ONCOR ELECTRIC DELIVERY COMPANY

TARIFF FOR TRANSMISSION SERVICE
TO, FROM AND OVER CERTAIN HVDC INTERCONNECTIONS

REVISION NO. 7

TARIFF FOR TRANSMISSION SERVICE
TO, FROM AND OVER CERTAIN HVDC INTERCONNECTIONS

Sheet No.

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1.0 Utility Operations

Oncor Electric Delivery Company (Oncor or Company), formerly known as TXU Electric Delivery Company, was incorporated under the laws of the State of Texas in 2001 and has perpetual existence under the provisions of the Texas Business Corporation Act. The Company is the successor transmission and distribution utility that was formed upon the corporate unbundling of TXU Electric Company. The Company is an electric utility, as that term is defined in the Public Utility Regulatory Act of 1999 of the State of Texas, Texas Utilities Code 31.002(6), engaged in the transmission and distribution of electricity wholly within the State of Texas. The Company is not a public utility, as that term is defined in the Federal Power Act.

1.1 Authority

This Tariff for Transmission Service To, From and Over Certain HVDC Interconnections (TFO Tariff), is being filed in accordance with the Orders of the FERC in FERC Docket No. EL79-8-002, issued on July 23, 1987, and the Orders of the FERC in FERC Docket Nos. EL79-8 and E-9558, issued on October 28, 1981, November 5, 1982, and January 29, 1982, together with the form of Order Approving Settlement submitted with the Second Supplemental Offer of Settlement in FERC Docket EL79-8 on January 22, 1981, and incorporated by reference in the said Order of the FERC dated January 29, 1982 (collectively referred to herein as “Orders”). The order in FERC Docket No. EC02-6-000, issued November 14, 2001, approved the transfer of TXU Electric Company’s FERC jurisdictional assets, including this TFO Tariff, with the associated rights and obligations established in the Orders, to the Company. This TFO Tariff and the services provided hereunder are applicable to any eligible transmission service customer except to the extent the eligible transmission service customer is required to take service from Company, or the Company is required to provide service to the eligible transmission service customer, under other orders of the FERC or other rate schedules on file with the FERC.

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2.0 Wholesale Transmission Services

Company provides wholesale transmission services to, from and over the HVDC Interconnections pursuant to this TFO Tariff. All of the services provided pursuant to this TFO Tariff are available to all wholesale market participants on a non-discriminatory basis.

This TFO Tariff does not apply to transmission service that the FERC is prohibited from ordering by Section 212(h)(2) of the Federal Power Act.

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2.1 Definitions

The following terms, when used in this TFO Tariff, have the following definitions.

APPLICATION. A request by an eligible transmission service customer for transmission service, pursuant to the provisions of this TFO Tariff.

CODES. Codes governing electric utility installations.

COMPANY. Oncor Electric Delivery Company, its successors and assigns.

CONTRIBUTION IN AID OF CONSTRUCTION. Payment by customer to Company for nonstandard service facilities or for facility extensions or expansions that are primarily for the benefit of the customer.

CUSTOMER. A wholesale electricity market participant receiving service under this TFO Tariff.

CUSTOMER'S ELECTRICAL INSTALLATION. All conductors, equipment, or apparatus of any kind on customer's side of the point of delivery, except Company's metering equipment, used by customer in taking service under one of Company's rate schedules set forth in this TFO Tariff.

DESIGNATED AGENT. Any entity that performs actions or functions on behalf of Company, an eligible transmission service customer, or a transmission service customer.

DISTRIBUTION SYSTEM. Company's primary voltage conductors, transformers, switchgear, connection enclosures, and other associated equipment used to provide wholesale transmission service, all operated at voltages less than 60 kV.

ELIGIBLE TRANSMISSION SERVICE CUSTOMER. An eligible transmission service customer is any of the following: Company (for all uses of its transmission system related to the HVDC Interconnections) or any electric utility, municipally owned utility, electric cooperative, power generation company, retail electric provider, federal power marketing agency, exempt wholesale generator, qualifying facility, power marketer, or other person whom the commission has determined to be an eligible transmission service customer. An eligible transmission service customer may designate an agent to represent it in making arrangements for transmission service under this tariff.

ERCOT. Electric Reliability Council of Texas or its successors. Refers to the organization and, in a geographic sense, refers to the area served by electric utilities, municipally owned utilities, and electric cooperatives that are not synchronously interconnected with electric utilities outside of the State of Texas.

ERCOT PROTOCOLS. Body of procedures developed by ERCOT to maintain the reliability of the regional electric network and account for the production and delivery of electricity among resources and market participants. The procedures, initially approved by the PUCT, include revisions process that may be appealed to the PUCT, and are subject to the oversight and review of the PUCT.

FERC. Federal Energy Regulatory Commission.

FACILITIES STUDY. An engineering study conducted by Company subsequent to a system security study to determine the required modifications to its transmission system, including the detailed engineering, design, and cost of transmission services facilities and the scheduled completion date for such modifications, that will be required to provide a requested transmission service.

GOOD UTILITY PRACTICE. Any of the practices, methods and acts engaged in or approved by a significant portion of the

electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at the lowest reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act, to the exclusion of all others, but rather to be practices, methods, or acts that are generally accepted in ERCOT, or prescribed by NERC and consistently adhered to by transmission providers. Good utility practice shall not be used as a basis to unreasonably withhold access to transmission service.

HIGH-VOLTAGE DIRECT CURRENT (HVDC) INTERCONNECTIONS. The North direct current asynchronous interconnection, consisting of back-to-back direct current terminals located at Oklaunion, within Wilbarger County, Texas, and/or the East direct current asynchronous interconnection, consisting of a 345 kV AC switchyard facility at the Monticello generating station, approximately 16 miles of 345 kV AC transmission line, back-to-back direct current terminals, and a 345 kV switchyard facility at the Welsh generating station, all located within Titus County, Texas. These HVDC Interconnections were constructed pursuant to FERC Orders.

INDEPENDENT SYSTEM OPERATOR. An entity supervising the collective transmission facilities of a power region that is charged with non-discriminatory coordination of market transactions, systemwide transmission planning, and network reliability.

INSTRUMENT TRANSFORMER. A current or voltage potential device necessary in the metering of customer’s load.

KILOVOLT. 1000 volts, abbreviated kV.

KILOWATT. 1000 watts, abbreviated kW.

MEGAWATT. 1000 kilowatts, abbreviated MW.

METER. A device, or devices, together with any required auxiliary equipment, for measuring power and energy.

NERC. The North American Electric Reliability Council.

POINT OF DELIVERY. The point where Company's conductors are connected to customer's conductors, unless otherwise agreed in the applicable agreement for service. At Company's option, locations where the electrical installation has multiple connections to Company's conductors, due to Company facilities' limitations or design criteria, may be considered one point of delivery for billing purposes.

POWER. The rate at which electric energy is provided for doing work. The electrical unit of power is the watt, or kilowatt.

POWER FACTOR. The ratio of real power, in kilowatts, to apparent power, in kilovolt amperes, for any given load and time, generally expressed as a percentage ratio.

PUCT. The Public Utility Commission of Texas.

RESOURCES. Generation resource owned, controlled or purchased by the transmission service customer.

SPP. The Southwest Power Pool or its successors.

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SYSTEM SECURITY SCREENING STUDY. An assessment, performed by ERCOT, of the feasibility of integrating new generation resources into the Company's transmission system and whether any upgrades of facilities providing transmission service are needed.

TRANSMISSION SERVICE. A service that allows a transmission service customer to use the transmission and distribution facilities of Company to efficiently and economically utilize generation resources to reliably serve its loads and to deliver power to another transmission service customer.

TRANSMISSION SERVICE CUSTOMER. Any eligible transmission service customer receiving transmission service under this TFO Tariff. Where consistent with the context, "transmission service customer" includes an eligible transmission service customer seeking transmission service.

TRANSMISSION SYSTEM. The transmission facilities at or above 60 kV owned, controlled, operated or supported by the Company that are used to provide transmission service.

TRANSMISSION UPGRADE. A modification or addition to transmission facilities constructed by Company.

WATT. The rate at which electric power is provided to do work. One watt is the power represented by current having a component of one ampere in phase with and under a pressure of one volt.

WHOLESALE ELECTRICITY MARKET PARTICIPANT. An electric utility (including a power marketer), a federal power marketing agency, exempt wholesale generator, or qualifying facility as those terms are defined under federal law.

2.2 Obligation to Provide Transmission Service

Company will provide wholesale transmission service to other electric utilities, federal power marketing agencies, power marketers, exempt wholesale generators, and qualifying facilities, in accordance with the provisions of this TFO Tariff.

2.2.1 Terms and Conditions

Company will provide transmission service to utilities, federal power marketing agencies, power marketers, exempt wholesale generators, and qualifying facilities on comparable terms and conditions.

2.2.2 Transmission Service Less Than 60 kV

The obligation to provide comparable wholesale transmission service applies to Company, even if the Company's interconnection with the transmission service customer is through distribution, rather than transmission facilities. In such cases, the Company shall provide an eligible transmission service customer access to the delivery points of an electric utility purchasing electricity at wholesale using facilities rated at less than 60 kilovolts on a non-discriminatory basis.

