

# **TARIFF FOR RETAIL DELIVERY SERVICE**

**CenterPoint Energy Houston Electric, LLC  
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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.

**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

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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.

**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

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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.

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

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**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.

**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.

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**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.

**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.



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**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.

**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.

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**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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## **CHAPTER 2: DESCRIPTION OF COMPANY'S CERTIFIED SERVICE AREA**

### **2.1 PRELIMINARY STATEMENT**

CenterPoint Energy Houston Electric, LLC, a Transmission and Distribution Utility, is responsible for the safe and reliable delivery of electric power to Retail Customers in the Texas Gulf Coast Region, estimated at approximately 5,000 square miles, in which are located Houston and approximately 165 other cities, villages and communities. The purchase of electric power by the Retail Customer is through the Customer's designated REP. This Tariff establishes the rates, terms and conditions, and policies for the operation of CenterPoint Energy Houston Electric, LLC and its relationship with Retail Customers and REPs.

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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 Utilities 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          | Racoon 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

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may be provided 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



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as the 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*

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*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 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.

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Company may interrupt service when necessary, in the Company's sole judgment, for inspection, test, repair, 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

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- (2) Competitive Retailer and Company execute a Delivery Service Agreement; or
- (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

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Delivery System Service in accordance with Section 4.3.2.1, INITIATION OF DELIVERY SYSTEM SERVICE WHERE CONSTRUCTION SERVICES ARE NOT REQUIRED.

#### **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



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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 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

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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 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

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Days 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 35<sup>th</sup> calendar day after the transmittal date of the Valid Invoice, unless the 35<sup>th</sup> 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.

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Company shall provide written notice of the dispute to the Competitive Retailer's designated contact and shall include in the 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

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Competitive Retailer shall provide any required deposit within ten calendar days of receipt of the first Valid Invoice from the Company. 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.

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Retail Customers required by the Independent Organization to have an IDR Meter may choose a Meter Owner, 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

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can explain to the Retail Customer and inform Competitive Retailer of the number of consecutive months Company has been 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



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CUSTOMER, but shall not be considered a month in which the Retail Customer has denied access.

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

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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 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

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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 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



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serve Retail Customer 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;

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- (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
- (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

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- health official) call or contact the Company by the date of the disconnection;
- (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

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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 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

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may 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

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Authorities. Requirements and specifications for all other interconnections for parallel operation shall be individually negotiated with Company.

## **5.7 FACILITIES EXTENSION POLICY**

### **5.7.1 GENERAL**

This Facilities Extension Policy (“Policy”) addresses the requirements associated with extension of Delivery System facilities, i.e., Construction Services, at the request of Retail Customer or Competitive Retailer on behalf of its Retail Customer, for the following situations, which are sometimes collectively referred to as “extensions”:

- (1) Installation of standard facilities;
- (2) Installation of facilities in excess of standard facilities normally provided for requested type of service and allowed for in this Tariff;
- (3) Installation of non-standard facilities;
- (4) Upgrades of facilities due to Customer adding load;
- (5) Electric connections to temporary facilities; and
- (6) Removal and relocation of facilities.

Company is responsible for the construction of Delivery System facilities necessary to connect Retail Customer’s Point of Delivery to the Delivery System. The treatment of extension of Meter facilities is excluded from this section and is addressed in Section 5.10, METER, of this Chapter. Payments in the form of a contribution in aid of construction or an advance for construction may be required from the entity requesting such Construction Service prior to commencement of construction in accordance with Section, 5.7.4, ALLOWANCE FOR FACILITIES, Section 5.7.5, NON-STANDARD FACILITIES, and Section 6.1, RATE SCHEDULES.

### **5.7.2 CONTRACTUAL ARRANGEMENTS**

Company may require an executed Facility Extension Agreement, in the form approved by the Commission and specified in Section 6.3, AGREEMENTS AND FORMS, of this Tariff, between the entity requesting such service and Company prior to Company constructing standard and non-standard Delivery System facilities. In those instances where any payments are required, Company will provide a detailed cost estimate for the entity requesting the service to determine the special contractual arrangements required before Construction Service is provided. Regardless of any such payment, Company shall at all times have title to and complete ownership and control over facilities installed by Company.

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### **5.7.3 PROCESSING OF REQUESTS FOR CONSTRUCTION OF DELIVERY SYSTEM**

Requests for new residential Delivery Service requiring Construction Service, such as line extensions, shall be completed within 90 days of execution of the Facility Extension Agreement, or within a time period agreed to by the entity requesting the Construction Service and Company, and after the entity requesting

Construction Service has made satisfactory payment arrangements for Construction Service Charges. For all other extensions requiring construction, requests should be completed within the time estimated by Company. For the purposes of this section, facility placement that requires a permit for a road or railroad crossing will be considered a line extension. Unless mutually agreed to by Company and Retail Customer, within ten Business Days of Company's receipt of a detailed request, Company shall give the entity requesting Construction Service an estimated completion date and an estimated cost for all charges to be assessed.

Unless a delay is beyond the reasonable control of Company, a delay of more than 90 days beyond execution of the Facility Extension Agreement for new residential Delivery Service shall constitute failure to serve, unless the entity requesting the service has agreed to a longer term. The Commission may conduct enforcement action and seek penalties and other remedies for unreasonable delays.

### **5.7.4 ALLOWANCE FOR FACILITIES**

The entity requesting the service will receive an allowance for installation of facilities. The calculation of the allowance and definitions of standard and non-standard facilities are provided in Chapter 6. Payments in the form of a contribution in aid of construction may be required for requested extensions in excess of the allowance in accordance with Chapter 6. When two or more applications for Delivery Service from the same extension are received prior to starting construction of the extension, the maximum allowance is the sum of each individual applicant's allowance.

### **5.7.5 NON-STANDARD FACILITIES**

Non-standard facilities are defined in Chapter 6, and may include but are not limited to a two-way feed, automatic and manual transfer switches, Delivery Service through more than one Point of Delivery, redundant facilities, facilities in excess of those normally required for Delivery Service, or facilities necessary to provide Delivery Service at a non-standard voltage.

If the entity requesting Construction Service desires Delivery Service utilizing non-standard Delivery System facilities, as described above and not covered elsewhere in this Tariff, Company shall construct such facilities unless, in the reasonable judgment of Company, such construction would impair Company's facilities or facilities with which Company is interconnected, impair the proper operation of such facilities, impair service to Retail Customers, or there are other appropriate concerns that the entity requesting service

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is unable or unwilling to correct. The entity requesting Construction Service shall pay to Company the estimated cost of all non-standard facilities, offset by any applicable allowance, as detailed in Chapter 6, and the Facility Extension Agreement.

#### **5.7.6 CUSTOMER REQUESTED FACILITY UPGRADES**

In the case of upgrades to Delivery System facilities necessitated by Retail Customer adding load in excess of existing Delivery System facility capacity, should a contribution in aid of construction be required pursuant to Chapter 6, only the cost of the facility upgrades that are attributable to the Retail Customer's request will be included in calculating a payment to Company.

#### **5.7.7 TEMPORARY DELIVERY SYSTEM**

Company is responsible for the extension of Delivery System facilities necessary to connect Retail Customer's temporary Point of Delivery to Company's Delivery System for the purpose of providing temporary Delivery Service. Retail Customer, or the entity requesting such service, shall pay Company prior to Company's constructing temporary Delivery System facilities in accordance with Chapter 6.

#### **5.7.8 REMOVAL AND RELOCATION OF COMPANY'S FACILITIES AND METERS**

Company may remove or relocate Company facilities and the Meter at Retail Customer's request unless doing so would create a safety hazard or would be incompatible with providing safe and reliable Delivery Service. Retail Customer, or the entity requesting such removal or relocation, shall pay to Company the total cost of removing or relocating such Delivery System facilities in accordance with Chapter 6. Company shall notify Competitive Retailer of all Meter Removals pursuant to this section.

#### **5.7.9 DISMANTLING OF COMPANY'S FACILITIES**

Company may, upon discontinuation of Delivery Service to Retail Customer, dismantle and remove all lines, equipment, apparatus, or other facilities, which Company installed to provide Delivery Service to Retail Customer. Company may abandon in place, in whole or in part, its underground lines and equipment in lieu of removing such. Company shall be subject to liability pursuant to Section 5.2 LIMITS ON LIABILITY (which limits any legal liability only as expressly stated therein), for any such abandoned lines or equipment, and may offer Retail Customer the option to terminate applicable easements pursuant to this Tariff. If Company removes outdoor lighting on its own initiative, it shall not charge for removal. A Retail Customer or a Competitive Retailer on behalf of Retail Customer, shall request removal of outdoor lighting facilities at least 30 days prior to the requested removal date. The removal request shall be completed by Company on requested removal date. If mutually agreed to by Company and the Retail Customer, or the Competitive Retailer on behalf of the Retail Customer, Company may begin the removal of outdoor

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lighting facilities and complete the removal of outdoor lighting facilities on a date or dates other than the initially requested removal date.

## **5.8 BILLING AND REMITTANCE**

### **5.8.1 BILLING OF DELIVERY CHARGES**

Company shall bill Retail Customer's selected Competitive Retailer for all charges associated with Delivery Services and Discretionary Charges not associated with Construction Services. In no case shall Delivery Service Charges be billed to a Competitive Retailer for a time period when the Competitive Retailer was not the Retail Electric Provider for the Retail Customer.

### **5.8.2 BILLING TO RETAIL CUSTOMER BY COMPANY**

For Construction Services, Company shall bill the entity that requests Construction Services from Company. When Retail Customer requests such services, Company may, pursuant to this Tariff and according to the terms of Facility Extension Agreement, require prepayments, contributions in aid of construction, or lump-sum payments for Construction Services. Upon a showing by Retail Customer of satisfactory credit, Company may extend payment options, such as deferred payment plans or installments of charges associated with Construction Services. Charges billed to Retail Customer pursuant to this section shall remain the responsibility of Retail Customer regardless of any change in Retail Customer's designated Competitive Retailer.

Retail Customers may also be billed by Company for damage caused to Company facilities by Retail Customer, pursuant to Section 5.4.6, RETAIL CUSTOMER'S DUTY REGARDING COMPANY'S FACILITIES ON RETAIL CUSTOMER'S PREMISES, or Section 5.5.4, CHANGE IN RETAIL CUSTOMER'S ELECTRICAL LOAD, or for costs incurred by Company to correct any adverse effects of Retail Customer's Electrical Installation pursuant to Section 5.5.2, INTERMITTENT ELECTRICAL LOADS AND LIMITATIONS ON ADVERSE EFFECTS, or to correct Power Factor problems pursuant to Section 5.5.5, POWER FACTOR.

## **5.9 DEFAULT AND REMEDIES ON DEFAULT**

### **5.9.1 COMPANY REMEDIES ON DEFAULT BY COMPETITIVE RETAILER**

Upon failure of Competitive Retailer to timely abide by the terms of this Tariff, Competitive Retailer may be required to transfer Retail Customer to the POLR or arrange for Retail Customers to be served by another qualified Competitive Retailer or the POLR, as provided in Section 4.6 DEFAULT AND REMEDIES ON DEFAULT.

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## **5.10 METER**

### **5.10.1 METERING PRACTICES**

Unless otherwise agreed to by Company and Retail Customer, Delivery Service is provided through one Point of Delivery, with Retail Customer's service entrance arranged so that Company can measure Retail Customer's Service with one Meter. Additional information, including information concerning non-Company or advanced metering installations, may be found in Chapter 6.

### **5.10.2 RETAIL CUSTOMER RESPONSIBILITY AND RIGHTS**

Each Retail Customer shall use reasonable care not to damage any of Company's Metering Equipment and related appurtenances on Retail Customer's Premises. 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, other than Company, in accordance with Applicable Legal Authorities otherwise, the Meter shall be owned by the Company.

Retail Customer shall own all Meter Data related to the premise occupied by that customer, regardless of whether the Meter Owner is the Retail Customer, the owner of the premise or a third party. Ownership of the Meter Data does not affect Company's obligations under this Tariff or other Applicable Legal Authorities to transmit Meter Data to the Independent Organization or the Retail Customer's Competitive Retailer. To the extent that data integrity is not compromised, the Retail Customer shall have the right to physical access to the Meter to obtain such Meter Data when technically feasible. The Retail Customer shall have the right and capability, including necessary security passwords, to assign access to the Retail Customer's Meter Data related to the premise occupied by that customer. "Physical Access" does not grant a customer the right to access a Meter in any way that may allow the customer the ability, directly or indirectly to alter billing and settlement data or compromise the safety of the Meter. Retail Customer is precluded from accessing any element of the Meter that may permit Retail Customer to alter billing and settlement data or compromise the accuracy or integrity of the Meter Data.

Retail Customer and, to the extent authorized by the Retail Customer, its designated Competitive Retailer shall have access to all of Retail Customer's Meter Data, Retail Customer's historical load data, and other proprietary customer data from Company pursuant to Applicable Legal Authorities. If authorized by the Commission, Company may assess a charge for compiling such data pursuant to Section 6.1, RATE SCHEDULES.

#### **5.10.2.1 REQUIREMENTS**

Retail Customer shall provide the following, at no cost to Company, at a suitable and easily accessible location:

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- (1) Sufficient and proper space for installation of Meter and Metering Equipment;
- (2) Meter socket and Meter enclosure as specified by Company for all self-contained Meters;
- (3) Meter loop; and
- (4) An adequate anchor for Service Drops.

Where the Point of Delivery is inside the building, Customer shall provide the service entrance enclosure and space for Company's instrument transformers, as required. Retail Customer shall install Company-approved Meter socket or Meter enclosure. No Meter or Metering Equipment may be by-passed for any reason without prior approval of Company or as permitted by Applicable Legal Authorities.

### **5.10.3 METERING OF RETAIL CUSTOMER'S INSTALLATION IN MULTI-METERED BUILDINGS**

When Delivery Service is measured through individual Meters for each living unit in multi-family dwellings or each retail space in a multi-tenant building, the property owner of each individually metered living unit or retail space is responsible for proper connection of Retail Customer's Electrical Installation to the Meter socket for Meter, including correct identification and labeling of Meter socket in order to designate living unit or retail space being metered. Company requires property owner, at property owner's expense, to correct any improper connection or identification and, when responsible, reimburse Company for any costs incurred as a result of the improper connection except as otherwise required by Applicable Legal Authorities.

### **5.10.4 LOCATION OF METER**

Consistent with Good Utility Practice, a Meter and its associated equipment shall be installed in a location that facilitates the provision of safe and reliable Delivery Service and accurate measurement and that provides a clear working space on all sides. The center of the Meter shall be not less than four feet and not more than six feet above the finished grade. All Meter locations should be as near as possible to the Point of Delivery. Meters for residential Retail Customers are to be located outside the building. Meter location for nonresidential Retail Customers normally will be outside the building. Inside locations may be permitted with Company's approval.

Meters will not be installed as follows:

- (1) In any hazardous location;
- (2) In any place where vibration, moisture, fumes or dust may damage the Meter or interfere with its operation;
- (3) Directly over any stairway, ramp or steps;

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- (4) On any portion of a building which at a later date will be enclosed and thereby render the Meter inaccessible;
- (5) In any location accessible only through a hatchway, trapdoor, or by means of a ladder; or
- (6) In or recessed in the external surface of any wall that is within three feet of any property line, or that is over the edge of any walk, alley or driveway which provides access to commercial or industrial property.

#### **5.10.5 NON-COMPANY OWNED METERS**

Company shall provide all services associated with the Meter unless otherwise authorized by the Commission in accordance with Applicable Legal Authorities, including but not limited to, ownership, installation, removal, maintenance, testing and calibration, and data collection and management for Company billing and submission to Independent Organization.

Requests for installation and/or removal of a Non-Company Owned Meter shall be made by the Retail Customer's Competitive Retailer in accordance with Applicable Legal Authorities, or by the Retail Customer to the Company directly. All such requests must include at least the following information:

- (1) Retail Customer contact name;
- (2) Retail Customer contact phone number;
- (3) Meter Owner contact name, address and phone number;
- (4) Meter Type and manufacturer;
- (5) Competitive Retailers contact name and phone number;
- (6) ESI ID if in existence and available;
- (7) Service address and directions to location when appropriate;
- (8) Service requested; and
- (9) Name, address, phone number and e-mail address of any agent designated by Retail Customer to make arrangements with Company for the requested service.

Company shall acknowledge receipt of the request to Retail Customer, Competitive Retailer or Retail Customer's designated agent and will contact the entity designated by the Retail Customer to make proper arrangement to provide the requested service in accordance with Applicable Legal Authorities.

An executed Service Agreement as approved by the Commission is required before installation of a Non-Company Owned Meter. The Service Agreement will include authorization of the Retail Customer's designated Meter Owner and will be in the form specified in Section 6.3, AGREEMENTS AND FORMS. Retail Customer is responsible for ensuring that Company is notified of any changes concerning the Non-Company Owned Meter in accordance with the Service Agreement and Applicable Legal Authorities.



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The installation of a Meter that will cause a change of the settlement profile for the ESI ID may occur at any time of the month, however the settlement profile will not change until the beginning of the next scheduled Meter Reading/billing cycle.

Company shall not remove the Non-Company Owned Meter upon de-energization of the Meter unless a specific request for Meter Removal has been made by the Retail Customer, the Retail Customer's Competitive Retailer, the customer's designated agent or the Meter Owner. However, if the Company receives a request to energize a Meter not owned by the Company and there is not an agreement in place with the Meter Owner at the time that energization is requested, the Company may remove the Meter.

Upon removal of a Non-Company Owned Meter, Company shall immediately contact the Retail Customer, Meter Owner, and Competitive Retailer and shall ship the Meter Cash on Delivery (COD) to designated Meter Owner or shall safeguard the Meter until the earlier of (a) the date the Meter Owner takes possession of the Meter, or (b) 60 calendar days from the date of removal of the Meter. If the Meter Owner fails to take possession of the Meter within 60 calendar days or upon 30 days of the return of a Meter that has been shipped COD, the Company is no longer responsible for safeguarding the Meter and may dispose of it in any manner the Company deems appropriate.

Charges associated with Non-Company Owned Meters will be invoiced directly to the Retail Customer, Competitive Retailer, or the entity requesting the service, pursuant to Chapter 6, including charges for the installation, removal, and storage of a Non-Company Owned Meter and the installation and removal of a Meter owned by the Company.

## **5.11 RETAIL CUSTOMER INQUIRIES**

### **5.11.1 SERVICE INQUIRIES**

Retail Customer may contact Company directly regarding the Delivery Service, for the following situations:

- (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; or
- (3) Special circumstances such as Delivery Service requirements that are of non-standard size or characteristics.

Retail Customer seeking information about the above items may contact the Company during normal business hours. In the event that Company personnel with the expertise needed to respond to the inquiry are not immediately available at the time of the Retail Customer's call, Company shall ensure that the Retail Customer is contacted within two Business Days.

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### **5.11.2 COMPLAINTS**

Retail Customer may submit written complaints about Delivery Service to Company and may call Company to lodge complaints orally. Retail Customer shall contact the person listed under Section 5.1.2, COMPANY CONTACT INFORMATION. Company shall inform Retail Customer of its right to file a complaint with the Commission. Company shall provide contact information for the Commission to the Customer.

### **5.11.3 BILLING INQUIRIES**

Retail Customer inquiries concerning billing related issues shall be directed to Retail Customer's designated Competitive Retailer. Inquiries related to billing for Construction Services billed directly to Retail Customer should be referred to Company.

## **5.12 OUTAGE REPORTING**

### **5.12.1 NOTIFICATION OF INTERRUPTIONS, IRREGULARITIES, AND SERVICE REPAIR REQUESTS**

Retail Customer should report outages, interruptions, irregularities, or repair requests as directed by its designated Competitive Retailer.

Company shall maintain a toll free number to receive, in either English or Spanish, reports of interruptions, irregularities, or repair requests from a Retail Customer.

If Retail Customer directly contacts Company, Retail Customer must ensure that all necessary information is communicated to Company in a timely manner so as not to unnecessarily delay Company's response. The data necessary includes the following:

- (1) Retail Customer name, and if different, contact name;
- (2) Retail Customer phone number, and if different, contact phone number;
- (3) Service address (including city and zip code) and directions to location;
- (4) ESI ID, if available; and
- (5) Description of problem.

### **5.12.2 RESPONSE TO REPORTS OF INTERRUPTIONS AND REPAIR REQUESTS**

The 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 charge Competitive Retailer a fee for the Service Call pursuant to the applicable Service Charges in Chapter 6 of this Tariff.

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**CHAPTER 6: COMPANY SPECIFIC ITEMS****6.1 RATE SCHEDULES****6.1.1 DELIVERY SYSTEM CHARGES****6.1.1.1 CHARGES FOR TRANSMISSION AND DISTRIBUTION SYSTEM SERVICE****6.1.1.1.1 RESIDENTIAL SERVICE****AVAILABILITY**

This schedule is applicable to Delivery Service for residential purposes of a permanent nature to individual private dwellings and to individually metered apartments when such Delivery Service is to one Point of Delivery and measured through one Meter and is not for shared or resale purposes.

**TYPE OF SERVICE**

Delivery Service will be single-phase, 60 hertz, at a standard secondary voltage. Delivery Service will be metered using Company's standard watt-hour Meter provided for this type of Delivery Service. Any other metering option(s) will be provided at an additional charge. Where Delivery Service of the type desired is not available at the Point of Delivery, additional charges and special contract arrangements may be required prior to Delivery Service being furnished, pursuant to Section 6.1.2.2, Construction Services, of this Tariff.

**MONTHLY RATE****I. Transmission and Distribution Charges:**

|                            |           |                               |
|----------------------------|-----------|-------------------------------|
| Customer Charge            | \$1.62    | per Retail Customer per Month |
| Metering Charge            | \$3.85    | per Retail Customer per Month |
| Transmission System Charge | \$.008439 | per kWh                       |
| Distribution System Charge | \$.016489 | per kWh                       |

**II. System Benefit Fund Charge:**

See Rider SBF

**III. Transition Charge:**

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

**IV. Nuclear Decommissioning Charge:**

See Rider NDC

**V. Transmission Cost Recovery Factor:**

See Rider TCRF

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**VI. Competition Transition Charge:** See Rider CTC

**VII. Other Charges or Credits:**

- |   |                     |                  |
|---|---------------------|------------------|
| A. Municipal Account Franchise Credit (see application and explanation below) | \$(.001839) per kWh |                  |
| B. Rate Case Expenses Surcharge   |                     | See Rider RCE    |
| C. Advanced Metering System Surcharge   |                     | See Rider AMS    |
| D. Energy Efficiency Cost Recovery Factor                                     |                     | See Rider EECRF  |
| E. Accumulated Deferred Federal Income Tax Credit                             |                     | See Rider ADFITC |
| F. Distribution Cost Recovery Factor  |                     | See Rider DCRF   |

**COMPANY SPECIFIC APPLICATIONS**

Residential Service. Where more than four family units or apartments are served through one Meter, billing will be under the applicable commercial Rate Schedule.

Service Voltages. Company's standard service voltages are described in 6.22, Standard Voltages and in the Company's Service Standards. Three phase service is not generally available to residential Retail Customers. Check with Company representative to determine if three phase service is available.

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

**NOTICE**

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

CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

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

This schedule is applicable to Delivery Service for non-residential purposes at secondary voltage with demand less than or equal to 10 kVA when such Delivery Service is to one Point of Delivery and measured through one Meter and is not for shared or resale purposes.

**TYPE OF SERVICE**

Delivery Service will be single-phase, 60 hertz, at a standard secondary voltage. Delivery Service will be metered using Company's standard watt-hour Meter provided for this type of Delivery Service. Any other metering option(s) will be provided at an additional charge and/or will be provided by a Meter Owner other than the Company pursuant to Applicable Legal Authorities. Where Delivery Service of the type desired is not available at the Point of Delivery, additional charges and special contract arrangements may be required prior to Delivery Service being furnished, pursuant to Section 6.1.2.2, Construction Services, in this Tariff.

**MONTHLY RATE****I. Transmission and Distribution Charges:**

|                            |           |                               |
|----------------------------|-----------|-------------------------------|
| Customer Charge            | \$1.61    | per Retail Customer per Month |
| Metering Charge            | \$4.41    | per Retail Customer per Month |
| Transmission System Charge | \$.004437 | per kWh                       |
| Distribution System Charge | \$.012218 | per kWh                       |

**II. System Benefit Fund Charge:** See Rider SBF

**III. Transition Charge:** See Schedules TC, TC2, TC3, SRC, and TC5

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

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

**VI. Competition Transition Charge** See Rider CTC

**VII. Other Charges or Credits:**

|  |             |               |
|--|-------------|---------------|
| A. Municipal Account Franchise Credit<br>(see application and explanation below) | \$(.002161) | Per kWh       |
| B. Rate Case Expenses Surcharge  |             | See Rider RCE |

CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

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- |   |                  |
|---|------------------|
| C. Advanced Metering System Surcharge             | See Rider AMS    |
| D. Energy Efficiency Cost Recovery Factor         | See Rider EECRF  |
| E. Accumulated Deferred Federal Income Tax Credit | See Rider ADFITC |
| F. Distribution Cost Recovery Factor              | See Rider DCRF   |

**COMPANY SPECIFIC APPLICATIONS**

Secondary Service Less Than or Equal to 10 kVA. This rate schedule is applicable only to Retail Customers whose current month's peak demand is 10 kVA or less and whose peak demand has not exceeded 10 kVA in any of the previous eleven months. If monthly peak demand is greater than 10 kVA, Retail Customer will be placed on the *Secondary Service Greater Than 10 kVA Rate Schedule* for a period of not less than twelve months. If this Rate Schedule is taken for Delivery Service for Electric Power and Energy supplied by Retail Customer's REP for standby or other intermittent purpose, Company may, at its sole discretion, require the Retail Customer to make additional contractual arrangements and/or require additional metering.

Service Voltages. Company's standard service voltages are described in 6.22, Standard Voltages and the Company's Service Standards.

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

Un-metered Service. Un-metered service is available for non-residential electric connection service at the discretion of the Company, Competitive Retailer, and Retail Customer, in limited situations when metering equipment is impractical or disproportionately expensive, and when the Retail Customer's electric load can be reasonably estimated or predicted from the nameplate or engineering studies of the installed equipment. Special protective devices may be required to be installed and/or paid for by customer. The "Metering Charge" contained in the monthly rate is not applicable to un-metered service.

**NOTICE**

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

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Applicable: Entire Service Area

CNP 8017

**6.1.1.1.3 SECONDARY SERVICE GREATER THAN 10 KVA****AVAILABILITY**

This schedule is applicable to Delivery Service for non-residential purposes at secondary voltage with demand greater than 10 kVA when such Delivery Service is to one Point of Delivery and measured through one Meter.

**TYPE OF SERVICE**

Delivery Service will be single or three-phase, 60 hertz, at a standard secondary voltage. Delivery Service will be metered using Company's standard Meter provided for this type of Delivery Service. Any Meter other than the standard Meter will be provided at an additional charge and/or will be provided by a Meter Owner other than the Company pursuant to Applicable Legal Authorities. Where Delivery Service of the type desired is not available at the Point of Delivery, additional charges and special contract arrangements may be required prior to Delivery Service being furnished, pursuant to Section 6.1.2.2, Construction Services, in this Tariff.

**MONTHLY RATE****I. Transmission and Distribution Charges:**

|                            |            |                               |
|----------------------------|------------|-------------------------------|
| Customer Charge            |            |                               |
| Non-IDR Metered            | \$ 2.26    | per Retail Customer per Month |
| IDR Metered                | \$65.83    | per Retail Customer per Month |
| Metering Charge            |            |                               |
| Non-IDR Metered            | \$18.82    | per Retail Customer per Month |
| IDR Metered                | \$63.07    | per Retail Customer per Month |
| Transmission System Charge |            |                               |
| Non-IDR Metered            | \$1.4318   | per NCP kVA                   |
| IDR Metered                | \$2.2387   | per 4CP kVA                   |
| Distribution System Charge | \$3.059429 | per Billing kVA               |

**II. System Benefit Fund:** See Rider SBF

**III. Transition Charge:** See Schedules TC, TC2, TC3, SRC, and TC5

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

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

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Applicable: Entire Service Area

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- |   |                            |
|---|----------------------------|
| <b>VI. Competition Transition Charge:</b>                                     | See Rider CTC              |
| <b>VII. Competitive Metering Credit:</b>                                      | See Rider CMC              |
| <b>VIII. Other Charges or Credits:</b>  |                            |
| A. Municipal Account Franchise Credit (see application and explanation below) | \$.690362) per Billing kVA |
| B. Rate Case Expenses Surcharge   | See Rider RCE              |
| C. Advanced Metering System Surcharge   | See Rider AMS              |
| D. Energy Efficiency Cost Recovery Factor                                     | See Rider EECRF            |
| E. Accumulated Deferred Federal Income Tax Credit                             | See Rider ADFITC           |
| F. Distribution Cost Recovery Factor  | See Rider DCRF             |

## COMPANY SPECIFIC APPLICATIONS

### DETERMINATION OF BILLING DEMAND FOR TRANSMISSION SYSTEM CHARGES

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

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



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Applicable: Entire Service Area

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DETERMINATION OF BILLING DEMAND FOR DISTRIBUTION SYSTEM CHARGES

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

OTHER PROVISIONS

Secondary Service Greater Than 10 kVA. This Rate Schedule is applicable only to Retail Customers whose peak demand for the current month is greater than 10 kVA, as measured in the fifteen minute period of highest demand, or whose peak demand exceeded 10 kVA in any of the previous eleven months, and that otherwise qualify under this Rate. This Rate Schedule is applicable to Delivery Service provided for Electric Power and Energy supplied by Retail Customer's REP for Temporary service subject to provisions of Section 6.1.2.2, Construction Services. The Electric Power and Energy delivered may not be re-metered or sub-metered by the Retail Customer for resale except pursuant to lawful sub-metering regulations of Applicable Legal Authorities. Retail Customer's previous metered usage under this or any other Rate Schedule will be used, as needed, in determining the billing determinants under the Monthly Rate section.

Service Voltages. Company's standard service voltages are described in 6.22, Standard Voltages and in the Company's Service Standards.

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

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

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Applicable: Entire Service Area

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

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

**NOTICE**

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

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Applicable: Entire Service Area

CNP 8018

**6.1.1.1.4 PRIMARY SERVICE****AVAILABILITY**

This schedule is applicable to Delivery Service for non-residential purposes at primary voltage when such Delivery Service is to one Point of Delivery and measured through one Meter.

**TYPE OF SERVICE**

Delivery Service will be single or three-phase, 60 hertz, at a standard primary voltage. Delivery Service will be metered using Company's standard Meter provided for this type of Delivery Service. Any Meter other than the standard Meter will be provided at an additional charge and/or will be provided by a Meter Owner other than the Company pursuant to Applicable Legal Authorities. Where Delivery Service of the type desired is not available at the Point of Delivery, additional charges and special contract arrangements may be required prior to Delivery Service being furnished, pursuant to Section 6.1.2.2, Construction Services, of this Tariff.

**MONTHLY RATE****I. Transmission and Distribution Charges:**

|                            |            |  |                               |
|----------------------------|------------|--|-------------------------------|
| Customer Charge            |            |  |                               |
| Non-IDR Metered            | \$ 3.58    |  | per Retail Customer per Month |
| IDR Metered                | \$ 76.73   |  | per Retail Customer per Month |
| Metering Charge            |            |  |                               |
| Non-IDR Metered            | \$181.35   |  | per Retail Customer per Month |
| IDR Metered                | \$138.40   |  | per Retail Customer per Month |
| Transmission System Charge |            |  |                               |
| Non-IDR Metered            | \$1.7033   |  | per NCP kVA                   |
| IDR Metered                | \$2.1546   |  | per 4CP kVA                   |
| Distribution System Charge | \$2.002820 |  | per Billing kVA               |

**II. System Benefit Fund:** See Rider SBF

**III. Transition Charge:** See Schedules TC, TC2, TC3, SRC, and TC5

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

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

**VI. Competition Transition Charge:** See Rider CTC

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Applicable: Entire Service Area

CNP 8018

|   |             |                  |
|---|-------------|------------------|
| <b>VII. Competitive Metering Credit:</b>                                      |             | See Rider CMC    |
| <b>VIII. Other Charges or Credits:</b>  |             |                  |
| A. Municipal Account Franchise Credit (see application and explanation below) | \$(.699012) | per Billing kVA  |
| B. Rate Case Expenses Surcharge   |             | See Rider RCE    |
| C. Advanced Metering System Surcharge   |             | See Rider AMS    |
| D. Energy Efficiency Cost Recovery Factor                                     |             | See Rider EECRF  |
| E. Accumulated Deferred Federal Income Tax Credit                             |             | See Rider ADFITC |
| F. Distribution Cost Recovery Factor  |             | See Rider DCRF   |

## COMPANY SPECIFIC APPLICATIONS

### DETERMINATION OF BILLING DEMAND FOR TRANSMISSION SYSTEM CHARGES

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

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

### DETERMINATION OF BILLING DEMAND FOR DISTRIBUTION SYSTEM CHARGES

Determination of Billing kVA For loads whose maximum NCP kVA established in the 11 months preceding the current billing month is less than or equal to 20 kVA, the Billing kVA applicable to the Distribution System Charge shall be the NCP kVA for the current billing month. For all other loads, the Billing kVA applicable to the Distribution System Charge shall be the higher of the NCP kVA for the current billing month or 80% of the highest monthly NCP kVA established in the 11 months

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preceding the current billing month (80% ratchet). The 80% ratchet shall not apply to seasonal agricultural Retail Customers.

### OTHER PROVISIONS

Primary Service This rate schedule is applicable only to Retail Customers taking service directly from feeder lines of at least 12,470 volts but less than 60,000 volts. This rate schedule is applicable to Delivery Service provided for Electric Power and Energy supplied by Retail Customer's REP for

Temporary service subject to the provisions of Section 6.1.2.2, Construction Services in this Tariff. The Electric Power and Energy delivered may not be re-metered or sub-metered by the Retail Customer for resale except pursuant to lawful sub-metering regulations of Applicable Legal Authorities. Retail Customer's previous metered usage under this or any other Rate Schedule will be used, as needed, in determining the billing determinants under the Monthly Rate section.

Service Voltages Company's standard service voltages are described in 6.22, Standard Voltages and in the Company's Service Standards.

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

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

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

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

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

**NOTICE**

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

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Applicable: Entire Service Area

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**6.1.1.1.5 TRANSMISSION SERVICE****AVAILABILITY**

This schedule is applicable to Delivery Service for non-residential purposes at transmission voltage when such Delivery Service is to one Point of Delivery and measured through one Meter.

**TYPE OF SERVICE**

Delivery Service will be three-phase, 60 hertz, at a standard transmission voltage. Delivery Service will be metered using Company's standard meter provided for this type of Delivery Service. Any meter other than the standard meter will be provided at an additional charge and/or will be provided by a Meter Owner other than the Company pursuant to Applicable Legal Authorities. Where Delivery Service of the type desired is not available at the Point of Delivery, additional charges and special contract arrangements may be required prior to Delivery Service being furnished, pursuant to Section 6.1.2.2, Construction Services, of this Tariff.

**MONTHLY RATE****I. Transmission and Distribution Charges:**

|                            |            |                               |
|----------------------------|------------|-------------------------------|
| Customer Charge            | \$154.44   | Per Retail Customer per month |
| Metering Charge            | \$1449.82  | Per Retail Customer per month |
| Transmission System Charge | \$2.1188   | Per 4 CP kVA                  |
| Distribution System Charge | \$0.463296 | Per 4 CP kVA                  |

**II. System Benefit Fund Charge:** See Rider SBF

**III. Transition Charge:** See Schedules TC, TC2, TC3, and TC5

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

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

**VI. Competition Transition Charge:** See Rider CTC

**VII. Competitive Metering Credit:** See Rider CMC

**VIII. Other Charges or Credits:**

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Applicable: Entire Service Area

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|   |             |                 |
|---|-------------|-----------------|
| A. Municipal Account Franchise Credit (see application and explanation below) | \$(.000725) | Per kWh         |
| B. Rate Case Expenses Surcharge   |             | See Rider RCE   |
| C. Energy Efficiency Cost Recovery Factor                                     |             | See Rider EECRF |
| D. Distribution Cost Recovery Factor  |             | See Rider DCRF  |

## COMPANY SPECIFIC APPLICATIONS

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

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

Determination Of 4 CP kVA. The 4 CP kVA applicable under the Monthly Rate section shall be the average of the Retail Customer's integrated 15 minute demands at the time of the monthly ERCOT system 15-minute peak demand for the months of June, July, August and September of the previous calendar year. Retail Customers without previous history on which to determine their 4 CP kVA will be billed based on estimated 4 CP kVA in accordance with the following procedures:

- (a) Retail Customers having IDR data for fewer than 4 CP kVA, but at least 2 CP kVA, will be billed based on the average of the actual CP kVA, so long as the CP kVA are representative of the Retail Customer's expected load, as derived from engineering estimates. If the CP kVA are not representative of the expected load, the estimated 4 CP kVA will be set based on mutual agreement between the Retail Customer and the Company.
- (b) Retail Customers that do not have at least 2 CP kVA will be billed by estimating the Retail Customer's 4 CP kVA demand by applying a class coincidence factor to the Retail Customer's NCP kVA, using the formula:

Estimated 4 CP kVA = (NCP kVA \* TCCF) where:  
 NCP kVA is the highest 15-minute integrated demand of an individual Retail Customer served at transmission voltage during the month; and



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

$$\text{TCCF} = \frac{\Sigma \text{ Class CP kVA for June, July, August, September}}{\Sigma \text{ Class NCP kVA for June, July, August, September}} = 0.652679$$

Where:

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

Determination of Billing kVA The Billing kVA applicable to the Distribution System Charge shall be the higher of the NCP kVA for the current billing month or 80% of the highest monthly NCP kVA established in the 11 months preceding the current billing month (80% ratchet). The 80% ratchet shall not apply to seasonal agricultural Retail Customers.

#### OTHER PROVISIONS

Transmission Service The Retail Customer owns, operates, and maintains all facilities (except Company owned Billing Meter) necessary to receive three-phase, 60 hertz alternating current service at 60,000 volts or higher. The energy delivered may not be re-metered or sub-metered by the Retail Customer for resale or sharing except pursuant to lawful sub-metering regulations of a regulatory authority with jurisdiction. If Retail customer has electric generating capacity installed, additional contract arrangements will be required. Retail Customer's previous metered usage under this or any other rate schedule will be used, as needed, in determining the billing determinants under the Monthly Rate section.

Each Retail Customer served at Transmission Voltage shall comply with Company's operating requirements for transmission customers.

Service Voltages Company's standard service voltages are described in 6.22, Standard Voltages and the Company's Service Standards.

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

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

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Applicable: Entire Service Area

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

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

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

Metering Provisions The Company may install remote metering equipment to obtain information with which to determine the amount of the monthly bill. Retail Customer may have metering instruments installed to check the service supplied under this schedule in accordance with the provisions of the Tariff.

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

## **NOTICE**

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

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Applicable: Entire Service Area

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**6.1.1.1.6 LIGHTING SERVICES**

(Street Lighting and Miscellaneous Lighting Services)

**STREET LIGHTING SERVICE****AVAILABILITY**

Street lighting service is available in areas designated by CenterPoint Energy Houston Electric, LLC (CEHE or Company) where facilities of adequate capacity and suitable voltage are adjacent to the street lighting fixtures and ornamental standards (if any) to be served. The standard street lighting service provided by the Company is installed along public streets, roadways or other public access areas in accordance with Section 6.1.2.2, Construction Services, in this Tariff. Company will only provide for the delivery of electric power and energy, the street lighting fixtures/luminaires and ornamental standards (if any), and maintenance. Retail Customer's electric power and energy must be provided by the Retail Customer's REP in accordance with Applicable Legal Authorities and the Company's Tariff.

**TYPE OF SERVICE**

Street lights under this rate schedule will be served at various voltages as determined by the Company. This rate schedule is applicable to the requirements of cities, governmental agencies, real estate developers and other groups requesting street lighting service, herein referred to as Retail Customer. Street lighting service includes the provision of street lighting fixtures/luminaires and ornamental standards (if any), as well as the provision of Delivery Service for electric power and energy provided by the Retail Customer's REP and required for the lighting service. Delivery Service under this rate schedule will be un-metered.

Company will install, own and maintain the installation served hereunder. Company's street lighting service is built to NESC standards. At the request of Customer and at Company's discretion, Company may build to other standards, with Customer being responsible for any difference in cost. All street lights will burn out and/or dim over time, including LED luminaires. Thus the lumens delivered by a street light will vary over time and will vary from lamp to lamp and LED luminaire to luminaire. Company will replace burned out lamps and luminaires, and/or make maintenance repairs during regular working hours at its own cost and expense and will generally have the lighting service restored within 72 hours after notification by the Retail Customer, but with no adjustment of payments hereunder due to outage or varying levels of lumens. Street lighting fixtures/luminaires furnished hereunder shall operate under normal conditions from approximately thirty minutes after sunset to approximately thirty minutes before sunrise every night in the year and the assumed total time of operations will be approximately four thousand (4,000) hours each year for each light furnished.

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Applicable: Entire Service Area

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**MONTHLY RATE****I. Transmission and Distribution Charges**

In addition to the T&D Charge per lamp for various configurations in the table below, an additional \$1.09 per month will be charged for all lamps with a break-away base.

| <b>Lamp Type</b>  | <b>Schedule</b> | <b>Schedule</b> | <b>Schedule</b> | <b>Schedule</b> | <b>Schedule</b> | <b>Schedule</b> | <b>Monthly</b> |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------|
| <b>Initial Lumen</b>  | <b>Watt</b>     | <b>A*</b>       | <b>B*</b>       | <b>C*</b>       | <b>D*</b>       | <b>E*</b>       | <b>KWH</b>     |
| <b>(Bulb Only)</b>  |                 |                 |                 |                 |                 |                 |                |
| <b>Mercury Vapor</b>  |                 |                 |                 |                 |                 |                 |                |
| 58,000 Lumen  | 1,000           | \$8.82          | \$22.97         | \$14.01         | \$23.28         | \$16.75         | 365            |
| 22,600 Lumen  | 400             | \$5.15          | \$17.75         | \$11.50         | \$19.75         | \$13.14         | 150            |
| 7,800 Lumen   | 175             | \$3.64          | N.A.            | N.A.            | \$15.89         | \$10.40         | 69             |
| 4,200 Lumen   | 100             | \$3.54          | \$16.91         | N.A.            | \$13.70         | N.A.            | 41             |
| <b>High Pressure Sodium Vapor</b>                                   |                 |                 |                 |                 |                 |                 |                |
| 50,000 Lumen<br>(Set Back)  | 400             | \$14.22         | N.A.            | N.A.            | \$24.16         | \$21.30         | 160            |
| 50,000 Lumen  | 400             | \$7.93          | \$20.65         | \$14.01         | \$23.28         | \$15.50         | 160            |
| 28,000 Lumen<br>(Set Back)  | 250             | \$14.45         | N.A.            | N.A.            | \$24.16         | \$21.30         | 106            |
| 28,000 Lumen  | 250             | \$5.15          | \$17.75         | \$11.66         | \$19.75         | \$13.15         | 106            |
| 15,000 Lumen  | 150             | \$3.64          | \$16.20         | \$10.77         | \$15.89         | \$10.40         | 58             |
| 9,500 Lumen   | 100             | \$3.64          | \$16.20         | N.A.            | \$12.92         | \$8.88          | 38             |
| 6,000 Lumen   | 70              | \$3.58          | \$16.13         | N.A.            | \$12.46         | N.A.            | 29             |
| <b>Metal Halide</b>   |                 |                 |                 |                 |                 |                 |                |
| 32,200 Lumen  | 400             | \$9.49          | N.A.            | N.A.            | \$23.94         | \$18.56         | 159            |
| 19,475 Lumen  | 250             | \$10.34         | N.A.            | N.A.            | \$26.43         | \$18.35         | 96             |
| 12,900 Lumen  | 175             | \$11.01         | N.A.            | N.A.            | \$23.52         | \$17.09         | 70             |
| 7,900 Lumen   | 100             | \$11.69         | N.A.            | N.A.            | \$23.29         | \$19.68         | 40             |
| <b>Light Emitting Diode (LED)<sup>1</sup></b>                       |                 |                 |                 |                 |                 |                 |                |
| 4,800 Lumen   | 60              | N.A.            | N.A.            | N.A.            | \$17.31         | N.A.            | 17             |
| <b>LED Alternative For 400W Mercury Vapor</b>                       |                 |                 |                 |                 |                 |                 |                |
| 15,100 Lumen  | 180             | \$5.15          | \$17.75         | \$11.50         | \$19.75         | \$13.14         | 64             |
| <b>LED Alternative For 175W Mercury Vapor</b>                       |                 |                 |                 |                 |                 |                 |                |
| 7,900 Lumen   | 95              | \$3.64          | N.A.            | N.A.            | \$15.89         | \$10.40         | 32             |
| <b>LED Alternative For 100W Mercury Vapor</b>                       |                 |                 |                 |                 |                 |                 |                |
| 4,800 Lumen   | 45              | \$3.54          | \$16.91         | N.A.            | \$13.70         | N.A.            | 17             |
| <b>LED Alternative For 250W High Pressure Sodium</b>                |                 |                 |                 |                 |                 |                 |                |
| 15,100 Lumen  | 180             | \$5.15          | \$17.75         | \$11.66         | \$19.75         | \$13.15         | 64             |
| <b>2<sup>nd</sup> LED Alternative For 250W High Pressure Sodium</b> |                 |                 |                 |                 |                 |                 |                |
| 10,850 Lumen  | 115             | \$5.15          | \$17.75         | \$11.66         | \$19.75         | \$13.15         | 38             |
| <b>LED Alternative For 150W High Pressure Sodium</b>                |                 |                 |                 |                 |                 |                 |                |
| 7,900 Lumen   | 95              | \$3.64          | \$16.20         | \$10.77         | \$15.89         | \$10.40         | 32             |
| <b>LED Alternative For 100W High Pressure Sodium</b>                |                 |                 |                 |                 |                 |                 |                |

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|   |     |         |         |      |         |         |    |
|---|-----|---------|---------|------|---------|---------|----|
| 4,800 Lumen   | 45  | \$3.64  | \$16.20 | N.A. | \$12.92 | \$8.88  | 17 |
| <b>LED Alternative For 70W High Pressure Sodium</b>         |     |         |         |      |         |         |    |
| 4,800 Lumen   | 45  | \$3.58  | \$16.13 | N.A. | \$12.46 | N.A.    | 17 |
| <b>LED Alternative For 400W Metal Halide</b>                |     |         |         |      |         |         |    |
| 15,100 Lumen  | 180 | \$9.49  | N.A.    | N.A. | \$23.94 | \$18.56 | 64 |
| <b>LED Alternative For 250W Metal Halide</b>                |     |         |         |      |         |         |    |
| 15,100 Lumen  | 180 | \$10.34 | N.A.    | N.A. | \$26.43 | \$18.35 | 64 |
| <b>2<sup>nd</sup> LED Alternative For 250W Metal Halide</b> |     |         |         |      |         |         |    |
| 10,850 Lumen  | 115 | \$10.34 | N.A.    | N.A. | \$26.43 | \$18.35 | 38 |
| <b>LED Alternative For 175W Metal Halide</b>                |     |         |         |      |         |         |    |
| 7,900 Lumen   | 95  | \$11.01 | N.A.    | N.A. | \$23.52 | \$17.09 | 32 |
| <b>LED Alternative For 100W Metal Halide</b>                |     |         |         |      |         |         |    |
| 4,800 Lumen   | 45  | \$11.69 | N.A.    | N.A. | \$23.29 | \$19.68 | 17 |

<sup>1</sup>The initial rate levels shown in this Rate Schedule for LED luminaires are subject to change, perhaps significantly, in the next Cost of Service rate filing.

**\* DESCRIPTION OF LIGHTING CONFIGURATIONS**

- Schedule A -one or more lamps/luminaires mounted on existing distribution poles and served by overhead conductors.
- Schedule B -single lamp/luminaire mounted on ornamental standard and served by overhead conductors. Limited to existing installations.
- Schedule C -twin lamps/luminaires mounted on ornamental standard and served by overhead conductors. Limited to existing installations.
- Schedule D -single lamp/luminaire mounted on ornamental standard and served by underground conductors, or decorative residential streetlights.
- Schedule E -twin lamps/luminaires mounted on ornamental standard and served by underground conductors.

- II. System Benefit Fund Charge:** See Rider SBF
- III. Transition Charge:** See Schedules TC, TC2, TC3, SRC, and TC5
- IV. Nuclear Decommissioning Charge:** See Rider NDC
- V. Transmission Cost Recovery Factor:** See Rider TCRF
- VI. Competition Transition Charge:** See Rider CTC

**VIII. Other Charges or Credits:**

- A. Municipal Account Franchise Credit (see application and \$(.002168) Per kWh

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explanation below)

|  |                  |
|--|------------------|
| B. Rate Case Expenses<br>Surcharge                   | See Rider RCE    |
| C. Energy Efficiency Cost<br>Recovery Factor         | See Rider EECRF  |
| D. Accumulated Deferred<br>Federal Income Tax Credit | See Rider ADFITC |
| E. Distribution Cost Recovery<br>Factor              | See Rider DCRF   |

**OTHER PROVISIONS**

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

Mercury Vapor Lighting Additional mercury vapor lighting is no longer being installed. Existing mercury vapor installations will be converted during the normal course of maintenance when individual lamps burn out. Mercury vapor installations will be converted to high pressure sodium lamps or LED equivalents, depending upon the standard street light installation, as selected by the Retail Customer, for the area in which the mercury vapor light resides, at no upfront cost to the Retail Customer.

LED Street Lights At this time there is not an LED replacement option for all existing Lamp Types. The rate at which LED street lights are converted or installed will be at the sole discretion of the Company, may be based upon a negotiated deployment schedule, and will reflect, at a minimum, the capital requirements associated with the project, any customer required contribution in aid of construction, the physical capability to replace/install the LED street lights, and the availability of manufacturers to supply the requested LED luminaires.

LED street lights are an emerging technology with no established industry standard. By choosing an LED street lighting option, Retail Customer acknowledges this fact and accepts that there will be variances between LED street light luminaires. Such variances may reflect, at a minimum: luminaire physical appearance, differing levels of lumens, watts, and monthly kWh. Retail Customer shall not hold Company liable for any variations in LED street light luminaire performance from the target average specifications stated in this rate schedule nor for how LED street light luminaires evolve over time in comparison to earlier variants.

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

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

Street Light Removal If Company owned lighting equipment and/or poles are removed and/or replaced at the Customer's request, a charge may be assessed consisting of the estimated original cost, less depreciation, less salvage value, plus removal cost. This condition applies if a Customer's selection of service under this rate schedule requires the removal of Company owned lighting equipment or poles, including LED street lights.

### **MISCELLANEOUS LIGHTING SERVICE**

#### **AVAILABILITY**

Miscellaneous Lighting Service is available in areas designated by Company with suitable locations and where facilities of adequate capacity and suitable voltage are adjacent to the lighting fixture(s) to be served. All new fixtures must be owned by the Retail Customer or the Retail Customer's REP ("Customer Owned Installation" or "Customer Owned Fixture") and will be installed in accordance with this rate schedule and 6.1.2.2- Construction Services, Section 8 in the Company's Tariff. Existing Company owned fixtures will continue to be owned and maintained by the Company ("Company Owned Installation" or "Company Owned Fixture"). CenterPoint Energy Houston Electric, LLC will only provide for the delivery of electric power and energy, the installation of fixtures, and the maintenance of fixtures, as described herein. Retail Customer's electric power and energy must be provided by the Retail Customer's REP in accordance with Applicable Legal Authorities and the Company's Tariff.

#### **TYPE OF SERVICE**

The lighting fixtures served under this rate schedule will be served at standard secondary voltages as determined by Company. This tariff is applicable to any Retail Customer receiving un-metered service for one or more Company approved lighting fixtures which operate automatically every night from dusk to dawn and can be either: (1.) a Customer Owned Fixture or (2.) a Company Owned Fixture. The Company will install, make electrical connection(s), and maintain the lighting fixture(s).

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

#### **MONTHLY RATE**

##### **I. Transmission and Distribution Charges**

- A. Only the T&D Charge below is applicable to Customer Owned Installations.

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- B. The T&D Charge and the Fixture Charge below are applicable to Company Owned Installations. In addition to the T&D Charge and the Fixture Charge for each lamp type in the table below, an additional charge of \$2.55 per month is charged for a span of secondary which was installed exclusively for Miscellaneous Lighting Service and Retail Customer did not reimburse Company for construction cost (applies only to installations existing as of 1-1-2002).

| <u>TYPE OF LAMP</u>                       | <u>T&amp;D CHARGE</u> | <u>LUMEN RATING</u> | <u>TOTAL WATTAGE</u> | <u>FIXTURE CHARGE<sup>1</sup></u> | <u>MONTHLY KWH</u> |
|---|-----------------------|---------------------|----------------------|-----------------------------------|--------------------|
| <u>Floodlighting/Directional Lighting</u> |                       |                     |                      |                                   |                    |
| High Pressure Sodium (150 watts)          | \$4.20                | 15,000              | 185                  | \$ 4.15                           | 61                 |
| High Pressure Sodium (250 watts)          | \$4.62                | 28,000              | 315                  | \$ 4.46                           | 105                |
| High Pressure Sodium (400 watts)          | \$4.74                | 50,000              | 475                  | \$ 4.55                           | 158                |
| High Pressure Sodium (1,000 watts)        | \$9.37                | 140,000             | 1,100                | N/A                               | 367                |
|   |                       |                     |                      |                                   |                    |
| Metal Halide (175 watts)                  | \$10.71               | 12,900              | 210                  | N/A                               | 70                 |
| Metal Halide (250 watts)                  | \$19.17               | 19,475              | 294                  | N/A                               | 98                 |
| Metal Halide (400 watts)                  | \$7.81                | 32,200              | 476                  | N/A                               | 159                |
| Metal Halide (1,000 watts)                | \$17.79               | 104,500             | 1,100                | N/A                               | 367                |
|   |                       |                     |                      |                                   |                    |
| <u>Roadway/General Lighting</u>           |                       |                     |                      |                                   |                    |
| High Pressure Sodium (150 watts)          | \$2.81                | 15,000              | 185                  | \$ 2.70                           | 61                 |
|   |                       |                     |                      |                                   |                    |
| <u>Guard Lighting</u>                     |                       |                     |                      |                                   |                    |
| High Pressure Sodium (100 watts)          | \$2.81                | 9,500               | 120                  | \$ 2.70                           | 40                 |
| Mercury Vapor (no new installations)      | \$2.81                | 7,800               | 215                  | \$ 2.70                           | 72                 |

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

- II. System Benefit Fund Charge:** See Rider SBF
- III. Transition Charge:** See Schedules TC, TC2, TC3, SRC, and TC5
- IV. Nuclear Decommissioning Charge:** See Rider NDC
- V. Transmission Cost Recovery Factor:** See Rider TCRF
- VI. Competition Transition Charge:** See Rider CTC



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**VII. Other Charges or Credits:**

- |   |             |                  |
|---|-------------|------------------|
| A. Municipal Account Franchise Credit (see application and explanation below) | \$(.002343) | Per kWh          |
| B. Rate Case Expenses Surcharge   |             | See Rider RCE    |
| C. Energy Efficiency Cost Recovery Factor                                     |             | See Rider EECRF  |
| D. Accumulated Deferred Federal Income Tax Credit                             |             | See Rider ADFITC |
| E. Distribution Cost Recovery Factor  |             | See Rider DCRF   |

**OTHER PROVISIONS**

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

Mercury Vapor Lighting Additional mercury vapor lighting is no longer being installed. Existing mercury vapor installations will be converted to sodium vapor installations from time to time during the normal course of maintenance when individual lamps burn out. Mercury vapor Guard Lighting installations with 7,800 lumen lamps will be converted to 9,500 lumen high pressure sodium, at no up-front cost to the Retail Customer.

