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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.

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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.

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**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.

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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.

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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.

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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 \$1,804.00

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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.

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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 ~~\$1,804.00~~

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.

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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.

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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.

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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.

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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>
Meter Test Charges:		
DC.1	<p>Competitive Meter Communication Diagnostic Service Fee 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 style="text-align: right;">\$ 80.00 \$ 88.00 \$ 80.00 \$ 88.00</p>
Non-Standard Meter Installation Charges:		
DC.2	<p>Advanced Billing Meter Installation Charge 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>Advanced Non-Billing Meter Installation Charge 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*)

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<u>Item</u>	<u>Description</u>	<u>Charge</u>
DC.4	<p>Pulse Metering Equipment Installation <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>\$ 290.00 <u>\$ 367.00</u></p> <p>\$ 392.00 <u>\$ 440.00</u></p> <p>\$ 584.00 <u>\$ 659.00</u></p> <p>\$ 746.00 <u>\$ 814.00</u></p>
DC.5	<p>Pulse Metering Equipment Replacement</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>\$ 278.00 <u>\$ 317.00</u></p> <p>\$ 224.00 <u>\$ 243.00</u></p> <p>\$ 425.00 <u>\$ 474.00</u></p> <p>\$ 61.00 <u>\$ 68.00</u></p> <p>\$ 61.00 <u>\$ 68.00</u></p> <p>\$ 199.00 <u>\$ 229.00</u></p>
DC.6	<p>Competitive Meter Non-Standard Programming Service Fee</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>\$ 103.00 <u>\$ 114.00</u></p> <p>\$ 59.00 <u>\$ 65.00</u></p> <p>\$ 103.00 <u>\$ 114.00</u></p> <p>\$ 59.00 <u>\$ 65.00</u></p>
DC.7	<p>URD By-Pass Cable Installation Charge</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. <u>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.)</u></p>	<p>\$ 476.00 <u>\$ 531.00</u> Per Month</p>

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<u>Item</u>	<u>Description</u>	<u>Charge</u>
DC.7.1	<p align="center">Unmetered Attachments</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

Other Charges:		
DC.8	<p align="center">Returned Check Charge</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">Voltage Monitoring</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 \$ 1,392.00 \$ 1,461.00
DC.10	<p align="center">Damage to Company Facilities</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">Adverse Effects and Improper Power Factor</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">Provision of Retail Customer Data</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

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<u>Item</u>	<u>Description</u>	<u>Charge</u>
DC.13	<p>Customer Required Upgrade to Delivery System 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>Temporary Service Connection 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>	\$ 354.00 <u>\$ 399.00</u>
DC.15	<p>Disconnect for Inaccessible Meter Charge 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>\$ 59.00 <u>\$ 66.00</u> \$100.00 <u>\$ 111.00</u></p>
DC.16	<p>Miscellaneous – Retail Customer Caused Charges 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>Miscellaneous Other Charges 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>Distributed Generation Meter Installation Charge Applicable to any Retail Customer Premises for the installation of a Meter for distributed generation.</p>	As Calculated

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<u>Item</u>	<u>Description</u>	<u>Charge</u>
DC.19	<p>Transmission Facility Outage Scheduling and Notification</p> <p>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>Competitive Metering Installation and Removal</p> <p>Applicable to Commercial and Industrial Retail Customers choosing competitive metering services pursuant to Section 25.311 of the Commission's rules.</p> <p><u>Competitive Meter Remove/Install Service Fee</u></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><u>Competitive Meter Physical Access Equipment Installation Service Fee</u></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>\$ 93.00 <u>\$ 103.00</u></p> <p>\$ 143.00 <u>\$ 160.00</u></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.

Non-Exporting	0 to 10 kW	10+ to 500 kW	500+ to 2000kW	2000+ to 10,000 kW
1. Pre-certified, not on network <u>Pre-Screen Study Fee</u>	\$0 NA	\$0 NA	\$3,273 3,731 \$350	\$3,520 4,752 \$500
2. Non pre-certified, not on network <u>Pre-Screen Study Fee</u>	\$312 272 NA	\$581 633 NA	\$3,947 4,500 \$350	\$4,194 5,662 \$500
3. Pre-certified, on network <u>Pre-Screen Study Fee</u>	\$272 312 NA	\$1,075 1,172 NA	\$6,269 7,146 \$350	\$6,516 8,796 \$500
4. Not pre-certified, on network <u>Pre-Screen Study Fee</u>	\$525 NA	\$1,150 1,563 NA	\$6,943 7,915 \$350	\$7,190 9,707 \$500

Exporting	0 to 10 kW	10+ to 500 kW	500+ to 2000kW	2000+ to 10,000 kW
1. Pre-certified, not on network <u>Pre-Screen Study Fee</u>	\$75 NA	\$570 621 NA	\$3,520 4,013 \$350	\$3,767 5,086 \$500
2. Non pre-certified, not on network <u>Pre-Screen Study Fee</u>	\$312 272 NA	\$792 864 NA	\$4,194 4,782 \$350	\$4,441 5,996 \$500
3. Pre-certified, on network <u>Pre-Screen Study Fee</u>	\$272 312 NA	\$1,286 1,402 NA	\$7,175 8,179 \$350	\$7,422 10,020 \$500
4. Not pre-certified, on network <u>Pre-Screen Study Fee</u>	\$495 525 NA	\$1,645 1,793 NA	\$7,849 8,948 \$350	\$8,096 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.

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

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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 significantwidespread 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 significantwidespread 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 significantwidespread 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.

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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)

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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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Effective: 04/23/20 xx/xx/xx

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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**

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CHAPTER 1: DEFINITIONS

The following definitions apply to Company's Tariff for Delivery Service, including the service rules and regulations, policies, Rate Schedules and Riders, and to any Service Agreements made pursuant to this Tariff, unless specifically defined otherwise therein.

ACTUAL METER READING. A Meter Reading whereby Company has collected information from the Meter either manually or through a direct reading, through telemetry, or other electronic communications.

ADVANCED METERING SYSTEM (AMS). As defined in P.U.C. SUBST. R 25.130, Advanced Metering.

AMS-M METER. A Meter that has all the functionality of a Standard Meter except for remote disconnection and reconnection.

ADVANCED METERING SYSTEM (AMS) OPERATIONAL DAY. Any day but Sunday or a holiday as defined in Section 3.18, HOURS OF OPERATION.

AFFILIATED RETAIL ELECTRIC PROVIDER. A Retail Electric Provider that is affiliated with or the successor in interest of an electric utility certificated to serve an area.

APPLICABLE LEGAL AUTHORITIES. A Texas or federal law, rule, regulation, or applicable ruling of the Commission or any other regulatory authority having jurisdiction, an order of a court of competent jurisdiction, or a rule, regulation, applicable ruling, procedure, protocol, guide or guideline of the Independent Organization, or any entity authorized by the Independent Organization to perform registration or settlement functions.

BANKING HOLIDAY. Any day on which the bank designated by Company as the repository for payment of funds due to Company under this Tariff is not open for business.

BILLING DEMAND. Demand used for billing purposes as stated in the applicable Rate Schedule or Rider.

BILLING DETERMINANTS. Measured, calculated, or specified values used to determine Company's Delivery Charges that can be transmitted to the CR on an approved TX SET electronic transaction. These

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values may include, but are not limited to, measurements of kilowatt-hours (kWh), actual monthly Non-Coincident Peak (NCP) Demand, annual NCP Demand, annual 4-CP Demand (coincident peak for four summer months), Billing Demand, Power Factor, fixed charges, number of lamps, Rate Schedules, and rate subclass.

BUSINESS DAY. Any day that Company's corporate offices are open for business, in accordance with Section 3.18, HOURS OF OPERATION.

CENTRAL PREVAILING TIME, CPT. As established by national time standards, either Central Standard Time or Central Day-Light time.

CHRONIC CONDITION RESIDENTIAL CUSTOMER. As defined in P.U.C. SUBST. R.25.497, Critical Load Industrial Customers, Critical Load Public Safety Customers, Critical Care Residential Customers, and Chronic Condition Residential Customers.

CODES. Federal, state, or local laws, or other rules or regulations governing electrical installations.

COMMISSION, PUC, or PUCT. The Public Utility Commission of Texas.

COMPANY. The transmission and distribution utility providing Delivery Service pursuant to this Tariff, and its respective officers, agents, employees, successors, and assigns.

COMPANY'S DELIVERY SYSTEM. The portion of the Delivery System that is owned by Company.

COMPETITIVE RETAILER (CR). A Retail Electric Provider, or a Municipally Owned Utility, or an Electric Cooperative that offers customer choice in the restructured competitive electric power market or any other entity authorized to provide Electric Power and Energy in Texas. For purposes of this Tariff, a Municipally Owned Utility or an Electric Cooperative is only considered a Competitive Retailer where it sells retail Electric Power and Energy outside its certified service territory.

CONSTRUCTION SERVICE. Services related to the construction, extension, installation, modification, repair, upgrade, conversion, relocation, or removal of Delivery System facilities, including temporary facilities.

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CONSTRUCTION SERVICE CHARGE. Commission authorized charges to recover costs associated with Construction Services.

CRITICAL CARE RESIDENTIAL CUSTOMER. As defined in P.U.C. SUBST. R 25.497, Critical Load Industrial Customers, Critical Load Public Safety Customers, Critical Care Residential Customers, and Chronic Condition Residential Customers.

CRITICAL LOAD INDUSTRIAL CUSTOMER. As defined in P.U.C. SUBST. R 25.497, Critical Load Industrial Customers, Critical Load Public Safety Customers, Critical Care Residential Customers, and Chronic Condition Residential Customers.

CRITICAL LOAD PUBLIC SAFETY CUSTOMER. As defined in P.U.C. SUBST. R 25.497, Critical Load Industrial Customers, Critical Load Public Safety Customers, Critical Care Residential Customers, and Chronic Condition Residential Customers.

DELIVERY. The movement of Electric Power and Energy through Company's electric lines and other equipment, including transformers, from the Point of Supply to the Point of Delivery.

DELIVERY CHARGES. Commission authorized rates and charges for the use of Company's Delivery System. Delivery Charges are comprised of Delivery System Charges and Discretionary Charges.

DELIVERY SERVICE. The service performed by Company pursuant to this Tariff for the Delivery of Electric Power and Energy. Delivery Service comprises Delivery System Services and Discretionary Services.

DELIVERY SERVICE AGREEMENT. The standard, pro-forma document set forth in this Tariff in which Company and Competitive Retailer agree to be bound by the terms and conditions of Company's Tariff.

DELIVERY SYSTEM. The electric lines, and other equipment, including transformers, owned by Company and the Meters, including Non-Company Owned Meters, used in the Delivery of Electric Power and Energy.

DELIVERY SYSTEM CHARGES. Commission authorized charges to recover costs associated with Delivery System Services.

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DELIVERY SYSTEM SERVICES. Delivery Services whose costs are attributed to all Retail Customers that receive Delivery Service from Company and charged to Competitive Retailers serving Retail Customers under the Rate Schedules specified in Section 6.1.1, DELIVERY SYSTEM CHARGES. Delivery System Services are all Tariffed Delivery Services provided by Company that are not specifically defined as Discretionary Services.

DEMAND. The rate at which electric energy is used at any instant or averaged over any designated period of time and which is measured in kW or kVA.

DEMAND RATCHET. As defined in P.U.C. SUBST. R 25.244, Billing Demand for Certain Utility Customers.

DISCRETIONARY SERVICE CHARGES. Commission authorized charges to recover costs associated with Discretionary Services.

DISCRETIONARY SERVICES. Customer-specific services for which costs are recovered through separately priced Rate Schedules specified in Chapter 6.

ELECTRIC COOPERATIVE. An electric cooperative as defined in PURA §11.003(9), Definitions.

ELECTRIC POWER AND ENERGY. The kWh, the rate of Delivery of kWh, and ancillary services related to kWh that a Competitive Retailer provides to Retail Customers.

ELECTRIC RELIABILITY COUNCIL OF TEXAS (ERCOT). The Electric Reliability Council of Texas, Inc. as defined in P.U.C. SUBST. R 25.5, Definitions.

ELECTRIC SERVICE IDENTIFIER or ESI ID. The basic identifier assigned to each Point of Delivery used in the registration system and settlement system managed by ERCOT or another Independent Organization.

ESTIMATED METER READING. The process by which Billing Determinants are estimated when an Actual Meter Reading is not obtained.

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FACILITY EXTENSION POLICY. The Company policy that covers such activities as extensions of standard facilities, extensions of non-standard facilities, extensions of facilities in excess of facilities normally provided for the requested type of Delivery Service, upgrades of facilities, electric connections for temporary services, and relocation of facilities.

FACILITY EXTENSION AGREEMENT. The Service Agreement pursuant to this Tariff that must be executed by Company and the entity (either a Retail Customer or Retail Electric Provider) requesting certain Construction Services before Company can provide such Construction Services to the requesting entity.

FIELD OPERATIONAL DAY. Any day but Saturday, Sunday, or a holiday designated in or pursuant to Section 3.18, HOURS OF OPERATION.

FIRST AVAILABLE SWITCH DATE (FASD). As defined in ERCOT Nodal Protocols Section 15, CUSTOMER REGISTRATION.

GOOD UTILITY PRACTICE. As defined in P.U.C. SUBST. R 25.5, Definitions.

INDEPENDENT ORGANIZATION or IO. The organization authorized to perform the functions prescribed by PURA §39.151.

INTERVAL DATA. Meter data that reports electricity usage in 15-minute intervals.

INTERVAL DATA RECORDER (IDR) METER. Metering Equipment that is designed to provide Interval Data and does not otherwise qualify as a Standard Meter or an AMS-M Meter.

KILOVOLT-AMPERES (kVA). 1,000 volt-amperes.

KILOWATT (kW). 1,000 watts.

KILOWATT-HOUR (kWh). 1,000 watt-hours.

LOAD FACTOR. The ratio, usually stated as a percentage, of actual kWh used during a designated time period to the maximum kW of Demand times the number of hours occurring in the designated time period.

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METER or BILLING METER. A device, or devices for measuring the amount of Electric Power and Energy delivered to a particular location for Company billing, CR billing and as required by ERCOT. Meters for residential Retail Customers shall be Company owned unless otherwise determined by the Commission. Commercial and industrial Retail Customers required by the Independent Organization to have an IDR Meter may choose a Meter Owner in accordance with P.U.C. SUBST. R 25.311, Competitive Metering Services.

METER DATA. The data contained within, or generated by, the Meter that is used by Company to calculate charges for service pursuant to this Tariff. This term includes Interval Data.

METER OWNER. Entity authorized by the Retail Customer to own the Meter. Entity could be Retail Customer, Competitive Retailer, or other entity designated by the Retail Customer as permitted by Applicable Legal Authorities. If the Retail Customer is not eligible for competitive metering or does not choose to participate in competitive metering, the Meter Owner shall be Company.

METER READING. The process whereby Company collects the information recorded by a Meter. Such reading may be obtained manually, through telemetry or other electronic communications, or by estimation, calculation or conversion in accordance with the procedures and practices authorized under this Tariff.

METER READING SCHEDULE. No later than December 15 of each calendar year, Company shall post its schedule for reading each Meter on its website so that Competitive Retailers and Retail Customers may access it. Company shall notify Competitive Retailer of any changes to this schedule 60 days prior to the proposed change. Company is responsible for reading the Meter within two Business Days of the date posted in this schedule.

METER REMOVAL. Removal of a Meter by Company as authorized under this Tariff.

METERING EQUIPMENT. Required auxiliary equipment that is owned by Company and used with the Billing Meter to accurately measure the amount of Electric Power and Energy delivered. Metering equipment under this definition does not include communication, storage, and equipment necessary for customer access to data.

MUNICIPALLY OWNED UTILITY. A utility owned, operated, and controlled by a municipality or by a nonprofit corporation, the directors of which are appointed by one or more municipalities, as defined in PURA §11.003(11), Definitions.

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NON-BUSINESS DAY. Any day that Company's corporate offices are not open for business, in accordance with Section 3.18, HOURS OF OPERATION.

NON-COMPANY OWNED METER. A Meter on the ERCOT-approved competitive Meter list that is owned by an entity other than the Company. Unless otherwise expressly provided herein, a Non-Company Owned Meter shall be treated under this Tariff as if it were a Meter owned by the Company.

NON-STANDARD METER. A Meter that is not a Standard Meter because it lacks the ability to provide one or more of the following functions: automated or remote Meter Reading, two-way communications, remote disconnection and reconnection capability, or the capability to provide Interval Data. A Non-Standard Meter includes a Meter that is otherwise a Standard Meter but has one or more of the aforementioned functionalities disabled.