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2.3 Reciprocity

A transmission service customer receiving transmission service under this TFO Tariff agrees to provide comparable transmission service to Company on similar terms and conditions over facilities used for the transmission of electric energy in interstate commerce owned, controlled or operated by the transmission service customer and over facilities used for the transmission of electric energy in interstate commerce owned, controlled or operated by the transmission service customer's corporate affiliates. A transmission service customer that is a member of a power pool or Regional Transmission Group also agrees to provide comparable transmission service to the members of such power pool and Regional Transmission Group on similar terms and conditions over facilities used for the transmission of electric energy in interstate commerce owned, controlled or operated by the transmission service customer and over facilities used for the transmission of electric energy in interstate commerce owned, controlled or operated by the transmission service customer's corporate affiliates. This reciprocity requirement also applies to any eligible transmission service customer that owns, controls or operates transmission facilities that uses an intermediary, such as a power marketer, to request transmission service under this TFO Tariff. If the transmission service customer does not own, control or operate transmission facilities, it must include in its Application a sworn statement of one of its duly authorized officers or other representatives that the purpose of its Application is not to assist an eligible transmission service customer to avoid the requirements of this provision.

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2.4 Billing and Payment for Transmission Service

2.4.1 Billing Procedure

Within a reasonable time after the first day of each month, Company shall submit an invoice to the customer for the charges for all services furnished under this TFO Tariff during the preceding month.

2.4.2 Payment Procedure

The invoice shall be paid to Company by the customer so that the Company will receive the funds by the 35th calendar day after the date of issuance of the invoice, unless the Company and the customer agree on another mutually acceptable deadline. All payments shall be made in immediately available funds payable to Company, or by wire transfer to a bank named by the Company.

2.4.3 Interest on Unpaid Balances

Interest on any unpaid amount shall be calculated in accordance with the rate set annually by the PUCT for overbilling and underbilling and compounded monthly. Interest on delinquent amounts shall be calculated from the due date of the bill to the date of payment. When payments are made by mail, bills shall be considered as having been paid on the date of receipt by the Company.

2.4.4 Customer Default

In the event the customer fails, for any reason other than a billing dispute as described below, to make payment to the Company on or before the due date, and such failure of payment is not corrected within 30 calendar days after the Company notifies the customer to cure such failure, a default by the customer shall be deemed to exist.

Upon the occurrence of a default, the Company may initiate a proceeding with the FERC to terminate service. In the event of a billing dispute between the Company and the customer, the Company will continue to provide service during the pendency of the proceeding, as long as the customer:

(a) continues to make all payments not in dispute; and
(b) pays into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute.

If the transmission service customer fails to meet the requirements above, then the Company will provide notice to the customer and to the FERC of its intention to terminate service.

Any dispute arising in connection with the termination or proposed termination of service shall be referred to the Alternative Dispute Resolution process described in this TFO Tariff.

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2.5 Regulatory Filings

2.5.1 Changes

The rates provided herein and the terms and conditions specified herein are subject to being superseded, changed or modified, either in whole or in part, from time to time by a legally effective filing by Company with or by order of the FERC or any successor regulatory authority having jurisdiction. The Company shall have the right at any time unilaterally to seek superseding provisions from such regulatory authority.

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2.6 Force Majeure and Indemnification

2.6.1 Force Majeure

Neither a customer nor Company shall be liable to the other for damages for any act that is beyond such party's control, including any event that is a result of an act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, a curtailment, order, regulation or restriction imposed by governmental, military, or lawfully established civilian authorities, or by the making of necessary repairs upon the property or equipment of either party.

2.6.2 Indemnification

Notwithstanding the provisions of the foregoing paragraph, a transmission service customer and Company shall assume all liability for, and shall indemnify each other for, any losses resulting from negligence or other fault in the design, construction, or operation of their respective facilities. Such liability shall include a transmission service customer’s or the Company's monetary losses, costs and expenses of defending an action or claim made by a third person, payments for damages related to the death or injury of any person, damage to the property of the Company or transmission service customer, and payments for damages to the property of a third person, and damages for the disruption of the business of a third person. This paragraph does not create a liability on the part of the Company or transmission service customer to a retail customer or other third person, but requires indemnification where such liability exists. The indemnification required under this paragraph does not include responsibility for the Company's or transmission service customer's costs and expenses of prosecuting or defending an action or claim against the other, or damages for the disruption of the business of the Company or customer. The limitations on liability set forth in this subsection do not apply in cases of gross negligence or intentional wrongdoing.

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2.7 Creditworthiness for Transmission Service

2.7.1 Credit Review

For the purpose of determining the ability of a customer to meet its obligations related to service hereunder, Company may require reasonable credit review procedures. This review shall be made in accordance with standard commercial practices.

2.7.2 Irrevocable Letter of Credit

Company may require a customer to provide and maintain in effect during the term of service, an unconditional and irrevocable letter of credit in a reasonable amount as security to meet its responsibilities and obligations under this TFO Tariff, or an alternative form of security proposed by the customer and acceptable to the Company and consistent with commercial practices established by the Uniform Commercial Code that reasonably protects the Company against the risk of non-payment. Creditworthiness standards must be applied to all transmission service customers on a non-discriminatory basis.

2.7.3 Waiver of Security

If a transmission service customer is creditworthy, no letter of credit or alternative form of security shall be required.

2.8 Alternative Dispute Resolution (ADR)

In the event that a dispute arises over the provision of transmission service or the pricing or other terms or conditions of such services, the parties to the dispute, including Company, shall engage in mediation or other alternative means for resolving the dispute, prior to filing a complaint with the FERC.

2.8.1 Initial Resolution Efforts

Disputes shall be referred for resolution to a designated senior representative of each of the parties, including Company, to the dispute. Such representatives shall make a good faith effort to resolve the dispute on an informal basis as promptly as practicable. In the event parties are unable to resolve the dispute within a mutually agreeable time period, they shall either refer the matter to arbitration in accordance with the procedures in this section or shall engage in mediation with the assistance of a neutral third party of their choice who has training or experience in mediation.

2.8.2 Administration of the ADR Process

The PUCT maintains a PUCT-approved list of qualified persons available to serve on arbitration panels who are knowledgeable in electric utility matters, including electricity transmission and bulk power issues. The PUCT also maintains a separate list of qualified persons experienced in arbitration who may be available to chair the arbitration panels.

2.8.3 Initiation

A party shall initiate arbitration by filing a letter with the PUCT requesting that arbitration be scheduled. A copy of the letter shall be served upon the other party to the dispute at the same time the letter is filed with the PUCT.

2.8.4 Participation

Only parties to the dispute may participate in the arbitration.

2.8.5 Arbitration Panel Selection

Any arbitration initiated under this TFO Tariff shall be conducted before a three-member arbitration panel. Each party, including Company, shall choose one arbitrator from the approved list of panel members. In the event there are more than two parties to the dispute, the parties shall jointly select the two arbitrators. The two arbitrators chosen by the parties shall choose the Chairman of the arbitration panel. If the two arbitrators chosen by the parties are unable to agree on the selection of a Chairman, they will be dismissed and the parties shall select two different arbitrators from the approved list. The arbitrators are not required to choose the Chairman from the names of persons on the PUCT's list so long as the person chosen is an attorney who is qualified as an arbitrator. Panel members chosen shall not have any current or past substantial business or financial relationships with any party to the arbitration (other than previous arbitration experience). The chairman of the panel shall make all necessary arrangements for arbitration to commence within ten working days of completion of the panel.

2.8.6 Procedure

The arbitrators shall provide each of the parties, including Company, an opportunity to be heard and, except as otherwise provided herein, shall generally conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association and any applicable PUCT, FERC or Regional Transmission Group rules. The panel may request that the parties provide additional technical information relevant to the dispute. The Arbitration Panel shall render a decision within 30 calendar days from the closing of the evidentiary record of the Arbitration and shall notify the parties in writing of such decision and the reasons therefor. The decision shall not be considered precedent in any future proceeding.

2.8.7 Arbitrator's Authorities

The arbitrators shall be authorized only to interpret and apply the provisions of the PUCT and FERC's rules relating to transmission services, the ERCOT protocols, the Company's TFO Tariff, and any service agreement entered into under that rate and shall have no power to modify or change any of the above in any manner. The arbitrators may agree with the positions of one or more of the parties, or may recommend a compromise position. The decision may be admitted in evidence in any complaint proceeding before the FERC.

2.8.8 Costs

Each party shall be responsible for the following costs, if applicable: its own costs incurred during the arbitration process; and its pro rata share of the costs of the three arbitrators, pooled and shared evenly among the parties.

2.8.9 Effect on Transaction

The transaction which is the subject of the dispute shall be allowed to go forward pending the resolution of the dispute to the extent verifiable system reliability is not affected.

2.8.10 Limitation on Restriction of Rights

Nothing in this section shall restrict the rights of any party to file a complaint with the FERC under the Federal Power Act or the right of a utility to seek changes in the rates or terms for transmission, following the completion of the informal dispute resolution procedures in this section. In addition, use or application of the arbitration provisions in this section does not affect the jurisdiction of the FERC over any matters arising under this TFO Tariff.

2.8.11 Limitation Related to Reliability of Transmission Service

Nothing in this section 2.8 shall restrict the right of a market participant to file a petition seeking direct relief from the FERC without first utilizing the alternative dispute resolution process where an action by ERCOT might inhibit the ability of the Company to provide continuous and adequate service to its customers.