**INSTALLATION AND MAINTENANCE FOR CUSTOMER OWNED FIXTURES**

Company will install and maintain the lighting fixture(s) served hereunder. For all installations except Guard Lights, the Company will provide for each fixture the bulb and the photoelectric relay at the time of installation. Company will replace burned out lamps and make other maintenance repairs during Company's regular working hours at Company's expense, but with no adjustment of payments hereunder due to outage. Maintenance includes replacement of burned-out lamps (bulbs) and malfunctioning photoelectric relays. Damages due to vandalism, storms, accidents or manufacturing defects are not included under maintenance. Generally, Company will make maintenance repairs under this tariff within 72 hours after notification by the Retail Customer or REP.

The Retail Customer will be charged a one-time fee per lighting fixture to cover the Company's standard installation as detailed below. Standard installation consists of installing the lighting fixture on an existing wooden distribution pole and connecting service supplied from an existing

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or new overhead secondary conductor on the pole as detailed below. Standard installations are made during normal Company business hours. The charges below include both the labor to install and eventually remove fixtures. Any additional construction and/or cost required to provide service will be at the Retail Customer's expense, for an additional charge. Any additional facilities so required will be owned, installed and maintained by the Company.

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

| <b>CUSTOMER OWNED FIXTURES<br/>STANDARD INSTALLATION FEES</b> | <b>One Light<br/>per Pole</b> | <b>Two Lights<br/>per Pole</b> | <b>Three Lights<br/>per Pole</b> |
|---|-------------------------------|--------------------------------|----------------------------------|
| <b>High Pressure Sodium</b>                                   |                               |                                |                                  |
| Installations without secondary                               |                               |                                |                                  |
| 150w, 250w, 400w  | \$325                         | \$350                          | \$405                            |
| 1000w   | \$370                         | \$450                          | \$550                            |
| Installations with 150 feet of secondary                      |                               |                                |                                  |
| 150w, 250w, 400w  | \$425                         | \$450                          | \$505                            |
| 1000w   | \$470                         | \$550                          | \$655                            |
| <b>Metal Halide</b>   |                               |                                |                                  |
| Installations without secondary                               |                               |                                |                                  |
| 175w, 250w, 400w  | \$330                         | \$365                          | \$430                            |
| 1000w   | \$370                         | \$450                          | \$550                            |
| Installations with 150 feet of secondary                      |                               |                                |                                  |
| 175w, 250w, 400w  | \$430                         | \$470                          | \$530                            |
| 1000w   | \$470                         | \$550                          | \$655                            |
| <b>Guard Light</b>  |                               |                                |                                  |
| Installations without secondary                               |                               |                                |                                  |
| 100w HPS  | \$325                         | N/A                            | N/A                              |
| Installations with secondary                                  |                               |                                |                                  |
| 100w HPS  | \$365                         | N/A                            | N/A                              |
| <b>Roadway Light</b>  |                               |                                |                                  |
| Installations without secondary                               |                               |                                |                                  |
| 150w HPS  | \$335                         | N/A                            | N/A                              |
| Installations with secondary                                  |                               |                                |                                  |
| 150w HPS  | \$375                         | N/A                            | N/A                              |

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

Company Owned Fixtures were installed by the Company before September 1, 2000. Company will replace burned out lamps and make other maintenance repairs during Company's regular working hours at Company's expense, but with no adjustment of payments hereunder due to outage. Maintenance includes replacement of burned-out lamps (bulbs) and malfunctioning photoelectric relays, and damages due to vandalism, storms, accidents or manufacturing defects. Generally, Company will make maintenance repairs under this tariff within 72 hours after notification by the Retail Customer or REP.

### **EXTRAORDINARY MAINTENANCE ACTIVITIES**

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

| <b>CUSTOMER OWNED FIXTURES<br/>EXTRAORDINARY MAINTENANCE FEE</b> |   |
|--|---|
| <b>ACTIVITY</b>  | <b>FEE</b>                                    |
| (1) Replace a vandalized shield<br>(parts and labor)             | \$125.00                                      |
| (2) Make adjustments to the fixture<br>(labor only)              | \$125.00                                      |
| (3) Replace a fixture<br>(labor only)                            | \$125.00                                      |
| (4) Relocate a fixture<br>(labor only)                           | See Section 6.1.2.2,<br>Construction Services |

**NOTICE**

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

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**6.1.1.2 SCHEDULE TC****6.1.1.2.1 SCHEDULE TC – TRANSITION CHARGES****SECTION 1: APPLICABILITY**

This schedule sets out the rates and terms and conditions under which Transition Charges will be billed and collected by CenterPoint Energy Houston Electric, LLC (Company), any successor servicer(s) and any retail electric providers (REP) or collection agents billing or collecting Transition Charges on behalf of CenterPoint Energy Transition Bond Company, LLC (SPE). The Transition Charges were authorized by the Financing Order approved by the Public Utility Commission of Texas (Commission) in Docket No. 21665 on May 31, 2000 (Financing Order). Pursuant to terms of the Financing Order and the requirements of Section 39.301 *et seq.* of the Texas Utilities Code, all of the Company's rights under the Financing Order, including the right to bill and collect Transition Charges and to adjust Transition Charges pursuant to this Schedule TC, were transferred to the SPE in connection with the issuance of transition bonds. The rights transferred to the SPE are "transition property" of the SPE (as defined in Section 39.304 of the Utilities Code). On the effective date of this Schedule TC, the Company will act as servicer on behalf of the SPE to bill, collect, receive and adjust Transition Charges imposed pursuant to this Schedule TC. However, the SPE may select another party to serve as servicer or the Company may resign as servicer in accordance with terms of the Servicing Agreement and the Financing Order. A successor servicer selected under these conditions will assume the obligations of the Company as servicer under this schedule. As used in this schedule, the term "Servicer" includes any successor servicer. All actions by the Company under this Schedule TC, including collection of Transition Charges, will be undertaken solely in its role as servicer under the Servicing Agreement between the Company and the SPE dated October 24, 2001.

This schedule is applicable to:

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

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On-Site Generation means “New On-Site Generation” as defined in Section 25.345 (c) (1) of the Commission’s Substantive Rules.

4. REPs that serve retail customers located within the Company’s certificated service area as it existed on May 1, 1999.
5. Any other entity which, under the terms of the Financing Order or the Utilities Code, may be obligated to pay, bill, collect, or adjust the Transition Charges.
6. Effective January 1, 2002, this schedule will also become applicable to public retail customers located within the Company’s certificated service area as it existed on May 1, 1999 who purchase power from the General Land Office as provided for in the Utilities Code, Section 35.102.

“Retail customers”, as used in 1, 2, and 3 above, includes all “public retail customers” as defined in Utilities Code, Section 35.101 except for those public retail customers included in 6 above.

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

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

Prior to January 1, 2002, the Transition Charges for retail customers served directly by the Company are included in the otherwise applicable Company rates under which the customer takes service and will not increase the total amounts paid by retail customers. Prior to and after January 1, 2002, the Transition Charges to retail customers who are not served directly by the Company (including retail customers who take service from REPs after the beginning of

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customer choice and participants in a Customer Choice Pilot Project as provided in Utilities Code Section 39.104) but whose facilities, premises, and loads are subject to Transition Charges billed and collected pursuant to this Schedule TC, are separate charges to be paid in addition to any other applicable charges for services received. After January 1, 2002, although the Transition Charges are separate charges, they may be included within other charges of the billing entity.

The REP or entity designated to collect Transition Charges in place of the REP will pay Transition Charges (less an allowance for charge-offs calculated pursuant to this Schedule TC) to Servicer in accordance with the requirements of the Financing Order and this Schedule TC whether or not it has collected the Transition Charges from its customers. To the extent that the REP's actual charge-offs differ from the charge-off allowance, adjustments will be made pursuant to this Schedule TC. The REP will have no right to reimbursement other than as expressly set out in this Schedule TC.

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

### **SECTION 3: TERM**

This Schedule TC is effective beginning on the date the transition bonds are issued. Schedule TC will remain in effect as provided in the Financing Order until the Transition Charges collected and remitted to the SPE are sufficient to satisfy all obligations of the SPE to pay principal and interest on the transition bonds (as due over the 12 year term of the transition bonds) and to pay all other qualified costs as provided in the Financing Order. However, in no event will the Transition Charges be billed for service provided after 15 years from issuance of the transition bonds, or sooner if the transition bonds are paid in full at an earlier date. This Schedule TC is irrevocable.

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

Transition Charges are calculated and applied by Transition Charge Class. There are 15 Transition Charge Classes, nine of which are Capped Classes. The Transition Charge Classes are defined as follows:

**Residential Class:** The Residential Class is made up of (i) every customer that is served under Company rate schedule RS or RTD, and (ii) every customer that was served under Company rate schedule RS or RTD on the day before the customer discontinued taking service from the Company on a base rate tariff in effect on September 1, 1999 pursuant to Utilities Code Section 39.052 (a), (herein referred to as a "frozen rate schedule"), and (iii) each new customer that was not served by the Company under any frozen rate schedule, but is the type of customer which, if it had been served by the Company under frozen rate schedules would have qualified for service under the Company's rate schedules RS or RTD.

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

**LGS Class:** The LGS Class is made up of (i) every customer that is served under rate schedule LGS, and (ii) every customer that was served under Company rate schedule LGS on the day before the customer discontinued taking service from the Company on a frozen rate schedule, and (iii) each new customer that was not served by the Company under any frozen rate schedule, but is the type of customer which, if it had been served by the Company under a frozen rate schedule would have qualified for service under the Company's rate schedules LGS and whose demand as estimated by the Company, if served at less than 60,000 volts, is 400 kVa or greater; or if served at 60,000 volts or greater, is at least 400 kVa but less than 2,000 kVa. This class includes customers served under Rider SEI. Customers served under rate schedules EIS, HVP and CSB are included in the LGS class if the customer's contract for service provides that the LGS rate is the basis for pricing.

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

**LOS-B Class:** The LOS-B Class is made up of (i) every customer that is served under rate schedule LOS-B, and (ii) every customer that was served under Company rate schedule LOS-B on the day before the customer discontinued taking service from the Company on a frozen rate schedule. Customers that were not served by the Company under any frozen rate schedule may not be included in this class.

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

In addition to the six Transition Charge Classes described above, there will be nine additional Transition Charge Classes, each of which is a capped class ("Capped Classes"). Each of the Capped Classes will be made up solely of customers that actually received service from the Company during the 12-month period ended April 30, 1999 under the Company rate schedule related to the class. The nine Capped Classes, and the related rate schedule, are as follows:

| Capped Class                                      | Related Rate Schedule  |
|---|------------------------|
| Standby Electric Service – Distribution           | <b>SES</b>             |
| Interruptible Service Supplemental – Distribution | <b>ISS</b>             |
| Interruptible Service – 30 minute notice          | <b>IS-30</b>           |
| Interruptible Service – 10 minute notice          | <b>IS-10 &amp; SIP</b> |
| Interruptible Service – Instantaneous             | <b>IS-I</b>            |
| Interruptible Service Supplemental – Transmission | <b>ISS</b>             |
| Standby Electric Service – Transmission           | <b>SES</b>             |
| Standby Interruptible Service                     | <b>SBI</b>             |
| SCP   | <b>SCP</b>             |

Each customer in one or more of the nine Capped Classes will be charged the Transition Charges for the applicable class only for service the customer actually receives during the billing period up to the Monthly Cap. The Monthly Cap for each customer will be based on the amount of service the customer received under the related rate schedule during the 12-month period ended April 30, 1999 and calculated as follows:

- (1) For customers taking stand alone standby service (SBI and/or SES without other service), the Monthly Cap for SBI and SES will be the highest demand under the respective rate, during the 12-month period ended April 30, 1999. If a customer begins service under SES and/or SBI after April 30, 1999, the Monthly Cap for such customer's will be the highest demand under rate SES or SBI, as applicable, during the period from April 30, 1999 to January 1, 2002, if the customer provides the Company adequate documentation that (i) the additional load served on-site load normally served by the customer's on-site generation and (ii) the customer's on-site generation was out of service due to forced outage or maintenance. If the customer does not provide the



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required documentation, the additional load will be billed using the Transition Charges applicable to the LGS Class for distribution voltage customers or LOS-A Class for transmission voltage customers.

(2) For customers taking SBI and/or SES in combination with other services, the Transition Charge for additional load taken in excess of the Monthly Cap will be the Transition Charge for the LOS-A class restated and applied as a cents per kWh charge if the customer provides the Company adequate documentation that (i) the additional load was lawfully served without use of the Company's transmission and distribution facilities and (ii) the customer's on-site generation was out of service due to forced outage or maintenance. If the customer does not provide the required documentation, the additional load will be billed using the Transition Charges applicable to the LOS-A Class for transmission voltage customers applied on a kW basis.

(3) For any SCP customer that also receives service under another non-Capped Class, the SCP rate will have a Monthly Cap based on the amount of service the customer received under the SCP rate schedule during the 12-month period ended April 30, 1999. The Monthly Cap will be the customer's monthly maximum hourly kW under the SCP rate schedule during the peak hours as defined herein, summed for the 12-month period ended April 30, 1999 and divided by the number of months during which the customer actually consumed power under the SCP rate schedule.

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

The categories of service historically provided by the Company may cease to exist after electric business activities are unbundled pursuant to Section 39.051 of the Utilities Code. Similarly, after the advent of customer choice under Section 39.102 of the Utilities Code, retail customers will receive service that may not only have different names, but may have different characteristics than the service historically provided by the Company. The classifications set out in the preceding paragraphs will be applied to determine the Transition Charge applicable to each

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customer without regard to the descriptions that may be used to describe the services provided to retail customers.

### **SECTION 5: REGULATORY ASSET ALLOCATION FACTORS**

The initial Regulatory Asset Allocation Factors (“RAAF”) for each Transition Charge Class are set out below. These initial RAAFs will remain in effect throughout the life of the transition bonds unless a modification of the factors is made pursuant to the allocation factor adjustment provisions in Section 6 of this Schedule TC:

#### ***INITIAL REGULATORY ASSET ALLOCATION FACTORS***

| <b><i>TRANSITION CHARGE CLASS</i></b>            | <b><i>RAAF</i></b> |
|--|--------------------|
| Residential                                      | 35.5763 %          |
| MGS  | 31.0544 %          |
| LGS  | 17.4076 %          |
| LOS-A  | 5.2845 %           |
| LOS-B  | 3.4886 %           |
| Non-Metered Lighting                             | 0.2536 %           |
| <b>CAPPED CLASSES</b>                            |                    |
| Standby Electric Service-Distribution            | 0.0304 %           |
| Interruptible Service Supplemental- Distribution | 0.0606 %           |
| Interruptible Service –Thirty Minute Notice      | 1.0752 %           |
| Interruptible Service -Ten Minute Notice         | 1.3720 %           |
| Interruptible Service – Instantaneous            | 0.1294 %           |
| Interruptible Service Supplemental- Transmission | 0.0769 %           |
| SES - Transmission                               | 0.3718 %           |
| SBI  | 0.1609 %           |
| SCP  | 3.6578 %           |

### **SECTION 6: ALLOCATION FACTOR ADJUSTMENTS**

The RAAFs will be subject to adjustment using the procedures in this Section 6. Any adjustment required under this Section 6 will be made effective on the date of an annual Standard True-up

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Adjustment. Required adjustments will be made in the following order: first, adjustments will be made under Part A; second, adjustments will be made under Part B; and third, adjustments will be made under Part C.

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

| <i><b>TC GROUPS</b></i> |   |   |
|-------------------------|---|---|
| <i><b>TC GROUP</b></i>  | <i><b>TRANSITION CHARGE CLASSES</b></i> | <i><b>INITIAL GROUP ALLOCATION PERCENTAGE</b></i> |
| Residential             | Residential                             | 35.5763 %   |
| Commercial              | MGS, LGS, Non-Metered Lighting          | 48.7156 %   |
| Industrial              | All other Transition Charge Classes     | 15.7081 %   |

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

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

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

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

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

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

In connection with each annual Standard True-up Adjustment, the Company will compare the projected billing determinants being used to set Transition Charges for each Transition Charge Class during the ensuing year to the billing determinants in effect on January 1, 2002 (adjusted to exclude any billing determinants attributable to Eligible Generation if any adjustment was made under Part A after January 1, 2002) (such billing determinants as adjusted are hereafter referred to as the “January 1, 2002 Base Billing Determinants”). The RAAFs of all Transition Charge Classes in all TC Groups will be adjusted if one or more TC Groups experience load loss (calculated excluding load loss attributable to Eligible Generation for which adjustments have been made under Part A but including load loss attributable to small power production facilities of 10 megawatts or less) aggregating 50% or more on a cumulative basis when measured against the January 1, 2002 Base Billing Determinants. The adjustments under this Part B will be made using the following procedures:

Step 1:

|   |  |
|---|--|
| For each TC Group, if $CTCOL_G / PBR_G \geq 0.50$ | Then, no RAAF adjustment will occur and any adjustment made in previous years under Part B shall be reversed |
| For each TC Group, if $CTCOL_G / PBR_G < 0.50$    | Then, a RAAF adjustment will be calculated pursuant to Steps 2 through 5.                                    |

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Where:

$CTCOL_G$  = cumulative test collections for group  $G = \sum CC_c * FBU_c$  for all classes (c) in Group (G)

$FBU_c$  = forecasted billing determinants for class c

$CC_c$  = cumulative test charge for class c =  $\{RAAF_c * PBR_T\} / BBD_c$

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

$PBR_T$  = total periodic billing requirement for upcoming period

$BBD_c$  = base billing determinants (as measured on January 1, 2002) for class c

$PBR_G$  = periodic billing requirement for group =  $\sum RAAF_c * PBR_T$  for all classes in G

Step 2:

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

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

Step 3:

For all TC Groups, a reallocation amount for that group ( $RA_G$ ) shall be calculated where:

$$RA_G = GAP_G * \{\sum RED_G\} \text{ for all Groups}$$

Where:

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

Step 4:

For all TC groups a Group Allocation Percentage Adjustment ( $GAPA_G$ ) shall be calculated where:

$$GAPA_G = (RA_G - RED_G) / PBR_T$$

Where:

$$\sum GAPA_G = 0 \text{ for all G}$$

Step 5:

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

$$RAAF_{c} = GAP_{G} * (RAAF_{c} / GAP_{G})$$

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

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

#### Step 1:

For each TC Group not adjusted under Part B,

|                                    |  |
|------------------------------------|--|
| If $YTCOL_{G} / PBR_{G} \geq 0.90$ | Then, no RAAF adjustment will occur.   |
| If $YTCOL_{G} / PBR_{G} > 1.00$    | Then, no RAAF adjustment will occur and any prior year adjustments made under C will be reversed pursuant to step 6. |
| If $YTCOL_{G} / PBR_{G} < 0.90$    | Then, a RAAF adjustment will be calculated pursuant to Steps 2 through 5.  |

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Where:

$YTCOL_G$  = year-to-year test collections for group G =  $\sum YC_c * FBU_c$  for all classes (c) in Group (G)

$FBU_c$  = forecasted billing determinants for class c

$YC_c$  = year-to-year test charge for class c =  $\{RAAF_c * PBR_T\} / FBU_c^{-1}$

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

$PBR_T$  = total periodic billing requirement for upcoming period

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

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

Step 2:

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

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

Step 3:

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

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

Where:

$GAP_G$  = Group Allocation Percentage =  $\sum RAAF_c$  for all classes in the group

Step 4:

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

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

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|   |
|---|
| Where $\sum \text{GAP}_{A_G} = 0$ for all G |
|---|

Step 5:

For all TC classes, a year to year RAAF adjustment ( $\text{YRAAF}_{A_c}$ ) shall be calculated for use in calculating adjustments to the Transition Charges under Section 8, Part A where:

$$\text{YRAAF}_{A_c} = \text{YGAP}_{A_G} * (\text{RAAF}_G / \text{GAP}_G)$$

Step 6:

if  $\{\sum (\text{Y}C_c * \text{FBU}_c)\} / \{\sum (\text{Y}C_c * \text{FBU}_c^{t-1})\} \geq .90$  (for all classes in group G) then the adjustment made in year t shall be discontinued.

if  $\{\sum (\text{Y}C_c * \text{FBU}_c)\} / \{\sum (\text{Y}C_c * \text{FBU}_c^{t-1})\} < .90$  (for all classes in group G) then the adjustment made in year t carries forward.

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



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

The methodology used to allocate qualified costs and determine Transition Charges shall not be changed except in the limited circumstance described in this paragraph. If, but only if, the Commission enters an order pursuant to Section 39.253 (f) of the Utilities Code (“Stranded Cost Allocation Order”) that (A) requires the Company to allocate stranded costs in a manner which complies with that section and is different from the methodology used for allocation and collection of Transition Charges under the Financing Order in Docket No. 21665, and (B) also determines that it is necessary to adjust the initial RAAFs to comply with the requirements of Section 39.253 (f), the Company will recalculate the initial RAAFs to comply with the requirements of such order and will also recalculate all adjustments which have been made pursuant to Parts A, B, C, and D of this Section in order to recalculate the Adjusted RAAFs after giving effect to the revised starting point. Within 45 days after the Stranded Cost Allocation Order becomes final and is not subject to appeal, Servicer, on behalf of the SPE, will file recomputed Transition Charges reflecting the effect of changing the initial RAAFs. Any changes in Transition Charge resulting from a change in the initial RAAFs under this paragraph shall be made prospectively from the date recomputed Transition Charges become effective which effective date shall be 30 days after the recomputed Transition Charges are filed at the Commission. Transition Charges for services rendered prior to such effective date will not be changed. Future changes to the RAAFs underlying the recomputed Transition Charges, if necessary under Parts A – D of this Section 6 will be computed pursuant to this Section 6.

**SECTION 7: TRANSITION CHARGES**

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

***TRANSITION CHARGES***

| <b><i>TRANSITION CHARGE CLASS</i></b> | <b><i>PER UNIT CHARGE</i></b>          | <b><i>BILLING UNIT</i></b>   |
|---------------------------------------|--|------------------------------|
| Residential                           | \$0.000000                             | Per kWh                      |
| MGS                                   | \$0.000000<br>\$0.000000<br>\$0.000000 | Per kVa<br>Per kW<br>Per kWh |
| LGS                                   | \$0.000000<br>\$0.000000               | Per kVa<br>Per kW            |
| LOS-A                                 | \$0.000000                             | Per kW                       |
| LOS-B                                 | \$0.000000                             | Per kW                       |
| Non-Metered Lighting                  | \$0.000000                             | Per kWh                      |

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| <b><i>TRANSITION CHARGE CLASS</i></b>            | <b><i>PER UNIT CHARGE</i></b> | <b><i>BILLING UNIT</i></b> |
|--|-------------------------------|----------------------------|
| Standby Electric Service-Distribution            | \$0.000000                    | Per kW                     |
| Interruptible Service Supplemental- Distribution | \$0.000000                    | Per kW                     |
| Interruptible Service –Thirty Minute Notice      | \$0.000000                    | Per kW                     |
| Interruptible Service –Ten Minute Notice         | \$0.000000                    | Per kW                     |
| Interruptible Service – Instantaneous            | \$0.000000                    | Per kW                     |
| Interruptible Service Supplemental- Transmission | \$0.000000                    | Per kW                     |
| Standby Electric Service-Transmission            | \$0.000000                    | Per kW                     |
| Standby Interruptible Service                    | \$0.000000                    | Per kW                     |
| SCP  | \$0.000000                    | Per kW                     |

The Transition Charges shall be applied on a kW basis for all service provided at Transmission voltage and for all service provided to Capped Classes and to any LGS customer that also receives SES-Distribution service. The kW to be used in calculating the bill for those customers obligated to pay on a kW basis will be the highest kW measured over a one hour period occurring on weekdays (Monday through Friday) during the sixteen hours beginning with and including the hour that ends at seven (a.m.) (07:00) and extending until the hour that ends at ten p.m. (22:00), local time (central standard or central daylight saving time, as appropriate).

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

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Transition Charges will be applied on a kWh basis for those customers with watt-hour meters and those customers with demand meters whose measured demand is 10 kVa or less.

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

1. For customers taking service under two or more rates through a single meter, the following order will be used to determine Transition Charges for the customer:
  - (a) If the customer takes service in one or more Capped Classes (other than SCP) through a single meter, the service shall be allocated first to Capped Classes in ascending order of unit Transition Charges beginning with the Capped Class with the lowest unit Transition Charge. All service to the customer, up to the lesser of (i) the highest hourly on-peak kW for total premises load (Total kW) or the Monthly Cap for the class, shall be deemed to be service under the Capped Class with the lowest unit Transition Charge. If the Total kW is greater than the Monthly Cap for the class with lowest unit Transition Charge, the difference up to the Monthly Cap for the Capped Class with the next lowest unit Transition Charge will be deemed to be service under the Capped Class with the next lowest unit Transition Charge. The remainder will then similarly be allocated to each other Capped Class under which the customer is served until the Total kW has been allocated or all applicable Monthly Caps have been reached.
  - (b) If the total amount allocated to Capped Classes under (a) is less than the Total kW, the remainder, up to the Monthly Cap for SCP shall be deemed to be service provided under SCP.
  - (c) Any amount remaining after the allocations in (a) and (b) will be deemed to be service provided under the Transition Charge Class (other than Capped Classes and SCP) that is applicable to the customer. If the customer is not otherwise taking service under any Transition Charge Class (other than Capped Classes and SCP) the amount remaining after the allocations in (a) and (b) shall be deemed to be service under LOS-A, if the customer is served at transmission voltage, or under LGS, if the customer is served at distribution voltage.

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

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

Transition Charges will be adjusted annually effective on November 1st to ensure that the expected collection of Transition Charges is adequate to pay principal and interest on the Transition Bonds when due pursuant to the expected amortization schedule, pay as due all other qualified costs and to fund the overcollateralization account to the required level. In addition, in limited circumstances the Transition Charges may be adjusted at other times but not more frequently than once each quarter (Interim Adjustments). The Interim Adjustments will be made if, after application of collections in accordance with the terms of the Transition Bond indenture, the actual principal balance of bonds outstanding at the next bond payment date will be more than 5% higher than the expected principal balance as set out on the expected amortization schedule. All annual and interim adjustments will be designed to cause (i) the outstanding principal balance of the Transition Bonds to be equal to the scheduled balance on the expected amortization schedule; (ii) the amount in the overcollateralization subaccount to be equal to the required overcollateralization level; (iii) the amount in the capital subaccount to be equal to the required capital plus any investment earnings on amounts in the capital subaccount to the extent that the investment earnings have not been released to the SPE and (iv) the reserve subaccount to be zero by the payment date immediately preceding the next adjustment or by the final payment date, if the next payment date is the final payment date.

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

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

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The Adjusted Transition Charge for the upcoming period for each class ( $TC_c$ ) shall be computed as follows:

For the residential class,

$$TC_c = PBR_T * (RAAF_c + RAAFA_c + YRAAFA_c^t) / FBU_c$$

For classes in the Commercial and Industrial TC Groups:

$$TC_c = TC_c^{-1} \{ \Sigma [PBR_T * (RAAF_c + RAAFA_c + YRAAFA_c^t)] / \Sigma (TC_c^{-1} * FBU_c) \}$$

For all classes in the applicable group.

Where

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

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

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

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

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

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

## **SECTION 9: BILLING AND COLLECTION TERMS AND CONDITIONS**

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

### ***Part A: Billing and Collection Prior to Customer Choice***

#### **A. Billing by Servicer to end-use customers:**

1. Payment terms for each Transition Charge Class will be identical to those which are contained in the Company's rate schedules in effect on November 1, 1999 and applicable to customers in that class.
2. Servicer shall have the same right to terminate service for non-payment of Transition Charges as the Company has to terminate service for non-payment of charges under the Company's rate schedules. Any termination shall comply with applicable Commission rules.

#### **B. Billings by Servicer to T or D Providers:**

1. When former retail customers of the Company in multiply certificated service areas are taking service from other T or D Providers, and the customer did not request to switch to the other T or D Provider prior to May 1, 1999, the Transition Charges will be billed to and collected from the other T or D Provider.
2. The T or D Provider shall pay all Transition Charges not later than 16 days after the bill is mailed by Servicer. The T or D Provider shall make such payment regardless of whether it collects such charges from the end-use retail customer.

#### **C. Billings by Servicer to New On-Site Generation:**

1. Customers subject to Transition Charges for New On-Site Generation shall pay such charges in full not later than sixteen days after the date the bill is mailed to the customer.
2. Transition Charges applicable to New On-Site Generation are in addition to applicable Transition Charges under A above.

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3. If the entity with New On-Site Generation receives transmission or distribution service from the Company or another T or D Provider, Servicer shall have the same right to terminate service or to require the other provider to terminate service for non-payment of Transition Charges as the Company has to terminate service for non-payment of charges under the Company's rate schedules. Any termination shall comply with applicable Commission rules.

***Part B: Billing and Collection Subsequent to Customer Choice.***

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

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

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

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

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

1. REPs will bill and collect, or cause to be billed and collected, all Transition Charges applicable to consumption by retail customers served by the REP.

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2. If the Servicer is providing the metering, metering data will be provided to the REP at the same time as the billing. If the Servicer is not providing the metering, the entity providing metering services will be responsible for complying with Commission rules and ensuring that the Servicer and the REP will receive timely and accurate metering data in order for the Servicer to meet its obligations under the Servicing Agreement and the Financing Order with respect to billing and true-ups.
3. Each REP must (1) have a long-term, unsecured credit rating of not less than “BBB-” and “Baa3” (or the equivalent) from Standard & Poor’s and Moody’s Investors Service, respectively, or (2) provide (A) a deposit of two months’ maximum expected Transition Charge collections in the form of cash, (B) an affiliate guarantee, surety bond, or letter of credit providing for payment of such amount of Transition Charge collections in the event that the REP defaults in its payment obligations, or (C) a combination of any of the foregoing. A REP that does not have or maintain the requisite long-term, unsecured credit rating may select which alternate form of deposit, credit support, or combination thereof it will utilize, in its sole discretion. The Indenture Trustee shall be the beneficiary of any affiliate guarantee, surety bond or letter of credit. The provider of any affiliate guarantee, surety bond, or letter of credit must have and maintain a long-term, unsecured credit ratings of not less than “BBB-” and “Baa3” (or the equivalent) from Standard & Poor’s and Moody’s Investors Service, respectively.
4. If the long-term, unsecured credit rating from either Standard & Poor’s or Moody’s Investors Service of a REP that did not previously provide the alternate form of deposit, credit support, or combination thereof or of any provider of an affiliate guarantee, surety bond, or letter of credit is suspended, withdrawn, or downgraded below “BBB-” or “Baa3” (or the equivalent), the REP must provide the alternate form of deposit, credit support, or combination thereof, or new forms thereof, in each case from providers with the requisite ratings, within 10 business days following such suspension, withdrawal, or downgrade. A REP failing to make such provision must comply with the provisions set forth in paragraph 3 of Section D, Billings by Servicer to the REP or its replacement (when applicable).
5. The computation of the size of a required deposit shall be agreed upon by the Servicer and the REP, and reviewed during no more frequently than quarterly to ensure that the deposit accurately reflects two months’ maximum collections. Within 10 business days following such review, (1) the REP shall remit to the Indenture Trustee the amount of any shortfall in such required deposit or (2) the Servicer shall instruct the Indenture Trustee to remit to the REP any amount in excess of such required deposit. A REP failing to so remit any such shortfall must comply with the provisions set forth in Paragraph 3 of the Section D, Billings by



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Servicer to the REP or its replacement (when applicable). REP cash deposits shall be held by the Indenture Trustee, maintained in a segregated account, and invested in short-term high quality investments, as permitted by the rating agencies rating the Transition Bonds. Investment earnings on REP cash deposits shall be considered part of such cash deposits so long as they remain on deposit with the Indenture Trustee. At the instruction of the Servicer, cash deposits will be remitted with investment earnings to the REP at the end of the term of the Transition Bonds unless otherwise utilized for the payment of the REP's obligations for Transition Bond payments. Once the deposit is no longer required, the Servicer shall promptly (but not later than 30 calendar days) instruct the Indenture Trustee to remit the amounts in the segregated accounts to the REP.

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

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

1. Servicer will bill and collect from REPs all Transition Charges applicable to consumption by retail customers served by the REP, including applicable former customers and New On-Site Generation.
2. Payments of Transition Charges are due 35 calendar days following each billing by the Servicer to the REP, without regard to whether or when the REP receives payment from the end-use retail customers. The Servicer shall accept payment by electronic funds transfer, wire transfer, and/or check. Payment will be considered received the date the electronic funds transfer or wire transfer is received by the Servicer, or the date the check clears. A 5% penalty is to be charged on amounts received after 35 calendar days; however, a 10 calendar-day grace period will be allowed before the REP is considered to be in default. A REP in default must comply with the provisions set forth in paragraph 3 of this Section D. The 5% penalty will be a one-time assessment measured against the current amount overdue from the REP to Servicer. The "current amount" consists of the total unpaid Transition Charges existing on the 36<sup>th</sup> calendar day after billing by the Servicer. Any and all such penalty payments will be made to the Indenture Trustee to be applied against Transition Charge obligations. A REP shall not be obligated to pay the overdue Transition Charges of another REP. If a REP agrees to assume the responsibility for the payment of overdue Transition Charges as a condition of receiving the customers of another REP that has decided to terminate service to those customers for any reason, the new REP shall not be assessed the

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5% penalty upon such Transition Charges; however, the prior REP shall not be relieved of the previously-assessed penalties.

3. After the 10 calendar-day grace period (the 45<sup>th</sup> calendar day after the billing date), the Servicer shall have the option to seek recourse against any cash deposit, affiliate guarantee, surety bond, letter of credit, or combination thereof provided by the REP, and avail itself of such legal remedies as may be appropriate to collect any remaining unpaid Transition Charges and associated penalties due Servicer after the application of the REP's deposit or alternate form of credit support. In addition, a REP that is in default with respect to the requirements set forth in paragraphs 4 and 5 of Section C and paragraph 2 of this Section D shall select and implement one of the following options:
  - (a) Allow the POLR or a qualified REP of the customer's choosing to immediately assume the responsibility for the billing and collection of Transition Charges.
  - (b) Immediately implement other mutually suitable and agreeable arrangements with Servicer. It is expressly understood that the Servicer's ability to agree to any other arrangements will be limited by the terms of the servicing agreement and requirements of rating agencies that have rated the bonds necessary to avoid suspension, withdrawal or downgrade of the ratings on the Transition Bonds.
  - (c) Arrange that all amounts owed by retail customers for services rendered be timely billed and immediately paid directly into a lock-box controlled by Servicer with such amounts to be applied first to pay Transition Charges before the remaining amounts are released to the REP. All costs associated with this mechanism will be borne solely by the REP.

If a REP that is in default does not immediately select and implement one of the options specified in (a), (b) or (c) or, after so selecting one of the foregoing options, fails to adequately meet its responsibilities thereunder, then the Servicer shall immediately implement option (a). Upon re-establishment of compliance with the requirements set forth in paragraphs 4 and 5 of Section C and paragraph 2 of this Section D and the payment of all past-due amounts and associated penalties, the REP will no longer be required to comply with this paragraph 3.

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4. The initial POLR appointed by the Commission, or any Commission-appointed successor to the POLR, must meet the minimum credit rating or deposit/credit support requirements described in paragraph 3 of Section C (“Billings by the REP or its Replacement to end-use customers”) in addition to any other standards that may be adopted by the Commission. If the POLR defaults or is not eligible to provide such services, responsibility for billing and collection of Transition Charges will immediately be transferred to and assumed by the Servicer until a new POLR can be named by the Commission or the customer requests the services of a certified REP. Retail customers may never be re-billed by the successor REP, the POLR, or the Servicer for any amount of Transition Charges they have paid their REP (although future Transition Charges shall reflect REP and other system-wide charge-offs). Additionally, if the amount of the penalty detailed in paragraph 2 of this Section D is the sole remaining past-due amount after the 45<sup>th</sup> calendar day, the REP shall not be required to comply with clauses (a), (b) or (c) of paragraph 3 of this Section D, unless the penalty is not paid within an additional 30 calendar days.
5. In the event that the Servicer is billing customers for Transition Charges, the Servicer shall have the right to terminate transmission and distribution service to the end-use customer for non-payment by the end use customer pursuant to applicable Commission rules.
6. The REP will be allowed to hold back an allowance for charge-offs in its payments to the Servicer. Such charge-off rate will be recalculated each year in connection with the annual true-up procedure. In the initial year, REPs will be allowed to remit payments based on the same system-wide charge-off percentage then being used by the Servicer to remit payments to the indenture trustee for the holders of Transition Bonds. On an annual basis in connection with the true-up adjustment process, the REP and the Servicer will be responsible for reconciling the amounts held back with amounts actually written off as uncollectable in accordance with the terms agreed to by the REP and the Servicer, provided that:
  - (a) The REP’s right to reconciliation for write-offs will be limited to customers whose service has been permanently terminated and whose entire accounts (*i.e.*, all amounts due the REP for its own account as well as the portion representing Transition Charges) have been written off.
  - (b) The REP’s recourse will be limited to a credit against future Transition Charge payments unless the REP and the Servicer agree to alternative arrangements, but in no event will the REP have recourse to the Indenture Trustee, the SPE or the SPE’s funds for such payments.

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- (c) The REP shall provide information on a timely basis to the Servicer so that the Servicer can include the REP's default experience and any subsequent credits into its calculation of the adjusted Transition Charge rates for the next transition charge billing period and the REP's rights to credits will not take effect until after such adjusted Transition Charge rates have been implemented.
7. In the event that a REP disputes any amount of billed Transition Charges, the REP shall pay the disputed amount under protest according to the timelines detailed in paragraph 2 of this Section D. The REP and the Servicer shall first attempt to informally resolve the dispute, but if they fail to do so within 30 calendar days, either party may file a complaint with the Commission. If the REP is successful in the dispute process (informal or formal), the REP shall be entitled to interest on the disputed amount paid to the Servicer at the Commission-approved interest rate. Disputes about the date of receipt of Transition Charge payments (and penalties arising thereof) or the size of a required REP deposit will be handled in a like manner. It is expressly intended that any interest paid by the Servicer on disputed amounts shall not be recovered through Transition Charges if it is determined that the Servicer's claim to the funds is clearly unfounded. No interest shall be paid by the Servicer if it is determined that the Servicer has received inaccurate metering data from another entity providing competitive metering services pursuant to Utilities Code Section 39.107.
8. If the Servicer is providing the metering, metering data will be provided to the REP at the same time as the billing. If the Servicer is not providing the metering, the entity providing metering services will be responsible for complying with Commission rules and ensuring that the Servicer and the REP will receive timely and accurate metering data in order for the Servicer to meet its obligations under the Servicing Agreement and the Financing Order with respect to billing and true-ups.

### **OTHER TERMS AND CONDITIONS**

If the customer or REP pays only a portion of its bill, a pro-rata portion of Transition Charge revenues shall be deemed to be collected. The Company will allocate any shortfall first, ratably based on the amount owed for Transition Charges and the amount owed for other fees and charges, other than late charges, owed to the Company or any successor, and second, all late charges shall be allocated to the Company or any successor.

If the Company does not regularly include the notice described below in the bills sent by it to REPs or directly to retail customers, then at least once each year the Company shall cause to be prepared and delivered to REPs and such customers a notice stating, in effect, that the amount

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billed includes Transition Charges which were authorized by the Financing Order dated May 31, 2000 and have been transferred to and are being collected on behalf of CenterPoint Energy Transition Bond Company, LLC and are not owned by the Company. In the customer's initial bill from the REP and at least once each year thereafter, each REP that bills Transition Charges shall cause to be prepared and delivered to its customers a notice stating, in effect, that the amount billed includes Transition Charges which were authorized by the Financing Order dated May 31, 2000 and have been transferred to and are being collected on behalf of CenterPoint Energy Transition Bond Company, LLC and are not owned by the REP or the Company, and that under certain circumstances described in Schedule TC Servicer may be permitted to collect the Transition Charges directly from the retail customer. Such notice shall be included either as an insert to or in the text of the bills delivered to such REPS or customers, as applicable, or shall be delivered to customers by electronic means or such other means as Servicer or the REP may from time to time use to communicate with their respective customers.

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**ATTACHMENT 1****REGULATORY ASSET ALLOCATION FACTORS**

| <b>TRANSITION CHARGE CLASS</b>                   | <b>RAAF Effective 11-1-02</b> |
|--|-------------------------------|
| Residential                                      | 36.1814 %                     |
| MGS  | 32.3772 %                     |
| LGS  | 18.1531 %                     |
| LOS-A  | 4.4765 %                      |
| LOS-B  | 2.8004 %                      |
| Non-Metered Lighting                             | 0.2645 %                      |
| <b>CAPPED CLASSES</b>                            |                               |
| Standby Electric Service-Distribution            | 0.0317 %                      |
| Interruptible Service Supplemental- Distribution | 0.0623 %                      |
| Interruptible Service –Thirty Minute Notice      | 0.8281 %                      |
| Interruptible Service -Ten Minute Notice         | 1.3782 %                      |
| Interruptible Service – Instantaneous            | 0.1330 %                      |
| Interruptible Service Supplemental- Transmission | 0.0791 %                      |
| SES – Transmission                               | 0.3231 %                      |
| SBI  | 0.1535 %                      |
| SCP  | 2.7579 %                      |

**TC GROUPS**

| <b>TC GROUP</b> | <b>TRANSITION CHARGE CLASSES</b>    | <b>GROUP ALLOCATION PERCENTAGE Effective 11-1-02</b> |
|-----------------|-------------------------------------|--|
| Residential     | Residential                         | 36.1814 %  |
| Commercial      | MGS, LGS, Non-Metered Lighting      | 50.7948 %  |
| Industrial      | All other Transition Charge Classes | 13.0238 %  |

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**ATTACHMENT 2*****REGULATORY ASSET ALLOCATION FACTORS***

| <b><i>TRANSITION CHARGE CLASS</i></b>            | <b><i>RAAF Effective 11-1-03</i></b> |
|--|--------------------------------------|
| Residential                                      | 36.2894 %                            |
| MGS  | 32.6212 %                            |
| LGS  | 18.2931 %                            |
| LOS-A  | 4.5124 %                             |
| LOS-B  | 2.7309 %                             |
| Non-Metered Lighting                             | 0.2667 %                             |
| <b><i>CAPPED CLASSES</i></b>                     |                                      |
| Standby Electric Service-Distribution            | 0.0319 %                             |
| Interruptible Service Supplemental- Distribution | 0.0626 %                             |
| Interruptible Service –Thirty Minute Notice      | 0.8324 %                             |
| Interruptible Service -Ten Minute Notice         | 1.3421 %                             |
| Interruptible Service – Instantaneous            | 0.1056 %                             |
| Interruptible Service Supplemental- Transmission | 0.0795 %                             |
| SES – Transmission                               | 0.3256 %                             |
| SBI  | 0.1543 %                             |
| SCP  | 2.3523 %                             |

***TC GROUPS***

| <b><i>TC GROUP</i></b> | <b><i>TRANSITION CHARGE CLASSES</i></b> | <b><i>GROUP ALLOCATION PERCENTAGE Effective 11-1-03</i></b> |
|------------------------|---|---|
| Residential            | Residential                             | 36.2894 %   |
| Commercial             | MGS, LGS, Non-Metered Lighting          | 51.1810 %   |
| Industrial             | All other Transition Charge Classes     | 12.5296 %   |

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**ATTACHMENT 3****REGULATORY ASSET ALLOCATION FACTORS**

| <b>TRANSITION CHARGE CLASS</b>                   | <b>RAAF Effective 11-1-09</b> |
|--|-------------------------------|
| Residential                                      | 37.8367 %                     |
| MGS  | 31.9072 %                     |
| LGS  | 17.8927 %                     |
| LOS-A  | 4.4136 %                      |
| LOS-B  | 2.6711 %                      |
| Non-Metered Lighting                             | 0.2609 %                      |
| <b>CAPPED CLASSES</b>                            |                               |
| Standby Electric Service-Distribution            | 0.0312 %                      |
| Interruptible Service Supplemental- Distribution | 0.0575 %                      |
| Interruptible Service –Thirty Minute Notice      | 0.7648 %                      |
| Interruptible Service -Ten Minute Notice         | 1.2332 %                      |
| Interruptible Service – Instantaneous            | 0.0970 %                      |
| Interruptible Service Supplemental- Transmission | 0.0730 %                      |
| SES – Transmission                               | 0.3185 %                      |
| SBI  | 0.1418 %                      |
| SCP  | 2.3008 %                      |

**TC GROUPS**

| <b>TC GROUP</b> | <b>TRANSITION CHARGE CLASSES</b>    | <b>GROUP ALLOCATION PERCENTAGE Effective 11-1-09</b> |
|-----------------|-------------------------------------|--|
| Residential     | Residential                         | 37.8367 %  |
| Commercial      | MGS, LGS, Non-Metered Lighting      | 50.0608 %  |
| Industrial      | All other Transition Charge Classes | 12.1025 %  |



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### 6.1.1.2.2 SCHEDULE TC2 - TRANSITION CHARGES

#### SECTION 1: APPLICABILITY

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

This schedule is applicable to:

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

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

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

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

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

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

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

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

### **SECTION 3: TERM**

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

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

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

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

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

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

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

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

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

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

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

| Capped Class                                      | Related Rate Schedule |
|---|-----------------------|
| Standby Electric Service – Distribution           | <b>SES</b>            |
| Interruptible Service Supplemental – Distribution | <b>ISS</b>            |

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

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

(1) For customers which took stand alone standby service (SBI and/or SES without other service), the Monthly Cap for SBI and SES will be the highest demand under the respective rate, during the 12-month period ended April 30, 1999. If a customer began service under SES and/or SBI after April 30, 1999, the Monthly Cap for such customer's will be the highest demand under rate SES or SBI, as applicable, during the period from April 30, 1999 to January 1, 2002, if the customer provides the Company adequate documentation that (i) the additional load served was on-site load normally served by the customer's on-site generation and (ii) the customer's on-site generation was out of service due to forced outage or maintenance. If the customer does not provide the required documentation, the additional load will be billed using the Transition Charges applicable to the LGS Class for distribution voltage customers or LOS-A Class for transmission voltage customers.

(2) For customers which took SBI and/or SES in combination with other services, the Transition Charge for additional load taken in excess of the Monthly Cap will be the Transition Charge for the LOS-A class restated and applied as a cents per KWh charge if the customer provides the Company adequate documentation that (i) the additional load was lawfully served without use of the Company's transmission and distribution facilities and (ii) the customer's on-site generation was out of service due to forced outage or maintenance. If the customer does not provide the required documentation, the additional load will be billed using the Transition Charges applicable to the LOS-A Class for transmission voltage customers applied on a kW basis.

(3) For any SCP customer that also received service under a non-Capped Class, the SCP rate will have a Monthly Cap based on the amount of service the customer received under the SCP rate schedule during the 12-month period ended April 30, 1999. The

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

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

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

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

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

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

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

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

## **SECTION 6: ALLOCATION FACTOR ADJUSTMENTS**

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

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

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***TC GROUPS***

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

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

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

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

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

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

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

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



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

Step 1:

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

Step 2:

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

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

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Step 3:

For all TC Groups, a reallocation amount for that group ( $RA_G$ ) shall be calculated where:

$$RA_G = GAP_G * \{\sum RED_G\} \text{ for all Groups}$$

Where:

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

Step 4:

For all TC groups a Group Allocation Percentage Adjustment ( $GAPA_G$ ) shall be calculated where:

$$GAPA_G = (RA_G - RED_G) / PBR_T$$

Where:

$$\sum GAPA_G = 0 \text{ for all } G$$

Step 5:

For all TC classes, the PBRAF adjustment for class c ( $PBRAFA_c$ ) will be calculated for use in calculating adjustments to the Transition Charges under Section 8, Part A where

$$PBRAFA_c = GAPA_G * (PBRAF_c / GAP_G)$$

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

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

#### Step 1:

For each TC Group not adjusted under Part B,

|                                |   |
|--------------------------------|---|
| If $YTCOL_G / PBR_G \geq 0.90$ | Then, no PBRAF adjustment will occur.   |
| If $YTCOL_G / PBR_G > 1.00$    | Then, no PBRAF adjustment will occur and any prior year adjustments made under C will be reversed pursuant to step 6. |
| If $YTCOL_G / PBR_G < 0.90$    | Then, a PBRAF adjustment will be calculated pursuant to Steps 2 through 5.  |

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Where:

$YTCOL_G$  = year-to-year test collections for group G =  $\sum YC_c * FBU_c$  for all classes (c) in Group (G)

$FBU_c$  = forecasted billing determinants for class c

$YC_c$  = year-to-year test charge for class c =  $\{PBRAF_c * PBR_T\} / FBU_c^{-1}$

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

$PBR_T$  = total periodic billing requirement for upcoming period

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

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

Step 2:

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

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

Step 3:

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

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

Where:

$GAP_G$  = Group Allocation Percentage =  $\sum PBRAF_c$  for all classes in the group

Step 4:

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

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

Where  $\sum GAP_G = 0$  for all G

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**Step 5:**

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

$$YPBRAFA_c = YGAPAG * (PBRAF_c / GAP_G)$$

**Step 6:**

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

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

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

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

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

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**SECTION 7: TRANSITION CHARGES**

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

***TRANSITION CHARGES***

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

In no event will interim true-up adjustments occur more frequently than every three months if quarterly transition bond payments are required or every six months if semi-annual transition bond payments are required; provided, however, that interim true-up adjustments for any transition bonds remaining outstanding during the fourteenth and fifteenth year after the bonds are issued may occur quarterly.

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

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

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

The Adjusted Transition Charge for the upcoming period for each class ( $TC_c$ ) shall be computed as follows:

For the residential class,

$$TC_c = PBR_T * (PBRAF_c + PBRAFA_c + YPBRAFA_c^1) / FBU_c$$

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

$$TC_c = TC_c^{-1} \{ \Sigma [PBR_T * (PBRAF_c + PBRAFA_c + YPBRAFA_c^t)] / \Sigma (TC_c^{-1} * FBU_c) \}$$

For all classes in the applicable group.

Where

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

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

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

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

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

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

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

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

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

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**Step 2:**

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

$$RED_c = PBR_c - TLL_c$$

Where:

$$PBR_c = PBR_T * PBRAF_c$$

$$TLL_c = \text{Test Collections with 10\% Load Loss for Class } c = [PBR_c / (IBD_c * 0.9)] * FBU_c$$

$PBR_T$  = total periodic billing requirement for upcoming period

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

**Step 3:**

For each Industrial TC class for which a reduction amount was not calculated in Step 2 and whose  $TC_c^{-1} \leq TC_{LOSA}^{-1}$ , a reallocation amount shall be calculated as follows:

$$RA_c = IAP_c * \sum RED_c \text{ for all classes}$$

Where:

$IAP_c$  = Intra-Group Allocation Percentage for class  $c = PBRAF_c / \sum PBRAF_c$  for all Industrial TC Classes for which a reduction amount was not calculated in Step 2 and whose  $TC_c^{-1} \leq TC_{LOSA}^{-1}$

$TC_{LOSA}^{-1}$  = Transition Charge implemented for the LOSA TC class in the last true-up filing

$TC_c^{-1}$  = Transition Charge implemented for class  $c$  in the last true-up filing

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**Step 4:**

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

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

$$TC_c = [PBR_c + RA_c] / FBU_c$$

For all other Industrial TC Classes:

$$TC_c = [PBR_c - RED_c] / FBU_c$$

**Step 5:**

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

$$PI_c = (TC_c / TC_c^{BASE}) - 1$$

Where:

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

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

**Step 6:**

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

$$TC_c^{FINAL} = TC_c$$

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

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

Where:

$EPI^{INITIAL}$  = initial Equal Percent Increase =  $\Sigma (TC_c * FBU_c) / \Sigma (TC_c^{BASE} * FBU_c)$  for only those Industrial TC Classes identified in Step 1 as Load Loss Classes and TC classes with a  $PI$  greater than or equal to those Industrial TC Load Loss Classes identified in Step 1.

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

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$$TC_c^{FINAL} = TC_c$$

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

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

Where:

$$EPI^{FINAL} = \text{final Equal Percent Increase} = \frac{\sum (TC_c * FBU_c)}{\sum (TC_c^{BASE} * FBU_c)} \text{ for only those Industrial TC Classes remaining in Step 6, Part D.}$$

## SECTION 9: BILLING AND COLLECTION TERMS AND CONDITIONS

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

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

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

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

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

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

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

1. REPs will bill and collect, or cause to be billed and collected, all Transition Charges applicable to consumption by retail customers served by the REP.
2. If Servicer is providing the metering, metering data will be provided to the REP at the same time as the billing. If Servicer is not providing the metering, the entity providing metering services will be responsible for complying with Commission rules and ensuring that Servicer and the REP will receive timely and accurate metering data in order for Servicer to meet its obligations under the Servicing Agreement and the Financing Order with respect to billing and true-ups.
3. Each REP must (1) have a long-term, unsecured credit rating of not less than "BBB-" and "Baa3" (or the equivalent) from Standard & Poor's and Moody's Investors Service, respectively, or (2) provide (A) a deposit of two months' maximum expected Transition Charge collections in the form of cash, (B) an affiliate guarantee, surety bond, or letter of credit providing for payment of such amount of Transition Charge collections in the event that the REP defaults in its payment obligations, or (C) a combination of any of the foregoing. A REP that does not have or maintain the requisite long-term, unsecured credit rating may select which alternate form of deposit, credit support, or combination thereof it will utilize, in its sole discretion. The indenture trustee shall be the beneficiary of any affiliate guarantee, surety bond or letter of credit. The provider of any affiliate guarantee, surety bond, or letter of credit must have and maintain a long-term, unsecured credit ratings of not less than "BBB-" and "Baa3" (or the equivalent) from Standard & Poor's and Moody's Investors Service, respectively.
4. If the long-term, unsecured credit rating from either Standard & Poor's or Moody's Investors Service of a REP that did not previously provide the alternate form of deposit, credit support, or combination thereof or of any provider of an affiliate guarantee, surety bond, or letter of credit is suspended, withdrawn, or downgraded below "BBB-" or "Baa3" (or the equivalent), the REP must provide the alternate form of deposit, credit support, or combination thereof, or new forms thereof, in each case from providers with the requisite ratings, within 10 business days following such suspension, withdrawal, or downgrade. A REP failing to make such provision must comply with the provisions set forth in paragraph 3 of Section D, Billings by Servicer to the REP or its replacement (when applicable).



