

CenterPoint Energy Houston Electric, LLC  
Applicable: Entire Service Area

Charge No.	Name and Description	Amount
<b>Outdoor Lighting Charges (AMS-M Meter)</b>		
(13)	<p><b>Street Light Removal</b></p> <p>This service removes Company-owned street lights in accordance with Sections 5.7.8, REMOVAL AND RELOCATION OF COMPANY'S FACILITIES AND METERS and 5.7.9, DISMANTLING OF COMPANY'S FACILITIES. Retail Customer may directly submit order to Company to obtain the service if authorized pursuant to Section 4.11, OUTAGE AND SERVICE REQUEST REPORTING.</p> <p>Company shall complete performance of the service on the requested date, provided Company receives the order at least 30 days prior to the requested date. Company may initiate removal of Company-owned street lights and complete performance of the service on a date or dates other than the requested date upon mutual agreement between the Company and the requesting party.</p>	As Calculated
<b>Tampering and Related Charges (AMS-M Meter)</b>		
(14)	<p><b>Tampering</b></p> <p>This service investigates and corrects the unauthorized use of Delivery System pursuant to Section 5.4.7, UNAUTHORIZED USE OF DELIVERY SYSTEM, or other Tampering with Company's Meter or Metering Equipment, or the theft of electric service by any person at the Retail Customer's Premises.</p> <p>Tampering charges may include, but are not limited to, Delivery Charges, the cost of testing the Meter, the cost of replacing and repairing a Meter and Metering Equipment (including the Meter seal), the cost of installing protective facilities or relocating the Meter, and all other costs associated with the investigation and correction of the unauthorized use.</p>	As Calculated
(15)	<p><b>Broken Outer Meter Seal</b></p> <p>This service replaces a broken outer Meter seal.</p>	\$51.00

CenterPoint Energy Houston Electric, LLC  
Applicable: Entire Service Area

Charge No.	Name and Description	Amount
<b>Denial of Access Charges (AMS-M Meter)</b>		
(16)	<b>Inaccessible Meter</b>  This charge is for service that applies when Company personnel are unable to gain access to the Meter of a Critical Load Public Safety Customer or Critical Load Industrial Customer Premises as a result of continued denial of access to Meter, as provided in Section 4.7.2.1, DENIAL OF ACCESS BY RETAIL CUSTOMER.	\$55.00
(17)	<b>Denial of Access to Company's Delivery System</b>  This charge applies when Retail Customer fails to provide access to Retail Customer's Premises, as required by Section 5.4.8, ACCESS TO RETAIL CUSTOMER'S PREMISES, and includes all costs incurred by Company to obtain such access.	As Calculated



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## **SECTION 1: INTRODUCTION**

Company provides Construction Services to Retail Customers in accordance with the terms and conditions in this Construction Services policy and the most recent versions of the Company's Service Standards and such other specification documents designated by Company.

The terms and conditions contained in Chapters 3, 4 and 5 of this Tariff, including the Facilities Extension Policy in Section 5.7, are also a part of this Construction Services policy.

Construction Services may be provided by Company at the request of Retail Customer or its Competitive Retailer or when otherwise deemed necessary by Company in accordance with Good Utility Practice. In some cases, execution of an agreement and payment of charges by the Retail Customer is required for the Company's provision of Construction Services.

Section 6.3 of this Tariff sets out the various forms of agreements for different types of Construction Services.

Discretionary charges for Construction Services are on an "As Calculated" basis unless otherwise stated in this Tariff. In addition, payments in the form of a contribution in aid of construction (CIAC) or an advance for construction may be required from the entity requesting Construction Service prior to commencement of construction.

**SECTION 2: FACILITY EXTENSIONS TO PERMANENT RETAIL CUSTOMER  
ELECTRICAL INSTALLATIONS****Subsection 2.1 - Introduction**

Permanent Retail Customer Electrical Installations. Company is responsible for the construction, extension, upgrade and alteration of its Delivery System necessary to connect permanent Retail Customer Electrical Installations to the Delivery System (collectively, Facility Extensions). For purposes of this Construction Services Policy, a Retail Customer's Electrical Installation is considered permanent if, in Company's determination, it is or will be used in a manner which provides the Company a reasonable return on the capital investment required to serve the Retail Customer for a time period approximately equal to the life of the Company's installed service facilities.

Standard Facilities. The Company's standard Delivery System facilities for Facility Extensions to permanent Retail Customer Electrical Installations consist of wood poles and overhead circuits and equipment to deliver Electric Power and Energy from one single-phase or three-phase source to Retail Customer at one Point of Delivery, with one Standard Meter and at one of the Company's standard Distribution Voltages described in Section 6.2.2 of this Tariff (collectively, Standard Facilities).

Non-Standard Facilities. Non-standard facilities include without limitation Transmission Voltage Delivery System facilities; Delivery System facilities for providing a two-way feed, redundant circuits, or Delivery Service at non-standard Distribution Voltages or through more than one Point of Delivery; Delivery System facilities for providing Delivery Service over poles other than wood poles; and underground Delivery System facilities (collectively, Non-Standard Facilities); provided, however, that underground Delivery System facilities will not be considered Non-Standard Facilities in certain locations within Company's Service Territory where the Company determines, for engineering or economic reasons, that underground facilities constitute Standard Facilities. A Retail Customer has the option to request and pay for the installation of Non-Standard Facilities for Facility Extensions. All Retail Customer requests for Non-Standard Facilities shall be subject to Section 5.7.5 of the Tariff.

Point of Delivery. The Point of Delivery and construction specifications for all Facility Extensions are determined by the Company.

Costs. Facility Extensions are normally done at no cost to Retail Customer except where the cost of the requested Facility Extension exceeds the Standard Allowance stated in this Construction Services Policy or where the Retail Customer requests the use of Non-Standard Facilities for the Facility Extension. In those exception cases, Retail Customer must execute an appropriate agreement in the form set out in Section 6.3 of this Tariff and pay a nonrefundable CIAC to Company prior to commencement of any Construction Services in an amount determined by Company equal to the estimated capital cost Company will incur to complete the Facility Extension (including the cost to procure and install any Non-Standard

Facilities requested by Retail Customer) minus the amount of the Standard Allowance for which the Retail Customer may be eligible under this Construction Services Policy. In addition, Retail Customer bears the cost of (1) obtaining easements and rights-of-way for the Facility Extension in instances where easements and/or rights-of-way have not been granted to the Company; (2) any “ball markers” required by the Federal Aviation Administration to be placed on an overhead Facility Extension; (3) any tree trimming and ground clearing requirements for which Retail Customer is responsible pursuant to subsection 2.2 of this Construction Services Policy; and (4) any applicable discretionary charges in Section 6.1.2.3.1 of this Tariff. Retail Customers requesting special construction, for aesthetic considerations, clearance of obstructions, or service to a non-standard Point of Delivery, must reimburse the Company for the difference in cost between the standard service arrangement and the requested special construction or routing.

### **Subsection 2.2 - Standard Allowance for Overhead Facility Extensions**

Except as otherwise stated in Section 2 of this Construction Services Policy, the Company will construct a Facility Extension to connect a permanent Retail Customer Electrical Installation to Company’s Delivery System at Distribution Voltages using Standard Facilities without charge to the Retail Customer for a distance not to exceed 1,000 feet for three phase service and 2,000 feet for single phase service (the Standard Allowance) measured from the nearest existing Delivery System facility of suitable voltage, phase and capacity (an Existing Facility) to the Point of Delivery, provided that these standard allowance distances apply only if the Facility Extension (1) is entirely constructed on a public right-of-way or a dedicated easement, or (2) if not entirely constructed on a public right-of-way or dedicated easement, does not require the construction of more than three poles on private property. These distances are measured as actual route distances between the Existing Facility and the Point of Delivery rather than straight-line distances. The Company determines the Point of Delivery to all Retail Customers as well as the standard routing for Company Delivery System facilities required to provide Delivery Service to the Point of Delivery.

Costs associated with Facility Extensions in excess of the Standard Allowance are at Retail Customer expense, as are costs associated with increasing the capacity of existing lines along the route of the Facility Extension and costs associated with constructing Facility Extensions over or around any natural or man-made obstacle.

The Standard Allowance is unavailable, and will not be used to offset a Retail Customer’s CIAC requirement, for the following types of Facility Extensions: (1) Facility Extensions of the Transmission Voltage Delivery System; (2) Facility Extensions to non-permanent Retail Customer Electrical Installations; (3) Facility Extensions for the provision of Premium Service to Retail Customers; and (4) Facility Extensions solely for the interconnection of distributed generation.

**Ground Clearing**

The Retail Customer is required to clear the ground of all trees, stumps, brush, or debris along the route of the proposed extension to a width specified by the Company. However, where ground clearing is required on third party property, the Company may require that such work be done by the Company at Retail Customer expense. The Company performs the remaining tree trimming within the limits of the free distance. If the cost of the trimming exceeds 25 percent of the free distance line cost, the Retail Customer bears the remainder of the trimming cost. Transformers, meters, and service drops are not included in the line cost. Any costs for the purchase of rights-of-way for service extensions (including compensation paid to landowners granting said rights-of-way) shall be borne by the Retail Customer.

**Area Development Plan**

Service facilities may also be extended at Company expense provided the facilities are required for increased reliability, service continuity, or development of the Company's distribution system. In conjunction with the installation of such facilities, the Company may extend service from these facilities to Retail Customers without charge in accordance with the appropriate line extension plan.

**Subsection 2.3- Transmission Voltage Facility Extensions**

A Retail Customer whose load is of such magnitude or of such unusual characteristics that it cannot otherwise be economically served from Company's Distribution Voltage system, as determined by Company, must receive Delivery Service from the Company's Transmission Voltage system. The Retail Customer is responsible for all Facility Extension costs and (unless otherwise agreed by Company) for constructing, installing, operating and maintaining a substation at the Point of Delivery and all substation equipment, in accordance with the Company's specifications, including the most recent versions of Company's "Specification for Customer-Owned 138 kV Substation Design" or "Specification for Customer-Owned 345 kV Substation Design," whichever is applicable, and "Specification for Remote Telemetry of a Customer Owned Facility, both initially and from time to time thereafter, whenever changes in the Company's transmission system (including the transmission system's monitoring and protection devices) require such changes in the substation in order to maintain its compatibility with the Company's transmission system. The Retail Customer must also at all times comply with Company's "Transmission & Substation Outage and Clearance Coordination Procedures" (as may be amended from time to time) and the requirements in Sections 5.5.2 and 5.5.5 of this Tariff.

**Subsection 2.4- Underground Facility Extensions****Underground Facility Extensions to Residential Retail Customer Premises including Apartments and Condominiums**

A Retail Customer may request a single-phase Distribution Voltage underground Facility Extension to a residential subdivision, apartment, or condominium provided the project meets Company Service Standards and specifications. The service lateral from Company facilities to the dwelling unit is installed, owned, and maintained by the Retail Customer, and each dwelling unit must be individually metered and billed by the Company. The underground system is supplied from overhead distribution facilities, at locations specified by the Company. Certain dwelling units adjacent to overhead distribution facilities are served, at the Company's option, through standard overhead facilities. This underground residential distribution plan is not applicable to mobile home parks and developments.

**Retail Customer assumes the risk of and shall indemnify Company against damages for injuries or death to persons or loss to Retail Customer's property, or to the property of Company, when occasioned by activities of Retail Customer or third parties on Retail Customer's Premises, resulting from the installation, existence, replacement, or repair of Company's underground facilities, and as further provided in the terms of "Limits on Liability," Sections 4.2 and 5.2 of this Tariff. Notwithstanding any of the above, the provisions requiring a Retail Customer to indemnify, fully protect, or save Company harmless apply to a governmental entity as this term is defined in Chapter 2251 of the Texas Government Code, to the extent otherwise consistent with law; provided, however, that any governmental entity that is a Retail Customer to which this Construction Services Policy subsection applies must take necessary steps to ensure that the indemnification requirements of this subsection do not create a "debt" in violation of Article XI, Section 7 of the Texas Constitution. Such steps may include, but are not necessarily limited to, a third-party indemnification in which the contractor performing the work for the governmental entity indemnifies the Company or the establishment of a sinking fund.**

**Underground Facility Extensions to Commercial and Industrial Retail Customer Premises**

A Retail Customer may request a three-phase Distribution Voltage underground Facility Extension to commercial and industrial electrical installations and planned developments containing such installations. Transformers, switches, and protective devices are pole-mounted except when the magnitude of the load requires the installation of this equipment on grade level concrete pads. All Company owned pad mounted equipment must be installed on the Retail Customer's property, and the Retail Customer shall be responsible for granting necessary easements as well as installing, to Company specifications, any concrete encased ducts, pads, and manholes required to accommodate this equipment except as otherwise stated in Subsection 2.5 of this Construction Services Policy. The maintenance on this equipment, exclusive of pads of bus connected transformers, will be performed by the Company.

For three-phase underground Facility Extensions the Retail Customer must install the concrete encased ducts, manholes, switchrooms, transformer vaults, and pads for transformers, switches, and protective devices in accordance with Company specifications. The Company may elect to install any ducts or manholes required in street rights-of-way at Retail Customer expense.

**Retail Customer assumes the risk of and shall indemnify company against damages for injuries or death to persons or loss to Retail Customer's property, or to the property of Company, when occasioned by activities of Retail Customer or third parties on Retail Customer's Premises, resulting from the installation, existence, replacement, or repair of Company's underground facilities, and as further provided in the terms of "Limits on Liability," Sections 4.2 and 5.2 of this Tariff. Notwithstanding any of the above, the provisions requiring a Retail Customer to indemnify, fully protect, or save Company harmless apply to a governmental entity as this term is defined in Chapter 2251 of the Texas Government Code, to the extent otherwise consistent with law; provided, however, that any governmental entity that is a Retail Customer to which this Construction Services Policy subsection applies must take necessary steps to ensure that the indemnification requirements of this subsection do not create a "debt" in violation of Article XI, Section 7 of the Texas Constitution. Such steps may include, but are not necessarily limited to, a third-party indemnification in which the contractor performing the work for the governmental entity indemnifies the Company or the establishment of a sinking fund.**



**Subsection 2.5 – Facility Extensions for Premium Service Retail Customers**

Retail Customers requesting an underground or overhead Facility Extension for the provision of Premium Service under Section 6.1.2.3.3 of this Tariff must pay a CIAC for the extension. The Standard Allowance is not applicable to these types of Facility Extensions. Given the complexity and magnitude of projects of this nature, Company must conduct a pre-construction study at Retail Customer's expense prior to construction of the Facility Extension. Payment for the pre-construction study is non-refundable and must be made up front. After completion of the pre-construction study, if Retail Customer desires to proceed with the project, Retail Customer and Company must enter into an agreement in the form set out in Section 6.3.4 of this Tariff.

**SECTION 3: FACILITY EXTENSIONS TO SEMI-PERMANENT RETAIL CUSTOMER ELECTRICAL INSTALLATIONS**

Certain types of Retail Customer Electrical Installations do not fully meet the criteria for classification as permanent, but they are not regarded as temporary because a certain degree of permanency exists. For Facility Extensions to these Retail Customer Electrical Installations, Company installs, at its expense, only transformers, meters and service drops. Any other line construction will be done by the Company at Retail Customer expense, including any costs for rights-of-way clearing and tree-trimming. Retail Customer Electrical Installations in this classification include, but are not limited to, livestock water wells, sign boards, concrete or asphalt batch plants, railroad crossing signals, telemetry stations, motor-operated valves, postage stations, amateur athletic facilities constructed on lease property, cable television power supply facilities, irrigation wells, grain dryers, flood control pumps, microwave stations, pipeline rectifier stations, oil well pumping units, down-hole pumps, salt water disposal, and any other facilities of a similar, non-permanent nature.

Certain Retail Customer Electrical Installations, such as fire pumps, may require construction by the Company to provide service which may seldom or never be used. When service is extended to a Retail Customer in this classification, the Retail Customer will be charged the total cost of construction, including the cost of transformers, meters, service drops and other materials and labor.

For bus stop shelters owned by Metropolitan Rapid Transit Authorities and located on or adjacent to public rights-of-way designated for the loading and unloading of passengers for mass transit motorbuses, the Company installs, at its expense, only the service transformer. The Company will make the connection from the Retail Customer's service drops to the Company's transformer/point of service. Any other construction, for the sole purpose of extending service to connect to the Retail Customer's service drops, will be done by the Company at Retail Customer expense.

**SECTION 4: FACILITY EXTENSIONS TO TEMPORARY RETAIL CUSTOMER ELECTRICAL INSTALLATIONS**

Facility Extensions for temporary Retail Customer Electrical Installations to be used for construction-related activities or other short-term purposes (e.g., firework stands and Christmas tree lots) may be installed, at the Company's option, on the basis of the Retail Customer paying all of the costs of installation and removal of the Facility Extension up front.

A Retail Customer is offered a conditional refund agreement if service is requested in advance of construction of a permanent facility to which service would be extended, at Company expense, in accordance with the appropriate line-extension plan. The agreement requires the Retail Customer to pay the estimated installation and removal costs of Company equipment and provides for a refund of the installation costs if the Retail Customer constructs permanent facilities within 24 months from the date electric delivery service facilities are made available. The amount of the refund is capped at the Standard Allowance, and any expenses involved in altering Company facilities to transition them from providing a temporary service to providing a permanent service are charged against the refund amount.

**SECTION 5: FACILITY EXTENSIONS TO RETAIL CUSTOMER PREMISES WITH ON-SITE DISTRIBUTED GENERATION**

Facility Extensions to Retail Customer Premises containing distributed generation as defined in section 25.211 of the Commission's rules will be governed by Section 2 of this Construction Services Policy and the Interconnection and Parallel Operation of Distributed Generation agreement between Company and Retail Customer. Retail Customers with on-site distributed generation greater than 2 MW (at a 1.0 power factor) must install transfer trip protective equipment at the Retail Customer's expense as determined by the Company's pre-interconnection study. Retail Customers with on-site distributed generation greater than 300 kW but less than or equal to 2 MW (at a 1.0 power factor) may also be required to install transfer trip protective equipment but could be eligible for other applicable unintentional islanding protection schemes in lieu of transfer trip, such as reverse power protection, as determined by the Company's pre-interconnection study.

**SECTION 6: CONSTRUCTION SERVICES FOR STREET LIGHTING SERVICE**

This section of the Construction Services Policy applies to Retail Customers requesting Street Lighting Service pursuant to the Company's Rate Schedule for Street Lighting Service.

**Subsection 6.1- Incorporated Areas  
Municipalities**

Street lighting systems are installed, owned, and maintained by the Company only on public streets, roadways or other public access areas. Only standard street lighting components specified by the Company are utilized in these installations. Company's street lighting service is built to NESC standards. At the request of Customer and at Company's discretion, Company may build to other standards, with Customer being responsible for any difference in cost.

Within corporate limits, street lighting service is available, under Rate Lighting Services, to the requirements of any city which has granted a franchise to the Company where facilities of adequate capacity and suitable voltage are adjacent to the lamps or street lighting system to be served. Every effort is made by the Company to install street lighting systems in accordance with standards of the Illuminating Engineering Society.

**Street Lights Mounted On Existing Distribution Poles and Served  
by Overhead Conductors**

On dedicated streets or roads with overhead distribution lines, street lights are mounted on existing distribution poles and served by overhead conductors. Any construction required, other than the installation of a street lighting fixture and one span of secondary conductor on an existing Company pole, is at Retail Customer expense.

**Street Lights Mounted on Ornamental Standards and  
Served by Underground Conductors**

The Company installs street lights mounted on ornamental standards and served by underground conductors on dedicated streets that are paved, have curbs and gutters, and on which no overhead electric distribution lines are located. The Company will allow an amount as specified below toward the cost of construction. A contribution must be paid to the Company for any additional costs associated with the installation.

Company Contribution per Lamp

Cost of Company's installation,  
but not to exceed \$2,370.00

In residential areas, the Company will contribute in a calendar year, the total cost of installation for up to 6% of the number of 9,500 or 6,000 lumen lamps in service the previous year or 50 lamps, whichever is greater. A municipality may request that a portion of the residential street lights, to be provided under this paragraph, be installed, instead, in commercial areas, provided however that the municipality shall pay any additional cost of installing lights in commercial instead of residential areas.