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2.9 Standards of Conduct

2.9.1 Standard of Nondiscrimination

In performing its obligations under this section, Company shall apply the provisions of this TFO Tariff in a non-discriminatory manner to all users, consistent with the Company's PUCT-approved Code of Conduct.

2.9.2 Communications with Eligible Transmission Service Customers

Company shall use all reasonable efforts to communicate promptly with all eligible transmission service customers to resolve any questions regarding their requests for service in a non-discriminatory manner.

2.9.3 Standard of Due Diligence

If Company or its transmission service customer is required to complete activities or to negotiate agreements as a condition of service, each party shall use due diligence to complete these actions within a reasonable time.

2.10 Initiating Network Transmission Service

2.10.1 Conditions Precedent for Receiving Service

Subject to the terms and conditions of this TFO Tariff, and in accordance with the ERCOT protocols, the Company will provide transmission service to any eligible transmission service customer, provided that:

(a) the eligible transmission service customer has complied with the applicable provisions of the ERCOT protocols;
(b) the eligible transmission service customer and the Company have completed the technical arrangements set forth in this TFO Tariff;
(c) the eligible transmission service customer has an executed transmission service agreement with the Company;

2.10.2 Procedures For Initiating Service To, From and Over the HVDC Interconnections

2.10.2.1 Request for Service

An eligible transmission service customer requesting transmission service to, from and over the HVDC Interconnections under this TFO Tariff must comply with the ERCOT protocols.

2.10.2.2 Information Required

The transmission service customer shall provide all information deemed necessary by ERCOT to evaluate the transmission service.

2.10.2.3 Acknowledgment of Request

Unless the parties agree to a different time frame, ERCOT will acknowledge the request within ten days of receipt. When the request is complete, the acknowledgment must include a date by which a response will be sent to the eligible transmission service customer and a statement of any fees associated with responding to the request (e.g., system studies).

2.10.2.4 Request Deficiency

If a transmission service customer fails to provide ERCOT with all information deemed necessary, then ERCOT shall notify the eligible transmission service customer requesting service within 15 business days of receipt and specify the reasons for such failure. Wherever possible, ERCOT will attempt to remedy deficiencies in the request for service through informal communications with an eligible transmission service customer.

2.10.2.5 System Security Screening Study

If ERCOT determines that a system security screening study is required, upon approval of the requesting transmission service customer, ERCOT will initiate such a study. Should this study conclude that the transmission system will be adequate to accommodate the request for service, either in whole or in part, or that no costs are likely to be incurred for new transmission facilities or upgrades, the Company will initiate or tender transmission service, within 15 business days of completion of the system security screening study.

2.10.2.6 Facilities Study

If ERCOT determines as a result of the system security screening study that additions or upgrades to the transmission system are needed to supply the transmission service customer's forecasted transmission requirements, the Company will, upon the approval of the requesting transmission service customer, initiate a facilities study. When completed, a facilities study will include an estimate of the cost of any required facilities or upgrades as

determined pursuant to the provisions of this TFO Tariff, and the time required to complete such construction and initiate the requested service.

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2.11 Initiating Export Transmission Service

2.11.1 Requesting Export Transmission Service

Eligible transmission service customers wishing to use the ERCOT transmission system for export service must submit a request for this service to ERCOT.

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2.12 Requirements for Commencement of Transmission Service

2.12.1 Technical Arrangements to be Completed Prior to Commencement of Service

Service under this TFO Tariff shall not commence until the Company and the transmission service customer, or a third party, have completed installation of all equipment specified under the interconnection agreement, consistent with guidelines adopted by the national reliability organization and ERCOT, except that Company shall provide the requested transmission service, to the extent that such service does not impair the reliability of other transmission service. Company shall exercise reasonable efforts, in coordination with the transmission service customer, to complete such arrangements as soon as practical prior to the service commencement date.

2.12.2 Transmission Service Customer Facilities

The provision of transmission service shall be conditioned upon the transmission service customer's constructing, maintaining and operating the facilities on its side of each point of interconnection that are necessary to reliably interconnect and deliver power from a resource to the transmission system and from the transmission system to the transmission service customer's loads.

2.12.3 Transmission Arrangements for Resources Located Outside of ERCOT

It shall be the transmission service customer’s responsibility to make any transmission arrangements necessary for delivery of capacity and energy produced from a resource outside of ERCOT to the interconnection with the SPP. The Company and ERCOT shall undertake reasonable efforts to assist the transmission service customer in coordinating and scheduling arrangements with connecting systems within ERCOT.

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TO, FROM AND OVER CERTAIN HVDC INTERCONNECTIONS

2.13 Requirements for Termination of Transmission Service

2.13.1 Termination of Transmission Service

A transmission service customer may terminate service under this TFO Tariff after providing ERCOT and the Company with written notice of the transmission service customer's intention to terminate. A transmission service customer's provision of notice to terminate service under this TFO Tariff shall not relieve the transmission service customer of its obligation to pay the Company any rates, charges, or fees, including contributions in aid of construction, for service previously provided under the applicable interconnection service agreement, and which are owed to the Company as of the date of termination.

TARIFF FOR TRANSMISSION SERVICE
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2.14 Transmission Service Provider Responsibilities

Company, as a transmission service provider, will plan, construct, operate and maintain its transmission system in accordance with good utility practice in order to provide transmission service customers with transmission service over the Company's transmission system in accordance with this TFO Tariff. The Company shall, consistent with good utility practice, endeavor to construct and place into service sufficient transmission capacity, in accordance with the provisions of this TFO Tariff to ensure adequacy and reliability of the network to deliver power to, from and over the HVDC interconnections to transmission service customer loads. The Company will plan, construct, operate and maintain facilities that are needed to relieve transmission constraints, as recommended by ERCOT and approved by the PUCT. The construction of facilities requiring PUCT issuance of a certificate of convenience and necessity is subject to such PUCT approval.

TARIFF FOR TRANSMISSION SERVICE
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2.15 Transmission Facilities or Upgrades Related to Designation of New Resources

2.15.1 System Security Screening Study

2.15.1.1 Intent to Designate a New Resource

When a transmission service customer requests transmission service for a new resource under this TFO Tariff, ERCOT shall establish the scope of any system security screening study. The study will be used to determine the feasibility of integrating such new resources into Company's transmission system and whether any upgrades of facilities providing transmission services are needed. ERCOT will perform the system security screening study.

2.15.1.2 Completion of System Security Screening Study

ERCOT shall complete the system security screening study and provide the results to the transmission service customer within 90 days after the receipt of an executed study agreement and receipt from the transmission service customer of all the data necessary to complete the study. In the event ERCOT is unable to complete its portion of the study within the 90 day period, it will provide the transmission service customer a written explanation of when the study will be completed and the reasons for the delay.

2.15.1.3 Cost of System Security Screening Study

The requesting transmission service customer shall be responsible for the cost of the system security screening study and shall be provided with the results thereof, including relevant work papers to the extent such results and work papers do not contain protected competitive information as reasonably determined by ERCOT.

2.15.1.4 Procedures

ERCOT will use a methodology consistent with good utility practice to conduct a system security screening study and shall coordinate with other transmission service providers as needed in determining the most efficient means for all ERCOT utilities to assure feasibility of transmission service.

2.15.2 Facilities Study

2.15.2.1 Criteria for Facilities Study

Based on the results of the system security screening study, Company shall perform, pursuant to an executed facilities study agreement with the transmission service customer, a facilities study addressing the detailed engineering, design and cost of transmission service facilities required to provide the requested transmission service.

2.15.2.2 Completion of Facilities Study

The facilities study will be completed as soon as reasonably practicable. If the Company may charge a contribution in aid of construction under this TFO Tariff, the Company shall notify the transmission service customer whether it considers that a contribution in aid of construction is appropriate and amount of the contribution. The Company shall base its request on the information in the system security screening study, the facilities study, good utility practice, and the provisions in this TFO Tariff.

2.15.2.3 Customer's Cost of Facilities Study

The transmission service customer shall be responsible for the reasonable cost of the facilities study pursuant to the terms of the facilities study agreement and shall be provided with the results of the facility study, including relevant workpapers.

2.15.3 Changes in Service Requests

Under no circumstances shall a transmission service customer's decision to cancel or delay the addition of a new resource in any way reduce or relieve the transmission service customer's obligation to pay a contribution in aid of construction to cover the costs of transmission facilities constructed by Company. A transmission service customer’s decision to cancel or delay the addition of a new resource shall not relieve the transmission service customer of the obligation to pay for any study conducted in accordance with this section. Upon receipt of a transmission service customer's written notice of such a cancellation or delay, the Company will use the same reasonable efforts to mitigate the costs and charges owed by the transmission service customer to the Company as it would to reduce its own costs and charges.

2.15.4 Annual Load and Resource Information Updates

A transmission service customer shall provide ERCOT with annual updates of load and resource forecasts for the following five-year period. The transmission service customer shall also provide ERCOT with timely written notice of material changes of any other information provided in its application relating to the transmission service customer's load, resources, its transmission system or other aspects of its facilities or operations affecting the Company's ability to provide reliable service under this TFO Tariff.

