approval shall not be required for any change(s) in the Interconnection Facilities directed by the NERC or SPP. Each Party shall provide appropriate notification and coordination to the other Party, either directly or through SPP. Modifications or alterations to the Interconnected Facilities by the owning Party shall be at the expense of the owning Party and in accordance with Good Utility Practice.
- 4.5 Utility Responsibility. Each Party shall bear full responsibility for its respective obligations to serve its own load and for operations of its system. The respective systems of the Parties shall be operated continuously as interconnected systems under normal conditions, and the Parties shall cooperate in keeping the frequency of the interconnected systems of the Parties at or near 60 Hz. Each Party shall operate and maintain its respective transmission systems and Interconnection Facilities in accordance with Applicable Laws and Regulations and Good Utility Practice and the requirements, criteria, standards, protocols,

rules and directives of NERC, SPP and RE and subject to the applicable procedures and requirements of the SPP Tariff.

- 4.6 Disturbances. The Parties shall operate their electric systems and the Interconnection Facilities in such manner as to minimize the likelihood of a disturbance originating on one Party's system and causing impairment to the service of the other Party's system or of any other system with which the Party is interconnected. If synchronous operations of the Parties' systems become interrupted, the Parties shall cooperate to remove the cause of the interruption as soon as practicable and restore their systems to normal interconnected operating conditions. If emergency conditions arise on one Party's system that overload the other Party's facilities, the Party on whose system the emergency arises shall take immediate steps to reduce the load on such overloaded facilities to their safe and rated capacity.
- 4.7 Reactive Power and Voltage Levels. Each Party will maintain voltage levels on its electric system at the Points of Interconnection as are deemed appropriate by the Operating Committee, SPP, and in accordance with NERC Reliability Standards.
- 4.8 Emergencies. The Parties agree to maintain the interconnection in order to provide emergency energy for each other as both resources and transmission availability allow and in accordance with NERC Reliability Standards.
- 4.9 Preventive and Corrective Maintenance Outages. In accordance with Good Utility Practice and in order to facilitate maintenance or reliability of the Parties' 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. 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.
- 4.10 Inspections and Testing.
- 4.10.1 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 NERC, SPP and RE as may be necessary to ensure the continued interconnection of the Parties' transmission systems in a safe and reliable manner.

- 4.10.2 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. The testing Party shall notify the other Party 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.
- 4.10.3 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.
- 4.11 Disconnection. In the event of an Emergency or maintenance outage, a Party may disconnect the Interconnection Facilities or request disconnection of the other Party's Interconnection Facilities for so long as is necessary under Good Utility Practice and the applicable requirements of SPP, including the period of time necessary to establish the reconnection of the Interconnection Facilities. The other Party shall reasonably cooperate with such requirement consistent with Good Utility Practice.
- 4.12 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 RE requirements to restore the transmission system to service in accordance with its schedule for the work that necessitated the planned outage. The Parties systems shall be continuously operated in parallel except in cases of interruption of such parallel operation due to mutually agreed upon maintenance or due to causes beyond the control of any Party or as otherwise required by Good Utility Practice or Emergency Condition. If synchronous operation of the systems through a particular line or lines becomes interrupted either manually or automatically because of reasons beyond the control of a Party, or because of scheduled maintenance that has been agreed upon by the Parties, the Parties shall cooperate so as to remove the cause of such interruption as soon as practical and restore such line or lines to normal operating condition.
- 4.13 Relay Settings. Each Party shall modify necessary relay settings at its substations as required to implement this Agreement.
- 4.15 Operating Expenses. Each Party shall be responsible for all expenses associated with operating its own property, equipment, facilities, and

appurtenances on its side of the Point of Interconnection, and for expenses associated with operating its Interconnection Facilities, except as provided herein.

4.16 System Protection. Each Party shall install, maintain, and operate System Protection Facilities on its side of the Point of Interconnection.

4.16.1 Protection Requirements. Each Party shall install, operate and maintain devices on the facilities it owns or hereafter may own so as to reasonably minimize the likelihood of a disturbance, originating in the system of one Party, from affecting or impairing the system of the other Party, or other systems to which the Party is interconnected.

4.16.2 Parties' Right to Inspect. Each Party shall have the right, but shall have no obligation or responsibility to: (i) observe the other Party's tests and/or inspection of any System Protection Facilities and other protective equipment; (ii) review the settings of the other Party's System Protection Facilities and other protective equipment; and (iii) review maintenance records relative to the Interconnection Facilities and/or System Protection Facilities and other protective equipment. A Party may exercise the foregoing rights from time to time as it deems necessary upon reasonable notice. However, the exercise or non-exercise by a Party of any of the foregoing rights of observation, review or inspection shall not be construed as an endorsement or confirmation of any aspect, feature, element, or condition of the Interconnection Facilities, System Protection Facilities or other protective equipment or the operation thereof; or as a warranty as to the fitness, safety, desirability, or reliability of same. Any information obtained by the inspecting Party through the exercise of any of its rights under this Section 3.11.2 shall be deemed to be Confidential Information.

4.17 Uncontrollable Power and Energy Flows. The Parties recognize that in the day-to-day operation of their systems pursuant to SPP approved transmission service in accordance with the SPP OATT, the transmission facilities of a Party may, as a natural result of the physical and electrical characteristics of the interconnected network of transmission lines of which the transmission lines of the Parties are a part, carry power and energy from one portion of the system of one of the Parties to another portion of that Party's system, or carry power and energy intended to be transmitted to or from the system of one of the Parties from or to a third party's system. Should such power and energy flows result in a reliability problem, the Parties shall work through the SPP Reliability Coordinator to promptly attempt to resolve such problems.

4.18 Continuity of Service. Each Party shall exercise due diligence, reasonable care and foresight to ensure continuity of interconnected operations, but shall not be considered in Default by reason of maintenance outages of its facilities, or any other cause beyond its control; provided, that each Party shall use due diligence to limit such interruptions, curtailments and outages, and that any outage or curtailments involving mutual facilities shall not constitute a Breach of this

Agreement on the part of any Party, and neither Party shall be liable to the other Party, except as provided herein, for damages as a result thereof.

