



**Issue:** **FIRST READING FOR COUNCIL BILL #2022-052 REVISED/UPDATED ELECTRIC TRANSMISSION AGREEMENTS WITH SOUTHWEST POWER POOL AND SOUTHWESTERN POWER ADMINISTRATION**

**Date:** 04.28.2022

**Submitted By:** Doug Colvin  
Assistant City Administrator – Director, Nixa Utilities and Public Works

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### Background

In 2017, Nixa Electric Utility began new transmission service for delivery of wholesale power and entered (2) agreements for this service with Southwest Power Pool (SPP) and the Southwestern Power Administration (SWPA). Execution of these two agreements is necessary to renew and adopt minimal changes described below.

The Network Integration Transmission Service Agreement (NITSA) with SPP is the standard FERC-approved agreement for the delivery of power to Nixa from the SPP Network. The Network Operating Agreement (NOA) between Nixa, SPP and SWPA is for the transmission of power by SPP over SWPA owned facilities.

### Analysis

Changes in the NITSA include removing certain system wide transmission upgrades for which Nixa is no longer being charged (Attachment 1, Section 8.10), the removal of some limiting facilities that are no longer applicable in Appendix 3, Attachment A, some changes in the list of Network Resources table in Appendix 1 (removal of comments and updating of dates) and of course the term dates are updated.

The only changes in the NOA between SPP/SWPA/Nixa is to update the name of the contact person for notices under the agreement and the term date.

### Recommendation

Staff's intention is to bring this back for a Second Reading at the next meeting. Until then staff is available to answer any questions you may have.

1 **AN ORDINANCE OF THE COUNCIL OF THE CITY OF NIXA AUTHORIZING THE CITY**  
2 **ADMINISTRATOR TO EXECUTE CONTRACTS WITH SOUTHWEST POWER POOL**  
3 **AND SOUTHWESTERN POWER ADMINISTRATION FOR THE PROVISIONS OF**  
4 **ELECTRIC TRANSMISSION SERVICES IN THE CITY.**

5 \_\_\_\_\_  
6  
7 **WHEREAS** Section 70.220 RSMo., authorizes the political subdivisions of the  
8 State to contract and cooperate with other government entities for the planning,  
9 development, construction, acquisition or operation of any public improvements or facility,  
10 or for a common service; and

11  
12 **WHEREAS** in 2017, the City engaged in a new transmission service for the  
13 delivery of wholesale power and entered into contracts with the Southwest Power Pool  
14 ("SPP") and the Southwestern Power Administration ("SWPA") to accomplish this; and

15  
16 **WHEREAS** changes have been proposed to the Network Integration Service  
17 Agreement with the SPP and the Network Operating Agreement between the City, SPP,  
18 and SWPA; and

19  
20 **WHEREAS** the Council desires to authorize the execution of the documents  
21 attached hereto as "Council Bill Exhibit A" and "Council Bill Exhibit B," which incorporate  
22 the proposed changes.

23  
24 **NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF**  
25 **NIXA, AS FOLLOWS, THAT:**

26  
27 **SECTION 1:** The City Administrator, or designee, is hereby authorized to enter  
28 into the Contracts attached hereto, and incorporated herein by this reference, as "Council  
29 Bill Exhibit A" and "Council Bill Exhibit B." Said Contracts shall be in substantially similar  
30 form as the documents attached hereto as "Council Bill Exhibit A" and "Council Bill Exhibit  
31 B," respectively.

32  
33 **SECTION 2:** The City Administrator and the officers of the City are hereby  
34 authorized to do all things necessary or convenient to carry out the terms and intent of  
35 this Ordinance.

36  
37 **SECTION 3:** This Ordinance shall be in full force and effect from and after its final  
38 passage by the City Council and after its approval by the Mayor, subject to the provisions  
39 of section 3.11(g) of the City Charter.

40  
41  
42 **[Remainder of Page intentionally left blank. Signature Page follows.]**  
43  
44  
45  
46

47 **ADOPTED BY THE CITY COUNCIL THIS \_\_\_\_ DAY OF \_\_\_\_\_ 2022.**

48

49 ATTEST:

50

51 \_\_\_\_\_

52 CITY CLERK

53

54

55 **APPROVED BY THE MAYOR.**

56

57 ATTEST:

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59 \_\_\_\_\_

60 CITY CLERK

61

62 APPROVED AS TO FORM:

63

64 \_\_\_\_\_

65 CITY ATTORNEY

\_\_\_\_\_  
PRESIDING OFFICER

\_\_\_\_\_  
MAYOR

\_\_\_\_\_  
DATE OF APPROVAL

**SERVICE AGREEMENT  
FOR  
NETWORK INTEGRATION TRANSMISSION SERVICE  
BETWEEN  
SOUTHWEST POWER POOL, INC.  
AND  
CITY OF NIXA, MISSOURI**

This Network Integration Transmission Service Agreement (“Service Agreement”) is entered into this 1st day of June, 2022, by and between City of Nixa, Missouri (“Network Customer”), and Southwest Power Pool, Inc. (“Transmission Provider”). The Network Customer and Transmission Provider shall be referred to individually as “Party” and collectively as “Parties.”

WHEREAS, the Transmission Provider has determined that the Network Customer has made a valid request for Network Integration Transmission Service in accordance with the Transmission Provider’s Open Access Transmission Tariff (“Tariff”) filed with the Federal Energy Regulatory Commission (“Commission”) as it may from time to time be amended;

WHEREAS, the Transmission Provider administers Network Integration Transmission Service for Transmission Owners within the SPP Region and acts as agent for the Transmission Owners in providing service under the Tariff;

WHEREAS, the Network Customer has represented that it is an Eligible Customer under the Tariff; and

WHEREAS, the Parties intend that capitalized terms used herein shall have the same meaning as in the Tariff.