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

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

1. Servicer will bill and collect from REPs all Transition Charges applicable to consumption by retail customers served by the REP, including applicable customers served by New On-Site Generation.
2. Payments of Transition Charges are due 35 calendar days following each billing by Servicer to the REP, without regard to whether or when the REP receives payment from the end-use retail customers. Servicer shall accept payment by electronic funds transfer, wire transfer, and/or check. Payment will be considered received the date the electronic funds transfer or wire transfer is received by Servicer, or the date the check clears. A 5% penalty is to be charged on amounts received after 35 calendar days; however, a 10 calendar-day grace period will be allowed before the REP is considered to be in default. A REP in default must comply with the provisions set forth in paragraph 3 of this Section D. The 5% penalty will be a one-time assessment measured against the current amount overdue from the REP to Servicer. The "current amount" consists of the total unpaid Transition Charges

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existing on the 36<sup>th</sup> calendar day after billing by Servicer. Any and all such penalty payments will be made to the indenture trustee to be applied against Transition Charge obligations. A REP shall not be obligated to pay the overdue Transition Charges of another REP. If a REP agrees to assume the responsibility for the payment of overdue Transition Charges as a condition of receiving the customers of another REP that has decided to terminate service to those customers for any reason, the new REP shall not be assessed the 5% penalty upon such Transition Charges; however, the prior REP shall not be relieved of the previously-assessed penalties.

3. After the 10 calendar-day grace period (the 45<sup>th</sup> calendar day after the billing date), Servicer shall have the option to seek recourse against any cash deposit, affiliate guarantee, surety bond, letter of credit, or combination thereof provided by the REP, and avail itself of such legal remedies as may be appropriate to collect any remaining unpaid Transition Charges and associated penalties due Servicer after the application of the REP's deposit or alternate form of credit support. In addition, a REP that is in default with respect to the requirements set forth in paragraphs 4 and 5 of Section C and paragraph 2 of this Section D shall select and implement one of the following options:
  - (a) Allow the POLR or a qualified REP of the customer's choosing to immediately assume the responsibility for the billing and collection of Transition Charges.
  - (b) Immediately implement other mutually suitable and agreeable arrangements with Servicer. It is expressly understood that Servicer's ability to agree to any other arrangements will be limited by the terms of the Servicing Agreement and requirements of rating agencies that have rated the transition bonds necessary to avoid suspension, withdrawal or downgrade of the ratings on the transition bonds.
  - (c) Arrange that all amounts owed by retail customers for services rendered be timely billed and immediately paid directly into a lock-box controlled by Servicer with such amounts to be applied first to pay Transition Charges before the remaining amounts are released to the REP. All costs associated with this mechanism will be borne solely by the REP.

If a REP that is in default does not immediately select and implement one of the options specified in (a), (b) or (c) or, after so selecting one of the foregoing options, fails to adequately meet its responsibilities thereunder, then Servicer shall immediately implement option (a), subject to the limitations and requirements of the bankruptcy code if the REP is a debtor in bankruptcy. Upon re-establishment of compliance with the requirements set forth in paragraphs 4 and 5 of Section C

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

4. The POLR appointed by the Commission must meet the minimum credit rating or deposit/credit support requirements described in paragraph 3 of Section C (“Billings by the REP or its Replacement to end-use customers”) in addition to any other standards that may be adopted by the Commission. If the POLR defaults or is not eligible to provide such services, responsibility for billing and collection of Transition Charges will immediately be transferred to and assumed by Servicer until a new POLR can be named by the Commission or the customer requests the services of a certified REP. Retail customers may never be re-billed by the successor REP, the POLR, or Servicer for any amount of Transition Charges they have paid their REP (although future Transition Charges shall reflect REP and other system-wide charge-offs). Additionally, if the amount of the penalty detailed in paragraph 2 of this Section D is the sole remaining past-due amount after the 45<sup>th</sup> calendar day, the REP shall not be required to comply with clauses (a), (b) or (c) of paragraph 3 of this Section D, unless the penalty is not paid within an additional 30 calendar days.
5. In the event that Servicer is billing customers for Transition Charges, Servicer shall have the right to terminate transmission and distribution service to the end-use customer for non-payment by the end use customer pursuant to applicable Commission rules.
6. The REP will be allowed to hold back an allowance for charge-offs in its payments to Servicer. Such charge-off rate will be recalculated each year in connection with the annual true-up procedure. In the initial year, REPs will be allowed to remit payments based on the same charge-off percentage then being used by the REP to remit payments to the servicer in connection with transition charges related to transition bonds issued by CenterPoint Energy Transition Bond Company, LLC on October 24, 2001. On an annual basis in connection with the true-up adjustment process, the REP and Servicer will be responsible for reconciling the amounts held back with amounts actually written off as uncollectible in accordance with the terms agreed to by the REP and Servicer, provided that:
  - (a) The REP’s right to reconciliation for write-offs will be limited to customers whose service has been permanently terminated and whose entire accounts (*i.e.*, all amounts due the REP for its own account as well as the portion representing Transition Charges) have been written off.
  - (b) The REP’s recourse will be limited to a credit against future Transition Charge payments unless the REP and Servicer agree to alternative

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arrangements, but in no event will the REP have recourse to the indenture trustee, the SPE or the SPE's funds for such payments.

- (c) The REP shall provide information on a timely basis to Servicer so that Servicer can include the REP's default experience and any subsequent credits into its calculation of the adjusted Transition Charge rates for the next transition charge billing period and the REP's rights to credits will not take effect until such adjusted Transition Charge rates have been implemented.
7. In the event that a REP disputes any amount of billed Transition Charges, the REP shall pay the disputed amount under protest according to the timelines detailed in paragraph 2 of this Section D. The REP and Servicer shall first attempt to informally resolve the dispute, but if they fail to do so within 30 calendar days, either party may file a complaint with the Commission. If the REP is successful in the dispute process (informal or formal), the REP shall be entitled to interest on the disputed amount paid to Servicer at the Commission-approved interest rate. Disputes about the date of receipt of Transition Charge payments (and penalties arising thereof) or the size of a required REP deposit will be handled in a like manner. It is expressly intended that any interest paid by Servicer on disputed amounts shall not be recovered through Transition Charges if it is determined that Servicer's claim to the funds is clearly unfounded. No interest shall be paid by Servicer if it is determined that Servicer has received inaccurate metering data from another entity providing competitive metering services pursuant to Utilities Code Section 39.107.
8. If Servicer is providing the metering, metering data will be provided to the REP at the same time as the billing. If Servicer is not providing the metering, the entity providing metering services will be responsible for complying with Commission rules and ensuring that Servicer and the REP will receive timely and accurate metering data in order for Servicer to meet its obligations under the Servicing Agreement and the Financing Order with respect to billing and true-ups.

### **OTHER TERMS AND CONDITIONS**

If the customer or REP pays only a portion of its bill, a pro-rata portion of Transition Charge revenues shall be deemed to be collected. The Company will allocate any shortfall first, ratably based on the amount owed for Transition Charges and the amount owed for other fees and charges, other than late charges, owed to the Company or any successor, and second, all late charges shall be allocated to the Company or any successor.

If the Company does not regularly include the notice described below in the bills sent by it to REPs or directly to retail customers, then at least once each year the Company shall cause to be prepared and delivered to REPs and such customers a notice stating, in effect, that the amount billed includes

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Transition Charges which were authorized by the Financing Order dated March 16, 2005 and have been transferred to and are being collected on behalf of CenterPoint Energy Transition Bond Company II, LLC and are not owned by the Company. In the customer's initial bill from the REP and at least once each year thereafter, each REP that bills Transition Charges shall cause to be prepared and delivered to its customers a notice stating, in effect, that the amount billed includes Transition Charges which were authorized by the Financing Order dated March 16, 2005 and have been transferred to and are being collected on behalf of CenterPoint Energy Transition Bond Company II, LLC and are not owned by the REP or the Company, and that under certain circumstances described in Schedule TC2 Servicer may be permitted to collect the Transition Charges directly from the retail customer. Such notice shall be included either as an insert to or in the text of the bills delivered to such REPs or customers, as applicable, or shall be delivered to REPs or customers by electronic means or such other means as Servicer or the REP may from time to time use to communicate with their respective customers.

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**ATTACHMENT 1****PERIODIC BILLING REQUIREMENT ALLOCATION FACTORS**

| <b>TRANSITION CHARGE CLASS</b>                   | <b>PBRAFF Effective 12-1-08</b> |
|--|---------------------------------|
| Residential                                      | 40.4859 %                       |
| MGS  | 29.1622 %                       |
| LGS  | 16.1753 %                       |
| LOS-A  | 4.6947%                         |
| LOS-B  | 2.7249 %                        |
| Non-Metered Lighting                             | 0.5518 %                        |
| <b>CAPPED CLASSES</b>                            |                                 |
| Standby Electric Service-Distribution            | 0.0319 %                        |
| Interruptible Service Supplemental- Distribution | 0.1382 %                        |
| Interruptible Service –Thirty Minute Notice      | 0.9595 %                        |
| Interruptible Service -Ten Minute Notice         | 1.7179 %                        |
| Interruptible Service – Instantaneous            | 0.2159 %                        |
| Interruptible Service Supplemental- Transmission | 0.0650 %                        |
| Standby Electric Service – Transmission          | 0.2495 %                        |
| Standby Interruptible Service                    | 0.1902 %                        |
| Special Contract Pricing                         | 2.6371 %                        |

**TC GROUPS**

| <b>TC GROUP</b> | <b>TRANSITION CHARGE CLASSES</b>    | <b>GROUP ALLOCATION PERCENTAGE Effective 12-1-08</b> |
|-----------------|-------------------------------------|--|
| Residential     | Residential                         | 40.4859 %  |
| Commercial      | MGS, LGS, Non-Metered Lighting      | 45.8893 %  |
| Industrial      | All other Transition Charge Classes | 13.6248 %  |

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### 6.1.1.2.3 SCHEDULE TC3 - TRANSITION CHARGES

#### SECTION 1: APPLICABILITY

This schedule sets out the rates and terms and conditions under which Transition Charges will be billed and collected by CenterPoint Energy Houston Electric, LLC (Company), any successor servicer(s) and any retail electric providers (REP) or collection agents billing or collecting Transition Charges on behalf of CenterPoint Energy Transition Bond Company III, LLC (SPE). The Transition Charges were authorized by the Financing Order approved by the Public Utility Commission of Texas (Commission) in Docket No. 34448 on September 18, 2007 (Financing Order). Pursuant to terms of the Financing Order and the requirements of Section 39.301 *et seq.* of the Texas Utilities Code, all of the Company's rights under the Financing Order, including the right to bill and collect Transition Charges and to adjust Transition Charges pursuant to this Schedule TC3, were transferred to the SPE in connection with the issuance of transition bonds. The rights transferred to the SPE are "transition property" of the SPE (as defined in Section 39.304 of the Utilities Code). On the effective date of this Schedule TC3 the Company will act as servicer on behalf of the SPE to bill, collect, receive and adjust Transition Charges imposed pursuant to this Schedule TC3. However, the SPE may select another party to serve as servicer or the Company may resign as servicer in accordance with the terms and subject to the conditions of the Servicing Agreement and the Financing Order. A successor servicer selected under these conditions will assume the obligations of the Company as servicer under this Schedule TC3. As used in this Schedule TC3, the term "Servicer" includes any successor servicer. All actions by the Company under this Schedule TC3, including collection of Transition Charges, will be undertaken solely in its role as servicer under the Servicing Agreement between the Company and the SPE dated as of February 12, 2008.

This schedule is applicable to:

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

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

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

Transition Charges are non-bypassable charges. All Transition Charges other than those applicable to New On-Site Generation are computed and paid on the basis of individual end-use retail customer consumption or demand. In accordance with Utilities Code Section 39.252(b) and Section 25.345(i)(3) of the Commission's Substantive Rules, the Transition Charges applicable to use of New On-Site Generation that results in a "material reduction" of the customer's use of energy delivered through the Company's transmission and distribution facilities (as defined in Section 25.345(i)(4) of the Commission's Substantive Rules) are computed and paid based on the output of the on-site generation used to meet the internal electric requirements of the customer. Customers with New On-Site Generation will also be required to pay the Transition Charges applicable to energy actually delivered to the Customer through the Company's facilities. Individual end-use retail customers are responsible for paying Transition Charges billed to them in accordance with the terms of this Schedule TC3 whether the charges are billed directly by Servicer or are included in the bills submitted to the customer by a REP or another entity. Payment is to be made to the entity that bills the customer in accordance with the terms of the Servicing Agreement and the Financing Order. The billing entity may be the Company, a successor servicer, a REP or an entity designated to collect Transition Charges in place of the REP.

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

The REP or entity designated to collect Transition Charges in place of the REP will pay Transition Charges (less an allowance for charge-offs calculated pursuant to this Schedule TC3) to Servicer in accordance with the requirements of the Financing Order and this Schedule TC3



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whether or not it has collected the Transition Charges from its customers. To the extent that the REP's actual charge-offs differ from the charge-off allowance, adjustments will be made pursuant to this Schedule TC3. The REP will have no right to reimbursement other than as expressly set out in this Schedule TC3.

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

### **SECTION 3: TERM**

This Schedule TC3 is effective beginning on the date the transition bonds are issued. Schedule TC3 will remain in effect as provided in the Financing Order until the Transition Charges collected and remitted to the SPE are sufficient to satisfy all obligations of the SPE to pay principal and interest on the transition bonds (as due over the 12 year term of the transition bonds) and to pay all other qualified costs as provided in the Financing Order. However, in no event will the Transition Charges be billed for service provided after 15 years from issuance of the transition bonds, or sooner if the transition bonds are paid in full at an earlier date. This Schedule TC3 is irrevocable.

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

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

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

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

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

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

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

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

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

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

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

(1) For customers which took stand alone standby service (SBI and/or SES without other service), the Monthly Cap for SBI and SES will be the highest demand under the respective rate, during the 12-month period ended April 30, 1999. If a customer began service under SES and/or SBI after April 30, 1999, the Monthly Cap for such customer's will be the highest demand under rate SES or SBI, as applicable, during the period from April 30, 1999 to January 1, 2002, if the customer provides the Company adequate documentation that (i) the additional load served was on-site load normally served by the customer's on-site generation and (ii) the customer's on-site generation was out of service due to forced outage or maintenance. If the customer does not provide the required documentation, the additional load will be billed using the Transition Charges applicable to the LGS Class for distribution voltage customers or LOS-A Class for transmission voltage customers.

(2) For customers which took SBI and/or SES in combination with other services, the Transition Charge for additional load taken in excess of the Monthly Cap will be the Transition Charge for the LOS-A class restated and applied as a cents per KWh charge if the customer provides the Company adequate documentation that (i) the additional load was lawfully served without use of the Company's transmission and distribution facilities and (ii) the customer's on-site generation was out of service due to forced outage or maintenance. If the customer does not provide the required documentation, the additional load will be billed using the Transition Charges applicable to the LOS-A Class for transmission voltage customers applied on a kW basis.

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(3) For any SCP customer that also received service under a non-Capped Class, the SCP rate will have a Monthly Cap based on the amount of service the customer received under the SCP rate schedule during the 12-month period ended April 30, 1999. The Monthly Cap will be the customer's monthly maximum hourly kW under the SCP rate schedule during the peak hours as defined herein, summed for the 12-month period ended April 30, 1999 and divided by the number of months during which the customer actually consumed power under the SCP rate schedule.

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

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

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

The initial Periodic Billing Requirement Allocation Factors ("PBRAF") for each Transition Charge Class are set out below. These initial PBRAs will remain in effect throughout the life of the transition bonds unless a modification of the factors is made pursuant to the allocation factor adjustment provisions in Section 6 of this Schedule TC3:

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**INITIAL PERIODIC BILLING REQUIREMENT ALLOCATION FACTORS**

| <b>TRANSITION CHARGE CLASS</b>                    | <b>PBRAFF</b> |
|---|---------------|
| Residential                                       | 18.3506%      |
| MGS   | 42.4542%      |
| LGS   | 23.9265%      |
| LOS-A   | 5.7501%       |
| LOS-B   | 5.1450%       |
| Non-Metered Lighting                              | 0.2982%       |
| <b>CAPPED CLASSES</b>                             |               |
| Standby Electric Service-Distribution             | 0.0193%       |
| Interruptible Service Supplemental- Distribution  | -0.0436%      |
| Interruptible Service –Thirty Minute Notice       | -0.0451%      |
| Interruptible Service –Ten Minute Notice          | 0.3339%       |
| Interruptible Service – Instantaneous             | -0.0492%      |
| Interruptible Service Supplemental – Transmission | 0.0639%       |
| Standby Electric Service – Transmission           | 0.4464%       |
| Standby Interruptible Service                     | 0.0325%       |
| Special Contract Pricing                          | 3.3173%       |

**SECTION 6: ALLOCATION FACTOR ADJUSTMENTS**

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

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

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***TC GROUPS***

| <b><i>TC GROUP</i></b> | <b><i>TRANSITION CHARGE CLASSES</i></b> | <b><i>INITIAL GROUP ALLOCATION PERCENTAGE</i></b> |
|------------------------|---|---|
| Residential            | Residential                             | 18.3506%  |
| Commercial             | MGS, LGS, Non-Metered Lighting          | 66.6789%  |
| Industrial             | All other Transition Charge Classes     | 14.9705%  |

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

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

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

Step 2 – The Company will recalculate the PBRAFs for all Transition Charge Classes using the spreadsheet and data used to compute the initial PBRAFs but reducing the demand allocation factors for each Transition Charge Class to reflect the cumulative losses for that class as calculated under Step 1 (including losses for which PBRAF adjustments were made in prior years). No other changes to the spreadsheet or data used to compute the initial PBRAFs will be made. Appendix A to this Schedule TC3 contains the spreadsheet and data used to compute the initial PBRAFs.

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

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

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

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Schedule TC3 (adjusted to exclude any billing determinants attributable to Eligible Generation if any adjustment was made under Part A after the original effective date) (such billing determinants as adjusted are hereafter referred to as the “Base Billing Determinants”). The PBRAFs of all Transition Charge Classes in all TC Groups will be adjusted if one or more TC Groups experience load loss (calculated excluding load loss attributable to Eligible Generation for which adjustments have been made under Part A but including load loss attributable to small power production facilities of 10 megawatts or less) aggregating 50% or more on a cumulative basis when measured against the Base Billing Determinants. The adjustments under this Part B will be made using the following procedures:

Step 1:

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

Step 2:

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

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

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Step 3:

For all TC Groups, a reallocation amount for that group ( $RA_G$ ) shall be calculated where:

$$RA_G = GAP_G * \{\sum RED_G\} \text{ for all Groups}$$

Where:

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

Step 4:

For all TC groups a Group Allocation Percentage Adjustment ( $GAPA_G$ ) shall be calculated where:

$$GAPA_G = (RA_G - RED_G) / PBR_T$$

Where:

$$\sum GAPA_G = 0 \text{ for all } G$$

Step 5:

For all TC classes, the PBRAF adjustment for class c ( $PBRAFA_c$ ) will be calculated for use in calculating adjustments to the Transition Charges under Section 8, Part A where

$$PBRAFA_c = GAPA_G * (PBRAF_c / GAP_G)$$



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

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

#### Step 1:

For each TC Group not adjusted under Part B,

|                                |   |
|--------------------------------|---|
| If $YTCOL_G / PBR_G \geq 0.90$ | Then, no PBRAF adjustment will occur.   |
| If $YTCOL_G / PBR_G > 1.00$    | Then, no PBRAF adjustment will occur and any prior year adjustments made under C will be reversed pursuant to step 6. |
| If $YTCOL_G / PBR_G < 0.90$    | Then, a PBRAF adjustment will be calculated pursuant to Steps 2 through 5.  |

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Where:

$YTCOL_G$  = year-to-year test collections for group  $G = \sum YC_c * FBU_c$  for all classes (c) in Group (G)

$FBU_c$  = forecasted billing determinants for class c

$YC_c$  = year-to-year test charge for class c =  $\{PBRAF_c * PBR_T\} / FBU_c^{-1}$

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

$PBR_T$  = total periodic billing requirement for upcoming period

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

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

Step 2:

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

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

Step 3:

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

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

Where:

$GAP_G$  = Group Allocation Percentage =  $\sum PBRAF_c$  for all classes in the group

Step 4:

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

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

Where  $\sum GAP_G = 0$  for all G

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**Step 5:**

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

$$YPBRAFA_c = YGAPAG * (PBRAF_c / GAP_G)$$

**Step 6:**

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

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

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

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

The methodology used to allocate qualified costs and determine Transition Charges shall not be changed except in the limited circumstance described in this paragraph. If, but only if, the total retail stranded costs (determined pursuant to Section 39.253 of the Utilities Code) on a statewide basis exceed \$5 billion, then the qualified costs attributable to the Company's share of the statewide stranded costs in excess of \$5 billion shall be reallocated using the allocation methodology prescribed in Section 39.253(f) of the Utilities Code. The Company's share of the statewide stranded costs in excess of \$5 billion shall be determined by multiplying (i) the percentage obtained by dividing the Company's total stranded costs (determined pursuant to Section 39.253(f)) by the total statewide stranded costs (determined pursuant to Section 39.253(f)) by (ii) the amount by which the total statewide stranded costs (determined pursuant to Section 39.253(f)) exceed \$5 billion. The qualified costs attributable to the Company's share of the statewide stranded costs shall then be determined by multiplying (i) the Company's share of the statewide stranded costs by (ii) the percentage obtained by dividing (a) the Company's stranded costs (determined pursuant to Section 39.253(f)) which were securitized pursuant to the Financing Order dated September 18, 2007 in Docket No. 34448 by (b) the Company's total stranded costs (determined pursuant to Section 39.253(f)). The Company shall file the adjustments required herein, within 45 days after the Commission issues any order determining a utility's stranded costs or regulatory assets that causes the total statewide stranded costs (determined pursuant to Section 39.253(f)) to exceed \$5 billion or changes the amount by which the total statewide stranded costs (determined pursuant to Section 39.253(f)) exceed \$5 billion. Any changes in Transition Charges resulting from a change in the initial or adjusted PBRAFs under this Part D shall be made prospectively from the date of the Commission's order approving adjusted PBRAFs under this Part D. No change in an initial or adjusted PBRAF shall cause the sum of all PBRAFs to be more than or less than 100% or change the total Periodic Billing Requirement for any period. Transition Charges for services rendered prior to such effective date will not be changed. Future changes to the PBRAFs underlying the recomputed Transition Charges, if necessary under Parts A – D of this Section 6 will be computed pursuant to this Section 6 using the initial and adjusted PRBAFs as determined by the Commission pursuant to this Part D.

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**SECTION 7: TRANSITION CHARGES**

The Transition Charges to be applied beginning on the effective date of this Schedule TC3 are set out below. Transition Charges to be applied in subsequent periods (Adjusted Transition Charges) will be determined in the manner described in Section 8.

***TRANSITION CHARGES***

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

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

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

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

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

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

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

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lowest unit Transition Charge. The remainder will then similarly be allocated to each other Capped Class under which the customer is served until the Total kW has been allocated or all applicable Monthly Caps have been reached.

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

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

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

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

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

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

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

In no event will interim true-up adjustments occur more frequently than every three months if quarterly transition bond payments are required or every six months if semi-annual transition bond payments are required; provided, however, that interim true-up adjustments for any transition bonds remaining outstanding during the fourteenth and fifteenth year after the bonds are issued may occur quarterly.

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

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

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

The Adjusted Transition Charge for the upcoming period for each class ( $TC_c$ ) shall be computed as follows:

For the residential class,

$$TC_c = PBR_T * (PBRAF_c + PBRAFA_c + YPBRAFA_c^1) / FBU_c$$



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

$$TC_c = TC_c^{-1} \{ \Sigma [PBR_T * (PBRAF_c + PBRAFA_c + YPBRAFA_c^t)] / \Sigma (TC_c^{-1} * FBU_c) \}$$

For all classes in the applicable group.

Where

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

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

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

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

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

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

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

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

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

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**Step 2:**

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

$$RED_c = PBR_c - TCLL_c$$

Where:

$$PBR_c = PBR_T * PBRAF_c$$

$$TCLL_c = \text{Test Collections with 10\% Load Loss for Class } c = [PBR_c / (IBD_c * 0.9)] * FBU_c$$

$PBR_T$  = total periodic billing requirement for upcoming period

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

**Step 3:**

For each Industrial TC class for which a reduction amount was not calculated in Step 2 and whose  $TC_c^{-1} \leq TC_{LOSA}^{-1}$ , a reallocation amount shall be calculated as follows:

$$RA_c = IAP_c * \sum RED_c \text{ for all classes}$$

Where:

$IAP_c$  = Intra-Group Allocation Percentage for class  $c = PBRAF_c / \sum PBRAF_c$  for all Industrial TC Classes for which a reduction amount was not calculated in Step 2 and whose  $TC_c^{-1} \leq TC_{LOSA}^{-1}$

$TC_{LOSA}^{-1}$  = Transition Charge implemented for the LOSA TC class in the last true-up filing

$TC_c^{-1}$  = Transition Charge implemented for class  $c$  in the last true-up filing

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Step 4:

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

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

$$TC_c = [PBR_c + RA_c] / FBU_c$$

For all other Industrial TC Classes:

$$TC_c = [PBR_c - RED_c] / FBU_c$$

Step 5:

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

$$PI_c = (TC_c / TC_c^{BASE}) - 1$$

Where:

 $TC_c$  = The adjusted transition charge calculated in Step 4 $TC_c^{BASE}$  = The transition charge calculated using the Industrial Base Year Billing Determinants.

Step 6:

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

$$TC_c^{FINAL} = TC_c$$

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

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

Where:

$EPI^{INITIAL}$  = initial Equal Percent Increase =  $\frac{\sum (TC_c * FBU_c)}{\sum (TC_c^{BASE} * FBU_c)}$   
for only those Industrial TC Classes identified in Step 1 as Load Loss Classes and TC classes with a PI greater than or equal to those Industrial TC Load Loss Classes identified in Step 1.

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

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$$TC_c^{FINAL} = TC_c$$

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

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

Where:

$$EPI^{FINAL} = \text{final Equal Percent Increase} = \frac{\sum (TC_c * FBU_c)}{\sum (TC_c^{BASE} * FBU_c)} \text{ for only those Industrial TC Classes remaining in Step 6, Part D.}$$

## SECTION 9: BILLING AND COLLECTION TERMS AND CONDITIONS

Transition Charges will be billed and collected as set forth in this ScheduleTC3. The terms and conditions for each party are set forth below.

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

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

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

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

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

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

1. REPs will bill and collect, or cause to be billed and collected, all Transition Charges applicable to consumption by retail customers served by the REP.
2. If Servicer is providing the metering, metering data will be provided to the REP at the same time as the billing. If Servicer is not providing the metering, the entity providing metering services will be responsible for complying with Commission rules and ensuring that Servicer and the REP will receive timely and accurate metering data in order for Servicer to meet its obligations under the Servicing Agreement and the Financing Order with respect to billing and true-ups.
3. Each REP must (1) have a long-term, unsecured credit rating of not less than "BBB-" and "Baa3" (or the equivalent) from Standard & Poor's and Moody's Investors Service, respectively, or (2) provide (A) a deposit of two months' maximum expected Transition Charge collections in the form of cash, (B) an affiliate guarantee, surety bond, or letter of credit providing for payment of such amount of Transition Charge collections in the event that the REP defaults in its payment obligations, or (C) a combination of any of the foregoing. A REP that does not have or maintain the requisite long-term, unsecured credit rating may select which alternate form of deposit, credit support, or combination thereof it will utilize, in its sole discretion. The indenture trustee shall be the beneficiary of any affiliate guarantee, surety bond or letter of credit. The provider of any affiliate guarantee, surety bond, or letter of credit must have and maintain a long-term, unsecured credit ratings of not less than "BBB-" and "Baa3" (or the equivalent) from Standard & Poor's and Moody's Investors Service, respectively.
4. If the long-term, unsecured credit rating from either Standard & Poor's or Moody's Investors Service of a REP that did not previously provide the alternate form of deposit, credit support, or combination thereof or of any provider of an affiliate guarantee, surety bond, or letter of credit is suspended, withdrawn, or downgraded below "BBB-" or "Baa3" (or the equivalent), the REP must provide the alternate form of deposit, credit support, or combination thereof, or new forms thereof, in each case from providers with the requisite ratings, within 10 business days following such suspension, withdrawal, or downgrade. A REP failing to make such provision must comply with the provisions set forth in paragraph 3 of Section D, Billings by Servicer to the REP or its replacement (when applicable).

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

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

1. Servicer will bill and collect from REPs all Transition Charges applicable to consumption by retail customers served by the REP, including applicable customers served by New On-Site Generation.
2. Payments of Transition Charges are due 35 calendar days following each billing by Servicer to the REP, without regard to whether or when the REP receives payment from the end-use retail customers. Servicer shall accept payment by electronic funds transfer, wire transfer, and/or check. Payment will be considered received the date the electronic funds transfer or wire transfer is received by Servicer, or the date the check clears. A 5% penalty is to be charged on amounts received after 35 calendar days; however, a 10 calendar-day grace period will be allowed before the REP is considered to be in default. A REP in default must comply with the provisions set forth in paragraph 3 of this Section D. The 5% penalty will be a one-time assessment measured against the current amount overdue from the REP to Servicer. The "current amount" consists of the total

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unpaid Transition Charges existing on the 36<sup>th</sup> calendar day after billing by Servicer. Any and all such penalty payments will be made to the indenture trustee to be applied against Transition Charge obligations. A REP shall not be obligated to pay the overdue Transition Charges of another REP. If a REP agrees to assume the responsibility for the payment of overdue Transition Charges as a condition of receiving the customers of another REP that has decided to terminate service to those customers for any reason, the new REP shall not be assessed the 5% penalty upon such Transition Charges; however, the prior REP shall not be relieved of the previously-assessed penalties.

3. After the 10 calendar-day grace period (the 45<sup>th</sup> calendar day after the billing date), Servicer shall have the option to seek recourse against any cash deposit, affiliate guarantee, surety bond, letter of credit, or combination thereof provided by the REP, and avail itself of such legal remedies as may be appropriate to collect any remaining unpaid Transition Charges and associated penalties due Servicer after the application of the REP's deposit or alternate form of credit support. In addition, a REP that is in default with respect to the requirements set forth in paragraphs 4 and 5 of Section C and paragraph 2 of this Section D shall select and implement one of the following options:
  - (a) Allow the POLR or a qualified REP of the customer's choosing to immediately assume the responsibility for the billing and collection of Transition Charges.
  - (b) Immediately implement other mutually suitable and agreeable arrangements with Servicer. It is expressly understood that Servicer's ability to agree to any other arrangements will be limited by the terms of the Servicing Agreement and requirements of rating agencies that have rated the transition bonds necessary to avoid suspension, withdrawal or downgrade of the ratings on the transition bonds.
  - (c) Arrange that all amounts owed by retail customers for services rendered be timely billed and immediately paid directly into a lock-box controlled by Servicer with such amounts to be applied first to pay Transition Charges before the remaining amounts are released to the REP. All costs associated with this mechanism will be borne solely by the REP.

If a REP that is in default does not immediately select and implement one of the options specified in (a), (b) or (c) or, after so selecting one of the foregoing options, fails to adequately meet its responsibilities thereunder, then Servicer shall immediately implement option (a), subject to the limitations and requirements of the bankruptcy code if the REP is a debtor in bankruptcy. Upon re-establishment of compliance with the requirements set forth in paragraphs 4 and 5 of Section C



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

4. The POLR appointed by the Commission must meet the minimum credit rating or deposit/credit support requirements described in paragraph 3 of Section C (“Billings by the REP or its Replacement to end-use customers”) in addition to any other standards that may be adopted by the Commission. If the POLR defaults or is not eligible to provide such services, responsibility for billing and collection of Transition Charges will immediately be transferred to and assumed by Servicer until a new POLR can be named by the Commission or the customer requests the services of a certified REP. Retail customers may never be re-billed by the successor REP, the POLR, or Servicer for any amount of Transition Charges they have paid their REP (although future Transition Charges shall reflect REP and other system-wide charge-offs). Additionally, if the amount of the penalty detailed in paragraph 2 of this Section D is the sole remaining past-due amount after the 45<sup>th</sup> calendar day, the REP shall not be required to comply with clauses (a), (b) or (c) of paragraph 3 of this Section D, unless the penalty is not paid within an additional 30 calendar days.
5. In the event that Servicer is billing customers for Transition Charges, Servicer shall have the right to terminate transmission and distribution service to the end-use customer for non-payment by the end use customer pursuant to applicable Commission rules.
6. The REP will be allowed to hold back an allowance for charge-offs in its payments to Servicer. Such charge-off rate will be recalculated each year in connection with the annual true-up procedure. In the initial year, REPs will be allowed to remit payments based on the same charge-off percentage then being used by the REP to remit payments to the servicer in connection with transition charges related to transition bonds issued by CenterPoint Energy Transition Bond Company II, LLC on December 16, 2005. On an annual basis in connection with the true-up adjustment process, the REP and Servicer will be responsible for reconciling the amounts held back with amounts actually written off as uncollectible in accordance with the terms agreed to by the REP and Servicer, provided that:
  - (a) The REP’s right to reconciliation for write-offs will be limited to customers whose service has been permanently terminated and whose entire accounts (*i.e.*, all amounts due the REP for its own account as well as the portion representing Transition Charges) have been written off.

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- (b) The REP's recourse will be limited to a credit against future Transition Charge payments unless the REP and Servicer agree to alternative arrangements, but in no event will the REP have recourse to the indenture trustee, the SPE or the SPE's funds for such payments.
  - (c) The REP shall provide information on a timely basis to Servicer so that Servicer can include the REP's default experience and any subsequent credits into its calculation of the adjusted Transition Charge rates for the next transition charge billing period and the REP's rights to credits will not take effect until such adjusted Transition Charge rates have been implemented.
7. In the event that a REP disputes any amount of billed Transition Charges, the REP shall pay the disputed amount under protest according to the timelines detailed in paragraph 2 of this Section D. The REP and Servicer shall first attempt to informally resolve the dispute, but if they fail to do so within 30 calendar days, either party may file a complaint with the Commission. If the REP is successful in the dispute process (informal or formal), the REP shall be entitled to interest on the disputed amount paid to Servicer at the Commission-approved interest rate. Disputes about the date of receipt of Transition Charge payments (and penalties arising thereof) or the size of a required REP deposit will be handled in a like manner. It is expressly intended that any interest paid by Servicer on disputed amounts shall not be recovered through Transition Charges if it is determined that Servicer's claim to the funds is clearly unfounded. No interest shall be paid by Servicer if it is determined that Servicer has received inaccurate metering data from another entity providing competitive metering services pursuant to Utilities Code Section 39.107.
8. If Servicer is providing the metering, metering data will be provided to the REP at the same time as the billing. If Servicer is not providing the metering, the entity providing metering services will be responsible for complying with Commission rules and ensuring that Servicer and the REP will receive timely and accurate metering data in order for Servicer to meet its obligations under the Servicing Agreement and the Financing Order with respect to billing and true-ups.

### **OTHER TERMS AND CONDITIONS**

If the customer or REP pays only a portion of its bill, a pro-rata portion of Transition Charge revenues shall be deemed to be collected. The Company will allocate any shortfall first, ratably based on the amount owed for Transition Charges and the amount owed for other fees and charges, other than late charges, owed to the Company or any successor, and second, all late charges shall be allocated to the Company or any successor.

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If the Company does not regularly include the notice described below in the bills sent by it to REPs or directly to retail customers, then at least once each year the Company shall cause to be prepared and delivered to REPs and such customers a notice stating, in effect, that the amount billed includes Transition Charges which were authorized by the Financing Order dated September 18, 2007 and have been transferred to and are being collected on behalf of CenterPoint Energy Transition Bond Company III, LLC and are not owned by the Company. In the customer's initial bill from the REP and at least once each year thereafter, each REP that bills Transition Charges shall cause to be prepared and delivered to its customers a notice stating, in effect, that the amount billed includes Transition Charges which were authorized by the Financing Order dated September 18, 2007 and have been transferred to and are being collected on behalf of CenterPoint Energy Transition Bond Company III, LLC and are not owned by the REP or the Company, and that under certain circumstances described in Schedule TC3 Servicer may be permitted to collect the Transition Charges directly from the retail customer. Such notice shall be included either as an insert to or in the text of the bills delivered to such REPs or customers, as applicable, or shall be delivered to REPs or customers by electronic means or such other means as Servicer or the REP may from time to time use to communicate with their respective customers.

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#### **6.1.1.2.4 SCHEDULE SRC - SYSTEM RESTORATION CHARGES**

##### **SECTION 1: APPLICABILITY**

This schedule sets out the rates and terms and conditions under which System Restoration Charges (SRC or SR Charges) will be billed and collected by CenterPoint Energy Houston Electric, LLC (Company), any successor servicer(s) and any retail electric providers (REP) or collection agents billing or collecting SR Charges on behalf of CenterPoint Energy Restoration Bond Company, LLC (SPE). The SR Charges were authorized by the Financing Order approved by the Public Utility Commission of Texas (Commission) in Docket No. 37200 on August 26, 2009 (Financing Order). Pursuant to terms of the Financing Order and the requirements of Section 36.401 *et seq.* of the Texas Utilities Code, all of the Company's rights under the Financing Order, including the right to bill and collect SR Charges and to adjust SR Charges pursuant to this Schedule SRC, were transferred to the SPE in connection with the issuance of system restoration bonds. The rights transferred to the SPE are "transition property" of the SPE (as defined in Section 39.304 of the Utilities Code). On the effective date of this Schedule SRC the Company will act as servicer on behalf of the SPE to bill, collect, receive and adjust SR Charges imposed pursuant to this Schedule SRC. However, the SPE may select another party to serve as servicer or the Company may resign as servicer in accordance with the terms and subject to the conditions of the Servicing Agreement and the Financing Order. A successor servicer selected under these conditions will assume the obligations of the Company as servicer under this Schedule SRC. As used in this Schedule SRC, the term "Servicer" includes any successor servicer. All actions by the Company under this Schedule SRC, including collection of SR Charges, will be undertaken solely in its role as servicer under the Servicing Agreement between the Company and the SPE dated as of November 25, 2009.

This schedule is applicable to:

1. Retail customers located within the certificated service area of Company as such service area existed on August 26, 2009 who receive electric distribution service through a REP served by the Company and to the facilities, premises and loads of such retail customers;
2. Retail customers located within Company's certificated service area as it existed on August 26, 2009 who are presently receiving distribution service either directly from another utility, electric cooperative or municipally owned utility (T or D Provider) or through a REP served by another T or D Provider, and whose request to change service to the other T or D Provider was made after August 26, 2009;
3. Retail customers located within Company's certificated service area as it existed on August 26, 2009 and who are served by New On-Site Generation. New On-Site Generation means "New On-Site Generation" as defined in the Financing Order.

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4. REPs that serve retail customers located within Company's certificated service area as it existed on August 26, 2009.
5. Any other entity which, under the terms of the Financing Order or the Utilities Code, may be obligated to pay, bill, collect, or adjust the System Restoration Charges.

## **SECTION 2: CHARACTER OF SYSTEM RESTORATION CHARGES**

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

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

The REP or entity designated to collect SR Charges in place of the REP will pay SR Charges (less an allowance for charge-offs calculated pursuant to this Schedule SRC) to Servicer in accordance with the requirements of the Financing Order and this Schedule SRC whether or not it has collected the SR Charges from its customers. To the extent that the REP's actual charge-offs differ from the charge-off allowance, adjustments will be made pursuant to this Schedule SRC. The REP will have no right to reimbursement other than as expressly set out in this Schedule SRC.

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

## **SECTION 3: TERM**

This Schedule SRC is effective beginning on the date the system restoration bonds are issued. Schedule SRC will remain in effect as provided in the Financing Order until the SR Charges collected and remitted to the SPE are sufficient to satisfy all obligations of the SPE to pay principal and interest on the system restoration bonds (as due over the 13-year term of the system restoration bonds) and to pay all other qualified costs as provided in the Financing Order. However, in no

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event will the SR Charges be billed for service provided after 15 years from issuance of the system restoration bonds, or sooner if the system restoration bonds are paid in full at an earlier date. This Schedule SRC is irrevocable.

#### **SECTION 4: SYSTEM RESTORATION CHARGE CLASSES**

SR Charges are calculated and applied by SRC Class. There are 5 SRC Classes. Each SRC Class is defined in terms of the base rate tariff classes existing on the Company's system on August 26, 2009. The SRC Classes are:

- Residential Service
- Secondary Service Less Than or Equal to 10 kVA
- Secondary Service Greater than 10 kVA
- Primary Service
- Lighting Services

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

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

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

| <b><i>SRC CLASS</i></b>                        | <b><i>PBRAAF</i></b> |
|--|----------------------|
| Residential Service                            | 64.9176%             |
| Secondary Service Less Than or Equal to 10 kVA | 3.3795%              |
| Secondary Service Greater than 10 kVA          | 24.9808%             |
| Primary Service                                | 2.0000%              |
| Lighting Services                              | 4.7221%              |

#### **SECTION 6: ALLOCATION FACTOR ADJUSTMENTS**

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

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

***SRC GROUPS***

| <b><i>SRC GROUP</i></b> | <b><i>SRC CLASSES</i></b> | <b><i>INITIAL GROUP ALLOCATION PERCENTAGE</i></b> |
|-------------------------|---------------------------|---|
| Residential             | Residential               | 64.9176%  |
| Non-Residential         | All other SRC Classes     | 35.0824%  |

**Part A: Inter-Group Adjustments Due to Cumulative Load Loss**

In connection with each annual Standard True-up Adjustment, the Company will compare the projected billing determinants being used to set SR Charges for each SRC Class during the ensuing year to the billing determinants in effect on the original effective date of Schedule SRC (such billing determinants are hereafter referred to as the “Base Billing Determinants”). The PBRAFs of all SRC Classes in all SRC Groups will be adjusted if one or more SRC Groups experience load loss aggregating 50% or more on a cumulative basis when measured against the Base Billing Determinants. The adjustments under this Part A will be made using the following procedures:

Step 1:

|  |   |
|--|---|
| For each SRC Group, if $CTCOL_G / PBR_G \geq 0.50$ | Then, no PBRAF adjustment will occur and any adjustment made in previous years under Part A shall be reversed |
| For each SRC Group, if $CTCOL_G / PBR_G < 0.50$    | Then, a PBRAF adjustment will be calculated pursuant to Steps 2 through 5.                                    |

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Where:

$CTCOL_G$  = cumulative test collections for group G =  $\sum CC_c * FBU_c$  for all classes (c) in Group (G)

$FBU_c$  = forecasted billing determinants for class c

$CC_c$  = cumulative test charge for class c =  $\{PBRAF_c * PBR_T\} / BBD_c$

$PBRAF_c$  = the PBRAFs then in effect

$PBR_T$  = total periodic billing requirement for upcoming period

$BBD_c$  = Base Billing Determinants for class c

$PBR_G$  = periodic billing requirement for group =  $\sum PBRAF_c * PBR_T$  for all classes in G

Step 2:

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

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

Step 3:

For all SRC Groups, a reallocation amount for that group ( $RA_G$ ) shall be calculated where:

$$RA_G = GAP_G * \{\sum RED_G\} \text{ for all Groups}$$

Where:

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

Step 4:

For all SRC groups a Group Allocation Percentage Adjustment ( $GAPA_G$ ) shall be calculated where:

$$GAPA_G = (RA_G - RED_G) / PBR_T$$

Where:

$$\sum GAPA_G = 0 \text{ for all G}$$

Step 5:

For all SRC classes, the PBRAF adjustment for class c ( $PBRAFA_c$ ) will be calculated for use in calculating adjustments to the SR Charges under Section 8 where

$$PBRAFA_c = GAPA_G * (PBRAF_c / GAP_G)$$



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**Part B: Inter-Group Adjustments Due to Year-Over-Year Load Loss**

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

Step 1:

For each SRC Group not adjusted under Part A,

|                                |   |
|--------------------------------|---|
| If $YTCOL_G / PBR_G \geq 0.90$ | Then, no PBRAF adjustment will occur.   |
| If $YTCOL_G / PBR_G > 1.00$    | Then, no PBRAF adjustment will occur and any prior year adjustments made under B will be reversed pursuant to step 6. |
| If $YTCOL_G / PBR_G < 0.90$    | Then, a PBRAF adjustment will be calculated pursuant to Steps 2 through 5.  |

Where:

$YTCOL_G$  = year-to-year test collections for group  $G = \sum YC_c * FBU_c$  for all classes (c) in Group (G)

$FBU_c$  = forecasted billing determinants for class c

$YC_c$  = year-to-year test charge for class c =  $\{PBRAF_c * PBR_T\} / FBU_c^{-1}$

$PBRAF_c$  = the PBRAFs then in effect

$PBR_T$  = total periodic billing requirement for upcoming period

$FBU_c^{-1}$  = prior year’s forecasted billing determinants for class c

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

Step 2:

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

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

Step 3:

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

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

Where:

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

Step 4:

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

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

Where  $\sum GAP_G = 0$  for all G

Step 5:

For all SRC classes, a year to year PBRAF adjustment ( $YPBRAFA_c$ ) shall be calculated for use in calculating adjustments to the SR Charges under Section 8 where:

$$YPBRAFA_c = YGAPA_G * (PBR_{AFc} / GAP_G)$$

Step 6:

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

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

Where  $FBU_c^{t-1}$  is the forecasted billing determinants from the year prior to the year an adjustment was made.

## **SECTION 7: SYSTEM RESTORATION CHARGES**

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

**SYSTEM RESTORATION CHARGES**

| <b>SRC<br/>CLASS</b>                              | <b>PER UNIT<br/>CHARGE</b> | <b>BILLING<br/>UNIT</b> |
|---|----------------------------|-------------------------|
| Residential Service                               | \$0.000850                 | Per kWh                 |
| Secondary Service Less Than<br>or Equal to 10 kVA | \$0.001242                 | Per kWh                 |
| Secondary Service Greater<br>than 10 kVA          | \$0.091756                 | Per Billing kVA         |
| Primary Service                                   | \$0.067647                 | Per Billing kVA         |
| Lighting Services                                 | \$0.006446                 | Per kWh                 |

The billing units are defined as in the base rate tariff. Any change in determination of these billing units will be effective for this Schedule SRC at the next annual true-up adjustment.

In addition, each customer which has New On-Site Generation shall pay an amount each month computed by multiplying the output of the on-site generation used to serve the internal electric requirements of the customer (Billing kVA) by the SR Charge in effect for services provided to customers in that class during the month. This amount shall be in addition to any SR Charges applicable to demand actually delivered to the customer through the Company's or another T&D Provider's facilities.

**SECTION 8: STANDARD TRUE-UP FOR ADJUSTMENT OF SR CHARGES**

SR Charges will be adjusted annually effective on October 15th to ensure that the expected collection of SR Charges is adequate to pay principal and interest on the system restoration bonds when due pursuant to the expected amortization schedule, and pay as due all other qualified costs. In addition to these annual true-up adjustments, true-up adjustments may be made more frequently at any time during the term of the system restoration bonds to correct any under-collection or over-collection of system restoration charges, as provided for in the Financing Order, in order to assure timely payment of system restoration bonds based on rating agency and bondholder considerations. In addition to the foregoing, either of the following two conditions may result in an interim true-up adjustment in the month prior to an upcoming system restoration bond principal payment date:

- (a) The collection of SR Charges for the upcoming payment date will result in a difference that is greater than 5% in absolute value, between (i) the actual outstanding principal balances of the system restoration bonds plus amounts

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on deposit in the excess funds subaccount and (ii) the outstanding principal balances anticipated in the target amortization schedule; or

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

In no event will interim true-up adjustments occur more frequently than every three months if quarterly system restoration bond payments are required or every six months if semi-annual system restoration bond payments are required; provided, however, that interim true-up adjustments for any system restoration bonds remaining outstanding during the fourteenth and fifteenth year after the bonds are issued may occur quarterly.

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

#### **TRUE-UP ADJUSTMENT PROCEDURE FOR STANDARD AND INTERIM TRUE-UPS**

Servicer will calculate the Adjusted SR Charges using the methodology described below and will file the Adjusted SR Charges with the Commission. Annual adjustments will be filed 15 days prior to the effective date of the Adjusted SR Charges unless an adjustment to the PBRAFs is required under Section 6 in which case the annual adjustment will be filed not later than 90 days prior to the effective date. Interim Adjustments will be filed not less than 15 days prior to the effective date of the Adjusted SR Charges.

The Adjusted SR Charge for the upcoming period for each class ( $SRC_c$ ) shall be computed as follows:

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For the residential class,

$$SRC_c = PBR_T * (PBRAF_c + PBRAFA_c + YPBRAFA_c^t) / FBU_c$$

For classes in the Non-Residential SRC Group:

$$SRC_c = SRC_c^{-1} \{ \Sigma [PBR_T * (PBRAF_c + PBRAFA_c + YPBRAFA_c^t)] / \Sigma (SRC_c^{-1} * FBU_c) \}$$

For all classes in the non-residential group,

Where

$SRC_c^{-1}$  = the SR charge for that class from the previous period

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

$PBRAFC$  = the PBRAs then in effect.

$PBRAFA_c$  = the adjustment (if any) from Section 6, Part A, Step 5

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

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

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## **SECTION 9: BILLING AND COLLECTION TERMS AND CONDITIONS**

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

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

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

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

1. Customers subject to SR Charges for New On-Site Generation shall pay such charges in full not later than sixteen days after the date the bill is mailed to the customer.
2. SR Charges applicable to New On-Site Generation are in addition to applicable SR Charges under A above or C below.
3. If the entity with New On-Site Generation receives transmission or distribution service from the Company or another T or D Provider, Servicer shall have the same right to terminate service or require the other provider to terminate service for non-payment of SR Charges as the Company has to terminate service for non-payment of charges under the Company's rate schedules. Any termination shall comply with applicable Commission rules.

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

1. REPs will bill and collect, or cause to be billed and collected, all SR Charges applicable to consumption by retail customers served by the REP.
2. If Servicer is providing the metering, metering data will be provided to the REP at the same time as the billing. If Servicer is not providing the metering, the entity providing metering services will be responsible for complying with Commission rules and ensuring that Servicer and the REP will receive timely and accurate metering data in order for Servicer to meet its obligations under the Servicing Agreement and the Financing Order with respect to billing and true-ups.

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3. Each REP must (1) have a long-term, unsecured credit rating of not less than “BBB-” and “Baa3” (or the equivalent) from Standard & Poor’s and Moody’s Investors Service, respectively, or (2) provide (A) a deposit of two months’ maximum expected SR Charge collections in the form of cash, (B) an affiliate guarantee, surety bond, or letter of credit providing for payment of such amount of SR Charge collections in the event that the REP defaults in its payment obligations, or (C) a combination of any of the foregoing. A REP that does not have or maintain the requisite long-term, unsecured credit rating may select which alternate form of deposit, credit support, or combination thereof it will utilize, in its sole discretion. The indenture trustee shall be the beneficiary of any affiliate guarantee, surety bond or letter of credit. The provider of any affiliate guarantee, surety bond, or letter of credit must have and maintain a long-term, unsecured credit rating of not less than “BBB-” and “Baa3” (or the equivalent) from Standard & Poor’s and Moody’s Investors Service, respectively.
4. If the long-term, unsecured credit rating from either Standard & Poor’s or Moody’s Investors Service of a REP that did not previously provide the alternate form of deposit, credit support, or combination thereof or of any provider of an affiliate guarantee, surety bond, or letter of credit is suspended, withdrawn, or downgraded below “BBB-” or “Baa3” (or the equivalent), the REP must provide the alternate form of deposit, credit support, or combination thereof, or new forms thereof, in each case from providers with the requisite ratings, within 10 business days following such suspension, withdrawal, or downgrade. A REP failing to make such provision must comply with the provisions set forth in paragraph 3 of Section D, Billings by Servicer to the REP or its replacement (when applicable).
5. The computation of the size of a required deposit shall be agreed upon by Servicer and the REP, and reviewed no more frequently than quarterly to ensure that the deposit accurately reflects two months’ maximum collections. Within 10 business days following such review, (1) the REP shall remit to the indenture trustee the amount of any shortfall in such required deposit or (2) Servicer shall instruct the indenture trustee to remit to the REP any amount in excess of such required deposit. A REP failing to so remit any such shortfall must comply with the provisions set forth in Paragraph 3 of the Section D, Billings by Servicer to the REP or its replacement (when applicable). REP cash deposits shall be held by the indenture trustee, maintained in a segregated account, and invested in short-term high quality investments, as permitted by the rating agencies rating the system restoration bonds. Investment earnings on REP cash deposits shall be considered part of such cash deposits so long as they remain on deposit with the indenture trustee. At the instruction of Servicer, cash deposits will be remitted with investment earnings to the REP at the end of the term of the system restoration bonds unless otherwise utilized for the payment of the REP’s obligations for System Restoration Bond payments. Once the deposit is no longer required, Servicer shall promptly (but not

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later than 30 calendar days) instruct the indenture trustee to remit the amounts in the segregated accounts to the REP.

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

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

1. Servicer will bill and collect from REPs all SR Charges applicable to consumption by retail customers served by the REP, including applicable customers served by New On-Site Generation.
2. Payments of SR Charges are due 35 calendar days following each billing by Servicer to the REP, without regard to whether or when the REP receives payment from the end-use retail customers. Servicer shall accept payment by electronic funds transfer, wire transfer, and/or check. Payment will be considered received the date the electronic funds transfer or wire transfer is received by Servicer, or the date the check clears. A 5% penalty is to be charged on amounts received after 35 calendar days; however, a 10 calendar-day grace period will be allowed before the REP is considered to be in default. A REP in default must comply with the provisions set forth in paragraph 3 of this Section D. The 5% penalty will be a one-time assessment measured against the current amount overdue from the REP to Servicer. The “current amount” consists of the total unpaid SR Charges existing on the 36<sup>th</sup> calendar day after billing by Servicer. Any and all such penalty payments will be made to the indenture trustee to be applied against SR Charge obligations. A REP shall not be obligated to pay the overdue SR Charges of another REP. If a REP agrees to assume the responsibility for the payment of overdue SR Charges as a condition of receiving the customers of another REP that has decided to terminate service to those customers for any reason, the new REP shall not be assessed the 5% penalty upon such SR Charges; however, the prior REP shall not be relieved of the previously-assessed penalties.
3. After the 10 calendar-day grace period (the 45<sup>th</sup> calendar day after the billing date), Servicer shall have the option to seek recourse against any cash deposit, affiliate guarantee, surety bond, letter of credit, or combination thereof provided by the REP, and avail itself of such legal remedies as may be appropriate to collect any remaining unpaid SR Charges and associated penalties due Servicer after the application of the REP’s deposit or alternate form of credit support. In addition, a REP that is in default with respect to the requirements set forth in paragraphs 4 and 5 of Section C and paragraph 2 of this Section D shall select and implement one of the following options:



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

If a REP that is in default does not immediately select and implement one of the options specified in (a), (b) or (c) or, after so selecting one of the foregoing options, fails to adequately meet its responsibilities thereunder, then Servicer shall immediately implement option (a), subject to the limitations and requirements of the bankruptcy code if the REP is a debtor in bankruptcy. Upon re-establishment of compliance with the requirements set forth in paragraphs 4 and 5 of Section C and paragraph 2 of this Section D and the payment of all past-due amounts and associated penalties, the REP will no longer be required to comply with this paragraph 3.