- 4.19 Coordinated Transmission Planning. The Parties agree that they will participate in the SPP Transmission Planning Process. They will also participate in joint discussions concerning expansions or upgrades related to the Interconnection Facilities when requested by any one of the Parties. The Parties acknowledge that any future coordination discussions may or may not result in an agreement on a particular project.
- 4.20 Capability of Interconnection Facilities. Facility ratings shall be in compliance with appropriate RE and NERC Reliability Standards, SPP Criteria and the Owner's rating methodology. Ratings of the Interconnection Facilities of the Parties shall be maintained at no less than the ratings of the facilities at the time of construction of the Interconnection Facilities.
- 4.21 Study Costs. From time to time, a Party may determine that additional studies of the Interconnection Facilities are necessary. The Party determining that additional studies of the Interconnection Facilities are necessary shall bear the cost of such studies unless the Parties agree that such additional studies would be to their mutual benefit. In such case, the Parties shall share the costs of such additional studies equally.
- 4.22 SPP Rights. SPP may, without prior notice to or approval of the Parties, direct the operation of the Parties' high voltage transmission system through orders communicated to either of the Parties operating or control center personnel, including the Interconnection Facilities pursuant to the SPP OATT, protocols, rules, guidelines and policies.
- 4.23 Emergencies. The Parties agree to adopt, implement and maintain emergency procedures which comply with NERC standards and SPP emergency procedures.
- 4.23.1 Notice. A 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. The initial notice shall be followed as soon as practicable with written notice.
- 4.23.2 Immediate Action. In the event of an Emergency, the Party becoming aware of the Emergency may, in accordance with Good Utility Practice and using its reasonable judgment, take such action with respect to its own facilities as is reasonable and necessary to prevent, avoid, or mitigate injury, danger 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.

4.23.3 Restoration of Operations. Each Party shall exercise commercially reasonable efforts to restore normal interconnected operations under this Agreement upon resolution of the Emergency.

ARTICLE 5

FACILITY OWNERSHIP

- 5.1 Ownership of Interconnection Facilities for the Interconnection Points shall be identified on Exhibit A.
- 5.2 Each Party shall be responsible for the operation, maintenance, removals or replacements, and upgrades to the facilities it owns in accordance with Good Utility Practice.

ARTICLE 6

METERING and LOSSES

- 6.1 Each Party shall be entitled to install metering and telemetering equipment at its own expense and consistent with SPP contractual requirements at the Points of Interconnection.
- 6.2 The electric power and energy delivered through the Points of Interconnection shall be measured by four quadrant kilowatt-hour meters and kilowatt demand meters that record on quarterly hour increments, capable of producing reports on a clock-hour basis, all located at the Points of Measurement identified on Exhibit A. The Party owning the metering equipment shall be responsible for testing of metering equipment and the owning Party shall permit the other Party to telemeter data from its metering as required for its operations. All meter tests and billing adjustments resulting from inaccurate meter registrations shall be accomplished as follows:
- 6.3 The meter shall be tested in accordance with applicable SPP and NERC requirements, and at such other times as the owner elects at the owner's expense. Either Party may request additional tests. Both Parties shall be notified in advance of the time of such tests. In the event a Party requests a test, other than the aforementioned routine tests, and the meter is found to be accurate within two percent (2%), the Party requesting the test shall bear the cost of the test. If the inaccuracy exceeds the two percent (2%), the owning Party shall bear the cost of the test, and the readings of the meters taken within a thirty (30) day period prior to the test shall be adjusted. There will not be any correction of

meters for more than thirty (30) days preceding the test. All meters when tested will be adjusted to within one half percent (1/2%) plus or minus of correct registration at full load rating of the meter.

- 6.4 Each Party shall read the meters it owns. When such data is required for settlements, special tests, operating records, or for other purposes consistent with the objectives thereof, each Party shall furnish to the other Party the appropriate data for the meter registrations and from other sources in such detail and with such segregation and on such time periods as determined by the Operating Committee. The information required for monthly billing, if any, shall be furnished to the other Party as soon as reasonably possible after the end of the billing period for which the bill is to be rendered.
- 6.5 Responsibility for losses incurred on the interconnections shall be divided between the OG&E and Westar balancing areas, unless otherwise ordered by FERC or SPP's OATT. Except as otherwise mutually agreed by the Parties and specified in Exhibit A, OG&E will be responsible for losses incurred on OG&E's transmission facilities residing on its side of the Points of Interconnection and Westar will be responsible for losses incurred on Westar's transmission facilities residing on its side of the Points of Interconnection. If metering for the interconnections are adjusted for losses, the loss adjustment applied shall correct the meter readings to the Points of Interconnection.

ARTICLE 7

TRANSMISSION SERVICE

- 7.1 No Granting or Representation of Transmission Service. No transmission service is provided as a part of this Agreement. Nothing in this Agreement shall create any right to transmission service nor constitute an express or implied representation of warranty on the part of either Party with respect to the current or future availability of transmission service or create any obligation on the part of either Party to accept deliveries of power and energy from the other Party.

ARTICLE 8

INTERCHANGE AND CURTAILMENT

- 8.1 Service to be Rendered. Electric power and/or energy delivered via the interconnections shall be of a character commonly known as three-phase, sixty (60) Hz, alternating current and shall be delivered at the Points of Interconnection, and at the nominal voltage levels thereof, as such Points of Interconnection is described in Exhibit A, and as the same may be amended. The scheduling of emergency energy hereunder shall be agreed to by the Parties in advance. Such agreement(s) shall be documented in writing and billed in accordance with Section 9.1.

- 8.2 Scheduling. The Parties shall schedule all transactions in accordance with the applicable SPP and NERC Reliability Standards.

ARTICLE 9

BILLING

- 9.1 Billing for Services. Any billing for services between the Parties shall be made in accordance with the appropriate tariff, rate schedule, or service schedule under which that service is provided.
- 9.2 Payment Requirements. Without admitting to the correctness thereof, payments will be made to the Party performing the work or providing services when due and without deduction. Except as may be otherwise agreed to by the Parties, all payments will be due within thirty (30) days after the date of the bill. If the due date falls on a Saturday, Sunday or holiday observed by either Party, the following business day becomes the due date. If the owing Party fails to make full payment on or before the due date, the owing Party will pay interest on any unpaid amount from the date due to the date payment is received by the other Party. Such interest will accrue at the FERC interest rate.
- 9.3 Payment Disputes. If a Party desires to dispute all or any part of the charges submitted by the other Party pursuant to this Agreement, the disputing Party shall nevertheless pay the full amount of the charges due. The disputing Party shall then provide a written notice to the other Party within sixty (60) days from the date the billing is rendered, which notice shall fully describe the basis for the dispute and set forth a detailed statement of the disputed issue(s), the amount in dispute, and the relief sought. If the basis for such dispute could not have been discovered by reasonable diligence within said sixty (60) days, any such notice shall be given, if at all, within sixty (60) days of the date of such discovery or within eighteen (18) months from the date the billing is rendered, whichever occurs first. The disputing Party will not be entitled to any adjustment on account of any disputed charges not brought to the other Party's attention within the time and in the manner herein specified. If resolution of the dispute results in a refund to the disputing Party, an amount of interest shall be added to the refund. Such interest will accrue at the FERC interest rate.

