

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 the Tariff, unless specifically defined otherwise therein.

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 or guideline of ERCOT, 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.

BUSINESS DAY. Any day on which Company's corporate offices are open for business and that is not a Banking Holiday.

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

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

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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.

COMPETITIVE RETAILER. 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 company facilities, including temporary facilities.

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

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

DELIVERY SYSTEM. Company's electric lines, Meters, and other equipment, including transformers, used in the delivery of Electric Power and Energy.

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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 Discretionary Services.

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

DISCRETIONARY 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 Section 6.1.2, DISCRETIONARY CHARGES.

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

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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 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.

ERCOT. The Electric Reliability Council of Texas, Inc.

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

GOOD UTILITY PRACTICE. This term will have the meaning ascribed thereto in P.U.C. SUBST. R. 25.5, Definitions, or its successor.

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

KILOVOLT AMPERES or KVA. 1000 volt-amperes.

KILOWATT or KW. 1000 watts.

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KILOWATT-HOUR or KWH. 1000 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 METERING EQUIPMENT. A device, or devices, together with any required auxiliary equipment, for measuring the amount of Electric Power and Energy delivered.

METER READING. The process whereby Company determines the information recorded by Metering Equipment. Such reading may be obtained manually, through telemetry, or by estimation, in accordance with the procedures and practices authorized under this Tariff.

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).

POINT OF DELIVERY. The point at which Electric Power and Energy leaves Company's Delivery System.

POINT OF SUPPLY. The point at which Electric Power and Energy enters Company's 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.

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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.

PURA. Public Utility Regulatory Act, TEXAS UTILITIES CODE ANNOTATED.

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

REGISTRATION AGENT. Entity designated by the Commission to administer settlement and premise 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.

RETAIL CUSTOMER'S ELECTRICAL INSTALLATION. All conductors, equipment, or apparatus of any kind on Retail Customer's side of the Point of Delivery, except Company's 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 from Electric Power and Energy delivered by Company.

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RETAIL ELECTRIC PROVIDER or REP. As defined in PURA §31.002(17), a person, certificated pursuant to PURA §39.352, that sells Electric Power and Energy to Retail Customers.

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

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 for investigation of a complete or partial service outage, irregularity, or interruption.

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

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 Company's facilities, including Metering Equipment. 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, or other electrical or mechanical means of altering Delivery Service.

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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.

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

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2.1- PRELIMINARY STATEMENT

Historically, electric service was provided to customers in Texas by integrated electric utility companies that were regulated by the Public Utility Commission.

In 1999, the Legislature of the State of Texas identified a public interest in restructuring the state's electric industry into a competitive electrical market and enacted amendments to the Utility Code to effectuate that change. As a result, beginning January 1, 2002, each electric utility company in Texas separated, or "unbundled," into at least three different affiliated companies. The companies include a regulated Transmission and Distribution Utility, an unregulated Power Generation Company and an unregulated Retail Electric Provider (REP).

In the restructured electric industry, CenterPoint Energy Houston Electric, LLC, which is the affiliated 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 156 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
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*
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
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 served.

Unincorporated Communities Served

Addicks	Cypress	Longpoint
Aldine	Damon	Magnet
Algoa	Danciger	McNair
Alta Loma	Decker Prairie	Mixville
Arcadia	Dewalt	Moonshine Hill
Bacliff	East Bernard	Newgulf
Bammel	Egypt	Peters
Barker	Foster	Pinehurst
Barrett	Fresno	Pledger
Big Creek	Frydek	Raccoon Bend
Blue Ridge	Genoa	Randon
Boling	Glen Flora	Retrieve
Bonus	Gulf Park	Rose Hill
Booth	Guy	Rosharon
Burleigh	Highlands	Sandy Point
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
Crosby	Lissie	

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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 Transmission Service by non-ERCOT utilities. Neither does this Tariff apply to the provision of Delivery 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.

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 Company's 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 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.

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

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Service should obtain from Company the phase and voltage of the service available before committing to the purchase of motors or other equipment, and Company is not responsible if the requested phase and voltage of service are not available. The standard Delivery System Service offered by Company is for alternating current with a nominal frequency of 60 hertz (cycles per second). Delivery Services may be provided 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

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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, 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.

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, or the affiliated retail electric provider in its service territory, 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 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 writing or conveyed electronically, as specified in the section of this Tariff requiring such notice. Electronic notice shall be given in accordance with the appropriate SET protocol. Written notice 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 other party. Any such notice, demand or request so delivered or mailed shall be deemed to be given when so

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delivered or three days after mailed unless the party asserting that such notice was provided is unable to show evidence of its delivery.

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

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

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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.

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.

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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 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 provided pursuant to Section 3.8, FORM OF NOTICE, shall be provided to the addresses specified in the Delivery Service Agreement.

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

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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.

However, if damages result from 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 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.

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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 in 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, 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, which emergency poses a threat to the integrity of its Delivery System or the systems to which it is directly or indirectly connected if, in its sole judgment, such action may prevent or alleviate the emergency condition. Company may interrupt service when necessary, in the Company's sole judgment, for inspection, test, repair, 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.

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Company shall provide advance notice to Competitive Retailer of such actions, if reasonably possible. Such notice may be met by electronic notice to all certificated Competitive Retailers with specific identification of location, time and expected duration of outage. Notice shall also be provided, if reasonably possible, to those Retail Customers for whom a Competitive Retailer has provided notice to the Company that interruptions or suspensions of service will create a dangerous or life-threatening condition on the Retail Customer's premises.

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.

4.2.6 LIMITATION OF WARRANTIES BY COMPANY

Company makes no warranties with regard to the provision of 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 successfully completed system testing for electronic and other data exchange requirements and for interruption reporting and service requests pursuant to this Chapter. Testing for electronic data exchange will be conducted in accordance with a test plan developed by the SET team in coordination with the Commission and will be limited to the SET transactions developed by the SET team. Company and Competitive Retailer shall use best efforts to promptly complete system testing; and

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- (2) Competitive Retailer and Company execute a Delivery Service Agreement; or
- (3) Following successful completion of system testing, Company has failed to execute the Delivery Service Agreement upon presentment by Competitive Retailer who has signed such Delivery Service Agreement - 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 Company's 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 when requested by Competitive Retailer through the registration agent:

- (1) Unless the Retail Customer's Electrical Installation is known to be hazardous under applicable codes, or is of such character that satisfactory Delivery System Service cannot be provided consistent with Good Utility Practice, or interferes with the service of other Retail Customers, or unless a known dangerous condition exists as long as it exists; and

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- (2) Upon notification by the Registration Agent pursuant to the protocols developed by the Independent Organization that the Retail Customer has designated an eligible Competitive Retailer; and
- (3) Unless 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 receiving notice of the failure and at least ten days to cure.

If a charge has been authorized by the Commission, Company may assess a charge for service connection pursuant to Section 6.1, RATE SCHEDULES.

Applications for new Delivery System Service made by Competitive Retailer on behalf of Retail Customer not involving Construction Services shall be filled within seven Business Days after Company's receipt of both the request and, if applicable, notification of approval of Retail Customer's Electrical Installation by the proper authority as provided in Section 5.4.2, INSPECTION AND APPROVAL OF RETAIL CUSTOMER'S ELECTRICAL INSTALLATION.

4.3.2.2 INITIATION OF DELIVERY SYSTEM SERVICE WHERE CONSTRUCTION SERVICES ARE REQUIRED

When a Competitive Retailer requests initiation of Delivery System Service that requires Construction Service prior to initiation, Competitive Retailer shall contact Company to make arrangements for Construction Service and for establishment of an ESI ID, if one is not in existence, for the Delivery Point. Company will establish the new ESI ID and will notify the Registration Agent. The processing of Construction Service requests shall be governed by the provisions in Section 5.7, FACILITIES EXTENSION POLICY. After completion of Construction Service, Company shall initiate Delivery System Service in accordance with Section 4.3.2.1, INITIATION OF DELIVERY SERVICE WHERE CONSTRUCTION SERVICES ARE NOT REQUIRED.

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4.3.3 REQUESTS FOR DISCRETIONARY SERVICES INCLUDING CONSTRUCTION SERVICES

A Competitive Retailer may request Discretionary Services from Company. Such requests for Discretionary Service must include the following information:

- (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, as needed;
- (5) Discretionary Services requested; and
- (6) Date requested for Company to perform or provide Discretionary Services.

To the extent SET transactions are developed by the Texas SET team, such transactions shall be used by Competitive Retailer to request Discretionary Services for their Retail Customers. Company will acknowledge receipt of Competitive Retailer's electronic service request and will notify Competitive Retailer upon completion. 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.

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4.3.4 CHANGING OF DESIGNATED COMPETITIVE RETAILER

Company shall change a Retail Customer's designated Competitive Retailer upon receiving proper notification from the Registration Agent, in accordance with the Commission's customer protection rules and the protocols developed by the Independent Organization, unless the new Competitive Retailer is in default under the Tariff. 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 SELECTION OF RATE SCHEDULES

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. 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 Customers' 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 that may affect the applicability of a Rate Schedule.

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Unless a change in Rate Schedule is requested as a result of a change in Company's facilities used to serve Retail Customer or the change in Rate Schedule requires a different change in billing determinants necessary to calculate the Residential Customers' Delivery Charge, 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 read date for that Retail Customer. If a change in Company's facilities used to serve Retail Customer, or the change in Rate Schedule, requires a different billing methodology, then such change in billing methodology 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 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.

4.3.8 SUSPENSION OF DELIVERY SERVICE

4.3.8.1 SUSPENSIONS WITHOUT PRIOR NOTICE

Company may, without prior notice, intentionally suspend Delivery Service to a Competitive Retailer's Retail Customer where a known dangerous condition exists for as long as the condition exists, provided that such suspension does not result in other dangerous or life-threatening conditions. Company shall notify, as soon as practicably possible, the affected Retail Customer's Competitive Retailer of suspensions for the above reason.

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Company may also suspend service without prior notice when such suspension is authorized by Applicable Legal Authorities.