4. The POLR appointed by the Commission must meet the minimum credit rating or deposit/credit support requirements described in paragraph 3 of Section C ("Billings by the REP or its Replacement to end-use customers") in addition to any other standards that may be adopted by the Commission. If the POLR defaults or is not eligible to provide such services, responsibility for billing and collection of SR Charges will immediately be transferred to and assumed by Servicer until a new POLR can be named by the Commission or the customer requests the services of a certified REP. Retail customers may never be re-billed by the successor REP, the POLR, or Servicer for any amount of SR Charges they have paid their REP (although future SR Charges shall reflect REP and other system-wide charge-offs). Additionally, if the amount of the penalty detailed in paragraph 2 of this Section D is the sole remaining past-due amount after the 45<sup>th</sup> calendar day, the REP shall not be required to comply with clauses (a), (b) or (c) of paragraph 3 of this Section D, unless the penalty is not paid within an additional 30 calendar days.

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5. In the event that Servicer is billing customers for SR Charges, Servicer shall have the right to terminate transmission and distribution service to the end-use customer for non-payment by the end use customer pursuant to applicable Commission rules.
6. The REP will be allowed to hold back an allowance for charge-offs in its payments to Servicer. Such charge-off rate will be recalculated each year in connection with the annual true-up procedure. In the initial year, REPs will be allowed to remit payments based on the same charge-off percentage then being used by the REP to remit payments to the servicer in connection with transition charges related to transition bonds issued by CenterPoint Energy Transition Bond Company II, LLC on December 16, 2005. On an annual basis in connection with the true-up adjustment process, the REP and Servicer will be responsible for reconciling the amounts held back with amounts actually written off as uncollectible in accordance with the terms agreed to by the REP and Servicer, provided that:
  - (a) The REP's right to reconciliation for write-offs will be limited to customers whose service has been permanently terminated and whose entire accounts (*i.e.*, all amounts due the REP for its own account as well as the portion representing SR Charges) have been written off.
  - (b) The REP's recourse will be limited to a credit against future SR Charge payments unless the REP and Servicer agree to alternative arrangements, but in no event will the REP have recourse to the indenture trustee, the SPE or the SPE's funds for such payments.
  - (c) The REP shall provide information on a timely basis to Servicer so that Servicer can include the REP's default experience and any subsequent credits into its calculation of the adjusted SR Charge rates for the next SR charge billing period and the REP's rights to credits will not take effect until such adjusted SR Charge rates have been implemented.
7. In the event that a REP disputes any amount of billed SR Charges, the REP shall pay the disputed amount under protest according to the timelines detailed in paragraph 2 of this Section D. The REP and Servicer shall first attempt to informally resolve the dispute, but if they fail to do so within 30 calendar days, either party may file a complaint with the Commission. If the REP is successful in the dispute process (informal or formal), the REP shall be entitled to interest on the disputed amount paid to Servicer at the Commission-approved interest rate. Disputes about the date of receipt of SR Charge payments (and penalties arising thereof) or the size of a required REP deposit will be handled in a like manner. It is expressly intended that any interest paid by Servicer on disputed amounts shall not be recovered through SR Charges if it is determined that Servicer's claim to the funds is clearly unfounded. No interest shall be paid by Servicer if it is determined

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that Servicer has received inaccurate metering data from another entity providing competitive metering services pursuant to Utilities Code Section 39.107.

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

### **OTHER TERMS AND CONDITIONS**

If the customer or REP pays only a portion of its bill, a pro-rata portion of SR Charge revenues shall be deemed to be collected. The Company will allocate any shortfall first, ratably based on the amount owed for SR Charges and the amount owed for other fees and charges, other than late charges, owed to the Company or any successor, and second, all late charges shall be allocated to the Company or any successor.

If the Company does not regularly include the notice described below in the bills sent by it to REPs or directly to retail customers, then at least once each year the Company shall cause to be prepared and delivered to REPs and such customers a notice stating, in effect, that the amount billed includes SR Charges which were authorized by the Financing Order dated August 26, 2009 and have been transferred to and are being collected on behalf of CenterPoint Energy Restoration Bond Company, LLC and are not owned by the Company. In the customer's initial bill from the REP and at least once each year thereafter, each REP that bills SR Charges shall cause to be prepared and delivered to its customers a notice stating, in effect, that the amount billed includes SR Charges which were authorized by the Financing Order dated August 26, 2009 and have been transferred to and are being collected on behalf of CenterPoint Energy Restoration Bond Company, LLC and are not owned by the REP or the Company, and that under certain circumstances described in Schedule SRC Servicer may be permitted to collect the SR Charges directly from the retail customer. Such notice shall be included either as an insert to or in the text of the bills delivered to such REPs or customers, as applicable, or shall be delivered to

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REPs or customers by electronic means or such other means as Servicer or the REP may from time to time use to communicate with their respective customers.

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### 6.1.1.2.5 SCHEDULE TC5 - TRANSITION CHARGES

#### SECTION 1: APPLICABILITY

This schedule sets out the rates and terms and conditions under which Transition Charges will be billed and collected by CenterPoint Energy Houston Electric, LLC (Company), any successor servicer(s) and any retail electric providers (REP) or collection agents billing or collecting Transition Charges on behalf of CenterPoint Energy Transition Bond Company IV, LLC (SPE). The Transition Charges were authorized by the Financing Order approved by the Public Utility Commission of Texas (Commission) in Docket No. 39809 on October 27, 2011 (Financing Order). Pursuant to terms of the Financing Order and the requirements of Section 39.301 *et seq.* of the Texas Utilities Code, all of the Company's rights under the Financing Order, including the right to bill and collect Transition Charges and to adjust Transition Charges pursuant to this Schedule TC5, were transferred to the SPE in connection with the issuance of transition bonds. The rights transferred to the SPE are "transition property" of the SPE (as defined in Section 39.304 of the Utilities Code). On the effective date of this Schedule TC5 the Company will act as servicer on behalf of the SPE to bill, collect, receive and adjust Transition Charges imposed pursuant to this Schedule TC5. However, the SPE may select another party to serve as servicer or the Company may resign as servicer in accordance with the terms and subject to the conditions of the Servicing Agreement and the Financing Order. A successor servicer selected under these conditions will assume the obligations of the Company as servicer under this Schedule TC5. As used in this Schedule TC5, the term "Servicer" includes any successor servicer. All actions by the Company under this Schedule TC5, including collection of Transition Charges, will be undertaken solely in its role as servicer under the Servicing Agreement between the Company and the SPE dated as of January 19, 2012.

This schedule is applicable to:

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

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Generation means "New On-Site Generation" as defined in Section 25.345(c)(1) of the Commission's Substantive Rules.

4. REPs that serve retail customers located within HL&P's certificated service area as it existed on May 1, 1999.
5. Any other entity which, under the terms of the Financing Order or the Utilities Code, may be obligated to pay, bill, collect, or adjust the Transition Charges.
6. This schedule is applicable to public retail customers located within HL&P's certificated service area as it existed on May 1, 1999 who purchase power from the General Land Office as provided for in the Utilities Code, Section 35.102.

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

Transition Charges are non-bypassable charges. All Transition Charges other than those applicable to New On-Site Generation are computed and paid on the basis of individual end-use retail customer consumption or demand. In accordance with Utilities Code Section 39.252(b) and Section 25.345(i)(3) of the Commission's Substantive Rules, the Transition Charges applicable to use of New On-Site Generation that results in a "material reduction" of the customer's use of energy delivered through the Company's transmission and distribution facilities (as defined in Section 25.345(i)(4) of the Commission's Substantive Rules) are computed and paid based on the output of the on-site generation used to meet the internal electric requirements of the customer. Customers with New On-Site Generation will also be required to pay the Transition Charges applicable to energy actually delivered to the Customer through the Company's facilities. Individual end-use retail customers are responsible for paying Transition Charges billed to them in accordance with the terms of this Schedule TC5 whether the charges are billed directly by Servicer or are included in the bills submitted to the customer by a REP or another entity. Payment is to be made to the entity that bills the customer in accordance with the terms of the Servicing Agreement and the Financing Order. The billing entity may be the Company, a successor servicer, a REP or an entity designated to collect Transition Charges in place of the REP.

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

The REP or entity designated to collect Transition Charges in place of the REP will pay Transition Charges (less an allowance for charge-offs calculated pursuant to this Schedule TC5) to Servicer in accordance with the requirements of the Financing Order and this Schedule TC5 whether or not it has collected the Transition Charges from its customers. To the extent that the REP's actual charge-offs differ from the charge-off allowance, adjustments will be made pursuant to this

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Schedule TC5. The REP will have no right to reimbursement other than as expressly set out in this Schedule TC5.

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

### **SECTION 3: TERM**

This Schedule TC5 is effective beginning on the date the transition bonds are issued. Schedule TC5 will remain in effect as provided in the Financing Order until the Transition Charges collected and remitted to the SPE are sufficient to satisfy all obligations of the SPE to pay principal and interest on the transition bonds (as due over the 13-year term of the transition bonds) and to pay all other qualified costs as provided in the Financing Order. However, in no event will the Transition Charges be billed for service provided after 15 years from issuance of the transition bonds, or sooner if the transition bonds are paid in full at an earlier date. This Schedule TC5 is irrevocable.

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

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

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

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

**LGS Class:** The LGS Class is made up of (i) every customer that was served under HL&P rate schedule LGS on the day before the customer discontinued taking service from HL&P on a pre-restructuring rate schedule, and (ii) each new customer that was not served by

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HL&P under any pre-restructuring rate schedule, but is the type of customer which, if it had been served by HL&P under a pre-restructuring rate schedule would have qualified for service under HL&P's rate schedules LGS and whose demand as estimated by the Company, if served at less than 60,000 volts, is 400 kVa or greater; or if served at 60,000 volts or greater, is at least 400 kVa but less than 2,000 kVa. This class includes customers served under Rider SEI. Customers served under rate schedules EIS, HVP and CSB are included in the LGS class if the customer's contract for service from HL&P provided that the LGS rate was the basis for pricing.

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

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

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

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

| Capped Class                                      | Related Rate Schedule |
|---|-----------------------|
| Standby Electric Service – Distribution           | <b>SES</b>            |
| Interruptible Service Supplemental – Distribution | <b>ISS</b>            |
| Interruptible Service – 30 minute notice          | <b>IS-30</b>          |



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

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

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

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schedule during the peak hours as defined herein, summed for the 12-month period ended April 30, 1999 and divided by the number of months during which the customer actually consumed power under the SCP rate schedule.

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

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

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

The initial Periodic Billing Requirement Allocation Factors ("PBRF") for each Transition Charge Class are set out below. These initial PBRFs will remain in effect throughout the life of the transition bonds unless a modification of the factors is made pursuant to the allocation factor adjustment provisions in Section 6 of this Schedule TC5:

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

| <b><i>TRANSITION CHARGE CLASS</i></b> | <b><i>PBRF</i></b> |
|---------------------------------------|--------------------|
| Residential                           | 40.6106%           |
| MGS                                   | 30.2232%           |
| LGS                                   | 16.7709%           |
| LOS-A                                 | 4.3673%            |
| LOS-B                                 | 2.5279%            |

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| <b><i>TRANSITION CHARGE CLASS</i></b>             | <b><i>PBRAAF</i></b> |
|---|----------------------|
| Non-Metered Lighting                              | 0.6205%              |
| <b>CAPPED CLASSES</b>                             |                      |
| Standby Electric Service-Distribution             | 0.0304%              |
| Interruptible Service Supplemental- Distribution  | 0.1053%              |
| Interruptible Service –Thirty Minute Notice       | 0.7007%              |
| Interruptible Service –Ten Minute Notice          | 1.1652%              |
| Interruptible Service – Instantaneous             | 0.1266%              |
| Interruptible Service Supplemental – Transmission | 0.0560%              |
| Standby Electric Service – Transmission           | 0.2617%              |
| Standby Interruptible Service                     | 0.1271%              |
| Special Contract Pricing                          | 2.3066%              |

**SECTION 6: ALLOCATION FACTOR ADJUSTMENTS**

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

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

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***TC GROUPS***

| <b><i>TC GROUP</i></b> | <b><i>TRANSITION CHARGE CLASSES</i></b> | <b><i>INITIAL GROUP ALLOCATION PERCENTAGE</i></b> |
|------------------------|---|---|
| Residential            | Residential                             | 40.6106%  |
| Commercial             | MGS, LGS, Non-Metered Lighting          | 47.6146%  |
| Industrial             | All other Transition Charge Classes     | 11.7748%  |

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

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

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

Step 2 – The Company will recalculate the PBRAFs for all Transition Charge Classes using the spreadsheet and data used to compute the initial PBRAFs but reducing the demand allocation factors for each Transition Charge Class to reflect the cumulative losses for that class as calculated under Step 1 (including losses for which PBRAF adjustments were made in prior years). No other changes to the spreadsheet or data used to compute the initial PBRAFs will be made. Appendix A to this Schedule TC5 contains the spreadsheet and data used to compute the initial PBRAFs.

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

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

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

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Schedule TC5 (adjusted to exclude any billing determinants attributable to Eligible Generation if any adjustment was made under Part A after the original effective date) (such billing determinants as adjusted are hereafter referred to as the “Base Billing Determinants”). The PBRAFs of all Transition Charge Classes in all TC Groups will be adjusted if one or more TC Groups experience load loss (calculated excluding load loss attributable to Eligible Generation for which adjustments have been made under Part A but including load loss attributable to small power production facilities of 10 megawatts or less) aggregating 50% or more on a cumulative basis when measured against the Base Billing Determinants. The adjustments under this Part B will be made using the following procedures:

Step 1:

|   |   |
|---|---|
| For each TC Group, if $CTCOL_G / PBR_G \geq 0.50$ | Then, no PBRAF adjustment will occur and any adjustment made in previous years under Part B shall be reversed |
| For each TC Group, if $CTCOL_G / PBR_G < 0.50$    | Then, a PBRAF adjustment will be calculated pursuant to Steps 2 through 5.                                    |

Where:

$CTCOL_G$  = cumulative test collections for group G =  $\sum CC_c * FBU_c$  for all classes (c) in Group (G)

$FBU_c$  = forecasted billing determinants for class c

$CC_c$  = cumulative test charge for class c =  $\{PBRAF_c * PBR_T\} / BBD_c$

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

$PBR_T$  = total periodic billing requirement for upcoming period

$BBD_c$  = Base Billing Determinants for class c

$PBR_G$  = periodic billing requirement for group =  $\sum PBRAF_c * PBR_T$  for all classes in G

Step 2:  
 For each TC Group in Step 1 where  $CTCOL_G / PBR_G < 0.50$ , a reduction amount ( $RED_G$ ) will be calculated for group G where  
 $RED_G = 0.5 (PBR_G - CTCOL_G)$

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Step 3:

For all TC Groups, a reallocation amount for that group ( $RA_G$ ) shall be calculated where:

$$RA_G = GAP_G * \{\sum RED_G\} \text{ for all Groups}$$

Where:

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

Step 4:

For all TC groups a Group Allocation Percentage Adjustment ( $GAPA_G$ ) shall be calculated where:

$$GAPA_G = (RA_G - RED_G) / PBR_T$$

Where:

$$\sum GAPA_G = 0 \text{ for all } G$$

Step 5:

For all TC classes, the PBRAF adjustment for class c ( $PBRAFA_c$ ) will be calculated for use in calculating adjustments to the Transition Charges under Section 8, Part A where

$$PBRAFA_c = GAPA_G * (PBRAF_c / GAP_G)$$

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

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

#### Step 1:

For each TC Group not adjusted under Part B,

|                                |   |
|--------------------------------|---|
| If $YTCOL_G / PBR_G \geq 0.90$ | Then, no PBRAF adjustment will occur.   |
| If $YTCOL_G / PBR_G > 1.00$    | Then, no PBRAF adjustment will occur and any prior year adjustments made under C will be reversed pursuant to step 6. |
| If $YTCOL_G / PBR_G < 0.90$    | Then, a PBRAF adjustment will be calculated pursuant to Steps 2 through 5.  |

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Where:

$YTCOL_G$  = year-to-year test collections for group  $G = \sum YC_c * FBU_c$  for all classes ( $c$ ) in Group ( $G$ )

$FBU_c$  = forecasted billing determinants for class  $c$

$YC_c$  = year-to-year test charge for class  $c = \{PBRAF_c * PBR_T\} / FBU_c^{-1}$

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

$PBR_T$  = total periodic billing requirement for upcoming period

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

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

Step 2:

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

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

Step 3:

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

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

Where:

$GAP_G$  = Group Allocation Percentage =  $\sum PBRAF_c$  for all classes in the group

Step 4:

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

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

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



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**Step 5:**

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

$$YPBRAFA_c = YGAPAG * (PBR AF_c / GAP_G)$$

**Step 6:**

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

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

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

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

The methodology used to allocate qualified costs and determine Transition Charges shall not be changed except in the limited circumstance described in this paragraph. If, but only if, the total retail stranded costs (determined pursuant to Section 39.253 of the Utilities Code) on a statewide basis exceed \$5 billion, then the qualified costs attributable to the Company's share of the statewide stranded costs in excess of \$5 billion shall be reallocated using the allocation methodology prescribed in Section 39.253(f) of the Utilities Code. The Company's share of the statewide stranded costs in excess of \$5 billion shall be determined by multiplying (i) the percentage obtained by dividing the Company's total stranded costs (determined pursuant to Section 39.253(f)) by the total statewide stranded costs (determined pursuant to Section 39.253(f)) by (ii) the amount by which the total statewide stranded costs (determined pursuant to Section 39.253(f)) exceed \$5 billion. The qualified costs attributable to the Company's share of the statewide stranded costs shall then be determined by multiplying (i) the Company's share of the statewide stranded costs by (ii) the percentage obtained by dividing (a) the Company's stranded costs (determined pursuant to Section 39.253(f)) which were securitized pursuant to the Financing Order dated October 27, 2011 in Docket No. 39809 by (b) the Company's total stranded costs (determined pursuant to Section 39.253(f)). The Company shall file the adjustments required herein, within 45 days after the Commission issues any order determining a utility's stranded costs or regulatory assets that causes the total statewide stranded costs (determined pursuant to Section 39.253(f)) to exceed \$5 billion or changes the amount by which the total statewide stranded costs (determined pursuant to Section 39.253(f)) exceed \$5 billion. Any changes in Transition Charges resulting from a change in the initial or adjusted PBRAFs under this Part D shall be made prospectively from the date of the Commission's order approving adjusted PBRAFs under this Part D. No change in an initial or adjusted PBRAF shall cause the sum of all PBRAFs to be more than or less than 100% or change the total Periodic Billing Requirement for any period. Transition Charges for services rendered prior to such effective date will not be changed. Future changes to the PBRAFs underlying the recomputed Transition Charges, if necessary under Parts A – D of this Section 6 will be computed pursuant to this Section 6 using the initial and adjusted PRBAFs as determined by the Commission pursuant to this Part D.

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**SECTION 7: TRANSITION CHARGES**

The Transition Charges to be applied beginning on the effective date of this Schedule TC5 are set out below. Transition Charges to be applied in subsequent periods (Adjusted Transition Charges) will be determined in the manner described in Section 8.

***TRANSITION CHARGES***

| <b><i>TRANSITION CHARGE CLASS</i></b>             | <b><i>PER UNIT CHARGE</i></b> | <b><i>BILLING UNIT</i></b> |
|---|-------------------------------|----------------------------|
| Residential                                       | \$0.001873                    | Per kWh                    |
| MGS-T   | \$0.762719                    | Per kW                     |
| MGS-D   | \$0.001761                    | Per kWh                    |
| LGS-D   | \$0.804180                    | Per kVa                    |
| LGS-T   | \$0.823380                    | Per kW                     |
| LOS-A   | \$0.430730                    | Per kW                     |
| LOS-B   | \$0.696351                    | Per kW                     |
| Non-Metered Lighting                              | \$0.002716                    | Per kWh                    |
| <b>CAPPED CLASSES:</b>                            |                               |                            |
| Standby Electric Service-Distribution             | \$0.184632                    | Per kW                     |
| Interruptible Service Supplemental- Distribution  | \$1.139805                    | Per kW                     |
| Interruptible Service –Thirty Minute Notice       | \$0.339716                    | Per kW                     |
| Interruptible Service –Ten Minute Notice          | \$0.174145                    | Per kW                     |
| Interruptible Service – Instantaneous             | \$0.453362                    | Per kW                     |
| Interruptible Service Supplemental - Transmission | \$0.588013                    | Per kW                     |
| Standby Electric Service - Transmission           | \$0.218493                    | Per kW                     |
| Standby Interruptible Service                     | \$0.047138                    | Per kW                     |
| Special Contract Pricing                          | \$0.721486                    | Per kW                     |

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

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

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

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

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

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

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

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

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

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

Transition Charges will be adjusted annually effective on December 15th to ensure that the expected collection of Transition Charges is adequate to pay principal and interest on the transition bonds when due pursuant to the expected amortization schedule, and pay as due all other qualified costs. In addition to these annual true-up adjustments, true-up adjustments may be made more frequently at any time during the term of the transition bonds to correct any undercollection or overcollection, as provided for in the Financing Order, in order to assure timely payment of transition bonds based on rating agency and bondholder considerations. In addition to the foregoing, either of the following two conditions may result in an interim true-up adjustment in the month prior to an upcoming transition bond principal payment date:

- (a) The collection of transition charges for the upcoming payment date will result in a difference that is greater than 5% in absolute value, between (i) the actual outstanding principal balances of the transition bonds plus amounts on deposit in the reserve subaccount and (ii) the outstanding principal balances anticipated in the target amortization schedule; or

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

In no event will interim true-up adjustments occur more frequently than every three months if quarterly transition bond payments are required or every six months if semi-annual transition bond payments are required; provided, however, that interim true-up adjustments for any transition bonds remaining outstanding during the fourteenth and fifteenth year after the bonds are issued may occur quarterly.

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

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

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

The Adjusted Transition Charge for the upcoming period for each class ( $TC_c$ ) shall be computed as follows:

For the residential class,

$$TC_c = PBR_T * (PBRAF_c + PBRAFA_c + YPBRAFA_c^d) / FBUC$$

For classes in the Commercial and Industrial TC Groups, except if any class in the Industrial Group is forecast for the ensuing period to experience more than a 10% reduction in billing determinants

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compared to the industrial base billing determinants for that class, then the transition charges for the classes within the Industrial TC Group will be determined according to Section 8, Part B:

$$TC_c = TC_c^{-1} \{ \sum [PBR_T * (PBRAF_c + PBRAFA_c + YPBRAFA_c^t)] / \sum (TC_c^{-1} * FBU_c) \}$$

For all classes in the applicable group.

Where

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

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

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

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

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

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

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

In connection with each annual Standard True-up Adjustment, the Company will compare the projected billing determinants being used to set Transition Charges for each Industrial Group Transition Charge Class during the ensuing year to the billing determinants for the period January

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2012 through December 2012 (adjusted to exclude any billing determinants attributable to Eligible Generation if any adjustment was made under Section 6, Part A after December 2012) (such billing determinants as adjusted are hereafter referred to as the “Industrial Base Year Billing Determinants”). The Transition Charges of all Transition Charge Classes in the Industrial TC Group will be adjusted if one or more Transition Charge Classes experience load loss (calculated excluding load loss attributable to Eligible Generation for which adjustments have been made under Section 6, Part A but including load loss attributable to small power production facilities of 10 megawatts or less) aggregating more than 10% on a cumulative basis when measured against the Industrial Base Year Billing Determinants. The adjustments under this Part B will be made using the following procedures:

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



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**Step 2:**

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

$$RED_c = PBR_c - TCLL_c$$

Where:

$$PBR_c = PBR_T * PBRAF_c$$

$$TCLL_c = \text{Test Collections with 10\% Load Loss for Class } c = [PBR_c / (IBD_c * 0.9)] * FBU_c$$

$PBR_T$  = total periodic billing requirement for upcoming period

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

**Step 3:**

For each Industrial TC class for which a reduction amount was not calculated in Step 2 and whose  $TC_c^{-1} \leq TC_{LOSA}^{-1}$ , a reallocation amount shall be calculated as follows:

$$RA_c = IAP_c * \sum RED_c \text{ for all classes}$$

Where:

$IAP_c$  = Intra-Group Allocation Percentage for class  $c = PBRAF_c / \sum PBRAF_c$  for all Industrial TC Classes for which a reduction amount was not calculated in Step 2 and whose  $TC_c^{-1} \leq TC_{LOSA}^{-1}$

$TC_{LOSA}^{-1}$  = Transition Charge implemented for the LOSA TC class in the last true-up filing

$TC_c^{-1}$  = Transition Charge implemented for class  $c$  in the last true-up filing

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**Step 4:**The adjusted transition charge for a class ( $TC_c$ ) shall be calculated as follows:

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

$$TC_c = [PBR_c + RA_c] / FBU_c$$

For all other Industrial TC Classes:

$$TC_c = [PBR_c - RED_c] / FBU_c$$

**Step 5:**

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

$$PI_c = (TC_c / TC_c^{BASE}) - 1$$

Where:

 $TC_c$  = The adjusted transition charge calculated in Step 4 $TC_c^{BASE}$  = The transition charge calculated using the Industrial Base Year Billing Determinants.**Step 6:**

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

$$TC_c^{FINAL} = TC_c$$

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

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

Where:

$EPI^{INITIAL}$  = initial Equal Percent Increase =  $\Sigma (TC_c * FBU_c) / \Sigma (TC_c^{BASE} * FBU_c)$  for only those Industrial TC Classes identified in Step 1 as Load Loss Classes and TC classes with a  $PI$  greater than or equal to those Industrial TC Load Loss Classes identified in Step 1.

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

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$$TC_c^{FINAL} = TC_c$$

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

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

Where:

$$EPI^{FINAL} = \text{final Equal Percent Increase} = \frac{\sum (TC_c * FBU_c)}{\sum (TC_c^{BASE} * FBU_c)} \text{ for only those Industrial TC Classes remaining in Step 6, Part D.}$$

## SECTION 9: BILLING AND COLLECTION TERMS AND CONDITIONS

Transition Charges will be billed and collected as set forth in this Schedule TC5. The terms and conditions for each party are set forth below.

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

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

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

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

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

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

1. REPs will bill and collect, or cause to be billed and collected, all Transition Charges applicable to consumption by retail customers served by the REP.
2. If Servicer is providing the metering, metering data will be provided to the REP at the same time as the billing. If Servicer is not providing the metering, the entity providing metering services will be responsible for complying with Commission rules and ensuring that Servicer and the REP will receive timely and accurate metering data in order for Servicer to meet its obligations under the Servicing Agreement and the Financing Order with respect to billing and true-ups.
3. Each REP must (1) have a long-term, unsecured credit rating of not less than "BBB-" and "Baa3" (or the equivalent) from Standard & Poor's and Moody's Investors Service, respectively, or (2) provide (A) a deposit of two months' maximum expected Transition Charge collections in the form of cash, (B) an affiliate guarantee, surety bond, or letter of credit providing for payment of such amount of Transition Charge collections in the event that the REP defaults in its payment obligations, or (C) a combination of any of the foregoing. A REP that does not have or maintain the requisite long-term, unsecured credit rating may select which alternate form of deposit, credit support, or combination thereof it will utilize, in its sole discretion. The indenture trustee shall be the beneficiary of any affiliate guarantee, surety bond or letter of credit. The provider of any affiliate guarantee, surety bond, or letter of credit must have and maintain a long-term, unsecured credit ratings of not less than "BBB-" and "Baa3" (or the equivalent) from Standard & Poor's and Moody's Investors Service, respectively.
4. If the long-term, unsecured credit rating from either Standard & Poor's or Moody's Investors Service of a REP that did not previously provide the alternate form of deposit, credit support, or combination thereof or of any provider of an affiliate guarantee, surety bond, or letter of credit is suspended, withdrawn, or downgraded below "BBB-" or "Baa3" (or the equivalent), the REP must provide the alternate form of deposit, credit support, or combination thereof, or new forms thereof, in each case from providers with the requisite ratings, within 10 business days following such suspension, withdrawal, or downgrade. A REP failing to make such provision must comply with the provisions set forth in paragraph 3 of Section D, Billings by Servicer to the REP or its replacement (when applicable).

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

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

1. Servicer will bill and collect from REPs all Transition Charges applicable to consumption by retail customers served by the REP, including applicable customers served by New On-Site Generation.
2. Payments of Transition Charges are due 35 calendar days following each billing by Servicer to the REP, without regard to whether or when the REP receives payment from the end-use retail customers. Servicer shall accept payment by electronic funds transfer, wire transfer, and/or check. Payment will be considered received the date the electronic funds transfer or wire transfer is received by Servicer, or the date the check clears. A 5% penalty is to be charged on amounts received after 35 calendar days; however, a 10 calendar-day grace period will be allowed before the REP is considered to be in default. A REP in default must comply with the provisions set forth in paragraph 3 of this Section D. The 5% penalty will be a one-time assessment measured against the current amount overdue from the REP to Servicer. The "current amount" consists of the total unpaid Transition Charges

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existing on the 36<sup>th</sup> calendar day after billing by Servicer. Any and all such penalty payments will be made to the indenture trustee to be applied against Transition Charge obligations. A REP shall not be obligated to pay the overdue Transition Charges of another REP. If a REP agrees to assume the responsibility for the payment of overdue Transition Charges as a condition of receiving the customers of another REP that has decided to terminate service to those customers for any reason, the new REP shall not be assessed the 5% penalty upon such Transition Charges; however, the prior REP shall not be relieved of the previously-assessed penalties.

3. After the 10 calendar-day grace period (the 45<sup>th</sup> calendar day after the billing date), Servicer shall have the option to seek recourse against any cash deposit, affiliate guarantee, surety bond, letter of credit, or combination thereof provided by the REP, and avail itself of such legal remedies as may be appropriate to collect any remaining unpaid Transition Charges and associated penalties due Servicer after the application of the REP's deposit or alternate form of credit support. In addition, a REP that is in default with respect to the requirements set forth in paragraphs 4 and 5 of Section C and paragraph 2 of this Section D shall select and implement one of the following options:
  - (a) Allow the POLR or a qualified REP of the customer's choosing to immediately assume the responsibility for the billing and collection of Transition Charges.
  - (b) Immediately implement other mutually suitable and agreeable arrangements with Servicer. It is expressly understood that Servicer's ability to agree to any other arrangements will be limited by the terms of the Servicing Agreement and requirements of rating agencies that have rated the transition bonds necessary to avoid suspension, withdrawal or downgrade of the ratings on the transition bonds.
  - (c) Arrange that all amounts owed by retail customers for services rendered be timely billed and immediately paid directly into a lock-box controlled by Servicer with such amounts to be applied first to pay Transition Charges before the remaining amounts are released to the REP. All costs associated with this mechanism will be borne solely by the REP.

If a REP that is in default does not immediately select and implement one of the options specified in (a), (b) or (c) or, after so selecting one of the foregoing options, fails to adequately meet its responsibilities thereunder, then Servicer shall immediately implement option (a), subject to the limitations and requirements of the bankruptcy code if the REP is a debtor in bankruptcy. Upon re-establishment of compliance with the requirements set forth in paragraphs 4 and 5 of Section C

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

4. The POLR appointed by the Commission must meet the minimum credit rating or deposit/credit support requirements described in paragraph 3 of Section C (“Billings by the REP or its Replacement to end-use customers”) in addition to any other standards that may be adopted by the Commission. If the POLR defaults or is not eligible to provide such services, responsibility for billing and collection of Transition Charges will immediately be transferred to and assumed by Servicer until a new POLR can be named by the Commission or the customer requests the services of a certified REP. Retail customers may never be re-billed by the successor REP, the POLR, or Servicer for any amount of Transition Charges they have paid their REP (although future Transition Charges shall reflect REP and other system-wide charge-offs). Additionally, if the amount of the penalty detailed in paragraph 2 of this Section D is the sole remaining past-due amount after the 45<sup>th</sup> calendar day, the REP shall not be required to comply with clauses (a), (b) or (c) of paragraph 3 of this Section D, unless the penalty is not paid within an additional 30 calendar days.
5. In the event that Servicer is billing customers for Transition Charges, Servicer shall have the right to terminate transmission and distribution service to the end-use customer for non-payment by the end use customer pursuant to applicable Commission rules.
6. The REP will be allowed to hold back an allowance for charge-offs in its payments to Servicer. Such charge-off rate will be recalculated each year in connection with the annual true-up procedure. In the initial year, REPs will be allowed to remit payments based on the same charge-off percentage then being used by the REP to remit payments to the servicer in connection with transition charges related to transition bonds issued by CenterPoint Energy Transition Bond Company III, LLC on February 12, 2008. On an annual basis in connection with the true-up adjustment process, the REP and Servicer will be responsible for reconciling the amounts held back with amounts actually written off as uncollectible in accordance with the terms agreed to by the REP and Servicer, provided that:
  - (a) The REP’s right to reconciliation for write-offs will be limited to customers whose service has been permanently terminated and whose entire accounts (*i.e.*, all amounts due the REP for its own account as well as the portion representing Transition Charges) have been written off.
  - (b) The REP’s recourse will be limited to a credit against future Transition Charge payments unless the REP and Servicer agree to alternative

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arrangements, but in no event will the REP have recourse to the indenture trustee, the SPE or the SPE's funds for such payments.

- (c) The REP shall provide information on a timely basis to Servicer so that Servicer can include the REP's default experience and any subsequent credits into its calculation of the adjusted Transition Charge rates for the next transition charge billing period and the REP's rights to credits will not take effect until such adjusted Transition Charge rates have been implemented.
7. In the event that a REP disputes any amount of billed Transition Charges, the REP shall pay the disputed amount under protest according to the timelines detailed in paragraph 2 of this Section D. The REP and Servicer shall first attempt to informally resolve the dispute, but if they fail to do so within 30 calendar days, either party may file a complaint with the Commission. If the REP is successful in the dispute process (informal or formal), the REP shall be entitled to interest on the disputed amount paid to Servicer at the Commission-approved interest rate. Disputes about the date of receipt of Transition Charge payments (and penalties arising thereof) or the size of a required REP deposit will be handled in a like manner. It is expressly intended that any interest paid by Servicer on disputed amounts shall not be recovered through Transition Charges if it is determined that Servicer's claim to the funds is clearly unfounded. No interest shall be paid by Servicer if it is determined that Servicer has received inaccurate metering data from another entity providing competitive metering services pursuant to Utilities Code Section 39.107.
8. If Servicer is providing the metering, metering data will be provided to the REP at the same time as the billing. If Servicer is not providing the metering, the entity providing metering services will be responsible for complying with Commission rules and ensuring that Servicer and the REP will receive timely and accurate metering data in order for Servicer to meet its obligations under the Servicing Agreement and the Financing Order with respect to billing and true-ups.

### **OTHER TERMS AND CONDITIONS**

If the customer or REP pays only a portion of its bill, a pro-rata portion of Transition Charge revenues shall be deemed to be collected. The Company will allocate any shortfall first, ratably based on the amount owed for Transition Charges and the amount owed for other fees and charges, other than late charges, owed to the Company or any successor, and second, all late charges shall be allocated to the Company or any successor.

If the Company does not regularly include the notice described below in the bills sent by it to REPs or directly to retail customers, then at least once each year the Company shall cause to be prepared and delivered to REPs and such customers a notice stating, in effect, that the amount billed includes



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Transition Charges which were authorized by the Financing Order dated October 27, 2011 and have been transferred to and are being collected on behalf of CenterPoint Energy Transition Bond Company IV, LLC and are not owned by the Company. In the customer's initial bill from the REP and at least once each year thereafter, each REP that bills Transition Charges shall cause to be prepared and delivered to its customers a notice stating, in effect, that the amount billed includes Transition Charges which were authorized by the Financing Order dated October 27, 2011 and have been transferred to and are being collected on behalf of CenterPoint Energy Transition Bond Company IV, LLC and are not owned by the REP or the Company, and that under certain circumstances described in Schedule TC5 Servicer may be permitted to collect the Transition Charges directly from the retail customer. Such notice shall be included either as an insert to or in the text of the bills delivered to such REPs or customers, as applicable, or shall be delivered to REPs or customers by electronic means or such other means as Servicer or the REP may from time to time use to communicate with their respective customers.

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**6.1.1.3 CTC**

**6.1.1.3.1 RIDER CTC - COMPETITION TRANSITION CHARGES**

This Rider is not applicable.

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**6.1.1.4 CHARGES FOR SBF****6.1.1.4.1 RIDER SBF - SYSTEM BENEFIT FUND****AVAILABILITY**

Pursuant to Utility Code, Section 39.903, the system benefit fund (SBF) is a nonbypassable fee set by the Public Utility Commission (PUC).

**MONTHLY RATE**

A Retail Customer's SBF fee for the billing month shall be determined by multiplying the appropriate SBF factor shown below by the current month's billing kWh as determined in the Retail Customer's applicable Rate Schedule.

| <u>Rate Schedule</u>                              | <u>SBF Factor</u>  |
|---|--------------------|
| Residential Service                               | \$0.000000 per kWh |
| Secondary Service Less than or<br>Equal to 10 kVA | \$0.000000 per kWh |
| Secondary Service Greater than 10 kVA             | \$0.000000 per kWh |
| Primary Service                                   | \$0.000000 per kWh |
| Transmission Service                              | \$0.000000 per kWh |
| Lighting Services                                 | \$0.000000 per kWh |

**NOTICE**

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

CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

CNP 8023

**6.1.1.5 CHARGES FOR NUCLEAR DECOMMISSIONING****6.1.1.5.1 RIDER NDC - NUCLEAR DECOMMISSIONING CHARGES****AVAILABILITY**

Pursuant to Public Utility Regulatory Act §39.205 and Public Utility Commission of Texas Substantive Rule 25.303, the nuclear decommissioning charge (NDC) is a nonbypassable charge applicable to all Retail Customers.

**MONTHLY RATE**

A Retail Customer's NDC for the billing month shall be determined by multiplying the appropriate NDC factor shown below by the Retail Customer's applicable billing determinant for the current month.

| <b>Retail Customer Rate Classes</b>            | <b>Nuclear Decommissioning Charge Factor</b> | <b>Rate Class Billing Determinant</b> |
|--|--|---------------------------------------|
| Residential Service                            | \$0.000003                                   | Per kWh                               |
| Secondary Service Less than or Equal to 10 kVA | \$0.000002                                   | Per kWh                               |
| Secondary Service Greater than 10 kVA          | \$0.000606                                   | Per Billing kVA                       |
| Primary Service                                | \$0.000576                                   | Per Billing kVA                       |
| Transmission Service                           | \$0.000764                                   | Per 4 CP kVA                          |
| Lighting Services                              | \$0.000002                                   | Per kWh                               |

**NOTICE**

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

CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

CNP 8027

**6.1.1.6 OTHER CHARGES****6.1.1.6.3 RIDER TCRF - TRANSMISSION COST RECOVERY FACTOR****APPLICABILITY**

Each Retail Customer connected to the Company's transmission or distribution system will be assessed a nonbypassable transmission service charge adjustment pursuant to this rider. The charges derived herein, pursuant to Substantive Rule §25.193, are necessitated by a change in a transmission service provider's wholesale transmission rate subsequent to Commission approval of the Company's base rate charge for transmission service.

**MONTHLY RATE**

The REP, on behalf of the Retail Customer, will be assessed this transmission service charge adjustment based on the monthly per unit cost (TCRF) multiplied times the Retail Customer's appropriate monthly billing determinant (kWh, 4 CP kVA or NCP kVA).

The TCRF shall be calculated for each rate according to the following formula:

**TCRF =**

$$\frac{\left\{ \left[ \sum_{i=1}^N (NWTR_i * NL_i) - \sum_{i=1}^N (BWTR_i * NL_i) \right] * 1/2 * ALLOC \right\} + ADJ}{BD}$$

Where:

**TCRF** = Transmission Cost Recovery Factor in dollars per kWh, dollars per 4 CP kVA or dollars per NCP kVA to be used for billing for each listed rate schedule. The rate schedules are listed under "BD" below.

**NWTR<sub>i</sub>** = The new wholesale transmission rate of a TSP approved by the Commission by order or pursuant to Commission rules, since the DSP's last rate case;

**BWTR<sub>i</sub>** = The base wholesale transmission rate of the TSP represented in the NWTR<sub>i</sub>, used to develop the retail transmission charges of the Company, in the Company's last rate case.

**NL<sub>i</sub>** = The Company's individual 4CP load component of the total ERCOT 4CP load information used to develop the NWTR<sub>i</sub>;

CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

CNP 8027

ALLOC = The class allocator approved by the Commission to allocate the transmission revenue requirement among classes in the Company's last rate case, unless otherwise ordered by the Commission;

The Allocation Factor for each listed rate schedule is as follows:

|  |          |
|--|----------|
| Residential Service                            | 47.1426% |
| Secondary Service Less Than or Equal to 10 kVA | 1.1481%  |
| Secondary Service Greater Than 10 kVA          | 35.8682% |
| Primary Service                                | 3.6249%  |
| Transmission Service                           | 12.2162% |
| Street Lighting Service                        | 0.00%    |
| Miscellaneous Lighting Service                 | 0.00%    |

$$ADJ = \sum_{p=1}^6 \left\{ EXP_P - (REV_P - ADJP1_P - ADJP2_P) \right\}$$

Where:

ADJ = Adjustment of the rate class TCRF;

EXP<sub>p</sub> = Transmission expenses not included in base rates for period p;

REV<sub>p</sub> = TCRF revenue for period p;

ADJP1 = 1/6<sup>th</sup> of ADJ calculated in the previous TCRF update for the periods 5 and 6;

ADJP2 = 1/6<sup>th</sup> of ADJ calculated in the second previous TCRF update for the periods 1 through 4.

BD = Each class' billing determinant (kWh, 4 CP kVA, or NCP kVA) for the prior March to August six month period for the March update and prior September to February six month period for the September update.

CenterPoint Energy Houston Electric, LLC  
 Applicable: Entire Service Area

CNP 8027

**TCRF EFFECTIVE FOR SCHEDULED METER READ DATES ON AND AFTER  
 March 1, 2020**

|   | <u>TCRF<br/>Rate</u> | <u>Billing<br/>Units</u> |
|---|----------------------|--------------------------|
| Residential Service                               | \$ 0.005201          | per kWh                  |
| Secondary Service Less Than or<br>Equal to 10 kVA | \$ 0.005622          | per kWh                  |
| Secondary Service Greater Than 10 kVA             |                      |                          |
| IDR   | \$ 2.455912          | per 4 CP kVA             |
| Non-IDR   | \$ 1.339135          | per NCP kVA              |
| Primary Service                                   |                      |                          |
| IDR   | \$ 2.186022          | per 4 CP kVA             |
| Non-IDR   | \$ 1.360884          | per NCP kVA              |
| Transmission Service                              | \$ 1.993893          | per 4 CP kVA             |
| Lighting Services                                 |                      |                          |
| Street Lighting Service                           | \$ -                 | per kWh                  |
| Miscellaneous Lighting Service                    | \$ -                 | per kWh                  |

**NOTICE**

This rate schedule is subject to the Company's Tariff and Applicable Legal Authorities.

CenterPoint Energy Houston Electric, LLC  
 Applicable: Entire Service Area

CNP 8028

#### 6.1.1.6.4 RATE ESS - RETAIL ELECTRIC SERVICE SWITCHOVERS

A request to switch service to a consuming facility to another utility that has the right to serve the facility shall be handled pursuant to Public Utility Commission of Texas Substantive Rule §25.27, a copy of which will be provided upon request.

Applicable to  
 consuming facilities  
served at 480 volts or less

##### Self Contained Meter

|                    |          |
|--------------------|----------|
| Base Charge:       | \$163.46 |
| Base Charge Adder: | \$ 61.78 |

##### CT Rated Meter

|                    |          |
|--------------------|----------|
| Base Charge:       | \$326.15 |
| Base Charge Adder: | \$122.78 |

Facilities Recovery Charge: As Calculated

##### Stranded Cost Recovery

In addition to the charges above, stranded cost recovery charges will be assessed in accordance with the Public Utility Regulatory Act, Section 39.252(c), which states:

“In multiply certificated areas, a retail customer may not avoid stranded cost recovery charges by switching to another electric utility, electric cooperative, or municipally owned utility after May 1, 1999. A customer in a multiply certificated service area that requested to switch providers on or before May 1, 1999, or was not taking service from an electric utility on May 1, 1999, and does not do so after that date is not responsible for paying retail stranded costs of that utility.”



CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

CNP 786

**6.1.1.6.5 RIDER CMC - COMPETITIVE METERING CREDIT****AVAILABILITY**

Pursuant to PUCT Substantive Rule §25.311, competitive metering services may be provided to commercial and industrial customers that are required by the independent system operator (ERCOT) to have an interval data recorder (IDR) meter. ERCOT's mandatory IDR installation threshold is currently a peak demand greater than 700 kW or kVA. The competitive metering credit is applicable to the electric service identifier (ESI ID) of a non-residential Retail Customer that has executed the Company's Agreement for Meter Ownership and/or Access and for which the Company has installed a Non-Company Owned Billing Meter. An applicable ESI ID will receive only one Competitive Metering Credit per month.

**MONTHLY COMPETITIVE METERING CREDIT**

The Retail Electric Provider of record for the applicable ESI ID will receive one credit per month for the Retail Customer's utilization of a Non-Company Owned Billing Meter according to the table below, based on ESI ID's rate class.

| <b>Rate Class</b>                       | <b>Monthly Credit</b> |
|---|-----------------------|
| Secondary Service > 10 kVA<br>IDR Meter | \$1.32                |
| Primary Service<br>IDR Meter            | \$2.14                |
| Transmission Service                    | \$21.80               |

**NOTICE**

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

CenterPoint Energy Houston Electric, LLC  
 Applicable: Entire Service Area

CNP 860

### 6.1.1.6.6 RIDER RCE - RATE CASE EXPENSES SURCHARGE

#### APPLICABILITY

This rider is applicable to all Retail Customers receiving Delivery Service under one of the Company's Rate Schedules in the Tariff for Retail Delivery Service for recovery of rate case expenses approved in Docket No. 39127.

#### MONTHLY RATE

A Retail Customer's RCE for the billing month shall be determined by multiplying the appropriate rate case expenses factor shown below by the Retail Customer's applicable billing determinant for the current month.

| <b>Retail Customer Rate Classes</b>            | <b>Rate Case Expenses Factor</b> | <b>Rate Class Billing Determinant</b> |
|--|----------------------------------|---------------------------------------|
| Residential Service                            | \$0.000000                       | Per kWh                               |
| Secondary Service Less than or Equal to 10 kVA | \$0.000000                       | Per kWh                               |
| Secondary Service Greater than 10 kVA          | \$0.000000                       | Per Billing kVA                       |
| Primary Service                                | \$0.000000                       | Per Billing kVA                       |
| Transmission Service                           | \$0.000000                       | Per Billing kVA                       |
| Street Lighting Service                        | \$0.000000                       | Per kWh                               |
| Miscellaneous Lighting Service                 | \$0.000000                       | Per kWh                               |

#### TERM

Rider RCE shall remain in effect for three years from the original effective date of September 1, 2011 or until the Commission approved amount is recovered.

#### NOTICE

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

CenterPoint Energy Houston Electric, LLC  
Applicable: Entire Service Area

### 6.1.1.6.7 RIDER (CERP) – COVID-19 Electricity Relief Program

#### AVAILABILITY

Applicable, pursuant to the Order in Project No. 50664, to all Retail Customers receiving Delivery Service under any of the Company's Rate Schedules in the Tariff for Retail Delivery Service. Pursuant to the Public Utility Commission's (PUC) order in Project No. 50664, the COVID-19 Electricity Relief Program (CERP) Fund fee is a nonbypassable fee set by the PUC.

#### NET MONTHLY BILL AMOUNT

A Retail Customer's COVID-19 Electricity Relief Program (CERP) Fund fee for the billing month shall be determined by multiplying the appropriate CERP fund charge factor, shown below, by the current month's billing kWh, as determined in the Retail Customer's applicable Rate Schedule.

| <b>Retail Customer Rate Classes</b>            | <b>CERP Fund Charge Factor</b> | <b>Rate Class Billing Determinant</b> |
|--|--------------------------------|---------------------------------------|
| Residential Service                            | \$0.000330                     | Per kWh                               |
| Secondary Service Less than or Equal to 10 kVA | \$0.000330                     | Per kWh                               |
| Secondary Service Greater than 10 kVA          | \$0.000330                     | Per kWh                               |
| Primary Service                                | \$0.000330                     | Per kWh                               |
| Transmission Service                           | \$0.000330                     | Per kWh                               |
| Lighting Services                              | \$0.000330                     | Per kWh                               |

#### NOTICE

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

CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

CNP 903

**6.1.1.6.8 RIDER AMS – SURCHARGE FOR ADVANCED METERING SYSTEM****AVAILABILITY**

Pursuant to Public Utility Regulatory Act §39.107 and Public Utility Commission of Texas Substantive Rule 25.130, the advanced metering system (AMS) surcharge is a nonbypassable surcharge applicable to the non-IDR customers in the Retail Customer Rate Classes listed below.

**MONTHLY RATE**

A Retail Customer's AMS surcharge for the billing month shall be the appropriate AMS surcharge shown below.

| <b><u>Retail Customer<br/>Rate Classes</u></b>    | <b><u>Advanced Metering System<br/>Surcharge</u></b> |                    |                 |  |
|---|--|--------------------|-----------------|--|
|   | 2/2/2009<br>to<br><u>2/1/2011</u>                    | <u>2/2/2011 to</u> | <u>End Date</u> |  |
| Residential Service                               | \$3.24   | \$3.05             | 5/31/2015       | Per Retail<br>Customer per Month         |
| Secondary Service Less<br>than or Equal to 10 kVA | \$3.14   | \$3.14             | 2/28/2017       | Per Retail Customer<br>per Month         |
| Secondary Service<br>Greater than 10 kVA          | \$3.16   | \$3.16             | 1/31/2016       | Per Non-IDR Retail<br>Customer per Month |
| Primary Service                                   | \$3.16   | \$3.16             | 7/31/2016       | Per Non-IDR Retail<br>Customer per Month |

**NOTICE**

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

CenterPoint Energy Houston Electric, LLC  
Applicable: Entire Service Area

### 6.1.1.6.9 RIDER EECRF – ENERGY EFFICIENCY COST RECOVERY FACTOR

#### AVAILABILITY

Pursuant to Public Utility Regulatory Act §39.905 and Public Utility Commission of Texas Substantive Rule §25.181 and 25.182, the energy efficiency cost recovery factor (EECRF) is a non-bypassable charge applicable to all Retail Customers.

#### METHOD OF CALCULATION

EECRF charges shall be calculated annually and shall equal by rate class the sum of: forecasted energy efficiency costs, any adjustment for past over-recovery or under-recovery of EECRF costs, any energy efficiency performance bonus, any previous year's EECRF proceeding rate case expenses, and any allocated Evaluation, Measurement & Verification ("EM&V") costs; divided by the forecasted billing units for each class.

#### MONTHLY RATE

A Retail Customer's EECRF for the billing month shall be determined by multiplying the appropriate EECRF charge shown below by the Retail Customer's applicable billing unit for the current month.

| Rate Class                                     | EECRF Charge | Billing Unit |
|--|--------------|--------------|
| Residential Service                            | \$0.000546   | Per kWh      |
| Secondary Service Less than or Equal to 10 kVA | \$0.000229   | Per kWh      |
| Secondary Service Greater than 10 kVA          | \$0.000428   | Per kWh      |
| Primary Service                                | \$0.000934   | Per kWh      |
| Transmission Non-Profit Governmental           | \$0.000240   | Per kWh      |
| Transmission Service – Industrial              | \$0.000000   | Per kWh      |
| Lighting Services                              | N/A          | N/A          |

#### NOTICE

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

CenterPoint Energy Houston Electric, LLC  
Applicable: Entire Service Area

### 6.1.1.6.10 RIDER ADFITC – ADFIT CREDIT

#### APPLICABILITY

Pursuant to the Settlement Agreement in Public Utility Commission of Texas Docket No. 37200, the ADFIT Credit is a negative charge to customers subject to Schedule SRC to provide customers the accumulated deferred federal income tax (ADFIT) benefits associated with Hurricane Ike restoration costs.

This schedule is applicable to distribution voltage level Retail customers and any other entity obligated to pay charges as defined under Schedule SRC.

#### TERM

This Rider ADFITC is effective beginning on the date Schedule SRC is effective and will remain in effect over the 13-year term of Schedule SRC.

#### ADFIT ALLOCATION FACTORS

The ADFIT Allocation Factors are the same as the PBRAFs in Schedule SRC and shall be adjusted to coincide with any PBRAF adjustments for Schedule SRC.

The ADFITC Charges to be applied beginning on the effective date of this Rider ADFITC are set out below. ADFITC Charges to be applied in subsequent periods will be determined in the annual true-up process described below.

#### *ADFIT CREDIT CHARGES*

| <i>ADFITC CLASS</i>                            | <i>PER UNIT CHARGE</i> | <i>BILLING UNIT</i> |
|--|------------------------|---------------------|
| Residential Service                            | (\$0.000061)           | Per kWh             |
| Secondary Service Less Than or Equal to 10 kVA | (\$0.000106)           | Per kWh             |
| Secondary Service Greater than 10 kVA          | (\$0.006278)           | Per Billing kVA     |
| Primary Service                                | (\$0.004598)           | Per Billing kVA     |
| Lighting Services                              | (\$0.000572)           | Per kWh             |

CenterPoint Energy Houston Electric, LLC  
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The ADFITC classes and billing units are defined the same as the classes and billing units in Schedule SRC.

In addition, ADFITC Charges are applicable to each customer which has New On-Site Generation as defined in Schedule SRC as and to the extent Schedule SRC charges are applicable to such customers.

### **ANNUAL TRUE-UP FOR ADJUSTMENT OF ADFITC CHARGES**

ADFITC Charges shall be adjusted at least annually effective on each date that charges in Schedule SRC become effective. The adjustment shall be made through a separate filing submitted at the same time as the Schedule SRC system restoration charge adjustment filing and using the same allocation factors and billing determinants as the system restoration charge adjustment filing. The ADFITC Charges shall be adjusted to (1) correct any over-credit or under-credit of the amounts previously scheduled to be provided to customers, (2) reflect the amounts scheduled to be provided to customers during the period the adjusted ADFITC Charges are to be effective, and (3) account for the effects, if any, on ADFIT of any insurance proceeds, government grants or other source of funding that compensate CenterPoint Houston for system restoration costs incurred.

### **TRUE-UP ADJUSTMENT PROCEDURE FOR ANNUAL TRUE-UPS**

Adjusted ADFITC Charges shall be calculated using the same methodology as described in Schedule SRC for the system restoration charges. The ADFITC Groups are defined the same as Schedule SRC Groups. Annual adjustments will be filed 15 days prior to the effective date of the Adjusted ADFITC Charges unless an adjustment to the ADFITC Allocation Factors is required in which case the annual adjustment will be filed not later than 90 days prior to the effective date.

