

**TARIFF
FOR
RETAIL DELIVERY SERVICE**

SHARYLAND UTILITIES, L.P. - MCALLEN

**SHARYLAND UTILITIES, L.P. - MCALLEN
1807 Ross Avenue, Suite 460
Dallas, Texas 75201**

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CHAPTER 1: DEFINITIONS

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

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

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

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

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

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

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BILLING DETERMINANTS. Measured, calculated, or specified values used to determine Company's Delivery Charges that can be transmitted to the CR on an approved TX SET electronic transaction. These values may include, but are not limited to, measurements of kilowatt-hours (kWh), actual monthly Non-Coincident Peak (NCP) Demand, annual NCP Demand, annual 4-CP Demand (coincident peak for four summer months), Billing Demand, Power Factor, fixed charges, number of lamps, Rate Schedules, and rate subclass.

BUSINESS DAY. Any day on which Company's corporate offices are open for business.

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

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

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

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

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

COMPETITIVE RETAILER (CR). A Retail Electric Provider, or a Municipally Owned Utility, or an Electric Cooperative that offers customer choice in the restructured competitive electric power market or any other entity authorized to provide Electric Power and Energy in Texas. For purposes of this Tariff, a Municipally Owned Utility or an Electric Cooperative is

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only considered a Competitive Retailer where it sells retail Electric Power and Energy outside its certified service territory.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ERCOT. The Electric Reliability Council of Texas, Inc.

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

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

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

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

HOME AREA NETWORK (HAN) PROVISIONED METER. An advanced meter as defined in P.U.C. SUBST. R. 25.130, Advanced Metering, that has been deployed by the Company, and for which the HAN communications are operational.

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

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KILOVOLT AMPERES or kVA. 1000 Volt-Amperes.

KILOWATT or kW. 1000 Watts.

KILOWATT-HOUR or kWh. 1000 Watt-hours.

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

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

METER DATA. All data contained within the Meter.

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

METER READING. The process whereby Company collects the information recorded by Meter. Such reading may be obtained manually, through telemetry or other electronic

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communications, or by estimation, calculation or conversion in accordance with the procedures and practices authorized under this Tariff.

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

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

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

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

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

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

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

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

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

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

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

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

RETAIL CUSTOMER. An end-use customer who purchases Electric Power and Energy and ultimately consumes it. Whenever used in the context of Construction Services, the term Retail Customer also includes property owners, builders, developers, contractors, governmental entities, or any other organization, entity, or individual that is not a Competitive Retailer making a request for such services to the Company.

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

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

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

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

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

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

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

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SETTLEMENT PROVISIONED METER. An advanced meter as defined in P.U.C. SUBST. R. 25.130, Advanced Metering, that has been deployed by the Company, and for which 15-minute interval data is sent to and accepted by ERCOT for settlement purposes.

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

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

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

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

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

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

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CHAPTER 2: DESCRIPTION OF SHARYLAND UTILITIES’ CERTIFIED SERVICE AREA

2.1 DESCRIPTION OF OPERATIONS

Sharyland Utilities, L.P. (“SU”) is a privately-owned, Texas limited partnership organized and operating under the laws of the State of Texas. SU was formed in November 1998 and received a Certificate of Convenience and Necessity (“CCN”) on July 9, 1999, in Docket No. 20292. SU is doing business in this original certificated area as Sharyland Utilities, L.P. – McAllen. In 2010, SU received approval in Docket No. 37990 to acquire a former electric cooperative and its CCNs, which expanded SU’s operations throughout the state. SU is doing business in these additional areas as Sharyland Utilities, L.P.

2.2 DESCRIPTION OF SERVICE AREA

2.2.1 SHARYLAND UTILITIES L.P. – MCALLEN

SU's certificated service area in the McAllen division 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.

2.2.2 SHARYLAND UTILITIES, L.P. – BRADY, CELESTE, COLORADO CITY, AND STANTON DIVISIONS

SU's certificated service area in its Brady, Celeste, Colorado City, and Stanton divisions includes all or portions of the following counties:

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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, and includes all or portions of the following incorporated municipalities:

Brady	Celeste
Colorado City	Greenville
Farmersville	Melvin
Midland	Richland Springs
Stanton	

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CHAPTER 3: GENERAL SERVICE RULES & REGULATIONS

3.1 APPLICABILITY

This Tariff governs the rates, terms of access and conditions of the provision of Delivery Service by Company to Competitive Retailers and Retail Customers. The provisions of this Tariff shall uniformly apply to all Competitive Retailers and Retail Customers receiving Delivery Service from Company. This Tariff does not apply to the provision of Transmission Service by non-ERCOT utilities. Neither does this Tariff apply to the provision of Delivery Service to Wholesale Customers. To the extent that a financing order of the PUCT relating to securitization conflicts with any portion of this Tariff, the terms of such order shall be controlling.

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

3.2 GENERAL

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

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provide Delivery Service on a nondiscriminatory basis to all Retail Customers and Competitive Retailers.

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

3.3 DESCRIPTION OF SERVICE

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

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

3.4 CHARGES ASSOCIATED WITH DELIVERY SERVICE

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

3.5 AVAILABILITY OF TARIFF

Copies of this Tariff are on file with the Commission and are also available for inspection at any business office of the Company. Company will provide a Competitive Retailer and

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Retail Customer, upon request and at no cost, a copy of the Rate Schedule under which Delivery Service is provided to Retail Customer. Additional copies of its Rate Schedules, or any portion of this Tariff, shall be provided by Company pursuant to the Rate Schedules included in this Tariff. Company shall post on its Internet site a copy of its current, complete Tariff in a standard electronic format for downloading free of charge.

3.6 CHANGES TO TARIFF

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

3.7 NON-DISCRIMINATION

Company shall discharge its responsibilities under this Tariff in a neutral manner, not favoring or burdening any particular Competitive Retailer or Retail Customer. Company

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

3.8 FORM OF NOTICE

A notice, demand or request required or authorized under this Tariff to be given by any party to any other party shall be in paper format or conveyed electronically, as specified in the section of this Tariff requiring such notice. Electronic notice shall be given in accordance with the appropriate TX SET protocol if a TX SET transaction exists. Any notice, demand or request provided electronically, other than those for which a standard market transaction exists, shall be deemed delivered when received by the designated contact. Notice provided in paper format shall either be personally delivered, transmitted by telecopy or facsimile equipment (with receipt confirmed), sent by overnight courier or mailed, by certified mail, return receipt requested, postage pre-paid, to the designated contact. Any such notice, demand or request in paper format shall be deemed to be given when so delivered or three days after mailed unless the party asserting that such notice was provided is unable to show evidence of its delivery. The designated contact is the contact designated in the Delivery Service Agreement or contact(s) otherwise agreed to by the parties, except that for notices required under Sections 4.4.6 and 4.6 of the Tariff, the “designated contact” shall be the contact(s) designated in the Delivery Service Agreement.

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

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

3.10 INVOICING TO STATE AGENCIES

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

3.11 GOVERNING LAWS AND REGULATIONS

Company's provision of Delivery Service is governed by all Applicable Legal Authorities as defined herein. This Tariff is to be interpreted to conform therewith. Changes in applicable laws, rules, or regulations shall become effective with regard to this Tariff, and

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any Service Agreements made pursuant to it, as of the effective date of such law, rule or regulation.

3.12 GOOD-FAITH OBLIGATION

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

3.13 QUALITY OF DELIVERY SERVICE

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

3.14 COOPERATION IN EMERGENCIES

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

3.15 SUCCESSORS AND ASSIGNS

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

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3.16 EXERCISE OF RIGHT TO CONSENT

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

3.17 WAIVERS

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

3.18 NON-BUSINESS DAY DESIGNATIONS

Company recognizes the following holidays on their day of federal observance: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and the day after Thanksgiving Day, and Christmas Day. Company may designate other days as Non-Business Days to reflect additional holiday observances by posting the designation on the Company website no later than October 31 of the preceding calendar year.

3.19 PUBLIC SERVICE NOTICE

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

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3.20 HEADINGS

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

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

4.1 GENERAL SERVICE RULES AND REGULATIONS

4.1.1 APPLICABILITY OF CHAPTER

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

4.1.2 REQUIRED NOTICE

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

4.2 LIMITS ON LIABILITY

4.2.1 LIABILITY BETWEEN COMPANY AND COMPETITIVE RETAILERS

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

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Company will make reasonable provisions to supply steady and continuous Delivery Service, but does not guarantee the Delivery Service against fluctuations or interruptions. Company will not be liable for any damages, whether direct or consequential, including, without limitation, loss of profits, loss of revenue, or loss of production capacity, occasioned by fluctuations or interruptions unless it be shown that Company has not made reasonable provision to supply steady and continuous Delivery Service, consistent with the Retail Customer's class of service, and in the event of a failure to make such reasonable provisions (whether as a result of negligence or otherwise), Company's liability shall be limited to the cost of necessary repairs of physical damage proximately caused by the service failure to those electrical Delivery facilities of Retail Customer which were then equipped with the protective safeguards recommended or required by the then current edition of the National Electrical Code.

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

4.2.2 LIMITATION OF DUTY AND LIABILITY OF COMPETITIVE RETAILER

Competitive Retailer has no ownership, right of control, or duty to Company, Retail Customer or other third party, regarding the design, construction or operation of Company's Delivery System. Competitive Retailer shall not be liable to any person or entity for any damages, direct, indirect or consequential, including, but without

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limitation, loss of business, loss of profits or revenue, or loss of production capacity, occasioned by any fluctuations or interruptions of Delivery Service caused, in whole or in part, by the design, construction or operation of Company's Delivery System.

4.2.3 DUTY TO AVOID OR MITIGATE DAMAGES

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

4.2.4 FORCE MAJEURE

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

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4.2.5 EMERGENCIES AND NECESSARY INTERRUPTIONS

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

Company shall provide advance notice to Competitive Retailer of such actions, if reasonably possible. Such notice may be provided by electronic notice to all certificated Competitive Retailers operating within the Company's service territory with specific identification of location, time and expected duration of the outage. Notice shall also be provided, if reasonably possible, to those Retail Customers designated as critical care residential customers, chronic condition residential customers, critical load industrial customers, or critical load public safety customers.

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

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

4.2.6 LIMITATION OF WARRANTIES BY COMPANY

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

4.3 SERVICE

4.3.1 ELIGIBILITY

A Competitive Retailer is eligible for Delivery Service when:

- (1) The Competitive Retailer and Company have received written notice from the Independent Organization certifying the Competitive Retailer's successful completion of market testing, including receipt of the digital certificate pursuant to Applicable Legal Authorities. Market testing will be conducted in accordance with a test plan as specified by Applicable Legal Authorities. Company and Competitive Retailer shall use best efforts to timely complete market testing; and
- (2) Competitive Retailer and Company execute a Delivery Service Agreement; or
- (3) In the event that subsection (1) has been satisfied, and Competitive Retailer has executed and delivered the Delivery Service Agreement to Company but Company has failed to execute the agreement within two Business Days of its

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receipt, Competitive Retailer shall be deemed eligible for Delivery Service during an interim period of Commission investigation by filing the unexecuted Delivery Service Agreement with the Commission for investigation into the reasons for such non-execution by Company.

4.3.2 INITIATION OF DELIVERY SYSTEM SERVICE (SERVICE CONNECTION)

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

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

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

- (1) The Retail Customer's Electrical Installation is known to be hazardous under applicable Codes, or is of such character that satisfactory Delivery System Service cannot be provided consistent with Good Utility Practice, or interferes with the service of other Retail Customers, or unless a known dangerous condition exists as long as it exists; or
- (2) The Competitive Retailer is not eligible for Delivery Service under Section 4.3.1, ELIGIBILITY or the Competitive Retailer or Retail

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Customer is in default under this Tariff. Retail Customer is considered to be in default if Retail Customer fails to satisfy any material obligation under this Tariff after being given notice of the failure and at least ten days to cure.

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

Requests for new Delivery System Service made by Competitive Retailer on behalf of Retail Customer which include the corresponding TX SET code for standard service, and are received by Company at least two Business Days prior to the Competitive Retailer's requested date shall be completed no later than the requested date. Requests received after 5:00 PM CPT or on a day that is not a Business Day, shall be considered received on the next Business Day. If the request is received less than two Business Days prior to the requested date, the Move-In will be scheduled for the Business Day that is two Business Days after the date the request is received. If the requested date is not a Business Day, the Move-In will be scheduled for the first Business Day following the requested date. This service is not available if inspections and permits, or other construction is required.

4.3.2.2 INITIATION OF DELIVERY SYSTEM SERVICE WHERE CONSTRUCTION SERVICES ARE REQUIRED

Where Construction Services are required prior to the initiation of Delivery System Service, Competitive Retailer may request initiation of Delivery System Service on behalf of Retail Customer. All such requests shall be governed by the provisions in Section 5.7, FACILITIES EXTENSION

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POLICY. After completion of Construction Service, Company shall initiate Delivery System Service in accordance with Section 4.3.2.1, INITIATION OF DELIVERY SYSTEM SERVICE WHERE CONSTRUCTION SERVICES ARE NOT REQUIRED.

4.3.3 REQUESTS FOR DISCRETIONARY SERVICES INCLUDING CONSTRUCTION SERVICES

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

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

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

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proper arrangements for Construction Service pursuant to Section 5.7, FACILITIES EXTENSION POLICY.

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

4.3.4 CHANGING OF DESIGNATED COMPETITIVE RETAILER

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

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4.3.5 SWITCHING FEE

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

4.3.6 IDENTIFICATION OF THE PREMISES AND SELECTION OF RATE SCHEDULES

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

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

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5. Maintain accurate United States Postal Service compliant services addresses, when available, to comply with Applicable Legal Authorities. Not later than July 1, 2007, when there are two or more ESI IDs for the same service address, the service address shall include information to distinguish between the Points of Delivery at the service address.

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

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

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

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

4.3.7 PROVISION OF DATA BY COMPETITIVE RETAILER TO COMPANY

Competitive Retailer shall timely supply to Company all data, materials, or other information specified in this Tariff, including current customer names, telephone number, and mailing address, in connection with Company's provision of Delivery Services to Competitive Retailer's Retail Customers, if required. Such information shall be used only for Company operations or in transitions of customers to another REP or POLR in accordance with Applicable Legal Authorities and will be subject to

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the provisions of the code of conduct rule, P.U.C. SUBST. R. 25.272(g), Code of Conduct for Electric Utilities and Their Affiliates.

Regardless of any information provided on an outage or service request, and regardless of the option chosen, a Competitive Retailer shall provide to Company, on the TX SET transaction intended for maintenance of current Retail Customer contact information, the information needed to verify Retail Customer's identity (name, address and telephone number) for a particular Point of Delivery served by Competitive Retailer and shall periodically provide Company updates of such information, in the manner prescribed by Applicable Legal Authorities. The requirement that a Competitive Retailer provide the information listed above, regardless of the option chosen shall be effective July 1, 2007.

4.3.8 SUSPENSION OF DELIVERY SERVICE

4.3.8.1 SUSPENSIONS WITHOUT PRIOR NOTICE

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

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

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

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

4.3.9 CRITICAL CARE / CHRONIC CONDITION / CRITICAL LOAD CUSTOMER DESIGNATION

4.3.9.1 CRITICAL CARE OR CHRONIC CONDITION RESIDENTIAL CUSTOMER STATUS

Upon receipt of an application for eligibility for critical care or chronic condition residential status, Company shall:

- (1) Follow the procedures outlined in P.U.C. SUBST. R. 25.497 for processing the application and designating a Retail Customer as a critical care residential customer or chronic condition residential customer and for notifying the Competitive Retailer and Retail Customer of any designation and any change in Retail Customer's designation;

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- (2) Follow the requirements under P.U.C. SUBST. R. 25.497 for sending renewal notices to a Retail Customer designated as a critical care residential customer or chronic condition residential customer; and
- (3) Ensure ESI IDs are properly identified for critical care or chronic condition status in Company systems and on applicable Retail Market transactions.

4.3.9.2 CRITICAL LOAD INDUSTRIAL CUSTOMER OR CRITICAL LOAD PUBLIC SAFETY

Upon receipt of a request for designation as a critical load industrial customer or critical load public safety customer Company shall:

- (1) Follow the Company-established process for evaluating the request for Critical Load status in collaboration with the Retail Customer's Competitive Retailer and Retail Customer and determine Retail Customer's eligibility for the appropriate Critical Load designation within one month of Company's receipt of the application;
- (2) Follow the Company-established process for appeal and notify the Competitive Retailer and Retail Customer of any change in qualification based on the appeal; and
- (3) Ensure ESI IDs are properly identified for critical load status in Company systems and on applicable Retail Market transactions.