NON-STANDARD METERING SERVICE. Service using a Non-Standard Meter.

POINT OF DELIVERY. The point at which Electric Power and Energy leaves the Delivery System.

POINT OF SUPPLY. The point at which Electric Power and Energy enters the Delivery System.

POWER FACTOR. The ratio of real power, measured in kW, to apparent power, measured in kVA, for any given load and time, generally expressed as a percentage.

PREMISES. A tract of land or real estate or related commonly used tracts, including buildings and other appurtenances thereon.

PROVIDER OF LAST RESORT (POLR). A REP certified in Texas that has been designated by the Commission to provide a basic, standard retail service package to requesting or default customers.

PUBLIC UTILITY REGULATORY ACT (PURA). Public Utility Regulatory Act, Texas Utilities Code, Title II.

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RATE SCHEDULE. A statement of the method of determining charges for Delivery Service, including the conditions under which such charges and method apply. As used in this Tariff, the term Rate Schedule includes all applicable Riders.

REGISTRATION AGENT. Entity designated by the Commission to administer settlement and Premises data and other processes concerning a Retail Customer's choice of Competitive Retailer in the competitive retail electric market in Texas.

RETAIL CUSTOMER. An end-use customer who purchases Electric Power and Energy and ultimately consumes it. Whenever used in the context of Construction Services, the term Retail Customer also includes property owners, builders, developers, contractors, governmental entities, or any other organization, entity, or individual that is not a Competitive Retailer making a request for such services to the Company. For purposes of Sections 4.2.1 and 5.2.1 of Company's Tariff, Retail Customer includes any organization, entity, or individual who consumes Electric Power and Energy but does not purchase it and includes, but is not limited to, guests, occupants, and tenants.

RETAIL CUSTOMER'S ELECTRICAL INSTALLATION. All conductors, equipment, or apparatus of any kind on Retail Customer's side of the Point of Delivery, except the Meter and Metering Equipment, used by or on behalf of Retail Customer in taking and consuming Electric Power and Energy delivered by Company.

RETAIL CUSTOMER'S ELECTRICAL LOAD. The power and energy required by all motors and other electricity-consuming devices located on Retail Customer's Premises that are operated simultaneously using Electric Power and Energy delivered by Company.

RETAIL ELECTRIC PROVIDER or REP. As defined in PURA §31.002(17), Definitions.

RETAIL SEASONAL AGRICULTURAL CUSTOMER. A customer whose Demand is subject to significant seasonal variation and that is primarily engaged in producing crops or processing crops subsequent to their harvest to prepare or store them for market or other processing, including, but not limited, to cotton ginning, irrigation, and the drying or storing of rice and grain. To be qualified as an irrigation customer under this definition, the pumping load must be for water that is used to raise agricultural crops.

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RIDER. An attachment to a Rate Schedule that defines additional service options, pricing, conditions, and limitations for that class of service.

SCHEDULED METER READING DATE. Date Company is scheduled to read the Meter according to the Meter Reading Schedule.

SERVICE AGREEMENT. Any Commission-approved agreement between Company and a Retail Customer or between Company and a Competitive Retailer, which sets forth certain information, terms, obligations and/or conditions of Delivery Service pursuant to the provisions of this Tariff.

SERVICE CALL. The dispatch of a Company representative to a Delivery Service address or other designated location for investigation of a complete or partial service outage, irregularity, interruption or other service related issue.

STANDARD METER. A Meter that the Company has deployed in accordance with P.U.C. SUBST. R 25.130(d), with the capabilities defined in P.U.C. SUBST. R 25.130(g), including automated or remote Meter Reading, two-way communications, remote disconnection and reconnection capability, and the capability to provide Interval Data.

SWITCHING FEE. Any fee or charge assessed to any Retail Customer or Competitive Retailer upon switching the Competitive Retailer that does not relate to recovering any utility cost or expenses already included in Commission-approved Delivery Charges included in Chapter 6 of this Tariff.

TAMPER or TAMPERING. Any unauthorized alteration, manipulation, change, modification, or diversion of the Delivery System, including Meter and Metering Equipment, that could adversely affect the integrity of billing data or the Company's ability to collect the data needed for billing or settlement. Tampering includes, but is not limited to, harming or defacing Company facilities, physically or electronically disorienting the Meter, attaching objects to the Meter, inserting objects into the Meter, altering billing and settlement data or other electrical or mechanical means of altering Delivery Service.

TARIFF. The document filed with, and approved by, the PUC pursuant to which Company provides Delivery Service. It is comprised of Rate Schedules, Riders, and service rules and regulations. The service rules and regulations include definitions, terms and conditions, policies, and Service Agreements.

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TEXAS SET, TX SET or SET. A Standard Electronic Transaction as defined by the protocols adopted by the Commission or the Independent Organization.

TRANSITION CHARGES or TC. Charges established pursuant to a financing order issued by the Commission.

UNMETERED SERVICE. Delivery Service to Premises without a Meter.

VALID INVOICE. An invoice transaction that contains all the information required by TX SET and is in compliance with TX SET standards as set forth in the TX SET Implementation Guides and Commission rules, and have not been rejected in accordance with the TX SET Implementation Guides and Commission Rules.

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Preliminary Statement

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CHAPTER 2: DESCRIPTION OF COMPANY'S CERTIFIED SERVICE AREA

2.1 PRELIMINARY STATEMENT

CenterPoint Energy Houston Electric, LLC is a transmission and distribution utility with a Service Territory of approximately 5,000 square miles encompassing Houston, Texas and 165 other cities, villages and communities in the Texas Gulf Coast Region. The Company is responsible for the safe and reliable delivery of Electric Power and Energy to Retail Customers within its Service Territory. A Retail Customer must purchase Electric Power and Energy from its designated REP. This Tariff establishes the rates, terms and conditions for the provision of Delivery Services by the Company to, and governs its relationship with, both Retail Customers and REPs.

Chapter 2: Description of Company's Certified Service Area

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2.2 AREAS SERVED

Counties Served

Austin Co.
Brazoria Co.
Chambers Co.
Colorado Co.

Fort Bend Co.
Galveston Co.
Harris Co.
Liberty Co.

Matagorda Co.
Montgomery Co.
Waller Co.
Wharton Co.

Incorporated Communities Served

Arcola*
Bayou Vista, Village of*
Baytown
Beach City
Beasley*
Bellaire
Bonney*
Brazos Country
Brookshire*
Brookside Village
Bunker Hill
Clear Lake Shores
Clute
Cove*
Danbury
Deer Park
East Bernard
El Lago
Fairchilds
Freeport
Fulshear
Galena Park*
Galveston
Hedwig Village
Hillcrest Village*
Hilshire Village*
Hitchcock*
Houston
Humble*

Hunters Creek
Iowa Colony*
Jacinto City*
Jamaica Beach Village*
Jersey Village
Jones Creek
Katy*
Kemah*
Kendleton*
Lake Jackson
La Porte
Liverpool*
Magnolia*
Manvel
Meadows
Missouri City
Mont Belvieu*
Morgans Point*
Nassau Bay*
Needville*
Oak Ridge North
Old River-Winfree*
Orchard*
Oyster Creek
Pasadena
Pattison*
Pearland
Pine Island*
Piney Point Village*

Pleak
Prairie View*
Quintana
Richmond
Richwood
Rosenberg
San Felipe*
Sandy Point
Santa Fe
Seabrook
Sealy
Shoreacres
Simonton
South Houston
Southside Place
Spring Valley
Stafford
Stagecoach*
Sugar Land
Surfside Beach Village
Taylor Lake Village
Thompsons
Tiki Island
Tomball*
Waller*
Wallis*
Webster
West University Place
Weston Lakes
Wharton

*Relinquished original jurisdiction to the Public Utility Commission of Texas.

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In addition to the incorporated communities listed above, a minority of the customers in the incorporated areas of Alvin, La Marque, League City, Friendswood, Dickinson, Texas City and West Columbia are also served.

Unincorporated Communities Served

Addicks	Crosby	Lissie
Aldine	Cypress	Longpoint
Algoa	Damon	Magnet
Alta Loma	Danciger	McNair
Arcadia	Decker Prairie	Mixville
Bacliff	Dewalt	Moonshine Hill
Bammel	Egypt	Newgulf
Barker	Foster	Peters
Barrett	Fresno	Pinehurst
Big Creek	Frydek	Pledger
Blue Ridge	Genoa	Raccoon Bend
Boling	Glen Flora	Randon
Bonus	Gulf Park	Retrieve
Booth	Guy	Rose Hill
Burleigh	Highlands	Rosharon
Cedar Bayou	Hockley	San Leon
Channelview	Houston Point	Satsuma
Chenango	Huffman	Sheldon
Chesterville	Huffsmith	Spanish Camp
Clodine	Hungerford	Spring
Cloverleaf	Iago	Strang
Coady	Juliff	Tavener
Cochran	Lakewood	Virginia Point
Crabb	Lane City	Westfield

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CHAPTER 3: GENERAL SERVICE RULES & REGULATIONS

3.1. APPLICABILITY

This Tariff governs the rates, terms of access and conditions of the provision of Delivery Service by Company to Competitive Retailers and Retail Customers. The provisions of this Tariff shall uniformly apply to all Competitive Retailers and Retail Customers receiving Delivery Service from Company. This Tariff does not apply to the provision of service to wholesale customers. To the extent that a financing order of the PUCT relating to securitization conflicts with any portion of this Tariff, the terms of such order shall be controlling.

Company will use reasonable diligence to comply with the operational and transactional requirements and timelines for provision of Delivery Service as specified in this Tariff and to comply with the requirements set forth by Applicable Legal Authorities to effectuate the requirements of this Tariff.

3.2 GENERAL

Company will construct, own, operate, and maintain its Delivery System in accordance with Good Utility Practice for the Delivery of Electric Power and Energy to Retail Customers that are located within the Company's service territory and served by Competitive Retailers. Company has no ownership interest in any Electric Power and Energy it delivers. Company will provide to all Competitive Retailers access to the Delivery System pursuant to this Tariff, which establishes the rates, terms and conditions, and policies for such access. Company will provide Delivery Services to Retail Customers and Competitive Retailers pursuant to this Tariff. Company shall provide access to the Delivery System on a nondiscriminatory basis to all Competitive Retailers and shall provide Delivery Service on a nondiscriminatory basis to all Retail Customers and Competitive Retailers.

This Tariff is intended to provide for uniform Delivery Service to all Competitive Retailers within Company's service area.

3.3 DESCRIPTION OF SERVICE

Company will provide Delivery Service for Electric Power and Energy of the standard characteristics available in the locality in which the Premises to be served are situated. All types of Delivery Service offered by Company are not available at all locations. Company will provide Delivery Service at Company's standard voltages. Requestors of Delivery Service should obtain from Company the phase and voltage of the service available before committing to the purchase of motors or other equipment, and Company is not responsible if the requested phase and voltage of service are not available. The standard Delivery System Service offered by Company is for alternating current with a nominal frequency of 60 hertz (cycles per second). Delivery Services may be provided

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at the secondary, primary, or transmission voltage level as specified under the appropriate Rate Schedule.

The provision of Delivery Service by Company is subject to the terms of any Service Agreements, the terms and conditions of this Tariff, and Applicable Legal Authorities.

3.4 CHARGES ASSOCIATED WITH DELIVERY SERVICE

All charges associated with a Delivery Service provided by Company must be authorized by the Commission and included as a Tariffed charge in Section 6.1, RATE SCHEDULES.

3.5 AVAILABILITY OF TARIFF

Copies of this Tariff are on file with the Commission and are also available for inspection at any business office of the Company. Company will provide a Competitive Retailer and Retail Customer, upon request and at no cost, a copy of the Rate Schedule under which Delivery Service is provided to Retail Customer. Additional copies of its Rate Schedules, or any portion of this Tariff, shall be provided by Company pursuant to the Rate Schedules included in this Tariff. Company shall post on its Internet site a copy of its current, complete Tariff in a standard electronic format for downloading free of charge.

3.6 CHANGES TO TARIFF

This Tariff may be revised, amended, supplemented or otherwise changed from time to time in accordance with the laws of the State of Texas and the rules and regulations of the PUC, and such changes, when effective, shall have the same force and effect as the present Tariff. Company retains the right to file an application requesting a change in its rates, charges, classifications, services, rules, or any provision of this Tariff or agreement relating thereto and will comply with all laws and rules concerning the provision of notice concerning any such application. Any agreement made pursuant to this Tariff shall be deemed to be modified to conform to any changes in this Tariff as of the date of the effectiveness of such change. No agent, officer, director, employee, assignee or representative of Company has authority to modify the provisions of this Tariff or to bind Company by any promise or representation contrary to the terms of this Tariff except as expressly permitted by the PUC. In the event that Company determines it necessary to change its application of an existing Tariff provision, Company shall notify the designated contact of all Competitive Retailers certified to serve customers in its service territory, at least 30 Business Days in advance of any change in application of an existing Tariff provision.

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3.7 NON-DISCRIMINATION

Company shall discharge its responsibilities under this Tariff in a neutral manner, not favoring or burdening any particular Competitive Retailer or Retail Customer. Company will comply with Applicable Legal Authorities regarding relations with affiliates, or the Affiliated Retail Electric Provider in its service territory and, unless otherwise authorized by such Applicable Legal Authorities, will not provide its affiliates, or the Affiliated Retail Electric Provider in its service territory, or Retail Customers doing business with its affiliates, any preference over non-affiliated retailers or their Retail Customers in the provision of Delivery Services under this Tariff. Company shall process requests for Delivery Services in a non-discriminatory manner without regard to the affiliation of a Competitive Retailer or its Retail Customers, and consistent with Applicable Legal Authorities.

3.8 FORM AND TIMING OF NOTICE

A notice, demand, or request required or authorized under this Tariff to be given by any party to any other party shall be in paper format or conveyed electronically, as specified in the section of this Tariff requiring such notice. Electronic notice shall be given in accordance with the appropriate TX SET protocol if a TX SET transaction exists. If a TX SET transaction does not exist, electronic notice shall be provided to the authorized representative for the Competitive Retailer in accordance with Section 3.9. Any notice, demand, or request provided electronically, other than those for which a standard market transaction exists, shall be deemed delivered when received by the designated contact. Notice provided in paper format shall either be personally delivered, transmitted by telecopy or facsimile equipment (with receipt confirmed), sent by overnight courier or mailed, by certified mail, return receipt requested, postage pre-paid, to the designated contact. Any such notice, demand, or request in paper format shall be deemed to be given when so delivered or three days after mailed unless the party asserting that such notice was provided is unable to show evidence of its delivery. The designated contact is the contact designated in the Delivery Service Agreement or contact(s) otherwise agreed to by the parties, except that for notices required under Sections 4.4.6 and 4.6 of this Tariff, the "designated contact" shall be the contact(s) designated in the Delivery Service Agreement.

The timelines for the provision of notice from Company to Competitive Retailer are specified in applicable sections in this Tariff.

3.9 DESIGNATION OF COMPANY CONTACT PERSONS FOR MATTERS RELATING TO DELIVERY SERVICE

Company shall designate a person(s) who will serve as the Company's contact for all matters relating to Delivery Service provided to Competitive Retailers. Company shall also designate a person(s) who will serve as the

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Company's contact for all matters relating to Delivery Service provided to Retail Customers. Company shall identify to the Commission a Delivery Service contact person(s), either by name or by title, and shall provide convenient access through its Internet website to the name or title, telephone number, mailing address and electronic mail address of its Delivery Service contact person(s). Company may change its designation by providing notice to the Commission, and Competitive Retailers utilizing Delivery Service by the Company, updating such information on the Company's website, and by direct notice to Retail Customer requesting Construction Service.

3.10 INVOICING TO STATE AGENCIES

Notwithstanding any provisions in this Tariff with respect to when invoices become past due and imposing an increased amount if invoices are not paid within a specified time, all invoices rendered directly to a "State Agency," as that term is defined in Chapter 2251 of the Texas Government Code, shall be due and shall bear interest if overdue as provided in Chapter 2251.

3.11 GOVERNING LAWS AND REGULATIONS

Company's provision of Delivery Service is governed by all Applicable Legal Authorities as defined herein. This Tariff is to be interpreted to conform therewith. Changes in applicable laws, rules, or regulations shall become effective with regard to this Tariff, and any Service Agreements made pursuant to it, as of the effective date of such law, rule, or regulation.

3.12 GOOD-FAITH OBLIGATION

Company, Competitive Retailer, and Retail Customer will cooperate in good-faith to fulfill all duties, obligations, and rights set forth in this Tariff. Company, Competitive Retailer, and Retail Customer will negotiate in good-faith with each other concerning the details of carrying out their duties, obligations, and rights set forth in this Tariff.

