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June 29, 2011

VIA eTARIFF FILING

Hon. Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

RE: Black Hills/Colorado Electric Utility Company, L.P.
Docket No. ER11-_____

Dear Ms. Bose:

Black Hills/Colorado Electric Utility Company, L.P. (“Black Hills Colorado”), submits for filing with the Federal Energy Regulatory Commission (“FERC”) as a Black Hills Colorado rate schedule a copy of the Second WestConnect Point-To-Point Regional Transmission Service Experiment Participation Agreement (“Second Participation Agreement”) and Black Hills Colorado’s executed addendum to the Second Participation Agreement. Black Hills Colorado’s filing will allow it become a party to the WestConnect Point-To-Point Regional Transmission Service Experiment. Black Hills Colorado requests FERC to accept its filing of the Second Participation Agreement as a Black Hills Colorado rate schedule effective as of July 1, 2011.

The WestConnect Point-To-Point Regional Transmission Service Experiment is an initiative by transmission service providers in the WestConnect Region of the Western Interconnection to offer point-to-point transmission service on a regional basis. In February 2009, FERC accepted the initial WestConnect Point-To-Point Regional Transmission Service Experiment Participation Agreement for a term of two years.¹ On April 13, 2011, the public utilities participating in the WestConnect Second Point-To-Point Regional Transmission Service Experiment filed the Second Participation Agreement with FERC in Docket No. ER11-3346-000 to renew the WestConnect Point-To-Point Regional Transmission Service Experiment for an additional two-year term. FERC has not yet acted on that filing.

1. WestConnect, 126 FERC ¶61,105 (2009). FERC accepted the initial WestConnect Point-To-Point Regional Transmission Service Experiment Participation Agreement subject to modifications. The participants filed a revised version of the Initial Participation Agreement, which FERC accepted for filing. WestConnect, Letter Order in Docket No. ER09-409-001 (March 26, 2009).

Under the Second Participation Agreement, additional transmission owners who qualify for participation in the WestConnect Second Point-To-Point Regional Transmission Service Experiment can become parties to the Second Participation Agreement. To satisfy such a participant's obligations under the Second Participation Agreement and FERC's eTariff requirement, the participant is required to file with FERC the Second Participation Agreement as a rate schedule and an executed addendum to the Second Participation Agreement memorializing the party's agreement to become a party to the Agreement.

Black Hills Colorado has elected to become a party to the Second Participation Agreement and participate in the WestConnect Second Point-To-Point Regional Transmission Service Experiment during the term of the Second Participation Agreement. Accordingly, it submits for filing as a Black Hills Colorado rate schedule the Second Participation Agreement and an executed addendum to the Second Participation Agreement.

Black Hills Colorado provides the following information in compliance with FERC's requirements under Part 35 of its regulations:

A. Documents Submitted

Black Hills Colorado submits the following documents:

1. This transmittal letter;
2. WestConnect's April 13, 2011, filing of the Second Participation Agreement in Docket No. ER11-3346-000; and
3. The Second Participation Agreement and executed addendum to the Second Participation Agreement as a Black Hills Colorado tariff record.

B. Communications

Black Hills Colorado requests that communications regarding this filing be provided to the following:

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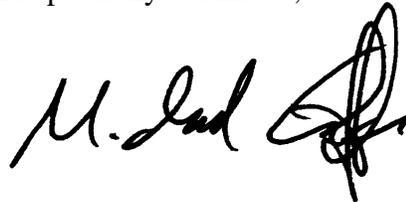
C. Effective Date and Waiver

Black Hills Colorado requests FERC to accept as a Black Hills Colorado rate schedule the Second Participation Agreement and an executed addendum to the Second Participation Agreement effective as of July 1, 2011. Black Hills Colorado requests waiver of FERC's notice requirements if necessary to permit an July 1, 2011, effective date.

Black Hills Colorado will post a copy of this filing on its OASIS to provide public notice of its participation in the WestConnect Second Point-To-Point Regional Transmission Service Experiment.

In conclusion, Black Hills Colorado respectfully requests FERC to accept as a Black Hills Colorado rate schedule the Second Participation Agreement and an executed addendum to the Second Participation Agreement effective as of July 1, 2011.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "M. Griffen", with a large, stylized flourish at the end.

Michael C. Griffen
Attorney for Black Hills Colorado Electric Utility Company, L.P.

Enclosure

WestConnect

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April 13, 2011

Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Re: WestConnect, Docket No. ER11-___ - ___

Dear Secretary Bose:

Pursuant to Section 205 of the Federal Power Act (“FPA”), 16 U.S.C. § 824d, and Part 35 of the Regulations of the Federal Energy Regulatory Commission (“FERC” or “Commission”), 18 C.F.R. Part 35 (2010), WestConnect, on behalf of its Public Utility Participants (as hereinafter defined) hereby files an original and redlined copy of the Second WestConnect Point-To-Point Regional Transmission Service Experiment Participation Agreement (“Second Participation Agreement”)¹ as a rate schedule of WestConnect on behalf of the Public Utility Participants.² Each of WestConnect’s Public

¹ The Second Participation Agreement is attached hereto as Appendix A.

² The participants in the Second Participation Agreement filed herewith are: Arizona Public Service Company (“APS”), El Paso Electric Company (“El Paso”), Public Service Company of Colorado (“PS Colorado”), Public Service Company of New Mexico (“PS NM”), and Tucson Electric Power Company (“Tucson”) (collectively, the “Public Utility Participants”) as well as other WestConnect members who plan to participate in this Experiment, including Southwest Transmission Cooperative, Inc. (“Southwest”),

Utility Participants will make individual filings, approximately contemporaneous with this filing, of an original and redlined copy of its Second WestConnect Point-to-Point Regional Transmission Service Experiment Tariff (“Second Regional Tariff”), all six of which are crafted to effectively renew the term of the WestConnect Regional Transmission Service for an additional two years beyond the expiration date of the WestConnect Point-to-Point Regional Transmission Service Experiment Tariff currently in effect until June 30, 2011. The Participants in the Second Participation Agreement that are not Public Utility Participants have also committed to adopting, in accordance with the Second Participation Agreement and their respective applicable procedures, the Second Regional Tariff to become effective July 1, 2011, simultaneous with the proposed effectiveness of the Second Regional Tariffs of the Public Utility Participants.

WestConnect requests that the Second Participation Agreement be accepted for filing as a rate schedule of WestConnect on behalf of the Public Utility Participants, to be effective July 1, 2011.

WestConnect further requests waiver of all applicable Commission regulations and requirements, including Part 35, in light of the facts that:

- a) the rates for Regional Transmission Service under the Second Participation Agreement and the Second Regional Tariffs are identical to the rates for Regional Transmission Service under the Participation Agreement and the Regional Tariffs currently in effect, which the Commission accepted for filing on February 10,

Tri-State Generation and Transmission Association, Inc. (“Tri-State”), and Western Area Power Administration (“Western”) (collectively, the “Participants”).

2009 in *WestConnect*, 126 FERC ¶61,105 (2009) (the “February 10 Order”), subject only to a change in the Administrative Charge as explained in detail below;

- b) the Administrative Charge is collected and retained by the Billing Agent under the Second Billing Agent Agreement, who is not a public utility subject to the Commission’s jurisdiction, and no part of such charge is received by the Participants;
- c) the Administrative Charge is a fixed fee per MWH of Regional Transmission Service reserved charged only to Transmission Customers in direct proportion to their usage of the Regional Transmission Service; and
- d) Regional Transmission Service is a voluntary, optional alternative to transmission service under the Participants’ OATTs at pancaked rates, and can only be reserved by a Transmission Customer when the Regional Transmission Service would cost the Transmission Customer less than standard OATT service over the same transmission path.

I. BACKGROUND

On December 12, 2008, WestConnect and its initial Public Utility Participants (the “Initial Public Utility Participants”)^{3/} filed the original WestConnect Point-To-Point Regional Transmission Service Experiment Participation Agreement (“Participation Agreement”) as a rate schedule of WestConnect on behalf of the Initial Public Utility Participants, each of which

³ The Initial Public Utility Participants consisted of the Public Utility Participants plus Nevada Power Company d/b/a NV Energy (“Nevada”). Nevada has decided not to participate in the Second Participation Agreement.

concurrently filed its respective regional transmission tariff pursuant to the Participation Agreement (“Regional Tariffs”). On February 10, 2009, the Commission issued the February 10 Order accepting for filing the Participation Agreement and conditionally accepting the Regional Tariffs subject to modification and the submission of additional information as specified in the February 10 Order. On February 25, 2009, WestConnect and its Initial Public Utility Participants made a Compliance Filing with the Commission in response to the February 10 Order, and on March 26, 2009, a delegation Order was issued, accepting the Compliance Filing effective February 11, 2009, as designated, consistent with the February 10 Order.

Further, on June 24, 2009 and July 30, 2009, WestConnect and its Initial Public Utility Participants made filings to correct certain terms in the Tariffs previously accepted by the Commission, requesting an effective date for the Tariffs of July 01, 2009 and a corresponding termination date of June 30, 2011. On August 24, 2009 a delegation Order was issued accepting the revisions to the Tariffs and the proposed modification of the effective date.

As stated in the December 12, 2008 WestConnect rate schedule filing, the primary purpose of the Regional Transmission Pricing Experiment (“Experiment”) has been to learn how the offer of an alternative to pancaked rates for transmission service in the Western Interconnection might affect two things: (1) utilization of Available Transfer Capability (“ATC”) on the Participants’ systems, and (2) the Participants’ transmission revenues. To date, the volume of Regional Transactions, while sufficient to generate significant savings by

Transmission Customers, has not been sufficient to demonstrate a significant effect on the utilization of ATC on the Participants' systems or on the Participants' transmission revenues. However, the Participants believe that this has been due to insufficient differences in the prices for electric power and energy across the Western Interconnection, which in turn is due primarily to the general economic slowdown. The purpose of the Second Participation Agreement is to seamlessly continue for an additional two years the existing Experiment within a portion of the Western Interconnection served by transmission owners that are members of WestConnect in order to permit an evaluation of the Experiment based on greater usage of the service.

II. COMMUNICATIONS

Communications regarding this filing should be sent to the following individuals:

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III. RENEWAL OF THE REGIONAL TRANSMISSION PRICING EXPERIMENT

A. OVERVIEW

WestConnect and its Public Utility Participants propose to renew the Experiment for an additional two years. The documents submitted herewith are each styled as a virtually identical “second” version of the rate schedules for the Experiment originally declared effective by the Commission with only a few minor modifications as set out more fully below. The original Participation Agreement for the Experiment contemplated a potentially lengthy software development and testing phase coupled with regulatory approvals that required the determination of the actual start date of service based on the fulfillment of a set of conditions. Because that software development and testing has previously been completed, and because the Commission has previously considered and accepted for filing nearly identical rate schedules for the Experiment, and because the Commission Staff has received regular progress reports, WestConnect and its Public Utility Participants have crafted the Second Participation Agreement and the Second Regional Tariff to simplify the identification of a new operational date defining the two-year renewal term of Regional Transmission Service. This approach also allows an easier transition for participants to join the Experiment or terminate their participation.

The documents filed herewith maintain nearly all of the Experiment’s processes and functionality unchanged. As in the Experiment originally approved by the Commission, the Experiment will continue to provide hourly non-firm

point-to-point transmission service across the transmission systems of multiple participating transmission providers at a single transmission rate as an optional alternative to purchasing pancaked point-to-point transmission service currently offered under the individual Open Access Transmission Tariffs (“OATT”) of the Participants. Thus, the Regional Transmission Service would be provided for an additional two years under the following framework:

- The Regional Rate will be offered on a non-discriminatory basis to all Eligible Customers (as defined in the Second Regional Tariffs) who have met the conditions to become Transmission Customers (as defined in the Second Regional Tariffs), as determined under the applicable Participants’ OATTs.
- The Experiment provides a pricing mechanism⁴ pursuant to which Transmission Customers will pay for Regional Transmission Service at a rate equal to the highest rate for hourly non-firm transmission service posted on the OASIS of the Participants involved in the Regional Transaction (as defined in the Second Regional Tariff).
- Ancillary Service 1 Charges for scheduling, system control and dispatch service of all Participants in a transaction will remain pancaked.
- Ancillary Service 2 Charge for reactive supply and voltage control from generation sources service will be assessed in accordance

⁴ The proposed pricing mechanism is set forth in the Second Regional Tariff, which is Exhibit 1 to the Second Participation Agreement attached hereto as Appendix A.

with the OATT rate of the Participant providing service on the last segment of the regional path.

- Losses will be charged for each Participant's system used and will be monetized at the Intercontinental Exchange ("ICE") Palo Verde Index price for the date and time of service.
- The Administrative Charge will be collected by and allocated to the Billing Agent (as defined in the Second Regional Tariff), who will also continue to serve as the OASIS manager for the Experiment. The pricing for this Administrative Charge is the only element of the Experiment that is changing, as more fully discussed below.

B. ADMINISTRATIVE CHARGE

The one significant change in the Experiment is a proposed modification of the Administrative Charge which is identified in Section 7.1(f) of the Second Regional Tariffs. The Administrative Charge is proposed to increase from \$0.09/MWH during the first year of the initial term of the Experiment and \$0.08/MWH during the current second year thereof to \$0.95/MWH during the first year of the requested two-year renewal term of the Experiment and potentially \$1.20/MWh during the second year of the renewal term if the total MWH of transactions during the period July 01, 2011 through June 30, 2012 is less than 120,000 MWH.

Open Access Technology International, Inc. ("OATI") is the third party vendor providing Billing Agent services for the Experiment under the Billing

Agent Agreement. OATI developed the reservations and scheduling software used by Transmission Customers to arrange and complete Regional Transmission Service transactions. During the initial development of the Experiment, OATI agreed to self-fund the transaction platform development and recover those costs, as well as the ongoing expenses under the Billing Agent Agreement to bill Transmission Customers and remit payments to RTPs, with a transaction-based fee. That allowed the RTPs to more easily proceed with development of the Experiment and provided for the recovery of all costs of the Experiment from the Transmission Customers using the Regional Transmission Service.

Unfortunately, the anticipated volume of transactions did not materialize over the initial two years of the Experiment. The impact of the current amount of the Administrative Charge can be derived from the following data compiled during operation of the Experiment from the start date of July 01, 2009 through February 28, 2011:

July 01, 2009 through February 28, 2011
WestConnect Regional Transmission Service Statistics

Month- Yr	# of Deals	# of TSRs	# of RTPs/Deal	TC Charges (USD)	TC Savings (USD)	TC Capacity (MWH)	RTP Revenue (USD)	RTP Capacity (MWH)
Jul-09	1	2	2.00	\$5.36	\$2.84	1	\$5.27	2
Aug-09	2	5	2.50	\$17.63	\$11.56	2	\$17.45	5
Sep-09	15	32	2.13	\$13,177.42	\$6,110.85	2,670	\$12,937.12	5,342
Oct-09	83	204	2.46	\$83,419.44	\$59,176.90	13,977	\$82,161.51	36,566
Nov-09	8	23	2.88	\$4,471.47	\$3,495.88	796	\$4,399.83	2,363
Dec-09	30	80	2.67	\$23,400.19	\$15,800.57	3,310	\$23,102.74	9,388
Jan-10	2	5	2.50	\$32,330.62	\$15,906.00	3,650	\$32,002.12	7,350
Feb-10	0	0	0.00	\$0.00	\$0.00	0	\$0.00	0
Mar-10	0	0	0.00	\$0.00	\$0.00	0	\$0.00	0
Apr-10	3	9	3.00	\$7,381.67	\$6,040.80	720	\$7,316.87	2,160
May-10	6	13	2.17	\$10,320.32	\$5,823.64	1,401	\$10,194.23	2,852
Jun-10	17	45	2.65	\$8,177.07	\$5,341.61	1,398	\$8,051.25	3,307
YR 1 Subtotals	167	418	2.08	\$182,701.19	\$117,710.65	27,925	\$180,188.39	69,335
Jul-10	46	101	2.20	\$93,409.38	\$100,517.57	15,462	\$92,012.42	37,251
Aug-10	23	68	2.96	\$22,796.38	\$24,334.73	3,016	\$22,555.10	8,456
Sep-10	23	54	2.35	\$10,010.87	\$5,984.58	1,429	\$9,870.63	3,622
Oct-10	7	15	2.14	\$6,892.61	\$4,667.52	1,144	\$6,801.09	2,388
Nov-10	25	71	2.84	\$37,222.63	\$53,085.95	6,306	\$36,718.15	18,472
Dec-10	1	2	2.00	\$2,103.92	\$1,136.00	400	\$2,071.92	800
Jan-11	1	3	3.00	\$865.53	\$807.30	130	\$855.13	390
Feb-11	4	8	2.00	\$3,558.84	\$2,166.84	651	\$3,506.76	1,302
YR 2 Subtotals	130	322	2.44	\$176,860.16	\$192,700.49	28,538	\$174,391.20	72,681
Grand Totals	297	740	2.22	\$359,561.35	\$310,411.14	56,463	\$354,579.59	142,016

Applying the applicable Administrative Charge of \$0.09 to the total MWH volume of Regional Transactions in the first year of the Experiment yields a total amount of \$2,513.25 collected and retained by the Billing Agent for its services during the entire first year. Applying the applicable Administrative Charge of \$0.08 to the total MWH volume of Regional Transactions in the second year of the Experiment through February 28, 2011 yields a total amount of \$2,283.04 collected and retained by the Billing Agent for its services through the first eight months of the second year. Thus, through February 28, 2011, the amount of its costs recovered by the Billing Agent is less than \$5,000.00.

OATI has advised the Participants in the Experiment that it cannot continue to provide the necessary Billing Agent services and support the OASIS software for the Regional Transmission Service without reasonable assurance of the recovery of at least its transaction costs, and the prospect of recovering and eventually profiting from its development costs. However, OATI has agreed to continue to serve as Billing Agent provided that the Administrative Charge is increased as specified in the Second Regional Tariffs.

If the higher Administrative Charge specified in the Second Regional Tariffs had been in effect during the initial term of the Experiment, assuming that it would not have made any transactions uneconomical, it would have produced revenues for the Billing Agent of \$26,528.75 ($\$0.95 \times 27,925$ MWH) during the first year and \$34,245.60 ($\$ 1.20 \times 28,538$ MWH) during the first eight months of the second year. The total amount of cost recovery by the Billing Agent would

have increased from \$4,796.29 to \$ 60,774.35 - *i.e.*, to \$3,038.72 per month. As can be seen in the table above, Transmission Customers over that same period of time have saved \$310,000. An increase in the Administrative Charge of the magnitude proposed herein would reduce the amount of under-recovery of costs by the Billing Agent while reducing Transmission Customer savings by approximately 18%.

WestConnect and the Public Utility Participants respectfully submit that the increase in the Administrative Charge associated with Regional Transmission Service to be provided during the renewal term of the Experiment is appropriate because it allocates administrative costs only to the Transmission Customers who benefit from the services provided with those costs; no Transmission Customer is required to pay those costs because Regional Transmission Service is a voluntary, optional alternative to service available under the OATTs of the Participants; and the software enables Transmission Customers to reserve Regional Transmission Service only when taking the service would result in savings for the Transmission Customer in comparison to taking service at pancaked rates under the OATTs of the relevant Participants. Moreover, if the market perceives that the new Administrative Charge is excessive, there will be insufficient usage of the Regional Transmission Service to enable the Billing Agent to recover its development and transactional costs. However, the responses to the Participants' inquiries of Transmission Customers indicate that the latter would continue to use the Regional Transmission Service notwithstanding the higher Administrative Charge. Finally, the proposed increase in the Administrative Charge is the only

way for the Participants to continue providing the Regional Transmission Service that has produced hundreds of thousands of dollars in savings for Transmission Customers who use the service, without shifting any costs to any class of customers who don't benefit therefrom.

C. MISCELLANEOUS CHANGES

In addition to the change in the Administrative Charge discussed above, the Second Participation Agreement and Second Regional Tariffs contain a number of updates or changes as compared to the original rate schedules approved by the Commission for the Experiment. The specific updates or changes are listed below.

1. Second Participation Agreement:

- The word “Second” is inserted before the name of the document throughout;
- Recitals have been modified to recognize the first two-year term of the Experiment;
- The definition of “Effective Date” has been modified to identify a date certain of July 1, 2011 as the effective date of the Second Participation Agreement;
- The definition of “Operational Date” has been modified to identify a date certain of July 1, 2011 as the commencement of the two-year renewal term of the Experiment, subject to the fulfillment of the specified conditions precedent that were previously in Section 2.1;

- Conforming changes have been made in Sections 2.1 and 2.2, shortening them both;
- Nevada Power Company has been eliminated from Exhibit A because it will not participate in the renewal term of the Experiment as an RTP; and
- The Schedule 8.2 Notice Information has been updated for the continuing Participants.

2. Second Regional Tariff:

- The word “Second” is inserted before the name of the document throughout;
- The definition of “Operational Date” has been modified to conform to the definition in the Second Participation Agreement;
- Section 3.2, Reservation Priority has been modified to recognize the priority rights of services provided under grandfathered agreements and margins or reserves required or permitted under applicable and evolving reliability standards;
- Section 3.3, Service Agreements has been modified to allow Service Agreements executed with continuing RTPs under the initial Regional Tariffs to continue in effect under the Second Regional Tariffs, and the penultimate sentence in the current version (requiring the submission of a completed Service Agreement with each service request) has been stricken as

incorrect and duplicative in light of the requirement to sign umbrella Service Agreements;

- In Section 3.4, Curtailment or Interruption of Regional Transmission Service, a new subsection (d) has been added to clarify that no credit will be given for curtailments or interruptions, as stated in the current WestConnect Regional Transmission Service Business Practices;
- Section 3.5, Classification of Regional Transmission Service has been modified by adding a sentence at the end of subsection (a) to clarify that a Transmission Customer may not redirect, resell, rollover or convert Regional Transmission Service, as stated in the current WestConnect Regional Transmission Service Business Practices;
- Section 3.6, Scheduling Regional Transmission Service in the initial Regional Tariff has been eliminated because the text of that section has been relocated and renumbered as Section 6.4;
- Section 3.6 of the Second Regional Tariff (Withdrawal and Termination of the Second Regional Tariff) was Section 3.7 in the initial Regional Tariff. The reference to “the Second Regional Tariff” in the title of the section has been added to avoid confusion;

- Section 4.2, Calculation of Available Transfer Capability has been modified in its title and to reflect the requirement to comply with evolving NERC reliability standards on the subject;
- Section 5.1, Conditions Required of Transmission Customers, includes a minor correction of the language in Subsection 5.1(d);
- Section 6.2, Processing of Requests for Regional Transmission Service that would be more Expensive than Service under individual OATTs is a new section that incorporates into the Second Regional Tariff the provision of the current WestConnect Regional Transmission Service Business Practices that describes the procedure for the processing as OATT transactions of those transmission service requests that would be less expensive under the applicable OATTs than under the Second Regional Tariff;
- Section 6.3, Determination of Available Transfer Capability is the former Section 6.2 of the initial Regional Tariff;
- Section 6.4, Scheduling Regional Transmission Service is the former Section 3.6 of the initial Regional Tariff, as noted above, with two sentences added to clarify that annulment of a Regional Transaction requires the agreement of all RTPs that would participate in it and that only in such cases will there be no charge for an annulled Regional Transaction, as stated in the current WestConnect Regional Transmission Service Business Practices;

- Section 6.5, Tagging Regional Transactions incorporates the required tagging procedure for Regional Transactions, as stated in the current WestConnect Regional Transmission Service Business Practices;
- Section 7.1 (f), Administrative Charges, has been modified to reflect a charge of \$0.95/MWH for the renewal term of the Experiment, provided that the Administrative Charge will rise to a level of \$1.20/MWH during the second year of the renewal term if the volume of Regional Transactions is less than 120,000 MWH during the first year, all as more fully discussed above; and
- In Exhibit 2, Nevada Power Company has been deleted from the list of RTPs in the Form of Addendum.

D. WITHDRAWAL

As under the Participation Agreement currently in effect, notification of the withdrawal of any Participant from the Experiment will be posted promptly on the westTTrans common OASIS so all interested stakeholders will have notice of such withdrawal, including the effective date. In addition, in accordance with the February 10 Order⁵, any Jurisdictional Participant withdrawing from the Experiment will file a notice of withdrawal for informational purposes only, i.e., not subject to notice and comment, with the Commission within 15 days of the withdrawal.

⁵ February 10 Order at P 16.

E. USE OF PRICE INDICES TO MONETIZE LOSSES

Under the Commission’s *Order Regarding Future Monitoring of Voluntary Price Formation, Use of Price Indices in Jurisdictional Tariffs and Closing Certain Tariff Dockets*, 109 FERC ¶ 61,184 (2004) (the “November 19, 2004 Order”), filers proposing to use a new price index in a jurisdictional tariff are required to demonstrate the following:

- (1) that the selected price index has adopted all or substantially all of the standards of the *Policy Statement on Natural Gas and Electric Price Indices*,^{6/}
- (2) that the published index provides the volume and number of transactions upon which the index value is based, and
- (3) the location selected for an hourly index meets one or more of the following criteria for liquidity in a recent 90-day review period:
 - i. Average daily volume traded of at least 25,000 MMBtu for gas or 2,000 MWh for power;
 - ii. Average daily transactions of five or more; and
 - iii. Average daily number of counterparties of five or more.

As demonstrated below, the Intercontinental Exchange (“ICE”) Financial Palo Verde Peak Daily Index and ICE Financial Palo Verde Off-Peak Daily Index meet the above standards. The data used to satisfy parts 2 and 3 of the above standards (discussed in Sections 2 & 3 below) is publicly available on the ICE

⁶ *Policy Statement on Natural Gas and Electric Price Indices*, 104 FERC ¶ 61,121, at P 33 (2003) (“Policy Statement”).

website (www.theice.com) and was obtained directly from that site by WestConnect on March 28, 2011.

1. ICE Has Adopted All or Substantially All of the Commission’s Policy Statement Standards

In the November 19, 2004 Order, the Commission identified ICE as one of the index developers that “ha[s] demonstrated that [it] has adopted all or substantially all of the [Policy Statement] standards....”⁷ The Commission further stated in the November 19, 2004 Order that indices published by ICE may be used in jurisdictional tariffs subject to establishing compliance with the other two standards discussed in sections 2 and 3 below.

2. ICE Publishes the Volume and Number of Transactions Upon Which it Bases the Palo Verde Financial Peak and Off-Peak Daily Index Values

In Attachments A and B to this filing, WestConnect demonstrates that ICE publishes the volume and number of transactions upon which ICE bases the Palo Verde Financial Peak and Off-Peak Daily Index values. The volume is contained in the column labeled “Vol (MWH)”, and the number of transactions is indicated in the column labeled “# Deals” in Attachments A and B. This data was obtained from the reports page of the ICE website (<https://www.theice.com/marketdata/reportcenter/reports.htm>) by specifying Palo Verde Peak and Palo Verde Off-Peak, respectively for the date ranges 12 November 2010 – 28 March 2011.

⁷ November 19, 2004 Order at P 39.

3. The ICE Palo Verde Financial Peak and Off-Peak Daily Indices Meet the Commission's Liquidity Criteria

As demonstrated in Attachment A (for the ICE Palo Verde Financial Peak Daily Index) and Attachment B (for the ICE Palo Verde Financial Off-Peak Daily Index), the ICE Palo Verde Financial Peak and Off-Peak Daily Indices meet all three of the Commission's liquidity criteria for a recent 90 trading day review period.⁸ The daily averages for each index are included at the bottom of the data columns in both Attachments A and B, and are presented in the table below in comparison to the Commission's minimum standards:

Criteria	FERC Minimum	Attachment A (Palo Verde Peak 90 Day History)	Attachment B (Palo Verde Off-Peak 90 Day History)
Average Daily Volume	2,000 MWh	22,609 MWh	11,118 MWh
Average Daily Transactions	5	42	26
Average Daily Counterparties	5	16	14

As this data indicates, the ICE Palo Verde Financial Peak and Financial Off-Peak Daily Indices exceed the Commission's minimum liquidity standards. Therefore, WestConnect and its Public Utility Participants respectfully submit that the analysis presented above demonstrates that the ICE Palo Verde Peak and ICE Palo Verde Off-Peak Daily Indices meet the criteria to comply with Ordering Paragraph E of the November 19, 2004 Order. Accordingly, the presumption

⁸ WestConnect uses data for this analysis obtained from the ICE website on March 28, 2011, that reflects 90 trading days of data ending on March 28, 2011.

should apply that the use of such indices to monetize losses for purposes of the Second Regional Tariffs will result in just and reasonable charges.

IV. CONTENTS OF FILING

This filing consists of the following documents:

- This Transmittal Letter;
- Appendix A: Second WestConnect Point-To-Point Regional Transmission Service Experiment Participation Agreement providing for the adoption and implementation of the Second WestConnect Point-to-Point Regional Transmission Service Experiment Tariff in Exhibit 1 thereto (Clean version);
- Appendix A-1: a redlined version of the Second WestConnect Point-to-Point Regional Transmission Service Experiment Participation Agreement providing for the adoption and implementation of the Second WestConnect Point-to-Point Regional Transmission Service Experiment Tariff in Exhibit 1 thereto;
- Attachment A: ICE Palo Verde Financial Peak Daily Index (90 Day History)
- Attachment B: ICE Palo Verde Financial Off-Peak Daily Index (90 Day History)

V. EFFECTIVE DATE, APPROVAL AND DESIGNATION:

WestConnect on behalf of its Public Utility Participants respectfully requests that the Second Participation Agreement be accepted for filing, and be declared effective as of July 1, 2011. WestConnect further requests that the Commission designate the Second Participation Agreement as WestConnect, FERC Electric Rate Schedule, Volume No. 2.

VI. SERVICE:

WestConnect is serving a copy of this filing on all Transmission Customers of the Experiment and on all parties to either the Participation Agreement or the Second Participation Agreement.

VII. CONCLUSION:

WestConnect on behalf of its Public Utility Participants respectfully requests that the Commission accept for filing the enclosed Second Participation Agreement as outlined in this letter, with an effective date of July 01, 2011.