4.3.9.3 OTHER COMPANY RESPONSIBILITIES

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

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4.3.10 NOTICED SUSPENSION NOT RELATED TO EMERGENCIES OR NECESSARY INTERRUPTIONS

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

- (1) In the event of unauthorized use, unauthorized connection or reconnection, or diversion of service or Tampering with the Meter or Metering Equipment or bypassing same;
- (2) In the event of Retail Customer's violation of the provisions of Company's Tariff pertaining to the use of Delivery Service in a manner which interferes with the Delivery Service of others or the operation of nonstandard equipment, or as otherwise specified by written agreement, and a reasonable opportunity has been provided to remedy the situation;
- (3) Upon Retail Customer's failure to comply with the terms of any written agreement made between Company and Retail Customer, upon default of Retail Customer under such an agreement, or upon failure to pay any charges billed by Company directly to Retail Customer pursuant to Section 5.8.2, BILLING TO RETAIL CUSTOMER BY COMPANY after a reasonable opportunity has been provided to remedy the failure;

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- (4) For Retail Customer's failure to provide Company with reasonable access to Company's facilities or the Meter located on Retail Customer's Premises after a reasonable opportunity has been provided to remedy the situation; or
- (5) Upon Company's receipt of a notice requiring such action, in the form and from the party specified by Applicable Legal Authorities. Company will not be responsible for monitoring or reviewing the appropriateness of any such notice except as provided in Section 5.3.7.4, PROHIBITED SUSPENSION OR DISCONNECTION.

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

4.3.11 RESTORATION OF DELIVERY SERVICE

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

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

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

4.3.12.1 MOVE OUT REQUEST

In the event that Retail Customer is vacating the Premises and Competitive Retailer no longer desires to be associated with the Point of Delivery, Competitive Retailer shall notify the Registration Agent of the date Competitive Retailer desires Company to discontinue Delivery Service to a particular Point of Delivery through a move-out transaction. Company shall discontinue Delivery Service to the Point of Delivery on the requested date provided the Company receives the transaction at least two Business Days prior to the requested date. A transaction received after 5:00 PM CPT on a Business Day, or on a day that is not a Business Day, will be considered received on the next Business Day. If the request is received less than two Business Days prior to the requested date, the Move-Out will be scheduled for the Business Day that is two Business Days after the date the request is received. If the requested date is not a Business Day, the move-out will be scheduled for the first Business Day following the requested date. Competitive Retailer shall not be responsible for any Delivery Services provided to that Point of Delivery after the move-out is effectuated unless

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specifically requested by the Competitive Retailer, and applicable to the time the Competitive Retailer was the Competitive Retailer of Record.

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

Competitive Retailer may request disconnection for non-payment by Retail Customer or reconnection thereafter as authorized by the Commission's customer protection rules and in accordance with Chapter 6 of the tariff. The execution of a disconnection for non-payment does not relieve the Competitive Retailer of responsibility for any Delivery Services provided to that Point of Delivery.

For premises without a provisioned advanced meter, for premises with a provisioned advanced meter without remote disconnect/connect capabilities, and for premises with a provisioned advanced meter that Company cannot successfully communicate with at the time Company attempts to execute the request by using Company's advanced metering system, standard reconnect requests received by Company by 2:00 PM CPT on a Business Day shall be reconnected that day. For such premises, standard reconnect requests received by Company after 2:00 PM CPT on a Business Day shall be reconnected that day, if possible, but no later than the close of Company's next field operational day.

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For premises with a provisioned advanced meter with remote disconnect/connect capabilities and for which the Company can successfully communicate with that provisioned advanced meter at the time Company attempts to execute the request by using Company's advanced metering system, standard reconnect requests received by Company from 8:00 AM CPT to 7:00 PM CPT on a Business Day shall be reconnected within 2 hours of receipt of a request.

For premises with a provisioned advanced meter with remote disconnect/connect capabilities where the Competitive Retailer provides prepaid service under P.U.C. Subst. R. 25.498, Retail Electric Service Using a Customer Prepayment Device or System, standard reconnect requests received by the Company from 8:00 AM CPT to 7:00 PM CPT on a Business Day shall be reconnected within 1 hour of receipt of request.

For all premises, standard reconnect requests received by Company between 2:00 PM CPT and 5:00 PM CPT on a Business Day shall be reconnected that day if possible, but no later than the close of Company's next field operational day. Standard reconnect requests received by Company after 7:00 PM CPT or on a day that is not a Business Day may be considered received at 8:00 AM CPT on the next Business Day.

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4.3.13 CUSTOMER REQUESTED CLEARANCE

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

4.4 BILLING AND REMITTANCE

4.4.1 CALCULATION AND TRANSMITTAL OF DELIVERY SERVICE INVOICES

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

Charges for Discretionary Services, other than Construction Services, provided to a particular Point of Delivery shall be separately identified on the invoice. Electronic invoices shall be transmitted using the appropriate TX SET transaction and shall be

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consistent with the terms and conditions of this Tariff. The Competitive Retailer shall acknowledge the receipt of the invoice and indicate whether the transaction conformed with ANSI X12 using the appropriate TX SET transaction within 24 hours of the receipt of the invoice. If Company receives a negative acknowledgement indicating the transaction failed ANSI X12 validation, Company shall correct any Company errors and re-issue the transaction within two Business Days of receipt of the negative acknowledgement. Following a positive acknowledgement indicating the transaction passed ANSI X12 validation, the Competitive Retailer shall have five Business Days to send a rejection response in accordance with the TX SET Implementation Guides and Commission Rules. However, if the Competitive Retailer receives an invoice relating to an ESI ID for which the Competitive Retailer has sent an enrollment or move-in request but has not received a response transaction from ERCOT, then the Competitive Retailer shall allow four Business Days to receive the response. If the Competitive Retailer has still not received the response transaction, the Competitive Retailer shall not reject the invoice, but will utilize an approved market process to resolve the issue. Additionally, a Competitive Retailer shall not reject an invoice, claiming it is not a Valid Invoice, outside the timelines specified in this subsection, or without supplying appropriate rejection reasons in accordance with TX SET Implementation Guides and Commission Rules. A Competitive Retailer may dispute a Valid Invoice under Section 4.4.8, INVOICE DISPUTES, but not reject it.

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4.4.2 CALCULATION AND TRANSMITTAL OF CONSTRUCTION SERVICE CHARGES

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

4.4.3 INVOICE CORRECTIONS

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

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

Company shall render a corrected invoice within seven days of the date of resolution of the error unless otherwise prohibited by this section.

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

4.4.4 BILLING CYCLE

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

The Competitive Retailer shall have the right to request a one-time adjustment to a Retail Customer's Meter Reading/billing cycle. The Competitive Retailer must select another Company-defined Meter Reading Schedule, if available for that account, unless the Retail Customer has remote Meter Reading capability, in which case the Competitive Retailer has the right to arrange for any Meter Read/billing cycle subject to Company's and ERCOT's Meter data processing capabilities. Company shall notify Competitive Retailer of any permanent changes in billing cycle or Meter Reading Schedules. Notification shall be provided in accordance with appropriate

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TX SET protocol. Company's Meter Reading Schedules will be made available on Company's website for the next year by December 15. Company shall provide 60 days notice for any changes in the Meter Reading Schedule.

4.4.5 REMITTANCE OF INVOICED CHARGES

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

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

Competitive Retailer shall pay the invoice by electronic funds transfer (EFT) or by wire transfer (WT) to a bank designated by Company. Payment will be considered received on the date Company's bank receives the EFT or WT and the appropriate

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remittance advice is received by Company in accordance with the requirements specified by Applicable Legal Authorities.

4.4.6 DELINQUENT PAYMENTS

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

4.4.7 PARTIAL PAYMENTS

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

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4.4.8 INVOICE DISPUTES

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

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

Upon notice of a dispute, the responding party shall investigate and respond in writing to the disputing party within ten Business Days of transmittal of the notice. Such response shall include a proposed resolution. Within 20 Business Days of the response, either party may initiate the dispute resolution procedures set forth in

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Section 4.9, DISPUTE RESOLUTION PROCEDURES. If Company does not receive notification of a dispute within 11 months from the due date of the invoice in question, said invoice shall be deemed conclusive and binding.

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

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

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

4.4.9 SUCCESSOR COMPETITIVE RETAILER

A Competitive Retailer shall not be obligated to pay the delinquent balance of another Competitive Retailer as a condition of providing service to Retail Customers. The

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prior Competitive Retailer, however, shall in no case be relieved of any previously invoiced charges or late fees incurred in the use of Company's Delivery System.

4.5 SECURITY DEPOSITS AND CREDITWORTHINESS

4.5.1 SECURITY RELATED TO TRANSITION CHARGES

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

4.5.2 SECURITY RELATED TO OTHER DELIVERY CHARGES

4.5.2.1 DEPOSIT REQUIREMENTS

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

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Competitive Retailers who do not provide and maintain the security required by this section shall be considered in default, as provided in Section 4.6.

4.5.2.2 SIZE OF DEPOSIT

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

4.5.2.3 FORM OF DEPOSIT

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

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4.5.2.4 INTEREST

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

4.5.2.5 HISTORICAL DEPOSIT INFORMATION

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

4.5.2.6 REFUND OF DEPOSIT

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

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

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

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4.6 DEFAULT AND REMEDIES ON DEFAULT

4.6.1 COMPETITIVE RETAILER DEFAULT

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

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

4.6.2 REMEDIES ON DEFAULT

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

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

- (1) Apply to delinquent balances Competitive Retailer's cash deposit, if any, and any accrued interest, or seek recourse against any letter of credit or surety bond for the amount of delinquent charges due to Company, including any penalties or interest;
- (2) Avail itself of any legal remedies that may be appropriate to recover unpaid amounts and associated penalties or interest;

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- (3) Implement other mutually suitable and agreeable arrangements with Competitive Retailer, provided that such arrangements are available to all Competitive Retailers on a non-discriminatory basis;
- (4) Notify the Commission that Competitive Retailer is in default and request suspension or revocation of Competitive Retailer's certificate; and
- (5) Require Competitive Retailer to do one of the following:
 - (A) Immediately arrange for all future remittances from Retail Customers of the Competitive Retailer in default to be paid into a dedicated account controlled by Company. Amounts collected in a dedicated account shall first be applied to amounts due Company, including any late fees and penalties with remaining amounts released to Competitive Retailer. Competitive Retailer shall bear all costs of such mechanism; or
 - (B) Require Competitive Retailer to transition customers to another Competitive Retailer or POLR.

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

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4.6.2.2 DEFAULT RELATED TO FAILURE TO SATISFY OBLIGATIONS UNDER TARIFF

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

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

4.6.2.3 DEFAULT RELATED TO DE-CERTIFICATION

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

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instruct the Registration Agent to immediately transfer the customers to the POLR.

4.6.3 CURE OF DEFAULT

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

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4.7 MEASUREMENT AND METERING OF SERVICE

4.7.1 MEASUREMENT

All charges for electricity consumed or demanded by a Retail Customer shall be based on Meter measurement except where otherwise provided for by the applicable Rate Schedule or this Tariff. Meters for residential Retail Customers shall be Company owned unless otherwise determined by the Commission.

Retail Customers required by the Independent Organization to have an IDR Meter may choose a Meter Owner, other than Company, in accordance with Applicable Legal Authorities; otherwise, the Meter shall be owned by the Company.

Company shall provide metering services and provide monthly Meter Reads used for Company billing, billing by a Competitive Retailer and ERCOT settlement in accordance with Applicable Legal Authorities and all standards and protocols adopted by the Independent Organization.

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

4.7.2 METER READING

Company is responsible for reading the Meter on a monthly basis in accordance with the published Meter Reading Schedule. Company must obtain an Actual Meter

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

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

4.7.2.1 DENIAL OF ACCESS BY RETAIL CUSTOMER

If in any month Retail Customer prohibits access to Company to read the Meter (due to premises being locked, presence of a threatening animal, physical threats to meter reader, or other similar reason), Company shall provide the Retail Customer a door hanger requesting access the following month and informing the Retail Customer of the consequences for continuing to fail to provide access. If there is no door on which to leave a door hanger, Company may leave the door hanger at a point of ingress. If no point of ingress is available, Company may choose not to leave the door hanger and

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must notify Competitive Retailer of the inability to leave the door hanger. Company shall inform Competitive Retailer that Company was unable to gain access and the reason that Company was unable to gain access, providing enough detail that Competitive Retailer can explain to the Retail Customer and inform Competitive Retailer of the number of consecutive months Company has been denied access by the customer. If the Competitive Retailer is notified that a customer denied access to Company to read the Meter, Competitive Retailer shall contact the Retail Customer to request access for Company the following month and inform the Retail Customer of the consequences for continuing to fail to provide access. Competitive Retailer contact may be either by mail, telephone or door to door contact.

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

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

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

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Company may continue to estimate a residential Premises or a non-critical load for an additional 60 days in order to implement one of the options.

Company may continue to estimate a non-residential Critical Load Premises for an additional 60 days in order to implement one of the options. If after 60 days, Company has failed to implement an option that provides access, due to the Retail Customer's failure to grant access to implement the solution, Company may charge a fee each month of continued denial of access until an option authorized by this section can be implemented, in accordance with Chapter 6. Company must provide documentation of its attempts to implement the option to the Competitive Retailer, Retail Customer or the Commission upon request.

The requirements of this section shall be effective no later than July 1, 2007.

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

The Company shall not estimate a Meter Reading for a Premises more than three consecutive times when customer has not denied access.

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

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An estimate performed by Company for the purpose of a mass transition of Retail Customers when Actual Meter Reads are infeasible or Applicable Legal Authorities dictate an estimation shall not be considered a break in a series of consecutive months of estimates, but shall not be considered a month in a series of consecutive estimates performed by Company.

The requirements of this section shall be effective no later than July 1, 2007.

4.7.3 REPORTING MEASUREMENT DATA

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

4.7.4 METER TESTING

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

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

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

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

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

4.8 DATA EXCHANGE

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

4.8.1 DATA FROM METER READING

Company shall make available to the Registration Agent within three Business Days of the scheduled Meter Reading date, all of the data recorded in the Meter that is used for Company billing and is required by the Retail Customer's settlement profile (such as kWh, kW, kVA) and, if applicable, Power Factor and any Meter Data required by Applicable Legal Authorities for Competitive Retailer to bill the Retail Customer. Competitive Retailer has the right to physical access of the Meter to the same extent Retail Customer has access, in accordance with the provisions of Section 5.10.2, RETAIL CUSTOMER RESPONSIBILITY AND RIGHTS, to obtain Meter Data if:

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

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

All Meter Data values for IDR Meters will contain an associated date/time field as a time stamp. All other Meters will have a date field. All time stamps (both for data points and sets of data) will be reported in CPT. Metering Data values for advanced Meters will contain a date/time field, consistent with protocols implemented through Applicable Legal Authorities.

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

Unless procedures are established for access to historical usage information to be provided by the Independent Organization, Company shall provide access to Retail Customer's historical usage and/or interval data to Retail Customer and with the Retail Customer's permission, current and/or prospective Competitive Retailers within three Business Days of the receipt of the request. Company shall maintain at

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least 12 months of usage and/or Demand data for each Premises with a volumetric or Demand Meter and shall also maintain interval data for any Premises for whom Company records interval data. If access is not provided by the Independent Organization, Company shall provide access to this data to IDR customers and advanced meter customers through a web-portal or other means such that the historical data is accessible at any time. If access is not provided by the Independent Organization, Company shall provide access to this data no later than July 1, 2007 to all other non-residential customers through a web-portal or other means such that the historical data is accessible at any time. Company shall ensure confidentiality of customer load data through the assignment of unique customer passwords or personal identification numbers (PINs) released only to the Retail Customer.

4.8.1.1 DATA RELATED TO INTERVAL METERS

Data from interval Meters will be sent as kWh during each interval. The kWh and kW or kVA Demand, as applicable, will be reported for each interval. Each recording interval shall be labeled according to Applicable Legal Authorities.

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4.8.1.2 DATA REPORTED BY VOLUMETRIC (KWH) METERS

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

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

4.8.1.3 OUT-OF-CYCLE METER READS

If a Competitive Retailer requests an out-of-cycle Switch, Company shall perform the associated out-of-cycle Meter Read in accordance with the timelines provided in Chapter 6. Out-of-cycle Meter Reads associated with a Retail Customer's change in designated Competitive Retailer shall be provided to both the new and previous Competitive Retailer on the next Business Day following the out-of-cycle Meter Read date. For the new Competitive Retailer, the billing period begins with the out-of-cycle Meter Read, and for the previous Competitive Retailer, the billing period ends with the out-of-cycle Meter Read.