TARIFF FOR TRANSMISSION SERVICE
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2.16 Construction of New Facilities

2.16.1 Alternating Current Facilities

If additional AC transmission facilities or interconnections between Company and other utilities are needed to provide transmission service pursuant to a request for such service, Company shall construct or acquire the facilities necessary to permit the transmission service to be provided, in accordance with good utility practice, unless ERCOT identifies an alternative means of providing the transmission service that is less costly, operationally sound, and relieves the transmission constraint at least as effectively as would additional transmission facilities. A utility, federal power marketing agency, qualifying facility, exempt wholesale generator, or power marketer that is requesting transmission service may be required to make a contribution in aid of construction to cover all or a part of the cost of acquiring or constructing additional facilities, if the acquisition of the additional facilities is primarily for the benefit of the utility, federal power marketing agency, qualifying facility, exempt wholesale generator, or power marketer requesting the transmission service.

2.17 Reservation of HVDC Capacity by Qualified Utilities

2.17.1 Reservation of Capacity

Company reserves 15 percent (nominal capacity of 15 MW) of its ownership of the East HVDC Interconnection (nominal capacity of 100 MW) for transmission service pursuant to the following:

(a) The reservation of 15 MW is for electric utilities in ERCOT and SPP having loads less than 500 MW (Qualified Utilities);

(b) The reservation of DC capacity will continue for a five year period after the East HVDC Interconnection went into commercial operation, August 6, 1995. At the end of the five year period, August 6, 2000, the Company may file, as a change in service, a request to delete the reservation for Qualified Utilities;

(c) Company will solicit requests for reservation capacity for use during all or part of said five year period from Qualified Utilities at least one year before the East HVDC Interconnection is projected to be available for commercial operation, and at one year intervals thereafter for reservation capacity which has not been previously committed. A Qualified Utility must respond with a request to use all or part of the reserved DC capacity in writing, accompanied by a signed binding agreement, within 30 days of the date of the solicitation letter. Company reserves the right to utilize any unused portion of the reservation capacity until a timely request for transmission service is made by a Qualified Utility; reservation capacity may be used by the Company on a planned basis from year to year or less, if after solicitation and notice, capacity is not contracted for as provided herein by any Qualified Utility;

(d) The reservation of 15 MW is reduced by the amount of capacity purchases pursuant to paragraph (f) below;

(e) Service over any capacity reserved pursuant to the provisions of this section shall be subject to and governed by all provisions of this TFO Tariff as then in effect;

(f) The capacity reserved for Qualified Utilities will be available for purchase by Qualified Utilities at the depreciated original cost thereof, until either (1) the reservation of capacity has been terminated or (2) the opportunity to participate in ownership of additional DC capacity to be installed has been tendered as set forth below at paragraph (g), whichever comes first. Requests for purchase of reserved capacity must be accompanied by a signed binding agreement. Purchase of reservation capacity by Qualified Utilities in the East HVDC Interconnection shall be on a pro rata basis from the Company, the American Electric Power Operating Companies (“AEP”), and Reliant Energy HL&P unless the Company, Reliant Energy HL&P, and AEP otherwise agree; and

(g) If, in response to the annual solicitation to Qualified Utilities for reserved capacity, the aggregate of requests to use and/or purchase such capacity exceeds the amount of uncommitted reserved capacity, then capacity will be made available pursuant to such requests on the following basis:

(1) Each Qualified Utility requesting reservation capacity shall be entitled to contract for the use of, or to purchase, a pro rata share of the available reservation capacity based on the proportion its request bears to the total of all requests.

(2) The agreement signed by the requester shall provide for its cancellation or for reduction in the amount to be contracted for or purchased in the event that the requester is unable to receive as large a share of capacity as requested due to the pro rata reduction set forth in subparagraph (g)(1) above. If a requester finds it necessary to cancel its request as a

result of the pro rata reduction, the capacity so relinquished will be divided among the remaining requesters on a pro rata basis pursuant to subparagraph (g)(1) above.

(h) When, and in the event, planning is undertaken to increase the capacity of the East HVDC Interconnection but at intervals of no more than every three years after June 30, 1989, until June 30, 2004, electric utilities in ERCOT and SPP will be given the opportunity to participate in the

planning of increases in the capacity of the East HVDC Interconnection and of participating in the ownership of any incremental capacity added, provided again that each party that wishes to participate pays its pro rata share of all costs of constructing the East HVDC Interconnection which it wishes to participate in and undertakes to pay its pro rata share of the costs of operating and maintaining the East HVDC Interconnection and agrees further to be bound by the terms and conditions of the Agreement between Owners of the East HVDC Interconnection.

TARIFF FOR TRANSMISSION SERVICE
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2.18 Transmission Service Customer Redispatch Obligation

Redispatch of transmission service customer resources shall be governed by Section 2.19 of this TFO Tariff.

2.19 Load Shedding, Curtailments and Redispatch

2.19.1 Procedures

ERCOT shall direct non-discriminatory emergency load shedding and curtailment procedures for responding to emergencies on the ERCOT transmission system in accordance with the ERCOT protocols.

ERCOT develops and implements market mechanisms to manage transmission congestion in accordance with ERCOT protocols.

2.19.2 Transmission Constraints

During any period when ERCOT determines that a transmission constraint exists on the transmission system, and such constraint may impair the reliability of the Company's system or adversely affect the operations of either the Company or a transmission service customer, ERCOT will take actions, consistent with good utility practice and the ERCOT protocols, that are reasonably necessary to maintain the reliability of the Company's system and avoid interruption of service. ERCOT shall notify the Company and transmission service customers of the actions being taken. In these circumstances, the Company and its transmission service customers shall take action as ERCOT directs.

Service to all transmission service customers shall be restored as quickly as possible.

To the extent ERCOT determines that the reliability of the transmission system can be maintained by redispatching resources or when redispatch arrangements are necessary to facilitate generation and transmission transactions for an eligible transmission service customer, the Company or transmission service customer will initiate procedures to redispatch its resources, as directed by ERCOT.

To the greatest extent possible, any redispatch shall be made on a least-cost non-discriminatory basis. Except in emergency situations, any redispatch under this section will provide for equal treatment among transmission service customers.

2.19.3 Cost Responsibility for Relieving Capacity Constraints

ERCOT keeps records of the circumstances requiring redispatch and the costs associated with each redispatch and files annual reports with the PUCT, describing costs, frequency and causes of redispatch. Costs for relieving capacity constraints are allocated in a manner consistent with the ERCOT protocols.

2.19.4 System Reliability

Notwithstanding any other provisions of this TFO Tariff, Company reserves the right, consistent with good utility practice and on a non-discriminatory basis, to interrupt transmission service for the purpose of making necessary adjustments to, changes in, or repairs to its lines, substations and other facilities, or where the continuance of transmission service would endanger persons or property. In exercising this power, Company's liability shall be governed by this TFO Tariff. In addition, notwithstanding any other provisions of this section, ERCOT may cause the interruption of transmission service for the purpose of maintaining ERCOT system stability and safety. In exercising this power, ERCOT shall not be liable for its ordinary negligence but may be liable for its gross negligence or intentional misconduct when legally due.

In the event of any adverse condition or disturbance on the Company's transmission system or on any other system directly or indirectly interconnected with the Company's system, Company, consistent with good utility practice, also may interrupt transmission service on a non-discriminatory basis in order to limit the extent of damage from the adverse condition or disturbance, to prevent damage to generating or transmission facilities, or to expedite restoration of service. Company shall consult with ERCOT concerning any interruption in service, unless an emergency situation makes such consultation impracticable.

The Company will give ERCOT, affected transmission service customers, and affected suppliers of generation, as much advance

notice as is practicable in the event of such interruption.

If a transmission service customer fails to respond to established emergency load shedding and curtailment procedures to relieve emergencies on the transmission system, the transmission service customer shall be deemed to be in default. Any dispute over a transmission service customer's default shall be referred to alternative dispute resolution described in this TFO Tariff.

TARIFF FOR TRANSMISSION SERVICE
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2.20 Compensation

Compensation for transmission service shall be in accordance with the provisions of Section 3.0 of this TFO Tariff.

TARIFF FOR TRANSMISSION SERVICE
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2.21 Stranded Cost Recovery

Company may seek to recover stranded costs from the transmission service customer pursuant to this TFO Tariff in accordance with the terms, conditions and procedures set forth in FERC Order No. 888. However, Company must separately file any specific proposed stranded cost charge pursuant to 18 CFR §35.26 or successor regulation.

TARIFF FOR TRANSMISSION SERVICE
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2.22 Sale or Assignment of Transmission Service

2.22.1 Procedures for Assignment or Transfer of Service

Subject to FERC approval of any necessary filings, a transmission service customer may sell, assign, or transfer all or a portion of its rights under its Agreement for Transmission Service and application for transmission service, but only to another eligible transmission service customer (the Assignee). The transmission service customer that sells, assigns or transfers its rights under its Agreement for Transmission Service is hereafter referred to as the Reseller. Compensation to the Reseller shall not exceed the higher of (i) the original rate paid by the Reseller, (ii) the Company's maximum rate on file at the time of the assignment, or (iii) the Reseller's opportunity cost. If the Assignee does not request any change in the point(s) of receipt or the point(s) of delivery, or a change in any other term or condition set forth in the original Agreement for Transmission Service or application for transmission service, the Assignee will receive the same services as did the Reseller and the priority of service for the Assignee will be the same as that of the Reseller. A Reseller should notify the Company as soon as possible after any assignment or transfer of service occurs but in any event, notification must be provided prior to any provision of service to the Assignee. The Assignee will be subject to all terms and conditions of this TFO Tariff. If the Assignee requests a change in service, the request for service will be processed by the Company pursuant to Section 2.10 and 2.11of this TFO Tariff.