Should additional information be required, please contact the undersigned.

Respectfully submitted,

Charles Reinhold

Charles Reinhold
WestConnect Project Manager
2502 Cemetery Lane
Council, ID 83612

Enclosures

APPENDIX A

**SECOND WESTCONNECT
POINT-TO-POINT REGIONAL TRANSMISSION SERVICE EXPERIMENT
PARTICIPATION AGREEMENT**

This Second WestConnect Point-to-Point Regional Transmission Service Experiment Participation Agreement (“this Agreement”) is entered into by and among the regional transmission providers listed in Exhibit A, which exhibit shall be revised from time to time to reflect new and withdrawn parties (each, an “RTP” and, collectively, the “RTPs”). The RTPs are sometimes herein referred to individually as a “Party” and collectively as the “Parties.”

RECITALS:

WHEREAS, WestConnect is a group of utilities providing transmission service within the Western Interconnection that have agreed to work collaboratively to assess stakeholder and market needs in the wholesale electricity market and to pursue implementation of cost-effective enhancements to the wholesale electricity market (“WestConnect”);⁹

WHEREAS, in furtherance of the goals of WestConnect, a predecessor group of regional transmission providers (the “Initial RTPs”) agreed in November 2008 to develop and implement, on an experimental trial basis for a period of two years, regional transmission service across their transmission systems, at non-pancaked transmission rates;

WHEREAS, on July 1, 2009, the Initial RTPs began providing regional transmission service pursuant to the WestConnect Point-to-Point Regional Transmission Service Experiment Participation Agreement, executed as of November 25, 2008, as amended by Amendment 1 thereto, executed as of June 12, 2009 (the “Initial Participation Agreement”);

WHEREAS, the two-year Operational Period as defined in the Initial Participation Agreement will end on June 30, 2011; and

WHEREAS, the RTPs wish to memorialize the terms and conditions by which they will provide, on an experimental trial basis, regional transmission service across their transmission systems after June 30, 2011, as set forth herein;

NOW, THEREFORE, the RTPs, intending to be legally bound, agree as follows:

⁹ While this Experiment is a WestConnect-sponsored project, not all WestConnect members plan to participate in the Experiment at the time of initial filing of this Agreement.

ARTICLE 1 DEFINITIONS; INTERPRETATION

1.1 Definitions. Unless the context otherwise requires, capitalized and defined terms used herein shall have the meanings given to them below:

“Billing Agent” means an independent third party to be retained by the Parties to act as billing agent for Regional Transactions.

“Billing Agent Agreement” means the agreement among the RTPs and the Billing Agent that sets forth the terms governing the responsibilities of the Billing Agent and related rights and obligations of the parties thereto.

“Commission” means the Federal Energy Regulatory Commission or any successor thereto.

“Committee Representative” has the meaning set forth in Section 3.1.

“Effective Date” means July 1, 2011, provided that all requisite regulatory filings have been accepted and declared effective, or other approvals of regulatory authorities or governmental authorities for the implementation of this Agreement have been obtained, as determined by the Management Committee; or such later date as may be mutually agreed upon in writing by the RTPs.

“Eligible Customer” is an entity that has met the conditions required of transmission customers to take point-to-point transmission service under the respective OATT of each RTP providing service for a particular Regional Transaction.

“End Date” has the meaning set forth in Section 2.4.

“Experiment” shall mean the regional transmission pricing initiative conducted pursuant to the terms of this Agreement.

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

“Jurisdictional RTP” means an RTP that is subject to the jurisdiction of the Commission under Sections 205 and 206 of the Federal Power Act, as in effect during the Operational Period (as defined in Section 2.1).

“Management Committee” has the meaning set forth in Section 3.1.

“Non-Jurisdictional RTP” means an RTP that is not subject to the jurisdiction of the Commission under Sections 205 and 206 of the Federal Power Act, as in effect during the Operational Period (as defined in Section 2.1).

“OATT” means, in respect of a particular RTP, the open access transmission tariff of such RTP on file with the Commission or, if such RTP is not required to file such tariff with the Commission, the open access transmission tariff of such RTP posted on its OASIS.

“Operational Date” means July 1, 2011, or such later date occurring after the Effective Date that is set by the Management Committee if necessary to reasonably assure that the following conditions precedent have been satisfied by such date:

- (a) Each RTP shall have completed its respective Start Up Activities and so notified the Management Committee, and the Management Committee shall have concurred with the completion of the same;
- (b) Any other condition, reasonably required for the commencement of the Experiment and identified by the Management Committee, shall have been satisfied.

“Operational Period” has the meaning set forth in Section 2.1 below.

“Party” and “Parties” have the meanings set forth in the preamble.

“Regional Rate” means the highest of the ceiling rates for hourly non-firm transmission service posted on the respective OASIS of the RTPs who would provide Regional Transmission Service, for service under their OATTs at the time of the Regional Transaction.

“Regional Transaction” means a single transaction in which Regional Transmission Service is provided to an Eligible Customer, pursuant to the Second Regional Tariff.

“Regional Transmission Customer” means an Eligible Customer taking Regional Transmission Service under the Second Regional Tariff.

“Regional Transmission Service” means hourly non-firm point-to-point transmission service across the Regional Transmission System provided by the RTPs pursuant to the Second Regional Tariff and this Agreement.

“Regional Transmission System” means the facilities owned, controlled or operated by the RTPs that are used to provide Regional Transmission Service pursuant to the Second Regional Tariff.

“Regulatory Approval” means any authorization, consent, approval, license, lease, ruling, permit, tariff, rate, acceptance for filing, certification, exemption, variance, order, judgment, decree, publication, declaration or registration issued by a Regulatory Authority.

“Regulatory Authority” means any federal, state, county, municipal or other government, quasi-government or regulatory authority, agency, board, body, commission, instrumentality, court or tribunal, or any political subdivision of any thereof.

“Second Regional Tariff” means the Second WestConnect Experimental Point-To-Point Regional Transmission Service Tariff attached hereto as Exhibit 1.

“Start Up Activities” means those activities, including without limitation the negotiation and execution of a Billing Agent Agreement, required for the Experiment to proceed operationally as determined by the Management Committee and memorialized in writing.

“Term” has the meaning set forth in Section 2.1.

“Western Interconnection” means the interconnected electrical transmission system located in the western region of the United States.

“wesTTrans” means the OASIS site of the RTPs, or its successor site.

ARTICLE 2

TERM; WITHDRAWAL; TERMINATION; ADDITIONAL RTPS

2.1 Term. Following the due execution and delivery by all Parties listed in Exhibit A attached hereto, the Parties shall be bound as provided in Section 2.2(a) below only, and all other terms of this Agreement shall become effective on the Effective Date. After the Effective Date has occurred, the Experiment shall become operational on, and shall remain operational for a period of two years (the “Operational Period”) from, the Operational Date.

Subject to the provisions of Section 2.4 below, this Agreement shall remain in full force and effect for a period (the “Term”) commencing on the Effective Date and ending on the date that the Parties have completed all tasks required in connection with the final assessment of the Experiment following the Operational Period as determined by the Management Committee.

2.2 Tasks During Certain Periods.

(a) Between the date of execution of this Agreement by all Parties and the Effective Date, the Parties agree to take all reasonable action necessary and appropriate to obtain all necessary Regulatory Approvals in connection with the performance by the Parties of their respective obligations under this Agreement and the consummation by the Parties of the transactions contemplated hereby.

(b) Following the execution of this Agreement by all Parties, the Parties shall cooperate with each other in taking all reasonable action necessary and appropriate to complete or satisfy the conditions precedent that must be completed or satisfied prior to the Operational Date in order to implement the Experiment as soon as reasonably practicable.

(c) Following the occurrence of the Operational Date, the Parties shall cooperate with one another in implementing the Second Regional Tariff and this Agreement in accordance with their terms during the Operational Period.

(d) Following the end of the Operational Period, the Parties shall cooperate with each other in taking all reasonable action necessary and appropriate to conclude all remaining financial settlements in connection with the Experiment, to perform the assessment of the Experiment, and to assemble and distribute as appropriate all data and information compiled during the Experiment, subject to any confidentiality or other restrictions.

2.3 Withdrawal. Notwithstanding any provision to the contrary contained in this Agreement, an RTP may withdraw from this Agreement (a) at any time prior to the Operational Date, at the sole discretion of the withdrawing RTP; (b) at any time (either before, on or after the Operational Date), due to the occurrence or material risk of adverse regulatory action (subject to any obligations incurred for transactions already consummated under the Second Regional Tariff in which the withdrawing RTP participated), as determined in the sole discretion of the withdrawing RTP, including, but not limited to, conditions that may be imposed by the Commission or any other Regulatory Authority, or as a result of intervenor action or a complaint, on the Regional Transmission Service such as subjecting the rates, Transmission Revenue Requirements (“TRRs”) or costs of a Non-Jurisdictional RTP to review under the Federal Power Act, either directly or indirectly, or subjecting an RTP to refunds or the possibility thereof; or (c) upon ninety (90) days prior written notice to the other Parties, effective at any time on or after the first anniversary of the Operational Date, for any reason and at the sole discretion of the withdrawing RTP. It shall be a condition precedent to the effectiveness of any withdrawal that the withdrawing RTP pay all amounts due and payable under this Agreement prior to such withdrawal. The Parties acknowledge and agree that this Agreement shall continue in effect with respect to the remaining Parties in accordance with its terms notwithstanding the withdrawal of one or more RTPs.

2.4 Termination. This Agreement shall terminate on the date (the “End Date”) that is the earlier of: (a) the last day of the Term; (b) such other date as the Parties may mutually agree upon in writing. Notwithstanding the termination of this Agreement, each RTP shall remain liable for all amounts due and payable under this Agreement prior to such termination.

2.5 Additional RTPs. Any entity (including an entity which is not a member of WestConnect) may become a party to this Agreement prior to the end of the 12th month of the Operational Period if it: (a) owns, controls or operates transmission facilities rated at 115 kV and above, which are interconnected with the Regional Transmission System; (b) has an OATT and maintains an OASIS on wesTTrans (or another compatible site) with one or more Posted Paths (as defined in the Commission’s rules and regulations at 18 C.F.R. § 37.6(b)(1)(i)) over which transmission service is available for sale to Eligible Customers; and (c) executes an addendum to this Agreement in the form attached hereto as Exhibit 2 and, where applicable, the addendum is accepted for filing by the Commission and any other Regulatory Approval is received with respect thereto. Where applicable, effective as of the date the addendum is declared effective by the Commission and upon receipt of any other applicable Regulatory Approvals, (i) the new entity shall become an RTP for all purposes of this Agreement, shall be bound by the terms and conditions of this Agreement, and shall have all of the rights, duties and obligations of an RTP under this Agreement and (ii) the Parties shall prepare and deliver a supplement to Exhibit A adding the new entity to the list of RTPs and a supplement to Schedule 8.2 attached hereto setting forth the notice information with respect to the new RTP. Any new RTP shall be responsible for all costs and expenses associated with integrating its facilities into the Regional Transmission System and wesTTrans for purposes of the Second Regional Tariff.

ARTICLE 3 MANAGEMENT COMMITTEE

3.1 Management Committee. Each Party shall appoint one committee representative (“Committee Representative”) and an alternate to the WestConnect Experimental Point-to-Point Regional Transmission Service Management Committee (“Management Committee”) to oversee and facilitate the performance of the responsibilities set forth in this Agreement, the Billing Agent Agreement and any other agreements related thereto.

3.2 Certain Procedures. Each Committee Representative shall serve on the Management Committee at the pleasure of the Party that appointed such Committee Representative and may be removed or replaced by such Party at any time. At the initial meeting under this Agreement and annually thereafter, the Committee Representatives shall elect one Committee Representative as chairperson (“Chairperson”) of the Management Committee. If a Party’s designated Committee Representative is unable to attend or participate in a Management Committee meeting, the Committee Representative may designate an alternate person to represent that Party as its Committee Representative.

3.3 Committee Responsibilities. The responsibilities of the Management Committee shall be as follows:

(a) To appoint a Chairperson for the Management Committee and to appoint or dissolve permanent or ad hoc committees or work groups, as necessary, to design and carry out the Experiment as well as to monitor the effects of the Experiment on business and operations of both the RTPs and the Regional Transmission Customers.

(b) To perform a comprehensive mid-term assessment near the end of the first year of the Experiment and document the performance of the Experiment.

(c) To perform a complete final assessment of the Experiment following the completion of the Operational Period and provide a recommendation for further action to the WestConnect Steering Committee within ninety (90) days after the last day of that period.

(d) To ensure that each RTP has secured the services of the Billing Agent.

(e) To work cooperatively with the WestConnect Steering Committee.

(f) To address and facilitate decisions respecting termination of this Agreement, as applicable, consistent with the provision of Article 2 hereof.

(g) To do such other things and carry on any other activities that the Management Committee determines to be necessary, advisable, appropriate, convenient or incidental for the Experiment.

3.4. Management Committee Voting.

(a) Each Committee Representative shall have one vote on all matters put to a vote of the Management Committee.

(b) Voting Percentages

(i) Except as provided in Section 3.4(h), the Management Committee shall vote on decision items only upon the establishment of a quorum, which shall equal at least fifty-one (51) percent of the Committee Representatives or their designated alternates. Once a quorum has been established, the approval of any decision item other than those indicated in clause (ii) of this Section shall require the affirmative vote of eighty (80) percent or greater of the Committee Representatives present in person or by conference telephone.

(ii) Management Committee approval of (A) election of the Chairperson, (B) appointment of the Billing Agent, or (C) termination or modification of this Agreement, shall require the affirmative vote of eighty (80) percent or greater of all Committee Representatives.

(c) The Management Committee shall meet at least one time per year. Additional meetings may be held at other times upon a call for a meeting by the Chairperson or by any two or more Committee Representatives. The meetings may be held in any reasonably accessible location in the Western region of the United States or in any other location upon approval of the Management Committee. It is the intent of the Parties that meetings of the Management Committee be coordinated with meetings of the WestConnect Steering Committee to the extent possible.

(d) Notice of any meeting of the Management Committee, including the meeting agenda, shall be given to each Committee Representative by the Chairperson at least five (5) business days in advance of the meeting by (i) giving notice to such Committee Representative in person or by telephone, (ii) by sending a telecopy or electronic mail, or delivering written notice by hand, to such Committee Representative's last known business, home or electronic mail address, or (iii) by sending written notice, via reputable overnight courier providing a receipt for delivery, to such Committee Representative's last known business or home address. Notice shall include a proposed agenda for each meeting. Emergency meetings of the Management Committee may be called upon fewer than five (5) business days' notice upon approval of a majority of the members of the Management Committee provided that an attempt to give notice to each Committee Representative is made with such notice describing the subject matter to be discussed at the emergency meeting.

(e) A Committee Representative may appear and vote at any meeting of the Management Committee and may execute waivers of notice, consents or approvals through the agency of any employee of the Party that appointed such Committee Representative, provided such agent is authorized to so act on behalf of the Committee Representative by the terms of a written or electronically mailed proxy that has been executed by such Committee Representative and delivered in advance to the Chairperson of the Management Committee.

(f) Committee Representatives may participate in meetings of the Management Committee or any subcommittee thereof by means of conference telephone or other communications equipment by means of which all persons participating in the meetings can hear each other, and participation by such means shall constitute presence in person at such meeting.

(g) Entities not parties to this Agreement may attend and participate in meetings of the Management Committee, but may not vote on matters that come before the Management Committee for decision. The Management Committee may enter into

closed-door sessions to deliberate upon sensitive issues or other matters requiring privacy, during which time other meeting attendees will be required to withdraw.

(h) Any action required or permitted to be taken at any meeting of the Management Committee may be taken without a meeting if prior notice is provided to all Committee Representatives and eighty (80) percent of all Committee Representatives consent in writing or by electronic transmission to take the action without a meeting, with copies of the written consents and electronic transmissions sent to all Committee Representatives.

ARTICLE 4 REGIONAL TRANSMISSION SERVICE

4.1 Adoption of Second Regional Tariff. After the date of execution of this Agreement, each RTP shall take all necessary action to adopt the Second Regional Tariff and, where applicable, seek all necessary Regulatory Approvals in connection therewith as contemplated by Section 4.4.

4.2 Regional Transmission Service. Each RTP shall provide Regional Transmission Service over the Regional Transmission System pursuant to the Second Regional Tariff during the Operational Period unless and until such RTP withdraws from this Agreement or this Agreement is terminated, in each case in accordance with its terms.

4.3 General Purpose and Structure of Regional Transmission Service. The Second Regional Tariff and Regional Transmission Services to be provided thereunder are designed to offer Regional Transmission Customers the alternative of purchasing non-firm point-to-point transmission service across the Regional Transmission System at a single regional rate, instead of “pancaked” rates that would otherwise apply by the application of each RTP’s OATT rates. Under the Second Regional Tariff, the Regional Transmission Customer will have the right to obtain Regional Transmission Service at the Regional Rate. Charges for Regional Transmission Service will also include, among other things, an Administrative Charge (as defined in the Second Regional Tariff) to cover the costs of the Billing Agent, all in accordance with the Second Regional Tariff.

4.4 Filing of Agreement. Following the date of execution of this Agreement, each of the Jurisdictional RTPs shall use commercially reasonable efforts to jointly file, as soon as practicable, this Agreement as a rate schedule of WestConnect and the Second Regional Tariff as a rate schedule of the respective Jurisdictional RTP with the Commission and to make such other filings and take such other actions as may be necessary to make the provisions of this Agreement and the Second Regional Tariff legally effective. Each of the RTPs is encouraged to file comments in support of all such filings and actions and shall not take any action against, or support any other person in any action against, any such filings or actions. The rates for service specified in the Second Regional Tariff and the related distribution of revenues specified herein shall

remain in effect for the term of the Experiment, subject to the rights of parties to join or withdraw as provided herein, and shall not be subject to change through application to the Commission pursuant to the provisions of sections 205 or 206 of the Federal Power Act absent the agreement of all Parties to this Agreement.

4.5 Other Transmission Service Not Affected. Regional Transmission Service provided by the RTPs pursuant to the Second Regional Tariff shall not supplant or otherwise affect the transmission service(s) offered separately by each RTP under its respective OATT. In addition to, or in lieu of, Regional Transmission Service provided under the Second Regional Tariff, Eligible Customers may obtain non-regional transmission service(s) (e.g., network integration transmission service or point-to-point transmission service) from one or more RTPs under each RTP's respective OATT or other applicable tariff.

4.6 Revenue Distribution. Subject to the further provisions of this paragraph, revenues derived from the provision of Regional Transmission Service for each transaction shall be distributed such that each RTP that provides transmission service for the transaction will receive a share of those revenues based on the ratio of (i) its applicable OASIS-posted ceiling rate for the transmission service provided to (ii) the sum of the applicable OASIS-posted ceiling rates for the transmission service of all of the RTPs providing the service. For all Regional Transactions in which the Western Area Power Administration ("Western") participates, its share of revenues shall be capped at its applicable OASIS-posted all-hours non-firm rate. The revenues from transactions in which Western participates when the cap on its revenue share applies shall be distributed first to Western up to its cap and then between the other RTPs providing transmission service for the transaction in accordance with the foregoing ratio calculated among themselves only, provided that none of the RTPs shall receive more than the ceiling rate for non-firm point-to-point transmission service posted on its OASIS.

ARTICLE 5 INDEMNITY; NO CONSEQUENTIAL DAMAGES

5.1 Indemnification.

(a) Except as may be prohibited by law and subject to paragraphs (b) and (c) of this Section 5.1, each RTP shall indemnify, defend and hold harmless each other RTP and its respective directors, officers, employees, principals, representatives and agents from and against any and all third-party claims, demands, liabilities, losses, causes of action, awards, fines, penalties, litigations, costs and expenses (collectively, "Claims") asserted against or incurred by any of them resulting from or based upon breach of the terms and conditions of this Agreement or by the gross negligence or willful misconduct of such first referenced RTP and its respective directors, officers, employees, principals, representatives and agents.

(b) Each RTP shall, to the extent provided herein, indemnify each other RTP from and against liability for refunds to Regional Transmission Customers resulting

from or based upon an order of the Commission or other governmental authority having jurisdiction in the matter finding that the Regional Rate charged for Regional Transactions from which such first referenced RTP received revenues was in excess of the lawful rate. The amount of such indemnification shall be limited to the amount of excess revenue received by the indemnifying Party plus any applicable interest, as determined in accordance with such order. As a condition for benefiting from the indemnification provided for in paragraphs (a) and (b) of this Section 5.1, a Party that may be entitled to such indemnification shall give prompt notice of any proceeding concerning such potential refund liability to any Party that may become obligated to provide indemnification and shall not object to the participation of the latter Party in any such proceeding.

(c) Nothing in this Agreement shall be deemed to waive, limit or impair in any degree the exemption of any Non-Jurisdictional RTP from the provisions of the Federal Power Act, or to submit any Non-Jurisdictional RTP to the jurisdiction of the Commission thereunder. Nothing in this Section 5.1 shall be deemed to prevent any RTP from indemnifying any other RTP to the extent provided in paragraph 5.1(b) for refund liability arising out of transactions from which the indemnifying RTP received revenue, provided that no Parties are voluntarily submitting to refund authority that the Commission does not otherwise have.

(d) Notwithstanding the foregoing, the Western Area Power Administration (“Western”) shall be liable for negligence on the part of its officers and employees in accordance with the Federal Tort Claims Act, as amended, and shall be liable to reimburse any other RTP for excess revenue received by Western, plus any applicable interest, only to the extent consistent with applicable Federal Law.

5.2 No Consequential Damages. The RTPs shall not be liable to one another under this Agreement (by way of indemnification, damages or otherwise) for any indirect, incidental, exemplary, punitive, special or consequential damages.

ARTICLE 6 DISPUTE RESOLUTION

6.1 Disputes. Any controversy, claim or dispute of whatsoever nature or kind between or among the Parties arising out of or in connection with this Agreement (each a “Dispute”) shall be resolved pursuant to the procedures of this Article 6.

6.2 Dispute Notices. If a Dispute arises between or among the Parties, then any Party to such Dispute may provide written notice thereof to the other Parties, including a detailed description of the subject matter of the Dispute (the “Dispute Notice”). The Dispute Notice shall identify the Party or Parties to the Dispute, which shall participate in the dispute resolution process. Each other Party shall inform the other Parties in writing whether it will participate in the dispute resolution process. The Party providing the Dispute Notice, each other Party identified in the Dispute Notice as a party

to the Dispute and each other Party electing to participate in the Dispute shall be referred to as a “Disputing Party.”

6.3 Informal Resolution of Disputes. Upon the issuance or receipt of a Dispute Notice, the representatives of each Disputing Party shall in good faith attempt to resolve such Dispute by informal negotiations within sixty (60) days from the date of receipt of such Dispute Notice. If the Dispute is not resolved within sixty (60) days following receipt of the Dispute Notice or such later date as the Disputing Parties may mutually agree, then each Disputing Party shall promptly designate its most senior executive responsible for the subject matter of the Dispute who shall have authority to resolve the Dispute. The senior executives shall obtain such information as may be necessary to inform themselves of the substance and particulars of the Dispute and shall meet within thirty (30) days, at a time and place mutually acceptable to the senior executives. If the senior executives are unable to resolve the Dispute within forty-five (45) days of their first meeting or such later date as the senior executives may mutually agree, then, unless prohibited by law, the Dispute shall be resolved solely and exclusively by binding arbitration in accordance with Section 6.4; provided, however, that the Parties acknowledge and agree that a Dispute over which a governmental authority has exclusive jurisdiction shall, in the first instance, be brought before and resolved by such governmental authority.

6.4 Binding Arbitration. Disputes that are not resolved pursuant to Section 6.3 shall be resolved by binding arbitration before an independent arbitrator mutually acceptable to the Disputing Parties. The arbitration shall be conducted in a place to be mutually agreed to by the Disputing Parties and in the absence of such agreement, in Phoenix, Arizona. The arbitration shall be conducted in accordance with the American Arbitration Association’s commercial arbitration rules then in force and effect.

ARTICLE 7 REPRESENTATIONS AND WARRANTIES

Each Party represents and warrants to the other Parties as of the date of execution of this Agreement as follows:

- (a) It is duly formed, validly existing and in good standing under the laws of the jurisdiction of its formation or organization.
- (b) Subject to Regulatory Approvals, it has all requisite power necessary to own its assets and carry on its business as now being conducted or as proposed to be conducted under this Agreement.
- (c) Subject to Regulatory Approvals, it has all necessary power and authority to execute and deliver this Agreement and to perform its obligations under this Agreement, and the execution and delivery of this Agreement and the performance by it of this Agreement have been duly authorized by all necessary action on its part.

(d) The execution and delivery of this Agreement and the performance by it of this Agreement do not and shall not: (i) violate its organizational documents; (ii) violate any applicable laws; or (iii) result in a breach of or constitute a default of any material agreement to which it is a party.

(e) Assuming the due authorization, execution and delivery of this Agreement by each other Party, and subject to Regulatory Approvals, this Agreement constitutes its legal, valid and binding obligation enforceable against it in accordance with its terms, except as the same may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights generally and by principles of equity regardless of whether such principles are considered in a proceeding at law or in equity.

ARTICLE 8 MISCELLANEOUS TERMS

8.1 Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Arizona, except to the extent preempted by federal law.

8.2 Notices. All notices, consents, waivers and other communications required or permitted by this Agreement to be given to another Party will be in writing and will be deemed to have been given when (a) delivered to the other Party's address personally, by messenger, by a nationally or internationally recognized overnight delivery service or otherwise, (b) sent to the other Party by facsimile, e-mail or other electronic transmission, with confirmation of transmission by the transmitting equipment; or (c) received or rejected by the other Party, if sent by certified mail, return receipt requested, in each case, addressed to the other Party at its address, facsimile number or email address and marked to the attention of the person designated on Schedule 8.2 attached hereto (or to such other address, facsimile number, e-mail address or person as a Party may designate by notice to the other Parties in accordance with this Section 8.2).

8.3 Entire Agreement. This Agreement constitutes and expresses the entire understanding among the Parties with respect to the subject matter hereof, and supersedes all prior agreements and understandings, inducements, commitments or conditions, express or implied, oral or written.

8.4 Amendments. Neither this Agreement nor any provision hereof may be amended or modified other than by an agreement in writing signed by all of the RTPs.

8.5 No Waiver. No failure on the part of any Party to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right.

8.6 Severability of Provisions. The provisions of this Agreement are independent of and separable from each other. If any provision of this Agreement shall

for any reason be held invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of any other provision hereof, but this Agreement shall be construed as if such invalid or unenforceable provision had never been contained herein.

8.7 Assignments; Successors.

(a) Except as provided in paragraphs (b) and (c) of this Section 8.7, no Party may assign any of its rights or delegate any of its duties or obligations under this Agreement without the prior written consent of the other Parties, such consent not to be unreasonably withheld, except that any RTP may, without the consent of the other RTPs, assign its rights and delegate its duties and obligations under this Agreement to a successor to which all or substantially all of the transmission assets of such RTP shall be transferred or to an affiliate of the assigning RTP for the purposes of a corporate restructuring, provided, however, that in each such case the successor or affiliate has executed an addendum to this Agreement and if required, made all necessary filings in connection with any applicable Regulatory Approvals. Subject to the preceding sentence, this Agreement will apply to, be binding in all respects upon and inure to the benefit of the successors and permitted assigns of the Parties.

(b) The Parties shall have the right at any time and from time to time to mortgage, create or provide for a security interest in or convey in trust their respective rights, titles and interests in this Agreement to a trustee or trustees or a mortgagee or mortgagees under deeds of trust, mortgages or indentures, or to secured parties under a security agreement, and to any successors or assigns thereof without need for the prior consent of the other Parties, and without such mortgagee, trustee or secured party assuming or becoming in any respect obligated to perform any of the obligations of the Parties.

(c) Any mortgagee, trustee or secured party under present or future deeds of trust, mortgages, indentures or security agreements of any of the Parties and any successor or assign thereof, and any receiver, referee, or trustee in bankruptcy or reorganization of any of the Parties, and any successor by action of law or otherwise, and any purchaser, transferee or assignee of any thereof may, without need for the prior consent of the other Parties, succeed to and acquire all the rights, titles and interests of such Party in this Agreement and may foreclose upon said rights, titles and interests of such Party.

8.8 No Third Party Beneficiaries. Nothing expressed or referred to in this Agreement will be construed to give any person other than the Parties any legal or equitable right, remedy or claim under or with respect to this Agreement or any provision of this Agreement, except such rights as shall inure to a successor or permitted assignee pursuant to Section 8.7.

8.9 Joint Effort. Preparation of this Agreement has been a joint effort of the Parties and the resulting document shall not be construed more severely against one of

the Parties than against the others and no provision in this Agreement is to be interpreted for or against any Party because that Party or its counsel drafted such provision. Each Party acknowledges that in executing this Agreement it has relied solely on its own judgment, belief and knowledge, and such advice as it may have received from its own counsel, and it has not been influenced by any representation or statement made by the other Parties or their counsel not contained in this Agreement.

8.10 Schedules and Exhibits. The Schedules and Exhibits hereto together with all attachments referenced therein, are incorporated herein by reference and made a part of this Agreement.

8.11 Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this Agreement and of signature pages by facsimile transmission shall constitute effective execution and delivery of this Agreement as to the Parties and may be used in lieu of the original Agreement for all purposes. Signatures of the Parties transmitted by facsimile shall be deemed to be their original signatures for all purposes.

8.12 Consistency with Federal Laws and Regulations. Nothing in this Agreement shall compel any Party, person or federal entity to (i) violate federal statutes or regulations; or (ii) in the case of a federal governmental authority or instrumentality, to exceed its statutory authority, as defined by any applicable federal statutes, regulations, or orders lawfully promulgated thereunder. If any provision of this Agreement is inconsistent with any obligation imposed on any person or federal entity by federal law or regulation, to that extent it shall be inapplicable to that person or federal entity. No person or federal entity shall incur any liability by failing to comply with a provision of this Agreement that is inapplicable to it by reason of being inconsistent with any federal statutes, regulations or orders lawfully promulgated thereunder; provided, however, that such person or federal entity shall use its best efforts to comply with the Agreement to the extent that applicable federal laws, regulations and orders lawfully promulgated thereunder permit it to do so.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, each of the Parties has caused its duly authorized representative to execute this Second WestConnect Point-to-Point Regional Transmission Service Experiment Participation Agreement on its behalf as of the 31st day of March, 2011.