Out-of-cycle Meter Reads not associated with a Retail Customer's change in Competitive Retailer (Meter Re-reads) shall be performed and the new reading shall be transmitted to Competitive Retailer within five Business Days

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of the receipt of the request. If, based upon the re-read, it is determined that the original monthly Meter Read was in error, the Meter Read and Billing Determinants for that billing period shall be corrected in accordance with Section 4.4.3, INVOICE CORRECTIONS, and no Discretionary Service charge will be applied by Company. If the re-read determines that the Original Meter Read was correct, a charge may be assessed for the re-read in accordance with Chapter 6.

4.8.1.4 ESTIMATED USAGE

Company is responsible for reading Meter on a monthly basis in accordance with the published Meter Reading Schedule. If an Actual Meter Reading is not obtained, Company shall estimate the Meter Reading for invoicing purposes in accordance with this Tariff and Company shall provide the reason for the estimation. In no event shall such estimate equal zero for a known active Meter, nor equal or exceed double the previous non-estimated month's usage unless Company has good reason to believe that this value is a reasonable estimate and can provide its reason upon request to Competitive Retailer.

Any electronic transaction transmitting an estimated Meter Reading to Competitive Retailer shall clearly denote that the Meter Reading is an estimate and include an explanation of the reason for the estimation. When an Actual Meter Reading is taken after two or more consecutive months of estimation, Company shall allocate any over or under-estimated usage over the entire estimation period. The allocation shall be based on the average daily consumption for the Retail Customer for the period between Actual

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Meter Reads. Estimated usage must be identified as “Estimated” in the SET transactions. If requested, Company shall provide the estimation method used. If an estimation methodology is developed by the Commission or other Applicable Legal Authority, Company shall use that methodology.

A Meter Reading for an IDR Meter shall not be considered an Estimated Meter Reading if an Actual Reading was obtained and Company had to estimate a limited number of intervals of data to fill in gaps in the data collected.

The requirement of this section that Company provide the reason for the estimation to Competitive Retailer on an electronic transaction shall be effective no later than July 1, 2007.

4.8.1.5 METER/BILLING DETERMINANT CHANGES

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

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

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

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4.8.2 DATA FOR UNMETERED LOADS

For unmetered service, the following standards apply:

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

4.8.3 ADJUSTMENTS TO PREVIOUSLY TRANSMITTED DATA

Re-sending or adjusting of previously transmitted data arises from data maintenance activities (e.g., response to inquiries, needs to restore data files, and responses to problems with posted data) and Meter maintenance activities (e.g., adjustments as improved information becomes available due to discovery of incorrect reads, crossed Meters, non-registering Meters, slow or fast Meters, incorrect multipliers, etc.). New requirements regarding the labeling of replacement data established by paragraphs (1) and (2) shall be implemented not later than July 1, 2007.

The following standards apply to such previously transmitted data:

- (1) When corrections are made to previously sent data, the original SET shall be first cancelled. A replacement SET of data (labeled as replacement data) is then transmitted within one Business Day of the cancelled data;
- (2) When corrections are made to previously sent data, the complete set of data pertaining to a Meter and billing cycle will be provided in the replacement

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transaction. When sending or correcting data, each billing cycle for the affected Meter will be in a distinct data set in the SET. Only the data for the affected billing cycle and Meter will be transmitted;

- (3) In the case of "crossed Meters," in which Meter numbers have been incorrectly reported for sets of usage data, the original SET will be cancelled and a new SET transmitted that correctly reports the data, ESI ID, and other associated data;
- (4) Company will make corrected data available to the original recipients in a timely manner no matter when the correction is made;
- (5) Company shall provide a reason for any correction to Competitive Retailer when the adjustment is made; and
- (6) All transactions containing corrections must be sent in accordance with TX SET standards as set forth in TX SET Implementation Guidelines and Commission rules.

4.8.4 DATA EXCHANGE PROTOCOLS

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

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

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- (4) An ESI ID will be assigned by the Company for each Point of Delivery in accordance with protocols adopted by the Independent Organization.

4.9 DISPUTE RESOLUTION PROCEDURES

4.9.1 COMPLAINT PROCEDURES

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

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

- (1) Company or Competitive Retailer may initiate the dispute process by presenting to the other party a notice of the dispute/complaint in writing, unless the dispute involves an invoice and notice has already been given under Section 4.4.8, INVOICE DISPUTES. Notice shall include, at a minimum, a clear description of the dispute, the nature of the dispute, a contact name and telephone number, and a proposed resolution;
- (2) Disputes shall be referred as promptly as practicable to a designated senior representative of each of the parties for resolution on an informal basis;
- (3) The receiving party shall investigate the complaint and provide a response to the complaining party and a proposed resolution in writing as soon as possible, but not later than ten Business Days following receipt of the complaint;

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- (4) In the event that the designated representatives are unable to resolve the dispute within 30 calendar days, from the date of the complaining party's initial notice under this Section, such dispute, by mutual agreement, may be referred to mediation or be submitted to binding arbitration and resolved in accordance with the current Commercial Arbitration Rules of the American Arbitration Association; and
- (5) In the event that binding arbitration is not chosen and resolution is not obtained within 30 calendar days after the initial notice or another mutually agreed upon timeline, an affected party may file a complaint with the Commission.

4.9.2 COMPLAINT WITH REGULATORY AUTHORITY

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

4.10 SERVICE INQUIRIES

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

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

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

4.11 OUTAGE AND SERVICE REQUEST REPORTING

4.11.1 NOTIFICATION OF INTERRUPTIONS, IRREGULARITIES, AND SERVICE REQUESTS

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

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

Competitive Retailer choosing option (1) must ensure that all necessary information is electronically communicated to Company in a timely manner using the appropriate TX SET protocol or other communication alternative agreed to by Company and

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Competitive Retailer, so as not to unnecessarily delay Company's response. Upon notification by a Competitive Retailer that the Competitive Retailer plans to forward outage information or service order requests to Company electronically, Company shall be capable of receiving data electronically from Competitive Retailer within 18 months, unless mutually agreed otherwise by Company and Competitive Retailer or Company obtains a waiver from the Commission. The data necessary includes the following information:

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

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

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

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service requests from Retail Customers. Company shall not act in a discriminatory manner in making such arrangements with Competitive Retailers.

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

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

4.11.2 RESPONSE TO REPORTS OF INTERRUPTIONS AND REPAIR REQUESTS

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

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

5.1 GENERAL

5.1.1 APPLICABILITY OF CHAPTER

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

5.1.2 COMPANY CONTACT INFORMATION

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

Customer Service Supervisor
Sharyland Utilities, L.P.
1400 W. Business 20
Stanton, Texas 79782
Phone: 800-442-8688

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5.2 LIMITS ON LIABILITY

5.2.1 LIABILITY BETWEEN COMPANY AND RETAIL CUSTOMERS

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

Company will make reasonable provisions to supply steady and continuous Delivery Service, but does not guarantee the Delivery Service against fluctuations or interruptions. Company will not be liable for any damages, whether direct or consequential, including, without limitation, loss of profits, loss of revenue, or loss of production capacity, occasioned by fluctuations or interruptions unless it be shown that Company has not made reasonable provision to supply steady and continuous Delivery Service, consistent with the Retail Customer's class of service, and in the event of a failure to make such reasonable provisions, whether as a result of negligence or otherwise, Company's liability shall be limited to the cost of necessary repairs of physical damage proximately caused by the service failure to those electrical delivery facilities of Retail Customer which were then equipped with the protective safeguards recommended or required by the then current edition of the National Electrical Code.

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

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5.2.2 LIMITATION OF DUTY AND LIABILITY OF COMPETITIVE RETAILER

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

5.2.3 DUTY TO AVOID OR MITIGATE DAMAGES

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

5.2.4 FORCE MAJEURE

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

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by governmental, military, or lawfully established civilian authorities, including any order or directive of the Independent Organization.

5.2.5 EMERGENCIES AND NECESSARY INTERRUPTIONS

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

Company shall provide advance notice to Retail Customer's Competitive Retailer, if reasonably possible. Such notice may be made by electronic notice to all certificated Competitive Retailers operating within Company's service territory, specifically identifying the location, time and expected duration of outage. Notice shall also be provided, if reasonably possible, to those Retail Customers designated as critical care residential customers, chronic condition residential customers, critical load industrial customers, or critical load public safety customers. If Retail Customer believes it qualifies for designation as a critical care residential customer, chronic condition residential customer, critical load industrial customer, or critical load public safety customers under P.U.C. SUBST. R. 25.497, Retail Customer may apply for designation as provided in P.U.C. SUBST. R. 25.497.

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

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

5.2.6 LIMITATION OF WARRANTIES BY COMPANY

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

5.3 SERVICE

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

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5.3.1 INITIATION OF DELIVERY SYSTEM SERVICE (SERVICE CONNECTION)

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

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

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

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

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The Retail Customer is responsible for selecting an eligible Competitive Retailer. Company shall direct Retail Customer to the Commission for a list of eligible Competitive Retailers or to other sources of information subject to Commission's Code of Conduct rules, if requested.

Requests for new Delivery System Service which include the corresponding TX SET code for standard service, and are received by Company at least two Business Days prior to the Competitive Retailer's requested date shall be completed no later than the requested date. Requests received after 5:00 PM CPT or on a day that is not a Business Day, shall be considered received on the next Business Day. If the request is received less than two Business Days prior to the requested date, the Move-In will be scheduled for the Business Day that is two Business Days after the date the request is received. If the requested date is not a Business Day, the Move-In will be scheduled for the first Business Day following the requested date. This service is not available if inspections and permits, or other construction is required.

5.3.1.2 INITIATION OF DELIVERY SYSTEM SERVICE WHERE CONSTRUCTION SERVICES ARE REQUIRED

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

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5.3.2 REQUESTS FOR CONSTRUCTION SERVICES

All Construction Service requests must include the following information:

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

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

5.3.3 CHANGING OF DESIGNATED COMPETITIVE RETAILER

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

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5.3.4 SWITCHING FEES AND SWITCHOVERS

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

5.3.5 IDENTIFICATION OF THE PREMISES AND SELECTION OF RATE SCHEDULES

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

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

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5. Maintain accurate United States Postal Service compliant services addresses, when available, to comply with Applicable Legal Authorities. Not later than July 1, 2007, when there are two or more ESI IDs for the same service address, the service address shall include information to distinguish between the Points of Delivery at the service address.

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

Retail Customer shall notify its Competitive Retailer, who will in turn notify Company, of any factors affecting Retail Customer's Electrical Installation or use of Premises that may affect the applicability of a Rate Schedule. Company may change

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a Retail Customer's Rate Schedule if Company is made aware that the Retail Customer is no longer eligible to receive service under its current Rate Schedule.

5.3.6 CHANGES IN RATE SCHEDULES

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

5.3.7 SUSPENSION OF SERVICE

5.3.7.1 SUSPENSIONS WITHOUT PRIOR NOTICE

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

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

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

If Retail Customer believes it qualifies for designation as a critical care residential customer, chronic condition residential customer, critical load industrial customer, or critical load public safety customer under P.U.C SUBST. R. 25.497, Retail Customer may apply for designation as provided in P.U.C SUBST. R. 25.497. Notice of a suspension of service shall be provided to Retail Customers currently designated as critical care, or chronic condition, or critical load if reasonably possible.

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

5.3.7.2 NOTICED SUSPENSION NOT RELATED TO EMERGENCIES OR NECESSARY INTERRUPTIONS

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

- (1) In the event of unauthorized use, connection or reconnection, or diversion of service, or Tampering with the Meter or equipment, or bypassing same;

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

5.3.7.3 RESTORATION OF SERVICE

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

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5.3.7.4 PROHIBITED SUSPENSION OR DISCONNECTION

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

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

(II) have the subject person's attending physician submit a written statement to Company; and

(III) enter into a deferred payment plan.

(ii) The prohibition against Delivery Service disconnection provided by subsection (D) shall last 63 days from the issuance of the bill by Company or a shorter period as agreed upon by Company and Retail Customer or subject person's physician; or

(E) When the disconnection is authorized by the REP as a disconnection for nonpayment of electric service and Retail Customer is designated as a critical care residential customer, unless all of the procedures required by Company pursuant to P.U.C. SUBST. R. 25.497 and P.U.C. SUBST. R. 25.483 have been completed; or when the disconnection is authorized by the REP as a disconnection for nonpayment of electric service and Retail Customer is designated as a critical load industrial customer or a critical load public safety customer, unless all Company-established processes are followed. If Retail Customer believes it qualifies for designation as a critical care residential customer, critical load industrial customer, or critical load public safety customer under P.U.C. SUBST. R. 25.497, Retail Customer may apply for designation as provided in P.U.C. SUBST. R. 25.497.

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

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

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

5.4 ELECTRICAL INSTALLATION AND RESPONSIBILITIES

5.4.1 RETAIL CUSTOMER'S ELECTRICAL INSTALLATION AND ACCESS

Retail Customer is responsible for the design, installation, operation, protection, and maintenance of electric facilities beyond the Point of Delivery, and Company shall have no responsibility therefore, except for if Meter is maintained by Company. Retail Customer's Electrical Installation for receiving Electric Power and Energy must be installed in accordance with Company's specifications for electric installation, which are available upon request at Company's business offices located in the specific area where Delivery Service is desired. Retail Customer will install and maintain all of its lines and equipment in accordance with Good Utility Practice, all applicable lawful regulations and Codes, and in such condition and manner as not

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to endanger persons or property, or to cause impairment of Company's Delivery Service to Retail Customer or others. Retail Customer assumes responsibility for Electric Power and Energy delivered to Retail Customer at and past the Point of Delivery in accordance with Section 5.5, RETAIL CUSTOMER'S ELECTRICAL LOAD.

5.4.2 INSPECTION AND APPROVAL OF RETAIL CUSTOMER'S ELECTRICAL INSTALLATION

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

Company does not assume any duty of inspecting Retail Customer's lines, wires, switches, or other equipment. Without limiting the provisions of the foregoing sentence, Company may decline to interconnect its Delivery System facilities with any of Retail Customer's Electrical Installation that is known to be hazardous under applicable Codes or that is of such character that satisfactory Delivery Service cannot be provided consistent with Good Utility Practice, or where a known dangerous condition exists and for as long as it exists.

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

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

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

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

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

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

5.4.5 PROVISIONS FOR COMPANY FACILITIES AND EQUIPMENT AND THE METER

Retail Customer must grant to or secure for Company, at Retail Customer's expense, any rights-of-way or easements on property owned or controlled by Retail Customer

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necessary for Company to install Delivery System facilities for the sole purpose of delivering Electric Power and Energy to Retail Customer. Retail Customer must provide, without cost to Company, suitable space on Retail Customer's Premises for the installation of Delivery System facilities necessary to deliver Electric Power and Energy to Retail Customer and for installation of Metering Equipment and the Meter pursuant to Section 5.10, METER.

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

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

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

The Retail Customer's authorization of the use of the Meter by a third party or designation of a Meter Owner does not relieve the Retail Customer of its obligations

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with regard to exercising care of the Delivery System or of prohibitions against Tampering with the Meter. Additionally, consistent with Section 6.1, RATE SCHEDULES, the Company may assess charges to Retail Customer for any damage or loss caused by the Retail Customer or by parties to whom Retail Customer has authorized to access the Meter.

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

5.4.7 UNAUTHORIZED USE OF DELIVERY SYSTEM

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

- (1) The Delivery Charges associated with the estimated amount of electricity delivered without Company authorization, which may be estimated based on amounts used under similar conditions during preceding years. Where no previous usage history exists at the same Premises, consumption may be estimated on the basis of usage levels of similar Retail Customers at similar Premises under similar conditions;

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- (2) The cost of replacement or repair of any damaged Meter and associated Company equipment;
- (3) The cost of installment of protective facilities or of relocation of Meter, if necessary to prevent further unauthorized use; and
- (4) All other costs associated with the investigation and correction of the unauthorized use.

5.4.8 ACCESS TO RETAIL CUSTOMER'S PREMISES

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

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5.5 RETAIL CUSTOMER'S ELECTRICAL LOAD

5.5.1 LOAD BALANCE

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

5.5.2 INTERMITTENT ELECTRICAL LOADS AND LIMITATIONS ON ADVERSE EFFECTS

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

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

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

5.5.3 EQUIPMENT SENSITIVE TO VOLTAGE AND WAVE FORMS

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

5.5.4 CHANGE IN RETAIL CUSTOMER'S ELECTRICAL LOAD

Retail Customer, or Competitive Retailer at the request of Retail Customer, shall notify Company when Retail Customer's Electrical Load or contracted Demand is to be changed substantially so that Company may ensure its facilities are adequate. In the event Retail Customer adds electrical load at Retail Customer's installation that results in the use of Delivery Service in excess of the maximum capacity of the Delivery System facilities serving Retail Customer, Retail Customer is subject to liability pursuant to Section 5.2, LIMITS ON LIABILITY for any damage to

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Company's facilities resulting from the use of Delivery Service in excess of such maximum.