2.22.2 Limitations on Assignment or Transfer of Service

If the Assignee requests a change in service or a change in any other specifications set forth in the original Agreement for Transmission Service or application for transmission service, the Company will consent to such change subject to the provisions of this TFO Tariff, provided that the change will not impair the operation and reliability of the Company's transmission or distribution systems. The Assignee shall compensate the Company for performing any System Security Study needed to evaluate the capability of the transmission system to accommodate the proposed change and any additional costs resulting from such change. The Reseller shall remain liable for the performance of all obligations under the Agreement for Transmission Service, except as specifically agreed to by the parties through an amendment to the Agreement for Transmission Service.

3.0 Rate Schedules - Wholesale Transmission Service - TFO

TARIFF FOR TRANSMISSION SERVICE
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3.1 Rate NTSI-TFO - Network Transmission Service - Import

Application

Applicable, on a non-discriminatory basis, to all wholesale electricity market participants receiving service over Company's electric facilities rated at 60 kV and above, for import of electric power and energy into ERCOT from resources to loads while maintaining reliable operation of Company's transmission system in accordance with good utility practice and the Company's TFO Tariff. This rate schedule is not applicable to service offered by the Company under another rate schedule.

Type of Service

Three phase, 60 hertz, and at Company's standard transmission voltages.

Monthly Charge

Monthly charges are determined by dividing the Annual Facilities Charge by 12, or by other methods as mutually agreed by Customer and Company and specified in the Service Agreement. Under no circumstances shall the sum of the monthly charges due in any calendar year be more or less than the Annual Facilities Charges due under this rate schedule.

Annual Facilities Charges are the product of the Annual Access Rate multiplied by the Demand.

Annual Access Rate	
$4,693.257799/MW	Effective January 1, 2002 through April 30, 2002
$4,779.383810/MW	Effective May 1, 2002

Demand Determinations

The Customer's Demand shall, for any period of service, equal the maximum total of resources that the Customer designates as involving a transaction over the HVDC Interconnections for import into ERCOT in any application for transmission service, for the same period of service, submitted by the Customer to ERCOT and Company.

Payment

Company must receive payment by the 35th calendar day after the date of issuance of the bill, unless the Company and the Customer agree on another mutually acceptable deadline, in accordance with the provisions of Section 2.4 of this TFO Tariff. Interest shall accrue on any unpaid amount in accordance with the provisions of Section 2.4 of this TFO Tariff.

Agreement

An Agreement for Transmission Service is required.

Notice

Service hereunder is subject to the orders of regulatory bodies having jurisdiction and to the provisions of Company's TFO Tariff.

TARIFF FOR TRANSMISSION SERVICE
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3.2 Rate NTSE - TFO - Network Transmission Service - Exports

Application

Applicable, on a non-discriminatory basis, to wholesale electricity market participants receiving service over Company's electric facilities rated at 60 kV and above, for exports of electric power and energy out of ERCOT from resources to loads while maintaining reliable operation of Company's transmission system in accordance with good utility practice and the Company's TFO Tariff. This rate schedule is not applicable to service offered by the Company under another rate schedule.

Type of Service

Three phase, 60 hertz, and at Company's standard transmission voltages.

Rates

Service under this rate schedule is available in service intervals of monthly, weekly, daily, and hourly.

The Customer shall compensate the Company for export transmission service in the amount of the applicable Facilities Charges set forth below. Facilities Charges due under this rate schedule are as negotiated but no higher than the product of the Access Rate (for the appropriate transaction request interval) multiplied by the Customer's Demand.

Transaction Request Interval	Access Rate/MW 01/01/02 - 04/30/02	Access Rate/MW Effective 05-01-02
Monthly Delivery:	$391.104817/MW	$398.281984/MW
Weekly Delivery:	$ 90.254958/MW	$ 91.911227/MW
Daily Delivery:	$ 12.858241/MW	$ 13.094202/MW
Hourly Delivery:	$ 0.535760/MW	$ 0.545592/MW

The total Facilities Charge in any year, pursuant to export transmission service for monthly delivery, shall not exceed the Facilities Charges due under Rate NTSI-TFO for the annual delivery of the highest amount of monthly export transmission service in any month during the year.

The total Facilities Charge in any week, pursuant to export transmission service for daily delivery, shall not exceed the Facilities Charges due for the weekly delivery of the highest amount of daily export transmission service in any day during such week.

The total Facilities Charges in any day, pursuant to export transmission service for hourly delivery, shall not exceed the Facilities Charges due for the daily delivery of the highest amount of hourly export transmission service in any hour during such day.

Additionally, the total Facilities Charge in any week, pursuant to export transmission service for hourly or daily delivery, shall not exceed the Facilities Charges due for the weekly delivery of the highest amount of hourly export transmission service in any hour during such week.

Discounts

If Company offers an affiliate a rate or attributes a discounted transmission rate to its own transactions, the Company must offer the same discounted rate for the same service to all similarly situated eligible transmission service customers. Information regarding any transmission service discounts will be posted to the ERCOT electronic transmission information network. In addition, discounts to non-affiliates of Company will be offered in a non-discriminatory manner.

TARIFF FOR TRANSMISSION SERVICE
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Demand Determination

The Customer's Demand shall be the maximum hourly MW for which export transmission service was provided during the appropriate approved transaction request interval.

Payment

Company must receive payment by the 35th calendar day after the date of issuance of the bill, unless the Company and the Customer agree on another mutually acceptable deadline, in accordance with the provisions of Section 2.4 of this TFO Tariff. Interest shall accrue on any unpaid amount in accordance with the provisions of Section 2.4 of this TFO Tariff.

Agreement

An Agreement for Transmission Service is required.

Notice

Service hereunder is subject to the orders of regulatory bodies having jurisdiction and to the provisions of Company's TFO Tariff.

TARIFF FOR TRANSMISSION SERVICE
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3.3 Rate XFMR - TFO - Transformation Service

Application

Applicable to all wholesale electricity market participants for transformation of electric power and energy from or to one of Company's standard transmission voltages to or from one of Company's standard voltages below 60 kV, for delivery of power and energy from resources to loads while maintaining reliable operation of Company's transmission systems in accordance with good utility practice and the provisions of this TFO Tariff. This rate schedule is not applicable to service offered by the Company under another rate schedule.

Applicable to all transformation service supplied in connection with the delivery of electric power and energy to a point of interconnection, measured through one meter.

Type of Service

Three phase, 60 hertz, and at Company's standard voltages. Where service of the type desired by Customer is not already available at the point of delivery, additional charges and special contract arrangements between the Company and Customer may be required prior to its being furnished.

Monthly Rate

Charge	Amount
Customer Charge	$210
Transformation Charge	$0.255 per kW

The monthly bill for Transformation Service is the sum of the Customer Charge and the product of the Transformation Charge and the Customer's Annual Demand (kW).

Demand Determination

Annual Demand (kW) is the highest 15-minute kW recorded at the point of interconnection in the 12-month period ended with the current month.

The monthly bill for Transformation Service is the sum of the Customer Charge and the product of the Transformation Charge and the Customer's Annual Demand (kW).

Payment

Company must receive payment by the 20th calendar day after the date of issuance of the bill, unless the Company and the Customer agree on another mutually acceptable deadline, in accordance with the provisions of Section 2.4 of this TFO Tariff. Interest shall accrue on any unpaid amount in accordance with the provisions of Section 2.4 of this TFO Tariff.

Agreement

An Agreement for Transmission Service is required.

Notice

Service hereunder is subject to the orders of regulatory bodies having jurisdiction and to the Company's TFO Tariff.

TARIFF FOR TRANSMISSION SERVICE
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3.4 Rate DLS - TFO - Distribution Line Service

Application

Applicable to all wholesale electricity market participants receiving distribution line (i.e., distribution wire) service supplied at one point of delivery and measured through one meter necessary to support the transmission of energy for purposes of resale to end-users, other public utilities, federal power marketing agencies, qualifying facilities, exempt wholesale generators, or power marketers from resources to loads in accordance with provisions of this TFO Tariff. This rate schedule is not applicable to service offered by the Company under another rate schedule.

Type of Service

Three phase, 60 hertz, and at Company's standard primary distribution voltages (below 60 kV).

Monthly Rate

Distribution Line Service Charge = $0.555/kW

The monthly bill for Distribution Line Service is the product of the Distribution Line Service charge and the customer's demand.

Demand Determination

Demand for calculation of the monthly bill is the Annual kW.

Payment

Company must receive payment by the 20th calendar day after the date of issuance of the bill, unless the Company and the Customer agree on another mutually acceptable deadline, in accordance with the provisions of Section 2.4 of this TFO Tariff. Interest will accrue on any unpaid amount, calculated in accordance with the provisions of Section 2.4 of this TFO Tariff.

Definitions

Annual kW is the highest 15-minute kW recorded at the point of delivery in the 12-month period ended with the current month.

Distribution Line Service is wholesale electric service provided to customer from Company distribution lines operated at voltages below 60 kV.

Agreement

An Agreement for Transmission Service is required.

Notice

Service hereunder is subject to the orders of regulatory bodies having jurisdiction and to the Company's TFO Tariff.