ARIZONA PUBLIC SERVICE COMPANY

By Robert R. Bean

Title Transmission Services Trading Section Leader

EL PASO ELECTRIC COMPANY

By Jose G. Nevarez

Title Assistant Vice President

PUBLIC SERVICE COMPANY OF COLORADO

By Ian R. Benson

Title Director, Transmission Business Relations & Asset Management

PUBLIC SERVICE COMPANY OF NEW MEXICO

By Gregory C. Miller

Title Lead Director, Transmission Operations

SOUTHWEST TRANSMISSION COOPERATIVE, INC.

By James C. Burson

Title Senior VP & COO

TRI-STATE GENERATION AND TRANSMISSION ASSOCIATION, INC.

By Joel K. Bladow

Title Senior Vice-President, Transmission

TUCSON ELECTRIC POWER COMPANY

By John Tolo

Title Mgr, System Control & Reliability

WESTERN AREA POWER ADMINISTRATION

By Ronald E. Moulton

Title Transmission Services Manager

EXHIBIT A

**PARTIES TO SECOND WESTCONNECT
POINT-TO-POINT REGIONAL TRANSMISSION SERVICE EXPERIMENT
PARTICIPATION AGREEMENT**

DATED: March 31, 2011

PARTY	DATE
Arizona Public Service Company	March 31, 2011
El Paso Electric Company	March 31, 2011
Public Service Company of Colorado	March 31, 2011
Public Service Company of New Mexico	March 31, 2011
Southwest Transmission Cooperative, Inc.	March 31, 2011
Tri-State Generation and Transmission Association, Inc.	March 31, 2011
Tucson Electric Power Company	March 31, 2011
Western Area Power Administration	March 31, 2011

**SCHEDULE 8.2
NOTICE INFORMATION**

Dated: March 31, 2011

ARIZONA PUBLIC SERVICE COMPANY

PO Box 53999 M.S, 2260
Phoenix, Arizona 85072-3999
Attn: Robert Bean

Telephone: (602) 250-1128
Facsimile: (602) 250-1155
Email: robert.bean@aps.com

EL PASO ELECTRIC COMPANY

System Operations
PO Box 982
El Paso, Texas 79960
Attn: Greg Grill

Telephone: (915) 543-4040
Facsimile: (915) 521-4763
Email: ggrill1@epelectric.com

PUBLIC SERVICE COMPANY OF COLORADO

1800 Larimer Street, Suite 600
Denver, Colorado 80202
Attn: Gerald Deaver

Telephone: (303) 571-7681
Facsimile: (612)318-4771
Email: Gerald.R.Deaver@xcelenergy.com

PUBLIC SERVICE COMPANY OF NEW MEXICO

Alvarado Square M.S. 0604
Albuquerque, New Mexico 87158
Attn: Gregory C. Miller

Telephone: (505) 241-4570
Facsimile: (505) 241-4363
Email: gmiller@pnm.com

SOUTHWEST TRANSMISSION COOPERATIVE, INC.

PO Box 2195
Benson, Arizona 85602
Attn: James C. Burson

Telephone: (520) 586-5219
Facsimile: (520) 586-5279
Email: jburson@swtranso.coop

TRI-STATE GENERATION AND TRANSMISSION ASSOCIATION, INC.

If via mail:
PO Box 33695
Denver, Colorado 80233-0695
Attn: Doug Reese

If via personal delivery or courier:
3761 Eureka Way
Frederick, CO 80516
Attn: Doug Reese

Telephone: (303) 254-3676
Facsimile: (303) 254-6058
Email: dreese@tristategt.org

TUCSON ELECTRIC POWER COMPANY

PO Box 711
Mail Stop SC212
Tucson, Arizona 85702
Attn: Raquel Aguilar

Telephone: (520) 745-7193
Facsimile: (520) 571-4036
Email: transcord@tep.com

WESTERN AREA POWER ADMINISTRATION

Rocky Mountain Region
5555 E. Crossroads Boulevard
Loveland, CO 80538-8986
Attn: Raymond Vojdani

Telephone: (970) 461-7379
Facsimile: (970) 461-7423
Email: avojdani@wapa.gov

EXHIBIT 1

**SECOND WESTCONNECT
POINT-TO-POINT
REGIONAL TRANSMISSION SERVICE EXPERIMENT
TARIFF**

**Article I.
Preamble**

[Insert RTP Full Legal Name] (the “Transmission Provider”), in coordination with the other RTPs (as defined below) will provide Regional Transmission Service pursuant to the applicable terms and conditions of this Second WestConnect Point-To-Point Regional Transmission Service Tariff (the “Second Regional Tariff”) on an experimental basis commencing on the Operational Date (as defined below) and ending on the date that is two years after the Operational Date or such earlier date when either this Second Regional Tariff is terminated or the Transmission Provider has withdrawn this Second Regional Tariff in accordance with its terms. In any event, service shall be provided pursuant to any request for Regional Transmission Service accepted prior to the ending, termination or withdrawal of this Second Regional Tariff.

**Article II.
Definitions**

Unless the context otherwise requires, capitalized and defined terms used herein shall have the meanings given to them below:

“Administrative Charge” has the meaning set forth in Section 7.1(f).

“Billing Agent” means an independent third party retained by the RTPs to act as billing agent for Regional Transactions.

“Billing Agent Agreement” means the agreement among the RTPs and the Billing Agent that sets forth the terms governing the responsibilities of the Billing Agent and related rights and obligations of the parties thereto.

“Commission” means the Federal Energy Regulatory Commission or any successor thereto.

“Curtail” or “Curtailment” means a reduction in Regional Transmission Service in response to a transfer capability shortage as a result of emergency or system reliability conditions.

“Delivering Party” means the entity supplying capacity and energy at Regional Point(s) of Receipt to be transmitted by the RTPs pursuant to this Second Regional Tariff.

“Eligible Customer” is an entity that has met the conditions required of Transmission Customers to take point-to-point transmission service under the respective OATT of each RTP providing service for a particular Regional Transaction.

“Experiment” shall mean the two-year regional transmission pricing initiative conducted pursuant to the terms of this Second Regional Tariff.

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

“Interruption” or “Interrupt” means a reduction in Regional Transmission Service due to economic reasons.

“Jurisdictional RTP” means an RTP that is subject to the jurisdiction of the Commission under Sections 205 and 206 of the Federal Power Act, as in effect during the Operational Period.

“Native Load Customers” means the wholesale and retail customers of an RTP on whose behalf the RTP, by statute, franchise, regulatory requirement, or contract, has undertaken an obligation to construct and operate the RTP’s Transmission System to meet the reliable electric needs of such customers.

“Network Customers” means customers receiving transmission service pursuant to the terms of an RTP’s Network Integration Transmission Service under Part III of the RTP’s OATT.

“Non-Firm Transmission Service” means hourly non-firm point-to-point transmission service provided by any RTP pursuant to its respective OATT.

“Non-Jurisdictional RTP” means an RTP that is not subject to the jurisdiction of the Commission under Sections 205 and 206 of the Federal Power Act, as in effect during the Operational Period.

“OATT” means, in respect of a particular RTP, the open access transmission tariff of such RTP on file with the Commission or, if such RTP is not required to file such tariff with the Commission, the open access transmission tariff of such RTP posted on its OASIS.

“Operational Date” means July 1, 2011.

“Operational Period” means a period of two years commencing on the Operational Date.

“Receiving Party” means the entity receiving capacity and energy made available at, and transmitted by RTPs to, Regional Point(s) of Delivery pursuant to this Second Regional Tariff.

“Regional Charge” has the meaning set forth in Section 7.1(a).

“Regional Point(s) of Delivery” means the point(s) of interconnection on the Regional Transmission System where capacity and energy from the Delivering Party will be made available and delivered to the Receiving Party by the RTPs pursuant to this Second Regional Tariff.

“Regional Point(s) of Receipt” means the point(s) of interconnection on the Regional Transmission System where capacity and energy from the Delivering Party will be received by the RTPs for transmission pursuant to this Second Regional Tariff.

“Regional Rate” means the highest of the ceiling rates for hourly non-firm transmission service posted on the respective OASIS of the RTPs who would provide Regional Transmission Service, for service under their OATTs at the time of the Regional Transaction. The Regional Rate is not a discounted rate subject to Schedule 8 of the Commission's pro forma open access transmission tariff and shall not be subject to discount.

“Regional Transaction” means a single transaction in which Regional Transmission Service is provided to an Eligible Customer, pursuant to the Second Regional Tariff.

“Regional Transmission Service” means hourly non-firm point-to-point transmission service across the Regional Transmission System provided by the Transmission Provider and other RTPs pursuant to the Second Regional Tariff.

“Regional Transmission System” means the aggregate facilities owned, controlled or operated by the RTPs that are used to provide Regional Transmission Service pursuant to this Second Regional Tariff.

“Second Participation Agreement” means that certain Second WestConnect Point-to-Point Regional Transmission Service Experiment Participation Agreement, executed as of March 31, 2011, effective as of the Effective Date (as defined therein) by and among the RTPs.

“Second Regional Tariff” means this Second WestConnect Point-To-Point Regional Transmission Service Experiment Tariff as set forth in the preamble.

“RTP” means any entity that is party to the Second Participation Agreement, and that is providing Regional Transmission Service pursuant to the Second Regional Tariff as adopted by such entity.

“Service Agreement” has the meaning set forth in Section 3.3.

“Transmission Customer” means an Eligible Customer taking Regional Transmission Service under this Second Regional Tariff.

“Transmission System” means, in respect of any RTP, the facilities owned by such RTP that are used to provide Regional Transmission Service pursuant to this Second Regional Tariff.

“wesTTrans” means the OASIS site of the RTPs, or its successor site.

Article III.

Nature of Regional Transmission Service

3.1 Hourly Service

Regional Transmission Service shall be provided on an hourly basis and can be reserved up to twenty-four (24) consecutive hours. Notwithstanding anything to the contrary contained in this Second Regional Tariff, in no event shall Regional Transmission Service be available (a) for any term that would extend beyond the Operational Period or (b) on any RTP’s Transmission System if the term would extend beyond the date on which that RTP would no longer be an RTP providing Regional Transmission Service pursuant to this Second Regional Tariff.

3.2 Reservation Priority

Regional Transmission Service shall be available from transfer capability in excess of that needed for reliable service to Native Load Customers, Network Customers and other transmission customers taking long-term and short-term firm point-to-point transmission service under an RTP’s OATT or a grandfathered agreement, and for margins or reserves required or permitted under applicable reliability standards. Subject to such availability, Regional Transmission Service shall be available on a first-come, first-served basis (i.e., in the chronological sequence in which each Eligible Customer has reserved such service).

3.3 Service Agreements

Eligible Customers must execute an umbrella service agreement in the form attached hereto as Annex A, or must have executed an umbrella service agreement in the form attached as Annex A to the predecessor Regional Tariff in effect from July 1, 2009 through June 30, 2011 (the “Service Agreement”), with all of the RTPs or each RTP whose Transmission System will be used to provide Regional Transmission Service for such Eligible Customer at any time; provided that the umbrella service agreements previously executed by Eligible Customers with RTPs shall be deemed to refer to this Second Regional Tariff and shall continue in effect and constitute Service Agreements for all purposes of this Second Regional Tariff until terminated in accordance with their terms. Executed Service Agreements that contain the information required under this Second Regional Tariff for service provided by Jurisdictional RTPs shall be filed with the Commission in compliance with all applicable Commission regulations.

3.4 Curtailment or Interruption of Regional Transmission Service

(a) If a Curtailment on the Regional Transmission System, or a portion thereof, is required, then Curtailments will be made on a non-discriminatory basis to the Regional Transaction(s) that effectively relieve the constraint. When the RTPs determine that an electrical emergency exists on the Regional Transmission System and implement emergency procedures to Curtail Regional Transmission Service, the Transmission Customer shall make the required reductions upon request of the RTPs. The RTPs reserve the right to Curtail, in whole or in part, Regional Transmission Service provided under this Second Regional Tariff for reliability reasons when an emergency or other unforeseen condition threatens to impair or degrade the reliability of the Regional Transmission System.

(b) The RTPs reserve the right to Interrupt, in whole or in part, Regional Transmission Service provided under this Second Regional Tariff for economic or other reasons in accordance with the product type priority rules established in the RTPs’ OATTs. The RTPs also will discontinue or reduce service to the Transmission Customer to the extent that deliveries for transmission are discontinued or reduced at the Regional Point(s) of Receipt.

(c) Where required, Curtailments or Interruptions will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint; provided, however, that Regional Transmission Service shall be subordinate to firm transmission service provided to Native Load Customers, customers taking Firm Point-to-Point transmission service and Network Customers under transactions that are not Regional Transactions. If multiple transactions require Curtailment or Interruption, to the extent practicable and consistent with Good Utility Practice, Curtailments or Interruptions will be made in accordance with the product type priority rules established in the RTPs’ OATTs. The RTPs will provide advance notice of Curtailment or Interruption where such notice can be provided consistent with Good Utility Practice.

(d) No credit will be given to Transmission Customers affected by Curtailments or Interruptions of Regional Transmission Service.

3.5 Classification of Regional Transmission Service

(a) Due to the short term, non-firm nature of the Regional Transmission Service, the Transmission Customer taking Regional Transmission Service may not change its Regional Point(s) of Receipt or Point(s) of Delivery to obtain alternative service on a non-firm basis. Transmission Customers may not redirect, resell, rollover or convert Regional Transmission Service.

(b) The Palo Verde/Hassayampa Common Bus will be treated as a single Regional Point of Receipt and as a single Regional Point of Delivery for transactions scheduled to or from such Common Bus.

(c) The Transmission Provider shall provide deliveries of capacity and energy from the Regional Point(s) of Receipt to the Regional Point(s) of Delivery on a non-firm basis only. Regional Points of Receipt and corresponding capacity reservations shall be as mutually agreed upon by the RTPs for Regional Transmission Service. The Transmission Customer's reserved capacity shall be the greater of either (1) the sum of the capacity reservations at the Regional Point(s) of Receipt, or (2) the sum of the capacity reservations at the Regional Point(s) of Delivery. The Transmission Customer will be billed for its reserved capacity. The Transmission Customer may not exceed its capacity reserved at each Regional Point of Receipt and each Regional Point of Delivery.

(d) Eligible Customers requesting Regional Transmission Service for the transmission of power do so with the full realization that such service is subject to availability and to Curtailment or Interruption under the terms of this Second Regional Tariff.

3.6 Withdrawal and Termination of the Second Regional Tariff

(a) The Transmission Provider may withdraw this Second Regional Tariff, and any other RTP may withdraw its Second Regional Tariff, (i) at any time prior to the Operational Date, at the sole discretion of the Transmission Provider or the RTP, respectively; (ii) at any time (either before, on or after the Operational Date), due to the occurrence or material risk of adverse regulatory action (subject to any obligations incurred for transactions already consummated under the Second Regional Tariff in which the withdrawing Transmission Provider or other RTP participated), as determined in the sole discretion of the Transmission Provider or other RTP, including, but not limited, to, conditions that may be imposed by the Commission, or as a result of intervenor action or a complaint, or any other governmental authority on the Regional Transmission Service, such as subjecting the rates, transmission revenue requirements or costs of a Non-Jurisdictional RTP to review under the Federal Power Act, either directly or indirectly, or subjecting an RTP to refunds or the possibility thereof, or (iii) at the sole discretion of the withdrawing RTP, upon ninety (90) days prior written notice effective

on or after the first anniversary of the Operational Date. It shall be a condition precedent to the effectiveness of any withdrawal that the withdrawing Transmission Provider or other RTP pay all amounts due and payable under this Second Regional Tariff prior to such withdrawal. The Transmission Provider acknowledges and agrees that this Second Regional Tariff will continue in effect notwithstanding the withdrawal of one or more other RTPs.

(b) This Second Regional Tariff will be in effect for the Operational Period and will terminate on the last day of the Operational Period, unless the Transmission Provider and the other RTPs mutually agree to terminate Regional Transmission Service prior to that date. However, any Regional Transmission Service requested prior to the termination of this Second Regional Tariff will be provided if it would have been provided under the Second Regional Tariff while in effect.

Article IV. Regional Transmission Service Terms

4.1 General Conditions

The RTPs will provide Regional Transmission Service over the Regional Transmission System to any Eligible Customer that has met the requirements of this Second Regional Tariff.

4.2 Calculation of Available Transfer Capability

The RTPs shall calculate the Available Transfer Capability (“ATC”) consistent with the applicable requirements of the Reliability Standards adopted by the North American Electric Reliability Corporation and in accordance with Attachment C of the respective RTPs’ individual OATTs.

4.3 Real Power Losses

Losses will be based on transactions across each Transmission System used in the Regional Transaction, will be monetized at the rate published in the ICE Palo Verde Financial Peak Daily Electricity Price Index or ICE Palo Verde Financial Off-Peak Daily Electricity Price Index (“Palo Verde Index”) for the trade date of the transaction, and will be paid for by the Transmission Customer.

Article V. Transmission Customer Responsibilities

5.1 Conditions Required of Transmission Customers

Regional Transmission Service shall be provided by the RTPs only if the following conditions are satisfied by the Transmission Customer:

(a) The Transmission Customer has submitted a request for service *via* the westTrans.net OASIS site;

(b) The Transmission Customer qualifies as an Eligible Customer as defined in this Second Regional Tariff, which includes satisfying the creditworthiness criteria as defined in each RTP's respective OATT;

(c) The Transmission Customer has arrangements in place for any other transmission service necessary to effect the delivery from the generating source to the Regional Transmission System prior to the time Regional Transmission Service commences;

(d) The Transmission Customer has executed a Service Agreement with the Transmission Provider and each other RTP whose Transmission System will be used for the Regional Transaction;

(e) If the Regional Transmission Service is to be used to serve load within the Control Area of an RTP, the Transmission Customer satisfies any requirements for ancillary services under Schedules 3-6 of that RTP's OATT; and

(f) If the Regional Transmission Service is to be used to deliver energy from a generator located within an RTP's Control Area to load outside that Control Area, the Transmission Customer satisfies any requirements for Generator Imbalance Service under Schedule 9 of that RTP's OATT.

5.2 Conditions Applicable to RTPs who Own Facilities Financed by Local Furnishing Bonds or Other Tax-Exempt Bonds

In addition to the conditions in Section 5.1, Regional Transmission Service shall be provided by the RTPs only if Eligible Customers requesting Regional Transmission Service comply with all special requirements (*e.g.*, Two County Furnishing Bond requirements) applicable to the RTPs that own transmission, distribution or generation facilities financed by local furnishing bonds or other tax-exempt bonds, which special requirements are specified in the RTPs' OATTs.

Article VI.
Procedures for Arranging Regional Transmission Service

6.1 Reservation of Regional Transmission Service

Requests for Regional Transmission Service shall be submitted no earlier than 0700 MST of the day before the requested Regional Transmission Service is to commence and must be received no later than 1400 MST of such day. Requests for Regional Transmission Service submitted after 1400 MST of such day will be accommodated if practicable.

6.2 Processing of Requests for Regional Transmission Service that would be more Expensive than Service under individual OATTs

If the WestConnect Deal Wizard indicates that a proposed Regional Transaction is more expensive at the Regional Rate than it would be under the combined OATT rates of the RTPs that would provide the requested Regional Transmission Service – i.e., if the “WC Regional Savings” column shows a negative amount – the Transmission Customer may still submit the request. If the request is submitted, each segment of the requested transmission path will be processed as a transmission service request under the relevant RTP’s individual OATT. A new submission of transmission service requests for the transaction to each of the relevant RTPs will not be required. In such cases, each reserved segment of the transaction will be billed by the relevant RTP individually in accordance with its OATT, and will not be billed under this Second Regional Tariff.

6.3 Determination of Available Transfer Capability

Following receipt of a transmission service request, all RTPs will make a determination on a non-discriminatory basis of ATC pursuant to Section 4.2. Such determination shall be made as soon as reasonably practicable after receipt, but not later than 30 minutes after receipt of the transmission service request.

6.4 Scheduling Regional Transmission Service

Schedules for Regional Transmission Service must be submitted to the RTPs no later than 1400 MST of the day prior to the day on which such service is to commence. Schedules for Regional Transmission Service submitted after that time will be accommodated if practicable. Hour-to-hour schedules of energy to be delivered must be stated in increments of 1 megawatt per hour. Scheduling changes will be permitted up to 20 minutes before the start of the next clock hour provided that the Delivering Party and Receiving Party also agree to the schedule modification. The RTPs participating in a Regional Transaction will furnish to the Delivering Party’s system operator hour-to-hour schedules equal to those furnished by the Receiving Party and shall deliver the capacity and energy provided by such schedules on a non-firm basis. Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the RTPs providing the Regional Transmission Service for

the transaction, and the RTPs shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered. A Regional Transaction can be annulled at the request of the Transmission Customer only if all of the RTPs that would participate in the Regional Transaction agree to annul it. Transmission Customers will not be charged for reservations of Regional Transmission Service when all of the RTPs that would have participated in providing the service agree to annul it.

6.5 Tagging Regional Transactions

Regional Transmission Service is to be utilized and tagged in each case across the Transmission Systems of all of the RTPs involved in the Regional Transaction. Each Regional Transaction must be tagged with an E-Tag that includes all segments of the Regional Transmission Service reserved. If a Transmission Customer tags only one of the segments of a reserved path, the E-Tag will not be considered a Regional Transmission Service tag, and will be processed in accordance with the individual Transmission Provider's OATT, with appropriate ancillary service charges and losses being assessed.

Article VII. Regional Transmission Service Rates

7.1 Regional Transmission Service Rates

For each Regional Transaction, Transmission Customer agrees to pay the following charges:

- (a) **Regional Charge.** A charge (in \$) equal to the product of (i) the total reserved megawatts for such Regional Transaction (in MWs) multiplied by (ii) the Regional Rate (in \$/MW) for such Regional Transaction; plus
- (b) **Ancillary Service 1 Charge.** An Ancillary Service 1 charge (in \$) equal to the product of (i) the total megawatts for such Regional Transaction (in MWs) multiplied by (ii) the sum of the rate (in \$/MW) for scheduling, system control and dispatch service as each component is specified in the OATT for each RTP that participated in the Regional Transaction, provided that for any such RTP that charges a per-transaction based Ancillary Service 1 rate, the Transmission Customer will pay that RTP's per-transaction based Ancillary Service 1 rate; plus
- (c) **Ancillary Service 2 Charge.** An Ancillary Service 2 charge (in \$) equal to the product of (i) the total megawatts for such Regional Transaction (in MWs) multiplied by (ii) the rate (in \$/MW) for reactive supply and voltage control as each component is specified in the OATT of the last RTP (i.e., the RTP that transmits the Transmission Customer's energy to the Regional Point of Delivery) participating in the Regional Transaction; plus
- (d) **Additional Ancillary Services.** Additional Ancillary Services; i.e. Ancillary 3: Regulation and Frequency Response Service; Ancillary 4: Energy

Imbalance Service; Ancillary 5: Operating Reserve – Spinning Reserve Service; Ancillary 6: Operating Reserve – Supplemental Reserve Service; and Ancillary 9 – Generator Imbalance Service, to the extent required in conjunction with a Regional Transaction, as offered in accordance with the appropriate RTP’s OATT; plus

(e) **Losses Charge.** A losses charge (in \$) equal to the product of (i) the total megawatts for such Regional Transaction (in MWs) multiplied by (ii) the sum of the loss rates (in %) as each component is specified in the OATT for each RTP that participated in the Regional Transaction (monetized based on the applicable Palo Verde Index price); plus

(f) **Administrative Charges.** An administrative charge (“Administrative Charge”) of \$0.95 per MWH of Regional Transmission Service reserved during the Operational Period; provided that the Administrative Charge will increase to \$1.20 per MWH of Regional Transmission Service reserved during the second twelve month period of the Operational Period if the volume of Regional Transactions during the first twelve month period of the Operational Period is less than 120,000 MWH. The Administrative Charge is designed to cover the costs of the Billing Agent.

These charges shall not be discounted.

7.2 Payment to Billing Agent Account

All charges for Regional Transmission Service provided for in this Second Regional Tariff shall be billed to the Transmission Customer by the Billing Agent and paid by the Transmission Customer to the Billing Agent. The Billing Agent will also be responsible for making any refunds to which the Transmission Customer may be entitled in respect of a Regional Transaction.

Article VIII. Dispute Resolution and Governing Law

8.1 Internal Dispute Resolution Procedures

Any dispute between a Transmission Customer and an RTP involving transmission service under this Second Regional Tariff (excluding applications for changes to the Second Regional Tariff, or to any Service Agreement entered into by a Jurisdictional RTP under the Second Regional Tariff or its predecessor, which shall be presented directly to the Commission for resolution) shall be referred to a designated senior representative of the RTP and a senior representative of the Transmission Customer for resolution on an informal basis as promptly as practicable. In the event the designated representatives are unable to resolve the dispute within thirty (30) days [or such other period as the Transmission Customer and the RTP may agree upon] by mutual agreement, such dispute may be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below.

8.2 External Arbitration Procedures

Any arbitration initiated under this Second Regional Tariff shall be conducted before a single neutral arbitrator appointed by the parties to the dispute (hereinafter, the “Parties”). If the Parties fail to agree upon a single arbitrator within ten (10) days of the referral of the dispute to arbitration, each of the Parties shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall generally conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association and any applicable Commission regulations.

8.3 Arbitration Decisions

Unless otherwise agreed, the arbitrator(s) shall render a decision within ninety (90) days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the Second Regional Tariff and any Service Agreement entered into under the Second Regional Tariff and shall have no power to modify or change any of the above in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act and/or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with the Commission if it affects jurisdictional rates, terms and conditions of service or facilities.

8.4 Costs

Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable:

1. the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or
2. one half the cost of the single arbitrator jointly chosen by the Parties.

8.5 Rights Under The Federal Power Act; Governing Law

(a) Nothing in this section shall restrict the rights of any party to file a complaint with the Commission under relevant provisions of the Federal Power Act.

(b) The validity, interpretation and performance of this Second Regional Tariff and each of its provisions shall be governed by federal law and/or by the law of the state in which the Transmission Provider has its principal place of business (unless preempted by federal law).

ANNEX A
Form of Service Agreement for
Second WestConnect Point-To-Point Regional Transmission Service Experiment
Tariff

- 1.0 This Service Agreement, dated as of [_____] (this “Service Agreement”), is entered into by and between [_____] ¹⁰(“RTP” and collectively, with other transmission providers providing service in a Regional Transaction, the “RTPs”) and [_____] ¹¹(the “Transmission Customer”). Capitalized terms used but not defined herein shall have the meanings assigned to them in the RTP’s Second WestConnect Point-To-Point Regional Transmission Service Experiment Tariff (the “Second Regional Tariff”).
- 2.0 The Transmission Customer has been determined by the RTP to be a Transmission Customer under the Second Regional Tariff.
- 3.0 Service under this Agreement shall be provided by the RTP upon request by an authorized representative of the Transmission Customer.
- 4.0 The Transmission Customer agrees: (a) to supply information that the RTP deems reasonably necessary in accordance with Good Utility Practice in order to provide any requested Regional Transmission Service; and (b) to provide information to the RTPs and the Billing Agent pursuant to and in accordance with the Second Regional Tariff in connection with any requested Regional Transmission Service.
- 5.0 The RTP agrees to provide and the Transmission Customer agrees to take and pay for the requested Regional Transmission Service in accordance with the provisions of the Second Regional Tariff and this Service Agreement.
- 6.0 Regional Transmission Service under this Service Agreement shall commence on the later of (a) the requested commencement date, or (b) such other date as the requested Regional Transmission Service is permitted to become effective by the Commission, if applicable. Regional Transmission Service under this Service Agreement shall terminate on such date as is mutually agreed upon by the Transmission Customer and the RTP, but no later than the earliest to occur of (i) the last day of the Operational Period under the Second Regional Tariff, (ii) the date of withdrawal of the Second Regional Tariff by the RTP, or (iii) the date of termination of the Second Regional Tariff by the RTPs.
- 7.0 Transmission Customer acknowledges and agrees that the RTP may withdraw at any time its Second Regional Tariff in accordance with the terms and conditions thereof and that effective upon such withdrawal this Service Agreement shall

¹⁰ Include name of applicable RTP.

¹¹ Include name of Eligible Customer requesting Regional Transmission Service.

automatically terminate solely with respect to the RTP, without any action by any party hereto.

8.0 Any notice or request made to or by a party hereto regarding this Service Agreement shall be made to the representative(s) of the other party or parties hereto as indicated below:

RTP:

Name: _____
Address: _____
Address 2: _____
City, ST Zip: _____
Attention: _____

Transmission Customer:

Name: _____
Address: _____
Address 2: _____
City, ST Zip: _____
Attention: _____

9.0 The Second Regional Tariff is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

RTP:

By: _____
Name

Printed Name

Title

Date

Transmission Customer:

By: _____
Name

Printed Name

Title

Date

EXHIBIT 2
FORM OF ADDENDUM

By execution of this addendum (this "Addendum") to the Second WestConnect Point-to-Point Regional Transmission Service Experiment Participation Agreement, executed as of March 31, 2011 (the "Second Participation Agreement"), the undersigned hereby joins in the execution of the Second Participation Agreement, by and among Arizona Public Service Company, El Paso Electric Company, Public Service Company of Colorado, Public Service Company of New Mexico, Southwest Transmission Cooperative, Inc., Tri-State Generation and Transmission Association, Inc., Tucson Electric Power Company, Western Area Power Administration and each other person that becomes an RTP thereunder after the date and pursuant to the terms thereof (each, an "RTP" and, collectively, the "RTPs"). By executing this Addendum, the undersigned hereby agrees that it will become a Party to the Second Participation Agreement and agrees to be bound by all of the terms and provisions of the Second Participation Agreement applicable to a Party thereto, subject to any applicable Regulatory Approvals. Effective as of the date this Addendum is declared effective by the Commission, if applicable, and upon receipt of any other applicable Regulatory Approvals, the undersigned shall be an RTP for all purposes of the Second Participation Agreement, shall be bound by the terms and conditions thereof, and shall have all of the rights, duties and obligations of an RTP under the Second Participation Agreement.