**Relocations and Removals**

Street lighting facilities are not relocated for Retail Customer benefit or convenience unless approval for the new location has been received in writing from the proper municipal authority and provided the relocation does not create operating problems and is not objectionable to other parties. All costs of such relocation work are borne by the Retail Customer.

The Retail Customer may request Company to remove any or all of the facilities installed hereunder by paying to the Company charges in accordance with those specified in Section 6.1.2.1 Uniform Discretionary Charges.

**Annexed Areas**

In areas that have been annexed by a municipality which has granted the Company a franchise but which has not authorized the Company to operate existing street lights in such areas at the expense of the municipality, street lights will be billed in accordance with the Retail Customer's existing service agreement.

**Subsection 6.2- Unincorporated Areas**

Street lighting systems are installed, owned, and maintained by the Company only on public streets, roadways or other public access areas. Only standard street lighting components specified by the Company are utilized in these installations. Company's street lighting service is built to NESC standards. At the request of Customer and at Company's discretion, Company may build to other standards, with Customer being responsible for any difference in cost.

Street lighting service is available to public and private organizations, under Rate Lighting Services, in unincorporated areas where facilities of adequate capacity and suitable voltage are adjacent to the lamps or street lighting system to be served. Every effort is made by the Company to install street lighting in accordance with standards of the Illuminating Engineering Society.

**Street Lights Mounted on Existing Distribution Poles and Served by Overhead Conductors**

On dedicated streets or roads with overhead distribution lines, street lights are mounted on existing distribution poles and served by overhead conductors. Any construction required, other than the installation of a street lighting fixture and one span of secondary conductor on an existing Company pole, is at Retail Customer expense.

**Street Lights Mounted on Ornamental Standards and Served by Underground Conductors**

The Company installs street lights mounted on ornamental standards and served by underground conductors on dedicated public streets that are paved, have curbs and gutters, and on which no overhead electric distribution lines are located. The Company will allow an amount as specified below toward the cost of construction. A contribution must be paid to the Company for any additional costs associated with the installation.

Company Contribution per Lamp

Cost of Company's installation,  
but not to exceed \$2,370.00

The Company will contribute the total cost of installation for 10% of 9,500 or 6,000 lumen lights in a specific installation in residential areas.

### **Relocations and Removals**

Street lighting facilities are not relocated for Retail Customer benefit or convenience. Any relocation requested by a Retail Customer can be done if it does not create operating problems and is not objectionable to other parties. All costs of such relocation work are borne by the Retail Customer.

The Retail Customer may request Company to remove any or all of the facilities installed hereunder by paying to the Company charges in accordance with those specified in Section 6.1.2.1 of the Tariff.

### **Annexed Areas**

If the area in which the lights are installed becomes incorporated or annexed by a municipality, the Retail Customer will be relieved of making any further monthly payments for street lights within the area annexed or incorporated, provided such municipality has granted to the Company an acceptable franchise for operations within the area and has authorized the Company to operate the lights at the expense of the municipality.



## **SECTION 7: METERING PRACTICES**

Delivery Service is provided to an individual Retail Customer Premises at only one Point of Delivery, with the Retail Customer's service entrance arranged so that the Company can measure the Retail Customer's service with one meter. The following conditions apply in situations where separate Retail Customers are grouped in a common structure and in mobile home parks.

The Point of Delivery for an individual Retail Customer is not necessarily located on the Retail Customer's Premises.

Individual dwelling units in a condominium project are metered as individual Retail Customer Premises for Residential Service purposes.

Individual rental units in an apartment project are either metered as individual Retail Customer Premises for Residential Service purposes or grouped as one Retail Customer Premises with one meter and billed on the appropriate non-residential service rate.

Individual commercial retail spaces in a multi-tenant commercial building are metered as separate Retail Customer Premises.

Individual office spaces in a multi-tenant office building are commonly grouped together as one Retail Customer Premises for metering purposes; however, well defined tenant office spaces may, at the option of the Retail Customer, be treated as separate Retail Customer Premises for metering purposes.

For mobile home parks containing permanently located residential mobile homes, the Company installs single-phase overhead service facilities within the park so that single-phase Residential Service is available to each mobile home through a separate meter.

Permanent parks for transient type mobile homes and campers are metered as one Retail Customer Premises and are billed under the applicable non-residential service rate.

In the interest of nondiscriminatory application of metering and service practices, the Company reserves the right to determine appropriate arrangements for a specific situation.

## **SECTION 8: MISCELLANEOUS CONSTRUCTION SERVICES**

### **Removal or Relocation of Company Facilities**

If a Retail Customer requests removal or relocation of Company facilities solely for his convenience, such work is done by the Company at Retail Customer expense, provided the removal or relocation does not create operating problems and is not objectionable to other parties. Relocation of Company facilities is also contingent upon availability, without cost to Company, of any additional rights-of-way required and permission for right-of-way clearing and tree trimming, if necessary.

### **Overtime Charges at Retail Customer Expense**

Retail Customers requesting that the Company perform work during hours other than normal working hours are required to reimburse the Company for the appropriate charges.

**6.1.2.3 DISCRETIONARY CHARGES OTHER THAN CONSTRUCTION SERVICE CHARGES****6.1.2.3.1 ADDITIONAL DISCRETIONARY CHARGES**

These charges for Discretionary Services are in addition to all other charges specified in the Company's Tariff for Delivery System Charges that may be applicable to the Retail Customer's Premises. Unless otherwise provided by special arrangement, the invoice for service under this rate schedule will be as provided for in the Service Rules and Regulations in the Company's Tariff.

<u>Item</u>	<u>Description</u>	<u>Charge</u>
<b>Meter Test Charges:</b>		
DC.1	<p><b>Competitive Meter Communication Diagnostic Service Fee</b> Cost of diagnosing and/or repairing remote communications problems, including verification of communications access when repairs are complete, for Non-Company Owned Billing Meter.</p> <p style="text-align: right;">Self-contained meter Transformer rated meter</p>	<p>\$ 88.00 \$ 88.00</p>
<b>Non-Standard Meter Installation Charges:</b>		
DC.2	<p><b>Advanced Billing Meter Installation Charge</b> Applicable to Rate Schedules Secondary Service Less Than or Equal to 10 kVA, Secondary Service Greater Than 10 kVA and Primary Service for the installation of an advanced meter for billing at Retail Customer's or REP's request.</p> <p>* \$232.00 plus the incremental cost between a standard meter for the specified installation and the advanced meter functionality requested, plus additional charges for services related to advanced capabilities as appropriate.</p>	(see charges in description section*)
DC.3	<p><b>Advanced Non-Billing Meter Installation Charge</b> Applicable to any Retail Customer premises for the installation of an advanced meter for non-billing purposes at Retail Customer's or REP's request.</p> <p>*\$232.00 plus additional charges for services related to advanced capabilities as appropriate; Retail Customer/REP shall provide the advanced meter which must meet the Company's meter standards.</p>	(see charges in description section*)

<u>Item</u>	<u>Description</u>	<u>Charge</u>
DC.4	<p align="center"><b>Pulse Metering Equipment Installation</b></p> <p><i>For Billing Meters that do not currently provide pulse outputs (kWh meters and thermal demand meters)</i></p> <p>Install Pulse Meter and fused junction box (customer receives one pulse output-kWh). For more than one output, requests will be processed according to charges under the "Advanced Billing Meter Installation Charge" above.</p> <p><i>For Billing Meters with current pulse capabilities for kWh, kVAr, and time</i></p> <p>Install one relay (one output)</p> <p>Install two relays (two outputs)</p> <p>Install three relays (three outputs)</p>	<p>\$ 367.00</p> <p>\$ 440.00</p> <p>\$ 659.00</p> <p>\$ 814.00</p>
DC.5	<p align="center"><b>Pulse Metering Equipment Replacement</b></p> <p>Replace one relay*</p> <p>Replace one Pulse Meter</p> <p>Replace one relay and one Pulse Meter*</p> <p>Replace fuses in fused junction box</p> <p>Pulse Metering Equipment trouble call which is determined to be problem with Customer's equipment</p> <p>*Each additional relay replaced on same trip</p>	<p>\$ 317.00</p> <p>\$ 243.00</p> <p>\$ 474.00</p> <p>\$ 68.00</p> <p>\$ 68.00</p> <p>\$ 229.00</p>
DC.6	<p align="center"><b>Competitive Meter Non-Standard Programming Service Fee</b></p> <p>Self-contained meter- field programming</p> <p>Self-contained meter- shop programming</p> <p>Transformer rated meter- field programming</p> <p>Transformer rated meter- shop programming</p>	<p>\$ 114.00</p> <p>\$ 65.00</p> <p>\$ 114.00 \$ 65.00</p>
DC.7	<p align="center"><b>URD By-Pass Cable Installation Charge</b></p> <p>Applicable to any Residential Retail Customer or Retail Customer's REP that requests the Company to install a temporary, above-ground by-pass cable in order to continue electric service while Retail Customer-owned URD facilities are being repaired or replaced. The temporary, above ground by-pass cable shall not remain installed for more than 30 days without making prior arrangements with Company. If permanent repairs or replacement of the URD facilities are not completed by the end of the 30 days, and if Company agrees to an extension, Company will extend the temporary, above ground by-pass cable by an agreed upon time period not to exceed 30 days. (Charge per month.)</p>	<p>\$ 531.00 Per Month</p>

<u>Item</u>	<u>Description</u>	<u>Charge</u>
DC.7.1	<p align="center"><b>Unmetered Attachments</b></p> <p>Applicable to Retail Customer-owned or other third party-owned non-lighting equipment attached to Company's Delivery System facilities and receiving Unmetered Service under Company's Rate Schedule for Secondary Service Less than or Equal to 10 KVA (e.g., third party-owned camera and WIFI equipment attached to Company poles). This charge applies when the equipment owner requests Company to dispatch personnel to investigate or take corrective actions with respect to such equipment.</p>	As Calculated or as agreed to in writing

<b>Other Charges:</b>		
DC.8	<p align="center"><b>Returned Check Charge</b></p> <p>Applicable to any Retail Customer or REP whose check is returned by a bank or other financial institution as not payable.</p>	\$ 10.50
DC.9	<p align="center"><b>Voltage Monitoring</b></p> <p>Applicable to requests by Retail Customer or Retail Customer's Competitive Retailer to install voltage monitoring equipment at Retail Customer's Point of Service for evaluation and reporting of data.</p> <p>1. Data determines a problem with Company's equipment or system 2. Data determines no problem with Company's equipment or system.</p>	No Charge \$ 1,461.00
DC.10	<p align="center"><b>Damage to Company Facilities</b></p> <p>Pursuant to Section 5.4.6, RETAIL CUSTOMER'S DUTY REGARDING COMPANY'S FACILITIES ON RETAIL CUSTOMER'S PREMISES, charges for loss of, or damage to, Company Delivery System facilities on Retail Customer's Premises caused by or arising out of Retail Customer's failure to exercise reasonable care not to damage such facilities, including labor, material, equipment, legal services and associated costs including cost burdens, such as, overhead, warehousing, administration, etc.</p>	As Calculated
DC.11	<p align="center"><b>Adverse Effects and Improper Power Factor</b></p> <p>Pursuant to Section 5.5.2, INTERMITTENT ELECTRICAL LOADS AND LIMITATIONS ON ADVERSE EFFECTS and Section 5.5.5, POWER FACTOR, charges for labor, material, equipment, legal services and associated costs including cost of burdens, such as, overhead, warehousing, administration, etc. provided by the Company to correct adverse effects due to Retail Customer's equipment or operations, including improper power factor, voltage fluctuations, interference or distorted wave forms.</p>	As Calculated
DC.12	<p align="center"><b>Provision of Retail Customer Data</b></p> <p>Pursuant to Section 5.10.2, RETAIL CUSTOMER RESPONSIBILITY AND RIGHTS, charges for compiling, copying, printing, administration and sending customer data other than that required by Applicable Legal Authority to be provided at no charge.</p>	As Calculated

<u>Item</u>	<u>Description</u>	<u>Charge</u>
DC.13	<p><b>Customer Required Upgrade to Delivery System</b></p> <p>Pursuant to Section 5.7.6, CUSTOMER REQUESTED FACILITY UPGRADES, charges for the costs of a facility upgrade that is attributable to the Retail Customer adding load in excess of existing Delivery System facility capacity, if Company requires a contribution in aid of construction.</p>	As Calculated

DC.14	<p><b>Temporary Service Connection</b></p> <p>Applicable to a request to energize a Retail Customer's temporary service connection to the Delivery System during normal business hours. Such requests, which include the corresponding TX SET code for standard service, and are received by Company at least two Business days prior to the Competitive Retailer's requested date, shall be completed no later than the requested date.</p>	\$ 399.00
DC.15	<p><b>Disconnect for Inaccessible Meter Charge</b></p> <p>Applicable when Company personnel are unable to gain access to the meter of a premise other than non-residential critical load premises as a result of continued denial of Access as provided in Section 4.7.2.1, DENIAL OF ACCESS BY RETAIL CUSTOMER.</p> <p>At the Meter: At a Premium Location:</p>	<p>\$ 66.00 \$ 111.00</p>
DC.16	<p><b>Miscellaneous – Retail Customer Caused Charges</b></p> <p>Applicable to charges authorized in Chapters 3, 4, and 5 which are not otherwise specifically set out in Chapter 6. These charges include, but are not limited to, legal services, material, labor, and equipment and associated costs including cost of burdens, such as, overhead, warehousing, administration, etc. required due to Retail Customer's actions or inaction. For example, Retail Customer's failure to exercise reasonable care, failure to correct problems or interference, or impeding Company's ability to perform its duties.</p>	As Calculated
DC.17	<p><b>Miscellaneous Other Charges</b></p> <p>Company will charge for miscellaneous services, performed in accordance with Commission rules and at the request of a Retail Customer or Retail Customer's REP, an amount sufficient to recover the Company's cost or an engineering estimate thereof.</p>	As Calculated
DC.18	<p><b>Distributed Generation Meter Installation Charge</b></p> <p>Applicable to any Retail Customer Premises for the installation of a Meter for distributed generation.</p>	As Calculated

<u>Item</u>	<u>Description</u>	<u>Charge</u>
DC.19	<p><b>Transmission Facility Outage Scheduling and Notification</b>  Company will charge entities for scheduling outages of Transmission Elements with ERCOT's Outage Scheduler. As calculated charge will include work performed in accordance with managing, coordinating, investigating, and scheduling outage request, as well as any charges/fees/fines, imposed by ERCOT or other body, associated with the outage request and scheduling. This service is offered subject to the limitations of liability found in Section 5.2 of the Tariff for Retail Delivery Service, which provisions are hereby incorporated by reference to apply to the request by an end-use customer for this service.</p>	As Calculated
DC.20	<p><b>Competitive Metering Installation and Removal</b>  Applicable to Commercial and Industrial Retail Customers choosing competitive metering services pursuant to Section 25.311 of the Commission's rules.</p> <p><b><u>Competitive Meter Remove/Install Service Fee</u></b></p> <p>A single trip charge for removing on Billing Meter and installing another Billing Meter (removing or installing a Non-Company Owned Billing Meter and installing or removing a Company Owned Billing Meter on the same trip). This is a per trip charge and applies to Billing Meters which are installed/removed "permanently" or "temporarily."</p> <p>Self-Contained Meter</p> <p>Transformer Rated Meter</p> <p><b><u>Competitive Meter Physical Access Equipment Installation Service Fee</u></b></p> <p>A charge for the installation of an external termination junction box which utilizes the RJ family of connectors to provide physical access to the modem, network, serial and/or digital pulse data interfaces on a competitive meter.</p> <p>No Additional Service Call Required (performed during initial meter installation)</p> <p>Additional Service Call Required (performed after initial meter installation)</p>	<p>\$ 103.00</p> <p>\$ 160.00</p> <p>\$ 73.00</p> <p>\$90.00</p>

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**6.1.2.3.3 PREMIUM SERVICE - RATE PS**

Some Retail Customers taking Delivery System Services under Section 6.1.1.1 of this Tariff operate sensitive equipment or have other needs that require higher levels of Delivery System Service reliability than is achievable from the Company's standard Delivery System, or operate equipment located at or past the Retail Customer's Point of Delivery that may impact the safe and reliable operation of the Company's Delivery System. Company will accommodate Retail Customers' requests for the provision of back-up, stand-by, redundant or other premium Delivery Services at either Distribution Voltages or Transmission Voltages (collectively, Premium Service) where facilities of adequate capacity, proper phase and suitable voltage can be made available.

Premium Service includes installation of equipment and modification or extension of facilities needed, in Company's sole judgement, to ensure the safe and reliable operation of the Company's Delivery System due to equipment located at or past the Retail Customer's Point of Delivery whose operations may impact the Company's Delivery System. The provision of Premium Service requires the installation of additional equipment and the extension of Delivery System facilities at Retail Customer expense, including the construction or upgrade of primary feeder circuits, the installation of automatic rollover switches, breakers, transformers, meters and related equipment on or adjacent to Retail Customer premises, and power quality equipment and various other facilities and devices needed for the safe and reliable operation of Company's Delivery System (collectively, the Facility Extension). Retail Customer is responsible for the cost of the Facility Extension pursuant to the Company's Construction Services Policy in Section 6.1.2.2 of this Tariff.

**Monthly Fixed Charge**

There will be a Monthly Fixed Charge, in addition to the Monthly Rate charges included in the Company's Rate Schedules, related to the operation and maintenance of dedicated facilities and reservation of distribution capacity on alternate circuits. The Monthly Fixed Charge will be determined by Company on a case by case basis, based on an engineering estimate of the cost. The Monthly Fixed Charge and the cost of the Facility Extension must be agreed to by the Retail Customer before construction of the Facility Extension commences.



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**6.1.2.4 DISTRIBUTED GENERATION SERVICE – RATE DGS**

Company shall interconnect distributed generation pursuant to Public Utility Commission of Texas Substantive Rules 25.211 and 25.212.

A customer seeking interconnection and parallel operation of distributed generation with Company must complete and submit the Application for Interconnection and Parallel Operation of Distributed Generation and enter into an Agreement for Interconnection and Parallel Operation of Distributed Generation. The form of the application is set out in Section 6.3.2 of this Tariff. The form of the agreement is set out in Section 6.3.3 of this Tariff.

**PRE-INTERCONNECTION STUDY FEE SCHEDULE**

Pre-certified distributed generation units that are up to 500 Kw that export not more than 15% of the total load on a single radial feeder and also contribute not more than 25% of the maximum potential short circuit current on a radial feeder are exempt from any pre-interconnection study fees. For all other DG applications, the study fees in the following table will apply.

<b>Non-Exporting</b>	<b>0 to 10 kW</b>	<b>10+ to 500 kW</b>	<b>500+ to 2000kW</b>	<b>2000+ to 10,000 kW</b>
1. Pre-certified, not on network Pre-Screen Study Fee	\$0 NA	\$0 NA	\$ 3,731 \$350	\$ 4,752 \$500
2. Non pre-certified, not on network Pre-Screen Study Fee	\$ 272 NA	\$ 633 NA	\$ 4,500 \$350	\$ 5,662 \$500
3. Pre-certified, on network Pre-Screen Study Fee	\$ 312 NA	\$ 1,172 NA	\$ 7,146 \$350	\$ 8,796 \$500
4. Not pre-certified, on network Pre-Screen Study Fee	\$525 NA	\$ 1,563 NA	\$ 7,915 \$350	\$ 9,707 \$500

<b>Exporting</b>	<b>0 to 10 kW</b>	<b>10+ to 500 kW</b>	<b>500+ to 2000kW</b>	<b>2000+ to 10,000 kW</b>
1. Pre-certified, not on network Pre-Screen Study Fee	\$75 NA	\$ 621 NA	\$ 4,013 \$350	\$ 5,086 \$500
2. Non pre-certified, not on network Pre-Screen Study Fee	\$ 272 NA	\$ 864 NA	\$ 4,782 \$350	\$ 5,996 \$500
3. Pre-certified, on network Pre-Screen Study Fee	\$ 312 NA	\$ 1,402 NA	\$ 8,179 \$350	\$ 10,020 \$500
4. Not pre-certified, on network Pre-Screen Study Fee	\$ 525 NA	\$ 1,793 NA	\$ 8,948 \$350	\$ 10,930 \$500

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For distributed energy resource (DER) systems with interconnection capacity > 10,000kW up to 30,000kW and for DER systems that participate in the Wholesale Delivery Services (WDS) with interconnection capacity up to 10,000kW the following pre-screen study fees and interconnection study fees apply.