### **OTHER TERMS AND CONDITIONS**

If the customer or REP pays only a portion of its bill, a pro-rata portion of ADFITC Charge credits shall be deemed to be credited equal to the pro-rata portion of Schedule SRC deemed collected according to Schedule SRC.

### **NOTICE**

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

CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

**6.1.1.6.11 RIDER TC REFUND – REFUND OF TRANSITION CHARGES****APPLICABILITY**

This rider is applicable to all Retail Customers receiving Delivery Service under the Company's TC Rate Schedule in the Tariff for Retail Delivery Service. The rider is to refund an amount left over after the maturity and discharge of all obligations of Schedule TC – Transition Charges.

**MONTHLY RATE**

A Retail Customer's refund amount for the billing month shall be determined by multiplying the appropriate per unit charge factor shown below by the Retail Customer's applicable billing determinant for the current month.

| <i><b>TRANSITION CHARGE CLASS</b></i>            | <i><b>PER UNIT CHARGE</b></i> | <i><b>BILLING UNIT</b></i> |
|--|-------------------------------|----------------------------|
| Residential                                      | \$0.000000                    | Per kWh                    |
| MGS  | \$0.000000                    | Per kVa                    |
|  | \$0.000000                    | Per kW                     |
|  | \$0.000000                    | Per kWh                    |
| LGS  | \$0.000000                    | Per kVa                    |
|  | \$0.000000                    | Per kW                     |
| LOS-A  | \$0.000000                    | Per kW                     |
| LOS-B  | \$0.000000                    | Per kW                     |
| Non-Metered Lighting                             | \$0.000000                    | Per kWh                    |
| Standby Electric Service-Distribution            | \$0.000000                    | Per kW                     |
| Interruptible Service Supplemental- Distribution | \$0.000000                    | Per kW                     |
| Interruptible Service –Thirty Minute Notice      | \$0.000000                    | Per kW                     |
| Interruptible Service –Ten Minute Notice         | \$0.000000                    | Per kW                     |
| Interruptible Service – Instantaneous            | \$0.000000                    | Per kW                     |
| Interruptible Service Supplemental- Transmission | \$0.000000                    | Per kW                     |

Revision Number: 1st

Effective: 10/31/2015



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Applicable: Entire Service Area

| <i><b>TRANSITION CHARGE<br/>CLASS</b></i> | <i><b>PER UNIT<br/>CHARGE</b></i> | <i><b>BILLING<br/>UNIT</b></i> |
|---|-----------------------------------|--------------------------------|
| Standby Electric Service-<br>Transmission | \$0.000000                        | Per kW                         |
| Standby Interruptible Service             | \$0.000000                        | Per kW                         |
| SCP                                       | \$0.000000                        | Per kW                         |

**TERM**

Rider TC Refund is expected to be in effect for a period of 2 months, however, Rider TC Refund shall remain in effect until the aggregate amount of \$10,728,756 has been refunded, regardless of the duration of the period it is effective. After the aggregate amount of \$10,728,756 has been refunded, Rider TC Refund shall terminate.

**NOTICE**

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

CenterPoint Energy Houston Electric, LLC  
Applicable: Entire Service Area

#### 6.1.1.6.12 RIDER REMAND – REMAND OF EECRF SURCHARGE

##### APPLICABILITY

This rider is applicable to all Retail Customers receiving Delivery Service under one of the Company's Rate Schedules in the Tariff for Retail Delivery Service. The rider is for recovery of the Energy Efficiency costs approved in Docket No.42359.

##### MONTHLY RATE

A Retail Customer's Remand Expense for the billing month shall be determined by multiplying the appropriate Remand Expenses Factor shown below by the Retail Customer's applicable billing determinant for the current month.

| <b>Retail Customer Rate Classes</b>            | <b>Remand Expenses Factor</b> | <b>Rate Class Billing Determinant</b> |
|--|-------------------------------|---------------------------------------|
| Residential Service                            | \$0.00                        | Per Customer                          |
| Secondary Service Less than or Equal to 10 kVA | \$0.00                        | Per Customer                          |
| Secondary Service Greater than 10 kVA          | \$0.00                        | Per Customer                          |
| Primary Service                                | \$0.00                        | Per Customer                          |
| Transmission Service – Non-Profit/Governmental | \$0.00                        | Per Customer                          |
| Transmission Service – Industrial              | \$0.00                        | Per Customer                          |
| Lighting Service                               | \$0.00                        | Per Lamp/Luminaire                    |

##### TERM

Rider Remand is expected to be in effect for a period of approximately one (1) year, however, Rider Remand shall remain in effect until the aggregate amount of \$10,441,442 has been collected, regardless of the duration of the period it is effective. After the aggregate amount of \$10,441,422 has been collected, Rider Remand shall terminate.

##### NOTICE

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

CenterPoint Energy Houston Electric, LLC  
Applicable: Entire Service Area

### 6.1.1.6.13 RIDER DCRF - DISTRIBUTION COST RECOVERY FACTOR

#### APPLICABILITY

Each Retail Customer connected to the Company's distribution system will be assessed a nonbypassable distribution service charge adjustment pursuant to this rider. The charges derived herein, pursuant to Substantive Rule §25.243, are necessitated by incremental distribution costs not included in the Company's last general rate case proceeding before the Commission.

#### MONTHLY RATE

The REP, on behalf of the Retail Customer, will be assessed this distribution service charge adjustment based on the monthly per unit cost (DCRF) multiplied times the Retail Customer's appropriate monthly billing determinant (kWh, Billing kVA, or 4 CP kVA).

The DCRF shall be calculated for each rate according to the following formula:

**DCRF =**

$$\begin{aligned} & [((DIC_C - DIC_{RC}) * ROR_{AT}) + (DEPR_C - DEPR_{RC}) + (FIT_C - FIT_{RC}) + (OT_C \\ & - \\ & OT_{RC}) - \sum(DISTREV_{RC-CLASS} * \%GROWTH_{CLASS})] * ALLOC_{CLASS} / BD_{C-CLASS} \end{aligned}$$

Where:

$DIC_C$  = Current Net Distribution Invested Capital.

$DIC_{RC}$  = Net Distribution Invested Capital from the last comprehensive base-rate proceeding.

$ROR_{AT}$  = After-Tax Rate of Return as defined in Substantive Rule §25.243(d)(2).

$DEPR_C$  = Current Depreciation Expense, as related to Current Gross Distribution Invested Capital, calculated using the currently approved depreciation rates.

$DEPR_{RC}$  = Depreciation Expense, as related to Gross Distribution Invested Capital, from the last comprehensive base-rate proceeding.

$FIT_C$  = Current Federal Income Tax, as related to Current Net Distribution Invested Capital, including the change in federal income taxes related to the change in return on rate base and synchronization of interest associated with the change in rate base resulting from

## CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

additions to and retirements of distribution plant as used to compute Net Distribution Invested Capital.

$FIT_{RC}$  = Federal Income Tax, as related to Net Distribution Invested Capital from the last comprehensive base-rate proceeding.

$OT_C$  = Current Other Taxes (taxes other than income taxes and taxes associated with the return on rate base), as related to Current Net Distribution Invested Capital, calculated using current tax rates and the methodology from the last comprehensive base-rate proceeding, and not including municipal franchise fees.

$OT_{RC}$  = Other Taxes, as related to Net Distribution Invested Capital from the last comprehensive base-rate proceeding, and not including municipal franchise fees.

$DISTREV_{RC-CLASS}$  (Distribution Revenues by rate class based on Net Distribution Invested Capital from the last comprehensive base-rate proceeding) =  $(DIC_{RC-CLASS} * ROR_{AT}) + DEPR_{RC-CLASS} + FIT_{RC-CLASS} + OT_{RC-CLASS}$ .

$\%GROWTH_{CLASS}$  (Growth in Billing Determinants by Class) =  $(BD_{C-CLASS} - BD_{RC-CLASS}) / BD_{RC-CLASS}$

$DIC_{RC-CLASS}$  = Net Distribution Invested Capital allocated to the rate class from the last comprehensive base-rate proceeding.

$DEPR_{RC-CLASS}$  = Depreciation Expense, as related to Gross Distribution Invested Capital, allocated to the rate class in the last comprehensive base-rate proceeding.

$FIT_{RC-CLASS}$  = Federal Income Tax, as related to Net Distribution Invested Capital, allocated to the rate class in the last comprehensive base-rate proceeding.

$OT_{RC-CLASS}$  = Other Taxes, as related to Net Distribution Invested Capital, allocated to the rate class in the last comprehensive base-rate proceeding, and not including municipal franchise fees.

$ALLOC_{CLASS}$  = Rate Class Allocation Factor approved in the last comprehensive base-rate proceeding, calculated as: total net distribution plant allocated to rate class, divided by total net distribution plant. For situations in which data from the last comprehensive base-rate proceeding are not available to perform the described calculation, the Rate Class Allocation Factor shall be calculated as the total distribution revenue requirement allocated to the rate class (less any identifiable amounts explicitly unrelated to Distribution Invested Capital) divided by the total distribution revenue requirement (less any identifiable amounts explicitly unrelated to Distribution Invested Capital) for all classes as approved by the commission in the electric utility's last comprehensive base-rate case.

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Applicable: Entire Service Area

The Allocation Factor for each listed rate schedule is as follows:

|  |          |
|--|----------|
| Residential Service                            | 53.0715% |
| Secondary Service Less Than or Equal to 10 kVA | 2.1103%  |
| Secondary Service Greater Than 10 kVA          | 35.1158% |
| Primary Service                                | 1.6447%  |
| Transmission Service                           | 0.1383%  |
| Street Lighting Service                        | 7.9193%  |

$BD_{C-CLASS}$  = Rate Class Billing Determinants (weather-normalized and adjusted to reflect the number of customers at the end of the period) for the 12 months ending on the date used for purposes of determining the Current Net Distribution Invested Capital. For customer classes billed primarily on the basis of kilowatt-hour billing determinants, the DCRF shall be calculated using kilowatt-hour billing determinants. For customer classes billed primarily on the basis of demand billing determinants, the DCRF shall be calculated using demand billing determinants.

$BD_{RC-CLASS}$  = Rate Class Billing Determinants used to set rates in the last comprehensive base-rate proceeding.

**DCRF EFFECTIVE FOR SCHEDULED METER READ DATES ON AND AFTER  
SEPTEMBER 1, 2018, MARCH 1, 2019 AND SEPTEMBER 1, 2019**

| Rate Class   | Effective:<br>9/1/2018 | Effective:<br>3/1/2019 | Effective:<br>9/1/2019 | Billing Units      |
|--|------------------------|------------------------|------------------------|--------------------|
|  | DCRF Charge            | DCRF Charge            | DCRF Charge            |                    |
| Residential Service                                  | \$0.000762             | \$0.000655             | \$ 0.001145            | per kWh            |
| Secondary Service<br>Less Than or Equal to<br>10 kVA | \$0.000964             | \$0.000812             | \$ 0.001448            | per kWh            |
| Secondary Service<br>Greater Than 10 kVA             | \$0.127888             | \$0.107617             | \$ 0.192072            | per Billing<br>kVA |
| Primary Service                                      | \$0.057826             | \$0.048612             | \$ 0.086847            | per Billing<br>kVA |
| Transmission Service                                 | \$0.002219             | \$0.001865             | \$ 0.003333            | per 4CP kVA        |
| Lighting Services                                    | \$0.012569             | \$0.010512             | \$ 0.018877            | per kWh            |

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DETERMINATION OF BILLING DEMAND FOR DISTRIBUTION SYSTEM CHARGES

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

This rate schedule is subject to the Company's Tariff and Applicable Legal Authorities.

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**6.1.2 DISCRETIONARY SERVICE CHARGES (PREMISES WITH A STANDARD METER)**

This section of this Tariff lists the Discretionary Service Charges for Premises with a Standard Meter. A Standard Meter permits Company to perform many Discretionary Services without dispatching personnel to Retail Customer's Premises.

Competitive Retailer shall submit an order on behalf of Retail Customer to perform the Discretionary Service at Premises with a Standard Meter, unless this Tariff permits Retail Customer to directly request Company to perform the Discretionary Service or allows Company to initiate performance of the Discretionary Service. Competitive Retailer shall include the appropriate TX SET transaction in an order submitted to Company requesting performance of the Discretionary Service.

Company shall complete performance of the Discretionary Service according to the applicable timeline in this Section. If Company is unable to complete performance of the Discretionary Service in compliance with the applicable timeline for any reason, including, but not limited to, an inability to successfully communicate with the Meter, it shall complete performance of the service in a timely manner. The term "timely" requires Company to complete performance of the service on the same day specified in the applicable timeline if weather, time of day, location of Premises, and other relevant factors permit. Otherwise, Company shall prioritize the completion of the service on the next AMS Operational Day.

Company shall bill the appropriate Discretionary Service Charge to Competitive Retailer upon completion of the service, unless Company initiates performance of the Discretionary Service and bills the Retail Customer directly. Company shall not apply any additional charges for its performance of the Discretionary Service, such as processing fees and copying fees. Charges designated "As Calculated" in this Section apply to Discretionary Services for which the costs of performing such services vary, depending upon the circumstances of the service order and the requirements necessary to complete service performance. Company shall use the appropriate TX SET transaction for the Discretionary Service in an invoice submitted to Competitive Retailer.

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**6.1.2.1 UNIFORM DISCRETIONARY SERVICE CHARGES**

| Charge No.                | Name and Description   | Amount |
|---------------------------|--|--------|
| <b>Connection Charges</b> |  |        |
| (1)                       | <p><b>Move-In (Existing Standard Meter)</b></p> <p>This service initiates Delivery to Retail Customer’s Point of Delivery. It is available only at Premises with an existing Standard Meter. It is not available if inspections, permits, or construction is required and not completed.</p> <p>Company shall complete performance of the service on the requested date, provided: (1) Company receives the order by 7:00 PM CPT on the requested date, and (2) the requested date is an AMS Operational Day.</p> <p>Company may treat an order received after 7:00 PM CPT on an AMS Operational Day, or on a day that is not an AMS Operational Day, as received by 7:00 PM CPT on the next AMS Operational Day.</p> <p>If the requested date is not an AMS Operational Day, Company shall complete performance of the service by the first AMS Operational Day following the requested date.</p> | \$0.00 |
| (2)                       | <p><b>Move-In (New Standard Meter)</b></p> <p>This service initiates Delivery to Retail Customer’s Point of Delivery upon the installation of a new Standard Meter at the Premises. It is not available if inspections, permits, or construction (other than installation of the Meter) is required and not completed. Construction Service Charges relating to the cost and installation of the new Standard Meter appear in Section 6.1.2.2, CONSTRUCTION SERVICE CHARGES.</p> <p>Company shall complete performance of the service on the requested date, provided: (1) the requested date is a Business Day; (2) Company receives the order by 5:00 PM CPT on a Business Day, and (3) the order is received at least two Business Days prior to the requested date.</p> <p>Company may treat an order received after 5:00 PM CPT on a Business Day, or on a</p>                                |        |



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|  | <p>day that is not a Business Day, as received by 5:00 PM CPT on the next Business Day.</p> <p>If the order is received by the Company less than two Business Days prior to the requested date, Company shall complete performance of the service within two Business Days after the date the order is received. If the order is received at least two Business Days prior to the request date but the requested date is not a Business Day, Company shall complete performance of the service by the first Business Day following the requested date.</p>   | <p>\$0.00</p>                                 |
| <p><b>Disconnection Charges (Standard Meter)</b></p> |  |   |
| <p>(3)</p>   | <p><b>Move-Out</b></p> <p>This service discontinues Delivery to Retail Customer’s Point of Delivery.</p> <p>Company shall complete performance of the service on the requested date, provided: (1) Company receives the order by 7:00 PM CPT on the requested date; and (2) the requested date is an AMS Operational Day.</p> <p>Company may treat an order received after 7:00 PM CPT on an AMS Operational Day, or on a day that is not an AMS Operational Day, as received by 7:00 PM CPT on the next AMS Operational Day.</p> <p>If the requested date is not an AMS Operational Day, Company shall complete performance of the service by the first AMS Operational Day following the requested date.</p> | <p>Charge included in the Move-In charge.</p> |
| <p>(4)</p>   | <p><b>Clearance Request</b></p> <p>This service de-energizes/re-energizes Company electrical facilities on Retail Customer’s Premises before/after Retail Customer or Retail Customer’s contractor engages in activity near Company’s electrical facilities, or on or near Retail Customer’s electrical facilities. Retail Customer may directly submit an order to Company to obtain this clearance as authorized pursuant to Section 4.11, OUTAGE AND SERVICE REQUEST REPORTING.</p> <p>Company shall complete performance of the service on the requested clearance date,</p>   |   |

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|  | <p>provided: (1) Company receives the order by 5:00 PM CPT on a Business Day; and (2) the order is received at least three Business Days prior to the requested clearance date.</p> <p>Company may treat an order received after 5:00 PM CPT on a Business Day, or on a day that is not a Business Day, as received by 5:00 PM CPT on the next Business Day.</p> <p>Company shall accommodate an order requesting clearance based on a mutual agreement with the requesting party to perform the service at charges calculated by Company if: (1) the requested clearance date is not a Business Day; (2) the Company receives the order less than three Business Days prior to the requested clearance date; or (3) the activities necessary for clearance cannot be safely performed on the requested clearance date.</p> <p>Three Business Days' Notice (Residential)</p> <p>Three Business Days' Notice (Non-Residential)</p> <p>Less Than Three Business Days' Notice</p>   | <p>As Calculated</p> <p>As Calculated</p> <p>As Calculated</p> |
| <b>Disconnection/Reconnection for Non-Payment Charges (Standard Meter)</b> |  |  |
| (5)  | <p><b>Disconnection for Non-Payment (DNP)</b></p> <p>This service discontinues Delivery to Retail Customer's Point of Delivery due to Retail Customer's non-payment of charges billed by Competitive Retailer or Company. Company may also discontinue Delivery to Retail Customer's Point of Delivery due to Retail Customer's failure to fulfill obligations to the Company pursuant to a contract, this Tariff, or other Applicable Legal Authorities.</p> <p>Company shall not discontinue Delivery to Retail Customer's Point of Delivery due to non-payment: (1) before the requested date, (2) in violation of P.U.C. SUBST. R 25.483(f)(2); or (3) if provisions in other Applicable Legal Authorities prohibit such disconnection. Company also shall not discontinue Delivery to a Retail Customer's Point of Delivery between the hours of 5:00 PM and 7:00 AM CPT due to non-payment, unless a coordinated disconnection allowing the disconnection of service between these hours is arranged pursuant to Section 4.3.12.3, COORDINATED DISCONNECTION. When appropriate, the coordinated disconnection of service</p> |  |

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|  | <p>may occur between 5:00 PM and 7:00 AM CPT.</p> <p>Company shall not charge Competitive Retailer for performance of the service if Company initiates disconnection for non-payment.</p> <p><b>Disconnection at Meter</b></p> <p>Subject to the restrictions in this Tariff, Competitive Retailer may submit an order requesting Company to disconnect service to a Retail Customer’s Point of Delivery due to non-payment on either: (1) the date the order is received, or (2) a specified future date.</p> <p>Company shall complete performance of a same-day service order within two hours of Company’s receipt of the order, provided Company receives the order by 3:00 PM CPT on a Business Day. If Company receives an order for same-day service after 3:00 PM CPT on a Business Day, or on a day that is not a Business Day, it shall complete performance of the service by 9:00 AM CPT on the next Business Day.</p> <p>Company shall complete performance of a future-dated service disconnection order by 9:00 AM CPT on the requested date, provided: (1) Company receives the order by 11:59:59 PM CPT on the day preceding the requested date and (2) the requested date is a Business Day. If Company receives an order for future-dated service in which the requested date is not a Business Day, Company shall complete performance of the service by 9:00 AM CPT on the first Business Day following the requested date.</p> <p>Disconnection at Premium Location (e.g., pole, weatherhead, secondary box)</p> <p>Company shall complete performance of the order within three Business Days of the requested date, provided: (1) the requested date is a Business Day; (2) Company received the order by 5:00 PM CPT on a Business Day; and (3) the order is received at least two Business Days before the requested date.</p> <p>If the requested date is not a Business Day, Company shall treat the next Business Day as the requested date.</p> <p>Company may treat an order received after 5:00 PM CPT on a Business Day, or on a day that is not a Business Day, as received by 5:00 PM CPT on the next Business Day.</p> | <p>\$0.00</p> <p>\$61.00</p> |
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|            | <p>If the order is received by Company less than two Business Days prior to the requested date, Company shall complete performance of the service within four Business Days after the date the order is received.</p>  |               |
| <p>(6)</p> | <p><b>Reconnection After Disconnection for Non-Payment of Charges (DNP)</b></p> <p>This service restarts Delivery to Retail Customer’s Point of Delivery after discontinuance due to Retail Customer’s non-payment of charges billed by Competitive Retailer or Company.</p> <p>For Premises where Competitive Retailer provides prepaid service to Retail Customer pursuant to P.U.C. SUBST. R 25.498, Company shall complete performance of the service within one hour of Company’s receipt of order.</p> <p>Company shall not charge Competitive Retailer for performance of the service if Company restarts Delivery after Company-initiated disconnection for non-payment.</p> <p>Reconnection at Meter</p> <p>Company shall complete performance of the service within two hours of Company’s receipt of order.</p> <p>Reconnection at Premium Location (e.g., pole, weatherhead, secondary box, etc.)</p> <p>Company shall complete performance of standard reconnection service on the date Company receives the order, provided Company receives the order by 2:00 PM CPT on a Business Day.</p> <p>If the order is received after 2:00 PM CPT on a Business Day, Company shall complete performance of the standard service on the same date if possible, but no later than the close of Company’s next Field Operational Day.</p> <p>Company shall treat an order for standard reconnection service received after 7:00 PM CPT, or on a day that is not a Business Day, as received at 8:00 AM CPT on the next Business Day.</p> <p>Company shall complete performance of the same-day reconnection service on date Company receives the order, provided Company receives the order by 5:00 PM CPT</p> | <p>\$0.00</p> |

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|   | <p>on a Business Day. If the order is received by Company after 5:00 PM CPT on a Business Day, or on a day that is not a Business Day, Company shall complete performance of the service no later than the close of Company’s next Field Operational Day.</p> <p>In no event shall Company fail to reconnect service within 48 hours after receipt of an order for reconnection service. However, if this requirement results in the reconnection being performed on a day that is not a Business Day, the appropriate Weekend or Holiday charge shall apply.</p> <ul style="list-style-type: none"> <li>i. Standard Reconnect</li> <li>ii. Same Day Reconnect</li> <li>iii. Weekend</li> <li>iv. Holiday</li> </ul> | <p>\$61.00</p> <p>\$187.00</p> <p>\$187.00</p> <p>\$246.00</p> |
| <b>Meter Testing Charge (Standard Meter)</b>  |  |  |
| (7)   | <p>This charge is for service to test Retail Customer’s Meter in accordance with Section 4.7.4, METER TESTING. Retail Customer may directly submit an order to Company to perform this service as authorized pursuant to Section 4.11, OUTAGE AND SERVICE REQUEST AND REPORTING.</p> <p>Company-Owned Meter</p> <ul style="list-style-type: none"> <li>a. First Meter test in last four years</li> <li>b. Meter found outside relevant accuracy standards</li> <li>c. All other</li> </ul> <p>Competitive Meter</p>  | <p>\$0.00</p> <p>\$0.00</p> <p>\$49.00</p> <p>\$82.00</p>      |
| <b>Meter Reading Charges (Standard Meter)</b> |  |  |
| (8)   | <p><b>Meter Reading for the Purpose of a Standard Switch</b></p> <p>This service reads Retail Customer’s Meter for the purpose of switching Retail</p>   |  |

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|  | <p>Customer’s account to a different Competitive Retailer when Retail Customer has not requested a self-selected switch. The service is performed in accordance with Section 4.3.4, CHANGING OF DESIGNATED COMPETITIVE RETAILER.</p> <p>Company shall complete performance of the service using an Actual Meter Reading to allow completion of the switch on the First Available Switch Date (FASD) received from the Registration Agent, provided: (1) Company receives the order by 7:00 PM CPT on an AMS Operational Day; and (2) the FASD is an AMS Operational Day. The FASD is day zero unless otherwise specified by the Registration Agent.</p> <p>Company may treat an order received after 7:00 PM CPT on an AMS Operational Day, or on a day that is not an AMS Operational Day, as received on the next AMS Operational Day.</p> <p>Company may use an Estimated Meter Reading to complete performance of the service if conditions preclude execution of an Actual Meter Reading.</p> <p><b>(9) Meter Reading for the Purpose of a Self-Selected Switch</b></p> <p>This service reads Retail Customer’s Meter on a date other than the Scheduled Meter Reading Date for the purpose of switching Retail Customer’s account to a different Competitive Retailer on a date certain. The service is performed in accordance with Section 4.3.4, CHANGING OF DESIGNATED COMPETITIVE RETAILER. A charge applies only when Company uses an Actual Meter Reading to perform the service.</p> <p>Company shall complete performance of the service on the requested date provided: (1) Company receives the order by 7:00 PM CPT on the requested date; and (2) the requested date is an AMS Operational Day.</p> <p>Company may treat an order received after 7:00 PM CPT on an AMS Operational Day, or on a day that is not an AMS Operational Day, as received on the next AMS Operational Day.</p> <p>If the requested date is not an AMS Operational Day, Company shall complete performance of the service by the first AMS Operational Day following the requested date.</p> <p>Company may use an Estimated Meter Reading to complete performance of the</p> | <p>\$0.00</p> <p>\$0.00</p> |
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| <p>(10)</p>  | <p>service if conditions preclude execution of an Actual Meter Reading.</p> <p><b>Meter Reading for the Purpose of a Mass Transition</b></p> <p>This service provides a Meter Reading for each affected Retail Customer for the purpose of a mass transition of the Retail Customers pursuant to P.U.C. SUBST. R 25.43. Company shall charge the exiting Competitive Retailer for performance of the service.</p>  | <p>\$0.00</p>  |
| <p><b>Non-Standard Meter Installation Charge</b></p> |  |  |
| <p>(11)</p>  | <p><b>Non-Standard Metering Service One-Time Fee</b></p> <p>Applicable to a Retail Customer receiving Standard Metering Service who chooses pursuant to P.U.C. SUBST. R 25.133 to begin receiving Non-Standard Metering Service.</p> <p><b>Existing Analog Meter One-Time Fee</b></p> <p><b>New Analog Meter (if commercially available) One-Time Fee</b></p> <p><b>Digital Non-Communicating Meter One-Time Fee</b></p> <p><b>Advanced Meter with Communications Disabled One-Time Fee</b></p>  | <p>\$91.00</p> <p>\$171.00</p> <p>\$201.00</p> <p>\$174.00</p> |
| <p><b>Service Call Charge (Standard Meter)</b></p>   |  |  |
| <p>(12)</p>  | <p>This charge is for service that dispatches Company personnel to Retail Customer’s Premises to investigate an outage or other service-related problem. Retail Customer may directly submit an order to Company to perform this service as authorized pursuant to Section 4.11, OUTAGE AND SERVICE REQUEST REPORTING.</p> <p>A charge for performance of this service applies only if Company completes its investigation and determines the outage or other service-related problem is not caused by Company’s equipment.</p> <p>Business Day (8:00 AM -5:00 PM CPT)</p> <p>Business Day (Other Hours)</p> | <p>\$50.00</p> <p>\$50.00</p>                                  |

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|   | Weekend  | \$50.00       |
|   | Holiday  | \$50.00       |
| <b>Tampering and Related Charges (Standard Meter)</b> |  |               |
| (13)  | <p><b>Tampering</b></p> <p>This service investigates and corrects the unauthorized use of Delivery System pursuant to Section 5.4.7, UNAUTHORIZED USE OF DELIVERY SYSTEM, or other Tampering with Company’s Meter or Metering Equipment, or the theft of electric service by any person at the Retail Customer’s Premises.</p> <p>Tampering charges may include, but are not limited to, Delivery Charges, the cost of testing the Meter, the cost of replacing and repairing a Meter and associated equipment (including the Meter seal), the cost of installing protective facilities or relocating the Meter, and all other costs associated with the investigation and correction of the unauthorized use.</p> | As Calculated |
| (14)  | <p><b>Broken Outer Meter Seal</b></p> <p>This service replaces a broken outer Meter seal.</p>  | \$31.00       |
| <b>Denial of Access Charges (Standard Meter)</b>      |  |               |
| (15)  | <p><b>Inaccessible Meter</b></p> <p>This service applies when Company personnel is unable to gain access to the Meter of a Critical Load Public Safety Customer or Critical Load Industrial Customer as a result of continued denial of access to the Meter as provided in Section 4.7.2.1, DENIAL OF ACCESS BY RETAIL CUSTOMER.</p>   | \$55.00       |
| (16)  | <p><b>Denial of Access to Company’s Delivery System</b></p> <p>This charge applies when Retail Customer fails to provide access to Retail Customer’s Premises, as required by Section 5.4.8. ACCESS TO RETAIL CUSTOMER’S PREMISES, and includes all costs incurred by Company to obtain such access.</p>   | As Calculated |



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**6.1.2.2 CONSTRUCTION SERVICE CHARGES**

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**SECTION 1: INTRODUCTION**

CenterPoint Energy Houston Electric, LLC extends Delivery Service facilities to Retail Customers in accordance with the policy outlined in Chapter 5, Section 5.7, Facilities Extension Policy and described in more detail in this Construction Services policy. The booklet titled, Service Standards, is an integral part of this description of the Company's construction service practices. Terms and conditions contained in Chapters 3, 4 and 5 of the Tariff for Retail Delivery Service are a part of this Construction Services policy. Application of this generalized policy is determined by the Company, which also reserves the right to withdraw or modify this policy when, in the sole opinion of the Company, changing conditions warrant such withdrawal or modification.

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**SECTION 2: EXTENSION OF SERVICE FACILITIES  
TO PERMANENT RETAIL CUSTOMERS****Subsection 2.1- Introduction**

The Company's general policy for extending Delivery Service to permanent Retail Customers is to utilize overhead construction consisting of wood poles and overhead circuits extended to transformer locations acceptable to the Company. A permanent Retail Customer is one whose installed electrical equipment is used in a manner which provides the Company a reasonable return on the capital investment required to serve the Retail Customer for a time period approximately equal to the life of the Company's installed service facilities. The Point of Delivery and construction specifications for all service facilities extensions are determined by the Company. A request by a permanent Retail Customer for Delivery Service facilities which does not meet the Company's general policy for extending Delivery Service facilities as contained herein must be approved by the Company and may require additional contractual agreements.

Retail Customer may obtain all equipment necessary for redundant service to any point of service provided that, in the judgment of the Company, sufficient reserve capacity is available and provided Retail Customer pays the cost of establishing and maintaining such redundant service.

In instances where easements and/or right-of-ways have not been granted to the Company, the Retail Customer bears the cost of obtaining easements and rights-of-way.

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**Subsection 2.2- Overhead Distribution Service**

The Company extends overhead electric delivery service facilities to any permanent Retail Customer, without charge, for a distance not to exceed 1,000 feet for three phase service and 2,000 feet for single phase service from the nearest available overhead line of suitable voltage, phase and capacity. Facilities must be extended along public rights-of-way or dedicated easements and are subject to the provisions in Service Standards.

The cost of installation and purchase of FAA “ball markers” on overhead lines or, alternatively the cost of placing the overhead line underground, is at Retail Customer’s expense.

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### **Subsection 2.3- Overhead Distribution Service Extensions**

#### **1000/2000-Foot Line Extension Plan**

The Company extends, without charge, single-phase distribution facilities up to 2,000 feet from existing lines of suitable phase, voltage and capacity to serve a permanent Retail Customer, provided the extension is made along a public road or dedicated easement, or provided the extension does not utilize more than three poles on private property. If the Retail Customer qualifies for three-phase service, as outlined in Service Standards, the Company extends three-phase facilities up to 1,000 feet under similar circumstances.

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

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Cost associated with service extensions in excess of the free distances are at Retail Customer expense, as are costs associated with increasing the capacity of existing lines along the route of extension and costs associated with line construction over or around any natural or man made obstacle.

### **Area Development Plan**

Service facilities may also be extended at Company expense provided the facilities are required for increased reliability, service continuity, or development of the Company's distribution system. In conjunction with the installation of such facilities, the Company may extend service from these facilities to Retail Customers in accordance with the appropriate line extension plan.

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**Subsection 2.4- High Voltage Transmission Service Extension Plan**

A Retail Customer whose load is of such magnitude or of such unusual characteristics that it cannot otherwise be economically served from Company's distribution system, as determined by Company, must receive electric service from the Company's high-voltage transmission system. The Retail Customer is responsible for all extension cost and providing all substation equipment, in accordance with the Company's specifications, both initially and from time to time thereafter, whenever changes in the Company's transmission system (including the transmission system's monitoring and protection devices) require such changes in the substation in order to maintain its compatibility with the Company's transmission system. The Retail Customer will comply with Company's operating standards.

In instances where transmission services are requested that are necessary for new electric generation resources, service will be provided in accordance with applicable Rules and Legal Authority.



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**Subsection 2.5- Underground Service Extensions****Underground Service to Residential Retail Customers**

Single-phase underground electric delivery service is supplied to a residential subdivision, apartment, or condominium provided projects meet Company Service Standards and specification. The service lateral from Company facilities to the dwelling unit is installed, owned, and maintained by the Retail Customer, and each dwelling unit must be individually metered and billed by the Company. The underground system is supplied, from overhead distribution facilities, at locations specified by the Company. Certain dwelling units adjacent to overhead distribution facilities are served, at the Company's option, through standard overhead facilities. This underground residential distribution plan is not applicable to mobile home developments. A contribution toward the cost of construction may be required when projects do not meet Company Service Standards and specifications. Additional contractual arrangements are also required if the developer requests installation of service facilities prior to reasonable utilization.

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 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 SUBSECTION 2.5 APPLIES MUST TAKE NECESSARY STEPS TO ENSURE THAT THE INDEMNIFICATION REQUIREMENTS OF THIS SUBSECTION 2.5 DO NOT CREATE A "DEBT" IN VIOLATION OF ARTICLE XI, SECTION 7 OF THE TEXAS CONSTITUTION. SUCH STEPS MAY INCLUDE, BUT ARE NOT NECESSARILY LIMITED TO, A THIRD-PARTY INDEMNIFICATION IN WHICH THE CONTRACTOR PERFORMING THE WORK FOR THE GOVERNMENTAL ENTITY INDEMNIFIES THE COMPANY OR THE ESTABLISHMENT OF A SINKING FUND.

**Underground Service to Commercial and Industrial Retail Customers**

The Company's standard practice for extending electric service to commercial and industrial Retail Customers is to utilize overhead construction consisting of wood poles and overhead

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circuits extended to transformer locations acceptable to the Company. 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. The maintenance on this equipment, exclusive of pads of bus connected transformers, will be performed by the Company.

Retail Customer requesting special non-standard underground service arrangements must reimburse the Company for the difference in cost between standard construction, as outlined above, and the requested special non-standard service arrangements. 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.

Substantial investments in underground service facilities have been made in certain areas of the Company's distribution system, and overhead service extensions into these areas are impractical and will nullify the benefits of past investments. In consideration of these factors, underground service utilizing one or more circuits with manual switching capabilities is provided in such areas at no cost to the Retail Customer. Special service arrangements, such as redundant transformer installations and automatic circuit transfer designs, are provided at the Company's option on the basis of the Retail Customer reimbursing the Company for the additional cost of the special service arrangement. The Retail Customer must install concrete encased ducts, manholes, switchrooms, transformer vaults, and pads for transformers, switches, and protective devices according to Company specifications.

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 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 SUBSECTION 2.5 APPLIES MUST TAKE NECESSARY STEPS TO ENSURE THAT THE INDEMNIFICATION REQUIREMENTS OF THIS SUBSECTION 2.5 DO NOT CREATE A "DEBT" IN VIOLATION OF ARTICLE XI,

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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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**SECTION 3: EXTENSION OF SERVICE FACILITIES TO CUSTOMERS THAT DO NOT MEET ALL CRITERIA FOR PERMANENT CLASSIFICATION**

Certain types of Retail Customer facilities do not fully meet the criteria for classification as permanent, but these facilities are not regarded as temporary because a certain degree of permanency exists. For these Retail Customers, 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 facilities in this classification include, but are not limited to, livestock water wells, sign boards, concrete or asphalt batch plants, railroad crossing signals, drive-up photographic finishing stations, 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 facilities, 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: EXTENSIONS OF SERVICE FACILITIES TO TEMPORARY CUSTOMERS**

##### **Temporary Service**

Temporary service is provided, at the Company's option, on the basis of the Retail Customer paying the cost of installation and removal of Company facilities.

##### **Service of Doubtful Permanence**

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 estimated installation and removal costs of Company equipment and provides for a refund of such payment if the Retail Customer constructs permanent facilities within 24 months from the date electric delivery service facilities are made available. Expenses involved in altering Company facilities to provide permanent service are charged against the refund due the Retail Customer.

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**SECTION 5: EXTENSION OF SERVICE TO SOURCES OF ELECTRIC GENERATION**

CenterPoint Energy Houston Electric, LLC will make high voltage delivery service available to sources of electric generation that comply with Company Service Standards, Company specifications and the Commission approved ERCOT Standard Interconnection Agreement. Retail Customers requesting this service must follow the ERCOT Independent System Operator's (ISO) "Generation Interconnection Procedure", as well as any Rules of an Applicable Legal Authority.

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**SECTION 6: STREET LIGHTING SERVICE****Subsection 6.1- Incorporated Areas  
Municipalities**

Street lighting systems are installed, owned, and maintained by the Company only on public streets or roads. 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.

Lamp TypeHigh Pressure  
Sodium VaporCompany Contribution per LampCost of Company's standard installation,  
but not to exceed \$1,230.00

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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 Tariff Sheet No. 6.15.

**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.

**Retail Customer Installed Street Lighting Systems**

Retail Customer may, at his option, elect to install a privately owned street lighting system. Delivery Service will be provided under the Company's standard practices for metered service and will be billed under the applicable secondary service rate schedule.



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**Subsection 6.2- Unincorporated Areas**

Street lighting systems are installed, owned, and maintained by the Company only on public streets or roads. 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.

| <u>Lamp Type</u>           | <u>Company Contribution per Lamp</u>                                  |
|----------------------------|---|
| High Pressure Sodium Vapor | Cost of Company's standard installation, but not to exceed \$1,230.00 |

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 Tariff Sheet No. 6.15.

**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.

**Retail Customer Installed Street Lighting System**

Retail Customer may, at his option, elect to install a privately owned street lighting system. Delivery Service will be provided under the Company's standard practices for metered service and will be billed under the applicable secondary service rate schedule.

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## **SECTION 7: METERING PRACTICES**

Delivery Service is provided to an individual 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 interpretations are applied in situations where separate entities are grouped in a common structure.

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 residential premises.

Individual rental units in an apartment project are either metered as individual residential premises or grouped as one premises with one meter and billed on the appropriate non-residential service rate.

Individual retail spaces in a multi-tenant building are metered as separate premises.

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

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 SERVICE POLICIES****Miscellaneous Lighting Service**

Miscellaneous Lighting Service is available to all Retail Customers within Company's service area where permission for installation is granted by all affected parties, provided suitable Company owned electrical facilities are available on the pole selected for the installation. Retail Customer or their REP shall provide and own the Company approved lighting fixture for this type of installation.

The Company installs and maintains lighting fixtures under Rate Lighting Services, under section Miscellaneous Lighting Service. Construction work is done at Retail Customer's expense. Lighting fixtures are installed in mutually acceptable locations utilizing Company approved fixtures.

The cost of relocating a light is borne by the Retail Customer. See Lighting Services rate schedule for more details.

**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.

**Construction of Non-Standard Service Facilities**

The Company determines the Point of Delivery of electric service to all Retail Customers as well as the standard routing for Company distribution facilities required to provide service to the Point of Delivery. Retail Customers requesting special construction, for aesthetic considerations, clearance of obstructions, or service to a non-standard Point of Delivery, reimburse the Company for the difference in cost between the standard service arrangement and the requested special construction or routing.

**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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**Service to Mobile Homes and Mobile Home Parks**

Electric service facilities are extended to a permanently located residential mobile home in accordance with the appropriate Company line extension plan. For any service facilities to be provided at Company expense, water and sewage facilities must be equal to that of a permanently constructed home.

The Company installs single-phase overhead service facilities within a permanently constructed mobile home park so that single-phase service is available to each mobile home through a separate meter. Retail Customers requesting special routing for aesthetic purposes or special construction, such as underground service arrangements, will be required to reimburse the Company for the added cost of the special work. The Retail Customer is also required to clear the ground, as specified by the Company, along the route of the line extension within the park. The Company performs the remaining tree trimming required for aerial clearances within the park. If the cost of this trimming exceeds 25 percent of the line cost within the park, the Retail Customer bears the remainder of the trimming cost. Transformers, meters, and service drops are not included in the line cost.

The construction required along a public road, street, or dedicated easement, to make service available to the park location, is provided in accordance with the appropriate Company line extension for permanent Retail Customers.

Permanent parks for transient type mobile homes and campers are considered one premises and are billed on the applicable non-residential service rate. Service extensions to these parks are based on the appropriate line extension plan.

**Types of Service**

Single-phase or three-phase 60 hertz (hz) electric service is supplied to a Retail Customer at one of the Company's nominally rated voltages as specified in Company's Service Standards.

The Company determines the Point of Delivery and the service voltage to be supplied to a Retail Customer at no charge in accordance with the appropriate line extension plan. The additional costs of special service arrangements approved by the Company are at Retail Customer expense.

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### **Rental of Company Equipment**

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.

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**SECTION 9: COMPETITIVE METERING CONSTRUCTION SERVICES****Competitive Meter Remove/Install Service Fee**

A single trip charge for removing one 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”.

|                         | <b><u>Charge</u></b> |
|-------------------------|----------------------|
| Self-Contained Meter    | \$ 76.00             |
| Transformer Rated Meter | \$119.00             |

**Competitive Meter Physical Access Equipment Installation Service Fee**

Competitive Meter Physical Access Equipment Installation Service Fee is made 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.

|   | <b><u>Charge</u></b> |
|---|----------------------|
| A. No Additional Service Call Required ( <i>performed during initial meter installation</i> ) | \$ 39.00             |
| B. Additional Service Call Required ( <i>performed after initial meter installation</i> )     | \$ 77.00             |

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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>   |
|---|--|---|
| <b>Meter Test Charges:</b>                      |  |   |
| DC.1  | <p><b>Competitive Meter Communication Diagnostic Service Fee</b><br/>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<br/>Transformer rated meter</p>  | <p style="text-align: right;">\$ 65.00<br/>\$ 65.00</p> |
| <b>Non-Standard Meter Installation Charges:</b> |  |   |
| DC.2  | <p><b>Advanced Billing Meter Installation Charge</b><br/>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>* \$204.00 plus the incremental cost between a standard meter for the specified installation and the advanced meter functionality requested, plus additional charges for services related to advanced capabilities as appropriate.</p> | (see charges in description section*)                   |
| DC.3  | <p><b>Advanced Non-Billing Meter Installation Charge</b><br/>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>*\$204.00 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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|                             |  |   |
|-----------------------------|--|---|
| DC.4                        | <p style="text-align: center;"><b>Pulse Metering Equipment Installation</b></p> <p><i>For Billing Meters that do not currently provide pulse outputs (kWh meters and thermal demand meters)</i></p> <p>Install Pulse Meter and fused junction box (customer receives one pulse output-kWh). For more than one output, requests will be processed according to charges under the “Advanced Billing Meter Installation Charge” above.</p> <p><i>For Billing Meters with current pulse capabilities for kWh, kVAR, and time</i></p> <p>Install one relay (one output)</p> <p>Install two relays (two outputs)</p> <p>Install three relays (three outputs)</p> | <p style="text-align: right;">\$ 219.00</p> <p style="text-align: right;">\$ 302.00</p> <p style="text-align: right;">\$ 458.00</p> <p style="text-align: right;">\$596.00</p>  |
| DC.5                        | <p style="text-align: center;"><b>Pulse Metering Equipment Replacement</b></p> <p>Replace one relay*</p> <p>Replace one Pulse Meter</p> <p>Replace one relay and one Pulse Meter*</p> <p>Replace fuses in fused junction box</p> <p>Pulse Metering Equipment trouble call which is determined to be problem with Customer’s equipment</p> <p style="text-align: center;">*Each additional relay replaced on same trip</p>  | <p style="text-align: right;">\$ 226.00</p> <p style="text-align: right;">\$ 179.00</p> <p style="text-align: right;">\$ 341.00</p> <p style="text-align: right;">\$ 52.00</p> <p style="text-align: right;">\$ 52.00</p> <p style="text-align: right;">\$ 160.00</p> |
| DC.6                        | <p style="text-align: center;"><b>Competitive Meter Non-Standard Programming Service Fee</b></p> <p>Self-contained meter- field programming</p> <p>Self-contained meter- shop programming</p> <p>Transformer rated meter- field programming</p> <p>Transformer rated meter- shop programming</p>   | <p style="text-align: right;">\$ 73.00</p> <p style="text-align: right;">\$ 46.00</p> <p style="text-align: right;">\$ 73.00</p> <p style="text-align: right;">\$ 46.00</p>   |
| <b>Service Call Charge:</b> |  |   |
| DC.7                        | <p style="text-align: center;"><b>URD By-Pass Cable Installation Charge</b></p> <p>Applicable to any Residential Retail Customer or Retail Customer’s REP that requests the Company to install a temporary, above-ground by-pass cable in order to continue electric service while Retail Customer-owned URD facilities are being repaired or replaced. (Charge per month.)</p>  | <p style="text-align: right;">\$ 261.00<br/>Per Month</p>   |

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| <b>Other Charges:</b> |   |                        |
|-----------------------|---|------------------------|
| DC.8                  | <p style="text-align: center;"><b>Returned Check Charge</b></p> <p>Applicable to any Retail Customer or REP whose check is returned by a bank or other financial institution as not payable.</p>  | \$ 10.50               |
| DC.9                  | <p style="text-align: center;"><b>Voltage Monitoring</b></p> <p>Applicable to requests by Retail Customer or Retail Customer's Competitive Retailer to install voltage monitoring equipment at Retail Customer's Point of Service for evaluation and reporting of data.</p> <ol style="list-style-type: none"> <li>1. Data determines a problem with Company's equipment or system</li> <li>2. Data determines no problem with Company's equipment or system.</li> </ol>  | No Charge<br>\$ 954.00 |
| DC.10                 | <p style="text-align: center;"><b>Damage to Company Facilities</b></p> <p>Pursuant to Section 5.4.6, RETAIL CUSTOMER'S DUTY REGARDING COMPANY'S FACILITIES ON RETAIL CUSTOMER'S PREMISES, charges for loss of, or damage to, Company Delivery System facilities on Retail Customer's Premises caused by or arising out of Retail Customer's failure to exercise reasonable care not to damage such facilities, including labor, material, equipment, legal services and associated costs including cost burdens, such as, overhead, warehousing, administration, etc.</p>             | As Calculated          |
| DC.11                 | <p style="text-align: center;"><b>Adverse Effects and Improper Power Factor</b></p> <p>Pursuant to Section 5.5.2, INTERMITTENT ELECTRICAL LOADS AND LIMITATIONS ON ADVERSE EFFECTS and Section 5.5.5, POWER FACTOR, charges for labor, material, equipment, legal services and associated costs including cost of burdens, such as, overhead, warehousing, administration, etc. provided by the Company to correct adverse effects due to Retail Customer's equipment or operations, including improper power factor, voltage fluctuations, interference or distorted wave forms.</p> | As Calculated          |
| DC.12                 | <p style="text-align: center;"><b>Provision of Retail Customer Data</b></p> <p>Pursuant to Section 5.10.2, RETAIL CUSTOMER RESPONSIBILITY AND RIGHTS, charges for compiling, copying, printing, administration and sending customer data other than that required by Applicable Legal Authority to be provided at no charge.</p>  | As Calculated          |
| DC.13                 | <p style="text-align: center;"><b>Customer Required Upgrade to Delivery System</b></p> <p>Pursuant to Section 5.7.6, CUSTOMER REQUESTED FACILITY UPGRADES, charges for the costs of a facility upgrade that is attributable to the Retail Customer adding load in excess of existing Delivery System facility capacity, if Company requires a contribution in aid of construction.</p>  | As Calculated          |



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**6.1.2.3.2 Public Access to Accessible Utility Information - Rate AUI**

CenterPoint Energy Houston Electric, LLC will make accessible utility information available to the public on a non-discriminatory basis. The information available is described below. Procedures for obtaining this information along with the available format(s) and the charges for receiving this information are detailed on the Order Form beginning on page 2.

1. **Tariff for Retail Delivery Service** - Includes areas served, rate schedules, riders, terms and conditions, agreement forms, service policies and others. (Historical data is for the Tariff effective on 1/1/2002; new Tariff books will be available as individual schedules are added, deleted or modified).
2. **Average Annual Cooling Hours for Houston** - Cooling hour analysis. (Jul-98 and periodically thereafter).
3. **Average Annual Heating Hours for Houston** - Heating hour analysis. (Jul-98 and periodically thereafter).
4. **Interim Reports** - If new accessible utility information is created between updates of this Service Regulation, they will be priced at ten cents per page plus postage.

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**ORDER FORM**

Complete this form by checking the box next to the item(s) requested and the boxes next to the version and format selected. Also indicate the number of copies requested of each item and then the total cost for those items as well as the total for the entire purchase request. Fill-in your name, mailing address and phone number in the spaces provided. Mail the order form and your check or money order to the address below. (Please allow 3 to 4 weeks for delivery.)

**CenterPoint Energy Houston Electric, LLC**  
**ATTN: Accessible Utility Information**  
**Regulatory Department**  
**P. O. Box 1700**  
**Houston, Texas 77251-1700**

| <u>ITEM</u>  | <u>FORMAT</u> | <u>VERSION</u>   | <u>COST</u>        | <u>NO. COPIES</u>  | <u>TOTAL \$</u> |
|--|---------------|--|--------------------|--|-----------------|
| <input type="checkbox"/> 1. Tariff for Retail Delivery Service | Paper         | <input type="checkbox"/> 1/1/2002<br><input type="checkbox"/> Current      | \$42.40<br>\$42.40 | <input type="checkbox"/> _____<br><input type="checkbox"/> _____ | _____<br>_____  |
| <input type="checkbox"/> 2. Average Cooling Hours- Houston     | Paper         | <input type="checkbox"/> Jul-98<br><input type="checkbox"/> other<br>_____ | \$0.43<br>\$0.43   | <input type="checkbox"/> _____<br><input type="checkbox"/> _____ | _____<br>_____  |
| <input type="checkbox"/> 3. Average Heating Hours- Houston     | Paper         | <input type="checkbox"/> Jul-98<br><input type="checkbox"/> other<br>_____ | \$0.53<br>\$0.53   | <input type="checkbox"/> _____<br><input type="checkbox"/> _____ | _____<br>_____  |
|  |               |  |                    |  |                 |
|  |               |  |                    |  |                 |

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| <u>ITEM</u>                                | <u>FORMAT</u> | <u>VERSION</u> | <u>COST</u>            | <u>NO. COPIES</u>              | <u>TOTAL \$</u> |
|--|---------------|----------------|------------------------|--------------------------------|-----------------|
| <input type="checkbox"/> 4. Interim Report | Paper         | Interim        | 10¢ per page + postage | <input type="checkbox"/> _____ | _____           |
|  |               |                |                        | <b>SUBTOTAL</b>                |                 |

Sales Tax Amount \_\_\_\_\_  
 (8.25 % of Subtotal)  
 (No sales tax on out-of-state orders.)

**TOTAL** \_\_\_\_\_

**MAKE CHECK OR MONEY ORDER PAYABLE TO:  
 CenterPoint Energy Houston Electric, LLC**

Your Name \_\_\_\_\_

Your Street or PO Box \_\_\_\_\_

Your City, State, Zip \_\_\_\_\_

Your Phone Number: Area Code \_\_\_\_\_ Number \_\_\_\_\_

**NOTE: Orders for specific documents may not be placed by telephone; however, if you have questions about completing the form, or wish to request a copy of the order form, please call 713-207-5454.**

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### **6.1.2.3.3 PREMIUM ROLLOVER SERVICE - RATE PRS**

Some Retail Customers operate sensitive equipment or have other needs that require higher levels of reliability of electric power delivery service than is achievable from the standard distribution system. CenterPoint Energy Houston Electric, LLC will accommodate Retail Customers' requests for the provision of back-up or premium electric power delivery services where facilities of adequate capacity, proper phase and suitable voltage can be made available.

The extension of such service will require the installation of additional delivery facilities at Retail Customer expense. These additional facilities might include 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, power quality equipment and various other facilities and devices needed for the safe and reliable operation of CenterPoint Energy Houston Electric, LLC's delivery system.

#### **Pre-construction Study**

Given the complexity and magnitude of projects of this nature, any Retail Customer choosing to proceed with detailed design and engineering will be required to make a non-refundable payment to the Company to cover such pre-construction activity (Pre-construction Study). The Retail Customer will be quoted the cost of the Pre-construction Study based on the magnitude of the project and time estimated to be spent on the pre-construction activities.

#### **Customer Contribution**

All installation costs above standard service arrangements related to the provision of such premium delivery service will be solely at Retail Customer expense, requiring non-refundable payment prior to construction (Customer Contribution).

#### **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 quoted on a case by case basis, based on an engineering estimate of the cost.

#### **Requested Overtime**

CenterPoint Energy Houston Electric, LLC will schedule required construction during normal business hours in coordination with the Retail Customer's needs. If any of the work must be scheduled at the Retail Customer's convenience and it requires overtime, the requesting party must bear the cost of any premium pay incurred (Requested Overtime).

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#### **6.1.2.3.4 ASSET USE SERVICE - RATE AUS**

##### **AVAILABILITY**

Service under this tariff is subject to availability of Company's assets for the use that is requested, a determination (made at Company's sole discretion) that such requested use will not impair service to Company's other Retail Customers, and the terms and conditions set forth herein.

##### **APPLICATION**

Applicable to Retail Customer's use of Company's assets at Retail Customer's request.

##### **SERVICES PROVIDED**

Company is engaged in the business of providing electric power delivery service. Company owns and operates assets necessary to perform this core function. Company's assets can be used for additional functions beyond the core function that Company performs, if such additional use of Company's assets is beneficial to Company's Retail Customers, as determined by the Company.

##### **SERVICE CHARGES**

Charges for services provided shall be as mutually agreed by the Company and Retail Customer. However, charges shall not be less than long term marginal cost incurred by Company in providing such service.

##### **PAYMENT**

As provided for in the contract terms and conditions.

##### **CONTRACT**

The contract duration and other terms and conditions shall be as mutually agreed by the Company and Retail Customer.