The undersigned represents and warrants to the other RTPs that each of the representations and warranties in Article 7 of the Second Participation Agreement is true and correct with respect to the undersigned as of the date hereof. The address, facsimile number and email address of the undersigned for purposes of Section 8.2 of the Second Participation Agreement are set forth below.

[NEW RTP]

By _____

Title _____

Attn: _____

Telephone: ([____]) [_____]

Facsimile: ([____]) [_____]

Email: [_____]

APPENDIX A-1

**SECOND WESTCONNECT
POINT-TO-POINT REGIONAL TRANSMISSION SERVICE EXPERIMENT
PARTICIPATION AGREEMENT**

This Second WestConnect Point-to-Point Regional Transmission Service Experiment Participation Agreement (~~(“this “Agreement”~~) is entered into by and among the regional transmission providers listed in Exhibit A, which exhibit shall be revised from time to time to reflect new and withdrawn parties (each, an “RTP” and, collectively, the “RTPs”). ~~Each of the~~The RTPs ~~is~~are sometimes herein referred to individually as a “Party” and collectively as the “Parties.”

RECITALS:

WHEREAS, WestConnect is a group of utilities providing transmission service within the Western Interconnection that have agreed to work collaboratively to assess stakeholder and market needs in the wholesale electricity market and to pursue implementation of cost-effective enhancements to the wholesale electricity market (“WestConnect”);¹²

~~WHEREAS, other transmission owners in the Western Interconnection may participate in this Agreement, subject to the terms and conditions set forth in Section 2.5 of this Agreement;~~

~~WHEREAS, in furtherance of the goals of WestConnect, the predecessor group of regional transmission providers (the “Initial RTPs have”) agreed in November 2008 to develop and implement, on an experimental trial basis for a period of two years, regional transmission service across their transmission systems, at non-pancaked transmission rates; and~~

~~WHEREAS, on July 1, 2009, the Initial RTPs began providing regional transmission service pursuant to the WestConnect Point-to-Point Regional Transmission Service Experiment Participation Agreement, executed as of November 25, 2008, as amended by Amendment 1 thereto, executed as of June 12, 2009 (the “Initial Participation Agreement”);~~

~~WHEREAS, the two-year Operational Period as defined in the Initial Participation Agreement will end on June 30, 2011; and~~

WHEREAS, the RTPs wish to memorialize the terms and conditions by which they will provide, on an experimental trial basis, regional transmission service across their transmission systems after June 30, 2011, as set forth herein;

¹² While this Experiment is a WestConnect-sponsored project, not all WestConnect members plan to participate in the Experiment at the time of initial filing of this Agreement.

NOW, THEREFORE, the RTPs, intending to be legally bound, agree as follows:

ARTICLE 1 DEFINITIONS; INTERPRETATION

1.2 Definitions. Unless the context otherwise requires, capitalized and defined terms used herein shall have the meanings given to them below:

“Billing Agent” means an independent third party to be retained by the Parties to act as billing agent for Regional Transactions.

“Billing Agent Agreement” means the agreement among the RTPs and the Billing Agent that sets forth the terms governing the responsibilities of the Billing Agent and related rights and obligations of the parties thereto.

“Commission” means the Federal Energy Regulatory Commission or any successor thereto.

“Committee Representative” has the meaning set forth in Section 3.1.

“Effective Date” means, ~~as to all Parties listed in Exhibit A attached hereto, the earlier of (a) the date as of which July 1, 2011, provided that~~ all requisite regulatory filings have been accepted and declared effective, or other approvals of regulatory authorities or governmental authorities for the implementation of this Agreement have been obtained, as determined by the Management Committee; or ~~(b) such other later~~ date as may be mutually agreed upon in writing by the RTPs ~~listed in Exhibit A.~~

“Eligible Customer” is an entity that has met the conditions required of transmission ~~Customers~~ customers to take point-to-point transmission service under the respective OATT of each RTP providing service for a particular Regional Transaction.

“End Date” has the meaning set forth in Section 2.4.

“Experiment” shall mean the ~~two-year~~ regional transmission pricing initiative ~~sponsored by WestConnect and~~ conducted pursuant to the terms of this Agreement.

“Good Utility Practice” shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry operating within the western reliability region of the North American Electric Reliability ~~Council~~ Corporation during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition.

Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

“Jurisdictional RTP” means an RTP that is subject to the jurisdiction of the Federal Energy Regulatory Commission under Sections 205 and 206 of the Federal Power Act, as in effect during the Operational Period (as defined in Section 2.1).

“Management Committee” has the meaning set forth in Section 3.1.

“Non-Jurisdictional RTP” means an RTP that is not subject to the jurisdiction of the Commission under Sections 205 and 206 of the Federal Power Act, as in effect during the Operational Period (as defined in Section 2.1).

“OATT” means, in respect of a particular RTP, the open access transmission tariff of such RTP on file with the Commission or, if such RTP is not required to file such tariff with the Commission, the open access transmission tariff of such RTP posted on its OASIS.

“Operational Date” means the July 1, 2011, or such later date occurring after the Effective Date that is set by the Management Committee if necessary to reasonably assure that the following conditions precedent have been satisfied by such date:

- (a) Each RTP shall have completed its respective Start Up Activities and so notified the Management Committee, and the Management Committee shall have concurred with the completion of the same;
- (b) Any other condition, reasonably required for the commencement of the Experiment and identified by the Management Committee, shall have been satisfied. **as provided**

“Operational Period” has the meaning set forth in Section 2.1- below.

“Party” and “Parties” have the meanings set forth in the preamble.

“Regional Rate” means the highest of the ceiling rates for hourly non-firm transmission service posted on the respective OASIS of the RTPs who would provide Regional Transmission Service, for service under their OATTs at the time of the Regional Transaction.

“Party” and “Parties” have the meanings set forth in the preamble.

“Regional Rate” means the highest of the ceiling rates for hourly non-firm transmission service posted on the respective OASIS of the RTPs who would provide

~~Regional Transmission Service, for service under their OATTs at the time of the Regional Transaction.~~

~~“Regional Tariff” means that certain WestConnect Experimental Point-To-Point Regional Transmission Service Tariff attached hereto as Exhibit 1.~~

“Regional Transaction” means a single transaction in which Regional Transmission Service is provided to an Eligible Customer, pursuant to the Second Regional Tariff.

“Regional Transmission Customer” means an Eligible Customer taking Regional Transmission Service under the Second Regional Tariff.

“Regional Transmission Service” means hourly non-firm point-to-point transmission service across the Regional Transmission System provided by the RTPs pursuant to the Second Regional Tariff and this Agreement.

“Regional Transmission System” means the facilities owned, controlled or operated by the RTPs that are used to provide Regional Transmission Service pursuant to the Second Regional Tariff.

“Regulatory Approval” means any authorization, consent, approval, license, lease, ruling, permit, tariff, rate, acceptance for filing, certification, exemption, variance, order, judgment, decree, publication, declaration or registration issued by a Regulatory Authority.

“Regulatory Authority” means any federal, state, county, municipal or other government, quasi-government or regulatory authority, agency, board, body, commission, instrumentality, court or tribunal, or any political subdivision of any thereof.

“Second Regional Tariff” means the Second WestConnect Experimental Point-To-Point Regional Transmission Service Tariff attached hereto as Exhibit 1.

“Start Up Activities” means those activities, including without limitation the negotiation and execution of a Billing Agent Agreement, required for the Experiment to proceed operationally as determined by the Management Committee and memorialized in writing.

“Term” has the meaning set forth in Section 2.1.

“Western Interconnection” means the interconnected electrical transmission system located in the western region of the United States.

“wesTTrans” means the OASIS site of the RTPs, or its successor site.

ARTICLE 2
TERM; WITHDRAWAL; TERMINATION; ADDITIONAL RTPS

2.1 Term. Following the due execution and delivery by all Parties listed in Exhibit A attached hereto, the Parties shall be bound as provided in Section 2.2(a) below only, and all other terms of this Agreement shall become effective on the Effective Date. After the Effective Date has occurred, the Experiment shall become operational on, and shall remain operational for a period of ~~seven hundred thirty (730) days~~ two years (the “Operational Period”) from, the ~~date as of which the Management Committee shall have reasonably determined that the following conditions precedent have been satisfied (the “Operational Date”):~~

- ~~(a) Each RTP shall have completed its respective Start Up Activities and so notified the Management Committee, and the Management Committee shall have concurred with the completion of the same;~~
- ~~(b) Any other condition, reasonably required for the commencement of the Experiment and identified by the Management Committee, shall have been satisfied.~~

Subject to the provisions of Section 2.4 below, this Agreement shall remain in full force and effect for a period (the “Term”) commencing on the Effective Date and ending on the date that the Parties have completed all tasks required in connection with the final assessment of the Experiment following the Operational Period as determined by the Management Committee.

2.2 Tasks During Certain Periods.

(a) Between the date of execution of this Agreement by all Parties ~~listed in Exhibit A~~ and the Effective Date, the Parties agree to take all reasonable action necessary and appropriate to obtain all necessary Regulatory Approvals in connection with the performance by the Parties of their respective obligations under this Agreement and the consummation by the Parties of the transactions contemplated hereby.

(b) Following the ~~occurrence~~execution of ~~the Effective Date~~this Agreement by all Parties, the Parties shall cooperate with each other in taking all reasonable action necessary and appropriate to bring about complete or satisfy the conditions precedent that must be completed or satisfied prior to the Operational Date and in order to implement the Experiment as soon as reasonably practicable. ~~During such period, the software for the implementation of the Experiment will be developed, put in place, and tested.~~

(c) Following the occurrence of the Operational Date, the Parties shall cooperate with one another in implementing the Second Regional Tariff and this Agreement in accordance with their terms during the Operational Period.

(d) Following the end of the Operational Period, the Parties shall cooperate with each other in taking all reasonable action necessary and appropriate to conclude all remaining financial settlements in connection with the Experiment, to perform the assessment of the Experiment, and to assemble and distribute as appropriate all data and information compiled during the Experiment, subject to any confidentiality or other restrictions.

2.3 Withdrawal. Notwithstanding any provision to the contrary contained in this Agreement, an RTP may withdraw from this Agreement (a) at any time prior to the Operational Date, at the sole discretion of the withdrawing RTP; (b) at any time (either before, on or after the Operational Date), due to the occurrence or material risk of adverse regulatory action (subject to any obligations incurred for transactions already consummated under the Second Regional Tariff in which the withdrawing RTP participated), as determined in the sole discretion of the withdrawing RTP, including, but not limited to, conditions that may be imposed by the Commission or any other ~~governmental authority~~Regulatory Authority, or as a result of intervenor action or a complaint, on the Regional Transmission Service such as subjecting the rates, Transmission Revenue Requirements (“TRRs”) or costs of a Non-Jurisdictional RTP to review under the Federal Power Act, either directly or indirectly, or subjecting an RTP to refunds or the possibility thereof; or (c) upon ninety (90) days prior written notice to the other Parties, effective at any time on or after the first anniversary of the Operational Date, for any reason and at the sole discretion of the withdrawing RTP. It shall be a condition precedent to the effectiveness of any withdrawal that the withdrawing RTP pay all amounts due and payable under this Agreement prior to such withdrawal. The Parties acknowledge and agree that this Agreement shall continue in effect with respect to the

remaining Parties in accordance with its terms notwithstanding the withdrawal of one or more RTPs.

2.4 Termination. This Agreement shall terminate on the date (the “End Date”) that is the earlier of: (a) the last day of the Term; (b) ~~the date which is two hundred seventy (270) days after the Execution Date (or such later date as the Parties may mutually agree upon in writing), if the Operational Date has not occurred by such date; or (c)~~ such other date as the Parties may mutually agree upon in writing.

Notwithstanding the termination of this Agreement, each RTP shall remain liable for all amounts due and payable under this Agreement prior to such termination.

2.5 Additional RTPs. Any entity (including an entity which is not a member of WestConnect) may become a party to this Agreement prior to the end of the 12th month of the Operational Period if it: (a) owns, controls or operates transmission facilities rated at 115 kV and above, which are interconnected with the Regional Transmission System; (b) has an OATT and maintains an OASIS on wesTTrans (or another compatible site) with one or more Posted Paths (as defined in the Commission’s rules and regulations at 18 C.F.R. § 37.6(b)(1)(i)) over which transmission service is available for sale to Eligible Customers; and (c) executes an addendum to this Agreement in the form attached hereto as Exhibit 2 and, where applicable, the addendum is accepted for filing by the Commission and any other Regulatory Approval is received with respect thereto. Where applicable, effective as of the date the addendum is declared effective by the Commission and upon receipt of any other applicable Regulatory Approvals, (i) the new entity shall become an RTP for all purposes of this Agreement, shall be bound by the terms and conditions of this Agreement, and shall have all of the rights, duties and obligations of an RTP under this Agreement and (ii) the Parties shall prepare and deliver a supplement to Exhibit A adding the new entity to the list of RTPs and a supplement to Schedule 8.2 attached hereto setting forth the notice information with respect to the new RTP. Any new RTP shall be responsible for all costs and expenses associated with integrating its facilities into the Regional Transmission System into the Regional Tariff and wesTTrans for purposes of the Second Regional Tariff.

ARTICLE 3 MANAGEMENT COMMITTEE

3.4 Management Committee. Each Party shall appoint one committee representative (“Committee Representative”) and an alternate to the WestConnect Experimental Point-to-Point Regional Transmission Service Management Committee (“Management Committee”) to oversee and facilitate the performance of the responsibilities set forth in this Agreement, the Billing Agent Agreement and any other agreements related thereto.

3.5 Certain Procedures. Each Committee Representative shall serve on the Management Committee at the pleasure of the Party that appointed such Committee Representative and may be removed or replaced by such Party at any time. At the initial meeting under this Agreement and annually thereafter, the Committee Representatives

shall elect one Committee Representative as chairperson (“Chairperson”) of the Management Committee. If a Party’s designated Committee Representative is unable to attend or participate in a Management Committee meeting, the Committee Representative may designate an alternate person to represent that Party as its Committee Representative.

3.6 Committee Responsibilities. The responsibilities of the Management Committee shall be as follows:

(a) To appoint a Chairperson for the Management Committee and to appoint or dissolve permanent or ad hoc committees or work groups, as necessary, to design and carry out the Experiment as well as to monitor the effects of the Experiment on business and operations of both the RTPs and the Regional Transmission Customers.

(b) To perform a comprehensive mid-term assessment near the end of the first year of the Experiment and document the performance of the Experiment.

(c) To perform a complete final assessment of the Experiment following the completion of the Operational Period and provide a recommendation for further action to the WestConnect Steering Committee within ninety (90) days after the last day of that period.

(d) To ensure that each RTP has secured the services of the Billing Agent.

(e) To work cooperatively with the WestConnect Steering Committee.

(f) To address and facilitate decisions respecting termination of this Agreement, as applicable, consistent with the provision of Article 2 hereof.

(g) To do such other things and carry on any other activities that the Management Committee determines to be necessary, advisable, appropriate, convenient or incidental for the Experiment.

3.5. Management Committee Voting.

(a) Each Committee Representative shall have one vote on all matters put to a vote of the Management Committee.

(b) Voting Percentages

(i) Except as provided in Section 3.4(h), the Management Committee shall vote on decision items only upon the establishment of a quorum, which shall equal at least fifty-one (51) percent of the Committee Representatives or their designated alternates. Once a quorum has been established,

the approval of any decision item other than those indicated in clause (ii) of this Section shall require the affirmative vote of eighty (80) percent or greater of the Committee Representatives present in person or by conference telephone.

- (ii) Management Committee approval of (A) election of the Chairperson, (B) appointment of the Billing Agent, or (C) termination or modification of this Agreement, shall require the affirmative vote of eighty (80) percent or greater of all Committee Representatives.

(d) The Management Committee shall meet at least one time per year. Additional meetings may be held at other times upon a call for a meeting by the Chairperson or by any two or more Committee Representatives. The meetings may be held in any reasonably accessible location in the Western region of the United States or in any other location upon approval of the Management Committee. It is the intent of the Parties that meetings of the Management Committee be coordinated with meetings of the WestConnect Steering Committee to the extent possible.

(d) Notice of any meeting of the Management Committee, including the meeting agenda, shall be given to each Committee Representative by the Chairperson at least five (5) business days in advance of the meeting by (i) giving notice to such Committee Representative in person or by telephone, (ii) by sending a telecopy or electronic mail, or delivering written notice by hand, to such Committee Representative's last known business, home or electronic mail address, or (iii) by sending written notice, via reputable overnight courier providing a receipt for delivery, to such Committee Representative's last known business or home address. Notice shall include a proposed agenda for each meeting. Emergency meetings of the Management Committee may be called upon fewer than five (5) business days' notice upon approval of a majority of the members of the Management Committee provided that an attempt to give notice to each Committee Representative is made with such notice describing the subject matter to be discussed at the emergency meeting.

(e) A Committee Representative may appear and vote at any meeting of the Management Committee and may execute waivers of notice, consents or approvals through the agency of any employee of the Party that appointed such Committee Representative, provided such agent is authorized to so act on behalf of the Committee Representative by the terms of a written or electronically mailed proxy that has been executed by such Committee Representative and delivered in advance to the Chairperson of the Management Committee.

(f) Committee Representatives may participate in meetings of the Management Committee or any subcommittee thereof by means of conference telephone or other communications equipment by means of which all persons participating in the

meetings can hear each other, and participation by such means shall constitute presence in person at such meeting.

(g) Entities not parties to this Agreement may attend and participate in meetings of the Management Committee, but may not vote on matters that come before the Management Committee for decision. The Management Committee may enter into closed-door sessions to deliberate upon sensitive issues or other matters requiring privacy, during which time other meeting attendees will be required to withdraw.

(h) Any action required or permitted to be taken at any meeting of the Management Committee may be taken without a meeting if prior notice is provided to all Committee Representatives and eighty (80) percent of all Committee Representatives consent in writing or by electronic transmission to take the action without a meeting, with copies of the written consents and electronic transmissions sent to all Committee Representatives.

ARTICLE 4 REGIONAL TRANSMISSION SERVICE

4.1 Adoption of Second Regional Tariff. After the date of execution of this Agreement, each RTP shall take all necessary action to adopt the Second Regional Tariff and, where applicable, seek all necessary Regulatory Approvals in connection therewith as contemplated by Section 4.4.

4.2 Regional Transmission Service. Each RTP shall provide Regional Transmission Service over the Regional Transmission System pursuant to the Second Regional Tariff during the Operational Period unless and until such RTP withdraws from this Agreement or this Agreement is terminated, in each case in accordance with its terms.

4.3 General Purpose and Structure of Regional Transmission Service. The Second Regional Tariff and Regional Transmission Services to be provided thereunder are designed to offer Regional Transmission Customers the alternative of purchasing non-firm point-to-point transmission service across the Regional Transmission System at a single regional rate, instead of “pancaked” rates that would otherwise apply by the application of each RTP’s OATT rates. Under the Second Regional Tariff, the Regional Transmission Customer will have the right to obtain Regional Transmission Service at the Regional Rate. Charges for Regional Transmission Service will also include, among other things, an Administrative Charge (as defined in the Second Regional Tariff) to cover the costs of the Billing Agent, all in accordance with the Second Regional Tariff.

4.4 Filing of Agreement. Following the date of execution of this Agreement, each of the Jurisdictional RTPs shall use commercially reasonable efforts to jointly file, as soon as practicable, this Agreement as a rate schedule of WestConnect and the Second Regional Tariff as a rate schedule of the respective Jurisdictional RTP with the

Commission and to make such other filings and take such other actions as may be necessary to make the provisions of this Agreement and the Second Regional Tariff legally effective. Each of the RTPs is encouraged to file comments in support of all such filings and actions and shall not take any action against, or support any other person in any action against, any such filings or actions. The rates for service specified in the Second Regional Tariff and the related distribution of revenues specified herein shall remain in effect for the term of the Experiment, subject to the rights of parties to join or withdraw as provided herein, and shall not be subject to change through application to the ~~Federal Energy Regulatory~~ Commission pursuant to the provisions of sections 205 or 206 of the Federal Power Act absent the agreement of all ~~parties~~Parties to this Agreement.

4.5 Other Transmission Service Not Affected. Regional Transmission Service provided by the RTPs pursuant to the Second Regional Tariff shall not supplant or otherwise affect the transmission service(s) offered separately by each RTP under its respective OATT. In addition to, or in lieu of, Regional Transmission Service provided under ~~this~~the Second Regional Tariff, Eligible Customers may obtain non-regional transmission service(s) (e.g., network integration transmission service or point-to-point transmission service) from one or more RTPs under each RTP's respective OATT or other applicable tariff.

4.6 Revenue Distribution. Subject to the further provisions of this paragraph, revenues derived from the provision of Regional Transmission Service for each transaction shall be distributed such that each RTP that provides transmission service for the transaction will receive a share of those revenues based on the ratio of (i) its applicable OASIS-posted ceiling rate for the transmission service provided to (ii) the sum of the applicable OASIS-posted ceiling rates for the transmission service of all of the RTPs providing the service. For all Regional Transactions in which the Western Area Power Administration ("Western") participates, its share of revenues shall be capped at its applicable OASIS-posted all-hours non-firm rate. The revenues from transactions in which Western participates when the cap on its revenue share applies shall be distributed first to Western up to its cap and then between the other RTPs providing transmission service for the transaction in accordance with the foregoing ratio calculated among themselves only, provided that none of the RTPs shall receive more than the ceiling rate for non-firm point-to-point transmission service posted on its OASIS.

ARTICLE 5 INDEMNITY; NO CONSEQUENTIAL DAMAGES

5.1 Indemnification.

(a) Except as may be prohibited by law and subject to paragraphs (b) and (c) of this Section 5.1, each RTP shall indemnify, defend and hold harmless each other RTP and its respective directors, officers, employees, principals, representatives and agents from and against any and all third-party claims, demands, liabilities, losses, causes of action, awards, fines, penalties, litigations, costs and expenses (collectively, "Claims") asserted against or incurred by any of them resulting from or based upon

breach of the terms and conditions of this Agreement or by the gross negligence or willful misconduct of such first referenced RTP and its respective directors, officers, employees, principals, representatives and agents.

(b) Each RTP shall, to the extent provided herein, indemnify each other RTP from and against liability for refunds to Regional Transmission Customers resulting from or based upon an order of the Commission or other governmental authority having jurisdiction in the matter finding that the Regional Rate charged for Regional Transactions from which such first referenced RTP received revenues was in excess of the lawful rate. The amount of such indemnification shall be limited to the amount of excess revenue received by the indemnifying Party plus any applicable interest, as determined in accordance with such order. As a condition for benefiting from the indemnification provided for in paragraphs (a) and (b) of this Section 5.1, a Party that may be entitled to such indemnification shall give prompt notice of any proceeding concerning such potential refund liability to any Party that may become obligated to provide indemnification and shall not object to the participation of the latter Party in any such proceeding.

(c) Nothing in this Agreement shall be deemed to waive, limit or impair in any degree the exemption of any Non-Jurisdictional RTP from the provisions of the Federal Power Act, or to submit any Non-Jurisdictional RTP to the jurisdiction of the Commission thereunder. Nothing in this Section 5.1 shall be deemed to prevent any RTP from indemnifying any other RTP to the extent provided in paragraph 5.1(b) for refund liability arising out of transactions from which the indemnifying RTP received revenue, provided that no Parties are voluntarily submitting to refund authority that the Commission does not otherwise have.

(d) Notwithstanding the foregoing, the Western Area Power Administration (“Western”) shall be liable for negligence on the part of its officers and employees in accordance with the Federal Tort Claims Act, as amended, and shall be liable to reimburse any other RTP for excess revenue received by Western, plus any applicable interest, only to the extent consistent with applicable Federal Law.

5.2 No Consequential Damages. The RTPs shall not be liable to one another under this Agreement (by way of indemnification, damages or otherwise) for any indirect, incidental, exemplary, punitive, special or consequential damages.

ARTICLE 6 DISPUTE RESOLUTION

6.1 Disputes. Any controversy, claim or dispute of whatsoever nature or kind between or among the Parties arising out of or in connection with this Agreement (each a “Dispute”) shall be resolved pursuant to the procedures of this Article 6.

6.2 Dispute Notices. If a Dispute arises between or among the Parties, then any Party to such Dispute may provide written notice thereof to the other Parties,

including a detailed description of the subject matter of the Dispute (the “Dispute Notice”). The Dispute Notice shall identify the Party or Parties to the Dispute, which shall participate in the dispute resolution process. Each other Party shall inform the other Parties in writing whether it will participate in the dispute resolution process. The Party providing the Dispute Notice, each other Party identified in the Dispute Notice as a party to the Dispute and each other Party electing to participate in the Dispute shall be referred to as a “Disputing Party.”

6.3 Informal Resolution of Disputes. Upon the issuance or receipt of a Dispute Notice, the representatives of each Disputing Party shall in good faith attempt to resolve such Dispute by informal negotiations within sixty (60) days from the date of receipt of such Dispute Notice. If the Dispute is not resolved within sixty (60) days following receipt of the Dispute Notice or such later date as the Disputing Parties may mutually agree, then each Disputing Party shall promptly designate its most senior executive responsible for the subject matter of the Dispute who shall have authority to resolve the Dispute. The senior executives shall obtain such information as may be necessary to inform themselves of the substance and particulars of the Dispute and shall meet within thirty (30) days, at a time and place mutually acceptable to the senior executives. If the senior executives are unable to resolve the Dispute within forty-five (45) days of their first meeting or such later date as the senior executives may mutually agree, then, unless prohibited by law, the Dispute shall be resolved solely and exclusively by binding arbitration in accordance with Section 6.4; provided, however, that the Parties acknowledge and agree that a Dispute over which a governmental authority has exclusive jurisdiction shall, in the first instance, be brought before and resolved by such governmental authority.

6.4 Binding Arbitration. Disputes that are not resolved pursuant to Section 6.3 shall be resolved by binding arbitration before an independent arbitrator mutually acceptable to the Disputing Parties. The arbitration shall be conducted in a place to be mutually agreed to by the Disputing Parties and in the absence of such agreement, in Phoenix, Arizona. The arbitration shall be conducted in accordance with the American Arbitration Association’s commercial arbitration rules then in force and effect.

ARTICLE 7 REPRESENTATIONS AND WARRANTIES

Each Party represents and warrants to the other Parties as of the date of execution of this Agreement as follows:

- (a) It is duly formed, validly existing and in good standing under the laws of the jurisdiction of its formation or organization.
- (b) Subject to Regulatory Approvals, it has all requisite power necessary to own its assets and carry on its business as now being conducted or as proposed to be conducted under this Agreement.

(c) Subject to Regulatory Approvals, it has all necessary power and authority to execute and deliver this Agreement and to perform its obligations under this Agreement, and the execution and delivery of this Agreement and the performance by it of this Agreement have been duly authorized by all necessary action on its part.

(d) The execution and delivery of this Agreement and the performance by it of this Agreement do not and shall not: (i) violate its organizational documents; (ii) violate any applicable laws; or (iii) result in a breach of or constitute a default of any material agreement to which it is a party.

(e) Assuming the due authorization, execution and delivery of this Agreement by each other Party, and subject to Regulatory Approvals, this Agreement constitutes its legal, valid and binding obligation enforceable against it in accordance with its terms, except as the same may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights generally and by principles of equity regardless of whether such principles are considered in a proceeding at law or in equity.

ARTICLE 8 MISCELLANEOUS TERMS

8.1 Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Arizona, except to the extent preempted by federal law.

8.2 Notices. All notices, consents, waivers and other communications required or permitted by this Agreement to be given to another Party will be in writing and will be deemed to have been given when (a) delivered to the other Party's address personally, by messenger, by a nationally or internationally recognized overnight delivery service or otherwise, (b) sent to the other Party by facsimile, ~~telex~~, e-mail or other electronic transmission, with confirmation of transmission by the transmitting equipment; or (c) received or rejected by the other Party, if sent by certified mail, return receipt requested, in each case, addressed to the other Party at its address, facsimile number or email address and marked to the attention of the person designated on Schedule 8.2 attached hereto (or to such other address, facsimile number, e-mail address or person as a Party may designate by notice to the other Parties in accordance with this Section 8.2).

8.3 Entire Agreement. This Agreement constitutes and expresses the entire understanding among the Parties with respect to the subject matter hereof, and supersedes all prior agreements and understandings, inducements, commitments or conditions, express or implied, oral or written.

8.4 Amendments. Neither this Agreement nor any provision hereof may be amended or modified other than by an agreement in writing signed by all of the RTPs.

8.5 No Waiver. No failure on the part of any Party to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single

or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right.

8.6 Severability of Provisions. The provisions of this Agreement are independent of and separable from each other. If any provision of this Agreement shall for any reason be held invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of any other provision hereof, but this Agreement shall be construed as if such invalid or unenforceable provision had never been contained herein.

8.7 Assignments; Successors.

(a) Except as provided in paragraphs (b) and (c) of this Section 8.7, no Party may assign any of its rights or delegate any of its duties or obligations under this Agreement without the prior written consent of the other Parties, such consent not to be unreasonably withheld, except that any RTP may, without the consent of the other RTPs, assign its rights and delegate its duties and obligations under this Agreement to a successor to which all or substantially all of the transmission assets of such RTP shall be transferred or to an affiliate of the assigning RTP for the purposes of a corporate restructuring, provided, however, that in each such case the successor or affiliate has executed an addendum to this Agreement and if required, made all necessary filings in connection with any applicable Regulatory Approvals. Subject to the preceding sentence, this Agreement will apply to, be binding in all respects upon and inure to the benefit of the successors and permitted assigns of the Parties.

