

**I. DESCRIPTION**

When the Customer requests and Company installs facilities other than those normally furnished for like levels of service to similar Customers ("Additional Facilities") or a Customer continues to benefit from Additional Facilities that were installed at the request of a prior Customer, the Customer will enter into an Agreement for Additional Facilities ("Agreement") with the Company and pay to the Company a net monthly charge based on the investment by Company in such Additional Facilities and the monthly percentages from either Option A or Option B below, as appropriate. At the execution of each Agreement, the Customer will have a one-time election to select either Option A or Option B for the definition of the monthly rate associated with Company's investment in the Additional Facilities. In the event Customer fails to execute the election acknowledgment of the Agreement, Customer shall be deemed to have elected Option A. Any subsequent capital additions, replacements, or modifications of the Additional Facilities will be treated as described in Option A and Option B below.

**II. OPTION A**

Customers that select Option A for the Additional Facilities must pay a net monthly Facilities Charge ("FC") of one and eleven hundredths percent (1.11%) per month of the installed cost of all Additional Facilities included in the Agreement.

**III. OPTION B**

Customers that select Option B for Additional Facilities must define in the Agreement the number of years (the "Recovery Term") that will define the appropriate monthly rates to be applied to the Company's investment. The Recovery Term cannot be longer than 10 years. The following table specifies the monthly percentages for application during the selected Recovery Term and any years following the Recovery Term. These percentages will apply monthly to the installed cost of all Additional Facilities included in the Agreement.

<b><u>Selected Recovery Term (Years)</u></b>	<b><u>Monthly % During Recovery Term</u></b>	<b><u>Monthly % Post- Recovery Term</u></b>
1	9.52%	0.28%
2	5.14%	0.28%
3	3.68%	0.28%
4	2.95%	0.28%
5	2.52%	0.28%
6	2.23%	0.28%
7	2.03%	0.28%
8	1.88%	0.28%
9	1.76%	0.28%
10	1.67%	0.28%

#### **IV. SUBSEQUENT MODIFICATIONS, ADDITIONS AND REPLACEMENTS**

Subsequent capital modifications and additions to Additional Facilities covered by an existing Option A Agreement shall be subject to the Option A rate as applied to the cost of the additions or modifications. At the Company's discretion, the subsequent capital modifications and additions shall be addressed either through an amendment to the existing Agreement or a new Agreement. Subsequent replacement of an Additional Facilities component currently subject to Option A will be subject to the Option A rate, as applied to the excess of the cost of replacement over the original installed cost of the replaced Additional Facilities. At the Company's discretion, the subsequent replacement shall be addressed either through an amendment to the existing Agreement or a new Agreement.

Subsequent capital modifications and additions to Additional Facilities covered by an existing Option B Agreement shall be subject to a new Option B Agreement covering the installed cost of such Additional Facilities, wherein Customer must select a Recovery Term that will define the appropriate monthly rate for application to such installed cost.

At the Company's discretion, subsequent replacement of an Additional Facilities component currently subject to Option B shall be subject to a new Agreement covering the installed cost of such replaced component. The Customer may select either Option A or Option B for the replacement. If the Agreement covering the replaced item remains in effect because there was not a total replacement of the Additional Facilities covered by the Agreement, the installed costs covered by such Agreement shall be reduced by the original cost of the replaced component. If the replacement occurs prior to the end of the Option B Recovery Term for the replaced component, the replacement installed cost shall be reduced by the salvage value of the replaced component, if any.

#### **V. TERM OF AGREEMENT**

##### **A. OPTION A TERM**

Where the Customer requesting the Additional Facilities has elected Option A, the term shall be from the Effective Date until the greater of (a) a period of ten (10) years, or (b) the period during which Customer receives electric service from Company. The "Original Term" of the Agreement shall be the 10-year period if Customer elects Option A. The "Secondary Term" shall be the period following the Original Term during which the Customer receives electric service from Company, irrespective of whether the Agreement for Electric Service has expired or is terminated.

In the event that a subsequent Customer succeeds the original Customer that requested the Additional Facilities and the subsequent Customer continues to benefit from the Additional Facilities, the subsequent Customer shall enter an Agreement to continue to pay the Facilities Charge under Option A if such was chosen by the original Customer. If Option A is applicable and the initial ten (10) year term from the Effective Date has not been satisfied, the subsequent Customer shall be obligated to enter an Agreement for a term equal to the greater of (a) the outstanding term of the original Customer's Agreement, or (b) the period during which the subsequent Customer receives electric service. If Option A is applicable and the initial ten (10) year term from the Effective Date has been satisfied, the subsequent Customer shall be obligated to enter an Agreement for a term equal to the greater of (a) the term of the subsequent Customer's Agreement for Electric Service, or (b) the period during which the subsequent Customer receives electric service from Company.

Subject to Company's right to discontinue service in accordance with the terms herein and Company's right to remove the Additional Facilities pursuant to Section V herein, the Agreement can be terminated by the mutual written agreement of both parties or, once the Original Term has been fulfilled, by the written notification of the party wishing to terminate to the other party one (1) year in advance of the desired termination date, whether such termination notice occurs in the Original Term or the Secondary Term.

#### **B. OPTION B TERM**

Where the Customer has elected Option B, the term shall be from the Effective Date until the greater of (a) the end of the Customer's elected Recovery Term, or (b) the period during which Customer receives electric service from Company. The "Original Term" of the Agreement shall be the Recovery Term if Customer elects Option B. The "Secondary Term" shall be the period following the Original Term during which the Customer receives electric service from Company, irrespective of whether the Agreement for Electric Service has expired or is terminated.

In the event that a subsequent Customer succeeds the original Customer that requested the Additional Facilities and the subsequent Customer continues to benefit from the Additional Facilities, the subsequent Customer shall enter an Agreement to continue to pay the Facilities Charge under Option B if such was chosen by the original Customer. If Option B is applicable and the selected Recovery Term has not been satisfied, the subsequent Customer shall be obligated to enter an Agreement for a term equal to the greater of the remaining years of (a) the selected Recovery Term, or (b) the period during which the subsequent Customer receives electric service from Company. If Option B is applicable and the selected Recovery Term has been satisfied, the subsequent Customer shall be obligated to enter an Agreement for a term equal to the greater of (a) the term of the subsequent Customer's Agreement for Electric Service, or (b) the period during which the subsequent Customer receives electric service from Company.

Subject to Company's right to discontinue service in accordance with the terms herein and Company's right to remove the Additional Facilities pursuant to Section V herein, the Agreement can be terminated by the mutual written agreement of both parties or, once the Original Term has been fulfilled, by the written notification of the party wishing to terminate to the other party one (1) year in advance of the desired termination date, whether such termination notice occurs in the Original Term or the Secondary Term.

#### **VI. REMOVAL CHARGES**

If the Customer terminates the Agreement prior to the conclusion of the Original Term or fails to make payments in accordance with the terms of the Agreement, the Company reserves the right to remove the Additional Facilities at Customer's expense. Customer shall be responsible for such other costs as set forth in the Agreement.

If the Customer terminates the Agreement in accordance with its terms at the conclusion of the Original Term, and requests in writing the removal of the Additional Facilities, Customer shall pay to Company the total estimated cost of removing the Additional Facilities.

If the Customer terminates the Agreement in accordance with its terms at the conclusion of the Original Term and Company unilaterally elects to remove the Additional Facilities, Company, at its option, shall bear all costs associated with the removal of the Additional Facilities. Company may exercise its right to remove the Additional Facilities at Customer's expense at any time after the Agreement is terminated.

## **VII. PAYMENT**

The past due amount for service furnished for which payment is not made within sixteen (16) days of the billing date shall be the monthly bill, including all adjustments under the rate schedule and applicable riders, plus 5%. The 5% penalty on delinquent bills shall not be applied to any balance to which the penalty has already been applied. If the amount due when rendered is paid prior to such date, the monthly bill shall apply. If providing service to the State of Texas or to municipalities or other political subdivisions of this state, Company shall not assess a fee, penalty, interest or other charge to these entities for delinquent payment of a bill.

**I. APPLICABILITY**

This rate is applicable to Qualifying Facilities (QFs) with a design capacity of 100 kW or less who contract, on mutually agreeable terms, with the Company for the sale of energy and for any necessary interconnections. A QF is defined as a small power production facility or cogeneration facility that qualifies under Subchapter K, Part 292, Subpart B of the Federal Energy Regulatory Commission's Regulations that implement § 201 and § 210 of The Public Utility Regulatory Policies Act of 1978.

**II. INTERCONNECTION COSTS**

Each QF shall be obligated to pay all reasonable interconnection costs directly related to the installation of the physical facilities necessary to permit interconnected operations with the QF. Interconnection costs shall be paid by the QF prior to the purchase of energy by the Company.

**III. MONTHLY PAYMENT (A+B-C)**

**A. Energy Payment**

The amounts to be paid for each kWh supplied to the Company shall be the avoided cost as determined by averaging the Off-Peak and Peak cents/kWh for 1MW from the Avoided Energy Cost Estimates for the current year as filed in the Company's most recent annual filing with the Public Utility Commission of Texas.

**B. Capacity Payment**

A capacity payment will be made if, as a class, QFs on this rate cause capacity costs to be avoided by the Company.

**C. Customer Charge**

Each QF will pay a monthly Customer Charge to defray Company's billing, metering, maintenance, administrative, and other expenses necessary to maintain service to the QF. Such a charge also covers normal interconnection costs for typical Customers, and varies by voltage level as follows:

<u>Delivery Voltage</u>	<u>Monthly Charge</u>
Secondary Voltage (less than 2.4 kV)	\$12.35
Primary Voltage (2.4 kV - 34.5 kV)	\$22.65

For additional interconnection costs (as described in § II), over and above those covered above, the QF will pay a non-refundable lump sum charge at the time of installation to cover such costs to the Company.

If special operating and maintenance costs are necessary to support special interconnection facilities, a monthly charge, in addition to the charges above, may also be required.

#### IV. MONTHLY PAYMENT SCHEDULE OPTIONS

The applicable payment shall be the sum of calculations enumerated under one of the following Customer options.

##### **Option-1**

Parallel operation with interconnection through a single meter that measures net consumption.

- A. The Customer selecting this option will operate its system in parallel with that of the Company. The Company will neither meter nor purchase any production by the QF. The Customer Charge stated in § III of this Schedule will not be applicable under this option.
- B. The charge for energy supplied to the Customer by the Company will be in accordance with the applicable standard rate schedule.

##### **Option-2**

Parallel operation with interconnection through a single, bi-directional meter, measuring the QF energy supplied to the Company in one direction and the Company energy supplied to the Customer in the other direction.

- A. The Company will purchase the QF energy supplied to the Company and the QF will pay a monthly Customer Charge in accordance with § III of this Schedule.
- B. Company energy supplied to the Customer will be charged in accordance with the applicable standard rate schedule.
- C. If the QF uses renewable resources with an aggregate design capacity of 50 kW or less and the QF initiates the interconnection on or after November 29, 2017, then
  - a. The Customer Charge in III.C. will not apply.
  - b. The purchased QF energy will reduce the Customer's bill, but the monthly bill will not be less than the otherwise applicable minimum billing plus any non-bypassable charges with any remaining credit carried over subject to § VII.

**Option 3**

Where the Company supplies the full requirements of the Customer, interconnection will be through two meters with one measuring only the total production by the QF and the other measuring only the total energy supplied to the Customer by the Company.

- A. The Company will purchase all the production by the QF at the rates stated in § III of this Schedule. The QF will pay the monthly Customer Charge also stated § III.
- B. The Customer will purchase energy supplied by the Company in accordance with the applicable standard rate schedule.

**Option 4 (Closed to New Business)**

Option 4 is only available to a Customer that has submitted a signed and completed Application and separate Net Metering Interconnection Agreement prior to January 2, 2018 and subsequently installs a qualifying QF.

QFs using renewable resources with an aggregate design capacity of 50 kW or less have the option of interconnecting through a single, bi-directional meter measuring the QF energy supplied to the Company in one direction and the Company energy supplied to the Customer in the other direction. The Customer's system will be operated in parallel with that of the Company.

- A. If, in a billing period, the QF energy supplied to the Company is greater than the Company energy supplied to the Customer, the difference between the two energy quantities will be purchased by the Company. The rate for such purchase will be in accordance with § III of this Schedule except the Customer Charge described in § III will not apply.
- B. If in a billing period, the Company energy supplied to the Customer is greater than the QF energy supplied to the Company, the Customer will purchase the difference between the two energy quantities in accordance with the applicable standard rate schedule.

**V. RATE CHANGES BY COMPANY**

The rates and charges charged the Customer or paid the QF will be the Company's going rates and charges in effect for like conditions of service to the Customer's or QF's class of service, as provided in the Company's rate schedules, or in effective superseding rate schedules promulgated by the Company which are filed with, accepted for filing, or approved, as appropriate, by the regulatory authority having jurisdiction thereof. Anything in any contract with the Customer or QF, or any rate schedule to the contrary notwithstanding, each and all rates, charges and payments by Entergy Texas in any rate schedule may be changed by the Company from time to time, at any time, and Company shall have and hereby specifically reserves the right in all events to change the rates and charges, it charges or pays in accordance with applicable law and procedures prescribed by the regulatory authorities having jurisdiction over such rates and charges and to seek and place in effect changes in its rates and charges without the concurrence or joinder of the Customer or QF. All increases in rates and charges by Company shall apply to service contracted prior to the effective date of the increase as well as service contracted after such effective date. Such increased or decreased rates shall be effective from such date with respect to service thereafter furnished to or taken from the Customer or QF even though such changed rate may not then be made effective as to all persons within such class because of then existing contract restrictions or because of regulatory or governmental action, delay, or inaction with respect to such rights as may be provided by applicable law and regulatory procedures to contest before the regulatory authority having jurisdiction whether any such changes in rates and charges are just and reasonable.

**VI. STANDBY OR AUXILIARY SERVICE**

A QF under this rate schedule will be provided Standby and/or Maintenance Service under Schedule SMS provided the QF installs necessary metering equipment at the expense of the QF.

**VII. BILLING**

The Company shall send a statement and payment (if applicable) to the QF on or before the 20th day after the QF's meter is read. The statement shall include the kilowatt-hours delivered to the Company during the previous monthly billing period, the Customer Charge to be paid by the QF and the amount of the per unit energy payments for the month. The statement will also include the net payment due from or to Company for service herein. If an amount of less than \$50.00 is due and payable by Company to Customer, Company will credit the QF's account and the balance shall be carried over to the next month and each successive month until such time as the credit is greater than \$50.00, at which time a check will be issued to Customer. Any amounts owed to Company, after all credits have been applied, shall be billed on a monthly basis.

**VIII. AMOUNT DUE AND PAYMENT**

The past due amount for service furnished for which payment is not made by Customer within sixteen (16) days of the billing date shall be the monthly bill, including all adjustments under the rate schedule, plus 5%. The 5% penalty on delinquent bills shall not be applied to any balance to which the penalty has already been applied. If the amount due when rendered is paid prior to such date, the monthly bill, including all adjustments under the rate schedule shall apply. If providing service to the state of Texas or to municipalities or political subdivisions of this state, Company shall not assess a fee, penalty, interest or other charge to these entities for delinquent payment of a bill.



**I. APPLICABILITY**

This rate is applicable to the purchase of nonfirm energy from sellers owning or operating Qualifying Facilities (QFs) with a design capacity larger than 100 kW. A QF is defined as a small power production facility or cogeneration facility that qualifies under Subchapter K, Part 292, Subpart B of the Federal Energy Regulatory Commission's Regulations that implement § 201 and 210 of the Public Utility Regulatory Policies Act of 1978.

**II. CONTRACT**

Sale of nonfirm energy to the Company under this tariff requires a written contract, the standard form of which is on file with the Public Utility Commission of Texas and is entitled "Agreement For Purchase Of Capacity And Energy From Qualifying Facilities". The final form of the contract may be negotiated by the QF and Company to establish final contract terms applicable to specific projects.

**III. DEFINITIONS**

As used in this tariff, the following terms have these meanings:

Behind the Meter (BTM) QF: a QF that has not self-registered as a generator in the MISO Model

Financial Schedule (or FinSched): an instrument used to transfer ownership of energy within the MISO settlement system

Hybrid QF: a QF that has self-registered as a generator in the MISO Commercial Model

Load Zone: an asset in the MISO Commercial Model that is used for settlement purposes, and for which separate settlement data exists

Applicable Load Zone : for BTM QFs > 20 MWs, the Load Zone created to represent the QF in the MISO settlement system; otherwise, the Load Zone created to represent the rest of ETI's retail load

#### IV. PAYMENT DETERMINATION

##### A. Monthly Avoided Cost Energy Payments by Company to QF

The Company will use MISO settlement data to determine the Monthly Avoided Cost Energy Payment to each customer. Such monthly payment for a Customer's generated energy delivered to the Company shall be the monthly summation of each hour's product of the MWh delivered and the applicable hourly prices as reduced by any Other Market Charges included on MISO settlement statements, also expressed as follows:

$$MP_{QF} = \left( \sum_{i=1}^n [LMP_{QF,i} \times MWh_{QF,i}] - OMC_{QF,i} \right)$$

$MP_{QF}$	The Monthly Avoided Cost Energy Payment
$LMP_{QF,i}$	The Real Time Locational Marginal Price for hour "i" at the Applicable Load Zone for BTM QFs and the generator bus for Hybrid QFs as expressed in dollars per megawatt-hour;
$MWh_{QF,i}$	Megawatt-hours either (1) injected by the BTM QF for hour "i" of the month or (2) energy scheduled by an accepted asset-sourced financial schedule from the Hybrid QF to the Company, consistent with the terms and conditions set forth in Section V; and
$OMC_{QF,i}$	Other Market Charges associated with a QF non-firm energy sale that are assessed by MISO to the Company as they appear on the MISO settlement statements, if the QF is either a BTM QF registered as a separate Load Zone or a Hybrid QF.

##### B. Monthly Charges Payable to Company by QF

Each QF will pay a monthly Customer Charge as established in the written contract, for the purpose of recovering related costs, including administrative, billing, and metering costs.

#### V. LIMITATIONS ON THE ACCEPTANCE OF FINANCIAL SCHEDULES FROM HYBRID QFS

The Company will confirm asset-sourced financial schedules from Hybrid QFs, provided they meet the following specifications: (a) the source, sink, and delivery point are all set equal to the Hybrid QF generator node, (b) the financial schedule is used to transfer ownership of energy in the real-time market, and (c) the amount is declared by the Hybrid QF to the Company within one hour of the operating hour and the amount does not exceed the difference between the Hybrid QF's actual injection measured by MISO and its day ahead schedule.

The Company will also confirm asset-sourced financial schedules in an amount equal to the difference between a Hybrid QF's actual injection measured by MISO and its day ahead schedule if the financial schedules meet the requirements of (a) and (b) above, and if the Hybrid QF makes a day ahead declaration of its intent to submit financial schedules equal to the difference between the Hybrid QF's actual injection measured by MISO and its day ahead schedule.

**VI. BILLING**

The Company shall send a statement and payment (if applicable) to the QF on or before the 5th day after all initial MISO invoices for energy delivered during the previous month have been settled. The statement shall include the kilowatt-hours purchased by the Company during the previous monthly billing period, the amount of the per unit energy payments for the month, and the charge described in § IV.B. The statement shall also include adjustments from prior months that may be necessary to account for updated information made available by MISO. The payment for service furnished or received shall be due within 20 days of the invoice date.

**VII. AMOUNT DUE AND PAYMENT**

The past due amount for service furnished for which payment is not made by Customer within sixteen (16) days of the billing date shall be the monthly bill, including all adjustments under the rate schedule and applicable riders, plus 5%. The 5% penalty on delinquent bills shall not be applied to any balance to which the penalty has already been applied. If the amount due when rendered is paid prior to such date, the monthly bill, including all adjustments under the rate schedule and applicable riders, shall apply. If providing service to the State of Texas or to municipalities or other political subdivisions of this state, Company shall not assess a fee, penalty, interest or other charge to these entities for delinquent payment of a bill.

**I. AVAILABILITY**

This Schedule is available at all points throughout the territory served by Entergy Texas Inc. ("ETI" or the "Company") to any eligible customer receiving service from the Company. Company has the right to terminate this Rider at any time, upon giving thirty (30) days written notice of intent to terminate to the Commission. In such event, each current Customer served under this Rider will continue on this Rider until the end of the Customer's then current contract term, irrespective of whether such contract is in its Original Term or Renewal Term as defined below.

**II. APPLICABILITY**

This rate is applicable under the regular terms and conditions of the Company to ETI Customers who contract for not less than 150 kW of electric service at Company's available line voltage. Schedule DTK is available upon the Customer's request and at the option of the Company.

**III. LENGTH OF CONTRACT AND CONTRACT TERMINATION**

Customer will be required to sign a contract for a minimum term of two (2) years ("Original Term"). If Customer chooses to cancel service under the contract before the completion of such term, the monthly charges not then paid for the remainder of the term shall become due and payable immediately. Customer and Company each has the option to terminate the contract at the end of a contract term (irrespective of whether such contract is in its Original Term or Renewal Term as defined herein) if a minimum of thirty (30) days written notice is provided. If not terminated, the contract will automatically renew for successive one year terms (each individual one-year period being a "Renewal Term").

**IV. GENERAL PROVISIONS**

DataLink is a service that provides web based viewing access to interval load data, which data has been collected by the Company. The service gives a subscribing customer the option of viewing the collected load data on an hourly or daily basis.

Customers that do not have interval metering must have an interval meter installed by the Company at Customer's expense to enable such data collection. Customers requiring an upgrade to interval metering may elect to pay for the interval meter installation either through a one-time charge or by way of a recurring charge paid monthly during the term of, and extension of, the contract term.

The communication link for the transmission of the collected interval data by the Company will be the telephone line which will be provided by the Customer and at the Customer's expense. If Customer requests a wireless communication link, Company reserves the right to use such link to provide access for retrieval of Customer usage data for billing purposes.

**V. CHARGES/PAYMENT OPTIONS**

**Subscription Charge:**

Daily Viewing Option	\$ 39.50 per month, per meter
Hourly Viewing Option	\$122.50 per month, per meter

**Installation of Interval Meter Charge:**

Monthly Payment Option	\$ 12.50 per month, per meter
Single Payment Option	\$300.00 per meter

**VI. OTHER PROVISIONS**

All equipment installed to provide service under this Schedule shall be and remain the property of Entergy Texas, Inc.

The Texas retail fixed fuel factor is \$0.0371860 per kWh.

The loss multipliers by voltage level are:

<u>Delivery Voltage</u>	<u>Loss Multiplier</u>
Secondary	1.023660
Primary	0.996277
69kV/138kV	0.966239
230kV	0.954585

The corresponding fixed fuel factors by voltage level are:

<u>Delivery Voltage</u>	<u>Fixed Fuel Factor</u>
Secondary	\$0.0380659 per kWh
Primary	\$0.0370476 per kWh
69kV/138kV	\$0.0359306 per kWh
230kV	\$0.0354972 per kWh

## I. PURPOSE

The Advanced Metering System Surcharge Rider ("Rider AMS") recovers Entergy Texas, Inc. cost to provide an Advanced Metering System ("AMS") to customers during the cost recovery period approved by the Public Utility Commission of Texas.

