

BEFORE THE CORPORATION COMMISSION OF OKLAHOMA

IN THE MATTER OF THE)
APPLICATION OF PLAINS AND EASTERN) CAUSE NO. PUD 201000075
CLEAN LINE OKLAHOMA LLC TO)
CONDUCT BUSINESS AS AN ELECTRIC)
UTILITY IN THE STATE OF OKLAHOMA)

FILED

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CORPORATION COMMISSION
OF OKLAHOMA

JOINT STIPULATION AND SETTLEMENT AGREEMENT

I. INTRODUCTION

The parties to this Cause are Plains and Eastern Clean Line Oklahoma LLC ("Clean Line"), Oklahoma Corporation Commission Public Utility Division ("Staff"), the Attorney General ("AG"), Oklahoma Industrial Consumers, ("OIEC), Oklahoma Gas & Electric Company ("OG&E"), ITC Great Plains ("ITC"), Novus WindPower, L.L.C. ("Novus"), Southern Great Plains Property Rights Coalition ("SGPPRC"), Oklahoma Independent Petroleum Association ("OIPA"), and Coalition of Oklahoma Surface and Mineral Owners ("COSMO"). The parties who have executed this Joint Stipulation and Settlement Agreement (the "Stipulating Parties") believe it is in the public interest to effectuate a settlement of the issues in Cause No. PUD 201000075 and hereby submit to the Oklahoma Corporation Commission ("Commission") for its review, consideration and approval the following Joint Stipulation and Settlement Agreement ("Joint Stipulation").

The Joint Stipulation represents the Stipulating Parties' compromise and settlement of all issues in this proceeding and the Stipulating Parties represent to the Commission that this Joint Stipulation represents a fair, just, and reasonable settlement of these issues, that the terms and conditions of the Joint Stipulation are in the public interest, and the Stipulating Parties urge the Commission to issue an Order in this Cause adopting this Joint Stipulation.

It is hereby stipulated and agreed by and between the Stipulating Parties as follows:

II. TERMS AND DEFINITIONS

The definitions contained in the Application of Plains and Eastern Clean Line Oklahoma LLC are incorporated herein and made a part of this Joint Stipulation as if set forth specifically in this document.

III. TERMS OF THE JOINT STIPULATION AND SETTLEMENT AGREEMENT

A. Determination of Clean Line as a "Public Utility"

1. Upon the terms and conditions contained in this Joint Stipulation, the Stipulating Parties hereby withdraw any objections to the Commission finding that Clean Line is a “public utility” as defined in 17 O.S. § 151 and that the Commission has general supervisory jurisdiction over Clean Line pursuant to 17 O.S. § 152. This Joint Stipulation is null and void should the Commission not find that Clean Line is a public utility as defined in 17 O.S. § 151. For clarification, this cause is about whether or not Clean Line falls within the definition of a “public utility” pursuant to 17 O.S. § 151, not individual private matters with property owners and their use and enjoyment of their vested property rights, which is something reserved for the Oklahoma courts to address. Therefore, in finding that Clean Line is a “public utility,” the Commission makes no finding as to whether Clean Line possesses the power of eminent domain in Oklahoma and makes no finding regarding the necessity of, or public benefits that may be derived from, the Project. Nothing in this Joint Stipulation, or the Order of the Commission should this Joint Stipulation be approved, is intended to be a derogation of property owners’ or Clean Line’s rights that may be conferred pursuant to the provisions of Article 2, §§ 23 and 24 of the Oklahoma Constitution.
2. Clean Line has indicated that it intends to construct high voltage direct current lines and associated converter stations and facilities consisting of two lines capable of transmitting up to 7,000 MW of power, primarily from renewable projects (wind farms) in western Oklahoma, southwestern Kansas and the Texas Panhandle, to the Tennessee Valley Authority service territory and to other areas in Arkansas and the Southeast (the “Project”). Clean Line has further indicated that as part of the Project, it may also construct alternating current lines and associated facilities to allow for wind farms or other generation to interconnect into its system and to allow for interconnection between its Project and other utilities as needed.
3. As the Project is currently represented by Clean Line, and under the current regulatory scheme, Clean Line’s rates and terms and conditions of transmission service will be subject to the jurisdiction of the Federal Energy Regulation Commission (FERC).
4. Clean Line has stipulated that it will:
 - a. obtain all environmental or other permits required for construction of the line;
 - b. operate and maintain its facilities in accordance with NERC and regional reliability requirements;
 - c. provide an annual report to the PUD Staff that includes the following:
 - (i) a list of energy resources that are directly connected to Clean Line’s

