

## **TARIFF FOR ELECTRIC SERVICE**

**Sharyland Utilities, L.P.**

**Stanton Division Office**  
**1400 W. Business Interstate 20**  
**Stanton, Texas**

**Colorado City Division Office**  
**1825 South Hwy 208**  
**Colorado City, Texas**

**Brady Division Office**  
**326 E. US Hwy 190**  
**Brady, Texas**

**Celeste Division Office**  
**3873 Hwy 69 North**  
**Greenville, Texas**

**ELECTRIC UTILITY**

SHARYLAND UTILITIES, L.P.  
TARIFF FOR ELECTRICAL SERVICE

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**101. Description of Electric Utility Operations**

**101.1 Organization**

Sharyland Utilities, L.P. ("SU") is a privately-owned, Texas limited partnership organized and operating under the laws of the State of Texas.

**101.2 Type of Service**

The Company provides Electric Service through the operation of a retail electric Distribution System. The Company does not engage in the generation of electric power, but instead purchases all of its Electric Energy requirements from various sources.

**101.3 Service Area**

**101.3.1 Certification**

The Public Utility Commission of Texas authorized the Company to provide Electric Service by the issuance of a Certificate of Convenience and Necessity.

**101.3.2 Competitive Service Area**

SU's certificated Competitive Service Area consists of approximately 6,000 acres located south of and between the Cities of McAllen and Mission, Texas, in Hidalgo County, and just north of the border between the United States and Mexico. Portions of SU's service area are located within the incorporated boundaries of the Cities of McAllen and Mission.

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**101.3.3      Non-Competitive Service Area**

**A.      Counties**

SU's Non-Competitive Service Area includes all or portions of the following counties:

Andrews	Borden
Brown	Coleman
Collin	Concho
Dawson	Ector
Fannin	Fisher
Glasscock	Howard
Hunt	Irion
Martin	Mason
McCulloch	Menard
Midland	Mills
Mitchell	Nolan
Reagan	San Saba
Scurry	Sterling
Tom Green	Upton

The Company's Service Area is noncontiguous.

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**B.     Cities**

SU's Non-Competitive Service Area includes all or portions of the following incorporated Municipalities:

Brady	Celeste
Colorado City	Greenville
Farmersville	Melvin
Midland	Richland Springs
Stanton	

**102.   Purpose and Scope of Tariff**

This Tariff defines the service relationship between the Company and Persons desiring or receiving Electric Service from the Company.

Contractual rights and obligations of both Parties are specified in a manner consistent with regulations affecting the Company's method of operation.

This Tariff is a part of the Electric Service Agreement and applies to all Customers receiving Electric Service from the Company in Non-Competitive Service Areas.

**103.   Applicability of Tariff**

This Tariff is applicable to the provision of all Electric Service by the Company in all Non-Competitive Service Areas in which the Company provides service, except as may be precluded by law.



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**104. Severability**

If any provision of this Tariff is held invalid, such invalidity shall not affect other provisions or applications of this Tariff which can be given effect without the invalid provision or application, and to this end the provisions of this Tariff are declared to be severable.

**105. Modification of 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 Public Utility Commission of Texas.

**106. Waiver**

The failure of the Company to enforce any of the provisions of this Tariff shall not be considered a waiver of its right to do so.

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**201.    Rate Classification and Assignment**

Rate classification and assignment shall be made by the Company in accordance with the availability and type of service provisions in its Rate Schedules. Rate Schedules have been developed for the standard types of service provided by the Company. If Customer's request for Electric Service involves unusual circumstances, usage, or load characteristics not regularly encountered by the Company, the Company may assign a suitable rate classification or enter into a special contract. Any special contract shall be subject to the approval of any Regulatory Authority having jurisdiction thereof.

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**202. Rate Schedules**

**202.1 General Service (Rate Codes 110, 111, 112, 113, 114, and 115)**

**AVAILABILITY**

Applicable to all Customers taking the type of service described in this Rate Schedule for uses associated with the operation of a single family-residential and non-residential domestic use.

**TYPE OF SERVICE**

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

**MONTHLY RATE**

**I. Customer Charges**

Customer Charge	\$10.00 per Meter
-----------------	-------------------

**II. Energy Charges**

Base Power Cost	\$0.042097 per kWh
Distribution System Charge	\$0.044956 per kWh

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**PAYMENT**

Bills are past due if not paid within 16 days of issuance. However, if the due date falls on a holiday or weekend, the due date for payment purposes shall be the next work day after the due date.

**BILLING ADJUSTMENTS**

This rate is subject to all applicable billing adjustments in accordance with Section 203 of this Tariff.

**COMPANY SPECIFIC APPLICATIONS**

Electric Service is also available at three-phase, 60 hertz, at standard secondary voltage.

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## 202.2 Irrigation (Rate Code 440)

## AVAILABILITY

This Rate Schedule is applicable to Electric Service for seasonal (agricultural) purposes at secondary voltage when such Electric Service is to one Point of Delivery and measured through one Meter.

### TYPE OF SERVICE

Electric Service will be single or three-phase, 60 hertz, at standard secondary voltage. Electric Service will be metered using Company's standard Meter provided for this type of Electric Service. Any Meter other than the standard Meter will be provided at an additional charge. Where Electric Service of the type desired is not available at the Point of Delivery, additional charges and special contract arrangements may be required prior to Electric Service being furnished, pursuant to the Company's Facilities extension policy.

**MONTHLY RATE**

## I. Customer Charges

Customer Charge	\$10.00 per Meter
-----------------	-------------------

## II. Energy Charges

Base Power Cost	\$0.042097 per kWh
Distribution System Charge	\$0.29716 per 1 <sup>st</sup> 100 kWh times Hp
	\$0.039754 per kWh > 100 kWh times Hp

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**PAYMENT**

Bills are past due if not paid within 16 days of issuance. However, if the due date falls on a holiday or weekend, the due date for payment purposes shall be the next work day after the due date.

**BILLING ADJUSTMENTS**

This rate is subject to all applicable billing adjustments in accordance with Section 203 of this Tariff.

**COMPANY SPECIFIC APPLICATIONS**

The first 100 kWh times Hp will be billed in the first month in which usage is metered and will be billed until first block is met. All subsequent kWh will be billed at the lower rate.

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**202.3      Commercial (Rate Codes 550, 552, and 559)**

**AVAILABILITY**

This Rate Schedule is applicable to Electric Service for non-residential purposes at secondary voltage, with Demand less than or equal to 50 kW, when such Electric Service is to one Point of Delivery and measured through one Meter and is not for shared or resale purposes. If Customer exceeds 50kW three or more times during a twelve (12) month period Customer will be transferred to the Large Power Secondary Rate Schedule in this Tariff.

**TYPE OF SERVICE**

Electric Service will be single or three-phase, 60 hertz, at standard secondary voltage. Electric Service will be metered using Company's standard Meter provided for this type of Electric Service. Any Meter other than the standard Meter will be provided at an additional charge. Where Electric Service of the type desired is not available at the Point of Delivery, additional charges and special contract arrangements may be required prior to Electric Service being furnished, pursuant to the Company's Facilities extension policy.

**MONTHLY RATE**

<b>I.      Customer Charges</b>		
	Customer Charge	\$30.00 per Meter
<b>II.     Energy Charges</b>		
	Base Power Cost	\$0.042097 per kWh
	Distribution System Charge	\$0.023890 per kWh
<b>III.    Demand Charges</b>		
	Demand Charge	\$4.67 per kW

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**IV.    Non-Demand Charges (Closed)**

Base Power Cost	\$0.042097 per kWh
Distribution System Charge	\$0.037907 per kWh

**PAYMENT**

Bills are past due if not paid within 16 days of issuance. However, if the due date falls on a holiday or weekend, the due date for payment purposes shall be the next work day after the due date.

**BILLING ADJUSTMENTS**

This rate is subject to all applicable billing adjustments in accordance with Section 203 of this Tariff.

A customer who receives Commercial service at primary voltage will receive a Demand Charge Credit of \$2.44 per kW per month.



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**202.3.1 Competitive Service Rider**

**A. Application**

Applicable in the event that the Company has entered into an agreement to provide Electric Service, at the rates provided in this Rate Schedule, for any Customer in an area where a competing utility may apply a lower rate.

**B. Type of Services**

Service at the Company's standard secondary or primary distribution voltages. Where service of the type desired by the Customer is not already available at the Point of Delivery, additional charges under the Company's Facilities extension policy and special contract arrangements may be required prior to service being furnished under this rider.

**C. Monthly Rate**

Each billing period, the Customer shall be obligated to pay the following charges:

- (1) Charges from applicable Rate Schedule except for Customer's Demand charge as discussed below
- (2) Demand Charge – may levy at a mutually agreed Demand charge within the following range:

Maximum	\$12.07 per kW
Minimum	\$0.00 per kW

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**D.     Payment**

Bills are past due if not paid within 16 days of issuance. However, if the due date falls on a holiday or weekend, the due date for payment purposes shall be the next work day after the due date.

**E.     Agreement**

An Electric Service Agreement shall be required by the Company.

**PAYMENT**

Bills are past due if not paid within 16 days of issuance. However, if the due date falls on a holiday or weekend, the due date for payment purposes shall be the next work day after the due date.

**BILLING ADJUSTMENTS**

This rate is subject to all applicable billing adjustments in accordance with Section 203 of this Tariff.

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**202.4    Large Power Secondary (Rate Codes 661 and 669)**

**AVAILABILITY**

This Rate Schedule is applicable to Electric Service for non-residential purposes at secondary voltage, with Demand greater than 50 kW, when such Electric Service is to one Point of Delivery and measured through one Meter.

**TYPE OF SERVICE**

Electric Service will be single or three-phase, 60 hertz, at standard secondary voltage. Electric Service will be metered using Company's standard Meter provided for this type of Electric Service. Any Meter other than the standard Meter will be provided at an additional charge. Where Electric Service of the type desired is not available at the Point of Delivery, additional charges and special contract arrangements may be required prior to Electric Service being furnished, pursuant to the Company's Facilities extension policy.

**MONTHLY RATE**

<b>I.      Customer Charges</b>	
Customer Charge	\$48.00 per Meter
<b>II.     Energy Charges</b>	
Base Power Cost	\$0.042097 kWh
Distribution System Charge	\$0.015567 per kWh
<b>III.    Demand Charges</b>	
Demand Charge	\$9.16 per kW

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**PAYMENT**

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**BILLING ADJUSTMENTS**

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**202.4.1 Large Power Primary (Rate Codes 660 and 668)**

**AVAILABILITY**

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

**TYPE OF SERVICE**

Electric Service will be single or three-phase, 60 hertz, at standard primary voltage. Electric Service will be metered using Company's standard Meter provided for this type of Electric Service. Any Meter other than the standard Meter will be provided at an additional charge. Where Electric Service of the type desired is not available at the Point of Delivery, additional charges and special contract arrangements may be required prior to Electric Service being furnished, pursuant to the Company's Facilities extension policy.

**MONTHLY RATE**

<b>I. Customer Charges</b>	
Customer Charge	\$13.00 per Meter
<b>II. Energy Charges</b>	
Base Power Cost	\$0.042097 per kWh
Distribution System Charge	\$0.019468 per kWh
<b>III. Demand Charges</b>	
Demand Charge	\$4.04 per kW

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**PAYMENT**

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**BILLING ADJUSTMENTS**

This rate is subject to all applicable billing adjustments in accordance with Section 203 of this Tariff.

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**202.5     Load Management Rider**

**AVAILABILITY**

Service under this rider is available only to a Customer located in a Division of the Company in which the Company's Wholesale Supplier offers a wholesale interruptible service and the Customer's specific consuming load or grouping of consuming loads has an interruptible Demand of at least 500 kW during June, July, August and September, and has an annual load factor of at least 70 percent (measured on a calendar year basis, and based on the metering equipment on the interruptible consuming facility load), and the Customer's facilities are equipped with control equipment, including direct control devices and, when economically justified and requested by Company, under-frequency relays, to permit Customer to comply with, or Company to implement curtailment requests in any month of the year.

**CONDITIONS OF INTERRUPTION**

Company or Customer shall have a fully operational system capable of direct control of end-use devices. If Company does not directly control the interruptible switches, Customer shall control its combined load within ten minutes after Company requests interruption. Customer or Company shall continue interruption of its load until Company's notice to Customer to cease interruption.

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Company will request interruption only when Company is requested to do so by the Wholesale Supplier or when it is in the Company's best interest or in the case of an emergency. Except in emergency conditions as provided below, Customer interruptions will be limited as follows:

- a. Interruptions in any calendar month of the year;
- b. No more than two interruptions per calendar day;
- c. No more than 12 hours of interruption per calendar day, measured from midnight to midnight; and
- d. Maximum of 200 hours of interruption per year.

During conditions of emergency on either the Wholesale Supplier's or Company's system, Company may activate the load control system or request Customer to activate their system, and Customer shall use its best efforts to achieve the maximum interruptions of load which is subject to control by Customer.

**MONTHLY RATE**

Demand Credit

\$1.85 per kW

Applicable in any month the Customer incurs a Demand charge under its applicable Rate Schedule.

**PAYMENT**

Bills are past due if not paid within 16 days of issuance. However, if the due date falls on a holiday or weekend, the due date for payment purposes shall be the next work day after the due date.

**BILLING ADJUSTMENTS**

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**NON-COMPLIANCE PENALTY**

If the Customer's consuming load or grouping of consuming loads does not maintain an annual load factor of at least seventy percent (70%) in a calendar year, the Customer will be deemed not in compliance with this rider and all Demand credit to Customer for that year specific to the consuming load or grouping of consuming loads must be returned to Company.

**LOAD CONTROL EQUIPMENT**

Interruption devices may be placed on any end-use load served by the Company. Company will have sole control of interruption devices unless other arrangements have been made. Company will furnish radios when such devices are supplied by the Wholesale Supplier and Customer will install the devices at its expense. If the Wholesale Supplier does not supply the devices, the Customer will be responsible for the cost of providing and installing the devices.

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**202.6      Lighting Service**

**AVAILABILITY**

This Rate Schedule is applicable to Electric Service for street and security lighting purposes. This Rate Schedule is not applicable to temporary, shared, standby, supplementary, maintenance or resale service.

**TYPE OF SERVICE**

Electric Service will be single-phase, 60 hertz, at standard secondary voltage. New installations will be made pursuant to the Company's Facilities extension policy.

**MONTHLY RATE**

<b>I.      Metered - Customer Owned</b>	
Customer Charge	\$12.00 per month per Meter
Distribution Facilities Charge	\$0.061995 per kWh
Base Power Cost	\$0.042097 per kWh
<b>II.      Unmetered – Company Owned</b>	
Customer Charge	\$12.00 per light
Distribution Facilities Charge	\$0.061995
Base Power Cost	\$0.042097 per kWh

For unmetered lights the billed Energy usage is as follows:

Mercury Vapor	70 kWh per month
Sodium Vapor	40 kWh per month

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**PAYMENT**

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**BILLING ADJUSTMENTS**

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**COMPANY SPECIFIC APPLICATIONS**

Company installed, owned, operated, and maintained street lights of a type normally used by the Company, and served overhead or underground. Company owned street lights mounted on steel or other ornamental poles of a type not normally used by the Company and Customer or developer has contributed to the Company an amount equivalent to the entire construction cost of the street lighting Facilities including luminaries and circuits.

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**202.7      Cotton Gin (Rate Codes 671 and 672)**

**AVAILABILITY**

This Rate Schedule is applicable to Electric Service for Cotton Gins at secondary or primary voltage when such Electric Service is to one Point of Delivery and measured through one Meter.

**TYPE OF SERVICE**

Electric Service will be single or three-phase, 60 hertz, at standard secondary or primary voltage. Electric Service will be metered using Company's standard Meter provided for this type of Electric Service. Any Meter other than the standard Meter will be provided at an additional charge. Where Electric Service of the type desired is not available at the Point of Delivery, additional charges and special contract arrangements may be required prior to Electric Service being furnished, pursuant to the Company's Facilities extension policy.

**MONTHLY RATE**

<b>I.      Customer Charges</b>		
	Customer Charge	\$40.00 per Meter
<b>II.     Energy Charges</b>		
	Base Power Cost	\$0.042097 per kWh
	Distribution System Charge	\$0.019429 per kWh
<b>III.    Demand Charges</b>		
	Demand Charge Ginning Month	\$10.20 per kW
	Demand Charge Non-Ginning Month	\$0.00 per kW

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**PAYMENT**

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**BILLING ADJUSTMENTS**

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**202.8      Rate Case Expense Surcharge**

**APPLICATION**

This rate applies to all Customers.

**MONTHLY RATE**

Customers shall pay the following per kWh surcharges until the rate case expenses approved in Docket No. 28813 are fully recovered or for three years, whichever occurs first:

General Service	\$0.001735
Irrigation	\$0.001911
Commercial	\$0.001722
Large Power Secondary	\$0.001512
Large Power Primary	\$0.001288
Lighting	\$0.043616
Cotton Gin	\$0.001849

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**202.9     Rider SCUD - State Colleges and Universities Discount**

**AVAILABILITY**

This Rider is available in conjunction with an otherwise applicable Rate Schedule for Electric Service to any facility of a four-year state university, upper-level institution, Texas State Technical College, or college as provided for in Section 36.351 of the Utilities Code.

**MONTHLY RATE**

In accordance with the terms of the applicable Rate Schedule, except that the amount due under the applicable Rate Schedule, minus the cost of purchased electricity applicable to the Customer and excluding any adjustment factors, cost recovery factors, or specific Facilities charges, and service fees, is reduced by twenty percent (20%).

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**202.10    Facilities Extension Rate Schedule**

Facilities extensions are available pursuant to Section 305 of this Tariff. The cost of Facilities extensions shall be determined in accordance with the provisions of this Section 202.10 and Section 305. An Applicant/Customer for a Facilities extension must satisfy all applicable state and municipal laws and regulations, including LOCAL GOV. CODE § 212 or § 232 for residential Customers and appropriate provisions of the Tariff prior to construction by the Company.