ARTICLE 10

FURNISHING OF INFORMATION AND OPERATING COMMITTEE

- 10.1 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 such data concerning its system as may be necessary to support the other Party's system reliability.
- 10.2 Each Party shall appoint one representative to act on its behalf in matters pertaining to this Agreement, such representatives being referred to collectively as the Operating Committee. Each Party shall advise the other Party in writing as to its designated representative on the Operating Committee, and at any time a change is made in such designated representative. Either representative may call for a meeting of the Operating Committee at any time and may request personnel from their respective companies to attend such meetings. The principle responsibilities of the Operating Committee shall be to address any and all operational issues, procedures, disputes, or actions required to carry out the intent of this Agreement. The Operating Committee shall have no authority to amend or modify any provisions of this Agreement.
- 10.3 The Operating Committee shall meet at such times as deemed necessary by either Party. Written minutes shall be kept for all meetings of the Operating Committee and decisions or agreements made by the Operating Committee shall be unanimous and reduced to writing and signed by both Parties.
- 10.4 If the Parties representatives are unable to agree on any matters within the jurisdiction of the Operating Committee, such matters shall be referred to the Chief Operating Officer of each Party for resolution.

ARTICLE 11

INDEMNIFICATION AND LIABILITY

- 11.1 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 nor SPP nor Users 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.

- 11.2 Indemnification. Subject to the limitations contained in this Article 11, each Party shall indemnify, hold harmless and defend the other Party, its agents, servants, employees and officers from any and all costs and expenses, including but not limited to attorney fees, court costs and all other amounts that said other Party, its agents, servants, employees and officers is or may become obligated to pay on account of any and all demands, claims, liabilities or losses arising or alleged to have arisen out of the construction, installation, operation or maintenance of the Interconnection Facilities and operated by the Indemnifying Party, or in any way connected with, the acts or omissions of the Indemnifying Party, its agents, servants, employees or officers, whether such demands, claims, liabilities or losses be for damages to property, including property of the Parties or injury or death of any person, including agents, servants, employees or officers of the Parties. In no event shall the Indemnifying Party be held liable under this Section 11.2 for any costs and expenses arising from the gross negligence or intentional misconduct of the Indemnified Party.
- 11.3 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 service or SPP's role as a FERC-approved RTO. SPP's only purpose and involvement in executing this Agreement is with regard to any sections which may affect or involve SPP transmission service or SPP's role as a FERC-approved RTO.
- 11.4 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.
- 11.5 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 12
GENERAL CONTRACT PROVISIONS

- 12.1 Captions. Captions of the various articles and sub-headings herein are intended for convenience of reference only and shall not define or limit the terms of provisions hereof.
- 12.2 Notices and Communications. 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 OG&E:

Vice President of Utility
Technical Support
Oklahoma Gas & Electric
Company
P.O. Box 758500
Oklahoma City, Ok 73101-0321
405-553-3225

To Westar:

Executive Director System Operations
Westar Energy, Inc.
P.O. Box 321
Topeka, Ks 66675-8500
Phone: (785) 575-6046

To SPP:

Carl Monroe, Executive Vice President & Chief Operating Officer
Southwest Power Pool, Inc.
415 N. McKinley, #140 Plaza West
Little Rock, AR 72205-3020
Phone: (501) 614-3218
Fax: (501) 664-9553
Email: cmonroe@spp.org

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

- 12.3 Amendments. This Agreement may be amended, supplemented, waived, or modified only through a written document submitted to FERC for approval.
- 12.4 Successors/Assigns. This Agreement shall be binding upon and inure to the benefits of the successors, legal representatives, and assigned of the Parties; provided, however, no Party shall assign all or part of its rights or delegate all or part of its duties under this Agreement without express written consent of the

other Party, which consent shall not be unreasonably withheld, and an assignment or delegation by a Party of all or part of its rights or duties shall not discharge such Party from its duties under this Agreement, whether consented to or not, unless such discharge is expressly provided by the written agreement of the other Party. An approved assignment or delegation shall not be deemed to permit any further or other assignment or delegation.

- 12.5 Uncontrollable Forces. A Party shall not be considered to be in default in the performance of any obligation hereunder, other than the obligation to make payments as provided in this Agreement, if failure of performance shall be due to uncontrollable forces, the term "uncontrollable forces" meaning any cause beyond the control of the Party affected, including but not limited to an act of God, flood, earthquake, storm, fire, lightning, epidemic, war, riot, civil disturbance, labor disturbance, sabotage, restraint by court order or public authority including court orders, injunctions, and restraint by governmental agencies with proper jurisdiction prohibiting or failing to approve acts necessary to performance hereunder or permitting any such act only subject to unreasonable conditions, or failure of equipment or inability to obtain or ship materials or equipment because of the effect of similar causes on suppliers or carriers, which by the exercise of due foresight such Party could not reasonably have been expected to avoid and which by the exercise of due diligence it shall be unable to overcome. A Party, however, shall not be relieved of liability for failure of performance if such failure be due to causes arising out of its own negligence or to removable or remedial causes that it fails to remove or remedy with reasonable dispatch. Nothing contained herein, however, shall be construed to require a Party to prevent or settle a strike or labor negotiation.
- 12.6 Waivers. Any waiver at any time by either Party of its rights with respect to a default under this Agreement or with respect to any other matter arising in connection with this Agreement, shall not be deemed a waiver with respect to any other default or other matter arising in connection herewith.
- 12.7 Right of Access. Westar shall have access to OGE's Substation premises at all reasonable times for the purpose of testing, repairing, renewing, exchanging or removing any or all equipment installed by Westar and OG&E shall have similar rights of access in respect of equipment installed and owned by OG&E on Westar's premises. Each Party, after notice to the other Party and receiving consent to such access, shall comply with the other Party's safety and access rules and requirements applicable to the other Party's premises.
- 12.8 Governing Law. OG&E's performance and obligations under this Agreement shall be interpreted under and governed by the laws of the State of Oklahoma, and Westar's performance and obligations under this Agreement shall be interpreted under and governed by the laws of the State of Kansas. The Parties agree that any action arising out of or related to this Agreement brought by either Party shall

be brought only in the federal or state courts located in the state of the other Party.

12.9 No Third Party Rights. Nothing in this Agreement, express or implied, is intended to confer on any person, other than the Parties hereto, any benefits, interests, rights, or remedies under or by reason of this Agreement.

12.10 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.

12.11 This Agreement constitutes the entire agreement of the Parties with respect to the subject matter hereof. All prior agreements, representations, statements, and negotiations are hereby superseded. This Agreement may be amended only by a writing executed by both Parties.