converter station, (ii) progress of the transmission route that Clean Line will utilize, (iii) the number of employees utilized in Oklahoma during construction, and (iv) actual annual property or Ad Valorem tax assessed to Clean Line; and

- d. provide the PUD Staff with any studies or other information regarding the interconnection of Clean Line with SPP provided by SPP.
5. Based upon the stipulations contained in paragraphs 1 through 4 above, it is in the public's interest that the Commission determines Clean Line to be a public utility, with Clean Line and private property owners reserving all rights provided under law.

B. Further Stipulation and Settlement Agreement with Private Property Owners

The Stipulating Parties acknowledge that issues involving private property owners' rights related to Clean Line's Project are not properly within the Commission's jurisdiction, but are rather reserved for the courts of the State of Oklahoma. However, as part of its application and public statements, Clean Line has expressed its intent to establish and maintain close relationships with property owners and local communities. As part of that effort, Clean Line has, and hereby, stipulates and agrees that it, and its employees and agents, will abide by the Landowner Code of Conduct attached as Exhibit A hereto. Furthermore, to aid in fulfilling this commitment, Clean Line further stipulates and agrees to the following additional obligations when negotiating reasonable settlements for necessary right of way for its Project in Oklahoma:

1. If Clean Line seeks to acquire property in Oklahoma for its Project, Clean Line shall be required to provide the property owner a copy of the order incorporating the terms of this stipulation.
2. For property in Oklahoma on which Clean Line seeks an easement to construct its Project, Clean Line will offer landowners a reasonable easement agreement, with at least two compensation options: (i) one that provides for a one-time, up-front payment, followed by annual payments once the line goes into service and (ii) one that provides for a single payment.
3. If the Oklahoma landowner and Clean Line are able to reach an agreement as to the form of the easement agreement, but are not able to reach agreement on the amount of compensation to be paid then, if such landowner elects, Clean Line will submit the issue of the amount to be paid to binding arbitration in lieu of seeking other possible remedies. The election of arbitration shall be conditioned upon the landowner and Clean Line entering into to the agreed upon easement, subject only to the determination of reasonable compensation. In any arbitration proceeding, Clean Line will request that the arbitration

award contain at least two compensation options: (i) one that provides for a one-time, up-front payment, followed by annual payments once the line goes into service and (ii) one that provides for a single payment. The arbitration will be concluded in 120 days and will be conducted pursuant to the procedures of the American Arbitration Association.

4. If Clean Line initiates any arbitration or legal proceeding related to its acquisition of right of ways in Oklahoma, it shall be required to attach a copy of the order incorporating the terms of this stipulation to its initial filing in that action.
5. It is the intent of Clean Line, SGPPRC and COSMO that the duties and obligations created by the Joint Stipulation contained in this paragraph inure to the benefit of, as third-party beneficiaries, all owners of property rights in Oklahoma whose property Clean Line seeks to acquire for its Project. Any breach of the duties and obligations created in this paragraph shall be considered a dispute as between private parties, with the Courts of the State of Oklahoma having jurisdiction thereof.
6. Clean Line acknowledges that, under 52 O.S. § 318.1, et. seq. and Oklahoma common law, the mineral estate in Oklahoma is the dominant estate. Nothing in this Joint Stipulation seeks to diminish the rights provided under law of any owner of any rights in the mineral estate.