Any Applicant/Customer request for electric connection that requires Facilities extension construction in excess of the allowances described herein (without regard to whether the construction is standard Facilities or nonstandard Facilities) shall be provided only with the Company's approval and the Applicant/Customer shall be required to share in the cost of constructing the Facilities extension required to satisfy the Applicant's/Customer's request.

**202.10.1    Standard Facilities**

Standard Facilities consist of one radial feed provided by overhead distribution Facilities installed above ground on wood poles with pole-mounted materials and equipment, and overhead standard service voltage level applicable for the Rate Schedule under which the Applicant/Customer requests or receives electric connection service.

**202.10.2    Nonstandard Facilities**

Nonstandard Facilities are any Facilities other than those described above as standard Facilities, including, without limitation, excess Facilities, redundant Facilities, any non-standard voltage(s), underground electric connection, conversion from overhead to underground electric connection, and service to more than one Point of Delivery.



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**202.10.3    Customer Requested Facility Upgrades**

In the case of upgrades to the Distribution System necessitated by an Applicant's/Customer's request to add load in excess of the existing Distribution System capacity, Applicant/Customer may be required to pay CIAC. Only the cost of the Facility upgrades that are attributable to the Applicant's/Customer's request shall be included in calculating a CIAC.

**202.10.4    Overhead Facilities Extensions**

Standard Facilities extensions, not to exceed the allowances stated herein, shall be provided for electrical connection to a Applicant/Customer within the Company's Service Area without requiring the Applicant/Customer to make a contribution to share in the cost. Any requests requiring expenditures on the part of the Company in excess of the stated allowances shall require the Applicant/Customer to pay a CIAC to share in the cost.

**202.10.5    Underground Facilities Extensions**

Underground Facilities, not to exceed the allowances stated herein, shall be provided for service to an Applicant/Customer within the Company's Service Area without requiring the Applicant/Customer to make a CIAC to share in the cost. Any requests requiring expenditures on the part of the Company in excess of the stated allowances shall require the Applicant/Customer to share in the cost.

Prior to the start of construction of any Facilities to provide an underground electric connection, the Applicant/Customer shall:

- (1) Agree to all provisions for an underground electric connection prior to the start of any construction by the Company;

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(2) Provide legal description of property, stake all easements and appropriate control points prior to the initiation of any work by the Company;

(3) Locate and clearly mark all other underground facilities currently existing on the Applicant's/Customer's property other than facilities included in the Texas One Call system;

(4) Make all arrangements deemed necessary or appropriate by the Company for payment of the Applicant's/Customer's portion of costs; and

(5) Execute all contracts, deeds, easements, and other legal documents that the Company deems necessary or appropriate.

THE APPLICANT AND/OR CUSTOMER ASSUME THE RISK OF, AND SHALL INDEMNIFY COMPANY AGAINST DAMAGES FOR INJURIES OR DEATH TO PERSONS OR LOSS TO THE CUSTOMER'S PROPERTY, OR TO THE PROPERTY OF COMPANY, WHEN OCCASIONED BY ACTIVITIES OF APPLICANT OR THIRD PARTIES ON CUSTOMER'S PREMISES, RESULTING FROM THE INSTALLATION, EXISTENCE, REPLACEMENT OR REPAIR OF COMPANY'S UNDERGROUND FACILITIES AS FURTHER PROVIDED IN THE TERMS OF "LIMITATION OF LIABILITY AND INDEMNIFICATION," SECTION 322.5 OF THIS TARIFF. NOTWITHSTANDING ANY OF THE ABOVE, THE PROVISIONS REQUIRING AN APPLICANT AND/OR CUSTOMER TO INDEMNIFY, FULLY PROTECT, OR SAVE COMPANY HARMLESS APPLY TO A STATE AGENCY, AS THAT TERM IS DEFINED IN CHAPTER 2251 OF THE TEXAS GOVERNMENT CODE, ONLY TO THE EXTENT OTHERWISE AUTHORIZED BY LAW.

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**202.10.6    Facilities Extension Allowances and Factors**

The Company shall consider the standard allowances, Facilities extension factors, and estimated costs to determine whether the Company's investment might produce a reasonable return for the investment in the Facilities extension involved. If, in the Company's opinion, there are sufficient facts to indicate that the potential economic outlook for the proposed Facilities warrant, those facts may support an allowance in addition to the standard allowance.

**202.10.7    Facilities Extension Standard Allowances**

An Applicant for service shall be given credit for the standard allowances stated below, which are based on construction costs for standard Facilities; provided however, an Applicant for service deemed by the Company to be temporary or of questionable permanence shall not receive credit for any standard allowance. A Customer that requests a Facilities upgrade to its existing service to meet additional load shall not receive credit for any standard allowance. Facilities construction costs include labor, transportation, and standard materials, equipment, and appropriate overheads. In addition to construction, other costs incurred by the Company in providing an electric connection requested by Applicant/Customer may also be billed to the Applicant/Customer. These include, but are not limited to, clearing of easements or rights-of-way, permit costs (railroad, Corps of Engineers, highway, etc.) and use of specialized equipment such as cranes, barges, etc. The calculation of costs incurred in the extension of electrical Facilities shall be applied in a uniform manner throughout the Company's Service Area.

An Electric Service Agreement shall be required for electric connections of this type. If the calculation of costs exceeds the standard allowance, a Facilities Extension Agreement may also be required.

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Standard allowance for a General Service residential connection:                 \$1,582

Standard allowance for General Service non-residential domestic  
service, Commercial and Irrigation service less than 10 kW:                 \$1,122

Standard allowance for Commercial, Irrigation, and Large Power  
Secondary service greater than 10 kW:                 \$3,080

Standard allowance for a Large Power Primary connection:                 \$5,293

Standard allowance for Lighting service:

1. Service provided with a Company owned light: Company standard light and 150 feet of service wire
2. Service provided with a Customer owned light: 150 feet of service wire

#### **202.10.8    Facilities Extension Factors**

Facilities extension factors considered by the Company in determining the Applicant's/Customer's share in the cost of the extension include:

1. The estimated cost of the extension, excluding the standard allowances for the type of service as defined above, when servicing a request for Facilities extension to secondary voltage service Customers;
2. In the case of electrical Facilities upgrades, only the cost of the added Facilities that are required due to the Customer's request are included in determining the cost to meet the Customer's request. Those portions of the upgrade that will benefit the system but are

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not needed to meet the Customer's request shall not be included. When the Customer's request requires the Company to make a system upgrade in a dually-certificated Service Area, the Customer shall be required to commit in writing that he shall reimburse the Company for the undepreciated value of the upgrade in the event the Customer elects to switch his electric connection provider to another utility;

3. The expected revenue life from the Facilities extension. If the expected revenue life from a Facilities extension is not at least sixty (60) months, the Facility shall be deemed to be temporary service; and
4. The possibility of serving additional Customers from the proposed Facilities within two (2) years.

**202.10.9    Sharing of Construction Cost Between the Company and Applicant/Customer**

Construction cost issues, including sharing of construction costs between the Company and the Applicant/Customer, or sharing of costs among the Applicant/Customer and other Applicants/Customers, shall be explained to the Applicant/Customer after an assessment of the necessary work to extend the Facilities. A Facilities Extension Agreement shall be required if the Applicant/Customer is required to pay a CIAC.

For Permanent Installations, and after consideration of all these factors, any expenditure deemed to be excessive of the applicable allowances shall require the Applicant/Customer to share in the cost of the extension through a CIAC to be paid prior to construction. If the CIAC's are taxable, the CIAC shall include an income tax component at the current applicable rates. This income

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tax component rate shall be revised and published annually, and it is available on request. The amount of the CIAC is the total cost of the Facilities extension less all applicable allowances plus the impact for taxes. The Company, at its sole discretion, may allow some or all of the CIAC to be paid in monthly installments not to exceed 36 months if the Applicant agrees to pay, in addition to the CIAC, a one-time finance charge of 1% for each month over which the installment payments are spread.

The monthly installment shall be calculated as shown below:

Monthly Installment Payment = Total CIAC and CIAC Finance Charges /  
Number of Monthly Installment Payments

where,

Total CIAC and CIAC Finance Charges = CIAC + (CIAC x 1% x Number of  
Monthly Installment Payments)

In the event of a default on the payment agreement, the full remaining balance of the CIAC will become due and will be billed immediately.

Any Applicant/Customer request for an electric connection which, in the opinion of the Company, shall be utilized for less than sixty (60) months shall be considered temporary service unless the extension shall continue to be utilized by a different Customer. The Applicant/Customer shall pay the Company prior to the Company's providing temporary Electric Service a nonrefundable CIAC amount equal to the estimated cost of installing and removing the Facilities, plus the estimated costs of materials to be used that are unsalvageable after removal of the installation.

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An Applicant/Customer requesting an installation that in the opinion of the Company may be of questionable permanence but not specifically temporary (such as, but not limited to, hunting or fishing camps) shall pay a CIAC prior to construction. The CIAC for installations that the Company deems to be of questionable permanence shall equal the total cost of the Facilities extension.

The CIAC is nonrefundable and shall be based on estimated costs and warranted allowances as stated above.

**202.10.10 Facilities Relocation Fee**

The facilities relocation fee shall be charged to an Applicant/Customer, a third party, or the Applicant's/Customer's authorized representative requesting the temporary or permanent relocation of any of the Company's Facilities. The fee shall be the estimated cost to the Company to perform the requested Facilities relocation and must be paid in advance of the work being performed. The estimated cost shall be calculated for each specific work request at then-current rates.

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**203. Billing Adjustments**

The Company will adjust all billings to Customers in accordance with the following procedure, when applicable:

**203.1 Power Cost Recovery Factor (PCRF) - General**

PCRF is expressed in \$kWh and is applied to electric sales for the billing period. Any difference between the actual costs to be covered through the PCRF and the actual PCRF revenues recovered shall be credited or charged to the Company's ratepayers in the succeeding billing month unless otherwise approved by the Public Utility Commission of Texas in accordance with the Public Utility Commission of Texas Substantive Rule 25.238.

The monthly charge can be increased or decreased based on a rate per kWh, calculated as follows:

$$\text{PCRF} = (A - B)/\text{kWhs}$$

A      =      Total estimated purchased power cost from all suppliers.

B      =      Total purchased power cost recovered from Customers computed as the kWhs sold at the base rate of \$0.042097, the base cost to purchase power.

kWhs =      Total estimated Energy sales volume for billing period.



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**203.2    Sales Tax**

All bills shall be adjusted by the amount of any sales tax or other tax attributable to the sale of Electric Service to the Customer, unless Customer has previously provided to the Company satisfactory proof of exemption.

**203.3    Meter Error Adjustment**

If a Meter is found to be outside the accuracy standards established by the American National Standards Institute, Incorporated, proper correction shall be made of previous readings for the period of six (6) months immediately preceding the removal of such Meter from service for test, or from the time the Meter was in service since last tested, but not exceeding six (6) months, as the Meter shall have been shown to be in error by such test, and adjusted bills shall be rendered. No refund is required from the Company except to the Customer last served by the Meter prior to the testing. If a Meter is found not to register for any period, unless bypassed or tampered with, the Company shall make a charge for units used, but not Metered, for a period not to exceed three (3) months based on amounts used under similar conditions during a period or periods preceding or subsequent thereto, or during corresponding periods in previous years.

**203.4    Power Factor Adjustment**

Demand charges may be adjusted if the average power factor is lower than ninety percent (90%). Measured Demand at the Customer's Installation may be increased by one percent (1%) for each one percent (1%) by which the average power factor is less than ninety percent (90%) lagging, or leading.

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**204. Service Fees**

**204.1 Account Initiation Charge**

This charge is made for processing an application for Electric Service.

- |   |         |
|---|---------|
| (a) Existing location, except those instances involving only a change in name wherein there is not a change in the actual party responsible for the charges for Electric Service. | \$35.00 |
| (b) New location.   | \$35.00 |
| (c) Transfer of service of existing Customer to new address.  | \$20.00 |
| (d) New service connections made outside regular working hours.   | \$75.00 |

**204.2 Disconnect and Reconnect Fee (Customer's Request)**

Charged to all classes when a request is made to temporarily disconnect service by Customer.	\$35.00
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**204.3 False Service Call Fee**

Charged to all classes when a service call is made and the problem is on the Customer's side of the Meter.	\$35.00
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**204.4      Delinquent Bill Collection Fee**

Charged to all classes any time a trip is made to the Customer's Premises to collect a delinquent bill. \$30.00

**204.5      Reconnection of Delinquent Account (After Disconnect)**

Charged to all classes to reconnect service after being disconnected. The Company is not required to and generally does not make a service trip to Customer's location after normal business hours. However, if a trip to Customer's Premises is made outside of Company's normal working hours, Customer shall be charged \$52.50. No charge shall be made to investigate an outage or service irregularity unless caused by Customer's Installation requirement. \$35.00

**204.6      Reconnect at Pole or Subsurface Box**

During regular working hours. \$75.00  
Outside regular working hours. \$115.00

**204.7      Returned Check**

The Company shall charge \$30.00 for each check or other form of payment which cannot be funded. Any Customer having such a check or other form of payment disallowed two or more times in a 12-month period may be required to pay by cash, money order, or certified check. \$30.00

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**204.8     Meter Test Fee**

No charge shall be made for a Meter test except as provided in this Section. If Customer's Meter has been tested at Customer's request and within a period of four (4) years the Customer requests a new test, the Company shall make the test but if the Meter is found to be within the accuracy standards established by the American National Standards Institutes, Incorporated, the Company may charge the Customer a fee as indicated. Meter test and accuracy adjustments will be made in accordance with Section 324.4. Billing adjustments will be made in accordance with Section 203.3.

A.	Single-Phase Self-Contained	\$23.00
B.	Three-Phase Self-Contained	\$44.00
C.	Single-Phase Instrument Rated	\$71.00
D.	Three-Phase Instrument Rated	\$94.00

**204.9     Delinquent Accounts**

The Company may assess a one-time penalty not to exceed five percent (5%) on each delinquent bill. Customers receiving power under residential Rate Schedules and State of Texas Customers are not subject to this penalty.

**204.10   Meter Reading Fee**

Meter Reading Fee	\$25.00
For those Customers with Customer read meters who fail to read their Meter for three (3) or more consecutive months.	

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**204.11    Metering Reading Out of Cycle Charge**

Each time a Customer requests, and Company makes, an out of cycle Meter reading.

During regular working hours	\$25.00
Outside regular working hours(Non-Holidays)	\$75.00
Outside regular working hours(Holidays)	\$150.00

**204.12    Meter Tampering**

Meter Tampering	\$128.00
A minimum charged to all classes for theft of service or bypassing the Meter. See Section 351.3(B)	

**204.13    Idle Service Fee**

Idle Service Fee	60% of Monthly Minimum
Charged to all classes when special equipment is required or the Company installs Facilities to accommodate a load and the load is off for an extended period of time.	

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**204.14    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.

Base Charge:	\$325.00
Base Charge Adder:	\$ 75.00

**204.15    Non-Residential Restoration Service Fee**

Non-residential calls to restore service after an outage not related to a storm or catastrophic event received after normal business hours will have a charge of \$75.00 per hour.

**204.16    Reserved for Future Use**

**204.17    Special Bill Form Charge**

Special Bill Form Charge	\$10.00
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Special Bill Form Charge is made each time Company provides a manually prepared special bill analysis, State of Texas Purchase Voucher, or other special vouchers at Customer's request. An additional charge of \$0.50 is made when Company buys Purchase Voucher from State of Texas.

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**204.18    Load Data Charge**

Load Data Charge is made each time Company provides a load data report or a computer tape of channelized interval load data.

- |    |                                     |         |
|----|-------------------------------------|---------|
| a. | Translation Validation              | \$10.00 |
| b. | Peak Summary                        | \$10.00 |
|    | 1) Maximum high values, or          |         |
|    | 2) Minimum low values               |         |
| c. | Time of Use Summary                 | \$10.00 |
| d. | Monthly Interval Data (per channel) | \$20.00 |

Requests for interval data other than monthly will be charged on an individual case-by-case basis.

**204.19    Electrical Pulse Charge**

Electric Pulse Charge	\$10.00
-----------------------	---------

Electrical Pulse Charge is made monthly when Customer requests, and Company agrees to provide, electrical pulses proportional to Customer's rate of Energy use; provided Customer has agreed to pay Company for costs associated with installing and owning the necessary equipment. The standard installation cost for pulses from a single kWh Meter is approximately \$330.00; all others are based on cost estimates of specific installations.

**204.20    Account History Charge**

Account History Charge	\$25.00
------------------------	---------

Account History Charge is made each time Customer requests, and Company provides, a billing/usage premise history or analysis in excess of the latest 12 months.

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**204.21    Collection Letter Charge**

Collection Letter Charge \$30.00  
Collection Letter Charge is made for processing a registered or  
certified letter demanding payment of past due accounts.

**204.22    Tenant Notification Charge**

Tenant Notification Charge \$ 3.50  
Tenant Notification Charge is made for each apartment unit to  
recover expenses incurred each time a tenant in a master  
metered facility is notified of either impending disconnection  
for nonpayment of the Electric Service bill or for actual  
disconnection.

**204.23    Maintenance Work Charge**

Maintenance Work Charge As Calculated  
Maintenance Work Charge for Customer's electrical facilities is  
made for maintenance of Customer's facilities by Company  
personnel. Charges for such service will be based on Company's  
cost plus appropriate adders.



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**204.24   Other Miscellaneous Service Charge**

Other Miscellaneous Service Charges As Calculated  
Other Miscellaneous Service Charges are made for miscellaneous services not covered by the standard conditions above and are charged on the basis of an estimate for the job or the Company's cost plus appropriate adders.

**204.25   Convenience Fee**

Convenience Fee \$2.00  
Convenience Fee is for acceptance of check by telephone and credit card payments.