## II. APPLICABILITY

Pursuant to 16 TEX. ADMIN. CODE (TAC) § 25.130, Rider AMS is applicable to retail customers receiving metered service. Rider AMS is not applicable to customers whose load is unmetered or to transmission voltage customers.

## III. MONTHLY SURCHARGE AMOUNT

The AMS Surcharge for each of the Company's applicable retail rate schedules is as follows:

### **Billing Months of February 2019 through December 2022**

<b><u>Rate Class</u></b>	<b><u>Rate Schedules</u></b>	<b><u>AMS Surcharge</u></b>
Residential	RS, RS-TOD	\$2.88 per month
Small General Service Metered Service	SGS	\$4.26 per month
General Service - Other than Transmission Customers	GS, GS-TOD	\$5.94 per month
Large General Service - Other than Transmission Customers	LGS, LGS-TOD	\$29.50 per month
Large Industrial Power Service – Other than Transmission Customers	LIPS, LIPS-TOD	\$35.39 per month
Lighting	SHL, LS-E, ALS, RLU, SHL-LED, ALS-LED	\$0.00 per month

### **Billing Months of January 2023 through December 2029**

<b><u>Rate Class</u></b>	<b><u>Rate Schedules</u></b>	<b><u>AMS Surcharge</u></b>
Residential	RS, RS-TOD	\$1.57 per month
Small General Service Metered Service	SGS	\$0.00 per month
General Service - Other than Transmission Customers	GS, GS-TOD	\$0.00 per month
Large General Service - Other than Transmission Customers	LGS, LGS-TOD	\$0.00 per month
Large Industrial Power Service – Other than Transmission Customers	LIPS, LIPS-TOD	\$0.00 per month
Lighting	SHL, LS-E, ALS, RLU, SHL-LED, ALS-LED	\$0.00 per month

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**I. PURPOSE**

This Energy Efficiency Cost Recovery Factor Rider ("Rider EECRF") defines the procedure by which Entergy Texas, Inc. ("Company") shall implement and adjust rates for the recovery of costs associated with energy efficiency programs from the customer classes that receive services under these programs pursuant to P.U.C. SUBST. R. 25.181.

**II. APPLICABILITY**

This rider is applicable to electric service provided by the Company to all Customers served under the applicable retail rate schedules set forth in Attachment A to this Rider EECRF, whether metered or unmetered, subject to the jurisdiction of the Public Utility Commission of Texas ("PUCT").

**III. ENERGY EFFICIENCY COST RATES**

The rates associated with Rider EECRF ("Energy Efficiency Cost Rates") shall be as set forth in Attachment A by application of the formula set out in Attachment B to this Rider EECRF ("Energy Efficiency Cost Recovery Factor Rider Rate Development Formula") and shall reflect the energy efficiency program costs as approved by the PUCT.

The initial Energy Efficiency Cost Rates shall be based on the energy efficiency program costs that the Company expects to incur during the twelve months ended December 2009. The initial Energy Efficiency Cost Rates so determined shall become effective with the first billing cycle of January 2009.

On or before May 1 of each year beginning in 2009, per P.U.C. SUBST. R. 25.181(f)(4), the Company shall file a redetermination of the Energy Efficiency Cost Rates as set out in Attachment A by application of the formula set out in Attachment B to this Rider EECRF together with a set of workpapers sufficient to document fully the calculations of the redetermined Energy Efficiency Cost Rates. The redetermined Energy Efficiency Cost Rates shall be based on 1) the projected Energy Efficiency Cost for the twelve-month period commencing on January 1 of the year in which revised rates shall be in effect, 2) the Energy Efficiency Performance Bonus for the prior calendar year, and 3) a true-up adjustment reflecting the (Over)/Under Recovery Balance on the Energy Efficiency Cost and the Energy Efficiency Performance Bonus. The Energy Efficiency Cost Rates so redetermined shall be effective for bills rendered on and after January 1 after the filing year and shall then remain in effect for a twelve (12) month billing period, except as otherwise provided for below.



For the initial redetermination, which shall be filed in 2009, the true-up adjustment shall reflect the Cumulative (Over)/Under Recovery balance for the period which shall commence on the date that the Energy Efficiency Cost Rates approved in Docket No. 34800 become effective or the date allowed in the final rules in P.U.C. SUBST. R. 25.181, whichever is earlier, and shall end December 31, 2008. For each subsequent redetermination beginning in 2010, the true-up period shall be the twelve-month billing period ended December of the prior calendar year.

#### **IV. TERM**

This Rider EECRF shall remain in effect until modified and will terminate upon the introduction of customer choice or the implementation of rates resulting from the filing of a Chapter 36 Subchapter C rate proceeding.

**Attachment A**

**ENTERGY TEXAS, INC.**  
**ENERGY EFFICIENCY COST RATES**  
**RIDER SCHEDULE EECRF**

Applicable through December 2022 Billing Month

**Net Monthly Rate**

The following Energy Efficiency Cost Recovery Factor will be added to the rates set out in the Net Monthly Bill for electric service billed under all retail rate schedules \* on file with the Public Utility Commission of Texas. The Energy Efficiency Cost Recovery Factor shall be effective for bills rendered on and after January 1, 2022. Amounts billed pursuant to this Rider EECRF are not subject to the IHE but are subject to State and local sales taxes.

\* Excluded Schedules: EAPS, LQF, SMS, SQF, MVDR, and GFO.

<u>Rate Class</u>	<u>Rate Schedules</u>	<u>Energy Efficiency Cost Recovery Factor (1)</u>
Residential	RS, RS-TOD	\$0.001027 per kWh
Small General Service	SGS, UMS, TSS	\$0.000976 per kWh
General Service	GS, GS-TOD	\$0.000972 per kWh
Large General Service	LGS, LGS-TOD	\$0.001702 per kWh
Large Industrial Power Service – Industrial Transmission Customers Only	LIPS, LIPS-TOD	\$0.000000 per kWh
Other than Industrial Transmission Customers	LIPS, LIPS-TOD	(\$0.000017) per kWh
Lighting	SHL, LS-E, ALS, RLU, ALS-LED, SHL-LED	(\$0.000001) per kWh

Notes:

(1) See Attachment B

**ENTERGY TEXAS, INC.**  
**ENERGY EFFICIENCY COST RECOVERY FACTOR RIDER**  
**RATE DEVELOPMENT FORMULA**

Ln No			Rate Class					
			Residential	SGS	GS	LGS	LIPS	Lighting
1	$EECRF_k =$	ENERGY EFFICIENCY COST RECOVERY FACTOR FOR RATE CLASS <sub>k</sub> (1)						
2	$EECRF_k =$	$EERR_k / BD_k + EEPB_k / BD_k$						
	Where,							
3		$EERR_k =$ ENERGY EFFICIENCY COST FOR RATE CLASS <sub>k</sub>						
4		$EERR_k =$ $PEEC_k + TUA_k$						
	Where,							
5		$PEEC_k =$ PROJECTED ENERGY EFFICIENCY COST FOR RATE CLASS <sub>k</sub> (2)						
6		$TUA_k =$ TRUE-UP ADJUSTMENT FOR RATE CLASS <sub>k</sub> (4)						
7		$TUA_k =$ $EEC_k + PEEPB_k - (RR_k - PTU_k)$						
8		Where,						
		$EEC_k =$ ENERGY EFFICIENCY COST FOR RATE CLASS <sub>k</sub> (5)						
9		$PEEPB_k =$ PRIOR ENERGY EFFICIENCY PERFORMANCE BONUS FOR RATE CLASS <sub>k</sub> (6)						
10		$RR_k =$ REVENUE UNDER RIDER EECRF FOR RATE CLASS <sub>k</sub> (5)						
11		$PTU_k =$ PRIOR PERIOD TRUE-UP ADJUSTMENT FOR RATE CLASS <sub>k</sub> (7)						
12		$TUA_k =$ TRUE-UP ADJUSTMENT FOR RATE CLASS <sub>k</sub>						

**ENTERGY TEXAS, INC.**  
**ENERGY EFFICIENCY COST RECOVERY FACTOR RIDER**  
**RATE DEVELOPMENT FORMULA (Continued)**

Ln No	Rate Class						
	Residential	SGS	GS	LGS	LIPS	Lighting	
13	EERR <sub>k</sub> =	ENERGY EFFICIENCY COST FOR RATE CLASS <sub>k</sub> (LN 5+ LN 12)					
14	BD <sub>k</sub> =	ENERGY EFFICIENCY COST RECOVERY BILLING DETERMINANTS FOR RATE CLASS <sub>k</sub> (8)					
15	EERR <sub>k</sub> /BD <sub>k</sub> =	ENERGY EFFICIENCY COST RECOVERY FACTOR FOR RATE CLASS <sub>k</sub> (\$/kWh) (LN 13 / LN 14)					
16		EPPB <sub>k</sub> = ENERGY EFFICIENCY PERFORMANCE BONUS FOR RATE CLASS <sub>k</sub> (3)					
17	BD <sub>k</sub> =	ENERGY EFFICIENCY COST RECOVERY BILLING DETERMINANTS FOR RATE CLASS <sub>k</sub> (8)					
18	EPPB <sub>k</sub> /BD <sub>k</sub> =	ENERGY EFFICIENCY PERFORMANCE BONUS FOR RATE CLASS <sub>k</sub> (3) (\$/kWh) (LN 16 / LN 17)					
		EECRF FOR ALL CUSTOMERS EXCEPT LIPS INDUSTRIAL TRANSMISSION CUSTOMERS (LN 15 + LN 18)					
		EECRF FOR LIPS INDUSTRIAL TRANSMISSION CUSTOMERS					

**Notes:**

- (1) Rate Classes as defined in Attachment A to this Rider EECRF.
- (2) For the initial filing, the Projected Energy Efficiency Cost Period shall be the twelve-month period commencing on January 1, 2009. For subsequent redeterminations, the Projected Energy Efficiency Cost Period shall be the twelve-month period commencing on January 1<sup>st</sup> of the year in which revised rates shall be in effect.
- (3) For the initial filing, the Performance Bonus shall be set to zero. For each subsequent redetermination, the Performance Bonus shall be determined pursuant to the rules established in 16 TAC 25.181(h) for the twelve months ending December 31<sup>st</sup> of the calendar year immediately preceding the filing year. The Performance Bonus shall be allocated to each rate class in proportion to the program costs directly assigned to each rate class which excludes the LIPS Industrial transmission level and Lighting rate classes.
- (4) For the initial filing, the true-up adjustment shall be zero. For the initial redetermination, the Energy Efficiency Cost (Over)/Under Recovery Period shall reflect the recovery of costs which shall commence on the date that the Energy Efficiency Cost Rates approved in Docket No. 34800 become effective or the date allowed in the final rules in 16 TAC 25.181, whichever is earlier, and shall end December 31, 2008. For subsequent redeterminations, the Energy Efficiency Cost (Over)/Under Recovery Period shall be the twelve months ending December 31<sup>st</sup> of the calendar year immediately preceding the filing year.

**ENTERGY TEXAS, INC.**  
**ENERGY EFFICIENCY COST RECOVERY FACTOR RIDER**  
**RATE DEVELOPMENT FORMULA (Continued)**

- (5) For the initial redetermination, the Energy Efficiency Cost Period shall reflect the recovery of costs which shall commence on the date that the initial Energy Efficiency Cost Rates become effective or the date allowed in the final rules in 16 TAC 25.181, whichever is earlier, and shall end December 31, 2008. For subsequent redeterminations, the Energy Efficiency Cost Period shall be the twelve months ending December 31<sup>st</sup> of the calendar year immediately preceding the filing year. This includes all EECRF proceeding costs.
- (6) The value of  $PEEPB_k$  for rate class  $k$  shall be the Energy Efficiency Performance Bonus previously determined under the provisions of this Rider EECRF for the second calendar year immediately preceding the filing year.
- (7) The value of  $PTU_k$  for rate class  $k$  shall be equal to the True-up Adjustment ( $TUA_k$ ) previously determined under the provisions of this Rider EECRF for the Energy Efficiency Cost Period for the twelve months ending December 31<sup>st</sup> of the calendar year immediately preceding the filing year.
- (8) For the initial filing, the Retail Rate Class Billing Determinants shall be based on data for the twelve months ended December 31, 2009. For subsequent redeterminations, the Retail Rate Class Billing Determinants shall be based on projected data for the calendar year in which the redetermined rates shall be in effect excluding LIPS Industrial transmission level customers.

I. **GENERAL**

This System Restoration Costs Schedule SRC is applicable under the regular terms and conditions of Entergy Texas, Inc. ("Company" or "ETI") to all electric service billed under all of the Company's Rate Schedules and all associated Riders, whether for metered or un-metered service, and subject to the jurisdiction of the Public Utility Commission of Texas ("PUCT" or the "Commission").

Schedule SRC is applicable to energy consumption and demands of the Company's customers who take bundled service from the Company and when, and if, the Company's Service Area becomes subject to retail competition, to Retail Electric Providers or other entities during the term that this schedule is in effect, and to the facilities, premises, and loads of all other customers obligated to pay System Restoration Costs Charges as provided in this schedule.

II. **DEFINITIONS**

For the purposes of this schedule, the following terms shall have the following meanings:

**Company** – Entergy Texas, Inc., and its successors and assigns that provide transmission or distribution service directly to customers taking service at facilities, premises, or loads located within the Service Area.

**Special Purpose Entity ("SPE")** – the owner of Transition Property, on behalf of whom the System Restoration Costs are collected.

**Financing Order** – the Financing Order issued by the PUCT in Docket No. 37247 under Subchapter I of Chapter 36 and Subchapter G of Chapter 39 of the Texas Public Utility Regulatory Act ("PURA") providing for the issuance by the SPE of transition bonds ("Transition Bonds") to securitize the amount of qualified costs ("Qualified Costs") determined by the Commission in such order.

**Non-Eligible Self-Generation ("NESG")** – new on-site generation as defined in PURA § 39.252(b) (except all dates referenced shall be replaced with the date of the Financing Order) which materially reduces or reduced customer loads on the Company's system, unless excluded under PURA § 39.262(k) and any rules adopted by the Commission pursuant thereto.

**Retail Electric Provider ("REP")** – when, and if, the Company's Service Area becomes subject to retail competition, the entity which serves the customer's energy needs, and will remit to the Servicer the System Restoration Costs ("SRC") billed in accordance with this schedule.

**Service Area** – the Company's certificated service area as it existed on the date of the Financing Order.

**Servicer** – on the effective date of this tariff, the Company shall act as Servicer. However, the SPE may select another party to function as Servicer or the Company may resign as Servicer or be succeeded by a permitted successor in accordance with terms of the Servicing Agreement and Financing Order issued in Docket No. 37247. A Servicer selected under these conditions shall assume the obligations of the Company as Servicer under this schedule. As used in this schedule, the term Servicer includes any successor Servicer.

**System Restoration Costs Charges ("SRC Charges")** – a non-bypassable charge computed on the basis of individual end-use customer consumption, except for SRC Charges applicable to NESG for which charges are based on the output of the on-site generation.

- A. For customers whose facilities, premises, and loads are subject to SRC Charges billed and collected pursuant to the Initial or Adjusted System Restoration Costs Rates, Attachment A to this schedule, the SRC Charges shall constitute a separate charge.
- B. The assessment of SRC Charges may be separately identified on the bills sent to customers or when, and if, the Company's Service Area becomes subject to retail competition, REPs or other entities. If such charges are not separately identified, customers will be notified at least annually that the Transition Property is owned by the BondCo and not ETI.

### **III. APPLICABILITY**

This schedule, along with Attachment A, sets out the rates, terms and conditions under which SRC Charges shall be billed and collected by the Company, any successor Servicer(s), any REPs, and any other entity(ies) responsible for billing or collecting SRC Charges on behalf of the SPE pursuant to the terms of the Financing Order or this tariff. This schedule is applicable to energy consumption and demands of customers taking service from the Company and to facilities, premises and loads of such customers.

This schedule also applies to:

- A. Customers taking service at facilities, premises, or loads located within the Service Area who are not presently receiving service from the Company, but whose present facilities, premises, or loads received service from the Company at any time on or after the date of the Financing Order when a request to change service to another utility was not pending as of that date.
- B. Customers located within the Service Area and prior customers of the Company who are served by NESG.
- C. Public customers located within the Service Area who purchase power from the General Land Office under PURA § 35.102.

Individual end-use customers are responsible for paying SRC Charges billed to them in accordance with the terms of this schedule. Payment is to be made to the entity that bills the customer in accordance with the terms of the Servicing Agreement and the Financing Order, which entity may be the Company, a successor Servicer, a REP, an entity designated to collect SRC Charges in place of the REP, or other entity which may be required to bill or collect the SRC Charges. The REP, an entity designated to collect SRC Charges in place of the REP, or another entity which is required to bill or collect the SRC Charges will pay the SRC Charges to the Servicer, whether or not they collect the SRC Charges from their customers. The Servicer will remit collections to the SPE in accordance with the terms of the Servicing Agreement.

**IV. TERM**

This schedule shall remain in effect until the SRC Charges have been collected and remitted to the SPE in an amount sufficient to satisfy all obligations of the SPE in regard to paying principal and interest on the Transition Bonds together with all other qualified costs as provided in PURA §§ 39.302(4) and 36.403(d). However, in no event shall the SRC Charges provided for in this schedule be collected for service rendered after 15 years from issuance of the Transition Bonds. SRC Charges for service rendered during the 15-year period following issuance of the Transition Bonds pursuant to the Financing Order, but not collected during that 15-year period, may be collected after the 15-year period. This schedule is irrevocable and non-bypassable for the full term during which it applies.

**V. SRC RATE CLASSES**

The SRC Rates will be payable by all existing customers of the Company and all existing and future customers located within the Company's Service Area. The defined SRC Rate Classes to whom SRC Rates will apply are as follows:

- Residential — this service is applicable for all domestic purposes in single family residences or individual apartments.
- Small General Service — this service is applicable to non-residential customers using 20 kW or less of demand. The Small General Service class also includes Municipal Traffic Signal Service and Unmetered Services.
- General Service — this service is applicable to non-residential customers who contract for not less than 5 kW but not more than 2,500 kW of electric service.
- Large General Service — this service is applicable to non-residential customers who contract for not less than 300 kW but not more than 2,500 kW of electric service.
- Large Industrial Power Service — this service is applicable to non-residential customers who contract for not less than 2,500 kW of electric service. The Large Industrial Power Service class also includes customers taking service under Pipeline Pumping Service and Interruptible Service.
- Standby and Maintenance Service — this service is applicable to non-residential customers who have their own generation equipment and who contract for Standby and Maintenance Service from the Company.



- Experimental Economic As-Available Power Service — this service is applicable to all Customers having self-generation capability greater than 5,000 kW which was both permanently existing on site and in operating condition as of March 8, 1993. The power taken under Schedule EAPS can only be used for the displacement, in total or in part of the Customer's self-generating capability. A Customer may not contract for Schedule EAPS power in excess of the design capacity of the Customer's power production facilities and shall not displace load historically served by the Company.
- Street and Outdoor Lighting — this class includes Area Lighting Service which provides security or flood lighting services provided on end-use customers' premises and Street and Highway Lighting Service.

#### **VI. PERIODIC BILLING REQUIREMENT ALLOCATION FACTORS**

The Periodic Billing Requirement shall be functionalized and allocated to each SRC Rate Class using the methods approved by the Commission in Docket No. 36931 as outlined in Attachment B to this schedule.

#### **VII. DETERMINATION OF SRC RATES**

SRC Rates will be adjusted no less frequently than annually in order to ensure that the expected collection of the SRC Charges is adequate to pay when due, pursuant to the expected amortization schedule, principal and interest on the Transition Bonds and to pay on a timely basis other qualified costs. The SRC Rates shall be computed by multiplying the Periodic Billing Requirement Allocation Factor ("PBRAs") times the Periodic Billing Requirement ("PBR") for the projected SRC period, and dividing such amount by the billing units of the SRC Rate Class, as shown in the following formula:

$$SRC_c = [(PBR * PBRAF_c) + P_c] / FBU_c$$

Where,

$SRC_c$  = SRC Rate applicable to an SRC Rate Class during the SRC Period;

PBR = Periodic Billing Requirement for the SRC Period;

$PBRAF_c$  = the Periodic Billing Requirement Allocation Factor for such class in effect at such time;

$P_c$  = Prior period over-/under-recovery for such class; and

$FBU_c$  = Forecasted Billing Units (i.e., class-specific energy or demand billing units) currently forecast for a class for the SRC period.

#### **VIII. STANDARD AND INTERIM TRUE-UP PROCEDURE**

Not less than 15 days prior to the first billing cycle for the Company's November 2010 billing month, and no less frequently than annually, the Servicer shall file a revised Attachment A setting forth the upcoming SRC period's SRC Rates (Adjusted SRC Rates), complete with all supporting materials. The Adjusted SRC Rates will become effective on the first billing cycle of the Company's November billing month. The Commission will have 15 days after the date of the true-up filing in which to confirm the accuracy of the Servicer's adjustment. Any necessary corrections to the Adjusted SRC Rates, due to mathematical errors in the calculation of such rates or otherwise, will be made in a future true-up adjustment filing.

The Servicer is also required to make mandatory interim true-up adjustments semi-annually (or quarterly during the period between the expected final maturity and the legal final maturity of the last bond tranche or class), using the methodology applicable to the standard true-up, (i) if the Servicer forecasts that SRC Charge collections will be insufficient to make all scheduled payments of principal, interest and other amounts in respect of the transition bonds during the current or next succeeding payment period and/or (ii) to replenish any draws upon the capital subaccount. In the event an interim true-up is necessary, the interim true-up adjustment should be filed not less than 15 days prior to the first billing cycle of the month in which the revised transition charges will be in effect. In no event would such interim true-up adjustments occur more frequently than every three months if quarterly transition bond payments are required or every six months if semi-annual transition bond payments are required; provided, however, that interim true-up adjustments for any transition bonds remaining outstanding after the expected final maturity date of the last tranche or class shall occur quarterly.

