

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.1. Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No. 86

Revision 5

CHAPTER 6 TABLE OF CONTENTS

| | | |
|--------------|---|-----------|
| CHAPTER 6: | COMPANY SPECIFIC ITEMS..... | 88 |
| 6.1 | RATE SCHEDULES | 88 |
| 6.1.1 | DELIVERY SYSTEM CHARGES..... | 88 |
| 6.1.1.1 | CHARGES FOR TRANSMISSION AND DISTRIBUTION SYSTEM SERVICE..... | 88 |
| 6.1.1.1.1 | RESIDENTIAL SERVICE | 89 |
| 6.1.1.1.2 | SECONDARY SERVICE (LESS THAN OR EQUAL TO 5 KW) | 91 |
| 6.1.1.1.3 | SECONDARY SERVICE (GREATER THAN 5 KW)..... | 93 |
| 6.1.1.1.4 | PRIMARY SERVICE | 96 |
| 6.1.1.1.5 | TRANSMISSION SERVICE | 99 |
| 6.1.1.1.6 | LIGHTING SERVICE..... | 103 |
| 6.1.1.2 | SCHEDULE TC | 111 |
| 6.1.1.3 | CTC..... | 112 |
| 6.1.1.4 | CHARGES FOR SBF | 124 |
| 6.1.1.5 | CHARGES FOR NUCLEAR DECOMMISSIONING | 125 |
| 6.1.1.6 | OTHER CHARGES | 126 |
| 6.1.1.6.1 | RIDER TCRF – TRANSMISSION COST RECOVERY FACTOR..... | 127 |
| 6.1.1.6.2 | RIDER RCE-2– RATE CASE EXPENSE #2..... | 128 |
| 6.1.1.6.3 | RIDER EECRF– ENERGY EFFICIENCY COST RECOVERY FACTOR | 129 |
| 6.1.1.6.4 | RIDER CMC – COMPETITIVE METERING CREDIT..... | 130 |
| 6.1.1.6.5 | RIDER RCE – RATE CASE EXPENSE SURCHARGE | 131 |
| 6.1.1.6.6 | RIDER HCRF – HURRICANE COST RECOVERY FACTOR..... | 138 |
| 6.1.1.6.7 | RIDER SCUD – STATE COLLEGES AND UNIVERSITIES DISCOUNT | 139 |
| 6.1.2 | DISCRETIONARY SERVICE CHARGES | 140 |
| 6.1.2.1 | STANDARD DISCRETIONARY CHARGES | 140 |
| 6.1.2.2 | CONSTRUCTION SERVICE CHARGES..... | 149 |
| 6.1.2.2.1 | EXTENSIONS OF ELECTRIC SERVICE | 149 |
| 6.1.2.2.2 | STANDARD FACILITY EXTENSIONS | 151 |
| 6.1.2.2.3 | STANDARD ALLOWANCE FOR LINE EXTENSIONS..... | 153 |
| 6.1.2.2.3 | NON-STANDARD FACILITY EXTENSIONS..... | 154 |
| 6.1.2.2.4 | TEMPORARY DELIVERY SYSTEM FACILITIES | 154 |
| 6.1.2.2.5 | REMOVAL AND RELOCATION OF COMPANY’S FACILITIES | 155 |
| 6.1.2.2.6 | TRANSMISSION LINE EXTENSIONS | 156 |
| 6.1.2.3 | DISCRETIONARY CHARGES OTHER THAN CONSTRUCTION CHARGES | 158 |
| 6.1.2.3.1 | Facilities Relocation/Removal Charge: | 158 |
| 6.1.2.3.2 | Facilities Location Charge:..... | 158 |
| 6.1.2.3.3 | Temporary Facilities Charge:..... | 158 |
| 6.1.2.3.4 | Return Check or Bank Draft Charge: | 159 |
| 6.1.2.3.5 | Dual Socket Meter Adapter Installation Charge: | 159 |
| 6.1.2.3.6 | Automated Meter Reading (AMR) Charge: | 159 |
| 6.1.2.3.7 | Advance Metering Interval Load Data Equipment Maintenance Charge:..... | 159 |
| 6.1.2.3.8 | Electrical Pulse Equipment Maintenance Charge: | 159 |
| 6.1.2.3.9 | Advanced Metering Electrical Pulse Equipment Installation/Replacement Charge: | 160 |
| 6.1.2.3.10 | Competitive Meter Non Standard Programming Service Fee: | 160 |
| 6.1.2.3.11 | Competitive Meter Temporary Service Fee:..... | 160 |
| 6.1.2.3.12 | Competitive Meter Communication Failure Service Fee: | 160 |
| 6.1.2.3.13 | Utility Service Switchover Charge: | 161 |
| 6.1.2.3.14 | Miscellaneous Discretionary Service Charge: | 161 |
| 6.1.2.3.15 | Competitive Energy Charges: | 161 |
| 6.1.2.3.15.1 | Non Standard Service Equipment Inspection / Testing Charge: | 161 |
| 6.1.2.3.15.2 | Miscellaneous Competitive Energy Charges:..... | 161 |
| 6.1.2.3.16 | Competitive Metering Charges..... | 162 |
| 6.1.2.3.16.1 | Competitive Meter Installation Service Fee:..... | 162 |
| 6.1.2.3.16.2 | Competitive Meter Removal Service Fee:..... | 162 |

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.1. Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No. 87

Revision 5

| | |
|---|------------|
| 6.1.2.3.16.3 Competitive Meter Physical Access Equipment Installation Service Fee: | 162 |
| 6.1.2.3.17 Additional Service Design: | 162 |
| 6.1.2.3.18 Distributed Generation Meter Installation Fee: | 162 |
| 6.1.2.4 DISTRIBUTED GENERATION SERVICE | 164 |
| 6.2 COMPANY SPECIFIC TERMS AND CONDITIONS | 168 |
| 6.2.1 DEFINITIONS | 168 |
| 6.2.2 STANDARD VOLTAGES | 168 |
| 6.2.3 ADDITIONAL COMPANY SPECIFIC TERMS AND CONDITION | 172 |
| 6.2.3.1 APPLICATION FOR DELIVERY SERVICE | 172 |
| 6.2.3.2 REQUIREMENTS OF CONTRACTS | 173 |
| 6.2.3.3 THE COMPANY'S RIGHT TO INGRESS TO AND EGRESS FROM RETAIL CUSTOMER'S PREMISES | 174 |
| 6.2.3.4 RESPONSIBILITY FOR THE EQUIPMENT USED IN SUPPLYING DELIVERY SERVICE | 174 |
| 6.2.3.5 METERING | 176 |
| 6.2.3.6 DELIVERY SERVICE CONNECTIONS | 177 |
| 6.3 AGREEMENTS AND FORMS | 181 |
| 6.3.1 FACILITIES EXTENSION AGREEMENT | 182 |
| 6.3.2 APPLICATION FOR INTERCONNECTION AND PARALLEL OPERATION OF DISTRIBUTED GENERATION WITH THE UTILITY SYSTEM | 186 |
| 6.3.3 AGREEMENT FOR INTERCONNECTION AND PARALLEL OPERATION OF DISTRIBUTED GENERATION | 189 |
| 6.3.4 OTHER AGREEMENTS AND FORMS | 197 |
| 6.3.4.1 DELIVERY SERVICE ENERGIZATION REPORT | 197 |
| 6.3.4.2 ELECTRIC LINE EASEMENT | 198 |
| 6.3.4.2.1 ELECTRIC DISTRIBUTION LINE EASEMENT (CORPORATION) | 198 |
| 6.3.4.2.1 ELECTRIC DISTRIBUTION LINE EASEMENT (NON-CORPORATION) | 204 |
| 6.3.4.3 AGREEMENT AND TERMS AND CONDITIONS FOR PULSE METERING EQUIPMENT INSTALLATION | 209 |
| 6.3.4.4 AGREEMENT FOR METER OWNERSHIP AND/OR ACCESS FOR NON-COMPANY OWNED METERS | 214 |
| 6.3.4.5 COMPETITIVE METERING LETTER OF AGENCY | 223 |
| APPENDIX A - AGREEMENT BETWEEN COMPANY AND COMPETITIVE RETAILER REGARDING TERMS AND CONDITIONS OF DELIVERY OF ELECTRIC POWER AND ENERGY (DELIVERY SERVICE AGREEMENT) | 225 |

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.1. Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No. 88

Revision 5

CHAPTER 6: COMPANY SPECIFIC ITEMS

6.1 RATE SCHEDULES

6.1.1 DELIVERY SYSTEM CHARGES

6.1.1.1 CHARGES FOR TRANSMISSION AND DISTRIBUTION SYSTEM SERVICE

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.1. Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No. 89

Revision 5

6.1.1.1.1 RESIDENTIAL SERVICE

AVAILABILITY

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

TYPE OF SERVICE

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

MONTHLY RATE

I. Transmission and Distribution Charges:

| | | |
|----------------------------|------------|----------------------|
| Customer Charge | \$1.40 | per ESI ID per month |
| Metering Charge | \$2.20 | per ESI ID per month |
| Transmission System Charge | \$0.004980 | per kWh |
| Distribution System Charge | \$0.017578 | per kWh |

II. System Benefit Fund Charge: . See Rider SBF

III. Transition Charge: Not Applicable

IV. Nuclear Decommissioning Charge: Not Applicable

V. Transmission Cost Recovery Factor: See Rider TCRF

VI. Other Charges or Credits:
See Rider CTC
See Rider RCE
See Rider RCE-2
See Rider HCRF
See Rider EECRF
See Rider SCUD

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.1. Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No. 90

Revision 5

COMPANY SPECIFIC APPLICATIONS

Minimum Bill

Includes customer charge and metering charge per ESI ID per month.

Standard Secondary Voltage

Company's standard secondary voltages are described in Section 6.2.2, STANDARD VOLTAGES.

NOTICE

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

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.1. Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No. 91

Revision 5

6.1.1.1.2 SECONDARY SERVICE (LESS THAN OR EQUAL TO 5 KW)

AVAILABILITY

This schedule is applicable to Delivery Service for non-residential purposes at secondary voltage with Demand less than or equal to 5 kW when such Delivery Service is to one Point of Delivery and measured through one Meter and is not for shared or resale purposes.

TYPE OF SERVICE

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

MONTHLY RATE

I. Transmission and Distribution Charges:

| | | |
|----------------------------|------------|----------------------|
| Customer Charge | \$ 2.50 | per ESI ID per month |
| Metering Charge | \$2.20 | per ESI ID per month |
| Transmission System Charge | \$0.007789 | per kWh |
| Distribution System Charge | \$0.029612 | per kWh |

II. System Benefit Fund Charge: See Rider SBF

III. Transition Charge: Not Applicable

IV. Nuclear Decommissioning Charge: Not Applicable

V. Transmission Cost Recovery Factor: See Rider TCRF

VI. Other Charges or Credits::
See Rider CMC
See Rider CTC
See Rider RCE
See Rider RCE-2
See Rider HCRF
See Rider EECRF
See Rider SCUD

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.1. Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No. 92

Revision 5

COMPANY SPECIFIC APPLICATIONS

Minimum Bill

Includes customer charge and metering charge per ESI ID per month.

Standard Secondary Voltage

Company's standard secondary voltages are described in Section 6.2.2, STANDARD VOLTAGES.

NOTICE

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

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.1. Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 93

Revision 5

6.1.1.1.3 SECONDARY SERVICE (GREATER THAN 5 KW)

AVAILABILITY

This schedule is applicable to Delivery Service for non-residential purposes at secondary voltage with Demand greater than 5 KW when such Delivery Service is to one Point of Delivery and measured through one Meter.

TYPE OF SERVICE

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

MONTHLY RATE

I. Transmission and Distribution Charges:

| | | |
|----------------------------|----------|----------------------|
| Customer Charge | \$4.25 | per ESI ID per month |
| Metering Charge | \$13.30 | per ESI ID per month |
| Transmission System Charge | | |
| Non-IDR Metered | \$1.7206 | per NCP kW |
| IDR Metered | \$1.1200 | per 4CP kW |
| Distribution System Charge | \$5.50 | per NCP Billing kW |

II. System Benefit Fund Charge:

See Rider SBF

III. Transition Charge:

Not Applicable

IV. Nuclear Decommissioning Charge:

Not Applicable

V. Transmission Cost Recovery Factor:

See Rider TCRF

VI. Other Charges or Credits:

See Rider CMC
See Rider CTC
See Rider RCE
See Rider RCE-2
See Rider HCRF
See Rider EECRF
See Rider SCUD

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.1. Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 94

Revision 5

COMPANY SPECIFIC APPLICATIONS

Minimum Bill

Includes customer charge and metering charge per ESI ID per month.

Standard Secondary Voltage

Company's standard secondary voltages are described in Section 6.2.2, STANDARD VOLTAGES.