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**301.    Application for Electric Service**

**301.1    Application Required**

A Person is required to make application as specified by the Company to obtain Electric Service. At the option of Company, a written application to obtain Electric Service may be required. Circumstances requiring a written application may include, but are not limited to, a request for Electric Service when details of the required service need to be explained (such as a request for nonstandard service), a Customer of another utility requests transfer to the SU system, or for verification of information. Any Customer taking Electric Service from Company, in consideration of the Company's supplying Electric Service and regardless of whether or not such Customer has made application for such Electric Service, is bound by these Service Regulations and is liable to Company for payment for such Electric Service under the applicable Rate Schedule. A Person may be asked to make a deposit or otherwise satisfactorily establish credit with Company as security for payment of Electric Service bills before Company provides Electric Service.

**301.2    Offer to Purchase Electric Service**

Upon compliance with the provisions of Sections 301.1 Applicant has made an offer to purchase electric Energy from the Company, the terms of which are contained in the Electric Service Agreement, this Tariff, and any applicable easement.

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**302.    Establishment of Credit**

The Company may require Applicant/Customer, regardless of the type of service, to demonstrate and satisfactorily establish credit in such form and manner as may be prescribed by Public Utility Commission of Texas Substantive Rule 25.24. The satisfactory establishment of credit shall not relieve the Applicant/Customer from complying with Tariff provisions for prompt payment of bills.

**302.1    Establishment of Credit for Applicants**

An Applicant for service may satisfactorily establish credit by the following means:

**A.      Payment History**

Proof that Applicant has been a Customer of an electric utility providing the same kind of service within the last two (2) years and is not delinquent in the payment of any such utility service account, and during the last twelve (12) consecutive months of service did not have more than one occasion in which a bill for such utility service was paid after becoming delinquent and never had service disconnected for nonpayment; the credit worthiness of spouses established during shared service in the twelve (12) months prior to their divorce will be equally applied to both spouses for twelve (12) months immediately after their divorce;

or

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**B.      Guarantee**

- (1) A guarantee agreement between the Company and guarantor must be in writing and shall be for no more than the amount of deposit the Company would require on the Applicant's account pursuant to Section 302.3 of this Tariff. The amount of the guarantee shall be clearly indicated in the signed agreement.
- (2) Upon default by a residential Customer, the guarantor of that Customer's account shall be responsible for the unpaid balance of the account only up to the amount agreed to in the written agreement.
- (3) The Company shall provide written notification to the guarantor of the Customer's default, the amount owed by the guarantor, and the due date for the amount owed.
  - (A) The Company shall allow the guarantor 16 days from the date of notification to pay the amount owed on the defaulted account. If the sixteenth day falls on a holiday or weekend, the due date shall be the next workday.
  - (B) The Company may transfer the amount owed on the defaulted account to the guarantor's own service bill provided the guaranteed amount owed is identified separately on the bill.
- (4) The Company may disconnect service to the guarantor for nonpayment of the guaranteed amount only if the disconnection was included in the terms of the written agreement, and only after proper notice as described by Public Utility Commission of Texas Substantive Rule 25.29(b)(5) (relating to Disconnection of Service).

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- (5) If service is not connected, or is disconnected, the Company shall promptly void and return to the guarantor all letters of guarantee or provide written documentation that the contract has been voided.
- (6) When Customer has paid bills for service for twelve (12) consecutive billings without having service disconnected for nonpayment and without having more than two occasions in which the bill was delinquent the Company shall void and return or provide written documentation that the contract has been voided;

or

**C. Senior Citizens**

If the Applicant for residential service is sixty-five (65) years of age or older and does not have an outstanding account balance with the Company or another electric utility providing the same type of utility service which accrued within the last two (2) years;

or

**D. Other Means**

If the Applicant demonstrates a satisfactory credit rating by appropriate means, including any of the following:

- (1) The production of generally acceptable credit cards in Applicant's name;
- (2) Letters of credit reference;

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- (3) Acceptable credit score from credit reporting agency;
- (4) Names of credit references which may be quickly and inexpensively contacted by the Company; or
- (5) Ownership of substantial equity that is easily liquidated.

### 302.2 Security Deposit

If the credit of an Applicant for any type of service has not been established satisfactorily to the Company, the Applicant may be required to make a deposit.

- A. At the time a deposit is required from an Applicant or Customer, the Applicant or Customer shall be provided with the following specific deposit information:
- (1) the circumstances under which the Company may require a deposit or an additional deposit;
  - (2) how a deposit is calculated;
  - (3) the amount of interest paid on a deposit and how this interest is calculated; and
  - (4) the time frame and requirement for return of the deposit to the Customer.
- B. The Company may require a deposit from an existing Customer if the Customer has more than one occasion during the last 12 consecutive months of service in which a bill for utility service was paid after becoming delinquent or if the Customer's service was disconnected for

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nonpayment. Such a deposit, if required, shall not exceed an amount equivalent to one-sixth (1/6) of the annual billings. Such deposit may be required to be made within ten days after issuance of written termination notice and requested deposit. In lieu of initial deposit, the Customer may elect to pay the current bill by the due date of the bill, provided the Customer has not exercised this option in the previous 12 months. The Customer may furnish in writing a satisfactory guarantee to secure payment in lieu of cash deposit.

**302.3      Amount of Deposit for Service**

The required deposit for service shall not exceed an amount equivalent to one-sixth (1/6) of the annual billings, as estimated by usage history.

**302.4      Additional Deposit**

(1) An additional deposit may be required if:

- (A)    the average of the Customer's actual billings for the last 12 months are at least twice the amount of the original estimated annual billings; and
- (B)    a disconnection notice has been issued for the account within the previous 12 months.

(2)    The Company may require that an additional deposit be paid within ten days after the electric utility has issued a written disconnection notice and requested the additional deposit.

(3)    Instead of an additional deposit, the Customer may pay the total amount due on the current bill by the due date of the bill, provided the Customer has not exercised this option in the previous 12 months.

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- (4) The Company may disconnect service if the additional deposit is not paid within ten days of the request, provided a written disconnection notice has been issued to the Customer. A disconnection notice may be issued concurrently with either the written request for the additional deposit or current usage payment.

**302.5 Reserved for Future Use**

**302.6 Temporary or Intermittent Use Installation**

The Company may require an Applicant for temporary service, seasonal service, service to weekend residences, or Intermittent Use Installations to pay a deposit sufficient to reasonably protect the Company against the assumed risk for any of such services.

**302.7 Reestablishment of Credit**

Every Applicant who previously has been a Customer of the Company and whose service has been discontinued for nonpayment of bills, Meter tampering, or bypassing of Meter shall be required, before service is rendered, to pay all amounts due to the Company or execute a deferred payment agreement, if offered, and reestablish credit.

**302.8 Interest on Deposits**

The Company shall pay interest on deposits on an annual rate at least equal to that set by the Public Utility Commission of Texas on December 1 of the preceding year, pursuant to Texas Utilities Code § 183.003 (Vernon 2007 & Supp. 2009) (relating to Rate of Interest). If a deposit is refunded within thirty (30) days of the date of deposit, no interest payment is required. If the



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Company keeps the deposit more than thirty (30) days, payment of interest shall be made retroactive to the date of the deposit.

- (1)      Payment of the interest to the Customer shall be made annually, if requested by the Customer, or at the time the deposit is returned or credited to the Customer's account.
- (2)      The deposit shall cease to draw interest on the date it is returned or credited to the Customer's account.

**302.9      Refund of Deposit During Service Period**

If service is not connected, or after disconnection of service, the Company shall promptly and automatically refund the Customer's deposit plus accrued interest or the balance, if any, in excess of the unpaid bills for service furnished. A transfer of service from one premise to another within the Service Area of the Company shall not be deemed a disconnection within the meaning of this section.

If a refund of deposit is made within thirty (30) days of deposit, no interest payment is required. If the Company retains the deposit more than thirty (30) days, payment of interest shall be made retroactive to the date of deposit.

The Company shall keep records to show: (a) the name and address of each depositor; (b) the amount and date of deposit; and (c) each transaction concerning the deposit. The Company shall issue a receipt of deposit to each Applicant from whom a deposit is received and shall provide means whereby a depositor may establish claim if the receipt is lost. A record of each unclaimed deposit shall be maintained for at least four years, during which time the Company shall make a reasonable effort to return the deposit.

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When the Customer has paid bills for service for twelve (12) consecutive residential billings or for twenty-four (24) consecutive commercial, irrigation, or industrial billings without having service disconnected for nonpayment of a bill and without having more than two (2) occasions in which a bill was delinquent, and when the Customer is not delinquent in the payment of the current bills, the Company shall promptly and automatically refund the deposit plus accrued interest to the Customer in the form of cash or credit to a Customer's bill, or void the guarantee. If the Customer does not meet these refund criteria, the deposit and interest may be retained.

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**303.    Company Action on the Application**

The Company shall consider the offer to purchase Electric Service and act upon it within a reasonable time by either granting the application (conditionally, subject to these Rules) or refusing service in accordance with this Tariff.

**303.1    Granting Application**

The Company may grant an application by:

**A.    Signature**

Having its authorized officer or employee sign the Electric Service Agreement on behalf of the Company;

**B.    Initiating Service.**

Making electricity available at the service location.

**303.2    Refusal of Service.**

The Company may refuse service for the following:

**A.    Applicant's Facilities Inadequate**

The Applicant's/Customer's installation or equipment is known to be hazardous or of such character that satisfactory service cannot be given, or the Applicant's/Customer's facilities do not comply with all applicable state and municipal regulations.

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**B.      Violation of Company's Tariff**

The Applicant/Customer fails to comply with the Company's Tariff pertaining to operation of nonstandard equipment or unauthorized attachments which interfere with the service of others. The Company shall provide the Applicant/Customer notice of such refusal and afford the Applicant/Customer a reasonable amount of time to comply with the Company's Tariff.

**C.      Failure to Pay Guarantee**

The Applicant/Customer has acted as a guarantor for another Customer and failed to pay the guaranteed amount, where such guarantee was made in writing to the Company and was a condition of service.

**D.      Intent to Deceive**

The Applicant applies for service at a location where another Customer received, or continues to receive, service and the Company bill is unpaid at the location, and the Company can prove the change in identity is made in an attempt to help the other Customer avoid or evade payment of an electric utility bill. An Applicant may request a supervisory review if the Company determines that evasion has occurred and refuses to provide service.

**E.      For Indebtedness**

The Applicant owes a debt to any electric utility for the same kind of service as that being requested. In the event an Applicant's indebtedness is in dispute, the Applicant shall be provided service upon paying a deposit.

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**F.      Refusal to Pay a Deposit**

Refusing to pay a deposit if Applicant/Customer is required to do so.

**303.3      Insufficient Grounds for Refusal to Serve**

The following shall not constitute sufficient cause for refusal of service to a present Customer or Applicant:

A. Delinquency in payment for service by a previous occupant of the Premises to be served;

or

B. Failure to pay a bill that includes more than six (6) months of underbilling unless the underbilling is the result of theft of service;

or

C. Failure to pay for merchandise or charges for non-regulated services, including but not limited to insurance policies, Internet service, or home security services, purchased from the Company;

or

D. Failure to pay a bill of another Customer at the same address except where the change of Customer identity is made to avoid or evade payment of a utility bill.

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**304. Contract for Service**

The grant of an application shall operate as an acceptance of Applicant's offer to purchase Electric Service.

**304.1 Terms of Contract**

The terms of the contract are the provisions of the Electric Service Agreement (including this Tariff) and any applicable easement.

**304.2 Conditions to be Fulfilled by Applicant or Customer Prior to the Rendition of Service**

As conditions precedent to the performance or obligation to perform any part of the contract for Electric Service by the Company or the provision of any Electric Service, Customer shall:

**A. Comply with the Law**

Applicant/Customer warrants to the Company that he or she has complied with all federal, state, county, and municipal regulations governing the service applied for and shall remain in compliance. The Company does not undertake to determine if Applicant/Customer is in compliance with the law and the provision of service shall not be construed as any indication of compliance; however, the Company may require a copy of any approval required by law, ordinance or regulation prior to the provision of service;

and

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**B.      Comply with Service Rules**

Applicant/Customer shall comply with the Service Rules and Regulations of the Company governing the service applied for;

and

**C.      Make Warranties Regarding Customer's Installation**

Applicant/Customer warrants to the Company that Customer's Installation is constructed in accordance with the latest revision of the National Electrical Code published by the National Fire Protection Association and/or the latest revision of the National Electrical Safety Code published by the Institute of Electrical and Electronics Engineers, Inc., as may be applicable. Applicant/Customer further warrants to the Company that Customer's Installation will be maintained in accordance with such Code publications. The Company does not undertake to determine if Customer's Installation complies with such standards and the provision of service shall not be construed as any indication of compliance; however, should it come to the attention of the Company that Customer's Installation does not conform to such standards, Applicant/Customer may be required to conform prior to the provision of service.

and

**D.      Grant or Secure an Easement**

Applicant/Customer shall grant or secure to the Company at Applicant's/Customer's expense an easement, the form and content of which is satisfactory to the Company. The form of an acceptable utility

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easement which has been approved by the Company is contained in  
Section IV of this Tariff;

and

**E.      Fulfill Construction Cost Obligations**

Applicant/Customer shall fulfill all obligations for the payment of  
construction costs in the manner prescribed in service Rules and  
regulations governing Facilities extension.

**304.3      Assignment of Contracts**

The Applicant/Customer shall not assign the contract except by written consent  
of the Company or in compliance with the articles and bylaws of the Company.  
The contract shall inure to the benefit of the Company's assigns.

**304.4      Modification by the Parties**

The contract for Electric Service may be modified or terminated by the  
agreement of both the Company and the Applicant/Customer if such agreement  
is made in writing and signed by both Parties.



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**305.    Facilities Extensions**

The Company makes extension of Electric Service to Customer's Installation so as to minimize the cost of such extension.

**305.1    Allowance for Facilities**

The Applicant requesting Electric Service may receive an allowance for installation of Facilities as provided in Section 202.14. The calculation of the allowance and definitions of standard and non-standard Facilities are provided in Section 202.14 of this Tariff. CIAC payments shall be required for the extension in excess of the allowance in accordance with Section 202.14 of this Tariff. When two or more applications for Electric 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.

**305.2    Non-Standard Facilities**

Non-standard Facilities may include but are not limited to a two-way feed, automatic and manual transfer switches, Electric Service through more than one Point of Delivery, redundant Facilities, Facilities in excess of those normally required for Electric Service, or Facilities necessary to provide Electric Service at a non-standard voltage. If the Applicant requesting Facilities extension desires Electric Service utilizing non-standard Facilities, the Company shall construct such Facilities unless, in the reasonable judgment of the Company, such construction would impair the Company's Facilities or Facilities with which the Company is interconnected, impair the proper operation of such Facilities, impair service to Customers, or there are other appropriate concerns that the Applicant requesting service is unable or unwilling to correct. The Applicant requesting the Facilities extension shall pay to the Company the estimated cost of all non-standard Facilities, offset by

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any applicable allowance, as detailed in Section 204.14 of this Tariff and the Facility Extension Agreement.

**305.3    Specific-Cost Study**

For all loads served at voltages of 69kV or greater, a specific-cost study for extension of Company's Facilities to provide Electric Service to an individual Customer may be used to determine system cost.

**305.4    Special Contract Provisions**

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

The Company determines the special contractual arrangements required with Applicant before Electric Service is provided. The special arrangements may include an advance for construction, or special monthly or annual surcharges, or a combination of two or more of such arrangements in addition to other electric charges.

**305.5    Charges for Providing Temporary Electric Service**

All requests for electric connection which, in the opinion of the Company, shall be utilized for less than sixty (60) months will be considered to be

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temporary service unless they will continue to be utilized by a different Customer. The Applicant will pay the Company, prior to the Company's providing temporary Electric Service, a CIAC amount equal to the estimated cost of installing and removing the Facilities, plus the estimated costs of materials to be used which are unsalvageable after removal of the installation.

**305.6      Installation and Maintenance of Company Facilities**

The Company shall install and own electric lines and equipment on the Company's side of the Point of Delivery and, in certain instances, electric lines and equipment on the Customer's side of the Point of Delivery. The Customer shall not tamper or interfere with these Company-owned lines and equipment. Only personnel authorized by the Company are permitted to make, energize, or de-energize connections to Company Facilities. In addition, the Company shall own the Meter regardless of its location and Customer shall not tamper or interfere therewith.

**305.7      Protection of Company's Facilities on Customer's Premises**

The Customer shall use reasonable diligence to protect Company Facilities on the Customer's Premises and to permit only personnel authorized by the Company or by law to have access to such Facilities. In the event of loss of, or damage to, Company Facilities on the Customer's Premises caused by or arising out of carelessness, neglect, or misuse by the Customer or unauthorized Persons, the Company may require Customer to reimburse Company for the cost of such loss or damage.

**305.8      Admittance to Customer's Premises**

The Customer shall admit to the Customer's Premises at all reasonable hours personnel authorized by the Company to inspect, install, remove, or replace Company's property, to read Company's Meter, and to perform other activities

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necessary to provide or properly bill for Electric Service, including tree trimming and tree removal where such trees in the opinion of the Company constitute a hazard to Company personnel or Facilities, or the providing of continuous Electric Service.

**305.9      Removal and Relocation of Company's Facilities**

The Company may remove or relocate Company Facilities at the Customer's request unless doing so would create a safety hazard or would be incompatible with providing safe and reliable Electric Service. The Customer shall pay to the Company the total cost of removing or relocating such Facilities.

**305.10    Dismantling of Company's Facilities**

The Company may, upon discontinuation of Electric Service to the Customer, dismantle and remove all lines, equipment, apparatus, or other Facilities which the Company may have installed to provide Electric Service to the Customer. The Company may, however, abandon in place in whole or in part its underground lines and equipment in lieu of removing such Facilities.

**305.11    Attachments to Company's Facilities**

The Company does not permit any attachments (such as wires, ropes, signs, banners, or radio equipment) to Company Facilities by others except when authorized in writing by the Company. The Company may without notice and without liability remove unauthorized attachments to Company Facilities.