3.13 QUALITY OF DELIVERY SERVICE

Company will use reasonable diligence to provide continuous and adequate Delivery of Electric Power and Energy in conformance with Applicable Legal Authorities, but Company does not guarantee against irregularities or interruptions.

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3.14 COOPERATION IN EMERGENCIES

Company, Competitive Retailer, and any Retail Customer shall cooperate with each other, the Independent Organization, and any other affected entities in the event of an emergency condition affecting the Delivery of Electric Power and Energy or the safety and security of persons and property.

3.15 SUCCESSORS AND ASSIGNS

This Tariff shall inure to the benefit of, and be binding upon, Company, Competitive Retailer, and Retail Customer and their respective successors and permitted assigns.

3.16 EXERCISE OF RIGHT TO CONSENT

Company, Competitive Retailer, or Retail Customer shall not unreasonably withhold, condition, or delay giving any consent required for another party to exercise rights conferred under this Tariff that are made subject to that consent. Company, Competitive Retailer, or Retail Customer further shall not unreasonably withhold, condition, or delay their performance of any obligation or duty imposed under this Tariff.

3.17 WAIVERS

The failure of Company, Competitive Retailer, or Retail Customer to insist in any one or more instances upon strict performance of any of the provisions of this Tariff, or to take advantage of any of its rights under this Tariff, shall not be construed as a general waiver of any such provision or the relinquishment of any such right, but the same shall continue and remain in full force and effect, except with respect to the particular instance or instances.

3.18 HOURS OF OPERATION

Company's normal hours of operation are 8:00 AM – 5:00 PM CPT on Monday – Friday, excluding holidays. Company recognizes the following holidays on their day of federal observance: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. Company may establish additional holiday observances by posting the additional holiday observance on Company's website no later than October 31 of the preceding calendar year. Company may expand its normal hours of operation at its discretion. Notwithstanding its designated hours of operation, Company shall ensure that personnel and other resources are available to process and complete service orders in compliance with Chapter 6 and other Applicable Legal Authorities. Company shall also ensure that personnel and other resources are available to respond to emergencies at all times.

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3.19 PUBLIC SERVICE NOTICE

Company shall, as required by the Commission after reasonable notice, provide public service notices.

3.20 HEADINGS

The descriptive headings of the various sections of this Tariff have been inserted for convenience of reference only and shall in no way define, modify or restrict any of the terms and provisions hereof.

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**CHAPTER 4: SERVICE RULES AND REGULATIONS RELATING TO ACCESS TO DELIVERY
SYSTEM OF COMPANY BY COMPETITIVE RETAILERS**

4.1 GENERAL SERVICE RULES AND REGULATIONS

4.1.1 APPLICABILITY OF CHAPTER

This Chapter governs the terms of access to and conditions of the provision of Delivery Service by Company to Competitive Retailers, whether the Competitive Retailer has entered into a Service Agreement or not. This Chapter also applies to Competitive Retailers utilizing the Delivery System of the Company unlawfully or pursuant to unauthorized use. The provisions of this Chapter shall uniformly apply to all Competitive Retailers receiving Delivery Service from Company.

4.1.2 REQUIRED NOTICE

Notice to Competitive Retailer and Company shall be provided pursuant to Section 3.8, FORM OF NOTICE.

4.2 LIMITS ON LIABILITY

4.2.1 LIABILITY BETWEEN COMPANY AND COMPETITIVE RETAILERS

This Tariff is not intended to limit the liability of Company or Competitive Retailer for damages, except as expressly provided in this Tariff.

Company will make reasonable provisions to supply steady and continuous Delivery Service, but does not guarantee the Delivery Service against fluctuations or interruptions. 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 fluctuations or interruptions, unless it be shown that Company has not made reasonable provision to supply steady and continuous Delivery Service, consistent with the Retail Customer's class of service, and in the event of a failure to make such reasonable provisions (whether as a result of negligence or otherwise), Company's liability shall be limited to the cost of necessary repairs of physical damage proximately caused by the service failure to those electrical Delivery facilities of Retail Customer which were then equipped with the protective safeguards recommended or required by the then current edition of the National Electrical Code.

Company will make reasonable provisions to provide Construction Service, but does not guarantee the timeliness of initiating or completing such Construction Service nor the suitability of such facilities for Retail Customer's specific uses. 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 the failure to provide timely or suitable Construction Service. The term "Construction

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Service" in this paragraph includes any and all services that (a) are provided, (b) fail to be provided, or (c) fail to be timely provided by Company, from the time Retail Customer first contacts Company with respect to the provision of any type of Construction or Delivery Service.

However, if damages result from failure to provide timely or suitable Construction Service or fluctuations or interruptions in Delivery Service that are caused by Company's or Competitive Retailer's gross negligence or intentional misconduct, this Tariff shall not preclude recovery of appropriate damages when legally due.

4.2.2 LIMITATION OF DUTY AND LIABILITY OF COMPETITIVE RETAILER

Competitive Retailer has no ownership, right of control, or duty to Company, Retail Customer, or third party, regarding the design, construction, or operation of Company's Delivery System. Competitive Retailer shall not be liable to any person or entity for any damages, direct, indirect, or consequential, including, but without limitation, loss of business, loss of profits or revenue, or loss of production capacity, occasioned by any fluctuations or interruptions of Delivery Service caused, in whole or in part, by the design, construction, or operation of Company's Delivery System.

4.2.3 DUTY TO AVOID OR MITIGATE DAMAGES

Company and Competitive Retailer shall use reasonable efforts to avoid or mitigate its damages or losses suffered as a result of the other's culpable behavior under Section 4.2.1, LIABILITY BETWEEN COMPANY AND COMPETITIVE RETAILERS.

4.2.4 FORCE MAJEURE

Neither Company nor Competitive Retailer shall be liable for damages for any act or event that is beyond such party's control and which could not be reasonably anticipated and prevented through the use of reasonable measures, including, but not limited to, an act of God, act of the public enemy, act of terrorism, war, insurrection, riot, fire, explosion, labor disturbance or strike, wildlife, unavoidable accident, equipment or material shortage, breakdown or accident to machinery or equipment, or good-faith compliance with a then valid curtailment, order, regulation or restriction imposed by governmental, military, or lawfully established civilian authorities, including any order or directive of the Independent Organization.

4.2.5 EMERGENCIES AND NECESSARY INTERRUPTIONS

Company may curtail, reduce voltage, or interrupt Delivery Service in the event of an emergency arising anywhere on the Company's Delivery System or the interconnected systems of which it is a part, when the emergency poses a threat to the integrity of its Delivery System or the systems to which it is directly or indirectly connected if, in its sole judgment, such action may prevent or alleviate the emergency condition. Company may interrupt service when necessary, in the Company's sole judgment, for inspection, test, repair,

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or changes in the Delivery System, or when such interruption will lessen or remove possible danger to life or property, or will aid in the restoration of Delivery Service.

Company shall provide advance notice to Competitive Retailer of such actions, if reasonably possible. Such notice may be provided by electronic notice to all certificated Competitive Retailers operating within the Company's service territory with specific identification of location, time, and expected duration of the outage. If reasonably possible, Company shall provide notice to Competitive Retailer no later than one hour after the initiation of the curtailment, interruption, or voltage reduction that occurs due to the emergency if the emergency occurs during the Company's normal hours of operation as defined in Section 3.18. If the emergency occurs outside Company's normal hours of operation, Company shall provide notice as soon as reasonably possible under the circumstances to Competitive Retailer after the initiation of the curtailment, interruption, or voltage reduction that occurs due to the emergency. Advanced notice shall also be provided, if reasonably possible, to those Retail Customers designated as Critical Care Residential Customers, Chronic Condition Residential Customers, Critical Load Industrial Customers, and Critical Load Public Safety Customers.

Nothing herein shall prevent the Company from being liable if found to be grossly negligent or to have committed intentional misconduct with respect to its exercise of its authority in this Tariff.

The operation of broadband over power line (BPL) shall not interfere with or diminish the reliability of Company's Delivery System. Should a disruption in the provision of Delivery Service occur due to BPL, Company shall prioritize restoration of Delivery Service prior to restoration of BPL-related systems.

4.2.6 LIMITATION OF WARRANTIES BY COMPANY

Company makes no warranties with regard to the provision of Construction Service or Delivery Service and disclaims any and all warranties, express or implied, including, but without limitation, warranties of merchantability or fitness for a particular purpose.

4.3 SERVICE

4.3.1 ELIGIBILITY

A Competitive Retailer is eligible for Delivery Service when:

- (1) The Competitive Retailer and Company have received written notice from the Independent Organization certifying the Competitive Retailer's successful completion of market testing, including receipt of the digital certificate pursuant to Applicable Legal Authorities. Market testing will be conducted in accordance with a test plan as specified by Applicable Legal Authorities. Company and Competitive Retailer shall use best efforts to timely complete market testing; and
- (2) Competitive Retailer and Company execute a Delivery Service Agreement; or

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- (3) In the event that subsection (1) has been satisfied, and Competitive Retailer has executed and delivered the Delivery Service Agreement to Company but Company has failed to execute the agreement within two Business Days of its receipt, Competitive Retailer shall be deemed eligible for Delivery Service during an interim period of Commission investigation by filing the unexecuted Delivery Service Agreement with the Commission for investigation into the reasons for such non-execution by Company.

4.3.2 INITIATION OF DELIVERY SYSTEM SERVICE (SERVICE CONNECTION)

For purposes of this section, "initiation of Delivery System Service" refers to the actions taken by Company to energize a Retail Customer's connection to the Delivery System.

4.3.2.1 INITIATION OF DELIVERY SYSTEM SERVICE WHERE CONSTRUCTION SERVICES ARE NOT REQUIRED

Where existing Company facilities will be used for Delivery System Service and no Construction Service is needed, Company shall initiate Delivery System Service for Retail Customer if requested by Competitive Retailer through the Registration Agent unless:

- (1) The Retail Customer's Electrical Installation is known to be hazardous or interferes with the service of other Retail Customers; or
- (2) The Competitive Retailer is not eligible for Delivery Service under Section 4.3.1, ELIGIBILITY or the Competitive Retailer or Retail Customer is in default under this Tariff. Retail Customer is considered to be in default if Retail Customer fails to satisfy any material obligation under this Tariff after being given notice of the failure and at least ten days to cure.

Company may decline to initiate Delivery Service if it cannot be provided consistent with Good Utility Practice. Company shall provide service and if a charge has been authorized by the Commission, Company may assess a charge for service connection pursuant to Section 6.1, RATE SCHEDULES.

4.3.2.2 INITIATION OF DELIVERY SYSTEM SERVICE WHERE CONSTRUCTION SERVICES ARE REQUIRED

Where Construction Services are required prior to the initiation of Delivery System Service, Competitive Retailer may request initiation of Delivery System Service on behalf of Retail Customer. All such requests shall be governed by the provisions in Section 5.7, FACILITIES EXTENSION POLICY. After completion of Construction Service, Company shall initiate Delivery System Service in accordance with Section 4.3.2.1, INITIATION OF DELIVERY SYSTEM SERVICE WHERE CONSTRUCTION SERVICES ARE NOT REQUIRED.

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4.3.3 REQUESTS FOR DISCRETIONARY SERVICES INCLUDING CONSTRUCTION SERVICES

A Competitive Retailer may request Discretionary Services from Company. Such requests for Discretionary Service must include the following information and any additional data elements required by Applicable Legal Authorities:

- (1) Retail Customer contact name;
- (2) Retail Customer contact phone number;
- (3) ESI ID, if in existence;
- (4) Service address (including City and zip code) and directions to location, and access instructions as needed;
- (5) Discretionary Services requested; and
- (6) Requested date for Company to perform or provide Discretionary Services.

For an electronic service request sent by Competitive Retailer, Company will acknowledge receipt of Competitive Retailer's electronic service request and will notify Competitive Retailer upon completion of the service request as required by Applicable Legal Authorities. Such notification shall include the date when the service was completed in the field. For requests involving Construction Services, Company will contact the designated person to make proper arrangements for Construction Service pursuant to Section 5.7, FACILITIES EXTENSION POLICY.

Competitive Retailer shall be responsible for informing its Retail Customers how to obtain Discretionary Services, including Construction Services, consistent with the requirements of Section 4.11, OUTAGE AND SERVICE REQUEST REPORTING.

4.3.4 CHANGING OF DESIGNATED COMPETITIVE RETAILER

Company shall change a Retail Customer's designated Competitive Retailer upon receipt of proper notification from the Registration Agent, in accordance with Applicable Legal Authorities, unless the new Competitive Retailer is in default under this Tariff. Competitive Retailer may request a Meter Reading for the purpose of a self-selected switch subject to charges and timeframes specified in Chapter 6. Charges for a Meter Reading for the purpose of self-selected switch shall be applied only if data is collected for an Actual Meter Reading. As provided by Chapter 6, separate charges may apply in the event a trip is made to collect the data, but collection of data is prevented due to lack of access to the Meter, or estimation is necessary to complete a mass transition of customers within a specified time, as required by Applicable Legal Authorities. Otherwise, no charge shall be applied if Billing Determinants are estimated. Company shall honor the requested switch date contained in the TX SET transaction in accordance with Applicable Legal Authorities to the extent that Company has received the request within the timeframes established in Applicable Legal

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Authorities. Company shall release proprietary customer information to the designated Competitive Retailer in a manner prescribed by the Applicable Legal Authorities.

4.3.5 SWITCHING FEE

Company shall not charge Competitive Retailer for a change of designation of a Retail Customer's Competitive Retailer.

4.3.6 IDENTIFICATION OF THE PREMISES AND SELECTION OF RATE SCHEDULES

The establishment, assignment, and maintenance of ESI IDs shall be as determined by Applicable Legal Authorities. In addition, Company shall:

1. Assign a unique ESI ID for each Point of Delivery, or in the case of non-Metered load, a unique ESI ID to each Premises, in accordance with Applicable Legal Authorities;
2. Establish separate and distinct ESI IDs for temporary and permanent service. The temporary ESI ID shall be retired after all market transactions associated with the temporary ESI ID have been completed. If the temporary Meter has been used for the same Premises for which the permanent Meter will be used, the same ESI ID may be used for temporary and permanent service;
3. Identify, assign, and maintain ESI IDs with the appropriate load profile, Meter Reading cycle, and other information necessary for accurate settlement of the wholesale market, unless such functions are undertaken by the Independent Organization;
4. Notify the Competitive Retailer and Independent Organization, using the appropriate TX SET transaction, of revisions in the assignment of a Rate Schedule; and
5. Maintain accurate United States Postal Service compliant services addresses, when available, to comply with Applicable Legal Authorities. When there are two or more ESI IDs for the same service address, the service address shall include information to distinguish between the Points of Delivery at the service address.

The Rate Schedules included in this Tariff state the conditions under which Company's Delivery Services are available and the applicable rates for each Delivery Service. For service to a new Retail Customer at an existing Premises, the Company shall reset all Demand Ratchets and Retail Customer's Billing Demand and charges for Delivery Service shall not be determined based upon Premises history not associated with the new Retail Customer or on Retail Customer's previous history at a prior location unless Company's current base rates were set based upon the assumption that the Demand Ratchet would not be reset, in which case, Company shall begin resetting Demand Ratchets for new Retail Customers no later than the conclusion of its next general rate case. If requested by the Competitive Retailer, Company will assist in selecting the Rate Schedule that is best suited to existing or anticipated Retail Customer's Delivery Service requirements. However, Company does not assume responsibility for the selection of the Rate Schedule or for any failure

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to select the most appropriate Rate Schedule for the Retail Customers' Delivery Service requirements. Upon the request of the Retail Customer's Competitive Retailer, the Company shall switch a Retail Customer's Rate Schedule to any applicable Rate Schedule for which the Retail Customer is eligible.

Subsequent to the selection of a Rate Schedule, the Competitive Retailer shall notify Company of any change of which it is aware in the Retail Customer's Electrical Installation or use of Premises that may affect the applicability of a Rate Schedule.

Upon notice to the Competitive Retailer, Company may change a Retail Customer's Rate Schedule if Company is made aware that the Retail Customer is no longer eligible to receive service under its current Rate Schedule.

A change in Rate Schedule that does not require a change in Billing Determinants, shall be applicable for the entire billing cycle in which the change in Rate Schedule is made if the request is made at least two Business Days before the Scheduled Meter Reading Date for that Retail Customer. If a change in the Company's facilities, the Meter used to serve a Retail Customer, or a Rate Schedule requires a different methodology or different Billing Determinants, then such change shall be effective in the next full billing cycle.