C. Discovery and Motions

As between and among the Stipulating Parties, upon approval of this Stipulation and Settlement Agreement by the Commission, all motions pending before either the Commission or the Administrative Law Judge are hereby withdrawn. Specifically, COSMO will be deemed to have withdrawn its support for SGPPRC's and OIPA's Motions to Dismiss and the Southern Great Plains Property Rights Coalition's Motion to Dismiss will be deemed withdrawn.

D. General Reservations

The Stipulating Parties represent and agree that, except as specifically otherwise provided herein:

1. This Joint Stipulation represents a negotiated settlement for the purpose of compromising and settling all issues which were raised relating to this proceeding.
2. Each of the undersigned counsel of record affirmatively represents to the Commission that he or she has fully advised their respective client(s) that the execution of this Joint Stipulation constitutes a settlement of all issues that were raised in this proceeding and each of the undersigned counsel of record

affirmatively represents that he or she has full authority to execute this Joint Stipulation on behalf of his or her client(s).

3. None of the signatories hereto shall be prejudiced or bound by the terms of this Joint Stipulation in the event the Commission does not approve this Joint Stipulation nor shall any of the Stipulating Parties be prejudiced or bound by the terms of this Joint Stipulation should any appeal of a Commission order adopting this Joint Stipulation be filed with the Oklahoma Supreme Court.
4. Nothing contained herein shall constitute an admission by any party that any allegation or contention in these proceedings, or as to any of the foregoing matters, is true or valid and shall not in any respect constitute a determination by the Commission as to the merits of any allegations or contentions made in this proceeding.
5. The Stipulating Parties agree that the provisions of this Joint Stipulation are the result of extensive negotiations, and the terms and conditions of this Joint Stipulation are interdependent. The Stipulating Parties agree that settling the issues in this Joint Stipulation is in the public interest and, for that reason, they have entered into this Joint Stipulation to settle among themselves the issues in this Joint Stipulation. This Joint Stipulation shall not constitute nor be cited as a precedent nor deemed an admission by any Stipulating Party in any other proceeding except as necessary to enforce its terms before the Commission or any state court of competent jurisdiction, or as otherwise required by the terms of this Joint Stipulation. The Commission's decision, if it enters an order consistent with this Joint Stipulation, will be binding as to the matters decided regarding the issues described in this Joint Stipulation, but the decision will not be binding with respect to similar issues that might arise in other proceedings. A Stipulating Party's support of this Joint Stipulation may differ from its position or testimony in other causes. To the extent there is a difference, the Stipulating Parties are not waiving their positions in other causes. Because this is a stipulated agreement, the Stipulating Parties are under no obligation to take the same position as set out in this Joint Stipulation in other dockets.

E. Non Severability

The Stipulating Parties stipulate and agree that the agreements contained in this Joint Stipulation have resulted from negotiations among the Stipulating Parties and are interrelated and interdependent. The Stipulating Parties hereto specifically state and recognize that this Joint Stipulation represents a balancing of positions of each of the Stipulating Parties in consideration for the agreements and commitments made by the other Stipulating Parties in connection therewith. Therefore, in the event that the Commission does not approve and adopt the terms of this Joint Stipulation in total and without modification or condition (provided, however, that the affected party or parties may consent to such modification or condition), this Joint Stipulation shall be void and of

no force and effect, and no Stipulating Party shall be bound by the agreements or provisions contained herein. The Stipulating Parties agree that neither this Joint Stipulation nor any of the provisions hereof shall become effective unless and until the Commission shall have entered an Order approving all of the terms and provisions as agreed by the parties to this Joint Stipulation and such Order becomes final and non-appealable.

WHEREFORE, the Stipulating Parties hereby submit this Joint Stipulation and Settlement Agreement to the Commission as their negotiated settlement of this proceeding with respect to all issues that were raised with respect to this Application, and respectfully request the Commission to issue an Order approving this Joint Stipulation and Settlement Agreement.