	<b>ERCOT Registration Type (SODG/DGR/DESR)</b>	<b>Pre-Screen Study Fees</b>	<b>Interconnection Study Fees</b>
<b>Up to 10,000 kW</b>	DGR/DESR	\$700	\$70,000
<b>10,000+ to 30,000 kW</b>	SODG	\$700	\$70,000

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**6.2.3 ADDITIONAL COMPANY SPECIFIC TERMS AND CONDITIONS**

1. In the event that Retail Customer's monthly bill is based upon a period of less than or more than a normal billing period length any applicable \$/month and demand based (\$/kVA or \$kW) charges shall be prorated based on a 30 day billing period. However, a normal billing period typically ranges from 27 to 35 days and is typically the period between two consecutively scheduled meter reading dates. The Company determines the normal billing period and scheduled meter reading dates based on holidays, weekends and other factors which impact the schedule.
2. The Company rents certain distribution equipment to Retail Customers on a short term, emergency basis, provided the items are not immediately available from local suppliers and the Company has a sufficient quantity of such item in stock to meet operating requirements. Terms and conditions of all rental transactions are specified in a written agreement.

The Company will assist the Retail Customer to determine the appropriate service arrangements, when practical. Based on these arrangements, the Company will provide a cost basis for the rental or leasing of equipment required to receive 138,000 volt service.

3. Company calculates the labor costs included in the "As Calculated" Meter Tampering Charge under Section 6.1.2.1 of this Tariff (Uniform Discretionary Charges) based on an estimated average of the type of personnel typically involved and time typically spent in conducting an investigation and taking corrective actions in routine meter tampering cases.
4. Company will apply Section 5.5.6 of this Tariff to Retail Customers with on-site generation who comply with the notice requirements in that Section for scheduled maintenance on their generation facilities. For this purpose, Company interprets the terms "scheduled equipment testing," "equipment testing," and "testing" in that Section to include "scheduled on-site generation maintenance" and the term "test period" to include "scheduled on-site generation maintenance period."
5. Company may, in its sole judgment, lease and operate facilities that provide temporary emergency electric energy in accordance with Applicable Legal Authorities. During a significant power outage, as defined by Applicable Legal Authorities, Company may, in its sole judgment, determine whether, when, where, or how long to operate facilities that provide temporary emergency electric energy; such determination shall be deemed consistent with and non-discriminatory under Section 3.7, NON-DISCRIMINATION. During a significant power outage, as defined by Applicable Legal Authorities, Company may, in its sole judgment, determine which Retail Customer or Retail Customers receive service from facilities that

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provide temporary emergency electric energy, including prioritizing service to a Critical Load Public Safety Customer such as a hospital, healthcare facility, law enforcement facility, fire station, or water or wastewater facility; such determination and prioritization shall be deemed consistent with and non-discriminatory under Section 3.7, NON-DISCRIMINATION. Company's choice to operate and Company's operation of facilities that provide temporary emergency electric energy during a significant power outage are not a guarantee of steady and continuous Delivery Service and are not a guarantee against fluctuations, irregularities, or interruptions in Delivery Service. All Competitive Retailers and Retail Customers that receive Delivery Service from Company receive Delivery Service under the rates, terms, and conditions outlined in this Tariff, including, but not limited to, Section 3.7, NON-DISCRIMINATION, Section 3.11, GOVERNING LAWS AND REGULATIONS, Section 3.13, QUALITY OF DELIVERY SERVICE, Section 4.2.5, EMERGENCIES AND NECESSARY INTERRUPTIONS, Section 4.2.6, LIMITATION OF WARRANTIES BY COMPANY, Section 5.2.5, EMERGENCIES AND NECESSARY INTERRUPTIONS, and Section 5.2.6, LIMITATION OF WARRANTIES BY COMPANY. Company's operation of facilities that provide temporary emergency electric energy during a significant power outage shall not abridge, enlarge, or modify the limits on liability outlined in Section 4.2, LIMITS ON LIABILITY, and SECTION 5.2, LIMITS ON LIABILITY. ***Company will not be liable for any damages, whether direct or consequential, including, without limitation, loss of profits, loss of revenue, or loss of production capacity, occasioned by Company's use of facilities that provide temporary emergency electric energy during a significant power outage, including, without limitation, the deployment (or lack of deployment), location, capacity, duration, or operation of such facilities, or any fluctuations, irregularities, or interruptions in Delivery Service from such facilities.*** However, if damages are caused by Company's gross negligence or intentional misconduct, this provision shall not preclude recovery of appropriate damages when legally due. This tariff provision 6.2.3 expires on the effective date of revisions to Company's pro forma tariff related to facilities that provide temporary emergency electric energy.

**6.3.4.6 PREMIUM SERVICE AGREEMENT****Premium Service Study Agreement**

This Premium Service Study Agreement is dated \_\_\_\_\_ and made between CenterPoint Energy Houston Electric, LLC (“**Company**”) and \_\_\_\_\_ (“**Retail Customer**”).

Company is an electric utility that provides standard retail electric power delivery service (“**Standard Service**”) through its utility distribution and transmission system (the “**Delivery System**”) to customers pursuant to the standard rate schedules in its Tariff for Retail Delivery Service (the “**Tariff**”) and offers back-up or redundant electric power delivery service or requires the installation of equipment and modification or extension of facilities (“**Premium Service**”) to customers with non-Standard Service requirements or customers that operate certain equipment that may affect the Delivery System pursuant to the Company’s Premium Service rate schedule in its Tariff.

Retail Customer desires Premium Service at its facility located at \_\_\_\_\_ (the “**Customer Facility**”) and has requested Company to perform a design and engineering study to determine the Delivery System modifications and additions necessary to provide the Premium Service desired by Retail Customer at the Customer Facility (the “**PRS Study**”).

Company will perform the PRS Study for a fee and in accordance with this agreement.

In consideration of the mutual covenants and promises herein contained and other good and valuable consideration, the receipt of which is hereby acknowledged, Retail Customer and Company agree as follows:

1. **PRS Study Fee.** Retail Customer shall pay Company a fee for the PRS Study in an amount equal to \$\_\_\_\_\_ (the “**PRS Study Fee**”). After Retail Customer’s execution and delivery of this agreement to Company, Company will invoice Retail Customer for the PRS Study Fee. The PRS Study Fee is non-refundable pursuant to the Tariff.

2. **PRS Study.** After its receipt of the PRS Study Fee, Company will commence work on the PRS Study. Company will use reasonable efforts to complete the PRS Study within \_\_\_\_\_ months after Company’s receipt of the PRS Study Fee from Retail Customer. Retail Customer acknowledges and agrees that the PRS Study is provided on an “as is” basis, and that Company makes no warranties respecting its accuracy or suitability for any particular purpose.

3. **Completion.** Upon completion of the PRS Study, Company shall notify Retail Customer of its completion and schedule a mutually convenient time for appropriate representatives of the Company and Retail Customer to discuss the results and findings in the

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PRS Study. Such discussion may occur in person or by phone, at the discretion of Company. Retail Customer will have [insert number of days or months] after its receipt of the completed PRS Study to accept the Premium Service described therein by executing a Premium Service Agreement with Company. Any offer to provide Premium Service contained in the completed PRS Study will become void if a Premium Service Agreement is not entered into between the parties before the end of that period unless extended in writing by Company.

4. Incorporation of Tariff. The Tariff is incorporated into this agreement, including without limitation Sections 5.2.1 (limitation of liability), 5.2.4 (force majeure), and 5.2.6 (disclaimer of warranties) thereof. In the event of any conflict between the terms of this agreement and the terms of the Tariff, the terms of the Tariff shall prevail.

5. Notices. Any written notice required or permitted under this agreement shall be deemed to have been duly given on the date of receipt, and shall be either served personally on the party to whom notice is to be given, or mailed to the party to whom notice is to be given by first class, registered or certified mail, return receipt requested, postage prepaid, and addressed to the addressee at the address stated opposite its name below:

Company: CenterPoint Energy Houston Electric, LLC  
P.O. Box 1700  
Houston, Texas 77251-1700

Retail Customer: [INSERT ADDRESS]

6. Final Agreement. This agreement contains the final and complete agreement of the parties hereto regarding the subject matter hereof and supersedes all prior understandings and agreements between them with respect thereto.

**IN WITNESS WHEREOF**, this agreement is executed as of the date first written above by the parties' duly authorized personnel.

**CenterPoint Energy Houston Electric,  
LLC**

**[Insert Retail Customer's Name]**

By: \_\_\_\_\_  
(Signature)

By: \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Title)

**PREMIUM SERVICE AGREEMENT**

This PREMIUM SERVICE AGREEMENT (this "**Agreement**") is dated as of the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ and made between Center Point Energy Houston Electric, LLC ("**Company**") and \_\_\_\_\_ ("**Retail Customer**").

Company is an electric utility that provides standard retail electric power delivery service ("**Standard Service**") through its utility distribution and transmission system (the "**Delivery System**") to customers pursuant to the standard rate schedules in its Tariff for Retail Delivery Service (the "**Tariff**") and offers back-up or redundant electric power delivery service or requires the installation of equipment and modification or extension of facilities ("**Premium Service**") to customers with non-Standard Service requirements or customers that operate certain equipment that may affect the Delivery System pursuant to the Company's Premium Service rate schedule in its Tariff.

Retail Customer has requested Company to provide Premium Service to Retail Customer's facility located at \_\_\_\_\_ (the "**Customer Facility**").

Company has completed a pre-construction study dated [insert date] (the "**PRS Study**") and determined that the Customer Facility has a peak kVA usage level of [insert kVA] (the "**Peak Usage**") and is at a suitable location to receive Premium Service with a reserve capacity equal to the Peak Usage.

In consideration of the mutual covenants and promises herein contained and other good and valuable consideration, the receipt of which is hereby acknowledged, Retail Customer and Company agree as follows:

1. Defined Terms. All capitalized terms used but not defined in this Agreement have the respective meanings given to them in the Tariff.

2. Installation of the Equipment. Subject to the terms and conditions herein, Company shall use Good Utility Practice to provide the Construction Services, including the installation of equipment and extension of the Delivery System, necessary to enable the provision of Premium Service to the Customer Facility as described in the PRS Study. Notwithstanding anything to the contrary herein, Company's obligation to commence or complete such Construction Services is contingent on Company's receipt of the Upfront Payment from Retail Customer pursuant to Section 3 hereof and any easements or rights-of-way necessary for the placement of Company's equipment. Retail Customer shall be responsible for making any modifications to the Customer Facility that are necessary to accommodate the Premium Service at Retail Customer's cost. Retail Customer shall promptly notify Company in

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writing of any matters with respect to the operation of the Customer Facility that may affect the installation of the Company equipment necessary to provide the Premium Service.

3. Upfront Payment. Prior to the commencement of Construction Services under this Agreement, Retail Customer shall make an upfront payment to Company in the amount of \$\_\_\_\_\_ (the “**Upfront Payment**”). Retail Customer acknowledges and agrees that the Upfront Payment is non-refundable pursuant to the Tariff.

4. Monthly Payments. Retail Customer shall pay \$\_\_\_\_ per month (the “**Monthly Charge**”) to Company for Premium Service commencing in the month that such service is activated and continuing until the termination of this Agreement. Pursuant to the Tariff, the Monthly Charge is intended to recover the operation and maintenance costs related to Company’s provision of Premium Service to the Customer Facility with a reserve capacity equal to the Peak Usage. Customer acknowledges that the Monthly Charge owed by Retail Customer to Company is in addition to any charges for Standard Service owed by Retail Customer to its retail electric provider.

5. Title and Premium Service Activation. Title to the equipment installed by the Company shall reside at all times with Company and considered part of the Delivery System. Title to equipment installed by the Retail Customer at the Customer Facility, if any, shall reside at all times with Retail Customer. Company shall notify Retail Customer when the Construction Services are completed, and the Premium Service is ready for activation.

6. Incorporation of Tariff. The Tariff is incorporated into this Agreement, including without limitation Sections 5.2.1 (limitation of liability), 5.2.4 (force majeure), and 5.2.6 (disclaimer of warranties) thereof. In the event of any conflict between the terms of this Agreement and the terms of the Tariff, as may be modified from time to time by the Public Utility Commission of Texas, the terms of the Tariff shall prevail.

7. Termination. This Agreement is effective upon the execution hereof by both parties hereto and, subject to subsections (a) and (b) of this Section, will continue in effect thereafter for a period of five years from the date of this Agreement (the “**Initial Term**”), and will automatically renew thereafter for successive five year periods (each, a “**Renewal Term**”); provided, however, that either party may terminate this Agreement as of the end of the Initial Term or any Renewal Term by giving notice of termination to the other party at least 30 days prior to such end. The Initial Term and each Renewal Term are subject to the following additional termination rights:

(a) Company may terminate this Agreement on 30-days’ prior notice at any time during the Initial Term or any Renewal Term (i) for non-payment, (ii) if the actual usage level at the Customer Facility exceeds the Peak Usage, or (iii) if a change of ownership of the Customer Facility occurs; and



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(b) Retail Customer may terminate this Agreement at any time during the Initial Term or any Renewal Term on 30-days' prior notice.

Upon termination of this Agreement for any reason, Retail Customer shall pay Company for the cost of removal of Company's equipment installed to provide Premium Service to the Customer Facility. Any outstanding Monthly Charge payment obligations of Retail Customer accrued as of the date of termination will survive termination.

8. Amendments; Waiver. This Agreement may not be amended, supplemented, waived or modified except by written agreement signed by an authorized representative of each party hereof. Any failure by either party to enforce any provision hereof shall not constitute a waiver by that party of its right subsequently to enforce the same or any other provision hereof.

9. Interpretation. This Agreement shall in all respects be governed and construed in accordance with the laws of the State of Texas, excluding its choice of law principals, and such laws shall govern all disputes under this Agreement. This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than Company and Retail Customer. The descriptive headings of the various sections of this Agreement have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this Agreement. This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the parties hereto or to impose any partnership obligation or liability upon either party. Neither party hereto has any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other party.

10. Notices. Any written notice required or permitted under this Agreement shall be deemed to have been duly given on the date of receipt, and shall be either served personally or delivered by email, fax, overnight carrier, or first class mail addressed to the addressee at the address stated below:

Company: CenterPoint Energy Houston Electric, LLC  
P.O. Box 1700  
Houston, Texas 77251-1700  
Fax:  
email:  
Attn:

Retail Customer: [INSERT ADDRESS]

Invoices and billing inquiries shall be sent to such persons at such addresses as each party shall specify by written notice given to the other party.

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11. Final Agreement. This Agreement contains the final and complete agreement of the parties hereto regarding the subject matter hereof and supersedes all prior understandings and agreements between them with respect thereto.

12. Counterparts. The parties may execute this Agreement in multiple counterparts, which shall, in the aggregate, constitute one and the same agreement.

**IN WITNESS WHEREOF**, this Agreement is executed as of the date first written above by the parties' duly authorized personnel.

**CenterPoint Energy Houston  
Electric, LLC**

**[Insert Retail Customer's Name]**

By: \_\_\_\_\_  
(Signature)

By: \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Title)

# **TARIFF FOR RETAIL DELIVERY SERVICE**

**CenterPoint Energy Houston Electric, LLC  
1111 LOUISIANA  
P. O. BOX 1700  
HOUSTON, TEXAS 77251**

Chapter 6: Company Specific Items

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Chapter 6: Company Specific Items

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**CHAPTER 6: COMPANY SPECIFIC ITEMS**

**6.1 RATE SCHEDULES**

**6.1.1 DELIVERY SYSTEM CHARGES**

**6.1.1.1 CHARGES FOR TRANSMISSION AND DISTRIBUTION SYSTEM SERVICE**

**6.1.1.1.1 RESIDENTIAL SERVICE**

**AVAILABILITY**

This schedule is available to Retail Customers requesting Delivery Service for Residential Purposes when such Delivery Service is to one Point of Delivery and measured through one Meter and, except as otherwise provided in this Rate Schedule, is not for shared or resale purposes.

**MONTHLY RATE**

**I. Transmission and Distribution Charges:**

Customer Charge	<del>\$2.30</del> <u>\$2.16</u>	per Retail Customer per Month
Metering Charge	<del>\$2.09</del> <u>\$2.77</u>	per Meter per Month
Transmission System Charge	\$0.00	per kWh
Distribution System Charge	<del>\$0.020314</del> <u>\$0.026100</u>	per kWh

**II. Transition Charge:** See Schedules ~~TC2, TC3, SRC, and~~ TC5

**III. Nuclear Decommissioning Charge:** See Rider NDC

**IV. Transmission Cost Recovery Factor:** See Rider TCRF

**V. Other Charges or Credits:**

A. Municipal Account Franchise Credit (see application and explanation below)	<del>(\$0.001756)</del> <u>(\$0.001767)</u>	per kWh
B. Rate Case Expenses Surcharge		See Rider RCE
C. Energy Efficiency Cost Recovery Factor		See Rider EECRF
<del>D. Accumulated Deferred Federal Income Tax Credit</del>		<del>See Rider ADFITC</del>
<u>D.E</u> Distribution Cost Recovery Factor		See Rider DCRF

Revision Number: ~~48~~19<sup>th</sup>

Effective: ~~04/15/23~~ xx/xx/xx

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~~E.F.~~ Temporary Emergency Electric Energy  
Facilities

See Rider TEEEF

F. Inflation Reduction Act 2022

See Rider IRA

### TERMS OF SERVICE

Type of Service. The standard Delivery Service under this Rate Schedule will be single-phase, 60 hertz, at the Company's standard Secondary Distribution Voltage level for this type of service as described in Section 6.2.2 of this Tariff and in the Company's Service Standards. Three-phase service is generally not available for Residential Purposes. Retail Customers desiring three-phase service for Residential Purposes should check with a Company representative to determine if three-phase service is available. Facilities for three-phase service under this Rate Schedule are Non-Standard Facilities as defined in the Company's Construction Services Policy.

Metering Equipment. Delivery Service under this Rate Schedule will be metered using Company's Standard Meter provided for this type of Delivery Service. Any other metering option(s) requested by Retail Customer will be provided at an additional charge and/or will be provided by a Meter Owner other than the Company pursuant to Applicable Legal Authorities.

Construction Services. Where Construction Services are required to initiate Delivery Service under this Rate Schedule, additional charges and special contract arrangements may be required prior to Delivery Service being furnished, pursuant to the Company's Construction Services Policy in Section 6.1.2.2 of this Tariff.

Residential Service to Multiple Dwellings. Where more than four Individual Private Dwellings in an apartment or other residential building are served through one Meter, billing will be under the applicable non-residential Rate Schedule.

Municipal Account Franchise Credit. A credit equal to the amount of franchise fees included in the Transmission and Distribution Charges will be applied to municipal accounts receiving service within the incorporated limits of such municipality which imposes a municipal franchise fee upon the Company based on the kWh delivered within that municipality and who have signed an appropriate Franchise Agreement.

Reclassification for Non-Residential Purposes. If the Company determines that a significant portion of the Delivery Service provided under this Residential Service Rate Schedule is used for non-Residential Purposes, then the appropriate non-residential Rate Schedule shall be applicable to all the Delivery Service provided. However, if the Retail Customer's wiring is so arranged that the Delivery Service for Residential Purposes and for non-Residential Purposes can be metered

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separately, this Residential Service Rate Schedule will remain applicable to the portion that is metered separately for Residential Purposes.

On-Site Generation. Delivery Service under this Rate Schedule to a Retail Customer with on-site distributed generation (as defined in section 25.211 of the Commission's rules) may also be subject to the terms, conditions, fees and charges set out in Section 6.1.2.4 of this Tariff, regarding the interconnection and parallel operation of distributed generation.

### **NOTICE**

This Rate Schedule is subject to the Company's Tariff and Applicable Legal Authorities.

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**6.1.1.1.2 SECONDARY SERVICE LESS THAN OR EQUAL TO 10 KVA**

**AVAILABILITY**

This schedule is available to Retail Customers requesting Delivery Service for non-Residential Purposes at Secondary Distribution Voltage levels with a peak demand less than or equal to 10 kVA when such Delivery Service is to one Point of Delivery and measured through one Meter and is not for shared or resale purposes. This schedule is also available to Retail Customers requesting Unmetered Services other than Lighting Services.

