

August 25, 2022
Kristian Koellner
Vice President, Transmission Asset Optimization
LCRA Transmission Services Corporation

Re: Oncor Sand Lake to LCRA North McCamey 345-kV Transmission Project CCN Application

Dear Mr. Koellner:

This Letter Agreement memorializes the terms of agreement between LCRA Transmission Services Corporation (“LCRA TSC”), owner of the North McCamey Station, and Oncor Electric Delivery Company LLC (“Oncor,” and with LCRA TSC the “Parties”), owner of the Sand Lake Switch, concerning shared third-party consultant costs associated with environmental and alternative routing analysis, mapping, surveying and landowner identification services in support of the Parties’ joint application to the Public Utility Commission of Texas (“PUCT”) for a certificate of convenience and necessity (“CCN”) for the North McCamey-to-Sand Lake 345-kV transmission line project (the “Project”).

1. The Parties agree to select the following consultants in support of the Parties’ joint application to amend their respective CCNs for the Project: Burns and McDonnell (“Environmental Consultant”) will serve as the environmental and routing consultant; and 7Arrows and Integra (“Real Estate Consultants”) will serve as real estate consultants (all collectively referred to as “Third Party Consultants”).

2. The Environmental Consultant’s services will entail those services that are customary in the industry for such CCN applications, including without limitation: (a) providing all PUCT-required environmental and land use data acquisition and analysis; (b) assisting in, preparing for, and attending public meetings; (c) conducting a routing study and environmental assessment in accordance with applicable PUCT statutory and regulatory routing guidelines; (d) producing the documentation necessary for the CCN application; (e) providing aerial mapping; (f) providing assistance during the CCN application process, which may include responding to discovery, preparing pre-filed testimony, and providing live testimony at hearings; and (g) performing any additional route development and analysis determined to be necessary or desirable by the Parties.

3. The Real Estate Consultants’ services will include those services that are customary in the industry for such CCN applications, including without limitation: (a) providing survey and deed mapping services as necessary or desirable for routing analysis by the Environmental Consultant and landowner maps required for the CCN application; (b) providing landowner identification services for (i) public meetings and notices thereof, (ii) the CCN application and notices thereof, and (iii) notice of the final order once the CCN is approved; and (c) identifying property ownership according to county tax roll data and, in circumstances that may be requested in writing by the Parties, deed research.

4. Oncor will execute agreements with the Third Party Consultants to provide the services described in Paragraphs 2 and 3. LCRA TSC and Oncor will each be responsible for fifty percent (50%) of the Third Party Consultants' respective invoices for the Project, subject to any costs that were specific to one of the Parties (*e.g.*, if one of the consultants provided services to a party that was not part of the Project).

5. The Parties shall each have an equal right to direct the Third Party Consultants pursuant to the consulting agreements entered into under this Agreement, including the right to attend any conferences or meetings and receive any materials prepared by the Third Party Consultants pertaining to this Project. Should the Parties disagree concerning the direction of the Third Party Consultants, one senior manager or above designated by each Party shall meet and negotiate in good faith to resolve the differences.

6. The Third Party Consultants will bill Oncor for their services related to the Project, and Oncor shall in turn provide a copy of the Third Party Consultants' invoices to LCRA TSC (with reasonable supporting details as may be requested by LCRA TSC) and bill LCRA TSC for fifty percent (50%) of those costs. LCRA TSC agrees that it will pay to Oncor its share of the Third Party Consultants' invoiced amounts within thirty days from the date that Oncor presents an invoice for those costs.

7. Each Party shall be responsible for all of its own internal costs and for costs for outside counsel related to the Project.

8. Unless the Parties agree in writing to terminate the Letter Agreement at an earlier date, this Letter Agreement will terminate once all three of the following conditions have occurred: (a) the PUCT issues a final order (including a notice of approval) in the CCN proceeding that is not subject to appeal by any party; (b) the Parties provide final notice to affected and non-affected landowners and PUCT Staff pursuant to 16 Tex. Admin. Code § 22.52(a)(6); and (c) both Parties have made all payments owed to Third Party Consultants for services provided through the conclusion of the CCN proceeding.

9. LCRA TSC and Oncor agree that, prior to final PUCT approval of the Project, the Parties will negotiate in good faith to determine an appropriate division point (including dividing structure ownership) along the approved route to divide ownership of the transmission line between LCRA TSC and Oncor in two generally equal parts based on the length of the approved transmission line route: Oncor will be responsible for that half of the Project originating from Sand Lake toward the midpoint of the approved transmission line route, and LCRA TSC will be responsible for that half of the Project originating from North McCamey toward the midpoint of the transmission line route.

10. LCRA TSC and Oncor agree that each Party will be individually responsible for all post-CCN activities for their respective portions of the Project, including right-of-way acquisition, construction, operation, and maintenance.

If LCRA TSC agrees that this Letter Agreement sets forth the terms and conditions agreed upon by LCRA TSC and Oncor, please countersign this Letter Agreement in the space provided below and return a signed copy to me. Please contact Ife Adetoro at (817) 716-3124 if you have any questions.

Sincerely,



Thomas Yamin
Director of Regulatory Transmission and Planning

Agreed and accepted as of August 25, 2022:



Kristian Koellner
Vice President, Transmission Asset Optimization
LCRA Transmission Services Corp.