[Signatures of “Stipulating Parties” are on the following page(s)]

SOUTHERN GREAT PLAINS PROPERTY RIGHTS COALITION

By: Robert G. Gum Dated: 11/24/10
Robert G. Gum

COALITION OF OKLAHOMA SURFACE AND MINERAL OWNERS

By: Terry L. Stowers Dated: 11/24/10
Terry L. Stowers

PLAINS AND EASTERN CLEAN LINE OKLAHOMA LLC

By: Cheryl A. Vaught Dated: 11/24/10
Cheryl A. Vaught

ATTORNEY GENERAL OF THE STATE OF OKLAHOMA

The Attorney General supports the provisions of the Joint Stipulation and Settlement Agreement as set forth in Paragraph A of that document and takes no position as to the provisions set forth in Paragraph B. In addition, the Attorney General asserts that Plains and Eastern Clean Line Oklahoma LLC is a "public utility" as defined in Section 151 of Title 17 of the Oklahoma Statutes.

By: William L. Humes Dated: 11/24/10
William L. Humes

~~**PUBLIC UTILITY DIVISION
OKLAHOMA CORPORATION COMMISSION**~~

~~The Oklahoma Corporation Commission Staff supports the provisions of the Joint Stipulation and Settlement Agreement as set forth in Paragraph A of that document and takes no position as to the provisions set forth in Paragraph B. In addition, the Oklahoma Corporation Commission Staff asserts that Plains and Eastern Clean Line Oklahoma LLC is a "public utility" as defined in Section 151 of Title 17 of the Oklahoma Statutes.~~

~~By: _____ Dated: _____
Christian Whitney~~

NOVUS WINDPOWER, L.L.C.

By: _____ Dated: _____
Robert C. Scott

SOUTHERN GREAT PLAINS PROPERTY RIGHTS COALITION

By: _____ Dated: _____
Robert G. Gum

COALITION OF OKLAHOMA SURFACE AND MINERAL OWNERS

By: _____ Dated: _____
Terry L. Stowers

PLAINS AND EASTERN CLEAN LINE OKLAHOMA LLC

By: _____ Dated: _____
Cheryl A. Vaught

ATTORNEY GENERAL OF THE STATE OF OKLAHOMA

The Attorney General supports the provisions of the Joint Stipulation and Settlement Agreement as set forth in Paragraph A of that document and takes no position as to the provisions set forth in Paragraph B. In addition, the Attorney General asserts that Plains and Eastern Clean Line Oklahoma LLC is a "public utility" as defined in Section 151 of Title 17 of the Oklahoma Statutes.

By: _____ Dated: _____
William L. Humes

~~**PUBLIC UTILITY DIVISION
OKLAHOMA CORPORATION COMMISSION**~~

~~The Oklahoma Corporation Commission Staff supports the provisions of the Joint Stipulation and Settlement Agreement as set forth in Paragraph A of that document and takes no position as to the provisions set forth in Paragraph B. In addition, the Oklahoma Corporation Commission Staff asserts that Plains and Eastern Clean Line Oklahoma LLC is a "public utility" as defined in Section 151 of Title 17 of the Oklahoma Statutes.~~

~~By: _____ Dated: _____
Christian Whitney~~

NOVUS WINDPOWER, L.L.C.

By: Robert C. Scott Dated: 11-29-2012
Robert C. Scott

OKLAHOMA INDUSTRIAL ENERGY CONSUMERS

By: _____ Dated: _____
Thomas P. Schroedter

OKLAHOMA INDEPENDENT PETROLEUM ASSOCIATION

By: _____ Dated: _____
Robert G. Gum

ITC GREAT PLAINS

By: _____ Dated: _____
Curtis M. Long

OKLAHOMA GAS & ELECTRIC

By: _____ Dated: _____
William J. Bullard

Plains and Eastern Clean Line Oklahoma LLC
Plains and Eastern Clean Line Project
Code of Conduct
For
Right-of-Way Agents and Subcontractor Employees

This Code of Conduct applies to all communications and interactions with property owners and occupants of property by all right-of-way agents and subcontractor employees representing Plains and Eastern Clean Line Oklahoma LLC in the negotiation of right-of-way and the performance of surveying, environmental assessments and the other activities for the Plains and Eastern Clean Line Project on property not owned by Plains and Eastern Clean Line Oklahoma LLC.