If suspensions or interruptions are conducted pursuant to Section 4.2.5, EMERGENCIES AND NECESSARY INTERRUPTIONS and advance notice was not able to be reasonably provided, the Company shall provide notice as soon as reasonably possible after the suspension. Such notice may be met by electronic notice to all certificated Competitive Retailers with specific identification of location, time and expected duration of outage.

Competitive Retailer shall convey any notice received by Retail Customer to Company that suspension or interruption of service of Retail Customer will create a dangerous or life-threatening condition on Retail Customer's premises.

Nothing in this section is intended to take precedence over the timely restoration of service.

4.3.8.2 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 reconnection, or diversion of service or tampering with Company's Meter or 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;

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- (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 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.

Company shall provide electronic notice pursuant to Section 3.8, REQUIRED NOTICE, REQUIRED NOTICE, of any noticed suspension of service to Competitive Retailer, specifically identifying the time, 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.

4.3.9 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.

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

At the request of Competitive Retailer for Retail Customer related construction, alteration, or other temporary clearance requirement, Company shall disconnect Retail Customer's facilities on the date requested by Competitive Retailer, provided such request is made at least three Business Days prior to the requested date for disconnection.

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 because a Retail Customer has vacated the Premises. Company shall be required to disconnect Delivery Service to the Point of Delivery no later than seven Business Days after receipt of the notice from the Registration Agent. Competitive Retailer shall not be responsible for any Delivery Services provided to that Point of Delivery after disconnection.

Competitive Retailer may request disconnection for non-payment by Retail Customer as authorized by the Commission's customer protection rules. Company shall disconnect and reconnect Retail Customer's premises upon receipt of request for disconnection or reconnection by a Competitive Retailer authorized to do so. In situations where requested disconnection will not be permitted or will be delayed pursuant to 5.3.7.4, PROHIBITED SUSPENSION OR DISCONNECTION, Competitive Retailer shall continue to be responsible for Delivery Service until the disconnection actually occurs.

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.

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4.4 BILLING AND REMITTANCE

4.4.1. CALCULATION AND TRANSMITTAL OF DELIVERY SERVICE INVOICES

Not later than three Business Days after the date of a Meter Read 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 supplied with Electric Power and Energy by the Competitive Retailer. The Company shall separately identify the Delivery System Charges and billing determinants on the electronic invoice for each Point of Delivery served by a Competitive Retailer.

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 SET transaction and shall be consistent with the terms and conditions of this Tariff. The Competitive Retailer shall validate or reject the SET transaction using the appropriate rejection code within 48 hours of the first Business Day following receipt. Company shall correct any Company errors that lead to a rejection. Transactions that are neither validated nor rejected within 48 hours shall be deemed valid.

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.

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4.4.3 INVOICE CORRECTIONS

Invoices shall be subject to adjustment for errors, including, but not limited to, arithmetic errors, computational errors, and Meter Reading errors. Company shall cancel and re-bill the original invoice that was incorrect and apply any payments made to the re-billed invoice. 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. If it is determined that Company under-billed for Delivery Charges, Company will make adjustments for the entire period of under-billing but not to exceed six months.

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. Company shall notify Competitive Retailer of any permanent changes in billing cycle or Meter Reading schedules. Notification shall be provided in accordance with appropriate SET protocol.

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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 validated invoice. Disputed invoiced amounts shall be governed by Section 4.4.8, INVOICE DISPUTES. Payments are due without regard to whether or when the Competitive Retailer receives payment from its Retail Customer(s). The Company shall specify the due date on the invoice, and the due date shall be the 35th calendar day after the transmittal date of the validated invoice, unless the 35th day falls on a weekend or Banking Holiday, in which case the due date shall be the following Business Day. Electronic invoices transmitted after 5:00 p.m. (Central Prevailing Time) 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.

Competitive Retailer shall pay the invoice by electronic funds transfer (EFT) utilizing the electronic data interchange (EDI) standard to a bank designated by Company. Competitive Retailer may also pay by wire transfer (WT) accompanied by the appropriate SET transaction. Payment will be considered received on the date Company's bank receives the EFT or WT.

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. (Central Prevailing Time) of the due date stated on the validated 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 validated 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

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balance. Upon delinquency of Competitive Retailer, Company shall provide notice 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 to Company of the dispute 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. Upon notice of a disputed invoice, Company shall investigate and report the results of the investigation within ten business days. Invoice disputes will be addressed promptly, and in the event the dispute is not resolved, the parties shall resort to the dispute resolution procedures set forth in Section 4.9, DISPUTE RESOLUTION PROCEDURES. If

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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. Utilities Code Ann. Chapter 183.

A Competitive Retailer shall not dispute a methodology used to estimate a meter read 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

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

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4.5.1 SECURITY RELATED TO OTHER DELIVERY CHARGES

4.5.1.1 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, 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.

4.5.1.2 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.

4.5.1.3 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

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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. Within ten Business Days of the quarterly review in Section 4.5.1.2, SIZE OF DEPOSIT, Competitive Retailer shall remit additional cash or replacement affiliate guaranty, surety bonds or letters of credit, as applicable, in the amount determined pursuant to the review.

4.5.1.4 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 4.5.1.2, SIZE OF DEPOSIT, if such interest causes the size of the deposit to exceed the required amount. The rates of interest to be paid shall be in accordance with the Tex. Utilities Code Ann. Section 183.

4.5.1.5 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.

4.5.1.6 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.

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4.5.2 CREDIT REPORTING

The Company shall report Competitive Retailer's credit history with Company to national credit bureaus.

4.6 DEFAULT AND REMEDIES ON DEFAULT

4.6.1 COMPETITIVE RETAILER DEFAULT

A Competitive Retailer shall be considered to be in default 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) Loses its Commission certification as a Retail Electric Provider.

4.6.2 REMEDIES ON DEFAULT

4.6.2.1 DEFAULT RELATED TO FAILURE TO REMIT CHARGES OR MAINTAIN REQUIRED SECURITY

Upon Competitive Retailer's default related to failure to remit charges 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;

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- (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) Transfer the billing and collection responsibility for all charges to the Provider of Last Resort. Amounts collected by the POLR shall first be applied to amounts due Company, including any late fees and penalties with remaining amount released to the Competitive Retailer;
 - (B) Immediately arrange for all future remittances from Retail Customers to be paid into a lock-box controlled by Company. Amounts collected in lock-box 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
 - (C) Immediately arrange for Competitive Retailer's customers to be served by another qualified Competitive Retailer or the Provider of Last Resort.

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 (A). A Competitive Retailer choosing option (A) or (C) 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 (C) 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 to cure such reasons for default. Upon failing to do so, 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 cancelled;
- (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 shall 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 abide by the provisions of this

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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

Charges for Delivery Service are calculated using measurements obtained from Company-owned, Company-installed and Company-read Metering Equipment, estimation, or otherwise as defined in the applicable Rate Schedule.

Electric Meter services will be performed by Company. Company shall provide metering services and provide monthly meter reads in accordance with Applicable Legal Authorities and all standards and protocols adopted by the Independent Organization.

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 the Rate Schedules in Section 6.1, RATE SCHEDULES.

4.7.2 METER READING

Company is responsible for reading Company's Meter. If an actual Meter Reading is not obtained, Company shall estimate the Meter Reading for invoicing purposes in accordance with this Chapter, the Rate Schedules in Section 6.1, RATE SCHEDULES, and Applicable Legal Authorities.

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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 its Meters in accordance with the schedule and standards of the American National Standards Institute, Incorporated ("ANSI"), as adopted by the Commission. Upon notice of a request, Company will perform additional tests of the accuracy of Company's Meter no later than ten Business Days after the notice is received. The additional tests will be performed preferably on the Retail Customer's Premises, but may, at Company's discretion, be performed at Company's test laboratory. The additional tests will be free of charge if the Meter is determined to be outside the accuracy standards established by ANSI. Otherwise, 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, and who made the test.

4.7.5 INVOICE ADJUSTMENT DUE TO METER INACCURACY

If any Company-owned Meter is determined to be outside of the accuracy standards established by the ANSI, unless bypassed or Tampered with, proper correction will be made of previous measurement data.

If a Meter is determined not to register for any period, unless bypassed or Tampered with, Company will invoice Retail Customer's Competitive Retailer for the Delivery Charges associated with the amount of Electric Power and Energy delivered, but not metered, for a period not to exceed six months based on amounts used under similar conditions during

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a period preceding or subsequent thereto, or during corresponding periods in previous years.

4.8 DATA EXCHANGE

Company shall make proprietary Retail Customer information available to Competitive Retailer as prescribed by the Applicable Legal Authorities. Company shall not assess separate charges for the provision of meter or load data to Competitive Retailer.

4.8.1 DATA FROM METER READING

Company shall make available to Retail Customer's Competitive Retailer all data recorded in Retail Customer's meter(s) that are owned by Company.

Metering data, except as specified in Section 4.8.1.3, **OUT OF CYCLE METER READS**, will be sent to the Competitive Retailer in complete billing periods.

All metering data values will contain an associated Date/Time field as a time stamp. All time stamps (both for data points and sets of data) will be reported in Central Prevailing Time.

Unless provided by the Independent Organization, Company shall provide, if requested by Competitive Retailer in a switch request, the most recent 12 months of historical usage and/or interval data to Competitive Retailer via the appropriate SET protocol upon the switching of a Retail Customer to a new Competitive Retailer.

Unless 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.

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Company shall maintain at least 12 months of usage and/or demand data for each customer with a volumetric or demand meter and shall also maintain interval data for any customer for whom Company records interval data. If not provided by the Independent Organization, Company shall provide access to this data for interval demand recorder (IDR) customers through a web-portal, or other means such that the data is accessible in real-time. Company shall ensure confidentiality of customer load data through the assignment of unique customer passwords or personal identification numbers (PINs) released only to the IDR-metered Retail Customer.

4.8.1.1 DATA RELATED TO INTERVAL METERS

Data from interval Meters will be sent as KWH during each interval. The KWH and KW or KVA Demand, as applicable, will be reported for each interval. The time stated for a recording interval shall be the end of the interval.