TARIFF FOR TRANSMISSION SERVICE
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3.5 Rate TDS - TFO - Transmission Discretionary Services

Application

Applicable to Customers eligible to receive wholesale discretionary services provided by Company under this TFO Tariff. The service charges listed below are in addition to any other charges made under this TFO Tariff and will be applied for the appropriate condition described. Charges will be based on Company's cost, including appropriate overhead.

Rate No./Activity	Description	Pricing
TD1 Security Study	Security study performed by Company at the request of and under the direction of ERCOT	As Calculated
TD2 Facilities Study	Facilities study performed in accordance with Company's TFO Tariff.	As Calculated
TD3 Transmission Facilities Relocation Study	Study performed by Company at request of Customer for the relocation of transmission or substation facilities	As Calculated
TD4 Transmission Facilities Relocation	Relocation of transmission facilities at request of Customer	As Calculated
TD5 Operations & Maintenance Support Service	O&M services performed by Company on transmission and substation facilities owned by other transmission and distribution providers, including facilities that are jointly owned by Company and other transmission owners, and facilities owned by generating entities	As Calculated
TD6 Power Factor Correction Facilities Installation	Power factor correction facilities installed by Company due to failure of Customer to maintain required power factor	As Calculated
TD7 Miscellaneous Transmission Discretionary Services	Additional transmission related discretionary services as requested by Customer in accordance with Company's TFO Tariff.	As Calculated.

Payment

Company must receive payment by the 35th calendar day after the date of issuance of the bill, unless the Company and the Customer agree on another mutually acceptable deadline, in accordance with the provisions of Section 2.4 of this TFO Tariff. Interest will accrue on any unpaid amount, calculated in accordance with the provisions of Section 2.4 of this TFO Tariff.

Notice

Service hereunder is subject to the orders of regulatory bodies having jurisdiction and to the Company's TFO Tariff.

4.1 Service Regulations and Standard Agreements

4.2 Foreword

These Service Regulations govern the supplying and taking of wholesale transmission service to, from and over the HVDC Interconnections by Customer from Company. Such Service Regulations are subject to change from time to time by Company and regulatory authorities having jurisdiction and are on file at Company's business offices and with various regulatory authorities.

4.3 Definitions

Definitions can be found in Section 2.1 of this TFO Tariff.

4.4 Wholesale Transmission Services

4.4.1 Availability of Service

Customer requests for wholesale transmission service, transformation service, and distribution line service of the character and type provided by Company are granted under the FERC Orders described in Section 1.1 of this TFO Tariff, the applicable rate schedule for such service, and this TFO Tariff, taking into consideration the availability of Company facilities and the characteristics of Customer's electrical load.

4.4.1.1 Contractual Arrangements

Company may require special contractual arrangements, which may include additional charges, prior to Company's providing service if the service requested by Customer is not available at the service location or is other than that which Company usually provides.

4.4.1.2 Company’s Standard Transmission and Distribution Voltages

Company provides wholesale transmission and related services at Company's standard transmission and distribution voltages and not all standard transmission voltages are available at every location.

Standard Transmission Voltages:	Standard Distribution Voltages:
Three Phase (Volts)	*Three Phase (Volts)*
69000	7200/12470
138000	7620/13200
345000	12470
	13200
	14400/24940

4.4.2 Metering

All meters are furnished, installed and maintained by Company, unless otherwise agreed by Customer and Company. Customer provides space, without cost to Company, which is suitable for installation of Company’s meter and metering equipment. No metering equipment may be by-passed for any reason, without prior approval of Company.

4.4.2.1 Location of Meter

Meters and associated equipment are installed in a location suitable to Company and in such a way that a clear working space is provided on all sides. All meter locations should be as near as possible to the point of delivery. Meters may not be installed in any hazardous location.

4.4.2.2 Testing of Meter

Upon Customer’s request, Company will test the accuracy of the Company-owned meter during normal working hours at a time convenient to Customer if Customer desires to observe the test. The meter may be tested at either Customer’s premises or Company test facility at Company’s discretion. Following any such requested test, Customer will be advised of the date of removal of the meter, the date of the test, and the result of the test. The test will be free of charge if the meter is found to be outside of the accuracy standards established by the American National Standards Institute, Inc. Otherwise, customer may be required to pay for the meter testing in accordance with Section 3.5 Rate TDS - TFO - Transmission Discretionary Services.

4.5 Providing Wholesale Transmission Services

4.5.1 Continuity and Quality of Service

Company uses reasonable diligence to provide continuous service but Company does not guarantee against irregularities or interruptions, it being understood that occasional irregularities and interruptions are inevitable. Customer is responsible for installing and maintaining protective devices as recommended or required by the then current edition of the National Electrical Safety Code and other such devices as are necessary to protect Customer's equipment during irregular or interrupted service including, but not limited to voltage and wave form irregularities, or the failure of part or all of the service. In those instances where Customer experiences irregularities or interruptions to all or part of the service of an undetermined cause and the report of same to Company prompts an investigation at the Customer's request and it is determined that the interruption or irregularity resulted from Customer's electrical facilities, Company may charge Customer an amount based on the cost to Company for such an investigation.

4.5.1.1 Interruption of Service

Company may without liability to Customer interrupt wholesale transmission and related services to Customer when, in Company's sole judgment, such interruption:

(a) Will prevent or alleviate an emergency threatening to disrupt the operation of Company's electric system, or
(b) Will lessen or remove possible danger to life or property, or
(c) Will aid in the restoration of wholesale transmission or related services, or
(d) Is required to make necessary repairs to, tests of, or changes in Company's facilities, or
(e) When such interruption is authorized elsewhere in this TFO Tariff.

To the extent required by this TFO Tariff, notice of such interruption will be given in accordance with the provisions hereof.

4.5.2 Liability and Responsibility for Damage or Injury and Disclaimer of Warranties

4.5.2.1 Liability and Responsibility

The rights and obligations of Company and Customer with regard to indemnification and liability are governed in accordance with Section 2.6 of this TFO Tariff.

Company is responsible for the design, installation, operation, and maintenance of its facilities up to and including the point of delivery, except as provided elsewhere in this TFO Tariff or any other agreement between Customer and Company. Customer is responsible for the design, installation, operation, and maintenance of facilities beyond the point of delivery, except as provided elsewhere in this TFO Tariff or any other agreement between Customer and Company. Company may perform voluntary or emergency acts to facilities that are the responsibility of the Customer but shall have no liability for damages or injuries resulting from said acts except to the extent that said damages or injuries are proximately caused by acts or omissions of the Company which are found to be wanton or willful with the intent to cause injury.

4.5.2.2 Disclaimer of Warranties

COMPANY MAKES NO WARRANTIES WHATSOEVER WITH REGARD TO THE PROVISION OF ANY SERVICE AND DISCLAIMS ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

4.5.3 Customer Complaints

All Customer complaints concerning the provision of service or the pricing of such service shall be handled in accordance with the Alternative Dispute Resolution procedures specified in the provisions of Section 2.8 of this TFO Tariff.

4.5.4 Location of Point of Delivery

Customer's installation must be arranged so that the location of the point of delivery is acceptable to Company, taking into consideration location of existing Company facilities and construction needed to connect Customer to Company system.

Any change from the Company-designated point of delivery is subject to payment by Customer based on any added costs to reach the new designated point.

4.5.5 Space Requirements

Customer grants to or secures for Company, at Customer's expense, any rights-of-way on property owned or controlled by Customer that are necessary to provide service to Customer.

Customer provides, without cost to Company, suitable space on Customer's premises for the installation of facilities necessary to provide service to Customer.

4.5.6 Standard Facilities for Wholesale Transmission Services

Company provides standard wholesale transmission and related services utilizing an overhead radial circuit on wood poles (unless in Company’s sole judgment, other construction is appropriate) to Customer, at one point of delivery, with one meter, at one of Company’s standard voltages at a frequency of 60 Hertz, and such voltage and frequency may have a variation.

4.5.7 Extension of Facilities

Company will provide extensions of its transmission facilities in accordance with Section 2.16.1 of this TFO Tariff.

4.5.7.1 CIAC for DLS-TFO Customers

For Customers taking service under Rate DLS-TFO, in addition to any CIAC for non-standard facilities, the calculation of contribution in aid of construction for standard facilities is as follows:

CIAC Amount = Direct Cost - (Standard Allowance Factor X Maximum kW Demand)

Direct Cost - The current average cost of each component of distribution facilities necessary to provide distribution line service, determined by a computer estimate of all necessary expenditures, including, but not limited to, metering, services, transformers, and rearrangement of existing facilities. This cost includes only the cost of the above mentioned facilities that are necessary to provide wholesale distribution service to the particular customer requesting service and does not include the costs of facilities necessary to meet future load growth anticipated to develop within two (2) years, or to improve the service reliability in the general area for the benefit of existing and future customers.

Standard Allowance Factor - For Customers taking service under Rate DLS,-TFO, the Standard Allowance Factor is $1/kW.
Maximum kW Demand - Company’s estimate of Customer’s maximum 15-minute kW demand based on expected usage patterns and load or equipment data supplied by Customer.

4.5.8 Security

Customer may be required to provide a means of security, in accordance with the provisions of Section 2.7 of this TFI Tariff.