**MONTHLY RATE**

**I. Transmission and Distribution Charges:**

Customer Charge	<del>\$2.26</del> <u>\$2.22</u>	per Retail Customer per Month
Metering Charge	<del>\$2.32</del> <u>\$3.02</u>	per Meter per Month
Transmission System Charge	\$0.00	per kWh
Distribution System Charge	<del>\$0.015504</del> <u>\$0.016460</u>	per kWh

**II. Transition Charge:** See Schedules ~~TC2, TC3, SRC, and~~ TC5

**III. Nuclear Decommissioning Charge:** See Rider NDC

**IV. Transmission Cost Recovery Factor:** See Rider TCRF

**V. Other Charges or Credits:**

A. Municipal Account Franchise Credit (see application and explanation below)	<del>(\$0.002060)</del> <u>(\$0.002023)</u>	per kWh
B. Rate Case Expenses Surcharge		See Rider RCE
C. Energy Efficiency Cost Recovery Factor		See Rider EECRF
<del>D. Accumulated Deferred Federal Income Tax Credit</del>		<del>See Rider ADFITC</del>
<u>D.E.</u> Distribution Cost Recovery Factor		See Rider DCRF
<u>E.F.</u> Temporary Emergency Electric Energy Facilities		See Rider TEEEF

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F. Inflation Reduction Act 2022

See Rider IRA

**TERMS OF SERVICE**

Type of Service. The standard Delivery Service under this Rate Schedule will be single-phase, 60 hertz, at the Company's standard Secondary Distribution Voltage level for this type of service as described in Section 6.2.2 of this Tariff and in the Company's Service Standards. Facilities for three-phase service under this Rate Schedule are Non-Standard Facilities as defined in the Company's Construction Services Policy.

Metering Equipment. Except for Unmetered Service described below, Delivery Service under this Rate Schedule will be metered using Company's Standard Meter provided for this type of Delivery Service. Any other metering option(s) requested by Retail Customer will be provided at an additional charge and/or will be provided by a Meter Owner other than the Company pursuant to Applicable Legal Authorities.

Construction Services. Where Construction Services are required to initiate Delivery Service under this Rate Schedule, additional charges and special contract arrangements may be required prior to Delivery Service being furnished, pursuant to the Company's Construction Services Policy in Section 6.1.2.2 of this Tariff.

Peak Demand Requirement. This Rate Schedule is applicable only to Retail Customers whose peak demand for the current month is 10 kVA or less, as measured in the Retail Customer's fifteen-minute period of highest demand, and whose peak demand has not exceeded 10 kVA in any of the previous eleven months. If, after taking Delivery Service under this Rate Schedule, Retail Customer's monthly peak demand is greater than 10 kVA, Retail Customer will be placed on the *Secondary Service Greater Than 10 kVA* Rate Schedule for a period of not less than twelve months.

Municipal Account Franchise Credit. A credit equal to the amount of franchise fees included in the Transmission and Distribution Charges will be applied to municipal accounts receiving service within the incorporated limits of such municipality which imposes a municipal franchise fee upon the Company based on the kWh delivered within that municipality and who have signed an appropriate Franchise Agreement.

Unmetered Service. Unmetered Service is available under this Rate Schedule for non-residential, non-lighting Delivery Service at the discretion of the Company, Competitive Retailer, and Retail Customer, in limited situations when metering equipment is impractical or disproportionately expensive, and when the Retail Customer's electric load can be reasonably estimated or predicted from the nameplate or engineering studies of the installed equipment. Special protective devices may be required to be installed and/or paid for by customer. Provision of Unmetered Service under this Rate Schedule will require an agreement that includes certification by Retail Customer on at least an annual basis of the number of installed devices and specific location of each device.

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Company will calculate billing determinants for Unmetered Service based on a 100 percent load factor. These billing determinants are applied to all charges included in this Rate Schedule, except that the “Metering Charge” contained in the monthly rate is not applicable to Unmetered Service under this Rate Schedule.

On-Site Generation. Delivery Service under this Rate Schedule to a Retail Customer with on-site distributed generation (as defined in section 25.211 of the Commission’s rules) may also be subject to the terms, conditions, fees and charges set out in Section 6.1.2.4 of this Tariff, regarding the interconnection and parallel operation of distributed generation.

### **NOTICE**

This Rate Schedule is subject to the Company’s Tariff and Applicable Legal Authorities.



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### 6.1.1.1.3 SECONDARY SERVICE GREATER THAN 10 KVA

#### AVAILABILITY

This schedule is available to Retail Customers requesting Delivery Service for non-Residential Purposes at Secondary Distribution Voltage levels with a peak demand greater than 10 kVA when such Delivery Service is to one Point of Delivery and measured through one Meter; except that, at Company's option, locations where the Retail Customer's Electrical Installation or Premises has multiple connections to Company's Delivery System, due to Company facility limitations or design criteria, may be considered one Point of Delivery for billing purposes.

#### MONTHLY RATE

##### I. Transmission and Distribution Charges:

###### Customer Charge

Non-IDR Metered	<del>\$3.00</del> <u>\$3.23</u>	per Retail Customer per Month
IDR <u>or</u> IDR Capable AMS Metered	<del>\$44.95</del> <u>\$40.50</u>	per Retail Customer per Month
Metering Charge		
Non-IDR Metered	<del>\$7.41</del> <u>\$9.56</u>	per Meter per Month
IDR <u>or</u> IDR Capable AMS Metered	<del>\$72.00</del> <u>\$88.98</u>	per Meter per Month

###### Transmission System Charge

Non-IDR Metered	\$0.00	per NCP kVA
IDR <u>or</u> IDR Capable AMS Metered	\$0.00	per 4CP kVA

	<del>\$4.44</del> <u>\$4.10</u>	
Distribution System Charge	<del>\$4.48</del> <u>\$1.79</u>	per Billing kVA

##### II. Transition Charge:

See Schedules ~~TC2, TC3,~~  
~~SRC,~~ and TC5

##### III. Nuclear Decommissioning Charge:

See Rider NDC

##### IV. Transmission Cost Recovery Factor:

See Rider TCRF

##### V. Competitive Metering Credit:

See Rider CMC

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### VI. Other Charges or Credits:

A. Municipal Account Franchise Credit (see application and explanation below)	<del>(\$0.897049)</del> <u>(\$0.644820)</u>	per Billing kVA
B. Rate Case Expenses Surcharge		See Rider RCE
C. Energy Efficiency Cost Recovery Factor		See Rider EECRF
<del>D. Accumulated Deferred Federal Income Tax Credit</del>		<del>See Rider ADFITC</del>
<del>D.E.</del> Distribution Cost Recovery Factor		See Rider DCRF
<del>E.F.</del> Temporary Emergency Electric Energy Facilities		See Rider TEEEF
<u>F. Inflation Reduction Act 2022</u>		<u>See Rider IRA</u>

## TERMS OF SERVICE

### DETERMINATION OF BILLING DEMAND FOR TRANSMISSION SYSTEM CHARGES

Application of IDR or IDR Capable AMS Metered Charges. The IDR or IDR Capable AMS Metered charges listed in the Monthly Rate section of this Rate Schedule are applicable to Retail Customers who have established an NCP demand greater than 700 kVA in any previous billing month, and to Retail Customers who were billed on a 4CP kVA basis prior to the effective date of this Rate Schedule, regardless of whether their Meter is an IDR, -IDR Capable AMS Meter, a Standard Meter or other Meter.

Determination of NCP kVA. The NCP kVA applicable under the Monthly Rate section shall be the kVA supplied during the 15 minute period of maximum use during the billing month.

Determination of 4 CP kVA. The 4 CP kVA applicable under the Monthly Rate section shall be the average of the Retail Customer's integrated 15 minute demands at the time of the monthly ERCOT system 15 minute peak demand for the months of June, July, August and September of the previous calendar year. The Retail Customer's average 4CP demand will be updated effective with the February billing month of each year and remain fixed for a year. Retail Customer's previous metered usage under this or any other Rate Schedule will be used, as needed, in determining the billing determinants under the Monthly Rate section. Retail Customers without

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previous history on which to determine their 4 CP kVA will be billed at the applicable NCP rate under the “Transmission System Charge” using the Retail Customer’s NCP kVA.

### DETERMINATION OF BILLING DEMAND FOR DISTRIBUTION SYSTEM CHARGES

Determination of Billing kVA. The Billing kVA applicable to the Distribution System Charge shall be the NCP kVA for the current billing month.

### OTHER PROVISIONS

Type of Service. The standard Delivery Service under this Rate Schedule will be single or three-phase, 60 hertz, at the Company’s standard Secondary Distribution Voltage level for this type of service as described in Section 6.2.2 of this Tariff and in the Company’s Service Standards.

Metering Equipment. Delivery Service under this Rate Schedule will be metered using Company’s Standard Meter provided for this type of Delivery Service. Any other metering option(s) requested by Retail Customer will be provided at an additional charge and/or will be provided by a Meter Owner other than the Company pursuant to Applicable Legal Authorities.

Construction Services. Where Construction Services are required to initiate Delivery Service under this Rate Schedule, additional charges and special contract arrangements may be required prior to Delivery Service being furnished, pursuant to the Company’s Construction Services Policy in Section 6.1.2.2 of this Tariff.

Peak Demand Requirement. This Rate Schedule is applicable only to Retail Customers whose peak demand for the current month is greater than 10 kVA, as measured in the Retail Customer’s fifteen-minute period of highest demand, or whose peak demand exceeded 10 kVA in any of the previous eleven months.

Temporary Service. This Rate Schedule is also applicable to Retail Customers who need Delivery Service at Secondary Distribution Voltage levels on a temporary basis for construction activities, for emergency shelters and temporary housing facilities managed by the Federal Emergency Management Agency or other state or federal agency after a natural or other disaster, and for other temporary facilities or purposes as determined by Company. The Company’s construction of Delivery System facilities for the provision of such temporary Delivery Service is subject to the Company’s Construction Services Policy in Section 6.1.2.2 of this Tariff.

Sub-Metering. The Electric Power and Energy delivered may not be re-metered or sub-metered by the Retail Customer for resale except pursuant to lawful sub-metering regulations of Applicable Legal Authorities.

Municipal Account Franchise Credit. A credit equal to the amount of franchise fees included in the Transmission and Distribution Charges will be applied to municipal accounts receiving

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service within the incorporated limits of such municipality which imposes a municipal franchise fee upon the Company based on the Billing kVA within that municipality and who have signed an appropriate Franchise Agreement.

Adjustment To The Charges Applied To Retail Customer's Demand Measurement. If data to determine the Retail Customer's *Demand Measurement* becomes no longer available, the Company will determine a *Conversion Factor* which will be used as an adjustment to all per unit charges that will then be applied to the *New Demand Measurement*. *Demand Measurement* shall include the Billing kVA, the 4 CP kVA, NCP kVA or any other demand measurement required for billing under this Rate Schedule or any applicable rider(s) or any other applicable schedule(s). *New Demand Measurement* shall be the billing determinants which replace the *Demand Measurement*. The *Conversion Factor* will apply to unit prices per kVA such that when applied to the *New Demand Measurement*, the revenue derived by the Company under demand based charges shall be unaffected by such lack of data.

This adjustment may become necessary because of changes in metering capabilities, such as, Meters that record and /or measure kW with no ability to determine kVA or Meters which meter data in intervals other than 15 minutes. This adjustment also may become necessary due to changes in rules, laws, procedures or other directives which might dictate or recommend that Electric Power and Energy, electric power related transactions, wire charges, nonbypassable charges and/or other transactions measure demand in a way that is inconsistent with the definitions and procedures stated in the Company's Tariff. This adjustment is applicable not only in the instances enumerated above but also for any and all other changes in *Demand Measurement* which would prevent the Company from obtaining the necessary data to determine the kVA quantities defined in this Rate Schedule, applicable Riders and other applicable schedules.

The Conversion Factor shall render the Company revenue neutral to any change in *Demand Measurement* as described above.

On-Site Generation. Delivery Service under this Rate Schedule to a Retail Customer with on-site distributed generation (as defined in section 25.211 of the Commission's rules) may also be subject to the terms, conditions, fees and charges set out in Section 6.1.2.4 of this Tariff, regarding the interconnection and parallel operation of distributed generation.

### NOTICE

This Rate Schedule is subject to the Company's Tariff and Applicable Legal Authorities.

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### 6.1.1.1.4 PRIMARY SERVICE

#### AVAILABILITY

This schedule is available to Retail Customers requesting Delivery Service for non-Residential Purposes at Primary Distribution Voltage levels when such Delivery Service is to one Point of Delivery and measured through one Meter; except that, at Company's option, locations where the Retail Customer's Electrical Installation or Premises has multiple connections to Company's Delivery System, due to Company facility limitations or design criteria, may be considered one Point of Delivery for billing purposes; and provided, however, that Delivery Service under this schedule is available only to Retail Customers able to take Delivery Service directly from feeder lines of at least 12,470 volts but less than 60,000 volts.

#### MONTHLY RATE

##### I. Transmission and Distribution Charges:

Customer Charge		
Non-IDR Metered	<del>\$4.51</del> <u>\$9.95</u>	per Retail Customer per Month
<u>IDR or IDR Capable AMS</u> Metered	<del>\$57.14</del> <u>\$49.78</u>	per Retail Customer per Month
Metering Charge		
	<del>\$284.78</del>	
Non-IDR Metered	<del>\$368.50</del>	per Meter per Month
<u>IDR or IDR Capable AMS</u> Metered	<del>\$175.97</del> <u>\$94.06</u>	per Meter per Month
Transmission System Charge		
Non-IDR Metered	\$0.00	per NCP kVA
<u>IDR or IDR Capable AMS</u> Metered	\$0.00	per 4CP kVA
	<del>\$2.334540</del>	
Distribution System Charge	<u>\$3.271110</u>	per Billing kVA

##### II. Transition Charge:

See Schedules ~~TC2, TC3, SRC, and~~ TC5

##### III. Nuclear Decommissioning Charge:

See Rider NDC

##### IV. Transmission Cost Recovery Factor:

See Rider TCRF

##### V. Competitive Metering Credit:

See Rider CMC

##### VI. Other Charges or Credits:

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A. Municipal Account Franchise Credit (see application and explanation below)	<del>(\$0.587486)</del> (\$0.631810)	per Billing kVA
B. Rate Case Expenses Surcharge		See Rider RCE
C. Energy Efficiency Cost Recovery Factor		See Rider EECRF
<del>D. Accumulated Deferred Federal Income Tax Credit</del>		<del>See Rider ADFITC</del>
<u>D.E.</u> Distribution Cost Recovery Factor		See Rider DCRF
<u>E.F.</u> Temporary Emergency Electric Energy Facilities		See Rider TEEEF
<u>F. Inflation Reduction Act 2022</u>		See Rider IRA

### TERMS OF SERVICE

#### DETERMINATION OF BILLING DEMAND FOR TRANSMISSION SYSTEM CHARGES

Application of IDR or IDR Capable AMS Metered Charges. The IDR or IDR Capable AMS Metered charges listed in the Monthly Rate section of this Rate Schedule are applicable to Retail Customers who have established an NCP demand greater than 700 kVA in any previous billing month, and to Retail Customers who were billed on a 4CP kVA basis prior to the effective date of this Rate Schedule, regardless of whether their Meter is an IDR, IDR Capable AMS Meter, a Standard Meter or other Meter.

Determination of NCP kVA. The NCP kVA applicable under the Monthly Rate section shall be the kVA supplied during the 15-minute period of maximum use during the billing month.

Determination of 4 CP kVA. The 4 CP kVA applicable under the Monthly Rate section shall be the average of the Retail Customer's integrated 15 minute demands at the time of the monthly ERCOT system 15 minute peak demand for the months of June, July, August and September of the previous calendar year. The Retail Customer's average 4CP demand will be updated effective with the February billing month of each year and remain fixed for a year. Retail Customer's previous metered usage under this or any other Rate Schedule will be used, as needed, in determining the billing determinants under the Monthly Rate section. Retail Customers without previous history on which to determine their 4 CP kVA will be billed at the applicable NCP rate under the "Transmission System Charge" using the Retail Customer's NCP kVA.

#### DETERMINATION OF BILLING DEMAND FOR DISTRIBUTION SYSTEM CHARGES

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Determination of Billing kVA. For loads whose maximum NCP kVA established in the 11 months preceding the current billing month is less than or equal to 20 kVA, the Billing kVA applicable to the Distribution System Charge shall be the NCP kVA for the current billing month. For all other loads, the Billing kVA applicable to the Distribution System Charge shall be the higher of the NCP kVA for the current billing month or 80% of the highest monthly NCP kVA established in the 11 months preceding the current billing month (80% ratchet). The 80% ratchet shall not apply to seasonal agricultural Retail Customers.

### OTHER PROVISIONS

Type of Service. The standard Delivery Service under this Rate Schedule will be single or three-phase, 60 hertz, at the Company's standard Primary Distribution Voltage levels described in Section 6.2.2 of this Tariff and in the Service Standards.

Metering Equipment. Delivery Service under this Rate Schedule will be metered using Company's Standard Meter provided for this type of Delivery Service. Any other metering option(s) requested by Retail Customer will be provided at an additional charge and/or will be provided by a Meter Owner other than the Company pursuant to Applicable Legal Authorities.

Construction Services. Where Construction Services are required to initiate Delivery Service under this Rate Schedule, additional charges and special contract arrangements may be required prior to Delivery Service being furnished, pursuant to the Company's Construction Services Policy in Section 6.1.2.2 of this Tariff.

Temporary Service. This rate schedule is also applicable to Retail Customers who need Delivery Service at Primary Distribution Voltage levels on a temporary basis for construction activities, for emergency shelters and temporary housing facilities managed by the Federal Emergency Management Agency or other state or federal agency after a natural or other disaster, and for other temporary facilities or purposes as determined by Company. The Company's construction of Delivery System facilities for the provision of such temporary Delivery Service is subject to the Company's Construction Services Policy in Section 6.1.2.2 of this Tariff.

Sub-Metering. The Electric Power and Energy delivered may not be re-metered or sub-metered by the Retail Customer for resale except pursuant to lawful sub-metering regulations of Applicable Legal Authorities.

Municipal Account Franchise Credit. A credit equal to the amount of franchise fees included in the Transmission and Distribution Charges will be applied to municipal accounts receiving service within the incorporated limits of such municipality which imposes a municipal franchise fee upon the Company based on the Billing kVA within that municipality and who have signed an appropriate Franchise Agreement.

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Adjustment To The Charges Applied To Retail Customer's Demand Measurement. If data to determine the Retail Customer's *Demand Measurement* becomes no longer available, the Company will determine a *Conversion Factor* which will be used as an adjustment to all per unit charges that will then be applied to the *New Demand Measurement*. *Demand Measurement* shall include the Billing

kVA, the 4 CP kVA, NCP kVA or any other demand measurement required for billing under this Rate Schedule or any applicable Rider(s) or any other applicable schedule(s). *New Demand Measurement* shall be the billing determinants which replace the *Demand Measurement*. The *Conversion Factor* will apply to unit prices per kVA such that when applied to the *New Demand Measurement*, the revenue derived by the Company under demand based charges shall be unaffected by such lack of data.

This adjustment may become necessary because of changes in metering capabilities, such as, Meters that record and /or measure kW with no ability to determine kVA or Meters which meter data in intervals other than 15 minutes. This adjustment also may become necessary due to changes in rules, laws, procedures or other directives which might dictate or recommend that Electric Power and Energy, electric power related transactions, wire charges, nonbypassable charges and/or other transactions measure demand in a way that is inconsistent with the definitions and procedures stated in the Company's Tariff. This adjustment is applicable not only in the instances enumerated above but also for any and all other changes in *Demand Measurement* which would prevent the Company from obtaining the necessary data to determine the kVA quantities defined in this Rate Schedule, applicable Riders and other applicable schedules.

The Conversion Factor shall render the Company revenue neutral to any change in *Demand Measurement* as described above.

