

## Transmission/Substation Facility Extension Agreement

This Agreement is made between Texas Department of Criminal Justice, hereinafter called "**Customer**" and Oncor Electric Delivery Company LLC, hereinafter called "**Company**" for the extension of Company Delivery System transmission/substation facilities, as hereinafter described. As used herein, the term "extension" shall mean the construction of new facilities or modification of existing facilities.

Customer has requested to take Delivery Service at Tennessee Colony Substation ("**Substation**") at Company's Primary Service Greater than 10 kW – Substation rate ("**Primary Service Substation Rate**") at a primary voltage of 14,400/24940 under Company's Tariff for Retail Delivery Service. In order to effect the rate change from Company's Transmission Service rate at a transmission voltage of 138 kV to the Primary Service Substation Rate, Company shall own all Substation facilities and the 24 kV conductors exiting the Substation and terminating at the Point of Delivery on Customer's first distribution pole located outside and adjacent to the Substation fence. In accordance with the foregoing, Customer hereby agrees to convey to Company, at no cost to Company, all Customer-owned facilities located within the Substation and the three-phase 24 kV conductors exiting the Substation and terminating on Customer's first distribution pole located outside and adjacent to the Substation fence ("**Customer Substation Facilities**"). The Substation is located in Anderson County, at 121 ACR 2802, Tennessee Colony, Texas 75861 at the following coordinates: Latitude 31.8137109 and Longitude -95.866339. The Customer Substation Facilities conveyed to Company hereunder shall include, but not be limited to, the following facilities:

1 each	Circuit Switcher, 138 kV
1 each	Load break switch, 24 kV, motor operated
3 each	Potential transformers, 14.4 kV – 120V
3 each	Lightning arresters, 21 kV
1 each	Circuit breaker, 24 kV
9 each	Disconnect switches, 24 kV
6 each	Fuse mountings, complete with fuses, 24 kV
1 lot	All Customer relaying/control panel(s) located in Company's control house
1 lot	All Customer structures, hardware, buswork, conduit, cable, grounding and foundations
1 lot	24 kV conductors extending from the Substation to Customer's distribution pole adjacent to the Substation fence
1 lot	All Customer-owned facilities and equipment located in Tennessee Colony Substation not listed above

The quantities and descriptions of Customer's facilities listed above may not represent complete and accurate quantities and descriptions of Customer's facilities located in Tennessee Colony Substation. The intent of this Agreement is for all of Customer's facilities located in Tennessee Colony Substation to be conveyed to Company regardless of quantity and description.

Upon conveyance of the Customer Substation Facilities to Company, in accordance with this Agreement, the "**Point of Delivery**" between the Company Facilities and the Customer Facilities will be located where Company's three-phase 24 kV conductors which extend from the Substation interconnect with Customer's three-phase 24 kV conductors at Customer's first distribution pole located outside and adjacent to the Substation fence.

The Company-owned facilities ("**Company Facilities**") will include, but not be limited to, the following facilities:

- 1 lot all facilities located within the Substation
- 1 lot the three-phase 24 kV conductors extending from the Substation to Customer's first distribution pole located outside and adjacent to the Substation fence
- 1 lot Company's three-phase 12.5 kV distribution feeder extending from the Substation
- 1 lot all distribution poles that support Company's 12.5 kV distribution feeder, including Company's first distribution pole located outside and adjacent to the Substation fence which also supports Customer's 24 kV feeder
- 1 lot Company's 24 kV primary metering equipment and associate distribution pole installed in Customer's 24 kV feeder outside the Substation

The Customer-owned facilities ("**Customer Facilities**") will include, but not be limited to, the following facilities:

- 1 lot Customer's three-phase 24 kV distribution feeder extending from Customer's first distribution pole located outside and adjacent to the Substation fence
- 1 lot all distribution poles that support Customer's 24 kV distribution feeder, except Company's first distribution pole located outside and adjacent to the Substation fence which supports Company's 12.5 kV distribution feeder and Company's distribution pole located outside the Substation that supports Company's 24 kV primary metering equipment

#### **ARTICLE I - PAYMENT BY CUSTOMER**

1. As payment for Customer's portion of the cost of the extension of the Company Facilities in accordance with this Agreement, Customer will pay to Company the amount(s) shown below, such payment(s) to be and remain the property of the Company.

Delivery System Facilities Installation Charge – Delivery Service requested by Customer hereunder includes the installation, construction, and extension of Delivery System facilities. Upon execution of this Agreement, Company shall invoice Customer and Customer shall pay Company a Delivery System Facilities Installation Charge in the amount of \$320,899.00 in accordance with Company's Retail Delivery Tariff Rate Schedule DD6, which may from time to time be amended or succeeded. Such charge shall be due and payable within thirty (30) days after the date of Company's invoice. If Customer fails to pay the Delivery System Facilities Installation Charge in accordance with this Agreement, Company may terminate this Agreement by providing Customer with thirty (30) days advanced written notice. If this Agreement is terminated in accordance with this Paragraph 1, Customer shall pay Company the costs specified in Article I, Paragraph 3 below. In such event, Company shall invoice Customer and Customer shall pay such costs within thirty (30) days after the date of such invoice.