##### **NOTICE**

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



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#### 6.1.2.4 INTERCONNECTION AND PARALLEL OPERATION OF DISTRIBUTED GENERATION

##### 6.1.2.4.1 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 with the Utility System.

#### PRE-INTERCONNECTION STUDY FEE SCHEDULE

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

| <b>Non-Exporting</b>                 | <b>0 to 10 kW</b> | <b>10+ to 500 kW</b> | <b>500+ to 2000kW</b> | <b>2000+ to 10,000 kW</b> |
|--------------------------------------|-------------------|----------------------|-----------------------|---------------------------|
| 1. Pre-certified, not on network     | \$0               | \$0                  | \$650                 | \$845                     |
| 2. Non pre-certified, not on network | \$312             | \$503                | \$1,210               | \$1,405                   |
| 3. Pre-certified, on network         | \$272             | \$640                | \$1,680               | \$1,875                   |
| 4. Not pre-certified, on network     | \$525             | \$1,150              | \$2,240               | \$2,435                   |

| <b>Exporting</b>                     | <b>0 to 10 kW</b> | <b>10+ to 500 kW</b> | <b>500+ to 2000kW</b> | <b>2000+ to 10,000 kW</b> |
|--------------------------------------|-------------------|----------------------|-----------------------|---------------------------|
| 1. Pre-certified, not on network     | \$75              | \$220                | \$870                 | \$1,065                   |
| 2. Non pre-certified, not on network | \$312             | \$769                | \$1,430               | \$1,625                   |
| 3. Pre-certified, on network         | \$272             | \$860                | \$1,900               | \$2,095                   |
| 4. Not pre-certified, on network     | \$495             | \$1,370              | \$2,460               | \$2,655                   |

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**Prescribed Form for the Application for Interconnection and Parallel Operation of Distributed Generation**

Customers seeking to interconnect distributed generation with the utility system will complete and file with the company the following Application for Parallel Operation:

**APPLICATION FOR INTERCONNECTION AND PARALLEL OPERATION OF DISTRIBUTED GENERATION**

Return Completed Application to: CenterPoint Energy Houston Electric, LLC  
Attention: Bruce Raborn  
Distribution System Protection  
P.O. Box 1700  
Houston, TX 77251

Customer's Name: \_\_\_\_\_

Address: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Email Address: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Service Point Address: \_\_\_\_\_

Information Prepared and Submitted By: \_\_\_\_\_

(Name and Address) \_\_\_\_\_

Signature \_\_\_\_\_

The following information shall be supplied by the Customer or Customer's designated representative. All applicable items must be accurately completed in order that the Customer's generating facilities may be effectively evaluated by CenterPoint Energy Houston Electric, LLC for interconnection with the utility system.

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**GENERATOR**

Number of Units: \_\_\_\_\_

Manufacturer: \_\_\_\_\_

Type (Synchronous, Induction, or Inverter): \_\_\_\_\_

Fuel Source Type (Solar, Natural Gas, Wind, etc.): \_\_\_\_\_

Kilowatt Rating (95° F at location) \_\_\_\_\_

Kilovolt-Ampere Rating (95° F at location): \_\_\_\_\_

Power Factor: \_\_\_\_\_

Voltage Rating: \_\_\_\_\_

Number of Phases: \_\_\_\_\_

Frequency: \_\_\_\_\_

Do you plan to export power: \_\_\_\_\_ Yes / \_\_\_\_\_ No

If Yes, maximum amount expected: \_\_\_\_\_

Do you wish CenterPoint Energy Houston Electric, LLC to report excess generation to your REP? \_\_\_\_\_ Yes / \_\_\_\_\_ No

Pre-Certification Label or Type Number (e.g., UL-1741 Utility Interactive or IEEE 1547.1):

\_\_\_\_\_

Expected Energization and Start-up Date: \_\_\_\_\_

Normal operation of interconnection: (examples: provide power to meet base load, demand management, standby, back-up, other (please describe)) \_\_\_\_\_

One-line diagram attached: \_\_\_\_\_ Yes

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For systems not using pre-certified inverters (e.g., inverters certified to UL-1741 or IEEE 1547.1), does CenterPoint Energy Houston Electric, LLC have the dynamic modeling values from the generator manufacturer? \_\_\_ Yes \_\_\_ No

If not, please explain: \_\_\_\_\_

(Note: For pre-certified equipment the answer is Yes. Otherwise, applicant must provide the dynamic modeling values if they are available)

Layout sketch showing lockable, "visible" disconnect device is attached:: \_\_\_\_\_ Yes

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**Authorized Release of Information List**

By signing this Application in the space provided below, Customer authorizes CenterPoint Energy Houston Electric, LLC to release Customer’s proprietary information to the extent necessary to process this Application to the following persons:

|                       | Name | Phone Number | Email Address |
|-----------------------|------|--------------|---------------|
| Project Manager       |      |              |               |
| Electrical Contractor |      |              |               |
| Consultant            |      |              |               |
| Other                 |      |              |               |

CenterPoint Energy Houston Electric, LLC

[CUSTOMER NAME]

BY: \_\_\_\_\_

BY: \_\_\_\_\_

PRINTED NAME:

PRINTED NAME:

\_\_\_\_\_

\_\_\_\_\_

TITLE: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

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**6.1.3 DISCRETIONARY SERVICE CHARGES (PREMISES WITH A NON-STANDARD METER OTHER THAN AN AMS-M METER, AND PREMISES WITH UNMETERED SERVICE)**

This Section of this Tariff lists the Discretionary Service Charges for Premises with a Non-Standard Meter (including Premises with an IDR Meter, but excluding Premises with an AMS-M Meter) and Premises with Unmetered Service. Discretionary Service Charges for Premises with AMS-M Meters are found in Section 6.1.4. A Non-Standard Meter requires Company to dispatch personnel to Retail Customer's Premises to perform a Discretionary Service.

Competitive Retailer shall submit an order on behalf of Retail Customer to perform the Discretionary Service at Premises with a Non-Standard Meter or Premises with Unmetered Service, unless this Tariff permits Retail Customer to directly request Company to perform the Discretionary Service or allows Company to initiate performance of the service. Competitive Retailer shall include the appropriate TX SET transaction in an order submitted to Company requesting performance of the Discretionary Service.

Company shall complete performance of the Discretionary Service according to the applicable timeline in this Section. If Company is unable to complete performance of the Discretionary Service in compliance with the applicable timeline, it shall complete performance of the service in a timely manner. The term "timely" requires Company to complete performance of the service on the same day specified in the applicable timeline if weather, time of day, location of Premises, and other relevant factors permit. Otherwise, Company shall prioritize the completion of the service on the next Business Day.

Company shall bill the appropriate Discretionary Service Charge to Competitive Retailer upon completion of the service, unless Company initiates performance of the Discretionary Service and bills the Retail Customer directly. Company shall not apply any additional charges for performance of the Discretionary Service, such as processing fees and copying fees. Charges designated "As Calculated" in this Section apply to Discretionary Services for which the costs of performing such services vary, depending upon the circumstances of the service order and the requirements necessary to complete service performance. Company shall use the appropriate TX SET transaction for the Discretionary Service in an invoice submitted to Competitive Retailer.

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**6.1.3.1 UNIFORM DISCRETIONARY SERVICE CHARGES**

| Charge No.                | Name and Description  | Amount |
|---------------------------|---|--------|
| <b>Connection Charges</b> |   |        |
| (1)                       | <p><b><u>Move-In (Non-Standard Meter)</u></b></p> <p>This charge is for service to initiate Delivery to Retail Customer’s Point of Delivery. It is not available if inspections, permits, or construction (other than installation of the Meter) is required and not completed. Construction Service Charges relating to the cost and installation of a new Non-Standard Meter appear in Section 6.1.3.2, CONSTRUCTION SERVICE CHARGES</p> <p>Company shall complete performance of the service on the requested date, provided: (1) the requested date is a Business Day; (2) Company receives the order by 5:00 PM CPT on a Business Day; and (3) the order is received at least two Business Days prior to the requested date.</p> <p>If the requested date is not a Business Day, Company shall treat the next Business Day as the requested date.</p> <p>Company may treat an order received after 5:00 PM CPT on a Business Day, or on a day that is not a Business Day, as received by 5:00 PM CPT on the next Business Day.</p> <p>If the order is received by Company less than two Business Days prior to the requested date, Company shall complete performance of the service within two Business Days after the date the order is received.</p> <p><u>Self-Contained Meter</u></p> <p style="padding-left: 20px;">New \$103.00</p> <p style="padding-left: 20px;">Existing \$16.00</p> <p><u>Current Transformer (CT)/Other Meter</u></p> <p style="padding-left: 20px;">New \$343.00</p> <p style="padding-left: 20px;">Existing \$144.00</p> |        |
| (2)                       | <p><b><u>Priority Move-In (Non-Standard Meter)</u></b></p> <p>This charge is for service to initiate Delivery to Retail Customer’s Point of Delivery when an order includes the TX SET transaction for priority move-in service. It is available only at Premises with an existing Non-Standard Meter.</p> <p>Company shall complete performance of the service on the requested date, provided: (1) the requested date is a Business Day; and (2) Company receives the order by</p>  |        |

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|  |   |                                |
|--|---|--------------------------------|
|  | <p>5:00 PM CPT on a Business Day.</p> <p>If the requested date is not a Business Day, Company shall treat the next Business Day as the requested date.</p> <p>Company may treat an order received after 5:00 PM CPT on a Business Day, or on a day that is not a Business Day, as received by 5:00 PM CPT on the next Business Day.</p> <p>Self-Contained Meter</p> <p>Current Transformer (CT)/Other Meter</p> | <p>\$36.00</p> <p>\$296.00</p> |
|--|---|--------------------------------|

**Disconnection Charges (Non-Standard Meter)**

|                       |   |  |
|-----------------------|---|--|
| <p>(3)</p> <p>(4)</p> | <p><b>Move-Out</b></p> <p>This service discontinues Delivery at Retail Customer’s Point of Delivery.</p> <p>Company shall complete performance of the service on the requested date, provided: (1) the requested date is a Business Day, (2) Company receives the order by 5:00 PM CPT on a Business Day; and (3) the order is received at least two Business Days prior to the requested date.</p> <p>If the requested date is not a Business Day, Company shall treat the next Business Day as the requested date.</p> <p>Company may treat an order received after 5:00 PM CPT on a Business Day, or on a day that is not a Business Day, as received by 5:00 PM CPT on the next Business Day.</p> <p>If the order is received by Company less than two Business Days prior to the requested date, Company shall complete performance of the service within two Business Days after the date the order is received.</p> <p><b>Clearance Request</b></p> <p>This service de-energizes/re-energizes Company electrical facilities on Retail Customer’s Premises before/after Retail Customer or Retail Customer’s contractor engages in activity near Company’s electrical facilities, or on or near Retail Customer’s electrical facilities. Retail Customer may directly submit order to Company to obtain this clearance as authorized pursuant to Section 4.11, OUTAGE AND SERVICE REQUEST REPORTING.</p> <p>Company shall complete performance of the service on the requested clearance date, provided: (1) Company receives the order by 5:00 PM CPT on a Business Day, and</p> | <p>Charge included in Standard Move-In charge.</p> |
|-----------------------|---|--|



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|   |  |  |
|---|--|--|
|   | <p>(2) the order is received at least three Business Days prior the requested clearance date.</p> <p>Company may treat an order received after 5:00 PM CPT on a Business Day, or on a day that is not a Business Day, as received by 5:00 PM CPT on the next Business Day.</p> <p>Company shall accommodate an order requesting clearance based on a mutual agreement with the requesting party to perform the service at charges calculated by Company if: (1) the requested clearance date is not a Business Day; (2) the Company receives the order less than three Business Days prior to the requested clearance date; or (3) the activities necessary for clearance cannot be safely performed on the requested clearance date.</p> <p>Three Business Days' Notice (Residential)</p> <p>Three Business Days' Notice (Non-Residential)</p> <p>Less Than Three Business Days' Notice</p>   | <p>As Calculated</p> <p>As Calculated</p> <p>As Calculated</p> |
| <b>Disconnection / Reconnection for Non-Payment of Charges (Non-Standard Meter)</b> |  |  |
| <p>(5)</p>  | <p><b>Disconnection for Non-Payment (DNP)</b></p> <p>This service discontinues Delivery to Retail Customer's Point of Delivery due to Retail Customer's non-payment of charges billed by Competitive Retailer or Company. Company may also discontinue Delivery to Retail Customer's Point of Delivery due to Retail Customer's failure to fulfill obligations to the Company pursuant to a contract, this Tariff, or other Applicable Legal Authorities.</p> <p>Company shall not discontinue Delivery to a Retail Customer's Point of Delivery due to non-payment: (1) before the requested date; (2) in violation of P.U.C. SUBST. R 25.483(f)(2); or (3) if provisions in other Applicable Legal Authorities prohibit such disconnection. Company also shall not discontinue Delivery to Retail Customer's Point of Delivery between the hours of 5:00 PM CPT and 7:00 AM CPT due to non-payment, unless a coordinated disconnection allowing the disconnection of service between these hours is arranged pursuant to Section 4.3.12.3, COORDINATED DISCONNECTION. When appropriate, the coordinated disconnection of service may occur between 5:00 PM and 7:00 AM CPT.</p> <p>Company shall complete performance of the service within three Business Days of the requested date, provided: (1) the requested date is a Business Day, (2) Company receives the order by 5:00 PM CPT on a Business Day, and (3) the order is received at least two Business Days prior to the requested date.</p> <p>If the requested date is not a Business Day, Company shall treat the next Business Day as the requested date. Company may treat an order received after 5:00 PM CPT on a Business Day, or on a day that is not a Business Day, as received by 5:00 PM CPT on the next Business Day.</p> |  |

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|            |   |                               |
|------------|---|-------------------------------|
| <p>(6)</p> | <p>If the order is received by Company less than two Business Days prior to the requested date, Company shall complete performance of the service within four Business Days after the date the order is received.</p> <p>Company shall not charge Competitive Retailer for performance of the service if Company initiates disconnection for non-payment.</p> <p>Disconnection at Meter</p> <p>Disconnection at Premium Location (e.g., pole, weatherhead, secondary box)</p> <p><b>Reconnection After Disconnection for Non-Payment of Charges (DNP)</b></p> <p>This service restarts Delivery at Retail Customer’s Point of Delivery after discontinuance due to Retail Customer’s non-payment of charges billed by Competitive Retailer or Company.</p> <p>Company shall complete performance of standard reconnection service on the date Company receives the order, provided Company receives the order by 2:00 PM CPT on a Business Day.</p> <p>If Company receives the order after 2:00 PM CPT on a Business Day, Company shall complete performance of the standard reconnection service on the date of receipt if possible, but no later than the close of Company’s next Field Operational Day.</p> <p>Company shall complete performance of same-day reconnection service on the date Company receives the order, provided Company receives the order by 5:00 PM CPT on a Business Day. If the order is received by Company after 5:00 PM CPT on a Business Day, or on a day that is not a Business Day, Company shall complete performance of the service no later than the close of Company’s next Field Operational Day.</p> <p>Company shall treat an order for reconnection service received after 7:00 PM CPT, or received on a Non-Business Day as received at 8:00 AM CPT on the next Business Day.</p> <p>In no event shall Company fail to reconnect service within 48 hours of Company’s receipt of the order. However, if this requirement results in reconnection being performed on a day that is not a Business Day, the appropriate Weekend or Holiday charge shall apply.</p> <p>Company shall not charge Competitive Retailer for performance of the service if Company restarts Delivery reconnection after Company-initiated disconnection for non-payment.</p> | <p>\$23.35</p> <p>\$61.00</p> |
|------------|---|-------------------------------|

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|  |  |  |
|--|--|--|
|  | <p>Reconnection at Meter</p> <ul style="list-style-type: none"> <li>i. Standard Reconnect \$23.35</li> <li>ii. Same Day Reconnect \$34.00</li> <li>iii. Weekend \$34.00</li> <li>iv. Holiday \$176.00</li> </ul> <p>Reconnection at Premium Location (e.g., pole, weatherhead, secondary box)</p> <ul style="list-style-type: none"> <li>i. Standard Reconnect \$61.00</li> <li>ii. Same Day Reconnect \$187.00</li> <li>iii. Weekend \$187.00</li> <li>iv. Holiday \$246.00</li> </ul>  |  |
| <b>Meter Testing Charge (Non-Standard Meter)</b> |  |  |
| (7)  | <p>This charge is for service that tests Retail Customer’s Meter in accordance with Section 4.7.4, METER TESTING. Retail Customer may directly submit order to Company to perform this service as authorized pursuant to Section 4.11, OUTAGE AND SERVICE REQUEST AND REPORTING.</p> <p>Self-Contained Meter (Company-Owned)</p> <ul style="list-style-type: none"> <li>a. First Meter test in last four years \$0.00</li> <li>b. Meter found outside of relevant accuracy standards \$0.00</li> <li>c. All other \$49.00</li> </ul> <p>Current Transformer (CT)/Other Meter (Company-Owned)</p> <ul style="list-style-type: none"> <li>a. First Meter test in last four years \$0.00</li> <li>b. Meter found outside relevant accuracy standards \$0.00</li> <li>c. All other \$82.00</li> </ul> <p>Competitive Meter \$82.00</p> |  |

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| <b>Meter Reading Charges (Non-Standard Meter)</b> |   |                              |
|---|---|------------------------------|
| (8)   | <p><b>Re-Read to Verify Accuracy of Meter Reading</b></p> <p>This service verifies the accuracy of Company’s Meter Reading of Retail Customer’s Non-Standard Meter. Retail Customer may directly submit order to Company to perform this service if authorized pursuant to Section 4.11, OUTAGE AND SERVICE REQUEST REPORTING.</p> <p>Company shall complete performance of the service within five Business Days of Company’s receipt of the order.</p> <p>Inaccurate Meter Reading</p> <p>Accurate Meter Reading</p>  | <p>\$0.00</p> <p>\$23.35</p> |
| (9)   | <p><b>Meter Reading for the Purpose of a Standard Switch</b></p> <p>This service reads Retail Customer’s Meter for the purpose of switching Retail Customer’s account to a different Competitive Retailer when Retail Customer has not requested a self-selected switch. The service is performed in accordance with Section 4.3.4, CHANGING OF DESIGNATED COMPETITIVE RETAILER.</p> <p>Company shall complete performance of the service using an Actual Meter Reading to allow completion of the switch within four Business Days of the First Available Switch Date (FASD) received from the Registration Agent. The FASD is day zero unless otherwise specified by the Registration Agent.</p> <p>If a Meter Reading occurs within four Business Days beginning with the FASD, Company shall complete performance of the service using the Meter Reading.</p> <p>Company may use an Estimated Meter Reading to complete performance of the service if conditions preclude execution of an Actual Meter Reading.</p> | <p>\$0.00</p>                |
| (10)  | <p><b>Meter Reading for the Purpose of a Self-Selected Switch</b></p> <p>This service reads Retail Customer’s Meter on a date other than the Scheduled Meter Reading Date for the purpose of switching Retail Customer’s account to a different Competitive Retailer on a date certain. The service is performed in accordance with Section 4.3.4, CHANGING OF DESIGNATED COMPETITIVE RETAILER. A charge applies only when Company uses an Actual Meter Reading to perform the service.</p> <p>Company shall complete performance of the service on the requested date, provided: (1) the requested date is a Business Day; (2) Company receives the order by 5:00 PM CPT on a Business Day; and (3) the order is received at least two Business Days prior to the requested date.</p> <p>If the requested date is not a Business Day, Company shall treat the next Business</p>  |                              |

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|  |  |  |
|--|--|--|
|  | <p>Day as the requested date.</p> <p>Company may treat an order received after 5:00 PM CPT on a Business Day, or on a day that is not a Business Day, as received by 5:00 PM CPT on the next Business Day.</p> <p>If the order is received by Company less than two Business Days prior to the requested date, Company shall complete performance of the service no later than two Business Days after the date the order is received.</p> <p>Company may use an Estimated Meter Reading to complete performance of the service if conditions preclude execution of an Actual Meter Reading.</p> <p><b>(11) Meter Reading for the Purpose of a Switch Due to Denial of Access by Retail Customer</b></p> <p>This service completes a Meter Reading for the purpose of switching Retail Customer’s account to a different Competitive Retailer when Company is unable to access Meter and perform an Actual Meter Reading.</p> <p><b>(12) Estimated Meter Reading for the Purpose of a Mass Transition</b></p> <p>The service provides an Estimated Meter Reading for each affected Retail Customer for the purpose of a mass transition of the Retail Customers pursuant to P.U.C. SUBST. R 25.43. Company shall charge the exiting Competitive Retailer for performance of the service.</p> | <p>\$23.35</p> <p>\$5.00</p> <p>\$0.00</p> |
| <b>Non-Standard Metering Service Recurring Fee</b> |  |  |
| <p><b>(13)</b></p>                                 | <p><b>Non-Standard Metering Service Recurring Fee</b></p> <p>Applicable to a Retail Customer receiving Non-Standard Metering Service pursuant to P.U.C. SUBST. R 25.133.</p> <p>Applicable to a Non-Standard Meter Service Customer for the ongoing cost of providing service. The fee shall begin in the first month following the month in which service is initiated. The fee shall be eliminated in the first regular cycle bill following the installation of a Provisioned Advanced Meter because of cessation of Non-Standard Metering Service.</p>   | <p>\$32.80</p>                             |

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| <b>Service Call Charge (Non-Standard Meter)</b>      |   |   |
|--|---|---|
| (14)   | <p>This charge is for service that dispatches Company personnel to Retail Customer’s Premises to investigate an outage or other service-related problem. Retail Customer may directly submit order to Company to perform this service if authorized pursuant to Section 4.11, OUTAGE AND SERVICE REQUEST REPORTING.</p> <p>A charge for the performance of this service applies only if Company completes its investigation and determines the outage or other service-related problem is not caused by Company equipment.</p> <p>Business Day (8:00 AM--5:00 PM CPT)</p> <p>Business Day (Other Hours)</p> <p>Weekend</p> <p>Holiday</p>   | <p>\$50.00</p> <p>\$50.00</p> <p>\$50.00</p> <p>\$50.00</p> |
| <b>Outdoor Lighting Charges (Non-Standard Meter)</b> |   |   |
| (15)   | <p><b>Security Lighting Repair</b></p> <p>This service repairs existing Company-owned security lights on Retail Customer’s Premises. Company shall perform repairs necessitated by standard lamp and glass replacements at no charge. Retail Customer may directly submit order to Company to obtain the service if authorized pursuant to Section 4.11, OUTAGE AND SERVICE REQUEST REPORTING.</p> <p>Company shall complete performance of this service expeditiously after Company’s receipt of the order in accordance with Section 5.4.6, RETAIL CUSTOMER’S DUTY REGARDING COMPANY’S FACILITIES ON RETAIL CUSTOMER’S PREMISES. Company shall complete repairs limited to standard lamp and glass replacements no later than 7 calendar days and no later than 15 calendar days for all other repairs.</p> | <p>As Calculated</p>  |
| (16)   | <p><b>Security Light Removal</b></p> <p>This service removes Company-owned security lights on Retail Customer’s Premises in accordance with Sections 5.7.8, REMOVAL AND RELOCATION OF COMPANY’S FACILITIES AND METERS and 5.7.9, DISMANTLING OF COMPANY’S FACILITIES. Retail Customer may directly submit order to Company to obtain the service.</p> <p>Company shall complete performance of the service on the requested date, provided</p>  |   |



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| <b>Denial of Access Charges (Non-Standard Meter)</b> |  |               |
|--|--|---------------|
| (20)   | <p><b>Inaccessible Meter</b></p> <p>This charge is for service that applies when Company personnel are unable to gain access to the Meter of a Critical Load Public Safety Customer or Critical Load Industrial Customer Premises as a result of continued denial of access to Meter, as provided in Section 4.7.2.1, DENIAL OF ACCESS BY RETAIL CUSTOMER.</p> | \$55.00       |
| (21)   | <p><b>Denial of Access to Company’s Delivery System</b></p> <p>This charge applies when Retail Customer fails to provide access to Retail Customer’s Premises, as required by Section 5.4.8, ACCESS TO RETAIL CUSTOMER’S PREMISES, and includes all costs incurred by Company to obtain such access.</p>   | As Calculated |



CenterPoint Energy Houston Electric, LLC  
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**6.1.3.2 CONSTRUCTION SERVICE CHARGES**

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### **SECTION 1: INTRODUCTION**

CenterPoint Energy Houston Electric, LLC extends Delivery Service facilities to Retail Customers in accordance with the policy outlined in Chapter 5, Section 5.7, Facilities Extension Policy and described in more detail in this Construction Services policy. The booklet titled, Service Standards, is an integral part of this description of the Company's construction service practices. Terms and conditions contained in Chapters 3, 4 and 5 of the Tariff for Retail Delivery Service are a part of this Construction Services policy. Application of this generalized policy is determined by the Company, which also reserves the right to withdraw or modify this policy when, in the sole opinion of the Company, changing conditions warrant such withdrawal or modification.

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## **SECTION 2: EXTENSION OF SERVICE FACILITIES TO PERMANENT RETAIL CUSTOMERS**

### **Subsection 2.1- Introduction**

The Company's general policy for extending Delivery Service to permanent Retail Customers is to utilize overhead construction consisting of wood poles and overhead circuits extended to transformer locations acceptable to the Company. A permanent Retail Customer is one whose installed electrical equipment is used in a manner which provides the Company a reasonable return on the capital investment required to serve the Retail Customer for a time period approximately equal to the life of the Company's installed service facilities. The Point of Delivery and construction specifications for all service facilities extensions are determined by the Company. A request by a permanent Retail Customer for Delivery Service facilities which does not meet the Company's general policy for extending Delivery Service facilities as contained herein must be approved by the Company and may require additional contractual agreements.

Retail Customer may obtain all equipment necessary for redundant service to any point of service provided that, in the judgment of the Company, sufficient reserve capacity is available and provided Retail Customer pays the cost of establishing and maintaining such redundant service.

In instances where easements and/or right-of-ways have not been granted to the Company, the Retail Customer bears the cost of obtaining easements and rights-of-way.

CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

**Subsection 2.2- Overhead Distribution Service**

The Company extends overhead electric delivery service facilities to any permanent Retail Customer, without charge, for a distance not to exceed 1,000 feet for three phase service and 2,000 feet for single phase service from the nearest available overhead line of suitable voltage, phase and capacity. Facilities must be extended along public rights-of-way or dedicated easements and are subject to the provisions in Service Standards.

The cost of installation and purchase of FAA “ball markers” on overhead lines or, alternatively the cost of placing the overhead line underground, is at Retail Customer’s expense.

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### **Subsection 2.3- Overhead Distribution Service Extensions**

#### **1000/2000-Foot Line Extension Plan**

The Company extends, without charge, single-phase distribution facilities up to 2,000 feet from existing lines of suitable phase, voltage and capacity to serve a permanent Retail Customer, provided the extension is made along a public road or dedicated easement, or provided the extension does not utilize more than three poles on private property. If the Retail Customer qualifies for three-phase service, as outlined in Service Standards, the Company extends three-phase facilities up to 1,000 feet under similar circumstances.

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

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Cost associated with service extensions in excess of the free distances are at Retail Customer expense, as are costs associated with increasing the capacity of existing lines along the route of extension and costs associated with line construction over or around any natural or man made obstacle.

### **Area Development Plan**

Service facilities may also be extended at Company expense provided the facilities are required for increased reliability, service continuity, or development of the Company's distribution system. In conjunction with the installation of such facilities, the Company may extend service from these facilities to Retail Customers in accordance with the appropriate line extension plan.

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Applicable: Entire Service Area

#### **Subsection 2.4- High Voltage Transmission Service Extension Plan**

A Retail Customer whose load is of such magnitude or of such unusual characteristics that it cannot otherwise be economically served from Company's distribution system, as determined by Company, must receive electric service from the Company's high-voltage transmission system. The Retail Customer is responsible for all extension cost and providing all substation equipment, in accordance with the Company's specifications, both initially and from time to time thereafter, whenever changes in the Company's transmission system (including the transmission system's monitoring and protection devices) require such changes in the substation in order to maintain its compatibility with the Company's transmission system. The Retail Customer will comply with Company's operating standards.

In instances where transmission services are requested that are necessary for new electric generation resources, service will be provided in accordance with applicable Rules and Legal Authority.



CenterPoint Energy Houston Electric, LLC  
Applicable: Entire Service Area

### **Subsection 2.5- Underground Service Extensions**

#### **Underground Service to Residential Retail Customers**

Single-phase underground electric delivery service is supplied to a residential subdivision, apartment, or condominium provided projects meet Company Service Standards and specification. The service lateral from Company facilities to the dwelling unit is installed, owned, and maintained by the Retail Customer, and each dwelling unit must be individually metered and billed by the Company. The underground system is supplied, from overhead distribution facilities, at locations specified by the Company. Certain dwelling units adjacent to overhead distribution facilities are served, at the Company's option, through standard overhead facilities. This underground residential distribution plan is not applicable to mobile home developments. A contribution toward the cost of construction may be required when projects do not meet Company Service Standards and specifications. Additional contractual arrangements are also required if the developer requests installation of service facilities prior to reasonable utilization.

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 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 SUBSECTION 2.5 APPLIES MUST TAKE NECESSARY STEPS TO ENSURE THAT THE INDEMNIFICATION REQUIREMENTS OF THIS SUBSECTION 2.5 DO NOT CREATE A "DEBT" IN VIOLATION OF ARTICLE XI, SECTION 7 OF THE TEXAS CONSTITUTION. SUCH STEPS MAY INCLUDE, BUT ARE NOT NECESSARILY LIMITED TO, A THIRD-PARTY INDEMNIFICATION IN WHICH THE CONTRACTOR PERFORMING THE WORK FOR THE GOVERNMENTAL ENTITY INDEMNIFIES THE COMPANY OR THE ESTABLISHMENT OF A SINKING FUND.

#### **Underground Service to Commercial and Industrial Retail Customers**

The Company's standard practice for extending electric service to commercial and industrial Retail Customers is to utilize overhead construction consisting of wood poles and overhead

## CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

circuits extended to transformer locations acceptable to the Company. 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. The maintenance on this equipment, exclusive of pads of bus connected transformers, will be performed by the Company.

Retail Customer requesting special non-standard underground service arrangements must reimburse the Company for the difference in cost between standard construction, as outlined above, and the requested special non-standard service arrangements. 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.

Substantial investments in underground service facilities have been made in certain areas of the Company's distribution system, and overhead service extensions into these areas are impractical and will nullify the benefits of past investments. In consideration of these factors, underground service utilizing one or more circuits with manual switching capabilities is provided in such areas at no cost to the Retail Customer. Special service arrangements, such as redundant transformer installations and automatic circuit transfer designs, are provided at the Company's option on the basis of the Retail Customer reimbursing the Company for the additional cost of the special service arrangement. The Retail Customer must install concrete encased ducts, manholes, switchrooms, transformer vaults, and pads for transformers, switches, and protective devices according to Company specifications.

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 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 SUBSECTION 2.5 APPLIES MUST TAKE NECESSARY STEPS TO ENSURE THAT THE INDEMNIFICATION REQUIREMENTS OF THIS SUBSECTION 2.5 DO NOT CREATE A "DEBT" IN VIOLATION OF ARTICLE XI,

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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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**SECTION 3: EXTENSION OF SERVICE FACILITIES TO CUSTOMERS THAT DO NOT MEET ALL CRITERIA FOR PERMANENT CLASSIFICATION**

Certain types of Retail Customer facilities do not fully meet the criteria for classification as permanent, but these facilities are not regarded as temporary because a certain degree of permanency exists. For these Retail Customers, 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 facilities in this classification include, but are not limited to, livestock water wells, sign boards, concrete or asphalt batch plants, railroad crossing signals, drive-up photographic finishing stations, 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 facilities, 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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Applicable: Entire Service Area

#### **SECTION 4: EXTENSIONS OF SERVICE FACILITIES TO TEMPORARY CUSTOMERS**

##### **Temporary Service**

Temporary service is provided, at the Company's option, on the basis of the Retail Customer paying the cost of installation and removal of Company facilities.

##### **Service of Doubtful Permanence**

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 estimated installation and removal costs of Company equipment and provides for a refund of such payment if the Retail Customer constructs permanent facilities within 24 months from the date electric delivery service facilities are made available. Expenses involved in altering Company facilities to provide permanent service are charged against the refund due the Retail Customer.

CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

**SECTION 5: EXTENSION OF SERVICE TO SOURCES OF ELECTRIC GENERATION**

CenterPoint Energy Houston Electric, LLC will make high voltage delivery service available to sources of electric generation that comply with Company Service Standards, Company specifications and the Commission approved ERCOT Standard Interconnection Agreement. Retail Customers requesting this service must follow the ERCOT Independent System Operator's (ISO) "Generation Interconnection Procedure", as well as any Rules of an Applicable Legal Authority.

CenterPoint Energy Houston Electric, LLC  
Applicable: Entire Service Area

## **SECTION 6: STREET LIGHTING SERVICE**

### **Subsection 6.1- Incorporated Areas Municipalities**

Street lighting systems are installed, owned, and maintained by the Company only on public streets or roads. 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.

##### Lamp Type

High Pressure  
Sodium Vapor

##### Company Contribution per Lamp

Cost of Company's standard installation,  
but not to exceed \$1,230.00

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Applicable: Entire Service Area

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 Tariff Sheet No. 6.15.

### **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.

### **Retail Customer Installed Street Lighting Systems**

Retail Customer may, at his option, elect to install a privately owned street lighting system. Delivery Service will be provided under the Company's standard practices for metered service and will be billed under the applicable secondary service rate schedule.



CenterPoint Energy Houston Electric, LLC  
Applicable: Entire Service Area

### **Subsection 6.2- Unincorporated Areas**

Street lighting systems are installed, owned, and maintained by the Company only on public streets or roads. 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.

##### Lamp Type

High Pressure  
Sodium Vapor

##### Company Contribution per Lamp

Cost of Company's standard installation,  
but not to exceed \$1,230.00

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.

CenterPoint Energy Houston Electric, LLC  
Applicable: Entire Service Area

### **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 Tariff Sheet No. 6.15.

### **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.

### **Retail Customer Installed Street Lighting System**

Retail Customer may, at his option, elect to install a privately owned street lighting system. Delivery Service will be provided under the Company's standard practices for metered service and will be billed under the applicable secondary service rate schedule.

CenterPoint Energy Houston Electric, LLC  
Applicable: Entire Service Area

## **SECTION 7: METERING PRACTICES**

Delivery Service is provided to an individual 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 interpretations are applied in situations where separate entities are grouped in a common structure.

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 residential premises.

Individual rental units in an apartment project are either metered as individual residential premises or grouped as one premises with one meter and billed on the appropriate non-residential service rate.

Individual retail spaces in a multi-tenant building are metered as separate premises.

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

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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Applicable: Entire Service Area

## **SECTION 8: MISCELLANEOUS SERVICE POLICIES**

### **Miscellaneous Lighting Service**

Miscellaneous Lighting Service is available to all Retail Customers within Company's service area where permission for installation is granted by all affected parties, provided suitable Company owned electrical facilities are available on the pole selected for the installation. Retail Customer or their REP shall provide and own the Company approved lighting fixture for this type of installation.

The Company installs and maintains lighting fixtures under Rate Lighting Services, under section Miscellaneous Lighting Service. Construction work is done at Retail Customer's expense. Lighting fixtures are installed in mutually acceptable locations utilizing Company approved fixtures.

The cost of relocating a light is borne by the Retail Customer. See Lighting Services rate schedule for more details.

### **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.

### **Construction of Non-Standard Service Facilities**

The Company determines the Point of Delivery of electric service to all Retail Customers as well as the standard routing for Company distribution facilities required to provide service to the Point of Delivery. Retail Customers requesting special construction, for aesthetic considerations, clearance of obstructions, or service to a non-standard Point of Delivery, reimburse the Company for the difference in cost between the standard service arrangement and the requested special construction or routing.

### **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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Applicable: Entire Service Area

### **Service to Mobile Homes and Mobile Home Parks**

Electric service facilities are extended to a permanently located residential mobile home in accordance with the appropriate Company line extension plan. For any service facilities to be provided at Company expense, water and sewage facilities must be equal to that of a permanently constructed home.

The Company installs single-phase overhead service facilities within a permanently constructed mobile home park so that single-phase service is available to each mobile home through a separate meter. Retail Customers requesting special routing for aesthetic purposes or special construction, such as underground service arrangements, will be required to reimburse the Company for the added cost of the special work. The Retail Customer is also required to clear the ground, as specified by the Company, along the route of the line extension within the park. The Company performs the remaining tree trimming required for aerial clearances within the park. If the cost of this trimming exceeds 25 percent of the line cost within the park, the Retail Customer bears the remainder of the trimming cost. Transformers, meters, and service drops are not included in the line cost.

The construction required along a public road, street, or dedicated easement, to make service available to the park location, is provided in accordance with the appropriate Company line extension for permanent Retail Customers.

Permanent parks for transient type mobile homes and campers are considered one premises and are billed on the applicable non-residential service rate. Service extensions to these parks are based on the appropriate line extension plan.

### **Types of Service**

Single-phase or three-phase 60 hertz (hz) electric service is supplied to a Retail Customer at one of the Company's nominally rated voltages as specified in Company's Service Standards.

The Company determines the Point of Delivery and the service voltage to be supplied to a Retail Customer at no charge in accordance with the appropriate line extension plan. The additional costs of special service arrangements approved by the Company are at Retail Customer expense.

CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

### **Rental of Company Equipment**

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.

CenterPoint Energy Houston Electric, LLC  
 Applicable: Entire Service Area

**SECTION 9: COMPETITIVE METERING CONSTRUCTION SERVICES**

**Competitive Meter Remove/Install Service Fee**

A single trip charge for removing one 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”.

|                         | <u>Charge</u> |
|-------------------------|---------------|
| Self-Contained Meter    | \$ 76.00      |
| Transformer Rated Meter | \$119.00      |

**Competitive Meter Physical Access Equipment Installation Service Fee**

Competitive Meter Physical Access Equipment Installation Service Fee is made 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.

|   | <u>Charge</u> |
|---|---------------|
| C. No Additional Service Call Required ( <i>performed during initial meter installation</i> ) | \$ 39.00      |
| D. Additional Service Call Required ( <i>performed after initial meter installation</i> )     | \$ 77.00      |

CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

### 6.1.3.3 DISCRETIONARY CHARGES OTHER THAN CONSTRUCTION SERVICE CHARGES

#### 6.1.3.3.1 ADDITIONAL DISCRETIONARY CHARGES

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

| <u>Item</u>                                     | <u>Description</u>   | <u>Charge</u>                         |
|---|--|---------------------------------------|
| <b>Meter Test Charges:</b>                      |  |                                       |
| DC.1  | <p><b>Competitive Meter Communication Diagnostic Service Fee</b><br/>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<br/>Transformer rated meter</p>  | <br>\$ 65.00<br>\$ 65.00              |
| <b>Non-Standard Meter Installation Charges:</b> |  |                                       |
| DC.2  | <p><b>Advanced Billing Meter Installation Charge</b><br/>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>* \$204.00 plus the incremental cost between a standard meter for the specified installation and the advanced meter functionality requested, plus additional charges for services related to advanced capabilities as appropriate.</p> | (see charges in description section*) |
| DC.3  | <p><b>Advanced Non-Billing Meter Installation Charge</b><br/>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>*\$204.00 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*) |



CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

|                             |  |   |
|-----------------------------|--|---|
| DC.4                        | <p style="text-align: center;"><b>Pulse Metering Equipment Installation</b></p> <p><i>For Billing Meters that do not currently provide pulse outputs (kWh meters and thermal demand meters)</i></p> <p>Install Pulse Meter and fused junction box (customer receives one pulse output-kWh). For more than one output, requests will be processed according to charges under the “Advanced Billing Meter Installation Charge” above.</p> <p><i>For Billing Meters with current pulse capabilities for kWh, kVAR, and time</i></p> <p>Install one relay (one output)</p> <p>Install two relays (two outputs)</p> <p>Install three relays (three outputs)</p> | <p style="text-align: right;">\$ 219.00</p> <p style="text-align: right;">\$ 302.00</p> <p style="text-align: right;">\$ 458.00</p> <p style="text-align: right;">\$596.00</p>  |
| DC.5                        | <p style="text-align: center;"><b>Pulse Metering Equipment Replacement</b></p> <p>Replace one relay*</p> <p>Replace one Pulse Meter</p> <p>Replace one relay and one Pulse Meter*</p> <p>Replace fuses in fused junction box</p> <p>Pulse Metering Equipment trouble call which is determined to be problem with Customer’s equipment</p> <p style="text-align: center;">*Each additional relay replaced on same trip</p>  | <p style="text-align: right;">\$ 226.00</p> <p style="text-align: right;">\$ 179.00</p> <p style="text-align: right;">\$ 341.00</p> <p style="text-align: right;">\$ 52.00</p> <p style="text-align: right;">\$ 52.00</p> <p style="text-align: right;">\$ 160.00</p> |
| DC.6                        | <p style="text-align: center;"><b>Competitive Meter Non-Standard Programming Service Fee</b></p> <p>Self-contained meter- field programming</p> <p>Self-contained meter- shop programming</p> <p>Transformer rated meter- field programming</p> <p>Transformer rated meter- shop programming</p>   | <p style="text-align: right;">\$ 73.00</p> <p style="text-align: right;">\$ 46.00</p> <p style="text-align: right;">\$ 73.00</p> <p style="text-align: right;">\$ 46.00</p>   |
| <b>Service Call Charge:</b> |  |   |
| DC.7                        | <p style="text-align: center;"><b>URD By-Pass Cable Installation Charge</b></p> <p>Applicable to any Residential Retail Customer or Retail Customer’s REP that requests the Company to install a temporary, above-ground by-pass cable in order to continue electric service while Retail Customer-owned URD facilities are being repaired or replaced. (Charge per month.)</p>  | <p style="text-align: right;">\$ 261.00<br/>Per Month</p>   |

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| <b>Other Charges:</b> |   |                        |
|-----------------------|---|------------------------|
| DC.8                  | <p style="text-align: center;"><b>Returned Check Charge</b></p> <p>Applicable to any Retail Customer or REP whose check is returned by a bank or other financial institution as not payable.</p>  | \$ 10.50               |
| DC.9                  | <p style="text-align: center;"><b>Voltage Monitoring</b></p> <p>Applicable to requests by Retail Customer or Retail Customer's Competitive Retailer to install voltage monitoring equipment at Retail Customer's Point of Service for evaluation and reporting of data.</p> <p>3. Data determines a problem with Company's equipment or system</p> <p>4. Data determines no problem with Company's equipment or system.</p>   | No Charge<br>\$ 954.00 |
| DC.10                 | <p style="text-align: center;"><b>Damage to Company Facilities</b></p> <p>Pursuant to Section 5.4.6, RETAIL CUSTOMER'S DUTY REGARDING COMPANY'S FACILITIES ON RETAIL CUSTOMER'S PREMISES, charges for loss of, or damage to, Company Delivery System facilities on Retail Customer's Premises caused by or arising out of Retail Customer's failure to exercise reasonable care not to damage such facilities, including labor, material, equipment, legal services and associated costs including cost burdens, such as, overhead, warehousing, administration, etc.</p>             | As Calculated          |
| DC.11                 | <p style="text-align: center;"><b>Adverse Effects and Improper Power Factor</b></p> <p>Pursuant to Section 5.5.2, INTERMITTENT ELECTRICAL LOADS AND LIMITATIONS ON ADVERSE EFFECTS and Section 5.5.5, POWER FACTOR, charges for labor, material, equipment, legal services and associated costs including cost of burdens, such as, overhead, warehousing, administration, etc. provided by the Company to correct adverse effects due to Retail Customer's equipment or operations, including improper power factor, voltage fluctuations, interference or distorted wave forms.</p> | As Calculated          |
| DC.12                 | <p style="text-align: center;"><b>Provision of Retail Customer Data</b></p> <p>Pursuant to Section 5.10.2, RETAIL CUSTOMER RESPONSIBILITY AND RIGHTS, charges for compiling, copying, printing, administration and sending customer data other than that required by Applicable Legal Authority to be provided at no charge.</p>  | As Calculated          |
| DC.13                 | <p style="text-align: center;"><b>Customer Required Upgrade to Delivery System</b></p> <p>Pursuant to Section 5.7.6, CUSTOMER REQUESTED FACILITY UPGRADES, charges for the costs of a facility upgrade that is attributable to the Retail Customer adding load in excess of existing Delivery System facility capacity, if Company requires a contribution in aid of construction.</p>  | As Calculated          |



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**6.1.3.3.2 Public Access to Accessible Utility Information - Rate AUI**

CenterPoint Energy Houston Electric, LLC will make accessible utility information available to the public on a non-discriminatory basis. The information available is described below. Procedures for obtaining this information along with the available format(s) and the charges for receiving this information are detailed on the Order Form beginning on page 2.

1. **Tariff for Retail Delivery Service** - Includes areas served, rate schedules, riders, terms and conditions, agreement forms, service policies and others. (Historical data is for the Tariff effective on 1/1/2002; new Tariff books will be available as individual schedules are added, deleted or modified).
2. **Average Annual Cooling Hours for Houston** - Cooling hour analysis. (Jul-98 and periodically thereafter).
3. **Average Annual Heating Hours for Houston** - Heating hour analysis. (Jul-98 and periodically thereafter).
4. **Interim Reports** - If new accessible utility information is created between updates of this Service Regulation, they will be priced at ten cents per page plus postage.

CenterPoint Energy Houston Electric, LLC

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**ORDER FORM**

Complete this form by checking the box next to the item(s) requested and the boxes next to the version and format selected. Also indicate the number of copies requested of each item and then the total cost for those items as well as the total for the entire purchase request. Fill-in your name, mailing address and phone number in the spaces provided. Mail the order form and your check or money order to the address below. (Please allow 3 to 4 weeks for delivery.)

**CenterPoint Energy Houston Electric, LLC**  
**ATTN: Accessible Utility Information**  
**Regulatory Department**  
**P. O. Box 1700**  
**Houston, Texas 77251-1700**

| <u>ITEM</u>  | <u>FORMAT</u> | <u>VERSION</u>   | <u>COST</u>        | <u>NO. COPIES</u>  | <u>TOTAL \$</u> |
|--|---------------|--|--------------------|--|-----------------|
| <input type="checkbox"/> 1. Tariff for Retail Delivery Service | Paper         | <input type="checkbox"/> 1/1/2002<br><input type="checkbox"/> Current      | \$42.40<br>\$42.40 | <input type="checkbox"/> _____<br><input type="checkbox"/> _____ | _____<br>_____  |
| <input type="checkbox"/> 2. Average Cooling Hours- Houston     | Paper         | <input type="checkbox"/> Jul-98<br><input type="checkbox"/> other<br>_____ | \$0.43<br>\$0.43   | <input type="checkbox"/> _____<br><input type="checkbox"/> _____ | _____<br>_____  |
| <input type="checkbox"/> 3. Average Heating Hours- Houston     | Paper         | <input type="checkbox"/> Jul-98<br><input type="checkbox"/> other<br>_____ | \$0.53<br>\$0.53   | <input type="checkbox"/> _____<br><input type="checkbox"/> _____ | _____<br>_____  |
|  |               |  |                    |  |                 |
|  |               |  |                    |  |                 |

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| <u>ITEM</u>                                | <u>FORMAT</u> | <u>VERSION</u> | <u>COST</u>            | <u>NO. COPIES</u>              | <u>TOTAL \$</u> |
|--|---------------|----------------|------------------------|--------------------------------|-----------------|
| <input type="checkbox"/> 4. Interim Report | Paper         | Interim        | 10¢ per page + postage | <input type="checkbox"/> _____ | _____           |
|  |               |                |                        | <b>SUBTOTAL</b>                |                 |

Sales Tax Amount \_\_\_\_\_

(8.25 % of Subtotal)

(No sales tax on out-of-state orders.)

**TOTAL** \_\_\_\_\_

**MAKE CHECK OR MONEY ORDER PAYABLE TO:**

**CenterPoint Energy Houston Electric, LLC**

Your Name \_\_\_\_\_

Your Street or PO Box \_\_\_\_\_

Your City, State, Zip \_\_\_\_\_

Your Phone Number: Area Code \_\_\_\_\_ Number \_\_\_\_\_

**NOTE: Orders for specific documents may not be placed by telephone; however, if you have questions about completing the form, or wish to request a copy of the order form, please call 713-207-5454.**

CenterPoint Energy Houston Electric, LLC

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### **6.1.3.3.3 PREMIUM ROLLOVER SERVICE - RATE PRS**

Some Retail Customers operate sensitive equipment or have other needs that require higher levels of reliability of electric power delivery service than is achievable from the standard distribution system. CenterPoint Energy Houston Electric, LLC will accommodate Retail Customers' requests for the provision of back-up or premium electric power delivery services where facilities of adequate capacity, proper phase and suitable voltage can be made available.

The extension of such service will require the installation of additional delivery facilities at Retail Customer expense. These additional facilities might include 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, power quality equipment and various other facilities and devices needed for the safe and reliable operation of CenterPoint Energy Houston Electric, LLC's delivery system.

#### **Pre-construction Study**

Given the complexity and magnitude of projects of this nature, any Retail Customer choosing to proceed with detailed design and engineering will be required to make a non-refundable payment to the Company to cover such pre-construction activity (Pre-construction Study). The Retail Customer will be quoted the cost of the Pre-construction Study based on the magnitude of the project and time estimated to be spent on the pre-construction activities.

#### **Customer Contribution**

All installation costs above standard service arrangements related to the provision of such premium delivery service will be solely at Retail Customer expense, requiring non-refundable payment prior to construction (Customer Contribution).

#### **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 quoted on a case by case basis, based on an engineering estimate of the cost.

#### **Requested Overtime**

CenterPoint Energy Houston Electric, LLC will schedule required construction during normal business hours in coordination with the Retail Customer's needs. If any of the work must be scheduled at the Retail Customer's convenience and it requires overtime, the requesting party must bear the cost of any premium pay incurred (Requested Overtime).

CenterPoint Energy Houston Electric, LLC

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#### **6.1.3.3.4 ASSET USE SERVICE - RATE AUS**

##### **AVAILABILITY**

Service under this tariff is subject to availability of Company's assets for the use that is requested, a determination (made at Company's sole discretion) that such requested use will not impair service to Company's other Retail Customers, and the terms and conditions set forth herein.

##### **APPLICATION**

Applicable to Retail Customer's use of Company's assets at Retail Customer's request.

##### **SERVICES PROVIDED**

Company is engaged in the business of providing electric power delivery service. Company owns and operates assets necessary to perform this core function. Company's assets can be used for additional functions beyond the core function that Company performs, if such additional use of Company's assets is beneficial to Company's Retail Customers, as determined by the Company.

##### **SERVICE CHARGES**

Charges for services provided shall be as mutually agreed by the Company and Retail Customer. However, charges shall not be less than long term marginal cost incurred by Company in providing such service.

##### **PAYMENT**

As provided for in the contract terms and conditions.

##### **CONTRACT**

The contract duration and other terms and conditions shall be as mutually agreed by the Company and Retail Customer.

##### **NOTICE**

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



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### 6.1.3.4 INTERCONNECTION AND PARALLEL OPERATION OF DISTRIBUTED GENERATION

#### 6.1.3.4.1 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 with the Utility System.

#### PRE-INTERCONNECTION STUDY FEE SCHEDULE

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

| <b>Non-Exporting</b>                 | <b>0 to 10 kW</b> | <b>10+ to 500 kW</b> | <b>500+ to 2000kW</b> | <b>2000+ to 10,000 kW</b> |
|--------------------------------------|-------------------|----------------------|-----------------------|---------------------------|
| 5. Pre-certified, not on network     | \$0               | \$0                  | \$650                 | \$845                     |
| 6. Non pre-certified, not on network | \$312             | \$503                | \$1,210               | \$1,405                   |
| 7. Pre-certified, on network         | \$272             | \$640                | \$1,680               | \$1,875                   |
| 8. Not pre-certified, on network     | \$525             | \$1,150              | \$2,240               | \$2,435                   |

| <b>Exporting</b>                     | <b>0 to 10 kW</b> | <b>10+ to 500 kW</b> | <b>500+ to 2000kW</b> | <b>2000+ to 10,000 kW</b> |
|--------------------------------------|-------------------|----------------------|-----------------------|---------------------------|
| 5. Pre-certified, not on network     | \$75              | \$220                | \$870                 | \$1,065                   |
| 6. Non pre-certified, not on network | \$312             | \$769                | \$1,430               | \$1,625                   |
| 7. Pre-certified, on network         | \$272             | \$860                | \$1,900               | \$2,095                   |
| 8. Not pre-certified, on network     | \$495             | \$1,370              | \$2,460               | \$2,655                   |

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**Prescribed Form for the Application for Interconnection and Parallel Operation of Distributed Generation**

Customers seeking to interconnect distributed generation with the utility system will complete and file with the company the following Application for Parallel Operation:

**APPLICATION FOR INTERCONNECTION AND PARALLEL OPERATION OF DISTRIBUTED GENERATION**

Return Completed Application to: CenterPoint Energy Houston Electric, LLC  
Attention: Bruce Raborn  
Distribution System Protection  
P.O. Box 1700  
Houston, TX 77251

Customer's Name: \_\_\_\_\_

Address: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Email Address: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Service Point Address: \_\_\_\_\_

Information Prepared and Submitted By: \_\_\_\_\_

(Name and Address) \_\_\_\_\_

Signature \_\_\_\_\_

The following information shall be supplied by the Customer or Customer's designated representative. All applicable items must be accurately completed in order that the Customer's generating facilities may be effectively evaluated by CenterPoint Energy Houston Electric, LLC for interconnection with the utility system.

CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

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**GENERATOR**

Number of Units: \_\_\_\_\_

Manufacturer: \_\_\_\_\_

Type (Synchronous, Induction, or Inverter): \_\_\_\_\_

Fuel Source Type (Solar, Natural Gas, Wind, etc.): \_\_\_\_\_

Kilowatt Rating (95° F at location) \_\_\_\_\_

Kilovolt-Ampere Rating (95° F at location): \_\_\_\_\_

Power Factor: \_\_\_\_\_

Voltage Rating: \_\_\_\_\_

Number of Phases: \_\_\_\_\_

Frequency: \_\_\_\_\_

Do you plan to export power: \_\_\_\_\_ Yes / \_\_\_\_\_ No

If Yes, maximum amount expected: \_\_\_\_\_

Do you wish CenterPoint Energy Houston Electric, LLC to report excess generation to your REP? \_\_\_\_\_ Yes / \_\_\_\_\_ No

Pre-Certification Label or Type Number (e.g., UL-1741 Utility Interactive or IEEE 1547.1):

\_\_\_\_\_

Expected Energization and Start-up Date: \_\_\_\_\_

Normal operation of interconnection: (examples: provide power to meet base load, demand management, standby, back-up, other (please describe)) \_\_\_\_\_

One-line diagram attached: \_\_\_\_\_ Yes

CenterPoint Energy Houston Electric, LLC

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For systems not using pre-certified inverters (e.g., inverters certified to UL-1741 or IEEE 1547.1), does CenterPoint Energy Houston Electric, LLC have the dynamic modeling values from the generator manufacturer? \_\_\_ Yes \_\_\_ No

If not, please explain: \_\_\_\_\_

(Note: For pre-certified equipment the answer is Yes. Otherwise, applicant must provide the dynamic modeling values if they are available)

Layout sketch showing lockable, "visible" disconnect device is attached:: \_\_\_\_\_ Yes

CenterPoint Energy Houston Electric, LLC  
 Applicable: Entire Service Area

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**Authorized Release of Information List**

By signing this Application in the space provided below, Customer authorizes CenterPoint Energy Houston Electric, LLC to release Customer’s proprietary information to the extent necessary to process this Application to the following persons:

|                       | Name | Phone Number | Email Address |
|-----------------------|------|--------------|---------------|
| Project Manager       |      |              |               |
| Electrical Contractor |      |              |               |
| Consultant            |      |              |               |
| Other                 |      |              |               |

CenterPoint Energy Houston Electric, LLC

[CUSTOMER NAME]

BY: \_\_\_\_\_

BY: \_\_\_\_\_

PRINTED NAME:

PRINTED NAME:

\_\_\_\_\_

\_\_\_\_\_

TITLE: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

CenterPoint Energy Houston Electric, LLC  
Applicable: Entire Service Area

#### **6.1.4 DISCRETIONARY SERVICE CHARGES (PREMISES WITH AN AMS-M METER)**

This section of this Tariff lists the Discretionary Service Charges for Premises with an AMS-M Meter. An AMS-M Meter permits Company to perform some Discretionary Services without dispatching personnel to Retail Customer's Premises but lacks remote connection/disconnection functionality.