Power Factor (PF)

For average lagging Power Factors of less than 95% the measured Demand will be increased according to the following formula:

$$\frac{\text{kW} \times .95}{\text{PF}}$$

The average lagging power factor is determined using monthly metered kWh and kVARh data. The following formula is used to calculate the average lagging power factor for the billing month:

$$\text{PF} = \frac{\text{kWh}}{(\text{kWh}^2 + \text{kVARh}^2)^{1/2}}$$

DETERMINATION OF BILLING DEMAND FOR TRANSMISSION SYSTEM CHARGES

Determination of NCP kW

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

Determination of 4 CP kW

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

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.1. Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 95

Revision 5

DETERMINATION OF BILLING DEMAND FOR DISTRIBUTION SYSTEM CHARGES

Determination of Billing kW

The Billing kW applicable to the "Distribution System Charge" shall be the higher of the NCP kW for the current billing month or 80% of the highest monthly NCP kW established in the 11 months preceding the current billing month (80% ratchet). The 80% ratchet shall not apply to Retail Seasonal Agricultural or Municipal Pumping Customers, or customers whose peak demand in the most current 12-month period is equal to or less than 20 kW.

NOTICE

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

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.1. Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 96

Revision 5

6.1.1.1.4 PRIMARY SERVICE

AVAILABILITY

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

TYPE OF SERVICE

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

MONTHLY RATE

I. Transmission and Distribution Charges:

| | | |
|----------------------------|----------|----------------------|
| Customer Charge | \$22.00 | per ESI ID per month |
| Metering Charge | \$265.00 | per meter per month |
| Transmission System Charge | | |
| Non-IDR Metered | \$1.0520 | per NCP kW |
| IDR Metered | \$2.5966 | per 4CP kW |
| Distribution System Charge | \$4.80 | per NCP Billing kW |

II. System Benefit Fund Charge: See Rider SBF

III. Transition Charge: Not Applicable

IV. Nuclear Decommissioning Charge: Not Applicable

V. Transmission Cost Recovery Factor: See Rider TCRF

VI. Other Charges or Credits: See Rider CMC
See Rider CTC
See Rider RCE
See Rider RCE-2
See Rider HCRF
See Rider EECRF
See Rider SCUD

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.1. Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 97

Revision 5

COMPANY SPECIFIC APPLICATIONS

Minimum Bill

Includes customer charge and metering charge per ESI ID per month.

Standard Primary Voltage

Company's standard primary voltages are described in Section 6.2.2, STANDARD VOLTAGES.

Distribution Voltage Power Factor (PF) Adjustment

For average lagging Power Factors of less than 95% the measured Demand will be increased according to the following formula:

$$\frac{\text{kW} \times .95}{\text{PF}}$$

PF

The average lagging power factor is determined using monthly metered kWh and kVARh data. The following formula is used to calculate the average lagging power factor for the billing month:

$$\text{PF} = \frac{\text{kWh}}{(\text{kWh}^2 + \text{kVARh}^2)^{1/2}}$$

DETERMINATION OF BILLING DEMAND FOR TRANSMISSION SYSTEM CHARGES

Determination of NCP kW

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

Determination of 4 CP kW

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

DETERMINATION OF BILLING DEMAND FOR DISTRIBUTION SYSTEM CHARGES

Determination of Billing kW

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.1. Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 98

Revision 5

The Billing kW applicable to the "Distribution System Charge" shall be the higher of the NCP kW for the current billing month or 80% of the highest monthly NCP kW established in the 11 months preceding the current billing month (80% ratchet). The 80% ratchet shall not apply to Retail Seasonal Agricultural Customers or Municipal Pumping Customers, or customers whose peak demand in the most current 12-month period is equal to or less than 20 kW.

NOTICE

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

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.1. Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 99

Revision 5

6.1.1.1.5 TRANSMISSION SERVICE

AVAILABILITY

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

TYPE OF SERVICE

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

MONTHLY RATE

I. Transmission and Distribution Charges:

| | | |
|----------------------------|-----------|----------------------|
| Customer Charge | \$180.00 | Per ESI ID per month |
| Metering Charge | \$3994.47 | Per Meter per month |
| Transmission System Charge | \$1.800 | Per 4CP kVA |
| Distribution System Charge | \$0.0399 | Per 4CP kVA |

II. System Benefit Fund Charge: See Rider SBF

III. Transition Charge: Not Applicable

IV. Nuclear Decommissioning Charge: Not Applicable

V. Transmission Cost Recovery Factor: See Rider TCRF

VIII. Other Charges and Credits:
See Rider CMC
See Rider CTC
See Rider RCE
See Rider RCE-2
See Rider HCRF

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.1. Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 100

Revision 5

COMPANY SPECIFIC APPLICATIONS

Minimum Bill

Includes customer charge and metering charge per ESI ID per month.

Municipal Franchise Fees

When service falls within the incorporated limits of a municipality that assesses a franchise fee on transmission customers, such municipal franchise fees shall be added to and separately stated on the bill of each customer taking service within the incorporated limits of the municipality and shall be at the rate of \$0.001175/kWh. Transmission customers taking service outside the incorporated limits of a municipality shall not be subject to this fee.

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.1. Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 101

Revision 5

Standard Transmission Voltage

Transmission voltage is defined as voltage of 69 kV or higher. Company's standard transmission voltages are described in Section 6.2.2, STANDARD VOLTAGES.

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

Determination Of 4 CP kVA

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

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

Estimated 4 CP kVA = (NCP kVA * TCCF) where:

NCP kVA is the highest 15-minute integrated demand of an individual Retail Customer served at transmission voltage during the month; and TCCF is the transmission class coincidence factor for the months June, July, August, and September calculated from the Company's most recent UCOS proceeding using the following formula:

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

Where:

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

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.1. Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 102

Revision 5

NOTICE

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

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.1. Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 103

Revision 5

6.1.1.1.6 LIGHTING SERVICE

ROADWAY LIGHTING SERVICE

AVAILABILITY

The service provided pursuant to this Tariff is for any end-use customer for roadway lighting service where existing facilities have adequate capacity and suitable voltage.

TYPE OF SERVICE

Unmetered, automatically controlled, overhead lighting service operating from dusk to dawn. The Company will install, operate and maintain such lighting. Lights will be mounted on an existing service pole or poles and such service will be limited to 120 volt service.

MONTHLY RATE

I. Transmission and Distribution Charges:

OVERHEAD SERVICE

Schedule I –Wood Pole (per lamp charge)

| | Distribution Facilities <u>Charge</u> | |
|----------------------------|---|--------|
| 8150 lumen – 175 watt MV | \$5.02 | Closed |
| 21500 lumen – 400 watt MV | \$9.43 | Closed |
| 9500 lumen – 100 watt HPS | \$6.44 | |
| 16000 lumen – 150 watt HPS | \$7.47 | Closed |
| 22000 lumen – 200 watt HPS | \$7.99 | |
| 27500 lumen – 250 watt HPS | \$8.74 | Closed |
| 50000 lumen – 400 watt HPS | \$9.70 | Closed |

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.1. Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 104

Revision 5

Schedule II –Ornamental Pole (per lamp charge)

| | <u>Distribution Facilities Charge</u> | | |
|----------------------------|---|-----------------------------|--------|
| | <u>1 Lamp Per Pole</u> | <u>2 Lamps Per Pole</u> | |
| 8150 lumen – 175 watt MV | \$9.76 | - | Closed |
| 21500 lumen – 400 watt MV | \$12.47 | \$10.45 | Closed |
| 9500 lumen – 100 watt HPS | \$9.53 | - | |
| 16000 lumen – 150 watt HPS | \$12.12 | - | Closed |
| 22000 lumen – 200 watt HPS | \$12.90 | \$9.20 | |
| 27500 lumen – 250 watt HPS | \$14.53 | \$10.64 | Closed |
| 50000 lumen – 400 watt HPS | \$18.65 | \$18.65 | Closed |

UNDERGROUND SERVICE

Schedule III –Wood Pole (per lamp charge)

| | <u>Distribution Facilities Charge</u> | |
|----------------------------|---|--------|
| 3500 lumen – 100 watt MV | \$5.18 | Closed |
| 8150 lumen – 175 watt MV | \$5.67 | Closed |
| 21500 lumen – 400 watt MV | \$11.22 | Closed |
| 9500 lumen – 100 watt HPS | \$7.22 | |
| 22000 lumen – 200 watt HPS | \$8.78 | |

Schedule IV –Ornamental Pole (per lamp charge)

| | <u>Distribution Facilities Charge</u> | | |
|----------------------------|---|-------------------------------|--------|
| | <u>One Lamp Per Pole</u> | <u>Two Lamps Per Pole</u> | |
| 8150 lumen – 175 watt MV | \$10.40 | - | Closed |
| 21500 lumen – 400 watt MV | - | \$10.47 | Closed |
| 9500 lumen – 100 watt HPS | \$10.42 | \$8.06 | |
| 22000 lumen – 200 watt HPS | \$13.94 | \$10.41 | |

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.1. Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 105

Revision 5

PUBLIC HIGHWAY LIGHTING SERVICE

Schedule V –Normal Lamp Replacement Only (per lamp charge)

| | Distribution Facilities Charge |
|-----------------------|-----------------------------------|
| 27500 lumen HPS or HA | \$6.99 |
| 50000 lumen HPS or HA | \$9.64 |

METERED LIGHTING SERVICE

Schedule VI – (Restricted Use)

| | Distribution Facilities Charge |
|-----------------------------------|-----------------------------------|
| Metered Series Service | \$0.039480 per kWh |
| Other Metered Service | \$0.039480 per kWh |
| Public Facilities Metered Service | \$0.039480 per kWh |

- | | |
|--|--|
| II. System Benefit Fund Charge: | See Rider SBF |
| III. Transition Charge: | Not Applicable |
| IV. Nuclear Decommissioning Charge: | Not Applicable |
| V. Transmission Cost Recovery Factor: | See Rider TCRF |
| VI. Other Charges or Credits: | See Rider CTC See Rider RCE See Rider RCE-2 See Rider HCRF See Rider EECRF See Rider SCUD |

COMPANY SPECIFIC APPLICATIONS

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.1. Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 106

Revision 5

Minimum Bill

A minimum bill shall be charged based upon the monthly per lamp charge.

Service Schedules

Schedule I Company installed, owned, operated, and maintained overhead wired roadway lights mounted on wood poles on public roadways at the request of a governmental subdivision.

Schedule II Company owned, operated and maintained multiple overhead wired roadway lighting system mounted on ornamental poles on public roadways at the request of a governmental subdivision.

Schedule III Company installed, owned, operated, and maintained underground wired roadway lighting system mounted on wood poles on public roadways at the request of a governmental subdivision where the Company has paid the installed cost of such system.

Schedule IV Company installed, owned, operated, and maintained underground wired roadway lighting system mounted on ornamental poles on public roadways at the request of a governmental subdivision where the Company has paid the installed cost of such system.

Schedule V Where Company supplies service to customers for operation of roadway lighting system, which is customer installed, owned and operated, and maintained, or where a governmental subdivision has installed and owns the system for use by customer. Company will provide normal lamp replacements in accordance with the contract.

Schedule VI

- A. Metered Series Service is limited to existing roadway lighting systems being maintained by the Company prior to September 1999. These systems will be replaced as soon as feasibly possible, with service to be provided under one of the previous schedules of roadway lighting service.

- B. Other Metered Service will be used as the basis for determining the appropriate monthly per lamp charge for such facilities where Company supplies service to customer for operation of lighting system, which is customer installed, owned, operated, and maintained, or where a governmental subdivision has installed and owns the system for use by customer. Company will provide normal lamp replacements in accordance with the contract. Service under this sub-schedule will apply to developing the monthly rate for all roadway traffic signals owned and maintained by a governmental unit.

- C. Public Facilities Metered Service is to serve lighting facilities for public use that are not located on roadways, and where the lighting is separately metered.

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.1. Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 107

Revision 5

Replacement of Lamps and Glassware

Company will install, own, operate and maintain all street lights including normal replacement of lamps and glassware at no cost to customer under Schedule I, II, III, and IV above. Company reserves the right to charge customer for replacement of lamps and glassware any time more than two calls per year become necessary due to vandalism or other causes over and above regular maintenance in accordance with the terms set out on TNMP's Miscellaneous Charges tariff, Security Light Repair Charge.

Lamp Burning Hours

The Company will cause the street lights operated by it to be lighted at nightfall and to remain lighted until dawn. End-use customer will so control the street lighting operated by it so that the total burning hours will not exceed 4,000 hours in each year.

Lumens

Lumens as used will be the nominal rating of approximate initial lumens rated by manufacturer.

Facilities Charge Calculation

The monthly kWh used by the lamps in the operation of street lighting system will be estimated as follows:

$$\frac{\text{Total watts connected including ballast} \times 333 \text{ hours}}{1,000} = \text{kWh}$$

Type of Lamps and Ornamental Poles

All street lamps, glassware and ornamental poles shall be of a type normally used by Company and in accordance with standards established by Company.

Special Facilities

If the end-user requires special facilities to be installed or replaced, including ornamental standards or fixtures which are not in accordance with Company standards, the end-use customer will make a non-refundable contribution equal to the difference in the cost of such facilities and the installed cost of standard facilities; for other special facilities, end-use customer will make a non-refundable contribution equal to installed cost.

NOTICE

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

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.1. Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 108

Revision 5

NON-ROADWAY OUTDOOR LIGHTING SERVICE (CLOSED)

AVAILABILITY

The service provided pursuant to this Tariff is for any end-use customer for non-roadway outdoor lighting service where existing facilities have adequate capacity and suitable voltage. Lighting service under this schedule applies to non-roadway lighting facilities requested by the Retail Energy Provider (REP) on behalf of a customer connected to Company's distribution system.