**IX. NON-STANDARD TRUE-UP PROCEDURE**

In the event that the forecasted billing units for one or more of the SRC Rate Classes for an upcoming period decreases by more than 10% of the threshold billing units set forth in the Financing Order, the Servicer shall make a non-standard true-up filing at least 90 days before the effective date of the next standard true-up adjustment. The true-up shall be conducted in the following manner. The Servicer shall:

- A. allocate the upcoming period's Periodic Billing Requirement based on the PBRAFs as outlined in Attachment B;
- B. calculate undercollections or overcollections from the preceding period in each SRC Rate Class by subtracting the previous period's SRC Charge revenues collected from each class from the Periodic Billing Requirement determined for that class for the same period;
- C. sum the amounts allocated to each SRC Rate Class in steps A and B above to determine an adjusted Periodic Billing Requirement for each SRC Rate Class;
- D. divide the Periodic Billing Requirement for each SRC Rate Class by the maximum of the forecasted billing units or the threshold billing units for that Class, to determine the threshold rate;
- E. multiply the threshold rate by the forecasted billing units for each SRC Rate Class to determine the expected collections under the threshold rate;
- F. allocate the difference in the adjusted Periodic Billing Requirement and the expected collections calculated in step E among the SRC Rate Classes using the PBRAFs as outlined in Attachment B;

- G. add the amount allocated to each SRC Rate Class in step F above to the expected collection amount by class calculated in step E above to determine the final Periodic Billing Requirement for each class; and
- H. divide the final Periodic Billing Requirement for each SRC Rate Class by the forecasted billing units to determine the SRC Rate by Class for the upcoming period.

A proceeding for the purpose of approving a non-standard true-up should be conducted in the following manner:

- A. The Servicer will make a "non-standard true-up filing" with the Commission at least 90 days before the effective date of the proposed true-up adjustment. The filing will contain the proposed changes to the SRC Rates, justification for such changes as necessary to specifically address the cause(s) of the proposed non-standard true-up, and a statement of the proposed effective date.
- B. Concurrently with the filing of the non-standard true-up with the Commission, the Servicer will notify all parties in Docket No. 37247 of the filing of the proposal for a non-standard true-up.
- C. The Servicer will issue appropriate notice and the Commission will conduct a contested case proceeding on the non-standard true-up proposal pursuant to PURA § 39.003.

The scope of the proceeding will be limited to determining whether the proposed adjustment complies with the Financing Order. The Commission will issue a final order by the proposed effective date stated in the non-standard true-up filing. In the event that the Commission cannot issue an order by that date, the Servicer will be permitted to implement its proposed changes. Any modifications subsequently ordered by the Commission will be made by the Servicer in the next true-up filing.

#### **X. ALTERNATIVE BILLING AND COLLECTION TERMS AND CONDITIONS**

The billing and collection of SRC Charges may differ as set forth in this schedule. The alternative terms and conditions for each party are set forth below:

##### **A. Billings by Servicer to other electric utilities, municipally owned utilities, and cooperatives:**

- 1. Applicable to former customers of the Company in multiply certificated service areas now taking service from other electric utilities, municipally owned utilities, or cooperatives or through REPs served from other electric utilities, municipally owned utilities, or cooperatives.
- 2. Charges subject to this tariff must be paid in full by the other electric utility, municipally owned utility, or cooperative to the Servicer pursuant to the terms of the Transition Property Servicing Agreement.

##### **B. Billings by Servicer to NESG:**

- 1. Applicable to end-use consumption served by on-site non-eligible self generation. The SRC Charges applicable to NESG are in addition to the applicable SRC Charges under A above or C below.
- 2. Payment terms pursuant to the Commission's rules.

3. SRC Rate Class determined by summing loads on the transmission and distribution system with loads served by non-eligible self generation.
4. Servicer has the right to terminate for non-payment pursuant to the Commission's rules.

C. Billings by the REP or its Replacement to End-Use Customers:

1. Applicable to consumption of all end-use customers served by the REP for which SRC Charges apply, including applicable former customers and NESG, under the following conditions:
2. REPs shall provide the Servicer with full and timely information necessary to provide proper reporting and for billing and true-up adjustments.
3. Each REP must (1) have a long-term, unsecured credit rating of not less than "BBB-" and "Baa3" (or the equivalent) from Standard & Poor's and Moody's Investors Service, respectively, or (2) provide (A) a deposit of two months' maximum expected SRC Charges collections in the form of cash, (B) an affiliate guarantee, surety bond, or letter of credit providing for payment of such amount of SRC Charges collections in the event that the REP defaults in its payment obligations, or (C) a combination of any of the foregoing. A REP that does not have or maintain the requisite long-term, unsecured credit rating may select which alternate form of deposit, credit support, or combination thereof it will utilize, in its sole discretion. The Indenture Trustee shall be the beneficiary of any affiliate guarantee, surety bond or letter of credit. The provider of any affiliate guarantee, surety bond, or letter of credit must have and maintain long-term, unsecured credit ratings of not less than "BBB-" and "Baa3" (or the equivalent) from Standard & Poor's and Moody's Investors Service, respectively.
4. If the long-term, unsecured credit rating from either Standard & Poor's or Moody's Investors Service of a REP that did not previously provide the alternate form of deposit, credit support, or combination thereof or of any provider of an affiliate guarantee, surety bond, or letter of credit is suspended, withdrawn, or downgraded below "BBB-" or "Baa3" (or the equivalent), the REP must provide the alternate form of deposit, credit support, or combination thereof, or new forms thereof, in each case from providers with the requisite ratings, within 10 business days following such suspension, withdrawal, or downgrade. A REP failing to make such provision must comply with the provisions set forth in Paragraph 3 of the next section, Billings by the Servicer to the REP or its Replacement (when applicable).

5. The computation of the size of a required deposit shall be agreed upon by the Servicer and the REP, and reviewed no more frequently than quarterly to ensure that the deposit accurately reflects two months' maximum collections. Within 10 business days following such review, (1) the REP shall remit to the Indenture Trustee the amount of any shortfall in such required deposit or (2) the Servicer shall instruct the Indenture Trustee to remit to the REP any amount in excess of such required deposit. A REP failing to so remit any such shortfall must comply with the provisions set forth in Paragraph 3 of the next section, Billings by the Servicer to the REP or its Replacement (when applicable). REP cash deposits shall be held by the Indenture Trustee, maintained in a segregated account, and invested in short-term high quality investments, as permitted by the rating agencies rating the Transition Bonds. Investment earnings on REP cash deposits shall be considered part of such cash deposits so long as they remain on deposit with the Indenture Trustee. At the instruction of the Servicer, cash deposits will be remitted with investment earnings to the REP at the end of the term of the Transition Bonds unless otherwise utilized for the payment of the REP's obligations for SRC Charges payments. Once the deposit is no longer required, the Servicer shall promptly (but not later than 30 calendar days) instruct the Indenture Trustee to remit the amounts in the segregated accounts to the REP.
6. In the event that a REP or the Provider of Last Resort ("POLR") provider is billing customers for SRC Charges, the REP shall have the right to transfer the customer to the POLR provider (or to another certified REP) or to direct the Servicer to terminate transmission and distribution service to the end-use customer for non-payment by the end-use customer pursuant to applicable Commission rules.

D. Billings by the Servicer to the REP or its Replacement (when applicable):

1. Applicable to all consumption subject to REP billing of SRC Charges.
2. Payments of SRC Charges are due 35 calendar days following each billing by the Servicer to the REP, without regard to whether or not, or when, the REP receives payment from its retail customers. The Servicer shall accept payment by electronic funds transfer ("EFT"), wire transfer ("WT") and/or check. Payment will be considered received the date the EFT or WT is received by the Servicer, or the date the check clears. A 5% penalty is to be charged on amounts received after 35 calendar days; however, a 10-calendar-day grace period will be allowed before the REP is considered to be in default. A REP in default must comply with the provisions set forth in Paragraph 3 below. The 5% penalty will be a one-time assessment measured against the current amount overdue from the REP to the Servicer. The current amount consists of the total unpaid SRC Charges existing on the 36<sup>th</sup> calendar day after billing by the Servicer. Any and all such penalty payments will be made to the Indenture Trustee to be applied against SRC Charges obligations. A REP shall not be obligated to pay the overdue SRC Charges of another REP. If a REP agrees to assume the responsibility for the payment of overdue SRC Charges as a condition of receiving the customers of another REP who has decided to terminate service to those customers for any reason, the new REP shall not be assessed the 5% penalty upon such SRC Charges; however, the prior REP shall not be relieved of the previously assessed penalties.
3. After the 10 calendar-day grace period (the 45<sup>th</sup> calendar day after the billing date) referred to in Paragraph 2 above, the Servicer shall have the option to seek recourse against any cash deposit, affiliate guarantee, surety bond, letter of credit, or combination thereof made by the REP, and avail itself of such legal remedies as may be appropriate to collect any remaining unpaid SRC Charges and associated penalties due the Servicer after the application of the REP's deposit or alternate form of credit support. In addition, a REP that is in default with respect to the requirements set forth in Paragraphs 4 and 5 of the previous section, Billings by the REP or its Replacement to End-Use Customers, and Paragraph 2 of this section shall select and implement one of the following options:

- (a) Allow the POLR provider or a qualified REP of the customer's choosing to immediately assume the responsibility for the billing and collection of SRC Charges.
- (b) Immediately implement other mutually suitable and agreeable arrangements with the Servicer. It is expressly understood that the Servicer's ability to agree to any other arrangements will be limited by the terms of the servicing agreement and requirements of each of the rating agencies that have rated the Transition Bonds necessary to avoid a suspension, withdrawal, or downgrade of the ratings on the Transition Bonds.
- (c) Arrange that all amounts owed by retail customers for services rendered be timely billed and immediately paid directly into a lock-box controlled by the Servicer with such amounts to be applied first to pay SRC Charges before the remaining amounts are released to the REP. All costs associated with this mechanism will be borne solely by the REP.

If a REP that is in default fails to immediately select and implement one of the foregoing options in (a), (b), or (c) or, after so selecting one of the foregoing options, fails to adequately meet its responsibilities thereunder, then the Servicer shall immediately implement option (a). Upon re-establishment of the requirements set forth in Paragraphs 4 and 5 of the previous section, Billings by the REP or its Replacement to End-Use Customers, and Paragraph 2 of this section and the payment of all past-due amounts and associated penalties, the REP will no longer be required to comply with this subsection.

- 4. The POLR provider will be required to meet the minimum credit rating and/or deposit/credit support requirements described in Paragraph 3 of the preceding section, Billings by the REP or its Replacement to End-Use Customers, in addition to any other standards that may be adopted by the Commission. If the POLR provider defaults or is not eligible to provide such services, responsibility for billing and collection of SRC Charges will immediately be transferred to and assumed by the Servicer until a new POLR provider can be named by the Commission or the customer requests the services of a certified REP. Retail customers may never be re-billed by the successor REP, the POLR provider, or Servicer for any amount of SRC Charges they have paid their REP (although future SRC Charges shall reflect REP and other system-wide charge-offs). Additionally, if the amount of the penalty detailed in Paragraph 2 of this section is the sole remaining past-due amount after the 45<sup>th</sup> day, the REP shall not be required to comply with § X.D.3.(a), (b), or (c) above, unless the penalty is not paid within an additional 30 calendar days
- 5. In the event the Servicer is billing customers for SRC Charges, the Servicer shall have the right to terminate transmission and distribution service for non-payment by end-use customers pursuant to the Commission's rules.

6. Notwithstanding Paragraph 2 of this section, the REPs will be allowed to hold back an allowance for charge-offs in their payments to the Servicer. Such charge-off rate will be recalculated each year in connection with the standard true-up procedure. In the initial year, the REPs will be allowed to remit payments based on the same system-wide charge off percentage then being used for the transition bonds issued by Entergy Texas Restoration Funding, LLC pursuant to the financing order issued in Docket No. 37247. On an annual basis in connection with the standard true-up adjustment process, the REP and the Servicer will be responsible for reconciling the amounts held back with amounts actually written off as uncollectible in accordance with the terms agreed to by the REP and the Servicer, provided that:
  - (a) The REP's right to reconciliation for write-offs will be limited to customers whose service has been permanently terminated and whose entire accounts (i.e., all amounts due the REP for its own account as well as the portion representing SRC Charges) have been written off.
  - (b) The REP's recourse will be limited to a credit against future SRC Charges payments unless the REP and the Servicer agree to alternative arrangements, but in no event will the REP have recourse to the SPE or its funds for such payments.
  - (c) The REP shall provide information on a timely basis to the Servicer so that the Servicer can include the REP's default experience and any subsequent credits in its calculation of the SRC Rates for the next SRC billing period, and the REP's rights to credits will not take effect until after such adjusted SRC Rates have been implemented.
7. In the event that a REP disputes any amount of billed SRC Charges, the REP shall pay the disputed amount under protest according to the timelines detailed in Paragraph 2 of this section. The REP and Servicer shall first attempt to informally resolve the dispute, but if failing to do so within 30 calendar days, either party may file a complaint with the Commission. If the REP is successful in the dispute process (informal or formal), the REP shall be entitled to interest on the disputed amount paid to the Servicer at the Commission-approved interest rate. Disputes about the date of receipt of SRC Charges payments (and penalties arising therefrom) will be handled in a like manner.

Any interest paid by the Servicer on disputed amounts shall not be recovered through SRC Charges if it is determined that the Servicer's claim to the funds is clearly unfounded. No interest shall be paid by the Servicer if it is determined that the Servicer has received inaccurate metering data from another entity providing competitive metering services pursuant to PURA § 39.107.

8. If the Servicer is providing the metering, the metering data will be provided to the REP at the same time as the billing. If the Servicer is not providing the metering, the entity providing metering service(s) will be responsible for complying with Commission rules and ensuring that the Servicer and the REP receive timely and accurate metering data in order for the Servicer to meet its obligations under the Servicing Agreement and the Financing Order with respect to billing and true-ups.

## **XI. OTHER TERMS AND CONDITIONS**

Prior to the date when retail competition is introduced into the Service Area, if any retail customer does not pay the full amount of any bill to ETI the amount paid by the customer will be applied in the following order of priority: first, to any amounts due with respect to customer deposits, second, to all electric service charges of ETI and to all transition charges on the bill, pari passu based upon the total amount billed, and third to tax and charges billed to the Customers. If there is more than one owner of transition property, or if the sole or any owner of transition property (or pledge or pledgee) has issued multiple series of bonds, such partial collections representing transition charges shall be allocated among such owners (or pledgee or pledgees), and among such series of transition bonds, pro-rata based upon the amounts billed with respect to each series of transition bonds, provided that late fees and charges may be allocated to the Servicer as provided in the Tariff. When and if the Service Area becomes subject to retail competition and a REP or other entity does not pay the full amount it has been billed, the amount paid by the REP or such other entity will first be apportioned between the transition charges and other fees and charges (including amounts billed and due in respect of transition charges associated with transition bonds issued under other financing orders), other than late fees, and second, any remaining portion of the payment will be allocated to late fees. The amount allocated to transition charges shall be further allocated in the same manner as the second preceding sentence. The foregoing allocations will facilitate a proper balance between the competing claims to this source of revenue in an equitable manner.

At least once each year, following the introduction of retail open access in the Service Area, (i) the Company shall cause to be prepared and delivered to REPs, if appropriate, and such customers a notice stating, in effect, that the Transition Property and the SRC Charges are owned by the SPE and not the Company; and (ii) each REP which bills SRC Charges shall cause to be prepared and delivered to such customers a notice stating, in effect, that the Transition Property and the SRC Charges are owned by the SPE and not the REP or the Company. Such notice shall be included either as an insert to or in the text of the bills delivered to such REPs or customers, as applicable, or shall be delivered to customers by electronic means or such other means as the Servicer or the REP may from time to time use to communicate with their respective customers.



**ENTERGY TEXAS, INC.**

**SCHEDULE SRC - ATTACHMENT A**

**INITIAL OR ADJUSTED SYSTEM RESTORATION COSTS RATES**

**I. RATE CLASSES**

For purposes of determining and billing Initial or Adjusted System Restoration Costs Rates, each end-use customer will be designated as a customer belonging to one of eight classes as identified and defined in § V of Rate Schedule SRC.

**II. NET MONTHLY RATE**

The Initial or Adjusted SRC Rates shall be determined in accordance with and are subject to the provisions set forth in Rate Schedule SRC. Not less than 15 days prior to the first billing cycle for the Company's November 2010 billing month and no less frequently than annually thereafter, the Company or successor Servicer will file a revision to Schedule SRC, Attachment A setting forth the Adjusted SRC Rates to be effective for the upcoming period. If made as a result of the standard true-up adjustment in Rate Schedule SRC, the Adjusted SRC Rates will become effective on the first billing cycle of the Company's November billing month. If an interim true-up adjustment is made pursuant to Rate Schedule SRC, the Adjusted SRC Rates will become effective on the first billing cycle of the Company's billing month that is not less than 15 days following the making of the interim true-up adjustment filing. If a non-standard true-up filing pursuant to Rate Schedule SRC is made to revise the Initial or Adjusted SRC Rates, the filing will be made at least 90 days prior to the first billing cycle for the Company's November billing month. Amounts billed pursuant to this schedule are not subject to Rider IHE or State and local sales tax.

<b><u>SRC Rate Class</u></b>	<b><u>Initial or Adjusted SRC Rates</u></b>	
Residential	\$0.00504	per kWh
Small General Service	\$0.00497	per kWh
General Service	\$0.00465	per kWh
Large General Service	\$0.00256	per kWh
Large Industrial Power Service	\$0.13652	per kW
Experimental Economic As-Available Power Service	\$0.00000	per kWh
Standby and Maintenance Service	\$0.03797	per kW
Street and Outdoor Lighting	\$0.02278	per kWh

The Initial or Adjusted SRC Rates are multiplied by the kWh or kW as applicable, read, estimated or determined during the billing month and will be applied to bills rendered on and after the effective date.

ENTERGY TEXAS, INC

**CALCULATION OF INITIAL SYSTEM RESTORATION COSTS CHARGE**  
**Functionalization and Allocation of Annual Securitization Payments**  
**Billing Period 1 - Texas Retail by Class**

		Texas Retail							
	<u>Tx Retail</u>	<u>RES</u>	<u>SGS</u>	<u>GS</u>	<u>LGS</u>	<u>LIPS</u>	<u>EAPS</u>	<u>SMS</u>	<u>LTG</u>
<b>Production</b>									
Texas Retail Allocation Factors *	100.0000%	43.5249%	2.1765%	21.9201%	7.5549%	21.6431%	1.9501%	0.8743%	0.3561%
Related Storm Costs	\$2,440,116								
Total Storm Costs	\$496,356,566								
Ratio of Related Storm Costs	0.4916%								
Annual Levelized Payment **	\$27,039,149								
Payment Allocated to Prod	\$132,926	\$57,856	\$2,893	\$29,138	\$10,042	\$28,769	\$2,592	\$1,162	\$473
<b>Transmission</b>									
Texas Retail Allocation Factors *	100.0000%	45.7242%	2.2720%	22.5398%	7.4625%	18.8947%	1.9855%	0.7864%	0.3349%
Related Storm Costs	\$70,981,989								
Total Storm Costs	\$496,356,566								
Ratio of Related Storm Costs	14.3006%								
Annual Levelized Payment **	\$27,039,149								
Payment Allocated to Trans	\$3,866,762	\$1,768,046	\$87,853	\$871,560	\$288,557	\$730,613	\$76,775	\$30,408	\$12,950
<b>Distribution</b>									
Texas Retail Allocation Factors *	100.0000%	59.5467%	4.4127%	24.6479%	5.5437%	1.4705%	0.0000%	0.1477%	4.2308%
Related Storm Costs	\$421,131,190								
Total Storm Costs	\$496,356,566								
Ratio of Related Storm Costs	84.8445%								
Annual Levelized Payment **	\$27,039,149								
Payment Allocated to Distrib	\$22,941,228	\$13,660,744	\$1,012,328	\$5,654,531	\$1,271,793	\$337,351	\$0	\$33,884	\$970,597
<b>Net General Plant</b>									
Texas Retail Allocation Factors *	100.0000%	52.3305%	3.6199%	20.1101%	5.8632%	14.1243%	1.1314%	0.7442%	2.0764%
Related Storm Costs	\$1,803,271								
Total Storm Costs	\$496,356,566								
Ratio of Related Storm Costs	0.3633%								
Annual Levelized Payment **	\$27,039,149								
Payment Allocated to Other	\$98,233	\$51,406	\$3,556	\$19,755	\$5,760	\$13,875	\$1,111	\$732	\$2,040
<b>Total Payments**</b>									
	\$27,039,149	\$15,538,048	\$1,106,630	\$6,574,984	\$1,576,152	\$1,110,608	\$80,478	\$66,186	\$986,060
Blended Allocation Factors	100.00%	57.464%	4.093%	24.317%	5.829%	4.107%	0.298%	0.245%	3.647%

\* Source of Texas Retail Allocation Factors - Docket No. 36931 Phillip B. Gillam Direct Testimony Exhibit PBG-3

\*\* Source of Annual Levelized Payment to be allocated - Provided by Charles Atkins.

## **I. GENERAL**

This Storm Cost Offset Rate Schedule SCO is applicable under the regular terms and conditions of Entergy Texas, Inc. ("Company" or "ETI") to all electric service billed under all of the Company's Rate Schedules and all associated Riders, whether for metered or un-metered service, and subject to the jurisdiction of the Public Service Commission of Texas ("PUCT" or the "Commission").

Rate Schedule SCO is applicable to energy consumption and demands of the Company's customers who take bundled service from the Company and when, and if, the Company's Service Area becomes subject to retail competition, to Retail Electric Providers or other entities during the term that this rate schedule is in effect, and to the facilities, premises, and loads of all other customers obligated to pay System Restoration Costs Charges.

## **II. DEFINITIONS**

For the purposes of this schedule, the following terms shall have the following meanings:

**Company** – Entergy Texas, Inc., and its successors and assigns that provide transmission or distribution service directly to customers taking service at facilities, premises, or loads located within the Service Area.

**Retail Electric Provider ("REP")** – when, and if, the Company's Service Area becomes subject to retail competition, the entity which serves the customer's energy needs, and will remit to the Servicer the System Restoration Costs ("SRC").

## **III. APPLICABILITY**

Pursuant to the Settlement Agreement in Public Utility Commission of Texas Docket No. 37247 Rate Schedule SCO is a negative charge to customers subject to Rate Schedule SRC to provide customers benefits associated with System Restoration Costs.

## **IV. TERM**

This schedule shall remain in effect until Rate Schedule SRC is terminated.

## **V. SCO RATE CLASSES**

The Rate Schedule SCO Rate Classes will be the same as the Rate Classes for Rate Schedule SRC. For purposes of determining and billing Storm Cost Offset Rates, each end-use customer will be designated as a customer belonging to one of eight classes as identified and defined in § V of Rate Schedule SRC.

**VI. ALLOCATION OF SCO BENEFITS**

The allocation of Rate Schedule SCO benefits will be in the same manner as Rate Schedule SRC.

**VII. ANNUAL TRUE-UP PROCEDURE**

Rate Schedule SCO true-up will be performed at the same time, using the same billing determinants, as the Standard True-Up or Non-Standard True-Up for Rate Schedule SRC.

**ENTERGY TEXAS, INC.**

**SCHEDULE SCO – ATTACHMENT A**

**INITIAL OR ADJUSTED STORM COST OFFSET RATES**

**I. NET MONTHLY RATE**

The SCO rates to be applied beginning on the effective date of this schedule are set out below. SCO rates to be applied in subsequent periods will be determined in the Standard True-Up or Non-Standard True-Up process.