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**306.    Meters**

**306.1    Location and Installation of Meter**

Meters and service switches in conjunction with the Meter shall be installed in accordance with the latest revision of American National Standards Institute, Incorporated Standard C12 (American National Code for Electricity Metering), and will be readily accessible for reading, testing and inspection, and where such activities will cause minimum interference and inconvenience to the Customer. Customer shall provide, without cost to the Company, at a suitable and easily accessible location: (a) sufficient and proper space for installation of Meters and other apparatus of the Company, (b) meter board, (c) safety service switches when required, and (d) an adequate anchor for service drops. When the Meter location on the Customer's Premises is changed at the request of the Customer, or due to alterations on Customer's Premises, the Customer shall provide and have installed at his expense all wiring and equipment necessary for relocating the Meter.

**306.2    Type of Meter and Ownership of Meter**

The Company shall provide, install, own, and maintain all Meters necessary for the measurement of electrical energy. Such Meters shall be of a standard type which meet industry standards; however, special Meters not conforming to such standards may be used for investigation or experimental purposes.

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**307. Point of Delivery**

Applicant/Customer shall designate the location he or she desires to receive Electric Energy and shall provide Service Entrance Conductors and any receptacle needed for the receipt of Electric Energy.

The Point of Delivery of Electric Energy is the point where the Customer's Service Entrance Conductors are connected to the Company's conductors or equipment. Such point shall be outside the Customer's Installation or structure(s) at a location which will facilitate connection in accordance with the National Electrical Safety Code and standard operating practices of the Company.

In special circumstances, the Point of Delivery may be located inside the Customer's Installation or structure if the Customer makes a written request which is approved by an officer of the Company.

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**308.    Initiation of Service**

Electric Service is provided to qualified Applicants in the Company's certificated area who have satisfactorily established credit and fulfilled all conditions precedent. Section 305 contains information on special contract provisions and construction cost options where a CIAC is required. Normally, as a service objective, the Company attempts to make service available within the following guidelines:

- A.    Within seven (7) working days after Applicant has met the credit requirements if no Facilities extension or new Facilities are required.
- B.    Within ninety (90) days for permanent residential service requiring a Facilities extension or other Facilities unless unavailability of materials causes unavoidable delay.
- C.    Extensions to other Customer classes requiring Facilities extensions may take longer than ninety (90) days.
- D.    If a Facilities extension is required, the Company will notify the Customer within ten (10) working days of the receipt of the application, giving the Customer an estimated completion date.

**309. - 319. Reserved for Future Use**

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**320.    Electric Energy**

**320.1    Delivery of Electric Energy**

If Applicant/Customer has satisfied all conditions and performed all obligations contained in the foregoing service Rules, the Company shall provide Electric Energy to Customer at the Point of Delivery. The Company may limit the amount of Electric Energy furnished. The type of Electric Energy provided at the Point of Delivery does not necessarily define the level of Electric Service. The level of Electric Service is defined in the Rate Schedules applicable to each class of service.

**320.2    Characteristics of Electric Energy**

**A.      Voltage**

The Company adopts the following standard voltages for distribution:

<u>Single-Phase</u>	<u>Three-Phase</u>
120/240	120/208
120/208	240/480
240/480	277/480

Insofar as practicable, the Company maintains its standard voltages within the variations permitted by the Public Utility Commission of Texas.

**B.      Frequency**

The Company's wholesale power supplier controls the frequency of current provided by the Company. Generally, the Company provides alternating current at a standard frequency of 60 cycles per second. Except for infrequent



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and unavoidable fluctuations, this standard is usually maintained within one-tenth (1/10) of a cycle per second.

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**321. Method of Providing Service**

**321.1 Overhead Service Drop**

Electric Service is generally available to Customers throughout the Company's Service Area from overhead distribution Facilities. The Company, however, may refuse to provide overhead service in any area where the Company has or expects substantial investment in underground distribution Facilities. To receive overhead service, Customer must provide an adequate anchor for service drops in compliance with the National Electrical Safety Code.

**321.2 Underground Electric Service**

Electric Service from underground distribution Facilities is available to Customers requesting such service. In areas served by the Company's underground Distribution System, phase and voltage of Electric Service may be limited to that which can be provided from existing Facilities. Underground conductors are usually connected to the Company's overhead distribution Facilities at a location outside the Customer's Premises or at a suitable location on Customer's Premises. The location and routing of underground distribution Facilities is determined by the Company. Customer shall execute an underground Facilities statement indicating the location of all underground facilities prior to commencement of construction. Before the installation of underground distribution Facilities, Customer may be required to complete rough site grading, establish final grade along conductor route, expose to view any underground installation including gas lines, water lines, wastewater lines, communication lines, etc., and clear the area of all obstructions. No change shall be made in the grade along the conductor route without the consent of the Company. Any change in grade which requires lowering electrical conductors is at the expense of the Customer.

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**321.3      Mobile Home Parks**

In mobile home parks and similar installations, the Company provides Electric Service through individual Meters to each space for each consuming facility. Either underground or overhead service, at the discretion of the Company, may be provided.

**321.4      Apartments**

Electric Service is provided through individual Meters for each living unit or through one Meter at each Point of Delivery for any number of living units.

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**322. Continuity of Electric Service**

**322.1 Reasonable Diligence**

The Company uses reasonable diligence under standard utility practices to provide continuous and adequate service in accordance with the standards set forth in these Rules.

**322.2 Service Interruptions**

Service interruptions may occur. The Company shall make reasonable efforts to prevent service interruptions. When interruptions do occur the Company shall re-establish service as soon as practicable.

The Company may interrupt service to provide necessary civil defense or other emergency service in the event of a national emergency or local disaster. The Company may also interrupt service as necessary for maintenance, repairs, construction, moving of buildings or oversized objects, relocation or changes of Facilities, to prevent or alleviate an emergency which may disrupt operation of all or any portion of the Company's system, to lessen or remove risk of harm to life or property, and to aid in the restoration of Electric Service.

**322.3 Service Irregularities**

Irregularities in service such as voltage surges may occur. The Customer shall be responsible for installing and maintaining devices which protect his/her installations, equipment, and processes during periods of abnormal service conditions.

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**322.4    Investigation of Service Interruptions and Irregularities**

The Company makes reasonable investigation of service interruptions and irregularities reported by a Customer. Such investigation normally terminates at the Point of Delivery. If standard service voltage exists at this point and the Company's service Facilities are in good condition, the Customer shall be so advised. The Company shall not be obligated to inspect Customer's conductors, installation, or equipment.

**322.5    Limitation of Liability for Service Interruption, Irregularity, and Force Majeure**

The Company shall not be liable for either direct or consequential damages resulting from failures, interruptions, or voltage and wave form fluctuations occasioned by causes reasonably beyond the control of the Company, including, but not limited to, acts of God or public enemy, sabotage and/or vandalism, accidents, fire, explosion, labor troubles, strikes, order of any court or judge in any bona fide adverse legal proceedings or action, or any order of any commission, tribunal or governmental authority having jurisdiction. For claims resulting from failures, interruptions, or voltage and wave form fluctuations occasioned in whole or in part by the negligence of the Company or its agent(s), the Company shall be liable only for that portion of the damages arising from personal injury, death of persons, or costs of necessary repairs to or reasonable replacement of electrical equipment proximately caused by the negligent acts of the Company or its agent(s). The Company shall not be liable in any event for consequential damages.

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**323.    Customer's Receipt and Use of Electric Energy**

**323.1    Receipt of Electric Energy**

**A.      Exclusive Use**

When Electric Service is available, Customer shall purchase from the Company all Electric Energy and service required to be used by Customer from a single consuming installation.

Customer may not connect his lines to another source of Electric Energy in a manner that may permit Electric Energy to flow into Company's system from such source without a written agreement with the Company.

**B.      Customer's Installation**

Customer shall at all times maintain his/her installation in accordance with the latest revision of the National Electrical Code published by the National Fire Protection Association and/or The National Electrical Safety Code published by the Institute of Electrical and Electronics Engineers, Inc., as well as other applicable standards that may be imposed by law, ordinance or regulation.

**C.      Liability for Injury and Damages**

Customer assumes full responsibility for Electric Energy furnished to him at and past the Point of Delivery and will indemnify the Company against and hold the Company harmless from all claims for both injuries to persons, including death resulting therefrom, and damages to property occurring upon the Premises of the Customer arising from electric power and Energy delivered by Company except (1) when the negligence of

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Company or its agent(s) was the sole proximate cause of injuries, including death therefrom, to Customer or to employees of a Customer or in the case of a residential Customer, to all members of Customer's household; and (2) as to all other injuries and damages, to the extent that injuries or damages are proximately caused by or result in whole or in part from (a) any negligence of Company or its agent(s) independent of and unrelated to the maintenance of Company's equipment or any condition on Customer's Premises or (b) the breach by Company of any provision of any contract for electrical energy, service or Facilities between Company and Customer.

**323.2      Customer's Use of Electric Energy**

**A.      Permitted Uses**

Electric Energy provided through Company Facilities shall be used by Customer exclusively for the purpose or purposes specified in the Application clause of the Rate Schedule under which Customer is receiving service and being billed.

**B.      Resale Prohibited**

Customer shall not resell Electric Energy unless specifically provided for in writing by the Company.

**C.      Interstate Transmission of Electric Energy**

Any Customer receiving Electric Energy from the Company shall not transmit Electric Energy outside the state in which the Customer is receiving the Electric Service without the Company's prior written consent.

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**D.    Uses Prohibited by Law**

Customer shall not use Electric Energy for any unlawful purpose or in such a manner that it may endanger life or property.

**323.3    Customer's Electrical Load**

**A.    Load Balance**

Company requires Customer to control the use of Electric Energy so that Company's electrical load at the Point of Delivery is in reasonable balance.

**B.    Allowable Motor Starting Currents**

Company permits across-the-Facilities starting of electric motors where Company determines that its Facilities are adequate and the frequency of starts are such that other Customer's service will not be adversely affected. When Company determines that the operation of electric motors with full voltage starting adversely affects Electric Service, Customer shall provide suitable, reduced voltage starting devices or other corrective equipment, or pay to Company the costs of additions or changes to Company's Facilities necessary to correct such condition. Any motor starting devices are to be of a type approved by Company and are to be provided and installed by Customer.

**C.    Intermittent Electrical Loads**

Electric Service to equipment such as spot and arc welding machines, X-ray machines, arc-furnaces, elevators, dredges, locomotives, shovels, feed grinders, etc., whose use of electricity is intermittent and subject to violent fluctuations, is provided to such equipment as a part of



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Customer's Installation or by a transformer dedicated solely to that equipment and served as a separate account. Customers contemplating the installation of such equipment are to make specific prior arrangements with Company.

Where intermittent electrical loads or load control devices are a part of Customer's Installation, Company may determine Customer's billing Demand on the basis of a time interval which is shorter than that specified in Company's Rate Schedule under which Customer is receiving Electric Service.

**D.    Equipment Necessary to Limit Adverse Effect**

Company may require Customer to provide, at Customer's expense, suitable apparatus to limit the effect of voltage fluctuations caused by electric equipment in Customer's Installation where Customer is found to be operating electrical equipment which produces voltage fluctuations, interference or distorted wave forms which adversely affect Electric Service provided by Company to Customers.

In lieu of requesting Customer to install such suitable or special equipment limiting such adverse effect, Company may, at its option, install at Customer's cost, additional transformer capacity (which may or may not be dedicated solely to such Customer) or other equipment specially designed to reasonably limit such adverse effect.

**E.    Voltage and Wave Forms Sensitive Equipment**

Customers planning the installation of electric equipment such as computers, communication equipment, electronic control devices, etc., whose performances may be adversely affected by voltage fluctuations

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and distorted 60 Hertz wave forms are responsible for providing and installing the necessary facilities to limit these adverse effects.

**F.    Change in Customer's Electrical Load**

Customer shall notify Company when Customer's electrical load is to be changed substantially in order that Company may ensure its Facilities are adequate. In the event Customer adds electrical load at Customer's Installation that results in the use of Electric Service in excess of the maximum stipulated in the Agreement for Electric Service, Company may hold Customer liable for any damage to Company's Facilities resulting from the use of Electric Service in excess of such maximum. If change in Customer's load or load characteristics results in Customer being eligible for service under a different Rate Schedule, or results in more favorable billing under current Rate Schedule, Company is not liable for any refund resulting from such a change unless Customer has notified Company in writing of Customer's desire for different Rate Schedule and Company has confirmed in writing Customer's eligibility for requested Rate Schedule or change in billing under existing Rate Schedule. No retroactive refund will be made prior to date notice is received by Company.

**G.    Harmonics**

If the Customer's load causes harmonic currents that (1) adversely affect Electric Service provided by the Company to its Customer, (2) adversely affect the electric Facilities owned by the Company, or (3) adversely affect communications Facilities owned by the Company or others, the Company may require Customer to provide suitable apparatus to limit the amount of the harmonic currents to comply with the latest edition of IEEE-519. Where the harmonic currents caused by the Customer are reasonably expected by the Company to (1) adversely affect Electric

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Service provided by Company to Customers, (2) adversely affect the electric Facilities owned by the Company, or (3) adversely affect communication Facilities owned by the Company or others, the Company may refuse to provide service or the Company may disconnect the Customer five (5) working days after providing notice, unless the Customer grants the Company access to its electric facilities or ceases creating excessive harmonics.

The notice shall give the Customer two options to cure the problem.

- (1) The Company may cure the problem by working on the Customer's electric facilities at a mutually agreeable time and assess the repair costs to the Customer.
- (2) The Customer may elect to cure the problem at its option and its cost, but the remedy must occur within a reasonable time, which will be specified in the notice.

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**323.4      Power Factor**

If the power factor of Customer's load is less than ninety percent (90%), Company may require Customer to install appropriate equipment to maintain a power factor of at least ninety percent (90%), or at Company's option, to reimburse Company for installing the necessary equipment.

**323.5      Access**

Customer will admit to Customer's Premises at all reasonable hours personnel authorized by Company to inspect, install, remove, or replace Company's property; to read Company's Meter; and to perform other activities necessary to provide Electric Service, including tree trimming and tree removal where such trees, in the opinion of Company, constitute a hazard to Company personnel or Facilities, or jeopardize the provision of continuous Electric Service.

**323.6      Protection of Company's Facilities on Customer's Premises**

The Customer shall use reasonable diligence to protect Company personnel and Facilities on the Customer's Premises. The Customer shall not place or maintain any equipment, buildings, watering systems or water retention facilities in a location that hinders the safety, maintenance and operation of Company's Facilities.

In the event of loss of, or damage to, Company Facilities on the Customer's Premises caused by or arising out of Customer's placement or maintenance of any equipment, buildings, watering systems or water retention facilities, carelessness, neglect, or misuse by the Customer or unauthorized Persons, the Company may require the Customer to reimburse the Company the full cost of such loss or damage.

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**324. Billing**

The Customer shall be obligated to pay for the total amount of charges for Electric Service shown on the Customer's bill. Such charges shall be computed in accordance with the Company's latest Rate Schedule or Rate Schedules applicable to the class or classes of service furnished to Customer and these Rules.

**324.1 Determining Usage of Electric Energy**

Usage of Electric Energy (expressed as kWh) is usually determined by a Meter reading. Electric Energy usage is measured at the metering point regardless of whether or not it is the same as the Point of Delivery.

**324.2 Meter Reading**

The Company shall use reasonable diligence to read all Meters monthly. Under certain conditions the Company may require the Customer to read his own Meter; however, the Meter(s) shall be read at least once each three (3) months by Company personnel.

If a Customer reading his own Meter does not submit readings for three (3) consecutive months, the Company will read the Meter so that a corrected bill may be issued.

**324.3 Estimated Billing**

Usage as well as Demand may be estimated by the Company where there is good reason for doing so, such as inclement weather, personnel shortage, etc., provided an actual Meter reading is taken every three (3) months. In months where the Meter is not read, the Company may provide the Customer with a postcard and request the Customer to read the Meter and return the card. If the postcard reporting the results of Meter reading is not returned to the Company

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in time for billing, the Company will estimate the Meter reading and render a bill accordingly.

**324.4      Meter Test and Accuracy Adjustment**

Upon request of a Customer and, if he or she desires, in the Customer's presence or the presence of his or her authorized representative, the Company shall make a test of the accuracy of Customer's Meter. The test shall be made during the Company's normal working hours at a time convenient to the Customer if he or she desires to observe the test. The test may be made on the Customer's Premises or at a test laboratory as determined by the Company. Following completion of testing, the Company shall promptly advise the Customer of the date of removal of the Meter, if removed, the date of the test, the result of the test, and who made the test. Test will be performed in accordance with Section 204.8 of this Tariff. Any billing adjustment will be in accordance with Section 203.3 of this Tariff.

**324.5      Minimum Charges**

The Customer will pay a minimum bill in accordance with the applicable Rate Schedule irrespective of the amount of Electric Energy consumed, even if none is consumed. The minimum charge shall be in addition to any fuel cost adjustment charges, power cost adjustment charges or other billing adjustments. All billing adjustments shall be billed in addition to and exclusive of the minimum charge. The minimum charge may be increased in accordance with the Company's Facilities extension policy for new construction. Usually the amount of such increase will be stated in the Electric Service Agreement.

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**324.6      Terms of Payment**

Each bill for Electric Service(s), regardless of the nature of the service(s), is due 16 days after issuance unless such day falls on a holiday or weekend, in which case payment is due on the next work day. If full payment is not received in the office of the Company or at any agency authorized by the Company to receive payment on or before the date such bill is due, the Customer's account will be considered delinquent and subject to late fees and disconnection in accordance with these Rules.

**324.7      Disputed Bills**

In the event of a dispute between a Customer and the Company regarding any bill for Electric Services, the Company shall make such investigation as shall be required by the particular circumstances, and report the results thereof to the Customer. In the event the dispute is not resolved, the Company shall inform the Customer of the complaint procedures of the Company and, if applicable, the Commission.

Customers shall not be required to pay the disputed portion of the bill pending the resolution of the dispute. Customers shall pay any billings that are not disputed and any required average billing payments.

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**324.8      Deferred Payment Plan**

The Company may in its discretion enter into a deferred payment plan for any amount owed to Company or any portion thereof.