TYPE OF SERVICE

Unmetered, automatically controlled, overhead lighting service operating from dusk to dawn. The Company will operate and maintain such lighting. Lights will be mounted on an existing service pole or poles and such service will be limited to 120 volt service.

Pricing under this Tariff will cover costs to serve these facilities includes the amounts included in FERC Accounts 371 and 371.1, which were previously collected under Rider CES-Competitive Energy Services.

MONTHLY RATE

I. Transmission and Distribution Charges:

| | <u>Charge per Lamp</u> |
|----------------------------|------------------------|
| 175 w MV Lamp-Nite Lite | \$8.27 |
| 400 w MV Lamp-Nite Lite | \$9.41 |
| 100 w HPS Lamp-Nite Lite | \$8.05 |
| 200 w HPS Lamp-Nite Lite | \$12.54 |
| 400 w MV Lamp-Flood Light | \$13.36 |
| 1000 w MV Lamp-Flood Light | \$23.64 |
| 400 w HA Lamp-Flood Light | \$13.48 |
| 1000 w HA Lamp-Flood Light | \$24.27 |
| 250 w HPS Lamp-Flood Light | \$13.49 |
| 400 w HPS Lamp-Flood Light | \$15.50 |

MV = Mercury Vapor, HPS = High Pressure Sodium, HA = Metal Halide

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.1. Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 109

Revision 5

| | |
|--|--|
| II. System Benefit Fund Charge: | See Rider SBF |
| III. Transition Charge: | Not Applicable |
| IV. Nuclear Decommissioning Charge: | Not Applicable |
| V. Transmission Cost Recovery Factor: | See Rider TCRF |
| VI. Other Charges or Credits: | |
| Non-Roadway Lighting Facilities Cost | See Rider CTC See Rider RCE See Rider RCE-2 See Rider HCRF See Rider SCUD See Rider EECRF |

COMPANY SPECIFIC APPLICATIONS

Replacement of Lamps and Glassware

Company will install, operate and maintain all non-roadway lights including normal replacement of lamps and glassware at no cost to customer. Company reserves the right to charge customer for replacement of lamps and glassware any time more than two calls per year become necessary due to vandalism or other causes over and above regular maintenance in accordance with the terms set out on TNMP's Miscellaneous Charges tariff, Security Light Repair Charge.

Lamp Burning Hours

The Company will cause the non-roadway lights operated by it to be lighted at nightfall and to remain lighted until dawn. End-use customer will so control the street lighting operated by it so that the total burning hours will not exceed 4,000 hours in each year.

Type of Lamps and Ornamental Poles

All street lamps, glassware and ornamental poles shall be of the type normally used by the Company and in accordance with standards established by the Company.

Special Facilities

If the end-user requires special facilities to be installed or replaced, including ornamental standards or fixtures which are not in accordance with Company standards, the end-use customer will make a non-refundable contribution equal to the difference in the cost of such facilities and the installed cost of standard facilities; for other special facilities, end-use customer will make a non-refundable contribution equal to installed cost.

Additional Pole Charge

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.1. Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 110

Revision 5

In the event an End-use customer desires a light to be installed on a pole which will require the Company to install an additional pole or poles, End-use customer will be charged \$2.38 per month per pole.

NOTICE

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

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.1. Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: January 1, 2002

Page No.: 111

Revision 4

6.1.1.2 SCHEDULE TC

Not Applicable

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.1. Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 112

Revision 3

6.1.1.3 CTC

This rider sets out the rates and terms and conditions under which Competitive Transition Charge will be billed and collected by Texas-New Mexico Power Company (Company). The Competitive Transition Charge was authorized by the Public Utility Commission of Texas (Commission) in Docket No. 31994.

This rider is applicable to:

1. Retail customers located within the certificated service area of Company who receive electric transmission and/or distribution service either directly from the Company or through a REP served by the Company and to the facilities, premises and loads of such retail customers;
2. Retail customers located within Company's certificated service area as it existed on May 1, 1999 who are presently receiving transmission and/or distribution service either directly from another utility, electric cooperative or municipally owned utility (T or D Provider) or through a REP served by another T or D Provider, and whose request to change service to the other T or D Provider was made after May 1, 1999;
3. Retail customers located within Company's certificated service area as it existed on May 1, 1999 and who are served by New On-Site Generation. New On-Site Generation means "New On-Site Generation" as defined in Section 25.345(c) (1) of the Commission's Substantive Rules.
4. REPs that serve retail customers located within Company's certificated service area as it existed on May 1, 1999.
5. Any other entity which, under the terms of the Final Order in Docket No. 31994 or the Utilities Code may be obligated to pay, bill, collect, or adjust the Competitive Transition Charge.

TEXAS-NEW MEXICO POWER COMPANY TARIFF FOR RETAIL DELIVERY SERVICE

6.1. Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 113

Revision 3

CHARACTER OF COMPETITIVE TRANSITION CHARGE

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

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

In accordance with the Final Order in Docket No. 31994, the final fuel balance for customers serving under the industrial power service and industrial interruptible power service will receive a refund over a 12 month period, beginning with the effect date of this tariff. The customers eligible for this credit were identified in a confidential exhibit in Docket No. 31994. For all other customer classes, the final fuel balance will be treated as an immediate deduction of each class's share of the true-up balance.

TERM

Rider CTC will remain in effect for fourteen years as provided for in the Final Order in Docket No. 31994. The Company shall initiate a proceeding in the final year of the CTC's recovery period to true-up the CTC. In that proceeding, the Commission will determine the appropriate means of correcting any over- or under-recovery.

TEXAS-NEW MEXICO POWER COMPANY TARIFF FOR RETAIL DELIVERY SERVICE

6.1. Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 114

Revision 3

COMPETITION TRANSITION CHARGE CLASSES

Competitive Transition Charges are calculated and applied using the Stipulated and Agreement that set the Competition Transition Charge Class. Each CTC Class is defined in terms of the base rate tariff classes that existed on Company's system on September 1, 1999 ("pre-restructuring rate schedules"). The CTC Classes are defined as follows:

Residential Class: The Residential Class is made up of (i) every customer that was served under Company's rate schedule RESIDENTIAL SERVICE on the day before the customer discontinued taking service from Company under a pre-restructuring rate schedule, and (ii) each new customer that was not served by COMPANY under any pre-restructuring rate schedule, but is the type of customer which, if it had been served by COMPANY under pre-restructuring rate schedules would have qualified for service under Company's rate schedules RESIDENTIAL SERVICE. Customers served under rate schedule RESIDENTIAL SERVICE – STATE INSTITUTION FOR HIGHER EDUCATION are included in the Residential Class.

General Service Class: The General Service Class is made up of (i) every customer that was served under COMPANY rate schedule GENERAL SERVICE on the day before the customer discontinued taking service from COMPANY on a pre-restructuring rate schedule, and (ii) each new customer that was not served by COMPANY under any pre-restructuring rate schedule, but is the type of customer which, if it had been served by COMPANY under a pre-restructuring rate schedule would have qualified for service under Company's rate schedule GENERAL SERVICE and whose demand is estimated by the Company to be less than 100 kW. Customers served under rate schedule GENERAL SERVICE TIME OF DAY, INTERRUPTIBLE IRRIGATION are included in the General Service Class.

Large General Service Class (LGS): The Large General Service Class is made up of (i) every customer that was served under COMPANY rate schedule LARGE GENERAL SERVICE on the day before the customer discontinued taking service from COMPANY on a pre-restructuring rate schedule, and (ii) each new customer that was not served by COMPANY under any pre-restructuring rate schedule, but is the type of customer which, if it had been served by COMPANY under a pre-restructuring rate schedule would have qualified for service under Company's rate schedules schedule LARGE GENERAL SERVICE and whose demand as estimated by the Company is 100 kW or greater. Customers served under rate schedules LARGE GENERAL SERVICE - TIME OF DAY are included in the LGS class if the customer's contract for service from COMPANY provided that the LARGE GENERAL SERVICE - TIME OF DAY rate was the basis for pricing.

Industrial Power Service Class: The INDUSTRIAL POWER SERVICE class is made up of (i) every customer that was served under COMPANY rate schedule INDUSTRIAL POWER SERVICE-HLF or INDUSTRIAL POWER SERVICE-LLF on the day before the customer discontinued taking service from COMPANY on a pre-restructuring rate schedule, and (ii) each new customer that was not served by COMPANY under any pre-restructuring rate schedule, but

TEXAS-NEW MEXICO POWER COMPANY TARIFF FOR RETAIL DELIVERY SERVICE

6.1. Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 115

Revision 3

is the type of customer which, if it had been served by COMPANY under a pre-restructuring rate schedule would have qualified for service under Company's rate schedule INDUSTRIAL POWER SERVICE-HLF or INDUSTRIAL POWER SERVICE-LLF by being served at 69.0 KV or above.

Municipal Power Service Class: The Municipal Power Class is made up of (i) every customer that was served under COMPANY rate schedule MUNICIPAL POWER on the day before the customer discontinued taking service from COMPANY on a pre-restructuring rate schedule, and (ii) each new customer that was not served by COMPANY under any pre-restructuring rate schedule, but is the type of customer which, if it had been served by COMPANY under a pre-restructuring rate schedule would have qualified for service under Company's rate schedule MUNICIPAL POWER and whose service is used for pumping required in the operation of water and sewage plants. Customers served under rate schedule MUNICIPAL POWER TIME OF DAY are included in the Municipal Power Class.

Street Lighting Class: The Street Lighting Class is made up of (i) every customer that was served under COMPANY rate schedules PUBLIC LIGHTING on the day before the customer discontinued taking service from COMPANY on a pre-restructuring rate schedule, and (ii) each new customer which was not served by COMPANY under any pre-restructuring rate schedule, but is taking outdoor lighting services which are provided on an unmetered or metered basis using lighting fixtures which would have qualified for service under Company's pre-restructuring rate schedules STREET LIGHTING, PUBLIC HIGHWAY LIGHTING, TRAFFIC LIGHTING.

Outdoor Lighting Class: The Outdoor Lighting Class is made up of (i) every customer that was served under COMPANY rate schedules OUTDOOR LIGHTING on the day before the customer discontinued taking service from COMPANY on a pre-restructuring rate schedule, and (ii) each new customer which was not served by COMPANY under any pre-restructuring rate schedule, but is taking outdoor lighting services which are provided on an unmetered or metered basis using lighting fixtures which would have qualified for service under Company's pre-restructuring rate schedules OUTDOOR LIGHTING.

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

| Capped Class | Related Rate Schedule |
|----------------------------------|----------------------------------|
| Industrial Interruptible Service | Industrial Interruptible Service |
| Industrial Standby Service | Industrial Standby Service |
| Economy Industrial Power Service | Economy Industrial Power Service |
| Economy Large General Service | Economy Large General Service |

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.1. Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 116

Revision 3

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

PERIODIC BILLING REQUIREMENT ALLOCATION FACTORS

The initial Periodic Billing Requirement Allocation Factors ("PBRAF") for each Competition Transition Charge Class are set out below. These initial PBRAFs will remain in effect throughout the term of Rider CTC unless a modification of the factors is made pursuant to the Periodic Adjustment provisions in Section 7 of this Rider CTC or if, but only if, the total retail stranded costs (determined pursuant to Section 39.253 of the Utilities Code) on a statewide basis exceed \$5 billion, then the qualified costs attributable to TNMP's share of the statewide stranded costs in excess of \$5 billion shall be reallocated using the allocation methodology prescribed in Section 39.253(f) of the Utilities Code. TNMP's share of any statewide stranded costs in excess of \$5 billion shall be determined by multiplying (1) the percentage obtained by dividing TNMP's total stranded costs (determined pursuant to Section 39.253) by the total statewide stranded costs (determined pursuant to Section 39.253(f)) by (2) the amount by which the total statewide stranded costs (determined pursuant to Section 39.253(f)) exceed \$5 billion:

| COMPETITION TRANSITION CHARGE CLASS | PBRAAF |
|--|---------------|
| Residential | 47.80% |
| General Service | 26.23% |
| Large General Service | 14.27% |
| Economy Large General Service | 2.67% |
| Industrial | 3.98% |
| Stand-By Power | 1.65% |
| Economy Power | 0.71% |
| Interruptible | 0.32% |
| Municipal Power | 1.69% |
| Street Lighting | 0.34% |
| Outdoor Lighting | 0.35% |

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.1. Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 117

Revision 2

MONTHLY COMPETITIVE TRANSITION CHARGE

The monthly charges for Competitive Transition Charges are set out below:

COMPETITIVE TRANSITION CHARGE CHARGES

| COMPETITION TRANSITION CHARGE CLASS | CHARGE | kWh/kW |
|--|---------------|---------------|
| Residential | \$0.00308 | kWh |
| General Service | \$0.00319 | kWh |
| Large General Service | \$0.90307 | kW |
| Economy Large General Service | \$1.03933 | kW |
| Industrial | \$ 0.29319 | kW |
| Stand-By Power | \$ 0.27048 | kW |
| Economy Power | \$ 0.23498 | kW |
| Interruptible | \$0.47107 | kW |
| Municipal Power | \$0.00347 | kWh |
| Street Lighting | \$0.00200 | kWh |
| Outdoor Lighting | \$0.00297 | kWh |

The CTC shall be applied on a kW basis for all service under the Large General Service, Economy Large General Service, Industrial Power Service, Standby Power Service, Economy Industrial Power Service, and Interruptible Industrial Power Service. The kW to be used in calculating the bill for those customers obligated to pay on a kW basis will be the highest kW for the month supplied during the 15-minute period of maximum use during the billing month.