4.8.1.2 DATA REPORTED BY VOLUMETRIC (KWH) METERS

Data reported by volumetric (KWH) Meters will include: the start-of-period date and time, usage for period, demand readings (if available), end-of-period date and time, and end-of-period reading. Exceptions, which include start of accounts and Meter changes for start-of-period reading, must be sent.

Metered data upon termination of a Retail Customers' Delivery Service at a particular Point of Delivery (final read) will be provided by Company to Competitive Retailer within three Business Days from the date that Delivery Service has been terminated.

4.8.1.3 OUT OF CYCLE METER READS

Out of cycle Meter Reads associated with a Retail Customer's change in designated Competitive Retailer shall be provided to both the new and previous

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Competitive Retailer on the next Business Day following the out of cycle Meter Read date. For the new Competitive Retailer, the billing period begins with the out of cycle Meter Read, and for the previous Competitive Retailer, the billing period ends with the out of cycle Meter Read.

Out of cycle Meter Reads not associated with a Retail Customer's change in Competitive Retailer shall be provided to Competitive Retailer requesting such Meter Read within three Business Day following the out of cycle meter read date.

Competitive Retailer may be charged for an out of cycle Meter Read pursuant to the Rate Schedules of this Tariff.

4.8.1.4 ESTIMATED USAGE

Estimated usage must be identified as "Estimated" in the SET transactions. If requested, Company shall provide the reason for estimation and the estimation method used. If an estimation methodology is developed by the Commission, Company shall use that methodology.

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 metering data may be made. The period of estimated metering 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 Read cycle.

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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 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 reads, 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 data, the original SET is first cancelled. A new SET of "original" data is then transmitted;
- (2) When corrections are made to previously sent data, the complete set of data pertaining to a Meter and billing cycle will be resent. When re-sending or correcting data, each billing cycle for the affected Meter will be in a distinct data set in the SET. Only the data for the affected billing cycle and Meter will be resent;
- (3) In the case of "crossed Meters," in which Meter numbers have been incorrectly reported for sets of usage data, the original SET will be cancelled and a new SET transmitted that correctly reports the data, ESI ID, and other associated data;

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- (4) Company will make corrected data available to the original recipients in a timely manner no matter when the correction is made; and
- (5) Company shall provide a reason for an adjustment to Competitive Retailer when the adjustment is made.

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:

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- (1) Company or Competitive Retailer may initiate the dispute process by presenting to the other party a notice of the dispute/complaint, 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 a proposed resolution;
- (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 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, 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 complaint (or another mutually agreed upon timeline), an affected party may file a complaint at any time thereafter 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 under any applicable rules or law, 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:

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- (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.

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.

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Competitive Retailer choosing option (1) must ensure that all necessary information is electronically communicated to Company in a timely manner using the appropriate SET protocol so as not to unnecessarily delay Company's response. 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.

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. A Competitive Retailer choosing option (2) or (3) shall be required to provide Company with the information needed to verify Retail Customers' identity (name, address, and home phone number) for a particular Point of Delivery served by Competitive Retailer and to continually provide Company updates of such information.

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.

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Competitive Retailer shall designate in the Delivery Service Agreement Form (Appendix A to the pro-forma 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 above conditions of 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

713-207-7777

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

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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.

However, if damages result from 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 subsection 5.2.1, LIABILITY BETWEEN COMPANY AND RETAIL CUSTOMERS.

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5.2.4 FORCE MAJEURE

Neither Company nor Competitive Retailer shall be liable in 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, 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.

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 Company's Delivery System or the interconnected systems of which it is a part, which 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 met by electronic notice to all certificated Competitive Retailers with specific identification of location, time and expected duration of outage. Notice shall also be provided, if reasonably possible, to those Retail Customers for whom a Competitive Retailer has provided notice to the Company that interruptions or suspensions of service will create a dangerous or life-threatening condition on the

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Retail Customer's premises. Retail Customer should notify their Competitive Retailer if a condition exists on the Retail Customer's premises such that a suspension or interruption of service will create a life-threatening or dangerous condition.

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.

5.2.6 LIMITATION OF WARRANTIES BY COMPANY

Company makes no warranties with regard to the provision of 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 electric service.

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 Company's Delivery System.

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

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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:

- (1) Unless Retail Customer's Electrical Installation is known to be hazardous under applicable codes, or is of such character that adequate satisfactory Delivery System Service cannot be provided consistent with Good Utility Practice, or interferes with the service of other Retail Customers;
- (2) Upon notification by the Registration Agent that Retail Customer has selected an eligible Competitive Retailer; and
- (3) Unless 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.

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.

Applications for new Delivery System Service not involving Construction Service shall be filled within seven Business Days after Company's receipt of both the request, and if applicable, notification of approval of Retail Customer's Electrical Installation by the proper authority as provided in Section 5.4.2, INSPECTION AND APPROVAL OF RETAIL CUSTOMER'S ELECTRICAL INSTALLATION.

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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.

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) and directions to location, when appropriate;
- (5) Construction Services requested; and
- (6) Date requested for Company to perform Construction Service.

Company will acknowledge receipt of Retail Customer's Construction Service request and will contact the designated person to make proper arrangement for Construction Service pursuant to Section 5.7, FACILITIES EXTENSION POLICY.

5.3.3 CHANGING OF DESIGNATED COMPETITIVE RETAILER

Company shall change a Retail Customer's designated Competitive Retailer upon receiving proper notification from the Registration Agent, in accordance with the Commission's customer protection rules and the protocols developed by the Independent

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Organization, unless the new Competitive Retailer is in default under the 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 SELECTION OF RATE SCHEDULES

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. 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.

Before the initial selection of a Rate Schedule, Retail Customer shall notify its Competitive Retailer, who will in turn notify Company, of any known change in Retail Customer's Electrical Installation that may affect the applicability of a Rate Schedule.

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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 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 Read date for that Retail Customer. If a change in Company's facilities used to serve Retail Customer occurs, or if the change in Rate Schedule requires a different billing methodology, then the change shall be effective in the next full billing cycle.

5.3.7 SUSPENSION OF SERVICE

5.3.7.1 SUSPENSIONS WITHOUT PRIOR NOTICE

Company may, without prior notice, intentionally suspend Delivery Service to Retail Customer where a known dangerous condition exists and for as long as it exists, provided that such suspension does not result in another dangerous or life-threatening condition. Where reasonable, given the nature of the hazardous condition, Company shall post a notice of disconnection and the reason for the disconnection at the place of common entry or upon the front door of each 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.

Where Company expects large numbers of Retail Customers to be affected by a suspension for a significant amount of time, Company will notify Retail Customers about the suspension through the use of door hangers, letters, personal canvassing, news media, or other appropriate methods.

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Retail Customers shall inform their designated Competitive Retailer of any conditions on Retail Customer's premises such that a suspension or interruption of service may cause a dangerous or life-threatening condition.

Nothing in this section is intended to take precedence over the timely restoration of service.

5.3.7.2 NOTICED SUSPENSION NOT RELATED TO EMERGENCIES OR NECESSARY INTERRUPTIONS

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

- (1) In the event of unauthorized use, reconnection, or diversion of service, or tampering with the Company's Meter or 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, or upon default of Retail Customer under such an agreement, and 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 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 the Applicable Legal Authorities. Company will not be responsible for monitoring or reviewing the appropriateness of any

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such notice, except as provided in Section 5.3.7.4, PROHIBITED
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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 cause 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) 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, unless a dangerous condition exists, or unless Retail Customer requests disconnection on that day; or
 - (B) For delinquency of payment to Company by Retail Customer's Competitive Retailer.
- (2) Company shall not suspend or disconnect Delivery Service to Retail Customer for non payment during "extreme weather conditions" as defined in the Commission's customer protection rules. This prohibition shall not apply where suspension or disconnection is at the request of Competitive Retailer or Retail Customer, for Retail Customer related construction, alteration, emergency, or other temporary clearance requirement.
- (3) Company shall not disconnect Delivery Service 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

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of Delivery Service will cause some person residing at that residence to become seriously ill or more seriously ill.

(A) Each time a Retail Customer seeks to avoid disconnection of Delivery Service under this subsection, the Retail Customer must accomplish all of the following by the stated date of disconnection:

- (i) have the subject person's attending physician (for purposes of this subsection the term "physician" shall mean any public health official, including, medical doctors, doctors of osteopathy, nurse practitioners, registered nurses, and any other similar public health official) call or contact the Company by the date of the disconnection;
- (ii) have the subject person's attending physician submit a written statement to Company; and
- (iii) enter into a deferred payment plan.

(B) The prohibition against Delivery Service disconnection provided by this subsection 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.

(4) Company shall not suspend or disconnect Retail Customer when such disconnection will cause a dangerous or life-threatening condition on that Retail Customer's premise, without prior notice of reasonable length such that Retail Customer can ameliorate the condition. Retail Customer is responsible for notifying its designated Competitive Retailer if a disconnection to its facility will result in such a condition.

5.3.8 DISCONNECTION 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

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clearance requirement, Company shall disconnect Retail Customer's facilities on the date requested by Retail Customer, provided such request is made at least three Business Days prior to the requested date for disconnection.

Competitive Retailer may request disconnection for non-payment by Retail Customer as authorized by the Commission's customer protection rules. Company shall disconnect and reconnect Retail Customer's premises upon request for disconnection 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 the Meter if Meter is owned and maintained by Company. Retail Customer's Electrical Installation for receiving Electric Power and Energy must be installed in accordance with Company's specifications for electric installation, which are available upon request at Company's business offices located in the specific area where Delivery Service is desired. Retail Customer will install and maintain all of its lines and equipment in accordance with good electric practice, all applicable lawful regulations and 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.

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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 will obtain all necessary permits and certificates of inspection covering its electrical installation. Company will not interconnect its distribution 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 may decline to interconnect its distribution facilities with any of Retail Customer's Electrical Installation that is known to be hazardous under applicable codes or that is of such character that satisfactory Delivery Service cannot be provided consistent with Good Utility Practice, or where a known dangerous condition exists and for as long as it exists.

5.4.3 LOCATION OF POINT OF DELIVERY AND RETAIL CUSTOMER'S ELECTRIC 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 Electric Installation to Company 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.