Metering Adjustment. The Company may at its option measure service on the secondary side of the Retail Customer's transformers in which event the kVA and kWh recorded by the Billing Meter will be adjusted to compensate for transformer losses as follows: (1) where the Retail Customer's installed substation capacity is 600 kVA or less, the kVA will be increased by 2% and the kWh will be increased by 3%; or (2) where the Retail Customer's installed substation capacity is in excess of 600 kVA, the kVA and kWh will be increased by proper respective adjustments based upon data furnished by the manufacturer. In the event the manufacturer is unable to supply the necessary data, the adjustment will be based on tests conducted on the Retail Customer's transformers by the Company.

On-Site Generation. Delivery Service under this Rate Schedule to a Retail Customer with on-site distributed generation (as defined in section 25.211 of the Commission's rules) may also be subject to the terms, conditions, fees and charges set out in Section 6.1.2.4 of this Tariff, regarding the interconnection and parallel operation of distributed generation.

### NOTICE

This Rate Schedule is subject to the Company's Tariff and Applicable Legal Authorities.



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### 6.1.1.1.5 TRANSMISSION SERVICE

#### AVAILABILITY

This schedule is available to Retail Customers requesting Delivery Service for non-Residential Purposes at Transmission Voltage levels when such Delivery Service is to one Point of Delivery and measured through one Meter, except that, at Company's option, locations where the Retail Customer's Electrical Installation or Premises has multiple connections to Company's Delivery System, due to Company facility limitations or design criteria, may be considered one Point of Delivery for billing purposes.

#### MONTHLY RATE

##### I. Transmission and Distribution Charges:

Customer Charge	<del>\$209.26</del> <u>\$161.68</u>	per Retail Customer per month
Metering Charge	<del>\$799.36</del> <u>\$615.98</u>	per Meter per month
Transmission System Charge	\$0.00	per 4CP kVA
Distribution System Charge	<del>\$0.594950</del> <u>\$0.567260</u>	per 4CP kVA

##### II. Transition Charge:

See Schedules ~~TC2, TC3, and~~  
TC5

##### III. Nuclear Decommissioning Charge:

See Rider NDC

##### IV. Transmission Cost Recovery Factor:

See Rider TCRF

##### V. Competitive Metering Credit:

See Rider CMC

##### VI. Other Charges or Credits:

A. Municipal Account Franchise Credit (see application and explanation below)	<del>(\$0.000779)</del> <u>(\$0.000649)</u>	per kWh
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B. Rate Case Expenses Surcharge	See Rider RCE
C. Energy Efficiency Cost Recovery Factor	See Rider EECRF
D. Distribution Cost Recovery Factor	See Rider DCRF
E. Temporary Emergency Electric Energy Facilities	See Rider TEEEF
<u>F. Inflation Reduction Act 2022</u>	<u>See Rider IRA</u>
<u>G. Customer Load Study Charge</u>	<u>See Terms of Service</u>

## TERMS OF SERVICE

### DETERMINATION OF BILLING DEMAND FOR TRANSMISSION SYSTEM CHARGES AND DISTRIBUTION SYSTEM CHARGES

Determination of NCP kVA. The NCP kVA applicable under the Monthly Rate section shall be the kVA supplied during the 15 minute period of maximum use during the billing month.

Determination Of 4 CP kVA. The 4 CP kVA applicable under the Monthly Rate section shall be the average of the Retail Customer's integrated 15 minute demands at the time of the monthly ERCOT system 15-minute peak demand for the months of June, July, August and September of the previous calendar year. The Retail Customer's average 4CP demand will be updated effective with the February billing month of each year and remain fixed for a year. Retail Customer's previous metered usage under this or any other rate schedule will be used, as needed, in determining the billing determinants under the Monthly Rate section. Retail Customers without previous history on which to determine their 4 CP kVA will be billed based on estimated 4 CP kVA in accordance with the following procedures:

- (a) Retail Customers having IDR data for fewer than 4 CP kVA, but at least 2 CP kVA, will be billed based on the average of the actual CP kVA, so long as the CP kVA are representative of the Retail Customer's expected load, as derived from engineering estimates. If the CP kVA are not representative of the expected load, the estimated 4 CP kVA will be set based on mutual agreement between the Retail Customer and the Company.

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- (b) Retail Customers that do not have at least 2 CP kVA will be billed by estimating the Retail Customer's 4 CP kVA demand by applying a class coincidence factor to the Retail Customer's NCP kVA, using the formula:

$$\text{Estimated 4 CP kVA} = (\text{NCP kVA} * \text{TCCF})$$

Where:

NCP kVA is the highest 15-minute integrated demand of an individual Retail Customer served at transmission voltage during the month; and

TCCF is the transmission class coincidence factor for the months June, July, August, and September calculated from the Company's most recent general rate case proceeding using the following formula:

$$\text{TCCF} = \frac{\sum \text{Class CP}_1 \text{ kVA for June, July, August, September}}{\sum \text{Class NCP kVA for June, July, August, September}} = \frac{0.784009}{0.873222}$$

Where:

Class CP kVA is the transmission voltage rate class' 15-minute demand at the time of the ERCOT CP and Class NCP kVA is the transmission voltage class' maximum 15-minute demand during a month.

### OTHER PROVISIONS

Type of Service. The standard Delivery Service under this Rate Schedule will be three-phase, 60 hertz, at the Company's standard Transmission Voltage levels described in Section 6.2.2 of this Tariff and in the Service Standards.

Metering Equipment. Delivery Service under this Rate Schedule will be metered using Company's Standard Meter provided for this type of Delivery Service. Any other metering option(s) requested by Retail Customer will be provided at an additional charge and/or will be provided by a Meter Owner other than the Company pursuant to Applicable Legal Authorities. The Company may install remote metering equipment to obtain information with which to determine the amount of the monthly bill. Retail Customer may have metering instruments installed to check the service supplied under this Rate Schedule in accordance with the provisions of the Tariff.

Construction Services. Where Construction Services are required to initiate Delivery Service under this Rate Schedule, additional charges and special contract arrangements may be required prior to Delivery Service being furnished, pursuant to the Company's Construction Services Policy in Section 6.1.2.2 of this Tariff.

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Customer Load Study Charge. Company may conduct a load study for Retail Customers requesting Delivery Service under this Rate Schedule for a new load or load addition of 10 MW or more, and Company will charge, and Retail Customer must pay, an additional charge of \$50,000.00 for the load study. The Company will waive this load study requirement and study fee for new loads and load additions of less than 10 MW, unless Company or ERCOT determines that a load study is required prior to connecting the new or additional load of less than 10 MW to the Transmission Voltage System. Additionally, if Company or ERCOT require a stability study to be performed, an additional charge of \$50,000.00 will be applied to Retail Customer, for a total of \$100,000.00.

Retail Customer Responsibilities. The Retail Customer shall own, operate, and maintain all facilities (except Company owned Billing Meter) necessary to receive three-phase, 60 hertz alternating current service at 60,000 volts or higher. Each Retail Customer served at Transmission Voltage shall comply with Company's operating requirements for transmission customers.

Sub-Metering. The Electric Power and Energy delivered under this Rate Schedule may not be re-metered or sub-metered by the Retail Customer for resale or sharing except pursuant to lawful sub-metering regulations of Applicable Legal Authorities.

On-Site Generation. If Retail Customer taking Delivery Service under this Rate Schedule has on-site electric generating capacity installed, additional contract arrangements may be required pursuant to section 5 of the Company's Construction Services Policy in Section 6.1.2.2 of this Tariff if less than 10 MW or pursuant to ERCOT guidelines and procedures if 10 MW or greater.

Municipal Account Franchise Credit. A credit equal to the amount of franchise fees included in the Transmission and Distribution Charges will be applied to municipal accounts receiving service within the incorporated limits of such municipality which imposes a municipal franchise fee upon the Company based on the kWh delivered within that municipality and who have signed an appropriate Franchise Agreement.

Adjustment To The Charges Applied To Retail Customer's Demand Measurement. If data to determine the Retail Customer's *Demand Measurement* becomes no longer available, the Company will determine a *Conversion Factor* which will be used as an adjustment to all per unit charges that will then be applied to the *New Demand Measurement*. *Demand Measurement* shall include the Billing kVA, the 4 CP kVA, NCP kVA or any other demand measurement required for billing under this rate schedule or any applicable rider(s) or any other applicable schedule(s). *New Demand Measurement* shall be the billing determinants which replace the *Demand Measurement*. The *Conversion Factor* will apply to unit prices per kVA such that when applied to the *New Demand Measurement*, the revenue derived by the Company under demand based charges shall be unaffected by such lack of data.

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This adjustment may become necessary because of changes in metering capabilities, such as, meters that record and /or measure kW with no ability to determine kVA or meters which meter data in intervals other than 15 minutes. This adjustment also may become necessary due to changes in rules, laws, procedures other directives which might dictate or recommend that electric power, electric power related transactions, wire charges, nonbypassable charges and/or other transactions measure demand in a way that is inconsistent with the definitions and procedures stated in the Company's Tariff. This adjustment is applicable not only in the instances enumerated above but also for any and all other changes in *Demand Measurement* which would prevent the Company from obtaining the necessary data to determine the kVA quantities defined in this rate schedule, applicable riders and other applicable schedules.

The Conversion Factor shall render the Company revenue neutral to any change in *Demand Measurement* as described above.

Metering Adjustment. The Company may at its option measure service on the low voltage side of the Retail Customer's transformers in which event the kVA and kWh recorded by the Billing Meter will be adjusted to compensate for transformer losses on the basis of data furnished by the manufacturer of the Retail Customer's transformers. When the manufacturer is unable to supply the necessary data the adjustment will be based on tests conducted by the Company on the Retail Customer's transformers.

### NOTICE

This Rate Schedule is subject to the Company's Tariff and Applicable Legal Authorities.

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### 6.1.1.1.6 LIGHTING SERVICES (Street Lighting and Miscellaneous Lighting Services)

#### **STREET LIGHTING SERVICE**

##### **AVAILABILITY**

Street lighting service is available to cities, governmental agencies, real estate developers and other groups (herein referred to as Retail Customers) requesting the installation of Company-owned and maintained street lighting systems along public streets, roadways or other public access areas in accordance with Section 6.1.2.2, Construction Services, in this Tariff. Street lighting service is not applicable to privately-owned street lighting systems. Privately-owned street lighting systems may be eligible for Delivery Service under the Company's applicable rate schedule for Secondary or Primary Service.

##### **TYPE OF SERVICE**

Street lighting service consists of the installation of Company-owned street lights, fixtures, luminaires and lamps (collectively, Lamps) and (if requested by Retail Customer) ornamental standards along public streets, roadways or other public access areas in accordance with section 6 of the Company's Construction Services Policy in Section 6.1.2.2 of this Tariff, as well as the delivery of Electric Power and Energy at Company's standard Secondary Distribution Voltages to, and the maintenance and replacement of, such installations pursuant to the rates set forth in this Rate Schedule. If ornamental standards are not requested by Retail Customer, the Lamp installations will be mounted on the Company's existing distribution poles, if available, and served by overhead conductors. The Company's standard Lamp type for all street lighting service installations and replacements is Light Emitting Diode (LED). A Retail Customer's request for a non-standard Lamp type will be subject to the availability of the Lamp type in Company's inventory. The Company is no longer Procuring non-standard Lamp types for its inventory.

Street lighting service will be provided at various voltages as determined by the Company. Delivery Service under this Rate Schedule is an Unmetered Service. Company will install, own and maintain the street lighting service installations provided hereunder. Company's street lighting service is built to NESC standards. At the request of Customer and at Company's discretion, Company may build to other standards, with Customer being responsible for any difference in cost. All street Lamps, including LED Lamps, will burn out and/or dim over time, and therefore the lumens delivered by a street Lamp will vary over time and will vary from Lamp to Lamp. Company will replace burned out street Lamps, and/or make maintenance repairs during regular working hours, at its own cost and expense and will generally have the lighting service restored within 72 hours after notification by the Retail Customer, but with no adjustment of payments hereunder due to outage or varying levels of lumens. Street Lamps furnished hereunder shall operate under normal conditions from approximately thirty minutes after sunset to

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approximately thirty minutes before sunrise every night in the year and the assumed total time of operations will be approximately four thousand (4,000) hours each year for each light furnished.

### MONTHLY RATE

#### I. Transmission and Distribution Charges

The monthly charges listed in the table below cover the provision of Delivery Service to street lighting systems requested by Retail Customer and installed by Company pursuant to this Rate Schedule, including the maintenance but excluding the installation of those systems. Charges for the installation of street lighting systems are governed by the Construction Services Policy in Section 6.1.2.2 of this Tariff.

In addition to the following monthly charges per Lamp, an additional ~~\$0.89~~\$1.13 per month will be charged for each Lamp with a break-away base if requested by Retail Customer and installed by Company.

Initial Lumen	Lamp Type Watt (Bulb Only)	Schedule A*	Schedule B*	Schedule C*	Schedule D*	Schedule E*	Monthly KWH
<b>Mercury Vapor</b>							
22,600 Lumen	400	<del>\$3.94</del> <u>\$3.78</u>	<del>\$16.37</del> <u>N.A.</u>	N.A.	<del>\$11.46</del> <u>\$14.34</u>	<del>\$10.19</del> <u>N.A.</u>	150
7,800 Lumen	175	<del>\$3.46</del> <u>\$3.42</u>	N.A.	N.A.	<del>\$10.98</del> <u>\$13.98</u>	N.A.	69
4,200 Lumen	100	<del>\$3.48</del> <u>\$3.43</u>	<del>\$15.97</del> <u>\$19.58</u>	N.A.	<del>\$11.00</del> <u>\$13.99</u>	N.A.	41
<b>High Pressure Sodium Vapor</b>							
50,000 Lumen	400	<del>\$3.91</del> <u>\$3.87</u>	<del>\$16.35</del> <u>N.A.</u>	N.A.	<del>\$11.43</del> <u>\$14.43</u>	<del>\$10.16</del> <u>\$11.99</u>	160
28,000 Lumen	250	<del>\$3.80</del> <u>\$3.77</u>	<del>\$16.23</del> <u>\$19.91</u>	<del>\$8.94</del> <u>11.14</u>	<del>\$11.32</del> <u>\$14.32</u>	<del>\$10.05</del> <u>\$11.89</u>	106
15,000 Lumen	150	<del>\$3.69</del> <u>\$4.37</u>	<del>\$16.13</del> <u>\$20.52</u>	<del>\$8.83</del> <u>N.A.</u>	<del>\$11.21</del> <u>\$14.93</u>	<del>\$9.94</del> <u>\$12.49</u>	58
9,500 Lumen	100	<del>\$3.67</del> <u>\$4.37</u>	<del>\$16.08</del> <u>\$20.48</u>	N.A.	<del>\$11.19</del> <u>\$14.93</u>	<del>\$9.93</del> <u>\$12.49</u>	38
6,000 Lumen	70	<del>\$3.64</del> <u>\$3.66</u>	<del>\$16.08</del> <u>\$19.80</u>	N.A.	<del>\$11.16</del> <u>\$14.22</u>	N.A.	29
<b>Metal Halide</b>							
32,200 Lumen	400	<del>\$4.94</del> <u>\$3.79</u>	N.A.	N.A.	<del>\$17.25</del> <u>\$18.15</u>	<del>\$14.11</del> <u>\$14.59</u>	159
19,475 Lumen	250	<del>\$9.14</del> <u>\$7.67</u>	N.A.	N.A.	<del>\$16.50</del> <u>\$18.23</u>	<del>\$13.34</del> <u>\$14.66</u>	96



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12,900 Lumen	175	<del>\$7.22</del> <u>N.A.</u>	N.A.	N.A.	<del>\$14.67</del> <u>\$16.48</u>	<del>\$12.52</del> <u>\$13.51</u>	70
7,900 Lumen	100	<del>\$6.63</del> <u>\$5.66</u>	N.A.	N.A.	<del>\$14.08</del> <u>\$16.22</u>	<del>\$11.93</del> <u>\$13.25</u>	40
<b>Light Emitting Diode (LED)</b>							
15,100 Lumen	<del>180</del> <u>116-180</u>	<del>\$4.57</del> <u>\$5.25</u>	N.A.	N.A.	<del>\$6.05</del> <u>\$15.81</u>	<del>\$22.19</del> <u>\$13.52</u>	64 <u>53</u>
10,850 Lumen	<del>115</del> <u>71-115</u>	<del>\$4.20</del> <u>\$3.74</u>	<del>\$16.66</del> <u>\$19.86</u>	<del>\$19.23</del> <u>\$11.24</u>	<del>\$11.74</del> <u>\$14.30</u>	<del>\$10.73</del> <u>\$12.01</u>	<del>38</del> <u>36</u>
7,900 Lumen	<del>95</del> <u>46-70</u>	<del>\$3.86</del> <u>\$3.71</u>	<del>\$16.31</del> <u>\$19.85</u>	<del>\$9.27</del> <u>\$11.24</u>	<del>\$11.39</del> <u>\$14.27</u>	<del>\$10.38</del> <u>\$11.98</u>	<del>32</del> <u>28</u>
4,800 Lumen	<del>45</del> <u>21-45</u>	<del>\$3.47</del> <u>\$3.71</u>	<del>\$15.93</del> <u>\$19.45</u>	N.A.	<del>\$11.01</del> <u>\$14.27</u>	<del>\$10.00</del> <u>\$11.98</u>	<del>17</del> <u>15</u>
2,000 Lumen	<del>20</del> <u>0-20</u>	<del>\$3.47</del> <u>\$3.71</u>	N.A.	N.A.	<del>\$11.01</del> <u>\$14.27</u>	N.A.	8

\* DESCRIPTION OF LIGHTING CONFIGURATIONS

- Schedule A -one or more Lamps mounted on existing distribution poles and served by overhead conductors.  
 Schedule B -single Lamp mounted on ornamental standard and served by overhead conductors. Limited to existing installations.  
 Schedule C -twin Lamps mounted on ornamental standard and served by overhead conductors. Limited to existing installations.  
 Schedule D -single Lamp mounted on ornamental standard and served by underground conductors, or decorative residential street lights.  
 Schedule E -twin Lamps mounted on ornamental standard and served by underground conductors.

- II. **Transition Charge:** See Schedules ~~TC2, TC3, SRC, and TC5~~
- III. **Nuclear Decommissioning Charge:** See Rider NDC
- IV. **Transmission Cost Recovery Factor:** See Rider TCRF
- V. **Other Charges or Credits:**
- A. Municipal Account Franchise Credit (~~\$0.001597~~)  
 (see application and explanation below) (\$0.001585) per kWh
- B. Rate Case Expenses Surcharge See Rider RCE



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C. Energy Efficiency Cost Recovery Factor See Rider EECRF

~~D. Accumulated Deferred Federal  
Income Tax Credit~~ See Rider ~~ADFIT~~

~~D.E.~~ Distribution Cost Recovery Factor See Rider DCRF

~~E.F.~~ Temporary Emergency Electric Energy  
Facilities See Rider TEEEF

F. Inflation Reduction Act 2022 See Rider IRA

### OTHER PROVISIONS

Municipal Account Franchise Credit. A credit equal to the amount of franchise fees included in the Transmission and Distribution Charges will be applied to municipal accounts receiving service within the incorporated limits of such municipality which imposes a municipal franchise fee upon the Company based on the kWh within that municipality and who have signed an appropriate Franchise Agreement.

LED Street Lamp Lumen Levels. By choosing an LED street lighting option, Retail Customer (1) acknowledges that there will be variances in lumen levels and energy consumption between individual LED Lamps and between an LED Lamp and the applicable lumen and watt levels for the Lamp set forth in the table above, and (2) agrees to not hold Company liable for any variations in LED Lamp performance.

The Initial Lumen and Watt levels shown in the table above for LED street lights reflect a target average lumen output and a target average wattage level range and may not be representative of any particular LED Lamp.

The Monthly KWH level shown in the table above for LED street Lamps reflects a target average KWH level and may not be representative of any particular LED luminaire.

### MISCELLANEOUS LIGHTING SERVICE

#### AVAILABILITY

Miscellaneous Lighting Service is available in areas designated by Company with suitable locations, where permission for installation has been granted by all affected parties, and where facilities of adequate capacity and suitable voltage are adjacent to the lighting fixture(s) to be served. All new fixtures installed by Company for the provision of Miscellaneous Lighting Service must be purchased from a third-party vendor and owned by the Retail Customer or the Retail

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Customer's REP ("Customer Owned Installation" or "Customer Owned Fixture"). All Customer Owned Fixtures must be approved by Company prior to installation and must conform to one of the lamp types described in the table below, except that metal halide and mercury vapor fixtures will no longer be approved by Company for installation as Customer Owned Fixtures. Existing Company owned fixtures will continue to be owned by the Company ("Company Owned Installation" or "Company Owned Fixture"). Miscellaneous Lighting Service consists of the delivery of electric power and energy to, and the installation and maintenance of lighting fixtures, as described herein. Retail Customer's electric power and energy must be provided by the Retail Customer's REP in accordance with Applicable Legal Authorities and the Company's Tariff.