<b><u>SCO Rate Class</u></b>	<b><u>Initial or Adjusted SCO Rates</u></b>	
Residential	\$0.00000	per kWh
Small General Service	\$0.00000	per kWh
General Service	\$0.00000	per kWh
Large General Service	\$0.00000	per kWh
Large Industrial Power Service	\$0.00000	per kW
Experimental Economic As-Available Power Service	\$0.00000	per kWh
Standby and Maintenance Service	\$0.00000	per kW
Street and Outdoor Lighting	\$0.00000	per kWh

The Initial or Adjusted SCO Rates are multiplied by the kWh or kW as applicable, read, estimated or determined during the billing month and will be applied to bills rendered on and after the effective date.

**I. GENERAL**

This System Restoration Costs Schedule SRC-2 is applicable under the regular terms and conditions of Entergy Texas, Inc. ("Company" or "ETI") to all electric service billed under all of the Company's Rate Classes identified herein and all associated Riders, whether for metered or un-metered service, and subject to the jurisdiction of the Public Utility Commission of Texas ("PUCT" or the "Commission").

Schedule SRC-2 is applicable to energy consumption and demands of the Company's customers who take bundled service from the Company and when, and if, the Company's Service Area becomes subject to retail competition, to Retail Electric Providers or other entities during the term that this schedule is in effect, and to the facilities, premises, and loads of all other customers obligated to pay System Restoration Costs Charges as provided in this schedule.

**II. DEFINITIONS**

For the purposes of this schedule, the following terms shall have the following meanings:

**Company** – Entergy Texas, Inc., and its successors and assigns that provide transmission or distribution service directly to customers taking service at facilities, premises, or loads located within the Service Area.

**Special Purpose Entity ("SPE")** – The owner of Transition Property, on behalf of whom the System Restoration Costs are collected.

**Financing Order** – The Financing Order issued by the PUCT in Docket No. 52302 under Subchapter I of Chapter 36 and Subchapter G of Chapter 39 of the Texas Public Utility Regulatory Act ("PURA") providing for the issuance by the SPE of system restoration bonds ("System Restoration Bonds") to securitize the amount of qualified costs ("Qualified Costs") determined by the Commission in such order.

**Non-Eligible Self-Generation ("NESG")** – New on-site generation as defined in PURA § 39.252(b) (except all dates referenced shall be replaced with the date of the Financing Order) which materially reduces or reduced customer loads on the Company's system, unless excluded under PURA § 39.262(k) and any rules adopted by the Commission pursuant thereto.

**Retail Electric Provider ("REP")** – If the Company's Service Area becomes subject to retail competition, the entity which serves the customer's energy needs, and will remit to the Servicer the System Restoration Costs - 2 ("SRC-2") billed in accordance with this schedule.

**Service Area** – The Company's certificated service area as it existed on the date of the Financing Order.

**Servicer** – On the effective date of this tariff, the Company shall act as Servicer. However, the SPE may select another party to function as Servicer or the Company may resign as Servicer or be succeeded by a permitted successor in accordance with terms of the Servicing Agreement and Financing Order issued in Docket No. 52302. A Servicer selected under these conditions shall assume the obligations of the Company as Servicer under this schedule. As used in this schedule, the term Servicer includes any successor Servicer.

**System Restoration Costs Charges ("SRC-2 Charges")** – a non-bypassable charge computed on the basis of individual end-use customer consumption, except for SRC-2 Charges applicable to NESG for which charges are based on the output of the on-site generation.

- A. For customers whose facilities, premises, and loads are subject to SRC-2 Charges billed and collected pursuant to the Initial or Adjusted System Restoration Costs Rates, Attachment A to this schedule, the SRC-2 Charges shall constitute a separate charge.
- B. The assessment of SRC-2 Charges may be separately identified on the bills sent to customers or when, and if, the Company's Service Area becomes subject to retail competition, REPs or other entities. If such charges are not separately identified, customers will be notified at least annually that the Transition Property is owned by the BondCo and not ETI.

### III. **APPLICABILITY**

This schedule, along with Attachment A, sets out the rates, terms and conditions under which SRC-2 Charges shall be billed and collected by the Company, any successor Servicer(s), any REPs, and any other entity(ies) responsible for billing or collecting SRC-2 Charges on behalf of the SPE pursuant to the terms of the Financing Order or this tariff. This schedule is applicable to energy consumption and demands of customers taking service from the Company and to facilities, premises and loads of such customers.

This schedule also applies to:

- A. Customers taking service at facilities, premises, or loads located within the Service Area who received service from the Company on the date the Financing Order was issued, but whose present facilities, premises, or loads request to change service to another utility at any time on or after the date of the Financing Order, provided the request to change service to another utility was not pending as of that date.
- B. Customers located within the Service Area and prior customers of the Company who are served by NESG.
- C. Public customers located within the Service Area who purchase power from the General Land Office under PURA § 35.102.

Individual end-use customers are responsible for paying SRC-2 Charges billed to them in accordance with the terms of this schedule. Payment is to be made to the entity that bills the customer in accordance with the terms of the Servicing Agreement and the Financing Order, which entity may be the Company, a successor Servicer, a REP, an entity designated to collect SRC-2 Charges in place of the REP, or other entity which may be required to bill or collect the SRC-2 Charges. The REP, an entity designated to collect SRC-2 Charges in place of the REP, or another entity which is required to bill or collect the SRC-2 Charges will

pay the SRC-2 Charges to the Servicer, whether or not they collect the SRC-2 Charges from their customers. The Servicer will remit collections to the SPE in accordance with the terms of the Servicing Agreement.

**IV. TERM**

This schedule shall remain in effect until the SRC-2 Charges have been collected and remitted to the SPE in an amount sufficient to satisfy all obligations of the SPE in regard to paying principal and interest on the System Restoration Bonds together with all other qualified costs as provided in PURA §§ 39.302(4) and 36.403(d). However, in no event shall the SRC-2 Charges provided for in this schedule be collected for service rendered after 15 years from issuance of the System Restoration Bonds. SRC-2 Charges for service rendered during the 15-year period following issuance of the System Restoration Bonds pursuant to the Financing Order, but not collected during that 15-year period, may be collected after the 15-year period. This schedule is irrevocable and non-bypassable for the full term during which it applies.

**V. SRC-2 RATE CLASSES**

The SRC-2 Rates will be payable by all existing customers of the Company and all existing and future customers located within the Company's Service Area. The defined SRC-2 Rate Classes to whom SRC-2 Rates will apply are as follows:

- Residential — this service is applicable for all domestic purposes in single family residences or individual apartments.
- Small General Service — this service is applicable to non-residential customers using 20 kW or less of demand. The Small General Service class also includes Municipal Traffic Signal Service and Unmetered Services.
- General Service — this service is applicable to non-residential customers who contract for not less than 5 kW but not more than 2,500 kW of electric service.
- Large General Service — this service is applicable to non-residential customers who contract for not less than 300 kW but not more than 2,500 kW of electric service.
- Large Industrial Power Service Trans. & Distribution — this service is applicable to non-residential customers who contract for not less than 2,500 kW of electric service. The Large Industrial Power Service class also includes customers taking service under Pipeline Pumping Service and Interruptible Service.
- Large Industrial Power Service – Distribution Only – this service is applicable to non-residential customers who contract for not less than 2,500 kW of electric service at Distribution Voltage (Less than 69 kilovolts), including any distribution-level customers taking service under Pipeline Pumping Service and Interruptible Service.



- Standby and Maintenance Service — this service is applicable to non-residential customers who have their own generation equipment and who contract for Standby and Maintenance Service from the Company. For SRC-2 Rates, there will be a separate Standby Service Charge and Maintenance Service Charge, as described below.
- Street and Outdoor Lighting — this class includes Area Lighting Service which provides security or flood lighting services provided on end-use customers' premises and Street and Highway Lighting Service.

## **VI. PERIODIC BILLING REQUIREMENT ALLOCATION FACTORS**

The Periodic Billing Requirement shall be functionalized and allocated to each SRC-2 Rate Class using the methods approved by the Commission in Docket No. 51997 as outlined in Attachment B to this schedule.

## **VII. DETERMINATION OF SRC-2 RATES**

SRC-2 Rates will be adjusted no less frequently than annually in order to ensure that the expected collection of the SRC-2 Charges is adequate to pay when due, pursuant to the expected amortization schedule, principal and interest on the System Restoration Bonds and to pay on a timely basis other qualified costs. With the exception of Standby and Maintenance Service, the SRC-2 Rates shall be computed by multiplying the Periodic Billing Requirement Allocation Factor ("PBRAFs") times the Periodic Billing Requirement ("PBR") for the projected SRC-2 period, and dividing such amount by the billing units of the SRC-2 Rate Class, as shown in the following formula:

$$\text{SRC-2}_c = [(\text{PBR} * \text{PBRAF}_c) + P_c] / \text{FBU}_c$$

Where,

$\text{SRC-2}_c$  = SRC-2 Rate applicable to an SRC-2 Rate Class during the SRC-2 Period;

PBR = Periodic Billing Requirement for the SRC-2 Period;

$\text{PBRAF}_c$  = the Periodic Billing Requirement Allocation Factor for such class in effect at such time;

$P_c$  = Prior period over-/under-recovery for such class; and

$\text{FBU}_c$  = Forecasted Billing Units (i.e., class-specific energy or demand billing units) currently forecast for a class for the SRC-2 period.

The SRC-2 Rate applicable to the Large Industrial Power Service – Distribution Only class shall be the sum of (a) the product of (1) the PBR and (2) the PBRAF for the Large Industrial Power Service Trans. & Distribution Service class and (3) 34.94% and (b) the prior period over-/under-recovery for the Large Industrial Power Service – Distribution Only class divided by the Forecasted Billing Units.

The Standby Service Charge and the Maintenance Service Charge will be designed as follows:

- a. Start with the Large Industrial Power Service class's Charge for system restoration costs applicable to transmission service.

- b. Calculate the Standby and Maintenance Service revenue requirement, which is the sum of the Standby Service Charge multiplied by the Standby Service billing determinants and the Maintenance Service Charge multiplied by the Maintenance Service billing determinants.
  1. The Standby Service Charge is the transmission system restoration costs for the Large Industrial Power Service class multiplied by 11.379%.
  2. The Maintenance Service Charge is the Standby Service Charge multiplied by 75%.
  3. The Standby and Maintenance Service billing determinants for Standby Service Charges and Maintenance Service Charges are based on usage [kW] during the most recent 12-month period.
- c. Deduct the Standby and Maintenance Service revenue requirement from the overall revenue requirement for system restoration costs.
- d. Reallocate any remaining revenue requirement for system restoration costs to the rate classes.

#### **VIII. STANDARD AND INTERIM TRUE-UP PROCEDURE**

Not less than 15 days prior to the first billing cycle for the Company's April 2023 billing month, and no less frequently than annually, the Servicer shall file a revised Attachment A setting forth the upcoming SRC-2 period's SRC-2 Rates (Adjusted SRC-2 Rates), complete with all supporting materials. The Adjusted SRC-2 Rates will become effective on the first billing cycle of the Company's April billing month. The Commission will have 15 days after the date of the true-up filing in which to confirm the accuracy of the Servicer's adjustment. Any necessary corrections to the Adjusted SRC-2 Rates, due to mathematical errors in the calculation of such rates or otherwise, will be made in a future true-up adjustment filing.

The Servicer is also required to make mandatory interim true-up adjustments semi-annually (or quarterly during the period between the expected final maturity and the legal final maturity of the last bond tranche or class), using the methodology applicable to the standard true-up, (i) if the Servicer forecasts that SRC-2 Charge collections will be insufficient to make all scheduled payments of principal, interest and other qualified amounts in respect of the system restoration bonds during the current or next succeeding payment period and/or (ii) to replenish any draws upon the capital subaccount. In the event an interim true-up is necessary, the interim true-up adjustment should be filed not less than 15 days prior to the first billing cycle of the month in which the revised system restoration charges will be in effect. In no event would such interim true-up adjustments occur more frequently than every three months if quarterly system restoration bond payments are required or every six months if semi-annual system restoration bond payments are required; provided, however, that interim

true-up adjustments for any system restoration bonds remaining outstanding after the expected final maturity date of the last tranche or class shall occur quarterly.

**IX. NON-STANDARD TRUE-UP PROCEDURE**

In the event that the forecasted billing units for one or more of the SRC-2 Rate Classes for an upcoming period decreases by more than 10% of the threshold billing units set forth in the Financing Order, the Servicer shall make a non-standard true-up filing at least 90 days before the effective date of the next standard true-up adjustment. The true-up shall be conducted in the following manner. The Servicer shall:

- A. allocate the upcoming period's Periodic Billing Requirement based on the PBRAFs as outlined in Attachment B;
- B. calculate undercollections or overcollections from the preceding period in each SRC-2 Rate Class by subtracting the previous period's SRC-2 Charge revenues collected from each class from the Periodic Billing Requirement determined for that class for the same period;
- C. sum the amounts allocated to each SRC-2 Rate Class in steps A and B above to determine an adjusted Periodic Billing Requirement for each SRC-2 Rate Class;
- D. divide the Periodic Billing Requirement for each SRC-2 Rate Class by the maximum of the forecasted billing units or the threshold billing units for that Class, to determine the threshold rate;
- E. multiply the threshold rate by the forecasted billing units for each SRC-2 Rate Class to determine the expected collections under the threshold rate;
- F. allocate the difference in the adjusted Periodic Billing Requirement and the expected collections calculated in step E among the SRC-2 Rate Classes using the PBRAFs as outlined in Attachment B;
- G. add the amount allocated to each SRC-2 Rate Class in step F above to the expected collection amount by class calculated in step E above to determine the final Periodic Billing Requirement for each class; and
- H. divide the final Periodic Billing Requirement for each SRC-2 Rate Class by the forecasted billing units to determine the SRC-2 Rate by Class for the upcoming period.

A proceeding for the purpose of approving a non-standard true-up should be conducted in the following manner:

- A. The Servicer will make a "non-standard true-up filing" with the Commission at least 90 days before the effective date of the proposed true-up adjustment. The filing will contain the proposed changes to the SRC-2 Rates, justification for such changes as necessary to specifically address the cause(s) of the proposed non-standard true-up, and a statement of the proposed effective date.
- B. Concurrently with the filing of the non-standard true-up with the Commission, the Servicer will notify all parties in Docket No. 52302 of the filing of the proposal for a non-standard true-up.

- C. The Servicer will issue appropriate notice and the Commission will conduct a contested case proceeding on the non-standard true-up proposal pursuant to PURA § 39.003.

The scope of the proceeding will be limited to determining whether the proposed adjustment complies with the Financing Order. The Commission will issue a final order by the proposed effective date stated in the non-standard true-up filing. In the event that the Commission cannot issue an order by that date, the Servicer will be permitted to implement its proposed changes. Any modifications subsequently ordered by the Commission will be made by the Servicer in the next true-up filing.

**X. ALTERNATIVE BILLING AND COLLECTION TERMS AND CONDITIONS**

The billing and collection of SRC-2 Charges may differ as set forth in this schedule. The alternative terms and conditions for each party are set forth below:

**A. Billings by Servicer to other electric utilities, municipally owned utilities, and cooperatives:**

1. Applicable to former customers of the Company in multiply certificated service areas now taking service from other electric utilities, municipally owned utilities, or cooperatives or through REPs served from other electric utilities, municipally owned utilities, or cooperatives.
2. Charges subject to this tariff must be paid in full by the other electric utility, municipally owned utility, or cooperative to the Servicer pursuant to the terms of the Transition Property Servicing Agreement.

**B. Billings by Servicer to NESG:**

1. Applicable to end-use consumption served by on-site non-eligible self generation. The SRC-2 Charges applicable to NESG are in addition to the applicable SRC-2 Charges under A above or C below.
2. Payment terms pursuant to the Commission's rules.
3. SRC-2 Rate Class determined by summing loads on the transmission and distribution system with loads served by non-eligible self generation.
4. Servicer has the right to terminate for non-payment pursuant to the Commission's rules.

C. Billings by the REP or its Replacement to End-Use Customers:

1. Applicable to consumption of all end-use customers served by the REP for which SRC-2 Charges apply, including applicable former customers and NESG, under the following conditions:
2. REPs shall provide the Servicer with full and timely information necessary to provide proper reporting and for billing and true-up adjustments.
3. Each REP must (1) have a long-term, unsecured credit rating of not less than "BBB-" and "Baa3" (or the equivalent) from Standard & Poor's and Moody's Investors Service, respectively, or (2) provide (A) a deposit of two months' maximum expected SRC-2 Charges collections in the form of cash, (B) an affiliate guarantee, surety bond, or letter of credit providing for payment of such amount of SRC-2 Charges collections in the event that the REP defaults in its payment obligations, or (C) a combination of any of the foregoing. A REP that does not have or maintain the requisite long-term, unsecured credit rating may select which alternate form of deposit, credit support, or combination thereof it will utilize, in its sole discretion. The Indenture Trustee shall be the beneficiary of any affiliate guarantee, surety bond or letter of credit. The provider of any affiliate guarantee, surety bond, or letter of credit must have and maintain long-term, unsecured credit ratings of not less than "BBB-" and "Baa3" (or the equivalent) from Standard & Poor's and Moody's Investors Service, respectively.
4. If the long-term, unsecured credit rating from either Standard & Poor's or Moody's Investors Service of a REP that did not previously provide the alternate form of deposit, credit support, or combination thereof or of any provider of an affiliate guarantee, surety bond, or letter of credit is suspended, withdrawn, or downgraded below "BBB-" or "Baa3" (or the equivalent), the REP must provide the alternate form of deposit, credit support, or combination thereof, or new forms thereof, in each case from providers with the requisite ratings, within 10 business days following such suspension, withdrawal, or downgrade. A REP failing to make such provision must comply with the provisions set forth in Paragraph 3 of the next section, Billings by the Servicer to the REP or its Replacement (when applicable).
5. The computation of the size of a required deposit shall be agreed upon by the Servicer and the REP, and reviewed no more frequently than quarterly to ensure that the deposit accurately reflects two months' maximum collections. Within 10 business days following such review, (1) the REP shall remit to the Indenture Trustee the amount of any shortfall in such required deposit or (2) the Servicer shall instruct the Indenture Trustee to remit to the REP any amount in excess of such required deposit. A REP failing to so remit any such shortfall must comply with the provisions set forth in Paragraph 3 of the next section, Billings by the Servicer to the REP or its Replacement (when applicable). REP cash deposits shall be held by the Indenture Trustee, maintained in a segregated account, and invested in short-term high quality investments, as permitted by the rating agencies rating the System Restoration Bonds. Investment earnings on REP cash deposits shall be considered part of such cash deposits so long as they remain on deposit with the Indenture Trustee. At the instruction of the Servicer, cash deposits will be remitted with investment earnings to the REP at the end of the term of the System Restoration Bonds unless otherwise utilized for the payment of the REP's obligations for SRC-2 Charges payments. Once the deposit is no longer required, the Servicer shall promptly (but not later than 30 calendar days) instruct the Indenture Trustee to remit the amounts in the segregated accounts to the REP.

6. In the event that a REP or the Provider of Last Resort ("POLR") provider is billing customers for SRC-2 Charges, the REP shall have the right to transfer the customer to the POLR provider (or to another certified REP) or to direct the Servicer to terminate transmission and distribution service to the end-use customer for non-payment by the end-use customer pursuant to applicable Commission rules.

D. Billings by the Servicer to the REP or its Replacement (when applicable):

1. Applicable to all consumption subject to REP billing of SRC-2 Charges.
2. Payments of SRC-2 Charges are due 35 calendar days following each billing by the Servicer to the REP, without regard to whether or not, or when, the REP receives payment from its retail customers. The Servicer shall accept payment by electronic funds transfer ("EFT"), wire transfer ("WT") and/or check. Payment will be considered received the date the EFT or WT is received by the Servicer, or the date the check clears. A 5% penalty is to be charged on amounts received after 35 calendar days; however, a 10-calendar-day grace period will be allowed before the REP is considered to be in default. A REP in default must comply with the provisions set forth in Paragraph 3 below. The 5% penalty will be a one-time assessment measured against the current amount overdue from the REP to the Servicer. The current amount consists of the total unpaid SRC-2 Charges existing on the 36<sup>th</sup> calendar day after billing by the Servicer. Any and all such penalty payments will be made to the Indenture Trustee to be applied against SRC-2 Charges obligations. A REP shall not be obligated to pay the overdue SRC-2 Charges of another REP. If a REP agrees to assume the responsibility for the payment of overdue SRC-2 Charges as a condition of receiving the customers of another REP who has decided to terminate service to those customers for any reason, the new REP shall not be assessed the 5% penalty upon such SRC-2 Charges; however, the prior REP shall not be relieved of the previously assessed penalties.
3. After the 10 calendar-day grace period (the 45<sup>th</sup> calendar day after the billing date) referred to in Paragraph 2 above, the Servicer shall have the option to seek recourse against any cash deposit, affiliate guarantee, surety bond, letter of credit, or combination thereof made by the REP, and avail itself of such legal remedies as may be appropriate to collect any remaining unpaid SRC-2 Charges and associated penalties due the Servicer after the application of the REP's deposit or alternate form of credit support. In addition, a REP that is in default with respect to the requirements set forth in Paragraphs 4 and 5 of the previous section, Billings by the REP or its Replacement to End-Use Customers, and Paragraph 2 of this section shall select and implement one of the following options:

- (a) Allow the POLR provider or a qualified REP of the customer's choosing to immediately assume the responsibility for the billing and collection of SRC-2 Charges.
- (b) Immediately implement other mutually suitable and agreeable arrangements with the Servicer. It is expressly understood that the Servicer's ability to agree to any other arrangements will be limited by the terms of the servicing agreement and requirements of each of the rating agencies that have rated the System Restoration Bonds necessary to avoid a suspension, withdrawal, or downgrade of the ratings on the System Restoration Bonds.
- (c) Arrange that all amounts owed by retail customers for services rendered be timely billed and immediately paid directly into a lock-box controlled by the Servicer with such amounts to be applied first to pay SRC-2 Charges before the remaining amounts are released to the REP. All costs associated with this mechanism will be borne solely by the REP.

If a REP that is in default fails to immediately select and implement one of the foregoing options in (a), (b), or (c) or, after so selecting one of the foregoing options, fails to adequately meet its responsibilities thereunder, then the Servicer shall immediately implement option (a). Upon re-establishment of the requirements set forth in Paragraphs 4 and 5 of the previous section, Billings by the REP or its Replacement to End-Use Customers, and Paragraph 2 of this section and the payment of all past-due amounts and associated penalties, the REP will no longer be required to comply with this subsection.