- A. Deferred payment plan. The Company shall offer upon request a deferred payment plan to any residential Customer who has expressed an inability to pay all of his or her bill, if that Customer has not been issued more than two (2) disconnection notices at any time during the preceding twelve (12) months.
- B. Every deferred payment plan entered into due to the Customer's inability to pay the outstanding bill in full shall provide that Electric Service will not be discontinued if the Customer pays current bills and a reasonable amount of the outstanding bill, and agrees to pay the balance in reasonable installments until the bill is paid. A payment of not more than one-third (1/3) of the total deferred amount may be required as a reasonable amount under this paragraph.
- C. The Company is not required to enter into a deferred payment agreement with any Customer who is lacking sufficient credit or a satisfactory history of payment for previous service when that Customer has had service from the present Company for no more than three (3) months. In cases of Meter tampering, bypass, or diversion, the Company may, but is not required to, offer a Customer a deferred payment plan.
- D. A deferred payment plan may include a five percent (5%) penalty for late payment but shall not include a finance charge.
- E. If a Customer has not fulfilled terms of a deferred payment agreement, the Company shall have the right to disconnect service pursuant to the disconnection Rules herein and, under such circumstances, the Company



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may, but shall not be required to, offer subsequent negotiation of a deferred payment agreement prior to disconnection.

- F. A deferred payment plan may be made by visiting the Company's business office or contacting the Company by telephone. If the Customer visits the Company's business office, the Company may ask the Customer to sign the deferred payment plan. The Company must provide the Customer with a copy of the signed plan. If the agreement is made over the telephone, the Company shall send a copy of the plan to the Customer.

**324.9      Payment Plans**

**A.      Average payment plan**

- (1)      The average payment plan allows a residential Customer to pay one-twelfth of the sum of the Customer's current month's consumption plus the previous 11 months consumption (or an estimate, for a new Customer) each month, plus a portion of any unbilled balance.
- (2)      If a Customer does not fulfill the terms and obligations of an average payment plan, the Company shall have the right to disconnect service to that Customer pursuant to section 351 of this Tariff.
- (3)      The Company may require a Customer deposit from all Customers entering into average payment plans pursuant to the requirements of Section 302 of this Tariff. The Company shall pay interest on the deposit and may retain the deposit for the duration of the level or average payment plan.

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**B.    Level payment plan–Closed**

(1)     The level payment plan allows residential Customers to pay one-twelfth of the Customer's estimated annual consumption each month. The Customer's bill will be adjusted annually to reflect any changes based on actual electric use. **This option is closed to additional Customers and will be phased out as existing Customers migrate to the average billing option.**

(2)     If a Customer does not fulfill the terms and obligations of a level payment agreement, the Company shall have the right to disconnect service to that Customer pursuant to section 351 of this Tariff.

(3)     The Company may require a Customer deposit from all Customers entering into level payment plans pursuant to the requirements of Section 302 of this Tariff. The Company shall pay interest on the deposit and may retain the deposit for the duration of the level or average payment plan.

**324.10    Reserved for Future Use**

**324.11    Overbilling and Underbilling**

If billings for utility service are found to differ from the Company's lawful rates for the services being purchased by the Customer, or if the Company fails to bill the Customer for such service, a billing adjustment shall be calculated by the Company. If the Customer is due a refund, an adjustment shall be made for the entire period of the overcharges. If an overcharge is adjusted by the Company within three (3) billing cycles of the bill in error, interest shall not accrue. Unless provided in this section, if an overcharge is not adjusted by the Company within three (3) billing cycles of the bill in error, interest shall be

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applied to the amount of the overcharge at the rate set by the Commission annually for a calendar year. That rate shall be based on an average of prime commercial paper rates for the previous twelve (12)-month period. Interest on overcharges that are not adjusted by the Company within three (3) billing cycles of the bill in error shall accrue from the date of payment unless the Company chooses to provide interest to all of its affected Customers from the date of the bill in error. All interest shall be compounded monthly based on the annual rate. Interest shall not apply to leveling plans or estimated billings.

If the Customer was undercharged, the Company may back bill the Customer for the amount which was underbilled. The backbilling is not to exceed six (6) months unless such undercharge is a result of Meter tampering, bypassing, or diversion by the Customer. Interest shall not apply to undercharged amounts unless such amounts are found to be the result of Meter tampering, bypass, or diversion by the Customer. Interest on undercharged amounts shall be compounded monthly based on the annual rate and shall accrue from the day the Customer is found to have first tampered, bypassed, or diverted service.

The Company may not disconnect service if the Customer fails to pay charges arising from an underbilling more than six (6) months prior to the date the Company initially notified the Customer of the amount of the undercharge and the total additional amount due unless such undercharge is a result of Meter tampering, bypassing, or diversion by the Customer. If the underbilling is \$50.00 or more, the Company shall offer the Customer a deferred payment plan option for the same length of time as that of the underbilling. In cases of Meter tampering, bypass, or diversion, the Company may, but is not required to, offer the Customer a deferred payment plan.

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**325. Customer Relations**

**325.1 Available Information**

**A. Tariff**

At each of its business offices, the Company maintains and makes available for inspection a copy of its current Tariff including all Rate Schedules and rates relating to service. A copy of any applicable portion of the Tariff may be provided upon request after receipt of the applicable payment for reproduction costs. Notice of the availability of such Tariff is posted in each business office in the same area where applications for service are received.

**B. Meter Reading**

Upon request, the Company advises its Customers of the method of reading Meters.

**325.2 Customer Complaints**

- A. Upon complaint to the Company by a Customer either at its office, by letter or by telephone, the Company shall promptly make a suitable investigation and advise the complainant of the results within twenty-one (21) days.
- B. The Company shall keep a record of all complaints which shall show the name and address of the complainant, the date and nature of the complaint, and the adjustment or disposition thereof for a period of two (2) years subsequent to the final settlement of the complaint. Complaints with

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reference to rates or charges which require no further action by the  
Company need not be recorded.

**326. - 339. Reserved for Future Use**

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**340.    Small Power Production and Cogeneration**

Sections 340-344 of this Tariff apply to the interconnection and parallel operation of all qualifying power generating installations having a design capacity of 100 kilowatts or less, as well as to Electric Service to such generation installations.

For the purpose of Sections 340-344 of this Tariff, “Power Generating Installation” shall mean a small power production or cogeneration facility which is a qualifying facility under Subpart B of the Federal Energy Regulatory Commission’s Regulations under Section 201 of the Public Utility Regulatory Policies Act of 1978 including any generator, and associated equipment, wiring, protective devices, or switches owned or operated by Producer.

“The Producer/Producer” means any Person, firm, corporation, partnership, or other entity owning or operating a power generating installation.

Except as provided herein, if any part of Sections 340-344 shall be in conflict with any other provision of this Tariff, the terms and conditions in Sections 340-344 shall control. For Producers that request interconnection under Commission Substantive Rules 25.211 or 25.217 (relating to distributed generation, distributed renewable generation, and independent school district solar generation), if any part of Sections 340-344 of this Tariff shall be in conflict with Section 345 of this Tariff or Commission Substantive Rules 25.211, 25.212, 25.213, or 25.217, then Section 345 of this Tariff and Commission Substantive Rules 25.211, 25.212, 25.213, and 25.217, as applicable, shall control. By agreement, the Company and Producer may establish additional or different terms, conditions, or rates for the sale or purchase of electricity.

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**341.    Obtaining Interconnection**

A Producer desiring to interconnect with the Company's system shall:

**341.1    Comply with Tariff**

The Producer shall apply for interconnection, provide an easement satisfactory to the Company, and otherwise comply with the Tariff of the Company.

**341.2    Provide Information**

At least 60 days in advance of interconnection, Producer shall submit a plan showing the electrical design of the generating installation including equipment for interconnection with the Company's system. Producer shall also provide such additional information as may be required by the Company. In the event Producer's plan involves the use of non-standard equipment or design techniques, the Company may require such plan be approved by a registered professional engineer. Any review or acceptance of such plan by the Company shall not impose any liability on the Company and does not guarantee the adequacy of Producer's equipment to perform its intended function. The Company disclaims any expertise or special knowledge relating to the design or performance of generating installations and does not warrant the efficiency, cost-effectiveness, safety, durability or reliability of generating installations.

**341.3    Pay for Extension of Company's Facilities**

Comply with conditions for extension of the Company's Distribution System as may be determined by the Company in accordance with the following extension policy:

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If an extension of Company's Distribution System is required for sale or receipt of Electric Energy to or from a generation installation, whether or not in conjunction with another use, the Company shall exercise prudent judgment in determining the conditions under which such extension will be made. Each case shall be viewed individually considering (a) cost to provide service; (b) longevity of the load; (c) annual load factor; (d) possibility of other loads developing along the proposed Facilities extension; (e) longevity, capacity, and dependability of power to be received by the Company; (f) anticipated annual revenue; and (g) compatibility with planned system improvements.

The Company may require Producer to pay a CIAC, advance for construction, or increased annual or monthly minimums and may require a contract.

**341.4    Provide Liability Insurance**

Except for facilities defined in Commission Substantive Rule 25.217(b)(1) or 25.217(b)(3) (relating to distributed renewable generation), the Producer shall furnish a certificate from Producer's insurance carrier showing satisfactory liability insurance, including contractual liability insurance covering indemnity agreements, which insures Producer against all claims for property damage, and for personal injury or death arising out of, resulting from, or in any manner connected with, the installation, operation and maintenance of the Producer's generating equipment. The amount of such insurance coverage shall be at least \$1,000,000.00 per occurrence. The certificate shall also provide that the insurance policy will not be changed or cancelled during its term without thirty (30) days written notice to the Company.

**341.5    Sign Contract**

The Producer shall sign and deliver to the Company an Agreement for Interconnection and Parallel Operation of a Cogeneration or Small Power



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Production Installation; 100 kW or Less, the form of which has been approved by the Regulatory Authority and is contained in this Tariff.

**341.6    Complete Construction**

The Producer shall construct the power generating installation and install a disconnect switch and other protective equipment as may be required by the Company to protect its personnel, Facilities, and operations.

**341.7    Comply with Laws**

The Producer shall comply with applicable Federal, state, and local laws, ordinances and regulations applicable to power generating installations.

**341.8    Notify Company**

The Producer shall notify the Company in writing at least thirty (30) days in advance of energizing the small power generating installation and permit the Company to inspect and test protective equipment.

**341.9    Eliminate Conditions Preventing Interconnection**

In the event that it comes to the attention of the Company that there are conditions preventing safe interconnection and proper parallel operation it shall notify Producer and Producer shall not interconnect and/or initiate parallel operation until such conditions are corrected and Producer has provided at least ten (10) days written notice to the Company.

The foregoing are conditions precedent to any obligation of the Company to interconnect or provide any form of Electric Service.

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**342. Parallel Operation**

**342.1 Installation**

With the exception of only the Company's Meter(s), the Producer shall own and be solely responsible for all expense, installation, maintenance and operation of the power generating installation at and beyond the point where Producer's conductors contact Company's conductors. The Producer's generating installation shall be designed and installed in accordance with applicable codes, regulations and prudent engineering practice.

**342.2 Self-Protected Generating Installation**

The Producer will furnish, install, operate and maintain in good order and repair all equipment necessary for the safe operation of the power generating installation in parallel with the Company's electric Distribution System. The equipment will have the capability to both establish and maintain synchronism with the Company's system and to automatically disconnect and isolate the generating installation from the Company's system in the event of an outage of the Company's system or a malfunction of the power generating installation.

The Producer's power generating installation will also be designed, installed and maintained to be self-protected from normal and abnormal conditions in the Company's electric Distribution System. The conditions for which the power generating installation shall be self-protected shall include, but not be limited to, over-voltage, under-voltage, over-current, frequency deviation, lightning and faults. The self-protection will be compatible with the Company's system protection arrangements and operating policies. Specialized protective functions may be required by the Company when, in the sole judgment of the Company, the particular generating installation characteristics and/or Distribution System characteristics so warrant.

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**342.3      Quality of Service**

The operation of the Producer's generation shall not prevent the Company from operating its system at the voltage levels that in the Company's sole judgment are the most desirable. The operation of the Producer's generation shall not cause voltage on the Company's system to be outside the Company's standards. Producer shall generate at a power factor that is as near one hundred percent (100%) as is practicable. In the event that the power factor is less than ninety-five percent (95%) lagging or leading, the Producer will provide proper power factor correction (within five percent (5%) of unity) or reimburse the Company for the cost of any necessary correction.

The overall quality of the power provided by Producer, including but not limited to the effects of harmonic distortion, voltage regulation, voltage flicker, switching surges and power factor, will be such that the Company's electric Distribution System is not adversely affected in any manner. In the event that adverse effects are caused in whole or in part by Producer's power generating installation, the Producer will correct the cause of such effects or reimburse the Company for labor to identify the problem and any costs of any required correction.

**342.4      Safety Disconnect**

The Producer or, at the Producer's option, the Company shall provide and install, at the Producer's expense, a visible break disconnect switch. The disconnect switch shall be located so as to be readily accessible to Company personnel in a location acceptable to both the Producer and the Company. It shall be the type of switch which can be secured in an open position by a Company padlock. The Company shall have the right to lock the switch open whenever, in the judgment of the Company, (a) it is necessary to maintain safe electrical operating or maintenance conditions, (b) the Producer's power generating installation adversely affects the Company's electric Distribution

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System, or (c) there is a system emergency or other abnormal operating condition which warrants disconnection.

The Company reserves the right to operate the disconnect for the protection of the Company's system even if it affects Producer's power generating installation. In the event the Company opens and closes the disconnect switch it shall not be responsible for energization or restoration of parallel operation of the generating installation. The Company will make reasonable efforts to notify the Producer in the event the disconnect switch has been operated. The Producer will not bypass the disconnect switch at any time for any reason.

**342.5    Access**

Persons authorized by the Company will have the right to enter the Producer's property for the purpose of operating or inspecting the disconnect switch or Metering. Such entry onto the Producer's property may be without notice. If the Producer erects or maintains locked gates or other barriers, the Producer will furnish the Company with convenient means to circumvent the barrier for access to the disconnect switch and Meter(s).

**342.6    Modifications of Company System**

In the event that it is necessary at the time of initial interconnection or at some future time for the Company to modify its electric Distribution System in order to purchase or continue to purchase Producer's output, the Producer will reimburse the Company for all just and reasonable costs of modifications which are allocable to the Producer's small power generating installation. The modifications may include, but are not limited to, special interconnection equipment, protective devices, control devices or upgrading of Distribution System components.

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**342.7     Liability for Injury and Damages**

Producer assumes full responsibility for Electric Energy furnished to him at and past the point of interconnection and will indemnify the Company against and hold the Company harmless from all claims for both injuries to persons, including death resulting therefrom, and damages to property occurring upon the Premises owned or operated by Producer arising from electric power and Energy delivered by Company, or in any way arising directly or indirectly from Producer's generating installation except (a) when the negligence of Company or its agent(s) was the sole proximate cause of injuries, including death therefrom, to Producer or to employees of Producer or in the case of a residential Customer/Producer, to all members of the household; and (b) as to all other injuries and damages, to the extent that injuries or damages are proximately caused by or result in whole or in part from (i) any negligence of Company or its agent(s) independent of and unrelated to the maintenance of Company's Facilities or any condition on Producer's Premises or (ii) the breach by Company of any provision of any contract regarding purchase and/or sale of electrical energy or service between Company and Producer.

The Company shall not be liable for either direct or consequential damages resulting from failures, interruptions, or voltage and wave form fluctuations occasioned by causes reasonably beyond the control of the Company, including, but not limited to, acts of God or public enemy, sabotage and/or vandalism, accidents, fire, explosion, labor troubles, strikes, order of any court of judge granted in any bona fide adverse legal proceeding or action, or any order of any commission, tribunal or governmental authority having jurisdiction.

For claims resulting from failures, interruptions, or voltage and wave form fluctuations occasioned in whole or in part by the negligence of the Company or its agent(s), the Company shall be liable only for that portion of the damages arising from personal injury, death of persons, or costs of necessary repairs to

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or reasonable replacement of electrical equipment proximately caused by the negligent acts of the Company or its agent(s). The Company shall not be liable in any event for consequential damages.

**342.8    Metering**

If the output of the Producer's generating installation is to be purchased by the Company, it will be measured by Meters as required for the metering option chosen by the Producer in accordance with Commission Substantive Rule 25.242 (relating to Arrangements Between Qualifying Facilities and Electric Utilities). Any necessary Meter(s) or Meter modification in addition to one standard service Meter will be installed, maintained and operated by the Company at the Producer's expense. A connection will be provided for the Meter(s) at the Producer's expense in a location that is acceptable to both the Company and the Producer. The Company may, at its own expense, supply, install and maintain load research metering for the purpose of monitoring and evaluating the Producer's generating installation.

The metered output of Producer's generating installation will be read by the Producer and, at the election of the Company, accumulated or monthly readings may be checked at least monthly by representatives of the Company.

The Meter(s) will, by comparison with accurate standards, be tested and calibrated as often as necessary, without charge, subject to the provisions stated below. The Producer or the Company may reasonable request such tests, and shall be given notice of not less than five (5) working days when such tests are to be made. Both the Producer and the Company will have the right to be present at such tests. If a Meter is found to be inaccurate, it shall be restored to an accurate condition or replaced. If the Meter has been tested by the Company or by an authorized agency, at the Customer's request, and within a period of four (4) years the Customer requests a new test, the Company shall make the test, but, if the Meter is found to be within the accuracy standards

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established by the American National Standards Institute, then the party requesting the tests shall bear the expense of the tests. A report of the results of any tests shall be furnished promptly by the party making such tests to the other party. Any Meter(s) registering a deviation of not more than two percent (2%) from normal shall be deemed accurate. The readings of any Meter(s) which have been inaccurate shall be corrected according to the percentage of inaccuracy as determined by the tests for a period of no more than ninety (90) days prior to the tests. If any Meter fails to register for any period, the facility output during such period shall be estimated in the best manner possible as agreed upon by the Company and the Producer.

**342.9     Additional Metering Options**

Producers using renewable resources with an aggregate design capacity of 50 kilowatts or less shall be offered the option of interconnecting through a single Meter that runs forward and backward. This option is not available if a contract for interconnection or the purchase of electricity is executed after December 31, 2008.