4.3.7 PROVISION OF DATA BY COMPETITIVE RETAILER TO COMPANY

Competitive Retailer shall timely supply to Company all data, materials, or other information specified in this Tariff, including current customer names, telephone number, and mailing address, in connection with Company's provision of Delivery Services to Competitive Retailer's Retail Customers, if required. Such information shall be used only for Company operations or in transitions of customers to another REP or POLR in accordance with Applicable Legal Authorities and will be subject to the provisions of the code of conduct rule, P.U.C. SUBST. R 25.272(g), Code of Conduct for Electric Utilities and Their Affiliates.

Regardless of any information provided on an outage or service request, and regardless of the option chosen, a Competitive Retailer shall provide to Company, on the TX SET transaction intended for maintenance of current Retail Customer contact information, the information needed to verify Retail Customer's identity (name, address and telephone number) for a particular Point of Delivery served by Competitive Retailer and shall periodically provide Company updates of such information, in the manner prescribed by Applicable Legal Authorities.

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4.3.8 SUSPENSION OF DELIVERY SERVICE

Company shall notify, as soon as reasonably possible, the affected Retail Customer's Competitive Retailer of a suspension of Delivery Service pursuant to Section 5.3.7.1.

4.3.9 CRITICAL CARE, CHRONIC CONDITION, CRITICAL LOAD CUSTOMER DESIGNATION

4.3.9.1 CRITICAL CARE RESIDENTIAL CUSTOMER OR CHRONIC CONDITION RESIDENTIAL CUSTOMER STATUS

Upon receipt of the Application for Chronic Condition or Critical Care Residential Status, Company shall:

- (1) Follow the procedures specified in P.U.C. SUBST. R 25.497 for processing the application and designating a Retail Customer as a Critical Care Residential Customer or Chronic Condition Residential Customer and for notifying the Competitive Retailer and Retail Customer of any designation and any change in Retail Customer's designation;
- (2) Follow the requirements under P.U.C. SUBST. R 25.497 for sending renewal notices to a Retail Customer designated as a Critical Care Residential Customer or Chronic Condition Residential Customer; and
- (3) Ensure ESI IDs are properly identified for Critical Care Residential Customer or Chronic Condition Residential Customer status in Company systems and on applicable retail market transactions.

4.3.9.2 CRITICAL LOAD INDUSTRIAL CUSTOMER OR CRITICAL LOAD PUBLIC SAFETY CUSTOMER

Upon receipt of a request for designation as a Critical Load Industrial Customer or Critical Load Public Safety Customer, Company shall:

- (1) Follow the Company-established process for evaluating the request for designation as a Critical Load Industrial Customer or Critical Load Public Safety Customer in collaboration with the Retail Customer's Competitive Retailer and Retail Customer and determine Retail Customer's eligibility for Critical Load Industrial Customer or Critical Load Public Safety Customer designation within one month of Company's receipt of the application;

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- (2) Upon request, provide to Competitive Retailer or Retail Customer a paper or electronic copy of the Company-established process for appeal;
- (3) Follow the Company-established process for appeal and notify the Competitive Retailer and Retail Customer of any change in eligibility based on the appeal; and
- (4) Ensure ESI IDs are properly identified for Critical Load Industrial Customer or Critical Load Public Safety Customer status in Company systems and on applicable retail market transactions.

4.3.9.3 OTHER COMPANY RESPONSIBILITIES

Company shall fulfill any other responsibilities pursuant to P.U.C. SUBST. R 25.497.

**4.3.10 NOTICED SUSPENSION NOT RELATED TO EMERGENCIES OR NECESSARY
INTERRUPTIONS**

Upon notice to Competitive Retailer, Company may suspend Delivery Service to Retail Customer:

- (1) In the event of unauthorized use, unauthorized connection or reconnection, or diversion of service or Tampering with the Meter or Metering Equipment or bypassing same;
- (2) In the event of Retail Customer's violation of the provisions of Company's Tariff pertaining to the use of Delivery Service in a manner which interferes with the Delivery Service of others or the operation of nonstandard equipment, or as otherwise specified by written agreement, and a reasonable opportunity has been provided to remedy the situation;
- (3) Upon Retail Customer's failure to comply with the terms of any written agreement made between Company and Retail Customer, upon default of Retail Customer under such an agreement, or upon failure to pay any charges billed by Company directly to Retail Customer pursuant to Section 5.8.2, BILLING TO RETAIL CUSTOMER BY COMPANY after a reasonable opportunity has been provided to remedy the failure;
- (4) For Retail Customer's failure to provide Company with reasonable access to Company's facilities or the Meter located on Retail Customer's Premises after a reasonable opportunity has been provided to remedy the situation; or
- (5) Upon Company's receipt of a notice requiring such action, in the form and from the party specified by Applicable Legal Authorities. Company will not be responsible for monitoring or reviewing the appropriateness of any such notice except as provided in Section 5.3.7.4, PROHIBITED SUSPENSION OR DISCONNECTION.

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Company shall provide electronic notice pursuant to Section 3.8, FORM OF NOTICE, of any noticed suspension of service to Competitive Retailers, operating in its service territory specifically identifying the time, location (if possible), cause and expected duration of such suspension. Company shall perform all suspensions or disconnects in accordance with Section 5.3.7.4, PROHIBITED SUSPENSION OR DISCONNECTION.

4.3.11 RESTORATION OF DELIVERY SERVICE

Company will conduct restoration efforts as soon as possible following the alleviation or correction of the conditions that cause a suspension or disconnection and provide notice of restoration of service as soon as practicably possible.

4.3.12 DISCONNECTION OF SERVICE TO RETAIL CUSTOMER'S FACILITIES AT THE REQUEST OF COMPETITIVE RETAILER

Except as provided in Section 5.3.7.4, PROHIBITED SUSPENSION OR DISCONNECTION, Company will not be responsible for monitoring or reviewing the appropriateness of any notice from a Competitive Retailer requesting connection, disconnection, or suspension of Delivery Service to Retail Customer.

4.3.12.1 MOVE OUT REQUEST

In the event that Retail Customer is vacating the Premises and Competitive Retailer no longer desires to be associated with the Point of Delivery, Competitive Retailer shall notify the Registration Agent of the date Competitive Retailer desires Company to discontinue Delivery Service to a particular Point of Delivery through a move-out transaction and Company shall discontinue Delivery Service to the Point of Delivery in accordance with Section 6.1, RATE SCHEDULES. Competitive Retailer shall not be responsible for any Delivery Services provided to that Point of Delivery after the move-out is effectuated unless specifically requested by the Competitive Retailer, and applicable to the time the Competitive Retailer was the Competitive Retailer of Record.

**4.3.12.2 DISCONNECTION DUE TO NON-PAYMENT OF COMPETITIVE
RETAILER CHARGES; RECONNECTION AFTER DISCONNECTION**

Competitive Retailer may request disconnection for non-payment by Retail Customer or reconnection thereafter as authorized by the Commission's customer protection rules and in accordance with Chapter 6 of this Tariff. The execution of a disconnection for non-payment does not relieve the Competitive Retailer of responsibility for any Delivery Services provided to that Point of Delivery. Company shall provide service and if a charge has been authorized by the Commission, Company may assess a charge pursuant to Section 6.1, RATE SCHEDULES.

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4.3.12.3 COORDINATED DISCONNECTION

Competitive Retailer and Company may coordinate the disconnection of a master-metered Premises; a Chronic Condition Residential Customer, Critical Load Industrial Customer, Critical Load Public Safety Customer, or Critical Care Residential Customer Premises; or any other Premises that presents a life-threatening or otherwise hazardous condition. When appropriate, the coordinated disconnection of service may occur between 5:00 PM and 7:00 AM CPT.

4.3.13 CUSTOMER REQUESTED CLEARANCE

At the request of Competitive Retailer for Retail Customer related construction, alteration, or other temporary clearance, Company shall disconnect Retail Customer's facilities in accordance with Chapter 6.

4.3.14 EXTREME WEATHER

When Company discontinues performing disconnections for non-payment due to an extreme weather emergency determined pursuant to P.U.C. SUBST. R 25.483, Company shall notify the PUCT as described in P.U.C. SUBST. R 25.483. Additionally, Company shall provide notice to Competitive Retailers at the same time, pursuant to Section 3.8, FORM AND TIMING OF NOTICE.

4.4 BILLING AND REMITTANCE

4.4.1 CALCULATION AND TRANSMITTAL OF DELIVERY SERVICE INVOICES

Not later than three Business Days after the scheduled date of a Meter Reading for a Point of Delivery, Company shall transmit an electronic invoice for the Company's total Delivery System Charges associated with that Point of Delivery, to the Competitive Retailer supplying Electric Power and Energy to that Point of Delivery. Company shall separately identify the Delivery System Charges and Billing Determinants on the electronic invoice, to the extent that the transaction allows them to be reported, for each Point of Delivery served by a Competitive Retailer. Company shall provide information on any Billing Determinants not provided on the electronic transaction free of charge to Competitive Retailer upon request, within two Business Days from the receipt of the request. The start and end dates for the billing period contained on the invoice shall match the start and end dates of the Meter Reading for the Premises.

Charges for Discretionary Services, other than Construction Services, provided to a particular Point of Delivery shall be separately identified on the invoice. Electronic invoices shall be transmitted using the appropriate TX SET transaction and shall be consistent with the terms and conditions of this Tariff. The Competitive Retailer shall acknowledge the receipt of the invoice and indicate whether the transaction conformed with ANSI X12 using the appropriate TX SET transaction within 24 hours of the receipt of the invoice. If Company receives a negative acknowledgement indicating the transaction failed ANSI X12 validation, Company shall correct any Company errors and re-issue the transaction within two Business Days

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of receipt of the negative acknowledgement. Following a positive acknowledgement indicating the transaction passed ANSI X12 validation, the Competitive Retailer shall have five Business Days to send a rejection response in accordance with the TX SET Implementation Guides and Commission Rules. However, if the Competitive Retailer receives an invoice relating to an ESI ID for which the Competitive Retailer has sent an enrollment or move-in request but has not received a response transaction from ERCOT, then the Competitive Retailer shall allow four Business Days to receive the response. If the Competitive Retailer has still not received the response transaction, the Competitive Retailer shall not reject the invoice, but will utilize an approved market process to resolve the issue. Additionally, a Competitive Retailer shall not reject an invoice, claiming it is not a Valid Invoice, outside the timelines specified in this subsection, or without supplying appropriate rejection reasons in accordance with TX SET Implementation Guides and Commission Rules. A Competitive Retailer may dispute a Valid Invoice under Section 4.4.8, INVOICE DISPUTES, but not reject it.

4.4.2 CALCULATION AND TRANSMITTAL OF CONSTRUCTION SERVICE CHARGES

Construction Service Charges shall be invoiced to the entity requesting such service. If Competitive Retailer has requested such a service, Company shall include the Construction Service Charge associated with that service as a separately identified item on the invoice provided pursuant to Section 4.4.1, CALCULATION AND TRANSMITTAL OF DELIVERY SERVICE INVOICES.

4.4.3 INVOICE CORRECTIONS

Invoices shall be subject to adjustment for estimation or errors, including, but not limited to, arithmetic errors, computational errors, Meter inaccuracies, and Meter Reading errors. Company shall cancel and re-bill the original invoice that was incorrect and apply any payments made as provided by Applicable Legal Authorities. If it is determined that Company over-billed for Delivery Charges, Company will make adjustment(s) associated with the Point of Delivery for the entire period of over-billing. Interest shall be paid on any overcharge not corrected within three billing cycles of the occurrence of the error (or estimation) at a rate set by the Commission, compounded monthly, from the date of payment of the overcharged amount through the date of the refund. If it is determined that Company under-billed for Delivery Charges, Company will promptly issue a corrected invoice. Company may not charge interest on underbilled amounts unless such amounts are found to be the result of theft of service. Company may not issue an invoice for underbillings for adjustments more than 150 days after the date the original invoice was issued or should have been issued.

All invoices with estimations shall be true-up within 150 days of the estimation. If Company does not true-up an underbilling within 150 days, Company may not bill for the difference it has underbilled. If Company has over-billed due to an estimation, Company shall refund the difference for the entire period.

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Company shall render a corrected invoice within seven days of the date of resolution of the error unless otherwise prohibited by this section. Company shall provide notice to an affected Competitive Retailer pursuant to Section 3.8, FORM AND TIMING OF NOTICE, at least one Business Day before the rendition of corrected invoices affecting a total number of 100 or more ESI IDs served by Competitive Retailer when the rebilling corrects the same issue.

Disputes about invoice corrections shall be governed by Section 4.9, DISPUTE RESOLUTION PROCEDURES.

4.4.4 BILLING CYCLE

Unless otherwise stated in the applicable Rate Schedule or as provided in Section 4.8.1.3, OUT-OF-CYCLE METER READS, invoiced charges shall be based on a cycle of approximately one month.

The Competitive Retailer shall have the right to request a one-time adjustment to a Retail Customer's Meter Reading/billing cycle. The Competitive Retailer must select another Company-defined Meter Reading Schedule, if available for that account, unless the Retail Customer has remote Meter Reading capability, in which case the Competitive Retailer has the right to arrange for any Meter Read/billing cycle subject to processing capabilities for Company's Meter Data and ERCOT's settlement data. Company shall notify Competitive Retailer of any permanent changes in billing cycle or Meter Reading Schedules. Notification shall be provided in accordance with appropriate TX SET protocol. Company's Meter Reading Schedules will be made available on Company's website for the next year by December 15. Company shall provide 60 days' notice for any changes in the Meter Reading Schedule.

4.4.5 REMITTANCE OF INVOICED CHARGES

Payments for all Delivery Charges invoiced to Competitive Retailer shall be due 35 calendar days after the date of Company's transmittal of a Valid Invoice. The 35 calendar day payment provision shall not apply to invoices that have been rejected using Applicable Legal Authorities. Disputed invoiced amounts shall be governed by Section 4.4.8, INVOICE DISPUTES. Payments are due without regard to whether or when the Competitive Retailer receives payment from its Retail Customer(s). The Company shall specify the due date on the invoice, and the due date shall be the 35th calendar day after the transmittal date of the Valid Invoice, unless the 35th day falls on a weekend or Banking Holiday, in which case the due date shall be the following Business Day that is not a Banking Holiday. Electronic invoices transmitted after 5:00 p.m. CPT shall be considered transmitted on the next calendar day.

Notwithstanding the above, Company and Competitive Retailer may mutually agree to different billing and payment timelines for Discretionary Services, provided that such terms are afforded on a non-discriminatory basis to all Competitive Retailers.

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Competitive Retailer shall pay the invoice by electronic funds transfer (EFT) or by wire transfer (WT) to a bank designated by Company. Payment will be considered received on the date Company's bank receives the EFT or WT and the appropriate remittance advice is received by Company in accordance with the requirements specified by Applicable Legal Authorities.

4.4.6 DELINQUENT PAYMENTS

Payments for Delivery Charges invoiced to Competitive Retailer shall be considered delinquent if not received by 5:00 p.m. CPT of the due date stated on the Valid Invoice. Delinquent payments will be subject to a one-time late fee of 5% of the delinquent balance existing on the day after the due date stated on the Valid Invoice. Competitive Retailer shall be considered in default only after a ten calendar day grace period has passed without the Competitive Retailer fully paying the delinquent balance. Upon delinquency of Competitive Retailer, Company shall provide notice in writing to Competitive Retailer stating that Competitive Retailer is delinquent and shall be in default if payment is not received within ten calendar days. If the amount of the penalty is the sole remaining past-due amount after the ten calendar day grace period, the Competitive Retailer shall not be considered to be in default unless the penalty is not paid within an additional 30 calendar days.

4.4.7 PARTIAL PAYMENTS

Unless otherwise governed by Schedule TC of this Tariff or P.U.C. SUBST. R 25.108, Financial Standards for Retail Electric Providers Regarding the Billing and Collection of Transition Charges, partial payments will be applied pro-rata to all separately stated charges.

4.4.8 INVOICE DISPUTES

Unless otherwise governed by Schedule TC of this Tariff or P.U.C. SUBST. R 25.108, Financial Standards for Retail Electric Providers Regarding the Billing and Collection of Transition Charges, Competitive Retailer shall pay all undisputed portions of an invoice within the remittance timeframes of Section 4.4.5, REMITTANCE OF INVOICED CHARGES, unless otherwise agreed to by Company and Competitive Retailer. If a Competitive Retailer disputes all or a portion of an invoice, the Competitive Retailer may refuse to pay the disputed amount. If it does so, it shall provide written notice of the dispute to the Company's designated contact under Section 3.9, DESIGNATION OF COMPANY CONTACT PERSONS FOR MATTERS RELATING TO DELIVERY SERVICE and shall include in the notice, at a minimum, an explanation of the disputed portion of the invoice, the basis of the dispute, and a proposed resolution.