12.12 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.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their authorized officers or representatives as of the day and year above set forth.

WESTAR ENERGY, INC.

**OKLAHOMA GAS AND ELECTRIC
COMPANY**

By: /s/ Bruce A. Akin

By: /s/ Philip L. Crissup

Printed Name: Bruce A. Akin

Printed Name: Philip L. Crissup

Title: Vice President Power Delivery

Title: Vice President Utility Tech. Support

Date: 4/23/2012

Date: 20 April 2012

SOUTHWEST POWER POOL, INC.

By: /s/ Carl Monroe

Printed Name: Carl Monroe

Title: EVP & COO

Date: 04/25/2012

EXHIBIT A

INTERCONNECTION FACILITIES

The following represents Points of Interconnection between the Parties. These interconnections may be added to or subtracted from as needed from time to time and this Exhibit A will be amended to reflect these changes.

<u>Point of Interconnection</u> (Westar – OG&E)	<u>Point of Interconnection Location and Telemetry</u>	<u>Operating Voltage</u>	<u>Losses</u>
Creswell - Osage	Interconnection at Kansas-Oklahoma State Line (Westar Energy Transmission Str. 354). Interconnection telemetered within Westar Energy's Creswell 138 kV Substation	138 kV	Calculated at Creswell meter point
*Viola – Woodring	Interconnection at Kansas-Oklahoma State Line (Westar Energy Transmission Str. 475). Interconnection telemetered within Westar Energy's Viola 345 kV Substation	345 kV	Calculated at change of ownership point
Rose Hill - Sooner	Interconnection at Kansas-Oklahoma State Line (Westar Energy Transmission Str. 412). Interconnection telemetered within Westar Energy's Rose Hill 345 kV Substation	345 kV	Calculated at the change of ownership point
Spring Creek Pseudo Tie	Meter point at the generation meter within OG&E's Spring Creek Substation	345 kV	NA

* Note: The Westar Energy metering located at Wichita 345 kV substation will move to the Viola 345 kV substation in the fall of 2012.

Southwest Power Pool, Inc.

Original Service Agreement No. 2424

INTERCONNECTION AND INTERCHANGE AGREEMENT

between

OKLAHOMA GAS AND ELECTRIC COMPANY

and

WESTAR ENERGY, INC.

EFFECTIVE: May 1, 2012

TABLE OF CONTENTS

<u>ARTICLE</u>	<u>TITLE</u>	<u>PAGE</u>
1	Recitals	1
2	Definitions	2
3	Term and Termination	3
4	Regulatory	4
5	Facility Interconnection and Operation	4
6	Facility Ownership	6
7	Metering and losses	7
8	Transmission Service	8
9	Interchange and Curtailment	8
10	Billing	9
11	Operating Committee	9
12	Indemnification and Liability	10
13	General Contract Provisions	10
<u>EXHIBIT</u>		
A	Interconnection Facilities	

This Interconnection and Interchange Agreement (Agreement) is made and entered into on May 1st, 2012, by and between Oklahoma Gas and Electric Company, an Oklahoma corporation (OG&E) with its corporate office located in Oklahoma City, Oklahoma and Westar Energy, Inc. (Westar), a Kansas corporation with its corporate office located in Topeka, Kansas, , hereinafter referred to individually as “Party” or collectively as “Parties” and Southwest Power Pool, Inc. (“SPP” or “Transmission Provider”).

RECITALS

WHEREAS, OG&E and Westar each own, lease or purchase the output of, and operate or have operating control over certain electric generating facilities together with a transmission system and distribution systems and are engaged in the generation, purchase, transmission, distribution and sale of electric power and energy at retail and wholesale, and

WHEREAS, both Parties plan to add high voltage transmission facilities to their respective systems and desire to enhance the benefits of reliability and economy through the interconnection of their transmission systems, and

WHEREAS, both Parties are participating members in the Southwest Power Pool (SPP) and have transferred functional control of the operation of their respective systems to SPP which is responsible for providing electric transmission and interconnection service on the electric transmission facilities under its functional control, and

WHEREAS, the Parties desire to set forth their rights and obligations with respect to the Interconnected Operation of their respective electric systems and the interchange of power and energy associated with said Interconnected Operation.

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

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the Parties hereto agree as follows:

ARTICLE 1 **DEFINITIONS**

1.1 “Balancing Authority” shall mean the responsible entity that integrates resource plans ahead of time, maintains load-interchange-generation balance within a Balancing Authority Area.

- 1.2 “FERC” shall mean the Federal Energy Regulatory Commission or its successor.
- 1.3 “Interconnection Facilities” shall mean, collectively, all facilities identified in Exhibit A required to interconnect the systems of the Parties at the Points of Interconnection. Interconnection Facilities shall include the substation protection and control equipment.
- 1.4 “Interconnected Operation” shall mean the Interconnected Facilities have been fully tested and have the capability of transmitting electrical energy at the Interconnection Points.
- 1.5 “NERC” shall mean North American Electric Reliability Corporation or its successor or replacement electric reliability organization.
- 1.6 “Regional Entity (RE)” shall mean the regional entity, SPP as of the date of this Agreement, authorized by NERC and approved by FERC with delegated authority to establish and enforce reliability requirements and to engage in other reliability related functions associated with the operation of the Parties’ transmission systems. The Parties agree that reference to the Regional entity within this Agreement shall apply to the SPP, the current regional entity, or any successor organizations.
- 1.7 “Points of Interconnection” or “Interconnection Points” shall be the points that the systems of the Parties are interconnected as identified in Exhibit A attached herein and made a part of this Agreement.
- 1.8 “Points of Measurement” shall be the metering points of delivery as identified in Exhibit A attached herein and made part of this Agreement.
- 1.9 “Reliability Coordinator” shall have the meaning as defined by NERC.
- 1.10 “SPP” shall mean the Southwest Power Pool, Inc., a regional transmission organization, which includes a reserve sharing pool and energy market that administers the provision of open access transmission service on a regional basis across the transmission facilities that SPP member Transmission Owners, as defined by the SPP Membership Agreement, have placed under the SPP Open Access Transmission Tariff (OATT). The Parties agree that reference to SPP within this Agreement shall apply to SPP or any successor organizations.
- 1.11 “SPP Criteria” shall mean the SPP document, including any revisions made by SPP.
- 1.12 Good Utility Practice. Good Utility Practice at any particular time means any of the practices, methods and acts which, in the exercise of reasonable judgment in the light of the facts (including but not limited to the practices, methods and acts

engaged in or approved by a significant portion of the electrical utility industry prior hereto) known at the time the decision was made, would have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety, and expedition. It is understood that Good Utility Practice is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather a spectrum of possible practices, methods, or acts which could have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety, and expedition. Good Utility Practice includes due regard for manufacturer's warranties, and the requirements of governmental agencies having jurisdiction.