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

- 1.0 The Transmission Provider agrees during the term of this Service Agreement, as it may be amended from time to time, to provide Network Integration Transmission Service in accordance with the Tariff to enable delivery of power and energy from the Network Customer's Network Resources that the Network Customer has committed to meet its load.
- 2.0 The Network Customer agrees to take and pay for Network Integration Transmission Service in accordance with the provisions of Parts I, III and V of the Tariff and this Service Agreement with attached specifications.
- 3.0 The terms and conditions of such Network Integration Transmission Service shall be governed by the Tariff, as in effect at the time this Service Agreement is executed by the Network Customer, or as the Tariff is thereafter amended or by its successor tariff, if any. The Tariff, as it currently exists, or as it is hereafter amended, is incorporated in this Service Agreement by reference. In the case of any conflict between this Service Agreement and the Tariff, the Tariff shall control. The Network Customer has been determined by the Transmission Provider to have a Completed Application for Network Integration Transmission Service under the Tariff. The completed specifications are based on the information provided in the Completed Application and are incorporated herein and made a part hereof as Attachment 1.
- 4.0 Service under this Service Agreement shall commence on such date as it is permitted to become effective by the Commission. This Service Agreement shall be effective through May 31, 2030. Upon termination, the Network Customer remains responsible for any outstanding charges including all costs incurred and apportioned or assigned to the Network Customer under this Service Agreement.
- 5.0 The Transmission Provider and Network Customer have executed a Network Operating Agreement as required by the Tariff.

- 6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below. Such representative and address for notices or requests may be changed from time to time by notice by one Party or the other.

Southwest Power Pool, Inc. (Transmission Provider):

Tessie Kentner  
201 Worthen Drive  
Little Rock, AR 72223-4936  
Email Address: tkentner@spp.org  
Phone Number: (501) 688-1762

Network Customer:

Doug Colvin  
P.O. Box 395  
1111 W. Kathryn Street  
Nixa, MO 65714  
Email Address: dcolvin@nixa.com  
Phone Number: (417) 724-5670

- 7.0 This Service Agreement shall not be assigned by either Party without the prior written consent of the other Party, which consent shall not be unreasonably withheld. However, either Party may, without the need for consent from the other, transfer or assign this Service Agreement to any person succeeding to all or substantially all of the assets of such Party. However, the assignee shall be bound by the terms and conditions of this Service Agreement.
- 8.0 Nothing contained herein shall be construed as affecting in any way the Transmission Provider's or a Transmission Owner's right to unilaterally make application to the Federal Energy Regulatory Commission, or other regulatory agency having jurisdiction, for any change in the Tariff or this Service Agreement under Section 205 of the Federal Power Act, or other applicable statute, and any rules and regulations promulgated thereunder; or the Network Customer's rights under the Federal Power Act and rules and regulations promulgated thereunder.

9.0 By signing below, the Network Customer verifies that all information submitted to the Transmission Provider to provide service under the Tariff is complete, valid and accurate, and the Transmission Provider may rely upon such information to fulfill its responsibilities under the Tariff.

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

TRANSMISSION PROVIDER

NETWORK CUSTOMER

Signature

Signature

Printed Name

Printed Name

Title

Title

Date

Date

# **ATTACHMENT 1 TO THE NETWORK INTEGRATION TRANSMISSION SERVICE AGREEMENT**

## **BETWEEN SOUTHWEST POWER POOL AND CITY OF NIXA, MO SPECIFICATIONS FOR NETWORK INTEGRATION TRANSMISSION SERVICE**

### **1.0 Network Resources**

The Network Resources are listed in Appendix 1.

### **2.0 Network Loads**

The Network Load consists of the bundled native load or its equivalent for Network Customer load in the Southwestern Power Administration Zone(s) as listed in Appendix 3. The Network Customer's Network Load shall be measured on an hourly integrated basis, by suitable metering equipment located at each connection and delivery point, and each generating facility. The meter owner shall cause to be provided to the Transmission Provider, Network Customer and applicable Transmission Owner, on a monthly basis such data as is required by Transmission Provider for billing. The Network Customer's load shall be adjusted, for settlement purposes, to include applicable Transmission Owner transmission and distribution losses, as applicable, as specified in Sections 8.5 and 8.6, respectively. For a Network Customer providing retail electric service pursuant to a state retail access program, profiled demand data, based upon revenue quality non-IDR meters, may be substituted for hourly integrated demand data. Measurements taken and all metering equipment shall be in accordance with the Transmission Provider's standards and practices for similarly determining the Transmission Provider's load. The actual hourly Network Loads, by delivery point, internal generation site and point where power may flow to and from the Network Customer, with separate readings for each direction of flow, shall be provided.

### **3.0 Affected Zone(s) and Intervening Systems Providing Transmission Service**

The affected Zone(s) is/are Southwestern Power Administration. The intervening systems providing transmission service are none.

### **4.0 Electrical Location of Initial Sources**

See Appendix 1.

### **5.0 Electrical Location of the Ultimate Loads**



The loads of Network Customer identified in Section 2.0 hereof as the Network Load are electrically located within the Southwestern Power Administration Zone(s). The load is dynamically telemetered into and included in the SPP consolidated Balancing Authority Area.

## **6.0 Delivery Points**

The delivery points are the interconnection points of the Network Customer identified in Section 2.0 as the Network Load.

## **7.0 Receipt Points**

The Points of Receipt are listed in Appendix 2.

## **8.0 Compensation**

Service under this Service Agreement may be subject to some combination of the charges detailed below. The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.

### **8.1 Transmission Charge**

Monthly Demand Charge per Section 34 and Part V of the Tariff.

### **8.2 System Impact and/or Facility Study Charge**

Studies may be required in the future to assess the need for system reinforcements in light of the ten-year forecast data provided. Future charges, if required, shall be in accordance with Section 32 of the Tariff.

### **8.3 Direct Assignment Facilities Charge: Reserved**

### **8.4 Ancillary Service Charges**

**8.4.1** The following Ancillary Services are required under this Service Agreement.

- a) Scheduling, System Control and Dispatch Service per Schedule 1 of the Tariff.
- b) Tariff Administration Service per Schedule 1-A1 of the Tariff.
- c) Reactive Supply and Voltage Control from Generation Sources Service per Schedule 2 of the Tariff.
- d) Regulation and Frequency Response Service per Schedule 3 of the Tariff.
- e) Energy Imbalance Service per Schedule 4 of the Tariff.
- f) Operating Reserve - Spinning Reserve Service per Schedule 5 of the Tariff.

- g) Operating Reserve - Supplemental Reserve Service per Schedule 6 of the Tariff.