- 4. The POLR provider will be required to meet the minimum credit rating and/or deposit/credit support requirements described in Paragraph 3 of the preceding section, Billings by the REP or its Replacement to End-Use Customers, in addition to any other standards that may be adopted by the Commission. If the POLR provider defaults or is not eligible to provide such services, responsibility for billing and collection of SRC-2 Charges will immediately be transferred to and assumed by the Servicer until a new POLR provider can be named by the Commission or the customer requests the services of a certified REP. Retail customers may never be re-billed by the successor REP, the POLR provider, or Servicer for any amount of SRC-2 Charges they have paid their REP (although future SRC-2 Charges shall reflect REP and other system-wide charge-offs). Additionally, if the amount of the penalty detailed in Paragraph 2 of this section is the sole remaining past-due amount after the 45<sup>th</sup> day, the REP shall not be required to comply with § X.D.3.(a), (b), or (c) above, unless the penalty is not paid within an additional 30 calendar days.
- 5. In the event the Servicer is billing customers for SRC-2 Charges, the Servicer shall have the right to terminate transmission and distribution service for non-payment by end-use customers pursuant to the Commission's rules.
- 6. Notwithstanding Paragraph 2 of this section, the REPs will be allowed to hold back an allowance for charge-offs in their payments to the Servicer. Such charge-off rate will be recalculated each year in connection with the standard true-up procedure. In the initial year, the REPs will be allowed to remit payments based on the same system-wide charge off percentage then being used for the system restoration bonds issued by Entergy Texas Funding II, LLC pursuant to the financing order issued in Docket No. 52302. On an annual basis in connection with the standard true-up adjustment process, the REP and the Servicer will be responsible for reconciling the amounts held back with amounts actually written off as uncollectible in accordance with the terms agreed to by the REP and the Servicer, provided that:

- (a) The REP's right to reconciliation for write-offs will be limited to customers whose service has been permanently terminated and whose entire accounts (i.e., all amounts due the REP for its own account as well as the portion representing SRC-2 Charges) have been written off.
  - (b) The REP's recourse will be limited to a credit against future SRC-2 Charges payments unless the REP and the Servicer agree to alternative arrangements, but in no event will the REP have recourse to the SPE or its funds for such payments.
  - (c) The REP shall provide information on a timely basis to the Servicer so that the Servicer can include the REP's default experience and any subsequent credits in its calculation of the SRC-2 Rates for the next SRC-2 billing period, and the REP's rights to credits will not take effect until after such adjusted SRC-2 Rates have been implemented.
7. In the event that a REP disputes any amount of billed SRC-2 Charges, the REP shall pay the disputed amount under protest according to the timelines detailed in Paragraph 2 of this section. The REP and Servicer shall first attempt to informally resolve the dispute, but if failing to do so within 30 calendar days, either party may file a complaint with the Commission. If the REP is successful in the dispute process (informal or formal), the REP shall be entitled to interest on the disputed amount paid to the Servicer at the Commission-approved interest rate. Disputes about the date of receipt of SRC-2 Charges payments (and penalties arising therefrom) will be handled in a like manner.

Any interest paid by the Servicer on disputed amounts shall not be recovered through SRC-2 Charges if it is determined that the Servicer's claim to the funds is clearly unfounded. No interest shall be paid by the Servicer if it is determined that the Servicer has received inaccurate metering data from another entity providing competitive metering services pursuant to PURA § 39.107.

8. If the Servicer is providing the metering, the metering data will be provided to the REP at the same time as the billing. If the Servicer is not providing the metering, the entity providing metering service(s) will be responsible for complying with Commission rules and ensuring that the Servicer and the REP receive timely and accurate metering data in order for the Servicer to meet its obligations under the Servicing Agreement and the Financing Order with respect to billing and true-ups.



## **XII. OTHER TERMS AND CONDITIONS**

Prior to the date when retail competition is introduced into ETI's Service Area, if any retail customer does not pay the full amount of any bill to ETI, the amount paid by the customer will be applied in the following order of priority: first, to any amounts due with respect to customer deposits, second, to all electric service charges of ETI and to all system restoration charges on the bill, *pari passu*, based upon the total amount billed, and third, to tax and charges billed to the customer. If there is more than one owner of transition property, or if the sole or any owner of transition property (or pledge or pledgee) has issued multiple series of bonds, such partial collections representing system restoration charges shall be allocated among such owners (or pledgee or pledgees), and among such series of system restoration bonds, pro-rata based upon the amounts billed with respect to each series of system restoration bonds, provided that late fees and charges may be allocated to the Servicer as provided in the Tariff. If the Service Area becomes subject to retail competition and if a REP or other entity does not pay the full amount it has been billed, the amount paid by the REP or such other entity will first be apportioned between the system restoration charges and other fees and charges (including amounts billed and due in respect of system restoration charges associated with system restoration bonds issued under other financing orders), other than late fees, and second, any remaining portion of the payment will be allocated to late fees. The amount allocated to system restoration charges shall be further allocated in the same manner as the second preceding sentence. The foregoing allocations will facilitate a proper balance between the competing claims to this source of revenue in an equitable manner.

At least once each year, following the introduction of retail open access in the Service Area, (i) the Company shall cause to be prepared and delivered to REPs, if appropriate, and such customers a notice stating, in effect, that the Transition Property and the SRC-2 Charges are owned by the SPE and not the Company; and (ii) each REP which bills SRC-2 Charges shall cause to be prepared and delivered to such customers a notice stating, in effect, that the Transition Property and the SRC-2 Charges are owned by the SPE and not the REP or the Company. Such notice shall be included either as an insert to or in the text of the bills delivered to such REPs or customers, as applicable, or shall be delivered to customers by electronic means or such other means as the Servicer or the REP may from time to time use to communicate with their respective customers.

**ENTERGY TEXAS, INC.**

**SCHEDULE SRC-2 - ATTACHMENT A**

**INITIAL OR ADJUSTED SYSTEM RESTORATION COSTS RATES**

**I. RATE CLASSES**

For purposes of determining and billing Initial or Adjusted System Restoration Costs Rates, each end-use customer will be designated as a customer belonging to one of eight SRC-2 classes as identified and defined in § V of Rate Schedule SRC-2.

**II. NET MONTHLY RATE**

The Initial or Adjusted SRC-2 Rates shall be determined in accordance with and are subject to the provisions set forth in Rate Schedule SRC-2. Not less than 15 days prior to the first billing cycle for the Company's April billing month and no less frequently than annually thereafter, the Company or successor Servicer will file a revision to Schedule SRC-2, Attachment A setting forth the Adjusted SRC-2 Rates to be effective for the upcoming period. If made as a result of the standard true-up adjustment in Rate Schedule SRC-2, the Adjusted SRC-2 Rates will become effective on the first billing cycle of the Company's April billing month. If an interim true-up adjustment is made pursuant to Rate Schedule SRC-2, the Adjusted SRC-2 Rates will become effective on the first billing cycle of the Company's billing month that is not less than 15 days following the making of the interim true-up adjustment filing. If a non-standard true-up filing pursuant to Rate Schedule SRC-2 is made to revise the Initial or Adjusted SRC-2 Rates, the filing will be made at least 90 days prior to the first billing cycle for the Company's April billing month. Amounts billed pursuant to this schedule are not subject to Rider IHE or State and local sales tax.

<b><u>SRC-2 Rate Class</u></b>	<b><u>Initial or Adjusted SRC-2 Rates</u></b>	
Residential	\$0.00328	per kWh
Small General Service	\$0.00307	per kWh
General Service	\$0.00232	per kWh
Large General Service	\$0.00140	per kWh
Large Industrial Power Service – Trans. & Distribution	\$0.05233	per kW
Large Industrial Power Service – Distribution Only	\$0.47062	per kW
Standby and Maintenance Service		
Standby Service	\$0.00917	per kW
Maintenance Service	\$0.00688	per kW
Street and Outdoor Lighting	\$0.01100	per kWh

The Initial or Adjusted SRC-2 Rates are multiplied by the kWh or kW as applicable, read, estimated or determined during the billing month and will be applied to bills rendered on and after the effective date.

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ATTACHMENT B

Entergy Texas, Inc.  
Allocation of Annual Securitization Payments  
Texas Retail by Class

	Texas Retail							
	<u>TX Retail</u>	<u>RCS</u>	<u>SCS</u>	<u>GS</u>	<u>LGS</u>	<u>LIPS</u>	<u>SMS</u>	<u>LTG</u>
<b>Total SRC Revenue Requirement</b>								
Texas Retail Allocation Factors *	100.0000%	59.7869%	4.1278%	22.3979%	6.0031%	4.5519%	0.0000%	3.1325%
Total Storm Costs *	\$256,196,242							
Estimated Annual Levelized Payment **	\$33,697,450							
Payment Allocated to Rate Classes - FdH, REI, I	\$33,697,450	\$20,146,645	\$1,390,958	\$7,547,517	\$2,022,894	\$1,533,860	\$0	\$1,055,575
Allocated to SMS ***	\$50,482						\$50,482	
Credit to rate classes for SMS	\$ (50,482)	\$ (30,182)	\$ (2,084)	\$ (11,307)	\$ (3,030)	\$ (2,298)		\$ (1,581)
Amount to be recovered from rate classes	\$33,646,968	\$20,116,464	\$1,388,874	\$7,536,210	\$2,019,864	\$1,531,562		\$1,053,994

\* Source of Storm Costs and Texas Retail Allocation Factors - Docket No. 51997, Stipulation & Settlement Agreement

\*\* Source of Annual Levelized Payment to be allocated - Updated Schedule 8

\*\*\* LIPS-Distribution and SMS rates are based on the provisions of the Stipulation & Settlement Agreement, Docket No. 51997

**I. GENERAL**

This Storm Cost Offset Rate Schedule SCO-2 is applicable under the regular terms and conditions of Entergy Texas, Inc. ("Company" or "ETI") to all electric service billed under the Company's Rate Schedules listed below and all associated Riders, whether for metered or un-metered service, and subject to the jurisdiction of the Public Service Commission of Texas ("PUCT" or the "Commission").

Rate Schedule SCO-2 is applicable to energy consumption and demands of the Company's customers who take bundled service from the Company, and if the Company's Service Area becomes subject to retail competition, to Retail Electric Providers or other entities during the term that this rate schedule is in effect, and to the facilities, premises, and loads of all other customers obligated to pay System Restoration Costs Charges.

**II. DEFINITIONS**

For the purposes of this schedule, the following terms shall have the following meanings:

**Company** – Entergy Texas, Inc., and its successors and assigns that provide transmission or distribution service directly to customers taking service at facilities, premises, or loads located within the Service Area.

**Retail Electric Provider ("REP")** – If the Company's Service Area becomes subject to retail competition, the entity which serves the customer's energy needs, and will remit to the Servicer the System Restoration Costs – 2 ("SRC-2") billed in accordance with Rate Schedule SRC-2.

**Service Area** – The Company's certificated service area as it existed on the date of the Financing Order.

**III. APPLICABILITY**

Rate Schedule SCO-2 will flow through to customers subject to Rate Schedule SRC-2 the accumulated deferred federal income taxes ("ADFIT") effects associated with System Restoration Costs and will reflect ETI's Commission-approved weighted-average cost of capital ("WACC").

**IV. TERM**

This schedule shall remain in effect until Rate Schedule SRC-2 is terminated.

**V. SCO-2 RATE CLASSES**

The Rate Schedule SCO-2 Rate Classes will be the same as the Rate Classes for Rate Schedule SRC-2. For purposes of determining and billing Storm Cost Offset Rates, each end-use customer will be designated as a customer belonging to one of eight classes as identified and defined in § V of Rate Schedule SRC-2, with the exception of Standby and Maintenance Service customers, who will have their Storm Cost Offset Rates designed in the same manner as in Rate Schedule SRC-2.

**VI. ALLOCATION OF SCO-2 BENEFITS**

The allocation of Rate Schedule SCO-2 benefits will be in the same manner as Rate Schedule SRC-2.

**VII. ANNUAL TRUE-UP PROCEDURE**

Rate Schedule SCO-2 true-up will be performed at the same time, using the same billing determinants, as the Standard True-Up or Non-Standard True-Up for Rate Schedule SRC-2.

**ENTERGY TEXAS, INC.**

**SCHEDULE SCO-2 – ATTACHMENT A**

**INITIAL OR ADJUSTED STORM COST OFFSET RATES**

**I. NET MONTHLY RATE**

The Initial SCO-2 Rates to be applied beginning on the effective date of this schedule are set out below. Adjusted SCO-2 Rates to be applied in subsequent periods will be determined in the Standard True-Up or Non-Standard True-Up process.

<b><u>SCO-2 Rate Class</u></b>	<b><u>Initial or Adjusted SCO-2 Rates</u></b>	
Residential	(\$0.000036)	per kWh
Small General Service	(\$0.000034)	per kWh
General Service	(\$0.000026)	per kWh
Large General Service	(\$0.000015)	per kWh
Large Industrial Power Service – Trans. & Distribution	(\$0.00058)	per kW
Large Industrial Power Service – Distribution Only	(\$0.00518)	per kW
Standby and Maintenance Service		
Standby Service	(\$0.00010)	per kW
Maintenance Service	(\$0.00008)	per kW
Street and Outdoor Lighting	(\$0.000121)	per kWh

**II. EFFECT OF CHANGE IN TAX RATE OR WACC**

In the event a change in the federal corporate income tax rate occurs while Rate Schedule SCO-2 is in effect, the excess or deficient unprotected and protected ADFIT created by the change in tax rate and associated with the Storm Restoration Costs approved in PUCT Docket No. 51997 shall be determined in the first Standard True-Up or Non-Standard True-Up process following the change in tax rate. The amount of excess or deficient ADFIT so determined shall be included in Adjusted SCO-2 Rates such that the excess or deficient ADFIT will be collected from or returned to customers over the remaining term of this Schedule SCO-2.

In the event a change in the Company's Commission-approved WACC occurs while Rate Schedule SCO-2 is in effect, the result of such change on ADFIT effects associated with the Storm Restoration Costs approved in PUCT Docket No. 51997 shall be determined in the first Standard True-Up or Non-Standard True-Up process following the change in WACC. The increase or decrease in the amount of return on ADFIT so determined shall be included in Adjusted SCO-2 Rates such that the increase or decrease in the return on ADFIT will be collected from or returned to customers over the remaining term of this Schedule SCO-2.

**I. AVAILABILITY**

Pursuant to the Public Utility Commission of Texas ("P.U.C.") SUBST. R. §25.173(j)(2), this Renewable Portfolio Standard ("RPS") Calculation Opt-out Credit Rider ("RPSCOC") is available to Eligible Customers, as defined herein, receiving electric service from Entergy Texas, Inc. ("ETI" or "Company") at transmission-level voltage.

**II. PURPOSE**

The purpose of this RPSCOC Rider is to credit Eligible Customers for costs attributable to the renewable energy credit ("REC") program that are recovered in the Company's base rates.

**III. APPLICABILITY**

This Rider is applicable to electric service provided by the Company to billed kilowatt hours of all Eligible Customers, as defined herein, served under retail rate schedules set forth in Attachment A to this Rider RPSCOC.

Eligible Customers are those:

- (1) that receive electric service from ETI at 60 kV or higher, or who receive electric service directly through a Company-owned substation that is connected to the transmission network at 60 kV or higher as defined in P.U.C. SUBST. R. §25.173(c)(23); and
- (2) that submit an Opt-out Notice to the Commission for the applicable compliance period as defined in P.U.C. SUBST. R. §25.173(c)(1); and
- (3) whose load is excluded from the RPS calculation pursuant to P.U.C. SUBST. R. §25.173(j)(1); and
- (4) that have submitted an Opt-out Notice to the Commission pursuant to P.U.C. SUBST. R. §25.173(j)(3) and that have submitted such Notice to the Company for the applicable compliance period as defined in P.U.C. SUBST. R. §25.173(c)(1).

**IV. RENEWABLE PORTFOLIO STANDARD CALCULATION OPT-OUT CREDIT RATE**

The rate associated with Rider RPSCOC ("Renewable Portfolio Standard Calculation Opt-out Credit Rate") shall be as set forth in Attachment A to this Rider RPSCOC.

**V. REVOCATION OF OPT-OUT NOTICE**

The term of the Opt-out Notice is the calendar year of the compliance period. Pursuant to P.U.C. SUBST. R. §25.173(j)(3), a customer may revoke an Opt-out Notice at any time prior to the end of a compliance period by proper filing.

**VI. TERM**

This Rider RPSCOC shall remain in effect until modified, and will terminate upon the introduction of customer choice or the implementation of rates or riders that reflect the exclusion of the recovery of REC program costs from such eligible customers.



### Net Monthly Rate

The following Rate Adjustment will be added to the rates set out in the Net Monthly Bill for electric service billed under applicable rate schedules\* on file with the Public Utility Commission of Texas to eligible customers as defined in Rider RPSCOC. The Rate Adjustment will be applied beginning with the effective date of this Attachment A and shall remain in effect until the implementation of rates or riders that reflect the exclusion of the recovery of REC program costs from such eligible customers.

\*Excluded Schedules: EAPS and SMS, MVDR, and GFO.

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<u>Rate Class</u>	<u>Rate Schedules</u>	<u>Rate Adjustment (1)</u>	
General Service	GS, GS-TOD	\$(0.000152) /kWh	R
Large General Service	LGS, LGS-TOD	\$(0.000151) /kWh	R
Large Industrial Power Service	LIPS, LIPS-TOD	\$(0.000143) /kWh	R

Note:

(1) See Attachment B

LINE NO	RATE CLASS (a)	ENERGY @PLANT MWH (1) (b)	ENERGY @PLANT ALLOCATION (c)	TEXAS RETAIL REC PROGRAM COSTS IN RATES (2) (d)	APPLICABLE ENERGY @METER MWH (1) (e)	RPSCOC RIDER PER KWH (f)	
1	RESIDENTIAL SERVICE	6,749,210	33.32406%	(\$951,192)			T
2	SMALL GENERAL SERVICE	528,876	2.61131%	(\$74,537)			T
3	GENERAL SERVICE	3,410,707	16.84028%	(\$480,685)	3,172,640	\$(0.000152)	T, R
4	LARGE GENERAL SERVICE	1,386,342	6.84503%	(\$195,383)	1,297,407	\$(0.000151)	T, R
5	LARGE INDUSTRIAL POWER SERVICE	8,080,262	39.89610%	(\$1,138,784)	7,963,774	\$(0.000143)	T, R
6	LIGHTING SERVICE	97,865	0.48321%	(\$13,793)			T
7	TOTAL TEXAS RETAIL	20,253,262	100.0000%	(\$2,854,374)			T

Notes:

- (1) SMS and EAPS are excluded from MWH.
- (2) REC Program Costs are based on the costs that the Company projects to incur during the twelve (12) months ending December 31, 2022.

**I. GENERAL**

The purpose of the PUCT Consulting Fee Rider (PCF-5) is to recover costs relating to consulting fees and expenses incurred by ETI on behalf of the Public Utility Commission of Texas ("PUCT").

**II. APPLICABILITY**

This Rider is applicable under the regular terms and conditions of the Company to all Customers served under an applicable retail electric rate schedule that also requires the Customer to pay rates established under rate schedule FF, whether metered or unmetered, and rider schedules subject to the jurisdiction of the Commission. The Rate Adjustment amounts shall be adjusted pursuant to the procedures described in § IV below.

**III. RATE ADJUSTMENT FILING REQUIREMENTS**

The PUCT Consulting Fee Rate Adjustment factors are stated on Attachment A. The charges used for calculating the factors include the applicable fees and expenses paid by the Company during the preceding year and the carrying charges for those costs. The Rate Adjustment factors were calculated by dividing the charges by the projected billing units for the twelve-month period commencing with March billing of the current year.

The PUCT Consulting Fee Rate Adjustment filing shall be accompanied by a set of workpapers sufficient to fully document the timely payment of the third party contract fees and expenses, the accounting treatment of such payments, and the calculation of the rate.

**IV. RATE ADJUSTMENT CALCULATION AND RECOVERY**

The PUCT Consulting Fee Rate Adjustment shall be determined by dividing the applicable fees, expenses, and carrying charges for those costs by the projected billing units for the twelve month period commencing with March billing of the current year. The Rate Adjustment may also include a true-up adjustment reflecting the over-recovery or under-recovery of the projected recovery as described in §V below or any additional billing adjustments.

The PUCT Consulting Fee Rate Adjustment shall be set forth in Attachment A to this Rider and shall be filed with the Company's tariffs.

Should there be unusual circumstances; either the Company or the Staff may propose to modify the above calculation and/or recovery period.

**V. PUCT CONSULTING FEE RATE ADJUSTMENT TRUE-UP**

At the time of filing, the actual recovery of applicable fees, expenses, and carrying charges will be compared to the approved recovery for the preceding filing. Any net over-recovery or under-recovery of the approved fees, expenses, and carrying charges may be included in setting the current PCF Rate Adjustment or some other rate proceeding including any other billing adjustments that may be necessary.

**ENTERGY TEXAS, INC.  
PUCT CONSULTING FEE RATE ADJUSTMENT  
SCHEDULE PCF-5**

The following adjustment will be applied as a kWh charge for all bills, for electric service billed under applicable retail rate and rider schedules\* on file with the Public Utility Commission of Texas. Amounts billed pursuant to this Rider PCF-5 are not subject to Rider IHE but are subject to State and Local sales tax.

<b><u>Rate Class</u></b>	<b>PCF Factor per kWh or kW</b>
Residential Service (per kWh)	\$0.000014
Small General Service (per kWh)	\$0.000012
General Service (per kWh)	\$0.000010
Large General Service (per kWh)	\$0.000007
Large Industrial Power Service (per kW)	\$0.001482
Lighting Service (per kWh)	\$0.000024

\*Excluding Schedules EAPS, SMS, LQF, SQF, MVDR, and GFO.

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**I. PURPOSE**

This Distribution Cost Recovery Factor Rider ("Rider DCRF") defines the procedure by which Entergy Texas, Inc. ("ETI" or "Company") shall implement and adjust rates for recovery of incremental distribution costs as defined under 16 TEX. ADMIN. CODE (TAC) § 25.243. The purpose of this Rider is to provide a mechanism for recovery of incremental distribution costs not included in the Company's last general rate case proceeding before the Public Utility Commission of Texas ("Commission").

**II. APPLICABILITY**

This rider is applicable to electric service provided by the Company to all customers served under applicable retail rate schedules set forth in Attachment A to this Rider DCRF, whether metered or unmetered, subject to the jurisdiction of the Commission.

**III. DISTRIBUTION COST RECOVERY RATES**

The rates associated with Rider DCRF ("Distribution Cost Recovery Rates") shall be as set forth in Attachment A to this Rider DCRF by application of the "DCRF Formula" as defined under 16 TAC § 25.243 (d)(1).

The Distribution Cost Recovery Rates shall be based on the costs as defined under 16 TAC § 25.243 associated with the Company's distribution invested capital that was placed into service between January 1, 2018 and June 30, 2021 in excess of the distribution cost set out in Attachment A to the Stipulation & Settlement Agreement in Docket No. 48371 as approved by the Commission. The Distribution Cost Recovery Rates so determined shall become effective on an interim basis for January 24, 2022 and shall remain in effect until such time as a final tariff becomes effective pursuant to a subsequent order in Docket No. 52457.