ARTICLE 2

TERM and TERMINATION

- 2.1 This Agreement shall become effective on May 1, 2012, or upon such other date as specified by FERC and shall continue in force and effect for a period of ten (10) years from said date, and from year to year thereafter unless terminated by either Party providing at least twelve (12) months prior written notice to the other Party.
- 2.2 This Agreement may be terminated by a Party, in the event the other Party fails to comply with any material term or condition of this Agreement, upon sixty (60) days written notice to the other Party; provided, the Party receiving such termination notice shall have sixty (60) days from the date of the notice to come into compliance with the applicable term or condition of the Agreement which caused said termination notice, in which case the Agreement shall continue in full force and effect.
- 2.3 Survival of Rights. Termination of this Agreement shall not relieve any Party of any of its liabilities and obligations arising under this Agreement prior to the date termination become effective. 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.
- 2.4 No termination hereunder shall become effective until the terminating Party (or the Parties jointly) tender(s) to FERC any required notification of termination of this Agreement (if any) and obtains such acceptance thereof by the FERC as may be required (if at all). Upon the effective date of the termination of this Agreement the interconnection between the Parties shall be physically disconnected by both Parties.

ARTICLE 3
REGULATORY

- 3.1 The Parties acknowledge that the NERC promotes the reliability of the bulk electric system for North America through standards adoption and a compliance monitoring and enforcement program administered in conjunction with NERC Regional Entities.

Each Party herein belongs to a NERC Regional Entity and agrees to comply with approved reliability standards issued by NERC or the Regional Entity.

Each Party agrees that it will comply with, and be solely responsible for, all applicable NERC Reliability Standards associated with its own system. Each Party shall be solely responsible for any penalties or fines assessed against it by NERC or the Regional Entity.

- 3.2 As of the effective date of this Agreement, OG&E and Westar are members of the SPP and are bound to the SPP Criteria and contractual requirements.

If for any reason either Party's membership in SPP is terminated or changes, the Parties agree to negotiate such changes to this Agreement as are required and appropriate.

ARTICLE 4
FACILITY INTERCONNECTION AND OPERATION

- 4.1 The Interconnection Facilities and the Interconnection Points are identified on Exhibit A, attached hereto, and made part of this Agreement by reference. Exhibit A may be revised from time to time by mutual agreement of the Parties, subject to any required FERC approval under the Federal Power Act. The Parties agree to operate their systems in an interconnected manner at the Points of Interconnection identified and defined on Exhibit A of this Agreement.

- 4.2 Before facilities identified in Exhibit A to this Agreement are interconnected, each Party shall test the facilities it owns. The Parties shall mutually agree to a testing plan for such tests. This testing may include, but need not be limited to:

- (i) the placement of in-service relay settings;
- (ii) the acceptance testing of all protective equipment according to mutually accepted minimum requirements;
- (iii) the operability of the protective equipment and associated communication equipment;

- (iv) the phasing and synchronizing checks of all related equipment; and
- (v) metering equipment.

Prior to energizing and actual power flow over the interconnected facilities, the Party performing such tests on its facilities shall provide to the other Party copies of the test reports or such other documentation as may be necessary to verify the performance of such tests and the readiness of such facilities for being placed into service.

Each Party shall provide the other Party with notice when it believes the facilities it is responsible for under this Agreement, or portions thereof, which are planned to interconnect with the other Party's facilities, are completed. Following such notice, the Party receiving notice shall promptly provide approval to interconnect or, in the event that the Party receiving notice does not agree that the Parties' facilities are capable or ready to be interconnected, provide documentation of such defects or the other Party's failure to comply with this Agreement. The Party receiving the notice shall not unreasonably withhold or delay giving consent to such interconnection. The Party found to have defects or failing to comply with this Agreement shall take appropriate actions to correct any such defects or failure and shall obtain the other Party's approval of the corrections.

- 4.3 The Parties agree that the Operating Committee (as defined in Article 10) will develop mutually accepted protocols for switching, prior to energizing the Interconnection Facilities identified in Exhibit A. Said switching protocols established by the Operating Committee shall govern all future operations of the Interconnection Facilities until changed by mutual agreement of the Parties. Switching operations shall be coordinated through each Party's dispatch/control centers.
- 4.4 Neither Party shall effect a material change in the Interconnection Facilities without prior agreement and approval from the other Party; provided, however such prior agreement and approval shall not be required for any change(s) in the Interconnection Facilities directed by the NERC or SPP. Each Party shall provide appropriate notification and coordination to the other Party, either directly or through SPP. Modifications or alterations to the Interconnected Facilities by the owning Party shall be at the expense of the owning Party and in accordance with Good Utility Practice.
- 4.5 Utility Responsibility. Each Party shall bear full responsibility for its respective obligations to serve its own load and for operations of its system. The respective systems of the Parties shall be operated continuously as interconnected systems under normal conditions, and the Parties shall cooperate in keeping the frequency of the interconnected systems of the Parties at or near 60 Hz. Each Party shall operate and maintain its respective transmission systems and Interconnection Facilities in accordance with Applicable Laws and Regulations and Good Utility Practice and the requirements, criteria, standards, protocols,

rules and directives of NERC, SPP and RE and subject to the applicable procedures and requirements of the SPP Tariff.

- 4.6 Disturbances. The Parties shall operate their electric systems and the Interconnection Facilities in such manner as to minimize the likelihood of a disturbance originating on one Party's system and causing impairment to the service of the other Party's system or of any other system with which the Party is interconnected. If synchronous operations of the Parties' systems become interrupted, the Parties shall cooperate to remove the cause of the interruption as soon as practicable and restore their systems to normal interconnected operating conditions. If emergency conditions arise on one Party's system that overload the other Party's facilities, the Party on whose system the emergency arises shall take immediate steps to reduce the load on such overloaded facilities to their safe and rated capacity.
- 4.7 Reactive Power and Voltage Levels. Each Party will maintain voltage levels on its electric system at the Points of Interconnection as are deemed appropriate by the Operating Committee, SPP, and in accordance with NERC Reliability Standards.
- 4.8 Emergencies. The Parties agree to maintain the interconnection in order to provide emergency energy for each other as both resources and transmission availability allow and in accordance with NERC Reliability Standards.
- 4.9 Preventive and Corrective Maintenance Outages. In accordance with Good Utility Practice and in order to facilitate maintenance or reliability of the Parties' 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. 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.
- 4.10 Inspections and Testing.
- 4.10.1 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 NERC, SPP and RE as may be necessary to ensure the continued interconnection of the Parties' transmission systems in a safe and reliable manner.