**342.10   Notice of Change in Installation**

Producer will notify the Company in writing fifteen (15) days in advance of making any change affecting the characteristics, performance, or protection of the generating installation. If it comes to the Company's attention that the modification will create or has created conditions which may be unsafe or adversely affect the Company's system, then it shall notify Producer and Producer shall immediately correct such condition.

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**342.11 Insurance**

Except for facilities subject to Commission Substantive Rule 25.217(c)(3) (relating to distributed renewable generation), producer shall continue to maintain insurance as required by the Company prior to interconnection and shall provide proof of such insurance to the Company at least annually.

**342.12 Automatic Disconnect**

It is the sole responsibility of the Producer for the design and installation of a system that will disconnect from the Company's system when any combination of phases feeding the Producer's installation are disconnected from central station power. The Producer's equipment shall be capable of disconnecting from the Company's system between recloser or breaker reclosing operations. Failure of the Producer's equipment to perform as described in this paragraph can result in death or injury to the Company's personnel or the general public. Failure of the Producer's equipment to perform as described in this paragraph can result in damage to both the Producer's and the Company's facilities.



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**343. Sales to Producer**

Producer's rate class shall be designated by the Company in accordance with the availability and type of service provisions in its Rate Schedules for all service including backup, supplementary, interruptible and maintenance.

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**344. Purchases from Producer**

**344.1 Rate**

The Company will pay Producer for all power purchased at the following rates:

**A. Capacity** No payment shall be made unless:

(1) Producer provides firm power by contract;

or

(2) An aggregate capacity value provided by disbursed generating installations can be reasonably estimated and there is an avoided capacity cost.

**B. Energy** The metered kWh output from the Producer will be purchased at the Company's total Energy cost divided by the total kWhs purchased as calculated from the most recent wholesale power bill.

In the event that the Producer exercises the option to sell power to the Company, there will be, in addition to the minimum monthly bill requirements under the applicable service Rate Schedule(s), a Customer service charge of \$24.00 per month for metering and billing.

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**344.2    Refusal to Purchase**

The Company may, at certain times and as operating conditions warrant, reasonably refuse to accept part or all of the output of the Producer's facility. Such refusal shall be based on system emergency constraints, special operating requirements, adverse effects of the Producer's facility on the Company's system or violation by the Producer of the terms of the Agreement for Interconnection and Parallel Operation of Cogeneration and Small Power Installations; 100 kW or Less.

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**345. Distributed Generation Interconnection**

**345.1 Availability**

Section 345 of this Tariff is available to customers with a generating installation consisting of one or more on-site generating units that the customer desires to operate in parallel with the Company's system at distribution voltage ("Distributed Generation"). The Company shall interconnect Distributed Generation as described in Commission Substantive Rules 25.211 and 25.212 pursuant to the terms of the Agreement for Interconnection and Parallel Operation of Distributed Generation, which is incorporated herein. No more than ten (10) MW of a facility's distributed generation capacity may be interconnected at any point in time at the point of interconnection (point of common coupling) with the Company's distribution system.

**345.2 Application**

A person seeking interconnection and parallel operation of Distributed Generation with the Company must complete and submit the Application for Interconnection and Parallel Operation of Distributed Generation with the Utility System, which is incorporated herein.

**345.3 Terms and Conditions of Service**

The terms and conditions under which interconnection of Distributed Generation is to be provided are contained in Commission Substantive Rules 25.211 and 25.212, which are incorporated herein by reference, and in the Agreement for Interconnection and Parallel Operation of Distributed Generation, which is incorporated herein. The rules are subject to change from time to time as determined by the Commission, and such changes shall be automatically applicable hereto based upon the effective date of any Commission order or rule amendment.

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**345.4      Studies and Services**

Pre-interconnection studies may be required and conducted by the Company. Other services may be provided as requested by the Distributed Generation customer and provided pursuant to negotiations and agreement by the customer and the Company and may be subject to approval by the Commission.

**345.5      Pre-Interconnection Study Fee Schedule**

For pre-certified Distributed Generation units rated up to 500 kW that export not more than 15% of the customer's total load on a single radial feeder and that also contribute not more than 25% of the maximum potential short circuit current on a single radial feeder are exempt from any pre-interconnection study fees. For all other Distributed Generation applications, the study fees in the following table will apply. The fees shown in the table are additive.

**INTERCONNECTION STUDY FEE TABLE**

NON-EXPORTING	0 to 10 kW	10+ to 500 kW	500+ to 2,000 kW	2,000+ to 10,000 kW
1. Pre-certified, not on network	\$0	\$260	\$625	\$750
2. Not pre-certified, not on network	\$0	\$500	\$1,000	\$1,000
3. Pre-certified, on network	N/A	N/A	N/A	N/A
4. Not pre-certified, on network	N/A	N/A	N/A	N/A

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EXPORTING	0 to 10 kW	10+ to 500 kW	500+ to 2,000 kW	2,000+ to 10,000 kW
1. Pre-certified, not on network	\$75	\$300	\$1,375	\$1,875
2. Not pre-certified, not on network	\$125	\$625	\$1,625	\$2,000
3. Pre-certified, on network	N/A	N/A	N/A	N/A
4. Not pre-certified, on network	N/A	N/A	N/A	N/A

**345.6      Prescribed Form: Application for Interconnection and Parallel Operation of Distributed Generation with the Utility System**

Customers seeking to interconnect distributed generation with the Company's system will complete and file with the Company the Application for Interconnection and Parallel Operation of Distributed Generation with the Utility System, which is incorporated herein.

**345.7      Distributed Renewable Generation Metering**

Customers that own distributed renewable generation, as defined in Commission Substantive Rule 25.217(b), may request, pursuant to Commission Substantive Rule 25.213(b), installation of metering equipment that separately measures both the Customer's consumption from the distribution network and the out-flow that is delivered from the Customer's side of the Meter to the distribution network.

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**345.8      Notice**

This rate schedule is subject to Sharyland Utilities' Tariff and Applicable Legal Authorities.

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**346- 349. Reserved for Future Use**



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**350.    Customer-Initiated Discontinuance of Service**

**350.1    Customer's Request**

Any Customer desiring to discontinue Electric Service from the Company shall make a request identifying the Customer, the service location where discontinuance is desired, the Meter number(s), the date service is requested to be discontinued, and forwarding address if applicable.

**350.2    Disconnection**

Following receipt of Customer's request for discontinuance of service the Company shall disconnect service. Where practicable, disconnection is usually made on the date requested by the Customer, however, the Company shall not be obligated to make disconnection earlier than the second full business day following receipt of Customer's request.

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**351.    Company Initiated Discontinuance**

**351.1    Reasons for Discontinuance With Proper Notice**

The Company may discontinue service to a Customer, after proper notice, under any of the following circumstances:

- A. Failure to pay a bill for Electric Service or make deferred payment arrangements by the date of disconnection;
- B. Failure to comply with the terms of a deferred payment agreement;
- C. Violation of the Company's Rules on using service in a manner that interferes with the service of others or the operation of nonstandard equipment, if a reasonable attempt has been made to notify the Customer and Customer is provided with a reasonable opportunity to remedy the situation;
- D. Failure to pay a deposit as required by Section 302 of this Tariff; or
- E. Failure of the guarantor to pay the amount guaranteed, when the Company has a written agreement, signed by the guarantor, that allows for disconnection of the guarantor's service.

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**351.2    Notice of Disconnection**

If a Customer fails or refuses to pay the Company in accordance with the provisions of the Electric Service Agreement, Service Rules, applicable Rate Schedule, deferred payment agreement, or guaranty agreement, then proper notice shall be given prior to disconnection. Proper notice shall consist of a separate mailing or hand delivery at least ten (10) days prior to a stated date of disconnection, with the words "termination notice" or similar language prominently displayed on the notice. The information included in the notice shall be provided in English and Spanish as necessary to adequately inform the Customer. The notice shall include a statement notifying the Customer that if Customer needs assistance paying a bill by the due date, or is ill and unable to pay a bill, the Customer may be able to make some alternate payment arrangement, establish deferred payment plan, or possibly secure payment assistance by contacting the Company for more information. The cut-off day may not fall on a holiday or weekend, but shall fall on the next working day after the tenth day. Payment at Company's authorized payment agency is considered payment to the Company. The Company shall not issue late notices or disconnect notices to the Customer earlier than the first day the bill becomes delinquent so that a reasonable length of time is allowed to ascertain receipt of payment by mail or at the Company's authorized payment agency. For example, if a billing due date falls on a 16th (which is not a holiday or weekend) the earliest date that disconnect notices could be issued is the 17th.

Unless a dangerous condition exists, or unless the Customer requests disconnection, service shall not be disconnected on a day, or on a day immediately preceding a day, when personnel of the Company are not available to the public for the purpose of making collections and reconnecting service.

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**351.3    Reasons for Discontinuance Without Notice**

Electric Service may be disconnected without any notice to Customer under any of the following circumstances:

**A.    Hazardous Condition**

If it comes to the Company's attention that a hazardous condition exists, where reasonable, given the nature of the hazardous condition, a written statement providing notice of and the reason for disconnection shall be posted at the place of common entry and an attempt made to notify a Customer as soon as possible after service has been disconnected.

or

**B.    Meter Tampering**

If Company's Meter which serves Customer has been tampered with or bypassed, the Company may discontinue service. For purposes of this section, Meter tampering, bypass, or diversion shall be defined as tampering with an electric Meter or equipment, bypassing the same, or other instances of diversion, such as physically disorienting the Meter, objects attached to the Meter to divert service or to bypass, insertion of objects into the Meter, and other electrical and mechanical means of tampering with bypassing, or diverting electrical service, or there has been a theft of Electric Service (Section 31.04 of the Penal Code of the State of Texas), or criminal mischief for having damaged or tampered with the Company's property (Section 28.03 of the Penal Code of the State of Texas).

The Company may charge for all legal fees, labor, material and equipment necessary to repair or replace all equipment damaged due to Meter

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tampering or bypassing or other service diversion, and other costs necessary to correct service diversion where there is no equipment damage, including incidents where service is reconnected without authority. An itemized bill of such charges must be provided to the Customer. The Company may also estimate and bill the Customer for Electric Service over the entire period of Meter tampering, Meter bypassing or service diversion.

or

- C. Where service is connected without authority by a Person who has not made application for service.

or

- D. Where service was reconnected without authority after termination for nonpayment.

**351.4 Postponement of Disconnection Medical**

The Company will not discontinue service to a delinquent residential Customer permanently residing in an individually metered dwelling unit when that Customer establishes that discontinuance of service will result in some person residing at that residence becoming seriously ill or more seriously ill if service is disconnected. Any Customer seeking to avoid termination of service under this Rule must make a written request supported by a written statement from a licensed physician. The physician (or other similar public health official) must call or contact the Company by the stated due date of disconnection. The prohibition against discontinuance of service provided by this Rule will last sixty-three (63) days from the issuance of the Company's bill or such lesser period as may be agreed upon by the Company and the Customer. The Customer who makes such request shall enter into a deferred payment plan.

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**351.5      Effect of Discontinuance of Service**

**A.    Customer's Obligations**

Discontinuance of service shall not relieve Customer from any obligation to the Company or lessen or change any obligation in any manner.

**B.    Company's Rights**

Discontinuance of service shall not reduce, diminish, or eliminate any legal right or remedy accruing to the Company on or before the date of discontinuance, nor shall discontinuance operate as a waiver of any legal right or remedy.

Failure of Company to discontinue Electric Service at any time after default or breach of this Tariff, or to resort to any legal remedy or its exercise of any one or more of such remedies, does not affect the Company's right to resort thereafter to any one or more of such remedies for the same or any default or breach by Customer.

**351.6      Dismantling of Company Facilities**

The Company may, upon discontinuance of Electric Service to Customer, dismantle and remove all Facilities, equipment, apparatus, or other Facilities which the Company may have installed to provide Electric Service to Customer. The Company may, however, abandon in place, in whole, or in part its underground Facilities and equipment in lieu of removing such Facilities.

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**351.7      Liability for Discontinuance of Service**

The Company shall not be liable for any damages of any kind or character resulting from discontinuance or disconnection made pursuant to these Rules.

**351.8      Refund of Deposit**

After disconnection of service, if service is not reconnected, the Company shall refund the Customer's deposit, plus accrued interest on the balance, if any, in excess of unpaid bills for service furnished or fees due.

**351.9      Disconnection Prohibited**

Disconnection by the Company is prohibited for the following reasons:

- A. Delinquency in payment for utility service by a previous occupant on the Premises;
- B. Failure to pay for a different type or class of utility service unless charges for such service were included on that account's bill; at the time service was initiated.
- C. Failure to pay for merchandise, or charges for non-Electric Service, including, but not limited to, insurance policies or home security systems, provided by the Company;
- D. Failure to pay charges arising from an underbilling, except theft of service, more than six (6) months prior to the current billing;
- E. Failure to pay charges arising from a underbilling due to any faulty metering, unless the Meter has been tampered with or unless such underbilling charges are due under Section 351.3(B);

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- F. Failure to pay an estimated bill, other than a bill rendered pursuant to an approved Meter-reading plan, unless the Company is unable to read the Meter due to circumstances beyond its control.
- G. Failure to pay disputed charges, except for the required average billing payment until a determination as to the accuracy of the charges has been made by the Company or the Public Utility Commission of Texas and the Customer has been notified of this determination.

**352. - 369. Reserved for Future Use**



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**370. Definitions**

**Applicant**

A person requesting Electric Service from the Company in the manner prescribed in the Company's Service Rules and Regulations.

**Commission**

The Public Utility Commission of Texas.

**Company**

Sharyland Utilities, L.P.

**Contribution in Aid of Construction or CIAC**

Non-refundable cash payment by the Customer or Applicant for the extension of Facilities to provide Electric Service.

**Customer**

Any Customer receiving Electric Service from the Company.

**Customer's Installation**

All conductors, equipment, buildings, structures, or apparatus of any kind on Customer's side of the Point of Delivery, excepting only Company's Meters, electric Facilities and other equipment on the Customer's side of the Point of Delivery.

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**Demand**

The rate at which Electric Energy is used at any instant or averaged over any designated period, as measured in kilowatts (kW) or kilovolts (kV).

**Distribution System**

The Company's primary and secondary voltage conductors, transformers, switchgear, connection enclosures, pedestals, services, and other associated equipment used to provide Electric Service.

**Electric Service**

Electric Energy produced, or transmitted, or distributed, or provided, or made available by the Company at a Meter, which may or may not be located at the Point of Delivery together with all services and functions performed by the Company.

**Electric Service Agreement**

Any agreement between the Applicant or the Customer and the Company which sets forth certain information, terms, obligations and/or conditions of Electric Service pursuant to the provisions of this Tariff.

**Energy or Electric Energy**

The capacity for doing work. The unit for measuring electrical energy is the watt hour, or kilowatt hour which is 1,000 watt hours (kWh).

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**Facilities**

All the plant and equipment of the Company including all tangible personal property without limitation, in any manner owned, operated, leased, licensed, used, controlled, furnished, or supplied for, by or in connection with the business of the Company.

**Facilities Extension Agreement**

The agreement between the Company and Applicant/Customer requesting certain Facilities be constructed to provide Electric Service to the Applicant/Customer executed before the Company can construct these Facilities.

**Intermittent Use Installation**

Any installation other than a Permanent Installation.

**Meter**

A device, or devices, together with auxiliary equipment, for measuring Electric Energy usage and/or demand and/or other data.

**Municipality or Municipalities**

Any incorporated city(ies), town(s), or village(s).

**Parties**

The Company and an Applicant or Customer.

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**Permanent Installation**

Any installation that is:

- A. Constructed on or permanently affixed to a concrete slab or concrete piers (not blocks) and which is actually used or occupied on a permanent full-time basis.

or

- B. Any other structure which meets all of the following criteria:

- (1) The structure must be impractical to move;
- (2) The structure must be actually used or occupied on a permanent full-time basis; and
- (3) The structure must be permanently connected to a water system and must also be permanently connected to a sewer or septic system.

**Person**

Any individual, partnership, association, joint venture, corporation, or governmental entity.

**Point of Delivery**

The point where the Company's conductors/devices are connected to the Customer's conductors/devices.

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**Premises**

A tract of land or real estate including buildings or other appurtenances thereon.

**Rate Schedule**

Any schedule of rates approved by the Regulatory Authority.

**Regulatory Authority**

Either the Public Utility Commission of Texas or the governing body of a Municipality, in accordance with the context.

**Rules; Service Rules; Services Rules and Regulations**

Any service rule or regulation approved by the Company, and if applicable, approved by the Public Utility Commission of Texas or other Regulatory Authority and contained in Section III of this Tariff.

**Service Area**

The area or territory in which the Company provides Electric Service.

**Service Entrance Conductors**

Conductors provided by the Customer extending from Customer's electrical equipment to the Point of Delivery where connection is made to the Company's conductors/devices.

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**Tariff(s)**

All provisions of this document including but not limited to provisions regarding (1) utility operations, (2) rates and charges, (3) Service Rules and Regulations, and (4) forms.

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**371. Forms**

SE/vb MAP #- \_\_\_\_\_  
WO # \_\_\_\_\_ SCHOOL DIST - \_\_\_\_\_  
SRV ADD - \_\_\_\_\_ SOURCE - \_\_\_\_\_

**SHARYLAND UTILITIES, L.P.**  
**ELECTRIC SERVICE AGREEMENT**

Agreement made \_\_\_\_\_, between Sharyland Utilities, L.P., (hereinafter called the "Seller"), and \_\_\_\_\_ (hereinafter called the "Consumer"), a corporation, partnership, individual (strike inapplicable designations.)

**WITNESSETH:**

The Seller agrees to sell and deliver to the Consumer, and the Consumer agrees to purchase and receive from the Seller all of the electric power and energy which the Consumer may need at \_\_\_\_\_ up to \_\_\_\_\_ KVA, upon the following terms:

1. SERVICE CHARACTERISTICS

Service hereunder shall be alternating current \_\_\_\_\_ phase, 60 Hertz \_\_\_\_\_ volts.