**IV. TERM**

Subject to the reconciliation provisions of 16 TAC § 25.243(f), this Rider DCRF shall remain in effect until modified or terminated in the electric utility's next DCRF proceeding or the electric utility's next comprehensive base-rate proceeding providing for recovery of any remaining unrecovered costs subject to this Rider DCRF.

**Attachment A**  
Effective: Proposed

**ENTERGY TEXAS, INC.**  
**DISTRIBUTION COST RECOVERY RATES**  
**RIDER SCHEDULE DCRF**

**Net Monthly Rate**

The following Rates will be added to the rates authorized by the Commission set out in the Net Monthly Bill for electric service billed under applicable retail rate schedules\* on file with the Commission. Amounts billed pursuant to this Rider DCRF are subject to State and local sales taxes.

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\*Excluded Schedules: CGS, DTK, EAPS, LQF, SMS, SQF, MVDR, and GFO.

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Rate Class	Rate Schedules	DCRF Rate
Residential	RS, RS-TOD	\$0.000000/kWh
Small General Service	SGS, UMS, TSS	\$0.000000/kWh
General Service	GS, GS-TOD	\$0.000/kW
Large General Service	LGS, LGS-TOD	\$0.000/kW
Large Industrial Power Service	LIPS, LIPS-TOD	\$0.000/kW
Lighting	SHL, LS-E, ALS, RLU, ALS-LED, SHL-LED	\$0.000000/kWh

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**I. PURPOSE**

This Transmission Cost Recovery Factor Rider ("Rider TCRF") defines the procedure by which Entergy Texas, Inc. ("ETI" or "Company") shall implement and adjust rates for recovery of incremental transmission costs as defined under 16 TEX. ADMIN. CODE (TAC) § 25.239. The purpose of this Rider is to provide a mechanism for recovery of incremental transmission costs not included in the Company's last general rate case proceeding before the Public Utility Commission of Texas ("Commission").

**II. APPLICABILITY**

This rider is applicable to electric service provided by the Company to all customers served under applicable retail rate schedules set forth in Attachment A to this Rider TCRF, whether metered or unmetered, subject to the jurisdiction of the Commission.

**III. TRANSMISSION COST RECOVERY RATES**

The rates associated with Rider TCRF ("Transmission Cost Recovery Rates") shall be as set forth in Attachment A to this Rider TCRF by application of the "TCRF Formula" as defined under 16 TAC § 25.239 (d) and (e).

**IV. TERM**

Subject to the provisions of 16 TAC § 25.239(f), this Rider TCRF shall remain in effect until modified or terminated pursuant to applicable law.

**Attachment A**  
**Effective: Proposed**

**ENTERGY TEXAS, INC.**  
**TRANSMISSION COST RECOVERY RATES**  
**RIDER SCHEDULE TCRF**

**Net Monthly Rate**

The following Rates will be added to the rates authorized by the Commission set out in the Net Monthly Bill for electric service billed under applicable retail rate schedules\* on file with the Commission. Amounts billed pursuant to this Rider TCRF are subject to State and local sales taxes.

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\*Excluded Schedules: CGS, DTK, EAPS, LQF, SMS, SQF, MVDR, and GFO.

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<u>Rate Class</u>	<u>Rate Schedules</u>	<u>TCRF Rates</u>	
Residential	RS, RS-TOD	\$0.000000/kWh	R
Small General Service	SGS, UMS, TSS	\$0.000000/kWh	R
General Service	GS, GS-TOD	\$0.000/kW	R
Large General Service	LGS, LGS-TOD	\$0.000/kW	R
Large Industrial Power Service	LIPS, LIPS-TOD	\$0.000/kW	R
Lighting	SHL, LS-E, ALS, RLU, SHL-LED, ALS-LED	\$0.000000/kWh	R T



**I. PURPOSE**

The purpose of the Tax Cuts and Jobs Act Rider ("TCJA Rider" or "Rider") is to provide retail customers with certain tax benefits associated with the Tax Cuts and Jobs Act of 2017 ("2017 TCJA"). The 2017 TCJA reduces the maximum corporate income tax rate from 35 percent to 21 percent beginning January 1, 2018. The TCJA Rider flows back to retail customers the estimated excess Accumulated Deferred Income Tax ("Unprotected ADIT") amounts not subject to the normalization provision of the Internal Revenue Code.

**II. APPLICABILITY**

The TCJA Rider is applicable to service provided by the Company to all customers served under applicable retail rate schedules except as specifically excluded in Attachment A of this Rider.

The Net Monthly Bill or Net Monthly Rate as computed under the regular rate schedule(s), net of fuel adjustments and applicable riders, will be adjusted by the percentage rates on Attachment A to this TCJA Rider. These percentage rates shall initially become effective with service on and after October 17, 2018.

Monthly credits shall appear as a line item on the bill titled, "Tax Cuts & Jobs Act Credit."

**III. TRUE-UP**

The TCJA Rider will terminate for General Service, Large General Service, and Large Industrial Power Service rate classes in the month in which the total amount billed has been under credited by \$100,000 or less of the approved amount to be credited or over credited by \$100,000 or more of the approved amount to be credited. A determination of the net over or under credit shall be made by December 1, 2019, and that amount will be included in ETI's fuel balance and refunded to or collected from customers accordingly.

The TCJA Rider will terminate for Residential, Small General Service, and Lighting rate classes with the last billing cycle of October 2022, except that a determination of the net over or under credit actually made shall be determined by December 1, 2020. The Company will determine the revised TCJA Rider percentage rate based on any over- or under-returned Unprotected ADIT from the TCJA Rider. A revised Attachment A to the TCJA Rider that contains the revised percentage rate will be filed with the Commission along with the redetermination calculation by December 1, 2020. This revised rate will be effective for customers' bills rendered on and after the first billing cycle of April 2021 and will remain in effect until the month in which the total amount billed has been under credited by \$100,000 or less of the approved amount to be credited or over credited by \$100,000 or more of the approved amount to be credited. The remaining over or under recovery will be included in ETI's fuel balance and refunded to or collected from customers accordingly.

#### **IV. CARRYING CHARGES**

The most recently approved Weighted Average Cost of Capital ("WACC") will be used to calculate carrying charges on the unrefunded balance and the monthly over/under balance effective October 2018.

Attachment A  
Effective: Proposed

**ENTERGY TEXAS, INC.**  
**TAX CUTS AND JOBS ACT RIDER**  
**SCHEDULE TCJA**

The Net Monthly Bill or Net Monthly Rate as computed, net of fuel and rider adjustments, under the regular rate schedule(s) will be adjusted by the factors TCJA factors below.

Excluded Schedules: AFC, AMS, CGS, DCRF, DPBF, DTA, DTK, EAPS, EECRF, FF, FITC, GCRR, GFO, IHE, IPODG, LQF, MES, MTM, MVDR, PCF, RCE-4, RCE-5, RPSCOC, SC, SCO, SCO-2, SMS, SQF, SRC, SRC-2, TCRF, TECDA, and TECL.

<u>Rate Class</u>	<u>Rate Schedules</u>	<u>Effective April 2021 Cycle 1 through October 2022 Cycle 21</u>
Residential	RS, RS-TOD	-5.8216%
Small General Service	SGS, UMS, TSS	-4.9834%
General Service	GS, GS-TOD	0.0000%
Large General Service	LGS, LGS-TOD	0.0000%
Large Industrial Power Service	LIPS, LIPS-TOD, IS	0.0000%
Lighting	ALS, ALS-LED, LS-E, SHL, SHL-LED, RLU	-6.8657%

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**I. PURPOSE**

The purpose of the Federal Income Tax Credit ("FITC Rider" or "Rider") is to credit retail customers with certain tax benefits associated with the Tax Cuts and Jobs Act of 2017 ("2017 TCJA").

**II. APPLICABILITY**

The FITC Rider is applicable to service provided by the Company to all customers served under applicable retail rate schedules except as specifically excluded in Attachment A of this Rider.

The Net Monthly Bill or Net Monthly Rate as computed under the regular rate schedule(s), net of fuel adjustments and applicable riders, will be adjusted by the percentage rates on Attachment A to this FITC Rider. These percentage rates shall initially become effective with service on and after October 17, 2018.

**III. TRUE-UP**

The FITC Rider will terminate for General Service, Large General Service, and Large Industrial Power Service rate classes in the month in which the total amount billed has been under credited by \$100,000 or less of the approved amount to be credited or over credited by \$100,000 or more of the approved amount to be credited. A determination of the net over or under credit shall be made by September 30, 2019, and that amount will be included in ETI's fuel balance and refunded to or collected from customers accordingly.

The FITC Rider will terminate for the Residential, Small General Service, and Lighting rate classes after the last billing cycle of October 2022, except that a determination of the net over or under credit actually made shall be determined by November 1, 2020. On or before December 1, 2020, the Company will file a true-up calculation using the amounts actually returned to customers from October 17, 2018 through September 2020. The Company will determine the revised FITC Rider percentage rate based on any over- or under-returned amounts from the FITC Rider. This revised rate will be effective for customers' bills rendered on and after the first billing cycle of April 2021. A revised Attachment A to the FITC Rider that contains the revised percentage rate will be filed with the Commission along with the redetermination calculation by December 1, 2020, and the revised rate will remain in effect from the first billing cycle of April 2021 until the month in which the total amount billed has been under credited by \$100,000 or less of the approved amount to be credited or over credited by \$100,000 or more of the approved amount to be credited. The remaining over or under recovery will be included in ETI's fuel balance and refunded to or collected from customers accordingly.

**IV. CARRYING CHARGES**

The most recently approved interest rate for overbillings and certain underbillings (Docket No. 45319) was used to calculate carrying charges on the amount to be credited through the end of the Rider period.

Attachment A  
Effective: Proposed

**ENTERGY TEXAS, INC.**  
**FEDERAL INCOME TAX CREDIT RIDER**  
**SCHEDULE FITC**

The Net Monthly Bill or Net Monthly Rate as computed, net of fuel and rider adjustments, under the regular rate schedule(s) will be adjusted by the factors FITC factors below.

Excluded Schedules: AFC, AMS, CGS, DCRF, DPBF, DTA, DTK, EAPS, EECRF, FF, GCRR, GFO, IHE, IPODG, LQF, MES, MTM, MVDR, PCF, RCE-4, RCE-5, RPSCOC, SC, SCO, SCO-2, SMS, SQF, SRC, SRC-2, TCJA, TCRF, TECDA, and TECI.

<u>Rate Class</u>	<u>Rate Schedules</u>	<u>Effective April 2021 Cycle 1 through October 2022 Cycle 21</u>
Residential	RS, RS-TOD	-0.7598%
Small General Service	SGS, UMS, TSS	-0.6422%
General Service	GS, GS-TOD	0.0000%
Large General Service	LGS, LGS-TOD	0.0000%
Large Industrial Power Service	LIPS, LIPS-TOD, IS	0.0000%
Lighting	ALS, ALS-LED, LS-E, SHL, SHL-LED, RLU	-0.7389%

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**I. PURPOSE**

This Generation Cost Recovery Rider ("GCRR") defines the procedure by which Entergy Texas, Inc. ("ETI" or "Company") shall implement and adjust rates for recovery of incremental generation costs as defined under 16 TEX. ADMIN. CODE (TAC) § 25.248. The purpose of this Rider is to provide a mechanism to recover investment in a power generation facility outside of a base-rate proceeding.

**II. APPLICABILITY**

This rider is applicable to electric service provided by the Company to all customers served under applicable retail rate schedules set forth in Attachment A to this GCRR, whether metered or unmetered, subject to the jurisdiction of the Commission.

**III. GENERATION COST RECOVERY RIDER RATES**

The rates associated with this GCRR ("GCRR Rates") shall be as set forth in Attachment A to this GCRR by application of the "GCRR Formula" as defined under 16 TAC § 25.248(d).

**IV. TERM**

Subject to the provisions of 16 TAC § 25.248, this GCRR shall remain in effect until modified or terminated pursuant to applicable law.

**Attachment A**  
Effective: Proposed

**ENTERGY TEXAS, INC.**  
**GENERATION COST RECOVERY RIDER RATES**  
**RIDER SCHEDULE GCRR**

**Net Monthly Rate**

The following Rates will be added to the rates authorized by the Commission set out in the Net Monthly Bill for electric service billed under applicable retail rate schedules\* on file with the Commission. The Rate Adjustments shall be effective for usage on and after the effective date approved by the Commission and shall remain in effect until superseded. Amounts billed pursuant to this GCRR are subject to State and local sales taxes.

\*Excluded Schedules: CGS, DTK, EAPS, LQF, SMS, SQF, MVDR, and GFO.

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Rate Class	Rate Schedules	GCRR Rates	
Residential Service	RS, RS-TOD	\$0.000000/kWh	R
Small General Service	SGS, UMS, TSS	\$0.000000/kWh	R
General Service	GS, GS-TOD	\$0.000/kW	R
Large General Service	LGS, LGS-TOD	\$0.000/kW	R
Large Industrial Power Service	LIPS, LIPS-TOD	\$0.000/kW	R
Lighting Service	SHL, LS-E, ALS, RLU, SHL-LED, ALS-LED	\$0.000000/kWh	R   T



**I. PURPOSE**

The purpose of this rider is to provide retail customers with credits in accordance with the accounting order addressed in Public Utility Commission of Texas ("Commission") Docket No. 50540.

**II. APPLICABILITY**

This rider is applicable to electric service provided by the Company to all customers served under applicable retail rate schedules set forth in Attachment A to this Mark to Market Rider, whether metered or unmetered, subject to the jurisdiction of the Commission.

**III. MARK TO MARKET ("MTM") RATE**

The MTM Rate shall be calculated as follows:

$$\text{MTM Rate} = (\text{MTM Credit} * \text{Allocation Factor}) / \text{ABU}$$

Where:

ABU = Applicable Billing Units (i.e., class specific) for the most recent twelve (12) months for which data is available.

Allocation Factor = Production demand rate class allocation factors used in ETI's most recently approved base-rate proceeding, adjusted for changes in billing units using the following formula:

$$\text{Class Allocation Factor} = \text{RCAF} * (\text{ABU} / \text{RCBU}) / \sum (\text{RCAF} * (\text{ABU} / \text{RCBU}))$$

$$\text{MTM Credit} = \text{For each applicable year, NGUC} + \text{PREFDCC} + \text{POSTFDCC}$$

NGUC = Net Guaranteed Upfront Credits, which shall equal \$3,000,000 per year for years 2021 through 2026, \$4,000,000 per year for years 2027 through 2030, and \$0 in all other years.

PREFDCC = Pre-Final Determination Contingent Credits calculated in accordance with the Accounting Order and Settlement approved by the Commission in Docket No. 50540.

POSTFDCC = Post-Final Determination Contingent Credits calculated in accordance with the Accounting Order and Settlement approved by the Commission in Docket No. 50540.

RCAF = Class-specific allocation factors used to allocate purchased power capacity costs in ETI's most recently approved base-rate proceeding.

RCBU = Class-specific billing units for test year from ETI's most recently approved base-rate proceeding.

#### **IV. UPDATE**

By November 1 of each year following the effective date of this MTM Rider, ETI will file with the Commission an updated version of Attachment A to this tariff, except that, in years in which the calculation of the MTM Credit includes PREFDCC or POSTFDCC, ETI will file the updated version of Attachment A to this tariff by September 1. This update will include a true-up for any over/under-payment of the MTM credits by class for the prior calendar year. Interest will accrue on any over/under-payment amount at the rates established annually by the Commission for overbilling and underbilling as described in 16 TAC § 25.28(c) and (d).

Attachment A

Effective: Proposed

**ENTERGY TEXAS, INC.  
MTM RIDER  
RIDER SCHEDULE MTM**

**NET MONTHLY MTM RATE**

The following will be added to the rates authorized by the Commission set out in the Net Monthly Bill for electric service billed under applicable retail rate schedules\* on file with the Commission.

\*Excluded Schedules: EAPS, LQF, SQF, SMS, CGS, MVDR, and GFO.

<b>Rate Class</b>	<b>Rate Schedules</b>	<b>MTM Rates</b>
Residential	RS, RS-TOD	(\$0.000209) per kWh
Small General Service	SGS, UMS, TSS	(\$0.000174) per kWh
General Service	GS, GS-TOD	(\$0.0434) per kW
Large General Service	LGS, LGS-TOD	(\$0.0540) per kW
Large Industrial Power Service	LIPS, LIPS-TOD	(\$0.0452) per kW
Street and Outdoor Lighting	ALS, ALS-LED, SHL, SHL-LED, RLU, LS-E	(\$0.000090) per kWh

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## I. APPLICATION

This Rate Case Expense Rider ("Rider RCE" or the "Rider") is applicable under the regular terms and conditions of Entergy Texas, Inc. ("Company") to all electric service billed under all of the Company's Rate Schedules\* and all associated Riders\*, whether metered or unmetered service, and subject to the jurisdiction of the Public Utility Commission of Texas ("PUCT").

## II. GENERAL PROVISIONS

The Rider RCE rate below is to recover costs incurred by the Company resulting from the rate case filing in PUCT Docket No. 48371.

## III. RATE

All electric service accounts billed in accordance with Company's Rate Schedules\* and associated Riders\* will also be billed the following amount during the Recovery Period:

<u>Rate Class</u>	<u>Rate Schedule</u>	<u>Rate Adjustment</u>
Residential Service	RS, RS-TOD	\$0.000190 per kWh
Small General Service	SGS, UMS, TSS	\$0.000198 per kWh
General Service	GS, GS-TOD, SSTS	\$0.000129 per kWh
Large General Service	LGS, LGS-TOD, SSTS	\$0.000094 per kWh
Large Industrial Power Service	LIPS, LIPS-TOD, SSTS, IS	\$0.025180 per kW
Lighting	ALS, ALS-LED, LS-E, RLU, SHL, SHL-LED	\$0.000312 per kWh

Amounts billed pursuant to this Rider RCE are not subject to Rider IHE but are subject to State and Local sales tax.

## IV. RECOVERY PERIOD

Rider RCE shall be effective with services rendered on and after the first billing cycle after the Commission's issuance of a final order in Docket No. 48439 and will terminate in the month in which the approved amount has been billed.

\*Excluding Schedules EAPS, SQF, LQF, SMS, MVDR, and GFO.

**I. APPLICATION**

This Rate Case Expense Rider ("Rider RCE" or the "Rider") is applicable under the regular terms and conditions of Entergy Texas, Inc. ("Company") to all electric service billed under all of the Company's Rate Schedules\* and all associated Riders\*, whether metered or unmetered service, and subject to the jurisdiction of the Public Utility Commission of Texas ("PUCT").

**II. GENERAL PROVISIONS**

The Rider RCE rate below is to recover costs incurred by the Company resulting from the rate case filing in PUCT Docket No. 53719.

**III. RATE**

All electric service accounts billed in accordance with Company's Rate Schedules\* and associated Riders\* will also be billed the following amount during the Recovery Period:

<u>Rate Class</u>	<u>Rate Schedule</u>	<u>Rate Adjustment</u>
Residential Service	RS, RS-TOD	\$0.000000 per kWh
Small General Service	SGS, UMS, TSS	\$0.000000 per kWh
General Service	GS, GS-TOD, SSTS	\$0.000000 per kWh
Large General Service	LGS, LGS-TOD, SSTS	\$0.000000 per kWh
Large Industrial Power Service	LIPS, LIPS-TOD, SSTS, IS	\$0.000000 per kWh
Lighting	ALS, ALS-LED, LS-E, RLU, SHL, SHL-LED	\$0.000000 per kWh

Amounts billed pursuant to this Rider RCE are not subject to Rider IHE but are subject to State and Local sales tax.

**IV. RECOVERY PERIOD**

Rider RCE shall be effective with services rendered on and after the first billing cycle after the Commission's issuance of a final order in Docket No. 53719 and will terminate in the month in which the approved amount has been billed.

\*Excluding Schedules EAPS, SQF, LQF, SMS, MVDR, and GFO.

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## I. APPLICATION

This Deferred Tax Accounting Rider ("Rider DTA" or the "Rider") is applicable under the regular terms and conditions of Entergy Texas, Inc. ("Company") to all electric service billed under all of the Company's Rate Schedules and all associated Riders, whether for metered or unmetered service, and subject to the jurisdiction of the Public Utility Commission of Texas ("PUCT").

## II. GENERAL PROVISIONS

The Deferred Tax Accounting Rider is established to recover on a prospective basis the after-tax return approved by the PUCT for the applicable period on amounts paid to the Internal Revenue Service ("IRS") that result from an unfavorable FIN-48 Uncertain Tax Position (UTP) audit. Rider DTA will track unfavorable IRS FIN-48 rulings and the return will be applied prospectively to FIN-48 amounts paid to the IRS after such amounts are actually paid. If the Company prevails in an appeal of an unfavorable FIN-48 UTP decision, then any amounts collected under Rider DTA related to that overturned decision shall be credited back to customers.

## III. RATE

All electric service accounts billed in accordance with Company's Rate Schedules\* and associated Riders\* will also be billed the following amount during the Recovery Period:

<b><u>Rate Class</u></b>	<b><u>Rate Schedule</u></b>	<b><u>Rate Adjustment</u></b>
Residential Service	RS, RS-TOD	\$0.00/kWh
Small General Service	SGS, UMS, TSS	\$0.00/kWh
General Service	GS, GS-TOD	\$0.00/kWh
Large General Service	LGS, LGS-TOD	\$0.00/kWh
Large Industrial Power Service	LIPS, LIPS-TOD, IS	\$0.00/kWh
Lighting	ALS, ALS-LED, LS-E, RLU, SHL, SHL-LED	\$0.00/kWh

Amounts billed pursuant to this Rider DTA are not subject to Rider IHE but are subject to State and local sales taxes

## IV. FILING AND REVIEW

The filing under this Rider shall be filed with the Commission, along with notice and a copy of the filing being served on all parties in Commission Docket No. XXXXXX, no later than 90 days before the date that the Rate Adjustments will be implemented. The Commission will attempt to review and finalize the filing in 45 days. If the Commission cannot finalize the filing in 45 days, the proposed rate will go into effect at the end of the 90-day period on an interim basis and be subject to refund or surcharge based upon the Commission's final approval. The Company's filing shall consist of a calculation of the Rate Adjustments and supporting documentation. The Company shall work with Commission Staff to provide other requested materials (if any) that are in existence.

\* Excluding Schedules EAPS, SQF, LQF, SMS, MVDR, and GFO.

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1. PURPOSE.

1.1. Governance of electric service. These Terms and Conditions are prescribed to govern electric service and are intended to facilitate the rendering of uniform, efficient, and adequate service to the Customers of Entergy Texas, Inc. (Company). They are necessary for a clear understanding of the obligations of all parties to the business relations of the Company with its electric Customers, and are a part of the Company's contract with each Customer and part of the Company's Rate Schedules. Any or all of these Terms and Conditions not inconsistent with a particular rate schedule are as much a part of such Rate Schedule as if repeated therein. These Terms and Conditions are applicable to all Customers of Company, irrespective of whether the Customer has a written agreement with the Company.