- 4.10.2 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. The testing Party shall notify the other Party 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.
- 4.10.3 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.
- 4.11 Disconnection. In the event of an Emergency or maintenance outage, a Party may disconnect the Interconnection Facilities or request disconnection of the other Party's Interconnection Facilities for so long as is necessary under Good Utility Practice and the applicable requirements of SPP, including the period of time necessary to establish the reconnection of the Interconnection Facilities. The other Party shall reasonably cooperate with such requirement consistent with Good Utility Practice.
- 4.12 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 RE requirements to restore the transmission system to service in accordance with its schedule for the work that necessitated the planned outage. The Parties systems shall be continuously operated in parallel except in cases of interruption of such parallel operation due to mutually agreed upon maintenance or due to causes beyond the control of any Party or as otherwise required by Good Utility Practice or Emergency Condition. If synchronous operation of the systems through a particular line or lines becomes interrupted either manually or automatically because of reasons beyond the control of a Party, or because of scheduled maintenance that has been agreed upon by the Parties, the Parties shall cooperate so as to remove the cause of such interruption as soon as practical and restore such line or lines to normal operating condition.
- 4.13 Relay Settings. Each Party shall modify necessary relay settings at its substations as required to implement this Agreement.
- 4.15 Operating Expenses. Each Party shall be responsible for all expenses associated with operating its own property, equipment, facilities, and

appurtenances on its side of the Point of Interconnection, and for expenses associated with operating its Interconnection Facilities, except as provided herein.

4.16 System Protection. Each Party shall install, maintain, and operate System Protection Facilities on its side of the Point of Interconnection.

4.16.1 Protection Requirements. Each Party shall install, operate and maintain devices on the facilities it owns or hereafter may own so as to reasonably minimize the likelihood of a disturbance, originating in the system of one Party, from affecting or impairing the system of the other Party, or other systems to which the Party is interconnected.

4.16.2 Parties' Right to Inspect. Each Party shall have the right, but shall have no obligation or responsibility to: (i) observe the other Party's tests and/or inspection of any System Protection Facilities and other protective equipment; (ii) review the settings of the other Party's System Protection Facilities and other protective equipment; and (iii) review maintenance records relative to the Interconnection Facilities and/or System Protection Facilities and other protective equipment. A Party may exercise the foregoing rights from time to time as it deems necessary upon reasonable notice. However, the exercise or non-exercise by a Party of any of the foregoing rights of observation, review or inspection shall not be construed as an endorsement or confirmation of any aspect, feature, element, or condition of the Interconnection Facilities, System Protection Facilities or other protective equipment or the operation thereof; or as a warranty as to the fitness, safety, desirability, or reliability of same. Any information obtained by the inspecting Party through the exercise of any of its rights under this Section 3.11.2 shall be deemed to be Confidential Information.

4.17 Uncontrollable Power and Energy Flows. The Parties recognize that in the day-to-day operation of their systems pursuant to SPP approved transmission service in accordance with the SPP OATT, the transmission facilities of a Party may, as a natural result of the physical and electrical characteristics of the interconnected network of transmission lines of which the transmission lines of the Parties are a part, carry power and energy from one portion of the system of one of the Parties to another portion of that Party's system, or carry power and energy intended to be transmitted to or from the system of one of the Parties from or to a third party's system. Should such power and energy flows result in a reliability problem, the Parties shall work through the SPP Reliability Coordinator to promptly attempt to resolve such problems.

4.18 Continuity of Service. Each Party shall exercise due diligence, reasonable care and foresight to ensure continuity of interconnected operations, but shall not be considered in Default by reason of maintenance outages of its facilities, or any other cause beyond its control; provided, that each Party shall use due diligence to limit such interruptions, curtailments and outages, and that any outage or curtailments involving mutual facilities shall not constitute a Breach of this

Agreement on the part of any Party, and neither Party shall be liable to the other Party, except as provided herein, for damages as a result thereof.

- 4.19 Coordinated Transmission Planning. The Parties agree that they will participate in the SPP Transmission Planning Process. They will also participate in joint discussions concerning expansions or upgrades related to the Interconnection Facilities when requested by any one of the Parties. The Parties acknowledge that any future coordination discussions may or may not result in an agreement on a particular project.
- 4.20 Capability of Interconnection Facilities. Facility ratings shall be in compliance with appropriate RE and NERC Reliability Standards, SPP Criteria and the Owner's rating methodology. Ratings of the Interconnection Facilities of the Parties shall be maintained at no less than the ratings of the facilities at the time of construction of the Interconnection Facilities.
- 4.21 Study Costs. From time to time, a Party may determine that additional studies of the Interconnection Facilities are necessary. The Party determining that additional studies of the Interconnection Facilities are necessary shall bear the cost of such studies unless the Parties agree that such additional studies would be to their mutual benefit. In such case, the Parties shall share the costs of such additional studies equally.
- 4.22 SPP Rights. SPP may, without prior notice to or approval of the Parties, direct the operation of the Parties' high voltage transmission system through orders communicated to either of the Parties operating or control center personnel, including the Interconnection Facilities pursuant to the SPP OATT, protocols, rules, guidelines and policies.
- 4.23 Emergencies. The Parties agree to adopt, implement and maintain emergency procedures which comply with NERC standards and SPP emergency procedures.
- 4.23.1 Notice. A 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. The initial notice shall be followed as soon as practicable with written notice.
- 4.23.2 Immediate Action. In the event of an Emergency, the Party becoming aware of the Emergency may, in accordance with Good Utility Practice and using its reasonable judgment, take such action with respect to its own facilities as is reasonable and necessary to prevent, avoid, or mitigate injury, danger 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.

4.23.3 Restoration of Operations. Each Party shall exercise commercially reasonable efforts to restore normal interconnected operations under this Agreement upon resolution of the Emergency.

ARTICLE 5

FACILITY OWNERSHIP

- 5.1 Ownership of Interconnection Facilities for the Interconnection Points shall be identified on Exhibit A.
- 5.2 Each Party shall be responsible for the operation, maintenance, removals or replacements, and upgrades to the facilities it owns in accordance with Good Utility Practice.