2. PAYMENT

- a) The Consumer shall pay the Seller for services hereunder at the rates and upon the terms and conditions set forth in Rate Schedule \_\_\_\_\_ attached to and made a

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part of this agreement. Consumer understands and agrees that said Rate Schedule \_\_\_\_\_ is subject to change from time to time by Seller or any regulatory authority or any court that now has or hereafter may have jurisdiction of or control over such Rate Schedule of rates, terms and conditions as may now exist or may in the future be established by any of said parties for application to the class of service provided under this agreement.

Seller agrees that any future change in said Rate Schedule \_\_\_\_\_ will not become effective under this agreement until it has become effective under all similar agreements with the class of service provided hereunder. Notwithstanding any provision of the Rate Schedule and irrespective of Consumer's requirements for or use of electric power and energy, the Consumer shall pay to the Seller a minimum each and every month during the term hereof for service or having service available hereunder during the term hereof. The monthly minimum charge shall remain in effect for a period of time equal to the term of this contract, and may, at the election of Seller, be reduced to the system minimum charge per rate class at the expiration of said term.

- b) The Seller may discontinue service hereunder by giving ten (10) days written notice thereof to the Consumer. If service shall be discontinued for nonpayment, service will be reconnected only upon Consumer's complying fully with Seller's Rules and regulations from time to time pertaining thereto.

3. CONTINUITY OF SERVICE

The Seller shall make all reasonable efforts to provide an uninterrupted supply of electric power and energy; but if such supply shall fail or be interrupted, or become deficient through act of God, or the public enemy, or by accidents, strikes, labor troubles or by action of the elements, or inability to secure right-of-ways, or other permits needed, or for any other cause beyond the reasonable control of the Seller, the Seller shall not be liable thereof.



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4.      TERMS

This agreement shall become effective on the date service is first made available hereunder by the Seller to the Consumer, and shall remain in effect for a period of \_\_\_\_\_ years commencing with such date, and from and after the expiration of such period it shall remain and be in effect from month-to-month until terminated by either party.

5.      SUCCESSION

This agreement shall be binding upon and inure to the benefit of the parties hereto, their heirs, successors, legal representatives and assigns.

6.      CONTRIBUTIONS IN AID TO CONSTRUCTION

The Consumer shall pay the Seller the sum of \$ \_\_\_\_\_ on account of the cost of constructing, installing and furnishing Facilities required to make service available to the Consumer on or before the commencement of construction of such Facilities. All such Facilities shall be and remain the property of the Seller. No refund shall be made to the Consumer of any portion of the aid-to-construction.

IN WITNESS WHEREOF, the parties hereto have executed this agreement, or have caused the same to be executed by their duly authorized representatives all as of the day and year first above written.

Sharyland Utilities, L.P., Seller

By \_\_\_\_\_  
Manager

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Attest:

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Consumer

By \_\_\_\_\_

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Title of Officer

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**NEW CONSTRUCTION COST ESTIMATE AND APPLICATION FOR NEW SERVICE**

Name of Applicant: \_\_\_\_\_ SS# \_\_\_\_\_

Mailing Address: \_\_\_\_\_ D.L \_\_\_\_\_

Physical Address: \_\_\_\_\_

City/State: \_\_\_\_\_ Zip: \_\_\_\_\_

Home Phone: \_\_\_\_\_ Work Phone: \_\_\_\_\_ Cell Phone: \_\_\_\_\_

Applicant's Place of Employment: \_\_\_\_\_

Address: \_\_\_\_\_

City/State: \_\_\_\_\_ Zip: \_\_\_\_\_

Position/Title: \_\_\_\_\_ How long at current job: \_\_\_\_\_

References:

Friend: \_\_\_\_\_ Phone No.: \_\_\_\_\_

Friend: \_\_\_\_\_ Phone No.: \_\_\_\_\_

Family Member: \_\_\_\_\_ Phone No.: \_\_\_\_\_

I hereby certify that the information contained in this application is correct to the best of my knowledge and that this application is submitted on the basis of a legitimate permissible purpose.

SHARYLAND UTILITIES, L.P.  
TARIFF FOR ELECTRICAL SERVICE

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I understand and agree that upon Sharyland Utilities, L.P.'s (hereinafter, the Company) acceptance of this application, I agree to be bound by all of the terms and conditions of the Company's Tariff for Electric Service and do further agree that such terms and conditions shall serve as a contract between me and the Company.

It is understood that subscription for the applicant, if approved by the Company, will not become effective until the subscriber's agreement has been duly executed by both applicant and the Company.

In connection with my request for services and credit from the Company, I hereby authorize the Company to complete any credit investigation necessary, including but not limited to obtaining a credit report containing information on my credit. I further authorize any credit reporting agency to release my credit information to the Company for the processing of the application. This shall be considered my authorization for the Company to obtain the above-referenced information.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
Applicant

\_\_\_\_\_  
Joint Applicant (If any)

**NOTICE:    THESE COSTS ARE FOR CONSTRUCTION ONLY AND DO NOT  
INCLUDE DEPOSITS OR SERVICE CHARGES.    THIS ESTIMATE IS  
VALID FOR NO MORE THAN 30 DAYS.**

SHARYLAND UTILITIES, L.P.  
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**FOR OFFICE USE ONLY**

**Construction Cost:** \_\_\_\_\_  
**Job Location:** \_\_\_\_\_  
**Job Description:** \_\_\_\_\_  
**W.O. Number:** \_\_\_\_\_

<b>Connect Fee:</b> _____ <b>Deposit:</b> _____ <b>Aid to Constr.:</b> _____ <b>Other:</b> _____ <b>Total:</b> _____	<b>Letter of Credit Provided:</b> _____  <b>Does Property Have Gate:</b> Yes____ No ____ <b>Permission to Install Lock:</b> Yes____ No ____ <b>Gate Combination:</b> _____
--	--

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
Sharyland Utilities, L.P. Representative

SHARYLAND UTILITIES, L.P.  
TARIFF FOR ELECTRICAL SERVICE

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**EASEMENT AND RIGHT-OF-WAY**

THE STATE OF TEXAS           §  
  §       **KNOW ALL MEN BY THESE PRESENTS:**  
COUNTY OF                   §

**NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.**

That the undersigned, \_\_\_\_\_  
(GRANTOR)

(hereinafter call "GRANTOR" whether one or more) for good and valuable consideration received by "GRANTOR" from SHARYLAND UTILITIES, L.P., a corporation duly organized and existing under the laws of the State of Texas, (hereinafter called the "CORPORATION"), the receipt and sufficiency of which is hereby fully acknowledged and confessed, has granted, sold and conveyed and does hereby grant unto the said CORPORATION, its successors and assigns, a right-of-way and easement for the purpose of constructing electric transmission and distribution Facilities or systems, either or both, and for the laying, constructing, reconstructing, relocating, maintaining, repairing, operating, replacing, and removing overhead and/or underground electric power Facilities together with all necessary gates, locks, and convenient fittings and appliances incident thereto, for the transmission and distribution of electricity, in, on, over, across, under, and through the following described lands and premises of GRANTOR, lying and being situated in \_\_\_\_\_ County, Texas, and described as follows:

(Insert Legal Description)

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and in, on, over, across, under and through all streets, roads, or highways adjacent to or abutting said lands and premises. CORPORATION, its successors and assigns, shall have the right to select the route of such Facilities and to do any and all things which may be requisite for the enjoyment of the rights herein granted.

The CORPORATION shall have all other rights and benefits necessary or convenient for the full enjoyment and use of the rights herein granted, including, but not without limiting the same to, the right to ingress and egress in, on, over and across GRANTOR's adjacent lands and premises to and from the same.

GRANTOR agrees that all poles, wires, fittings, appliances, facilities, and other personal property installed in, on, over, or under said lands and premises by the CORPORATION shall remain the property of the CORPORATION and shall be removable at its option.

GRANTOR covenants and agrees that no water shall be impounded nor any buildings or other structures of any type whatsoever will be constructed within any distance from said electric Facilities in such a manner as to conflict with the National Safety Code or any applicable law, as either of the same now exists or may be amended in the future, and that this shall be a covenant running with the land and shall be binding upon GRANTOR, GRANTOR's heirs and assigns. CORPORATION shall have the right from time to time, to cut, trim, and to keep clear all trees, shrubbery, undergrowth and other obstructions on or over said right-of-way and easement that may, or may threaten to injure, endanger, or interfere with the operation, maintenance or use of such electric Facilities or other facilities appurtenant thereto. CORPORATION shall also have the right to license, permit, or otherwise agree to the joint use or occupancy of such Facilities or systems by any other person, association, corporation, or legal entity for electrification, telephone or other purposes.

To have and to hold said right-of-way and easement unto the said CORPORATION, its successors and assigns; and the GRANTOR does hereby bind GRANTOR, GRANTOR's heirs, executors and administrators to warrant and forever defend all and singular, the said premises unto the said CORPORATION, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

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Dated this the \_\_\_\_\_ day of \_\_\_\_\_ A.D., 20\_\_\_\_.

WITNESS:

\_\_\_\_\_  
(GRANTOR'S SIGNATURE)

**THE STATE OF TEXAS**           §  
  §  
**COUNTY OF** \_\_\_\_\_ §

SS# or Tax ID#

BEFORE ME, the undersigned authority, in and for said County, Texas, on this day personally appeared \_\_\_\_\_

known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, This \_\_\_\_\_ day of \_\_\_\_\_, A.D., 20\_\_\_\_.

\_\_\_\_\_  
Notary Public State of Texas

My Commission Expires \_\_\_\_\_

(SEAL)

Revised 9/28/01



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**SHARYLAND UTILITIES, L.P.**  
**GUARANTEE TO PAY BILLS FOR ELECTRICAL SERVICE**

Pursuant to the Tariff Regulations of the Public Utility Commission of the State of Texas, I, \_\_\_\_\_, promise to pay Sharyland Utilities, L.P. (hereinafter, the Company), all bills for Electric Service as rendered. Payment shall be made promptly following receipt of billing and shall be paid on or before sixteen (16) days from the date of issuance by the Company.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Address

\_\_\_\_\_  
City

**SURETY AGREEMENT**

The undersigned, as Surety for the payment of the above Guarantee, does hereby agree to Guarantee the payment as hereinabove stated. Surety agrees to pay to the Company the total amount shown on each bill issued to the aforesigned person. The maximum amount of this guarantee shall not exceed \$ \_\_\_\_\_.

The Company shall provide written notification to the guarantor of the amount of the Customer's default, the amount owed by the guarantor, and the due date for the amount owed. If payment is not received after sixteen (16) days then the amount owed will be transferred to the guarantor's

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own service bill. The Company may disconnect service to the guarantor for nonpayment of the guaranteed amount if payment is not made after a disconnect notice has been issued.

\_\_\_\_\_  
DATE

\_\_\_\_\_  
SURETY

This Letter of Guarantee expires on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ or once the above named person has paid for twelve (12) consecutive billings without having service disconnected for nonpayment of a bill and without having more than two (2) occasions in which a bill was delinquent.

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**SHARYLAND UTILITIES, L.P.**  
**DEFERRED PAYMENT PLAN AGREEMENT**

Account Number: \_\_\_\_\_

Amount of Agreement: \_\_\_\_\_

I, \_\_\_\_\_, acknowledge the above outstanding amount and agree to pay \_\_\_\_\_ per month for \_\_\_\_\_ months, plus the current billings, on or before the \_\_\_\_\_ of each month. It is further understood that should I default, either on the current billings or the amount agreed on in this deferred payment plan, by or before the above date, a penalty of 5% on the unpaid balance will be charged and my service will be subject to disconnection.

If service is disconnected for nonpayment, all charges due SHARYLAND UTILITIES, L.P., including a deposit equal to two month's billing and collection fees up to \$82.50 must be paid in full before service will be reconnected.

**“If you are not satisfied with this contract, or if agreement was made by telephone and you feel this contract does not reflect your understanding of that agreement, contact the electric utility immediately and do not sign this contract. If you do not contact the electric utility, or if you sign this agreement, you may give up your right to dispute the amount due under the agreement except for the electric utility’s failure or refusal to comply with the terms of this agreement.”**

\_\_\_\_\_  
Customer Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Sharyland Utilities, L.P. Representative

\_\_\_\_\_  
Date

SHARYLAND UTILITIES, L.P.  
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**PAYMENT ARRANGEMENT**

Date: \_\_\_\_\_ Account # \_\_\_\_\_

Name: \_\_\_\_\_ Phone # \_\_\_\_\_

Amount Due: \_\_\_\_\_ Date to Pay: \_\_\_\_\_

I agree to pay the amount specified on this extension on or before the due date promised. I understand the amount due must be in the office of Sharyland Utilities, L.P. no later than 5:00 pm on the date promised. A payment in the mail is not considered payment unless received by the due date specified.

I also agree to the following: (please initial)

\_\_\_\_\_ No extensions will be made on previous extensions.

\_\_\_\_\_ Anyone not meeting the terms of this agreement may forfeit future extensions.

\_\_\_\_\_ I acknowledge that failure to make this payment will cause my Electric Service to be terminated. If service is disconnected, I will have to pay all bills and fees due to Sharyland Utilities, L.P., which may include a deposit equal to one-sixth of the estimated annual usage as well as collection fees up to \$82.50.

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“If you are not satisfied with this contract, or if agreement was made by telephone and you feel this contract does not reflect your understanding of that agreement, contact the electric utility immediately and do not sign this contract. If you do not contact the electric utility, or if you sign this agreement, you may give up your right to dispute the amount due under the agreement except for the electric utility’s failure or refusal to comply with the terms of this agreement.”

\_\_\_\_\_  
Customer Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Sharyland Utilities, L.P. Representative

\_\_\_\_\_  
Date

Customers account will be eligible for next extension in \_\_\_\_\_20\_\_\_\_.

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**FACILITIES EXTENSION AGREEMENT**

WO NO. \_\_\_\_\_, 20\_\_\_\_\_  
NO. \_\_\_\_\_

Sharyland Utilities, L.P., hereinafter called Company, agrees to accept payment of \_\_\_\_\_ Dollars to be paid by \_\_\_\_\_ of \_\_\_\_\_ County, Texas, hereinafter called Applicant, as a Non-Refundable Construction Payment in connection with an application for the purpose of inducing Company to extend Facilities to Premises identified as follows: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ at or near \_\_\_\_\_, Texas.

In consideration of said Non-Refundable Construction Payment, to be paid to Company by Applicant prior to commencement of construction, Company agrees to install and operate Facilities and equipment necessary to distribute Electric Service to the above identified Premises, all of which shall be and remain the property of Company. Company expressly retains the right

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to use said Facilities and equipment for any purpose which Company deems advisable, including the distribution of Electric Service to other Customers.

Nothing herein contained shall be construed as a waiver or relinquishment by Company of any right that it has or may hereafter have to discontinue service for or on account of default in the payment of any bill owing or to become owing thereunder or for any other reason or cause stated in Company's Tariff.

This agreement shall not be binding upon Company unless and until it is signed by an authorized representative of Company.

Sharyland Utilities, L.P.

By: \_\_\_\_\_

Title: \_\_\_\_\_

ACCEPTED:

\_\_\_\_\_

\_\_\_\_\_

Applicant

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**AGREEMENT FOR INTERCONNECTION AND PARALLEL  
OPERATION OF COGENERATION OR SMALL POWER PRODUCTION  
INSTALLATION; 100 KW OR LESS**

THIS AGREEMENT made this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_\_ (hereinafter referred to as the “Producer”) and Sharyland Utilities, L.P. (hereinafter referred to as the “Company”) is as follows:

1. Purpose. Producer owns or intends to own and/or operate a qualifying electric power generating installation and desires to interconnect and operate such installation in parallel with the Company’s electric Distribution System. This Agreement defines the relationship between the Company and the Producer, including terms affecting the purchase and sale of electricity as well as reasonable conditions for interconnection and parallel operation.

2. Producer’s Generating Installation. The generating installation to which this agreement applies is described as:

Make \_\_\_\_\_  
 Model \_\_\_\_\_  
 Serial # \_\_\_\_\_  
 Fuel or Energy Source \_\_\_\_\_  
 Nameplate Output Rating \_\_\_\_\_ kW  
 Operating Voltage \_\_\_\_\_ volts  
 Connection \_\_\_\_\_ phase  
 Located at \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_



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Emergency Contact:

Name \_\_\_\_\_

Address \_\_\_\_\_

Phone \_\_\_\_\_

3. Terms. The Company agrees to use reasonable diligence to provide simultaneous Electric Service. Interconnection, parallel operation, and sales and purchases of electricity shall be governed by the Company's Tariff, including any and all amendments that may hereafter be approved or ordered by any regulatory authority. SAID TARIFF INCLUDING ALL SERVICE RULES, REGULATIONS AND RATES IS A PART OF THIS AGREEMENT TO THE SAME EXTENT AS IF FULLY SET OUT HEREIN AND IS ON FILE AND AVAILABLE AT THE COMPANY'S OFFICE IN MIDLAND, TEXAS, AND ALL DIVISION OFFICES.

4. Interconnection. Prior to interconnection, the Producer shall have (a) fulfilled all requisites for the provision of Electric Service contained in the Company's Tariff; (b) provided an interconnection plan and other information; (c) complied with the conditions for any Facilities extension; (d) provided satisfactory liability insurance, if required by the Company's Tariff; (e) signed and delivered this Agreement; (f) completed construction; (g) complied with laws; (h) given notice of intent to energize; and (i) eliminated any conditions preventing interconnection. The Producer warrants to the Company that the Producer's power generating installation is constructed, shall be maintained in a safe and reliable condition and shall comply with the latest applicable codes.

5. Parallel Operation. The Producer is responsible for installation, safe operation, protection, and maintenance of all equipment and wiring at and beyond the point where the Producer's conductors contact the Company's conductors. The electrical power generated shall be compatible with the Company's standard Distribution System at the Point of Delivery and of such quality that the Company's system is not adversely affected. The Producer shall install and pay for a visible break disconnect switch. The Company shall have access to the disconnect switch and the Meter at all times.

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The Company's liability is limited in accordance with its Tariff, and the Producer agrees to indemnify and hold the Company harmless for all claims except as specified in the Tariff.