5.5.5 POWER FACTOR

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

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

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

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

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

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

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

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

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

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

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

5.5.6 TESTING OF RETAIL CUSTOMER EQUIPMENT

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

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Competitive Retailer. Increased demand for the testing period shall not affect the customer's demand for billing ratchet purposes. Charges for reading and resetting the Meter, if required, shall be as calculated and shall be billed to Competitive Retailer.

5.6 LIMITATIONS ON USE OF DISTRIBUTION SERVICE

5.6.1 INTRASTATE RETAIL DELIVERY SERVICE LIMITATIONS (FOR ERCOT UTILITIES)

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

5.6.2 PARALLEL OPERATION

Retail Customer may not, without written agreement with Company, connect Retail Customer's Electrical Installation to a source of Electric Power and Energy in a manner that may permit Electric Power and Energy to flow into the Delivery System from such source. Retail Customer proposing the interconnection of Distributed Generation must comply with the provisions set forth in this Tariff and Applicable Legal Authorities. Requirements and specifications for all other interconnections for parallel operation shall be individually negotiated with Company.

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5.7 FACILITIES EXTENSION POLICY

5.7.1 GENERAL

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

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

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

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5.7.2 CONTRACTUAL ARRANGEMENTS

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

5.7.3 PROCESSING OF REQUESTS FOR CONSTRUCTION OF DELIVERY SYSTEM

Requests for new residential Delivery Service requiring Construction Service, such as line extensions, shall be completed within 90 days of execution of the Facility Extension Agreement, or within a time period agreed to by the entity requesting the Construction Service and Company, and after the entity requesting Construction Service has made satisfactory payment arrangements for Construction Service Charges. For all other extensions requiring construction, requests should be completed within the time estimated by Company. For the purposes of this section, facility placement that requires a permit for a road or railroad crossing will be considered a line extension. Unless mutually agreed to by Company and Retail Customer, within ten Business Days of Company's receipt of a detailed request, Company shall give the entity requesting Construction Service an estimated completion date and an estimated cost for all charges to be assessed.

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

5.7.4 ALLOWANCE FOR FACILITIES

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

5.7.5 NON-STANDARD FACILITIES

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

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If the entity requesting Construction Service desires Delivery Service utilizing non-standard Delivery System facilities, as described above and not covered elsewhere in this Tariff, Company shall construct such facilities unless, in the reasonable judgment of Company, such construction would impair Company's facilities or facilities with which Company is interconnected, impair the proper operation of such facilities, impair service to Retail Customers, or there are other appropriate concerns that the entity requesting service is unable or unwilling to correct. The entity requesting Construction Service shall pay to Company the estimated cost of all non-standard facilities, offset by any applicable allowance, as detailed in Chapter 6, and the Facility Extension Agreement.

5.7.6 CUSTOMER REQUESTED FACILITY UPGRADES

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

5.7.7 TEMPORARY DELIVERY SYSTEM

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

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5.7.8 REMOVAL AND RELOCATION OF COMPANY'S FACILITIES AND METERS

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

5.7.9 DISMANTLING OF COMPANY'S FACILITIES

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

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

5.8 BILLING AND REMITTANCE

5.8.1 BILLING OF DELIVERY CHARGES

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

5.8.2 BILLING TO RETAIL CUSTOMER BY COMPANY

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

Retail Customers may also be billed by Company for damage caused to Company facilities by Retail Customer, pursuant to Section 5.4.6, RETAIL CUSTOMER'S

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

5.9 DEFAULT AND REMEDIES ON DEFAULT

5.9.1 COMPANY REMEDIES ON DEFAULT BY COMPETITIVE RETAILER

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

5.10 METER

5.10.1 METERING PRACTICES

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

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5.10.2 RETAIL CUSTOMER RESPONSIBILITY AND RIGHTS

Each Retail Customer shall use reasonable care not to damage any of Company's Metering Equipment and related appurtenances on Retail Customer's Premises. Meters for residential Retail Customers shall be Company-owned unless otherwise determined by the Commission. Retail Customers required by the Independent Organization to have an IDR Meter may choose a Meter Owner, other than Company, in accordance with Applicable Legal Authorities otherwise, the Meter shall be owned by the Company.

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

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

5.10.2.1 REQUIREMENTS

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

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

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

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

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

5.10.4 LOCATION OF METER

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

Meters will not be installed as follows:

- (1) In any hazardous location;

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- (2) In any place where vibration, moisture, fumes or dust may damage the Meter or interfere with its operation;
- (3) Directly over any stairway, ramp or steps;
- (4) On any portion of a building which at a later date will be enclosed and thereby render the Meter inaccessible;
- (5) In any location accessible only through a hatchway, trapdoor, or by means of a ladder; or
- (6) In or recessed in the external surface of any wall that is within three feet of any property line, or that is over the edge of any walk, alley or driveway which provides access to commercial or industrial property.

5.10.5 NON-COMPANY OWNED METERS

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

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

- (1) Retail Customer contact name;
- (2) Retail Customer contact phone number;
- (3) Meter Owner contact name, address and phone number;
- (4) Meter Type and manufacturer;

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

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

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

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

Company shall not remove the Non-Company Owned Meter upon de-energization of the Meter unless a specific request for Meter removal has been made by the Retail

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Customer, the Retail Customer's Competitive Retailer, the customer's designated agent or the Meter owner. However, if the Company receives a request to energize a Meter not owned by the Company and there is not an agreement in place with the Meter Owner at the time that energization is requested, the Company may remove the Meter.

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

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

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5.11 RETAIL CUSTOMER INQUIRIES

5.11.1 SERVICE INQUIRIES

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

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

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

5.11.2 COMPLAINTS

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

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5.11.3 BILLING INQUIRIES

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

5.12 OUTAGE REPORTING

5.12.1 NOTIFICATION OF INTERRUPTIONS, IRREGULARITIES, AND SERVICE REPAIR REQUESTS

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

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

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

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

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5.12.2 RESPONSE TO REPORTS OF INTERRUPTIONS AND REPAIR REQUESTS

The Company will promptly investigate reported problems. If, upon making a Service Call, Company determines that a reported problem is caused by a condition on Retail Customer's side of the Point of Delivery, Company shall notify Competitive Retailer, and charge Competitive Retailer a fee for the Service Call pursuant to the applicable Service Charges in Chapter 6 of this Tariff.

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CHAPTER 6: SHARYLAND UTILITIES SPECIFIC ITEMS

6.1 RATE SCHEDULES

6.1.1 DELIVERY SYSTEM CHARGES

6.1.1.1 CHARGES FOR TRANSMISSION AND DISTRIBUTION SYSTEM SERVICE

6.1.1.1.1 RESIDENTIAL SERVICE

AVAILABILITY

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

TYPE OF SERVICE

Delivery Service will be single-phase, 60 hertz, at a standard secondary voltage. Delivery Service will be metered using Company's standard meter provided for this type of Delivery Service. Any other metering option(s) will be provided at an additional charge. Where Delivery Service of the type desired is not available at the Point of Delivery, additional charges and special contract arrangements may be required prior to Delivery Service being furnished, pursuant to Sections 5.7 and 6.1.2 of this Tariff.

MONTHLY RATE

I. Transmission and Distribution Charges:

Customer Charge	\$3.19 per Retail Customer per Month
Metering Charge	\$3.55 per Retail Customer per Month
Transmission System Charge	\$1.88 per 4 CP kW
Distribution System Charge	\$7.66 per Billing kW

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6.1.1.1.1 RESIDENTIAL SERVICE

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II. System Benefit Fund Charge: See Rider SBF

III. Transmission Cost Recovery Factor: See Rider TCRF

COMPANY SPECIFIC APPLICATIONS

Determination of Billing Demand for Transmission System Charges

Determination of 4 CP kW

The 4 CP kW applicable under the Monthly Rate section shall be the average of the Retail Customer's integrated 15 minute demands at the time of the monthly ERCOT system 15 minute peak demand for the months of June, July, August and September of the previous calendar year. The Retail Customer's average 4 CP demand will be updated effective on January 1 of each calendar year and remain fixed throughout the calendar year. Retail Customers without previous history on which to determine their 4 CP kW will be billed according to estimated demand.

Determination of Billing Demand for Distribution System Charges

Determination of Billing kW

The Billing kW applicable to the Distribution System Charge shall be the NCP kW supplied during the 60 minute period of maximum use for the current billing month.

NOTICE

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

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6.1.1.1.2 OPTIONAL RESIDENTIAL ENERGY RATE

AVAILABILITY

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

TYPE OF SERVICE

Delivery Service will be single-phase, 60 hertz, at a standard secondary voltage. Delivery Service will be metered using Company's standard meter provided for this type of Delivery Service. Any other metering option(s) will be provided at an additional charge. Where Delivery Service of the type desired is not available at the Point of Delivery, additional charges and special contract arrangements may be required prior to Delivery Service being furnished, pursuant to Sections 5.7 and 6.1.2 of this Tariff.

MONTHLY RATE

I. Service and Energy Charges:

Customer Charge	\$3.19 per Retail Customer per Month
Metering Charge	\$3.55 per Retail Customer per Month
Energy Charge	\$0.035988 per kWh

II. System Benefit Fund Charge: See Rider SBF

III. Transmission Cost Recovery Factor: See Rider TCRF

NOTICE

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6.1.1.1.3 SECONDARY SERVICE

AVAILABILITY

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

TYPE OF SERVICE

Delivery Service will be single or three-phase, 60 hertz, at a standard secondary voltage. Delivery Service will be metered using Company's standard meter provided for this type of Delivery Service. Any meter other than the standard meter will be provided at an additional charge. Where Delivery Service of the type desired is not available at the Point of Delivery, additional charges and special contract arrangements may be required prior to Delivery Service being furnished, pursuant to Sections 5.7 and 6.1.2 of this Tariff.

MONTHLY RATE

I. Transmission and Distribution Charges:

Customer Charge	\$26.52 per Retail Customer per Month
Metering Charge	\$15.81 per Retail Customer per Month
Transmission System Charge	\$1.79 per 4 CP kW
Distribution System Charge	\$6.95 per Billing kW

II. System Benefit Fund Charge: See Rider SBF

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6.1.1.1.3 SECONDARY SERVICE
Continued

III. Transmission Cost Recovery Factor: See Rider TCRF

IV. Competitive Meter Credit See Rider CMC

COMPANY SPECIFIC APPLICATIONS

Determination of Billing Demand for Transmission System Charges

Determination of 4 CP kW

The 4 CP kW applicable under the Monthly Rate section shall be the average of the Retail Customer's integrated 15 minute demands at the time of the monthly ERCOT system 15 minute peak demand for the months of June, July, August and September of the previous calendar year. The Retail Customer's average 4 CP demand will be updated effective on January 1 of each calendar year and remain fixed throughout the calendar year. Retail Customers without previous history on which to determine their 4 CP kW will be billed according to estimated demand.

Determination of Billing Demand for Distribution System Charges

Determination of Billing kW

The Billing kW applicable to the Distribution System Charge shall be the higher of the NCP kW supplied during the 15 minute period of maximum use for the current billing month or 80% of the highest monthly NCP kW established in the 11 months preceding the current billing month (80% ratchet).

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6.1.1.1.4 PRIMARY SERVICE

AVAILABILITY

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

TYPE OF SERVICE

Delivery Service will be single-phase or three-phase, 60 hertz, at a standard primary voltage (see Section 6.2.2). Delivery Service will be metered using Company's standard meter provided for this type of Delivery Service. Any Meter other than the standard Meter will be provided at an additional charge. Where Delivery Service of the type desired is not available at the Point of Delivery, additional charges and special arrangements may be required prior to Delivery Service being furnished, pursuant to Sections 5.7 and 6.1.2 of this Tariff.

MONTHLY RATE

I. Transmission and Distribution Charges:

Customer Charge	\$28.41 per Retail Customer per Month
Metering Charge	\$154.62 per Retail Customer per Month
Transmission System Charge	\$1.925 per 4 CP kW
Distribution System Charge	\$5.082 per Billing kW

II. System Benefit Fund: See Rider SBF

III. Transmission Cost Recovery Factor: See Rider TCRF

IV. Competitive Meter Credit: See Rider CMC

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6.1.1.1.4 PRIMARY SERVICE
Continued

COMPANY-SPECIFIC APPLICATIONS

Determination of Billing Demand for Transmission System Charges

Determination of 4 CP kW

The 4 CP kW billing demand applicable under the Monthly Rate section shall be the average of the Retail Customer's integrated 15-minute demands at the same time of the monthly ERCOT system 15-minute peak demand for the months of June, July, August and September of the previous calendar year. The Retail Customer's average 4 CP kW billing demand will be updated effective on January 1 of each calendar year and remain fixed throughout the calendar year. Retail Customers without previous history on which to determine their 4 CP kW demand will be billed based on estimated 4 CP kW demand.

Determination of Billing Demand for Distribution System Charges

Determination of Billing kW

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

When meter readings cannot be obtained due to denial of access, weather, meter failure, tampering, or other event, the Retail Customer's demand will be estimated.

NOTICE

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6.1.1.1.5 TRANSMISSION SERVICE

AVAILABILITY

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

TYPE OF SERVICE

Delivery Service will be three-phase, 60 hertz, at a standard transmission voltage. Delivery Service will be metered using the Company's standard meter provided for this type of Delivery Service. Any meter other than the standard meter will be provided at an additional charge. Where Delivery Service of the type desired is not available at the Point of Delivery, additional charges and special arrangements may be required prior to Delivery Service being furnished, pursuant to Section 5.7 and 6.1.2 of this Tariff.

MONTHLY RATE

I. Transmission and Distribution Charges:

Customer Charge	\$38.84 per Retail Customer per Month
Metering Charge	\$1,869.15 per Retail Customer per Month
Transmission System Charge	\$1.718 per 4 CP kW
Distribution System Charge	\$3.153 per Billing kW

II. System Benefit Fund: See Rider SBF

III. Transmission Cost Recovery Factor: See Rider TCRF

IV. Competitive Meter Credit: See Rider CMC

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6.1.1.1.5 TRANSMISSION SERVICE
Continued

COMPANY-SPECIFIC APPLICATIONS

Determination of Billing Demand for Transmission Service Charges

Determination of 4 CP kW

The 4 CP kW Billing Demand applicable under the Monthly Rate Section shall be the average of the retail Customer's integrated 15 minute demands at the time of the monthly ERCOT system 15 minute peak demand for the months of June, July, August and September of the previous calendar year. Retail Customers without previous history on which to determine their 4 CP kW will be billed based on estimated 4 CP kW demand.

Determination of Billing Demand for Distribution System Charges

Determination of Billing kW

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

When meter readings cannot be obtained due to denial of access, weather, meter failure, tampering, or other event, the Retail Customer's demand will be estimated.

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

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6.1.1.1.6 STREET LIGHTING SERVICE

AVAILABILITY

Available for lighting of public streets, highways, bridges, parks and similar public places, for normal dusk to dawn operation.

MONTHLY RATE

Bills shall be rendered monthly according to the following rates:

I. Transmission and Distribution Charges

Lamp Wattage and Type	Fixture Style	Nominal Energy Usage Per Month	Standard Single Lamp
150 Watt H.P. Sodium Lamp	Ornamental Pole Top	62 kWH	\$10.50
175 Watt Metal Halide	Ornamental Pole Top	70 kWH	\$10.25
250 Watt H.P. Sodium Lamp	Cobrahead	106 kWH	\$9.50
400 Watt Metal Halide	Shoebox	162 kWH	\$14.00

II. System Benefit Fund Charge:

See Rider SBF

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6.1.1.1.6 STREET LIGHTING SERVICE
Continued

COMPANY SPECIFIC APPLICATIONS

1. The above monthly charges include installation of facilities including lamps, fixtures or luminaries, brackets and ballasts. The above charges include normal operation and maintenance. Normal operation and maintenance does not include periodic tree trimming around the fixture or luminaire.

2. Where it is necessary by request or specified by the developer to install ornamental poles or other special facilities or services not in conformance with the Company's standard practice, the additional cost shall be borne by the requester. Title to all facilities, except as noted below, shall vest in the Company.