4.5.9 Installation and Maintenance of Company Facilities

Company owns all electric lines and equipment on Company's side of the point of receipt and point of delivery and Customer shall not tamper or interfere therewith. Company may require Customer to install auxiliary metering equipment, furnished by Company, in conjunction with Customer's electrical installation.

Company installs all electric lines and equipment on Company's side of the point of receipt and the point of delivery. Only personnel authorized by Company are permitted to make, energize, or de-energize connections to Company facilities.

Company and Customer will, at their own cost and expense, operate, maintain, repair, and inspect, and shall be fully responsible for liabilities related to, the transmission lines and related facilities which they now or hereafter may own located at or connected to each point of interconnection, unless otherwise specified in an Interconnection Agreement. Maintenance by Company or Customer that will cause a deviation from normal power and energy flow at a point of interconnection will be scheduled at mutually agreeable time. No changes will be made in the normal operation of a point of interconnection without a mutual agreement of the Company and Customer except as otherwise provided herein or in the Interconnection Agreement. Customer will coordinate the protective devices of the lines and facilities it owns and operates that are interconnected with Company’s system with the protective devices of Company’s system. Customer will cause its systems to be constructed in accordance with specifications at least equal to those provided by the National Electrical Safety Code, approved by the American National Standards Institute, in effect at the time of construction.

4.5.10 Protection of Company's Facilities On Customer's Premises

Customer must use reasonable diligence to protect Company facilities on Customer's premises and to permit only personnel authorized by Company or by law to have access to such facilities.

In the event of loss of, or damage to, Company facilities on Customer's premises caused by or arising out of carelessness, neglect, or misuse by Customer or unauthorized persons, Company may require Customer to reimburse Company for the cost of such loss or damage.

4.5.11 Admittance to Customer's Premises

Customer shall admit to Customer's premises at all reasonable hours personnel authorized by Company to inspect, install, remove, or replace Company's property and to perform other activities as necessary in providing transmission service.

4.5.12 Removal and Relocation of Company's Facilities

Company may remove or relocate Company facilities at Customer's request and Customer will pay the total cost of removing or relocating such facilities.

4.5.13 Dismantling of Company's Facilities

Company may, upon discontinuation of service to Customer, dismantle and remove all lines, equipment, apparatus, or other facilities that Company may have installed to provide service to Customer. Company may, however, abandon in place, in whole or in part, its lines and equipment in lieu of removing such facilities.

4.5.14 Attachments to Company's Facilities

Company does not permit any attachments (such as wires, ropes, signs, banners, or radio equipment) to Company facilities by others except when authorized in writing by Company.

Company may without notice and without liability remove unauthorized attachments to Company facilities.

4.6 Obtaining Service

4.6.1 Application for Service

Customer is required to make written application, in accordance with this TFO Tariff, to obtain service. Any disputes concerning the Application for Service will be handled in accordance with the Alternative Dispute Resolution provisions in Section 2.8 of this TFO Tariff. Any customer taking service from Company, in consideration of the Company's supplying service, is bound by this TFO Tariff and is liable to Company for payment for such service under the applicable rate schedule. Customer may be asked to make a deposit or otherwise satisfactorily establish credit with Company, in accordance with the provisions in Section 2.7 of this TFO Tariff, as security for payment of service before Company provides service.

Application for service must be in the legal name of Customer. Company may require suitable identification.

When there is a change in responsibility for payment of bills, a new application for service is required.

4.6.2 Service Agreement

Following the approval of a request for service, the Company will tender to the Customer a service agreement, as contained in this TFO Tariff and appropriate to the circumstances, that must be executed and returned to the Company prior to the initiation of the approved service.

Service agreements inure to the benefit and are binding upon the respective heirs, legal representatives, successors and assigns of the parties thereto, but are voluntarily assignable by any party only with the written consent of the other(s), except that Company may, without Customer's consent, assign any service agreement to any person or corporation in any lawful way acquiring or operating all or any part of Company's facilities used in supplying service under such agreement.

4.7 Use of Wholesale Transmission Services

4.7.1 Limitations On Use of Service

4.7.1.1 Interstate Wholesale Transmission Service Limitations

Company shall not be required to provide service hereunder or to maintain any existing or future interconnection that is necessary to facilitate the transmission, sale, exchange, wheeling, coordination, or commingling of electric power in interstate commerce to, from and over the HVDC Interconnections or within the State of Texas, in the event it determines that to do so would affect its non-jurisdictional status under the Federal Power Act unless such interconnection is a non-jurisdictional interconnection ordered by the FERC under the provisions of Sections 210, 211, and 212 of such Act.

4.7.1.2 Parallel Operation

Customer may not connect its lines to another source of electric energy in a manner that may permit electric energy to flow into Company's system from such source without written agreement with Company. Additionally, the Customer’s electrical facility shall not be configured in such a manner as to allow the paralleling of two electrical nodes of the Company’s system without written agreement of the Company.

4.7.2 Customer's Electrical Load

4.7.2.1 Load Balance

Company requires Customer to control the use of electric energy so that Customer's electrical load at the point of delivery presents a reasonably balanced 3 phase impedance to the Company’s system. The determination of reasonableness shall be consistent with good utility practice as defined in this TFO Tariff.

4.7.2.2 Electrical Disturbances

Customer agrees to design, install, maintain, and operate, or cause the design, installation, maintenance, and operation of its transmission and distribution system and related facilities so as to reasonably minimize the effects of electrical equipment that may produce disruptions (including but not limited to, voltage fluctuations, interference or distorted wave forms) on Company’s system. It is the Customer’s sole responsibility to provide and install, or cause to be provided and installed, the necessary facilities to limit the adverse effects of said disruptions that may adversely affect the operation of computers, communication equipment, electronic control devices, etc. on Customer’s system. Company may require Customer to provide at Customer’s expense suitable apparatus to limit the effect of such disruptions caused by electric equipment on Customer’s system or connected to Customer’s system where the electric equipment producing such disruptions adversely affects Company’s electric system or the service provided by Company to other Customers.

4.7.2.3 Change in Customer's Electrical Load

Customer notifies Company when Customer's electrical load is to be changed substantially in order that Company may ensure its facilities are adequate. In the event Customer adds electrical load at Customer's installation that results in the use of wholesale transmission or related services in excess of any maximum stipulated in the applicable agreement for service, Company may hold Customer liable for any damage to Company's facilities resulting from the use of service in excess of such maximum.

4.7.2.4 Power Factor

If the Customer is responsible for serving wholesale load, it shall maintain a power factor of 95% or greater at each point of interconnection. If the power factor of the Customer's load at each point of delivery is less than the prescribed requirement, the Company will require Customer to install appropriate equipment to maintain a power factor of not less than the prescribed value, or at Company's option, to reimburse Company for the resulting expense to install equipment necessary to compensate for the power factor deficiency.

If metering equipment is not available on the transmission side of the point of delivery, metering on the low voltage side of the point of delivery with appropriate compensation for transformer losses may be used to determine the power factor as described above.

4.7.3 Tampering With Company's Equipment or Other Property

No Company equipment or other property, whether on Customer's premises or elsewhere, is to be tampered with or interfered with for any reason. Company is not liable for injury to Customer, Customer's employees, or others resulting from tampering with or attempting to repair or maintain any of Company's facilities, and Customer agrees to indemnify and hold Company harmless therefrom.

4.7.4 Unauthorized Use of Transmission Service

Without limitation as to the rights and remedies otherwise available to the Company, any eligible transmission service customer that ultimately receives electric power or energy transmitted to, from and over the HVDC Interconnections without previously receiving authorization by Company to take such service pursuant to the provisions of this TFO Tariff, shall be obligated to pay two times the compensation due the Company in accordance with Rate NTS-TFO and Rate NTSI-TFO hereof for such transmission service, unless such eligible transmission service customer can demonstrate to Company's satisfaction that the transmission service involved was rendered without its knowledge or consent and without notice thereof.

In the event of use or evidence of attempted use of Company's transmission service or transformation service, without Company's authorization, whether by tampering with Company's equipment or by any other means, transmission service may be discontinued by Company. Customer may be required to pay all charges, including the following, before service is resumed.

4.7.4.1 Charges for Unauthorized Use of Transmission or Transformation Service

a) The charge for the estimated amount of transmission service or transformation service used without Company authorization which may be estimated based on amounts used under similar conditions during preceding years. Where no previous usage history exists or is considered unreliable, transmission service or transformation service may be estimated on the basis of usage levels of similar customers and under similar conditions;
b) The cost of replacement or repair of any damaged equipment; and
c) The cost of installing protective facilities or of relocation of meter, if determined necessary by Company.

4.7.5 Transfer of Electrical Load Between Points of Interconnection

Customer will obtain authorization from Company prior to transfer of load from any point of interconnection to another point of interconnection connected via radial interconnection, unless such transfer is the result of an emergency condition which threatens to endanger persons or property, in which case, Customer shall notify Company of such transfer as soon thereafter as possible.

4.8 Charges For Service

Company's billing and Customer's payment shall be in accordance with this Section and Section 2.4 of this TFO Tariff.

4.8.1 Rate Schedules For Service

Company has available at each of its business offices various rate schedules for the transmission covered by this TFO Tariff and provides Customer, at Customer's request and at no cost, a copy of the rate schedule under which Customer is billed. Company provides additional or multiple copies of its rate schedules, or any portion of its tariffs, at reproduction costs. Customer is solely responsible for selecting the applicable rate schedule most favorable to Customer.