### TYPE OF SERVICE

Miscellaneous Lighting Service is provided as an Unmetered Service at Company's standard secondary distribution voltages to Customer Owned and Company Owned Fixtures which operate automatically every night from dusk to dawn. The Company will install, make electrical connection(s), and maintain the lighting fixture(s), whether Customer Owned or Company Owned.

Charges for services shall commence on the date that the electrical connection is made.

### MONTHLY RATE

#### I. Transmission and Distribution Charges

In addition to the installation charges described below for Customer Owned Fixtures, the following monthly charges apply to Miscellaneous Lighting Service.

- A. Only the T&D Charge below is applicable to Customer Owned Installations.
- B. The T&D Charge and the Fixture Charge below are applicable to Company Owned Installations. In addition to the T&D Charge and the Fixture Charge for each lamp type in the table below, an additional charge of ~~\$2.16~~\$2.80 per month is charged for a span of secondary which was installed exclusively for Miscellaneous Lighting Service and Retail Customer did not reimburse Company for construction cost (applies only to installations existing as of 1-1-2002).

<u>TYPE OF LAMP</u>	<u>T&amp;D CHARGE</u>	<u>LUMEN RATING</u>	<u>TOTAL WATTAGE</u>	<u>FIXTURE CHARGE<sup>1</sup></u>	<u>MONTHLY KWH</u>
<u>Floodlighting/Directional Lighting</u>					
-	-				
<b>High Pressure Sodium</b>					
High Pressure Sodium (150 watts)	<del>\$3.39</del> <u>\$2.89</u>	15,000	185	<del>\$3.76</del> <u>\$5.51</u>	<u>61</u>

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<b><u>TYPE OF LAMP</u></b>	<b><u>T&amp;D CHARGE</u></b>	<b><u>LUMEN RATING</u></b>	<b><u>TOTAL WATTAGE</u></b>	<b><u>FIXTURE CHARGE<sup>1</sup></u></b>	<b><u>MONTHLY KWH</u></b>
High Pressure Sodium (250 watts)	<del>\$4.12</del> <u>\$3.18</u>	28,000	315	<del>\$4.49</del> <u>\$6.00</u>	<u>105</u>
High Pressure Sodium (400 watts)	<del>\$3.69</del> <u>\$3.46</u>	50,000	475	<del>\$4.06</del> <u>\$6.48</u>	<u>158</u>
High Pressure Sodium (1,000 watts)	<del>\$6.94</del> <u>\$3.78</u>	140,000	1,100	N.A.	<u>367</u>
<b>Light Emitting Diode (LED)</b>					
Light Emitting Diode (40 watts)	<del>\$3.39</del> <u>\$0.66</u>	4,800	40	<del>\$3.76</del> <u>\$1.26</u>	14
<b>LED Alternative For 150W High Pressure Sodium</b>					
Light Emitting Diode (70 watts)	<del>\$4.12</del> <u>\$2.84</u>	7,900	70	<del>\$4.49</del> <u>\$2.51</u>	24
<b>LED Alternative For 250W High Pressure Sodium</b>					
Light Emitting Diode (100 watts)	<del>\$3.69</del> <u>\$2.90</u>	11,300	100	<del>\$4.06</del> <u>\$2.56</u>	33
<b>LED Alternative For 400W High Pressure Sodium</b>					
Light Emitting Diode (175 watts)	<del>\$6.94</del> <u>\$2.89</u>	15,100	175	N.A.	58
<b>LED Alternative For 1,000W High Pressure Sodium</b>					
<b>Metal Halide</b>					
Metal Halide (175w) (no new installations)	<del>\$9.24</del> <u>\$5.11</u>	12,900	210	N/A	70
Metal Halide (250w) (no new installations)	<del>\$17.08</del> <u>\$9.61</u>	19,475	294	N/A	98
Metal Halide (400 w) (no new installations)	<del>\$6.96</del> <u>\$3.88</u>	32,200	476	N/A	159
Metal Halide (1,000w) (no new installations)	<del>\$13.44</del> <u>\$7.33</u>	104,500	1,100	N/A	367
<b>Roadway/General Lighting</b>					
High Pressure Sodium (150 watts)	<del>\$2.30</del> <u>\$2.36</u>	15,000	185	<del>\$2.42</del> <u>\$4.34</u>	61
Light Emitting Diode (95 watts)	<del>\$2.30</del> <u>\$2.36</u>	7,900	95	<del>\$2.42</del> <u>\$4.34</u>	32
<b>LED Alternative For 150W High Pressure Sodium</b>					
<b>Guard Lighting</b>					
High Pressure Sodium (100 watts)	<del>\$2.29</del> <u>\$1.80</u>	9,500	120	<del>\$2.42</del> <u>\$3.38</u>	40
Mercury Vapor (no new installations)	<u>\$1.24</u>	<u>7,800</u>	<u>215</u>	<u>\$2.43</u>	<u>72</u>
Light Emitting Diode (40 watts)	<del>\$2.29</del> <u>\$1.80</u>	4,800	40	<del>\$2.42</del> <u>\$3.38</u>	14
<b>LED Alternative For 100W High Pressure Sodium</b>					

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<sup>1</sup> Applies only to Company Owned Fixtures that are Company-owned and installed prior to September 1, 2000.

<b>II. Transition Charge:</b>	See Schedules <del>TC2, TC3,</del> <del>SRC, and</del> TC5
<b>III. Nuclear Decommissioning Charge:</b>	See Rider NDC
<b>IV. Transmission Cost Recovery Factor:</b>	See Rider TCRF
<b>V. Other Charges or Credits:</b>	
A. Municipal Account Franchise Credit (see application and explanation below)	<del>(\$0.002372)</del> <u>(\$0.002372)</u> per kWh
B. Rate Case Expenses Surcharge	See Rider RCE
C. Energy Efficiency Cost Recovery Factor	See Rider EECRF
<del>D. Accumulated Deferred Federal Income Tax Credit</del>	<del>See Rider ADFIT</del>
<del>D.E.</del> Distribution Cost Recovery Factor	See Rider DCRF
<del>E.F.</del> Temporary Emergency Electric Energy Facilities	See Rider TEEEF
<u>F. Inflation Reduction Act 2022</u>	<u>See Rider IRA</u>

## OTHER PROVISIONS

Municipal Account Franchise Credit. A credit equal to the amount of franchise fees included in the Transmission and Distribution Charges will be applied to municipal accounts receiving service within the incorporated limits of such municipality which imposes a municipal franchise fee upon the Company based on the kWh within that municipality and who have signed an appropriate Franchise Agreement.

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Acceptable Lamp Types for Installation. For Miscellaneous Lighting Service, the Company no longer installs Customer Owned Fixtures that use mercury vapor or metal halide lighting. Only Customer Owned Fixtures using high pressure sodium or LED lighting are accepted by Company for installation. Existing mercury vapor and metal halide installations (whether Customer Owned Installations or Company Owned Installations) will be converted to the appropriate high pressure sodium or LED equivalent from time to time during the normal course of maintenance when individual lamps burn out. Mercury vapor Guard Lighting installations with 7,800 lumen lamps will be converted to 9,500 lumen high pressure sodium, at no up-front cost to the Retail Customer.

LED Lumen Levels. By choosing an LED miscellaneous lighting option, Retail Customer (1) acknowledges that there will be variances in lumen levels and energy consumption between individual LED lamps and between ~~the~~ an LED Lamp and the applicable lumen and watt levels for the other lamp types set forth in the table above, and (2) agrees to not hold Company liable for any variations in LED Lamp performance.

### **INSTALLATION AND MAINTENANCE FOR CUSTOMER OWNED FIXTURES**

Company will install and maintain the lighting fixture(s) served hereunder. For all Miscellaneous Lighting fixture installations except Guard Lighting fixtures, the Company will provide for each fixture the bulb and the photoelectric relay at the time of installation. Company will replace burned out lamps and make other maintenance repairs during Company's regular working hours at Company's expense, but with no adjustment of payments hereunder due to outage. Maintenance includes replacement of burned-out lamps (bulbs) and malfunctioning photoelectric relays.

Damages due to vandalism, storms, accidents or manufacturing defects are not included under maintenance. Generally, Company will make maintenance repairs under this tariff within 72 hours after notification by the Retail Customer or REP.

The Retail Customer will be charged a one-time fee per lighting fixture to cover the Company's standard installation as detailed below. Standard installation consists of installing the lighting fixture on an existing wooden distribution pole and connecting service supplied from an existing or new overhead secondary conductor on the pole as detailed below. Standard installations are made during normal Company business hours. The charges below include both the labor to install and eventually remove fixtures. Any additional construction and/or cost required to provide service will be at the Retail Customer's expense, for an additional charge. Any additional facilities so required will be owned, installed and maintained by the Company.

Retail Customer or REP must purchase/provide all lighting fixtures. Only un-metered lighting fixtures meeting Company Service Standards and specifications will be allowed under this tariff. The Retail Customer or REP will own the lighting fixture.

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<b>CUSTOMER OWNED FIXTURES STANDARD INSTALLATION FEES</b>	<b>One Light per Pole</b>	<b>Two Lights per Pole</b>	<b>Three Lights per Pole</b>
<b>Flood Light</b>			
<b>High Pressure Sodium</b>			
Installations without secondary			
150w, 250w, 400w	\$325	\$350	\$405
1000w	\$370	\$450	\$550
Installations with 150 feet of secondary			
150w, 250w, 400w	\$425	\$450	\$505
1000w	\$470	\$550	\$655
<b>Light Emitting Diode</b>			
Installations without secondary			
40w, 100w, 180w	\$325	\$350	\$405
	\$370	\$450	\$550
Installations with 150 feet of secondary			
40w, 100w, 180w	\$425	\$450	\$505
	\$470	\$550	\$655
<b>Guard Light</b>			
Installations without secondary			
100w HPS	\$325	N/A	N/A
Installations with secondary			
100w HPS	\$365	N/A	N/A
Installations without secondary			
100w LED	\$325	N/A	N/A
Installations with secondary			
100w LED	\$365	N/A	N/A
<b>Roadway Light</b>			
Installations without secondary			
150w HPS	\$335	N/A	N/A
Installations with secondary			
150w HPS	\$375	N/A	N/A
Installations without secondary			
95w LED	\$335	N/A	N/A
Installations with secondary			
150w HPS 95w LED	\$375	N/A	N/A

**INSTALLATION AND MAINTENANCE FOR COMPANY OWNED FIXTURES**

Company Owned Fixtures were installed by the Company before September 1, 2000. Company will replace burned out lamps and make other maintenance repairs during Company's regular working hours at Company's expense, but with no adjustment of payments hereunder due to outage. Maintenance includes replacement of burned-out lamps (bulbs) and malfunctioning photoelectric relays, and damages due to vandalism, storms, accidents or manufacturing defects.

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Generally, Company will make maintenance repairs under this tariff within 72 hours after notification by the Retail Customer or REP.

### EXTRAORDINARY MAINTENANCE ACTIVITIES

For Customer Owned Fixtures, Company will charge Retail Customer an additional fee as detailed below for each occurrence of the extraordinary maintenance activities listed hereunder.

<b>CUSTOMER OWNED FIXTURES EXTRAORDINARY MAINTENANCE FEE</b>	
<b>ACTIVITY</b>	<b>FEE</b>
(1) Replace a vandalized shield (parts and labor)	\$125.00
(2) Make adjustments to the fixture (labor only)	\$125.00
(3) Replace a fixture (labor only)	\$125.00
(4) Relocate a fixture (labor only)	As Calculated

### NOTICE

This Rate Schedule is subject to the Company's Tariff and Applicable Legal Authorities



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~~6.1.1.2 — SCHEDULE TC~~

~~6.1.1.2.2 SCHEDULE TC2 — TRANSITION CHARGES~~

~~SECTION 1: APPLICABILITY~~

~~This schedule sets out the rates and terms and conditions under which Transition Charges will be billed and collected by CenterPoint Energy Houston Electric, LLC (Company), any successor servicer(s) and any retail electric providers (REP) or collection agents billing or collecting Transition Charges on behalf of CenterPoint Energy Transition Bond Company II, LLC (SPE). The Transition Charges were authorized by the Financing Order approved by the Public Utility Commission of Texas (Commission) in Docket No. 30485 on March 16, 2005 (Financing Order). Pursuant to terms of the Financing Order and the requirements of Section 39.301 *et seq.* of the Texas Utilities Code, all of the Company's rights under the Financing Order, including the right to bill and collect Transition Charges and to adjust Transition Charges pursuant to this Schedule TC2, were transferred to the SPE in connection with the issuance of transition bonds. The rights transferred to the SPE are "transition property" of the SPE (as defined in Section 39.304 of the Utilities Code). On the effective date of this Schedule TC2, the Company will act as servicer on behalf of the SPE to bill, collect, receive and adjust Transition Charges imposed pursuant to this Schedule TC2. However, the SPE may select another party to serve as servicer or the Company may resign as servicer in accordance with the terms and subject to the conditions of the Servicing Agreement and the Financing Order. A successor servicer selected under these conditions will assume the obligations of the Company as servicer under this Schedule TC2. As used in this Schedule TC2, the term "Servicer" includes any successor servicer. All actions by the Company under this Schedule TC2, including collection of Transition Charges, will be undertaken solely in its role as servicer under the Servicing Agreement between the Company and the SPE dated as of December 16, 2005.~~

~~This schedule is applicable to:~~

- ~~1. Retail customers located within the certificated service area of Reliant Energy HL&P (HL&P) as such service area existed on May 1, 1999 who receive electric transmission and/or distribution service through a REP served by the Company and to the facilities, premises and loads of such retail customers;~~
- ~~2. Retail customers located within HL&P's certificated service area as it existed on May 1, 1999 who are presently receiving transmission and/or distribution service either directly from another utility, electric cooperative or municipally owned utility (T or D Provider) or through a REP served by another T or D Provider, and whose request to change service to the other T or D Provider was made after May 1, 1999;~~



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- ~~3. Retail customers located within HL&P's certificated service area as it existed on May 1, 1999 and who are served by New On Site Generation. New On Site Generation means "New On Site Generation" as defined in Section 25.345(c)(1) of the Commission's Substantive Rules.~~
- ~~4. REPs that serve retail customers located within HL&P's certificated service area as it existed on May 1, 1999.~~
- ~~5. Any other entity which, under the terms of the Financing Order or the Utilities Code, may be obligated to pay, bill, collect, or adjust the Transition Charges.~~
- ~~6. This schedule is applicable to public retail customers located within HL&P's certificated service area as it existed on May 1, 1999 who purchase power from the General Land Office as provided for in the Utilities Code, Section 35.102.~~

## **SECTION 2: CHARACTER OF TRANSITION CHARGES**

~~Transition Charges are non-bypassable charges. All Transition Charges other than those applicable to New On Site Generation are computed and paid on the basis of individual end-use retail customer consumption or demand. In accordance with Utilities Code Section 39.252(b) and Section 25.345(i)(3) of the Commission's Substantive Rules, the Transition Charges applicable to use of New On Site Generation that results in a "material reduction" of the customer's use of energy delivered through the Company's transmission and distribution facilities (as defined in Section 25.345(i)(4) of the Commission's Substantive Rules) are computed and paid based on the output of the on-site generation used to meet the internal electric requirements of the customer. Customers with New On Site Generation will also be required to pay the Transition Charges applicable to energy actually delivered to the Customer through the Company's facilities. Individual end-use retail customers are responsible for paying Transition Charges billed to them in accordance with the terms of this Schedule TC2 whether the charges are billed directly by Servicer or are included in the bills submitted to the customer by a REP or another entity. 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. The billing entity may be the Company, a successor servicer, a REP or an entity designated to collect Transition Charges in place of the REP.~~

~~The Transition Charges are separate charges to be paid in addition to any other applicable charges for services received. Although the Transition Charges are separate charges, they may be included within other charges of the billing entity.~~

~~The REP or entity designated to collect Transition Charges in place of the REP will pay Transition Charges (less an allowance for charge-offs calculated pursuant to this Schedule TC2) to Servicer in accordance with the requirements of the Financing Order and this Schedule TC2 whether or not it has collected the Transition Charges from its customers. To the extent that the REP's actual~~

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~~charge-offs differ from the charge-off allowance, adjustments will be made pursuant to this Schedule TC2. The REP will have no right to reimbursement other than as expressly set out in this Schedule TC2.~~

~~Servicer will remit collections to the SPE in accordance with the terms of the Servicing Agreement.~~

### **SECTION 3: TERM**

~~This Schedule TC2 is effective beginning on the date the transition bonds are issued. Schedule TC2 will remain in effect as provided in the Financing Order until the Transition Charges collected and remitted to the SPE are sufficient to satisfy all obligations of the SPE to pay principal and interest on the transition bonds (as due over the 14 year term of the transition bonds) and to pay all other qualified costs as provided in the Financing Order. However, in no event will the Transition Charges be billed for service provided after 15 years from issuance of the transition bonds, or sooner if the transition bonds are paid in full at an earlier date. This Schedule TC2 is irrevocable.~~

### **SECTION 4: TRANSITION CHARGE CLASSES**

~~Transition Charges are calculated and applied by Transition Charge Class. There are 15 Transition Charge Classes, nine of which are Capped Classes. Each Transition Charge Class is defined in terms of the base rate tariff classes that existed on HL&P's system on September 1, 1999 ("pre-restructuring rate schedules"). The Transition Charge Classes are defined as follows:~~

**~~Residential Class:~~** ~~The Residential Class is made up of (i) every customer that was served under HL&P rate schedule RS or RTD on the day before the customer discontinued taking service from HL&P under a pre-restructuring rate schedule, and (ii) each new customer that was not served by HL&P under any pre-restructuring rate schedule, but is the type of customer which, if it had been served by HL&P under pre-restructuring rate schedules would have qualified for service under HL&P's rate schedules RS or RTD.~~

**~~MGS Class:~~** ~~The MGS Class is made up of (i) every customer that was served under HL&P rate schedule MGS on the day before the customer discontinued taking service from HL&P on a pre-restructuring rate schedule, and (ii) each new customer that was not served by HL&P under any pre-restructuring rate schedule, but is the type of customer which, if it had been served by HL&P under a pre-restructuring rate schedule would have qualified for service under HL&P's rate schedule MGS and whose demand is estimated by the Company to be less than 400 kVa. This class includes customers served under Rider GLTC. Customers served under rate schedules EIS, HVP and CSB are included in the MGS class if the customer's contract for service from HL&P provided that the MGS rate was the basis for pricing.~~

**~~LGS Class:~~** ~~The LGS Class is made up of (i) every customer that was served under HL&P rate schedule LGS on the day before the customer discontinued taking service from HL&P~~



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~~on a pre-restructuring rate schedule, and (ii) each new customer that was not served by HL&P under any pre-restructuring rate schedule, but is the type of customer which, if it had been served by HL&P under a pre-restructuring rate schedule would have qualified for service under HL&P's rate schedules LGS and whose demand as estimated by the Company, if served at less than 60,000 volts, is 400 kVa or greater; or if served at 60,000 volts or greater, is at least 400 kVa but less than 2,000 kVa. This class includes customers served under Rider SEI. Customers served under rate schedules EIS, HVP and CSB are included in the LGS class if the customer's contract for service from HL&P provided that the LGS rate was the basis for pricing.~~

~~**LOS A Class:** The LOS A Class is made up of (i) every customer that was served under HL&P rate schedule LOS A on the day before the customer discontinued taking service from HL&P on a pre-restructuring rate schedule, and (ii) each new customer that was not served by HL&P under any pre-restructuring rate schedule, but is the type of customer which, if it had been served by HL&P under a pre-restructuring rate schedule would have qualified for service under HL&P's rate schedule LOS A and has a demand as estimated by the Company of 2,000 kVa or greater. Customers served under rate schedules EIS and HVP are included in the LOS A class if the customer's contract for service from HL&P provided that the LOS A rate was the basis for pricing.~~