The CTC shall be applied on a kWh basis to all Residential customers, all Street and Outdoor Lighting customers, all General Service customers, and all Municipal Power Service customers served at distribution voltage.

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

For an industrial customer taking service under two or more rates through a single meter, the meter shall be 'tagged' based on the customer's usage as of April 30, 1999. The applicable charge for such a customer shall apply in ascending order, by price, based on the average amount of demand purchased by that customer under the

TEXAS-NEW MEXICO POWER COMPANY TARIFF FOR RETAIL DELIVERY SERVICE

6.1. Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 118

Revision 2

interruptible, standby, economy, and firm schedules as of April 30, 1999. Additional load growth of a customer beyond its historical usage shall pay the firm IPS charge unless a customer with existing self generation or cogeneration installs additional generation, in which case the standby charge would apply to customer's entire standby load.

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

PERIODIC AND INTRA-INDUSTRIAL GROUP ADJUSTMENTS OF CTC

Part A: Periodic Adjustments

Competition Transition Charges may be adjusted due to an over- or under-recovery under the following conditions (Periodic Adjustments):

1. at Company cost of service cases any over- or under-recovery of the CTC may be addressed;
2. if there is a cumulative over- or under-recovery equal to or greater than 15% of the projected annual funding amount, the Company or Commission Staff shall initiate a proceeding to adjust the CTC recovery; and
3. During the final year of the projected recovery period, a true-up of the CTC should occur.

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

The adjustments under this Part B are applicable only to CTC classes within the Industrial Group. The Industrial Group is made up of all CTC classes: Industrial Power, Standby Power, Economy IPS, and Interruptible IPS.

In connection with each Periodic Adjustment, the Company will compare the projected billing determinants being used to set Competition Transition Charges for each Industrial Group Competition Transition Charge Class during the ensuing year to the billing determinants for the period July 2004 through June 2005 (adjusted to exclude any billing determinants attributable to Eligible Generation if Commission determines such adjustment should be made) (such billing determinants as adjusted are hereafter referred to as the "Industrial Base Year Billing Determinants"). The Competition Transition Charges of all Competition Transition Charge Classes in the Industrial CTC Group will be adjusted if one or more Competition Transition Charge Classes experience load loss (calculated excluding load loss attributable to Eligible Generation for which adjustments have been made but including load loss attributable to small power production facilities of 10 megawatts or less) aggregating more than 10% on a cumulative basis when measured against the Industrial Base Year Billing Determinants. The adjustments under this Part B will be made using the following procedures:

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.1. Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 119

Revision 2

| | |
|---|--|
| <p>Step 1:</p> <p>If $FBU_c / IBD_c \geq 0.90$ for each Industrial CTC Class</p> | <p>Then, no adjustments will occur under this Section 7, Part B and the Competition Transition Charge for each Industrial CTC class will be calculated under Part A.</p> |
| <p>If $FBU_c / IBD_c < 0.90$ for any Industrial CTC Class (Load Loss Class)</p> | <p>Then, adjustments will be calculated pursuant to Steps 2 through 6.</p> |
| <p>Where:</p> <p style="padding-left: 40px;">FBU_c = forecasted or projected billing determinants for class c used to set CTC in the Periodic Adjustment</p> <p style="padding-left: 40px;">IBD_c = Industrial Base Year Billing Determinants for class c</p> | |

| | |
|---|--|
| <p>Step 2:</p> <p>For each Industrial CTC Class in Step 1 where $FBU_c / IBD_c < 0.90$, a reduction amount (RED_c) will be calculated as follows:</p> <p style="text-align: center;">$RED_c = PBR_c - TCLL_c$</p> <p>Where:</p> <p style="padding-left: 40px;">$PBR_c = PBR_T * PBRAF_c$</p> <p style="padding-left: 40px;">$TCLL_c =$ Test Collections with 10% Load Loss for Class c = $[PBR_c / (IBD_c * 0.9)] * FBU_c$</p> <p style="padding-left: 40px;">$PBR_T =$ total periodic billing requirement for upcoming period</p> <p style="padding-left: 40px;">$PBRAF_c =$ the PBRAFs then in effect, including any adjustment made for Eligible Generation</p> | |
|---|--|

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.1. Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 120

Revision 2

Step 3:

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

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

Where:

IAP_c = Intra-Group Allocation Percentage for class c = $PBRAFC_c / \Sigma PBRAF_c$ for all Industrial CTC Classes for which a reduction amount was not calculated in Step 2 and whose $CTC_c^{-1} \leq CTC_{LOSA}^{-1}$

CTC_{LOSA}^{-1} = Competition Transition Charge implemented for the LOSA CTC class in the last Periodic Adjustment

CTC_c^{-1} = Competition Transition Charge implemented for class c in the last Periodic Adjustment

Step 4:

The adjusted Competition Transition Charge for a class (CTC_c) shall be calculated as follows:

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

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

For all other Industrial CTC Classes:

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

Step 5:

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

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

Where:

CTC_c = The adjusted Competition Transition Charge calculated in Step 4

CTC_c^{BASE} = The Competition Transition Charge calculated using the Industrial Base Year Billing Determinants.

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.1. Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 121

Revision 2

Step 6:

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

$$CTC_c^{FINAL} = CTC_c$$

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

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

Where:

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

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

$$CTC_c^{FINAL} = CTC_c$$

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

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

Where:

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

BILLING AND COLLECTION TERMS AND CONDITIONS

Competitive Transition Charge will be billed and collected as set forth in this Rider CTC. The terms and conditions for each party are set forth below.

- A. Billings by Company to other T or D Providers:

1. Competitive Transition Charge applicable to former retail customers of the Company in multiply certificated service areas who are now taking service directly from other T or D Providers or through REPs served by other T or

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.1. Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 122

Revision 2

D Providers will be billed to and collected from the other T or D Provider, which, in turn will be responsible for collecting the Competitive Transition Charge from the retail customers and REPs.

2. The T or D Provider shall pay all Competitive Transition Charge not later than 35 days after bill is mailed by Company. The T or D Provider shall make such payment regardless of whether it collects such charges from the end use retail customer or REP.

B. Billings by Company to New On-Site Generation:

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

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

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

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

1. Company will bill and collect from REPs all Competitive Transition Charge applicable to consumption by retail customers served by the REP, including applicable customers served by New On-Site Generation.

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.1. Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 123

Revision 2

2. Payments of Competitive Transition Charges are due pursuant to terms of the Company's Tariff.

NOTICE

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

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.1. Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 124

Revision 2

6.1.1.4 CHARGES FOR SBF

AVAILABILITY

Pursuant to Utility Code, Section §39.903, the system benefit fund (SBF) is a non-bypassable fee set by the Public Utility Commission (PUC).

MONTHLY RATE

A Retail Customer's SBF fee for the billing month shall be determined by multiplying the appropriate SBF factor shown below by the current month's billing kWh as determined in the Retail Customer's applicable Rate Schedule.

| <u>Rate Schedule</u> | <u>Factor</u> |
|--|----------------------|
| Residential Service | \$0.000654 per kWh |
| Secondary Service Less than or Equal to 5 kW | \$0.000654 per kWh |
| Secondary Service Greater than 5 kW | \$0.000654 per kWh |
| Primary Service | \$0.000645 per kWh |
| Transmission Service | \$0.000626 per kWh |
| Lighting Service | \$0.000654 per kWh |

NOTICE

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

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.1. Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 125

Revision 2

6.1.1.5 CHARGES FOR NUCLEAR DECOMMISSIONING

Not Applicable

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.1. Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: January 1, 2002

Page No.: 126

Revision 1

6.1.1.6 OTHER CHARGES

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.1. Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: September 1, 2010

Page No.: 127

Revision 15

6.1.1.6.1 RIDER TCRF – TRANSMISSION COST RECOVERY FACTOR

AVAILABILITY

This rider is applicable to Delivery Service provided under Section 6.1.1.1 Residential Service, Section 6.1.1.2 Secondary Service (Less Than or Equal to 5 kW), Section 6.1.1.3 Secondary Service (Greater Than 5 kW), Section 6.1.1.4 Primary Service, and Section 6.1.1.5 Transmission Service in the Company's Tariff for Retail Delivery Service.

MONTHLY RATE

| | | |
|---|------------|-------------|
| Residential Service | \$0.000603 | Per kWh |
| Secondary Service (Less Than or Equal to 5KW) | \$0.001314 | Per kWh |
| Secondary Service (Greater Than 5 KW) | | |
| Non IDR Metered | \$0.138251 | Per NCP kW |
| IDR Metered | \$0.220103 | Per 4CP kW |
| Primary Service | | |
| Non IDR Metered | \$0.130902 | Per NCP kW |
| IDR Metered | \$0.196127 | Per 4CP kW |
| Transmission Service | \$0.218034 | Per 4CP kVA |

NOTICE

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

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.1. Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 128

Original

6.1.1.6.2 RIDER RCE-2- RATE CASE EXPENSE #2

AVAILABILITY

Rider RCE-2 is designed to recover Commission approved rate case expenses associated with PUCT Docket No. 36025. Rider RCE-2 is applicable to electric delivery service from the Company during the periods this schedule is in effect, and will be billed along with the other delivery service charges. Charges associated with Rider RCE-2 will be determined in accordance with the applicable fee listed below. This schedule will be in effect for three years, from the first billing cycle of September 2009 and will end with the last billing cycle of August 2012.

MONTHLY RATE

| | | |
|---|------------|-------------|
| Residential Service | \$0.000204 | Per kWh |
| Secondary Service (Less Than or Equal to 5KW) | \$0.000390 | Per kWh |
| Secondary Service (Greater Than 5 KW) | | |
| Non IDR Metered | \$0.000242 | Per kWh |
| IDR Metered | \$0.000135 | Per kWh |
| Primary Service | | |
| Non IDR Metered | \$0.000193 | Per kWh |
| IDR Metered | \$0.000131 | Per kWh |
| Transmission Service | \$0.018963 | Per 4CP kVA |
| Lighting Service | \$0.000686 | Per kWh |

NOTICE

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

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.1. Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: January 1, 2011

Page No.: 129

Revision: 1

6.1.1.6.3 RIDER EECRF– ENERGY EFFICIENCY COST RECOVERY FACTOR

APPLICATION

Applicable, pursuant to PURA § 39.905(b)(4) and Substantive Rule § 25.181(f), to all customer classes that receive services under the Company's energy efficiency programs.

METHOD OF CALCULATION

An Energy Efficiency Cost Recovery Factor (EECRF) shall be calculated annually in accordance with the following formula:

$EECRF_c = [(Exp_p - Rev_p) + (Exp_a - Rev_a) + Incent] \div Cust_p$, where:

$EECRF_c$ = Energy Efficiency Cost Recovery Factory for the class.

Exp_p = Projected expense for next year by class.

Rev_p = Projected revenue in base rates for the next year by class.

Exp_a = Actual expense from the previous year by class.

Rev_a = Actual revenue in base rates and EECRF from the previous year by class.

Incent = An allowance approved by the PUC for recovery by the Company in recognition of Company performance in meeting demand of reduction goals.

$Cust_p$ = Cumulative number of bills by class forecast for all months of the next year.

Energy Efficiency Cost Recovery Factor (EECRF)

| (Effective Date) | Residential Service (Per ESI ID) | Secondary Service < 5kW (Per ESI ID) | Secondary Service > 5kW (Per ESI ID) |
|-------------------------|---|--|--|
| Feb 1, 2010 | \$0.75 | \$0.40 | \$5.13 |
| Jan 1, 2011 | \$0.71 | \$0.40 | \$5.06 |

NOTICE

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

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.1 Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: July 1, 2005

Page No.: 130

Original

6.1.1.6.4 RIDER CMC – COMPETITIVE METERING CREDIT

AVAILABILITY

Applicable, pursuant to PUCT Substantive Rule §25.311, to any non-residential Retail Customer for which the Company has installed a Non-Company Owned Billing Meter.

MONTHLY CREDIT

A Retail Customer's credit for the billing month shall be:

| <u>Rate Schedule</u> | <u>Credit</u> |
|--|------------------------------|
| Secondary Service Less than or Equal to 5 kW | \$ 0.40 per month |
| Secondary Service Greater than 5 kW | \$ 2.00 per month |
| Primary Service | \$ 3.20 per month |
| Transmission Service | \$100.00 per Meter per month |

NOTICE

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

TEXAS-NEW MEXICO POWER COMPANY TARIFF FOR RETAIL DELIVERY SERVICE

6.1 Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 131

Revision 1

6.1.1.6.5 RIDER RCE – RATE CASE EXPENSE SURCHARGE

AVAILABILITY

This rider sets out the rates and terms and conditions under which Rate Case Expenses will be billed and collected by Texas-New Mexico Power Company (Company). The Rate Case Expenses were authorized by the Public Utility Commission of Texas (Commission) in Docket No. 31994.