ARTICLE 6

METERING and LOSSES

- 6.1 Each Party shall be entitled to install metering and telemetering equipment at its own expense and consistent with SPP contractual requirements at the Points of Interconnection.
- 6.2 The electric power and energy delivered through the Points of Interconnection shall be measured by four quadrant kilowatt-hour meters and kilowatt demand meters that record on quarterly hour increments, capable of producing reports on a clock-hour basis, all located at the Points of Measurement identified on Exhibit A. The Party owning the metering equipment shall be responsible for testing of metering equipment and the owning Party shall permit the other Party to telemeter data from its metering as required for its operations. All meter tests and billing adjustments resulting from inaccurate meter registrations shall be accomplished as follows:
- 6.3 The meter shall be tested in accordance with applicable SPP and NERC requirements, and at such other times as the owner elects at the owner's expense. Either Party may request additional tests. Both Parties shall be notified in advance of the time of such tests. In the event a Party requests a test, other than the aforementioned routine tests, and the meter is found to be accurate within two percent (2%), the Party requesting the test shall bear the cost of the test. If the inaccuracy exceeds the two percent (2%), the owning Party shall bear the cost of the test, and the readings of the meters taken within a thirty (30) day period prior to the test shall be adjusted. There will not be any correction of

meters for more than thirty (30) days preceding the test. All meters when tested will be adjusted to within one half percent (1/2%) plus or minus of correct registration at full load rating of the meter.

- 6.4 Each Party shall read the meters it owns. When such data is required for settlements, special tests, operating records, or for other purposes consistent with the objectives thereof, each Party shall furnish to the other Party the appropriate data for the meter registrations and from other sources in such detail and with such segregation and on such time periods as determined by the Operating Committee. The information required for monthly billing, if any, shall be furnished to the other Party as soon as reasonably possible after the end of the billing period for which the bill is to be rendered.
- 6.5 Responsibility for losses incurred on the interconnections shall be divided between the OG&E and Westar balancing areas, unless otherwise ordered by FERC or SPP's OATT. Except as otherwise mutually agreed by the Parties and specified in Exhibit A, OG&E will be responsible for losses incurred on OG&E's transmission facilities residing on its side of the Points of Interconnection and Westar will be responsible for losses incurred on Westar's transmission facilities residing on its side of the Points of Interconnection. If metering for the interconnections are adjusted for losses, the loss adjustment applied shall correct the meter readings to the Points of Interconnection.

ARTICLE 7

TRANSMISSION SERVICE

- 7.1 No Granting or Representation of Transmission Service. No transmission service is provided as a part of this Agreement. Nothing in this Agreement shall create any right to transmission service nor constitute an express or implied representation of warranty on the part of either Party with respect to the current or future availability of transmission service or create any obligation on the part of either Party to accept deliveries of power and energy from the other Party.

ARTICLE 8

INTERCHANGE AND CURTAILMENT

- 8.1 Service to be Rendered. Electric power and/or energy delivered via the interconnections shall be of a character commonly known as three-phase, sixty (60) Hz, alternating current and shall be delivered at the Points of Interconnection, and at the nominal voltage levels thereof, as such Points of Interconnection is described in Exhibit A, and as the same may be amended. The scheduling of emergency energy hereunder shall be agreed to by the Parties in advance. Such agreement(s) shall be documented in writing and billed in accordance with Section 9.1.

- 8.2 Scheduling. The Parties shall schedule all transactions in accordance with the applicable SPP and NERC Reliability Standards.

ARTICLE 9 **BILLING**

- 9.1 Billing for Services. Any billing for services between the Parties shall be made in accordance with the appropriate tariff, rate schedule, or service schedule under which that service is provided.
- 9.2 Payment Requirements. Without admitting to the correctness thereof, payments will be made to the Party performing the work or providing services when due and without deduction. Except as may be otherwise agreed to by the Parties, all payments will be due within thirty (30) days after the date of the bill. If the due date falls on a Saturday, Sunday or holiday observed by either Party, the following business day becomes the due date. If the owing Party fails to make full payment on or before the due date, the owing Party will pay interest on any unpaid amount from the date due to the date payment is received by the other Party. Such interest will accrue at the FERC interest rate.
- 9.3 Payment Disputes. If a Party desires to dispute all or any part of the charges submitted by the other Party pursuant to this Agreement, the disputing Party shall nevertheless pay the full amount of the charges due. The disputing Party shall then provide a written notice to the other Party within sixty (60) days from the date the billing is rendered, which notice shall fully describe the basis for the dispute and set forth a detailed statement of the disputed issue(s), the amount in dispute, and the relief sought. If the basis for such dispute could not have been discovered by reasonable diligence within said sixty (60) days, any such notice shall be given, if at all, within sixty (60) days of the date of such discovery or within eighteen (18) months from the date the billing is rendered, whichever occurs first. The disputing Party will not be entitled to any adjustment on account of any disputed charges not brought to the other Party's attention within the time and in the manner herein specified. If resolution of the dispute results in a refund to the disputing Party, an amount of interest shall be added to the refund. Such interest will accrue at the FERC interest rate.

ARTICLE 10 **FURNISHING OF INFORMATION AND OPERATING COMMITTEE**

- 10.1 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 such data concerning its system as may be necessary to support the other Party's system reliability.
- 10.2 Each Party shall appoint one representative to act on its behalf in matters pertaining to this Agreement, such representatives being referred to collectively as the Operating Committee. Each Party shall advise the other Party in writing as to its designated representative on the Operating Committee, and at any time a change is made in such designated representative. Either representative may call for a meeting of the Operating Committee at any time and may request personnel from their respective companies to attend such meetings. The principle responsibilities of the Operating Committee shall be to address any and all operational issues, procedures, disputes, or actions required to carry out the intent of this Agreement. The Operating Committee shall have no authority to amend or modify any provisions of this Agreement.
- 10.3 The Operating Committee shall meet at such times as deemed necessary by either Party. Written minutes shall be kept for all meetings of the Operating Committee and decisions or agreements made by the Operating Committee shall be unanimous and reduced to writing and signed by both Parties.
- 10.4 If the Parties representatives are unable to agree on any matters within the jurisdiction of the Operating Committee, such matters shall be referred to the Chief Operating Officer of each Party for resolution.

ARTICLE 11

INDEMNIFICATION AND LIABILITY

- 11.1 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 nor SPP nor Users 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.