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

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

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 distribution 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 distribution facilities necessary to deliver Electric Power and Energy to Retail Customer and for installation of Company's Metering Equipment 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 on Retail Customer's Premises. *Company shall not be liable to Retail Customer for any injuries that result*

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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. Charges for such loss or damage shall be consistent with Section 6.1, RATE SCHEDULES.

5.4.7 UNAUTHORIZED USE OF DELIVERY SYSTEM

In the event of use or attempted use of Company's Delivery System, without Company's authorization, whether by Tampering with Company's Meter or 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 replacement or repair of any damaged Company Meter or associated Company equipment;
- (3) The cost of installment of protective facilities or of relocation of Company's Meter, if necessary to prevent further unauthorized use; and
- (4) All other costs associated with the investigation and correction of the unauthorized use.

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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 Company's 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 will 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 except to authorized Company representatives.

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.

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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 Company's 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 Company's 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.

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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., whose performances may be adversely affected by voltage fluctuations or 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 at its request, Competitive Retailer, shall notify Company when Retail Customer's Electrical Load or contracted Demand is to be changed substantially so that Company 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 Retail Customer's Meter, Company may require Retail Customer to arrange for the installation of appropriate equipment on Retail Customer's side of the Meter necessary to maintain a Power Factor of not less than 95% lagging as measured at Retail Customer's Meter, or, at Retail Customer's option, to reimburse Company for installing the necessary equipment on Company's Delivery System.

Until the proper equipment has been installed to correct the Power Factor problem, the Billing Demand associated with Retail Customer's use of Delivery Service, as calculated

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in the appropriate Rate Schedule in Section 6.1, RATE SCHEDULES, may be adjusted according to the following formula:

$$\text{Adjusted Billing Demand} = (\text{Billing Demand} \times .95) / \text{Power Factor}$$

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 Company's Delivery System from such source. Retail Customer proposing the interconnection of Distributed Generation must comply with the provisions set forth in this Tariff and P.U.C. SUBST. R. 25.211, Interconnection of On-Site Distributed Generation (DG), and 25.212, Technical Requirements for Interconnection and Parallel Operation of On-Site Distributed Generation, or successor rules. Requirements and specifications for all other interconnections for parallel operation shall be individually negotiated with Company.

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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, 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 Company's 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 6.1, RATE SCHEDULES, 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

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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.

5.7.3 PROCESSING OF REQUESTS FOR CONSTRUCTION OF DISTRIBUTION FACILITIES

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. 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.

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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 Section 6.1, RATE SCHEDULES. Payments in the form of a contribution in aid of construction may be required for the extension in excess of the allowance in accordance with Section 6.1, RATE SCHEDULES. 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 Section 6.1, RATE SCHEDULES, 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 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 Section 6.1, RATE SCHEDULES, and the Facility Extension Agreement.

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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 Section 6.1, RATE SCHEDULES, 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 DISTRIBUTION FACILITIES

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 Section 6.1, RATE SCHEDULES.

5.7.8 REMOVAL AND RELOCATION OF COMPANY'S FACILITIES

Company may remove or relocate Company facilities 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 Section 6.1, RATE SCHEDULES.

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

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equipment, and may offer Retail Customer the option to terminate applicable easements pursuant to this Tariff.

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 System Services and Discretionary Charges not associated with Construction Services.

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.

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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 the billing and collection responsibility for all Delivery Charges to the POLR or arrange for the Competitive Retailer's Retail Customers to be served by another qualified Competitive Retailer or the POLR, as provided in Section 4.6, DEFAULT AND REMEDIES ON DEFAULT.

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 Section 6.1, RATE SCHEDULES.

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. Retail Customer and, to the extent authorized by the Retail Customer, its designated Competitive Retailer shall have access to all of Retail Customer's metered data, including the data used to calculate charges for Delivery Service, 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.

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5.10.2.1 REQUIREMENTS

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

- (1) Sufficient and proper space for installation of Company's 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 Company 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 Company's 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.

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5.10.4 LOCATION OF METER

Meters and associated equipment shall be installed in a location consistent with Good Utility Practice, amenable to providing safe and reliable Delivery Service and in such a way that a clear working space is provided 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;
- (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.

5.11 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;

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- (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.

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.

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.

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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.

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6.1.1.1 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	\$2.39	per Retail Customer per Month
Metering Charge	\$1.91	per Retail Customer per Month
Transmission System Charge	\$.00431	per kWh
Distribution System Charge	\$.01887	per kWh

II. System Benefit Fund Charge: \$0.000655 per kWh
See Rider SBF

III. Transition Charge: See Schedule TC

IV. Nuclear Decommissioning Charge: Not Applicable

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- V. Transmission Cost Recovery Factor:** See Rider TCRF
- VI. Excess Mitigation Credit:** See Rider EMC
- VII. State Colleges and Universities Discount:** See Rider SCUD
- VIII. Other Charges or Credits**
 - A. Municipal Account Franchise Credit (see application and explanation below) \$(.001780) Per kWh

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 6.2.2, 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.

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Applicable: Entire Service Area

CPE 8016

6.1.1.2 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. 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	\$2.36	per Retail Customer per Month
Metering Charge	\$1.91	per Retail Customer per Month
Transmission System Charge	\$.00238	per kWh
Distribution System Charge	\$.01857	per kWh

II. System Benefit Fund Charge: \$.000656 per kWh
See Rider SBF

III. Transition Charge: See Schedule TC

IV. Nuclear Decommissioning Charge: Not Applicable

V. Transmission Cost Recovery Factor: See Rider TCRF

VI. Excess Mitigation Credit: See Rider EMC

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Applicable: Entire Service Area

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VII. State Colleges and Universities Discount: See Rider SCUD

VIII. Other Charges or Credits

A. Municipal Account Franchise Credit (see application and explanation below) \$(.002190) Per kWh

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 6.2.2, 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.

NOTICE

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

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Applicable: Entire Service Area

CPE 8017

6.1.1.3 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. 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:

	<u>Standard</u> <u>Class</u>	<u>Subclass</u> <u>Exception</u>	
Customer Charge	\$5.43	\$0.00	per Retail Customer per Month
Metering Charge			
Non-IDR Metered	\$32.80	\$17.58	per Retail Customer per Month
IDR Metered	\$120.35	\$120.35	per Retail Customer per Month
Transmission System Charge			
Non-IDR Metered	\$1.03	\$1.03	per NCP kVA
IDR Metered	\$1.34	\$1.34	per 4CP kVA
Distribution System Charge	\$3.26	\$3.26	per Billing kVA

The following charges are applicable to both the Standard Class and the Subclass Exception.

- II. System Benefit Fund:** \$.000657 per kWh
See Rider SBF
- III. Transition Charge:** See Schedule TC
- IV. Nuclear Decommissioning Charge:** Not Applicable

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- V. Transmission Cost Recovery Factor:** See Rider TCRF
- VI. Excess Mitigation Credit:** See Rider EMC
- VII. State Colleges and Universities Discount:** See Rider SCUD
- VIII. Other Charges or Credits**
- A. Municipal Account \$(.002207) per kWh
Franchise Credit (see application and explanation below)

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 on January 1 of each calendar year and remain fixed throughout the calendar 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 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

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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.

Subclass Exception. The Subclass Exception is applicable only to Retail Customers who otherwise qualify for the Secondary Service Greater Than 10 kVA rate schedule and either: (1) whose highest NCP kVa for the most recent 12 months is equal to or less than 50 kVA; or (2) whose highest NCP kVa for the most recent 12 months is greater than 50 kVA but less than or equal to 400 kVA and whose load factor was less than or equal to 10% for each of the most recent 12 months. The most recent 12 months ends with and includes the current month. The monthly load factor is determined as follows:

$$\text{load factor} = \text{billing kWh for the month} / (\text{NCP kVA} \times \text{number of days in billing period} \times 24)$$

Service Voltages. Company's standard service voltages are described in 6.2.2, 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 kWh delivered within that municipality and who have signed an appropriate Franchise Agreement.

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

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

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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

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6.1.1.4 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. 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:

	Standard Class	Subclass Exception	
Customer Charge	\$117.58	\$0.00	per Retail Customer per Month
Metering Charge			
Non-IDR Metered	\$32.80	\$17.58	per Retail Customer per Month
IDR Metered	\$120.35	\$120.35	per Retail Customer per Month
Transmission System Charge			
Non-IDR Metered	\$1.33	\$1.33	per NCP kVA
IDR Metered	\$1.29	\$1.29	per 4CP kVA
Distribution System Charge	\$3.04	\$3.04	per Billing kVA

The following charges are applicable to both the Standard Class and the Subclass Exception.

II. System Benefit Fund:	\$.000641	per kWh See Rider SBF
III. Transition Charge:		See Schedule TC
IV. Nuclear Decommissioning Charge:		Not Applicable

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- | | |
|---|---------------------|
| V. Transmission Cost Recovery Factor: | See Rider TCRF |
| VI. Excess Mitigation Credit: | See Rider EMC |
| VII. State Colleges and Universities Discount: | See Rider SCUD |
| VIII. Other Charges or Credits | |
| A. Municipal Account Franchise Credit (see application and explanation below) | \$(.002080) per kWh |

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 on January 1 of each calendar year and remain fixed throughout the calendar 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 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

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

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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.

Subclass Exception. The Subclass Exception is applicable only to Retail Customers who otherwise qualify for the Primary Service Rate Schedule and either: (1) whose highest NCP kVa for the most recent 12 months is greater than 10 kVA but less than or equal to 50 kVA; or (2) whose highest NCP kVa for the most recent 12 months is greater than 50 kVA but less than or equal to 400 kVA and whose Load Factor was less than or equal to 10% for each of the most recent 12 months. The most recent 12 months ends with and includes the current month. The monthly Load Factor is determined as follows:

Load Factor = billing kWh for the month/ (NCP kVA × number of days in billing period × 24)

Service Voltages Company's standard service voltages are described in 6.2.2, 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 kWh delivered within that municipality and who have signed an appropriate Franchise Agreement.

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

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

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transactions measure demand in a way that is inconsistent with the definitions and procedures stated in the Company's Tariff. This adjustment is applicable not only in the instances enumerated above but also for any and all other changes in *Demand Measurement* which would prevent the Company from obtaining the necessary data to determine the kVA quantities defined in this Rate Schedule, applicable Riders and other applicable schedules.