Competitive Retailer shall submit an order on behalf of Retail Customer to perform the Discretionary Service at Premises with an AMS-M Meter, unless this Tariff permits Retail Customer to directly request Company to perform the Discretionary Service or allows Company to initiate performance of the Discretionary Service. Competitive Retailer shall include the appropriate TX SET transaction in an order submitted to Company requesting a Discretionary Service.

Company shall complete performance of the Discretionary Service according to the applicable timeline in this Section. If Company is unable to complete performance of the Discretionary Service in compliance with the applicable timeline for any reason, including, but not limited to, an inability to successfully communicate with the Meter, it shall complete performance of the service in a timely manner. The term "timely" requires Company to complete performance of the service on the same day specified in the applicable timeline if weather, time of day, location of Premises, and other relevant factors permit. Otherwise, Company shall prioritize the completion of the service on the next Business Day.

Company shall bill the appropriate Discretionary Service Charge to Competitive Retailer upon completion of the service, unless Company initiates performance of the Discretionary Service and bills the Retail Customer directly. Company shall not apply any additional charges for its performance of the Discretionary Service, such as processing fees and copying fees. Charges designated "As Calculated" in this Section apply to Discretionary Services for which the costs of performing such services vary, depending upon the circumstances of the service order and the requirements necessary to complete service performance. Company shall use the appropriate TX SET transaction for the Discretionary Service in an invoice submitted to Competitive Retailer.

CenterPoint Energy Houston Electric, LLC  
 Applicable: Entire Service Area

**6.1.4.1 UNIFORM DISCRETIONARY SERVICE CHARGES**

| Charge No.               | Name and Description   | Amount |
|--------------------------|--|--------|
| <b>Connection Charge</b> |  |        |
| (1)                      | <p><b>Move-In (AMS-M Meter)</b></p> <p>This charge is for service to initiate Delivery to Retail Customer’s Point of Delivery. It is not available if inspections, permits, or construction (other than installation of the Meter) is required and not completed. Construction Service Charges relating to the cost and installation of a new AMS-M Meter appear in Section 6.1.4.2, CONSTRUCTION SERVICE CHARGES</p> <p>Company shall complete performance of the service on the requested date, provided: (1) the requested date is a Business Day; (2) Company receives the order by 5:00 PM CPT on a Business Day; and (3) the order is received at least two Business Days prior to the requested date.</p> <p>If the requested date is not a Business Day, Company shall treat the next Business Day as the requested date.</p> <p>Company may treat an order received after 5:00 PM CPT on a Business Day, or on a day that is not a Business Day, as received by 5:00 PM CPT on the next Business Day.</p> <p>If the order is received by Company less than two Business Days prior to the requested date, Company shall complete performance of the service within two Business Days after the date the order is received.</p> <p><u>Self-Contained Meter</u></p> <p style="padding-left: 20px;">New \$103.00</p> <p style="padding-left: 20px;">Existing \$16.00</p> <p><u>Current Transformer (CT)/Other Meter</u></p> <p style="padding-left: 20px;">New \$343.00</p> <p style="padding-left: 20px;">Existing \$144.00</p> |        |
| (2)                      | <p><b>Priority Move-In (AMS-M Meter)</b></p> <p>This charge is for service to initiate Delivery to Retail Customer’s Point of Delivery when an order includes the TX SET transaction for priority move-in service. It is available only at Premises with an existing AMS-M Meter.</p> <p>Company shall complete performance of the service on the requested date, provided: (1) the requested date is a Business Day; and (2) Company receives the order by 5:00 PM CPT on a Business Day.</p>   |        |

CenterPoint Energy Houston Electric, LLC

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|  |  |  |
|--|--|--|
|  | <p>If the requested date is not a Business Day, Company shall treat the next Business Day as the requested date.</p> <p>Company may treat an order received after 5:00 PM CPT on a Business Day, or on a day that is not a Business Day, as received by 5:00 PM CPT on the next Business Day.</p> <p>Self-Contained Meter</p> <p>Current Transformer (CT)/Other Meter</p>  | <p>\$36.00</p> <p>\$296.00</p>                     |
| <b>Disconnection Charges (AMS-M Meter)</b> |  |  |
| <p>(3)</p> <p>(4)</p>                      | <p><b>Move-Out</b></p> <p>This service discontinues Delivery at Retail Customer’s Point of Delivery.</p> <p>Company shall complete performance of the service on the requested date, provided: (1) the requested date is a Business Day, (2) Company receives the order by 5:00 PM CPT on a Business Day; and (3) the order is received at least two Business Days prior to the requested date.</p> <p>If the requested date is not a Business Day, Company shall treat the next Business Day as the requested date.</p> <p>Company may treat an order received after 5:00 PM CPT on a Business Day, or on a day that is not a Business Day, as received by 5:00 PM CPT on the next Business Day.</p> <p>If the order is received by Company less than two Business Days prior to the requested date, Company shall complete performance of the service within two Business Days after the date the order is received.</p> <p><b>Clearance Request</b></p> <p>This service de-energizes/re-energizes Company electrical facilities on Retail Customer’s Premises before/after Retail Customer or Retail Customer’s contractor engages in activity near Company’s electrical facilities, or on or near Retail Customer’s electrical facilities. Retail Customer may directly submit order to Company to obtain this clearance as authorized pursuant to Section 4.11, OUTAGE AND SERVICE REQUEST REPORTING.</p> <p>Company shall complete performance of the service on the requested clearance date, provided: (1) Company receives the order by 5:00 PM CPT on a Business Day, and (2) the order is received at least three Business Days prior the requested clearance date.</p> | <p>Charge included in Standard Move-In charge.</p> |



CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

|  |  |  |
|--|--|--|
|  | <p>Company may treat an order received after 5:00 PM CPT on a Business Day; or on a day that is not a Business Day, as received by 5:00 PM CPT on the next Business Day.</p> <p>Company shall accommodate an order requesting clearance based on a mutual agreement with the requesting party to perform the service at charges calculated by Company if: (1) the requested clearance date is not a Business Day; (2) the Company receives the order less than three Business Days prior to the requested clearance date; or (3) the activities necessary for clearance cannot be safely performed on the requested clearance date.</p> <p>Three Business Days' Notice (Residential)</p> <p>Three Business Days' Notice (Non-Residential)</p> <p>Less Than Three Business Days' Notice</p>   | <p>As Calculated</p> <p>As Calculated</p> <p>As Calculated</p> |
| <b>Disconnection / Reconnection for Non-Payment of Charges (AMS-M Meter)</b> |  |  |
| (5)  | <p><b>Disconnection for Non-Payment (DNP)</b></p> <p>This service discontinues Delivery to Retail Customer's Point of Delivery due to Retail Customer's non-payment of charges billed by Competitive Retailer or Company. Company may also discontinue Delivery to Retail Customer's Point of Delivery due to Retail Customer's failure to fulfill obligations to the Company pursuant to a contract, this Tariff, or other Applicable Legal Authorities.</p> <p>Company shall not discontinue Delivery to a Retail Customer's Point of Delivery due to non-payment: (1) before the requested date; (2) in violation of P.U.C. SUBST. R 25.483(f)(2); or (3) if provisions in other Applicable Legal Authorities prohibit such disconnection. Company also shall not discontinue Delivery to Retail Customer's Point of Delivery between the hours of 5:00 PM CPT and 7:00 AM CPT due to non-payment, unless a coordinated disconnection allowing the disconnection of service between these hours is arranged pursuant to Section 4.3.12.3, COORDINATED DISCONNECTION. When appropriate, the coordinated disconnection of service may occur between 5:00 PM and 7:00 AM CPT.</p> <p>Company shall complete performance of the service within three Business Days of the requested date, provided: (1) the requested date is a Business Day, (2) Company receives the order by 5:00 PM CPT on a Business Day, and (3) the order is received at least two Business Days prior to the requested date.</p> <p>If the requested date is not a Business Day, Company shall treat the next Business Day as the requested date. Company may treat an order received after 5:00 PM CPT on a Business Day, or on a day that is not a Business Day, as received by 5:00 PM CPT on the next Business Day.</p> <p>If the order is received by Company less than two Business Days prior to the requested date, Company shall complete performance of the service within four</p> |  |

CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

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| <p>(6)</p> | <p>Business Days after the date the order is received.</p> <p>Company shall not charge Competitive Retailer for performance of the service if Company initiates disconnection for non-payment.</p>   |                               |
|            | <p>Disconnection at Meter</p> <p>Disconnection at Premium Location (e.g., pole, weatherhead, secondary box)</p> <p><b>Reconnection After Disconnection for Non-Payment of Charges (DNP)</b></p> <p>This service restarts Delivery at Retail Customer’s Point of Delivery after discontinuance due to Retail Customer’s non-payment of charges billed by Competitive Retailer or Company.</p> <p>Company shall complete performance of standard reconnection service on the date Company receives the order, provided Company receives the order by 2:00 PM CPT on a Business Day.</p> <p>If Company receives the order after 2:00 PM CPT on a Business Day, Company shall complete performance of the standard reconnection service on the date of receipt if possible, but no later than the close of Company’s next Field Operational Day.</p> <p>Company shall complete performance of same-day reconnection service on the date Company receives the order, provided Company receives the order by 5:00 PM CPT on a Business Day. If the order is received by Company after 5:00 PM CPT on a Business Day, or on a day that is not a Business Day, Company shall complete performance of the service no later than the close of Company’s next Field Operational Day.</p> <p>Company shall treat an order for reconnection service received after 7:00 PM CPT, or on a Non-Business Day as received at 8:00 AM CPT on the next Business Day.</p> <p>In no event shall Company fail to reconnect service within 48 hours of Company’s receipt of the order. However, if this requirement results in reconnection being performed on a day that is not a Business Day, the appropriate Weekend or Holiday charge shall apply.</p> <p>Company shall not charge Competitive Retailer for performance of the service if Company restarts Delivery reconnection after Company-initiated disconnection for non-payment.</p> | <p>\$23.35</p> <p>\$61.00</p> |

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|  | <p>Reconnection at Meter</p> <ul style="list-style-type: none"> <li>v. Standard Reconnect \$23.35</li> <li>vi. Same Day Reconnect \$34.00</li> <li>vii. Weekend \$34.00</li> <li>viii. Holiday \$176.00</li> </ul> <p>Reconnection at Premium Location (e.g., pole, weatherhead, secondary box)</p> <ul style="list-style-type: none"> <li>v. Standard Reconnect \$61.00</li> <li>vi. Same Day Reconnect \$187.00</li> <li>vii. Weekend \$187.00</li> <li>viii. Holiday \$246.00</li> </ul>  |  |
| <b>Meter Testing Charges (AMS-M Meter)</b> |  |  |
| (7)  | <p>This charge is for service that tests Retail Customer’s Meter in accordance with Section 4.7.4, METER TESTING. Retail Customer may directly submit an order to Company to perform this service as authorized pursuant to Section 4.11, OUTAGE AND SERVICE REQUEST AND REPORTING.</p> <p>Self-Contained Meter (Company-Owned)</p> <ul style="list-style-type: none"> <li>a. First Meter test in last four years \$0.00</li> <li>b. Meter found outside of relevant accuracy standards \$0.00</li> <li>c. All other \$49.00</li> </ul> <p>Current Transformer (CT)/Other Meter (Company-Owned)</p> <ul style="list-style-type: none"> <li>a. First Meter test in last four years \$0.00</li> <li>b. Meter found outside relevant accuracy standards \$0.00</li> <li>c. All other \$82.00</li> </ul> |  |

CenterPoint Energy Houston Electric, LLC  
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|  | Competitive Meter  | \$82.00 |
| <b>Meter Reading Charges (AMS-M Meter)</b> |  |         |
| (8)  | <p><b>Meter Reading for the Purpose of a Standard Switch</b></p> <p>This service reads Retail Customer’s Meter for the purpose of switching Retail Customer’s account to a different Competitive Retailer when Retail Customer has not requested a self-selected switch. The service is performed in accordance with Section 4.3.4, CHANGING OF DESIGNATED COMPETITIVE RETAILER.</p> <p>Company shall complete performance of the service using an Actual Meter Reading to allow completion of the switch on the First Available Switch Date (FASD) received from the Registration Agent, provided: (1) Company receives the order by 7:00 PM CPT on an AMS Operational Day; and (2) the FASD is an AMS Operational Day. The FASD is day zero unless otherwise specified by the Registration Agent.</p> <p>Company may treat an order received after 7:00 PM CPT on an AMS Operational Day, or on a day that is not an AMS Operational Day, as received on the next AMS Operational Day.</p> <p>Company may use an Estimated Meter Reading to complete performance of the service if conditions preclude execution of an Actual Meter Reading.</p>   | \$0.00  |
| (9)  | <p><b>Meter Reading for the Purpose of a Self-Selected Switch</b></p> <p>This service reads Retail Customer’s Meter on a date other than the Scheduled Meter Reading Date for the purpose of switching Retail Customer’s account to a different Competitive Retailer on a date certain. The service is performed in accordance with Section 4.3.4, CHANGING OF DESIGNATED COMPETITIVE RETAILER. A charge applies only when Company uses an Actual Meter Reading to perform the service.</p> <p>Company shall complete performance of the service on the requested date, provided: (1) Company receives the order by 7:00 PM CPT on the requested date; and (2) the requested date is an AMS Operational Day.</p> <p>Company may treat an order received after 7:00 PM CPT on an AMS Operational Day, or on a day that is not an AMS Operational Day, as received on the next AMS Operational Day.</p> <p>If the requested date is not an AMS Operational Day, Company shall complete performance of the service by the first AMS Operational Day following the requested date.</p> <p>Company may use an Estimated Meter Reading to complete performance of the service if conditions preclude execution of an Actual Meter Reading.</p> | \$23.35 |

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Applicable: Entire Service Area

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| (10)  | <p><b>Meter Reading for the Purpose of a Mass Transition</b></p> <p>This service provides a Meter Reading for each affected Retail Customer for the purpose of a mass transition of the Retail Customers pursuant to P.U.C. SUBST. R 25.43. Company shall charge the exiting Competitive Retailer for performance of the service.</p>   | \$0.00   |
| <b>Non-Standard Meter Installation Charge (AMS-M Meter)</b> |   |  |
| (11)  | <p><b>Non-Standard Metering Service One-Time Fee</b></p> <p>Applicable to a Retail Customer with an AMS-M Meter who chooses to begin receiving Non-Standard Metering Service under Section 6.1.3, pursuant to P.U.C. SUBST. R 25.133.</p> <p><b>Existing Analog Meter One-Time Fee</b></p> <p><b>New Analog Meter (if commercially available) One-Time Fee</b></p> <p><b>Digital Non-Communicating Meter One-Time Fee</b></p> <p><b>Advanced Meter with Communications Disabled One-Time Fee</b></p>  | <p>\$91.00</p> <p>\$171.00</p> <p>\$201.00</p> <p>\$174.00</p> |
| <b>Service Call Charge (AMS-M Meter)</b>                    |   |  |
| (12)  | <p>This charge is for service that dispatches Company personnel to Retail Customer's Premises to investigate an outage or other service-related problem. Retail Customer may directly submit order to Company to perform this service if authorized pursuant to Section 4.11, OUTAGE AND SERVICE REQUEST REPORTING.</p> <p>A charge for the performance of this service applies only if Company completes its investigation and determines the outage or other service-related problem is not caused by Company equipment.</p> <p>Business Day (8:00 AM--5:00 PM CPT)</p> <p>Business Day (Other Hours)</p> <p>Weekend</p> <p>Holiday</p> | <p>\$50.00</p> <p>\$50.00</p> <p>\$50.00</p> <p>\$50.00</p>    |

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| <b>Outdoor Lighting Charges (AMS-M Meter)</b>      |   |               |
|--|---|---------------|
| (13)   | <p><b>Street Light Removal</b></p> <p>This service removes Company-owned street lights in accordance with Sections 5.7.8, REMOVAL AND RELOCATION OF COMPANY’S FACILITIES AND METERS and 5.7.9, DISMANTLING OF COMPANY’S FACILITIES. Retail Customer may directly submit order to Company to obtain the service if authorized pursuant to Section 4.11, OUTAGE AND SERVICE REQUEST REPORTING.</p> <p>Company shall complete performance of the service on the requested date, provided Company receives the order at least 30 days prior to the requested date. Company may initiate removal of Company-owned street lights and complete performance of the service on a date or dates other than the requested date upon mutual agreement between the Company and the requesting party.</p> | As Calculated |
| <b>Tampering and Related Charges (AMS-M Meter)</b> |   |               |
| (14)   | <p><b>Tampering</b></p> <p>This service investigates and corrects the unauthorized use of Delivery System pursuant to Section 5.4.7, UNAUTHORIZED USE OF DELIVERY SYSTEM, or other Tampering with Company’s Meter or Metering Equipment, or the theft of electric service by any person at the Retail Customer’s Premises.</p> <p>Tampering charges may include, but are not limited to, Delivery Charges, the cost of testing the Meter, the cost of replacing and repairing a Meter and Metering Equipment (including the Meter seal), the cost of installing protective facilities or relocating the Meter, and all other costs associated with the investigation and correction of the unauthorized use.</p>  | As Calculated |
| (15)   | <p><b>Broken Outer Meter Seal</b></p> <p>This service replaces a broken outer Meter seal.</p>   | \$31.00       |

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| <b>Denial of Access Charges (AMS-M Meter)</b> |  |               |
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| (16)  | <p><b>Inaccessible Meter</b></p> <p>This charge is for service that applies when Company personnel are unable to gain access to the Meter of a Critical Load Public Safety Customer or Critical Load Industrial Customer Premises as a result of continued denial of access to Meter, as provided in Section 4.7.2.1, DENIAL OF ACCESS BY RETAIL CUSTOMER.</p> | \$55.00       |
| (17)  | <p><b>Denial of Access to Company's Delivery System</b></p> <p>This charge applies when Retail Customer fails to provide access to Retail Customer's Premises, as required by Section 5.4.8, ACCESS TO RETAIL CUSTOMER'S PREMISES, and includes all costs incurred by Company to obtain such access.</p>   | As Calculated |

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**6.1.4.2 CONSTRUCTION SERVICE CHARGES**

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### **SECTION 1: INTRODUCTION**

CenterPoint Energy Houston Electric, LLC extends Delivery Service facilities to Retail Customers in accordance with the policy outlined in Chapter 5, Section 5.7, Facilities Extension Policy and described in more detail in this Construction Services policy. The booklet titled, Service Standards, is an integral part of this description of the Company's construction service practices. Terms and conditions contained in Chapters 3, 4 and 5 of the Tariff for Retail Delivery Service are a part of this Construction Services policy. Application of this generalized policy is determined by the Company, which also reserves the right to withdraw or modify this policy when, in the sole opinion of the Company, changing conditions warrant such withdrawal or modification.

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## **SECTION 2: EXTENSION OF SERVICE FACILITIES TO PERMANENT RETAIL CUSTOMERS**

### **Subsection 2.1- Introduction**

The Company's general policy for extending Delivery Service to permanent Retail Customers is to utilize overhead construction consisting of wood poles and overhead circuits extended to transformer locations acceptable to the Company. A permanent Retail Customer is one whose installed electrical equipment is used in a manner which provides the Company a reasonable return on the capital investment required to serve the Retail Customer for a time period approximately equal to the life of the Company's installed service facilities. The Point of Delivery and construction specifications for all service facilities extensions are determined by the Company. A request by a permanent Retail Customer for Delivery Service facilities which does not meet the Company's general policy for extending Delivery Service facilities as contained herein must be approved by the Company and may require additional contractual agreements.

Retail Customer may obtain all equipment necessary for redundant service to any point of service provided that, in the judgment of the Company, sufficient reserve capacity is available and provided Retail Customer pays the cost of establishing and maintaining such redundant service.

In instances where easements and/or right-of-ways have not been granted to the Company, the Retail Customer bears the cost of obtaining easements and rights-of-way.

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**Subsection 2.2- Overhead Distribution Service**

The Company extends overhead electric delivery service facilities to any permanent Retail Customer, without charge, for a distance not to exceed 1,000 feet for three phase service and 2,000 feet for single phase service from the nearest available overhead line of suitable voltage, phase and capacity. Facilities must be extended along public rights-of-way or dedicated easements and are subject to the provisions in Service Standards.

The cost of installation and purchase of FAA “ball markers” on overhead lines or, alternatively the cost of placing the overhead line underground, is at Retail Customer’s expense.

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### **Subsection 2.3- Overhead Distribution Service Extensions**

#### **1000/2000-Foot Line Extension Plan**

The Company extends, without charge, single-phase distribution facilities up to 2,000 feet from existing lines of suitable phase, voltage and capacity to serve a permanent Retail Customer, provided the extension is made along a public road or dedicated easement, or provided the extension does not utilize more than three poles on private property. If the Retail Customer qualifies for three-phase service, as outlined in Service Standards, the Company extends three-phase facilities up to 1,000 feet under similar circumstances.

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

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Cost associated with service extensions in excess of the free distances are at Retail Customer expense, as are costs associated with increasing the capacity of existing lines along the route of extension and costs associated with line construction over or around any natural or man made obstacle.

### **Area Development Plan**

Service facilities may also be extended at Company expense provided the facilities are required for increased reliability, service continuity, or development of the Company's distribution system. In conjunction with the installation of such facilities, the Company may extend service from these facilities to Retail Customers in accordance with the appropriate line extension plan.

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#### **Subsection 2.4- High Voltage Transmission Service Extension Plan**

A Retail Customer whose load is of such magnitude or of such unusual characteristics that it cannot otherwise be economically served from Company's distribution system, as determined by Company, must receive electric service from the Company's high-voltage transmission system. The Retail Customer is responsible for all extension cost and providing all substation equipment, in accordance with the Company's specifications, both initially and from time to time thereafter, whenever changes in the Company's transmission system (including the transmission system's monitoring and protection devices) require such changes in the substation in order to maintain its compatibility with the Company's transmission system. The Retail Customer will comply with Company's operating standards.

In instances where transmission services are requested that are necessary for new electric generation resources, service will be provided in accordance with applicable Rules and Legal Authority.

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### **Subsection 2.5- Underground Service Extensions**

#### **Underground Service to Residential Retail Customers**

Single-phase underground electric delivery service is supplied to a residential subdivision, apartment, or condominium provided projects meet Company Service Standards and specification. The service lateral from Company facilities to the dwelling unit is installed, owned, and maintained by the Retail Customer, and each dwelling unit must be individually metered and billed by the Company. The underground system is supplied, from overhead distribution facilities, at locations specified by the Company. Certain dwelling units adjacent to overhead distribution facilities are served, at the Company's option, through standard overhead facilities. This underground residential distribution plan is not applicable to mobile home developments. A contribution toward the cost of construction may be required when projects do not meet Company Service Standards and specifications. Additional contractual arrangements are also required if the developer requests installation of service facilities prior to reasonable utilization.

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 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 SUBSECTION 2.5 APPLIES MUST TAKE NECESSARY STEPS TO ENSURE THAT THE INDEMNIFICATION REQUIREMENTS OF THIS SUBSECTION 2.5 DO NOT CREATE A "DEBT" IN VIOLATION OF ARTICLE XI, SECTION 7 OF THE TEXAS CONSTITUTION. SUCH STEPS MAY INCLUDE, BUT ARE NOT NECESSARILY LIMITED TO, A THIRD-PARTY INDEMNIFICATION IN WHICH THE CONTRACTOR PERFORMING THE WORK FOR THE GOVERNMENTAL ENTITY INDEMNIFIES THE COMPANY OR THE ESTABLISHMENT OF A SINKING FUND.

#### **Underground Service to Commercial and Industrial Retail Customers**

The Company's standard practice for extending electric service to commercial and industrial Retail Customers is to utilize overhead construction consisting of wood poles and overhead



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circuits extended to transformer locations acceptable to the Company. 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. The maintenance on this equipment, exclusive of pads of bus connected transformers, will be performed by the Company.

Retail Customer requesting special non-standard underground service arrangements must reimburse the Company for the difference in cost between standard construction, as outlined above, and the requested special non-standard service arrangements. 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.

Substantial investments in underground service facilities have been made in certain areas of the Company's distribution system, and overhead service extensions into these areas are impractical and will nullify the benefits of past investments. In consideration of these factors, underground service utilizing one or more circuits with manual switching capabilities is provided in such areas at no cost to the Retail Customer. Special service arrangements, such as redundant transformer installations and automatic circuit transfer designs, are provided at the Company's option on the basis of the Retail Customer reimbursing the Company for the additional cost of the special service arrangement. The Retail Customer must install concrete encased ducts, manholes, switchrooms, transformer vaults, and pads for transformers, switches, and protective devices according to Company specifications.

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 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 SUBSECTION 2.5 APPLIES MUST TAKE NECESSARY STEPS TO ENSURE THAT THE INDEMNIFICATION REQUIREMENTS OF THIS SUBSECTION 2.5 DO NOT CREATE A "DEBT" IN VIOLATION OF ARTICLE XI,

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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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**SECTION 3: EXTENSION OF SERVICE FACILITIES TO CUSTOMERS THAT DO NOT MEET ALL CRITERIA FOR PERMANENT CLASSIFICATION**

Certain types of Retail Customer facilities do not fully meet the criteria for classification as permanent, but these facilities are not regarded as temporary because a certain degree of permanency exists. For these Retail Customers, 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 facilities in this classification include, but are not limited to, livestock water wells, sign boards, concrete or asphalt batch plants, railroad crossing signals, drive-up photographic finishing stations, 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 facilities, 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: EXTENSIONS OF SERVICE FACILITIES TO TEMPORARY CUSTOMERS**

##### **Temporary Service**

Temporary service is provided, at the Company's option, on the basis of the Retail Customer paying the cost of installation and removal of Company facilities.

##### **Service of Doubtful Permanence**

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 estimated installation and removal costs of Company equipment and provides for a refund of such payment if the Retail Customer constructs permanent facilities within 24 months from the date electric delivery service facilities are made available. Expenses involved in altering Company facilities to provide permanent service are charged against the refund due the Retail Customer.

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**SECTION 5: EXTENSION OF SERVICE TO SOURCES OF ELECTRIC GENERATION**

CenterPoint Energy Houston Electric, LLC will make high voltage delivery service available to sources of electric generation that comply with Company Service Standards, Company specifications and the Commission approved ERCOT Standard Interconnection Agreement. Retail Customers requesting this service must follow the ERCOT Independent System Operator's (ISO) "Generation Interconnection Procedure", as well as any Rules of an Applicable Legal Authority.

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## **SECTION 6: STREET LIGHTING SERVICE**

### **Subsection 6.1- Incorporated Areas Municipalities**

Street lighting systems are installed, owned, and maintained by the Company only on public streets or roads. 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.

| <u>Lamp Type</u>              | <u>Company Contribution per Lamp</u>                                     |
|-------------------------------|--|
| High Pressure<br>Sodium Vapor | Cost of Company's standard installation,<br>but not to exceed \$1,230.00 |

CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

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 Tariff Sheet No. 6.15.

### **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.

### **Retail Customer Installed Street Lighting Systems**

Retail Customer may, at his option, elect to install a privately owned street lighting system. Delivery Service will be provided under the Company's standard practices for metered service and will be billed under the applicable secondary service rate schedule.

CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

### **Subsection 6.2- Unincorporated Areas**

Street lighting systems are installed, owned, and maintained by the Company only on public streets or roads. 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.

##### Lamp Type

High Pressure  
Sodium Vapor

##### Company Contribution per Lamp

Cost of Company's standard installation,  
but not to exceed \$1,230.00

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.



CenterPoint Energy Houston Electric, LLC  
Applicable: Entire Service Area

### **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 Tariff Sheet No. 6.15.

### **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.

### **Retail Customer Installed Street Lighting System**

Retail Customer may, at his option, elect to install a privately owned street lighting system. Delivery Service will be provided under the Company's standard practices for metered service and will be billed under the applicable secondary service rate schedule.

CenterPoint Energy Houston Electric, LLC  
Applicable: Entire Service Area

## **SECTION 7: METERING PRACTICES**

Delivery Service is provided to an individual 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 interpretations are applied in situations where separate entities are grouped in a common structure.

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 residential premises.

Individual rental units in an apartment project are either metered as individual residential premises or grouped as one premises with one meter and billed on the appropriate non-residential service rate.

Individual retail spaces in a multi-tenant building are metered as separate premises.

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

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

CenterPoint Energy Houston Electric, LLC  
Applicable: Entire Service Area

## **SECTION 8: MISCELLANEOUS SERVICE POLICIES**

### **Miscellaneous Lighting Service**

Miscellaneous Lighting Service is available to all Retail Customers within Company's service area where permission for installation is granted by all affected parties, provided suitable Company owned electrical facilities are available on the pole selected for the installation. Retail Customer or their REP shall provide and own the Company approved lighting fixture for this type of installation.

The Company installs and maintains lighting fixtures under Rate Lighting Services, under section Miscellaneous Lighting Service. Construction work is done at Retail Customer's expense. Lighting fixtures are installed in mutually acceptable locations utilizing Company approved fixtures.

The cost of relocating a light is borne by the Retail Customer. See Lighting Services rate schedule for more details.

### **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.

### **Construction of Non-Standard Service Facilities**

The Company determines the Point of Delivery of electric service to all Retail Customers as well as the standard routing for Company distribution facilities required to provide service to the Point of Delivery. Retail Customers requesting special construction, for aesthetic considerations, clearance of obstructions, or service to a non-standard Point of Delivery, reimburse the Company for the difference in cost between the standard service arrangement and the requested special construction or routing.

### **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.

CenterPoint Energy Houston Electric, LLC  
Applicable: Entire Service Area

### **Service to Mobile Homes and Mobile Home Parks**

Electric service facilities are extended to a permanently located residential mobile home in accordance with the appropriate Company line extension plan. For any service facilities to be provided at Company expense, water and sewage facilities must be equal to that of a permanently constructed home.

The Company installs single-phase overhead service facilities within a permanently constructed mobile home park so that single-phase service is available to each mobile home through a separate meter. Retail Customers requesting special routing for aesthetic purposes or special construction, such as underground service arrangements, will be required to reimburse the Company for the added cost of the special work. The Retail Customer is also required to clear the ground, as specified by the Company, along the route of the line extension within the park. The Company performs the remaining tree trimming required for aerial clearances within the park. If the cost of this trimming exceeds 25 percent of the line cost within the park, the Retail Customer bears the remainder of the trimming cost. Transformers, meters, and service drops are not included in the line cost.

The construction required along a public road, street, or dedicated easement, to make service available to the park location, is provided in accordance with the appropriate Company line extension for permanent Retail Customers.

Permanent parks for transient type mobile homes and campers are considered one premises and are billed on the applicable non-residential service rate. Service extensions to these parks are based on the appropriate line extension plan.

### **Types of Service**

Single-phase or three-phase 60 hertz (hz) electric service is supplied to a Retail Customer at one of the Company's nominally rated voltages as specified in Company's Service Standards.

The Company determines the Point of Delivery and the service voltage to be supplied to a Retail Customer at no charge in accordance with the appropriate line extension plan. The additional costs of special service arrangements approved by the Company are at Retail Customer expense.

CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

### **Rental of Company Equipment**

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.

CenterPoint Energy Houston Electric, LLC  
 Applicable: Entire Service Area

## SECTION 9: COMPETITIVE METERING CONSTRUCTION SERVICES

### Competitive Meter Remove/Install Service Fee

A single trip charge for removing one 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”.

|                         | <u>Charge</u> |
|-------------------------|---------------|
| Self-Contained Meter    | \$ 76.00      |
| Transformer Rated Meter | \$119.00      |

### Competitive Meter Physical Access Equipment Installation Service Fee

Competitive Meter Physical Access Equipment Installation Service Fee is made 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.

|   | <u>Charge</u> |
|---|---------------|
| C. No Additional Service Call Required ( <i>performed during initial meter installation</i> ) | \$ 39.00      |
| D. Additional Service Call Required ( <i>performed after initial meter installation</i> )     | \$ 77.00      |

CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

**6.1.4.3 DISCRETIONARY CHARGES OTHER THAN CONSTRUCTION SERVICE CHARGES****6.1.4.3.1 ADDITIONAL DISCRETIONARY CHARGES**

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

| <u>Item</u>                                     | <u>Description</u>   | <u>Charge</u>                         |
|---|--|---------------------------------------|
| <b>Meter Test Charges:</b>                      |  |                                       |
| DC.1  | <p><b>Competitive Meter Communication Diagnostic Service Fee</b><br/>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<br/>Transformer rated meter</p>  | <p>\$ 65.00<br/>\$ 65.00</p>          |
| <b>Non-Standard Meter Installation Charges:</b> |  |                                       |
| DC.2  | <p><b>Advanced Billing Meter Installation Charge</b><br/>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>* \$204.00 plus the incremental cost between a standard meter for the specified installation and the advanced meter functionality requested, plus additional charges for services related to advanced capabilities as appropriate.</p> | (see charges in description section*) |
| DC.3  | <p><b>Advanced Non-Billing Meter Installation Charge</b><br/>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>*\$204.00 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*) |

CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

|                             |  |   |
|-----------------------------|--|---|
| DC.4                        | <p style="text-align: center;"><b>Pulse Metering Equipment Installation</b></p> <p><i>For Billing Meters that do not currently provide pulse outputs (kWh meters and thermal demand meters)</i></p> <p>Install Pulse Meter and fused junction box (customer receives one pulse output-kWh). For more than one output, requests will be processed according to charges under the “Advanced Billing Meter Installation Charge” above.</p> <p><i>For Billing Meters with current pulse capabilities for kWh, kVAr, and time</i></p> <p>Install one relay (one output)</p> <p>Install two relays (two outputs)</p> <p>Install three relays (three outputs)</p> | <p style="text-align: right;">\$ 219.00</p> <p style="text-align: right;">\$ 302.00</p> <p style="text-align: right;">\$ 458.00</p> <p style="text-align: right;">\$596.00</p>  |
| DC.5                        | <p style="text-align: center;"><b>Pulse Metering Equipment Replacement</b></p> <p>Replace one relay*</p> <p>Replace one Pulse Meter</p> <p>Replace one relay and one Pulse Meter*</p> <p>Replace fuses in fused junction box</p> <p>Pulse Metering Equipment trouble call which is determined to be problem with Customer’s equipment</p> <p style="text-align: center;">*Each additional relay replaced on same trip</p>  | <p style="text-align: right;">\$ 226.00</p> <p style="text-align: right;">\$ 179.00</p> <p style="text-align: right;">\$ 341.00</p> <p style="text-align: right;">\$ 52.00</p> <p style="text-align: right;">\$ 52.00</p> <p style="text-align: right;">\$ 160.00</p> |
| DC.6                        | <p style="text-align: center;"><b>Competitive Meter Non-Standard Programming Service Fee</b></p> <p>Self-contained meter- field programming</p> <p>Self-contained meter- shop programming</p> <p>Transformer rated meter- field programming</p> <p>Transformer rated meter- shop programming</p>   | <p style="text-align: right;">\$ 73.00</p> <p style="text-align: right;">\$ 46.00</p> <p style="text-align: right;">\$ 73.00</p> <p style="text-align: right;">\$ 46.00</p>   |
| <b>Service Call Charge:</b> |  |   |
| DC.7                        | <p style="text-align: center;"><b>URD By-Pass Cable Installation Charge</b></p> <p>Applicable to any Residential Retail Customer or Retail Customer’s REP that requests the Company to install a temporary, above-ground by-pass cable in order to continue electric service while Retail Customer-owned URD facilities are being repaired or replaced. (Charge per month.)</p>  | <p style="text-align: right;">\$ 261.00<br/>Per Month</p>   |



CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

| <b>Other Charges:</b> |   |                        |
|-----------------------|---|------------------------|
| DC.8                  | <p style="text-align: center;"><b>Returned Check Charge</b></p> <p>Applicable to any Retail Customer or REP whose check is returned by a bank or other financial institution as not payable.</p>  | \$ 10.50               |
| DC.9                  | <p style="text-align: center;"><b>Voltage Monitoring</b></p> <p>Applicable to requests by Retail Customer or Retail Customer's Competitive Retailer to install voltage monitoring equipment at Retail Customer's Point of Service for evaluation and reporting of data.</p> <p>5. Data determines a problem with Company's equipment or system</p> <p>6. Data determines no problem with Company's equipment or system.</p>   | No Charge<br>\$ 954.00 |
| DC.10                 | <p style="text-align: center;"><b>Damage to Company Facilities</b></p> <p>Pursuant to Section 5.4.6, RETAIL CUSTOMER'S DUTY REGARDING COMPANY'S FACILITIES ON RETAIL CUSTOMER'S PREMISES, charges for loss of, or damage to, Company Delivery System facilities on Retail Customer's Premises caused by or arising out of Retail Customer's failure to exercise reasonable care not to damage such facilities, including labor, material, equipment, legal services and associated costs including cost burdens, such as, overhead, warehousing, administration, etc.</p>             | As Calculated          |
| DC.11                 | <p style="text-align: center;"><b>Adverse Effects and Improper Power Factor</b></p> <p>Pursuant to Section 5.5.2, INTERMITTENT ELECTRICAL LOADS AND LIMITATIONS ON ADVERSE EFFECTS and Section 5.5.5, POWER FACTOR, charges for labor, material, equipment, legal services and associated costs including cost of burdens, such as, overhead, warehousing, administration, etc. provided by the Company to correct adverse effects due to Retail Customer's equipment or operations, including improper power factor, voltage fluctuations, interference or distorted wave forms.</p> | As Calculated          |
| DC.12                 | <p style="text-align: center;"><b>Provision of Retail Customer Data</b></p> <p>Pursuant to Section 5.10.2, RETAIL CUSTOMER RESPONSIBILITY AND RIGHTS, charges for compiling, copying, printing, administration and sending customer data other than that required by Applicable Legal Authority to be provided at no charge.</p>  | As Calculated          |
| DC.13                 | <p style="text-align: center;"><b>Customer Required Upgrade to Delivery System</b></p> <p>Pursuant to Section 5.7.6, CUSTOMER REQUESTED FACILITY UPGRADES, charges for the costs of a facility upgrade that is attributable to the Retail Customer adding load in excess of existing Delivery System facility capacity, if Company requires a contribution in aid of construction.</p>  | As Calculated          |



CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

CNP 8032

**6.1.4.3.2 Public Access to Accessible Utility Information - Rate AUI**

CenterPoint Energy Houston Electric, LLC will make accessible utility information available to the public on a non-discriminatory basis. The information available is described below. Procedures for obtaining this information along with the available format(s) and the charges for receiving this information are detailed on the Order Form beginning on page 2.

1. **Tariff for Retail Delivery Service** - Includes areas served, rate schedules, riders, terms and conditions, agreement forms, service policies and others. (Historical data is for the Tariff effective on 1/1/2002; new Tariff books will be available as individual schedules are added, deleted or modified).
2. **Average Annual Cooling Hours for Houston** - Cooling hour analysis. (Jul-98 and periodically thereafter).
3. **Average Annual Heating Hours for Houston** - Heating hour analysis. (Jul-98 and periodically thereafter).
4. **Interim Reports** - If new accessible utility information is created between updates of this Service Regulation, they will be priced at ten cents per page plus postage.

CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

CNP 8032

**ORDER FORM**

Complete this form by checking the box next to the item(s) requested and the boxes next to the version and format selected. Also indicate the number of copies requested of each item and then the total cost for those items as well as the total for the entire purchase request. Fill-in your name, mailing address and phone number in the spaces provided. Mail the order form and your check or money order to the address below. (Please allow 3 to 4 weeks for delivery.)

**CenterPoint Energy Houston Electric, LLC**  
**ATTN: Accessible Utility Information**  
**Regulatory Department**  
**P. O. Box 1700**  
**Houston, Texas 77251-1700**

| <u>ITEM</u>  | <u>FORMAT</u> | <u>VERSION</u>   | <u>COST</u>        | <u>NO. COPIES</u>  | <u>TOTAL \$</u> |
|--|---------------|--|--------------------|--|-----------------|
| <input type="checkbox"/> 1. Tariff for Retail Delivery Service | Paper         | <input type="checkbox"/> 1/1/2002<br><input type="checkbox"/> Current      | \$42.40<br>\$42.40 | <input type="checkbox"/> _____<br><input type="checkbox"/> _____ | _____<br>_____  |
| <input type="checkbox"/> 2. Average Cooling Hours- Houston     | Paper         | <input type="checkbox"/> Jul-98<br><input type="checkbox"/> other<br>_____ | \$0.43<br>\$0.43   | <input type="checkbox"/> _____<br><input type="checkbox"/> _____ | _____<br>_____  |
| <input type="checkbox"/> 3. Average Heating Hours- Houston     | Paper         | <input type="checkbox"/> Jul-98<br><input type="checkbox"/> other<br>_____ | \$0.53<br>\$0.53   | <input type="checkbox"/> _____<br><input type="checkbox"/> _____ | _____<br>_____  |
|  |               |  |                    |  |                 |
|  |               |  |                    |  |                 |

CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

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| <u>ITEM</u>                                | <u>FORMAT</u> | <u>VERSION</u> | <u>COST</u>            | <u>NO. COPIES</u>              | <u>TOTAL \$</u> |
|--|---------------|----------------|------------------------|--------------------------------|-----------------|
| <input type="checkbox"/> 4. Interim Report | Paper         | Interim        | 10¢ per page + postage | <input type="checkbox"/> _____ | _____           |
|  |               |                |                        | <b>SUBTOTAL</b>                |                 |

Sales Tax Amount \_\_\_\_\_  
 (8.25 % of Subtotal)  
 (No sales tax on out-of-state orders.)

**TOTAL** \_\_\_\_\_

**MAKE CHECK OR MONEY ORDER PAYABLE TO:  
 CenterPoint Energy Houston Electric, LLC**

Your Name \_\_\_\_\_

Your Street or PO Box \_\_\_\_\_

Your City, State, Zip \_\_\_\_\_

Your Phone Number: Area Code \_\_\_\_\_ Number \_\_\_\_\_

**NOTE: Orders for specific documents may not be placed by telephone; however, if you have questions about completing the form, or wish to request a copy of the order form, please call 713-207-5454.**

CenterPoint Energy Houston Electric, LLC  
Applicable: Entire Service Area

#### **6.1.4.3.3 PREMIUM ROLLOVER SERVICE - RATE PRS**

Some Retail Customers operate sensitive equipment or have other needs that require higher levels of reliability of electric power delivery service than is achievable from the standard distribution system. CenterPoint Energy Houston Electric, LLC will accommodate Retail Customers' requests for the provision of back-up or premium electric power delivery services where facilities of adequate capacity, proper phase and suitable voltage can be made available.

The extension of such service will require the installation of additional delivery facilities at Retail Customer expense. These additional facilities might include 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, power quality equipment and various other facilities and devices needed for the safe and reliable operation of CenterPoint Energy Houston Electric, LLC's delivery system.

#### **Pre-construction Study**

Given the complexity and magnitude of projects of this nature, any Retail Customer choosing to proceed with detailed design and engineering will be required to make a non-refundable payment to the Company to cover such pre-construction activity (Pre-construction Study). The Retail Customer will be quoted the cost of the Pre-construction Study based on the magnitude of the project and time estimated to be spent on the pre-construction activities.

#### **Customer Contribution**

All installation costs above standard service arrangements related to the provision of such premium delivery service will be solely at Retail Customer expense, requiring non-refundable payment prior to construction (Customer Contribution).

#### **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 quoted on a case by case basis, based on an engineering estimate of the cost.

#### **Requested Overtime**

CenterPoint Energy Houston Electric, LLC will schedule required construction during normal business hours in coordination with the Retail Customer's needs. If any of the work must be scheduled at the Retail Customer's convenience and it requires overtime, the requesting party must bear the cost of any premium pay incurred (Requested Overtime).

CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

#### **6.1.4.3.4 ASSET USE SERVICE - RATE AUS**

##### **AVAILABILITY**

Service under this tariff is subject to availability of Company's assets for the use that is requested, a determination (made at Company's sole discretion) that such requested use will not impair service to Company's other Retail Customers, and the terms and conditions set forth herein.

##### **APPLICATION**

Applicable to Retail Customer's use of Company's assets at Retail Customer's request.

##### **SERVICES PROVIDED**

Company is engaged in the business of providing electric power delivery service. Company owns and operates assets necessary to perform this core function. Company's assets can be used for additional functions beyond the core function that Company performs, if such additional use of Company's assets is beneficial to Company's Retail Customers, as determined by the Company.

##### **SERVICE CHARGES**

Charges for services provided shall be as mutually agreed by the Company and Retail Customer. However, charges shall not be less than long term marginal cost incurred by Company in providing such service.

##### **PAYMENT**

As provided for in the contract terms and conditions.

##### **CONTRACT**

The contract duration and other terms and conditions shall be as mutually agreed by the Company and Retail Customer.

##### **NOTICE**

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

CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

CNP 8031

#### 6.1.4.4 INTERCONNECTION AND PARALLEL OPERATION OF DISTRIBUTED GENERATION

##### 6.1.4.4.1 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 with the Utility System.

#### PRE-INTERCONNECTION STUDY FEE SCHEDULE

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

| <b>Non-Exporting</b>                     | <b>0 to 10 kW</b> | <b>10+ to 500 kW</b> | <b>500+ to 2000kW</b> | <b>2000+ to 10,000 kW</b> |
|--|-------------------|----------------------|-----------------------|---------------------------|
| 9. Pre-certified,<br>not on network      | \$0               | \$0                  | \$650                 | \$845                     |
| 10. Non pre-certified,<br>not on network | \$312             | \$503                | \$1,210               | \$1,405                   |
| 11. Pre-certified,<br>on network         | \$272             | \$640                | \$1,680               | \$1,875                   |
| 12. Not pre-certified,<br>on network     | \$525             | \$1,150              | \$2,240               | \$2,435                   |

| <b>Exporting</b>                         | <b>0 to 10 kW</b> | <b>10+ to 500 kW</b> | <b>500+ to 2000kW</b> | <b>2000+ to 10,000 kW</b> |
|--|-------------------|----------------------|-----------------------|---------------------------|
| 9. Pre-certified,<br>not on network      | \$75              | \$220                | \$870                 | \$1,065                   |
| 10. Non pre-certified,<br>not on network | \$312             | \$769                | \$1,430               | \$1,625                   |
| 11. Pre-certified,<br>on network         | \$272             | \$860                | \$1,900               | \$2,095                   |
| 12. Not pre-certified,<br>on network     | \$495             | \$1,370              | \$2,460               | \$2,655                   |



CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

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**Prescribed Form for the Application for Interconnection and Parallel Operation of Distributed Generation**

Customers seeking to interconnect distributed generation with the utility system will complete and file with the company the following Application for Parallel Operation:

**APPLICATION FOR INTERCONNECTION AND PARALLEL OPERATION OF DISTRIBUTED GENERATION**

Return Completed Application to: CenterPoint Energy Houston Electric, LLC  
Attention: Bruce Raborn  
Distribution System Protection  
P.O. Box 1700  
Houston, TX 77251

Customer's Name: \_\_\_\_\_

Address: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Email Address: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Service Point Address: \_\_\_\_\_

Information Prepared and Submitted By: \_\_\_\_\_

(Name and Address) \_\_\_\_\_

Signature \_\_\_\_\_

The following information shall be supplied by the Customer or Customer's designated representative. All applicable items must be accurately completed in order that the Customer's generating facilities may be effectively evaluated by CenterPoint Energy Houston Electric, LLC for interconnection with the utility system.

CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

CNP 8031

**GENERATOR**

Number of Units: \_\_\_\_\_

Manufacturer: \_\_\_\_\_

Type (Synchronous, Induction, or Inverter): \_\_\_\_\_

Fuel Source Type (Solar, Natural Gas, Wind, etc.): \_\_\_\_\_

Kilowatt Rating (95° F at location) \_\_\_\_\_

Kilovolt-Ampere Rating (95° F at location): \_\_\_\_\_

Power Factor: \_\_\_\_\_

Voltage Rating: \_\_\_\_\_

Number of Phases: \_\_\_\_\_

Frequency: \_\_\_\_\_

Do you plan to export power: \_\_\_\_\_ Yes / \_\_\_\_\_ No

If Yes, maximum amount expected: \_\_\_\_\_

Do you wish CenterPoint Energy Houston Electric, LLC to report excess generation to your REP? \_\_\_\_\_ Yes / \_\_\_\_\_ No

Pre-Certification Label or Type Number (e.g., UL-1741 Utility Interactive or IEEE 1547.1):

\_\_\_\_\_

Expected Energization and Start-up Date: \_\_\_\_\_

Normal operation of interconnection: (examples: provide power to meet base load, demand management, standby, back-up, other (please describe)) \_\_\_\_\_

One-line diagram attached: \_\_\_\_\_ Yes

CenterPoint Energy Houston Electric, LLC

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For systems not using pre-certified inverters (e.g., inverters certified to UL-1741 or IEEE 1547.1), does CenterPoint Energy Houston Electric, LLC have the dynamic modeling values from the generator manufacturer? \_\_\_Yes \_\_\_No

If not, please explain: \_\_\_\_\_

(Note: For pre-certified equipment the answer is Yes. Otherwise, applicant must provide the dynamic modeling values if they are available)

Layout sketch showing lockable, "visible" disconnect device is attached:: \_\_\_\_\_Yes

CenterPoint Energy Houston Electric, LLC  
 Applicable: Entire Service Area

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**Authorized Release of Information List**

By signing this Application in the space provided below, Customer authorizes CenterPoint Energy Houston Electric, LLC to release Customer’s proprietary information to the extent necessary to process this Application to the following persons:

|                       | Name | Phone Number | Email Address |
|-----------------------|------|--------------|---------------|
| Project Manager       |      |              |               |
| Electrical Contractor |      |              |               |
| Consultant            |      |              |               |
| Other                 |      |              |               |

CenterPoint Energy Houston Electric, LLC

[CUSTOMER NAME]

BY: \_\_\_\_\_

BY: \_\_\_\_\_

PRINTED NAME:

PRINTED NAME:

\_\_\_\_\_

\_\_\_\_\_

TITLE: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

CenterPoint Energy Houston Electric, LLC  
Applicable: Entire Service Area

CNP 8035

## 6.2 COMPANY SPECIFIC TERMS & CONDITIONS

### 6.2.1 DEFINITIONS

**BILLING KWH, MONTHLY KWH, or KWH** – Delivered quantities of Electric Power and Energy determined to have been taken, or, if not taken, payable for by a Retail Customer. These quantities may be established by metering, estimation, Rate Schedule or by other contractual determination. They may be adjusted from metered values for such items as transformer losses, depending upon circumstances and provisions of Rate Schedules. These quantities are the values that will be entered into the billing formulae specified in the Rate Schedule under the section labeled "Monthly Rate."

**DISTRIBUTION VOLTAGE** – Voltages less than transmission voltages.

**FAMILY (or) HOUSEKEEPING UNIT** – Building or shelter fitted with housekeeping facilities intended for occupancy by one family.

**INDIVIDUAL PRIVATE DWELLING** – A home, or shelter intended for or restricted to the use of a particular person, family or household.

**INDIVIDUALLY METERED APARTMENT** – A specific part of a building or shelter fitted with housekeeping facilities that has its electric service metered separately from the remainder of the structure.

**PRIMARY DISTRIBUTION VOLTAGE** – Company's standard voltages of 12,470/7200 volts or 34,500/19,000 volts.

**PRIMARY SERVICE** – Company's standard Primary Service is taken directly from feeder lines of at least 12,470 volts but less than 60,000 volts without further transformation by the Company.

**RESIDENTIAL PURPOSES** – Usage of a Family (or) Housekeeping Unit, Individual Private Dwelling, or Individually Metered Apartment which is equipped with complete living quarters, cooking facilities, and complete bathing and sanitary facilities.

**SECONDARY DISTRIBUTION VOLTAGE** – All of the Company's standard service voltages below 7,200 volts.

**SERVICE CALL OR OUTAGE INVESTIGATION** – The dispatch of a Company representative to a service address for investigation of a complete or partial service outage, irregularity, or interruption.

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**SERVICE STANDARDS** – The Company publication containing standard electrical/construction practices for contractors, electricians, architects and engineers engaged in electrical work for Retail Customers in Company’s Service Territory, intended to supplement the National Electric Code and National Electrical Safety Code.

**SERVICE TERRITORY OR SERVICE AREA** – The geographic area in which the Company is authorized by the PUC to provide delivery services.

**TRANSMISSION VOLTAGE** – Voltages of 60,000 volts or greater. Company's standard transmission voltages are 69,000 volts or higher.

CenterPoint Energy Houston Electric, LLC  
 Applicable: Entire Service Area

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## 6.2.2 STANDARD VOLTAGES

This section describes the standard voltages and types of service offered to Retail Customers under the Company's standard Rate Schedules. All Retail Customer installations shall meet the requirements of the National Electrical Code, National Electrical Safety Code, Local City Ordinances and the Company's Service Standards, and the provisions of the Company's Tariff and Applicable Legal Authorities.

### TYPE OF SERVICE

### REQUIREMENTS

#### *SINGLE-PHASE*

|                                |  |
|--------------------------------|--|
| 120/208 volt, 3-wire           | <ul style="list-style-type: none"> <li>· Company option</li> <li>· Underground Street Network</li> <li>· Spot locations with existing 120/208 volt supply</li> <li>· Less than 10 kVA</li> <li>· All equipment must be for use at 208 volts</li> </ul> |
| 120/240 volt 3-wire            | <ul style="list-style-type: none"> <li>· Standard Service</li> <li>· Less than 334 kVA</li> </ul>  |
| 7,200 or 19,920 volt<br>2-wire | <ul style="list-style-type: none"> <li>· Company option</li> <li>· Overhead Distribution Area</li> <li>· More than 200 kVA, but less than 334 kVA</li> <li>· In accordance with Company Specification<br/>600-007-231-458</li> </ul>                   |

#### *TWO-PHASE*

|                              |  |
|------------------------------|--|
| 12,470/7,200 volt<br>3-wire  | <ul style="list-style-type: none"> <li>· Company option</li> <li>· Overhead Distribution Area</li> <li>· More than 200 kVA, but less than 334 kVA</li> <li>· Load must be balanced between phases</li> </ul>         |
| 34,500/19,920 volt<br>3-wire | <ul style="list-style-type: none"> <li>· Company option</li> <li>· 34.5 kV Overhead Distribution Area</li> <li>· More than 200 kVA, but less than 334 kVA</li> <li>· Load must be balanced between phases</li> </ul> |

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***THREE -PHASE***

- Limited to commercial and industrial customers with demand of at least 50 kVA or one 3-phase motor 3-hp or more.