(b) The Parties shall have the right at any time and from time to time to mortgage, create or provide for a security interest in or convey in trust their respective rights, titles and interests in this Agreement to a trustee or trustees or a mortgagee or mortgagees under deeds of trust, mortgages or indentures, or to secured parties under a security agreement, and to any successors or assigns thereof without need for the prior consent of the other Parties, and without such mortgagee, trustee or secured party assuming or becoming in any respect obligated to perform any of the obligations of the Parties.

(c) Any mortgagee, trustee or secured party under present or future deeds of trust, mortgages, indentures or security agreements of any of the Parties and any successor or assign thereof, and any receiver, referee, or trustee in bankruptcy or reorganization of any of the Parties, and any successor by action of law or otherwise, and any purchaser, transferee or assignee of any thereof may, without need for the prior consent of the other Parties, succeed to and acquire all the rights, titles and interests of such Party in this Agreement and may foreclose upon said rights, titles and interests of such Party.

8.8 No Third Party Beneficiaries. Nothing expressed or referred to in this Agreement will be construed to give any person other than the Parties any legal or equitable right, remedy or claim under or with respect to this Agreement or any provision

of this Agreement, except such rights as shall inure to a successor or permitted assignee pursuant to Section 8.7.

8.9 Joint Effort. Preparation of this Agreement has been a joint effort of the Parties and the resulting document shall not be construed more severely against one of the Parties than against the others and no provision in this Agreement is to be interpreted for or against any Party because that Party or its counsel drafted such provision. Each Party acknowledges that in executing this Agreement it has relied solely on its own judgment, belief and knowledge, and such advice as it may have received from its own counsel, and it has not been influenced by any representation or statement made by the other Parties or their counsel not contained in this Agreement.

8.10 Schedules and Exhibits. The Schedules and Exhibits hereto together with all attachments referenced therein, are incorporated herein by reference and made a part of this Agreement.

8.11 Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this Agreement and of signature pages by facsimile transmission shall constitute effective execution and delivery of this Agreement as to the Parties and may be used in lieu of the original Agreement for all purposes. Signatures of the Parties transmitted by facsimile shall be deemed to be their original signatures for all purposes.

8.12 Consistency with Federal Laws and Regulations. Nothing in this Agreement shall compel any Party, person or federal entity to (i) violate federal statutes or regulations; or (ii) in the case of a federal governmental authority or instrumentality, to exceed its statutory authority, as defined by any applicable federal statutes, regulations, or orders lawfully promulgated thereunder. If any provision of this Agreement is inconsistent with any obligation imposed on any person or federal entity by federal law or regulation, to that extent it shall be inapplicable to that person or federal entity. No person or federal entity shall incur any liability by failing to comply with a provision of this Agreement that is inapplicable to it by reason of being inconsistent with any federal statutes, regulations or orders lawfully promulgated thereunder; provided, however, that such person or federal entity shall use its best efforts to comply with the Agreement to the extent that applicable federal laws, regulations and orders lawfully promulgated thereunder permit it to do so.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, each of the Parties has caused its duly authorized representative to execute this Second WestConnect Point-to-Point Regional Transmission Service Experiment Participation Agreement on its behalf as of the 31st day of 2008 March, 2011.

ARIZONA PUBLIC SERVICE COMPANY

By _____

Title _____

EL PASO ELECTRIC COMPANY

By _____

Title _____

NEVADA POWER COMPANY

By _____

Title _____

PUBLIC SERVICE COMPANY OF COLORADO

By _____

Title _____

PUBLIC SERVICE COMPANY OF NEW MEXICO

By _____

Title _____

SOUTHWEST TRANSMISSION COOPERATIVE, INC.

By _____

Title _____

TRI-STATE GENERATION AND TRANSMISSION ASSOCIATION, INC.

By _____

Title _____

TUCSON ELECTRIC POWER COMPANY

By _____

Title _____

WESTERN AREA POWER ADMINISTRATION

By _____

Title _____

EXHIBIT A

**PARTIES TO SECOND WESTCONNECT
POINT-TO-POINT REGIONAL TRANSMISSION SERVICE EXPERIMENT
PARTICIPATION AGREEMENT**

DATED: ~~(Insert Date of PA from Page 16)~~ March 31, 2011

PARTY	DATE
Arizona Public Service Company	(Insert Date of PA from Page 16) <u>March 31, 2011</u>
El Paso Electric Company	(Insert Date of PA from Page 16) <u>March 31, 2011</u>
Nevada Power Company	(Insert Date of PA from Page 16)
Public Service Company of Colorado	(Insert Date of PA from Page 16) <u>March 31, 2011</u>
Public Service Company of New Mexico	(Insert Date of PA from Page 16) <u>March 31, 2011</u>
Southwest Transmission Cooperative, Inc.	(Insert Date of PA from Page 16) <u>March 31, 2011</u>
Tri-State Generation and Transmission Association, Inc.	(Insert Date of PA from Page 16) <u>March 31, 2011</u>
Tucson Electric Power Company	(Insert Date of PA from Page 16) <u>March 31, 2011</u>
Western Area Power Administration	(Insert Date of PA from Page 16) <u>March 31, 2011</u>

**SCHEDULE 8.2
NOTICE INFORMATION**

Dated: _____ March 31, 2011

ARIZONA PUBLIC SERVICE COMPANY

PO Box 53999 M.S, 2260
Phoenix, Arizona 85072-3999
Attn: ~~Cary Deise~~Robert Bean

Telephone: ~~(602) 250-1232~~250-1128
Facsimile: ~~((602) 250-1155)~~
Email: eary.deiserobert.bean@aps.com

EL PASO ELECTRIC COMPANY

System Operations
PO Box 982
El Paso, Texas 79960
Attn: ~~Dennis H. Malone~~Greg Grill

Telephone: ~~((915) 543-5757)~~543-4040
Facsimile: ~~(()) (915) 521-4763~~
Email: dmaloneggrill1@epelectric.com

NEVADA POWER COMPANY

~~PO Box 10100~~
~~Reno, Nevada 89520-0024~~
~~Attn: Chris Tomchuck and Jim McMorran~~

~~Telephone: ((775) 834-4640)~~
~~Facsimile: (())~~
~~Email: ctomchuk@sppc.com~~
~~jmemorran@sppc.com~~

PUBLIC SERVICE COMPANY OF COLORADO

~~550 15th 1800 Larimer Street, Suite 700~~600
Denver, Colorado 80202
Attn: ~~Tim Woolley~~Gerald Deaver

Telephone: ~~((303) 571-7227)~~571-7681
Facsimile: ~~(()) (612) 318-4771~~
Email: timothy.b.woolleyGerald.R.Deaver@xcelenergy.com

PUBLIC SERVICE COMPANY OF NEW MEXICO

Alvarado Square M.S. 0604
Albuquerque, New Mexico 87158
Attn: Gregory C. Miller

Telephone: ~~+(505) 241-4570~~
Facsimile: ~~+(505) 241-4363~~
Email: gmiller@pnm.com

SOUTHWEST TRANSMISSION COOPERATIVE, INC.

PO Box 2195
Benson, Arizona 85602
Attn: ~~Jim Rein~~James C. Burson

Telephone: ~~+(520) 586-5116~~5219
Facsimile: ~~+(520) 586-5279~~
Email: jreinburson@swtranso.coop

TRI-STATE GENERATION AND TRANSMISSION ASSOCIATION, INC.

If via mail:

PO Box 33695
Denver, Colorado 80233-0695
Attn: Doug Reese

If via personal delivery or courier:

3761 Eureka Way
Frederick, CO 80516
Attn: Doug Reese

Telephone: ~~+(303) 254-3676~~
Facsimile: ~~+(303) 254-6058~~
Email: dreese@tristategt.org

TUCSON ELECTRIC POWER COMPANY

PO Box 711
Mail Stop SC212
Tucson, Arizona 85702
Attn: ~~Ed Beek~~Raquel Aguilar

Telephone: ~~+(520) 775-3197~~ 745-7193
Facsimile: ~~+(520) 571-4036~~
Email: ebeektranscord@tep.com

WESTERN AREA POWER ADMINISTRATION

~~CRSP Management Center~~
~~150 E. Social Hall Avenue, Suite 300~~
~~Salt Lake City, Utah 84111~~
~~Rocky Mountain Region~~
~~5555 E. Crossroads Boulevard~~
~~Loveland, CO 80538-8986~~
Attn: ~~Dave Shelton~~Raymond Vojdani

Telephone: ~~{(801) 524-4012}~~(970) 461-7379
Facsimile: ~~{() }~~{(970) 461-7423}
Email: ~~shelton~~vojdani@wapa.gov

EXHIBIT 1-~~TO AMENDMENT 1 TO THE~~
SECOND WESTCONNECT
POINT-TO-POINT
REGIONAL TRANSMISSION SERVICE EXPERIMENT
TARIFF

Article I.
Preamble

[Insert RTP Full Legal Name] (the “Transmission Provider”), in coordination with the other RTPs (as defined below) will provide Regional Transmission Service pursuant to the applicable terms and conditions of this Second WestConnect Point-To-Point Regional Transmission Service Tariff (the “Second Regional Tariff”) on an experimental basis commencing on the Operational Date (as defined below) and ending on the date that is 730 days two years after the Operational Date or such earlier date when either this Second Regional Tariff is terminated or the Transmission Provider has withdrawn this Second Regional Tariff in accordance with its terms. In any event, service shall be provided pursuant to any request for Regional Transmission Service accepted prior to the ending, termination or withdrawal of ~~the~~this Second Regional Tariff.

Article II.
Definitions

Unless the context otherwise requires, capitalized and defined terms used herein shall have the meanings given to them below:

“Administrative Charge” has the meaning set forth in Section 7.1(f).

“Billing Agent” means an independent third party ~~to be~~ retained by the RTPs to act as billing agent for Regional Transactions.

“Billing Agent Agreement” means the agreement among the RTPs and the Billing Agent that sets forth the terms governing the responsibilities of the Billing Agent and related rights and obligations of the parties thereto.

“Commission” means the Federal Energy Regulatory Commission or any successor thereto.

“Curtail” or “Curtailment” means a reduction in Regional Transmission Service in response to a transfer capability shortage as a result of emergency or system reliability conditions.

“Delivering Party” means the entity supplying capacity and energy at Regional Point(s) of Receipt to be transmitted by the RTPs pursuant to this Second Regional Tariff.

“Eligible Customer” is an entity that has met the conditions required of Transmission Customers to take point-to-point transmission service under the respective OATT of each RTP providing service for a particular Regional Transaction.

“Experiment” shall mean the two-year regional transmission pricing initiative ~~sponsored by WestConnect and~~ conducted pursuant to the terms of this Second Regional Tariff.

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

“Interruption” or “Interrupt” means a reduction in Regional Transmission Service due to economic reasons.

“Jurisdictional RTP” means an RTP that is subject to the jurisdiction of the ~~Federal Energy Regulatory~~ Commission under Sections 205 and 206 of the Federal Power Act, as in effect during the Operational Period.

“Native Load Customers” means the wholesale and retail customers of an RTP on whose behalf the RTP, by statute, franchise, regulatory requirement, or contract, has undertaken an obligation to construct and operate the RTP’s Transmission System to meet the reliable electric needs of such customers.

“Network Customers” means customers receiving transmission service pursuant to the terms of an RTP’s Network Integration Transmission Service under Part III of the RTP’s OATT.

“Non-Firm Transmission Service” means hourly non-firm point-to-point transmission service provided by any RTP pursuant to its respective OATT.

“Non-Jurisdictional RTP” means an RTP that is not subject to the jurisdiction of the ~~Federal Energy Regulatory~~ Commission under Sections 205 and 206 of the Federal Power Act, as in effect during the Operational Period.

“OATT” means, in respect of a particular RTP, the open access transmission tariff of such RTP on file with the Commission or, if such RTP is not required to file such tariff with the Commission, the open access transmission tariff of such RTP posted on its OASIS.

“Operational Date” means ~~the date on which the Experiment commences that is set by the Management Committee as provided in Section 2.1 of the Participation Agreement~~ July 1, 2011.

“Operational Period” means a period of ~~730 days~~ two years commencing on the Operational Date. _____

~~“Participation Agreement” means that certain WestConnect Point to Point Regional Transmission Service Experiment Participation Agreement, executed as of _____, 2008, effective as of the Effective Date (as defined therein) by and among the RTPs.~~

“Receiving Party” means the entity receiving capacity and energy made available at, and transmitted by RTPs at to, Regional Point(s) of Delivery pursuant to this Second Regional Tariff.

“Regional Charge” has the meaning set forth in Section 7.1(a).

“Regional Point(s) of Delivery” means the point(s) of interconnection on the Regional Transmission System where capacity and energy from the Delivering Party will be made available and delivered to the Receiving Party by the RTPs pursuant to this Second Regional Tariff.

“Regional Point(s) of Receipt” means the point(s) of interconnection on the Regional Transmission System where capacity and energy from the Delivering Party will be received by the RTPs for transmission pursuant to this Second Regional Tariff.

“Regional Rate” means the highest of the ceiling rates for hourly non-firm transmission service posted on the respective OASIS of the RTPs who would provide Regional Transmission Service, for service under their OATTs at the time of the Regional Transaction. The Regional Rate is not a discounted rate subject to Schedule 8 of the Commission's pro forma open access transmission tariff and shall not be subject to discount.

~~“Regional Tariff” means this WestConnect Point To Point Regional Transmission Service Experiment Tariff as set forth in the preamble.~~

“Regional Transaction” means a single transaction in which Regional Transmission Service is provided to an Eligible Customer, pursuant to the Second Regional Tariff.

“Regional Transmission Service” means hourly non-firm point-to-point transmission service across the Regional Transmission System provided by the Transmission Provider and other RTPs pursuant to the Second Regional Tariff.

“Regional Transmission System” means the aggregate facilities owned, controlled or operated by the RTPs that are used to provide Regional Transmission Service pursuant to this Second Regional Tariff.

“Second Participation Agreement” means that certain Second WestConnect Point-to-Point Regional Transmission Service Experiment Participation Agreement, executed as of March 31, 2011, effective as of the Effective Date (as defined therein) by and among the RTPs.

“Second Regional Tariff” means this Second WestConnect Point-To-Point Regional Transmission Service Experiment Tariff as set forth in the preamble.

“RTP” means any entity that is party to the Second Participation Agreement, and that is providing Regional Transmission Service pursuant to ~~this~~ the Second Regional Tariff as adopted by such entity.

“Service Agreement” has the meaning set forth in Section 3.3.

“Transmission Customer” means an Eligible Customer taking Regional Transmission Service under this Second Regional Tariff.

“Transmission System” means, in respect of any RTP, the facilities owned by such RTP that are used to provide Regional Transmission Service pursuant to this Second Regional Tariff.

-“wesTTrans” means the OASIS site of the RTPs, or its successor site.

Article III.

Nature of Regional Transmission Service

3.1 Hourly Service

Regional Transmission Service shall be provided on an hourly basis and can be reserved up to twenty-four (24) consecutive hours. Notwithstanding anything to the contrary contained in this Second Regional Tariff, in no event shall Regional Transmission Service be available (a) for any term that would extend beyond the Operational Period or (b) on any RTP’s Transmission System if the term would extend beyond the date on which that RTP would no longer be an RTP providing Regional Transmission Service pursuant to this Second Regional Tariff.

3.2 Reservation Priority

Regional Transmission Service shall be available from transfer capability in excess of that needed for reliable service to Native Load Customers, Network Customers and other transmission customers taking long-term and short-term firm point-to-point transmission service under ~~a RTP's OATT, an RTP's OATT or a grandfathered agreement, and for margins or reserves required or permitted under applicable reliability standards.~~ Subject to such availability, Regional Transmission Service shall be available on a first-come, first-served basis (i.e., in the chronological sequence in which each Eligible Customer has reserved such service).

3.3 Service Agreements

Eligible Customers must execute an umbrella service agreement in the form attached hereto as ~~Annex A (the "Service Agreement"), or must have executed an umbrella service agreement in the form attached as Annex A to the predecessor Regional Tariff in effect from July 1, 2009 through June 30, 2011 (the "Service Agreement"),~~ with all of the RTPs or each RTP whose Transmission System will be used to provide Regional Transmission Service for such Eligible Customer at any time-; provided that the umbrella service agreements previously executed by Eligible Customers must also include a completed Service Agreement along with any request for RTPs shall be deemed to refer to this Second Regional Transmission Service via the westTrans OASIS site. Tariff and shall continue in effect and constitute Service Agreements for all purposes of this Second Regional Tariff until terminated in accordance with their terms. Executed Service Agreements that contain the information required under this Second Regional Tariff for service provided by Jurisdictional RTPs shall be filed with the Commission in compliance with all applicable Commission regulations.

3.4 Curtailment or Interruption of Regional Transmission Service

(a) ~~—~~ If a Curtailment on the Regional Transmission System, or a portion thereof, is required, then Curtailments will be made on a non-discriminatory basis to the Regional Transaction(s) that effectively relieve the constraint. When the RTPs determine that an electrical emergency exists on the Regional Transmission System and implement emergency procedures to Curtail Regional Transmission Service, the Transmission Customer shall make the required reductions upon request of the RTPs. The RTPs reserve the right to Curtail, in whole or in part, Regional Transmission Service provided under this Second Regional Tariff for reliability reasons when an emergency or other unforeseen condition threatens to impair or degrade the reliability of the Regional Transmission System.

(b) ~~–~~ The RTPs reserve the right to Interrupt, in whole or in part, Regional Transmission Service provided under this Second Regional Tariff for economic or other reasons in accordance with the product type priority rules established in the RTPs' OATTs. The RTPs also will discontinue or reduce service to the Transmission Customer to the extent that deliveries for transmission are discontinued or reduced at the Regional Point(s) of Receipt.

(c) Where required, Curtailments or Interruptions will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint; provided, however, that Regional Transmission Service shall be subordinate to firm transmission service provided to Native Load Customers, customers taking Firm Point-to-Point transmission service and Network Customers under transactions that are not Regional Transactions. If multiple transactions require Curtailment or Interruption, to the extent practicable and consistent with Good Utility Practice, Curtailments or Interruptions will be made in accordance with the product type priority rules established in the RTPs' OATTs. The RTPs will provide advance notice of Curtailment or Interruption where such notice can be provided consistent with Good Utility Practice.

(d) No credit will be given to Transmission Customers affected by Curtailments or Interruptions of Regional Transmission Service.

3.5 Classification of Regional Transmission Service

(a) Due to the short term, non-firm nature of the Regional Transmission Service, the Transmission Customer taking Regional Transmission Service may not change its Regional Point(s) of Receipt or Point(s) of Delivery to obtain alternative service on a non-firm basis. Transmission Customers may not redirect, resell, rollover or convert Regional Transmission Service.

~~_____~~(b) The Palo Verde/Hassayampa Common Bus will be treated as a single Regional Point of Receipt and as a single Regional Point of Delivery for transactions scheduled to or from ~~thesuch~~ Common Bus.

~~_____~~(c) The Transmission Provider shall provide deliveries of capacity and energy from the Regional Point(s) of Receipt to the Regional Point(s) of Delivery on a non-firm basis only. Regional Points of Receipt and corresponding capacity reservations shall be as mutually agreed upon by the RTPs for Regional Transmission Service. The Transmission Customer's reserved capacity shall be the greater of either (1) the sum of the capacity reservations at the Regional Point(s) of Receipt, or (2) the sum of the capacity reservations at the Regional Point(s) of Delivery. The Transmission Customer will be billed for its reserved capacity. The Transmission Customer may not exceed its capacity reserved at each Regional Point of Receipt and each Regional Point of Delivery.

~~_____~~(d) Eligible Customers requesting Regional Transmission Service for the transmission of ~~firm~~ power do so with the full realization that such service is subject to availability and to Curtailment or Interruption under the terms of this Second Regional Tariff.

~~3.6 Scheduling Regional Transmission Service~~

~~_____ Schedules for Non Firm Regional Transmission Service must be submitted to the RTPs no later than 1400 MST of the day prior to commencement of such service. Schedules submitted after 1400 MST will be accommodated, if practicable. Hour to-~~

~~hour schedules of energy to be delivered must be stated in increments of 1 megawatt per hour. Scheduling changes will be permitted up to 20 minutes before the start of the next clock hour provided that the Delivering Party and Receiving Party also agree to the schedule modification. The Regional Parties will furnish to the Delivering Party's system operator hour-to-hour schedules equal to those furnished by the Receiving Party and shall deliver the capacity and energy provided by such schedules on a non-firm basis. Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the RTPs providing the Regional Transmission Service for the transaction, and the RTPs shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.~~

3.73.6 Withdrawal and Termination of the Second Regional Tariff

(a) The Transmission Provider may withdraw this Second Regional Tariff, and any other RTP may withdraw its Second Regional Tariff, (i) at any time prior to the Operational Date, at the sole discretion of the Transmission Provider or the RTP, respectively; (ii) at any time (either before, on or after the Operational Date), due to the occurrence or material risk of adverse regulatory action (subject to any obligations incurred for transactions already consummated under the Second Regional Tariff in which the withdrawing Transmission Provider or other RTP participated), as determined in the sole discretion of the Transmission Provider or other RTP, including, but not limited, to, conditions that may be imposed by the Commission, or as a result of intervenor action or a complaint, or any other governmental authority on the Regional Transmission Service, such as subjecting the rates, transmission revenue requirements or costs of a Non-Jurisdictional RTP to review under the Federal Power Act, either directly or indirectly, or subjecting an RTP to refunds or the possibility thereof, or (iii) at the sole discretion of the withdrawing RTP, upon ninety (90) ~~days~~ days prior written notice effective on or after the first anniversary of the Operational Date. It shall be a condition precedent to the effectiveness of any withdrawal that the withdrawing Transmission Provider or other RTP pay all amounts due and payable under this Second Regional Tariff prior to such withdrawal. The Transmission Provider acknowledges and agrees that this Second Regional Tariff will continue in effect notwithstanding the withdrawal of one or more other RTPs.

(b) This Second Regional Tariff will be in effect for the Operational Period and will terminate on the last day of the Operational Period, unless the Transmission Provider and the other RTPs mutually agree to terminate Regional Transmission Service prior to that date. However, any Regional Transmission Service requested prior to the termination of this Second Regional Tariff will be provided if it would have been provided under the Second Regional Tariff while in effect.

Article IV. Regional Transmission Service Terms

4.1 General Conditions

The RTPs will provide Regional Transmission Service over the Regional Transmission System to any Eligible Customer that has met the requirements of this Second Regional Tariff.

4.2 Determination Calculation of Available Transfer Capability

The RTPs shall calculate the Available Transfer Capability (“ATC”) consistent with the ~~methodology promulgated~~ applicable requirements of the Reliability Standards adopted by the North American Electric Reliability Corporation ~~or the Western Electricity Coordinating Council (which can be found at www.wecc.biz/documents/library/procedures/ATC-apprdec01.pdf), *Determination of ATC within the Western Interconnection, as applicable*, and in accordance with Attachment C of the respective RTPs’ individual OATTs.~~

4.3 Real Power Losses

Losses will be based on transactions across each Transmission System used in the Regional Transaction, will be monetized at the rate published in the ICE Palo Verde Financial Peak ~~or Daily Electricity Price Index or ICE Palo Verde Financial~~ Off-Peak Daily Electricity Price Index (“Palo Verde Index”) for the trade date of the transaction, and will be paid for by the Transmission Customer.

Article V. Transmission Customer Responsibilities

5.1 Conditions Required of Transmission Customers

Regional Transmission Service shall be provided by the RTPs only if the following conditions are satisfied by the Transmission Customer:

(a) The Transmission Customer has submitted a request for service *via* the wesTTrans.net OASIS site;

(b) The Transmission Customer qualifies as an Eligible Customer as defined in ~~the~~ this Second Regional Tariff, which includes satisfying the creditworthiness criteria as defined in each RTP’s respective OATT;

(c) The Transmission Customer has arrangements in place for any other transmission service necessary to effect the delivery from the generating source to the Regional Transmission System prior to the time Regional Transmission Service commences;

(d) The Transmission Customer has executed a Service Agreement with ~~each~~ the Transmission Provider and each other RTP whose Transmission System will be used for the Regional Transaction;

(e) If the Regional Transmission Service is to be used to serve load within the Control Area of an RTP, the Transmission Customer satisfies any requirements for ancillary services under Schedules 3-6 of that RTP's OATT; and

(f) If the Regional Transmission Service is to be used to deliver energy from a generator located within an RTP's Control Area to load outside that Control Area, the Transmission Customer satisfies any requirements for Generator Imbalance Service under Schedule 9 of that RTP's OATT.

5.2 Conditions Applicable to RTPs ~~that~~who Own Facilities Financed by Local Furnishing Bonds or Other Tax-Exempt Bonds

In addition to the conditions in Section 5.1, Regional Transmission Service shall be provided by the RTPs only if Eligible Customers requesting Regional Transmission Service comply with all special requirements (e.g., Two County Furnishing Bond requirements) applicable to the RTPs that own transmission, distribution or generation facilities financed by local furnishing bonds or other tax-exempt bonds, which special requirements are specified in the RTPs' OATTs.

Article VI. Procedures for Arranging Regional Transmission Service

6.1 Reservation of Regional Transmission Service

Requests for Regional Transmission Service shall be submitted no earlier than 0700 MST of the day before the requested Regional Transmission Service is to commence. ~~Requests for service and~~ must be received no later than 1400 MST of ~~the such~~ day ~~prior to the day~~. Requests for Regional Transmission Service ~~is scheduled to commence~~. ~~Requests for service~~ submitted after 1400 MST of such day will be accommodated, if practicable.

6.2 Processing of Requests for Regional Transmission Service that would be more Expensive than Service under individual OATTs

If the WestConnect Deal Wizard indicates that a proposed Regional Transaction is more expensive at the Regional Rate than it would be under the combined OATT rates of the RTPs that would provide the requested Regional Transmission Service – i.e., if the “WC Regional Savings” column shows a negative amount – the Transmission Customer may still submit the request. If the request is submitted, each segment of the requested transmission path will be processed as a transmission service request under the relevant RTP's individual OATT. A new submission of transmission service requests for the transaction to each of the relevant RTPs will not be required. In such cases, each reserved segment of the transaction will be billed by the relevant RTP individually in accordance with its OATT, and will not be billed under this Second Regional Tariff.

6.26.3 Determination of Available Transfer Capability

Following receipt of a ~~tendered-schedule~~transmission service request, all RTPs will make a determination on a non-discriminatory basis of ATC pursuant to Section 4.2. Such determination shall be made as soon as reasonably practicable after receipt, but not later than 30 minutes after receipt of the ~~tendered-schedule~~transmission service request.

6.4 Scheduling Regional Transmission Service

Schedules for Regional Transmission Service must be submitted to the RTPs no later than 1400 MST of the day prior to the day on which such service is to commence. Schedules for Regional Transmission Service submitted after that time will be accommodated if practicable. Hour-to-hour schedules of energy to be delivered must be stated in increments of 1 megawatt per hour. Scheduling changes will be permitted up to 20 minutes before the start of the next clock hour provided that the Delivering Party and Receiving Party also agree to the schedule modification. The RTPs participating in a Regional Transaction will furnish to the Delivering Party's system operator hour-to-hour schedules equal to those furnished by the Receiving Party and shall deliver the capacity and energy provided by such schedules on a non-firm basis. Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the RTPs providing the Regional Transmission Service for the transaction, and the RTPs shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered. A Regional Transaction can be annulled at the request of the Transmission Customer only if all of the RTPs that would participate in the Regional Transaction agree to annul it. Transmission Customers will not be charged for reservations of Regional Transmission Service when all of the RTPs that would have participated in providing the service agree to annul it.

6.5 Tagging Regional Transactions

Regional Transmission Service is to be utilized and tagged in each case across the Transmission Systems of all of the RTPs involved in the Regional Transaction. Each Regional Transaction must be tagged with an E-Tag that includes all segments of the Regional Transmission Service reserved. If a Transmission Customer tags only one of the segments of a reserved path, the E-Tag will not be considered a Regional Transmission Service tag, and will be processed in accordance with the individual Transmission Provider's OATT, with appropriate ancillary service charges and losses being assessed.

Article VII. Regional Transmission Service Rates

7.1 Regional Transmission Service Rates

For each Regional Transaction, Transmission Customer agrees to pay the following charges:

(a) **Regional Charge.** A charge (in \$) equal to the product of (i) the total reserved megawatts for such Regional Transaction (in MWs) multiplied by (ii) the Regional Rate (in \$/MW) for such Regional Transaction; plus

(b) **Ancillary Service 1 Charge.** An Ancillary Service 1 charge (in \$) equal to the product of (i) the total megawatts for such Regional Transaction (in MWs) multiplied by (ii) the sum of the rate (in \$/MW) for scheduling, system control and dispatch service as each component is specified in the OATT for each RTP that participated in the Regional Transaction, provided that for any such RTP that charges a per-transaction based Ancillary Service 1 rate, the Transmission Customer will pay that RTP's per-transaction based Ancillary Service 1 rate; plus

(c) **Ancillary Service 2 Charge.** An Ancillary Service 2 charge (in \$) equal to the product of (i) the total megawatts for such Regional Transaction (in MWs) multiplied by (ii) the rate (in \$/MW) for reactive supply and voltage control as each component is specified in the OATT of the last RTP (i.e., the RTP that transmits the Transmission Customer's energy to the Regional Point of Delivery) participating in the Regional Transaction; plus

(d) **Additional Ancillary Services.** Additional Ancillary Services; i.e. Ancillary 3: Regulation and Frequency Response Service; Ancillary 4: Energy Imbalance Service; Ancillary 5: Operating Reserve – Spinning Reserve Service; Ancillary 6: Operating Reserve – Supplemental Reserve Service; and Ancillary 9 – Generator Imbalance Service, to the extent required in conjunction with a Regional Transaction, as offered in accordance with the appropriate RTP's OATT; plus

(e) **Losses Charge.** A losses charge (in \$) equal to the product of (i) the total megawatts for such Regional Transaction (in MWs) multiplied by (ii) the sum of the loss rates (in %) as each component is specified in the OATT for each RTP that participated in the Regional Transaction (monetized based on the applicable ~~non-firm~~ Palo Verde Index price); plus

(f) **Administrative Charges.** An administrative charge (“Administrative Charge”) of \$0.~~0995~~ per MWH of Regional Transmission Service reserved during the ~~first twelve months of the~~ Operational Period, declining; provided that the Administrative Charge will increase to \$0.081.20 per MWH of Regional Transmission Service reserved during the second twelve ~~months~~ month period of the Operational Period, which if the volume of Regional Transactions during the first twelve month period of the Operational Period is less than 120,000 MWH. The Administrative Charge is designed to cover the costs of the Billing Agent.