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

Metering Adjustment The Company may at its option measure service on the secondary side of the Retail Customer's transformers in which event the kVA and kWh recorded by the Company's metering instruments 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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6.1.1.5 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. 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	\$1181.91	per Retail Customer per month
Metering Charge	\$120.35	per Retail Customer per month
Transmission System Charge	\$1.31	per 4 CP kVA
Distribution System Charge	\$0.32	per 4 CP kVA

II. System Benefit Fund Charge: \$0.000635 per kWh
See Rider SBF

III. Transition Charge: See Schedule TC

IV. Nuclear Decommissioning Charge: Not Applicable

V. Transmission Cost Recovery Factor: See Rider TCRF

VI. Excess Mitigation Credit: See Rider EMC

VII. State Colleges and Universities Discount: See Rider SCUD

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Applicable: Entire Service Area

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VIII. Other Charges or Credits

- A. Municipal Account Franchise Credit (see application and explanation below) \$(.000200) Per kWh

COMPANY SPECIFIC APPLICATIONS

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

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

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

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

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Where:

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

OTHER PROVISIONS

Transmission Service The Retail Customer owns, operates, and maintains all facilities (except metering equipment) 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.

Service Voltages Company's standard service voltages are described in 6.2.2, 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 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,

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Applicable: Entire Service Area

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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 Company's metering instruments 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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6.1.1.6- 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 standards 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 and standards, 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 and standards, 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 will replace burned out lamps and/or make maintenance repairs during regular working hours at its own cost and expense and will normally have the lighting service restored within 48 hours after notification by the Retail Customer. Street lighting fixtures 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 total time of operations will be approximately four thousand (4,000) hours each year for each light furnished.

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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 \$1.14 per month will be charged for all lamps with a break-away base.

Lamp Type	Schedule A*	Schedule B*	Schedule C*	Schedule D*	Schedule E*	Monthly KWH
Mercury Vapor						
60,000 Lumen	\$ 8.47	\$ 22.04	\$ 14.96	\$ 24.85	\$ 16.55	365
20,000 Lumen	\$ 4.94	\$ 17.03	\$ 11.19	\$ 21.08	\$ 12.61	150
7,500 Lumen	\$ 3.49	N.A.	N.A.	\$ 16.96	\$ 9.98	69
3,300 Lumen	\$ 3.40	N.A.	N.A.	\$ 13.16	N.A.	41
High Pressure Sodium Vapor						
50,000 Lumen	\$ 8.47	\$ 22.04	\$ 14.96	\$ 24.85	\$ 16.55	160
25,500 Lumen	\$ 4.94	\$ 17.03	\$ 11.19	\$ 21.08	\$ 12.61	106
16,000 Lumen	\$ 3.49	\$ 15.54	\$ 10.33	\$ 16.96	\$ 9.98	58
9,500 Lumen	\$ 3.49	N.A.	N.A.	\$ 13.79	\$ 8.52	38
5,800 Lumen	\$ 3.43	N.A.	N.A.	\$ 12.72	N.A.	29
Metal Halide						
36,000 Lumen	\$ 10.13	N.A.	N.A.	\$ 25.55	\$ 17.80	159
20,500 Lumen	\$ 9.92	N.A.	N.A.	\$ 25.35	\$ 17.60	96
7,800 Lumen	\$ 11.21	N.A.	N.A.	\$ 24.86	\$ 18.88	40

* DESCRIPTION OF LIGHTING CONFIGURATIONS:

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

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- | | | |
|---|------------|--------------------------|
| II. System Benefit Fund Charge: | \$.000655 | per kWh
See Rider SBF |
| III. Transition Charge: | | See Schedule TC |
| IV. Nuclear Decommissioning Charge: | | Not Applicable |
| V. Transmission Cost Recovery Factor: | | See Rider TCRF |
| VI. Excess Mitigation Credit: | | See Rider EMC |
| VII. State Colleges and Universities Discount: | | See Rider SCUD |
| VIII. Other Charges or Credits | | Not Applicable |

OTHER PROVISION

Additional mercury vapor lighting will not be installed after December 31, 1982. Existing mercury vapor installations will be converted to sodium vapor installations as required during the normal course of maintenance. Mercury vapor installations with 3,300, 7,500, and 20,000 lumen lamps will be converted to 9,500, 16,000, or 25,500 lumen high pressure sodium lamps, respectively, when individual lamps burn out at no up front cost to the Retail Customer.

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. After January 1, 2002, 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

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installed before September 1, 2000, 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.
- 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 \$2.60 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).

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<u>TYPE OF LAMP</u>	<u>T&D CHARGE</u>	<u>LUMEN RATING</u>	<u>TOTAL WATTAGE</u>	<u>FIXTURE CHARGE¹</u>	<u>MONTHLY KWH</u>
<u>Floodlighting/Directional Lighting</u>					
High Pressure Sodium (150 watts)	\$5.04	16,000	185	\$4.05	61
High Pressure Sodium (250 watts)	\$5.04	27,500	315	\$5.83	105
High Pressure Sodium (400 watts)	\$5.04	50,000	475	\$7.71	158
High Pressure Sodium (1,000 watts)	\$5.04	130,000	1,100	N/A	367
<u>Metal Halide</u>					
Metal Halide (175 watts)	\$5.04	14,400	210	N/A	70
Metal Halide (250 watts)	\$5.04	21,500	294	N/A	98
Metal Halide (400 watts)	\$5.04	36,000	476	N/A	159
Metal Halide (1,000 watts)	\$5.04	107,000	1,100	N/A	367
<u>Roadway/General Lighting</u>					
High Pressure Sodium (150 watts)	\$5.04	16,000	185	\$2.86	61
<u>Guard Lighting</u>					
High Pressure Sodium (100 watts)	\$5.04	9,500	120	\$0.98	40
Mercury Vapor (no new installations)	\$5.04	7,500	215	\$0.26	72

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

- II. System Benefit Fund Charge:** \$.000655 per kWh
See Rider SBF
- III. Transition Charge:** See Schedule TC
- IV. Nuclear Decommissioning Charge:** Not Applicable
- V. Transmission Cost Recovery Factor:** See Rider TCRF
- VI. Excess Mitigation Credit:** See Rider EMC

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**VII. State Colleges and Universities
Discount:**

See Rider SCUD

VIII. Other Charges or Credits

- A. Municipal Account Franchise \$(.001874) Per kWh
Credit (see application and
explanation below)

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

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

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

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CUSTOMER OWNED FIXTURES	One Light per Pole	Two Lights per Pole	Three Lights per Pole
STANDARD INSTALLATION FEES			
High Pressure Sodium			
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
Metal Halide			
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
Guard Light			
Installations without secondary			
100w HPS	\$325	N/A	N/A
Installations with secondary			
100w HPS	\$365	N/A	N/A
Roadway Light			
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. Normally, Company will make maintenance repairs under this tariff within 72 hours after notification by the Retail Customer or REP.

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EXTRAORDINARY MAINTENANCE ACTIVITIES

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

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

NOTICE

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

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

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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 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

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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.

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

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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.

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

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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	SES
Interruptible Service Supplemental – Distribution	ISS
Interruptible Service – 30 minute notice	IS-30
Interruptible Service – 10 minute notice	IS-10 & SIP
Interruptible Service – Instantaneous	IS-I
Interruptible Service Supplemental – Transmission	ISS
Standby Electric Service – Transmission	SES
Standby Interruptible Service	SBI
SCP	SCP

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 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.

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

SECTION 5: REGULATORY ASSET ALLOCATION FACTORS

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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:

<i>INITIAL REGULATORY ASSET ALLOCATION FACTORS</i>	
<i>TRANSITION CHARGE CLASS</i>	<i>RAAF</i>
Residential	35.5763 %
MGS	31.0544 %
LGS	17.4076 %
LOS-A	5.2845 %
LOS-B	3.4886 %
Non-Metered Lighting	0.2536 %
<i>CAPPED CLASSES</i>	
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 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.

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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:

TC GROUPS

<i>TC GROUP</i>	<i>TRANSITION CHARGE CLASSES</i>	<i>INITIAL GROUP ALLOCATION PERCENTAGE</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.

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.

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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.
<p>Where:</p> <p>$CTCOL_G$ = cumulative test collections for group G = $\sum CC_c * FBU_c$ for all classes (c) in Group (G)</p> <p>FBU_c = forecasted billing determinants for class c</p> <p>CC_c = cumulative test charge for class c = $\{RAAF_c * PBR_T\} / BBD_c$</p> <p>$RAAF_c$ = the RAAFs then in effect, or if an adjustment has been made under Part A, the adjusted RAAFs from Part A</p> <p>PBR_T = total periodic billing requirement for upcoming period</p> <p>BBD_c = base billing determinants (as measured on January 1, 2002) for class c</p> <p>PBR_G = periodic billing requirement for group = $\sum RAAF_c * PBR_T$ for all classes in G</p>	

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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:

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

$$RAAFA_c = GAPA_G * (RAAF_c / GAP_G)$$

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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 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:

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

$FBU_c = \text{forecasted billing determinants for class } c$

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

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

$PBR_T = \text{total periodic billing requirement for upcoming period}$

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

$PBR_G = \text{periodic billing requirement for group} = \sum RAAF_c * PBR_T$ 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:

$GAP_G = \text{Group Allocation Percentage} = \sum RAAF_c$ 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:

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

Where $\sum GAP_A = 0$ for all G

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Step 5:

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

$$YRAAFA_c = YGAP_A_G * (RAAF_c / GAP_G)$$

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 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

<i>TRANSITION CHARGE CLASS</i>	<i>PER UNIT CHARGE</i>	<i>BILLING UNIT</i>
Residential	\$0.000939	Per kWh
MGS	\$0.297 \$0.202 \$0.001021	Per kVa Per kW Per kWh
LGS	\$0.401 \$0.532	Per kVa Per kW
LOS-A	\$0.330	Per kW
LOS-B	\$0.415	Per kW
Non-Metered Lighting	\$0.000580	Per kWh

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<i>TRANSITION CHARGE CLASS</i>	<i>PER UNIT CHARGE</i>	<i>BILLING UNIT</i>
Standby Electric Service-Distribution	\$0.075	Per kW
Interruptible Service Supplemental- Distribution	\$0.213	Per kW
Interruptible Service –Thirty Minute Notice	\$0.215	Per kW
Interruptible Service –Ten Minute Notice	\$0.094	Per kW
Interruptible Service – Instantaneous	\$0.043	Per kW
Interruptible Service Supplemental- Transmission	\$0.228	Per kW
Standby Electric Service-Transmission	\$0.095	Per kW
Standby Interruptible Service	\$0.035	Per kW
SCP	\$0.362	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.