The Ancillary Services may be self-supplied by the Network Customer or provided by a third party in accordance with Sections 8.4.2 through 8.4.4, with the exception of the Ancillary Services for Schedules 1, 1-A, and 2, which must be purchased from the Transmission Provider.

Southwestern will provide Operating Reserve-Spinning Reserve Service and Operating Reserve-Supplemental Reserve Service associated with the Southwestern Purchase identified in this Service Agreement.

**8.4.2** In accordance with the Tariff, when the Network Customer elects to self-supply or have a third party provide Ancillary Services, the Network Customer shall indicate the source for its Ancillary Services to be in effect for the upcoming calendar year in its annual forecasts. If the Network Customer fails to include this information with its annual forecasts, Ancillary Services will be purchased from the Transmission Provider in accordance with the Tariff.

**8.4.3** When the Network Customer elects to self-supply or have a third party provide Ancillary Services and is unable to provide its Ancillary Services, the Network Customer will pay the Transmission Provider for such services and associated penalties in accordance with the Tariff as a result of the failure of the Network Customer's alternate sources for required Ancillary Services.

**8.4.4** All costs for the Network Customer to supply its own Ancillary Services shall be the responsibility of the Network Customer.

**8.5 Real Power Losses - Transmission**

The Network Customer shall replace losses in accordance with Attachment M of the Tariff for all resources other than those delivered by Southwestern.

**8.6 Real Power Losses – Distribution: Reserved**

**8.7 Power Factor Correction Charge: Reserved**

**8.8 Redispatch Charge**

Redispatch charges shall be in accordance with Section 33.3 of the Tariff.

**8.9 Wholesale Distribution Service Charge: Reserved**

#### 8.10 Network Upgrade Charges: Reserved

The Dogwood resource identified in transmission service request 91119197 is contingent upon the completion of required upgrades as specified below; designation of this resource shall be effective on December 1, 2020 and shall remain effective through 6/1/2030. The requested service depends on and is contingent on completion of the following 2020-AG1-AFS-3 network upgrades specified below. Costs of these upgrades are not assignable to the Network Customer.

#### Network Upgrades

Upgrade Name	Upgrade Description	Transmission Owner	Date Required in Service
Greenwood breaker replacements (143183)	Replace 2 breakers, relays at Greenwood 161 kV substation	KCPL	6/1/2021

#### 8.11 Meter Data Processing Charge: Reserved

#### 8.12 Other Charges

A. Revenue credits to Upgrade Sponsors are required for the following Creditable Upgrades in accordance with Attachment Z2 of the SPP OATT:

Upgrade Name	Total Credit Payment Due	Amount Covered by Base Plan Funding	Amount of Directly Assigned	Studied Service Request #	Start Date	End Date
HUGO - VALLIANT 345KV CKT 1	\$55,269.48	\$55,269.48	\$-	91490397	12/1/2020	6/1/2030
Neosho - Riverton 161kV Line Rebuild (EMDE)	\$200,456.46	\$133,637.64	\$66,818.82	91490397	12/1/2020	6/1/2030
Neosho - Riverton 161kV Line Rebuild (WERE)	\$25,510.92	\$17,007.28	\$8,503.64	91490397	12/1/2020	6/1/2030
SUB 110 - ORONOGO JCT. - SUB 452 -	\$2,400.84	\$1,600.56	\$800.28	91490397	12/1/2020	6/1/2030

<b>Upgrade Name</b>	<b>Total Credit Payment Due</b>	<b>Amount Covered by Base Plan Funding</b>	<b>Amount of Directly Assigned</b>	<b>Studied Service Request #</b>	<b>Start Date</b>	<b>End Date</b>
RIVERTON 161KV CKT 1						
Sunnyside Relays for Grady Interconnection	\$971.28	\$971.28	\$-	91490397	12/1/2020	6/1/2030
Terry Road 345kV Station (NU)	\$567,382.56	\$567,382.56	\$-	91490397	12/1/2020	6/1/2030
Valliant 345 kV (AEP)	\$9,365.10	\$9,365.10	\$-	91490397	12/1/2020	6/1/2030
Neosho - Riverton 161kV Line Rebuild (EMDE)	\$735,811.86	\$735,811.86	\$-	91119197	12/1/2020	6/1/2030
Neosho - Riverton 161kV Line Rebuild (WERE)	\$93,641.88	\$93,641.88	\$-	91119197	12/1/2020	6/1/2030
SUB 110 - ORONOGO JCT. - SUB 452 - RIVERTON 161KV CKT 1	\$3,511.86	\$3,511.86	\$-	91490387	12/1/2020	6/1/2026

B. The compensation paid by the Network Customer due to Southwestern is subject to a charge for condition of service and/or transformation for deliveries with transformer losses in accordance with Southwestern's applicable rate schedules and the terms and conditions of a contract between Southwestern and the Network Customer with such charges to be billed by Southwestern.

**8.13 Candidate Incremental LTCRs**

- \* Source \_\_\_\_\_
- \* Sink \_\_\_\_\_
- \* Candidate Incremental LTCR MW \_\_\_\_\_
- \* Term (years from in-service date of Network Upgrade) \_\_\_\_\_

**9.0 Credit for Network Customer-Owned Transmission Facilities: Reserved**

**10.0 Designation of Parties Subject to Reciprocal Service Obligation: Reserved**

**11.0 Other Terms and Conditions: Reserved**

## **APPENDIX 1**

### **Network Resources of City of Nixa, MO**

**APPENDIX 1**  
**CITY OF NIXA, MO NETWORK RESOURCES**

<b>Network Resource Name</b>	<b>Service Start Date</b>	<b>Service End Date</b>	<b>Firm Transmission Rights</b>	<b>Comments</b>
DOGWOOD	12/1/2020	5/31/2030	30 MW	
GRDAHUB2	12/1/2020	5/31/2026	15 MW	
RUSH SPRINGS WIND	12/1/2020	5/31/2030	10 MW	
SPA PPA	6/1/2020	5/31/2030	5 MW	

## **Appendix 2**

### **Receipt Points of City of Nixa, MO**



## APPENDIX 2 CITY OF NIXA, MO RECEIPT POINTS

Tieline / Plant Name	Ownership	Voltage (kV)
All Transmission Customer Interconnection Points on the Transmission Provider's Transmission System	Various	Various