Company may dispute the reason for which a Competitive Retailer rejects an invoice as prescribed in Section 4.4.1, CALCULATION AND TRANSMITTAL OF DELIVERY SERVICE INVOICES. Company shall provide written notice of the dispute to the Competitive Retailer's designated contact and shall include in the

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notice, at a minimum, an explanation of the disputed rejection, the basis of the dispute and a proposed resolution.

Upon notice of a dispute, the responding party shall investigate and respond in writing to the disputing party within ten Business Days of transmittal of the notice. Such response shall include a proposed resolution. Within 20 Business Days of the response, either party may initiate the dispute resolution procedures set forth in Section 4.9, DISPUTE RESOLUTION PROCEDURES. If Company does not receive notification of a dispute within 11 months from the due date of the invoice in question, said invoice shall be deemed conclusive and binding.

Upon resolution of the dispute, the appropriate adjustments will be reflected on the first subsequent invoice after resolution. If the Competitive Retailer has remitted amounts found to be improperly invoiced, Company shall pay interest on such amounts from the date payment was received by Company until the date of refund of such amounts at the interest rate set in accordance with Tex. Utilities Code Ann. Chapter 183. If the Competitive Retailer has been found to have withheld amounts properly invoiced, Competitive Retailer shall pay interest on the disputed amount from the due date on the invoice at the interest rate set in accordance with TEX. UTIL. CODE ANN. Chapter 183.

If the dispute is resolved in favor of the Company, Company shall not hold Competitive Retailer in default for non-payment of the original invoice based on the original due date. The invoice shall be due within one Business Day of resolution of the dispute.

A Competitive Retailer shall not dispute a methodology used to estimate a Meter Reading if the estimation methodology has been approved by the Commission.

4.4.9 SUCCESSOR COMPETITIVE RETAILER

A Competitive Retailer shall not be obligated to pay the delinquent balance of another Competitive Retailer as a condition of providing service to Retail Customers. The prior Competitive Retailer, however, shall in no case be relieved of any previously invoiced charges or late fees incurred in the use of Company's Delivery System.

4.5 SECURITY DEPOSITS AND CREDITWORTHINESS

4.5.1 SECURITY RELATED TO TRANSITION CHARGES

If Company is subject to a financing order, Competitive Retailer shall provide security for Transition Charges in accordance with Schedule TC of this Tariff in addition to other requirements in P.U.C. SUBST. R 25.108, Financial Standards for Retail Electric Providers Regarding the Billing and Collection of Transition Charges. For purposes of establishing any required deposit for Transition Charges, a Competitive Retailer shall provide any required deposit within ten calendar days of receipt of the first Valid Invoice from the Company.

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Company shall ensure that its deposit calculations are reproducible and able to be calculated by Competitive Retailer.

4.5.2 SECURITY RELATED TO OTHER DELIVERY CHARGES

4.5.2.1 DEPOSIT REQUIREMENTS

Except as provided for in Schedule TC of this Tariff and P.U.C. SUBST. R. 25.108, Financial Standards for Retail Electric Providers Regarding the Billing and Collection of Transition Charges, or as provided in P.U.C. SUBST. R. 25.107, Certification of Retail Electric Providers, Company shall not require deposits for a Competitive Retailer that has not defaulted under Section 4.6, DEFAULT AND REMEDIES ON DEFAULT, within the past 24 months. If a Competitive Retailer has defaulted under Section 4.6 within the past 24 months, Company shall require the Competitive Retailer to provide a deposit as security for payments of amounts billed under this Tariff. Competitive Retailers who do not provide and maintain the security required by this section shall be considered in default, as provided in Section 4.6.

4.5.2.2 SIZE OF DEPOSIT

Deposits shall be equal to one-sixth of the estimated annual amount to be billed under this Tariff by Company to Competitive Retailer. The computation of the size of a required deposit shall be mutually agreed upon by the Competitive Retailer and Company. The amount of deposit shall be adjusted, if necessary, during the first month of each calendar quarter to ensure that the deposit accurately reflects the required amount.

4.5.2.3 FORM OF DEPOSIT

Deposits under this section shall be in the form of cash, surety bond, letter of credit, affiliate guaranty, or any combination thereof at the Competitive Retailer's option. Competitive Retailer and Company may mutually agree to other forms of security, provided that Company offers such terms on a non-discriminatory basis to all Competitive Retailers. The Company shall be the beneficiary of any affiliate guaranty, surety bond or letter of credit. Providers of affiliate guaranty, surety bonds or letters of credit must have and maintain long-term unsecured credit ratings of not less than "BBB-" or "Baa3" (or equivalent) from Standard and Poor's or Moody's Investor Service, respectively. Other forms of security may be mutually agreed to by Company and Competitive Retailer. If the credit rating of the provider of the surety bond, affiliate guarantee, or letter of credit is downgraded below BBB- or Baa3 (or equivalent), Competitive Retailer must provide a deposit in accordance with this Tariff within ten Business Days of the downgrade.

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4.5.2.4 INTEREST

Cash deposits shall accrue interest payable to Competitive Retailer. Company shall pay all interest to Competitive Retailer upon refund of the deposit, or during the quarterly review under Section 4.5.2.2, SIZE OF DEPOSIT, if such interest causes the size of the deposit to exceed the required amount. Interest shall be paid at the Commission-approved interest rate for customer deposits.

4.5.2.5 HISTORICAL DEPOSIT INFORMATION

Company shall maintain records showing the name and address of a depositor, the amount of the deposit, and each transaction concerning the deposit. Records of each unclaimed deposit shall be maintained for at least four years, during which time Company will make reasonable efforts to return the deposit and any accrued interest.

4.5.2.6 REFUND OF DEPOSIT

Deposits, plus any accrued interest, shall be returned to Competitive Retailer after deduction of all charges and other debts that the Competitive Retailer owes Company, including any applicable late fees, when:

- (1) Competitive Retailer ceases operations within Company's service territory;
- (2) Other arrangements are made for satisfaction of deposit requirements; or
- (3) 24 months have elapsed without Competitive Retailer defaulting on any payment obligations, unless Section 4.5.2.1 permits Company to require a deposit.

All unclaimed deposits will be held by Company for four years from the date the Competitive Retailer ceases operations in the Company's service territory.

4.6 DEFAULT AND REMEDIES ON DEFAULT

4.6.1 COMPETITIVE RETAILER DEFAULT

A Competitive Retailer shall be considered to be in default under this Tariff if the Competitive Retailer:

- (1) Fails to remit payment to the Company as set forth in Section 4.4.6, DELINQUENT PAYMENTS;
- (2) Fails to satisfy any material obligation under this Tariff, including failure to fulfill the security requirements set forth in Section 4.5, SECURITY DEPOSITS AND CREDITWORTHINESS;
or
- (3) Is no longer certified as a Retail Electric Provider.

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4.6.2 REMEDIES ON DEFAULT

**4.6.2.1 DEFAULT RELATED TO FAILURE TO REMIT PAYMENT OR MAINTAIN
REQUIRED SECURITY**

Upon Competitive Retailer's default related to failure to remit payment or maintain required security, Company may pursue any or all of the following remedies:

- (1) Apply to delinquent balances Competitive Retailer's cash deposit, if any, and any accrued interest, or seek recourse against any letter of credit or surety bond for the amount of delinquent charges due to Company, including any penalties or interest;
- (2) Avail itself of any legal remedies that may be appropriate to recover unpaid amounts and associated penalties or interest;
- (3) Implement other mutually suitable and agreeable arrangements with Competitive Retailer, provided that such arrangements are available to all Competitive Retailers on a non-discriminatory basis;
- (4) Notify the Commission that Competitive Retailer is in default and request suspension or revocation of Competitive Retailer's certificate; and
- (5) Require Competitive Retailer to do one of the following:
 - (A) Immediately arrange for all future remittances from Retail Customers of the Competitive Retailer in default to be paid into a dedicated account controlled by Company. Amounts collected in a dedicated account shall first be applied to amounts due Company, including any late fees and penalties with remaining amounts released to Competitive Retailer. Competitive Retailer shall bear all costs of such mechanism; or
 - (B) Require Competitive Retailer to transition customers to another Competitive Retailer or POLR.

A Competitive Retailer that has defaulted shall choose and notify Company as to which option under (5) above it shall implement, but, if the Competitive Retailer fails to immediately implement one of those options, Company shall immediately implement option (B). If Company or Competitive Retailer chooses option (B), Competitive Retailer shall provide all needed customer information to the POLR within three Business Days so that the POLR can bill Retail Customers. Competitive Retailer shall notify its Retail Customers of its choice of option (A) or (B) as soon as possible.

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**4.6.2.2 DEFAULT RELATED TO FAILURE TO SATISFY OBLIGATIONS UNDER
TARIFF**

Upon failure of Competitive Retailer to satisfy material obligations under this Tariff, Company shall provide notice of default to Competitive Retailer that explains the reason(s) for default. Competitive Retailer shall have ten Business Days from the date of receipt of notification to cure such default. Upon the Competitive Retailer's failure to remedy the default by the expiration of the notice period, Company may pursue any or all of the following:

- (1) Implement mutually suitable and agreeable arrangements with Competitive Retailer, provided that such arrangements are available to all Competitive Retailers on a non-discriminatory basis;
- (2) Notify the Commission that Competitive Retailer is in default and request that certification be suspended or revoked;
- (3) Notify the Commission that the Municipally Owned Utility or Electric Cooperative is in default, and request that its Retail Customers in Company's service territory be immediately served by another qualified Competitive Retailer or the POLR.

4.6.2.3 DEFAULT RELATED TO DE-CERTIFICATION

Upon loss of Commission certification as a Retail Electric Provider, Competitive Retailer shall abide by P.U.C. SUBST. R 25.107, Certification of Retail Electric Providers, with respect to notice and transfer of Retail Customers to another qualified Competitive Retailer or the POLR. In the event Competitive Retailer fails to abide by this rule, the Commission may instruct the Registration Agent to immediately transfer the customers to the POLR.

4.6.3 CURE OF DEFAULT

Upon payment of all past due amounts and associated penalties and late fees, establishment of any security required pursuant to Section 4.5 SECURITY DEPOSITS AND CREDITWORTHINESS, and cure of any failure to fulfill its material obligations under this Tariff, Competitive Retailer will no longer be considered in default and will not be required to comply with Section 4.6, DEFAULT AND REMEDIES ON DEFAULT.

4.7 MEASUREMENT AND METERING OF SERVICE

4.7.1 MEASUREMENT

All charges for electricity consumed or demanded by a Retail Customer shall be based on Meter measurement except where otherwise provided for by the applicable Rate Schedule or this Tariff. Meters for residential Retail Customers shall be Company owned unless otherwise determined by the Commission. Retail Customers required by the Independent Organization to have an IDR Meter may choose a Meter Owner,

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other than Company, in accordance with Applicable Legal Authorities; otherwise, the Meter shall be owned by the Company.

When mutually agreed to by Company and Competitive Retailer, if Retail Customer takes Delivery Service at primary distribution or transmission voltage, Company may meter Delivery Service on the low side of Retail Customer's transformers and adjust measurements to account for losses as set forth in Chapter 6.

4.7.2 METER READING

Company is responsible for reading the Meter on a monthly basis in accordance with the published Meter Reading Schedule. Company shall make a reasonable effort to complete an Actual Meter Reading. Company must obtain an Actual Meter Reading within two Business Days of the date published in the Meter Reading Schedule, except as otherwise provided herein, and shall submit the Data from the Meter Reading to the Registration Agent within three Business Days of the Scheduled Meter Reading Date. If an Actual Meter Reading cannot be completed, an Estimated Meter Reading shall be performed for invoicing purposes in accordance with this Chapter, the Rate Schedules in Section 6.1, RATE SCHEDULES, and Applicable Legal Authorities. Unless otherwise provided in this section or in the Rate Schedule, a Meter Reading shall not be estimated more than three times consecutively. Company shall establish validation procedures that prohibit zero usage and extreme value Meter Readings unless good reason exists for the readings. Company shall ensure that invoices and Meter Reading transactions with zero usage or usage with extreme and unlikely values are not issued to Competitive Retailer or Retail Customer unless Company has good reason to believe that the value is correct.

In any month where the Meter Reading fails the validation process, Company shall perform a second Meter Reading at no cost to the Competitive Retailer or Retail Customer.

4.7.2.1 DENIAL OF ACCESS BY RETAIL CUSTOMER

If in any month Retail Customer prohibits Company access to read the Meter (due to Premises being locked, presence of a threatening animal, physical threats to Company, or other similar reason), Company shall provide the Retail Customer a door hanger requesting access the following month and informing the Retail Customer of the consequences for continuing to fail to provide access. If there is no door on which to leave a door hanger, Company may leave the door hanger at a point of ingress. If no point of ingress is available, Company may choose not to leave the door hanger and must notify Competitive Retailer of the inability to leave the door hanger. Company shall inform Competitive Retailer that Company was unable to gain access and the reason that Company was unable to gain access, providing enough detail that Competitive Retailer can explain to the Retail Customer and inform Competitive Retailer of the number of consecutive months Company has been

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denied access by the Retail Customer. If the Competitive Retailer is notified that a Retail Customer denied Company access to read the Meter, Competitive Retailer shall contact the Retail Customer to request access for Company the following month and inform the Retail Customer of the consequences for continuing to fail to provide access. Competitive Retailer contact may be either by mail, telephone or door to door contact.

After three consecutive months of denial of access by the Retail Customer to Company to read the Meter, the Retail Customer has the following options:

- a) Disconnection of service;
- b) Installation of a remotely read Meter at the Retail Customer's expense and billed directly by Company to Competitive Retailer; or
- c) Relocation of the Meter to make Meter accessible at the Retail Customer's expense.

If Retail Customer does not choose an option, the Competitive Retailer shall choose the option on behalf of the Retail Customer. If the Competitive Retailer does not choose an option, the Company shall choose the option on behalf of the Competitive Retailer and Retail Customer.

Company may continue to perform Estimated Meter Reading for an additional 60 days in order to implement one of the options.

For a Critical Load Public Safety Customer or a Critical Load Industrial Customer, if the additional 60-days have expired and Company has failed to implement an option that provides access to a Critical Load Public Safety Customer or Critical Load Industrial Customer because the Retail Customer failed to grant access to implement the solution, Company may charge a fee each month of continued denial of access until an option authorized by this section can be implemented, in accordance with Chapter 6. Company must provide documentation of its attempts to implement the option to the Competitive Retailer, Retail Customer or the Commission upon request.

**4.7.2.2 ESTIMATES FOR REASONS OTHER THAN FOR DENIAL OF ACCESS BY
RETAIL CUSTOMER**

The Company shall not perform Estimated Meter Reading for more than three consecutive Scheduled Meter Reading Dates for Retail Customer's Premises when Retail Customer has not denied access.

Company's failure to complete an Actual Meter Reading for reasons other than the Retail Customer's failure to provide access shall not be considered a break in a series of consecutive months of denial of access under Section 4.7.2.1, DENIAL OF ACCESS BY RETAIL CUSTOMER, but shall not be considered a month in which the Retail Customer has denied access.

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Estimated Meter Reading performed by Company for the purpose of a mass transition of Retail Customers when Actual Meter Reading is infeasible or Applicable Legal Authorities dictate an Estimated Meter Reading shall not be considered a break in a series of consecutive months of Estimated Meter Reading, and shall not be considered a month in a series of consecutive Estimated Meter Reading performed by Company.

4.7.2.3 STANDARD METER DATA

Company shall provide Meter Data, other than Interval Data, consistent with its Meter Reading Schedule. In addition, Company shall provide to Competitive Retailer access to, and provide to Registration Agent, complete Interval Data for the prior calendar day for each Standard Meter in accordance with Applicable Legal Authorities. The inclusion of missing Interval Data does not meet the requirement of complete Interval Data.

Company shall use reasonable efforts to ensure that the sum of all Interval Data reported by Company for a Standard Meter equals the monthly usage for the same billing period within the acceptable range established by the NAESB Uniform Business Practices (UBP), or any range established in a superseding Applicable Legal Authority. Despite Company's reasonable efforts, however, there will be instances when the Interval Data and the monthly usage for the same billing period are not equal within the acceptable range. Upon request, Company shall provide to Competitive Retailer a detailed explanation when the sum of the Interval Data does not equal the monthly usage within the acceptable range.

4.7.3 REPORTING MEASUREMENT DATA

Company shall report measurement data for a Point of Delivery as required by this Chapter and Applicable Legal Authorities.