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

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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.

FBU_c = the forecasted billing determinants for the upcoming period

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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.
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

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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.
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

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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 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

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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 36th 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 5% penalty upon such Transition Charges; however, the prior REP shall not be relieved of the previously-assessed penalties.

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3. After the 10 calendar-day grace period (the 45th 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.
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

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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 45th 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.
 - (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

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Applicable: Entire Service Area

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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 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

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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

<i>TRANSITION CHARGE CLASS</i>	<i>RAAF Effective 11-1-02</i>
Residential	36.1814 %
MGS	32.3772 %
LGS	18.1531 %
LOS-A	4.4765 %
LOS-B	2.8004 %
Non-Metered Lighting	0.2645 %
CAPPED CLASSES	
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

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

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6.1.1.8- 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>Factor Effective 1/1/02</u>
Residential Service	\$0.000655 per kWh
Secondary Service Less than or Equal to 10 kVA	\$0.000656 per kWh
Secondary Service Greater than 10 kVA	\$0.000657 per kWh
Primary Service	\$0.000641 per kWh
Transmission Service	\$0.000635 per kWh
Lighting Services	\$0.000655 per kWh

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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6.1.1.9- RIDER NDC- NUCLEAR DECOMMISSIONING CHARGE

This Rider is not applicable. This charge is included in the Company's base rates.

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Applicable: Entire Service Area

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6.1.1.10- RIDER CTC- COMPETITION TRANSITION CHARGE

This Rider is not applicable.

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Applicable: Entire Service Area

CPE 8025

6.1.1.11 RIDER SCUD- STATE COLLEGES AND UNIVERSITIES DISCOUNT

AVAILABILITY

This rider is available to any facility of a four-year state university, upper-level institution, Texas State Technical College, or college as provided for in Sec. 36.351 of the Utilities Code, and is applicable to Delivery System Service taken pursuant to a Rate Schedule which specifically references this Rider (the "Effectuating Rate Schedule").

MONTHLY RATE DISCOUNT

The total of the Transmission and Distribution Charges (including Municipal Franchise Fee), System Benefit Fund Charge, and Nuclear Decommissioning Charge that would otherwise be applicable under the Effectuating Rate Schedule, shall be reduced by 20%.

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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6.1.1.12- RIDER EMC- EXCESS MITIGATION CREDIT

AVAILABILITY

The Excess Mitigation Credit (EMC) is applicable to the EMC Classes from 1/1/2002 through 12/31/2008.

MONTHLY EXCESS MITIGATION CREDITS

The Monthly Excess Mitigation Credits shall be the product of the Monthly per Unit Credit for the Retail Customer's EMC class multiplied by the appropriate Monthly Billing Units.

<i>EXCESS MITIGATION CREDIT CLASS</i>	<i>MONTHLY PER UNIT CREDIT</i>	<i>MONTHLY BILLING UNIT</i>
Residential	\$(0.004873)	Per kWh
MGS		
Distribution > 10 kVa	\$(1.175)	Per kVa
Distribution =< 10 kVa	\$(0.003638)	Per kWh
Transmission	\$(1.356)	Per kW
LGS		
Distribution	\$(1.083)	Per kVa
Transmission	\$(1.207)	Per kW
LOS-A	\$(1.087)	Per kW
LOS-B	\$(1.002)	Per kW
Non-Metered Lighting	\$(0.014174)	Per kWh
Standby Electric Service- Distribution	\$(0.166)	Per kW
Interruptible Service Supplemental- Distribution	\$(0.420)	Per kW
Interruptible Service –Thirty Minute Notice	\$(0.401)	Per kW
Interruptible Service –Ten Minute Notice	\$(0.167)	Per kW
Interruptible Service – Instantaneous	\$(0.239)	Per kW
Interruptible Service Supplemental- Transmission	\$(0.506)	Per kW
Standby Electric Service- Transmission	\$(0.121)	Per kW
Standby Interruptible Service	\$(0.032)	Per kW
SCP	\$(1.330)	Per kW

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The Excess Mitigation Credits 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 credit for those customers using 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 Excess Mitigation Credits 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 on a kW basis instead of a kVA basis or measure in intervals different than 15 minutes *e.g.* 5, 10, 30 minutes, the Excess Mitigation Credit to the customer will be based on the kW with the interval measurement period closest to a 15 minute period.

Excess Mitigation Credits 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 receive the Excess Mitigation Credits for its applicable class. The Excess Mitigation Credit 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 Excess Mitigation Credits 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 Excess Mitigation Credits 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 Excess Mitigation Credits beginning with the Capped Class with the lowest unit Excess Mitigation Credit. 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 Excess Mitigation Credit. If the Total kW is greater than the Monthly Cap for the class with the

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lowest unit Excess Mitigation Credit, the difference up to the Monthly Cap for the Capped Class with the next lowest unit Excess Mitigation Credit will be deemed to be service under the Capped Class with the next lowest unit Excess Mitigation Credit. 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 Excess Mitigation Credit Class (other than Capped Classes and SCP) that is applicable to the customer. If the customer is not otherwise taking service under any Excess Mitigation Credit 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 (as defined in Section 25.345(c)(1) of the Commission's Substantive Rules) 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 Excess Mitigation Credit class for which the customer would qualify if it were being served by the Company or an REP) by the Excess Mitigation Credit in effect for services provided to customers in that class during the month. This amount shall be in addition to any Excess Mitigation Credits applicable to energy or demand actually delivered to the customer through the Company's or another T&D Provider's facilities.

EXCESS MITIGATION CREDIT CLASSES

Excess Mitigation Credits are calculated and applied by EMC Class. There are 15 Excess Mitigation Credit Classes, nine of which are Capped Classes. The non-capped Excess Mitigation Credit Classes are defined as follows:

Residential Class: The Residential Class is made up of (i) 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 (ii) 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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Applicable: Entire Service Area

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MGS Class: The MGS Class is made up of (i) 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 (ii) 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 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 (ii) 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 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 (ii) 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 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.

Non-Metered Lighting Class: The Non-Metered Lighting Class is made up of (i) 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

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 Applicable: Entire Service Area

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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 non-capped Excess Mitigation Credit Classes described above, there will be nine additional Excess Mitigation Credit 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	SES
Interruptible Service Supplemental – Distribution	ISS
Interruptible Service – 30 minute notice	IS-30
Interruptible Service – 10 minute notice	IS-10 & SIP
Interruptible Service – Instantaneous	IS-I
Interruptible Service Supplemental – Transmission	ISS
Standby Electric Service – Transmission	SES
Standby Interruptible Service	SBI
SCP	SCP

Each customer in one or more of the nine Capped Classes will be given the Excess Mitigation Credits 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 required documentation, the additional load will be credited using the Excess Mitigation Credits 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 Excess Mitigation Credit for additional load taken in excess of the Monthly Cap will be the Excess

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Applicable: Entire Service Area

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Mitigation Credit for the LOS-A class restated and applied as a cents per kWh credit 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 credited using the Excess Mitigation Credits 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 credit associated with customer's Excess Mitigation Credit Class will apply. If the customer is served at distribution voltage and did not have service associated with one of the six non-capped Excess Mitigation Credit Classes, the customer will receive the Excess Mitigation Credits 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 Excess Mitigation Credit Classes, the customer will receive the Excess Mitigation Credits 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 Excess Mitigation Credit applicable to each customer without regard to the descriptions that may be used to describe the services provided to retail customers.

NOTICE

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

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Applicable: Entire Service Area

CPE 8027

6.1.1.13- 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:

$$\text{TCRF} = \frac{\left[\sum_{i=1}^N (\text{NWTR}_i * \text{NL}_i) - \sum_{i=1}^N (\text{BWTR}_i * \text{NL}_i) \right] * \text{ALLOC}}{\text{BD}}$$

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 "ALLOC" below.

NWTR_i = 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_i = The base wholesale transmission rate of the TSP represented in the NWTR_i, used to develop the retail transmission charges of the Company, in the Company's last rate case.

NL_i = The Company's individual 4CP load component of the total ERCOT 4CP load information used to develop the NWTR_i;

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.

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 Applicable: Entire Service Area

CPE 8027

The Allocation Factor for each listed rate schedule is as follows:

Residential Service	41.7858%
Secondary Service Less Than or Equal to 10 kVA	0.9600%
Secondary Service Greater Than 10 kVA	36.5165%
Primary Service	4.9228%
Transmission Service	15.8149%
Street Lighting Service	0.0000%
Miscellaneous Lighting Service	0.0000%

BD = Each class' annual billing determinant (kWh, 4 CP kVA, or NCP kVA) for the previous calendar year.

TOTAL TCRF EFFECTIVE FOR SCHEDULED METER READ DATES ON AND AFTER SEPTEMBER 1, 2003

	<u>Standard TCRF</u>	<u>Surcharge TCRF</u>	<u>Total TCRF</u>	<u>Billing Units</u>
Residential Service	\$ 0.000336	\$ 0.000076	\$0.000412	per kWh
Secondary Service Less Than or Equal to 10 kVA	\$ 0.000161	\$ 0.000036	\$ 0.000197	per kWh
Secondary Service Greater Than 10 kVA				
IDR	\$ 0.108881	\$ 0.024487	\$ 0.133368	per 4 CP kVA
Non-IDR	\$ 0.073582	\$ 0.016548	\$ 0.090130	per NCP kVA
Primary Service				
IDR	\$ 0.133358	\$ 0.029992	\$ 0.163350	per 4 CP kVA
Non-IDR	\$ 0.111970	\$ 0.025182	\$ 0.137152	per NCP kVA
Transmission Service	\$ 0.107692	\$ 0.024220	\$ 0.131912	per 4 CP kVA
Lighting Services				
Street Lighting Service	\$ -	\$ -	\$ -	per kWh
Miscellaneous Lighting Service	\$ -	\$ -	\$ -	per kWh

* surcharge applicable beginning 9/1/03 through 8/31/04.