~~**LOS B Class:** The LOS B Class is made up of every customer that was served under HL&P rate schedule LOS B on the day before the customer discontinued taking service from HL&P on a pre-restructuring rate schedule. Customers that were not served by HL&P under any pre-restructuring rate schedule may not be included in this class.~~

~~**Non-Metered Lighting Class:** The Non-Metered Lighting Class is made up of (i) every customer that was served under HL&P rate schedules SPL, MLS or MTA on the day before the customer discontinued taking service from HL&P on a pre-restructuring rate schedule, and (ii) each new customer which was not served by HL&P under any pre-restructuring rate schedule, but is taking outdoor lighting services which are provided on an unmetered basis using lighting fixtures controlled by photo electric devices which would have qualified for service under HL&P's pre-restructuring rate schedules SPL, MLS and MTA.~~

~~In addition to the six Transition Charge Classes described above, there will be nine additional Transition Charge Classes, each of which is a capped class ("Capped Classes"). Each of the Capped Classes will be made up solely of customers that actually received service from HL&P during the 12-month period ended April 30, 1999 under the HL&P rate schedule related to the class and any SIP customers with a contract effective date after April 30, 1999 and before January 1, 2002. The nine Capped Classes, and the related rate schedule, are as follows:~~

Capped Class	Related Rate Schedule
Standby Electric Service—Distribution	SES
Interruptible Service Supplemental—Distribution	ISS

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Capped Class	Related Rate Schedule
<del>Interruptible Service—30 minute notice</del>	<del>IS-30</del>
<del>Interruptible Service—10 minute notice</del>	<del>IS-10 &amp; SIP</del>
<del>Interruptible Service—Instantaneous</del>	<del>IS-I</del>
<del>Interruptible Service Supplemental—Transmission</del>	<del>ISS</del>
<del>Standby Electric Service—Transmission</del>	<del>SES</del>
<del>Standby Interruptible Service</del>	<del>SBI</del>
<del>Special Contract Pricing</del>	<del>SCP</del>

~~Each customer in one or more of the nine Capped Classes will be charged the Transition Charges for the applicable class only for service the customer actually receives during the billing period up to the Monthly Cap. The Monthly Cap for each customer will be based on the amount of service the customer received under the related rate schedule during the 12-month period ended April 30, 1999 or for any SIP customer, the Monthly Cap will be based on the customer's average monthly interruptible demand corresponding to the initial MFC under the customer's SIP contract effective after April 30, 1999 and before January 1, 2002, and calculated as follows:~~

- ~~1) For customers which took stand alone standby service (SBI and/or SES without other service), the Monthly Cap for SBI and SES will be the highest demand under the respective rate, during the 12-month period ended April 30, 1999. If a customer began service under SES and/or SBI after April 30, 1999, the Monthly Cap for such customer's will be the highest demand under rate SES or SBI, as applicable, during the period from April 30, 1999 to January 1, 2002, if the customer provides the Company adequate documentation that (i) the additional load served was on-site load normally served by the customer's on-site generation and (ii) the customer's on-site generation was out of service due to forced outage or maintenance. If the customer does not provide the required documentation, the additional load will be billed using the Transition Charges applicable to the LGS Class for distribution voltage customers or LOS A Class for transmission voltage customers.~~
- ~~2) For customers which took SBI and/or SES in combination with other services, the Transition Charge for additional load taken in excess of the Monthly Cap will be the Transition Charge for the LOS A class restated and applied as a cents per KWh charge if the customer provides the Company adequate documentation that (i) the additional load was lawfully served without use of the Company's transmission and distribution facilities and (ii) the customer's on-site generation was out of service due to forced outage or maintenance. If the customer does not provide the required documentation, the additional load will be billed using the Transition Charges applicable to the LOS A Class for transmission voltage customers applied on a kW basis.~~
- ~~3) For any SCP customer that also received service under a non-Capped Class, the SCP rate will have a Monthly Cap based on the amount of service the customer received under the SCP rate schedule during the 12-month period ended April 30, 1999. The~~



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~~Monthly Cap will be the customer's monthly maximum hourly kW under the SCP rate schedule during the peak hours as defined herein, summed for the 12-month period ended April 30, 1999 and divided by the number of months during which the customer actually consumed power under the SCP rate schedule.~~

~~4) For all other customers in Capped Classes, the Monthly Cap will be the customer's monthly maximum hourly kW under the related rate schedule during the peak hours as defined herein, summed for the 12-month period ended April 30, 1999 or alternate period applicable to any SIP customer and divided by the number of months during which the customer actually consumed power under the rate schedule. For monthly service in excess of the Monthly Cap(s), the charge associated with customer's non-capped Transition Charge Class will apply. If the customer is served at distribution voltage and did not have service associated with one of the six non-capped Transition Charge Classes, the customer will be required to pay the Transition Charges applicable to the LGS Class for all monthly service in excess of its Monthly Cap. If the customer is served at transmission voltage and did not have service associated with one of the six non-capped Transition Charge Classes, the customer will be required to pay the Transition Charges applicable to the LOS-A Class for all monthly service in excess of its Monthly Cap.~~

~~The categories of service historically provided by HL&P ceased to exist after electric business activities were unbundled pursuant to Section 39.051 of the Utilities Code. Similarly, since the advent of customer choice under Section 39.102 of the Utilities Code, retail customers receive service that may not only have different names, but may have different characteristics than the service historically provided by HL&P. The classifications set out in the preceding paragraphs will be applied to determine the Transition Charge applicable to each customer without regard to the descriptions that may be used to describe the services currently provided to retail customers.~~

## **SECTION 5: PERIODIC BILLING REQUIREMENT ALLOCATION FACTORS**

~~The initial Periodic Billing Requirement Allocation Factors ("PBRAF") for each Transition Charge Class are set out below. These initial PBRAs will remain in effect throughout the life of the transition bonds unless a modification of the factors is made pursuant to the allocation factor adjustment provisions in Section 6 of this Schedule TC2:~~

### ***INITIAL PERIODIC BILLING REQUIREMENT ALLOCATION FACTORS***

<b><i>TRANSITION CHARGE CLASS</i></b>	<b><i>PBRA</i></b>
Residential	40.0412%
MGS	29.0309%
LGS	16.1206%
LOS-A	4.7917%
LOS-B	2.7598%

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<i><b>TRANSITION CHARGE CLASS</b></i>	<i><b>PBRAf</b></i>
Non-Metered Lighting	0.6600%
<b>CAPPED CLASSES</b>	
Standby Electric Service- Distribution	0.0323%
Interruptible Service Supplemental Distribution	0.1578%
Interruptible Service—Thirty Minute Notice	1.0392%
Interruptible Service—Ten Minute Notice	1.8814%
Interruptible Service— Instantaneous	0.2454%
Interruptible Service Supplemental Transmission	0.0672%
Standby Electric Service— Transmission	0.2383%
Standby Interruptible Service	0.2076%
Special Contract Pricing	2.7266%

**SECTION 6: ALLOCATION FACTOR ADJUSTMENTS**

The PBRAFs will be subject to adjustment using the procedures in this Section 6. Any adjustment required under this Section 6 will be made effective on the date of an annual Standard True-up Adjustment. Required adjustments will be made in the following order: first, adjustments will be made under Part A; second, adjustments will be made under Part B; and third, adjustments will be made under Part C.

For purposes of determining whether an allocation adjustment is required under Parts B and C of this Section 6 and adjusting PBRAFs pursuant to those Parts, the Transition Charge Classes will be combined into three groups (TC Groups) as follows:



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***TC GROUPS***

<b><i>TC GROUP</i></b>	<b><i>TRANSITION CHARGE CLASSES</i></b>	<b><i>INITIAL GROUP ALLOCATION PERCENTAGE</i></b>
Residential	Residential	40.0412%
Commercial	MGS, LGS, Non-Metered Lighting	45.8115%
Industrial	All other Transition Charge Classes	14.1473%

**Part A: Adjustments Due to Load Loss Qualifying under Utilities Code Section 39.262(k)**

The PBRAFs shall be adjusted consistent with the Utilities Code to reflect the loss of loads due to operations of facilities that are "Eligible Generation" as defined in PUC Subst. Rule 25.345 (c) (2) ("Eligible Generation") except that this Part A shall not apply to, and the term "Eligible Generation" shall not include, load loss due to installation and operation of small power production facilities with a rated capacity of 10 megawatts or less. Any adjustments required under this Part A will be calculated as follows:

Step 1—The Company will determine the amount of service provided during the twelve months ended April 30, 1999 that has been replaced by Eligible Generation (excluding amounts reflected in either the Initial PBRAFs or a prior adjustment under this Part A) and sum the losses by Transition Charge Class.

Step 2—The Company will recalculate the PBRAFs for all Transition Charge Classes using the spreadsheet and data used to compute the initial PBRAFs but reducing the demand allocation factors for each Transition Charge Class to reflect the cumulative losses for that class as calculated under Step 1 (including losses for which PBRAF adjustments were made in prior years). No other changes to the spreadsheet or data used to compute the initial PBRAFs will be made. Appendix A to this Schedule TC2 contains the spreadsheet and data used to compute the initial PBRAFs.

Step 3—An Adjusted Group Allocation Percentage for each TC Group shall then be calculated as the sum of the Adjusted PBRAFs (computed under Step 2) for all Transition Charge Classes within the TC Group.

**Part B: Inter-Group Adjustments Due to Cumulative Load Loss Not Attributable to Eligible Generation**

In connection with each annual Standard True-up Adjustment, the Company will compare the projected billing determinants being used to set Transition Charges for each Transition Charge Class during the ensuing year to the billing determinants in effect on the original effective date of

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Schedule TC2 (adjusted to exclude any billing determinants attributable to Eligible Generation if any adjustment was made under Part A after the original effective date) (such billing determinants as adjusted are hereafter referred to as the “Base Billing Determinants”). The PBRAFs of all Transition Charge Classes in all TC Groups will be adjusted if one or more TC Groups experience load loss (calculated excluding load loss attributable to Eligible Generation for which adjustments have been made under Part A but including load loss attributable to small power production facilities of 10 megawatts or less) aggregating 50% or more on a cumulative basis when measured against the Base Billing Determinants. The adjustments under this Part B will be made using the following procedures:

Step 1:

For each TC Group, if $CTCOL_G / PBR_G \geq 0.50$	Then, no PBRAF adjustment will occur and any adjustment made in previous years under Part B shall be reversed
For each TC Group, if $CTCOL_G / PBR_G < 0.50$	Then, a PBRAF adjustment will be calculated pursuant to Steps 2 through 5.
<p>Where:</p> <p><math>CTCOL_G</math> = cumulative test collections for group G = <math>\sum CC_e * FBU_e</math> for all classes (e) in Group (G)</p> <p><math>FBU_e</math> = forecasted billing determinants for class e</p> <p><math>CC_e</math> = cumulative test charge for class e = <math>(PBRAF_e * PBR_T) / BBD_e</math></p> <p><math>PBRAF_e</math> = the PBRAFs then in effect, or if an adjustment has been made under Part A, the adjusted PBRAFs from Part A</p> <p><math>PBR_T</math> = total periodic billing requirement for upcoming period <math>BBD_e</math> = Base</p> <p>Billing Determinants for class e</p> <p><math>PBR_G</math> = periodic billing requirement for group = <math>\sum PBRAF_e * PBR_T</math> for all classes in G</p>	

Step 2:

For each TC Group in Step 1 where  $CTCOL_G / PBR_G < 0.50$ , a reduction amount ( $RED_G$ ) will be calculated for group G where

$$RED_G = 0.5 (PBR_G - CTCOL_G)$$



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~~Step 3:~~

~~For all TC Groups, a reallocation amount for that group (RA<sub>G</sub>) shall be calculated where:~~

$$\text{RA}_G = \text{GAP}_G * \{ \Sigma \text{RED}_G \} \text{ for all Groups}$$

~~Where:~~

~~Step 4:~~

~~For all TC groups a Group Allocation Percentage Adjustment (GAP<sub>G</sub>) shall be calculated where:~~

$$\text{GAP}_G = (\text{RA}_G - \text{RED}_G) / \text{PBR}_T$$

~~Step 5:~~

~~For all TC classes, the PBRAF adjustment for class c (PBRAFA<sub>c</sub>) will be calculated for use in calculating adjustments to the Transition Charges under Section 8, Part A where~~

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~~Part C: Inter-Group Adjustments Due to Year-Over-Year Load Loss Not Attributable to Eligible Generation~~

~~In connection with each annual Standard True-up Adjustment, the Company will compare the projected billing determinants being used to set Transition Charges for each Transition Charge Class during the ensuing year to the forecasted billing determinants used to develop the then currently effective Transition Charges for the class minus the Eligible Generation load loss for the class determined in Step 1 of Part A after the billing determinant for the currently effective Transition Charges was determined (such adjusted amount is hereinafter referred to as the “Prior Year Billing Determinant”). The PBRAFs of all Transition Charge Classes in all TC Groups will be adjusted if (i) one or more TC Groups experience load loss (calculated excluding load loss attributable to Eligible Generation for which adjustments have been made under Part A but including load loss attributable to small power production facilities of 10 megawatts or less) of 10% or greater on a year-over-year basis when compared to the Prior Year Billing Determinants or (ii) any TC Group for which an adjustment was made under this Part C in one or more prior years experiences load growth resulting in projected billing determinants for the current year at a level which, if they had existed in one or more of such prior year(s) would have resulted in no adjustment to PBRAFs in such prior year(s). No reduction in PBRAFs will be made under this Part C for any TC Group for which a reduction amount was computed under Step 5 of Part B. The adjustments under this Part C will be made using the following procedures:~~

~~Step 1:~~

~~For each TC Group not adjusted under Part B,~~

<del>If <math>YTCOL_G / PBR_G \geq 0.90</math></del>	<del>Then, no PBR AF adjustment will occur.</del>
<del>If <math>YTCOL_G / PBR_G &gt; 1.00</math></del>	<del>Then, no PBR AF adjustment will occur and any prior year adjustments made under C will be reversed pursuant to step 6.</del>
<del>If <math>YTCOL_G / PBR_G &lt; 0.90</math></del>	<del>Then, a PBR AF adjustment will be calculated pursuant to Steps 2 through 5.</del>

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Where:

$YTCOL_G$  = year to year test collections for group  $G = \sum YC_e * FBU_e$  for all classes ( $e$ ) in Group ( $G$ )

$FBU_e$  = forecasted billing determinants for class  $e$

$YC_e$  = year to year test charge for class  $e = \{PBRAF_e * PBR_T\} / FBU_e^{-1}$

$PBRAFe$  = the PBRAFs then in effect, or if an adjustment has been made under Part A, the adjusted PBRAFs from Part A

$PBR_T$  = total periodic billing requirement for upcoming period

$FBU_e^{-1}$  = prior year's forecasted billing determinants for class  $e$

$PBR_G$  = periodic billing requirement for group  $= \sum PBRAF_e * PBR_T$  for all classes in the group

Step 2:

For each TC Group in Step 1 where  $YTCOL_G / PBR_G < 0.90$ , a year to year reduction amount ( $YRED_G$ ) shall be calculated where

$$YRED_G = 0.9 (PBR_G - YTCOL_G)$$

Step 3:

For all TC Groups, a year to year reallocation amount ( $YRA_G$ ) shall be calculated where:

$$YRA_G = GAP_G * \{\sum YRED_G\} \text{ for all groups}$$

Where:

$$GAP_G = \text{Group Allocation Percentage} = \sum PBRAF_e \text{ for all classes in the group}$$

Step 4:

For all TC groups a year to year group allocation percentage adjustment ( $YGAPA_G$ ) shall be calculated where:

$$YGAPA_G = (YRA_G - YRED_G) / PBR_T$$

Where  $\sum GAP_G = 0$  for all  $G$

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Step 5:

For all TC classes, a year to year PBRAF adjustment ( $YPBRAFA_e$ ) shall be calculated for use in calculating adjustments to the Transition Charges under Section 8, Part A where:

$$YPBRAFA_e = YGAP_{AG} * (PBRAF_e / GAP_G)$$

Step 6:

if  $\{\sum(YC_e * FBU_e)\} / \{\sum(YC_e * FBU_e^{t+1})\} \geq .90$  (for all classes in group G) then the adjustment made in year t shall be discontinued.

if  $\{\sum(YC_e * FBU_e)\} / \{\sum(YC_e * FBU_e^{t+1})\} < .90$  (for all classes in group G) then the adjustment made in year t carries forward.

Where  $FBU_e^{t+1}$  is the forecasted billing determinants from the year prior to the year an adjustment was made adjusted to reflect any adjustments made under part A between year t-1 and the current year.



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#### **Part D: ~~Adjustments to Base Class Allocations~~**

~~The methodology used to allocate qualified costs and determine Transition Charges shall not be changed except in the limited circumstance described in this paragraph. If, but only if, the total retail stranded costs (determined pursuant to Section 39.253 of the Utilities Code) on a statewide basis exceed \$5 billion, then the qualified costs attributable to the Company's share of the statewide stranded costs in excess of \$5 billion shall be reallocated using the allocation methodology prescribed in Section 39.253(f) of the Utilities Code. The Company's share of the statewide stranded costs in excess of \$5 billion shall be determined by multiplying (i) the percentage obtained by dividing the Company's total stranded costs (determined pursuant to Section 39.253(f)) by the total statewide stranded costs (determined pursuant to Section 39.253(f)) by (ii) the amount by which the total statewide stranded costs (determined pursuant to Section 39.253(f)) exceed \$5 billion. The qualified costs attributable to the Company's share of the statewide stranded costs shall then be determined by multiplying (i) the Company's share of the statewide stranded costs by (ii) the percentage obtained by dividing (a) the Company's stranded costs (determined pursuant to Section 39.253(f)) which were securitized pursuant to the Financing Order dated March 16, 2005 in Docket No. 30485 by (b) the Company's total stranded costs (determined pursuant to Section 39.253(f)). The Company shall file the adjustments required herein, within 45 days after the Commission issues any order determining a utility's stranded costs or regulatory assets that causes the total statewide stranded costs (determined pursuant to Section 39.253(f)) to exceed \$5 billion or changes the amount by which the total statewide stranded costs (determined pursuant to Section 39.253(f)) exceed \$5 billion. Any changes in Transition Charges resulting from a change in the initial or adjusted PBRAFs under this Part D shall be made prospectively from the date of the Commission's order approving adjusted PBRAFs under this Part D. No change in an initial or adjusted PBRAF shall cause the sum of all PBRAFs to be more than or less than 100% or change the total Periodic Billing Requirement for any period. Transition Charges for services rendered prior to such effective date will not be changed. Future changes to the PBRAFs underlying the recomputed Transition Charges, if necessary under Parts A—D of this Section 6 will be computed pursuant to this Section 6 using the initial and adjusted PRBAFs as determined by the Commission pursuant to this Part D.~~

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## SECTION 7: TRANSITION CHARGES

The Transition Charges to be applied beginning on the effective date of this Schedule TC2 are set out below. Transition Charges to be applied in subsequent periods (Adjusted Transition Charges) will be determined in the manner described in Section 8.