- 11.2 Indemnification. Subject to the limitations contained in this Article 11, each Party shall indemnify, hold harmless and defend the other Party, its agents, servants, employees and officers from any and all costs and expenses, including but not limited to attorney fees, court costs and all other amounts that said other Party, its agents, servants, employees and officers is or may become obligated to pay on account of any and all demands, claims, liabilities or losses arising or alleged to have arisen out of the construction, installation, operation or maintenance of the Interconnection Facilities and operated by the Indemnifying Party, or in any way connected with, the acts or omissions of the Indemnifying Party, its agents, servants, employees or officers, whether such demands, claims, liabilities or losses be for damages to property, including property of the Parties or injury or death of any person, including agents, servants, employees or officers of the Parties. In no event shall the Indemnifying Party be held liable under this Section 11.2 for any costs and expenses arising from the gross negligence or intentional misconduct of the Indemnified Party.
- 11.3 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 service or SPP's role as a FERC-approved RTO. SPP's only purpose and involvement in executing this Agreement is with regard to any sections which may affect or involve SPP transmission service or SPP's role as a FERC-approved RTO.
- 11.4 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.
- 11.5 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 12
GENERAL CONTRACT PROVISIONS

- 12.1 Captions. Captions of the various articles and sub-headings herein are intended for convenience of reference only and shall not define or limit the terms of provisions hereof.
- 12.2 Notices and Communications. 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 OG&E:

Vice President of Utility
Technical Support
Oklahoma Gas & Electric
Company
P.O. Box 758500
Oklahoma City, Ok 73101-0321
405-553-3225

To Westar:

Executive Director System Operations
Westar Energy, Inc.
P.O. Box 321
Topeka, Ks 66675-8500
Phone: (785) 575-6046

To SPP:

Carl Monroe, Executive Vice President & Chief Operating Officer
Southwest Power Pool, Inc.
415 N. McKinley, #140 Plaza West
Little Rock, AR 72205-3020
Phone: (501) 614-3218
Fax: (501) 664-9553
Email: cmonroe@spp.org

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

- 12.3 Amendments. This Agreement may be amended, supplemented, waived, or modified only through a written document submitted to FERC for approval.
- 12.4 Successors/Assigns. This Agreement shall be binding upon and inure to the benefits of the successors, legal representatives, and assigned of the Parties; provided, however, no Party shall assign all or part of its rights or delegate all or part of its duties under this Agreement without express written consent of the

other Party, which consent shall not be unreasonably withheld, and an assignment or delegation by a Party of all or part of its rights or duties shall not discharge such Party from its duties under this Agreement, whether consented to or not, unless such discharge is expressly provided by the written agreement of the other Party. An approved assignment or delegation shall not be deemed to permit any further or other assignment or delegation.

- 12.5 Uncontrollable Forces. A Party shall not be considered to be in default in the performance of any obligation hereunder, other than the obligation to make payments as provided in this Agreement, if failure of performance shall be due to uncontrollable forces, the term "uncontrollable forces" meaning any cause beyond the control of the Party affected, including but not limited to an act of God, flood, earthquake, storm, fire, lightning, epidemic, war, riot, civil disturbance, labor disturbance, sabotage, restraint by court order or public authority including court orders, injunctions, and restraint by governmental agencies with proper jurisdiction prohibiting or failing to approve acts necessary to performance hereunder or permitting any such act only subject to unreasonable conditions, or failure of equipment or inability to obtain or ship materials or equipment because of the effect of similar causes on suppliers or carriers, which by the exercise of due foresight such Party could not reasonably have been expected to avoid and which by the exercise of due diligence it shall be unable to overcome. A Party, however, shall not be relieved of liability for failure of performance if such failure be due to causes arising out of its own negligence or to removable or remedial causes that it fails to remove or remedy with reasonable dispatch. Nothing contained herein, however, shall be construed to require a Party to prevent or settle a strike or labor negotiation.
- 12.6 Waivers. Any waiver at any time by either Party of its rights with respect to a default under this Agreement or with respect to any other matter arising in connection with this Agreement, shall not be deemed a waiver with respect to any other default or other matter arising in connection herewith.
- 12.7 Right of Access. Westar shall have access to OGE's Substation premises at all reasonable times for the purpose of testing, repairing, renewing, exchanging or removing any or all equipment installed by Westar and OG&E shall have similar rights of access in respect of equipment installed and owned by OG&E on Westar's premises. Each Party, after notice to the other Party and receiving consent to such access, shall comply with the other Party's safety and access rules and requirements applicable to the other Party's premises.
- 12.8 Governing Law. OG&E's performance and obligations under this Agreement shall be interpreted under and governed by the laws of the State of Oklahoma, and Westar's performance and obligations under this Agreement shall be interpreted under and governed by the laws of the State of Kansas. The Parties agree that any action arising out of or related to this Agreement brought by either Party shall

be brought only in the federal or state courts located in the state of the other Party.

12.9 No Third Party Rights. Nothing in this Agreement, express or implied, is intended to confer on any person, other than the Parties hereto, any benefits, interests, rights, or remedies under or by reason of this Agreement.

12.10 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.

12.11 This Agreement constitutes the entire agreement of the Parties with respect to the subject matter hereof. All prior agreements, representations, statements, and negotiations are hereby superseded. This Agreement may be amended only by a writing executed by both Parties.

12.12 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.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their authorized officers or representatives as of the day and year above set forth.

WESTAR ENERGY, INC.

**OKLAHOMA GAS AND ELECTRIC
COMPANY**

By: /s/ Bruce A. Akin

By: /s/ Philip L. Crissup

Printed Name: Bruce A. Akin

Printed Name: Philip L. Crissup

Title: Vice President Power Delivery

Title: Vice President Utility Tech. Support

Date: 4/23/2012

Date: 20 April 2012

SOUTHWEST POWER POOL, INC.

By: /s/ Carl Monroe

Printed Name: Carl Monroe

Title: EVP & COO

Date: 04/25/2012

EXHIBIT A

INTERCONNECTION FACILITIES

The following represents Points of Interconnection between the Parties. These interconnections may be added to or subtracted from as needed from time to time and this Exhibit A will be amended to reflect these changes.

<u>Point of Interconnection</u> <u>(Westar – OG&E)</u>	<u>Point of Interconnection Location</u> <u>and Telemetry</u>	<u>Operating Voltage</u>	<u>Losses</u>
Creswell - Osage	Interconnection at Kansas-Oklahoma State Line (Westar Energy Transmission Str. 354). Interconnection telemetered within Westar Energy's Creswell 138 kV Substation	138 kV	Calculated at Creswell meter point
*Viola – Woodring	Interconnection at Kansas-Oklahoma State Line (Westar Energy Transmission Str. 475). Interconnection telemetered within Westar Energy's Viola 345 kV Substation	345 kV	Calculated at change of ownership point
Rose Hill - Sooner	Interconnection at Kansas-Oklahoma State Line (Westar Energy Transmission Str. 412). Interconnection telemetered within Westar Energy's Rose Hill 345 kV Substation	345 kV	Calculated at the change of ownership point
Spring Creek Pseudo Tie	Meter point at the generation meter within OG&E's Spring Creek Substation	345 kV	NA

* Note: The Westar Energy metering located at Wichita 345 kV substation will move to the Viola 345 kV substation in the fall of 2012.