3. All facilities used in providing street lighting service shall be and remain the property of the Company and may be removed upon termination of service, except that poles, ducts, conduits, manholes, and junction boxes shall be the property of and maintained by the customer if they are an integral part of bridges, viaducts or similar structures, or highway projects constructed by the joint participation of the customer and other governmental agencies.

4. The customer agrees that the facilities installed under this rate shall not be removed or converted, or the use thereof discontinued by the customer, except upon payment to the Company of the original investment of such facilities, less depreciation to the date of discontinuance of such facilities, less salvage, plus the cost of removal.

5. Customers with existing private area lighting will be billed at the rate above that most accurately represents the lamp type and wattage located on the customer's property.

NOTICE

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6.1.1.1.7 TEMPORARY SERVICE

AVAILABILITY

This schedule is applicable to Delivery Service for Temporary Construction purposes at secondary voltage when such Delivery Service is to one Point of Delivery and measured through one Meter.

TYPE OF SERVICE

Delivery Service will be single or three-phase, 60 hertz, at a standard secondary voltage. Delivery Service will be metered using Company's standard meter provided for this type of Delivery Service. Any meter other than the standard meter will be provided at an additional charge. Where Delivery Service of the type desired is not available at the Point of Delivery, additional charges and special contract arrangements may be required prior to Delivery Service being furnished, pursuant to Sections 5.7 and 6.1.2 of this Tariff.

MONTHLY RATE

II. Transmission and Distribution Charges:

Customer Charge	\$2.58 per Retail Customer per Month
Metering Charge	\$2.38 per Retail Customer per Month
Distribution/Transmission System Charge	\$0.0210 per Billing kWh

II. System Benefit Fund Charge:	See Rider SBF
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6.1.1.2 SCHEDULE TC

This schedule is not applicable to Sharyland Utilities, L.P.

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6.1.1.3 CTC

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6.1.1.4 CHARGES FOR SBF – RIDER SBF

APPLICABILITY

Applicable to Competitive Retailers, pursuant to Section 39.903 of the Utilities Code, to all electricity delivered by the Company within the Company's certificated service area.

MONTHLY RATE

The System Benefit Fund charge factor for each of the Company's retail rate schedules is as follows.

<u>Rate Schedule</u>	<u>System Benefit Fund Charge</u>
Residential Service	0.0000 ¢ per kWh
Secondary Service	0.0000 ¢ per kWh
Street Lighting Service	0.0000 ¢ per kWh

The amount to be billed is determined by multiplying the kWh delivered to Retail Customers of the Competitive Retailer by the appropriate system benefit fund charge factor.

NOTICE

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6.1.1.5 CHARGES FOR NUCLEAR DECOMMISSIONING

This schedule is not applicable to Sharyland Utilities, L.P.

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6.1.1.6 OTHER CHARGES

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6.1.1.7 RIDER EECRF – ENERGY EFFICIENCY COST RECOVERY FACTOR

AVAILABILITY

Pursuant to Public Utility Regulatory Act § 39.905 and Public Utility Commission of Texas Substantive Rule § 25.181, the Energy Efficiency Cost Recovery Factor (EECRF) is a non-bypassable charge applicable to all Retail Customers.

METHOD OF CALCULATION

EECRF charges shall be calculated annually and shall equal by rate class the sum of: forecasted energy efficiency costs not in base rates, any adjustment for past over-recovery or under-recovery of EECRF costs, any energy efficiency performance bonus, and any deferred energy efficiency costs plus interest; divided by the forecasted billing units for each class.

MONTHLY RATE

A Retail Customer's EECRF for the billing month shall be determined by multiplying the appropriate EECRF charge shown below by the Retail Customer's applicable billing unit for the current month.

<u>Rate Class</u>	<u>EECRF Charge</u>
Residential Service	\$0.001214 per kWh
Optional Residential Service	\$0.001214 per kWh
Secondary Service	\$0.000516 per kWh

The amount to be billed is determined by multiplying the kWh delivered to Retail Customers of the Competitive Retailer by the appropriate EECRF charge.

NOTICE

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6.1.2 DISCRETIONARY CHARGES

6.1.2.1 STANDARD DISCRETIONARY SERVICES

Charges Billed by Company to Competitive Retailer

The Discretionary Service Charges listed below are charges for which the Company shall bill the Competitive Retailer upon completion of the service. All charges for the services in 6.1.2 are included in the rates herein. No additional charges (such as processing fees, copying fees etc) shall apply. Company shall uniformly apply the standard TX SET code that corresponds to each service below on all invoices for such service.

Company shall be open for normal business Monday – Friday 8:00 AM – 5:00 PM and available for Priority/Same Day requests Monday – Friday 5:00 PM – 10:00 PM except on holidays designated in Section 3.18, NON-BUSINESS DAY DESIGNATIONS. Company shall be available for emergencies at all times. This shall not preclude Company from staffing at additional times.

Charge No.	Name and Description	Amount
Connection Charges (Move-in)		
6.1.2.1.1	Standard Move-In Applicable to requests to energize a Retail Customer's connection to the Delivery System where at least two Business Days notice has been provided. Such requests, which include the corresponding TX SET code for standard service, and are received by Company at least two Business Days prior to the Competitive Retailer's requested date shall be completed no later than the requested date. Requests received after 5:00 PM CPT or on a day that is not a Business Day, shall be considered received on the next Business Day. If the request is received less than two Business Days prior to the requested date, the Move-In will be scheduled for the Business Day that is two Business Days after the date the request is received. If the requested date is not a Business Day, the Move-In will be scheduled for the first Business Day following the requested date. This service is not available if inspections and permits, or other construction is	

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Charge No.	Name and Description	Amount
	required.	
	i. Self-Contained Meter (existing) ii. Self-Contained Meter (new) iii. CT/Other Meter (existing) iv. CT/Other Meter (new)	\$21.00 \$21.00 \$36.00 \$36.00
6.1.2.1.2	Priority Move-In Applicable to requests to energize a Retail Customer's connection to the Delivery System where less than two Business Days notice has been provided. Such request shall include the TX SET priority code designation for priority service. Company shall complete Priority Connections on the requested date, provided that the request was received by 5:00 PM CPT of that Business Day. If service is not provided on the Business Day the request is received, the Priority Connection shall be completed by no later than close of business of the next Business Day. Requests received after 5:00 PM CPT or on a day that is not a Business Day, shall be considered received on the next Business Day. This service is only available at an existing Premises with an existing Meter. It is not available if inspections and permits, or other construction is required.	
	i. Self-Contained Meter (existing) ii. CT/Other Meter (existing)	\$51.00 \$66.00
Disconnection Charges		
6.1.2.1.3	Move-Out Company shall discontinue Delivery Service to the Point of Delivery on the requested date provided the Company receives the transaction at least two Business Days prior to the requested date. A transaction received after 5:00 PM CPT on a Business Day, or on a day that is not a Business Day, will be considered received on the next Business Day. If the request is received less than two Business Days prior to the requested date, the Move-Out will be scheduled for the Business Day that is two Business Days after the date the request is received. If the requested date is not a Business Day, the move-out will be scheduled for the first Business Day following the requested date.	Charge applicable to requests to de-energize service on a move-out is included in the move-in charge.

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Charge No.	Name and Description	Amount
6.1.2.1.4	<p>Customer Requested Clearance</p> <p>Applicable to requests to de-energize/re-energize Company facilities to allow Retail Customer or Retail Customer's contractor to work near Company or on or near Retail Customer's electrical facilities. Requests for Clearance shall be filled on the requested date provided Company receives the request on a Business Day that is not later than three Business Days prior to the requested date. Notices received after 5:00 PM CPT, or on a day that is not a Business Day, will be considered received on the next Business Day. If the requested date is not a Business Day, or if the Company receives the request with less than three Business Days prior notice, or the clearance cannot be safely performed on the requested date, Company will accommodate the request based on mutual agreement with the requesting party at charges as calculated. All charges include the cost for de-energizing and re-energizing facilities.</p> <p>i. With three Business Days notice (residential) ii. With three Business Days notice (non-residential) iii. With less than three Business Days notice</p>	<p>As Calculated*</p> <p>As Calculated*</p> <p>As Calculated*</p>
Disconnect / Reconnect for Non-Pay Charges		
6.1.2.1.5	<p>Disconnect for Non-Pay (DNP)</p> <p>Applicable to requests from Competitive Retailer to de-energize service to Retail Customer due to Retail Customer's failure to pay charges billed by its Competitive Retailer or Company.</p> <p>For premises without a provisioned advanced meter and for premises with a provisioned advanced meter without remote disconnect/connect capabilities, if the DNP is requested by the Competitive Retailer, the request shall be completed within three Business Days of the requested date, provided Company receives the request at least two Business Days before the requested date. Notices received after 5:00 PM CPT, or on a day that is not a Business Day, will be considered received on the next Business Day.</p> <p>For premises with a provisioned advanced meter with remote disconnect/connect capabilities and for which that Company can</p>	

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Charge No.	Name and Description	Amount
	<p>successfully communicate with that provisioned advanced meter at the time Company attempts to execute the request by using Company's advanced metering system, if the DNP is requested by the Competitive Retailer, the request shall be completed within 2 hours of receipt of request on the requested date provided Company receives the request no later than 2:00 PM CPT on the requested date and provided that the requested date is a Business Day. Requests received after 2:00 PM CPT on the requested date, or on a day that is not a Business Day, will be completed no later than 8:00 AM CPT on the next Business Day. If Company cannot successfully communicate with the provisioned advanced meter at the time Company attempts to execute the request by using Company's advanced metering system, the request shall be completed within three Business Days of the requested date.</p> <p>For all premises, Company shall not disconnect a premise before the requested date and shall not disconnect a premise on the Business Day immediately preceding a holiday.</p> <p>If the DNP is performed by Company due to Retail Customer's non-payment of a charge billed directly by Company to the Retail Customer, or because the Retail Customer has not fulfilled its obligations under a contract entered into between Company and the Retail Customer, these charges shall not be billed to the Competitive Retailer.</p> <p><u>At Meter</u></p> <p>i. Standard Disconnect</p> <p>ii. Same Day Disconnect</p> <p>iii. Holiday</p> <p><u>At Premium Location (i.e. pole, weatherhead, secondary box)</u></p> <p>i. Standard Disconnect</p> <p>ii. Same Day Disconnect</p> <p>iii. Holiday</p>	<p>\$21.00</p> <p>\$21.00</p> <p>N/A</p> <p>\$36.00</p> <p>\$36.00</p> <p>N/A</p>

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Charge No.	Name and Description	Amount
6.1.2.1.6	<p>Reconnect After DNP</p> <p>Applicable to requests to re-energize service to Retail Customer after Retail Customer has been disconnected for non-payment. Company shall complete reconnection no later than 48 hours from the time the request is received. However, if this requirement results in the reconnection being performed on a day that is not a Business Day, an additional charge for non-Business Day connection will also apply.</p> <p>Standard Reconnect: For premises without a provisioned advanced meter, for premises with a provisioned advanced meter without remote disconnect/connect capabilities, and for premises with a provisioned advanced meter for which that Company cannot successfully communicate with that provisioned advanced meter at the time Company attempts to execute the request by using Company's advanced metering system, standard reconnect requests received by Company by 2:00 PM CPT on a Business Day shall be reconnected that day.</p> <p>For premises with a provisioned advanced meter with remote disconnect/connect capabilities and for which Company can successfully communicate with that provisioned advanced meter at the time Company attempts to execute the request by using Company's advanced metering system, standard reconnect requests received by Company from 8:00 AM CPT to 7:00 PM CPT on a Business Day shall be reconnected within 2 hours of receipt of request.</p> <p>For premises with a provisioned advanced meter with remote disconnect/connect capabilities where the Competitive Retailer provides prepaid service under P.U.C. Subst. R. 25.498, standard reconnect requests received by the Company from 8:00 AM CPT to 7:00 PM CPT on a Business Day shall be reconnected within 1 hour of receipt of request.</p>	

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Charge No.	Name and Description	Amount
	<p>For all premises, standard reconnect requests received by Company after 2:00 PM CPT on a Business Day shall be reconnected that day if possible, but no later than the close of Company's next field operational day. Standard reconnect requests received by Company after 7:00 PM CPT or on a day that is not a Business Day maybe considered received on the next Business Day.</p> <p>Same Day Reconnect: Same day reconnect requests received by Company prior to 5:00 PM CPT on a Business Day shall be reconnected no later than the close of Company's field operational day.</p> <p><u>At Meter</u></p> <p>i. Standard Reconnect ii. Same Day Reconnect iii. Weekend iv. Holiday</p> <p><u>At Premium Location (i.e. pole, weatherhead, secondary box)</u></p> <p>i. Standard Reconnect ii. Same Day Reconnect iii. Weekend iv. Holiday</p> <p>NOTE: In no event shall Company fail to reconnect service within 48 hours after a reconnection request is received.</p>	<p>\$21.00 \$21.00 \$51.00 \$51.00</p> <p>\$21.00** \$21.00** \$51.00** \$51.00**</p>
Meter Test Charge		
6.1.2.1.7	<p>Applicable to Meter tests performed at the request of Competitive Retailer or Retail Customer in accordance with Section 4.7.4, METER TESTING.</p> <p><u>Self-contained Meter – Company owned</u></p> <p>i. First test within the previous four years ii. Found outside of the accuracy standards iii. All other</p>	<p>\$ 0.00 \$ 0.00 \$18.00</p>

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Charge No.	Name and Description	Amount
	<p>available switch date (FASD) received from the Registration Agent or the four business days beginning with the FASD for customers whose meters were scheduled for on-cycle readings during that time, and shall perform a Meter Reading or Estimated Meter Reading within four business days beginning with the FASD for customers whose meters were not scheduled to be read during that time. The Meter Reading shall be performed in accordance with Section 4.3.4, CHANGING OF DESIGNATED COMPETITIVE RETAILER.</p> <p>Out-of-Cycle Meter Estimation for the Purpose of a Switch due to denial of Access by Retail Customer</p> <p>Out-of-Cycle Estimate for the Purpose of a Mass Transition Charges for estimation shall be charged to the exiting Competitive Retailer.</p>	<p>\$0.00</p> <p>\$7.00</p> <p>\$0.00</p>
Non-Standard Meter Installation Charges		
6.1.2.1.10	<p>Off-site Meter Reading (OMR) Equipment Installation Applicable to installation, upon request, by Retail Customer or Retail Customer's Competitive Retailer, of Company's "Standard Advanced Metering Equipment" designed to transmit information via radio to a hand held Meter Reading device carried by the meter reader. This allows for the provision of a Meter Reading without visual contact with the Meter. Equipment shall be installed within 30 days of receipt of request.</p> <p>During Normal Business Hours</p>	<p>\$0.00</p>
6.1.2.1.11	<p>Automated Meter Reading (AMR) Equipment Installation Applicable to installation, upon request, by Retail Customer or Retail Customer's Competitive Retailer, of Company's "Standard Advanced Metering Equipment" designed to transmit information via telephone to a central location. This allows for the provision of Meter Reading information on cycle or special reading date without visual contact with the Meter. Equipment shall be installed within 30 days of receipt of request.</p> <p>Single-Phase Self Contained During Normal Business Hours</p>	<p>\$0.00</p>

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Charge No.	Name and Description	Amount
	Three-Phase Self Contained During Normal Business Hours	\$0.00
	Single-Phase Instrumented Rated During Normal Business Hours	\$0.00
	Three-Phase Instrumented Rated During Normal Business Hours	\$0.00
6.1.2.1.12	Interval Data Recorder (IDR) Equipment Installation Applicable to installation, upon request, by Retail Customer or Retail Customer's Competitive Retailer, of Company's "Standard Advanced Metering Equipment" designed to access interval load data via telephone or other mode of transmission agreed to by customer to a central location. Equipment shall be installed within 30 days of receipt of request. During Normal Business Hours	\$0.00
Service Call Charge		
6.1.2.1.13	Applicable when Company employee is dispatched to the Retail Customer's Premises at the request of the Retail Customer or Competitive Retailer to investigate an outage or other service problem that, upon investigation by Company, is determined not to be a problem with Company's equipment or system. i. During Business Days, 8:00 AM -5:00 PM CPT ii. Business Days non-Business Hours iii. Weekend iv. Holiday	 \$61.00 \$61.00 \$61.00 \$61.00
Outdoor Lighting Charges		
6.1.2.1.14	Security Lighting Repair Applicable to requests, by Retail Customer or Retail Customer's Competitive Retailer, to repair existing Company-owned security lights on Retail Customer's Premises unless such repair is necessary due to normal lamp and glass replacements. If necessary due to normal lamp and glass replacements, repair shall be performed at no charge. Company shall complete repairs within 15 calendar days of the request in accordance with Section	