NOTICE

This rate schedule is subject to the Company's Tariff and Applicable Legal Authorities.

CenterPoint Energy Houston Electric, LLC
Applicable: Multiply Certificated Areas

CPE 8028

6.1.1.14.1 - 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

Base Charge: \$195.00
Base Charge Adder: \$ 62.00

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

CPE 8029

**6.1.2.1 - DISCRETIONARY CHARGES OTHER THAN CONSTRUCTION SERVICE -
 (Rate DC)**

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. The service charges reflected in items DC.1 through DC.6 apply only to Retail Customers with non-IDR meters. The remaining items are not restricted to any particular Retail Customer or rate class unless so specified. 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>
DC.1	<p align="center">Reconnection Charge – Standard</p> <p>Applicable to any service that has been disconnected for nonpayment and the reestablishment of service is scheduled to be completed within 24 hours of receipt of notification.</p>	\$ 8.00
DC.2	<p align="center">Disconnection Charge</p> <p>Applicable to any service that must be disconnected for nonpayment or whose delivery service at this service address is being terminated for other reasons.</p>	\$ 8.50
DC.3	<p align="center">Connection Charge</p> <p>Applicable to connection of service for a premises where there is an existing meter.</p>	\$ 8.00
DC.4	<p align="center">Connection Charge</p> <p>Applicable to connection of service for a premises where a meter installation is required.</p>	\$ 25.55

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<u>Item</u>	<u>Description</u>	<u>Charge</u>
DC.5	<p align="center">Meter Test Charge</p> <p>Applicable to any Retail Customer or Retail Customer's REP that requests the Company to test the accuracy of Company's metering equipment and such test indicates that the meter is registering energy usage within the standards established by the American National Standards Institute.</p>	\$ 15.00
DC.6	<p align="center">Returned Check Charge</p> <p>Applicable to any Retail Customer or REP whose check is returned by a bank or other financial institution as not payable.</p>	\$ 10.50
DC.7	<p align="center">Special Meter Reading Charge</p> <p>Applicable to any request for a meter to be read on a date other than the normally scheduled meter reading date. Such charge would apply to a change in the Retail Customer's REP at a time other than the normal meter read date or a meter re-read requested by the Retail Customer or Retail Customer's REP. This charge will be waived if it is determined that any requested re-read indicates the meter was previously misread.</p>	\$ 8.00
DC.8	<p align="center">Street Light Removal Charge (served overhead)</p> <p>Applicable to any requests for the Company to remove an existing street light served from overhead conductors.</p>	\$ 50.00
DC.9	<p align="center">Street Light Removal Charge (served underground)</p> <p>Applicable to any requests for the Company to remove an existing street light served from underground conductors.</p>	\$ 225.00
DC.10	<p align="center">Inside Trouble Service Outage Charge</p> <p>Applicable to any outage reported by a REP that, upon investigation by the Company, is determined to be a problem on the Retail Customer's side of the meter.</p>	\$ 15.00

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<u>Item</u>	<u>Description</u>	<u>Charge</u>
DC.11	<p align="center">Advanced Billing Meter Installation Charge</p> <p>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>*\$216.00 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.12	<p align="center">Advanced Non-Billing Meter Installation Charge</p> <p>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>*\$216.00 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*)
DC.13	<p align="center">Pulse Metering Equipment Installation</p> <p><i><u>For Billing Meters that do not currently provide pulse outputs (kWh meters and thermal demand meters)</u></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 DC.11.</p> <p><i><u>For Billing Meters with current pulse capabilities for kWh, kVAr, and time</u></i></p> <p>Install one relay (one output) Install two relays (two outputs) Install three relays (three outputs)</p>	<p align="center">\$ 215.00</p> <p align="center">\$ 295.00 \$ 448.00 \$ 585.00</p>

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<u>Item</u>	<u>Description</u>	<u>Charge</u>
DC.14	<p align="center">Pulse Metering Equipment Replacement</p> Replace one relay* \$ 221.00 Replace one Pulse Meter \$ 168.00 Replace one relay and one Pulse Meter* \$ 327.00 *Each additional relay replaced on same trip \$ 160.00 Replace fuses in fused junction box \$ 49.00 Pulse Metering Equipment trouble call which is determined to be problem with Customer's equipment \$ 49.00	
DC.15	<p align="center">URD By-Pass Cable Installation Charge</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.)	\$ 95.00
DC.16	<p align="center">Miscellaneous</p> Company will charge for miscellaneous services performed at the request of a Retail Customer or Retail Customer's REP, an amount sufficient to recover the Company's cost or an engineering estimate thereof.	As calculated

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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 judgement of the Company, sufficient reserve capacity is available and provided Retail Customer pays the cost of establishing and maintaining such redundant service.

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Subsection 2.2- Overhead Service Extensions

Ordinances adopted by certain cities require the Company to extend secondary electric delivery service facilities to any permanent Retail Customer, without charge, for a distance not to exceed 300 feet 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. Costs associated with service facilities extensions in excess of 300 feet are at Retail Customer's 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.

The Company has voluntarily adopted certain extension practice that are more liberal than those required by cities which have enacted ordinances.

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Subsection 2.3- Overhead Distribution Service Extensions

300-Foot Line Extension Plan

Single-phase or three-phase delivery service facilities are extended up to 300 feet in public street rights-of-way or dedicated easements from existing lines of suitable phase, voltage and capacity to each permanent Retail Customer in the Company's service area without charge for construction or clearing of trees. The Company may install up to three service poles on a Retail Customer's property for support of service drops to a service outlet location determined by the Company. Retail Customers requesting three-phase service must meet minimum requirements specified in Service Standards for installed rating and amperage of three-phase equipment. The 300-Foot Line Extension Plan is applied on a cumulative basis, provided two or more Retail Customers require service from the same line extension.

Cost associated with service extensions in excess of 300 feet 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.

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 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.

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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.

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 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 underground service arrangements must reimburse the Company for the difference in cost between standard construction, as outlined above, and the requested special 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.

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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.

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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, traffic control signals, 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.

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	Company Contribution per Lamp	
	Single Lamp	Twin Lamps
High Pressure Sodium Vapor		
50,000 lumen	\$1040	\$630
25,500 lumen	\$ 855	\$470
16,000 lumen	\$ 780	\$425
9,500 lumen	\$ 710*	N.A.
5,800 lumen	\$ 710*	N.A.

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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 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 party making the request.

The Retail Customer may request Company to remove any or all of the facilities installed hereunder by paying to the Company in a lump sum either \$50 per overhead light removed within the first five years or \$225 per underground light removed within the first ten years. Removal of any or all facilities installed hereunder after the five and ten year periods mentioned above, will be done at Company expense.

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.

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	Company Contribution per Lamp	
	Single Lamp	Twin Lamps
High Pressure Sodium Vapor		
50,000 lumen	\$1040	\$630
25,500 lumen	\$ 855	\$470
16,000 lumen	\$ 780	\$425
9,500 lumen	\$ 710*	N.A.
5,800 lumen	\$ 710*	N.A.

*The Company will contribute the total cost of installation for 10% of the 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 party making the request.

The Retail Customer may request Company to remove any or all of the facilities installed hereunder by paying to the Company in a lump sum either \$50 per overhead light removed within the first five years or \$225 per underground light removed within the first ten years. Removal of any or all facilities installed hereunder after the five and ten year periods mentioned above, will be done at Company expense.

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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Applicable: Entire Service Area

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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 overtime charges, unless the requested work can be done by emergency personnel normally on duty.

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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 and the requirements specified in the Company's Service Standards. 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.

6.1.2 Discretionary Charges
Distributed Generation Service- Rate DGS

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6.1.2.3- DISTRIBUTED GENERATION SERVICE – RATE DGS

(To be determined)

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Applicable: Entire Service Area

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6.1.2.4.1 - 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 3.

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. **Hourly Load Profile Data** - Hourly loads in MW for each rate class for a calendar year. (Historical data is for year 1997, new information for subsequent years will be released as data is available).
3. **Average Annual Cooling Hours for Houston** - Cooling hour analysis. (Jul-98 and periodically thereafter).
4. **Average Annual Heating Hours for Houston** - Heating hour analysis. (Jul-98 and periodically thereafter).
5. **Safety Advertising Evaluation** - Two focus groups were held with a cross section of residential customers to evaluate potential radio and television safety advertising for CenterPoint Energy Houston Electric, LLC (previously HL&P). (May-98).
6. **1997 Residential Appliance Saturation Survey** - This study was conducted with new single family and existing single/multi-family customers to gather information on all major household appliances to aid in forecasting electrical demand. (Jul-97).
7. **Tree Trimming Baseline Follow-Up Survey** - Telephone interviews were conducted with 300 residential customers who have had "proactive" tree trimming conducted on their property within the past 90 days. The purpose of this study was to determine customer satisfaction with Tree Trimming Operations and contractor performance. (Aug-98).