2. If the Customer Facilities have not achieved the required level of operation specified below by the date specified below, then Customer shall pay to Company those costs as described below to compensate Company for costs it has incurred associated with the Company Facilities. The following will also address any security required associated with such payment obligation: N/A

3. Upon termination pursuant to the provisions of Article III, Paragraph 2 below, or Article I, Paragraph 1, above, Customer shall pay to Company all of: (a) the costs that Company has incurred prior to the date of termination for engineering, procuring equipment and materials, construction, and any other costs related to the Company Facilities; (b) the costs that Company has committed to incur prior to the date of termination that it is unable to avoid using commercially reasonable steps; and (c) such costs incurred by Company after the date of termination to return the Delivery System to a condition consistent with Company's construction standards and Company's Tariff for Retail Delivery Service. Any cost obligations incurred by Customer under this paragraph will be reduced by any payments made by Customer under Paragraph 1 above. The provisions of this paragraph shall survive termination of this Agreement.
4. In calculating the costs Company has incurred (or committed to be incurred), such costs shall include the normal loadings Company applies to construction projects of this nature and shall be increased by an adder to cover the effects of a Customer payment on the Company's tax liability and shall include an amount to recover franchise fees where applicable.

#### **ARTICLE II - TITLE AND OWNERSHIP**

Company at all times shall have title to and complete ownership and control over the Company Facilities extended under this Agreement.

#### **ARTICLE III - TERM AND TERMINATION**

1. This Agreement becomes effective on the date of execution by both parties and may be executed in two or more counterparts, each of which is deemed an original, but all constitute one and the same instrument.
2. Customer may terminate this Agreement at any time prior to completion of the Company Facilities by providing Company with seven (7) days advanced written notice.

#### **ARTICLE IV - GENERAL CONDITIONS**

1. Customer understands that, as a result of the installation provided for in this Agreement, the Delivery of Electric Power and Energy by Company to the specified location will be provided in accordance with the Primary Service Substation Rate, which may from time to time be amended or succeeded.
2. This Agreement supersedes all previous agreements or representations, either written or oral, between Company and Customer made with respect to the matters herein contained, and when duly executed constitutes the agreement between the parties hereto and is not binding upon Company unless and until signed by one of its duly authorized representatives.
3. The services covered by this Agreement will be provided by Company, and accepted by Customer, in accordance with applicable Public Utility Commission of Texas ("PUCT") Substantive Rules and Company's Tariff for Retail Delivery Service (including the Service Regulations contained therein), as it may from time to time be fixed and approved by the PUCT ("Company's Retail Delivery Tariff"). Company's Retail Delivery Tariff is part of this Agreement to the same extent as if fully set out herein. Unless otherwise expressly stated

in this Agreement, the terms used herein have the meanings ascribed thereto in Company's Retail Delivery Tariff.

4. This Agreement may be amended only upon mutual agreement of the parties, which amendment will not be effective until reduced to writing and executed by the parties. Changes to applicable PUCT Substantive Rules and Company's Retail Delivery Tariff are applicable to this Agreement upon their effective date and do not require an amendment of this Agreement.
5. The failure of a party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered to waive the obligations, rights, or duties imposed upon the parties.
6. Customer may not assign the Agreement without Company's prior written consent.
7. This Agreement was executed in the State of Texas and must in all respects be governed by, interpreted, construed, and enforced in accordance with the laws thereof. This Agreement is subject to all valid, applicable federal, state, and local laws, ordinances, and rules and regulations of duly constituted regulatory authorities having jurisdiction.

#### ARTICLE V - OTHER SPECIAL CONDITIONS

1. Company agrees to move Customer to the Primary Service Substation Rate after this Agreement has been executed by the parties.
2. Company shall install a 138-26.4 kV transformer in the Substation after this Agreement has been executed by the parties.
3. Company shall provide Emergency Restoration Service to Customer's Beto Substation pursuant to Rate DD5 - Emergency Restoration Service Charge in accordance with Company's Tariff for Retail Delivery Service, PUCT Substantive Rule §25.343 - Competitive Energy Services ("**Substantive Rule**"), and this Agreement. Emergency Restoration Service shall be made available to Customer by utilizing (a) any capacity available at the Substation in excess of the Substation capacity being used to serve Company's system needs, and (b) Customer's 24 kV distribution feeder(s) and feeder tie(s) between the Substation and Customer's Beto Substation. Backstand capacity requirements at Beto Substation associated with maintenance activities shall not constitute an emergency situation for purposes of providing Emergency Restoration Service hereunder. For purposes of this Agreement, an "**emergency situation**" shall have the meaning ascribed in the Substantive Rule, which defines the term as a situation in which there is a significant risk of harm to the health or safety of a person or damage to the environment. Emergency Restoration Service Charges will be based on an estimate for the service or Company's cost plus appropriate adders and will be in addition to any other charges made under Company's Tariff for Retail Delivery Service.