This rider is applicable to:

1. Retail customers located within the certificated service area of Company who receive electric transmission and/or distribution service either directly from the Company or through a REP served by the Company and to the facilities, premises and loads of such retail customers;
2. Retail customers located within Company's certificated service area as it existed on May 1, 1999 who are presently receiving transmission and/or distribution service either directly from another utility, electric cooperative or municipally owned utility (T or D Provider) or through a REP served by another T or D Provider, and whose request to change service to the other T or D Provider was made after May 1, 1999;
3. Retail customers located within Company's certificated service area as it existed on May 1, 1999 and who are served by New On-Site Generation. New On-Site Generation means "New On-Site Generation" as defined in Section 25.345(c) (1) of the Commission's Substantive Rules.
4. REPs that serve retail customers located within Company's certificated service area as it existed on May 1, 1999.
5. Any other entity which, under the terms of the Final Order in Docket No. 31994 or the Utilities Code may be obligated to pay, bill, collect, or adjust the Rate Case Expenses.

CHARACTER OF RATE CASE EXPENSES

All Rate Case Expenses other than those applicable to New On-Site Generation are computed and paid on the basis of individual end-use retail customer consumption or demand. In accordance with Utilities Code Section 39.252(b) and Section 25.345(i)(3) of the Commission's Substantive Rules, the Rate Case Expenses applicable to use of New On-Site Generation that results in a "material reduction" of the customer's use of energy delivered through the Company's transmission and distribution facilities (as defined in Section 25.345(i)(4) of the Commission's Substantive Rules) are computed and paid based on the output of the on site

TEXAS-NEW MEXICO POWER COMPANY TARIFF FOR RETAIL DELIVERY SERVICE

6.1 Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 132

Revision 1

generation used to meet the internal electric requirements of the customer. Customers with New On-Site Generation will also be required to pay the Rate Case Expenses applicable to energy actually delivered to the Customer through the Company's facilities. Individual end use retail customers are responsible for paying Rate Case Expenses billed to them in accordance with the terms of this Rider RCE whether the charges are billed directly by the Company or are included in the bills submitted to the customer by a REP or another entity. Payment is to be made to the entity that bills the customer. The billing entity may be the Company, a REP or an entity designated to collect Rate Case Expenses.

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

TERM

Rider RCE will remain in effect for three years as provided for in the Final Order in Docket No. 31994.

RATE EXPENSE SURCHARGE CLASSES

Rate Case Expenses are calculated and applied using the Stipulated and Agreement that set the Rate Case Expense Surcharge Allocation. There are 10 Rate Case Expense Surcharge Classes. Each Rate Case Expense Class is defined in terms of the base rate tariff classes that existed on Company's system on September 1, 1999 ("pre-restructuring rate schedules"). The Rate Case Expense Classes are defined as follows:

Residential Class: The Residential Class is made up of (i) every customer that was served under Company's rate schedule RESIDENTIAL SERVICE on the day before the customer discontinued taking service from Company under a pre-restructuring rate schedule, and (ii) each new customer that was not served by COMPANY under any pre-restructuring rate schedule, but is the type of customer which, if it had been served by COMPANY under pre-restructuring rate schedules would have qualified for service under Company's rate schedules RESIDENTIAL SERVICE. Customers served under rate schedule RESIDENTIAL SERVICE – STATE INSTITUTION FOR HIGHER EDUCATION are included in the Residential Class.

General Service Class: The General Service Class is made up of (i) every customer that was served under COMPANY rate schedule GENERAL SERVICE on the day before the customer discontinued taking service from COMPANY on a pre-restructuring rate schedule, and (ii) each new customer that was not served by COMPANY under any pre-restructuring rate schedule, but is the type of customer which, if it had been served by COMPANY under a pre-restructuring rate schedule would have qualified for service under Company's rate schedule GENERAL SERVICE and whose demand is estimated by the Company to be less than 100 kW. Customers served

TEXAS-NEW MEXICO POWER COMPANY TARIFF FOR RETAIL DELIVERY SERVICE

6.1 Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 133

Revision 1

under rate schedule GENERAL SERVICE TIME OF DAY, INTERRUPTIBLE IRRIGATION are included in the General Service Class.

Large General Service Class (LGS): The Large General Service Class is made up of (i) every customer that was served under COMPANY rate schedule LARGE GENERAL SERVICE on the day before the customer discontinued taking service from COMPANY on a pre-restructuring rate schedule, and (ii) each new customer that was not served by COMPANY under any pre-restructuring rate schedule, but is the type of customer which, if it had been served by COMPANY under a pre-restructuring rate schedule would have qualified for service under Company's rate schedules schedule LARGE GENERAL SERVICE and whose demand as estimated by the Company is 100 kW or greater. Customers served under rate schedules LARGE GENERAL SERVICE - TIME OF DAY are included in the LGS class if the customer's contract for service from COMPANY provided that the LARGE GENERAL SERVICE - TIME OF DAY rate was the basis for pricing.

Municipal Power Service Class: The Municipal Power Class is made up of (i) every customer that was served under COMPANY rate schedule MUNICIPAL POWER on the day before the customer discontinued taking service from COMPANY on a pre-restructuring rate schedule, and (ii) each new customer that was not served by COMPANY under any pre-restructuring rate schedule, but is the type of customer which, if it had been served by COMPANY under a pre-restructuring rate schedule would have qualified for service under Company's rate schedule MUNICIPAL POWER and whose service is used for pumping required in the operation of water and sewage plants. Customers served under rate schedule MUNICIPAL POWER TIME OF DAY are included in the Municipal Power Class.

Street Lighting Class: The Street Lighting Class is made up of (i) every customer that was served under COMPANY rate schedules PUBLIC LIGHTING on the day before the customer discontinued taking service from COMPANY on a pre-restructuring rate schedule, and (ii) each new customer which was not served by COMPANY under any pre-restructuring rate schedule, but is taking outdoor lighting services which are provided on an unmetered or metered basis using lighting fixtures which would have qualified for service under Company's pre-restructuring rate schedules STREET LIGHTING, PUBLIC HIGHWAY LIGHTING, TRAFFIC LIGHTING.

Outdoor Lighting Class: The Outdoor Lighting Class is made up of (i) every customer that was served under COMPANY rate schedules OUTDOOR LIGHTING on the day before the customer discontinued taking service from COMPANY on a pre-restructuring rate schedule, and (ii) each new customer which was not served by COMPANY under any pre-restructuring rate schedule, but is taking outdoor lighting services which are provided on an unmetered or metered basis using lighting fixtures which would have qualified for service under Company's pre-restructuring rate schedules OUTDOOR LIGHTING.

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.1 Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 134

Revision 1

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

| Capped Class | Related Rate Schedule |
|----------------------------------|--|
| Industrial Power Service | Industrial Power Service - HLF, Industrial Power Service - LLF |
| Industrial Interruptible Service | Industrial Interruptible Service |
| Industrial Standby Service | Industrial Standby Service |
| Economy Industrial Power Service | Economy Industrial Power Service |
| Economy Large General Service | Economy Large General Service |

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

MONTHLY RATE CASE EXPENSES

The monthly charges for rate case expenses are set out below:

RATE CASE EXPENSES CHARGES

| <i>RATE CASE EXPENSE SURCHARGE CLASS</i> | <i>PER UNIT CHARGE</i> | <i>BILLING UNIT</i> |
|---|-------------------------------|----------------------------|
| Residential | \$ 0.00 | per kWh |
| General Service | \$ 0.00 | per kWh |
| Large General Service and Economy LGS | \$ 0.00 | per kW |
| Economy Power IPS | \$ 0.00 | per kW |
| Stand-By Power IPS | \$ 0.00 | per kW |
| Interruptible IPS | \$ 0.00 | per kW |
| Industrial Power Service | \$ 0.00 | per kWh |
| Municipal Power | \$ 0.00 | per kWh |
| Street Lighting | \$ 0.00 | per kWh |
| Outdoor Lighting | \$ 0.00 | per kWh |

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.1 Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 135

Revision 1

The Rate Case Expense surcharge shall be applied on a kW basis for all service under the Large General Service, Economy Large General Service, Industrial Power Service, Standby Power Service, Economy Industrial Power Service, and Interruptible Industrial Power Service. The kW to be used in calculating the bill for those customers obligated to pay on a kW basis will be the highest kW for the month supplied during the 15-minute period of maximum use during the billing month.

The Rate Case Expense surcharge shall be applied on a kWh basis to all Residential customers, all Street and Outdoor Lighting customers, all General Service customers, and all Municipal Power Service customers served at distribution voltage.

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

For an industrial customer taking service under two or more rates through a single meter, the meter shall be 'tagged' based on the customer's usage as of April 30, 1999. The applicable charge for such a customer shall apply in ascending order, by price, based on the average amount of demand purchased by that customer under the interruptible, standby, economy, and firm schedules as of April 30, 1999. Additional load growth of a customer beyond its historical usage shall pay the firm IPS charge unless a customer with existing self generation or cogeneration installs additional generation, in which case the standby charge would apply to customer's entire standby load.

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

BILLING AND COLLECTION TERMS AND CONDITIONS

Rate Case Expenses will be billed and collected as set forth in this Rider RES. The terms and conditions for each party are set forth below.

A. Billings by Company to other T or D Providers:

1. Rate Case Expenses applicable to former retail customers of the Company in multiply certificated service areas who are now taking service directly from other T or D Providers or through REPs served by other T or D Providers will be billed to and collected from the other T or D Provider,

TEXAS-NEW MEXICO POWER COMPANY TARIFF FOR RETAIL DELIVERY SERVICE

6.1 Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 136

Revision 1

which, in turn will be responsible for collecting the Rate Case Expenses from the retail customers and REPs.

2. The T or D Provider shall pay all Rate Case Expenses not later than 35 days after bill is mailed by Company. The T or D Provider shall make such payment regardless of whether it collects such charges from the end use retail customer or REP.

B. Billings by Company to New On-Site Generation:

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

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

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

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

1. Company will bill and collect from REPs all Rate Case Expenses applicable to consumption by retail customers served by the REP, including applicable customers served by New On-Site Generation.
2. Payments of Rate Case Expenses are due pursuant to terms of the Company's Tariff.

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.1 Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 137

Revision 1

NOTICE

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

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.1 Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 138

Original

6.1.1.6.6 RIDER HCRF – HURRICANE COST RECOVERY FACTOR

AVAILABILITY

This rider is applicable to Delivery Service provided under Section 6.1.1.1.1 Residential Service, Section 6.1.1.1.2 Secondary Service (Less Than or Equal to 5 kW), Section 6.1.1.1.3 Secondary Service (Greater Than 5 kW), Section 6.1.1.1.4 Primary Service, and Section 6.1.1.1.5 Transmission Service in the Company's Tariff for Retail Delivery Service. This rider will be effective for 5 years.

MONTHLY RATE

| | | |
|---|-----------|--------------------|
| Residential Service | \$0.00104 | Per kWh |
| Secondary Service (Less Than or Equal to 5KW) | \$0.00229 | Per kWh |
| Secondary Service (Greater Than 5 KW) | | |
| Non IDR Metered | \$0.25026 | per NCP Billing kW |
| IDR Metered | \$0.24357 | per NCP Billing kW |
| Primary Service | | |
| Non IDR Metered | \$0.19470 | per NCP Billing kW |
| IDR Metered | \$0.22010 | per NCP Billing kW |
| Transmission Service | \$0.00002 | Per 4CP kVA |
| Lighting Service | \$0.00130 | Per kWh |

NOTICE

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

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.1 Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 139

Original

6.1.1.6.7 RIDER SCUD – STATE COLLEGES AND UNIVERSITIES DISCOUNT

AVAILABILITY

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

MONTHLY DISCOUNT

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

NOTICE

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

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.1 Rate Schedules

Applicable: Entire Certified Service Area
Effective Date: July 1,2010

**Page No.: 140
Revision 3**

6.1.2 DISCRETIONARY SERVICE CHARGES

6.1.2.1 STANDARD DISCRETIONARY CHARGES

- i. **Charges Billed by Company to Competitive Retailer**
The Discretionary Service Charges listed below are charges for which the Company shall bill the Competitive Retailer upon completion of the service. All charges for the services in 6.1.2 are included in the rates herein. No additional charges (such as processing fees, copying fees etc) shall apply. Company shall uniformly apply the standard TX SET code that corresponds to each service below on all invoices for such service. This section shall become effective on July 1, 2007.

| Charge No. | Name and Description | Amount |
|-------------------------------------|--|--|
| | Company shall be open for normal business Monday – Friday 8:00 AM – 5:00 PM and available for Priority/Same Day requests Monday – Friday 5:00 PM – 10:00 PM except on holidays designated in Section 3.18, NON-BUSINESS DAY DESIGNATIONS. Company shall be available for emergencies at all times. This shall not preclude Company from staffing at additional times. | |
| Connection Charges (Move-in) | | T |
| | <p>Standard Move-In Applicable to requests to energize a Retail Customer’s connection to the Delivery System where at least two Business Days notice has been provided. Such requests, which include the corresponding TX SET code for standard service, and are received by Company at least two Business Days prior to the Competitive Retailer’s requested date shall be completed no later than the requested date. Requests received after 5:00 PM CPT or on a day that is not a Business Day, shall be considered received on the next Business Day. If the request is received less than two Business Days prior to the requested date, the Move-In will be scheduled for the Business Day that is two Business Days after the date the request is received. If the requested date is not a Business Day, the Move-In will be scheduled for the first Business Day following the requested date. This service is not available if inspections and permits, or other construction is required.</p> <ul style="list-style-type: none"> i. Self-Contained Meter (existing) ii. Self-Contained Meter (new) iii. CT/Other Meter (existing) iv. CT/Other Meter (new) | <p>\$54 \$60 \$138 As Calculated</p> |
| | <p>Priority Move-In Applicable to requests to energize a Retail Customer’s connection to the Delivery System where less than two Business Days notice has been provided. Such request shall include the TX SET priority code</p> | |