### **Appendix 3**

#### **Delivery Points of City of Nixa, MO**

### APPENDIX 3 CITY OF NIXA, MO DELIVERY POINTS

Delivery Point Name	Ownership	Voltage (kV)
NIXA DT 2	NIXA	69
NXA TRK 2	NIXA	69
NX ESPY 2	NIXA	69
NIXA NE2	NIXA	69

### Attachment A

Request	Limiting Facility	Direction of Flow	Upgrade(s)	Relief Amount (MW)	Outage(s)	Season of Relief
91119197	GREENWOOD – LEE’S SUMMIT 161KV CKT 1	FROM->TO	Greenwood breaker replacements	7.5	PLEASANT HILL – LAKE WINNEBAGO 161KV CKT 1	Starting 2021 6/1 - 10/1 Until EOC of Upgrade
91119197	GREENWOOD – LEE’S SUMMIT 161KV CKT 1	FROM->TO	Greenwood breaker replacements	6.6	P12:161:GMO:PLEASANTHILL-LAKEWINNEBAGO-HOOKRD	Starting 2021 6/1 - 10/1 Until EOC of Upgrade
91119197	GREENWOOD – LEE’S SUMMIT 161KV CKT 1	FROM->TO	Greenwood breaker replacements	5	LAKE WINNEBAGO – HOOK ROAD 161KV CKT 1	Starting 2021 6/1 - 10/1 Until EOC of Upgrade

**NETWORK OPERATING AGREEMENT  
AMONG  
SOUTHWEST POWER POOL, INC.,  
CITY OF NIXA, MISSOURI  
AND  
SOUTHWESTERN POWER ADMINISTRATION**

This Network Operating Agreement (“Operating Agreement”) is entered into this 1st day of June, 2022, by and between City of Nixa, Missouri (“Network Customer”), Southwest Power Pool, Inc. (“SPP” or “Transmission Provider”) and Southwestern Power Administration (“Southwestern”), as owner of transmission facilities subject to this Operating Agreement. The Network Customer, Transmission Provider and Southwestern shall be referred to individually as a “Party” and collectively as “Parties.”

WHEREAS, SPP and Southwestern have entered into an agreement which authorizes SPP to (1) utilize Southwestern’s transmission facilities under SPP’s Open Access Transmission Tariff (“Tariff”), as filed with the Federal Energy Regulatory Commission (“Commission”), for services offered by SPP, and (2) perform certain administrative duties, all pursuant to Attachment AD of the SPP Tariff;

WHEREAS, the Transmission Provider has determined that the Network Customer has made a valid request for Network Integration Transmission Service in accordance with the Transmission Provider’s Tariff filed with the Commission;

WHEREAS, the Transmission Provider administers Network Integration Transmission Service for Transmission Owners within the SPP Region and acts as an agent for these Transmission Owners in providing service under the Tariff;

WHEREAS, Southwestern owns the transmission facilities to which the Network Customer’s Network Load is physically connected;

WHEREAS, the Network Customer has represented that it is an Eligible Customer under the Tariff;

WHEREAS, the Network Customer and Transmission Provider have entered into a Network Integration Transmission Service Agreement (“Service Agreement”) under the Tariff; and

WHEREAS, Southwestern and Network Customer have entered into a separate agreement, which may be amended from time to time by these entities, with specific terms and conditions,

including, but not limited to, provisions for upgrades, ownership, maintenance, and replacement of facilities that establish the point of delivery and the Balancing Authority Area boundaries of the Parties.

WHEREAS, the Parties intend that capitalized terms used herein shall have the same meaning as in the Tariff, unless otherwise specified herein.

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

## **1.0 Network Service**

This Operating Agreement sets out the terms and conditions under which the Transmission Provider, Southwestern, and Network Customer will cooperate and Southwestern and Network Customer will operate, or cause to be operated, their respective systems and specifies the equipment that will be installed and operated. The Parties shall operate and maintain their respective systems in a manner that will allow Southwestern and the Network Customer to operate, or cause to be operated, their systems and the Transmission Provider to perform its obligations consistent with Good Utility Practice. The Transmission Provider may, on a non-discriminatory basis, waive the requirements of Section 4.1 and Section 8.3 to the extent that such information is unknown at the time of application or where such requirement is not applicable.

## **2.0 Designated Representatives of the Parties**

- 2.1 Each Party shall designate a representative and alternate (“Designated Representative(s)”) from their respective company to coordinate and implement, on an ongoing basis, the terms and conditions of this Operating Agreement, including planning, operating, scheduling, redispatching, curtailments, control requirements, technical and operating provisions, integration of equipment, hardware and software, and other operating considerations.
- 2.2 The Designated Representatives shall represent the Transmission Provider, Southwestern, and Network Customer in all matters arising under this Operating Agreement and which may be delegated to them by mutual agreement of the Parties hereto.
- 2.3 The Designated Representatives shall meet or otherwise confer at the request of any Party upon reasonable notice, and each Party may place items on the meeting

agenda. All deliberations of the Designated Representatives shall be conducted by taking into account the exercise of Good Utility Practice. If the Designated Representatives are unable to agree on any matter subject to their deliberation, that matter shall be resolved pursuant to Section 14.0.

### **3.0 System Operating Principles**

- 3.1 The Network Customer must design, construct, and operate, or cause to be designed, constructed, and operated, its facilities safely and efficiently in accordance with Good Utility Practice, North American Electric Reliability Corporation (“NERC”), SPP, or any successor requirements, industry standards, criteria, and applicable manufacturer’s equipment specifications, and within operating physical parameter ranges (voltage schedule, load power factor, and other parameters) required by Southwestern and Transmission Provider.
- 3.2 Southwestern and Transmission Provider reserve the right to inspect the facilities and operating records of the Network Customer upon mutually agreeable terms and conditions.
- 3.3 Electric service, in the form of three phase, approximately sixty hertz alternating current, shall be delivered at designated delivery points and nominal voltage(s) listed in the Service Agreement. When multiple delivery points are provided to a specific Network Load identified in Appendix 3 of the Service Agreement, they shall not be operated in parallel by the Network Customer without the approval of Southwestern and Transmission Provider. The Designated Representatives shall establish the procedure for obtaining such approval. The Designated Representatives shall also establish and monitor standards and operating rules and procedures to assure that transmission system integrity and the safety of customers, the public and employees are maintained or enhanced when such parallel operations are permitted either on a continuing basis or for intermittent switching or other service needs. In addition, the Network Customer shall not connect the transmission system of Southwestern to the transmission system of another entity, including to the transmission system of the Network Customer, through any designated point of delivery in Appendix 3 of the Service Agreement without the written approval of Southwestern. Each Party shall exercise due diligence and

reasonable care in maintaining and operating its facilities so as to maintain continuity of service.