The following provisions shall be applicable to the provision of Emergency Restoration Service hereunder:

- (a) Before the provision of Emergency Restoration Service hereunder, Customer shall restore Customer's 24 kV feeder(s) and feeder tie(s) between the Substation and Beto Substation to a condition capable of providing safe and

reliable delivery of Emergency Restoration Service in accordance with this Agreement.

- (b) Emergency Restoration Service hereunder shall be provided for a term not to exceed one (1) year following execution of this Agreement to allow Customer time to arrange for an alternative to taking Emergency Restoration Service from Company for Customer's Beto Substation.
- (c) Emergency Restoration Service hereunder shall be provided up to, but not exceeding, thirty (30) days, per emergency situation.
- (d) Company will provide Emergency Restoration Service pursuant to a written request from Customer explaining the emergency situation and if the emergency situation meets the following criteria:
  - (i) Customer's facilities are impaired or are in jeopardy of failing, and the nature of the health, safety, or environmental hazard that might result from the impairment or failure of the facilities has been taken into consideration;
  - (ii) Customer has been unable to procure, or is unable to procure within a reasonable time, the necessary transformation and/or protection equipment from a source other than Company; and
  - (iii) Provision of Emergency Restoration Service to Customer will not interfere with Company's ability to meet its system needs.
- (e) Customer's written request for Emergency Restoration Service shall be delivered to:

Oncor Electric Delivery Company LLC  
Attn: Randy Herchman  
5904 Lotus Lane  
Lufkin, TX 75904  
Phone: 936-633-2256  
Email: randy.herchman@oncor.com; and

Oncor Electric Delivery Company LLC  
Attn: Alfred Thompson  
5205 W. Oak Street  
Palestine, TX 75811  
Phone: 903-723-7901  
Email: alfred.thompson@oncor.com

- 4. Land Rights - Customer shall, without cost to Company, provide Suitable Space for the Company Facilities in accordance with Section 6.1.2.2.1.4 of Company's Retail Delivery Tariff. Customer shall also provide Company access to Customer's premises in accordance with and for the purposes provided for in Section 5.4.8 of Company's Retail Delivery Tariff.
- 5. Regulatory Approvals - In the event that Company is required to obtain any regulatory approvals to provide the service under this Agreement, the provision of such service is contingent upon the receipt of such approvals.
- 6. Billing Address - The billing address for the Customer is as follows:

Texas Department of Criminal Justice  
Utilities & Energy  
P. O. Box 4012  
Huntsville, TX 77342

- 7. Formal Notices: Any formal notice, demand, or request provided for in this Agreement shall be in writing and shall be deemed properly served, given or made if delivered in person, or sent by either registered or certified mail, postage prepaid, or overnight mail to the address identified below:

If to Customer:

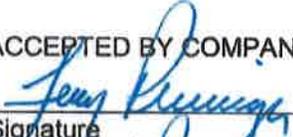
Texas Department of Criminal Justice  
Attn: Marian Harvey  
P. O. Box 4012  
Huntsville, TX 77342  
Phone: 936-437-7355  
Email: Marian.harvey@tdcj.texas.gov; and

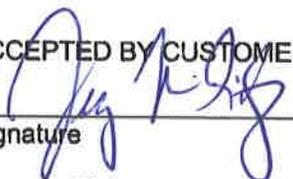
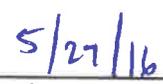
Texas Department of Criminal Justice  
Attn: Shari Moore  
Two Financial Plaza, Suite 525  
Huntsville, TX 77340  
Phone: 936-437-7012  
Email: Shari.moore@tdcj.texas.gov

If to Company:

Oncor Electric Delivery Company LLC  
Attn: Terry Preuninger  
2233 B Mountain Creek Parkway  
Dallas, Texas 75211-6812  
Phone: 214-743-6845  
Email: terry.preuninger@oncor.com

- 8. Payment – All obligations of Customer to make payment to Company pursuant to this Agreement shall survive termination of this Agreement.

ACCEPTED BY COMPANY:  
  
\_\_\_\_\_  
Signature  
  
\_\_\_\_\_  
Name  
  
\_\_\_\_\_  
Title  
  
\_\_\_\_\_  
Date Signed

ACCEPTED BY CUSTOMER:  
  
\_\_\_\_\_  
Signature  
Jerry McGinty  
\_\_\_\_\_  
Name  
Chief Financial Officer  
\_\_\_\_\_  
Title  
  
\_\_\_\_\_  
Date Signed