6. Purchases of Electricity from Producer. At the option of the Producer, the Company will purchase:

\_\_\_\_\_ No output from the generating installation while allowing the Producer to use the output to offset the Producer's total consumption, with the Producer's meter modified to prevent reverse metering;

or

\_\_\_\_\_ The net surplus output from the generating installation as measured by a second service meter which records the net surplus output of the Producer into the Company's system, where the net surplus is defined to be the accumulated instantaneous output of the Producer in excess of the Producer's simultaneous instantaneous load;

or

\_\_\_\_\_ The output of the Producer's generating installation as measured by a second meter which records the output while charging the Producer for the Producer's consumption.

The Company shall pay for electricity purchased from the Producer according to the applicable Tariff for qualifying power generation installations.

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At the option of the Producer, the Company will:

\_\_\_\_\_ Credit the value of all output purchased from the Producer's generating installation against the monthly bill for service for the month following receipt of the Producer's meter reading for the monthly billing cycle;

or

\_\_\_\_\_ Pay the Producer by check for all output purchased from the Producer's generating installation within \_\_\_\_\_ days from receipt of the Producer's meter reading for the monthly billing period.

7. Sales of Electric Service to Producer. The Producer agrees to pay for Electric Service in accordance with the Rate Schedule applicable to the \_\_\_\_\_ class. If any Tariff or rate is changed by the Company, or by order or consent of any Regulatory Authority having jurisdiction thereof, whether or not at the request of the Company, such changed Tariff, rate or redefined class of service shall be applicable to service provided hereunder from and after the date of such change. Periodically, the Company shall render to the Producer a statement of services rendered. The Producer agrees to pay the total amount shown on such statement within fifteen (15) days from its date. Payment shall be made to the Company at its office in Stanton, Martin County, Texas.

8. Term. The acceptance of this instrument by the Company shall constitute an agreement between the Producer and the Company which shall continue in force for an initial term of \_\_\_\_\_ years (not to exceed five (5) years) from the date service is made available by the Company to the Producer. After the initial term, this Agreement may be terminated by either party giving at least thirty (30) days' written notice to the other party.

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9. Breach. The failure or refusal to perform any obligation contained in this Agreement shall constitute a breach of this Agreement. The parties shall have such remedies for breach as may be provided for at law or in equity. Notwithstanding any other provision of this Agreement, the Company may discontinue service if the Producer has breached any portion of this Agreement by failure to make timely payment or otherwise.

10. Entire Agreement. This Agreement constitutes the entire Agreement between the parties and supersedes all prior agreements between the Producer and the Company for the service herein described. The Company, its agents and employees have made no representations, promises, or made any inducements, written or verbal, which are not contained herein. The Producer agrees that it is not relying on any statements not herein contained.

11. Assignment. This Agreement shall not be assigned by the Producer except in accordance with the articles, bylaws, and Rules and regulations of the Company. This Agreement shall inure to the benefit of the Company's assigns.

12. Interconnection Cost. Producer agrees to pay for extension of the Company's Facilities and other interconnection costs as follows:

\$ \_\_\_\_\_ in advance of any work by the Company;

or

\$ \_\_\_\_\_ per month as an increased monthly minimum over and above the applicable minimum stated in the Company's Tariff.

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13. Receipt of Tariff.    Producer acknowledges receipt of the Company's currently-effective Tariff.

SHARYLAND UTILITIES, L.P.

PRODUCER

By: \_\_\_\_\_

By: \_\_\_\_\_

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**APPLICATION FOR INTERCONNECTION AND  
PARALLEL OPERATION OF DISTRIBUTED GENERATION  
WITH THE UTILITY SYSTEM**

Return completed Application to the appropriate division office:

Sharyland Utilities, L.P.  
Attention: Manager, Distribution Planning  
Stanton Division Office  
P.O. Box 700  
Stanton, Texas 79782

Sharyland Utilities, L.P.  
Attention: Manager, Distribution Planning  
Brady Division Office  
P.O. Box 271  
Brady, Texas 76825

Sharyland Utilities, L.P.  
Attention: Manager, Distribution Planning  
Colorado City Division Office  
P.O. Box 793  
Colorado City, Texas 79512

Sharyland Utilities, L.P.  
Attention: Manager, Distribution Planning  
Celeste Division Office  
P.O. Box 428  
Celeste, Texas 75423

Customer's Name: \_\_\_\_\_

Address: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Service Point Address: \_\_\_\_\_

Information Prepared and Submitted By: \_\_\_\_\_

(Name and Address) \_\_\_\_\_

Signature \_\_\_\_\_

SHARYLAND UTILITIES, L.P.  
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The following information shall be supplied by the Customer or Customer's designated representative. All applicable items must be accurately completed in order that the Customer's generating facilities may be effectively evaluated by Sharyland Utilities, L.P. for interconnection with the utility system.

**GENERATOR**

Number of Units: \_\_\_\_\_

Manufacturer: \_\_\_\_\_

Type (Synchronous, Induction, or Inverter): \_\_\_\_\_

Fuel Source Type (Solar, Natural Gas, Wind, etc.): \_\_\_\_\_

Kilowatt Rating (95 F at location) \_\_\_\_\_

Kilovolt-Ampere Rating (95 F at location): \_\_\_\_\_

Power Factor: \_\_\_\_\_

Voltage Rating: \_\_\_\_\_

Ampere Rating: \_\_\_\_\_

Number of Phases: \_\_\_\_\_

Frequency: \_\_\_\_\_

Do you plan to export power: \_\_\_\_\_ Yes / \_\_\_\_\_ No

If Yes, maximum amount expected: \_\_\_\_\_

Pre-Certification Label or Type Number: \_\_\_\_\_

Expected Energizing and Start-up Date: \_\_\_\_\_

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Normal Operation of Interconnection: (examples: provide power to meet base load, demand management, standby, back-up, other (please describe)) \_\_\_\_\_

One-line diagram attached: \_\_\_\_\_ Yes

Has the generator Manufacturer supplied its dynamic modeling values to the Host Utility?  
 \_\_\_\_\_ Yes

[Note: Requires a Yes for complete application. For Pre-Certified Equipment, answer is Yes.]

Layout sketch showing lockable, “visible” disconnect device:  
 \_\_\_\_\_ Yes

SHARYLAND UTILITIES, L.P.

[CUSTOMER NAME]

BY: \_\_\_\_\_

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_



SHARYLAND UTILITIES, L.P.  
TARIFF FOR ELECTRICAL SERVICE

<u>SECTION:</u>  FORMS	Section No. IV  Effective Date: October 17, 2011
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**AGREEMENT FOR INTERCONNECTION AND  
PARALLEL OPERATION OF DISTRIBUTED GENERATION**

This Interconnection Agreement (“Agreement”) is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, by Sharyland Utilities, L.P., (“Company”), and \_\_\_\_\_ (“Customer”), a \_\_\_\_\_ [specify whether corporation, and if so name state, municipal corporation, cooperative corporation, or other], each hereinafter sometimes referred to individually as “Party” or both referred to collectively as the “Parties.” In consideration of the mutual covenants set forth herein, the Parties agree as follows:

1. **Scope of Agreement** – This Agreement is applicable to conditions under which the Company and the Customer agree that one or more generating facility or facilities of ten MW or less to be interconnected at 60 kV or less (“Facility or Facilities”) may be interconnected to the Company’s utility system, as described in Exhibit A.

2. **Establishment of Point(s) of Interconnection** – Company and Customer agree to interconnect their Facility or Facilities at the locations specified in this Agreement, in accordance with Public Utility Commission of Texas Substantive Rules § 25.211 relating to Interconnection of Distributed Generation and § 25.212 relating to Technical requirements for Interconnection and Parallel Operation of On-Site Distributed Generation, (16 Texas Administrative Code §25.211 and §25.212) (the “Rules”) or any successor rule addressing distributed generation and as described in the attached Exhibit A (the “Point(s) of Interconnection”).

3. **Responsibilities of Company and Customer** – Each Party will, at its own cost and expense, operate, maintain, repair, and inspect, and shall be fully responsible for, Facility or Facilities which it now or hereafter may own unless otherwise specified on Exhibit A. Customer shall conduct operations of its facility(s) in compliance with all aspects of the Rules, and Company shall conduct operations on its utility system in compliance with all aspects of the Rules, or as further described and mutually agreed to in the applicable Facility Schedule. Maintenance of Facilities or interconnection facilities shall be performed in accordance with the applicable manufacturer’s recommended maintenance schedule. The Parties agree to cause their

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Facilities or systems to be constructed in accordance with specifications equal to or greater than those provided by the National Electrical Safety Code, approved by the American National Standards Institute, in effect at the time of construction.

Each Party covenants and agrees to design, install, maintain, and operate, or cause the design, installation, maintenance, and operation of, its distribution system and related Facilities and Units so as to reasonably minimize the likelihood of a disturbance, originating in the system of one Party, affecting or impairing the system of the other Party, or other systems with which a Party is interconnected.

Company will notify Customer if there is evidence that the Facility operation causes disruption or deterioration of service to other customers served from the same grid or if the Facility operation causes damage to Company's system.

Customer will notify Company of any emergency or hazardous condition or occurrence with the Customer's Unit(s) which could affect safe operation of the system.

**4. *Limitation of Liability and Indemnification***

- a. Notwithstanding any other provision in this Agreement, with respect to Company's provision of electric service to Customer, Company's liability to Customer shall be limited as set forth in Company's PUC-approved tariffs and terms and conditions for electric service, which is incorporated herein by reference.*
- b. Neither Company nor Customer shall be liable to the other for damages for any act that is beyond such party's control, including any event that is a result of an act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, a curtailment, order, or regulation or restriction imposed by governmental, military, or lawfully established civilian authorities, or by the making of necessary repairs upon the property or equipment of either party.*

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- c. Notwithstanding Paragraph 4.b of this Agreement, Company shall assume all liability for and shall indemnify Customer for any claims, losses, costs, and expenses of any kind or character to the extent that they result from Company's negligence in connection with the design, construction, or operation of its facilities as described on Exhibit A; provided, however, that Company shall have no obligation to indemnify Customer for claims brought by claimants who cannot recover directly from Company. Such indemnity shall include, but is not limited to, financial responsibility for: (a) Customer's monetary losses; (b) reasonable costs and expenses of defending an action or claim made by a third person; (c) damages related to the death or injury of a third person; (d) damages to the property of Customer; (e) damages to the property of a third person; (f) damages for the disruption of the business of a third person. In no event shall Company be liable for consequential, special, incidental or punitive damages, including, without limitation, loss of profits, loss of revenue, or loss of production. The Company does not assume liability for any costs for damages arising from the disruption of the business of the Customer or for the Customer's costs and expenses of prosecuting or defending an action or claim against the Company. This paragraph does not create a liability on the part of the Company to the Customer or a third person, but requires indemnification where such liability exists. The limitations of liability provided in this paragraph do not apply in cases of gross negligence or intentional wrongdoing.*
- d. Notwithstanding Paragraph 4.b of this Agreement, Customer shall assume all liability for and shall indemnify Company for any claims, losses, costs, and expenses of any kind or character to the extent that they result from Customer's negligence in connection with the design, construction or operation of its facilities as described on Exhibit A; provided, however, that Customer shall have no obligation to indemnify Company for claims brought by claimants who cannot recover directly from Customer. Such indemnity shall include, but is not limited to, financial responsibility for: (a) Company's monetary losses; (b) reasonable costs and expenses of defending an action or claim made by a third person; (c) damages related to the death or injury of a third person; (d) damages to the property of Company; (e) damages to the property of a third person; (f) damages for the disruption of the business of a third person. In no event shall Customer be liable for consequential, special, incidental or punitive damages, including, without limitation, loss of profits, loss*

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*of revenue, or loss of production. The Customer does not assume liability for any costs for damages arising from the disruption of the business of the Company or for the Company's costs and expenses of prosecuting or defending an action or claim against the Customer. This paragraph does not create a liability on the part of the Customer to the Company or a third person, but requires indemnification where such liability exists. The limitations of liability provided in this paragraph do not apply in cases of gross negligence or intentional wrongdoing.*

- e. Company and Customer shall each be responsible for the safe installation, maintenance, repair and condition of their respective lines and appurtenances on their respective sides of the point of delivery. The Company does not assume any duty of inspecting the Customer's lines, wires, switches, or other equipment and will not be responsible therefore. Customer assumes all responsibility for the electric service supplied hereunder and the facilities used in connection therewith at or beyond the point of delivery, the point of delivery being the point where the electric energy first leaves the wire or facilities provided and owned by Company and enters the wire or facilities provided by Customer.*
- f. For the mutual protection of the Customer and the Company, only with Company prior authorization are the connections between the Company's service wires and the Customer's service entrance conductors to be energized.*

**5. Right of Access, Equipment Installation, Removal & Inspection** – Upon reasonable notice, the Company may send a qualified person to the premises of the Customer at or immediately before the time the Facility first produces energy to inspect the interconnection, and observe the Facility's commissioning (including any testing), startup, and operation for a period of up to no more than three days after initial startup of the unit.

Following the initial inspection process described above, at reasonable hours, and upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition, Company shall have access to Customer's premises for any reasonable purpose in connection with the performance of the obligations imposed on it by this Agreement or if necessary to meet its legal obligation to provide service to its customers.

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6. **Disconnection of Unit** – Customer retains the option to disconnect from Company’s utility system. Customer will notify the Company of its intent to disconnect by giving the Company at least thirty days’ prior written notice. Such disconnection shall not be a termination of the agreement unless Customer exercises rights under Section 7.

Customer shall disconnect Facility from Company’s system upon the effective date of any termination under Section 7.

Subject to Commission Rule, for routine maintenance and repairs on Company’s utility system, Company shall provide Customer with seven business days’ notice of service interruption.

Company shall have the right to suspend service in cases where continuance of service to Customer will endanger persons or property. During the forced outage of the Company’s utility system serving customer, Company shall have the right to suspend service to effect immediate repairs on Company’s utility system, but the Company shall use its best efforts to provide the Customer with reasonable prior notice.

7. **Effective Term and Termination Rights** – This Agreement becomes effective when executed by both parties and shall continue in effect until terminated. The agreement may be terminated for the following reasons: (a) Customer may terminate this Agreement at any time, by giving the Company sixty days’ written notice; (b) Company may terminate upon failure by the Customer to generate energy from the Facility in parallel with the Company’s system within twelve months after completion of the interconnection; (c) either party may terminate by giving the other party at least sixty days prior written notice that the other Party is in default of any of the material terms and conditions of the Agreement, so long as the notice specifies the basis for termination and there is reasonable opportunity to cure the default; or (d) Company may terminate by giving Customer at least sixty days notice in the event that there is a material change in an applicable rule or statute.

8. **Governing Law and Regulatory Authority** – This Agreement was executed in the State of Texas and must in all respects be governed by, interpreted, construed, and enforced in accordance with the laws thereof. This Agreement is subject to, and the parties’ obligations

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hereunder include, operating in full compliance with all valid, applicable federal, state, and local laws or ordinances, and all applicable rules, regulations, orders of, and tariffs approved by, duly constituted regulatory authorities having jurisdiction.

9. **Amendment** – This Agreement may be amended only upon mutual agreement of the Parties, which amendment will not be effective until reduced to writing and executed by the Parties.

10. **Entirety of Agreement and Prior Agreements Superseded** – This Agreement, including all attached Exhibits and Facility Schedules, which are expressly made a part hereof for all purposes, constitutes the entire agreement and understanding between the Parties with regard to the interconnection of the facilities of the Parties at the Points of Interconnection expressly provided for in this Agreement. The Parties are not bound by or liable for any statement, representation, promise, inducement, understanding, or undertaking of any kind or nature (whether written or oral) with regard to the subject matter hereof not set forth or provided for herein. This Agreement replaces all prior agreements and undertakings, oral or written, between the Parties with regard to the subject matter hereof, including without limitation \_\_\_\_\_ [specify any prior agreements being superseded], and all such agreements and undertakings are agreed by the Parties to no longer be of any force or effect. It is expressly acknowledged that the Parties may have other agreements covering other services not expressly provided for herein, which agreements are unaffected by this Agreement.

11. **Notices** – Notices given under this Agreement are deemed to have been duly delivered if hand delivered or sent by United States certified mail, return receipt requested, postage prepaid, to:

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(a) If to Company:

Sharyland Utilities, L.P.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(b) If to Customer:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The above-listed names, titles, and addresses of either Party may be changed by written notification to the other, notwithstanding Section 10.

**12. Invoicing and Payment** – Invoicing and payment terms for services associated with this agreement shall be consistent with applicable Substantive Rules of the PUCT.

**13. No Third-Party Beneficiaries** – This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.

**14. No Waiver** – The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered to waive the obligations, rights, or duties imposed upon the Parties.

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15. **Headings** – The descriptive headings of the various articles and sections of this Agreement have been inserted for convenience of reference only and are to be afforded no significance in the interpretation or construction of this Agreement.

16. **Multiple Counterparts** – This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed by their respective duly authorized representatives.

SHARYLAND UTILITIES, L.P.

[CUSTOMER NAME]

BY: \_\_\_\_\_

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_



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**EXHIBIT A**

**LIST OF FACILITY SCHEDULES AND POINTS OF INTERCONNECTION**

Facility Schedule No.

Name of Point of Interconnection

[Insert Facility Schedule number and name for each Point of Interconnection]

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**FACILITY SCHEDULE NO.**

[The following information is to be specified for each Point of Interconnection, if applicable.]

1. Name:
2. Facility location:
3. Delivery voltage:
4. Metering (voltage, location, losses adjustment due to metering location, and other):
5. Normal Operation of Interconnection:
6. One line diagram attached (check one): \_\_\_\_\_ Yes / \_\_\_\_\_ No
7. Facilities to be furnished by Company:
8. Facilities to be furnished by Customer:
9. Cost Responsibility:

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10. Control area interchange point (check one): \_\_\_\_\_ Yes / \_\_\_\_\_ No

11. Supplemental terms and conditions attached (check one): \_\_\_\_\_ Yes / \_\_\_\_\_ No

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[CUSTOMER NAME]

BY: \_\_\_\_\_

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_