1.2. PUCT authority. By virtue of the Texas Public Utility Regulatory Act (PURA), the Public Utility Commission of Texas (PUCT) has the general power to regulate and supervise the business of the Company within the PUCT's jurisdiction. Nothing in these Terms and Conditions is meant to abridge any right granted or secured to the Customer under PURA or under any rules or regulations adopted by the PUCT unless specifically waived in these Terms and Conditions.

2. ELECTRIC SERVICE. Electric service means the availability of electric power and energy, irrespective of whether any electric power and energy is actually used. Supplying of electric service by Company consists of the maintaining by Company, at the point of delivery, of approximately the established voltage and frequency by means of facilities adequate for carrying Customer's proper load.

3. REQUESTS FOR SERVICE.

3.1. Application for service requirements. Applications for electric service, within the Company's certificated service territory of a type for which the Company has a rate schedule on file, will be accepted from applicants when such service is available, subject to the provisions of these Terms and Conditions. Service will be considered available if the point of delivery is located immediately adjacent to the Company's service line of suitable phase, voltage, and capacity, to deliver the service at the applicable rate schedule, and the Company has the required power and energy available at the point of delivery to supply the applicant.

3.2. Separate application for service for individual classes of service. Each class of service, at each location at which service is desired, will be considered separately, and there will be a separate application of the appropriate rate schedule for each class of service at each point of delivery.

3.3. Requirements for written contracts. Certain situations may require written contracts; such contracts may contain special provisions that apply to the particular situation. In the case of Customers whose load is of unusual size or characteristics, or at a remote location, additional rate and contractual arrangements may be justified.



References in these Terms and Conditions to "contract" or "contract with Company" are intended to include, when applicable, any written Agreement for Electric Service in effect between the Company and Customer at the time, including collectively as part thereof for all purposes the Terms and Conditions in effect at the time (subject to changes by the Company as provided in the contract), the terms and provisions of all rate schedules and riders (such schedules and riders also being subject to change by the Company as provided herein) as in effect at the time and applicable to the electric service provided to the Customer pursuant to its contract with Company, and any other written and duly executed agreements between the Company and Customer.

- 3.4. Connection charges. A connection charge compensating Company for its costs shall be charged by Company in accordance with Company's rate schedule then in effect providing for such charge upon connection or reconnection of facilities for service.
  - 3.5. Trip fee charges. When the Company is required to dispatch an employee to a Customer's service location, a trip fee compensating the Company for its costs shall be charged by the Company. This trip fee will be in accordance with the Company's rate schedule then in effect providing for such charges.
  - 3.6 Other charges. From time to time, and based upon circumstances attendant to the Company's provision of service to the Customer, the Company may levy certain other charges which Customer is obligated to pay. These charges which include, but are not limited to costs for remote metering equipment, and costs for meter tampering, are reflected in the Company's Miscellaneous Electric Service Charges Rate Schedule and other applicable rate schedules.
4. RESPONSE TO REQUEST FOR ELECTRIC SERVICE.
- 4.1. Obligation to serve within PUCT time frames. Company shall serve each qualified applicant for service within its certificated area within the time frames established by the PUCT.
  - 4.2. New service without construction or line extension. Those applications for new electric service not involving line extension or construction of new facilities should be filled within seven (7) working days (or the amount of time prescribed by the PUCT if such is modified by the PUCT Substantive Rules) after applicant has met the credit requirements and complied with all applicable state and municipal regulations.
  - 4.3 New service requiring construction or line extension. Applications for electric residential service requiring construction, such as line extensions, should be filled within ninety (90) days (or the amount of time prescribed by the PUCT if such is modified by the PUCT Substantive Rules) or within a time period agreed to by Company and Customer if Customer has met credit requirements, met satisfactory payment arrangements for construction charges, and complied with applicable state and municipal regulations, unless the delay is beyond the control of Company. If a line extension is required by other than a large industrial or commercial electric customer or if facilities are not available, Company shall inform the Customer within ten (10) working days (or the amount of time prescribed by the PUCT if such is modified by the PUCT Substantive Rules) of receipt of the application, giving the Customer an estimated completion date and an estimated cost for all charges to be incurred by the Customer.

- 4.4. Delays in providing residential service. Unless such delays are due to causes which are reasonably beyond the control of Company, delays in excess of ninety (90) days (or the amount of time prescribed by the PUCT if such is modified by the PUCT Substantive Rules) shall constitute failure to serve, unless the Customer and Company have agreed to a longer term. Consideration may be given to revoking the certificate of convenience and necessity (or other certificate), or to granting a certificate to another utility to serve the applicant.
- 4.5. Information regarding sharing of construction cost options. Any construction cost options such as rebates to the Customer, sharing of construction costs between Company and the Customer, or sharing of costs between the Customer and other applicants shall be explained to the Customer following assessment of necessary line work.
- 4.6. Contribution in aid of construction. If Company must provide a line extension to or on the Customer's premises and Company requires that Customer pay a Contribution in Aid of Construction (CIAC), a prepayment, or sign a contract with a term of one (1) year or longer, Company shall provide Customer with information about on-site renewable energy and distributed generation technology alternatives. The information shall comply with guidelines established by the PUCT, and shall be provided to Customer at the time the estimate of the CIAC or prepayment is given to the Customer. If no CIAC or prepayment is required, the information shall be given to the Customer before a contract is signed. The information is intended to educate Customer on alternate options that are available.
- 4.7. Information provided to applicants. As part of their initial contact, Company shall give applicant a copy of the "Your Rights as a Customer" brochure, and inform an applicant of the right to file a complaint with the PUCT if the applicant thinks he has been treated unfairly. Company shall provide information regarding its lowest-priced alternatives available at the applicant's location, giving full consideration to applicable equipment options and installation charges, Company's alternate rate schedules and options, including time of use rates and renewable energy tariffs if available.
- 4.8. Acceptable reasons to refuse service. Company may refuse to serve an applicant until the applicant complies with all governmental regulations and Company's rules and regulations on file with the PUCT or for any reason below:
- 4.8.1. Applicant's facilities inadequate. Applicant's installation or equipment is known to be hazardous or of such character that satisfactory service cannot be given, or applicant's facilities do not comply with all applicable state and municipal regulations or Company's standards and specifications.

- 4.8.2. Violation of Company's tariffs. Applicant fails to comply with Company's tariffs pertaining to operation of nonstandard equipment or unauthorized attachments which interfere with the service of others. Company shall provide applicant notice of such refusal and afford applicant a reasonable amount of time to comply with Company's tariffs.
- 4.8.3. Failure to pay guarantee. Applicant has acted as a guarantor for another Customer and failed to pay the guaranteed amount, where such guarantee was made in writing to Company and was a condition of service.
- 4.8.4. Intent to deceive. Applicant applies for service at a location where another Customer received, or continues to receive, service and Company's bill is unpaid at that location, and Company can prove the change in identity is made in an attempt to help the other Customer avoid or evade payment of an electric utility bill. Applicant may request a supervisory review if Company determines that applicant intends to deceive Company and Company refuses to provide service.
- 4.8.5. For indebtedness. Applicant owes a debt to any electric utility for the same kind of service as that being requested. If applicant's indebtedness is in dispute, applicant shall be provided service upon paying a deposit.
- 4.8.6. Refusal to pay a deposit. Refusing to pay a deposit if applicant is required to do so.
- 4.9. Information upon refusal to serve. If Company refuses to serve an applicant for the reasons stated in Section 4.8, Company must inform applicant of the reason for its refusal and that the applicant may file a complaint with the PUCT.
- 4.10. Insufficient grounds for refusal to serve. The following are insufficient cause for refusal of service to an applicant:
  - 4.10.1. delinquency in payment for service by a previous occupant of the premises to be served;
  - 4.10.2. failure to pay for merchandise or charges for non-regulated services purchased from Company;
  - 4.10.3. failure to pay a bill that includes more than the allowed six (6) months of underbilling, unless the underbilling is the result of theft of service (including, but not limited to, meter tampering, bypass, or diversion); or
  - 4.10.4. failure to pay the bill of another customer at the same billing address except where the change in identity is made to avoid or evade payment of an electric utility bill.

5. CUSTOMER COMPLAINTS.

- 5.1. Investigation of complaints. Upon complaint to the Company by Customer either at its office, by letter, or by telephone, Company shall promptly make a suitable investigation and advise the complainant of the results thereof in the time frames prescribed by the PUCT Substantive Rules.

- 5.2. Request for supervisory review. Any Customer or applicant has the right to request a supervisory review if they are not satisfied with Company's response to their complaint. The supervisory review shall occur immediately following the Customer's request or at the earliest possible date. Service shall not be disconnected before completion of the review. If the Customer chooses not to participate in the review, then Company may disconnect service, providing proper notice has been issued under the disconnect procedures. The results of the supervisory review must be provided in writing to the Customer within the time frames prescribed by the PUCT Substantive Rules, if requested. Customers who are dissatisfied with Company's supervisory review must be informed of their right to file a complaint with the PUCT.
  - 5.3. Request for PUCT informal complaint resolution. In the event the complainant is dissatisfied with Company's complaint investigation or supervisory review, Company must advise the complainant of the PUCT informal complaint resolution process, giving the Customer the address, telephone number and contact information of the Office of Customer Protection as set forth in the PUCT Substantive Rules. If applicable, Company shall also give the Customer the PUCT's TTY number for the deaf and hearing impaired.
  - 5.4. Investigation of PUCT complaints. Company shall make a suitable investigation of all complaints forwarded from the PUCT on behalf of Customer. Company shall advise the PUCT of the results of the investigation in writing. Initial response to the PUCT must be made within the time frames prescribed by the PUCT Substantive Rules. The PUCT encourages all customer complaints to be made in writing to assist the PUCT in maintaining records on the quality of service of Company.
  - 5.5. Complaint recordkeeping. Company shall keep a record of all complaints forwarded to it by the PUCT which shall show the name and address of the complainant, the date and nature of the complaint and the adjustment or disposition thereof for a period of two (2) years subsequent to the determination by the PUCT. Complaints with reference to rates or charges which require no further action by Company need not be recorded.
6. ESTABLISHING CREDIT AND DEPOSITS.
- 6.1. Requirement for satisfactory credit or deposit for applicants. The Company may require an applicant for service to establish and maintain satisfactory credit in any manner as outlined in Section 6.3.1., or to pay a deposit in any amount so long as such manner or amount is not in conflict with any applicable and valid law, rule, or regulation. In particular, the Company's Customer credit and deposit policies are regulated by the PUCT.

- 6.2. Definition of customer and applicant. For purposes of this section, applicant is to be defined as a person who applies for service for the first time or reapplies at a new or existing location after discontinuance of service. Customer is defined as someone who is currently receiving service in the person's name, in the name of the person's spouse, or in the name of any adult benefiting from the receipt of electric service at the service location.
- 6.3. Establishment of Credit for Permanent Residential Applicants. Company may require a residential applicant for service to satisfactorily establish and maintain credit, but such establishment of credit shall not relieve the Customer from complying with PUCT Substantive Rules and these Terms and Conditions for prompt payment of bills. The creditworthiness of spouses established during shared service in the twelve (12) months prior to their divorce will be equally applied to both spouses for twelve (12) months immediately after their divorce.
- 6.3.1. Demonstration of credit. Subject to these rules, a residential applicant shall demonstrate satisfactory credit by one of the following criteria set forth in Sections 6.3.1.1, 6.3.1.2, or 6.3.1.3. If satisfactory credit cannot be demonstrated by the residential applicant using these criteria, the applicant may be required to pay a deposit pursuant to the PUCT Substantive Rules and the Terms and Conditions.
- 6.3.1.1 Letter of credit history from previous electric provider. If the residential applicant (a) has been a Customer of any electric utility for the same kind of service within the last two (2) years, (b) is not delinquent in payment of any such electric utility service account, (c) during the last twelve (12) consecutive months of service did not have more than one occasion in which a bill for such electric utility service was paid after becoming delinquent, (d) never had service disconnected for nonpayment, and (e) produces a letter of credit history indicating a favorable payment credit history from their previous utility;
- 6.3.1.2. Account in good standing. If the residential applicant is sixty-five (65) years old and does not have an outstanding account balance incurred within the last two (2) years with Company or another electric utility for the same type of utility service; or
- 6.3.1.3. Demonstration of satisfactory credit rating. If the residential applicant demonstrates a satisfactory credit rating by appropriate means, including but not limited to, the production of: (a) generally acceptable credit cards; (b) letters of credit reference; (c) names of credit references which may be quickly and inexpensively contacted by Company; or (d) ownership of substantial equity that is easily liquidated.
- 6.4. Guaranty. A residential applicant or Customer who is required to pay an initial deposit may provide Company with a written letter of guarantee pursuant to the PUCT Substantive Rules, instead of paying a cash deposit. The guarantor must be an active customer with Company and have a good credit standing.
- 6.4.1. Amount of guarantee. The guarantee shall be for the amount of deposit Company would normally seek on the applicant's account. The amount of guarantee shall be clearly indicated on any documents or letters of guarantee signed by the guarantor;

- 6.4.2. Return of guarantee. When the Customer has paid bills for service for twelve (12) consecutive months of residential billings (a) without having service disconnected for nonpayment of bills, (b) without having more than two (2) occasions in which a bill was delinquent, and (c) when the Customer is not delinquent in the payment of current bills, Company shall void and return any documents or letters of guarantee placed with Company to the guarantor. If service is not connected, or is disconnected, Company shall void and return to the guarantor the letter of guarantee or provide written documentation that it has been voided.
- 6.4.3. Victim of family violence. A residential customer or applicant may be deemed as having established satisfactory credit if the customer or applicant has been determined to be a victim of family violence as defined (a) in the Texas Family Code Section 71.004, (b) by a family violence center as defined in the Texas Human Resources Code Section 51.002, (c) by treating medical personnel, (d) by law enforcement personnel, (e) by the Office of a Texas District Attorney or County Attorney, (f) by the Office of Attorney General, or (g) by a grantee of the Texas Equal Access to Justice Foundation. This determination shall be evidenced by submission of a certification letter developed by the Texas Council on Family Violence. The certification letter may be submitted directly by use of a toll-free fax number to the Company.
- 6.5. Requirement for initial deposit for existing residential Customers. An initial deposit may be required from an existing residential Customer if the Customer has on more than one (1) occasion during the last twelve (12) consecutive months of service been delinquent in paying a bill for utility service or had service disconnected for nonpayment. Such deposit shall be made within ten (10) days after issuance of written termination notice and requested deposit. In lieu of initial deposit, the Customer may elect to pay the total amount due on the current bill by the due date of the bill, provided the Customer has not exercised this option in the past twelve (12) months. The Customer may furnish in writing a satisfactory guarantee to secure payment of bills in lieu of a cash deposit.
- 6.5.1. Information about deposits. At the time a deposit is required, Company shall provide applicants for, and Customers of, commercial, industrial, or residential service written information about deposits by providing the "Your Rights as a Customer" brochure.
- 6.6. Guarantees of residential Customer accounts. Upon default by a residential Customer, the guarantor of that Customer's account shall be responsible for the unpaid balance of the account only up to the amount agreed to as stated in the written agreement between Company and the guarantor.
- 6.6.1. Notification to guarantor. Company shall provide written notification to the guarantor of the Customer's default, the amount owed by the guarantor, and the due date for the amount owed.

6.6.1.1. Guarantor's time to make payment. Company shall allow the guarantor sixteen (16) days from the date of notification to pay the amount owed on the defaulted account;

6.6.1.2. Payment date extension. If the due date falls on a holiday or weekend, the due date for payment purposes shall be the next work day after the due date.

6.6.1.3. Notification date. The postmark, if any, on the envelope of the notification, or an issuance date on the notification, if there is no postmark on the envelope, shall constitute proof of the date of issuance.

6.6.1.4. Transfer of balance to guarantor. Company may transfer the amount owed on the defaulted account to the guarantor's own service bill provided the guaranteed amount owed is identified separately on the bill as required by the PUCT Substantive Rules.

6.6.2. Disconnection of guarantor's service. Company may disconnect service to the guarantor for nonpayment of the guaranteed amount only if such disconnection was included in the terms of the written agreement, and only after proper notice as described by the PUCT Substantive Rules is provided.

6.7. Credit for commercial and industrial service. In the case of commercial or industrial service, if the credit of an applicant for service has not been established satisfactorily to Company, the applicant may be required to make a deposit. Satisfactory credit may be established by means of a favorable rating by a nationally recognized credit reporting agency such as Value Line, Standard & Poors, Moody's, Fitch or Dunn and Bradstreet. "Favorable" is defined as the top one third of the agency ratings. Applicants identified in the lower two-thirds of the ratings or, if ratings are not available, would be subject to providing a security deposit. If a deposit is required, a commercial or industrial customer may provide another form of security approved by Company, such as a surety bond or irrevocable letter of credit, instead of paying a cash deposit. For assignments of commercial or industrial accounts, the assignee shall be considered an applicant for purposes of establishing creditworthiness and determining deposit requirements.

6.8. Amount of deposit and interest for permanent residential, commercial, and industrial service and exemption from deposit.

6.8.1. Amount of deposit. The required deposit shall not exceed an amount equivalent to one-sixth (1/6) of the estimated annual billings.

6.8.2. Failure to remit deposit. Company may disconnect service if the initial deposit or the current usage payment is not made within ten (10) days of request provided a written disconnect notice has been issued to the Customer. Such disconnect notice may be issued concurrently with the written request for the deposit or current usage payment. In lieu of the initial deposit, the Customer may pay the total amount due on the current bill, provided the Customer has not exercised this option in the previous twelve (12) months.

6.9. Additional deposit.

6.9.1 If actual billings for the last twelve (12) months of a residential Customer are at least twice the amount of the original estimated annual billings, and a disconnection notice has been issued on a bill within the previous twelve (12) month period, an additional deposit may be required to be made within ten (10) days after issuance of written notice of termination and requested additional deposit. In lieu of an additional deposit, the Customer may elect to pay the total amount due on the current bill by the due date of the bill, provided the Customer has not exercised this option in the previous twelve (12) months. If the additional deposit is not paid within ten (10) days of the request, Company may disconnect service if a written disconnection notice has been issued to the Customer. The disconnection notice may be issued concurrently with the request for the additional deposit.

6.9.2 Deposits for commercial and industrial customers may be adjusted to not exceed an amount equivalent to one-sixth of the estimated annual billing.

6.10. Interest on deposit. If the Customer has been required to make a deposit, the Company shall pay interest on such a deposit at an annual rate at least equal to that set by the PUCT as established annually in December for the subsequent calendar year. If a refund of deposit is made within thirty (30) days of receipt of deposit, no interest payment is required. If Company retains the deposit more than thirty (30) days, payment of interest at the applicable rate(s) for the period of time during which the deposit was retained shall be made retroactive to the date of deposit.

6.10.1. Timing of interest payments. Payment of the interest to the Customer shall be annually if requested by the Customer, or at the time the deposit is returned if credited to the Customer's account.

6.10.2. Termination of interest payments. The deposit shall cease to draw interest on the date it is returned or credited to the Customer's account.

6.11. Deposits for temporary or seasonal service and for weekend residences. Company may require a deposit sufficient to reasonably protect it against the assumed risk for temporary or seasonal service or weekend residences, provided such policy is applied in a uniform and nondiscriminatory manner. These deposits shall be returned according to guidelines set forth herein.



6.12. Reestablishment of credit. Every applicant who previously has been a Customer of Company and whose service has been discontinued for nonpayment of bills or theft of service (including, but not limited to meter tampering, bypass or diversion) shall be required, before service is rendered, to pay all amounts due Company or execute a deferred payment agreement, if offered, and reestablish credit as provided herein. The burden shall be on Company to prove the amount of utility service received but not paid for and the reasonableness of any charges for such unpaid service, as well as all other elements of any bill required to be paid as a condition of service restoration.

6.13. Records of deposits.

6.13.1. Company shall keep records to show:

6.13.1.1. the name and address of each depositor;

6.13.1.2. the amount and date of the deposit; and

6.13.1.3. each transaction concerning the deposit.

6.13.2. Issuance of deposit receipt. Company shall issue a receipt of deposit to each applicant from whom a deposit is received and shall provide means whereby a depositor may establish claim if the receipt is lost.

6.13.3. Unclaimed deposit records. A record of each unclaimed deposit must be maintained for at least four (4) years, during which time Company shall make a reasonable effort to return the deposit.

6.14. Refund of deposit

6.14.1. Refund of deposit at disconnection. If service is not connected, or after disconnection of service, Company shall promptly and automatically refund the Customer's deposit plus accrued interest or the balance, if any, in excess of the unpaid bills for service furnished. A transfer of service from one premise to another within the service area of Company shall not be deemed a disconnection within the meaning of these sections, and no additional deposit may be demanded unless permitted by these sections.

6.14.2. Refund of deposit for residential accounts in good standing. When the residential Customer has paid bills for service (a) for twelve (12) consecutive residential billings without having service disconnected for nonpayment of a bill, (b) without having more than two (2) occasions in which a bill was delinquent, and (c) when the Customer is not delinquent in the payment of the current bills, Company shall promptly and automatically refund the deposit plus accrued interest (such interest being calculated at the applicable rate(s) for the period of time during which the deposit was retained) to the Customer in the form of cash or credit to a Customer's bill. If the Customer does not meet these refund criteria, the deposit and interest may be retained.

6.14.3 Deposits for commercial or industrial accounts. When the commercial or industrial customer has paid bills for service (a) for 24 consecutive billings without having service disconnected for nonpayment of a bill, (b) without having more than two (2) occasions in which a bill was delinquent, and (c) when the commercial or industrial customer is not delinquent in the payment of the current bills, Company shall promptly refund the deposit plus accrued interest to the Customer, or void and return the letter of guarantee or provide written documentation that the letter of guarantee has been voided. If the industrial or commercial customer does not meet these deposit refund criteria, the deposit and interest or the letter of guarantee may be retained.

6.15. Upon sale or transfer of Company. Upon the sale or transfer of Company or operating units thereof, Company shall provide the buyer all required deposit records.

## 7. BILLING.

7.1. Monthly billing and payment. The Customer will receive and pay monthly for all electric service supplied in accordance with the applicable rate schedules. Customer bills will be rendered monthly in accordance with said rate and as promptly as possible following the reading of meters. The terms "month" and "monthly" as used herein are intended to designate the period between any two (2) consecutive meter readings, either actual or estimated, at approximately thirty (30) day intervals.

### 7.2. Estimated bills.

7.2.1. Inability to access meters. In months where the meter reader is unable to gain access to the premises to read the meter on regular meter reading trips, or in months where meters are not read, the Company will provide the Customer with a postcard and request the Customer to read the meter, enter the reading on the card, and return the card to the Company. If such postcard is not received by Company in time for billing, Company may estimate the meter reading and render a bill accordingly.

7.2.2. Requirements for actual meter reading. When there is good reason for doing so, estimated bills may be submitted provided that an actual meter reading is taken every three (3) months.