- 3.4 The Network Customer shall operate, or cause to be operated, its systems and delivery points in continuous synchronism and in accord with applicable NERC Standards, SPP Criteria, and Good Utility Practice.
- 3.5 Southwestern shall operate, or cause to be operated, its systems and delivery points in continuous synchronism and in accordance with applicable NERC Standards, SPP Criteria as incorporated into Attachment AD of the Transmission Provider's Tariff, and Good Utility Practice. As applicable to Southwestern only, the term "SPP Criteria" as used herein shall be the SPP Criteria attached as an exhibit in the currently effective agreement between Southwestern and SPP identified as Attachment AD to the SPP Tariff. In the event of a conflict between this Agreement and the SPP Criteria as defined in this Section 3.5, the provisions of this Agreement shall control except as provided in this Section 3.5. Any changes to the SPP Criteria that SPP proposes to be applicable to this Agreement shall be evidenced by an executed amendment to this Agreement to include such modified SPP Criteria.
- 3.6 If the function of any Party's facilities is impaired or the capacity of any delivery point is reduced, or synchronous operation at any delivery point(s) becomes interrupted, either manually or automatically, as a result of force majeure or maintenance coordinated by the Parties, the Parties will cooperate to remove, or cause to be removed, the cause of such impairment, interruption or reduction, so as to restore normal operating conditions expeditiously.
- 3.7 The Transmission Provider and Southwestern, if applicable, reserve the sole right to take any action necessary during an actual or imminent emergency to preserve the reliability and integrity of the Transmission System, limit or prevent damage, expedite restoration of service, ensure safe and reliable operation, avoid adverse effects on the quality of service, or preserve public safety.
- 3.8 In an emergency, the reasonable judgment of the Transmission Provider and Southwestern, if applicable, in accordance with Good Utility Practice, shall be the sole determinant of whether the operation of the Network Customer loads or equipment adversely affects the quality of service or interferes with the safe and



reliable operation of the transmission system. The Transmission Provider or Southwestern, if applicable, may discontinue transmission service to such Network Customer until the power quality or interfering condition has been corrected. Such curtailment of load, redispatching, or load shedding shall be done on a non-discriminatory basis by Load Ratio Share, to the extent practicable. The Transmission Provider or Southwestern, if applicable, will provide reasonable notice and an opportunity to alleviate the condition by the Network Customer to the extent practicable.

- 3.9 Services provided by the Transmission Provider for the Network Customer in accordance with the Service Agreement requires the utilization of SPP facilities not owned by Southwestern and interconnected to Southwestern through a separate contract among Southwestern, SPP, and GridLiance High Plains, LLC, formerly South Central MCN, LLC. If, for any reason, the separate contract between Southwestern, SPP and GridLiance High Plains, LLC, is terminated, rescinded, cancelled, rendered inoperative, or is amended in such a manner which precludes service by the Transmission Provider to the Network Customer, the Network Customer would continue to receive service from the Transmission Provider pursuant to current obligations outlined in the SPP Open Access Tariff and the SPP Governing Documents Tariff.

#### **4.0 System Planning & Protection**

- 4.1 No later than October 1 of each year, the Network Customer shall provide the Transmission Provider and Southwestern the following information:
- a) A ten (10) year projection of summer and winter peak demands with the corresponding power factors and annual energy requirements on an aggregate basis for each delivery point. If there is more than one delivery point, the Network Customer shall provide the summer and winter peak demands and energy requirements at each delivery point for the normal operating configuration;
  - b) A ten (10) year projection by summer and winter peak of planned generating capabilities and committed transactions with third parties which resources are expected to be used by the Network Customer to supply the peak

demand and energy requirements provided in (a);

- c) A ten (10) year projection by summer and winter peak of the estimated maximum demand in kilowatts that the Network Customer plans to acquire from the generation resources owned by the Network Customer, and generation resources purchased from others; and
- d) A projection for each of the next ten (10) years of transmission facility additions to be owned and/or constructed, or caused to be constructed, by the Network Customer which facilities are expected to affect the planning and operation of the transmission system of Southwestern that may or may not be within Southwestern's Balancing Authority Area.

This information is to be delivered to the Transmission Provider's and Southwestern's Designated Representatives pursuant to Section 2.0.

- 4.2 Information exchanged by the Parties under this article will be used for system planning and protection only, and will not be disclosed to third parties absent mutual consent or order of a court or regulatory agency or unless required by law or regulation applicable to Southwestern.
- 4.3 Southwestern, and Transmission Provider, if applicable, will incorporate this information in its system load flow analyses performed during the first half of each year. Following completion of these analyses, the Transmission Provider or Southwestern will provide the following to the Network Customer:
  - a) A statement regarding the ability of Southwestern's transmission system to meet the forecasted deliveries at each of the delivery points;
  - b) A detailed description of any constraints on Southwestern's system within the five (5) year horizon that will restrict forecasted deliveries; and
  - c) In the event that studies reveal a potential limitation of the Transmission Provider's ability to deliver power and energy to any of the delivery points, a Designated Representative of the Transmission Provider will coordinate with the Designated Representatives of Southwestern and the Network Customer to identify appropriate remedies for such constraints including but not limited to: construction of new transmission facilities, upgrade or other improvements to existing transmission facilities or temporary

modification to operating procedures designed to relieve identified constraints. Any constraints within the Transmission System will be remedied pursuant to the procedures of Attachment O of the Tariff subject to Attachment AD of the Tariff and as limited by Article 22.0 of this Operating Agreement.