### TRANSITION CHARGES

TRANSITION CHARGE CLASS	PER UNIT CHARGE	BILLING UNIT
Residential	\$0.000000	Per kWh
MGS-T	\$0.000000	Per kW
MGS-D	\$0.000000	Per kWh
LGS-D	\$0.000000	Per kVa
LGS-T	\$0.000000	Per kW
LOS-A	\$0.000000	Per kW
LOS-B	\$0.000000	Per kW
Non-Metered Lighting	\$0.000000	Per kWh
CAPPED CLASSES:		
Standby Electric Service-Distribution	\$0.000000	Per kW
Interruptible Service Supplemental-Distribution	\$0.000000	Per kW
Interruptible Service—Thirty Minute Notice	\$0.000000	Per kW
Interruptible Service—Ten Minute Notice	\$0.000000	Per kW
Interruptible Service—Instantaneous	\$0.000000	Per kW
Interruptible Service Supplemental—Transmission	\$0.000000	Per kW
Standby Electric Service—Transmission	\$0.000000	Per kW
Standby Interruptible Service	\$0.000000	Per kW
Special Contract Pricing	\$0.000000	Per kW

The Transition Charges shall be applied on a kW basis for all service provided at Transmission voltage and for all service provided to Capped Classes and to any LGS customer that also received SES Distribution service. The kW to be used in calculating the bill for those customers obligated to pay on a kW basis will be the highest kW for the month measured over a one hour period occurring on weekdays (Monday through Friday) during the sixteen hours beginning with and



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~~including the hour that ends at seven (a.m.) (07:00) and extending until the hour that ends at ten p.m. (22:00), local time (central standard or central daylight saving time, as appropriate).~~

~~Except for customers in the MGS class, the Transition Charges shall be applied on a kVa basis for all service provided at distribution voltage (other than service at distribution voltage to Capped Classes or to LGS customers that also received SES Distribution service) and whose kVa is greater than 10 kVa in the billing month. The kVa will be the highest kVa measured over a 15 minute period during the month if the metering equipment has indicators for measuring and recording only the highest demand during the billing period, otherwise if the metering equipment measures and records continuously for all 15 minute periods the kVa will be the average of the 4 highest 15 minute periods measured during the billing period. If the demand meters used to meter service to a customer measure service is on a kW basis instead of a kVa basis or measure in intervals different than 15 minutes (e.g. 5, 10, 30 minutes) the transition charge to the customer will be based on the kW with the interval measurement period closest to a 15 minute period.~~

~~Transition Charges will be applied on a kWh basis for those customers with watt hour meters and those customers with demand meters whose measured demand is 10 kVa or less, all Residential customers, all Non Metered Lighting customers and all MGS customers served at distribution voltage.~~

~~Each retail customer shall be obligated to pay Transition Charges for its applicable class. The Transition Charge shall be applied to all service received by the customer during the applicable billing period. If a customer was taking service in more than one rate class through one point of service on April 30, 1999, or on the day before the customer discontinued taking service from H&P on a pre-restructuring rate schedule, its Transition Charges shall be determined as follows:~~

- ~~1. For customers taking service under two or more rates through a single meter, the following order will be used to determine Transition Charges for the customer:~~
  - ~~(a) If the customer takes service in one or more Capped Classes (other than SCP) through a single meter, the service shall be allocated first to Capped Classes in ascending order of unit Transition Charges beginning with the Capped Class with the lowest unit Transition Charge. All service to the customer, up to the lesser of (i) the highest hourly on-peak kW for total premises load (Total kW) or the Monthly Cap for the class, shall be deemed to be service under the Capped Class with the lowest unit Transition Charge. If the Total kW is greater than the Monthly Cap for the class with lowest unit Transition Charge, the difference up to the Monthly Cap for the Capped Class with the next lowest unit Transition Charge will be deemed to be service under the Capped Class with the next lowest unit Transition Charge. The remainder will then similarly be allocated to each other Capped Class~~

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~~under which the customer is served until the Total kW has been allocated or all applicable Monthly Caps have been reached.~~

- ~~(b) — If the total amount allocated to Capped Classes under (a) is less than the Total kW, the remainder, up to the Monthly Cap for SCP shall be deemed to be service provided under SCP.~~
- ~~(c) — Any amount remaining after the allocations in (a) and (b) will be deemed to be service provided under the Transition Charge Class (other than Capped Classes and SCP) that is applicable to the customer. If the customer is not otherwise taking service under any Transition Charge Class (other than Capped Classes and SCP) the amount remaining after the allocations in (a) and (b) shall be deemed to be service under LOS-A, if the customer is served at transmission voltage, or under LGS, if the customer is served at distribution voltage.~~

~~In addition, each customer which has New On-Site Generation shall pay an amount each month computed by multiplying the output of the on-site generation used to serve the internal electric requirements of the customer (either kW or kVa, as determined by the Transition Charge class for which the customer would qualify if it were being served by the Company or an REP) by the Transition Charge in effect for services provided to customers in that class during the month. This amount shall be in addition to any Transition Charges applicable to energy or demand actually delivered to the customer through the Company's or another T&D Provider's facilities.~~

## **~~SECTION 8: STANDARD TRUE-UP FOR ADJUSTMENT OF TRANSITION CHARGES~~**

~~Transition Charges will be adjusted annually effective on December 1st to ensure that the expected collection of Transition Charges is adequate to pay principal and interest on the transition bonds when due pursuant to the expected amortization schedule, pay as due all other qualified costs and to fund the overcollateralization account to the required level. In addition to these annual true-up adjustments, true-up adjustments may be made more frequently at any time during the term of the transition bonds to correct any undercollection or overcollection, as provided for in the Financing Order, in order to assure timely payment of transition bonds based on rating agency and bondholder considerations. In addition to the foregoing, either of the following two conditions may result in an interim true-up adjustment in the month prior to an upcoming transition bond principal payment date:~~

- ~~a) — The collection of transition charges for the upcoming payment date will result in a difference that is greater than 5% in absolute value, between (i) the actual outstanding principal balances of the transition bonds plus~~



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~~amounts on deposit in the reserve subaccount and (ii) the outstanding principal balances anticipated in the target amortization schedule; or~~

- b) ~~—— To meet a rating agency requirement that any series of transition bonds be paid in full by the expected maturity date for any series of transition bonds that matures after a date determined mutually, at the time of pricing by CenterPoint Houston and the Commission's designated personnel or financial advisor.~~

~~In no event will 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 during the fourteenth and fifteenth year after the bonds are issued may occur quarterly.~~

~~All annual and interim adjustments will be designed to cause (i) the outstanding principal balance of the transition bonds to be equal to the scheduled balance on the expected amortization schedule; (ii) the amount in the overcollateralization subaccount to be equal to the required overcollateralization level; (iii) the amount in the capital subaccount to be equal to the required capital plus any investment earnings on amounts in the capital subaccount to the extent that the investment earnings have not been released to the SPE and (iv) the reserve subaccount to be zero by the payment date immediately preceding the next adjustment or by the final payment date, if the next payment date is the final payment date.~~

**~~Part A: TRUE-UP ADJUSTMENT PROCEDURE FOR STANDARD AND INTERIM TRUE-UPS~~**

~~Servicer will calculate the Adjusted Transition Charges using the methodology described below and will file the Adjusted Transition Charges with the Commission. Annual adjustments will be filed 15 days prior to the effective date of the Adjusted Transition Charges unless an adjustment to the PBRAFs is required under Section 6 (including Intra-Group Allocation Adjustments under Part D of Section 6) in which case the annual adjustment will be filed not later than 90 days prior to the effective date. Interim Adjustments will be filed not less than 15 days prior to the effective date of the Adjusted Transition Charges.~~

~~The Adjusted Transition Charge for the upcoming period for each class (TC<sub>e</sub>) shall be computed as follows:~~

~~For the residential class,~~

$$\text{TC}_e = \text{PBR}_t * (\text{PBR AF}_e + \text{PBRAFA}_e + \text{YPBRAFA}_e^t) / \text{FBU}_e$$

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For classes in the Commercial and Industrial TC Groups, except if any class in the Industrial Group is forecast for the ensuing period to experience more than a 10% reduction in billing determinants compared to the industrial base billing determinants for that class, then the transition charges for the classes within the Industrial TC Group will be determined according to Section 8, Part B:

$$TC_e = TC_e^{-1} \{ \sum [PBR_t * (PBRAF_e + PBRAFA_e + YPBRAFA_e^t)] / \sum (TC_e^{-1} * FBU_e) \}$$

For all classes in the applicable group.

Where

$TC_e^{-1}$  = the transition charge for that class from the previous period

$PBR_t$  = Periodic Billing Requirement for the ensuing period (the 12 months beginning on the effective date of the adjusted transition charges in the case of annual true-ups and the period until the next scheduled annual true-up in the case of interim adjustments). The Periodic Billing Requirement will be the amounts required to pay principal and interest on the transition bonds when due pursuant to the expected amortization schedule, pay as due all other qualified costs, fund the overcollateralization account to the required level, and recover any net system under collections or credit any net system over collections so that (i) the outstanding principal balance of the transition bonds will be equal to the scheduled balance on the expected amortization schedule; (ii) the amount in the overcollateralization subaccount will be equal to the required overcollateralization level; (iii) the amount in the capital subaccount will be equal to the required capital plus any investment earnings on amounts in the capital subaccount to the extent that the investment earnings have not been released to the SPE and (iv) the reserve subaccount will be zero by the payment date immediately preceding the next adjustment or by the final payment date, if the next payment date is the final payment date.

$PBRAFe$  = the PBRAFs then in effect, or if an adjustment has been made under Section 6, Part A, the adjusted PBRAFs from Section 6, Part A.

$PBRAFA_e$  = the adjustment (if any) from Section 6, Part B, Step 5

$YPBRAFA_e^t$  = the adjustment from Section 6, Part C, Step 5 for every year  $t$  in which an adjustment was made unless that adjustment was discontinued under Section 6, Part C, Step 6.

$FBU_e$  = the forecasted billing determinants for the upcoming period



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**Part B: Intra-Industrial Group Adjustments Due to Cumulative Load Loss Not  
Attributable to Eligible Generation**

In connection with each annual Standard True-up Adjustment, the Company will compare the projected billing determinants being used to set Transition Charges for each Industrial Group Transition Charge Class during the ensuing year to the billing determinants for the period November 2003 through October 2004 (adjusted to exclude any billing determinants attributable to Eligible Generation if any adjustment was made under Section 6, Part A after October 2004) (such billing determinants as adjusted are hereafter referred to as the “Industrial Base Year Billing Determinants”). The Transition Charges of all Transition Charge Classes in the Industrial TC Group will be adjusted if one or more Transition Charge Classes experience load loss (calculated excluding load loss attributable to Eligible Generation for which adjustments have been made under Section 6, Part A but including load loss attributable to small power production facilities of 10 megawatts or less) aggregating more than 10% on a cumulative basis when measured against the Industrial Base Year Billing Determinants. The adjustments under this Part B will be made using the following procedures:

Step 1:	
If $FBU_e / IBDe \geq 0.90$ for each Industrial TC Class	Then, no adjustments will occur under this Section 8, Part B and the transition charge for each Industrial TC class will be calculated under Section 8, Part A.
If $FBU_e / IBDe < 0.90$ for any Industrial TC Class (Load Loss Class)	Then, adjustments will be calculated pursuant to Steps 2 through 6.
Where: $FBU_e$ = forecasted billing determinants for class e  $IBDe$ = Industrial Base Year Billing Determinants for class e	

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Step 2:

For each Industrial TC Class in Step 1 where  $FBU_e / IBD_e < 0.90$ , a reduction amount ( $RED_e$ ) will be calculated as follows:

$$RED_e = PBR_e - TCLL_e$$

Where:

$$PBR_e = PBR_T * PBRAF_e$$

$$TCLL_e = \text{Test Collections with 10\% Load Loss for Class } e = [PBR_e / (IBD_e * 0.9)] * FBU_e$$

$PBR_T$  = total periodic billing requirement for upcoming period

$PBRAF_e$  = the PBRAFs then in effect, including any adjustment made under Section 6, Part A; plus any adjustment made under Section 6, Part B and Section 6, Part C unless the adjustment was discontinued.

Step 3:

For each Industrial TC class for which a reduction amount was not calculated in Step 2 and whose  $TC_e^+ \leq TC_{LOS_A}^+$ , a reallocation amount shall be calculated as follows:

$$RA_e = IAP_e * \sum RED_e \text{ for all classes}$$

Where:

$IAP_e$  = Intra-Group Allocation Percentage for class e =  $PBRAF_e / \sum PBRAF_e$  for all Industrial TC Classes for which a reduction amount was not calculated in Step 2 and whose  $TC_e^+ \leq TC_{LOS_A}^+$

$TC_{LOS_A}^+$  = Transition Charge implemented for the LOSA TC class in the last true-up filing

$TC_e^+$  = Transition Charge implemented for class e in the last true-up filing

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Step 4:

The adjusted transition charge for a class ( $TC_e$ ) shall be calculated as follows:

For those Industrial TC Classes receiving a reallocation amount in Step 3:

$$TC_e = [PBR_e + RA_e] / FBU_e$$

For all other Industrial TC Classes:

$$TC_e = [PBR_e - RED_e] / FBU_e$$

Step 5:

Calculate the percent increase in the Transition Charge from the Base Year as follows:

$$PI_e = (TC_e / TC_e^{BASE}) - 1$$

Where:

$TC_e$  = The adjusted transition charge calculated in Step 4

$TC_e^{BASE}$  = The transition charge calculated using the Industrial Base Year Billing Determinants.

Step 6:

A. For any Industrial TC Class where PI is less than the PI for the TC Classes identified in Step 1 as Load Loss Classes:

B. If PI for any Industrial TC Class is greater than or equal to the PI for the Load Loss Classes identified in Step 1, then calculate an initial Equal Percent Increase for that class and the Load Loss Classes identified in Step 1:

$$TC_e^{FINAL} = TC_e^{BASE} * (1 + EPI^{INITIAL})$$

Where:

$EPI^{INITIAL}$  = initial Equal Percent Increase =  $\Sigma (TC_e * FBU_e) / \Sigma (TC_e^{BASE} * FBU_e)$  for only those Industrial TC Classes identified in Step 1 as Load Loss Classes

C. In the event that  $EPI^{INITIAL}$  for any Industrial TC Class, other than a Load Loss Class identified in Step 1, exceeds the  $PI_e$  calculated in Step 5, then for that Class,



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$$TC_e^{FINAL} = TC_e$$

- ~~D: For the remaining classes, a final Equal Percent Increase will be calculated to reflect the exclusion of the Classes identified in Step 6, Parts A and C above as follows:~~

$$TC_{i,j}^{FINAL} = TC_{i,j}^{BASE} * (1 + EPI^{FINAL})$$

~~Where:~~

~~$EPI^{FINAL}$  = final Equal Percent Increase =  $\Sigma (TC_e * FBU_e) / \Sigma (TC_e^{BASE} * FBU_e)$  for only those Industrial TC Classes remaining in Step 6, Part D.~~

~~SECTION 9: BILLING AND COLLECTION TERMS AND CONDITIONS~~

~~Transition Charges will be billed and collected as set forth in this Schedule TC2. The terms and conditions for each party are set forth below.~~

~~A. Billings by Servicer to other T or D Providers:~~

- ~~1. Transition Charges applicable to former retail customers of the Company in multiply certificated service areas who are now taking service directly from other T or D Providers or through REPs served by other T or D Providers will be billed to and collected from the other T or D Provider, which, in turn will be responsible for collecting the Transition Charges from the retail customers and REPs.~~
- ~~2. The T or D Provider shall pay all Transition Charges not later than 35 days after bill is mailed by Servicer. The T or D Provider shall make such payment regardless of whether it collects such charges from the end-use retail customer or REP.~~

~~B. Billings by Servicer to New On-Site Generation:~~

- ~~1. Customers subject to Transition Charges for New On-Site Generation shall pay such charges in full not later than sixteen days after the date the bill is mailed to the customer.~~
- ~~2. Transition Charges applicable to New On-Site Generation are in addition to applicable transition charges under A above or C below.~~
- ~~3. If the entity with New On-Site Generation receives transmission or distribution service from the Company or another T or D Provider, Servicer shall have the same right to terminate service or require the other provider to terminate service for~~

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~~non-payment of Transition Charges as the Company has to terminate service for non-payment of charges under the Company's rate schedules. Any termination shall comply with applicable Commission rules.~~

~~C. Billings by the REP or its replacement to end-use customers:~~

- ~~1. REPs will bill and collect, or cause to be billed and collected, all Transition Charges applicable to consumption by retail customers served by the REP.~~
- ~~2. If Servicer is providing the metering, metering data will be provided to the REP at the same time as the billing. If Servicer is not providing the metering, the entity providing metering services will be responsible for complying with Commission rules and ensuring that Servicer and the REP will receive timely and accurate metering data in order for Servicer to meet its obligations under the Servicing Agreement and the Financing Order with respect to billing and true-ups.~~
- ~~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 Transition Charge collections in the form of cash, (B) an affiliate guarantee, surety bond, or letter of credit providing for payment of such amount of Transition Charge 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 a 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 Section D, Billings by Servicer to the REP or its replacement (when applicable).~~



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- ~~5. The computation of the size of a required deposit shall be agreed upon by 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) 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 Section D, Billings by 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 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 Transition Bond payments. Once the deposit is no longer required, 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) is billing customers for Transition Charges, the REP shall have the right to transfer the customers to the POLR (or to another certified REP) or to direct 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 Servicer to the REP or its replacement (when applicable):~~

- ~~1. Servicer will bill and collect from REPs all Transition Charges applicable to consumption by retail customers served by the REP, including applicable customers served by New On-Site Generation.~~
- ~~2. Payments of Transition Charges are due 35 calendar days following each billing by Servicer to the REP, without regard to whether or when the REP receives payment from the end use retail customers. Servicer shall accept payment by electronic funds transfer, wire transfer, and/or check. Payment will be considered received the date the electronic funds transfer or wire transfer is received by 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 of this Section D. The 5% penalty will be a one-time assessment measured against the current amount overdue from the REP to Servicer. The "current amount" consists of the total unpaid Transition Charges~~



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~~existing on the 36<sup>th</sup> calendar day after billing by Servicer. Any and all such penalty payments will be made to the indenture trustee to be applied against Transition Charge obligations. A REP shall not be obligated to pay the overdue Transition Charges of another REP. If a REP agrees to assume the responsibility for the payment of overdue Transition Charges as a condition of receiving the customers of another REP that has decided to terminate service to those customers for any reason, the new REP shall not be assessed the 5% penalty upon such Transition 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), Servicer shall have the option to seek recourse against any cash deposit, affiliate guarantee, surety bond, letter of credit, or combination thereof provided by the REP, and avail itself of such legal remedies as may be appropriate to collect any remaining unpaid Transition Charges and associated penalties due 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 Section C and paragraph 2 of this Section D shall select and implement one of the following options:~~

- ~~(a) Allow the POLR or a qualified REP of the customer's choosing to immediately assume the responsibility for the billing and collection of Transition Charges.~~
- ~~(b) Immediately implement other mutually suitable and agreeable arrangements with Servicer. It is expressly understood that Servicer's ability to agree to any other arrangements will be limited by the terms of the Servicing Agreement and requirements of rating agencies that have rated the transition bonds necessary to avoid 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 Servicer with such amounts to be applied first to pay Transition 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 does not immediately select and implement one of the options specified in (a), (b) or (c) or, after so selecting one of the foregoing options, fails to adequately meet its responsibilities thereunder, then Servicer shall immediately implement option (a), subject to the limitations and requirements of the bankruptcy code if the REP is a debtor in bankruptcy. Upon re-establishment of compliance with the requirements set forth in paragraphs 4 and 5 of Section C~~

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~~and paragraph 2 of this Section D and the payment of all past due amounts and associated penalties, the REP will no longer be required to comply with this paragraph 3.~~

- ~~4. The POLR appointed by the Commission must meet the minimum credit rating or deposit/credit support requirements described in paragraph 3 of Section C ("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 defaults or is not eligible to provide such services, responsibility for billing and collection of Transition Charges will immediately be transferred to and assumed by Servicer until a new POLR 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, or Servicer for any amount of Transition Charges they have paid their REP (although future Transition Charges shall reflect REP and other system-wide charge-offs). Additionally, if the amount of the penalty detailed in paragraph 2 of this Section D is the sole remaining past due amount after the 45<sup>th</sup> calendar day, the REP shall not be required to comply with clauses (a), (b) or (c) of paragraph 3 of this Section D, unless the penalty is not paid within an additional 30 calendar days.~~
- ~~5. In the event that Servicer is billing customers for Transition Charges, Servicer shall have the right to terminate transmission and distribution service to the end-use customer for non-payment by the end-use customer pursuant to applicable Commission rules.~~
- ~~6. The REP will be allowed to hold back an allowance for charge-offs in its payments to Servicer. Such charge-off rate will be recalculated each year in connection with the annual true-up procedure. In the initial year, REPs will be allowed to remit payments based on the same charge-off percentage then being used by the REP to remit payments to the servicer in connection with transition charges related to transition bonds issued by CenterPoint Energy Transition Bond Company, LLC on October 24, 2001. On an annual basis in connection with the true-up adjustment process, the REP and 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 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 Transition Charges) have been written off.~~
  - ~~(b) The REP's recourse will be limited to a credit against future Transition Charge payments unless the REP and Servicer agree to alternative~~~~