7.2.3. Customer read program. If Company has a program in which Customer reads its own meter and reports its monthly usage and no meter reading is submitted by Customer, Company may estimate Customer's usage and issue a bill. However, Company must read the meter if Customer does not submit readings for three (3) consecutive months so that a corrected bill may be issued. Company shall be provided access to its equipment so that it may read the meters at least every six months to verify the accuracy of its records.

7.3. Bill content. Customer's bill shall include the following information:

- 7.3.1. if the meter is read by Company, the date and reading of the meter at the beginning and at the end of the billing period;
- 7.3.2. the due date of the bill;
- 7.3.3. the number and kind of units metered (with the billing load in whole kW or whole kVA as the case may be). If the fraction is less than half, it is dropped; if it is half or more, it is counted as the next whole number;
- 7.3.4. the applicable rate schedule;
- 7.3.5. the total amount due after addition of any penalty for nonpayment within a designated period;
- 7.3.6. the word "Estimated" prominently displayed to identify an estimated bill;
- 7.3.7. any conversions from meter reading units to billing units, or any other calculations to determine billing units from recording or other devices, or any other factors used in determining the bill; and
- 7.3.8. any amount owed under a written guarantee contract provided the guarantor was previously notified in writing by Company.

7.4. Due date. The due date of the bill for utility service shall not be less than sixteen (16) days after issuance. A bill for utility service is delinquent if not received at Company or at Company's authorized payment agency by the close of business on the due date. The postmark, if any, on the envelope of the bill, or an issuance date on the bill, if there is no postmark on the envelope, shall constitute proof of the date of issuance. If the due date falls on a holiday or weekend, the due date for payment purposes shall be the next work day after the due date.

7.5. Request for charges breakdown. Company shall provide free to Customer a breakdown of charges at the time service is initially installed or modified and upon request by Customer as well as the applicable rate schedule.

7.6. Penalty on delinquent bills for retail service. A one time penalty not to exceed five percent (5.0%) may be made on delinquent commercial or industrial bills; however, no such penalty shall apply to residential bills under this section. The five percent (5.0%) penalty on delinquent commercial and industrial bills may not be applied to any balance to which the penalty was applied in a previous billing. If providing service to the State of Texas or to municipalities or other political subdivisions of this state, Company shall not assess a fee, penalty, interest or other charge to these entities for delinquent payment of a bill.

7.7 Notice of alternate payment programs or payment assistance. When a Customer contacts Company and indicates inability to pay a bill or a need for assistance with bill payment, Company shall inform Customer of all alternative payment and payment assistance programs available from Company, such as deferred payment plans, disconnection moratoriums for the ill, payment assistance programs for veterans severely burned in combat, or energy assistance programs, as appropriate, and of the eligibility requirements and procedures for applying for each.

- 7.7.1. Equal Pay. This option is intended to provide residential customers and places of worship such as churches, synagogues, mosques, and temples (served under Rate Schedule SGS) with fixed monthly payments for a twelve (12) month period.
- 7.7.1.1. Determination of payment. The Customer's bill will reflect twelve (12) equal monthly payments. The net amount payable for service for the current month will equal, to the nearest whole dollar, one-twelfth (1/12) of the previous twelve (12) months usage or estimated annual usage for metered services to this account billed at the appropriate customer class rate. This equal pay amount will remain in effect for twelve (12) months. Every twelve (12) months, the Customer's Equal Pay amount will be recalculated based upon actual usage. The new Equal Pay amount will equal one-twelfth (1/12) of the sum of the previous twelve (12) months usage of metered services billed at the appropriate customer class rate plus or minus one-twelfth (1/12) of the total accumulated difference between previous debits and the amounts payable under the plan.
- 7.7.2. Level Billing. This option allows residential customers and places of worship such as churches, synagogues, mosques, and temples (served under Rate Schedule SGS) to spread the cost of electric energy more evenly from month to month. Since the Level Billing amount is a rolling average of the previous twelve (12) months, actual usage and a portion of the accumulated difference between actual usage and the amount paid under this option, the Customer's bill will vary from month to month.
- 7.7.2.1. Determination of payment. The Customer's monthly bill will be computed in accordance with the applicable rate schedule and the Customer's account will be debited by such amount. The net amount payable for the current month will equal, to the nearest whole dollar, the average monthly amount debited to the Customer's account during the twelve (12) months ending with the current month, plus or minus one-twelfth (1/12) of the accumulated difference between previous debits and the amounts payable under the plan.
- 7.7.3. Termination of participation in payment options. If the Customer does not fulfill the terms and obligations under either the Equal Pay or Level Billing options described above, Company shall have the right to disconnect service to that Customer. Any balance due or owing shall then be payable by Customer and Company may offer the Deferred Payment Plan described below, subject to the provisions of that plan. In the event the Customer decides to withdraw from either of the Company's optional billing plans for any reason, the Customer will not be eligible for readmission to either plan until the thirteenth (13<sup>th</sup>) month following such withdrawal.

- 7.7.4. Determination of fuel revenues. For establishing the monthly fuel revenues received from Customers paying under the Equal Pay or Level Billing options, the Company will use the level of metered energy times the fuel factor used for billing purposes. In no event shall the amount assigned and/or recognized for fuel revenues in the fuel reconciliation process for Customers served under these options exceed the amount determined by multiplying the level of metered energy times the fuel factor used for billing purposes.
- 7.7.5. Deposit for Optional Billing Plan Customers. Company may require a deposit from a Customer entering into the Equal Pay or Level Billing plans. The Company shall pay interest on the deposit and may retain the deposit for the duration of the Equal Pay or Level Billing plans.
- 7.8. Deferred Payment Plan. A deferred payment plan is any written arrangement between Company and a Customer in which an outstanding bill will be paid in installments that extend beyond the due date of the next bill. Company shall offer, upon request, a deferred payment plan to any residential Customer or a guarantor of a residential Customer (unless the Customer has received electric service from Company for less than three months and is unable to prove sufficient credit or a satisfactory payment history from a previous utility) who has expressed an inability to pay all of his or her bill, if that Customer has not been issued more than two (2) disconnection notices at any time during the preceding twelve (12) months.
  - 7.8.1. Minimum number of deferred payment plan payments. Every deferred payment plan entered into due to the Customer's inability to pay the outstanding bill in full shall provide that the delinquent amount may be paid in equal installments lasting at least three (3) billing cycles. Company may, at its discretion, extend the payment period based upon a reasonableness determination.
  - 7.8.2. Determination of reasonableness of deferred payment plan. For purposes of determining reasonableness under these rules, the following shall be considered:
    - 7.8.2.1. Size of the delinquent account;
    - 7.8.2.2. Customer's ability to pay;
    - 7.8.2.3. Customer's payment history;
    - 7.8.2.4. Time that the debt has been outstanding;
    - 7.8.2.5. Reasons why debt has been outstanding; and
    - 7.8.2.6. Any other relevant factors concerning the circumstances of the Customer.

- 7.8.3. Written deferred payment plan requirements. A deferred payment plan offered by Company, when reduced to writing, shall state immediately preceding the space provided for the Customer's signature and in boldface print no smaller than fourteen (14) point size that "If you are not satisfied with this contract, or if agreement was made by telephone and you feel this contract does not reflect your understanding of that agreement, contact the electric utility immediately and do not sign this contract. If you do not contact the electric utility, or if you sign this agreement, you may give up your right to dispute the amount due under the agreement except for the electric utility's failure or refusal to comply with the terms of this agreement."
- 7.8.4. Providing deferred payment plan information to Customer. If the Customer and Company or their agents meet in person, Company shall read the preceding statement to the Customer. Company shall provide information to the Customer in English and Spanish as necessary to make this language understandable to the Customer.
- 7.8.5. Content of deferred payment plan. A deferred payment plan shall include the following: (a) length of time covered by the plan; (b) total amount to be paid under the plan; and (c) the specific amount of each installment.
- 7.8.6. Deferred payment plan late payment penalty. A deferred payment plan may include a five percent (5%) penalty for each late payment made under the plan after the plan is initiated, but shall not include a finance charge.
- 7.8.7. Disconnection for deferred payment plan default. If a Customer for electric service has not fulfilled terms of a deferred payment plan, Company shall have the right to disconnect service. However, Company may not disconnect service until a disconnect notice has been issued to the Customer indicating the Customer has not met the terms of the plan. Such notice and disconnection shall conform with the disconnection rules found in the PUCT's Substantive Rules. Under such circumstances, Company may, but shall not be required to, offer subsequent negotiation of a deferred payment plan prior to disconnection. No additional disconnection notice is required if Customer did not sign the deferred payment plan, and is not otherwise fulfilling the terms of the plan and Customer was previously provided a disconnection notice for the outstanding amount.
- 7.8.8. Non-discrimination. If Company institutes a deferred payment plan, it shall not refuse customer participation in such a program on the basis of race, color, sex, religion, nationality, or marital status.

- 7.8.9. Method for entering deferred payment plan. A deferred payment plan may be made by contacting Company by telephone. If the plan is made over the telephone, Company shall send a copy of the plan to the Customer for signature. Company must provide the Customer with a copy of the signed plan.
- 7.8.10. Renegotiation of deferred payment plan. If the Customer's economic or financial circumstances change substantially during the time of the deferred payment plan, Company may renegotiate the deferred payment plan with the Customer, taking into account the changed economic and financial circumstances of the Customer.
- 7.8.11. Refusal to offer deferred payment plan. Company is not required to enter into a deferred payment plan with any Customer who is lacking sufficient credit or a satisfactory history of payment for previous service when that Customer has had service from Company for less than three (3) months.
- 7.9. Payment arrangements. Payment arrangements are any arrangements or agreements between Company and a Customer in which an outstanding bill will be paid after the due date of the outstanding bill but before the due date of the next bill. If a Customer does not fulfill the terms of such payment arrangements, Company shall have the right to disconnect service. If a disconnect notice was issued prior to the payment arrangements being made, such notice shall suffice as disconnect notice to the Customer. If payment arrangements are made prior to issuance of a disconnect notice, such disconnect notice must be issued before the Customer's service may be disconnected.
- 7.10. Overbilling. If billings for utility service are found to be higher than Company's lawful rates for the services being purchased by the Customer, a billing adjustment shall be calculated by Company. If the Customer is due a refund, an adjustment shall be made for the entire period of the overcharges. If an overcharge is adjusted by Company within three (3) billing cycles of the bill in error, interest shall not accrue. Unless provided in this section, if an overcharge is not adjusted by Company within three (3) billing cycles of the bill in error, interest at the rate set by the PUCT each year shall be applied to the amount of the overcharge. Interest on overcharges that are not adjusted by Company within three (3) billing cycles of the bill in error shall accrue from the date of payment or from the date of the bill in error. Interest shall be compounded monthly based on the annual rate set by the PUCT each year. Interest shall not apply to Equal Pay billings, Level Billing billings or estimated billings.
- 7.11 Underbilling. If billings for utility service are found to be lower than Company's lawful rates for the services being purchased by the Customer, or if Company fails to bill Customer for such service, a billing adjustment shall be calculated by Company. The billing adjustment is not to exceed six (6) months from the date the error was discovered unless the undercharge is a result of theft of service (including, but not limited to, meter tampering, bypass or diversion). Interest shall not apply to undercharged amounts unless such amounts are found to be the result of theft of service (meter tampering, bypass, or diversion) by the Customer. Interest on undercharged amounts shall be compounded monthly and shall accrue from the day the Customer is found to have first tampered, bypassed, or diverted. If the Customer was undercharged or Company failed to bill for service, Company may backbill the Customer for the amount which was underbilled. However, Company may disconnect service if the Customer fails to pay charges arising from an underbilling. If the underbilling is fifty dollars (\$50.00) or more, Company shall offer the Customer a deferred payment plan option for the same length of time as that of the underbilling. In

cases of theft of service (including, but not limited to, meter tampering, bypass or diversion), Company may, but is not required to, offer a Customer a deferred payment plan. If the meter is found not to have registered or registered improperly due to theft (including, but not limited to, meter tampering, bypass or diversion), Company shall estimate and charge for units used, but not metered, based upon the daily average per month for the last 12 months prior to the theft (including, but not limited to meter tampering, bypass or diversion) less any amount registered each month for the months it has been determined to have not been registering properly. If the prior 12 months' usage is not available, Company may estimate the billing based upon available usage information at that service location or average use for comparably sized service locations used in a similar manner during a similar time of year.

7.12. Rate of interest. The rate of interest to be paid on overcharges or undercharges in accordance with the PUCT Substantive Rules is established annually in December for the subsequent calendar year by the PUCT.

7.13. Disputed bills.

7.13.1. Investigation. In the event of a dispute between a Customer and Company regarding any bill for utility service, the Company shall investigate as shall be required by the particular case, and report the results thereof to the Customer and, in the event the dispute is not resolved, shall inform the Customer of the complaint procedures of the PUCT.

7.13.2. Obligations pending complaint resolution. Notwithstanding any other section of these rules, the Customer shall not be required to pay the disputed portion of the bill until the dispute is completely resolved by Company. If Customer files a complaint with the PUCT, service shall not be disconnected for nonpayment of the disputed portion of the bill before the PUCT completes its informal complaint resolution process and informs Customer of its determination.

7.13.3. Payment of undisputed billings. Customer is obligated to pay any billings not disputed.

7.14. Transfer of delinquent balances. If Customer has an outstanding balance due from another account in the same customer class, Company may transfer that balance to Customer's current account. The delinquent balance and specific account shall be identified as such on the bill.

7.15 Record retention. Company shall maintain monthly billing records for Customer's account for at least two years after the date the bill is mailed. The billing records shall contain sufficient data to reconstruct Customer's billing for a given month. Copies of Customer's billing records may be obtained by that Customer on request.



7.16 Billings to and payments by a governmental entity. A payment by a governmental entity (as defined in the Prompt Payment Act of the Texas Government Code Chapter 2251) shall become overdue as provided in the Prompt Payment Act.

7.16.1 Billing disputes. Any billing disputes for utility service shall be resolved as provided in the Prompt Payment Act.

7.16.2 Interest on overdue payments. Interest on an overdue governmental entity payment shall be calculated by the governmental entity pursuant to the Prompt Payment Act and remitted to Company with the overdue payment. However, a governmental entity that is also a state agency is not subject to a fee, penalty, interest or other charge for delinquent payment of a bill.

8. DISCONTINUANCE OF SERVICE. The Company will not discontinue service to the Customer if prohibited from doing so by the then effective rules of the appropriate regulatory authorities. The PUCT rules provide:

8.1. Disconnection for delinquent bills. A Customer's utility service may be disconnected if a bill has not been paid or a deferred payment agreement entered into within twenty-six (26) days from the date of issuance of a bill and if proper notice has been given. Proper notice shall consist of a separate mailing or hand delivery at least ten (10) days prior to a stated date of disconnection, with the words "disconnection notice" or similar language prominently displayed on the notice. The information included shall be provided in English and Spanish as necessary to adequately inform the Customer. Attached to or on the face of the disconnection notice for electric bills shall appear a statement notifying the Customer that if they are in need of assistance with the payment of the bill, or are ill and unable to pay their bill, they may be eligible for payment assistance or special payment programs, such as deferred payment plans, disconnection moratoriums for the ill, or energy assistance programs, and to contact Company's telephone center at 1-800-ENTERGY for information on the available programs. The cut-off day may not fall on a holiday or weekend, but shall fall on the next working day after the tenth (10<sup>th</sup>) day. Payment at Company's authorized payment agency is considered payment to Company. The Company shall not issue late notices or disconnect notices to the Customer earlier than the first (1<sup>st</sup>) day the bill becomes delinquent, so that a reasonable length of time is allowed to ascertain receipt of payment by mail or at Company's authorized payment agency.

8.2. Disconnection with notice. Utility service may be disconnected after proper notice for any of the following reasons:

8.2.1. Failure to pay a delinquent account for utility service, failure to make deferred payment arrangement or failure to comply with the terms of a deferred payment agreement;

8.2.2. Violation of Company's rules pertaining to the use of service in a manner which interferes with the service of others or the operation of nonstandard equipment, if a reasonable attempt has been made to notify the Customer and the Customer is provided with a reasonable opportunity to remedy the situation;

8.2.3. Failure to comply with deposit or guarantee arrangements where required by the PUCT Substantive Rules; or

8.2.4. Failure of the guarantor to pay the amount guaranteed when Company has a written agreement signed by the guarantor that allows for disconnection of the guarantor's service.

8.2.5 Failure of Customer to remedy a harmonics problem within the Company's specified time period and the Customer has refused to allow Company to remedy such. In the event the Customer refuses to allow the Company to remedy the problem and does not stop creating excessive harmonics within the time specified by the Company, the Company may disconnect service after providing written notice of its intent to disconnect at least five working days before doing so.

8.3. Disconnection without prior notice. Utility service may be disconnected without prior notice for any of the following reasons:

8.3.1 where a known dangerous condition exists for as long as the condition exists. Where reasonable, given the nature of the hazardous condition, the electric utility shall post a notice of disconnection and the reason for the disconnection at the place of common entry or upon the front door of each affected residential unit as soon as possible after service has been disconnected;

8.3.2 where service is connected without authority by a person who has not made application for service;

8.3.3 where service was reconnected without authority after termination for nonpayment; or

8.3.4 where there has been tampering (including but not limited to meter tampering, bypass or diversion) with the electric utility company's equipment or evidence of theft of service.

8.3.5 A dangerous condition shall include, but is not limited, to situations in which the Customer or other individual associated with the Customer makes threats so as to present a reasonable perception of danger to any Company employee or representative. In the case of a threat of this nature, the Company will (i) follow its guidelines to install advanced metering or (ii) schedule relocation of non-standard metering services if the Customer meets all requirements to opt out of advanced metering and where technically feasible. The relocation of services will be at the Customer's expense. The installation of advanced metering shall follow all applicable guidelines of the Company, including those related to Customer payment obligations.

8.4. Disconnection Prohibited. Utility service may not be disconnected for any of the following reasons:

8.4.1. Delinquency in payment for utility service by a previous occupant of the premises;

- 8.4.2. Failure to pay for merchandise, or charges for nonutility service provided by Company;
  - 8.4.3. Failure to pay for a different type or class of utility service unless fee for such service was included on that account's bill at the time service was initiated;
  - 8.4.4. Failure to pay the account of another Customer as guarantor thereof, unless Company has in writing the guarantee as a condition precedent to service;
  - 8.4.5. Failure to pay charges arising from an underbilling except theft of service (including, but not limited to, meter tampering, bypass, or diversion), more than six (6) months prior to the current billing;
  - 8.4.6. Failure to pay charges arising from an underbilling due to any faulty metering, unless the meter has been tampered with or unless such underbilling charges are due under Rule 25.126 of this title (relating to Meter Tampering);
  - 8.4.7. Failure to pay an estimated bill other than a bill rendered pursuant to an approved meter reading plan, unless Company is unable to read the meter due to circumstances beyond its control; or
  - 8.4.8. Failure to pay disputed charges, except for the required Equal Pay Billing payments and Level Billing payments, until a determination as to the accuracy of the charges has been made by Company or the PUCT and Customer has been notified of this determination.
- 8.5. Disconnection on holidays or weekends. Unless a dangerous condition exists, or unless the Customer requests disconnection, service shall not be disconnected on holidays or weekends, or on a day immediately preceding a holiday or weekend unless Company personnel are available to the public for the purpose of making collections and reconnecting service.
- 8.6. Disconnection due to electric utility abandonment. Company may not abandon a Customer or a certificated service area without written notice to its Customers therein and all similar neighboring utilities, and approval from the PUCT.
- 8.7. Disconnection for ill and disabled. Company may not discontinue service to a delinquent residential Customer permanently residing in an individually metered dwelling unit when that Customer establishes that discontinuance of service will result in some person residing at that residence becoming seriously ill or more seriously ill if service is discontinued. Each time a Customer seeks to avoid termination of service under this rule, the Customer, by the stated date of disconnection, must have the attending physician (for purposes of this rule, the term "physician" shall mean any public health official, including, but not limited to, medical doctors, doctors of osteopathy, nurse practitioners, registered nurses, and any other similar public health official) call or contact Company by the stated date of disconnection. A written statement must be received by Company from the physician and Customer must enter into a deferred payment plan. The prohibition against service termination provided by this rule shall last sixty-three (63) days from the issuance of the utility bill or such lesser period as may be agreed upon by Company and the Customer or physician.
- 8.8. Disconnection to energy assistance grantees. Company may not terminate service to a delinquent residential Customer for a billing period in which the Customer has applied for and been granted energy assistance funds if any agency for administration of these funds has notified the utility, prior to the date of disconnection, of approval of an award

sufficient to cover the bill, or a sufficient portion of the bill so that the Customer can successfully enter into deferred payment plan for the balance of the bill.

- 8.9. Disconnection during extreme weather. On a day when the previous day's highest temperature did not exceed 32° F and the temperature is predicted to remain at or below that level for the next twenty-four (24) hours, according to the nearest National Weather Service (NWS) reports, or when the NWS issues a heat alert advisory for any county in Company's service territory, or when such heat advisory has been issued on any one of the preceding two (2) calendar days, Company cannot disconnect a Customer anywhere in its service territory.
- 8.10. Disconnection of master-metered apartments and central system or non-submetered master metered apartments. When a bill for electric service is delinquent for a master-metered apartment complex, Company shall send a notice to Customer and inform Customer that notice of possible disconnection will be provided to tenants of the apartment complex in six (6) days if payment is not made before that time. At least six (6) days after providing notice to Customer and at least four (4) days before disconnecting, Company shall post a minimum of five (5) notices in conspicuous areas in the corridors or other public places of the complex. Language in the notice shall be in large type and shall read: "Notice to resident of (name and address of apartment complex): Electric utility service to this apartment complex is scheduled for disconnection on (date), because (reason for disconnection.)"

9. RATE AND USE OF SERVICE.

- 9.1. Prohibited use of service. Except when required by law or when specifically provided for in the contract or rate schedule in effect between Company and Customer, Customer shall not, directly or indirectly, resell, sublet, assign, share, or otherwise dispose of the electric service, or any part of such service, and where provided pursuant to contract, shall use such service only for purposes described in its contract with Company however, Customer's provision of electricity to third parties through electric vehicle charging stations shall not constitute a prohibited resale of electric service by the Customer. Except when specifically provided for in a contract in effect between Company and Customer, Customer shall not use the electric service supplied by Company as supplementary, standby or breakdown service. If, and only if, Customer and Company enter into a specific contract therefor, Company will supply auxiliary and standby service pursuant to the terms of such contract. In such event, the Customer agrees to arrange its wiring, by means of a double-throw switch or other suitable devices, so that Customer's equipment cannot create a hazard on the Company's lines by energizing the same, and Customer further assumes all responsibility for energizing of Company's lines by Customer's equipment and agrees to protect and save Company harmless and indemnified from injury or damage to persons or property occasioned by the energizing of Company's lines by Customer's equipment.