For all other constraints Southwestern, upon agreement with the Network Customer and consistent with Good Utility Practice, will endeavor to construct and place into service sufficient capacity to maintain reliable service to the Network Customer pursuant to Attachment AD of the Tariff and Article 22.0 of this Operating Agreement.

An appropriate sharing of the costs to relieve such constraints will be determined by the Parties, consistent with the Tariff, and with the Commission's rules, regulations, policies, and precedents then in effect subject to Attachment AD of the Tariff, all laws and regulations applicable to Southwestern, and Article 22.0 of this Operating Agreement. If the Parties are unable to agree upon an appropriate remedy or sharing of the costs, the Transmission Provider shall submit its proposal for the remedy or sharing of such costs to the Commission for approval consistent with the Tariff subject to Southwestern's status as a non-jurisdictional entity before the Commission, Attachment AD of the Tariff, all laws and regulations applicable to Southwestern, and Article 22.0 of this Operating Agreement.

- 4.4 Southwestern and the Network Customer shall coordinate, or caused to be coordinated, with the Transmission Provider: (1) all scheduled outages of generating resources and transmission facilities consistent with the reliability of service to the customers of each Party, and (2) additions or changes in facilities which could affect another Party's system. Where coordination cannot be achieved, the Designated Representatives shall intervene for resolution.
- 4.5 The Network Customer shall coordinate with Southwestern regarding the technical and engineering arrangements for the delivery points, including one-line diagrams depicting the electrical facilities configuration and parallel generation, and shall design and build the facilities, or cause the facilities to be designed and built, to

avoid interruptions on Southwestern's transmission system. The Network Customer shall not modify tap facilities, install additional tap lines, increase tap-line distances, or connect tap lines into other systems thereby causing loop feeds without the express written permission of Southwestern.

- 4.6 The Network Customer shall provide for automatic and underfrequency load shedding of the Network Customer Network Load in accordance with the SPP Criteria related to emergency operations.

## **5.0 Maintenance of Facilities**

- 5.1 The Network Customer shall maintain its facilities necessary to reliably receive capacity and energy from Southwestern's transmission system consistent with Good Utility Practice. The Transmission Provider or Southwestern, as appropriate, may curtail service under this Operating Agreement to limit or prevent damage to generating or transmission facilities caused by the Network Customer's failure to maintain its facilities in accordance with Good Utility Practice, and the Transmission Provider or Southwestern may seek as a result any appropriate relief from the Commission.
- 5.2 The Designated Representatives shall establish procedures to coordinate, or cause to be coordinated, the maintenance schedules, and return to service, of the generating resources and transmission and substation facilities, to the greatest extent practical, to ensure sufficient transmission resources are available to maintain system reliability and reliability of service.
- 5.3 The Network Customer shall obtain, or cause to be obtained: (1) concurrence from the Transmission Provider before beginning any scheduled maintenance of facilities which could impact the operation of the Transmission System over which transmission service is administered by Transmission Provider; and (2) clearance from the Transmission Provider when the Network Customer is ready to begin maintenance on a transmission line or substation. The Transmission Provider shall coordinate clearances with Southwestern. The Network Customer shall notify the Transmission Provider and Southwestern as soon as practical at the time when any unscheduled or forced outages occur and again when such unscheduled or forced outages end.

- 5.4 Specific terms and conditions for upgrades, ownership, maintenance, and replacement of facilities shall be as specified in a separate agreement between Southwestern and the Network Customer.

## **6.0 Scheduling Procedures**

- 6.1 The Network Customer will be responsible for providing its Resource and load information to the Transmission Provider in accordance with Attachment AE on such date as Southwestern chooses to participate in the SPP Integrated Marketplace.
- 6.2 For Interchange Transactions, the Network Customer shall submit, or arrange to have submitted, the schedule of Energy to or from the Transmission Provider and a transaction identification E-Tag for each such schedule where required by NAESB Standard WEQ-004.
- 6.3 Southwestern is not obligated under this Operating Agreement to satisfy any deficiencies that may occur for the Network Customer as a result of suspension or reduction of schedules by a third party, including but not limited to the Transmission Provider or the Reliability Coordinator, nor is Southwestern obligated to notify any party if such schedules are suspended or reduced due to the action of a third party.

## **7.0 Ancillary Services**

- 7.1 The Network Customer must make arrangements in appropriate amounts for all of the required Ancillary Services described in the Tariff. The Network Customer must obtain these services from the Transmission Provider or, where applicable, self-supply or obtain these services from a third party.
- 7.2 When the Network Customer elects to self-supply or have a third party provide Ancillary Services, the Network Customer must demonstrate to the Transmission Provider and Southwestern that it has either acquired the Ancillary Services from another source or is capable of self-supplying the services. Any approval of self-supply or third party Ancillary Services will be subject to Southwestern's technical and operation requirements and have approval from Southwestern prior to self-supply or third-party providing said services.
- 7.3 The Network Customer must designate the supplier of Ancillary Services.
- 7.4 The Network Customer and Southwestern recognize that the Network Customer is

obligated to provide all of the Volt-Amperes Reactive (“VARs”) required for its load served at the points of delivery. The compensation paid by the Network Customer due to Southwestern is subject to an adjustment for power factor in accordance with Southwestern's applicable rate schedules and terms and conditions of a contract between Southwestern and the Network Customer to be billed by Southwestern.

- 7.5 The compensation paid by the Network Customer due to Southwestern is subject to a charge for conditions of service and/or transformation for deliveries in accordance with Southwestern’s applicable rate schedules and terms and conditions of a contract between Southwestern and the Network Customer to be billed by Southwestern.

## **8.0 Metering**

- 8.1 The Network Customer shall provide for the installation of meters, associated metering equipment and telemetering equipment as set forth in a separate agreement between Southwestern and the Network Customer. The Network Customer shall permit (or provide for, if the Network Customer is not the meter owner) the Transmission Provider’s and Southwestern’s representative to have access to the equipment at all reasonable hours and for any reasonable purpose, and shall not permit unauthorized persons to have access to the space housing the equipment. Network Customer shall provide to (or provide for, if the Network Customer is not the meter owner) Southwestern access to load data and other data available from any delivery point meter. If the Network Customer does not own the meter, Southwestern shall make available, upon request, all load data and other data obtained by Southwestern from the relevant delivery point meter, if available utilizing existing equipment. The Network Customer will cooperate on the installation of advanced technology metering in place of the standard metering equipment at a delivery point at the expense of the requestor; provided, however, that the meter owner shall not be obligated to install, operate or maintain any meter or related equipment that is not approved for use by the meter owner and/or Southwestern, and provided that such equipment addition can be accomplished in a manner that does not interfere with the operation of the meter owner’s equipment

or any Party's fulfillment of any statutory or contractual obligation.