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Applicable: Entire Service Area

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8. **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.
9. **CenterPoint Energy Houston Electric, LLC Brochures, Pamphlets and etc.** - The Company produces a variety of informative brochures and pamphlets, which are available to customers at no charge. The topics cover a range of safety and reliability issues related to the delivery of electric power service. Titles/topics may include the following:

*Electrical Safety in Your Home; Home Energy and Safety Guidebook for Seniors;
Trees and Utility Tree Trimming; What You Should Know About Power Protection;
Your Rights as a Customer;*

CenterPoint Energy Houston Electric, LLC
 Applicable: Entire Service Area

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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
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 <input type="checkbox"/> Current	\$42.40 \$42.40	<input type="checkbox"/> _____ <input type="checkbox"/> _____	_____ _____
<input type="checkbox"/> 2. Hourly Load Profile Data	<input type="checkbox"/> Diskette <input type="checkbox"/> Paper	<input type="checkbox"/> 1997 <input type="checkbox"/> Current <input type="checkbox"/> other _____	\$5.55 \$15.90	<input type="checkbox"/> _____ <input type="checkbox"/> _____ <input type="checkbox"/> _____	_____ _____ _____
<input type="checkbox"/> 3. Average Cooling Hours- Houston	Paper	<input type="checkbox"/> Jul-98 <input type="checkbox"/> other _____	\$0.43 \$0.43	<input type="checkbox"/> _____ <input type="checkbox"/> _____	_____ _____
<input type="checkbox"/> 4. Average Heating Hours- Houston	Paper	<input type="checkbox"/> Jul-98 <input type="checkbox"/> other _____	\$0.53 \$0.53	<input type="checkbox"/> _____ <input type="checkbox"/> _____	_____ _____
<input type="checkbox"/> 5. Safety Advertising Evaluation	Paper	May-98	\$14.70	<input type="checkbox"/> _____	_____
<input type="checkbox"/> 6. 1997 Residential Appliance Saturation Survey	Paper	Jul-97	\$84.50	<input type="checkbox"/> _____	_____

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"/> 7. Tree Trimming Baseline Follow-up Survey	Paper	Aug-98	\$10.17	<input type="checkbox"/> _____	_____
<input type="checkbox"/> 8. Interim Report	Paper	Interim	10¢ per page + postage	<input type="checkbox"/> _____	_____
				SUBTOTAL	

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

CPE 8033

6.1.2.4.2 - 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

CPE 8034

6.1.2.4.3 - 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

CPE 8035

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.

CenterPoint Energy Houston Electric, LLC
Applicable: Entire Service Area

CPE 8035

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

CPE 8036

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">· Company option· Underground Street Network· Spot locations with existing 120/208 volt supply· Less than 10 kVA· All equipment must be for use at 208 volts |
| 120/240 volt 3-wire | <ul style="list-style-type: none">· Standard Service· Less than 500 kVA |
| 7,200 or 19,920 volt
2-wire | <ul style="list-style-type: none">· Company option· Overhead Distribution Area· More than 200 kVA, but less than 500 kVA· In accordance with Company Specification
600-007-231-458 |

TWO-PHASE

- | | |
|------------------------------|--|
| 12,470/7,200 volt
3-wire | <ul style="list-style-type: none">· Company option· Overhead Distribution Area· More than 200 kVA, but less than 1,000 kVA· Load must be balanced between phases |
| 34,500/19,920 volt
3-wire | <ul style="list-style-type: none">· Company option· 34.5 kV Overhead Distribution Area· More than 200 kVA, but less than 1,000 kVA.· Load must be balanced between phases |

CenterPoint Energy Houston Electric, LLC
Applicable: Entire Service Area

CPE 8036

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, but at least #6 copper.

**208Y/120 volt,
Network Area
4-wire grounded
neutral**

- Company option
- 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 less than 500 kVA
 - maximum cable size parallel 1000 MCM Cu.
 - secondary conductors more than 50 feet long require Company review
- Underground Service
 - minimum 500 kVA and maximum of 1000 kVA
 - 3 phase padmounted transformer installation
- All phase conductors must be same size

CenterPoint Energy Houston Electric, LLC
Applicable: Entire Service Area

CPE 8036

- Single phase load equally divided
- All equipment must be rated for use at 208 volts
- 240/120 delta 4-wire grounded neutral**
 - Standard Service
 - Maximum load 250 kVA single-phase or 500 kVA 3-phase (Combined load of 750 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 1,500 kVA
 - Underground Distribution Areas
 - More than 1,500 kVA and maximum 3,000 kVA
- 480Y/277 volt, 4-wire grounded neutral**
 - Company option
 - Overhead Distribution Areas
 - More than 75 kVA and maximum 1,500 kVA
 - Underground Distribution Areas
 - More than 1,500 kVA and maximum 3,000 kVA
- 2,400 volt, 3-wire**
 - Company option
 - Overhead Distribution Areas
 - More than 75 kVA and maximum 1,500 kVA
 - Underground Distribution Areas
 - 12 kV area only
 - More than 1,500 kVA and maximum 5,000 kVA
- 4,160Y/2,400 volt**
 - Company option
 - Overhead Distribution Areas
 - More than 150 kVA and maximum 1,500 kVA
 - Underground Distribution Areas
 - More than 1,500 kVA and maximum 5,000 kVA

CenterPoint Energy Houston Electric, LLC
Applicable: Entire Service Area

CPE 8036

- | | |
|----------------------------|--|
| 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
600-007-231-458 |

CenterPoint Energy Houston Electric, LLC
Applicable: Entire Service Area

CPE 8037

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, the 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

CPE 8038

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, or removal of Company's Delivery System, including temporary facilities (hereinafter referred to as facilities extension or extension), as described herein.

I. LOCATION

This Agreement covers the facilities extension to _____

II. FACILITIES

The Retail Customer has requested the following facilities extension:

STANDARD FACILITIES EXTENSION TO RESIDENTIAL DEVELOPMENT

- Company shall extend standard facilities to serve:

_____ All-electric residential lot(s) or apartment units, or
(Number of lots/units)

_____ Mixed fuel residential lot(s) or apartment units
(Number of lots/units)

- The facilities installed hereunder will provide electric delivery service of _____ phase, 60 hertz, _____ volts alternating current as described in the Company's Service Standards.

STANDARD FACILITIES EXTENSION TO NON-RESIDENTIAL DEVELOPMENT

- Company shall extend standard facilities necessary to serve Retail Customer's estimated maximum demand requirement of _____ kVa.
- The facilities installed hereunder will provide electric delivery service of _____ phase, 60 hertz, _____ volts alternating current as described in the Company's Service Standards.

CenterPoint Energy Houston Electric, LLC
Applicable: Entire Service Area

CPE 8038

NON-STANDARD FACILITIES

- Company shall extend/install the following non- standard facilities:

- Company shall extend facilities necessary to serve Retail Customer's estimated maximum demand requirement of _____ kVa.
- The facilities installed hereunder will provide electric delivery service of _____ phase, 60 hertz, _____ volts alternating current as described in the Company's Service Standards.

TEMPORARY SERVICE FACILITIES

- Company shall extend/install the following facilities for temporary service:

- Company shall extend facilities necessary to serve Retail Customer's estimated maximum demand requirement of _____ kVa.
- The facilities installed hereunder will provide electric delivery service of _____ phase, 60 hertz, _____ volts alternating current as described in the Company's Service Standards.

RELOCATION OF FACILITIES

- The Company shall relocate the following facilities: _____

CenterPoint Energy Houston Electric, LLC
Applicable: Entire Service Area

CPE 8038

III. PAYMENT

The standard facilities extension described herein is:

- Within the standard allowance and no Retail Customer contribution is required.
- Not within the standard allowance and a contribution in aid of construction in the amount of _____ dollars (\$_____) shall be paid by the Retail Customer to the Company in accordance with Company's Construction Services and Charges Policy, Rate CSC, Sheet No. 6.17.

The non-standard facilities extension described herein:

- requires a contribution in aid of construction in the amount of _____ dollars (\$_____) that shall be paid by the Retail Customer to the Company in accordance with Company's Construction Services and Charges Policy, Rate CSC, Sheet No. 6.17.

The temporary service facilities extension described herein:

- requires a contribution in aid of construction in the amount of _____ dollars (\$_____) that shall be paid by the Retail Customer to the Company in accordance with Company's Construction Services and Charges Policy, Rate CSC, Sheet No. 6.17.

IV. 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 under Section III) and sign and return this Agreement before Company can proceed with the requested extension.
- Extension of service facilities is contingent on acquisition of all necessary easements and rights of way.

CenterPoint Energy Houston Electric, LLC
Applicable: Entire Service Area

CPE 8038

V. OTHER CONDITIONS

See attached:

- Specifications _____
- Outlet location _____
- Site plan _____
- Estimate _____
- Other _____

CenterPoint Energy Houston Electric, LLC

Retail Customer

By _____

By _____

(Name printed or typed)

(Name printed or typed)

Title _____

Title _____

Date _____

Date _____

CenterPoint Energy Houston Electric, LLC
Applicable: Entire Service Area

CPE 8039

**6.3.2- APPLICATION FOR INTERCONNECTION AND PARALLEL
OPERATION OF DISTRIBUTED GENERATION**

(To be determined)

CenterPoint Energy Houston Electric, LLC
Applicable: Entire Service Area

CPE 8040

**6.3.3- AGREEMENT FOR INTERCONNECTION AND PARALLEL
OPERATION OF DISTRIBUTED GENERATION**

(To be determined)

CenterPoint Energy Houston Electric, LLC
Applicable: Entire Service Area

CPE 8041

ACCOUNT NO. A _____
SERVICE ADDRESS A: _____

ACCOUNT NO. B _____
SERVICE ADDRESS B: _____

**6.3.4.1 - AGREEMENT FOR SUBTRACTIVE METERING –
TRANSMISSION 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 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.

CenterPoint Energy Houston Electric, LLC
Applicable: Entire Service Area

CPE 8041

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

CenterPoint Energy Houston Electric, LLC
Applicable: Entire Service Area

CPE 8041

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 _____

Vice-President

(Name printed or typed)

Date _____

Title _____

Submitted by _____

Date _____

Retail Customer B

By _____

(Name printed or typed)

Title _____

Date _____

CenterPoint Energy Houston Electric, LLC
Applicable: Entire Service Area

CPE 8042

ACCOUNT NO. A _____
SERVICE ADDRESS A: _____

ACCOUNT NO. B _____
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.

CenterPoint Energy Houston Electric, LLC
Applicable: Entire Service Area

CPE 8042

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 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.

CenterPoint Energy Houston Electric, LLC
Applicable: Entire Service Area

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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.

CenterPoint Energy Houston Electric, LLC

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 _____

CenterPoint Energy Houston Electric, LLC
Applicable: Entire Service Area

CPE 8048

**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

CenterPoint Energy Houston Electric, LLC
Applicable: Entire Service Area

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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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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: _____

Phone Number: _____

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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)