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.1 Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: July 1,2010

Page No.: 141

Revision 3

| | | |
|------------------------------|---|--|
| | <p>designation for priority service. Company shall complete Priority Connections on the requested date, provided that the request was received by 5:00 PM CPT of that Business Day. If service is not provided on the Business Day the request is received, the Priority Connection shall be completed by no later than close of business of the next Business Day. Requests received after 5:00 PM CPT or on a day that is not a Business Day, shall be considered received on the next Business Day. This service is only available at an existing Premises with an existing Meter. It is not available if inspections and permits, or other construction is required.</p> <p style="margin-left: 40px;">i. Self-Contained Meter (existing) ii. CT/Other Meter (existing)</p> | <p>\$79 \$255</p> |
| Disconnection Charges | | |
| | <p>Move-Out Company shall discontinue Delivery Service to the Point of Delivery on the requested date provided the Company receives the transaction at least two Business Days prior to the requested date. A transaction received after 5:00 PM CPT on a Business Day, or on a day that is not a Business Day, will be considered received on the next Business Day. If the request is received less than two Business Days prior to the requested date, the Move-Out will be scheduled for the Business Day that is two Business Days after the date the request is received. If the requested date is not a Business Day, the move-out will be scheduled for the first Business Day following the requested date.</p> | <p>Charge applicable to requests to de-energize service on a move-out is included in the move-in charge.</p> |
| | <p>Customer Requested Clearance Applicable to requests to de-energize/re-energize Company facilities to allow Retail Customer or Retail Customer's contractor to work near Company or on or near Retail Customer's electrical facilities. Requests for Clearance shall be filled on the requested date provided Company receives the request on a Business Day that is not later than three Business Days prior to the requested date. Notices received after 5:00 PM CPT, or on a day that is not a Business Day, will be considered received on the next Business Day. If the requested date is not a Business Day, or if the Company receives the request with less than three Business Days prior notice, or the clearance cannot be safely performed on the requested date, Company will accommodate the request based on mutual agreement with the requesting party at charges as calculated. All charges include the cost for de-energizing and re-energizing facilities.</p> <p style="margin-left: 40px;">i. With three Business Days notice (residential) ii. With three Business Days notice (non-residential) iii. With less than three Business Days notice</p> | <p>As Calculated* As Calculated* As Calculated*</p> |

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.1 Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: July 1,2010

Page No.: 142

Revision 3

| Disconnect / Reconnect for Non-Pay Charges | | |
|---|--|------------------------------|
| | <p>Disconnect for Non-Pay (DNP) Applicable to requests from Competitive Retailer to de-energize service to Retail Customer due to Retail Customer's failure to pay charges billed by its Competitive Retailer or Company.</p> <p>For premises without a provisioned advanced meter and for premises with a provisioned advanced meter without remote disconnect/connect capabilities, if the DNP is requested by the Competitive Retailer, the request shall be completed within three Business Days of the requested date, provided Company receives the request at least two Business Days before the requested date. Notices received after 5:00 PM CPT, or on a day that is not a Business Day, will be considered received on the next Business Day.</p> <p>For premises with a provisioned advanced meter with remote disconnect/connect capabilities and for which that Company can successfully communicate with that provisioned advanced meter at the time Company attempts to execute the request by using Company's advanced metering system, if the DNP is requested by the Competitive Retailer, the request shall be completed within 2 hours of receipt of request on the requested date provided Company receives the request no later than 2:00 PM CPT on the requested date and provided that the requested date is a Business Day. Requests received after 2:00 PM CPT on the requested date, or on a day that is not a Business Day, will be completed no later than 8:00 AM CPT on the next Business Day. If Company cannot successfully communicate with the provisioned advanced meter at the time Company attempts to execute the request by using Company's advanced metering system, the request shall be completed within three Business Days of the requested date.</p> <p>For all premises, Company shall not disconnect a premise before the requested date and shall not disconnect a premise on the Business Day immediately preceding a holiday.</p> <p>If the DNP is performed by Company due to Retail Customer's non-payment of a charge billed directly by Company to the Retail Customer, or because the Retail Customer has not fulfilled its obligations under a contract entered into between Company and the Retail Customer, these charges shall not be billed to the Competitive Retailer.</p> <p style="margin-left: 40px;"><u>At Meter</u></p> <ul style="list-style-type: none"> i. Standard Disconnect ii. Same Day Disconnect iii. Holiday | <p>\$28 \$53 N/A</p> |

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.1 Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: July 1,2010

Page No.: 143

Revision 3

| | | |
|--|--|-------------------------------|
| | <p><u>At Premium Location (i.e. pole, weatherhead, secondary box)</u></p> <ul style="list-style-type: none"> i. Standard Disconnect ii. Same Day Disconnect iii. Holiday <p>NOTE: Company shall not disconnect service to a residential customer on the Business Day immediately preceding a holiday.</p> | <p>\$91 \$116 N/A</p> |
| | <p>Reconnect After DNP</p> <p>Applicable to requests to re-energize service to Retail Customer after Retail Customer has been disconnected for non-payment. Company shall complete reconnection no later than 48 hours from the time the request is received. However, if this requirement results in the reconnection being performed on a day that is not a Business Day, an additional charge for non-Business Day connection will also apply.</p> <p>Standard Reconnect:</p> <p>For premises without a provisioned advanced meter, for premises with a provisioned advanced meter without remote disconnect/connect capabilities, and for premises with a provisioned advanced meter for which that Company cannot successfully communicate with that provisioned advanced meter at the time Company attempts to execute the request by using Company's advanced metering system, standard reconnect requests received by Company by 2:00 PM CPT on a Business Day shall be reconnected that day.</p> <p>For premises with a provisioned advanced meter with remote disconnect/connect capabilities and for which Company can successfully communicate with that provisioned advanced meter at the time Company attempts to execute the request by using Company's advanced metering system, standard reconnect requests received by Company from 8:00 AM CPT to 7:00 PM CPT on a Business Day shall be reconnected within 2 hours of receipt of request.</p> <p>For premises with a provisioned advanced meter with remote disconnect/connect capabilities where the Competitive Retailer provides prepaid service under P.U.C. SUBST. R. 25.498, standard reconnect requests received by the Company from 8:00 AM CPT to 7:00 PM CPT on a Business Day shall be reconnected within 1 hour of receipt of request.</p> <p>For all premises, standard reconnect requests received by Company after 2:00 PM CPT on a Business Day shall be reconnected that day if possible, but no later than the close of Company's next field operational day. Standard reconnect requests received by Company after 7:00 PM CPT or on a day that is not a Business Day maybe considered received on the next Business</p> | |

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.1 Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: July 1,2010

Page No.: 144

Revision 3

| | | |
|--|---|--|
| | <p>Day.</p> <p>Same Day Reconnect:</p> <p>Same day reconnect requests received by Company prior to 5:00 PM CPT on a Business Day shall be reconnected no later than the close of Company's field operational day.</p> <p><u>At Meter</u></p> <ul style="list-style-type: none"> i. Standard Reconnect ii. Same Day Reconnect iii. Weekend iv. Holiday <p><u>At Premium Location (i.e. pole, weatherhead, secondary box)</u></p> <ul style="list-style-type: none"> i. Standard Reconnect ii. Same Day Reconnect iii. Weekend iv. Holiday <p>NOTE: In no event shall Company fail to reconnect service within 48 hours after a reconnection request is received.</p> | <p>\$29</p> <p>\$54</p> <p>\$160</p> <p>\$238</p> <p>\$94**</p> <p>\$94**</p> <p>\$196**</p> <p>\$280**</p> |
| Meter Test Charge | | |
| | <p>Applicable to Meter tests performed at the request of Competitive Retailer or Retail Customer in accordance with Section 4.7.4, METER TESTING.</p> <p><u>Self-contained Meter – Company owned</u></p> <ul style="list-style-type: none"> i. First test within the previous four years ii. Found outside of the accuracy standards iii. All other <p><u>CT/Other Meter – Company owned</u></p> <ul style="list-style-type: none"> i. First test within the previous four years ii. Found outside of the accuracy standards iii. All other <p><u>Competitive Meter</u></p> | <p>\$0.00</p> <p>\$0.00</p> <p>\$132</p> <p>\$0.00</p> <p>\$0.00</p> <p>\$175</p> <p>\$175</p> |
| Out-of-Cycle Meter Read Charges | | |
| | <p>Re-Reads</p> <p>Applicable to requests to re-read Retail Customer's Meter to verify the accuracy of Company's Meter Reading. The re-read shall be completed within five Business Days of Company's receipt of the request.</p> <ul style="list-style-type: none"> i. Meter Reading found to be in error ii. Meter Reading found to be accurate | <p>\$0.00</p> <p>\$27</p> |
| | Out-of-cycle Meter Read for the Purpose of a Self-Selected | |

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.1 Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: July 1,2010

Page No.: 145

Revision 3

| | | |
|--|--|---|
| | <p>Switch Applicable to requests to read Retail Customer's Meter on a date other than Company's regularly scheduled monthly Meter Reading date for the purpose of a switch of a Retail Customer's account to a new Competitive Retailer on a date certain. Company shall perform the Meter Read on the Competitive Retailer's requested date, provided the Company receives the request on a Business Day that is not later than two Business Days prior to the requested date. Notices received after 5:00 PM CPT, or on a day that is not a Business Day, will be considered received on the next Business Day. If the requested date is not a Business Day, the out-of-cycle Meter Read will be scheduled for the first Business Day following the requested date. The meter read shall be performed in accordance with Section 4.3.4, CHANGING OF DESIGNATED COMPETITIVE RETAILER.</p> <p>Meter Read for the Purpose of a Standard Switch Applicable to requests to read Retail Customer's Meter for the purpose of switching Retail Customer's account to a new Competitive Retailer when the customer has not requested switching on a date certain. Company shall use on-cycle meter readings obtained during the three business days prior to the first available switch date (FASD) received from the Registration Agent or the four business days beginning with the FASD for customers whose meters were scheduled for on-cycle readings during that time, and shall perform a Meter Reading or Estimated Meter Reading within four business days beginning with the FASD for customers whose meters were not scheduled to be read during that time. The Meter Reading shall be performed in accordance with Section 4.3.4, CHANGING OF DESIGNATED COMPETITIVE RETAILER.</p> <p>Out-of-Cycle Meter Estimation for the Purpose of a Switch due to denial of Access by Retail Customer</p> <p>Out-of-Cycle Estimate for the Purpose of a Mass Transition charges for estimation shall be charged to the exiting Competitive Retailer.</p> | <p style="text-align: right;">\$27</p> <p style="text-align: right;">\$0</p> <p style="text-align: right;">\$23</p> <p style="text-align: right;">\$0</p> |
| Non-Standard Meter Installation Charges | | |
| | <p>Off-site Meter Reading (OMR) Equipment Installation Applicable to installation, upon request, by Retail Customer or Retail Customer's Competitive Retailer, of Company's "Standard Advanced Metering Equipment" designed to transmit information via radio to a hand held Meter Reading device carried by the meter reader. This allows for the provision of a Meter Reading without</p> | |

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.1 Rate Schedules

Applicable: Entire Certified Service Area

Page No.: 146

Effective Date: July 1,2010

Revision 3

| | | |
|---------------------------------|--|--|
| | visual contact with the Meter. Equipment shall be installed within 30 days of receipt of request. During Normal Business Hours | \$124 |
| | Automated Meter Reading (AMR) Equipment Installation Applicable to installation, upon request, by Retail Customer or Retail Customer's Competitive Retailer, of Company's "Standard Advanced Metering Equipment" designed to transmit information via telephone to a central location. This allows for the provision of Meter Reading information on cycle or special reading date without visual contact with the Meter. Equipment shall be installed within 30 days of receipt of request. Single-Phase Self Contained During Normal Business Hours Three-Phase Self Contained During Normal Business Hours Single-Phase Instrumented Rated During Normal Business Hours Three-Phase Instrumented Rated During Normal Business Hours | As Calculated* As Calculated* As Calculated* As Calculated* |
| | Interval Data Recorder (IDR) Equipment Installation Applicable to installation, upon request, by Retail Customer or Retail Customer's Competitive Retailer, of Company's "Standard Advanced Metering Equipment" designed to access interval load data via telephone or other mode of transmission agreed to by customer to a central location. Equipment shall be installed within 30 days of receipt of request. During Normal Business Hours | As Calculated* |
| Service Call Charge | | |
| | Applicable when Company employee is dispatched to the Retail Customer's Premises at the request of the Retail Customer or Competitive Retailer to investigate an outage or other service problem that, upon investigation by Company, is determined not to be a problem with Company's equipment or system. i. During Business Days, 8:00 AM -5:00 PM CPT ii. Business Days non-Business Hours iii. Weekend iv. Holiday | \$65 \$171 \$171 \$255 |
| Outdoor Lighting Charges | | |
| | Security Lighting Repair Applicable to requests, by Retail Customer or Retail Customer's Competitive Retailer, to repair existing Company-owned security | |