- 8.2 The Network Customer shall provide for the testing of the metering equipment at suitable intervals and its accuracy of registration shall be maintained in accordance with standards acceptable to the Transmission Provider and consistent with Good Utility Practice. At the request of the Transmission Provider or Southwestern, a special test shall be made, but if less than two percent inaccuracy is found, the requesting Party shall pay for the test. Representatives of the Parties may be present at all routine or special tests and whenever any readings for purposes of settlement are taken from meters not having an automated record. If any test of metering equipment discloses an inaccuracy exceeding two percent, the accounts of the Parties shall be adjusted. Such adjustment shall apply to records of electric service furnished since the beginning of the monthly billing period immediately preceding the billing period during which the test was made, and such correction, when made, shall constitute full adjustment of any claim between the Parties hereto arising out of such inaccuracy of metering equipment. Should any metering equipment fail to register, the amounts of energy delivered shall be estimated from the best available data.
- 8.3 If the Network Customer is supplying energy to retail load that has a choice in its supplier, the Network Customer shall be responsible for providing all information required by the Transmission Provider for billing purposes. Metering information shall be available to the Transmission Provider either by individual retail customer or aggregated retail energy information for that load the Network Customer has under contract during the billing month. For the retail load that has interval demand metering, the actual energy used by interval must be supplied. For the retail load using standard kWh metering, the total energy consumed by meter cycle, along with the estimated demand profile must be supplied. All rights and limitations between Parties granted in Sections 8.1 and 8.2 are applicable in regards to retail metering used as the basis for billing the Network Customer.

## **9.0 Connected Generation Resources**

- 9.1 The Network Customer's connected generation resources that have automatic generation control and automatic voltage regulation shall be operated and

maintained consistent with regional operating standards, and the Network Customer or the operator shall operate, or cause to be operated, such resources to avoid adverse disturbances or interference with the safe and reliable operation of the transmission system as instructed by the Transmission Provider.

9.2 For all Network Resources of the Network Customer, the following generation telemetry readings shall be submitted to the Transmission Provider and Southwestern:

- 1) Analog MW;
- 2) Integrated MWHRS/HR;
- 3) Analog MVARs; and
- 4) Integrated MVARHRS/HR.

The provision of this data to Southwestern is subject to the request of Southwestern. This data must be provided to Southwestern within twenty (20) Business days upon request. All Network Resources shall be used in the determination of the Network load of the Network Customer.

#### **10.0 Redispatching, Curtailment and Load Shedding**

10.1 In accordance with Section 33 of the Tariff, the Transmission Provider may require redispatching of generation resources belonging to the Network Customer or curtailment of loads of the Network Customer to relieve existing or potential transmission system constraints. The Transmission Provider shall redispatch Resources in accordance with the Energy and Operating Reserve Markets operations specified in Attachment AE at such time as Southwestern chooses to participate in the SPP Integrated Marketplace. The Network Customer shall respond immediately to requests for redispatch from the Transmission Provider. The Transmission Provider will bill or credit the Network Customer as appropriate using the settlement procedures specified in Attachment AE at such time as Southwestern chooses to participate in the SPP Integrated Marketplace.

10.2 The Parties shall implement load-shedding procedures to maintain the reliability and integrity of the Transmission System as provided in Section 33.1 of the Tariff and in accordance with applicable NERC and SPP requirements and Good Utility Practice. Load shedding may include (1) automatic load shedding, (2) manual



load shedding, and (3) rotating interruption of customer load. When manual load shedding or rotating interruptions are necessary, Southwestern shall notify the Network Customer's dispatcher or schedulers of the required action and the Network Customer shall comply immediately.

- 10.3 The Network Customer will coordinate with Southwestern to ensure sufficient load shedding equipment is in place on their respective systems to meet SPP requirements. The Network Customer and Southwestern shall develop a plan for load shedding which may include manual load shedding by the Network Customer.

## **11.0 Communications**

- 11.1 The Network Customer shall, at its own expense, install and maintain communication link(s) for scheduling. The communication link(s) shall be used for data transfer and for voice communication. Communications requirements and specific details regarding communications and data exchange shall be as set forth in a separate agreement between Southwestern and the Network Customer.
- 11.2 A Network Customer self-supplying Ancillary Services or securing Ancillary Services from a third-party shall, at its own expense, install and maintain telemetry equipment communicating between the generating resource(s) providing such Ancillary Services and Southwestern's Zone or Balancing Authority Area.

## **12.0 Cost Responsibility**

- 12.1 The Network Customer shall be responsible for all costs incurred by the Network Customer, Southwestern, and Transmission Provider to implement the provisions of this Operating Agreement including, but not limited to, engineering, environmental, administrative and general expenses, material and labor expenses associated with the specification, design, review, approval, purchase, installation, maintenance, modification, repair, operation, replacement, checkouts, testing, upgrading, calibration, removal, and relocation of equipment or software, so long as the direct assignment of such costs is consistent with Commission policy, with any costs determined to be assigned to Southwestern subject to Attachment AD of the Tariff, Article 22.0 of this Operating Agreement, and a separate agreement between Southwestern and the Network Customer.
- 12.2 The Network Customer shall be responsible for all costs incurred by Network

Customer, Southwestern, and Transmission Provider for on-going operation and maintenance of the facilities required to implement the provisions of this Operating Agreement so long as the direct assignment of such costs is consistent with Commission policy, with any costs determined to be assigned to Southwestern subject to Attachment AD of the Tariff, Article 22.0 of this Operating Agreement, and a separate agreement between Southwestern and the Network Customer. Such work shall include, but is not limited to, normal and extraordinary engineering, environmental, administrative and general expenses, material and labor expenses associated with the specifications, design, review, approval, purchase, installation, maintenance, modification, repair, operation, replacement, checkouts, testing, calibration, removal, or relocation of equipment required to accommodate service provided under this Operating Agreement.