Not generally available to residential customers.

- For 3-phase, 4-wire, customer must wire for a 3-phase, 4-wire meter.
- For 3-phase, 3-wire service, customer must provide a fourth wire for metering purposes and for a bond. Conductor shall be sized in accordance with the National Electrical Code, minimum #6 copper.

**208Y/120 volt,  
 Network Area  
 4-wire grounded  
 neutral**

- Standard Service
- More than 10 kVA
- All equipment must be rated for use at 208 volts
- All phase conductors must be the same size
- Single-phase load equally divided
- Available in spot locations with existing 208Y/120 volt service

**208Y/120 Volt,  
 4-wire grounded  
 neutral**

- Standard Service
- Overhead Services
  - more than 75 kVA and maximum 300 kVA
  - maximum cable size parallel 500 MCM Cu.
  - secondary conductors more than 50 feet long require Company review
- Underground Service
  - minimum 301 kVA and maximum of 1000 kVA
  - 3 phase padmounted transformer installation
- All phase conductors must be same size



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- Single phase load equally divided
- All equipment must be rated for use at 208 volts
- 240/120 delta 4-wire grounded neutral**
  - Standard Service
  - Combined load less than 167 kVA
  - Phase wire permanently identified, power orange.
  - Secondary conductors more than 50 feet long require Company review
- 480 volt, 3-wire**
  - Company option
  - Overhead Distribution Areas
    - More than 75 kVA and maximum 501 kVA
  - Underground Distribution Areas
    - More than 501 kVA and maximum 3,000 kVA
- 480Y/277 volt, 4-wire grounded neutral**
  - Standard Service
  - Overhead Distribution Areas
    - More than 75 kVA and maximum 501 kVA
  - Underground Distribution Areas
    - More than 501 kVA and maximum 3,000 kVA
- 2,400 volt, 3-wire**
  - Company option
  - Overhead Distribution Areas
    - More than 150 kVA and maximum 501 kVA
  - Underground Distribution Areas
    - 12 kV area only
    - More than 501 kVA and maximum 5,000 kVA
- 4,160Y/2,400 volt**
  - Company option
  - Overhead Distribution Areas
    - More than 150 kVA and maximum 501 kVA
  - Underground Distribution Areas
    - More than 501 kVA and maximum 5,000 kVA

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- 12,470Y/7,200 volt** · Company option
- 4-wire grounded** · More than 200 kVA
- neutral** · In accordance with Company Specification  
600-007-231-458
  
- 34,500Y/19,920 volt** · Company option
- 4-wire grounded** · 34.5 kV Overhead Distribution Area
- neutral** · More than 200 kVA  
· In accordance with Company Specification  
600-007-231-45

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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. Where a significant portion of Residential Service, as determined by the Company, is used for non-residential purposes the appropriate non-residential Rate Schedule is applicable to all the Delivery Service supplied. However, if the Customer's wiring is so arranged that the Delivery Service for residential purposes and for non-residential purposes can be metered separately, the Residential Schedule is applicable to the portion used for residential purposes.

CenterPoint Energy Houston Electric, LLC

Applicable: Entire Service Area

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**6.3 AGREEMENTS AND FORMS**

**6.3.1 FACILITIES EXTENSION AGREEMENT**

This Facilities Extension Agreement is entered into by and between \_\_\_\_\_, herein called "Retail Customer" and CenterPoint Energy Houston Electric, LLC, herein called "Company" (hereinafter referred to as Agreement) for the construction, extension, installation, modification, repair, upgrade, conversion, relocation, de-energization or removal of Company's Delivery System, including temporary facilities (hereinafter referred to as facilities extension or extension), as described herein.

This Agreement covers the facilities extension to Retail Customer location at \_\_\_\_\_

The Company agrees to accept payment of \_\_\_\_\_ Dollars to be paid by the Retail Customer, as a Non-Refundable Construction Payment in connection with the Retail Customer request to extend Company facilities to the above described location as follows: \_\_\_\_\_

- Unless otherwise stated by Company in writing, the Non-Refundable Construction Payment amount above is valid for twelve months.

In consideration of said Non-Refundable Payment, to be paid to Company by Retail Customer prior to commencement of construction, Company agrees to install and operate lines and equipment necessary to distribute electric service to the identified location under the following General Conditions:

- Company shall at all times have title to and complete ownership and control over facilities installed by Company.
- Retail Customer must make satisfactory payment arrangements (if payment is required to extend Company facilities) and sign and return this Agreement before Company can proceed with the requested extension.

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- Extension of service facilities is contingent on acquisition of all necessary easements and rights of way.

Nothing herein contained within this Agreement shall be construed as a waiver or relinquishment by Company of any right that it has or may hereafter have to discontinue service for or on account of default in the payment of any bill owing or to become owing thereafter for any other reason or cause stated in Company's Tariff.

This Agreement shall not be binding upon Company unless and until it is signed by an authorized representative of the Company.

CenterPoint Energy Houston Electric, LLC

\_\_\_\_\_  
Retail Customer

By \_\_\_\_\_

By \_\_\_\_\_

\_\_\_\_\_  
(name printed or typed)

\_\_\_\_\_  
(name printed or typed)

Title \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

Date \_\_\_\_\_

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### **6.3.2 APPLICATION FOR INTERCONNECTION AND PARALLEL OPERATION OF DISTRIBUTED GENERATION**

(Please refer to Rate DGS, Sheet No. 6.20.1 for the “Application for Interconnection and Parallel Operation of Distributed Generation with the Utility System” which is contained on pages 3-5 of that rate schedule.)

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### 6.3.3 AGREEMENT FOR INTERCONNECTION AND PARALLEL OPERATION OF DISTRIBUTED GENERATION

This Interconnection Agreement (“Agreement”) is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by CenterPoint Energy Houston Electric, LLC (“Company”), and \_\_\_\_\_ (“Customer”), a \_\_\_\_\_ [specify whether an individual or a corporation, and if a corporation, name state, municipal corporation, cooperative corporation, or other], each hereinafter sometimes referred to individually as “Party” or both referred to collectively as the “Parties.”

**Place a check mark in the applicable space or spaces below to indicate the type of entity entering into this Agreement:**

\_\_\_ **Option 1:** For purposes of this Agreement, the end-use customer will act as a Party to this Agreement.

\_\_\_ **Option 2:** For purposes of this Agreement, the entity other than the end-use customer that owns the distributed generation facility (also referred to as “Generator”) will act as a Party to this Agreement.

\_\_\_ **Option 3:** For purposes of this Agreement, the entity other than the end-use customer that owns the premises upon which the distributed generation Facility will be located (also referred to as “Premises Owner”) will act as a Party to this Agreement.

\_\_\_ **Option 4:** For purposes of this Agreement, an entity who by contract is assigned ownership rights to energy produced from distributed renewable generation located at the premises of the end-use customer on the end-use customer’s side of the meter, will act as a Party to this Agreement.

Notwithstanding any other provision herein, the entity referred to as “Customer” herein shall refer to the entity defined in the option selected above by the end-use customer.

If any option other than Option 1 as outlined above is selected, the end-use customer must sign, print his or her name, and date the affirmation in the End-Use Customer Affirmation Schedule attached to this Agreement.

In consideration of the mutual covenants set forth herein, the Parties agree as follows:

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1. **Scope of Agreement** -- This Agreement is applicable to conditions under which Company and Customer agree that one or more generating facility or facilities of ten megawatts or less and related interconnecting facilities to be interconnected at less than 60 kilovolts ("Facilities") may be interconnected to Company's facilities, as described in Exhibit A. If Customer is not the end-use customer, Customer affirms that the end-use customer has approved of the design and location of the Facilities.

2. **Establishment of Point(s) of Interconnection** -- Company and Customer agree to interconnect Facilities at the locations specified in this Agreement, in accordance with Public Utility Commission of Texas ("Commission") Substantive Rules 25.211, relating to Interconnection of Distributed Generation, and 25.212, relating to Technical requirements for Interconnection and Parallel Operation of On-Site Distributed Generation (16 Texas Administrative Code §25.211 and §25.212) (the "Rules") or any successor rule addressing distributed generation and as described in the attached Exhibit A (the "Point(s) of Interconnection").

3. **Responsibilities of Company and Customer** -- Customer shall, at its own cost and expense, operate, maintain, repair, and inspect, and shall be fully responsible for, Facilities specified on Exhibit A. Customer shall conduct operations of Facilities in compliance with all aspects of the Rules, and Company shall conduct operations on its facilities in compliance with all aspects of the Rules, and as further described and mutually agreed to in the applicable Facility Schedule. Maintenance of Facilities shall be performed in accordance with the applicable manufacturer's recommended maintenance schedule. Customer agrees to cause Facilities to be constructed in accordance with specifications equal to or greater than those provided by the National Electrical Safety Code, approved by the American National Standards Institute, in effect at the time of construction.

Each Party covenants and agrees to design, install, maintain, and operate, or cause the design, installation, maintenance, and operation of, facilities on its side of the point of common coupling so as to reasonably minimize the likelihood of a disturbance, originating in the facilities of one Party, affecting or impairing the facilities of the other Party, or other facilities with which Company is interconnected.

Company shall notify Customer if there is evidence that operation of Facilities causes disruption or deterioration of service to other utility customers or if the operation of Facilities causes damage to Company's facilities or other facilities with which Company is interconnected. Company and Customer shall work cooperatively and promptly to resolve the problem.

Customer shall notify Company of any emergency or hazardous condition or occurrence with Facilities which could affect safe operation of Company's facilities or other facilities with which Company is interconnected.



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Customer shall provide Company at least 14 days' written notice of a change in ownership; any circumstances necessitating a change in the person who is the Customer to this Agreement; or cessation of operations of one or more Facilities. Upon notice by Customer of circumstances necessitating a change in the person who is the Customer to this Agreement, Company shall undertake in a reasonably expeditious manner entry of a new Agreement with the change in person who is the Customer.

#### 4. **Limitation of Liability and Indemnification**

- a. *Notwithstanding any other provision in this Agreement, with respect to Company's provision of electric service to the end-use customer other than the interconnections service addressed by this Agreement, Company's liability to the end-use customer shall be limited as set forth in Section 5.2 of Company's Commission-approved tariffs, which are incorporated herein by reference.*
- b. *Neither Company nor Customer shall be liable to the other for damages for anything that is beyond such Party's control, including an act of God, labor disturbance, act of a public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, a curtailment, order, or regulation or restriction imposed by governmental, military, or lawfully established civilian authorities, or the making of necessary repairs upon the property or equipment of either party.*
- c. *Notwithstanding Paragraph 4.b of this Agreement, Company shall assume all liability for and shall indemnify Customer for any claims, losses, costs, and expenses of any kind or character to the extent that they result from Company's negligence in connection with the design, construction, or operation of its Facilities as described on Exhibit A; provided, however, that Company shall have no obligation to indemnify Customer for claims brought by claimants who cannot recover directly from Company. Such indemnity shall include, but is not limited to, financial responsibility for: (a) Customer's monetary losses; (b) reasonable costs and expenses of defending an action or claim made by a third person; (c) damages related to the death or injury of a third person; (d) damages to the property of Customer; (e) damages to the property of a third person; (f) damages for the disruption of the business of a third person. In no event shall Company be liable for consequential, special, incidental, or punitive damages, including, without limitation, loss of profits, loss of revenue, or loss of production. The Company does not assume liability for any costs for damages arising from the disruption of the business of Customer or for Customer's costs and expenses of prosecuting or defending an action or claim against Company. This paragraph does not create a liability on the part of Company to Customer or a third person, but requires indemnification where such liability exists. The limitations of liability provided in this paragraph do not apply in cases of gross negligence or intentional wrongdoing.*

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**d. Please check the appropriate box.**

**Person Other than a Federal Agency**

*Notwithstanding Paragraph 4.b of this Agreement, Customer shall assume all liability for and shall indemnify Company for any claims, losses, costs, and expenses of any kind or character to the extent that they result from Customer's negligence in connection with the design, construction, or operation of Facilities as described on Exhibit A; provided, however, that Customer shall have no obligation to indemnify Company for claims brought by claimants who cannot recover directly from Customer. Such indemnity shall include, but is not limited to, financial responsibility for: (a) Company's monetary losses; (b) reasonable costs and expenses of defending an action or claim made by a third person; (c) damages related to the death or injury of a third person; (d) damages to the property of Company; (e) damages to the property of a third person; (f) damages for the disruption of the business of a third person. In no event shall Customer be liable for consequential, special, incidental, or punitive damages, including, without limitation, loss of profits, loss of revenue, or loss of production. The Customer does not assume liability for any costs for damages arising from the disruption of the business of Company or for Company's costs and expenses of prosecuting or defending an action or claim against Customer. This paragraph does not create a liability on the part of Customer to Company or a third person, but requires indemnification where such liability exists. The limitations of liability provided in this paragraph do not apply in cases of gross negligence or intentional wrongdoing. This paragraph applies to a state or local entity to the extent permitted by the constitution and laws of the State of Texas.*

**Federal Agency**

*Notwithstanding Paragraph 4.b of this Agreement, the liability, if any, of Customer relating to this Agreement, for injury or loss of property, or personal injury or death shall be governed exclusively by the provisions of the Federal Tort Claims Act (28 U.S.C. §§ 1346, and 2671-2680). Subject to applicable federal, state, and local laws, each Party's liability to the other for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement shall be limited to the amount of direct damages actually incurred, and in no event shall either Party be liable to the other for any indirect, special, consequential, or punitive damages.*

**e. Company and Customer shall each be responsible for the safe installation, maintenance, repair, and condition of their respective facilities on their respective sides of the Points of Interconnection. Company does not assume any duty of inspecting Customer's Facilities.**

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*f. For the mutual protection of Customer and Company, only with Company prior authorization are the connections between Company's service wires and Customer's service entrance conductors to be energized.*

**5. Right of Access, Equipment Installation, Removal & Inspection** -- Upon reasonable notice, Company may send a qualified person to the premises where the Facilities are located at or immediately before the time Facilities first produce energy to inspect the interconnection, and observe Facilities' commissioning (including any testing), startup, and operation for a period of up to three days after initial startup of Facilities.

Following the initial inspection process described above, at reasonable hours, and upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition, Company shall have access to the premises where the Facilities are located for any reasonable purpose in connection with the performance of the obligations imposed on it by this Agreement or if necessary to meet its legal obligation to provide service to its customers.

Customer warrants it has, or has obtained from other entities, all necessary rights to provide Company with access to the premises and Facilities, as necessary or appropriate for Company to exercise its rights under this Agreement and the Rules.

**6. Disconnection of Facilities** -- Customer retains the option to disconnect from Company's facilities. Customer shall notify Company of its intent to disconnect by giving Company at least thirty days' written notice. Such disconnection shall not be a termination of this Agreement unless Customer exercises rights under Section 7.

Customer shall disconnect Facilities from Company's facilities upon the effective date of any termination under Section 7.

Subject to Commission Rule, for routine maintenance and repairs of Company's facilities, Company shall provide Customer with seven business days' notice of service interruption.

Company shall have the right to suspend service in cases where continuance of service to Customer will endanger persons or property. During the forced outage of Company's facilities serving Customer, Company shall have the right to suspend service to effect immediate repairs of Company's facilities, but Company shall use its best efforts to provide Customer with reasonable prior notice.

**7. Effective Term and Termination Rights** -- This Agreement becomes effective when executed by both Parties and shall continue in effect until terminated. The Agreement may be terminated for the following reasons: (a) Customer may terminate this Agreement at any time, by giving Company sixty days' written notice; (b) Company may terminate upon failure by Customer to generate energy from Facilities in parallel with Company's facilities within twelve months after completion of the interconnection; (c) either Party may terminate by giving the

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other Party at least sixty days' written notice that the other Party is in default of any of the material terms and conditions of the Agreement, so long as the notice specifies the basis for termination and there is reasonable opportunity to cure the default; or (d) Company may terminate by giving Customer at least sixty days' written notice if possible in the event that there is a material change in an applicable rule or statute that necessitates termination of this Agreement.

8. **Governing Law and Regulatory Authority** -- *Please check the appropriate box.*

Customer acknowledges agreements other than this Agreement relating to the Facilities between Customer and other entities that do not involve the Company may not be subject to the jurisdiction of the Commission.

**Person Other Than a Federal Agency:** This Agreement was executed in the State of Texas and must in all respects be governed by, interpreted, construed, and enforced in accordance with the laws thereof. This Agreement is subject to, and the Parties' obligations hereunder include, operating in full compliance with all valid, applicable federal, state, and local laws or ordinances, and all applicable rules, regulations, orders of, and tariffs approved by, duly constituted regulatory authorities having jurisdiction.

**Federal Agency:** This Agreement was executed in the State of Texas and, to the extent not inconsistent with all applicable federal law (including, but not limited to: (a) the Anti-Deficiency Acts, 31 USC §§1341, 1342 and 1501-1519; (b) the Tort Claims Act, 28 USC Chapter 171, §§2671-2680, and 28 CFR Part 14; and (c) the Contract Disputes Act of 1978, as amended, 41 USC §§601-613), must in all respects be governed by, interpreted, construed, and enforced in accordance with the laws thereof. This Agreement is subject to, and the Parties' obligations hereunder include, operating in full compliance with all valid, applicable federal, state, and local laws or ordinances, and all applicable rules, regulations, orders of, and tariffs approved by, duly constituted regulatory authorities having jurisdiction.

9. **Amendment** -- This Agreement may be amended only upon mutual agreement of the Parties, which amendment will not be effective until reduced to writing and executed by the Parties.

10. **Entirety of Agreement and Prior Agreements Superseded** -- This Agreement, including the attached Exhibit A and Facility Schedules, which are expressly made a part hereof for all purposes, constitutes the entire agreement and understanding between the Parties with regard to the interconnection of the facilities of the Parties at the Points of Interconnection expressly provided for in this Agreement. The Parties are not bound by or liable for any statement, representation, promise, inducement, understanding, or undertaking of any kind or nature (whether written or oral) with regard to the subject matter hereof not set forth or provided for herein. This Agreement replaces all prior agreements and undertakings, oral or written,

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between the Parties with regard to the subject matter hereof, including without limitation \_\_\_\_\_ [specify any prior agreements being superseded], and all such agreements and undertakings are agreed by the Parties to no longer be of any force or effect. It is expressly acknowledged that the Parties may have other agreements covering other services not expressly provided for herein, which agreements are unaffected by this Agreement.

11. **Written Notices** -- Written notices given under this Agreement are deemed to have been duly delivered if hand delivered or sent by United States certified mail, return receipt requested, postage prepaid, to:

(a) If to Company:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(b) If to Customer:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The above-listed names, titles, and addresses of either Party may be changed by written notification to the other, notwithstanding Section 10.

12. **Invoicing and Payment** -- Invoicing and payment terms for services associated with this agreement shall be consistent with applicable Substantive Rules of the Commission.

13. **Disclosure of Information to End-Use Customer** -- If Customer is not the end-use customer, Company is hereby authorized to provide any information requested by the end-use customer concerning the Facility.

14. **No Third-Party Beneficiaries** -- 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 the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.

15. **No Waiver** -- The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered to waive the obligations, rights, or duties imposed upon the Parties.

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16. **Headings** -- The descriptive headings of the various parts of this Agreement have been inserted for convenience of reference only and are to be afforded no significance in the interpretation or construction of this Agreement.

17. **Multiple Counterparts** -- This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed by their respective duly authorized representatives.

CenterPoint Energy Houston Electric, LLC

\_\_\_\_\_  
Customer

By: \_\_\_\_\_

By: \_\_\_\_\_

Printed Name

Printed Name

\_\_\_\_\_

\_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

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**AGREEMENT FOR INTERCONNECTION AND PARALLEL OPERATION OF  
DISTRIBUTED GENERATION**

**EXHIBIT A**

**LIST OF FACILITY SCHEDULES AND POINTS OF INTERCONNECTION**

Facility Schedule No.

Name of Point of Interconnection

[Insert Facility Schedule number and name for each Point of Interconnection]

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**FACILITY SCHEDULE NO.**

[The following information is to be specified for each Point of Interconnection, if applicable.]

1. Customer Name:
  
2. Premises Owner Name:
  
3. Facility location:
  
4. Delivery voltage:
  
5. Metering (voltage, location, losses adjustment due to metering location, and other):
  
6. Normal Operation of Interconnection:
  
7. One line diagram attached (check one): \_\_\_\_\_ Yes / \_\_\_\_\_ No

If Yes, then the one-line drawing should show the most current drawing(s) available as of the signing of this Schedule. Company and Customer agree drawing(s) may be updated to meet as-built or design changes that occur during construction. Customer understands and agrees that any changes that substantially affect the protective or functional requirements required by the Company will need to be reviewed and accepted by Company.

8. Equipment to be furnished by Company:  
(This section is intended to generally describe equipment to be furnished by Company to effectuate the interconnection and may not be a complete list of necessary equipment.)
  
9. Equipment to be furnished by Customer:  
(This section is intended to describe equipment to be furnished by Customer to effectuate the interconnection and may not be a complete list of necessary equipment.)



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10. Cost Responsibility and Ownership and Control of Company Facilities:

Unless otherwise agreed or prescribed by applicable regulatory requirements or other law, any payments received by Company from Customer will remain the property of Company. Company shall at all times have title and complete ownership and control over facilities installed by Company.

11. Modifications to Customer Facilities:

Customer understands and agrees that, before making any modifications to its Facilities that substantially affect the protective or interconnection parameters or requirements used in the interconnection process (including in an Pre-interconnection Study performed by Company), Customer will both notify Company of, and receive approval by Company for, such modifications. Customer further understands and agrees that, if required pursuant to Commission Substantive Rule 25.211(m)(5), it will submit a new Application for Interconnection and Parallel Operation request for the desired modifications.

12. Supplemental terms and conditions attached (check one): \_\_\_\_\_ Yes / \_\_\_\_\_ No

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**END-USE CUSTOMER AFFIRMATION SCHEDULE**

The end-use customer selecting the entity who owns the DG facility (the DG owner or Option 2 entity), the owner of the premises at which the DG facility is located (premises owner or Option 3 entity), or the person who by contract is assigned ownership rights to energy produced by the DG facility (Option 4 entity) to act as Customer and Party to the Interconnection Agreement must sign and date the consent below.

“I affirm that I am the end-use customer for the distributed generation facility addressed in Facility Schedule No. \_\_[insert applicable number] in the Interconnection Agreement between CenterPoint Energy Houston Electric, LLC and \_\_\_\_\_[insert name of Customer], and that I have selected \_\_\_\_\_ [insert name of Customer] or successor in interest to act as Customer and a Party to this Interconnection Agreement rather than me.

I acknowledge that the agreements that I have with \_\_\_\_\_[insert name of Customer] relating to the distributed generation facility addressed in Facility Schedule No. \_\_[insert applicable number] may not be subject to the jurisdiction of the Public Utility Commission of Texas.”

[END-USE CUSTOMER NAME]

SIGNATURE: \_\_\_\_\_

DATE: \_\_\_\_\_

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**6.3.4 OTHER AGREEMENT FORMS**

**6.3.4.1 AGREEMENT FOR SUBTRACTIVE METERING - TRANSMISSION VOLTAGE**

ACCOUNT NO. A \_\_\_\_\_

ACCOUNT NO. B \_\_\_\_\_

SERVICE ADDRESS A: \_\_\_\_\_

SERVICE ADDRESS B: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

This agreement is entered into by and between \_\_\_\_\_,  
herein called "Retail Customer A".

and

\_\_\_\_\_, herein called "Retail Customer B", and  
CenterPoint Energy Houston Electric, LLC, herein called "Company", as follows:

1. Retail Customer A will provide all necessary transformers and substation equipment necessary to receive and use electric power delivery service from Company's transmission voltage lines. This equipment is hereinafter referred to as "Transmission Voltage Substation". Retail Customer B, whose service arrangement requires that they also provide the facilities necessary to receive service from Company's overhead transmission voltage lines, has agreed to take power delivery service from Company. Retail Customer B will own and operate a facility located on or near the property of Retail Customer A. Retail Customer B desires to receive electric power delivery service from Company's overhead transmission voltage lines through Retail Customer A's Transmission Voltage Substation and Retail Customer A is willing to allow Retail Customer B to receive electric power delivery service through the Transmission Voltage Substation.
2. Company agrees to provide electric power delivery service to Retail Customer A in accordance with the Transmission Service Rate as supplemented herein, and in consideration of Company so doing, Retail Customer A agrees that charges made in accordance with the "Monthly Rate" section of its respective Rate Schedule will be increased by \$290.00 per month.
3. Company agrees to provide electric power delivery service to Retail Customer B in accordance with the Transmission Service Rate as supplemented herein, and in consideration of Company so doing, Retail Customer B agrees that charges made in accordance with the "Monthly Rate" section of its respective Rate Schedule will be increased by \$290.00 per month.

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4. In lieu of separate electrical facilities to receive transmission voltage service from Company, (1) Retail Customer B's electrical requirements will be supplied through Retail Customer A's Transmission Voltage Substation and (2) Company will meter said service with no regard for losses on Retail Customer's side of the Point of Delivery. Retail Customer A and Retail Customer B will arrange their electrical wiring in a manner acceptable to Company.
5. For billing purposes, Company will subtract Retail Customer B's kW, kVA and/or kWh usage from the total metered usage (the combined metered usage of Retail Customer B and Retail Customer A) before calculating Retail Customer A's monthly bill with no regard for electrical losses or clock synchronization differences.
6. Both Retail Customer A and Retail Customer B agree that if metered kW, kVA and/or kWh data for either Retail Customer is either not available or faulty during any part of a billing period, Company will estimate such kW, kVA and/or kWh data in order to determine both Retail Customer A's and Retail Customer B's bill.
7. Retail Customer A and Retail Customer B agree to indemnify and hold Company, its officers, agents, affiliates and employees harmless from any claims, causes of action, losses, damages, suits and liability of every kind (including all expenses of litigation, court costs and attorney's fees) for injury to or death of any person, or for damage to any property, or for economic loss, arising out of or in connection with the delivery service arrangements set forth herein, and resulting from any causes whatsoever, except only as a result of the sole negligence of Company. Retail Customer A agrees to allow Retail Customer B to receive electric power delivery service through Retail Customer A's Transmission Voltage Substation as long as this Agreement is in effect and Retail Customer B is taking the transmission service described herein.
8. This Agreement shall become effective on \_\_\_\_\_, 20 \_\_\_\_.
9. This Agreement shall continue in effect until terminated, which termination may be provided for by Retail Customer A, Retail Customer B or Company giving written notice of such termination to the other two parties at least one (1) year in advance of the date of termination.
10. Except as expressly supplemented and amended by paragraphs 1 through 9 above, the provisions of the Transmission Service Rate specified in paragraph 2 and paragraph 3, and the Service Rules and Regulations in the Company's Tariff are

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not otherwise affected hereby.

- 11. This Agreement shall not be binding upon any party unless and until it has been duly executed in writing by all parties.

CenterPoint Energy Houston Electric, LLC

\_\_\_\_\_  
Retail Customer A

By \_\_\_\_\_

\_\_\_\_\_  
(Name printed or typed)

Date \_\_\_\_\_

Title \_\_\_\_\_

Submitted by \_\_\_\_\_

Date \_\_\_\_\_

\_\_\_\_\_  
Retail Customer B

By \_\_\_\_\_

\_\_\_\_\_  
(Name printed or typed)

Title \_\_\_\_\_

Date \_\_\_\_\_

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ACCOUNT NO. A \_\_\_\_\_

ACCOUNT NO. B \_\_\_\_\_

SERVICE ADDRESS A: \_\_\_\_\_

SERVICE ADDRESS B: \_\_\_\_\_

**6.3.4.2 AGREEMENT FOR SUBTRACTIVE METERING – DISTRIBUTION VOLTAGE**

This agreement is entered into by and between \_\_\_\_\_,  
herein called "Retail Customer A".

and

\_\_\_\_\_, herein called "Retail Customer B", and  
CenterPoint Energy Houston Electric, LLC, herein called "Company", as follows:

1. Retail Customer A will provide all necessary switch gear and protective equipment necessary to receive and use electric power delivery service from Company’s distribution voltage lines. This equipment is hereinafter referred to as “Distribution Panel”. Retail Customer B, whose service arrangement requires that they also provide the facilities necessary to receive service from Company's distribution voltage lines, has agreed to take electric power delivery service from Company. Retail Customer B will own and operate a facility located on or near the property of Retail Customer A. Retail Customer B desires to receive electric power delivery service from Company's distribution voltage lines through Retail Customer A's Distribution Panel and Retail Customer A is willing to allow Retail Customer B to receive electrical power distribution service through its Distribution Panel.
2. Company agrees to provide electric power delivery service to Retail Customer A in accordance with Rate \_\_\_\_\_ as supplemented herein, and in consideration of Company so doing, Retail Customer A agrees that charges made in accordance with the "Monthly Rate" section of its respective Rate Schedule will be increased by \$290.00 per month.
3. Company agrees to provide electric power delivery service to Retail Customer B in accordance with Rate \_\_\_\_\_ as supplemented herein, and in consideration of Company so doing, Retail Customer B agrees that charges made in accordance with the "Monthly Rate" section of its respective Rate Schedule will be increased by \$290.00 per month.
4. In lieu of separate electrical facilities to receive distribution voltage service from Company, (1) Retail Customer B's electrical requirements will be supplied through

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- Retail Customer A's Distribution Panel and (2) Company will meter said service with no regard for losses on retail Customer's side of the point of delivery. Retail Customer A and Retail Customer B will arrange their electrical wiring in a manner acceptable to Company.
5. For billing purposes, Company will subtract Retail Customer B's kW, kVA and/or kWh usage from the total metered usage (the combined metered usage of Retail Customer B and Retail Customer A) before calculating Retail Customer A's monthly bill with no regard for electrical losses or clock synchronization differences.
  6. Both Retail Customer A and Retail Customer B agree that if metered kW, kVA and/or kWh data for either retail Customer is either not available or faulty during any part of a billing period, Company will estimate such kW, kVA and/or kWh data in order to determine both Retail Customer A's and Retail Customer B's bill.
  7. Retail Customer A and Retail Customer B agree to indemnify and hold Company, its officers, agents, affiliates and employees harmless from any claims, causes of action, losses, damages, suits and liability of every kind (including all expenses of litigation, court costs and attorney's fees) for injury to or death of any person, or for damage to any property, or for economic loss, arising out of or in connection with the delivery service arrangements set forth herein, and resulting from any causes whatsoever, except only as a result of the sole negligence of Company. Retail Customer A agrees to allow Retail Customer B to receive electrical service through Retail Customer A's Distribution Panel as long as this Agreement is in effect and Retail Customer B is taking the distribution service described herein.
  8. This Agreement shall become effective on \_\_\_\_\_, 20 \_\_\_\_.
  9. This Agreement shall continue in effect until terminated, which termination may be provided for by Retail Customer A, Retail Customer B or Company giving written notice of such termination to the other two parties at least one (1) year in advance of the date of termination.
  10. Except as expressly supplemented and amended by paragraphs 1 through 9 above, the provisions of the rate schedules specified in paragraph 2 and paragraph 3, and the Service Rules and Regulations in the Company's Tariff are not otherwise affected hereby.

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- 11. This Agreement shall not be binding upon any party unless and until it has been duly executed in writing by all parties.

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\_\_\_\_\_  
Retail Customer A

\_\_\_\_\_  
Vice-President

By \_\_\_\_\_

\_\_\_\_\_  
(Name printed or typed)

Date \_\_\_\_\_

Title \_\_\_\_\_

Submitted by \_\_\_\_\_

Date \_\_\_\_\_

\_\_\_\_\_  
Retail Customer B

By \_\_\_\_\_

\_\_\_\_\_  
(Name printed or typed)

Title \_\_\_\_\_

Date \_\_\_\_\_



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**6.3.4.3 AGREEMENT AND TERMS AND CONDITIONS FOR PULSE METERING EQUIPMENT INSTALLATION**

CenterPoint Energy Houston Electric, LLC (“Company”) and \_\_\_\_\_ [an Electric Power and Energy end-user; the written authorized representative of \_\_\_\_\_, an Electric Power and Energy end-user; or a retail electric provider for \_\_\_\_\_, an Electric Power and Energy end-user] (“Customer”) hereby agree that the provision of Pulse Metering Equipment will be governed by the Company’s Tariff for Retail Delivery Service and this Agreement and Terms and Conditions for Pulse Metering Equipment Installation (“Agreement”).

Upon the request of Customer, Company shall install, maintain, repair, replace, or remove Pulse Metering Equipment located at Company’s Meter used for billing Delivery System Services in accordance with the following terms and conditions:

1. Company shall install Pulse Metering Equipment, including: pulse initiator, as needed; external protective devices, as needed; junction box as needed; and necessary wiring and related materials and supplies up to a point for Customer’s interconnection.
2. Customer shall be responsible for the installation and maintenance of all wiring and equipment on Customer’s side of the point of interconnection with Company’s Pulse Metering Equipment.
3. Customer agrees that Company is not obligated to alter or adjust any meter reading based on the equipment that Customer installs to receive the Electrical Pulses provided for herein and that Company in no way guarantees that Customer’s equipment will operate satisfactorily.
4. Company shall charge and Customer shall pay (i) the installation charge as set forth in Company’s Tariff for Retail Delivery Service, or if there is no such charge, (ii) the difference in costs, if any, between the existing meter (or the standard meter if no meter is currently installed) and the cost of an advanced meter that meets Customer’s requirements, or (iii) the actual cost of the installation requirements, which includes the actual cost of equipment, labor, and overheads necessary to provide pulse access, or (iv) an engineering estimate thereof. Customer shall remit payment to Company for the costs incurred under this paragraph by the due date shown on Company’s invoice.
5. Only Company or Company’s authorized representatives shall install, maintain, repair, replace, or remove Pulse Metering Equipment. Company shall normally complete installation or removal of such equipment within thirty (30) days from

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- the date request is made in accordance with Section 10. Normal installation times may be impacted by equipment availability or other factors beyond the reasonable control of Company. If Company determines that the installation time may exceed thirty (30) days, Company shall provide notice to customer pursuant to section 11 of this agreement. Company shall provide notice to Customer's contact person as set forth in section 11 of this Agreement when Pulse Metering Equipment installation is complete, including pulse multipliers for the meter, so that pulse data can be interpreted.
6. Company shall maintain, repair, or replace Pulse Metering Equipment installed hereunder, if and to the extent that such work is necessary to maintain the pulse access desired by Customer. If applicable, a charge for maintenance shall be optional, with Customer having the option whether to pay a monthly maintenance fee, rather than the cost of repair or replacement should such become necessary to maintain the pulse access desired by Customer. Company shall charge and Customer shall pay (i) the replacement charge, (ii) the actual cost of all required repairs/replacement, or (iii) an engineering estimate thereof. Company shall repair or replace only such Company equipment as requires repair or replacement.
  7. If an isolation relay is used, under no circumstances shall Customer modify or interrupt the operation of Company's relay and associated wiring.
  8. Company shall have the right to interrupt the pulse circuit in accordance with the provisions of the Company's tariff for Retail Delivery Service.
  9. This Agreement may be amended, revised, or otherwise changed only by an appropriate order of an Applicable Legal Authority.
  10. All requests for Pulse Metering Equipment shall be in writing and must include the following information:
    - (a). Customer name;
    - (b). Letter of authorization if Customer is other than an Electric Power and Energy end-user;
    - (c). Customer's authorized representative contact name, if applicable;
    - (d). Customer's authorized representative contact phone number, if applicable;
    - (e). ESI ID (if available);
    - (f). Service address (including City and zip code);
    - (g). Pulse data requested e.g. watt-hour, time, var-hour;
    - (h). Billing/Invoice Information, including:
      - Responsible Party;
      - Billing Address; and

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- (i). If Customer is not the owner of the premises upon which Pulse Metering Equipment will be located, Customer shall represent that Company is fully authorized to enter the premises and to perform any reasonable effort necessary to install, maintain, repair, replace, or remove Pulse Metering Equipment.

- 11. All communications necessary in the administration and execution of this Agreement may be effectuated by contacting Company and Customer at the addresses and telephone numbers set forth below:

**FOR COMPANY:**

Contact: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Email: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Fax Number: \_\_\_\_\_

**FOR CUSTOMER:**

Contact: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Email: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Fax Number: \_\_\_\_\_

Either party may change the preceding designation by providing the other party with no less than thirty (30) days advanced notification of such change.

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- 12. Except as expressly provided by this Agreement, no provisions of this Agreement shall revise, alter, modify, or amend Company’s Tariff for Retail Delivery Service.
- 13. This Agreement shall commence upon the date of execution by both Parties (the “Effective Date”) and shall terminate (a) upon mutual agreement of the Parties, or (b) written notification by Customer to Company that it requests to terminate this Agreement; or (c) upon the effective date of a new agreement between the Parties.
- 14. Termination of this Agreement, for any reason, shall not relieve Company or Customer of any obligation accrued or accruing prior to such termination.
- 15. This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

**Company** (insert name)      CenterPoint Energy Houston Electric, LLC.

(legal signature)      \_\_\_\_\_

(date)      \_\_\_\_\_

**Customer** (insert name)      \_\_\_\_\_

(legal signature)      \_\_\_\_\_

(date)      \_\_\_\_\_

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#### **6.3.4.4 AGREEMENT FOR METER OWNERSHIP AND/OR ACCESS FOR NON-COMPANY OWNED METERS**

ESI ID: \_\_\_\_\_  
(If this Agreement applies to multiple ESI IDs, the ESI IDs are listed on an Attachment that identifies the appropriate premise address for each ESI ID.)

\_\_\_\_\_ (“Company”) and \_\_\_\_\_ (“Retail Customer”) hereby agree that this Agreement for Meter Ownership and/or Access for Non-Company Owned Meters (“Agreement”), as well as Company’s Tariff for Retail Delivery Service (“Tariff”) and Applicable Legal Authorities, will govern Retail Customer’s utilization of Non-Company Owned Meter(s), and Retail Customer’s physical access to Non-Company Owned Meter(s) to obtain Meter Data at the ESI ID(s) specified above. All defined terms used herein will have the meanings specified in the Tariff, except as otherwise expressly provided in this Agreement.

This Agreement may be executed by a written authorized representative/agent (“Retail Customer’s Agent”), acting on behalf of the Retail Customer pursuant to an executed Letter of Agency (“LOA”) delivered to Company. Termination of the agency authority of Retail Customer’s Agent will become effective as to this Agreement upon Company’s receipt of written notice of such termination from the Retail Customer. A change in Retail Customer’s Agent will become effective as to this Agreement only upon the Company’s receipt of a new LOA designating a new Retail Customer’s Agent, in which event Retail Customer is also responsible for promptly providing Company with the contact information for the new Retail Customer’s Agent required under Section C of this Agreement. Retail Customer shall ensure that Retail Customer’s Agent complies with this Agreement, the other applicable provisions of the Tariff, and Applicable Legal Authorities.

If Retail Customer is not the owner of the premises where the Non-Company Owned Meter(s) will be installed, Retail Customer represents that Company is fully authorized to enter the premises and perform any reasonable effort necessary to install, maintain, repair, replace, or remove the Non-Company Owned Meter(s).

#### **A. UTILIZATION OF NON-COMPANY OWNED METER**

- 1. Meter Owner.** Retail Customer has selected and authorized \_\_\_\_\_ to be the Meter Owner of the Non-Company Owned Meter(s) at the ESI ID(s) specified above. A change in Meter Owner will become effective only upon a written amendment of this Agreement.
- 2. Non-Company Owned Meter.** The Non-Company Owned Meter(s) selected from the ERCOT-approved competitive meter list that will be installed pursuant to this Agreement is/are \_\_\_\_\_ (i.e., meter manufacturer and type). Any credit to the Delivery Charges invoiced to the Retail Customer’s Competitive

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Retailer for the utilization of Non-Company Owned Meter(s) shall be as provided in Section 6.1 - Rate Schedules of Company's Tariff.

3. **Metering Services.** Company shall provide Metering Services as defined in PUC Substantive Rule 25.311(b)(5), (as the same may be changed from time to time by the Commission), excluding Meter ownership, to Retail Customer utilizing Non-Company Owned Meter(s). Charges may apply to these Metering Services as provided in Section 6.1 – Rate Schedules of Company's Tariff.
4. **Requests for Metering Services.** Requests for Metering Services, including installation or removal of Non-Company Owned Meter(s), shall be made in accordance with Company's Tariff and Applicable Legal Authorities.
5. **Shipping of Non-Company Owned Meters to Company.** A Non-Company Owned Meter shipped by the Meter Owner to the Company for testing and installation shall be shipped to the Company's designated meter delivery address as provided herein, with shipping costs prepaid by the Meter Owner.
6. **Return of Non-Company Owned Meters to Meter Owner.** A Non-Company Owned Meter being returned to the Meter Owner for any reason (including removal from service) may be picked up by the Meter Owner at a Company designated location within ten business days after Company gives written notice that the Non-Company Owned Meter is being returned. If the Non-Company Owned Meter is not picked up by the Meter Owner within such ten business day period, Company will have the right to return the Non-Company Owned Meter to the Meter Owner using any of the following means: (a) shipping by Company to the Meter Owner, at the address specified herein, shipping to be paid by the Meter Owner, cash on delivery; (b) shipping to the Meter Owner using a shipper, Meter Owner account number and shipping instructions provided by the Meter Owner when the Meter Owner is notified that the Non-Company Owned Meter is being returned; or (c) other arrangements mutually agreed to by Company and Meter Owner. If a Non-Company Owned Meter that has been removed from service is not returned to the Meter Owner using one of the means specified above, Company will safeguard the Non-Company Owned Meter until the earlier of (i) the date the Meter Owner takes possession of it, or (ii) 60 calendar days from the date of removal.

## **B. ACCESS TO NON-COMPANY OWNED METER BY COMPANY TO OBTAIN METER DATA**

1. **Billing and Settlement Meter Reading Capability.** Where remote meter reading is required, the method that Retail Customer will provide for the Company to remotely access the Non-Company Owned Meter(s) to obtain Meter Data necessary for the Company to fulfill its billing, settlement and reliability responsibilities pursuant to Applicable Legal Authorities ("Billing and Settlement Meter Reading Capability") is \_\_\_\_\_ (e.g., cell phone, land line, radio, etc.).  
The Billing and Settlement Meter Reading Capability must be compatible with a method

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the Company currently uses elsewhere on its system for remote access to Billing Meters providing similar billing, settlement and reliability Meter Data. The Billing and Settlement Meter Reading Capability must comply with Section 5.10.2 – Retail Customer Responsibility and Rights of Company’s Tariff. Where remote meter reading is required, Retail Customer shall arrange for and be responsible for the costs, including any ongoing costs, of the remote communications for the Billing and Settlement Meter Reading Capability. Retail Customer shall have the Billing and Settlement Meter Reading Capability in effect beginning \_\_\_\_\_. Retail Customer shall provide Company with 45 calendar days advance written notice of termination of the Billing and Settlement Meter Reading Capability and agrees to work in good faith with Company to restore Company’s remote meter reading capability.

2. **Company’s Access to Billing and Settlement Meter Reading Capability.** Company will not use Meter Data from a Non-Company Owned Meter for purposes other than fulfilling the Company’s billing, settlement, and reliability responsibilities in accordance with Applicable Legal Authorities. Company shall have access to the Non-Company Owned Meter using the Billing and Settlement Meter Reading Capability, (a) on the scheduled meter reading day and the two calendar days on either side of the scheduled meter reading day, for \_\_\_\_ consecutive minutes beginning at \_\_\_\_\_ am/pm (circle one) (central prevailing time); and (b) on three additional consecutive calendar days designated by Company in writing for \_\_\_\_ consecutive minutes each day beginning at \_\_\_\_ am/pm (circle one) (central prevailing time). In addition, Company may access the Non-Company Owned Meter at other times if necessary to fulfill the Company’s billing and settlement responsibilities or if access is not available at the designated times. If Company does not have reasonable access through the Billing and Settlement Meter Reading Capability to the Non-Company Owned Meter for a period exceeding 10 calendar days, or for the two calendar days on either side of and on the scheduled meter read date, or in the event that Company’s access to billing and settlement data is blocked during the times listed herein, Retail Customer will be in breach of its obligations under this Agreement.
3. **Charges.** Company shall not charge Retail Customer for access to the Meter Data nor shall Retail Customer charge Company for access to the billing, settlement and reliability Meter Data.

### C. CONTACT INFORMATION

All notifications and other contacts necessary in the administration and execution of this Agreement may be effectuated by contacting Company, Retail Customer, Meter Owner, or Retail Customer’s Agent at the addresses and telephone numbers set forth below:

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**FOR COMPANY:**

Contact: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Email: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Fax Number: \_\_\_\_\_

**For Receipt of Non-Company Owned Meter:**

Contact: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

**FOR RETAIL CUSTOMER:**

Company Name: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Premise Address: \_\_\_\_\_

\_\_\_\_\_

Billing Address: \_\_\_\_\_

\_\_\_\_\_

Email: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Fax Number: \_\_\_\_\_

Retail Customer's Competitive Retailer, contact name and phone number:

\_\_\_\_\_



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**FOR METER OWNER:**

Company Name: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Email: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Fax Number: \_\_\_\_\_

**For Return of Non-Company Owned Meter:**

Contact Person: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

**FOR RETAIL CUSTOMER'S AGENT:**

Company Name: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Email: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Fax Number: \_\_\_\_\_

Company will promptly provide to the Retail Customer any changes to the Company's contact information. The Retail Customer will promptly provide to Company any changes to the Retail Customer's, Meter Owner's, Competitive Retailer's or Retail Customer's Agent's contact information.

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**D. OTHER TERMS AND CONDITIONS**

1. The form of this Agreement may be amended, revised, or otherwise changed only by an appropriate order of Applicable Legal Authorities.
2. Except as expressly provided by this Agreement, no provisions of this Agreement shall revise, alter, modify, or amend other provisions of Company's Tariff for Retail Delivery Service.
3. This Agreement shall commence upon the date of execution by both Parties (the "Effective Date").
4. This Agreement shall terminate on the earlier of: (a) the date that none of the ESI IDs specified on the first page of this Agreement are associated with the Retail Customer; or (b) the date that all of the Non-Company Owned Meters provided for under this Agreement have been permanently removed, whether removed at the Retail Customer's request or pursuant to Applicable Legal Authorities; or (c) termination by the Retail Customer upon 45 calendar days advance written notice to the Company; or (d) termination by the Company upon Retail Customer's breach of any obligation under this Agreement that has remained uncured after Retail Customer and Retail Customer's Agent, if designated, have been given written notice of the breach and 30 calendar days to cure. Upon termination of the Agreement, Company shall have the right to remove the Non-Company Owned Meter(s) covered by this Agreement; provided that removal of Non-Company Owned Meters shall comply with Section 5.10.5 of the Tariff. Termination of the Agreement may result in applicable charges under Section 6.1 – Rate Schedules of Company's Tariff. Termination of this Agreement, for any reason, shall not relieve the Parties of any obligation accrued or accruing prior to such termination.
5. Retail Customer is responsible for providing accurate information to Company as requested herein, as well as accurate information necessary to facilitate Company's access through the Billing and Settlement Meter Reading Capability to billing, settlement and reliability Meter Data (e.g., telephone numbers). Retail Customer is responsible for promptly informing Company of any changes to that information. Failure to maintain the accuracy of the information required under this Agreement will constitute a breach of this Agreement.
6. This Agreement is binding upon Company and Retail Customer and their successors and assigns, provided that Retail Customer may assign this Agreement only to another Retail Customer taking service at the specified ESI IDs, and only upon giving written notice to Company and providing all pertinent changes to information requested herein.

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7. This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

**Company** (insert name) \_\_\_\_\_

(legal signature) \_\_\_\_\_

(date) \_\_\_\_\_

**Retail Customer** (insert name) \_\_\_\_\_

(legal signature) \_\_\_\_\_

(date) \_\_\_\_\_

ACKNOWLEDGED this \_\_\_ day of \_\_\_\_\_, by:

**Meter Owner** (insert name) \_\_\_\_\_

(legal signature) \_\_\_\_\_

(date) \_\_\_\_\_

ACKNOWLEDGED this \_\_\_ day of \_\_\_\_\_, by:

**Retail Customer's Agent** (insert name) \_\_\_\_\_

(legal signature) \_\_\_\_\_

(date) \_\_\_\_\_

CenterPoint Energy Houston Electric, LLC

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**6.3.4.5 COMPETITIVE METERING LETTER OF AGENCY**

Electric Service Identifier (ESI ID Number):\* \_\_\_\_\_

Premise Address (include city, state, zip):\* \_\_\_\_\_

Retail Customer: \_\_\_\_\_

Retail Customer's Billing Address:  
(include city, state, zip) \_\_\_\_\_

Retail Customer's Email: \_\_\_\_\_

Retail Customer's Telephone Number: \_\_\_\_\_

Retail Customer's Fax Number: \_\_\_\_\_

Retail Electric Provider or (REP): \_\_\_\_\_

Transmission and Distribution Utility (TDU): \_\_\_\_\_

Retail Customer's Agent: \_\_\_\_\_

Retail Customer's Agent's Address:  
(include city, state, zip) \_\_\_\_\_

Retail Customer's Agent's Email: \_\_\_\_\_

Retail Customer's Agent's Telephone Number: \_\_\_\_\_

Retail Customer's Agent's Fax Number: \_\_\_\_\_

**\* If this Letter of Agency applies to multiple ESI IDs, the ESI IDs are listed on an Attachment that identifies the appropriate premise address for each ESI ID.**

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The Retail Customer designates the Retail Customer's Agent for purposes of performing Retail Customer's duties provided for in the "Agreement for Meter Ownership and/or Access" (the "Agreement"), as well as giving and receiving information in accordance with the Competitive Metering Guides of the Electric Reliability Council of Texas ("ERCOT").

In addition to the duties included in the Agreement, Retail Customer appoints Agent to:

- (1) Communicate with and authorize TDU to maintain, repair, and replace the Non-Company Owned Meter(s), as may be reasonable and necessary;
- (2) Submit to and obtain from the TDU information requests, service requests, and data access; and,
- (3) Authorize TDU to enter the Premise at reasonable times and to perform all reasonable and necessary work to install the Non-Company Owned Meter(s) at the Premise and to maintain, repair, replace, and remove the Non-Company Owned Meter(s).

Retail Customer acknowledges that Retail Customer is obligated to pay all amounts due to the TDU pursuant to its tariffs approved by the Public Utility Commission of Texas. Failure of Agent to perform Retail Customer's duties does not relieve Retail Customer of any obligation under the Agreement or tariffs.

By signing this Letter of Agency, Retail Customer represents that if Retail Customer is not the owner of the premises upon which the Non-Company Owned Meter and any associated equipment will be located, that Company is fully authorized by the owner of the premises to enter the premises and to perform any reasonable work necessary to install, maintain, repair, replace, or remove such Meter and associated equipment.

Representation: By signing this Letter of Agency, Retail Customer represents that Retail Customer is at least 18 years old and has the legal capacity to execute this document.

Termination: This Letter of Agency can be terminated at any time, provided however that with regard to the Agreement, termination shall be effective only upon TDU's receipt of written notice of such termination from Retail Customer. Retail Customer represents by its signature hereunder that Retail Customer is aware of its affirmative duty to promptly inform the TDU of any changes to this Letter of Agency, including its termination.

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 Retail Customer

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 Date

CenterPoint Energy Houston Electric, LLC  
Applicable: Entire Service Area

CNP 8043

**APPENDIX A**

**AGREEMENT BETWEEN COMPANY AND COMPETITIVE RETAILER REGARDING TERMS AND CONDITIONS OF DELIVERY OF ELECTRIC POWER AND ENERGY (DELIVERY SERVICE AGREEMENT)**

Company and Competitive Retailer hereby agree that their relationship regarding the Delivery of Electric Power and Energy will be governed by the terms and conditions set forth in Company's Tariff approved by the Public Utility Commission of Texas (Commission). A copy of this Tariff may be obtained by contacting the Central Records Department of the Commission.

- I. Notices, bills, or payments required in Company's Tariff shall be delivered to the following addresses:

FOR COMPANY

Legal Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

\_\_\_\_\_

Phone Number: \_\_\_\_\_

Fax Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

Payment Address (both electronic and postal): \_\_\_\_\_

Company may change such contact information through written notice to Competitive Retailer.

FOR COMPETITIVE RETAILER

Legal Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

\_\_\_\_\_

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Phone Number: \_\_\_\_\_

Fax Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

Billing Address (both electronic and postal): \_\_\_\_\_  
\_\_\_\_\_

PUC Certificate Number: \_\_\_\_\_

Competitive Retailer may change contact information through written notice to Company.

II. A. DESIGNATION OF CONTACT FOR REPORTING OF OUTAGES, INTERRUPTIONS, AND IRREGULARITIES

\*Please place a check on the line beside the option selected. ***These options and attendant duties are discussed in Pro-Forma Tariff section 4.11.1.***

\_\_\_\_ Competitive Retailer will direct Retail Customers to call Competitive Retailer to report outages, interruptions, and irregularities and will then electronically forward such information to Company.

\_\_\_\_ Competitive Retailer will direct Retail Customers to call Competitive Retailer to report outages, interruptions, and irregularities and will then forward such calls to Company at the following toll-free number:

1-8XX-XXX-XXXX

\_\_\_\_ Competitive Retailer will direct Retail Customers to directly call or contact Company to report outages, interruptions, and irregularities. Competitive Retailer will provide Retail Customer with the following Company supplied toll-free number for purposes of such reporting:

1-8XX-XXX-XXXX

B. DESIGNATION OF CONTACT FOR MAKING SERVICE REQUESTS

\*Please place a check on the line beside the option selected. ***These options and attendant duties are discussed in Pro-Forma Tariff section 4.11.1.***

\_\_\_\_ Competitive Retailer will direct Retail Customers to call Competitive Retailer to make service requests and will then electronically forward such information to Company.

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\_\_\_\_ Competitive Retailer will direct Retail Customers to call Competitive Retailer to make service requests and will then forward such calls to Company at the following toll-free number:

1-8XX-XXX-XXXX

\_\_\_\_ Competitive Retailer will direct Retail Customers to directly call or contact Company to make service requests. Competitive Retailer will provide Retail Customer with the following Company supplied toll-free number for purposes of making such requests.

1-8XX-XXX-XXXX

III. TERM

This Agreement shall commence upon the date of execution by both Parties (the "Effective Date") and shall terminate upon mutual agreement of the Parties or upon the earlier of the date (a) Competitive Retailer informs the Company that it is no longer operating as a Competitive Retailer in Company's service territory; (b) a new Delivery Service Agreement between the Parties hereto becomes effective; or (c) Competitive Retailer is no longer certified by the Commission as a Retail Electric Provider in Company's certificated service area.

Termination of this Agreement, for any reason, shall not relieve Company or Competitive Retailer of any obligation accrued or accruing prior to such termination.

IV. This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

V. SIGNATURES

**Company** (insert name) \_\_\_\_\_  
(legal signature) \_\_\_\_\_  
(date) \_\_\_\_\_

**Competitive Retailer** (insert name) \_\_\_\_\_  
(legal signature) \_\_\_\_\_  
(date) \_\_\_\_\_