These charges shall not be discounted.

7.2 Payment to Billing Agent Account

All charges for Regional Transmission Service provided for in this Second Regional Tariff shall be billed to the Transmission Customer by the Billing Agent and paid by the Transmission Customer to the Billing Agent. The Billing Agent will also be responsible for making any refunds to which the Transmission Customer may be entitled in respect of a Regional Transaction.

Article VIII. Dispute Resolution and Governing Law

8.5 Internal Dispute Resolution Procedures

Any dispute between a Transmission Customer and ~~the~~an RTP involving transmission service under this Second Regional Tariff (excluding applications for changes to the Second Regional Tariff, or to any Service Agreement entered into by a Jurisdictional RTP under the Second Regional Tariff or its predecessor, which shall be presented directly to the Commission for resolution) shall be referred to a designated senior representative of the RTP and a senior representative of the Transmission Customer for resolution on an informal basis as promptly as practicable. In the event the designated representatives are unable to resolve the dispute within thirty (30) days [or such other period as the Transmission Customer and the RTP may agree upon] by mutual agreement, such dispute may be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below.

8.6 External Arbitration Procedures

Any arbitration initiated under this Second Regional Tariff shall be conducted before a single neutral arbitrator appointed by the parties to the dispute (hereinafter, the “Parties”). If the Parties fail to agree upon a single arbitrator within ten (10) days of the referral of the dispute to arbitration, each of the Parties shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall generally conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association and any applicable Commission regulations.

8.7 Arbitration Decisions

Unless otherwise agreed, the arbitrator(s) shall render a decision within ninety

(90) days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the Second Regional Tariff and any Service Agreement entered into under the Second Regional Tariff and shall have no power to modify or change any of the above in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act and/or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with the Commission if it affects jurisdictional rates, terms and conditions of service or facilities.

8.78.8 Costs

Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable:

3. the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or
4. one half the cost of the single arbitrator jointly chosen by the Parties.

8.6 Rights Under The Federal Power Act; Governing Law

~~(a)~~ (a) Nothing in this section shall restrict the rights of any party to file a complaint with the Commission under relevant provisions of the Federal Power Act.

~~(b)~~ (b) The validity, interpretation and performance of this Second Regional Tariff and each of its provisions shall be governed by federal law and/or by the law of the state in which the RTP Transmission Provider has its principal place of business (unless preempted by federal law).

ANNEX A
Form of Service Agreement for
Second WestConnect Point-To-Point Regional Transmission Service Experiment
Tariff

- 10.0 This Service Agreement, _____, dated as of _____ [_____] (this “Service Agreement”), is entered into by and between _____ [_____]¹³ (“RTP” and collectively, with other transmission providers providing service in a Regional Transaction, the “RTPs”) and _____ ([_____]¹⁴ (the “Transmission Customer”). Capitalized terms used but not defined herein shall have the meanings assigned to them in the RTP’s Second WestConnect Point-To-Point Regional Transmission Service Experiment Tariff (the “Second Regional Tariff”).
- 11.0 The Transmission Customer has been determined by the RTP to be a Transmission Customer under the Second Regional Tariff.
- 12.0 Service under this Agreement shall be provided by the RTP upon request by an authorized representative of the Transmission Customer.
- 13.0 The Transmission Customer agrees: (a) to supply information that the RTP deems reasonably necessary in accordance with Good Utility Practice in order to provide any requested Regional Transmission Service; and (b) to provide information to the RTPs and the Billing Agent pursuant to and in accordance with the Second Regional Tariff in connection with any requested Regional Transmission Service.
- 14.0 The RTP agrees to provide and the Transmission Customer agrees to take and pay for the requested Regional Transmission Service in accordance with the provisions of the Second Regional Tariff and this Service Agreement.
- 15.0 Regional Transmission Service under this Service Agreement shall commence on the later of (a) the requested commencement date, or (b) such other date as the requested Regional Transmission Service is permitted to become effective by the Commission, if applicable. Regional Transmission Service under this Service Agreement shall terminate on such date as is mutually agreed upon by the Transmission Customer and the ~~RTPs providing such Regional Transmission Service~~RTP, but no later than the earliest to occur of (i) the last day of the Operational Period under the Second Regional Tariff, (ii) the date of withdrawal of the Second Regional Tariff by the RTP, or (iii) the date of termination of the Second Regional Tariff by the RTPs.
- 16.0 Transmission Customer acknowledges and agrees that the RTP may withdraw at any time its Second Regional Tariff in accordance with the terms and conditions

¹³ Include name of applicable RTP.

¹⁴ Include name of Eligible Customer requesting Regional Transmission Service.

thereof and that effective upon such withdrawal this Service Agreement shall automatically terminate solely with respect to the RTP, without any action by any party hereto.

~~16.0~~

17.0 Any notice or request made to or by a party hereto regarding this Service Agreement shall be made to the representative(s) of the other party or parties hereto as indicated below:

RTP:

Name: _____

Address: _____

Address 2: _____

City, ST Zip: _____

Attention: _____

Transmission Customer:

Name: _____

Address: _____

Address 2: _____

City, ST Zip: _____

Attention: _____

RTP:

Name: _____

Address: _____

Address 2: _____

City, ST Zip: _____

Attention: _____

Transmission Customer:

Name: _____

Address: _____

Address 2: _____

City, ST Zip: _____

Attention: _____

18.0 The Second Regional Tariff is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

RTP: _____

By: _____
Name _____

Printed Name _____ Name _____

Title _____

Date _____

Transmission Customer:

By: _____

Name

Printed Name _____

Name

Title _____

Date _____

**EXHIBIT 2
FORM OF ADDENDUM**

By execution of this addendum (this "Addendum") to the Second WestConnect Point-to-Point Regional Transmission Service Experiment Participation Agreement, executed as of , 2008 March 31, 2011 (the "Second Participation Agreement"), the undersigned hereby joins in the execution of the Second Participation Agreement, by and among Arizona Public Service Company, El Paso Electric ~~Company, Nevada Power Company, Public Service Company of Colorado, Public Service Company of New Mexico, Southwest Transmission Cooperative, Inc., Tri-State Generation and Transmission Association, Inc., Tucson Electric Power Company, Western Area Power Administration~~ and each other person that becomes aan RTP thereunder after the date and pursuant to the terms thereof (each, aan "RTP" and, collectively, the "RTPs"). By executing this Addendum, the undersigned hereby agrees that it will become a Party to the Second Participation Agreement and agrees to be bound by all of the terms and provisions of the Second Participation Agreement applicable to a Party thereto, subject to any applicable Regulatory Approvals. Effective as of the date this Addendum is declared effective by the Commission, if applicable, and upon receipt of any other applicable Regulatory Approvals, the undersigned shall be aan RTP for all purposes of the Second Participation Agreement, shall be bound by the terms and conditions thereof, and shall have all of the rights, duties and obligations of aan RTP under the Second Participation Agreement.

The undersigned represents and warrants to the other RTPs that each of the representations and warranties in Article 7 of the Second Participation Agreement is true and correct with respect to the undersigned as of the date hereof. The address, facsimile number and email address of the undersigned for purposes of Section 8.2 of the Second Participation Agreement are set forth below.

[NEW RTP]

By _____
Title _____

Attn: _____

Telephone: ([____]) [_____]

Facsimile: ([____]) [_____]

Email: [_____]

ATTACHMENT A

ICE Palo Verde Financial Peak Index (90-Day History)

ICE Day Ahead Power Price Report

Trade Date	Begin Date	End Date	High	Low	Avg	Chg	Vol (MWH)	# Deals	# Cparties
Palo Verde Peak									
12-Nov-10	15-Nov-10	15-Nov-10	33.25	32.5	32.75	-3.63	23,600	53	19
15-Nov-10	16-Nov-10	16-Nov-10	31.5	30	30.59	-2.16	24,400	59	22
16-Nov-10	17-Nov-10	17-Nov-10	30.25	29.75	29.87	-0.72	23,200	56	22
17-Nov-10	18-Nov-10	18-Nov-10	31.5	30	30.79	0.92	27,200	66	22
18-Nov-10	19-Nov-10	20-Nov-10	33	32	32.33	1.54	36,800	45	14
19-Nov-10	22-Nov-10	22-Nov-10	37	35	36.04	3.71	24,400	55	20
22-Nov-10	23-Nov-10	24-Nov-10	39.75	38.75	39.32	3.28	61,600	77	20
23-Nov-10	26-Nov-10	27-Nov-10	35.55	34	34.67	-4.65	36,800	39	17
24-Nov-10	29-Nov-10	29-Nov-10	37.6	36	37.29	2.62	15,600	35	16
29-Nov-10	30-Nov-10	30-Nov-10	43.5	40	40.7	3.41	20,000	46	19
30-Nov-10	1-Dec-10	1-Dec-10	43.25	40	40.85	0.15	23,200	52	19
1-Dec-10	2-Dec-10	2-Dec-10	41	38.5	40.18	-0.67	27,200	59	17
2-Dec-10	3-Dec-10	4-Dec-10	37.5	33.5	35.31	-4.87	56,000	68	20
3-Dec-10	6-Dec-10	6-Dec-10	35	32	33.63	-1.68	19,600	44	16
6-Dec-10	7-Dec-10	7-Dec-10	36.6	32.25	32.97	-0.66	23,200	57	20
7-Dec-10	8-Dec-10	8-Dec-10	37	35	36.13	3.16	30,000	75	16
8-Dec-10	9-Dec-10	9-Dec-10	40	35.75	36.69	0.56	38,400	67	18
9-Dec-10	10-Dec-10	11-Dec-10	36.25	34	35.63	-1.06	50,400	60	18
10-Dec-10	13-Dec-10	13-Dec-10	36.5	35.5	35.72	0.09	26,800	63	21
13-Dec-10	14-Dec-10	14-Dec-10	38.5	37	37.56	1.84	18,000	43	16
14-Dec-10	15-Dec-10	15-Dec-10	38.25	35	36.86	-0.7	14,400	32	16
15-Dec-10	16-Dec-10	16-Dec-10	39.25	35.75	36.15	-0.71	14,000	35	16
16-Dec-10	17-Dec-10	18-Dec-10	36.5	34.75	35.87	-0.28	34,400	40	15
17-Dec-10	20-Dec-10	20-Dec-10	33.5	32.5	33.02	-2.85	14,000	32	14
20-Dec-10	21-Dec-10	21-Dec-10	33.9	32	33.37	0.35	12,000	30	16
21-Dec-10	22-Dec-10	23-Dec-10	37.5	32.25	32.84	-0.53	40,000	47	17
22-Dec-10	24-Dec-10	24-Dec-10	32.5	29.5	30.28	-2.56	12,800	31	14

23-Dec-10	27-Dec-10	27-Dec-10	33.25	32	32.54	2.26	11,600	28	14
27-Dec-10	28-Dec-10	29-Dec-10	35.5	33	33.62	1.08	10,400	13	10
28-Dec-10	30-Dec-10	31-Dec-10	37	35	35.62	2	18,400	23	15
30-Dec-10	3-Jan-11	3-Jan-11	38	35.5	36.26	0.64	12,800	30	15
3-Jan-11	4-Jan-11	4-Jan-11	42	38.75	40.14	3.88	23,200	56	17
4-Jan-11	5-Jan-11	5-Jan-11	41	39.5	40.35	0.21	23,200	55	20
5-Jan-11	6-Jan-11	6-Jan-11	37.75	35.25	37.06	-3.29	10,000	25	15
6-Jan-11	7-Jan-11	8-Jan-11	35	34.25	34.51	-2.55	24,800	26	15
7-Jan-11	10-Jan-11	10-Jan-11	44	38	39.29	4.78	12,800	29	14
10-Jan-11	11-Jan-11	11-Jan-11	39.5	38	38.71	-0.58	11,200	26	15
11-Jan-11	12-Jan-11	13-Jan-11	36.5	35.25	35.81	-2.9	31,200	34	13
12-Jan-11	14-Jan-11	15-Jan-11	35.5	34.5	34.95	-0.86	50,400	55	16
13-Jan-11	17-Jan-11	17-Jan-11	35.5	34.75	34.92	-0.03	12,800	32	17
14-Jan-11	18-Jan-11	18-Jan-11	34.5	33.5	33.95	-0.97	10,400	26	14
18-Jan-11	19-Jan-11	19-Jan-11	34.25	32	33.61	-0.34	7,600	19	12
19-Jan-11	20-Jan-11	20-Jan-11	33.25	32.75	33.13	-0.48	12,000	30	16
20-Jan-11	21-Jan-11	22-Jan-11	33.2	30	31.98	-1.15	21,600	27	16
21-Jan-11	24-Jan-11	24-Jan-11	31.25	29.75	30.63	-1.35	19,200	47	17
24-Jan-11	25-Jan-11	25-Jan-11	33	29	30.28	-0.35	13,600	34	14
25-Jan-11	26-Jan-11	26-Jan-11	32.75	30.75	31.23	0.95	20,800	52	16
26-Jan-11	27-Jan-11	27-Jan-11	32.5	31.75	32.16	0.93	16,000	39	15
27-Jan-11	28-Jan-11	29-Jan-11	30.25	29.25	29.71	-2.45	26,400	33	14
28-Jan-11	31-Jan-11	31-Jan-11	33.5	32	32.55	2.84	15,600	39	17
31-Jan-11	1-Feb-11	1-Feb-11	38.75	36	37.54	4.99	15,200	38	17
1-Feb-11	2-Feb-11	2-Feb-11	44.5	39	40.73	3.19	21,200	46	15
2-Feb-11	3-Feb-11	3-Feb-11	62.5	47	54.9	14.17	20,800	41	18
3-Feb-11	4-Feb-11	5-Feb-11	51.5	45.75	49.08	-5.82	36,000	42	17
4-Feb-11	7-Feb-11	7-Feb-11	43.5	40	42.29	-6.79	11,600	28	13
7-Feb-11	8-Feb-11	8-Feb-11	37.75	36.75	37.15	-5.14	17,600	37	14
8-Feb-11	9-Feb-11	9-Feb-11	36	34	34.5	-2.65	18,000	45	16
9-Feb-11	10-Feb-11	10-Feb-11	36	34.5	35.12	0.62	18,000	42	16
10-Feb-11	11-Feb-11	12-Feb-11	33.75	31.5	32.41	-2.71	36,800	44	17
11-Feb-11	14-Feb-11	14-Feb-11	33.5	28	29.92	-2.49	26,800	66	18
14-Feb-11	15-Feb-11	15-Feb-11	29.5	26	27.56	-2.36	22,800	56	19
15-Feb-11	16-Feb-11	17-Feb-11	28	24	26.4	-1.16	40,000	50	17
16-Feb-11	18-Feb-11	19-Feb-11	30.5	27.25	27.76	1.36	30,400	37	16
17-Feb-11	21-Feb-11	21-Feb-11	31.75	30	30.99	3.23	11,600	29	16

18-Feb-11	22-Feb-11	22-Feb-11	32.25	31	31.59	0.6	11,600	26	13
22-Feb-11	23-Feb-11	23-Feb-11	34.75	32	33.55	1.96	12,000	30	16
23-Feb-11	24-Feb-11	24-Feb-11	33.75	32	32.7	-0.85	11,600	29	14
24-Feb-11	25-Feb-11	26-Feb-11	31.75	29.5	30.35	-2.35	19,200	24	14
25-Feb-11	28-Feb-11	28-Feb-11	32.75	32.25	32.47	2.12	6,000	15	12
28-Feb-11	1-Mar-11	1-Mar-11	33.5	33	33.37	0.9	21,200	48	17
1-Mar-11	2-Mar-11	2-Mar-11	32.75	31.5	32.37	-1	24,800	56	15
2-Mar-11	3-Mar-11	3-Mar-11	30.75	27	29.09	-3.28	12,800	32	14
3-Mar-11	4-Mar-11	5-Mar-11	28	21.5	24.38	-4.71	24,800	31	16
4-Mar-11	7-Mar-11	7-Mar-11	30	27.15	28.62	4.24	19,200	45	11
7-Mar-11	8-Mar-11	8-Mar-11	26.25	24.5	25.51	-3.11	18,000	44	17
8-Mar-11	9-Mar-11	9-Mar-11	26.75	25	25.68	0.17	24,000	58	17
9-Mar-11	10-Mar-11	10-Mar-11	28.5	25	27.58	1.9	18,400	37	14
10-Mar-11	11-Mar-11	12-Mar-11	32	27.75	28.8	1.22	53,600	56	16
11-Mar-11	14-Mar-11	14-Mar-11	29.5	28	28.28	-0.52	15,600	37	14
14-Mar-11	15-Mar-11	15-Mar-11	32.5	27.25	28.79	0.51	24,000	53	16
15-Mar-11	16-Mar-11	16-Mar-11	30.25	29	29.88	1.09	15,200	38	15
16-Mar-11	17-Mar-11	17-Mar-11	32	29.75	30.25	0.37	13,200	33	15
17-Mar-11	18-Mar-11	19-Mar-11	30.25	27	29.7	-0.55	37,600	46	18
18-Mar-11	21-Mar-11	21-Mar-11	31.75	27.5	29.94	0.24	12,800	30	14
21-Mar-11	22-Mar-11	22-Mar-11	27	25	25.99	-3.95	20,400	48	19
22-Mar-11	23-Mar-11	23-Mar-11	28.25	27	27.68	1.69	27,200	53	18
23-Mar-11	24-Mar-11	24-Mar-11	29	27	27.93	0.25	18,000	40	19
24-Mar-11	25-Mar-11	26-Mar-11	29	27.5	28.23	0.3	44,800	43	17
25-Mar-11	28-Mar-11	28-Mar-11	29	26.5	27.96	-0.27	20,800	51	19
28-Mar-11	29-Mar-11	29-Mar-11	29	26	28.62	0.66	17,200	38	16
Total							2,034,800	3,786	1,462
Average Daily							22609	42	16

ATTACHMENT B

ICE Palo Verde Financial Off-Peak Index (90-Day History)

ICE Day Ahead Power Price Report

Trade Date	Begin Date	End Date	High	Low	Avg	Chg	Vol (MWH)	# Deals	# Cparties
Palo Verde Off-Peak									
15-Nov-10	16-Nov-10	16-Nov-10	24.5	23.5	23.85	-4.14	6,400	27	17
16-Nov-10	17-Nov-10	17-Nov-10	24.25	22.65	23.32	-0.53	6,200	26	16
17-Nov-10	18-Nov-10	18-Nov-10	24	21.75	22.58	-0.74	12,200	47	17
18-Nov-10	19-Nov-10	20-Nov-10	23	22	22.27	-0.31	14,400	35	15
19-Nov-10	21-Nov-10	22-Nov-10	30.5	27.95	29.62	7.35	49,600	45	18
22-Nov-10	23-Nov-10	24-Nov-10	32	28.25	30.84	1.22	22,000	47	15
23-Nov-10	25-Nov-10	27-Nov-10	27.25	26	26.45	-4.39	24,000	23	14
24-Nov-10	28-Nov-10	29-Nov-10	29.5	27.5	28.82	2.37	12,000	15	11
29-Nov-10	30-Nov-10	30-Nov-10	36.25	30	32.04	3.22	5,800	27	12
30-Nov-10	1-Dec-10	1-Dec-10	34	31.3	32.21	0.17	10,600	46	22
1-Dec-10	2-Dec-10	2-Dec-10	33.25	31	32.7	0.49	11,400	48	15
2-Dec-10	3-Dec-10	4-Dec-10	31.75	27.75	29.05	-3.65	18,000	37	15
3-Dec-10	5-Dec-10	6-Dec-10	29.45	28.25	29.05	0	35,200	41	15
6-Dec-10	7-Dec-10	7-Dec-10	28.5	26.75	27.36	-1.69	9,000	38	18
7-Dec-10	8-Dec-10	8-Dec-10	28.75	28	28.45	1.09	5,400	25	13
8-Dec-10	9-Dec-10	9-Dec-10	28.75	27.25	28.17	-0.28	7,600	34	15
9-Dec-10	10-Dec-10	11-Dec-10	28.75	27.5	27.97	-0.2	14,800	35	19
10-Dec-10	12-Dec-10	13-Dec-10	30	28.75	29.57	1.6	32,800	36	17
13-Dec-10	14-Dec-10	14-Dec-10	30	28	29.35	-0.22	11,200	46	16
14-Dec-10	15-Dec-10	15-Dec-10	28.25	25.75	27.11	-2.24	5,400	26	16
15-Dec-10	16-Dec-10	16-Dec-10	27	23	25.01	-2.1	8,000	35	18
16-Dec-10	17-Dec-10	18-Dec-10	26.75	25.5	26.12	1.11	14,800	31	16
17-Dec-10	19-Dec-10	20-Dec-10	28	24	27.35	1.23	18,400	20	15
20-Dec-10	21-Dec-10	21-Dec-10	25.5	22.25	24.44	-2.91	4,200	18	11
21-Dec-10	22-Dec-10	23-Dec-10	24	21.75	22.4	-2.04	10,000	25	13
22-Dec-10	24-Dec-10	25-Dec-10	26	24	24.67	2.27	18,400	23	15
23-Dec-10	26-Dec-10	27-Dec-10	25.25	23.75	24.52	-0.15	19,200	23	16
27-Dec-10	28-Dec-10	29-Dec-10	24.5	23	23.79	-0.73	10,000	25	13

28-Dec-10	30-Dec-10	31-Dec-10	25.25	23	23.55	-0.24	14,000	33	20
29-Dec-10	1-Jan-11	1-Jan-11	30.25	28.5	29.01	5.46	15,000	24	17
30-Dec-10	2-Jan-11	3-Jan-11	29.5	28	28.66	-0.35	19,200	23	12
3-Jan-11	4-Jan-11	4-Jan-11	30.5	27.75	28.45	-0.21	6,600	26	14
4-Jan-11	5-Jan-11	5-Jan-11	29.95	29.45	29.59	1.14	6,200	20	14
5-Jan-11	6-Jan-11	6-Jan-11	28.5	27.75	27.87	-1.72	6,000	25	12
6-Jan-11	7-Jan-11	8-Jan-11	27	25.25	26	-1.87	8,400	17	12
7-Jan-11	9-Jan-11	10-Jan-11	34	32	32.73	6.73	12,000	11	12
10-Jan-11	11-Jan-11	11-Jan-11	28.5	28	28.23	-4.5	5,200	25	12
11-Jan-11	12-Jan-11	13-Jan-11	26.5	25.7	25.83	-2.4	9,200	21	13
12-Jan-11	14-Jan-11	15-Jan-11	26.25	25.5	25.8	-0.03	11,600	25	12
13-Jan-11	16-Jan-11	17-Jan-11	28.5	27.25	28.1	2.3	16,000	20	14
14-Jan-11	18-Jan-11	18-Jan-11	24	23.15	23.62	-4.48	4,400	21	12
18-Jan-11	19-Jan-11	19-Jan-11	23	21.5	21.97	-1.65	5,200	22	16
19-Jan-11	20-Jan-11	20-Jan-11	22	21.25	21.56	-0.41	5,800	26	17
20-Jan-11	21-Jan-11	22-Jan-11	25	22	23.77	2.21	11,600	20	11
21-Jan-11	23-Jan-11	24-Jan-11	22	17.25	18.61	-5.16	20,800	26	15
24-Jan-11	25-Jan-11	25-Jan-11	18.75	16.75	17.59	-1.02	4,200	19	13
25-Jan-11	26-Jan-11	26-Jan-11	19	18	18.88	1.29	4,600	22	13
26-Jan-11	27-Jan-11	27-Jan-11	19.5	17.25	18.87	-0.01	6,000	30	14
27-Jan-11	28-Jan-11	29-Jan-11	18.5	15.5	17.64	-1.23	8,400	21	12
28-Jan-11	30-Jan-11	31-Jan-11	23	21.55	22.37	4.73	22,400	27	13
31-Jan-11	1-Feb-11	1-Feb-11	28	21	23.98	1.61	5,000	25	17
1-Feb-11	2-Feb-11	2-Feb-11	31.5	29.75	30.44	6.46	6,800	32	17
2-Feb-11	3-Feb-11	3-Feb-11	43.5	39	42.43	11.99	6,400	26	12
3-Feb-11	4-Feb-11	5-Feb-11	39.75	34.5	37.16	-5.27	8,800	21	15
4-Feb-11	6-Feb-11	7-Feb-11	32.25	30.75	31.37	-5.79	14,400	16	11
7-Feb-11	8-Feb-11	8-Feb-11	25.5	24.85	25.42	-5.95	2,800	14	13
8-Feb-11	9-Feb-11	9-Feb-11	21.15	19.25	20.09	-5.33	4,000	20	12
9-Feb-11	10-Feb-11	10-Feb-11	22	20.75	21.54	1.45	4,200	21	14
10-Feb-11	11-Feb-11	12-Feb-11	18.5	17.75	18.01	-3.53	7,200	18	13
11-Feb-11	13-Feb-11	14-Feb-11	25.5	18	22.63	4.62	30,400	38	18
14-Feb-11	15-Feb-11	15-Feb-11	17.25	15	15.95	-6.68	4,200	21	12
15-Feb-11	16-Feb-11	17-Feb-11	16	14.25	15.79	-0.16	8,400	21	14
16-Feb-11	18-Feb-11	19-Feb-11	19	17.75	18.65	2.86	8,800	21	14
17-Feb-11	20-Feb-11	21-Feb-11	24.25	23.5	24.03	5.38	19,200	24	14
18-Feb-11	22-Feb-11	22-Feb-11	21	19.25	20.01	-4.02	5,800	28	14
22-Feb-11	23-Feb-11	23-Feb-11	20	18	19.6	-0.41	4,800	22	12
23-Feb-11	24-Feb-11	24-Feb-11	20.75	18.55	19.98	0.38	3,800	18	13
24-Feb-11	25-Feb-11	26-Feb-11	20.35	19.5	19.86	-0.12	9,200	22	13
25-Feb-11	27-Feb-11	28-Feb-11	25.5	22	24.93	5.07	19,200	23	15
28-Feb-11	1-Mar-11	1-Mar-11	23.75	23	23.28	-1.65	5,200	26	12
1-Mar-11	2-Mar-11	2-Mar-11	22.75	21	22.28	-1	6,000	30	13
2-Mar-11	3-Mar-11	3-Mar-11	20	18	18.91	-3.37	5,800	28	16

3-Mar-11	4-Mar-11	5-Mar-11	17.5	13	15.69	-3.22	9,600	22	14
4-Mar-11	6-Mar-11	7-Mar-11	20	17	17.88	2.19	24,800	29	12
7-Mar-11	8-Mar-11	8-Mar-11	17	15.5	16.08	-1.8	5,600	27	13
8-Mar-11	9-Mar-11	9-Mar-11	17	15.75	16.49	0.41	4,400	21	12
9-Mar-11	10-Mar-11	10-Mar-11	16	13	15.49	-1	4,600	22	17
10-Mar-11	11-Mar-11	12-Mar-11	15.25	13.25	14.26	-1.23	8,400	19	12
11-Mar-11	13-Mar-11	14-Mar-11	20	19.25	19.77	5.51	11,625	13	11
14-Mar-11	15-Mar-11	15-Mar-11	17.5	15	16.93	-2.84	4,600	20	13
15-Mar-11	16-Mar-11	16-Mar-11	17	16.25	16.7	-0.23	5,600	25	14
16-Mar-11	17-Mar-11	17-Mar-11	18.75	17.75	18.22	1.52	4,400	19	12
17-Mar-11	18-Mar-11	19-Mar-11	19.5	17.5	18.76	0.54	12,000	28	13
18-Mar-11	20-Mar-11	21-Mar-11	24.5	22	23.61	4.85	25,600	29	15
21-Mar-11	22-Mar-11	22-Mar-11	17.5	14.05	16.28	-7.33	6,600	33	18
22-Mar-11	23-Mar-11	23-Mar-11	13.5	10	12.33	-3.95	5,200	22	14
23-Mar-11	24-Mar-11	24-Mar-11	10.25	7.75	8.68	-3.65	5,800	27	17
24-Mar-11	25-Mar-11	26-Mar-11	10	8.25	9.4	0.72	10,400	26	17
25-Mar-11	27-Mar-11	28-Mar-11	16	15	15.46	6.06	16,800	20	14
28-Mar-11	29-Mar-11	29-Mar-11	11	9.75	10.41	-5.05	4,400	17	13
Total							1,000,625	2,342	1,288
Average Daily							11118	26	14

APPENDIX A

**SECOND WESTCONNECT
POINT-TO-POINT REGIONAL TRANSMISSION SERVICE EXPERIMENT
PARTICIPATION AGREEMENT**

This Second WestConnect Point-to-Point Regional Transmission Service Experiment Participation Agreement (“this Agreement”) is entered into by and among the regional transmission providers listed in Exhibit A, which exhibit shall be revised from time to time to reflect new and withdrawn parties (each, an “RTP” and, collectively, the “RTPs”). The RTPs are sometimes herein referred to individually as a “Party” and collectively as the “Parties.”