4.8.2 Billing

Billing is made in accordance with the provisions of Section 2.4 of this TFO Tariff.

4.8.2.1 Billing Period

Unless specifically stated in the applicable rate schedule, all charges are billed on an approximate 30 day interval. Monthly bills may be prorated to reflect the actual date of initiation or termination of service.

4.8.2.2 Disputed Bills

Billing disputes are governed by the provisions of Section 2.8 of this TFO Tariff pertaining to Alternative Dispute Resolution.

4.8.2.3 Metering Adjustment

Charges for service are calculated using Company's rate schedules, this TFO Tariff, and the agreement for service where applicable. When appropriate, according to the rate schedule under which Customer receives service at primary distribution or transmission voltage, Company may at its option, meter service on the low-side of the transformer and adjust kWh and/or kW as shown below unless indicated otherwise in the applicable rate schedule or in the agreement for service.

Primary Distribution Voltage			Transmission Voltage
Billing Based on kW		Billing Based on kWh	
Under 50 kW	50 kW and Over		
2.0% added to measured kWh	1.0% added to measured kW and kWh	2.0% added to measured kWh	0.8% added to measured kW and kWh

4.8.2.4 Overcharges and Undercharges

If billing is found to be in error, a billing adjustment shall be calculated by Company. If Customer is found to be due a refund, the billing adjustment, if not made within three billing cycles of the bill in error, will include interest applied to the amount of overcharge. If Customer was undercharged, Company may backbill to collect such undercharges for billings. Customer may use a deferred payment plan for the same length of time as that of the underbilling.

4.9 Discontinuance of Service

4.9.1 Customer Discontinues Service

Customer must notify Company in writing, and in accordance with this TFO Tariff, of the date Customer desires to discontinue service, and Customer is not held responsible for service after such date unless Customer continues to use service or the terms and conditions of an existing service agreement have not been met. Customer is obligated, however, to pay Company any rates, charges, or fees, including contribution in aid of construction, for service previously provided under the applicable service agreement and which are owed to Company as of the date of termination.

Company is not obligated, after discontinuance, to again provide service to Customer at the same service location unless Customer reapplies for and Company agrees to provide service.

4.9.2 Company Discontinues Service

Company, in addition to all other legal remedies, may discontinue service to Customer without liability for any of the reasons authorized in this TFO Tariff.

4.10 Standard Agreements

TARIFF FOR TRANSMISSION SERVICE
TO, FROM AND OVER CERTAIN HVDC INTERCONNECTIONS

TRANSMISSION SERVICE AGREEMENT
FOR NETWORK TRANSMISSION SERVICE
TO, FROM AND OVER CERTAIN HVDC INTERCONNECTIONS

This Transmission Service Agreement for Network and Export Transmission Service To, From and Over Certain HVDC Interconnections ("Agreement") is made and entered into this _____ day of _____, ____, by_____ ("Company"), a Texas corporation, and _____ ("Customer"), a _____ [specify whether corporation, and if so name state, municipal corporation, cooperative corporation, or other], each hereinafter sometimes referred to individually as "Party" or both referred to collectively as the "Parties". In consideration of the mutual covenants set forth herein, the Parties agree as follows:

1. **Network Transmission Service - Import -** Company will provide transmission service to, from and over the HVDC Interconnections in connection with the import of power and energy into ERCOT from resources to loads designated by Customer in accordance with the provisions of Section 3 hereof ("Import Service"). Customer must pay, in accordance with the provisions of this Agreement, a facilities charge for Import Service.

2. **Network Transmission Service - Exports** -- If Customer requests, Company will provide transmission service to, from and over the HVDC Interconnections in connection with the export of power and energy out of ERCOT from resources that the Customer has designated, in accordance with the provisions of Section 3 hereof to loads ("Export Service"). Customer must pay, in accordance with the provisions of this Agreement, a facilities charge for Export Service.

3. **Designation of Information** -- The following information must be designated with any request for Import Service or Export Service submitted by Customer in accordance with the provisions of Sections 2.10 and 2.11 of the Company's Tariff for Transmission Service To, From and Over Certain HVDC Interconnections ("TFO Tariff"): (a) the Demand (expressed in megawatts) applicable to the service, (b) the HVDC Interconnection to be used, and (c) whether the service involves an import into or an export out of the Electric Reliability Council of Texas.

4. **Nature of Services** -- Import Service, Export Service, and any additional services designated in Section 7 hereof will be provided by Company, and accepted by Customer, in accordance with Company's TFO Tariff and this Agreement.

5. **Facilities Charges** -- The facilities charges for the Import Service and Export Service Company provides to Customer under this Agreement are determined in accordance with Company's Rate NTSI-TFO - Network Transmission Service - Import and Rate NTSE-TFO - Network Transmission Service - Exports or their successors (together with all riders applicable thereto), as they may from time to time be fixed and approved by the Federal Energy Regulatory Commission ("Commission").

6. **Required Notifications** -- For each transaction under this Agreement, Customer is responsible for notifying ERCOT and SPP (or successor entity(ies) charged with the responsibility of receiving reservations and transaction requests for the HVDC Interconnections) ("Scheduling Authority"). Such notifications must (a) be made in accordance with the procedures established by the Scheduling Authority, (b) specify the HVDC Interconnection to be used in the transaction, and (c) contain such other information as may be required, from time to time, by the Scheduling Authority to implement the transaction. Customer will maintain records of the information it provides and receives to and from the Scheduling Authority pursuant to this Agreement for up to 180 days and will provide copies of same to Company upon request. Upon request of Customer, Company will provide information on how to contact the Scheduling Authority.

7. **Additional Services to be Provided**-- In connection with the Network Service and Export Service contemplated by this Agreement, Company will provide, and Customer will pay for, the additional services that are indicated below:

(a) Transformation Service (Yes ____/No____). This service consists of Company providing transformation of

electric power and energy from one of Company's standard transmission voltages (60 kV or higher) to one of Company's standard voltages below 60 kV. This service is provided, and the charge for this service is determined, in accordance with Company's Rate XFMR - TFO - Transformation Service or its successor (together with all riders applicable thereto), as it may from time to time be fixed and approved by the Commission. The supplemental terms and conditions applicable to such service, including the locations at which the service is to be provided, are specified in Exhibit _____.

(b) Distribution Line Service (Yes ____/No____). This service is provided by Company in connection with the provision of Network Service through Company's distribution facilities. This service is provided, and the charge for this service is determined, in accordance with Company's Rate DLS - TFO - Distribution Line Service or its successor (together with all riders applicable thereto), as it may from time to time be fixed and approved by the Commission. The supplemental terms and conditions applicable to such service, including the locations at which the service is to be provided, are specified in Exhibit _____.

8. **Term, Termination, and Regulatory Filing** -- This Agreement becomes effective on _____and continues in effect until terminated (a) by either Party on the giving of thirty (30) days' advance written notice, or (b) in accordance with the provisions of the TFO Tariff. After execution by both Parties, Company will file this Agreement with the Commission.

9. **Other Services** -- This Agreement does not obligate Company to provide, or entitle the Customer to receive, any service not expressly provided for herein. Customer is responsible for making the arrangements necessary for it to receive any other service that it may desire from Company or any third party.

10. **Service Regulations** -- This Agreement and the Parties' obligations hereunder are subject to the Service Regulations, and all other provisions, of Company's TFO Tariff, as it may from time to time be fixed and approved by the Commission.

11. **Governing Law and Regulatory Authority** -- This Agreement was executed in the State of Texas and must in all respects be governed by, interpreted, construed, and enforced in accordance with the laws thereof. This Agreement is subject to all valid, applicable federal, state, and local laws, ordinances, and rules and regulations of duly constituted regulatory authorities having jurisdiction.

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

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

14. **Notices** -- Notices given under this Agreement are deemed to have been duly delivered if hand delivered or sent by United States certified mail, return receipt requested, postage prepaid, or by electronic mail with receipt acknowledgment replied to sender to:

(a) If to Company:

_____
Attn: _____
_____
E-mail: _____

(b) If to Customer:
_____
_____
_____
_____
E-mail:_____

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

15. **Invoicing and Payment** -- Invoices for sums due hereunder will be rendered monthly by Company to Customer at the following address (or such other address directed in writing by Customer):

_____
_____
_____
_____

Company must receive payment by the date due under the applicable rate schedule, unless the Company and the Customer agree on another mutually acceptable deadline. Interest will accrue on any unpaid amount, calculated in accordance with Section 2.4 of Company's TFO Tariff. When payments are made by mail, bills are considered as having been paid on the date of receipt by Company. Payments by Customer to Company under this Agreement must be made in immediately available funds payable to Company or by wire transfer to _____, for credit to Company Account No. _____ with sufficient information to identify the source and application of the funds, or to such other bank account so directed in writing by Company.

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

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

18. **Taxes** -- All present or future federal, state, municipal, or other lawful taxes (other than federal income taxes on revenues received from transmission, transformation, and distribution line service) applicable by reason of any service performed by Company, or any compensation paid to Company, hereunder must be paid by Customer.

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

TARIFF FOR TRANSMISSION SERVICE
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20. **Multiple Counterparts** -- This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

21. **Other Terms and Conditions** --_____.

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

[COMPANY NAME]	[CUSTOMER NAME]
BY:_____	BY:_____
TITLE:_____	TITLE:_____
DATE:_____	DATE:_____