4.7.4 METER TESTING

Company will test the Meters in accordance with the schedule and standards of the American National Standards Institute, Incorporated ("ANSI"), as adopted by the Commission, and P.U.C. SUBST. R 25.124, Meter Testing. Upon a request by any authorized person in accordance with Applicable Legal Authorities, Company will perform additional tests of the accuracy of the Meter no later than ten Business Days after the request is received, provided the Meter is a self-contained single phase, kWh Meter and subject to obtaining Access as provided in Section 5.4.8, ACCESS TO RETAIL CUSTOMER'S PREMISES and completing any necessary coordination with the Retail Customer or a third party. In the event the Meter is other than a self-contained, single phase kWh Meter, Company will perform the additional tests no later than 30 calendar days after the request is received. The additional tests will be performed preferably on the Retail Customer's

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Premises, but may, at Company's discretion, be performed at a Meter test laboratory. The additional tests will be free of charge if the Meter is determined to be outside the accuracy standards established by ANSI or if a test has not been requested and performed in the previous four years, Company will provide a copy of the complete results of that test to the requesting party as soon as possible but within the timeframes allowed for testing of the Meter. Competitive Retailer or Retail Customer may request a new test if one has been performed within the previous four years, but if the Meter tests within ANSI accuracy standards, Company will charge Competitive Retailer for the additional tests in accordance with the Rate Schedules in Section 6.1, RATE SCHEDULES. Following the completion of any additional test, Company will promptly advise the party requesting the test of the date of removal of the Meter, the date of the test, the result of the test, who conducted the test, and where the test was performed. Company will provide more detailed information to customer upon request at no additional charge to the customer.

A Competitive Retailer may request testing of a Non-Company Owned Meter. Company shall invoice any charges resulting from the request, to the Competitive Retailer. If a Non-Company Owned Meter is determined to be outside the accuracy standards established by ANSI, the Company shall remove the Meter and install a replacement Meter. Company must immediately notify Competitive Retailer upon removal of the Meter.

4.7.5 INVOICE ADJUSTMENT DUE TO METER INACCURACY, METER TAMPERING OR THEFT

If any Meter is determined to be non-compliant with the accuracy standards prescribed by Commission rules, Company shall render an adjusted bill pursuant to Commission rules.

4.8 DATA EXCHANGE

Company shall make proprietary Retail Customer information available to Competitive Retailer as prescribed by Applicable Legal Authorities. Company shall not assess separate charges to Competitive Retailer for the provision of the most recent 12 months of Meter Data used by Company for billing the Premises; however charges may apply for the provision of such data beyond the most recent 12 months.

4.8.1 DATA FROM METER READING

Company shall make available to the Registration Agent within three Business Days of the Scheduled Meter Reading Date, all of the data recorded in the Meter that is used for Company billing and is required by the Retail Customer's settlement profile (such as kWh, kW, kVA) and, if applicable, Power Factor and any Meter Data required by Applicable Legal Authorities for Competitive Retailer to bill the Retail Customer. Competitive Retailer has the right to physical access of the Meter to the same extent Retail Customer has

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access, in accordance with the provisions of Section 5.10.2, RETAIL CUSTOMER RESPONSIBILITY AND RIGHTS, to obtain Meter Data if:

- (1) The Retail Customer authorizes the Competitive Retailer to access the Meter;
- (2) Data integrity is not compromised; and
- (3) Access is technically feasible.

Meter Data, except as specified in Section 4.8.1.3, METER READINGS FOR THE PURPOSE OF A SELF-SELECTED SWITCH OR TO VERIFY ACCURACY OF METER READING, will be sent to the Competitive Retailer in complete billing periods.

All Meter Data values for IDR Meters and Standard Meters will contain an associated date/time field as a time stamp, consistent with protocols implemented through Applicable Legal Authorities. All time stamps will be reported in CPT. Meter Data from all other Meters will have a date field.

Unless procedures are established for historical usage information to be provided by the Independent Organization, Company shall provide, in accordance with P.U.C. SUBST. R 25.472, Privacy of Customer Information and within three Business Days if requested by Competitive Retailer in a switch request, access to the most recent 12 months of historical usage and/or Interval Data for a Retail Customer to Competitive Retailer through the appropriate TX SET protocol.

Unless procedures are established for access to historical usage information to be provided by the Independent Organization, Company shall provide access to Retail Customer's historical usage and/or Interval Data, to Retail Customer and with the Retail Customer's permission, current and/or prospective Competitive Retailers within three Business Days of the receipt of the request. Company shall maintain at least 12 months of Meter Data, including Interval Data for any Premises for which Company records Interval Data. If access is not provided by the Independent Organization, Company shall provide access to these data for each Retail Customer served using an IDR Meter, AMS-M Meter, or Standard Meter through a web-portal or other means such that the historical data are accessible at any time. Company shall ensure confidentiality of Retail Customer data through the unique Retail Customer passwords or personal identification numbers (PINs) established by the Retail Customer.

4.8.1.1 DATA RELATED TO INTERVAL METERS

Data from Standard Meters and IDR Meters will be sent as kWh during each interval. The kWh will be reported for each interval. Each recording interval shall be labeled according to Applicable Legal Authorities.

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4.8.1.2 DATA REPORTED BY VOLUMETRIC (kWh) METERS

Data reported by volumetric (kWh) Meters will include: the start-of-period date, usage for period, Demand readings (if available), end-of-period date, and end-of-period reading. Exceptions, which include initial Meter Reads and Meter changes for start-of-period reading, shall be appropriately labeled and provided in accordance with Applicable Legal Authorities.

Upon termination of a Retail Customer's Delivery Service at a particular Point of Delivery through a successfully executed move-out transaction, Company will provide Meter Data to the Registration Agent within three Business Days of the date that the move-out was executed.

4.8.1.3 METER READINGS FOR THE PURPOSE OF A SELF-SELECTED SWITCH OR TO VERIFY ACCURACY OF METER READING

If a Competitive Retailer requests a self-selected switch, Company shall perform the associated Meter Reading in accordance with the timelines provided in Chapter 6. Meter Readings for the purpose of a self-selected switch shall be provided to both the new and previous Competitive Retailers on the next Business Day following the Meter Reading date. For the new Competitive Retailer, the billing period begins with the date of the Meter Reading for the purpose of a self-selected switch, and for the previous Competitive Retailer, the billing period ends with the date of the Meter Reading for the purpose of a self-selected switch.

A Meter Reading to verify the accuracy of an original Meter Reading of a Non-Standard Meter, other than an AMS-M Meter, shall be performed and the new reading shall be transmitted to Competitive Retailer within five Business Days of Company's receipt of the request. If, based upon the Meter re-read, it is determined that the original monthly Meter Reading was in error, the Meter Reading and Billing Determinants for that billing period shall be corrected in accordance with Section 4.4.3, INVOICE CORRECTIONS, and no Discretionary Service Charge will be applied by Company. If the Meter re-read determines that the original monthly Meter Reading was correct, a charge may be assessed for the re-read in accordance with Chapter 6.

4.8.1.4 ESTIMATED USAGE

Company is responsible for reading Meter on a monthly basis in accordance with the published Meter Reading Schedule. Company shall make a reasonable effort to complete an Actual Meter Reading. If Company does not complete an Actual Meter Reading, Company shall perform an Estimated Meter Reading for invoicing purposes in accordance with this Tariff. Estimated usage must be identified as "Estimated" in the TX SET transactions.

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Unless an Applicable Legal Authority has prescribed an estimation methodology, Company shall perform an Estimated Meter Reading consistent with the following: In no event shall estimated usage equal zero for a known active Meter, or equal or exceed double the usage from the previous month's Actual Meter Reading unless Company has good reason to believe that this value is a reasonable estimate and can provide its reason upon request to Competitive Retailer.

For Meters other than Standard Meters, AMS-M Meters, and IDR Meters, when an Actual Meter Reading is taken after two or more consecutive months of estimation, Company shall allocate any over or under-estimated usage over the entire estimation period. The allocation shall be based on the average daily consumption for the Retail Customer for the period between Actual Meter Readings. For Standard Meters, AMS-M Meters, and IDR Meters, Company shall consistently use reasonable methodologies to develop Estimated Billing Determinants. When Company must estimate Interval Data, it shall estimate the interval usage based on a methodology that reasonably accounts for the Retail Customer's consumption and consumption patterns. If requested, Company shall provide the estimation methodology used.

A Meter Reading for a Standard Meter, AMS-M Meter, or an IDR Meter shall not be considered an Estimated Meter Reading if an Actual Meter Reading was completed and Company had to estimate a limited number of intervals of data to fill in gaps in the data collected.

4.8.1.5 METER/BILLING DETERMINANT CHANGES

Upon a Meter change, the data for each Meter shall be reported as a separate set of data within a single SET corresponding to the Retail Customer's billing period.

If a Meter is replaced, an estimation of Meter Data may be made. The period of estimated Meter Data will be reported with the old Meter number.

If changes occur in Rate Schedule Billing Determinants, the new Billing Determinants will not become part of billing until the new Billing Determinants are available for a full Meter Reading cycle.

4.8.1.6 NOTICE OF PLANNED AND UNPLANNED INTERRUPTIONS TO MARKET COMMUNICATIONS AND DATA EXCHANGE

Company shall provide at least seven days advance notice to Competitive Retailer of any planned interruption to Company's ability to engage in market transactions or provide Meter Data to Competitive Retailer. Company shall provide notice of any significant unplanned interruptions to Company's market transactions or provision of Meter Data to Competitive Retailer no later than one hour after discovery or knowledge of the interruption. Notice is not required for short-term

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disruptions where market transactions or the provision of Meter Data are not affected or where there is no impact on Competitive Retailer. Company shall provide updates to Competitive Retailer in the event of changes to the expected duration of the interruption and inform Competitive Retailer when the interruption has concluded.

4.8.2 DATA FOR UNMETERED LOADS

For Unmetered Service, the following standards apply:

- (1) One usage value will be posted for an account, which may encompass multiple Points of Delivery;
- (2) If a change in an account's inventory of Points of Delivery is discovered for a past billing period, the entire amount of usage for the account should be reported as an adjustment; and
- (3) If an account goes from unmetered to metered service, metered usage starts with the first full billing cycle after the Meter is installed.

4.8.3 ADJUSTMENTS TO PREVIOUSLY TRANSMITTED DATA

Re-sending or adjusting of previously transmitted data arises from revisions to estimated Meter Data, data maintenance activities (e.g., response to inquiries, needs to restore data files, and responses to problems with posted data), and Meter maintenance activities (e.g., adjustments as improved information becomes available due to discovery of incorrect Meter Data, crossed Meters, non-registering Meters, slow or fast Meters, incorrect multipliers, etc.).

The following standards apply to such previously transmitted data:

- (1) When corrections are made to previously sent TX SET data, the original TX SET data shall be first cancelled. Replacement TX SET data (labeled as replacement data) shall then be transmitted within one Business Day of the cancelled TX SET data;
- (2) When corrections are made to previously sent TX SET data, the complete set of TX SET data pertaining to a Meter and billing cycle shall be provided in the replacement transaction. When sending or correcting TX SET data, each billing cycle for the affected Meter shall be in a distinct TX SET data set. Only the TX SET data for the affected billing cycle and Meter shall be transmitted;
- (3) In the case of "crossed Meters," in which Meter numbers have been incorrectly reported for sets of usage data, the original TX SET data shall be cancelled and new TX SET data shall be transmitted that correctly reports the TX SET data, ESI ID, and other associated TX SET data;
- (4) Company shall make corrected TX SET data available to the original recipients in a timely manner no matter when the correction is made;
- (5) Company shall provide a reason for any correction to Competitive Retailer when the adjustment is made in the TX SET data;

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- (6) All transactions containing corrections to a previously submitted TX SET transaction must be sent in accordance with TX SET standards as set forth in TX SET Implementation Guidelines and Commission rules; and
- (7) For Interval Data associated with Standard Meters, for any replacement data that become available to Company due to corrected or revised actual or estimated intervals, Company shall timely replace the original Meter Data in the impacted intervals with such replacement data.

4.8.4 DATA EXCHANGE PROTOCOLS

The following standards and protocols are a baseline, or minimum set, necessary to facilitate data exchange between parties. Parties shall also comply with data exchange protocols established by the Commission or Independent Organization.

- (1) A uniform premise identifier number, ESI ID, will be utilized by the Company;
- (2) The ESI ID number will be used in all data exchanges specific to related premise data transactions;
- (3) ESI ID is a unique, permanent, and non-intelligent number, used to facilitate communications in an unbundled electric market. The format shall be as determined by the protocols adopted by the Independent Organization; and
- (4) An ESI ID will be assigned by the Company for each Point of Delivery in accordance with protocols adopted by the Independent Organization.

4.9 DISPUTE RESOLUTION PROCEDURES

4.9.1 COMPLAINT PROCEDURES

For complaints about Delivery Service including billing disputes, Competitive Retailer may contact the Company during normal business hours.

Company and Competitive Retailer shall use good-faith and commercially reasonable efforts to informally resolve all disputes arising out of the implementation or interpretation of this Tariff and/or the activities relating to retail access. Unless otherwise provided for in this Tariff, all disputes shall be conducted pursuant to the following procedures:

- (1) Company or Competitive Retailer may initiate the dispute process by presenting to the other party a notice of the dispute/complaint in writing, unless the dispute involves an invoice and notice has already been given under Section 4.4.8, INVOICE DISPUTES. Notice shall include, at a minimum, a clear description of the dispute, the nature of the dispute, a contact name and telephone number, and a proposed resolution;

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- (2) Disputes shall be referred as promptly as practicable to a designated senior representative of each of the parties for resolution on an informal basis;
- (3) The receiving party shall investigate the complaint and provide a response to the complaining party and a proposed resolution in writing as soon as possible, but not later than ten Business Days following receipt of the complaint;
- (4) In the event that the designated representatives are unable to resolve the dispute within 30 calendar days, from the date of the complaining party's initial notice under this Section, such dispute, by mutual agreement, may be referred to mediation or be submitted to binding arbitration and resolved in accordance with the current Commercial Arbitration Rules of the American Arbitration Association; and
- (5) In the event that binding arbitration is not chosen and resolution is not obtained within 30 calendar days after the initial notice or another mutually agreed upon timeline, an affected party may file a complaint with the Commission.

4.9.2 COMPLAINT WITH REGULATORY AUTHORITY

Nothing in this section shall restrict the rights of Company or Competitive Retailer to file a complaint with the Commission, or to exercise all other legal rights and remedies.

4.10 SERVICE INQUIRIES

Competitive Retailer may contact Company regarding the Delivery Service in situations that include, but are not limited to, the following:

- (1) Inquiries regarding site specific Delivery Services;
- (2) Construction of new lines, installation of a Meter, modification of existing equipment or change in Point of Delivery;
- (3) Special circumstances such as Delivery Service requirements that are of non-standard size or characteristics; or
- (4) Initiation of Delivery System Service to Retail Customer.

A Competitive Retailer seeking information about the above items may contact Company as appropriate during normal business hours.

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4.11 OUTAGE AND SERVICE REQUEST REPORTING

4.11.1 NOTIFICATION OF INTERRUPTIONS, IRREGULARITIES, AND SERVICE REQUESTS

Competitive Retailer shall be responsible for informing its Retail Customers how to report interruptions, irregularities, outages, and how to report service requests. Competitive Retailer shall meet this obligation in one of three ways:

- (1) Competitive Retailer may direct Retail Customers to call the Competitive Retailer for such reporting or requests and electronically forward outage information to the Company. Such arrangements shall ensure that all necessary information is communicated in a manner such that Company can respond to requests in a timely fashion and that Competitive Retailers are kept informed of the status of restoration efforts and service requests;
- (2) Competitive Retailer may direct Retail Customer to call Competitive Retailer for such reporting or requests and then forward the call to Company; or
- (3) Competitive Retailer may direct Retail Customers to directly call Company to make such reports or requests.

Competitive Retailer choosing option (1) must ensure that all necessary information is electronically communicated to Company in a timely manner using the appropriate TX SET protocol or other communication alternative agreed to by Company and Competitive Retailer, so as not to unnecessarily delay Company's response. Upon notification by a Competitive Retailer that the Competitive Retailer plans to forward outage information or service order requests to Company electronically, Company shall be capable of receiving data electronically from Competitive Retailer within 18 months, unless mutually agreed otherwise by Company and Competitive Retailer or Company obtains a waiver from the Commission. The data necessary includes the following information:

- (1) Customer name, and if different, contact name;
- (2) Contact phone number;
- (3) ESI ID;
- (4) Service address (including City and zip code) and directions to location when necessary; and
- (5) Description of problem or requested service.