RECITALS:

WHEREAS, WestConnect is a group of utilities providing transmission service within the Western Interconnection that have agreed to work collaboratively to assess stakeholder and market needs in the wholesale electricity market and to pursue implementation of cost-effective enhancements to the wholesale electricity market (“WestConnect”);⁹

WHEREAS, in furtherance of the goals of WestConnect, a predecessor group of regional transmission providers (the “Initial RTPs”) agreed in November 2008 to develop and implement, on an experimental trial basis for a period of two years, regional transmission service across their transmission systems, at non-pancaked transmission rates;

WHEREAS, on July 1, 2009, the Initial RTPs began providing regional transmission service pursuant to the WestConnect Point-to-Point Regional Transmission Service Experiment Participation Agreement, executed as of November 25, 2008, as amended by Amendment 1 thereto, executed as of June 12, 2009 (the “Initial Participation Agreement”);

WHEREAS, the two-year Operational Period as defined in the Initial Participation Agreement will end on June 30, 2011; and

WHEREAS, the RTPs wish to memorialize the terms and conditions by which they will provide, on an experimental trial basis, regional transmission service across their transmission systems after June 30, 2011, as set forth herein;

NOW, THEREFORE, the RTPs, intending to be legally bound, agree as follows:

⁹ While this Experiment is a WestConnect-sponsored project, not all WestConnect members plan to participate in the Experiment at the time of initial filing of this Agreement.

ARTICLE 1 DEFINITIONS; INTERPRETATION

1.1 Definitions. Unless the context otherwise requires, capitalized and defined terms used herein shall have the meanings given to them below:

“Billing Agent” means an independent third party to be retained by the Parties to act as billing agent for Regional Transactions.

“Billing Agent Agreement” means the agreement among the RTPs and the Billing Agent that sets forth the terms governing the responsibilities of the Billing Agent and related rights and obligations of the parties thereto.

“Commission” means the Federal Energy Regulatory Commission or any successor thereto.

“Committee Representative” has the meaning set forth in Section 3.1.

“Effective Date” means July 1, 2011, provided that all requisite regulatory filings have been accepted and declared effective, or other approvals of regulatory authorities or governmental authorities for the implementation of this Agreement have been obtained, as determined by the Management Committee; or such later date as may be mutually agreed upon in writing by the RTPs.

“Eligible Customer” is an entity that has met the conditions required of transmission customers to take point-to-point transmission service under the respective OATT of each RTP providing service for a particular Regional Transaction.

“End Date” has the meaning set forth in Section 2.4.

“Experiment” shall mean the regional transmission pricing initiative conducted pursuant to the terms of this Agreement.

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

“Jurisdictional RTP” means an RTP that is subject to the jurisdiction of the Commission under Sections 205 and 206 of the Federal Power Act, as in effect during the Operational Period (as defined in Section 2.1).

“Management Committee” has the meaning set forth in Section 3.1.

“Non-Jurisdictional RTP” means an RTP that is not subject to the jurisdiction of the Commission under Sections 205 and 206 of the Federal Power Act, as in effect during the Operational Period (as defined in Section 2.1).

“OATT” means, in respect of a particular RTP, the open access transmission tariff of such RTP on file with the Commission or, if such RTP is not required to file such tariff with the Commission, the open access transmission tariff of such RTP posted on its OASIS.

“Operational Date” means July 1, 2011, or such later date occurring after the Effective Date that is set by the Management Committee if necessary to reasonably assure that the following conditions precedent have been satisfied by such date:

- (a) Each RTP shall have completed its respective Start Up Activities and so notified the Management Committee, and the Management Committee shall have concurred with the completion of the same;
- (b) Any other condition, reasonably required for the commencement of the Experiment and identified by the Management Committee, shall have been satisfied.

“Operational Period” has the meaning set forth in Section 2.1 below.

“Party” and “Parties” have the meanings set forth in the preamble.

“Regional Rate” means the highest of the ceiling rates for hourly non-firm transmission service posted on the respective OASIS of the RTPs who would provide Regional Transmission Service, for service under their OATTs at the time of the Regional Transaction.

“Regional Transaction” means a single transaction in which Regional Transmission Service is provided to an Eligible Customer, pursuant to the Second Regional Tariff.

“Regional Transmission Customer” means an Eligible Customer taking Regional Transmission Service under the Second Regional Tariff.

“Regional Transmission Service” means hourly non-firm point-to-point transmission service across the Regional Transmission System provided by the RTPs pursuant to the Second Regional Tariff and this Agreement.

“Regional Transmission System” means the facilities owned, controlled or operated by the RTPs that are used to provide Regional Transmission Service pursuant to the Second Regional Tariff.

“Regulatory Approval” means any authorization, consent, approval, license, lease, ruling, permit, tariff, rate, acceptance for filing, certification, exemption, variance, order, judgment, decree, publication, declaration or registration issued by a Regulatory Authority.

“Regulatory Authority” means any federal, state, county, municipal or other government, quasi-government or regulatory authority, agency, board, body, commission, instrumentality, court or tribunal, or any political subdivision of any thereof.

“Second Regional Tariff” means the Second WestConnect Experimental Point-To-Point Regional Transmission Service Tariff attached hereto as Exhibit 1.

“Start Up Activities” means those activities, including without limitation the negotiation and execution of a Billing Agent Agreement, required for the Experiment to proceed operationally as determined by the Management Committee and memorialized in writing.

“Term” has the meaning set forth in Section 2.1.

“Western Interconnection” means the interconnected electrical transmission system located in the western region of the United States.

“wesTTrans” means the OASIS site of the RTPs, or its successor site.

ARTICLE 2

TERM; WITHDRAWAL; TERMINATION; ADDITIONAL RTPS

2.1 Term. Following the due execution and delivery by all Parties listed in Exhibit A attached hereto, the Parties shall be bound as provided in Section 2.2(a) below only, and all other terms of this Agreement shall become effective on the Effective Date. After the Effective Date has occurred, the Experiment shall become operational on, and shall remain operational for a period of two years (the “Operational Period”) from, the Operational Date.

Subject to the provisions of Section 2.4 below, this Agreement shall remain in full force and effect for a period (the “Term”) commencing on the Effective Date and ending on the date that the Parties have completed all tasks required in connection with the final assessment of the Experiment following the Operational Period as determined by the Management Committee.

2.2 Tasks During Certain Periods.

(a) Between the date of execution of this Agreement by all Parties and the Effective Date, the Parties agree to take all reasonable action necessary and appropriate to obtain all necessary Regulatory Approvals in connection with the performance by the Parties of their respective obligations under this Agreement and the consummation by the Parties of the transactions contemplated hereby.

(b) Following the execution of this Agreement by all Parties, the Parties shall cooperate with each other in taking all reasonable action necessary and appropriate to complete or satisfy the conditions precedent that must be completed or satisfied prior to the Operational Date in order to implement the Experiment as soon as reasonably practicable.

(c) Following the occurrence of the Operational Date, the Parties shall cooperate with one another in implementing the Second Regional Tariff and this Agreement in accordance with their terms during the Operational Period.

(d) Following the end of the Operational Period, the Parties shall cooperate with each other in taking all reasonable action necessary and appropriate to conclude all remaining financial settlements in connection with the Experiment, to perform the assessment of the Experiment, and to assemble and distribute as appropriate all data and information compiled during the Experiment, subject to any confidentiality or other restrictions.

2.3 Withdrawal. Notwithstanding any provision to the contrary contained in this Agreement, an RTP may withdraw from this Agreement (a) at any time prior to the Operational Date, at the sole discretion of the withdrawing RTP; (b) at any time (either before, on or after the Operational Date), due to the occurrence or material risk of adverse regulatory action (subject to any obligations incurred for transactions already consummated under the Second Regional Tariff in which the withdrawing RTP participated), as determined in the sole discretion of the withdrawing RTP, including, but not limited to, conditions that may be imposed by the Commission or any other Regulatory Authority, or as a result of intervenor action or a complaint, on the Regional Transmission Service such as subjecting the rates, Transmission Revenue Requirements (“TRRs”) or costs of a Non-Jurisdictional RTP to review under the Federal Power Act, either directly or indirectly, or subjecting an RTP to refunds or the possibility thereof; or (c) upon ninety (90) days prior written notice to the other Parties, effective at any time on or after the first anniversary of the Operational Date, for any reason and at the sole discretion of the withdrawing RTP. It shall be a condition precedent to the effectiveness of any withdrawal that the withdrawing RTP pay all amounts due and payable under this Agreement prior to such withdrawal. The Parties acknowledge and agree that this Agreement shall continue in effect with respect to the remaining Parties in accordance with its terms notwithstanding the withdrawal of one or more RTPs.

2.4 Termination. This Agreement shall terminate on the date (the “End Date”) that is the earlier of: (a) the last day of the Term; (b) such other date as the Parties may mutually agree upon in writing. Notwithstanding the termination of this Agreement, each RTP shall remain liable for all amounts due and payable under this Agreement prior to such termination.

2.5 Additional RTPs. Any entity (including an entity which is not a member of WestConnect) may become a party to this Agreement prior to the end of the 12th month of the Operational Period if it: (a) owns, controls or operates transmission facilities rated at 115 kV and above, which are interconnected with the Regional Transmission System; (b) has an OATT and maintains an OASIS on wesTTrans (or another compatible site) with one or more Posted Paths (as defined in the Commission’s rules and regulations at 18 C.F.R. § 37.6(b)(1)(i)) over which transmission service is available for sale to Eligible Customers; and (c) executes an addendum to this Agreement in the form attached hereto as Exhibit 2 and, where applicable, the addendum is accepted for filing by the Commission and any other Regulatory Approval is received with respect thereto. Where applicable, effective as of the date the addendum is declared effective by the Commission and upon receipt of any other applicable Regulatory Approvals, (i) the new entity shall become an RTP for all purposes of this Agreement, shall be bound by the terms and conditions of this Agreement, and shall have all of the rights, duties and obligations of an RTP under this Agreement and (ii) the Parties shall prepare and deliver a supplement to Exhibit A adding the new entity to the list of RTPs and a supplement to Schedule 8.2 attached hereto setting forth the notice information with respect to the new RTP. Any new RTP shall be responsible for all costs and expenses associated with integrating its facilities into the Regional Transmission System and wesTTrans for purposes of the Second Regional Tariff.

ARTICLE 3 MANAGEMENT COMMITTEE

3.1 Management Committee. Each Party shall appoint one committee representative (“Committee Representative”) and an alternate to the WestConnect Experimental Point-to-Point Regional Transmission Service Management Committee (“Management Committee”) to oversee and facilitate the performance of the responsibilities set forth in this Agreement, the Billing Agent Agreement and any other agreements related thereto.

3.2 Certain Procedures. Each Committee Representative shall serve on the Management Committee at the pleasure of the Party that appointed such Committee Representative and may be removed or replaced by such Party at any time. At the initial meeting under this Agreement and annually thereafter, the Committee Representatives shall elect one Committee Representative as chairperson (“Chairperson”) of the Management Committee. If a Party’s designated Committee Representative is unable to attend or participate in a Management Committee meeting, the Committee Representative may designate an alternate person to represent that Party as its Committee Representative.

3.3 Committee Responsibilities. The responsibilities of the Management Committee shall be as follows:

(a) To appoint a Chairperson for the Management Committee and to appoint or dissolve permanent or ad hoc committees or work groups, as necessary, to design and carry out the Experiment as well as to monitor the effects of the Experiment on business and operations of both the RTPs and the Regional Transmission Customers.

(b) To perform a comprehensive mid-term assessment near the end of the first year of the Experiment and document the performance of the Experiment.

(c) To perform a complete final assessment of the Experiment following the completion of the Operational Period and provide a recommendation for further action to the WestConnect Steering Committee within ninety (90) days after the last day of that period.

(d) To ensure that each RTP has secured the services of the Billing Agent.

(e) To work cooperatively with the WestConnect Steering Committee.

(f) To address and facilitate decisions respecting termination of this Agreement, as applicable, consistent with the provision of Article 2 hereof.

(g) To do such other things and carry on any other activities that the Management Committee determines to be necessary, advisable, appropriate, convenient or incidental for the Experiment.

3.4. Management Committee Voting.

(a) Each Committee Representative shall have one vote on all matters put to a vote of the Management Committee.

(b) Voting Percentages

(i) Except as provided in Section 3.4(h), the Management Committee shall vote on decision items only upon the establishment of a quorum, which shall equal at least fifty-one (51) percent of the Committee Representatives or their designated alternates. Once a quorum has been established, the approval of any decision item other than those indicated in clause (ii) of this Section shall require the affirmative vote of eighty (80) percent or greater of the Committee Representatives present in person or by conference telephone.

(ii) Management Committee approval of (A) election of the Chairperson, (B) appointment of the Billing Agent, or (C) termination or modification of this Agreement, shall require the affirmative vote of eighty (80) percent or greater of all Committee Representatives.

(c) The Management Committee shall meet at least one time per year. Additional meetings may be held at other times upon a call for a meeting by the Chairperson or by any two or more Committee Representatives. The meetings may be held in any reasonably accessible location in the Western region of the United States or in any other location upon approval of the Management Committee. It is the intent of the Parties that meetings of the Management Committee be coordinated with meetings of the WestConnect Steering Committee to the extent possible.

(d) Notice of any meeting of the Management Committee, including the meeting agenda, shall be given to each Committee Representative by the Chairperson at least five (5) business days in advance of the meeting by (i) giving notice to such Committee Representative in person or by telephone, (ii) by sending a telecopy or electronic mail, or delivering written notice by hand, to such Committee Representative's last known business, home or electronic mail address, or (iii) by sending written notice, via reputable overnight courier providing a receipt for delivery, to such Committee Representative's last known business or home address. Notice shall include a proposed agenda for each meeting. Emergency meetings of the Management Committee may be called upon fewer than five (5) business days' notice upon approval of a majority of the members of the Management Committee provided that an attempt to give notice to each Committee Representative is made with such notice describing the subject matter to be discussed at the emergency meeting.

(e) A Committee Representative may appear and vote at any meeting of the Management Committee and may execute waivers of notice, consents or approvals through the agency of any employee of the Party that appointed such Committee Representative, provided such agent is authorized to so act on behalf of the Committee Representative by the terms of a written or electronically mailed proxy that has been executed by such Committee Representative and delivered in advance to the Chairperson of the Management Committee.

(f) Committee Representatives may participate in meetings of the Management Committee or any subcommittee thereof by means of conference telephone or other communications equipment by means of which all persons participating in the meetings can hear each other, and participation by such means shall constitute presence in person at such meeting.

(g) Entities not parties to this Agreement may attend and participate in meetings of the Management Committee, but may not vote on matters that come before the Management Committee for decision. The Management Committee may enter into

closed-door sessions to deliberate upon sensitive issues or other matters requiring privacy, during which time other meeting attendees will be required to withdraw.

(h) Any action required or permitted to be taken at any meeting of the Management Committee may be taken without a meeting if prior notice is provided to all Committee Representatives and eighty (80) percent of all Committee Representatives consent in writing or by electronic transmission to take the action without a meeting, with copies of the written consents and electronic transmissions sent to all Committee Representatives.

ARTICLE 4 REGIONAL TRANSMISSION SERVICE

4.1 Adoption of Second Regional Tariff. After the date of execution of this Agreement, each RTP shall take all necessary action to adopt the Second Regional Tariff and, where applicable, seek all necessary Regulatory Approvals in connection therewith as contemplated by Section 4.4.

4.2 Regional Transmission Service. Each RTP shall provide Regional Transmission Service over the Regional Transmission System pursuant to the Second Regional Tariff during the Operational Period unless and until such RTP withdraws from this Agreement or this Agreement is terminated, in each case in accordance with its terms.

4.3 General Purpose and Structure of Regional Transmission Service. The Second Regional Tariff and Regional Transmission Services to be provided thereunder are designed to offer Regional Transmission Customers the alternative of purchasing non-firm point-to-point transmission service across the Regional Transmission System at a single regional rate, instead of “pancaked” rates that would otherwise apply by the application of each RTP’s OATT rates. Under the Second Regional Tariff, the Regional Transmission Customer will have the right to obtain Regional Transmission Service at the Regional Rate. Charges for Regional Transmission Service will also include, among other things, an Administrative Charge (as defined in the Second Regional Tariff) to cover the costs of the Billing Agent, all in accordance with the Second Regional Tariff.

4.4 Filing of Agreement. Following the date of execution of this Agreement, each of the Jurisdictional RTPs shall use commercially reasonable efforts to jointly file, as soon as practicable, this Agreement as a rate schedule of WestConnect and the Second Regional Tariff as a rate schedule of the respective Jurisdictional RTP with the Commission and to make such other filings and take such other actions as may be necessary to make the provisions of this Agreement and the Second Regional Tariff legally effective. Each of the RTPs is encouraged to file comments in support of all such filings and actions and shall not take any action against, or support any other person in any action against, any such filings or actions. The rates for service specified in the Second Regional Tariff and the related distribution of revenues specified herein shall

remain in effect for the term of the Experiment, subject to the rights of parties to join or withdraw as provided herein, and shall not be subject to change through application to the Commission pursuant to the provisions of sections 205 or 206 of the Federal Power Act absent the agreement of all Parties to this Agreement.

4.5 Other Transmission Service Not Affected. Regional Transmission Service provided by the RTPs pursuant to the Second Regional Tariff shall not supplant or otherwise affect the transmission service(s) offered separately by each RTP under its respective OATT. In addition to, or in lieu of, Regional Transmission Service provided under the Second Regional Tariff, Eligible Customers may obtain non-regional transmission service(s) (e.g., network integration transmission service or point-to-point transmission service) from one or more RTPs under each RTP's respective OATT or other applicable tariff.

4.6 Revenue Distribution. Subject to the further provisions of this paragraph, revenues derived from the provision of Regional Transmission Service for each transaction shall be distributed such that each RTP that provides transmission service for the transaction will receive a share of those revenues based on the ratio of (i) its applicable OASIS-posted ceiling rate for the transmission service provided to (ii) the sum of the applicable OASIS-posted ceiling rates for the transmission service of all of the RTPs providing the service. For all Regional Transactions in which the Western Area Power Administration ("Western") participates, its share of revenues shall be capped at its applicable OASIS-posted all-hours non-firm rate. The revenues from transactions in which Western participates when the cap on its revenue share applies shall be distributed first to Western up to its cap and then between the other RTPs providing transmission service for the transaction in accordance with the foregoing ratio calculated among themselves only, provided that none of the RTPs shall receive more than the ceiling rate for non-firm point-to-point transmission service posted on its OASIS.

ARTICLE 5 INDEMNITY; NO CONSEQUENTIAL DAMAGES

5.1 Indemnification.

(a) Except as may be prohibited by law and subject to paragraphs (b) and (c) of this Section 5.1, each RTP shall indemnify, defend and hold harmless each other RTP and its respective directors, officers, employees, principals, representatives and agents from and against any and all third-party claims, demands, liabilities, losses, causes of action, awards, fines, penalties, litigations, costs and expenses (collectively, "Claims") asserted against or incurred by any of them resulting from or based upon breach of the terms and conditions of this Agreement or by the gross negligence or willful misconduct of such first referenced RTP and its respective directors, officers, employees, principals, representatives and agents.

(b) Each RTP shall, to the extent provided herein, indemnify each other RTP from and against liability for refunds to Regional Transmission Customers resulting

from or based upon an order of the Commission or other governmental authority having jurisdiction in the matter finding that the Regional Rate charged for Regional Transactions from which such first referenced RTP received revenues was in excess of the lawful rate. The amount of such indemnification shall be limited to the amount of excess revenue received by the indemnifying Party plus any applicable interest, as determined in accordance with such order. As a condition for benefiting from the indemnification provided for in paragraphs (a) and (b) of this Section 5.1, a Party that may be entitled to such indemnification shall give prompt notice of any proceeding concerning such potential refund liability to any Party that may become obligated to provide indemnification and shall not object to the participation of the latter Party in any such proceeding.

(c) Nothing in this Agreement shall be deemed to waive, limit or impair in any degree the exemption of any Non-Jurisdictional RTP from the provisions of the Federal Power Act, or to submit any Non-Jurisdictional RTP to the jurisdiction of the Commission thereunder. Nothing in this Section 5.1 shall be deemed to prevent any RTP from indemnifying any other RTP to the extent provided in paragraph 5.1(b) for refund liability arising out of transactions from which the indemnifying RTP received revenue, provided that no Parties are voluntarily submitting to refund authority that the Commission does not otherwise have.

(d) Notwithstanding the foregoing, the Western Area Power Administration (“Western”) shall be liable for negligence on the part of its officers and employees in accordance with the Federal Tort Claims Act, as amended, and shall be liable to reimburse any other RTP for excess revenue received by Western, plus any applicable interest, only to the extent consistent with applicable Federal Law.

5.2 No Consequential Damages. The RTPs shall not be liable to one another under this Agreement (by way of indemnification, damages or otherwise) for any indirect, incidental, exemplary, punitive, special or consequential damages.

ARTICLE 6 DISPUTE RESOLUTION

6.1 Disputes. Any controversy, claim or dispute of whatsoever nature or kind between or among the Parties arising out of or in connection with this Agreement (each a “Dispute”) shall be resolved pursuant to the procedures of this Article 6.

6.2 Dispute Notices. If a Dispute arises between or among the Parties, then any Party to such Dispute may provide written notice thereof to the other Parties, including a detailed description of the subject matter of the Dispute (the “Dispute Notice”). The Dispute Notice shall identify the Party or Parties to the Dispute, which shall participate in the dispute resolution process. Each other Party shall inform the other Parties in writing whether it will participate in the dispute resolution process. The Party providing the Dispute Notice, each other Party identified in the Dispute Notice as a party

to the Dispute and each other Party electing to participate in the Dispute shall be referred to as a “Disputing Party.”

6.3 Informal Resolution of Disputes. Upon the issuance or receipt of a Dispute Notice, the representatives of each Disputing Party shall in good faith attempt to resolve such Dispute by informal negotiations within sixty (60) days from the date of receipt of such Dispute Notice. If the Dispute is not resolved within sixty (60) days following receipt of the Dispute Notice or such later date as the Disputing Parties may mutually agree, then each Disputing Party shall promptly designate its most senior executive responsible for the subject matter of the Dispute who shall have authority to resolve the Dispute. The senior executives shall obtain such information as may be necessary to inform themselves of the substance and particulars of the Dispute and shall meet within thirty (30) days, at a time and place mutually acceptable to the senior executives. If the senior executives are unable to resolve the Dispute within forty-five (45) days of their first meeting or such later date as the senior executives may mutually agree, then, unless prohibited by law, the Dispute shall be resolved solely and exclusively by binding arbitration in accordance with Section 6.4; provided, however, that the Parties acknowledge and agree that a Dispute over which a governmental authority has exclusive jurisdiction shall, in the first instance, be brought before and resolved by such governmental authority.

6.4 Binding Arbitration. Disputes that are not resolved pursuant to Section 6.3 shall be resolved by binding arbitration before an independent arbitrator mutually acceptable to the Disputing Parties. The arbitration shall be conducted in a place to be mutually agreed to by the Disputing Parties and in the absence of such agreement, in Phoenix, Arizona. The arbitration shall be conducted in accordance with the American Arbitration Association’s commercial arbitration rules then in force and effect.

ARTICLE 7 REPRESENTATIONS AND WARRANTIES

Each Party represents and warrants to the other Parties as of the date of execution of this Agreement as follows:

- (a) It is duly formed, validly existing and in good standing under the laws of the jurisdiction of its formation or organization.
- (b) Subject to Regulatory Approvals, it has all requisite power necessary to own its assets and carry on its business as now being conducted or as proposed to be conducted under this Agreement.
- (c) Subject to Regulatory Approvals, it has all necessary power and authority to execute and deliver this Agreement and to perform its obligations under this Agreement, and the execution and delivery of this Agreement and the performance by it of this Agreement have been duly authorized by all necessary action on its part.

(d) The execution and delivery of this Agreement and the performance by it of this Agreement do not and shall not: (i) violate its organizational documents; (ii) violate any applicable laws; or (iii) result in a breach of or constitute a default of any material agreement to which it is a party.

(e) Assuming the due authorization, execution and delivery of this Agreement by each other Party, and subject to Regulatory Approvals, this Agreement constitutes its legal, valid and binding obligation enforceable against it in accordance with its terms, except as the same may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights generally and by principles of equity regardless of whether such principles are considered in a proceeding at law or in equity.

ARTICLE 8 MISCELLANEOUS TERMS

8.1 Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Arizona, except to the extent preempted by federal law.

8.2 Notices. All notices, consents, waivers and other communications required or permitted by this Agreement to be given to another Party will be in writing and will be deemed to have been given when (a) delivered to the other Party's address personally, by messenger, by a nationally or internationally recognized overnight delivery service or otherwise, (b) sent to the other Party by facsimile, e-mail or other electronic transmission, with confirmation of transmission by the transmitting equipment; or (c) received or rejected by the other Party, if sent by certified mail, return receipt requested, in each case, addressed to the other Party at its address, facsimile number or email address and marked to the attention of the person designated on Schedule 8.2 attached hereto (or to such other address, facsimile number, e-mail address or person as a Party may designate by notice to the other Parties in accordance with this Section 8.2).

8.3 Entire Agreement. This Agreement constitutes and expresses the entire understanding among the Parties with respect to the subject matter hereof, and supersedes all prior agreements and understandings, inducements, commitments or conditions, express or implied, oral or written.

8.4 Amendments. Neither this Agreement nor any provision hereof may be amended or modified other than by an agreement in writing signed by all of the RTPs.

8.5 No Waiver. No failure on the part of any Party to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right.

8.6 Severability of Provisions. The provisions of this Agreement are independent of and separable from each other. If any provision of this Agreement shall

for any reason be held invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of any other provision hereof, but this Agreement shall be construed as if such invalid or unenforceable provision had never been contained herein.

8.7 Assignments; Successors.

(a) Except as provided in paragraphs (b) and (c) of this Section 8.7, no Party may assign any of its rights or delegate any of its duties or obligations under this Agreement without the prior written consent of the other Parties, such consent not to be unreasonably withheld, except that any RTP may, without the consent of the other RTPs, assign its rights and delegate its duties and obligations under this Agreement to a successor to which all or substantially all of the transmission assets of such RTP shall be transferred or to an affiliate of the assigning RTP for the purposes of a corporate restructuring, provided, however, that in each such case the successor or affiliate has executed an addendum to this Agreement and if required, made all necessary filings in connection with any applicable Regulatory Approvals. Subject to the preceding sentence, this Agreement will apply to, be binding in all respects upon and inure to the benefit of the successors and permitted assigns of the Parties.

(b) The Parties shall have the right at any time and from time to time to mortgage, create or provide for a security interest in or convey in trust their respective rights, titles and interests in this Agreement to a trustee or trustees or a mortgagee or mortgagees under deeds of trust, mortgages or indentures, or to secured parties under a security agreement, and to any successors or assigns thereof without need for the prior consent of the other Parties, and without such mortgagee, trustee or secured party assuming or becoming in any respect obligated to perform any of the obligations of the Parties.

(c) Any mortgagee, trustee or secured party under present or future deeds of trust, mortgages, indentures or security agreements of any of the Parties and any successor or assign thereof, and any receiver, referee, or trustee in bankruptcy or reorganization of any of the Parties, and any successor by action of law or otherwise, and any purchaser, transferee or assignee of any thereof may, without need for the prior consent of the other Parties, succeed to and acquire all the rights, titles and interests of such Party in this Agreement and may foreclose upon said rights, titles and interests of such Party.

8.8 No Third Party Beneficiaries. Nothing expressed or referred to in this Agreement will be construed to give any person other than the Parties any legal or equitable right, remedy or claim under or with respect to this Agreement or any provision of this Agreement, except such rights as shall inure to a successor or permitted assignee pursuant to Section 8.7.

8.9 Joint Effort. Preparation of this Agreement has been a joint effort of the Parties and the resulting document shall not be construed more severely against one of

the Parties than against the others and no provision in this Agreement is to be interpreted for or against any Party because that Party or its counsel drafted such provision. Each Party acknowledges that in executing this Agreement it has relied solely on its own judgment, belief and knowledge, and such advice as it may have received from its own counsel, and it has not been influenced by any representation or statement made by the other Parties or their counsel not contained in this Agreement.

8.10 Schedules and Exhibits. The Schedules and Exhibits hereto together with all attachments referenced therein, are incorporated herein by reference and made a part of this Agreement.

8.11 Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this Agreement and of signature pages by facsimile transmission shall constitute effective execution and delivery of this Agreement as to the Parties and may be used in lieu of the original Agreement for all purposes. Signatures of the Parties transmitted by facsimile shall be deemed to be their original signatures for all purposes.

8.12 Consistency with Federal Laws and Regulations. Nothing in this Agreement shall compel any Party, person or federal entity to (i) violate federal statutes or regulations; or (ii) in the case of a federal governmental authority or instrumentality, to exceed its statutory authority, as defined by any applicable federal statutes, regulations, or orders lawfully promulgated thereunder. If any provision of this Agreement is inconsistent with any obligation imposed on any person or federal entity by federal law or regulation, to that extent it shall be inapplicable to that person or federal entity. No person or federal entity shall incur any liability by failing to comply with a provision of this Agreement that is inapplicable to it by reason of being inconsistent with any federal statutes, regulations or orders lawfully promulgated thereunder; provided, however, that such person or federal entity shall use its best efforts to comply with the Agreement to the extent that applicable federal laws, regulations and orders lawfully promulgated thereunder permit it to do so.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, each of the Parties has caused its duly authorized representative to execute this Second WestConnect Point-to-Point Regional Transmission Service Experiment Participation Agreement on its behalf as of the 31st day of March, 2011.

ARIZONA PUBLIC SERVICE COMPANY

By Robert R. Bean

Title Transmission Services Trading Section Leader

EL PASO ELECTRIC COMPANY

By Jose G. Nevarez

Title Assistant Vice President

PUBLIC SERVICE COMPANY OF COLORADO

By Ian R. Benson

Title Director, Transmission Business Relations & Asset Management

PUBLIC SERVICE COMPANY OF NEW MEXICO

By Gregory C. Miller

Title Lead Director, Transmission Operations

SOUTHWEST TRANSMISSION COOPERATIVE, INC.

By James C. Burson

Title Senior VP & COO

TRI-STATE GENERATION AND TRANSMISSION ASSOCIATION, INC.