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Charge No.	Name and Description	Amount
	5.4.6, RETAIL CUSTOMER'S DUTY REGARDING COMPANY'S FACILITIES ON RETAIL CUSTOMER'S PREMISES.	As Calculated*
6.1.2.1.15	<p>Security Light Removal Applicable to requests, by Retail Customer or Retail Customer's Competitive Retailer, to remove Company-owned security lights on the Retail Customer's Premises in accordance with Sections 5.7.8, REMOVAL AND RELOCATION OF COMPANY'S FACILITIES AND METERS and 5.7.9, DISMANTLING OF COMPANY'S FACILITIES. This charge shall not apply to removals initiated by the Company.</p> <p>A Retail Customer or a Competitive Retailer on behalf of Retail Customer, shall request removal of outdoor lighting facilities at least 30 days prior to the requested removal date. The removal request shall be completed by Company on requested removal date. If mutually agreed to by Company and the Retail Customer, or the Competitive Retailer on behalf of the Retail Customer, Company may begin the removal of outdoor lighting facilities and complete the removal of outdoor lighting facilities on a date or dates other than the initially requested removal date.</p>	As Calculated*
6.1.2.1.16	<p>Street Light Removal Applicable to requests, by Retail Customer or Retail Customer's Competitive Retailer, to remove existing Company-owned street lights, in accordance with Sections 5.7.8, REMOVAL AND RELOCATION OF COMPANY'S FACILITIES AND METERS and 5.7.9, DISMANTLING OF COMPANY'S FACILITIES.</p> <p>A Retail Customer or a Competitive Retailer on behalf of Retail Customer, shall request removal of outdoor lighting facilities at least 30 days prior to the requested removal date. The removal request shall be completed by Company on requested removal date. If mutually agreed to by Company and the Retail Customer, or the Competitive Retailer on behalf of the Retail Customer, Company may begin the removal of outdoor lighting facilities and complete the removal of outdoor lighting facilities on a date or dates other than the initially requested removal date.</p>	As Calculated*

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Charge No.	Name and Description	Amount
Tampering Charges		
6.1.2.1.17	Tampering Applicable to unauthorized use of Delivery System pursuant to Section 5.4.7, UNAUTHORIZED USE OF DELIVERY SYSTEM or other Tampering with Company metering facilities or any theft of electric service by any person on the Retail Customer's Premises. Tampering charges can include, but are not limited to, Delivery Charges, cost of replacement and repair of damaged Meter and associated equipment, cost of installation of protective facilities or relocation of the Meter, and all other costs associated with the investigation and correction of the unauthorized use.	As Calculated
6.1.2.1.18	Broken Meter Seal Applicable to breakage of the Meter seal.	\$61.00
Denial of Access		
6.1.2.1.19	Inaccessible Meter Charge Applicable when Company personnel is unable to gain access to the meter of a non-residential critical load premises as a result of continued denial of Access as provided in Section 4.7.2.1, DENIAL OF ACCESS BY RETAIL CUSTOMER.	\$61.00 and As Calculated*
Distributed Renewable Generation Metering		
6.1.2.1.20	Distributed Renewable Generation Metering Applicable to installation, upon request pursuant to Substantive Rule 25.213(b), by Retail Customer or Retail Customer's Competitive Retailer, 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.	As Calculated*

* These charges are applicable to services that will have widely varying costs depending upon the circumstances and requirements of the work to be done.

** These charges are applicable to services provided at locations that are unique and that present special challenges. These challenges vary and as a result, the costs of providing the

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service may vary widely depending on the required expertise and equipment needed to perform the work.

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6.1.2.2 CONSTRUCTION SERVICE CHARGES

The Company's standard method of extending electric service shall be through the installation of distribution class (12.5kV) underground conductors, conduits, vaults, pad-mounted transformers, cabinets, and switchgear and other related devices installed with all weather access. These facilities will provide one point of connection to a premise at one standard voltage level. The Customer will be charged a non-refundable Contribution in Aid of Construction (CIAC) for the differential costs between the installation of the lowest estimated cost to provide service to the facility and the Customer requested underground extension to the facility.

Customer requests for primary feeder extensions, redundant facilities, temporary power connections, more than one (1) standard voltage, conversion from overhead to underground facilities, standard or non-standard distribution construction to a location remote from existing facilities of adequate capacity to serve the load, or for facilities requested in other than a direct route from the point of existing adequate distribution power supply to the point of delivery shall require the Company's approval and will require the Customer to share in the cost of providing the service according to the terms of this policy. Any requests requiring expenditures on the part of the Company in excess of the stated allowances may require the Customer to share in the cost of the extension through a non-refundable CIAC.

COMMERCIAL / INDUSTRIAL FACILITIES

The Company will install up to 100 feet of primary cable, from the nearest primary equipment point of sufficient capacity to the service transformer located at the Owner's point of service at no cost to the Owner. Additional, three-phase footage shall be allowed based on the kVA rating of the connected service transformer. This allowance shall be based on the cost of our standard construction of one foot of 4/0 cable for every connected kVA of transformer capacity. The costs of the project shall be estimated and the Owner shall pay a non-refundable CIAC for any costs above the allowance in advance before any equipment is ordered or construction begins. CIAC's are taxable and shall include an Income Tax Component of Contribution (ITCC).

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6.1.2.2 CONSTRUCTION SERVICE CHARGES Continued

RESIDENTIAL SUBDIVISIONS

The Company will provide an underground residential distribution electric power delivery system for planned subdivisions at the expense of the Owner, less the allowance per lot or unit. This allowance is based on the Company's standard construction practices and in accordance with the current construction unit costs and approved tariff. The allowance is \$1200.00 per lot or unit. The costs of the project shall be estimated and the Owner shall pay a non-refundable CIAC of any costs above the allowance in advance before any equipment is ordered or construction begins. CIAC's are taxable and shall include an Income Tax Component of Contribution (ITCC).

TEMPORARY SERVICE

Temporary extensions may be made through the use of overhead distribution facilities, at the Company's discretion. No charges shall be assessed to applicant/customer for extending temporary facilities, where a permanent facility will result. Where no permanent facility will result, the applicant/customer will be required to pay, in advance, the entire cost of installation and removal of temporary facilities less credit for salvageable material. Customers taking Temporary Service from the Company will be billed for usage on a per kWh basis each month.

GENERAL

The Company, will install, own, maintain and operate the underground commercial electrical installations that are constructed in its service area, subject to the following terms and conditions:

- 1) All installations by the Owner of the project shall conform to the applicable provisions of the National Electrical Code and all local codes.
- 2) Each commercial or industrial project will be provided one standard padmounted transformer. Sharyland Utilities, in accordance with the NEC and NESC as required, will determine any additional transformer locations and/or service points.

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6.1.2.2 CONSTRUCTION SERVICE CHARGES Continued

- 3) Each subdivision will be designed to take full advantage of each of the individual padmounted transformer and their ability to service multiple customers from secondary service pedestals. Sharyland Utilities, in accordance with the NEC and NESC as required, will determine the transformer locations.
- 4) Sharyland Utilities reserves the right to require easements for underground lines and feeders, and maintenance access, as required, to serve areas adjacent to the project site.
- 5) Single- or three-phase service will be provided at one of the standard secondary voltages at the owner's option subject to the following conditions:
 - a) Single-phase 3-wire service at 120/240 volts for loads which require transformer capacity of 25 kVA to 167 kVA.
 - b) Three-phase 4- wire wye service at 120/208 volts for loads which require transformer capacity of 75 kVA to 2500 kVA. Larger loads may require additional transformers.
 - c) Three-phase 4- wire wye service at 277/480 volts for loads which require transformer capacity of 75 kVA to 2500 kVA. Larger loads may require additional transformers.
 - d) Permanently installed motor loads in excess of 10 horsepower shall be connected three phase, unless otherwise permitted by written permission of the Company.

The Competitive Retailer/Retail Customer/Owner shall provide a written request, which shall include a signed and completed "Application for Electrical Service" and/or "Agreement for Electric Service" prior to the procurement of any equipment or the start of any construction by the Company. In order to complete these documents, the Owner shall:

1. Provide a copy of the platted layout, showing the requested location of the equipment on the site plan. CAD drawings are recommended, if available.
2. Provide all load requirements, characteristics and projections of usage. This shall include the operating voltage, type of service and number of phases, electrical layout per panel and main panel characteristics.
3. Provide platted easements or legal descriptions of easement meets and bounds, at no cost to the Company.

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6.1.2.2 CONSTRUCTION SERVICE CHARGES Continued

4. Execute any and all easements using Company standard forms for underground cables and conductors, conduits, service pedestals, and padmounted switchgear and transformers in the project premise, together with ingress and egress thereto for the installation, operation, inspection, repair maintenance, replacement, enlargement, renewal and/or removal thereof.
5. When an Owner contribution in aid to construction is required, Owner shall pay the contribution according to the Service Agreement before any equipment is ordered and construction begins.

The Competitive Retailer/Retail Customer/Owner shall:

1. Stake all easement and appropriate control points prior to the installation of any facilities by the Company.
2. Provide clear construction access to the easement area, free of construction material, and debris. The area shall be level and to final grade.
3. Provide for minimum clearances as herein specified for all installations except where specific space allocations for installation in easements are required by local building officials, codes or ordinances.
 - a. Electrical lines which parallel sewer lines shall have a horizontal clearance of not less than 24 inches from the outside of the sewer pipe to the nearest point of the electrical line.
 - b. Electrical lines which parallel any other foreign utility such as water, gas, telephone, cable, etc. shall have a vertical clearance of not less than 12 inches from the nearest electrical line or a recommended 24 inch horizontal clearance shall be maintained.
4. Commercial/Industrial Only - Provide a reinforced concrete transformer pad constructed and located in accordance with the Company Standards. A standard transformer pad drawing shall be provided at the time the load and transformer size are determined. The number and size of secondary conduits shall be designated on the drawing.
5. Commercial/Industrial Only - Provide all secondary distribution facilities beyond the terminations at the service transformer. This includes the 600 volt conductor, properly sized conduit, secondary lugs, gutter or raceways, and current transformer cabinet if required.

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6.1.2.2 CONSTRUCTION SERVICE CHARGES Continued

- 6) Residential Only – Provide the service trench, labor, conduit and pull string from the Company’s point of delivery at the transformer or pedestal to the residential meter located in the same quadrant on the premises. The Company shall size the service conduit. The Owner shall adhere to the NEC Article 347-14, which states: Bends- Number in one run. There shall not be more than the equivalent of four quarter bends (360 degrees total) between pull points.
- 7) Provide a single voice grade telephone line at or near the metering location for use by the Company.

The Company will install, own, operate and maintain:

- 1) A complete rigid duct system, including conduit, manholes, pullboxes, and labor to install in the designated easement routes. The primary raceway or conduit shall be installed at a minimum depth of 48 inches from finished grade.
- 2) Commercial/Industrial Only - One standard padmounted transformer to furnish underground service to a designated point of delivery or service location and the necessary secondary terminations between the service transformer and the owner’s secondary conductor.
- 3) Residential Only - The service conductor and necessary secondary terminations from the Company’s point of delivery at the transformer or pedestal to the residential meter. This service conductor will be installed in the Owner’s conduit.

OTHER INSTALLATIONS

On all other installations, where facilities are either installed, removed or relocated for the sole benefit of the applicant/customer, a contribution-in-aid of construction, equal to the estimated actual cost, shall be paid in advance by the requesting applicant/customer. The amount, if any, by which such advance payment exceeds the actual cost shall be refunded to the applicant/customer. Actual cost includes direct labor, material, and equipment/transportation costs, indirect costs, and administrative overhead costs.

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6.1.2.2 CONSTRUCTION SERVICE CHARGES Continued

STREET AND OTHER PUBLIC LIGHTING

The Company will provide lighting for public streets and rights-of-ways, public parks, etc., in accordance with its established rate schedule applicable to such service, and in accordance with its standard package of poles and fixtures for such service. In the event customized poles and fixtures are required or requested, the Company may provide such components upon payment by the Competitive Retailer/Owner of the difference in installation cost versus the Company's standard package. The Company's standard package includes a single fixture up to a cost of \$300 per unit in residential areas or a cost of \$425 per unit for units installed in the industrial areas. In the case of customized components, the Company will not necessarily maintain an inventory of replacement components and does not warrant that exact replacement components will be available if and when needed. All public street and other public lighting system service will be provided under the terms of an executed service agreement, and all requests for extension of any such systems shall be made in writing by the appropriate governmental authority.

COMPETITIVE METER REMOVAL / INSTALL FEE

The Competitive Meter Removal / Install Fee will be charged to the REP for 1) removing a Company Meter and installing a competitively owned meter, 2) removing a non-functioning (or functioning) competitively owned meter and replacing it with a functioning Company Meter, 3) removing the Company Meter and reinstalling a functioning competitively owned meter, and 4) removing a competitively owned meter and replacing it with another, different company's competitively owned meter. The service will be performed during business hours.

	Competitive Meter Removal / Install Fee
Self-Contained Meter:	\$40.00
Transformer Rated Meter:	\$65.00

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COMPETITIVE METER PHYSICAL ACCESS EQUIPMENT FEE

The Competitive Meter Physical Access Fee is made for the installation of an external termination junction box which utilizes the RJ family of connectors to provide physical access to the modem, network, serial and/or digital pulse data interfaces on a competitive meter.

Competitive Meter Physical Access Equipment Fee	
A. No Additional Service Call Required <i>(performed during initial meter installation)</i>	\$45.00
B. Additional Service Call Required <i>(performed after initial meter installation):</i>	\$70.00

NOTICE

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

Charge No.	Name and Description	Amount
6.1.2.3.1	Returned Check Charge will be assessed on all checks returned by banks for insufficient funds or other valid reasons, not the fault of the Company.	\$12.00
6.1.2.3.2	Damage to Company Facilities Charge. A service charge equal to direct labor, transportation, and overhead costs required to repair damages to Company facilities and equipment will be assessed against the Retail Customer or other parties responsible for such damage.	As calculated
6.1.2.3.3	Trips for Incorrect Outage Report or Where Trouble Found in Customer's Facilities. The REP will be assessed a service charge where Company personnel respond to any erroneously reported or non-existent outage or where the trouble is found to be in the customer's facilities. A. Charge during regular hours B. Charge after regular hours	\$30.00 \$60.00
6.1.2.3.4	Temporary Service Disconnect Charge. A service charge will be made to the REP, to the Retail Customer, or to the third party requesting disconnection of a meter or service which has not been active continuously for at least 12 months.	\$20.00
6.1.2.3.5	Special Services Fee will be charged to the REP for services beyond those normally rendered by the Company. Depending on the significance of the effort and cost to provide the requested service, the REP may be charged the actual cost of such services which will be based on the cost of material and labor, plus a mileage fee.	As calculated

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

Continued

6.1.2.3.6	Advanced Metering Equipment Charge and Access to Meter Data. For a standard installation of advanced metering equipment, there is no initial installation charge to the Retail Customer or REP. For non-standard installations of advanced metering equipment, the Retail Customer or REP will be responsible for any additional equipment or installation costs. A standard installation is the initial installation of advanced metering equipment as currently provided for Secondary Service customers. Retail Customers, or their authorized representatives, have access to the meter data in tabular form at no charge but are responsible for maintaining a working underground or wireless telephone circuit to the meter and must pay for any charges for necessary pulse metering equipment according to discretionary service charge 6.1.2.3.9.	No charge (or as calculated for non-standard installations).
6.1.2.3.7	Monthly Advanced Metering Interval Load Data Equipment Maintenance Charge. This charge is for monthly maintenance and telephone support for “Standard Advanced Metering Equipment”.	\$7.00
6.1.2.3.8	Electrical Pulse Equipment Installation/Replacement Charge. This fee will be charged to a Retail Customer or the Retail Customer’s authorized representative for the installation/replacement of electrical pulse device equipment. A. Installation Charge B. Replacement Charges <ol style="list-style-type: none"> 1. Isolation relay 2. Pulse initiator 3. Isolation relay & pulse initiator 4. Enclosure box 	\$330.00 \$212.00 \$125.00 \$272.00 \$119.00

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

Continued

6.1.2.3.9	Monthly Electrical Pulse Equipment Maintenance Charge. This fee will be charged for the maintenance of electrical pulse devices. This is an optional service that covers repair/replacement of electrical pulse equipment. If customer does not choose this service, customer is responsible for replacement charges according to discretionary service charge 6.1.2.3.9.	\$10.00
6.1.2.3.10	Competitive Meter Non-Standard Programming Service Fee is charged to the REP for providing requested non-standard programming to a competitively owned meter.	In the Field: \$50.00 Prior to Install: \$25.00
6.1.2.3.11	Meter Communication Diagnostic Service Fee is charged to the REP when the Company must test and validate 3 rd party communications equipment	\$60.00

NOTICE

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6.1.2.4 DISTRIBUTED GENERATION SERVICE - RIDER DGS

AVAILABILITY

Rider DGS 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 ("Distributed Generation") and that qualify for service under the rate schedules for Residential Service or Secondary Service. The Company shall interconnect Distributed Generation (DG), as described in PUC Substantive Rules §25.211 and §25.212, pursuant to the terms of the Agreement for Interconnection and Parallel Operation of Distributed Generation with Utility System. No more than 10 MW of a facility's DG capacity may be interconnected simultaneously at any point in time at the point of interconnection (point of common coupling) with Company's distribution system.