A Competitive Retailer choosing option (2) shall ensure that calls are properly forwarded to a Company supplied toll free telephone number. A Competitive Retailer choosing option (3) shall provide Retail Customers, in accordance with the Commission's customer protection rules, with the Company supplied toll free telephone number and indicate that Retail Customer should call this number for interruptions, irregularities, outages, and/or service requests.

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A Competitive Retailer choosing option (2) or (3) shall make arrangements with the Company to pre-authorize any service requests for which the Company will invoice the Competitive Retailer before such requests are performed. A Competitive Retailer who does not make other arrangements shall be deemed to have pre-authorized all service requests from Retail Customers. Company shall not act in a discriminatory manner in making such arrangements with Competitive Retailers.

Competitive Retailer shall designate in the Delivery Service Agreement Form (Appendix A to this Tariff) which one of the three options it will select as its primary method for reporting interruptions, irregularities, outages, and which one of the three options it will select as its primary method for making service repair requests. Nothing in this section is meant to restrict a Competitive Retailer who has chosen to utilize option (1) or (2) for the majority of their Retail Customers to allow a Retail Customer with special needs to directly contact the Company if agreed to by the Competitive Retailer and Retail Customer, provided that Competitive Retailer abides by the conditions prescribed by this section for choosing option (3) for that Retail Customer.

Company shall notify Competitive Retailers choosing option (2) or (3) of any change in the Company supplied telephone number 60 days in advance of such change.

4.11.2 RESPONSE TO REPORTS OF INTERRUPTIONS AND REPAIR REQUESTS

Company will promptly investigate reported problems. If, upon making a Service Call, Company determines that a reported problem is caused by a condition on Retail Customer's side of the Point of Delivery, Company shall notify Competitive Retailer, and, if authorized by the Commission, charge Competitive Retailer a fee for the Service Call pursuant to the applicable Rate Schedule.

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**CHAPTER 5: SERVICE RULES AND REGULATIONS RELATING TO THE PROVISION OF DELIVERY
SERVICE TO RETAIL CUSTOMERS**

5.1 GENERAL

5.1.1 APPLICABILITY OF CHAPTER

This Chapter governs the terms of access and conditions of the provision of Delivery Service by Company to Retail Customers, whether the Retail Customer has entered into a Service Agreement or not. This Tariff also applies to Retail Customers receiving Delivery Service unlawfully or pursuant to unauthorized use.

5.1.2 COMPANY CONTACT INFORMATION

Notices and other communications by Retail Customer to Company shall be addressed to:

Customer Service
P.O. Box 1700
Houston, Texas 77251
713-207-2222
1-800-332-7143

5.2 LIMITS ON LIABILITY

5.2.1 LIABILITY BETWEEN COMPANY AND RETAIL CUSTOMERS

This Tariff is not intended to limit the liability of Company or Retail Customer for damages except as expressly provided in this Tariff.

Company will make reasonable provisions to supply steady and continuous Delivery Service, but does not guarantee the Delivery Service against fluctuations or interruptions. 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 fluctuations or interruptions unless it be shown that Company has not made reasonable provision to supply steady and continuous Delivery Service, consistent with the Retail Customer's class of service, and in the event of a failure to make such reasonable provisions, whether as a result of negligence or otherwise, Company's liability shall be limited to the cost of necessary repairs of physical damage proximately caused by the service failure to those electrical delivery facilities of Retail Customer which were then equipped with the protective safeguards recommended or required by the then current edition of the National Electrical Code.

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Company will make reasonable provisions to provide Construction Service, but does not guarantee the timeliness of initiating or completing such Construction Service nor the suitability of such facilities for Retail Customer's specific uses. 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 the failure to provide timely or suitable Construction Service. The term "Construction Service" in this paragraph includes any and all services that (a) are provided, (b) fail to be provided, or (c) fail to be timely provided by Company, from the time Retail Customer first contacts Company with respect to the provision of any type of Construction or Delivery Service.

However, if damages result from failure to provide timely or suitable Construction Service or fluctuations or interruptions in Delivery Service that are caused by Company's or Retail Customer's gross negligence or intentional misconduct, this Tariff shall not preclude recovery of appropriate damages when legally due.

5.2.2 LIMITATION OF DUTY AND LIABILITY OF COMPETITIVE RETAILER

Competitive Retailer has no ownership, right of control, or duty to Company, Retail Customer or other third party, regarding the design, construction or operation of Company's Delivery System. Competitive Retailer shall not be liable to any person or entity for any damages, direct, indirect or consequential, including, but without limitation, loss of business, loss of profits or revenue, or loss of production capacity, occasioned by any fluctuations or interruptions of Delivery Service caused, in whole or in part, by the design, construction or operation of Company's Delivery System.

5.2.3 DUTY TO AVOID OR MITIGATE DAMAGES

Company and Retail Customer shall use reasonable efforts to avoid or mitigate its damages or losses suffered as a result of the other's culpable behavior under Section 5.2.1, LIABILITY BETWEEN COMPANY AND RETAIL CUSTOMERS.

5.2.4 FORCE MAJEURE

Neither Company nor Competitive Retailer shall be liable for damages for any act or event that is beyond such party's control and which could not be reasonably anticipated and prevented through the use of reasonable measures, including, but not limited to, an act of God, act of the public enemy, act of terrorism, war, insurrection, riot, fire, explosion, labor disturbance or strike, wildlife, unavoidable accident, equipment or material shortage, breakdown or accident to machinery or equipment, or good-faith compliance with a then valid curtailment, order, regulation or restriction imposed by governmental, military, or lawfully established civilian authorities, including any order or directive of the Independent Organization.

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5.2.5 EMERGENCIES AND NECESSARY INTERRUPTIONS

Company may curtail, reduce voltage, or interrupt Delivery Service in the event of an emergency arising anywhere on the Delivery System or the interconnected systems of which it is a part, when the emergency poses a threat to the integrity of its system or the systems to which it is directly or indirectly connected if, in its sole judgment, such action may prevent or alleviate the emergency condition. Company may interrupt service when necessary, in Company's sole judgment, for inspection, test, repair, or changes in Company's Delivery System, or when such interruption will lessen or remove possible danger to life or property, or will aid in the restoration of Delivery Service.

Company shall provide advance notice to Retail Customer's Competitive Retailer, if reasonably possible. Such notice may be made by electronic notice to all certificated Competitive Retailers operating within Company's service territory, specifically identifying the location, time, and expected duration of outage. Notice shall also be provided, if reasonably possible, to those Retail Customers designated as Critical Care Residential Customers, Chronic Care Residential Customers, Critical Load Industrial Customers, and Critical Load Public Safety Customers. If Retail Customer believes it qualifies for designation as a Critical Care Residential Customer, Chronic Care Residential Customer, Critical Load Industrial Customer, or Critical Load Public Safety Customer under P.U.C. SUBST. R 25.497, Retail Customer may apply for designation as provided in P.U.C. SUBST. R 25.497.

Nothing herein shall prevent the Company from being liable if found to be grossly negligent or to have committed intentional misconduct with respect to its exercise of its authority in this Tariff.

The operation of BPL shall not interfere with or diminish the reliability of Company's Delivery System. Should a disruption in the provision of Delivery Service occur due to BPL, Company shall prioritize restoration of Delivery Service prior to restoration of BPL-related systems.

5.2.6 LIMITATION OF WARRANTIES BY COMPANY

Company makes no warranties with regard to the provision of Construction Service or Delivery Service and disclaims any and all warranties, express or implied, including but not limited to warranties of merchantability or fitness for a particular purpose.

5.3 SERVICE

Company shall provide Delivery Service pursuant to the terms and conditions of this Tariff to any Retail Customer within Company's certificated service territory requiring such service. Except as required for Construction Services or other unique Delivery Service needs, Retail Customer should contact Retail Customer's designated Competitive Retailer for all matters relating to the provision of Delivery Service.

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5.3.1 INITIATION OF DELIVERY SYSTEM SERVICE (SERVICE CONNECTION)

For the purposes of this section, "initiation of Delivery System Service" refers to the actions taken by Company to energize Retail Customer's connection to the Delivery System.

5.3.1.1 INITIATION OF DELIVERY SYSTEM SERVICE WHERE CONSTRUCTION SERVICES ARE NOT REQUIRED

Where existing Company facilities will be used for Delivery System Service and no Construction Service is needed, Company shall initiate Delivery System Service for Retail Customer if requested by Competitive Retailer through the Registration Agent unless:

- (1) The Retail Customer's Electrical Installation is known to be hazardous under applicable Codes or interferes with the service of other Retail Customers; or unless a known dangerous condition exists as long as it exists; or
- (2) The Competitive Retailer is not eligible for Delivery Service under Section 4.3.1, ELIGIBILITY or the Competitive Retailer or Retail Customer is in default under this Tariff. Retail Customer is considered to be in default if Retail Customer fails to satisfy any material obligation under this Tariff after being given notice of the failure and at least ten days to cure.

Company may decline to initiate Delivery Service if it cannot be provided consistent with Good Utility Practice. The Retail Customer is responsible for selecting an eligible Competitive Retailer. Company shall direct Retail Customer to the Commission for a list of eligible Competitive Retailers or to other sources of information subject to Commission's Code of Conduct rules, if requested. Company shall provide initiation of Delivery System Service in accordance with Section 6.1.

5.3.1.2. INITIATION OF DELIVERY SYSTEM SERVICE WHERE CONSTRUCTION SERVICES ARE REQUIRED

Where Construction Services are required prior to the initiation of Delivery System Service, Retail Customer may contact Company directly to make arrangements for such service. All such requests shall be governed by the provisions in Section 5.7, FACILITIES EXTENSION POLICY. After completion of Construction Service, Company shall initiate Delivery System Service in accordance with Section 5.3.1.1, INITIATION OF DELIVERY SYSTEM SERVICE WHERE CONSTRUCTION SERVICES ARE NOT REQUIRED.

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5.3.2 REQUESTS FOR CONSTRUCTION SERVICES

All Construction Service requests must include the following information:

- (1) Retail Customer contact name;
- (2) Retail Customer contact phone number;
- (3) ESI ID, if in existence and available;
- (4) Service address (including City and zip code), directions to location, and access instructions when appropriate;
- (5) Construction Services requested; and
- (6) Requested date for Company to perform or provide Construction Service.

Company will contact the person designated in the request within two Business Days to make necessary arrangements for Construction Services pursuant to Section 5.7, FACILITIES EXTENSION POLICY and Section 5.10, METER. If a new ESI ID is required, Company shall establish the new ESI ID for the Point of Delivery and transmit the appropriate TX SET transaction to the Registration Agent prior to the commencement of Construction Services.

5.3.3 CHANGING OF DESIGNATED COMPETITIVE RETAILER

Company shall change a Retail Customer's designated Competitive Retailer upon receipt of proper notification from the Registration Agent, in accordance with the Applicable Legal Authorities, unless the new Competitive Retailer is in default under this Tariff or is not eligible for Delivery Service under Section 4.3.1, ELIGIBILITY, of this Tariff. Company shall release proprietary customer information to a Competitive Retailer in a manner prescribed by Applicable Legal Authorities.

5.3.4 SWITCHING FEES AND SWITCHOVERS

Company shall not charge Retail Customer for a change in designation of Retail Customer's Competitive Retailer. Company shall charge Retail Customer for a switchover to another distribution utility in accordance with Section 6.1, RATE SCHEDULES, of this Tariff.

5.3.5 IDENTIFICATION OF THE PREMISES AND SELECTION OF RATE SCHEDULES

The establishment, assignment and maintenance of ESI IDs shall be as determined by Applicable Legal Authorities. In addition, Company shall:

1. Assign a unique ESI ID for each Point of Delivery, or in the case of non-Metered load, a unique ESI ID to each Premises, in accordance with Applicable Legal Authorities;
2. Establish separate and distinct ESI IDs for temporary and permanent service. The temporary ESI ID shall be retired after all market transactions associated with the temporary ESI ID have been completed. If the temporary Meter has been used for the same Premises for which the permanent Meter will be used, the same ESI ID may be used for temporary and permanent service;

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3. Identify, assign, and maintain ESI IDs with the appropriate load profile, Meter Reading cycle, and other information necessary for accurate settlement of the wholesale market, unless such functions are undertaken by the Independent Organization;
4. Notify the Competitive Retailer and Independent Organization, using the appropriate TX SET transaction, of revisions in the assignment of a Rate Schedule; and
5. Maintain accurate United States Postal Service compliant services addresses, when available, to comply with Applicable Legal Authorities. When there are two or more ESI IDs for the same service address, the service address shall include information to distinguish between the Points of Delivery at the service address.

The Rate Schedules included in this Tariff state the conditions under which Company's Delivery Services are available and the applicable rates for each Delivery Service. For service to a new Retail Customer at an existing Premises, Company shall reset all Demand Ratchets and Retail Customer's Billing Demand and charges for Delivery Service shall not be determined based upon Premises history not associated with the new Retail Customer or on Retail Customer's previous history at a prior location unless Company's current base rates were set based on the assumption that the Demand Ratchet would not be reset, in which case, Company shall begin resetting Demand Ratchet no later than the conclusion of its next general rate case. Retail Customer may, if directed by Competitive Retailer, contact the Company to discuss the appropriate Rate Schedule for the Retail Customer. If requested, Company will assist Retail Customer in selecting the Rate Schedule that is best suited to existing or anticipated Delivery Service requirements. However, Company does not assume responsibility for the selection of the Rate Schedule or for any failure to select the most appropriate Rate Schedule for Retail Customer's Delivery Service requirements. Company shall direct Retail Customer to its Competitive Retailer to initiate any changes in Rate Schedule selection.

Retail Customer shall notify its Competitive Retailer, who will in turn notify Company, of any factors affecting Retail Customer's Electrical Installation or use of Premises that may affect the applicability of a Rate Schedule. Company may change a Retail Customer's Rate Schedule if Company is made aware that the Retail Customer is no longer eligible to receive service under its current Rate Schedule.

5.3.6 CHANGES IN RATE SCHEDULES

Unless a change in Rate Schedule is requested as a result of a change in Company's facilities or the Meter used to serve Retail Customer, or unless the change in Rate Schedule requires a different billing methodology, any change in a Rate Schedule selection shall be applicable for the entire billing cycle in which the change in Rate Schedule was requested if the request is made at least two Business Days before the Meter Reading date for that Retail Customer. If a change in Company's facilities or Meter used to serve Retail Customer

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occurs, or if the change in Rate Schedule requires a different billing methodology or different Billing Determinants, then the change shall be effective in the next full billing cycle.

5.3.7 SUSPENSION OF SERVICE

5.3.7.1 URGENT SUSPENSIONS

Company may intentionally suspend Delivery Service to Retail Customer's Electrical Installation if it knows that providing the service is hazardous or a hazardous condition may be imminent, for as long as such condition exists or may be imminent, provided that such suspension eliminates or mitigates the hazardous condition and does not result in another hazardous or life-threatening condition. Company shall take reasonable steps to notify Retail Customer as soon as possible after Company decides that it will suspend service. Where reasonable, Company shall post a notice of suspension and the reason for the suspension at the place of common entry or upon the front door of each affected Retail Customer as soon as possible after service has been disconnected.

Company may also suspend service when such suspension is authorized by Applicable Legal Authorities.

5.3.7.2 OTHER SUSPENSIONS

Company may suspend Delivery Service to Retail Customer upon notice to Retail Customer's Competitive Retailer:

- (1) In the event of unauthorized use, connection or reconnection, or diversion of service, or Tampering with the Meter or equipment, or bypassing same;
- (2) In the event that Delivery Service to Retail Customer's Electrical Installation cannot be provided consistent with Good Utility Practice, after a reasonable opportunity has been provided to Retail Customer to remedy the situation;
- (3) In the event of Retail Customer's violation of the provisions of Company's Tariff pertaining to the use of Delivery Service in a manner which interferes with the Delivery Service of others, or the operation of nonstandard equipment, or as otherwise specified by written agreement, and a reasonable opportunity has been provided to remedy the situation;
- (4) Upon Retail Customer's failure to comply with the terms of any written agreement made between Company and Retail Customer, or upon default of Retail Customer under such an agreement, or upon failure to pay any charges billed by Company directly to Retail Customer pursuant to Section 5.8.2, BILLING TO RETAIL CUSTOMER BY COMPANY, after a reasonable opportunity has been provided to remedy the failure;
- (5) For Retail Customer's failure to provide Company with reasonable access to Company's facilities and the Meter located on Retail Customer's Premises; or

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- (6) Upon Company's receipt of a notice requiring such action, in the form and from the party specified by the Applicable Legal Authorities, Company will not be responsible for monitoring or reviewing the appropriateness of any such notice, except as provided in Section 5.3.7.4, PROHIBITED SUSPENSION OR DISCONNECTION.