By Joel K. Bladow

Title Senior Vice-President, Transmission

TUCSON ELECTRIC POWER COMPANY

By John Tolo

Title Mgr, System Control & Reliability

WESTERN AREA POWER ADMINISTRATION

By Ronald E. Moulton

Title Transmission Services Manager

EXHIBIT A

**PARTIES TO SECOND WESTCONNECT
POINT-TO-POINT REGIONAL TRANSMISSION SERVICE EXPERIMENT
PARTICIPATION AGREEMENT**

DATED: March 31, 2011

PARTY	DATE
Arizona Public Service Company	March 31, 2011
El Paso Electric Company	March 31, 2011
Public Service Company of Colorado	March 31, 2011
Public Service Company of New Mexico	March 31, 2011
Southwest Transmission Cooperative, Inc.	March 31, 2011
Tri-State Generation and Transmission Association, Inc.	March 31, 2011
Tucson Electric Power Company	March 31, 2011
Western Area Power Administration	March 31, 2011

**SCHEDULE 8.2
NOTICE INFORMATION**

Dated: March 31, 2011

ARIZONA PUBLIC SERVICE COMPANY

PO Box 53999 M.S, 2260
Phoenix, Arizona 85072-3999
Attn: Robert Bean

Telephone: (602) 250-1128
Facsimile: (602) 250-1155
Email: robert.bean@aps.com

EL PASO ELECTRIC COMPANY

System Operations
PO Box 982
El Paso, Texas 79960
Attn: Greg Grill

Telephone: (915) 543-4040
Facsimile: (915) 521-4763
Email: ggrill1@epelectric.com

PUBLIC SERVICE COMPANY OF COLORADO

1800 Larimer Street, Suite 600
Denver, Colorado 80202
Attn: Gerald Deaver

Telephone: (303) 571-7681
Facsimile: (612)318-4771
Email: Gerald.R.Deaver@xcelenergy.com

PUBLIC SERVICE COMPANY OF NEW MEXICO

Alvarado Square M.S. 0604
Albuquerque, New Mexico 87158
Attn: Gregory C. Miller

Telephone: (505) 241-4570
Facsimile: (505) 241-4363
Email: gmiller@pnm.com

SOUTHWEST TRANSMISSION COOPERATIVE, INC.

PO Box 2195
Benson, Arizona 85602
Attn: James C. Burson

Telephone: (520) 586-5219
Facsimile: (520) 586-5279
Email: jburson@swtranso.coop

TRI-STATE GENERATION AND TRANSMISSION ASSOCIATION, INC.

If via mail:
PO Box 33695
Denver, Colorado 80233-0695
Attn: Doug Reese

If via personal delivery or courier:
3761 Eureka Way
Frederick, CO 80516
Attn: Doug Reese

Telephone: (303) 254-3676
Facsimile: (303) 254-6058
Email: dreese@tristategt.org

TUCSON ELECTRIC POWER COMPANY

PO Box 711
Mail Stop SC212
Tucson, Arizona 85702
Attn: Raquel Aguilar

Telephone: (520) 745-7193
Facsimile: (520) 571-4036
Email: transcord@tep.com

WESTERN AREA POWER ADMINISTRATION

Rocky Mountain Region
5555 E. Crossroads Boulevard
Loveland, CO 80538-8986
Attn: Raymond Vojdani

Telephone: (970) 461-7379
Facsimile: (970) 461-7423
Email: avojdani@wapa.gov

EXHIBIT 1

**SECOND WESTCONNECT
POINT-TO-POINT
REGIONAL TRANSMISSION SERVICE EXPERIMENT
TARIFF**

**Article I.
Preamble**

[Insert RTP Full Legal Name] (the “Transmission Provider”), in coordination with the other RTPs (as defined below) will provide Regional Transmission Service pursuant to the applicable terms and conditions of this Second WestConnect Point-To-Point Regional Transmission Service Tariff (the “Second Regional Tariff”) on an experimental basis commencing on the Operational Date (as defined below) and ending on the date that is two years after the Operational Date or such earlier date when either this Second Regional Tariff is terminated or the Transmission Provider has withdrawn this Second Regional Tariff in accordance with its terms. In any event, service shall be provided pursuant to any request for Regional Transmission Service accepted prior to the ending, termination or withdrawal of this Second Regional Tariff.

**Article II.
Definitions**

Unless the context otherwise requires, capitalized and defined terms used herein shall have the meanings given to them below:

“Administrative Charge” has the meaning set forth in Section 7.1(f).

“Billing Agent” means an independent third party retained by the RTPs to act as billing agent for Regional Transactions.

“Billing Agent Agreement” means the agreement among the RTPs and the Billing Agent that sets forth the terms governing the responsibilities of the Billing Agent and related rights and obligations of the parties thereto.

“Commission” means the Federal Energy Regulatory Commission or any successor thereto.

“Curtail” or “Curtailment” means a reduction in Regional Transmission Service in response to a transfer capability shortage as a result of emergency or system reliability conditions.

“Delivering Party” means the entity supplying capacity and energy at Regional Point(s) of Receipt to be transmitted by the RTPs pursuant to this Second Regional Tariff.

“Eligible Customer” is an entity that has met the conditions required of Transmission Customers to take point-to-point transmission service under the respective OATT of each RTP providing service for a particular Regional Transaction.

“Experiment” shall mean the two-year regional transmission pricing initiative conducted pursuant to the terms of this Second Regional Tariff.

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

“Interruption” or “Interrupt” means a reduction in Regional Transmission Service due to economic reasons.

“Jurisdictional RTP” means an RTP that is subject to the jurisdiction of the Commission under Sections 205 and 206 of the Federal Power Act, as in effect during the Operational Period.

“Native Load Customers” means the wholesale and retail customers of an RTP on whose behalf the RTP, by statute, franchise, regulatory requirement, or contract, has undertaken an obligation to construct and operate the RTP’s Transmission System to meet the reliable electric needs of such customers.

“Network Customers” means customers receiving transmission service pursuant to the terms of an RTP’s Network Integration Transmission Service under Part III of the RTP’s OATT.

“Non-Firm Transmission Service” means hourly non-firm point-to-point transmission service provided by any RTP pursuant to its respective OATT.

“Non-Jurisdictional RTP” means an RTP that is not subject to the jurisdiction of the Commission under Sections 205 and 206 of the Federal Power Act, as in effect during the Operational Period.

“OATT” means, in respect of a particular RTP, the open access transmission tariff of such RTP on file with the Commission or, if such RTP is not required to file such tariff with the Commission, the open access transmission tariff of such RTP posted on its OASIS.

“Operational Date” means July 1, 2011.

“Operational Period” means a period of two years commencing on the Operational Date.

“Receiving Party” means the entity receiving capacity and energy made available at, and transmitted by RTPs to, Regional Point(s) of Delivery pursuant to this Second Regional Tariff.

“Regional Charge” has the meaning set forth in Section 7.1(a).

“Regional Point(s) of Delivery” means the point(s) of interconnection on the Regional Transmission System where capacity and energy from the Delivering Party will be made available and delivered to the Receiving Party by the RTPs pursuant to this Second Regional Tariff.

“Regional Point(s) of Receipt” means the point(s) of interconnection on the Regional Transmission System where capacity and energy from the Delivering Party will be received by the RTPs for transmission pursuant to this Second Regional Tariff.

“Regional Rate” means the highest of the ceiling rates for hourly non-firm transmission service posted on the respective OASIS of the RTPs who would provide Regional Transmission Service, for service under their OATTs at the time of the Regional Transaction. The Regional Rate is not a discounted rate subject to Schedule 8 of the Commission's pro forma open access transmission tariff and shall not be subject to discount.

“Regional Transaction” means a single transaction in which Regional Transmission Service is provided to an Eligible Customer, pursuant to the Second Regional Tariff.

“Regional Transmission Service” means hourly non-firm point-to-point transmission service across the Regional Transmission System provided by the Transmission Provider and other RTPs pursuant to the Second Regional Tariff.

“Regional Transmission System” means the aggregate facilities owned, controlled or operated by the RTPs that are used to provide Regional Transmission Service pursuant to this Second Regional Tariff.

“Second Participation Agreement” means that certain Second WestConnect Point-to-Point Regional Transmission Service Experiment Participation Agreement, executed as of March 31, 2011, effective as of the Effective Date (as defined therein) by and among the RTPs.

“Second Regional Tariff” means this Second WestConnect Point-To-Point Regional Transmission Service Experiment Tariff as set forth in the preamble.

“RTP” means any entity that is party to the Second Participation Agreement, and that is providing Regional Transmission Service pursuant to the Second Regional Tariff as adopted by such entity.

“Service Agreement” has the meaning set forth in Section 3.3.

“Transmission Customer” means an Eligible Customer taking Regional Transmission Service under this Second Regional Tariff.

“Transmission System” means, in respect of any RTP, the facilities owned by such RTP that are used to provide Regional Transmission Service pursuant to this Second Regional Tariff.

“wesTTrans” means the OASIS site of the RTPs, or its successor site.

Article III.

Nature of Regional Transmission Service

3.1 Hourly Service

Regional Transmission Service shall be provided on an hourly basis and can be reserved up to twenty-four (24) consecutive hours. Notwithstanding anything to the contrary contained in this Second Regional Tariff, in no event shall Regional Transmission Service be available (a) for any term that would extend beyond the Operational Period or (b) on any RTP’s Transmission System if the term would extend beyond the date on which that RTP would no longer be an RTP providing Regional Transmission Service pursuant to this Second Regional Tariff.

3.2 Reservation Priority

Regional Transmission Service shall be available from transfer capability in excess of that needed for reliable service to Native Load Customers, Network Customers and other transmission customers taking long-term and short-term firm point-to-point transmission service under an RTP’s OATT or a grandfathered agreement, and for margins or reserves required or permitted under applicable reliability standards. Subject to such availability, Regional Transmission Service shall be available on a first-come, first-served basis (i.e., in the chronological sequence in which each Eligible Customer has reserved such service).

3.3 Service Agreements

Eligible Customers must execute an umbrella service agreement in the form attached hereto as Annex A, or must have executed an umbrella service agreement in the form attached as Annex A to the predecessor Regional Tariff in effect from July 1, 2009 through June 30, 2011 (the “Service Agreement”), with all of the RTPs or each RTP whose Transmission System will be used to provide Regional Transmission Service for such Eligible Customer at any time; provided that the umbrella service agreements previously executed by Eligible Customers with RTPs shall be deemed to refer to this Second Regional Tariff and shall continue in effect and constitute Service Agreements for all purposes of this Second Regional Tariff until terminated in accordance with their terms. Executed Service Agreements that contain the information required under this Second Regional Tariff for service provided by Jurisdictional RTPs shall be filed with the Commission in compliance with all applicable Commission regulations.

3.4 Curtailment or Interruption of Regional Transmission Service

(a) If a Curtailment on the Regional Transmission System, or a portion thereof, is required, then Curtailments will be made on a non-discriminatory basis to the Regional Transaction(s) that effectively relieve the constraint. When the RTPs determine that an electrical emergency exists on the Regional Transmission System and implement emergency procedures to Curtail Regional Transmission Service, the Transmission Customer shall make the required reductions upon request of the RTPs. The RTPs reserve the right to Curtail, in whole or in part, Regional Transmission Service provided under this Second Regional Tariff for reliability reasons when an emergency or other unforeseen condition threatens to impair or degrade the reliability of the Regional Transmission System.

(b) The RTPs reserve the right to Interrupt, in whole or in part, Regional Transmission Service provided under this Second Regional Tariff for economic or other reasons in accordance with the product type priority rules established in the RTPs’ OATTs. The RTPs also will discontinue or reduce service to the Transmission Customer to the extent that deliveries for transmission are discontinued or reduced at the Regional Point(s) of Receipt.

(c) Where required, Curtailments or Interruptions will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint; provided, however, that Regional Transmission Service shall be subordinate to firm transmission service provided to Native Load Customers, customers taking Firm Point-to-Point transmission service and Network Customers under transactions that are not Regional Transactions. If multiple transactions require Curtailment or Interruption, to the extent practicable and consistent with Good Utility Practice, Curtailments or Interruptions will be made in accordance with the product type priority rules established in the RTPs’ OATTs. The RTPs will provide advance notice of Curtailment or Interruption where such notice can be provided consistent with Good Utility Practice.

(d) No credit will be given to Transmission Customers affected by Curtailments or Interruptions of Regional Transmission Service.

3.5 Classification of Regional Transmission Service

(a) Due to the short term, non-firm nature of the Regional Transmission Service, the Transmission Customer taking Regional Transmission Service may not change its Regional Point(s) of Receipt or Point(s) of Delivery to obtain alternative service on a non-firm basis. Transmission Customers may not redirect, resell, rollover or convert Regional Transmission Service.

(b) The Palo Verde/Hassayampa Common Bus will be treated as a single Regional Point of Receipt and as a single Regional Point of Delivery for transactions scheduled to or from such Common Bus.

(c) The Transmission Provider shall provide deliveries of capacity and energy from the Regional Point(s) of Receipt to the Regional Point(s) of Delivery on a non-firm basis only. Regional Points of Receipt and corresponding capacity reservations shall be as mutually agreed upon by the RTPs for Regional Transmission Service. The Transmission Customer's reserved capacity shall be the greater of either (1) the sum of the capacity reservations at the Regional Point(s) of Receipt, or (2) the sum of the capacity reservations at the Regional Point(s) of Delivery. The Transmission Customer will be billed for its reserved capacity. The Transmission Customer may not exceed its capacity reserved at each Regional Point of Receipt and each Regional Point of Delivery.

(d) Eligible Customers requesting Regional Transmission Service for the transmission of power do so with the full realization that such service is subject to availability and to Curtailment or Interruption under the terms of this Second Regional Tariff.

3.6 Withdrawal and Termination of the Second Regional Tariff

(a) The Transmission Provider may withdraw this Second Regional Tariff, and any other RTP may withdraw its Second Regional Tariff, (i) at any time prior to the Operational Date, at the sole discretion of the Transmission Provider or the RTP, respectively; (ii) at any time (either before, on or after the Operational Date), due to the occurrence or material risk of adverse regulatory action (subject to any obligations incurred for transactions already consummated under the Second Regional Tariff in which the withdrawing Transmission Provider or other RTP participated), as determined in the sole discretion of the Transmission Provider or other RTP, including, but not limited, to, conditions that may be imposed by the Commission, or as a result of intervenor action or a complaint, or any other governmental authority on the Regional Transmission Service, such as subjecting the rates, transmission revenue requirements or costs of a Non-Jurisdictional RTP to review under the Federal Power Act, either directly or indirectly, or subjecting an RTP to refunds or the possibility thereof, or (iii) at the sole discretion of the withdrawing RTP, upon ninety (90) days prior written notice effective

on or after the first anniversary of the Operational Date. It shall be a condition precedent to the effectiveness of any withdrawal that the withdrawing Transmission Provider or other RTP pay all amounts due and payable under this Second Regional Tariff prior to such withdrawal. The Transmission Provider acknowledges and agrees that this Second Regional Tariff will continue in effect notwithstanding the withdrawal of one or more other RTPs.

(b) This Second Regional Tariff will be in effect for the Operational Period and will terminate on the last day of the Operational Period, unless the Transmission Provider and the other RTPs mutually agree to terminate Regional Transmission Service prior to that date. However, any Regional Transmission Service requested prior to the termination of this Second Regional Tariff will be provided if it would have been provided under the Second Regional Tariff while in effect.

Article IV. Regional Transmission Service Terms

4.1 General Conditions

The RTPs will provide Regional Transmission Service over the Regional Transmission System to any Eligible Customer that has met the requirements of this Second Regional Tariff.

4.2 Calculation of Available Transfer Capability

The RTPs shall calculate the Available Transfer Capability (“ATC”) consistent with the applicable requirements of the Reliability Standards adopted by the North American Electric Reliability Corporation and in accordance with Attachment C of the respective RTPs’ individual OATTs.

4.3 Real Power Losses

Losses will be based on transactions across each Transmission System used in the Regional Transaction, will be monetized at the rate published in the ICE Palo Verde Financial Peak Daily Electricity Price Index or ICE Palo Verde Financial Off-Peak Daily Electricity Price Index (“Palo Verde Index”) for the trade date of the transaction, and will be paid for by the Transmission Customer.

Article V. Transmission Customer Responsibilities

5.1 Conditions Required of Transmission Customers

Regional Transmission Service shall be provided by the RTPs only if the following conditions are satisfied by the Transmission Customer:

(a) The Transmission Customer has submitted a request for service *via* the westTrans.net OASIS site;

(b) The Transmission Customer qualifies as an Eligible Customer as defined in this Second Regional Tariff, which includes satisfying the creditworthiness criteria as defined in each RTP's respective OATT;

(c) The Transmission Customer has arrangements in place for any other transmission service necessary to effect the delivery from the generating source to the Regional Transmission System prior to the time Regional Transmission Service commences;

(d) The Transmission Customer has executed a Service Agreement with the Transmission Provider and each other RTP whose Transmission System will be used for the Regional Transaction;

(e) If the Regional Transmission Service is to be used to serve load within the Control Area of an RTP, the Transmission Customer satisfies any requirements for ancillary services under Schedules 3-6 of that RTP's OATT; and

(f) If the Regional Transmission Service is to be used to deliver energy from a generator located within an RTP's Control Area to load outside that Control Area, the Transmission Customer satisfies any requirements for Generator Imbalance Service under Schedule 9 of that RTP's OATT.

5.2 Conditions Applicable to RTPs who Own Facilities Financed by Local Furnishing Bonds or Other Tax-Exempt Bonds

In addition to the conditions in Section 5.1, Regional Transmission Service shall be provided by the RTPs only if Eligible Customers requesting Regional Transmission Service comply with all special requirements (*e.g.*, Two County Furnishing Bond requirements) applicable to the RTPs that own transmission, distribution or generation facilities financed by local furnishing bonds or other tax-exempt bonds, which special requirements are specified in the RTPs' OATTs.

Article VI.
Procedures for Arranging Regional Transmission Service

6.1 Reservation of Regional Transmission Service

Requests for Regional Transmission Service shall be submitted no earlier than 0700 MST of the day before the requested Regional Transmission Service is to commence and must be received no later than 1400 MST of such day. Requests for Regional Transmission Service submitted after 1400 MST of such day will be accommodated if practicable.

6.2 Processing of Requests for Regional Transmission Service that would be more Expensive than Service under individual OATTs

If the WestConnect Deal Wizard indicates that a proposed Regional Transaction is more expensive at the Regional Rate than it would be under the combined OATT rates of the RTPs that would provide the requested Regional Transmission Service – i.e., if the “WC Regional Savings” column shows a negative amount – the Transmission Customer may still submit the request. If the request is submitted, each segment of the requested transmission path will be processed as a transmission service request under the relevant RTP’s individual OATT. A new submission of transmission service requests for the transaction to each of the relevant RTPs will not be required. In such cases, each reserved segment of the transaction will be billed by the relevant RTP individually in accordance with its OATT, and will not be billed under this Second Regional Tariff.

6.3 Determination of Available Transfer Capability

Following receipt of a transmission service request, all RTPs will make a determination on a non-discriminatory basis of ATC pursuant to Section 4.2. Such determination shall be made as soon as reasonably practicable after receipt, but not later than 30 minutes after receipt of the transmission service request.

6.4 Scheduling Regional Transmission Service

Schedules for Regional Transmission Service must be submitted to the RTPs no later than 1400 MST of the day prior to the day on which such service is to commence. Schedules for Regional Transmission Service submitted after that time will be accommodated if practicable. Hour-to-hour schedules of energy to be delivered must be stated in increments of 1 megawatt per hour. Scheduling changes will be permitted up to 20 minutes before the start of the next clock hour provided that the Delivering Party and Receiving Party also agree to the schedule modification. The RTPs participating in a Regional Transaction will furnish to the Delivering Party’s system operator hour-to-hour schedules equal to those furnished by the Receiving Party and shall deliver the capacity and energy provided by such schedules on a non-firm basis. Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the RTPs providing the Regional Transmission Service for

the transaction, and the RTPs shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered. A Regional Transaction can be annulled at the request of the Transmission Customer only if all of the RTPs that would participate in the Regional Transaction agree to annul it. Transmission Customers will not be charged for reservations of Regional Transmission Service when all of the RTPs that would have participated in providing the service agree to annul it.

6.5 Tagging Regional Transactions

Regional Transmission Service is to be utilized and tagged in each case across the Transmission Systems of all of the RTPs involved in the Regional Transaction. Each Regional Transaction must be tagged with an E-Tag that includes all segments of the Regional Transmission Service reserved. If a Transmission Customer tags only one of the segments of a reserved path, the E-Tag will not be considered a Regional Transmission Service tag, and will be processed in accordance with the individual Transmission Provider's OATT, with appropriate ancillary service charges and losses being assessed.

Article VII. Regional Transmission Service Rates

7.1 Regional Transmission Service Rates

For each Regional Transaction, Transmission Customer agrees to pay the following charges:

(a) **Regional Charge.** A charge (in \$) equal to the product of (i) the total reserved megawatts for such Regional Transaction (in MWs) multiplied by (ii) the Regional Rate (in \$/MW) for such Regional Transaction; plus

(b) **Ancillary Service 1 Charge.** An Ancillary Service 1 charge (in \$) equal to the product of (i) the total megawatts for such Regional Transaction (in MWs) multiplied by (ii) the sum of the rate (in \$/MW) for scheduling, system control and dispatch service as each component is specified in the OATT for each RTP that participated in the Regional Transaction, provided that for any such RTP that charges a per-transaction based Ancillary Service 1 rate, the Transmission Customer will pay that RTP's per-transaction based Ancillary Service 1 rate; plus

(c) **Ancillary Service 2 Charge.** An Ancillary Service 2 charge (in \$) equal to the product of (i) the total megawatts for such Regional Transaction (in MWs) multiplied by (ii) the rate (in \$/MW) for reactive supply and voltage control as each component is specified in the OATT of the last RTP (i.e., the RTP that transmits the Transmission Customer's energy to the Regional Point of Delivery) participating in the Regional Transaction; plus

(d) **Additional Ancillary Services.** Additional Ancillary Services; i.e. Ancillary 3: Regulation and Frequency Response Service; Ancillary 4: Energy

Imbalance Service; Ancillary 5: Operating Reserve – Spinning Reserve Service; Ancillary 6: Operating Reserve – Supplemental Reserve Service; and Ancillary 9 – Generator Imbalance Service, to the extent required in conjunction with a Regional Transaction, as offered in accordance with the appropriate RTP’s OATT; plus

(e) **Losses Charge.** A losses charge (in \$) equal to the product of (i) the total megawatts for such Regional Transaction (in MWs) multiplied by (ii) the sum of the loss rates (in %) as each component is specified in the OATT for each RTP that participated in the Regional Transaction (monetized based on the applicable Palo Verde Index price); plus

(f) **Administrative Charges.** An administrative charge (“Administrative Charge”) of \$0.95 per MWH of Regional Transmission Service reserved during the Operational Period; provided that the Administrative Charge will increase to \$1.20 per MWH of Regional Transmission Service reserved during the second twelve month period of the Operational Period if the volume of Regional Transactions during the first twelve month period of the Operational Period is less than 120,000 MWH. The Administrative Charge is designed to cover the costs of the Billing Agent.

These charges shall not be discounted.

7.2 Payment to Billing Agent Account

All charges for Regional Transmission Service provided for in this Second Regional Tariff shall be billed to the Transmission Customer by the Billing Agent and paid by the Transmission Customer to the Billing Agent. The Billing Agent will also be responsible for making any refunds to which the Transmission Customer may be entitled in respect of a Regional Transaction.

Article VIII. Dispute Resolution and Governing Law

8.1 Internal Dispute Resolution Procedures

Any dispute between a Transmission Customer and an RTP involving transmission service under this Second Regional Tariff (excluding applications for changes to the Second Regional Tariff, or to any Service Agreement entered into by a Jurisdictional RTP under the Second Regional Tariff or its predecessor, which shall be presented directly to the Commission for resolution) shall be referred to a designated senior representative of the RTP and a senior representative of the Transmission Customer for resolution on an informal basis as promptly as practicable. In the event the designated representatives are unable to resolve the dispute within thirty (30) days [or such other period as the Transmission Customer and the RTP may agree upon] by mutual agreement, such dispute may be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below.

8.2 External Arbitration Procedures

Any arbitration initiated under this Second Regional Tariff shall be conducted before a single neutral arbitrator appointed by the parties to the dispute (hereinafter, the “Parties”). If the Parties fail to agree upon a single arbitrator within ten (10) days of the referral of the dispute to arbitration, each of the Parties shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall generally conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association and any applicable Commission regulations.

8.3 Arbitration Decisions

Unless otherwise agreed, the arbitrator(s) shall render a decision within ninety (90) days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the Second Regional Tariff and any Service Agreement entered into under the Second Regional Tariff and shall have no power to modify or change any of the above in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act and/or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with the Commission if it affects jurisdictional rates, terms and conditions of service or facilities.

8.4 Costs

Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable:

1. the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or
2. one half the cost of the single arbitrator jointly chosen by the Parties.

8.5 Rights Under The Federal Power Act; Governing Law

(a) Nothing in this section shall restrict the rights of any party to file a complaint with the Commission under relevant provisions of the Federal Power Act.

(b) The validity, interpretation and performance of this Second Regional Tariff and each of its provisions shall be governed by federal law and/or by the law of the state in which the Transmission Provider has its principal place of business (unless preempted by federal law).

ANNEX A
Form of Service Agreement for
Second WestConnect Point-To-Point Regional Transmission Service Experiment
Tariff

- 1.0 This Service Agreement, dated as of [_____] (this “Service Agreement”), is entered into by and between [_____] ¹⁰(“RTP” and collectively, with other transmission providers providing service in a Regional Transaction, the “RTPs”) and [_____] ¹¹(the “Transmission Customer”). Capitalized terms used but not defined herein shall have the meanings assigned to them in the RTP’s Second WestConnect Point-To-Point Regional Transmission Service Experiment Tariff (the “Second Regional Tariff”).
- 2.0 The Transmission Customer has been determined by the RTP to be a Transmission Customer under the Second Regional Tariff.
- 3.0 Service under this Agreement shall be provided by the RTP upon request by an authorized representative of the Transmission Customer.
- 4.0 The Transmission Customer agrees: (a) to supply information that the RTP deems reasonably necessary in accordance with Good Utility Practice in order to provide any requested Regional Transmission Service; and (b) to provide information to the RTPs and the Billing Agent pursuant to and in accordance with the Second Regional Tariff in connection with any requested Regional Transmission Service.
- 5.0 The RTP agrees to provide and the Transmission Customer agrees to take and pay for the requested Regional Transmission Service in accordance with the provisions of the Second Regional Tariff and this Service Agreement.
- 6.0 Regional Transmission Service under this Service Agreement shall commence on the later of (a) the requested commencement date, or (b) such other date as the requested Regional Transmission Service is permitted to become effective by the Commission, if applicable. Regional Transmission Service under this Service Agreement shall terminate on such date as is mutually agreed upon by the Transmission Customer and the RTP, but no later than the earliest to occur of (i) the last day of the Operational Period under the Second Regional Tariff, (ii) the date of withdrawal of the Second Regional Tariff by the RTP, or (iii) the date of termination of the Second Regional Tariff by the RTPs.
- 7.0 Transmission Customer acknowledges and agrees that the RTP may withdraw at any time its Second Regional Tariff in accordance with the terms and conditions thereof and that effective upon such withdrawal this Service Agreement shall

¹⁰ Include name of applicable RTP.

¹¹ Include name of Eligible Customer requesting Regional Transmission Service.

automatically terminate solely with respect to the RTP, without any action by any party hereto.

8.0 Any notice or request made to or by a party hereto regarding this Service Agreement shall be made to the representative(s) of the other party or parties hereto as indicated below:

RTP:

Name: _____
Address: _____
Address 2: _____
City, ST Zip: _____
Attention: _____

Transmission Customer:

Name: _____
Address: _____
Address 2: _____
City, ST Zip: _____
Attention: _____

9.0 The Second Regional Tariff is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

RTP:

By: _____
Name

Printed Name

Title

Date

Transmission Customer:

By: _____
Name

Printed Name

Title

Date

EXHIBIT 2
FORM OF ADDENDUM

By execution of this addendum (this "Addendum") to the Second WestConnect Point-to-Point Regional Transmission Service Experiment Participation Agreement, executed as of March 31, 2011 (the "Second Participation Agreement"), the undersigned hereby joins in the execution of the Second Participation Agreement, by and among Arizona Public Service Company, El Paso Electric Company, Public Service Company of Colorado, Public Service Company of New Mexico, Southwest Transmission Cooperative, Inc., Tri-State Generation and Transmission Association, Inc., Tucson Electric Power Company, Western Area Power Administration and each other person that becomes an RTP thereunder after the date and pursuant to the terms thereof (each, an "RTP" and, collectively, the "RTPs"). By executing this Addendum, the undersigned hereby agrees that it will become a Party to the Second Participation Agreement and agrees to be bound by all of the terms and provisions of the Second Participation Agreement applicable to a Party thereto, subject to any applicable Regulatory Approvals. Effective as of the date this Addendum is declared effective by the Commission, if applicable, and upon receipt of any other applicable Regulatory Approvals, the undersigned shall be an RTP for all purposes of the Second Participation Agreement, shall be bound by the terms and conditions thereof, and shall have all of the rights, duties and obligations of an RTP under the Second Participation Agreement.

The undersigned represents and warrants to the other RTPs that each of the representations and warranties in Article 7 of the Second Participation Agreement is true and correct with respect to the undersigned as of the date hereof. The address, facsimile number and email address of the undersigned for purposes of Section 8.2 of the Second Participation Agreement are set forth below.

[NEW RTP]

By _____

Title _____

Attn: _____

Telephone: ([____]) [_____]

Facsimile: ([____]) [_____]

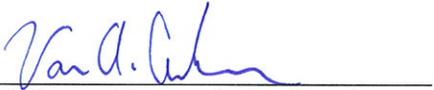
Email: [_____]

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Black Hills/Colorado Electric Company, LLC

By 
Title Director Transmission Services

Black Hills Corporation
P.O. Box 1400
Rapid City, SD 57709

Attn: Larry D. Williamson

Telephone: (605) 721-2285
Facsimile: (605) 721-2735
Email: larry.williamson@blackhillscorp.com