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.1 Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: July 1,2010

Page No.: 147

Revision 3

| | | |
|--------------------------|---|----------------|
| | <p>lights on Retail Customer's Premises unless such repair is necessary due to normal lamp and glass replacements. If necessary due to normal lamp and glass replacements, repair shall be performed at no charge. Company shall complete repairs within 15 calendar days of the request in accordance with Section 5.4.6, RETAIL CUSTOMER'S DUTY REGARDING COMPANY'S FACILITIES ON RETAIL CUSTOMER'S PREMISES.</p> | As Calculated* |
| | <p>Security Light Removal Applicable to requests, by Retail Customer or Retail Customer's Competitive Retailer, to remove Company-owned security lights on the Retail Customer's Premises in accordance with Sections 5.7.8, REMOVAL AND RELOCATION OF COMPANY'S FACILITIES AND METERS and 5.7.9, DISMANTLING OF COMPANY'S FACILITIES. This charge shall not apply to removals initiated by the Company.</p> <p>A Retail Customer or a Competitive Retailer on behalf of Retail Customer, shall request removal of outdoor lighting facilities at least 30 days prior to the requested removal date. The removal request shall be completed by Company on requested removal date. If mutually agreed to by Company and the Retail Customer, or the Competitive Retailer on behalf of the Retail Customer, Company may begin the removal of outdoor lighting facilities and complete the removal of outdoor lighting facilities on a date or dates other than the initially requested removal date.</p> | As Calculated* |
| | <p>Street Light Removal Applicable to requests, by Retail Customer or Retail Customer's Competitive Retailer, to remove existing Company-owned street lights, in accordance with Sections 5.7.8, REMOVAL AND RELOCATION OF COMPANY'S FACILITIES AND METERS and 5.7.9, DISMANTLING OF COMPANY'S FACILITIES.</p> <p>A Retail Customer or a Competitive Retailer on behalf of Retail Customer, shall request removal of outdoor lighting facilities at least 30 days prior to the requested removal date. The removal request shall be completed by Company on requested removal date. If mutually agreed to by Company and the Retail Customer, or the Competitive Retailer on behalf of the Retail Customer, Company may begin the removal of outdoor lighting facilities and complete the removal of outdoor lighting facilities on a date or dates other than the initially requested removal date.</p> | As Calculated* |
| Tampering Charges | | |
| | <p>Tampering Applicable to unauthorized use of Delivery System pursuant to Section 5.4.7, UNAUTHORIZED USE OF DELIVERY SYSTEM or other Tampering with Company metering facilities or any theft of electric service by any person on the Retail Customer's Premises.</p> <p>Tampering charges can include, but are not limited to, Delivery Charges, cost of replacement and repair of damaged Meter and</p> | |

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.1 Rate Schedules

Applicable: Entire Certified Service Area

Page No.: 148

Effective Date: July 1,2010

Revision 3

| | | |
|-------------------------|--|----------------|
| | associated equipment, cost of installation of protective facilities or relocation of the Meter, and all other costs associated with the investigation and correction of the unauthorized use. | As Calculated* |
| | Broken Meter Seal Applicable to breakage of the Meter seal. | \$27 |
| Denial of Access | | |
| | Inaccessible Meter Charge Applicable when Company personnel is unable to gain access to the meter of a non-residential critical load premises as a result of continued denial of Access as provided in Section 4.7.2.1, DENIAL OF ACCESS BY RETAIL CUSTOMER. | \$58 |

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

** These charges are applicable to services provided at locations that are unique and that present special challenges. These challenges vary and as a result, the costs of providing the service may vary widely depending on the required expertise and equipment needed to perform the work.

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.1 Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 149

Revision 1

6.1.2.2 CONSTRUCTION SERVICE CHARGES

6.1.2.2.1 EXTENSIONS OF ELECTRIC SERVICE

Company is responsible for the construction, extension, upgrade, or alteration of Delivery System facilities necessary to connect Retail Customer's Point of Delivery to Company's Delivery System in conjunction with Section 5.7, FACILITIES EXTENSION POLICY and the terms and conditions contained herein. Company makes extension of Delivery System facilities to Retail Customer's electrical installation so as to minimize the cost of such extension. In instances where the cost of the requested extension, installation or modification of Company's facilities is in excess of the standard allowances stated herein, or where the installation of non-standard facilities is requested, a Contribution In Aid of Construction ("CIAC") is required from the Retail Customer.

A. STANDARD DISTRIBUTION FACILITIES

Company's standard distribution facilities consist of the Delivery System facilities necessary to transport electric power and energy from a single, single-phase or three-phase distribution source to Retail Customer at one Point of Delivery via radial line, with one standard Company meter, at one of Company's available standard voltages. The service wire and meter will be of sufficient size characteristics to properly deliver and account for the electric power and energy consumed, as is reasonably practicable.

A. NON-STANDARD DISTRIBUTION FACILITIES

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

B. POLICY

1. In determining whether or not a contract and/or non-refundable CIAC is required, the Company may consider several factors, including, but not limited to, the size of the projected load, the revenue the projected load will

TEXAS-NEW MEXICO POWER COMPANY TARIFF FOR RETAIL DELIVERY SERVICE

6.1 Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 150

Revision 1

- generate, the Company's investment in the project, the likely permanence of the load, and the credit worthiness of the prospective customer.
2. To insure existing customers are not unfairly burdened by a proposed extension of services, the Company may alter the method of determining the Allowance. An Allowance is derived from a determination by the Company of the amount of investment supported by the customer's projected load, historical comparisons of similar loads in the same geographic region, and/or the failure rate of similar extensions to achieve permanence or generate revenue comparable to projections. Other similarly important factors may influence the actual Allowance the Company permits.
 3. A Retail Customer requesting an extension of the Company's Delivery System facilities for an installation which in the judgment of the Company is of temporary occupancy or use (less than 12 months) will pay a CIAC prior to construction. The CIAC for such installations will equal the total cost of the facilities extension.
 4. In the event a line extension is required, any construction cost options such as sharing of construction costs between the Company and the customer, or sharing of costs between the customer and other applicants shall be explained to the customer following assessment by the Company of necessary line work.
 5. Easements and rights-of-way: all extensions shall be constructed on private easements or rights-of-way. Where private easements or rights-of-way are not available, such lines may be constructed on existing public roads, streets, alleys, easements or rights-of-way. New customers shall furnish rights-of-way or easements in a form acceptable to Company as required, without charge to the Company, over property owned or leased by such new customers and will assist the Company in securing other rights-of-way or easements necessary to provide service.
 6. Pursuant to Section 5.7.2, CONTRACTUAL ARRANGEMENTS, the Company may, at its option, enter into a Facilities Extension Agreement with

TEXAS-NEW MEXICO POWER COMPANY TARIFF FOR RETAIL DELIVERY SERVICE

6.1 Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 151

Revision 1

the customer, to assure that existing customers are not unfairly burdened in any way by the required investment.

7. Pursuant to Section 5.7.2, CONTRACTUAL ARRANGEMENTS, the Company shall at all times have title to, complete ownership of and control over facilities installed by the Company or its contractors. Company may use any such facilities to serve other customers when Company determines it is feasible to do so. A nonrefundable CIAC or any other project cost sharing mechanism does not give Competitive Retailer or Retail Customer or any survivors, any rights to Company facilities except as may be made by separate agreement.

E. DEFINITIONS

1. Contribution in Aid of Construction (CIAC). A payment from Retail Customer, required prior to construction, for line extension projects whose project costs exceed the customer's Standard Allowance, if applicable.
2. Project Investment. The cost to the Company of extending the requested service, reduced by the cost of readily salvageable items.
3. Cost of the Extension. Another way of referring to the Project Investment.
4. Standard Allowance. Standard dollar allowance used to offset the Cost of the Extension.

6.1.2.2.2 STANDARD FACILITY EXTENSIONS

Extensions of Standard Facilities to permanent Retail Customers within the Company's certificated area where the estimated cost to extend facilities does not exceed the Standard Allowances stated herein, will be provided to Retail Customer at no cost. The Cost of the Extension is calculated by the Company using the route of the new line, as determined by the Company, from Company Delivery System facilities to the Retail Customer's point of delivery, and includes the cost of all Standard Facilities required to provide service to the customer. If the Cost of the Extension exceeds the Standard allowances stated herein, the Retail Customer will pay a non-refundable CIAC for the

TEXAS-NEW MEXICO POWER COMPANY TARIFF FOR RETAIL DELIVERY SERVICE

6.1 Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 152

Revision 1

Cost of the Extension in excess of the stated allowances. In cases where a non-refundable CIAC is required, full payment of the CIAC must be received prior to construction.

A. FACILITIES EXTENSION AGREEMENT

The Company may require execution of a Facilities Extension Agreement ("Agreement") before construction of the facilities may begin. This Agreement will set forth the terms and conditions of the extension and will specify the Project Investment, Standard Allowance, CIAC, and may require a letter of credit or surety to secure the amount of the Standard Allowance. The Agreement term will be for a period of up to 36 months (3 years).

B. FUNDING ARRANGEMENTS

1. The Company may require the Retail Customer to provide a letter of credit or other surety to secure the amount of the Standard Allowance prior to beginning construction. The amount of the surety will be equal to the Standard Allowance.
2. If acceptable to Company, the Retail Customer may establish a cash escrow account in lieu of other surety with the Company as beneficiary to the account. The arrangement must be approved by the Company before construction may begin. In addition, the applicant may be required to execute an Agreement setting forth the terms and conditions of the account arrangements. The amount of the escrow account will be equal to the Standard Allowance.
3. If the Retail Customer does not develop the number of lots or realize the maximum kW load that was used to compute the Standard Allowance and resulting CIAC, then the Retail Customer must pay an Under-Utilization charge at the end of the Agreement term. This Under-Utilization charge will be equal to the difference between the CIAC initially computed, and the

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.1 Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 153

Revision 1

Allowance and resulting CIAC as recalculated based on the number of lots built, sold and occupied, or maximum kW actually realized.

6.1.2.2.3 STANDARD ALLOWANCE FOR LINE EXTENSIONS

A. CONTRIBUTIONS IN AID OF CONSTRUCTION (CIAC)

Retail Customers may be required to provide a **non-refundable** Contribution in Aid of Construction ("CIAC") to extend electrical facilities to a customer's Point of Delivery as determined in the formula below. If the amount calculated is zero or negative, no CIAC is required. To the extent that the CIAC payment is considered taxable revenue to the Company, the CIAC shall include an amount equal to the Company's tax liability. The Company will install, own, operate and control all facilities necessary to provide electrical service to the Point of Delivery. The Project Investment will include all standard facilities, meters, services and transformers. Facilities not included in the Project Investment are those necessary to accommodate future growth considerations or Company initiated reliability enhancement projects.

The CIAC required is based on the formula:

$$\text{CIAC} = (\text{Project Investment} - \text{Standard Allowance}) + \text{Company's Tax Liability}$$

B. STANDARD ALLOWANCES

The method for determining Standard Allowance is as follows:

**Residential and Small Commercial/Industrial loads with Maximum Demands
less than 9 kW**

Allowance = \$1,500 per End-Use Customer

Secondary Commercial/Industrial Loads over 9 kW

Allowance = \$165/kW (based on Maximum kW)

Maximum Allowance = \$50,000

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.1 Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 154

Revision 1

Primary Service

Allowance = \$135/kW (based on Maximum kW)

Maximum Allowance = \$50,000

The determination of Maximum kW for the Standard Allowances is based on historical data from residences or businesses of similar size and function in that region of the state. Consideration is given to customer-owned equipment data supplied prior to the determination of a CIAC.

Under no circumstance shall any unused allowance be paid or credited to the Retail Customer or used to reduce the cost for installation of non-standard distribution facilities or non-standard street lighting facilities.

6.1.2.2.3 NON-STANDARD FACILITY EXTENSIONS

- A. If an existing or prospective Retail Customer requires or requests services which involve Non-Standard Facilities as described in Section 6.1.2.2.1.A of this tariff, the Retail Customer will be required to pay a non-refundable CIAC equal to the total cost of the installation of the Non-Standard Facilities. This CIAC must be paid prior to the construction of the Non-Standard Facilities.
- B. Pursuant to Section 5.7.2, CONTRACTUAL ARRANGEMENTS, the Company may terminate the provision of any Delivery Service utilizing non-standard facilities at the end of the contract term, or in the absence of a contract term, on reasonable notice to Retail Customer.

6.1.2.2.4 TEMPORARY DELIVERY SYSTEM FACILITIES

If, in the judgment of the Company, a proposed extension of the Company's Delivery System appears to be of a temporary nature, the Company shall require a non-refundable CIAC to be paid prior to the construction of the temporary facilities. The

TEXAS-NEW MEXICO POWER COMPANY TARIFF FOR RETAIL DELIVERY SERVICE

6.1 Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 155

Revision 1

amount of the CIAC will be equal to the cost of installing and removing the temporary facilities, plus the estimated costs of materials to be used which are unsalvageable after removal of the installation.

6.1.2.2.5 REMOVAL AND RELOCATION OF COMPANY'S FACILITIES

The company may remove or relocate Company facilities upon request. If the removal or relocation of the Company facilities is associated with a change in the Retail Customer's requirements that results in additional load to the Company, then the appropriate Standard Allowance will be applied to the costs of removal or relocation. In all other cases, the requesting entity will pay the total cost of removing or relocating the facilities.