APPLICATION AND AGREEMENT FOR SERVICE

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 Utility System, which is incorporated herein.

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6.1.2.4 DISTRIBUTED GENERATION SERVICE - RIDER DGS Continued

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 and Agreement for Interconnection and Parallel Operation of Distributed Generation. The Substantive Rules, Company Rules and Regulations, and terms and conditions of Company's Service Agreements 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.

STUDIES AND SERVICES

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

PRE-INTERCONNECTION STUDY FEE SCHEDULE

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 DG applications, the study fees in the following table will apply. The fees shown in the table are additive.

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6.1.2.4 DISTRIBUTED GENERATION SERVICE - RIDER DGS
Continued

INTERCONNECTION STUDY FEE TABLE

NON-EXPORTING	0 to 10 kW	10+ to 500 kW	500+ to 2000 kW	2000+ 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

EXPORTING	0 to 10 kW	10+ to 500 kW	500+ to 2000 kW	2000+ 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

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6.1.2.4 DISTRIBUTED GENERATION SERVICE - RIDER DGS
Continued

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 following application:

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

Return Completed application to: Sharyland Utilities, L.P.
4600 West Military Hwy.
Suite 400
McAllen, TX 78503

Customer's Name: _____

Address: _____

Contact Person: _____

Telephone Number: _____

Service Point Address: _____

Information Prepared and Submitted By: _____
(Name and Address)

Signature _____

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

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6.1.2.4 DISTRIBUTED GENERATION SERVICE - RIDER DGS
Continued

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 of export expected: _____

Pre-Certification Label or Type Number: _____

Expected Energizing and Start-up Date: _____

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

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6.1.2.4 DISTRIBUTED GENERATION SERVICE - RIDER DGS
Continued

One-line diagram attached: _____Yes

Has generator Manufacturer supplied dynamic modeling values to the Host Utility?_____Yes
[Note: Yes required for complete application. For Pre-Certified Equipment answer Yes.]

Layout sketch included showing lockable, “visible” disconnect device: _____Yes

SHARYLAND UTILITIES, L.P.

_____Customer

BY: _____

BY: _____

TITLE: _____

TITLE: _____

DATE: _____

DATE: _____

NOTICE

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

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6.1.2.5 TRANSMISSION COST RECOVERY FACTOR - RIDER TCRF

APPLICABILITY

Each Retail Customer connected to the Company's transmission or distribution system will be assessed a nonbypassable transmission service charge adjustment pursuant to this rider. The charges derived herein, pursuant to Substantive Rule §25.193, are necessitated by a change in a transmission service provider's wholesale transmission rate subsequent to Commission approval of the Company's base rate charge for transmission service.

MONTHLY RATE

The REP, on behalf of the Retail Customer, will be assessed this transmission service charge adjustment based on the monthly per unit cost (TCRF) multiplied times the Retail Customer's appropriate monthly billing determinant (kWh, 4 CP kW, or NCP kW).

The TCRF shall be calculated for each rate according to the following formula:

$$\text{TCRF} = \frac{\{[\sum_{i=1}^N (\text{NWTR}_i * \text{NL}_i) - \sum_{i=1}^N (\text{BWTR}_i * \text{NL}_i)] * 1/2 * \text{ALLOC}\} + \text{ADJ}}{\text{BD}}$$

Where:

TCRF = Transmission Cost Recovery Factor in dollars per kWh, dollars per 4 CP kW, or dollars per NCP kW to be used for billing for each listed rate schedule. The rate schedules are listed under "BD" below;

NWTR_i = The new wholesale transmission rate of a TSP approved by the Commission by order or pursuant to Commission rules, since the Company's last rate case;

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

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

$ALLOC$ = The class allocator approved by the Commission to allocate the transmission revenue requirement among classes in the Company's last rate case, unless otherwise ordered by the Commission.

The allocation factor for each listed rate schedule is as follows:

Residential Service	0.07914
Secondary Service	0.92086
Street Lighting Service	0.00000

$$ADJ = \sum_{p=1}^6 \{EXP_p - (REV_p - ADJP1_p - ADJP2_p)\}$$

Where:

ADJ = Adjustment of the rate class TCRF;

EXP_p = Transmission expenses not included in base rates for period p;

REV_p = TCRF revenue for period p;

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ADJP1_p = 1/6th of ADJ calculated in the previous TCRF update for the periods 5 and 6;

ADJP2_p = 1/6th of ADJ calculated in the second previous TCRF update for the periods 1 through 4.

BD = Each class' annual billing determinant (kWh, 4 CP kW, or NCP kW) for the previous March to August six month period for the March update and prior September to February six month period for the September update.

TCRF PRICES EFFECTIVE FOR BILLINGS ON AND AFTER MARCH 1, 2014

Residential	\$0.192547	per 4CP kW
Optional Residential Energy Rate	\$0.000770	per kWh
Secondary	\$2.947756	per 4CP kW

NOTICE

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6.1.2.6 COMPETITIVE METER CREDIT – RIDER CMC

AVAILABILITY

Applicable to the electric service identifier (ESI ID) of a non-residential Retail Customer that has executed the Company's Agreement for Meter Ownership and/or Access and for which the Company has installed a Non-Company Billing Meter. An applicable ESI ID will receive only one Competitive Metering Credit per month.

MONTHLY COMPETITIVE METERING CREDIT

The Retail Electric Provider of record for the applicable ESI ID will receive one credit per month for the Retail Customer's utilization of a Non-Company Billing Meter according to the table below, based on ESI ID's rate class, subclass and meter type, if applicable.

Rate Class	Monthly Credit
Secondary	\$2.17

NOTICE

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6.2 COMPANY-SPECIFIC TERMS AND CONDITIONS

6.2.1 STANDARD VOLTAGES

Electric service will be supplied by the Company as alternating current, 60 Hertz, at available secondary voltages to the point of delivery at the Retail Customer's premises.

The Company will furnish single or three phase electric service at standard secondary voltages as follows:

- Single Phase – 120/240 Volt, 3 wire service.
- Three Phase – 120/240 Volt, 4 wire service. (Only available with special permission.)
- Three Phase – 120/208 Volt, 4 wire service.
- Three Phase – 277/480 Volt, 4 wire service.
- Three Phase – 480 Volt, 3 wire service. (Only available with special permission.)

Other voltages may be provided as mutually agreeable to the Retail Customer and the Company.

6.2.2 METER REQUIREMENTS

Residential underground service, the meter socket shall be, 200 amp for self-contained, 4-terminal, single phase, S-type meter. Using ringless mounting, with 250 mcm Cu/Al connectors and 2.5" bottom knockouts, minimum dimensions (H,W,D): 14"x 11"x 4.125", 16 gauge steel cabinet with baked gray enamel finish.

For estate style Residential installations, the Company will specify whether the typical 200 amp residential meter socket will be installed or will specify the appropriate size meter socket based on the estimated residential load.

All Commercial and Industrial Customer metering requirements will be determined by the Company based on the load data and facilities layout supplied by the Customer or the REP.

Commercial and industrial Retail Customers may choose a competitive Meter supplier in accordance with P.U.C. SUBST. R. 25.311, Competitive Metering Services. All competitive Meters must meet minimum Company Meter requirements for each rate class as described above. Please see the Agreement for Competitive Meter Ownership and/or Access (Appendix D) for more information on competitively owned Meters.

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6.2.3 DELIVERY SERVICE FROM COMPANY'S EXISTING UNDERGROUND DELIVERY SYSTEM

In certain areas of the Company's Service Territory, substantial investments have been made in underground service facilities. As overhead service extensions into these areas are impractical and would nullify the benefits of the past investments, the Company retains the right to limit Delivery Service to Retail Customers from Company's existing underground Delivery System.

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Appendix A Appendix Title: AGREEMENT BETWEEN COMPANY AND COMPETITIVE RETAILER REGARDING TERMS AND CONDITIONS OF DELIVERY OF ELECTRIC POWER AND ENERGY Applicable: SHARYLAND UTILITIES, L.P. – MCALLEN	

APPENDIX A

AGREEMENT BETWEEN COMPANY AND COMPETITIVE RETAILER REGARDING TERMS AND CONDITIONS OF DELIVERY OF ELECTRIC POWER AND ENERGY

Company and Competitive Retailer hereby agree that their relationship regarding the delivery of Electric Power and Energy will be governed by the terms and conditions set forth in Company's Tariff approved by the Public Utility Commission of Texas (Commission). A copy of this Tariff may be obtained by contacting the Central Records Department of the Commission.

- I. Notices, bills, or payments required in Company's Tariff shall be delivered to the following addresses:

FOR COMPANY

Legal Name: Sharyland Utilities, L.P.

ERCOT Registered Name: Sharyland Utilities, L.P.-McAllen

Mailing Address: 1807 Ross Avenue
Suite 460
Dallas, TX 75201

Phone Number: 956-687-5600

Toll Free: 866-354-3335

Fax Number: 956-664-1903

Email Address: suhelp@sharyland.com

Payment Address (both electronic and postal): _____

Company may change such contact information through written notice to Competitive Retailer.

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FOR COMPETITIVE RETAILER

Legal Name: _____

Mailing Address: _____

Phone Number: _____

Fax Number: _____

Email Address: _____

Billing Address (both electronic and postal): _____

PUC Certificate Number: _____

Competitive Retailer may change contact information through written notice to Company.

II. DESIGNATION OF CONTACT FOR REPORTING OF OUTAGES, INTERRUPTIONS, IRREGULARITIES, AND FOR MAKING SERVICE REQUESTS

A. Outages, Interruptions, and Irregularities Only – (Select ONE)

____ Competitive Retailer will direct Retail Customers to call Competitive Retailer to report outages, interruptions, irregularities and will then electronically forward such information to Company.

____ Competitive Retailer will direct Retail Customers to call Competitive Retailer to report outages, interruptions, irregularities and will then forward such calls to Company at a toll-free number.

____ Competitive Retailer will direct Retail Customers to directly call or contact Company to report outages, interruptions, irregularities. Competitive Retailer will provide Retail Customer with the following toll-free number supplied by Company for purposes of making such reports and requests.

956-668-9551 (outages, interruptions, irregularities)

B. Service Requests Only – (Select ONE)

____ Competitive Retailer will direct Retail Customers to call Competitive Retailer to make service requests and will then electronically forward such information to Company.

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_____ Competitive Retailer will direct Retail Customers to call Competitive Retailer to make service requests and will then forward such calls to Company at a toll-free number.

_____ Competitive Retailer will direct Retail Customers to directly call or contact Company to make service requests. Competitive Retailer will provide Retail Customer with a toll-free number supplied by Company for purposes of making such requests.

956-668-9551 (service requests)

III. TERM

This Agreement shall commence upon the date of execution by both Parties (the "Effective Date") and shall terminate upon mutual agreement of the Parties or upon the earlier of the date (a) Competitive Retailer informs the Company that it is no longer operating as a Competitive Retailer in Company's service territory; (b) a new Delivery Service Agreement between the Parties hereto becomes effective; or (c) Competitive Retailer is no longer certified by the Commission as a retail electric provider in Company's certificated service area.

Termination of this Agreement, for any reason, shall not relieve Company or Competitive Retailer of any obligation accrued or accruing prior to such termination.

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

V. SIGNATURES

Company

Sharyland Utilities, L.P.

(Legal signature)

(Date)

Competitive Retailer (insert name)

(Legal signature)

(Date)

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APPENDIX B

FACILITIES EXTENSION AGREEMENT BETWEEN COMPANY AND RETAIL CUSTOMER

WO NO. _____
_____, 20__

NO. _____

Sharyland Utilities, hereinafter “Company,” agrees to accept payment of _____ Dollars to be paid by _____ of _____ County, Texas, hereinafter “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:

Located at or near _____, Texas.

The service hereunder shall be ____-wire, ____-phase, 60 cycles per second, and operating at the Company’s standard secondary voltage of ____/____ volts. The normal aggregate power capacity required for electric service at these premises is _____ kW. The Customer hereby agrees to notify the Company of any anticipated increase or decrease in such capacity requirements, at least 60 days in advance, of the expected need thereof.

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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 lines and equipment necessary to distribute electric service to the above identified premises, all of which shall be and remain the property of the Company. Company expressly retains the right to use said lines and equipment for any purpose that the Company deems advisable, including the distribution of electric service to other customers.

For Speculative Construction projects, the Customer agrees to pay directly to the Company a "minimum charge". Such charge shall be calculated at \$1.00 per connected capacity (transformer size in kVA) and is set at the amount of \$_____ per month for this premise and shall be paid by Customer until the combined premise electrical load equals or exceeds a stated minimum level of 10% of the connected capacity, and is set at _____kVA per month, computed on an average basis, at which time such minimum charge shall be suspended for as long as the load level remains approximately as stated above.

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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 the Company's Tariff.

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

Sharyland Utilities, L.P.

By: _____

Title

ACCEPTED:

Applicant

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Appendix C Appendix Title: AGREEMENT AND TERMS AND CONDITIONS FOR PULSE METERING EQUIPMENT INSTALLATION Applicable: SHARYLAND UTILITIES, L.P. – MCALLEN	

APPENDIX C

AGREEMENT AND TERMS AND CONDITIONS FOR PULSE METERING EQUIPMENT INSTALLATION

Sharyland Utilities, L.P. (“Company”) and _____ [an Electric Power and Energy end-user; the written authorized representative of _____, an Electric Power and Energy end-user; or a Retail Electric Provider for _____, an Electric Power and Energy end-user] (“Customer”) hereby agree that the provision of Pulse Metering Equipment will be governed by the Company’s Tariff for Retail Delivery Service and this Agreement and Terms and Conditions for Pulse Metering Equipment Installation (“Agreement”).

Upon the request of Customer, Company shall install, maintain, repair, replace, or remove Pulse Metering Equipment located at Company’s Meter used for billing Delivery System Services in accordance with the following terms and conditions:

1. Company shall install Pulse Metering Equipment, including: pulse initiator, as needed; external protective devices, as needed; junction box, as needed; communications equipment, as needed; and necessary wiring and related materials and supplies up to a point for Customer’s interconnection.
2. Customer shall be responsible for the installation and maintenance of all wiring and equipment on Customer’s side of the point of interconnection with Company’s Pulse Metering Equipment.

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3. Customer agrees that Company is not obligated to alter or adjust any meter reading based on the equipment that Customer installs to receive the Electrical Pulses provided for herein and that Company in no way guarantees that Customer's equipment will operate satisfactorily.

4. Company shall charge and Customer shall pay (i) the installation charge as set forth in Company's Tariff for Retail Delivery Service, or if there is no such charge, (ii) the difference in costs, if any, between the existing meter (or the standard meter if no meter is currently installed) and the cost of an advanced meter that meets Customer's requirements, or (iii) the actual cost of the installation requirements, which includes the actual cost of equipment, labor, and overheads necessary to provide pulse access, or (iv) an engineering estimate thereof. Customer shall remit payment to Company for the costs incurred under this paragraph by the due date shown on Company's invoice.

5. Only Company or Company's authorized representatives shall install, maintain, repair, replace, or remove Pulse Metering Equipment. Company shall normally complete installation or removal of such equipment within thirty (30) days from the date request is made in accordance with Section 10. Normal installation times may be impacted by equipment availability or other factors beyond the reasonable control of Company. If Company determines that the installation time may exceed thirty (30) days, Company shall provide notice to customer pursuant to Section 11 of this Agreement. Company shall provide notice to Customer's contact person as set forth in Section 11 of this Agreement when Pulse Metering Equipment installation is complete, including pulse multipliers for the meter, so that pulse data can be interpreted.