1. All communications with property owners and occupants must be factually correct and made in good faith.

- a. Do provide maps and documents necessary to keep the landowner properly informed
- b. Do not make false or misleading statements.
- c. Do not misrepresent any fact.
- d. If you do not know the answer to a question, do not speculate about the answer. Advise the property owner that you will investigate the question and provide an answer later.
- e. Follow-up in a timely manner on all commitments to provide additional information.
- f. Do not send written communications suggesting an agreement has been reached when, in fact, an agreement has not been reached.
- g. If information provided is subsequently determined to be incorrect, follow up with the landowner as soon as practical to provide the corrected information.
- h. Do provide the landowner with appropriate contact information should additional contacts be necessary.

2. All Communications and interactions with property owners and occupants of property must be respectful and reflect fair dealing.

- a. When contacting a property owner in person, promptly identify yourself as representing Plains and Eastern Clean Line Oklahoma LLC.
- b. When contacting a property owner by telephone, promptly identify yourself as representing Plains and Eastern Clean Line Oklahoma LLC.
- c. Do not engage in behavior that may be considered harassing, coercive, manipulative, intimidating or causing undue pressure.
- d. All communications by a property owner, whether in person, by telephone or in writing, in which the property owner indicates that he or she does not want to negotiate or does not want to give permission for surveying or other work on his or her property, must be respected and politely accepted without argument. Unless specifically authorized by Plains and Eastern Clean Line Oklahoma LLC, do not contact the property owner again regarding negotiations or requests for permission.
- e. When asked to leave property, promptly leave and do not return unless specifically authorized by Plains and Eastern Clean Line Oklahoma LLC.

f. If discussions with the property owner become acrimonious, politely discontinue the discussion and withdraw from the situation.

g. Obtain unequivocal permission to enter property for purposes of surveying or conducting environmental assessments or other activities. Clearly explain to the property owner the scope of the work to be conducted based on the permission given. Attempt to notify the occupant of the property each time you enter the property based on this permission.

h. Do not represent that a relative, neighbor and/or friend supports or opposes the Plains and Eastern Clean Line Project.

i. Do not suggest that any person should be ashamed of or embarrassed by his or her opposition to the Plains and Eastern Clean Line Project or that such opposition is inappropriate.

j. Do not argue with property owners about the merits of the Plains and Eastern Clean Line Project.

k. Do not suggest that an offer is "take it or leave it."

l. Do not threaten to call law enforcement officers.

m. Avoid discussing a property owner's failure to note an existing easement when purchasing the property and other comments about the property owner's acquisition of the property.

3. All communications and interactions with property owners and occupants of property must respect the privacy of property owners and other persons.

a. Discussions with property owners and occupants are to remain confidential.

b. Do not discuss your negotiations or interactions with other property owners or other persons unaffiliated from Plains and Eastern Clean Line Oklahoma LLC.

c. Do not ask relatives, neighbors and/or friends to influence the property owner or any other person.

CERTIFICATE OF ELECTRONIC SERVICE

I, the undersigned, do hereby certify that on the 24th day of November, 2010, a true and correct copy of the above and foregoing was sent electronically, addressed to the following:

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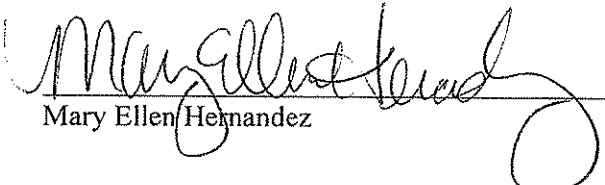
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