5.3.7.3 RESTORATION OF SERVICE

Company will conduct restoration efforts as soon as possible following the alleviation or correction of the conditions that caused a suspension or disconnection and provide notice to Retail Customer's Competitive Retailer as soon as practicably possible.

5.3.7.4 PROHIBITED SUSPENSION OR DISCONNECTION

- (1) Except in the case of suspensions of service related to dangerous conditions, clearance requests, or move-out requests, Company shall not disconnect or suspend Delivery Service to Retail Customer in the following situations:
- (A) On a day, or on a day immediately preceding a day, when personnel of Company are not available to the public for the purpose of reconnecting Delivery Service;
 - (B) For delinquency of payment to Company by Retail Customer's Competitive Retailer;
 - (C) During an "extreme weather emergency" as defined in the Commission's customer protection rules;
 - (D) At a permanent, individually metered dwelling unit of a Retail Customer for non-payment of amounts billed directly to Retail Customer by Company pursuant to the Company's Tariff, when that Retail Customer establishes that disconnection of Delivery Service will cause some person residing at that residence to become seriously ill or more seriously ill.
 - (i) Each time a Retail Customer seeks to avoid disconnection of Delivery Service under subsection (D), the Retail Customer must accomplish all of the following by the stated date of disconnection:
 - (I) have the subject person's attending physician (for purposes of this subsection the term "physician" shall mean any public health official, including, medical doctors, doctors of osteopathy, nurse practitioners, registered nurses, and any other similar public health official) call or contact the Company by the date of the disconnection;

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- (II) have the subject person's attending physician submit a written statement to Company; and
- (III) enter into a deferred payment plan.
- (ii) The prohibition against Delivery Service disconnection provided by subsection (D) shall last 63 days from the issuance of the bill by Company or a shorter period as agreed upon by Company and Retail Customer or subject person's physician; or
- (E) When the disconnection is authorized by the REP as a disconnection for nonpayment of electric service and Retail Customer is designated as a Critical Care Residential Customer, unless all of the procedures required by Company pursuant to P.U.C. SUBST. R 25.497 and P.U.C. SUBST. R 25.483 have been completed; or when the disconnection is authorized by the REP as a disconnection for nonpayment of electric service and Retail Customer is designated as a Critical Load Industrial Customer or a Critical Load Public Safety Customer, unless all Company-established processes are followed. Upon request, Company shall provide a paper or electronic copy of all Company-established processes for the disconnection of a Critical Load Industrial Customer or Critical Load Public Safety Customer to Competitive Retailer.

5.3.8 DISCONNECTION AND RECONNECTION OF SERVICE TO RETAIL CUSTOMER'S FACILITIES

At the request of Retail Customer, or Retail Customer's designated Competitive Retailer, for Retail Customer related construction, alteration, emergency, or other temporary clearance, Company shall disconnect Retail Customer's facilities in accordance with Chapter 6.

Competitive Retailer may request disconnection for non-payment by Retail Customer or reconnection thereafter as authorized by the Commission's customer protection rules. Company shall disconnect and reconnect Retail Customer's Premises upon request by a Competitive Retailer authorized to do so.

5.4 ELECTRICAL INSTALLATION AND RESPONSIBILITIES

5.4.1 RETAIL CUSTOMER'S ELECTRICAL INSTALLATION AND ACCESS

Retail Customer is responsible for the design, installation, operation, protection, and maintenance of electric facilities beyond the Point of Delivery, and Company shall have no responsibility therefore, except for if Meter is maintained by Company. Retail Customer's Electrical Installation for receiving Electric

Power and Energy must be installed in accordance with Company's specifications for electrical installations, which are available upon request at Company's business offices located in the specific area where Delivery

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Service is desired. Retail Customer shall install and maintain Retail Customer's Electrical Installation in accordance with all applicable Codes, and in such condition and manner as not to endanger persons or property, or to cause impairment of Company's Delivery Service to Retail Customer or others. Retail Customer assumes responsibility for Electric Power and Energy delivered to Retail Customer at and past the Point of Delivery in accordance with Section 5.5, RETAIL CUSTOMER'S ELECTRICAL LOAD.

5.4.2 INSPECTION AND APPROVAL OF RETAIL CUSTOMER'S ELECTRICAL INSTALLATION

In those locations where an ordinance requires Retail Customer to obtain a certificate of inspection and acceptance or a permit, Retail Customer shall obtain all necessary permits and certificates of inspection covering its electrical installation. Company will not interconnect its Delivery System facilities with Retail Customer's Electrical Installation until Company receives notification of approval of Retail Customer's Electrical Installation by the proper authority.

Company does not assume any duty of inspecting Retail Customer's lines, wires, switches, or other equipment. Without limiting the provisions of the foregoing sentence, Company shall decline to interconnect its Delivery System facilities with Retail Customer's Electrical Installation if it is known to be hazardous or would interfere with the service of other Retail Customers, and may decline to interconnect if satisfactory Delivery Service to Retail Customer cannot be provided consistent with Good Utility Practice.

5.4.3 LOCATION OF POINT OF DELIVERY AND RETAIL CUSTOMER'S ELECTRICAL INSTALLATION

Retail Customer's Electrical Installation must be arranged so that the location of the Point of Delivery allows Company to provide safe and reliable Delivery Service, taking into consideration the location of existing Company facilities and construction needed to connect Retail Customer's Electrical Installation to Company's Delivery System.

Any change from the Company-approved Point of Delivery may be subject to a Discretionary Service Charge pursuant to Section 6.1, RATE SCHEDULES.

In the event Company is required by Applicable Legal Authorities to relocate any of its facilities, Retail Customer shall, at Retail Customer's expense, relocate or change Retail Customer's Electrical Installation as required.

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**5.4.4 CONNECTION OF RETAIL CUSTOMER'S ELECTRICAL INSTALLATION TO
COMPANY FACILITIES**

Only personnel authorized by Company are permitted to make, energize, or de-energize connections between Company facilities and Retail Customer's Electrical Installation.

5.4.5 PROVISIONS FOR COMPANY FACILITIES AND EQUIPMENT AND THE METER

Retail Customer must grant to or secure for Company, at Retail Customer's expense, any rights-of-way or easements on property owned or controlled by Retail Customer necessary for Company to install Delivery System facilities for the sole purpose of delivering Electric Power and Energy to Retail Customer. Retail Customer must provide, without cost to Company, suitable space on Retail Customer's Premises for the installation of Delivery System facilities necessary to deliver Electric Power and Energy to Retail Customer and for installation of Metering Equipment and the Meter pursuant to Section 5.10, METER.

**5.4.6 RETAIL CUSTOMER'S DUTY REGARDING COMPANY'S FACILITIES ON RETAIL
CUSTOMER'S PREMISES**

Consistent with Section 5.2, LIMITS ON LIABILITY (which limits any legal liability only as expressly stated therein), Retail Customer shall have a duty to exercise reasonable care not to damage Company Delivery System facilities on Retail Customer's Premises and shall not be considered to be a bailee or to have possession of those facilities.

Retail Customer shall not Tamper with Company's facilities or the Meter on Retail Customer's Premises. *Company shall not be liable to Retail Customer for any injuries that result from such Tampering.* Loss of, or damage to, Company Delivery System facilities on Retail Customer's Premises caused by or arising out of Retail Customer's Tampering or failure to exercise reasonable care not to damage such facilities shall be subject to the provisions of Section 5.2, LIMITS ON LIABILITY. Charges for such loss or damage shall be consistent with Section 6.1, RATE SCHEDULES.

The Retail Customer's authorization of the use of the Meter by a third party or designation of a Meter Owner does not relieve the Retail Customer of its obligations with regard to exercising care of the Delivery System or of prohibitions against Tampering with the Meter. Additionally, consistent with Section 6.1, RATE SCHEDULES, the Company may assess charges to Retail Customer for any damage or loss caused by the Retail Customer or by parties to whom Retail Customer has authorized to access the Meter.

Company shall repair any street light or security light within 15 calendar days of receipt of a repair request from either the Retail Customer or Competitive Retailer unless otherwise provided in the Rate Schedules that pertain to lighting.

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5.4.7 UNAUTHORIZED USE OF DELIVERY SYSTEM

In the event of use or attempted use of the Delivery System, without Company's authorization, whether by Tampering with Meter or Metering Equipment or by any other means, Delivery Service may be suspended by Company. Company must comply with all Applicable Legal Authorities and Section 5.3.7, SUSPENSION OF SERVICE. A person found to be using the Delivery System without authorization must pay the charge for restoring Delivery Service as provided in Company's Rate Schedules under which that person would normally receive Delivery Service and may be required to pay all charges, including the following, before Delivery Service will be restored or initiated:

- (1) The Delivery Charges associated with the estimated amount of electricity delivered without Company authorization, which may be estimated based on amounts used under similar conditions during preceding years. Where no previous usage history exists at the same Premises, consumption may be estimated on the basis of usage levels of similar Retail Customers at similar Premises under similar conditions;
- (2) The cost of replacing and repairing a Meter and associated Company equipment (including the Meter seal);
- (3) The cost of installment of protective facilities or of relocation of Meter, if necessary to prevent further unauthorized use; and
- (4) All other costs associated with the investigation and correction of the unauthorized use.

5.4.8 ACCESS TO RETAIL CUSTOMER'S PREMISES

Company's duly authorized representatives have the right of access to Retail Customer's Premises at all reasonable hours, or at any hour if for the sole purpose of restoring Delivery Service, to: inspect, erect, install, maintain, upgrade, convert, remove, or replace Company's wiring apparatus and other facilities; read the Meter; and perform other activities necessary to provide Delivery Service, including tree trimming and tree removal where such trees in the opinion of Company constitute a hazard to Company personnel or facilities, or to the provision of continuous Delivery Service, provided, however, that such representatives comply with all applicable site-specific safety requirements which have been communicated by Retail Customer in writing to Company. Such personnel must exhibit a photo-identification badge to gain access. Failure to provide access may result in suspension of Delivery Service and/or additional charges under the appropriate Commission approved Tariff that shall be billed to Retail Customer's designated Competitive Retailer. Company shall notify Retail Customer's designated Competitive Retailer of Retail Customer's failure to provide access. Retail Customer shall not grant access to the facilities of Company and the Meter except to authorized Company representatives.

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5.5 RETAIL CUSTOMER'S ELECTRICAL LOAD

5.5.1 LOAD BALANCE

If a Retail Customer takes multi-phase Delivery Service, Retail Customer must take reasonable actions to control the use of Electric Power and Energy so that Retail Customer's Electrical Load at the Point of Delivery is in reasonable balance.

5.5.2 INTERMITTENT ELECTRICAL LOADS AND LIMITATIONS ON ADVERSE EFFECTS

Retail Customer shall not, without Company's consent, connect or operate equipment that produces voltage fluctuations, interference or distorted wave forms that adversely affect Delivery Service to other Retail Customers or that may be detrimental to the Delivery System. Such equipment includes, but is not limited to, spot and arc welding machines, X-ray machines, arc-furnaces, variable speed drives, elevators, dredges, locomotives, shovels, feed grinders, etc. Retail Customer contemplating the installation of such equipment must make specific prior arrangements through Competitive Retailer, or if directed by Competitive Retailer, with the Company directly. As part of such arrangements, Company may require the installation on Retail Customer's side of the Meter, of suitable apparatus, including additional transformer capacity or other equipment designed specifically to reasonably limit such adverse effect. Any such equipment provided by Company on the Delivery System (which may or may not be dedicated solely to such Retail Customer) to correct such adverse effects shall be treated as a Discretionary Service that is subject to the applicable Rate Schedule contained in Section 6.1, RATE SCHEDULES.

Company shall comply with the procedures described in P.U.C. SUBST. R 25.51, Power Quality.

Where intermittent electrical loads or load control devices are a part of Retail Customer's installation, Company may determine through a methodology approved by the Commission, the billing Demand associated with the Retail Customer's Premises on the basis of a time interval which is shorter than that specified in Company's Rate Schedule under which Retail Customer is receiving Delivery Service.

5.5.3 EQUIPMENT SENSITIVE TO VOLTAGE AND WAVE FORMS

Retail Customers planning the installation of electric equipment such as computers, communication equipment, electronic control devices, motors etc., the performance of which may be adversely affected by voltage fluctuations, distorted 60 hertz wave forms, or single phase events, are responsible for providing and installing the necessary facilities, including protective equipment, to limit these adverse effects.

5.5.4 CHANGE IN RETAIL CUSTOMER'S ELECTRICAL LOAD

Retail Customer, or Competitive Retailer at the request of Retail Customer, shall notify Company when Retail Customer's Electrical Load or contracted Demand is to be changed substantially so that Company may

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ensure its facilities are adequate. In the event Retail Customer adds electrical load at Retail Customer's installation that results in the use of Delivery Service in excess of the maximum capacity of the Delivery System facilities serving Retail Customer, Retail Customer is subject to liability pursuant to Section 5.2, LIMITS ON LIABILITY for any damage to Company's facilities resulting from the use of Delivery Service in excess of such maximum.

5.5.5 POWER FACTOR

If the Power Factor of Retail Customer's load is found to be less than 95% lagging as measured at the Meter, Company may require Retail Customer to arrange for the installation of appropriate equipment on Retail Customer's side of the Meter necessary to correct Retail Customer's Power Factor between unity and 95% lagging as measured at Meter, or, if Retail Customer fails to correct its Power Factor consistent with this standard, the demand associated with Retail Customer's use of Delivery Service, as determined in the appropriate Rate Schedules in Section 6.1 RATE SCHEDULES, may be increased according to the following formulas:

- (1) Calculation of Power Factor Adjusted NCP kW.

The NCP kW applicable under the Monthly Rate section shall be modified by the following formula:

Power Factor Adjusted Monthly NCP kW = (Actual Monthly NCP kW x 0.95)/Current Month Power Factor

- (2) Calculation of Power Factor Adjusted 4-CP kW.

Each of the Retail Customer's monthly coincident peak kW Demands used to calculate the Retail Customer's average 4 CP kW Demand applicable under the Monthly Rate section shall be calculated using the following formula:

Power Factor Adjusted Monthly CP kW = (Actual Monthly CP kW Demand at the time of the ERCOT peak x 0.95)/Monthly Power Factor

Power Factor Adjusted 4-CP kW = average of the Retail Customer's Monthly CP kW as adjusted for Power Factor if applicable.

- (3) Power Factor Adjusted Monthly NCP kW Demands will be used in determining the Billing kW under the applicable Tariff schedule.

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If Company has a different Power Factor billing adjustment it shall conform to these calculations upon its next general rate case.

Should a Retail Customer's Power Factor deviate from the standard described above to the point that it is causing Delivery System problems for other Retail Customers, and the Retail Customer fails to correct the problem after sufficient notice, Company may install the necessary equipment on the Delivery System to correct the problem to the standard described above, and the Retail Customer shall be required to reimburse Company for the cost.

5.5.6 TESTING OF RETAIL CUSTOMER EQUIPMENT

In situations where historical Demand requirements will be exceeded due to properly noticed and Company approved scheduled equipment testing, Company will ignore for Billing Demand Ratchet purposes the test period demands. Approval of the equipment testing schedule including date and time, shall be at Company's discretion, but shall not be unreasonably withheld, provided Retail Customer or Competitive Retailer contacts Company at least ten days in advance of the equipment testing. In no event shall Company approved testing occur between the hours of 12 noon and 8:00 PM during the weekdays of the months of June, July, August, and September. Charges for electric usage (kWh and kW) during the test period, may be billed to the Competitive Retailer. Increased demand for the testing period shall not affect the customer's demand for billing ratchet purposes. Charges for reading and resetting the Meter, if required, shall be as calculated and shall be billed to Competitive Retailer.

5.6 LIMITATIONS ON USE OF DISTRIBUTION SERVICE

5.6.1 INTRASTATE RETAIL DELIVERY SERVICE LIMITATIONS (FOR ERCOT UTILITIES)

Company will not provide Delivery Service to Retail Customer where any part of Retail Customer's Electrical Installation is located outside the State of Texas or is connected directly or indirectly to any other electric lines, all or part of which are located outside the State of Texas, other than through certain high-voltage direct current interconnections constructed under orders of the Federal Energy Regulatory Commission.

5.6.2 PARALLEL OPERATION

Retail Customer may not, without written agreement with Company, connect Retail Customer's Electrical Installation to a source of Electric Power and Energy in a manner that may permit Electric Power and Energy to flow into the Delivery System from such source. Retail Customer proposing the interconnection of Distributed Generation must comply with the provisions set forth in this Tariff and Applicable Legal