### **13.0 Billing and Payments**

Billing and Payments shall be in accordance with Attachment AE at such time as Southwestern chooses to participate in the SPP Integrated Marketplace and Section 7 of the Tariff.

### **14.0 Dispute Resolution**

The Parties shall attempt to resolve disputes arising under this Operating Agreement using informal alternative dispute resolution techniques, as provided in Section 12.1 of the Tariff, except that the Parties acknowledge Southwestern cannot submit a dispute to binding arbitration. If a dispute remains unresolved, the Parties acknowledge that any action by or against Southwestern shall be initiated in a Federal court of competent jurisdiction.

### **15.0 Assignment**

This Operating Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and assigns, but shall not be assigned by any Party, except to successors to all or substantially all of the electric properties and assets of such Party, without the written consent of the other Parties. Such written consent shall not be unreasonably withheld.

### **16.0 Choice of Law and Forum**

The interpretation, enforcement, and performance of this Operating Agreement shall be governed by the laws of the State of Arkansas for all Parties except Southwestern;

provided, however, that laws and precedent of such jurisdiction concerning choice of law shall not be applied, except to the extent governed by the laws of the United States of America. Federal law shall control all of Southwestern's obligations and procedures established by this Operating Agreement and the performance and enforcement thereof. The forum for any litigation arising from this Operating Agreement in which Southwestern is a party to said litigation, shall exclusively be a Federal court of the United States of America.

#### **17.0 Entire Agreement**

The Tariff and Service Agreement, as they are amended from time to time, are incorporated herein and made a part hereof. To the extent that a conflict exists between the terms of this Operating Agreement and the terms of the Tariff, the Tariff, subject to Attachment AD of the Tariff, shall control.

#### **18.0 Unilateral Changes and Modifications**

Nothing contained in this Operating Agreement or any associated Service Agreement shall be construed as affecting in any way the right of the Transmission Provider or a Transmission Owner unilaterally to file with the Commission, or make application to the Commission for, changes in rates, charges, classification of service, or any rule, regulation, or agreement related thereto, under Section 205 of the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder, or under other applicable statutes or regulations.

Nothing contained in this Operating Agreement or any associated Service Agreement shall be construed as affecting in any way the ability of any Network Customer receiving Network Integration Transmission Service under the Tariff to exercise any right under the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder; provided, however, that it is expressly recognized that this Operating Agreement is necessary for the implementation of the Tariff and Service Agreement. Therefore, no Party shall propose a change to this Operating Agreement that is inconsistent with the rates, terms and conditions of the Tariff and/or Service Agreement. To the extent that a conflict exists between the terms of the Service Agreement and the terms of the Tariff, the Tariff, subject to Attachment AD of the Tariff, shall control.

#### **19.0 Term**

This Operating Agreement shall become effective on the date assigned by the Commission (“Effective Date”), and shall continue in effect until the Tariff or the Network Customer’s Service Agreement is terminated, whichever shall occur first.

## **20.0 Notice**

20.1 Any notice that may be given to or made upon any Party by any other Party under any of the provisions of this Operating Agreement shall be in writing, unless otherwise specifically provided herein, and shall be considered delivered when the notice is personally delivered or deposited in the United States mail, certified or registered postage prepaid, to the following:

Transmission Provider  
Southwest Power Pool, Inc.  
Tessie Kentner  
Attorney  
201 Worthen Drive  
Little Rock, AR 72223-4936  
Telephone: (501) 688-1782  
Email: tkentner@spp.org

Transmission Owner:  
Southwestern Power Administration  
Fritha Ohlson  
Senior Vice President/COO, Office of Corporate Operations  
1 W Third St, Ste 1500  
Tulsa, OK 74103-3502  
Telephone: (918) 595-6684  
Email: fritha.ohlson@swpa.gov

Network Customer  
City of Nixa, MO  
Doug Colvin  
P.O. Box 395  
1111 W. Kathryn Street  
Nixa, MO 65714  
Telephone: (417) 724-5670  
Email: dcolvin@nixa.com

Any Party may change its notice address by written notice to the other Parties in accordance with this Article 20.

20.2 Any notice, request, or demand pertaining to operating matters may be delivered in

writing, in person or by first class mail, e-mail, messenger, or facsimile transmission as may be appropriate and shall be confirmed in writing as soon as reasonably practical thereafter, if any Party so requests in any particular instance.

#### **21.0 Execution in Counterparts**

This Operating Agreement may be executed in any number of counterparts with the same effect as if all Parties executed the same document. All such counterparts shall be construed together and shall constitute one instrument.

#### **22.0 Availability of Funds to Southwestern**

22.1 This Operating Agreement and all rights and obligations hereunder, and any expenditure of funds by Southwestern under the provisions hereof, are expressly conditioned and contingent upon Congress making available (through direct appropriation, authorization of a revolving fund, the authority to borrow funds, or through such other means as it may provide) the necessary funds or the authority to accept funds from others to enable Southwestern to carry out the provisions of this Operating Agreement, and if such funds or authorities are not available, this Operating Agreement shall terminate and have no further force or effect as of the last day for which funds or authorities were available, and the Network Customer hereby releases Southwestern from any and all liability for failure to perform and fulfill its obligations under this Operating Agreement for that reason.

22.2 No obligation contained herein for payment of money by Southwestern, or liability on the part of Southwestern for breach of any of the provisions contained herein, shall be binding upon or enforceable against Southwestern unless and until funds, as provided in Article 22.1 of this Operating Agreement, are available out of which such obligations or liability can be legally paid.

22.3 Nothing in this Operating Agreement may be considered as implying that Congress will, at a later date, appropriate funds sufficient to meet any deficiencies or obligations incurred under this Operating Agreement.

IN WITNESS WHEREOF, the Parties have caused this Operating Agreement to be executed by their respective authorized officials, and copies delivered to each Party, to become effective as of the Effective Date.

TRANSMISSION PROVIDER

(SOUTHWESTERN) TRANSMISSION  
OWNER

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Signature

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Signature

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Printed Name

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Printed Name

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Title

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Title

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Date

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Date

NETWORK CUSTOMER

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Signature

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Printed Name

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Title

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Date