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6. Company shall maintain, repair, or replace Pulse Metering Equipment installed hereunder, if and to the extent that such work is necessary to maintain the pulse access desired by Customer. If applicable, a charge for maintenance shall be optional, with Customer having the option whether to pay a monthly maintenance fee, rather than the cost of repair or replacement should such become necessary to maintain the pulse access desired by Customer. Company shall charge and Customer shall pay (i) the replacement charge, (ii) the actual cost of all required repairs/replacement, or (iii) an engineering estimate thereof. Company shall repair or replace only such Company equipment as requires repair or replacement.
7. If an isolation relay is used, under no circumstances shall Customer modify or interrupt the operation of Company's relay and associated wiring.
8. Company shall have the right to interrupt the pulse circuit in accordance with the provisions of the Company's Tariff for Retail Delivery Service.
9. This Agreement may be amended, revised, or otherwise changed only by an appropriate order of an Applicable Legal Authority.

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10. All requests for Pulse Metering Equipment shall be in writing and must include the following information:

- (a). Customer name;
- (b). Letter of authorization if Customer is other than an Electric Power and Energy end-user;
- (c). Customer's authorized representative contact name, if applicable;
- (d). Customer's authorized representative phone number, if applicable;
- (e). ESI ID (if available);
- (f). Service address (including City and zip code);
- (g). Pulse data requested, e.g. watt-hour, time, var-hour;
- (h). Billing/Invoice information, including:
Responsible Party;
Billing Address; and
- (i). If Customer is not the owner of the premises upon which Pulse Metering Equipment will be located, Customer shall represent that Company is fully authorized to enter the premises and to perform any reasonable effort necessary to install, maintain, repair, replace, or remove Pulse Metering Equipment.

11. All communications necessary in the administration and execution of this Agreement may be effectuated by contacting Company and Customer at the addresses and telephone numbers set forth below:

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FOR COMPANY:

Sharyland Utilities, L.P.
Mailing Address: 4600 West Military Hwy.
Suite 400
McAllen, TX 78503
Phone Number: 956-687-5600
Toll Free: 866-354-3335
Fax Number: 956-664-1903
Email Address: customerservice@sharyland.com

FOR CUSTOMER:

Contact: _____
Address: _____

Email: _____
Phone Number: _____
Fax Number: _____

Either party may change the preceding designation by providing the other party with no less than thirty (30) days advanced notification of such change.

12. Except as expressly provided by this Agreement, no provision of this Agreement shall revise, alter, modify, or amend Company's Tariff for Retail Delivery Service.

13. This Agreement shall commence upon the date of execution by both Parties ("Effective Date") and shall terminate (a) upon mutual agreement of the Parties, or (b) written notification by Customer to Company that it requests to terminate this Agreement, or (c) upon the effective date of a new agreement between the Parties.

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14. Termination of this Agreement, for any reason, shall not relieve Company or Customer of any obligation accrued or accruing prior to such termination.

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

Company Sharyland Utilities, L.P.
 (legal signature) _____
 (date) _____

Customer _____
 (legal signature) _____
 (date) _____

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APPENDIX D

ESI ID: _____

(If this Agreement applies to multiple ESI IDs, the ESI IDs are listed on an Attachment that identifies the appropriate premise address for each ESI ID.)

AGREEMENT FOR COMPETITIVE METER OWNERSHIP AND/OR ACCESS FOR NON-COMPANY BILLING METERS

_____ ("Company") and _____ ("Retail Customer") hereby agree that this Agreement for Meter Ownership and/or Access for Non-Company Billing Meters ("Agreement"), as well as Company's Tariff for Retail Delivery Service ("Tariff") and Applicable Legal Authorities, will govern Retail Customer's utilization of Non-Company Billing Meter(s), and Retail Customer's physical access to Non-Company Billing Meter(s) to obtain Meter Data at the ESI ID(s) specified above. All defined terms used herein will have the meanings specified in the Tariff, except as otherwise expressly provided in this Agreement.

This Agreement may be executed by a written authorized representative/agent ("Retail Customer's Agent"), acting on behalf of the Retail Customer pursuant to an executed Letter of Agency ("LOA") delivered to Company. Termination of the agency authority of Retail Customer's Agent will become effective as to this Agreement upon Company's receipt of written notice of such termination from the Retail Customer. A change in Retail Customer's Agent will become effective as to this Agreement only upon the Company's receipt of a new LOA designating a new Retail Customer's Agent, in which event Retail Customer is also responsible for promptly providing Company with the contact information for the new Retail Customer's Agent required under Section C of this Agreement. Retail Customer shall ensure that Retail Customer's Agent complies with this Agreement, the other applicable provisions of the Tariff, and Applicable Legal Authorities.

If Retail Customer is not the owner of the premises where the Non-Company Billing Meter(s) will be installed, Retail Customer represents that Company is fully authorized to enter the premises and perform any reasonable effort necessary to install, maintain, repair, replace, or remove the Non Company Owned Meter(s).

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Check the provisions of this Agreement that apply to the services being provided (i.e., Section A and/or Section B).



A. UTILIZATION OF NON-COMPANY BILLING METER

1. **Meter Owner.** Retail Customer has selected and authorized _____ to be the Meter Owner of the Non-Company Billing Meter(s) at the ESI ID(s) specified above. A change in Meter Owner will become effective only upon a written amendment of this Agreement.
2. **Non-Company Billing Meter.** The Non-Company Billing Meter(s) selected from the ERCOT approved competitive meter list that will be installed pursuant to this Agreement is/are _____ (i.e., meter manufacturer and type). Any credit to the Delivery Charges invoiced to the Retail Customer's Competitive Retailer for the utilization of Non-Company Billing Meter(s) shall be as provided in Section 6.1 - Rate Schedules of Company's Tariff
3. **Metering Services.** Company shall provide as defined in PUC Substantive Rule 25.311(b)(5), (as the same may be changed from time to time by the Commission), excluding Meter ownership, to Retail Customer utilizing Non-Company Billing Meter(s). Charges may apply to these Metering Services as provided in Section 6.1 - Rate Schedules of Company's Tariff
4. **Requests for Metering Services.** Requests for Metering Services, including installation or removal of Non-Company Billing Meter(s), shall be made in accordance with Company's Tariff and Applicable Legal Authorities.
5. **Shipping of Non-Company Billing Meters to Company.** A Non-Company Billing Meter shipped by the Meter Owner to the Company for testing and installation shall be shipped to the Company's designated meter delivery address as provided herein, with shipping costs prepaid by the Meter Owner.
6. **Return of Non-Company Billing Meters to Meter Owner.** A Non-Company Billing Meter being returned to the Meter Owner for any reason (including removal from service) may be picked up by the Meter Owner at a Company designated location within ten business days after Company gives written notice that the Non-Company Billing Meter is being returned. If the Non-Company Billing Meter is not

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picked up by the Meter Owner within such ten business day period, Company will have the right to return the Non-Company Billing Meter to the Meter Owner using any of the following means: (a) shipping by Company to the Meter Owner, at the address specified herein, shipping to be paid by the Meter Owner, cash on delivery; (b) shipping to the Meter Owner using a shipper, Meter Owner account number and shipping instructions provided by the Meter Owner when the Meter Owner is notified that the Non-Company Billing Meter is being returned; or (c) other arrangements mutually agreed to by Company and Meter Owner. If a Non-Company Billing Meter that has been removed from service is not returned to the Meter Owner using one of the means specified above, Company will safeguard the Non-Company Billing Meter until the earlier of (i) the date the Meter Owner takes possession of it, or (ii) 60 calendar days from the date of removal.



B. ACCESS TO NON-COMPANY BILLING METER BY COMPANY TO OBTAIN METER DATA

- Billing and Settlement Meter Reading Capability.** Where remote meter reading is required, the method that Retail Customer will provide for the Company to remotely access the Non-Company Billing Meter(s) to obtain Meter Data necessary for the Company to fulfill its billing, settlement and reliability responsibilities pursuant to Applicable Legal Authorities (Billing and Settlement Meter Reading Capability") is _____(e.g., cell phone, land line, radio, etc.). The Billing and Settlement Meter Reading Capability must be compatible with a method the Company currently uses elsewhere on its system for remote access to Billing Meters providing similar billing, settlement and reliability Meter Data. The Billing and Settlement Meter Reading Capability must comply with Section 5.10.2 - Retail Customer Responsibility and Rights of Company's Tariff. Where remote meter reading is required, Retail Customer shall arrange for and be responsible for the costs, including any ongoing costs, of the remote communications for the Billing and Settlement Meter Reading Capability. Retail Customer shall have the Billing and Settlement Meter Reading Capability in effect beginning_____. Retail Customer shall provide Company with 45 calendar days advance written notice of termination of the Billing and Settlement Meter Reading Capability and agrees to work in good faith with Company to restore Company's remote meter reading capability.
- Company's Access to Billing and Settlement Meter Reading Capability.** Company will not use Meter Data from a Non-Company Billing Meter for purposes

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other than fulfilling the Company's billing, settlement, and reliability responsibilities in accordance with Applicable Legal Authorities. Company shall have access to the Non-Company Billing Meter using the Billing and Settlement Meter Reading Capability, (a) on the scheduled meter reading day and the two calendar days on either side of the scheduled meter reading day, for _ consecutive minutes beginning at _ am/pm (circle one) (central prevailing time); and (b) on three additional consecutive calendar days designated by Company in writing for consecutive minutes each day beginning at am/pm (circle one) (central prevailing time). In addition, Company may access the Non-Company Billing Meter at other times if necessary to fulfill the Company's billing and settlement responsibilities or if access is not available at the designated times. If Company does not have reasonable access through the Billing and Settlement Meter Reading Capability to the Non-Company Billing Meter for a period exceeding 10 calendar days, or for the two calendar days on either side of and on the scheduled meter read date, or in the event that Company's access to billing and settlement data is blocked during the times listed herein, Retail Customer will be in breach of its obligations under this Agreement.

3. **Charges.** Company shall not charge Retail Customer for access to the Meter Data nor shall Retail Customer charge Company for access to the billing, settlement and reliability Meter Data.

C. CONTACT INFORMATION

All notifications and other contacts necessary in the administration and execution of this Agreement may be effectuated by contacting Company, Retail Customer, Meter Owner, or Retail Customer's Agent at the addresses and telephone numbers set forth below:

FOR COMPANY:

Contact: _____

Address: _____

Email: _____

Phone Number: _____

Fax Number: _____

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FOR RECEIPT OF NON-COMPANY BILLING METER:

Contact: _____

Address: _____

FOR RETAIL CUSTOMER:

Company Name: _____

Contact: _____

Premise Address: _____

Billing Address: _____

Email: _____

Phone Number: _____

Fax Number: _____

Retail Customer's Competitive Retailer, contact name and phone number:

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FOR METER OWNER:

Company Name: _____

Contact: _____

Address: _____

Email: _____

Phone Number: _____

Fax Number: _____

FOR RETURN OF NON-COMPANY BILLING METER:

Contact: _____

Address: _____

FOR RETAIL CUSTOMER’S AGENT:

Company Name: _____

Contact: _____

Address: _____

Email: _____

Phone Number: _____

Fax Number: _____

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Company will promptly provide to the Retail Customer any changes to the Company's contact information. The Retail Customer will promptly provide to Company any changes to the Retail Customer's, Meter Owner's, Competitive Retailer's or Retail Customer's Agent's contact information.

D. OTHER TERMS & CONDITIONS

1. The form of this Agreement may be amended, revised, or otherwise changed only by an appropriate order of Applicable Legal Authorities.
2. Except as expressly provided by this Agreement, no provisions of this Agreement shall revise, alter, modify, or amend other provisions of Company's Tariff for Retail Delivery Service.
3. This Agreement shall commence, upon the date of execution by both Parties (the "Effective Date").
4. This Agreement shall terminate on the earlier of: (a) the date that none of the ESI IDs specified on the first page of this Agreement are associated with the Retail Customer; or (b) the date that all of the 'Non-Company Billing Meters provided for under this Agreement have been permanently removed, whether removed at the. Retail Customer's request or pursuant to Applicable Legal Authorities; or (c) termination by the Retail Customer upon 45 calendar days advance written notice to the Company, or (d) termination by the Company upon Retail Customer's breach of any obligation under this Agreement that has remained uncured after Retail Customer and Retail Customer's Agent, if designated, have been given written notice of the breach and 30 calendar days to cure. Upon termination of the Agreement, Company shall have the right to remove the Non-Company Billing Meter(s) covered by this Agreement; provided that removal of Non-Company Billing Meters shall comply with Section 5.10.5 of the Tariff. Termination of the Agreement may result in applicable charges under Section 6.1 - Rate Schedules of Company's Tariff Termination of this Agreement, for any reason, shall not relieve the Parties of any obligation accrued or accruing prior to such termination.
5. Retail Customer is responsible for providing accurate information to Company as requested herein, as well as accurate information necessary to facilitate Company's access through the Billing and Settlement Meter Reading Capability to billing, settlement and reliability Meter Data (e.g., telephone numbers). Retail Customer is responsible for promptly informing Company of any changes to that information.

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Failure to maintain the accuracy of the information required under this Agreement will constitute a breach of this Agreement.

6. This Agreement is binding upon Company and Retail Customer and their successors and assigns, provided that Retail Customer may assign this Agreement only to another Retail Customer taking service at the specified ESI IDs, and only upon giving written notice to Company and providing all pertinent changes to information requested-herein.
7. This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

Company (Insert Name) _____
 (Legal Signature) _____
 (Date) _____

Retail Customer (Insert Name) _____
 (Legal Signature) _____
 (Date) _____

ACKNOWLEDGED this ____ day of _____, by:

Meter Owner (Insert Name) _____
 (Legal Signature) _____
 (Date) _____

ACKNOWLEDGED this ____ day of _____, by:

Retail Customer's Agent (Insert Name) _____
 (Legal Signature) _____
 (Date) _____

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APPENDIX E

COMPETITIVE METERING LETTER OF AGENCY

Electric Service Identifier (ESI ID Number):* _____

Premise Address (*include city, state, zip*):* _____

Retail Customer. _____

Retail Customer's Billing Address:
(*include city, state, zip*) _____

Retail Customer's E-mail: _____

Retail Customer's Telephone Number: _____

Retail Customer's Fax Number. _____

Retail Electric Provider or (REP): _____

Transmission and Distribution Utility (TDU): _____

Retail Customer's Agent: _____

Retail Customer's Agent's Address:
(*include city, state, zip*) _____

Retail Customer's Agent's Email: _____

Retail Customer's Agent's Telephone Number: _____

Retail Customer's Agent's Fax Number. _____

SHARYLAND UTILITIES, L.P. – MCALLEN 1807 Ross Avenue, Suite 460 Dallas, Texas 75201	Sheet No.: E Effective Date: January 6, 2014 Revision: 1
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If this Letter of Agency applies to multiple ESI IDs, the ESI IDs are listed on an Attachment that identifies the appropriate premise address for each ESI ID.

The Retail Customer designates the Retail Customer's Agent for purposes of performing Retail Customer's duties provided for in the "Agreement for Meter Ownership and/or Access" (the "Agreement"), as well as giving and receiving information in accordance with the Competitive Metering Guides of the Electric Reliability Council of Texas ("ERCOT").

In addition to the duties included in the Agreement, Retail Customer appoints Agent to:

- (1) Communicate with and authorize TDU to maintain, repair, and replace the Non-Company Billing Meter(s), as may be reasonable and necessary;
- (2) Submit to and obtain from the TDU information requests, service requests, and data access; and,
- (3) Authorize TDU to enter the Premise at reasonable times and to perform all reasonable and necessary work to install the Non-Company Billing Meter(s) at the Premise and to maintain, repair, replace, and remove the Non-Company Billing Meter(s).

Retail Customer acknowledges that Retail Customer is obligated to pay all amounts due to the TDU pursuant to its tariffs approved by the Public Utility Commission of Texas. Failure of Agent to perform Retail Customer's duties does not relieve Retail Customer of any obligation under the Agreement or tariffs.

By signing this Letter of Agency, Retail Customer represents that if Retail Customer is not the owner of the premises upon which the Non-Company Billing Meter and any associated equipment will be located, that Company is fully authorized by the owner of the premises to enter the premises and to perform any reasonable work necessary to install, maintain, repair, replace, or remove such Meter and associated equipment.

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Representation: By signing this Letter of Agency, Retail Customer represents that Retail Customer is at least 18 years old and has the legal capacity to execute this document.

Termination: This Letter of Agency can be terminated at any time, provided however that with regard to the Agreement, termination shall be effective only upon TDB's receipt of written notice of such termination from Retail Customer. Retail Customer represents by its signature there under that Retail Customer is aware of its affirmative duty to promptly inform the TDU of any changes to this Letter of Agency, including its termination.

Retail Customer

Date

Date