A. REPLACEMENT OF FACILITIES

1. If the Company, pursuant to Section 4, SERVICE RULES AND REGULATIONS RELATING TO ACCESS TO DELIVERY SYSTEM OF COMPANY BY COMPETITIVE RETAILERS, and Section 5, SERVICE RULES AND REGULATIONS RELATING TO THE PROVISION OF DELIVERY SERVICE TO RETAIL CUSTOMERS, replaces existing overhead facilities with underground facilities, the Retail Customer will pay the Company a non-refundable CIAC consisting of the cost of installing the underground facilities plus the cost of removal of any overhead facilities less any salvage value of the removed facilities.
2. If the Company, as a result of the legal requirement of a political subdivision of the State of Texas ("Political Subdivision"), replaces or redesigns existing overhead facilities with underground facilities, or if a Political Subdivision requests Non-Standard facilities, or requires any future electrical facilities to be installed underground, the Company may surcharge all Retail Customers within the Political Subdivision for the previously described cost involved in converting or redesigning overhead facilities to underground, or in Company fulfilling the request for Non-Standard facilities. If said Political Subdivision wishes to make other arrangements to reimburse the Company, such other arrangements as are acceptable to the Company shall be allowed as long as

TEXAS-NEW MEXICO POWER COMPANY TARIFF FOR RETAIL DELIVERY SERVICE

6.1 Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 156

Revision 1

Retail Customers outside the Political Subdivision are not required to subsidize the cost of such replacement.

3. Retail Customers will be required to pay a non-refundable CIAC for any of the following:
 - a. Removal and/or relocation of facilities for aesthetic purposes;
 - b. Relocation of facilities due to modifications on customer's Premises such as, but not limited to, swimming pools, barns, sheds, fences, etc.;
 - c. Commercial developments requiring the relocation and/or removal of facilities not necessarily for the purpose of providing electric service for that commercial development.

B. CHANGES IN CUSTOMER FACILITIES

If a Retail Customer makes changes to its facilities which result in the Company being required to make changes to its system in order to either facilitate the changes or to bring the Company's facilities back into compliance with applicable Codes, or the Company's construction requirements, whichever is more stringent, the Retail Customer shall pay all costs incurred by the Company as the result of such changes.

6.1.2.2.6 TRANSMISSION LINE EXTENSIONS

Line extensions for transmission service customers shall be in accordance with Substantive Rules, §25.195 and §25.198, Terms and Conditions for Transmission Service. Transmission service customers shall provide ample notice to the Company for the purpose of filing Certificates of Convenience and Necessity and any other preparatory work in advance of construction.

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.1 Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 157

Revision 1

A. STANDARD TRANSMISSION FACILITIES

Standard transmission facilities consist of the overhead Delivery System facilities necessary to transport Electric Power and Energy from a single transmission or transformation source to Retail Customer at one Point of Delivery via radial line, with one standard Company Meter, at one of the Company's available standard voltages. The Company will evaluate each new transmission service customer's request for connection to the transmission system to determine if a CIAC will be required. Additionally, the Company may require the transmission service customer to pay a deposit or provide other security to ensure costs for planning, licensing and constructing non-customer owned facilities are recoverable in the event the transmission service customer is unable to take transmission service.

B. NON-STANDARD TRANSMISSION FACILITIES

Transmission service customers requesting non-standard facilities will be required to pay all costs associated with those facilities. This provision does not apply to facilities related to transmission constraints that the Electric Reliability Council of Texas has otherwise required the Company to construct.

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.2 Company Specific Terms and Conditions

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 158

Revision 1

6.1.2.3 DISCRETIONARY CHARGES OTHER THAN CONSTRUCTION CHARGES

AVAILABILITY

The service charges listed below are in addition to any other charges made under Company's tariff for delivery services, and will be applied for the appropriate condition described. The charges are applicable to all Retail Energy Providers (REPs) served by Company.

RATE

6.1.2.3.1 Facilities Relocation/Removal Charge:

The **Facilities Relocation/Removal Charge** is a fee associated with relocation or removal of Company facilities at the request of and for the benefit of the REP's customer pursuant to the Company's Facilities Extension Policy. The Company may make a fee reflecting actual cost. Actual costs shall include direct labor costs associated with relocating or removal of Company facilities and related indirect costs.

| | |
|---------------------------------------|-------------|
| Facilities Relocation Removal Charge: | Actual Cost |
|---------------------------------------|-------------|

6.1.2.3.2 Facilities Location Charge:

The **Facilities Location Charge** is a fee to the REP or entity requesting the location for any delivery facilities. A two working day notice is needed for this service. Requests are received through Texas Dig Test. The fee is calculated on an hourly basis.

| | |
|-------------------------|--------------|
| During Business Hours: | \$45.00 / hr |
| Outside Business Hours: | \$65.00 / hr |

6.1.2.3.3 Temporary Facilities Charge:

A fee charged to a REP when any construction is required to make the electric service connection to provide temporary service. If no facilities are required to be installed and/or removed in providing this service, then only the appropriate Account Initiation Charge will be charged. The fee schedule is as follows:

- | | |
|--|------------|
| A. Connect or disconnect service and read a meter already installed (includes Account Initiation Charge) | \$70.00 |
| B. Install or remove single phase service and read a meter already installed (includes Account Initiation Charge) | \$240.00 |
| C. Install and remove single phase service wires, meter and transformers (up to 50 kVA) on existing pole and read a meter (includes Account Initiation Charge) | Calculated |
| D. Underground Cable By-Pass Charge applied to any REP requesting it install temporary above ground by-pass cable in order to continue service while underground facilities are being either repaired or replaced. | Calculated |
| E. All other temporary facilities – installation and removal | Calculated |

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.2 Company Specific Terms and Conditions

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 159

Revision 1

6.1.2.3.4 Return Check or Bank Draft Charge:

The Company may apply a handling charge of \$25.00 plus state and local taxes if applicable to a REP's account balance in the event the REP's check or bank draft is returned for insufficient funds.

| | |
|-----------------------------------|------------------------------------|
| Return Check or Bank Draft Charge | \$25.00 plus state and local taxes |
|-----------------------------------|------------------------------------|

6.1.2.3.5 Dual Socket Meter Adapter Installation Charge:

Fee for installation of a dual socket meter adapter on instrument rated metering facilities to accommodate the Customer's meter. Company maintains ownership of this equipment. Measurements taken from Company's meter will be used to bill REP for non-bypassable charges and for settlement purposes. The fee will be calculated based on the equipment installed and labor and associated overheads.

| | |
|--|--|
| Dual Socket Meter Adapter Installation Charge: | Equipment installed & labor & assoc. overheads |
|--|--|

6.1.2.3.6 Automated Meter Reading (AMR) Charge:

Fee for monthly-automated meter reading (AMR). The fee will be calculated based on the equipment installed and labor and associated overheads.

| | |
|---|------------|
| AMR – Cycle Meter Read | Calculated |
| AMR – Specific Date Meter Read | Calculated |
| Maintenance of electrical pulse devices | Calculated |

6.1.2.3.7 Advance Metering Interval Load Data Equipment Maintenance Charge:

Fee for monthly maintenance and telephone support for "Standard Advanced Metering Equipment" if not provided for by the REP, Customer or energy service provider.

| | |
|---|---------------------------------------|
| Advance Metering Interval Load Data Equipment Maintenance Charge: | Actual cost to maintain the equipment |
|---|---------------------------------------|

6.1.2.3.8 Electrical Pulse Equipment Maintenance Charge:

Monthly fee for maintenance of electrical pulse devices. This is an optional service that covers repair/replacement of electric pulse equipment. If REP, Customer or energy service provider does not choose this service, REP, Customer or energy service provider is responsible for replacement charges according to discretionary service charge 6.1.2.1.9.9 B.

| | |
|--|---------|
| Electrical Pulse Equipment Maintenance Charge: | \$10.00 |
|--|---------|

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.2 Company Specific Terms and Conditions

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 160

Revision 1

6.1.2.3.9 Advanced Metering Electrical Pulse Equipment Installation/Replacement Charge:

Fee for specific requests by Energy end-use Customer, the end-use Customer's Authorized Representative, or the end-use Customer's REP for installation/replacement of electrical pulse device equipment.

| | |
|--------------------------------------|----------|
| A Installation Charge | \$340.00 |
| B Replacement Charges: | |
| 1. Isolation Relay | \$216.00 |
| 2. Pulse Initiator | \$145.00 |
| 3. Isolation Relay & Pulse Initiator | \$270.00 |
| 4. Enclosure Box | \$115.00 |

6.1.2.3.10 Competitive Meter Non Standard Programming Service Fee:

Fee for programming third-party specific options into a competitively owned meter during normal business hours.

| | |
|--|----------|
| Self-Contained Competitive Meter (per hour fee) | \$ 50.00 |
| Transformer Rated Competitive Meter (per hour fee) | \$ 50.00 |

6.1.2.3.11 Competitive Meter Temporary Service Fee:

Fee for the installation of a temporary ERCOT approved Company meter replacing a third-party meter until such time the third-party meter is operable.

| | |
|---|----------|
| At request of meter owner – Company default meter requested | |
| Self Contained Meter – during business hours | \$145.00 |
| Self Contained Meter – outside business hours | \$215.00 |
| Transformer Rated Meter – during business hours | \$180.00 |
| Transformer Rated Meter – outside business hours | \$270.00 |

6.1.2.3.12 Competitive Meter Communication Failure Service Fee:

Fee for each time a Company employee is dispatched to a third-party's premises at the request of the retail electric provider to investigate what the retail electric provider believes to be a meter communication failure. (same as 6.1.2.1.2)

| | |
|--|------------|
| During Business Hours | \$ 90.00 |
| Outside Business Hours | \$130.00 |
| Installation of test equipment / manual download of meter billing data | Calculated |

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.2 Company Specific Terms and Conditions

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 161

Revision 1

6.1.2.3.13 Utility Service Switchover Charge:

An REP or TDU fee for switching utility service from one TDU to another TDU that has the right to serve the facility and shall be handled pursuant to Public Utility Commission of Texas Substantive Rule §25.27. A Facilities Recovery Charge is comprised of the original cost less depreciation of the plant, less salvage, plus cost of removal of any distribution plant rendered idle and not usable elsewhere on the system by the disconnection of that customer.

Self Contained & Instrument Rated:

| | |
|----------------------------|------------|
| Base Charge | \$180.91 |
| Base Charge Adder | \$20.53 |
| Facilities Recovery Charge | Calculated |

6.1.2.3.14 Miscellaneous Discretionary Service Charge:

Fee for discretionary services not covered by the standard conditions above and provided in accordance with Commission Substantive Rules and are charged on the basis of an estimate for the job or the Company's cost plus appropriate adders.

6.1.2.3.15 Competitive Energy Charges:

Applicability

The service charges listed below are applicable to all Retail Energy Providers (REPs) served by Company and are in addition to any other charges made under Company's tariff for delivery service. The charges below allow the Company to continue to provide these services for the REP's customers in areas where competitive services are not provided in the Company's service territory.

6.1.2.3.15.1 Non Standard Service Equipment Inspection / Testing Charge:

Fee for the periodic inspection/testing of delivery facilities installed at the request of the REP to enhance service reliability. The Company may make a charge reflecting the actual costs at \$45.00 per hour. Actual costs include direct labor costs and related indirect costs. An additional charge associated with equipment and materials used to inspect/test the delivery facilities is in addition to the per-hour charge and may be charged by the Company.

| | |
|---|---------------------------|
| Non Standard Equipment Inspection/Testing Charge: | \$45.00 / hr plus cost |
|---|---------------------------|

6.1.2.3.15.2 Miscellaneous Competitive Energy Charges:

Charge for any miscellaneous services performed at the request of the REP, not currently being provided for in the area that the REP is requesting the service. Company charges will be an amount sufficient enough to recover all Company costs.

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.2 Company Specific Terms and Conditions

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 162

Revision 1

6.1.2.3.16 Competitive Metering Charges

6.1.2.3.16.1 Competitive Meter Installation Service Fee:

Fee for the installation of an ERCOT approved meter that is owned by a third-party other than the Company.

Self-Contained Competitive Meter

| | |
|---|----------|
| Installation Service fee during business hours | \$145.00 |
| Installation Service fee outside business hours | \$215.00 |
| Testing and Programming fee for Meters that fail acceptance testing | \$ 20.00 |

Transformer Rated Competitive Meter

| | |
|---|----------|
| Installation Service fee during business hours | \$180.00 |
| Installation Service fee outside business hours | \$270.00 |
| Testing and Programming fee for Meters that fail acceptance testing | \$ 25.00 |

6.1.2.3.16.2 Competitive Meter Removal Service Fee:

Fee for the removal of an ERCOT approved meter that is owned by a third party other than the Company.

At request of meter owner – no Company default meter requested

| | |
|------------------------|----------|
| During Business hours | \$100.00 |
| Outside Business hours | \$150.00 |

6.1.2.3.16.3 Competitive Meter Physical Access Equipment Installation Service Fee:

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

| | |
|--|----------|
| No Additional Service Call Required (<i>performed during initial meter installation</i>) | \$45.00 |
| Additional Service Call Required (<i>performed after initial meter installation</i>) | \$150.00 |

Service Available only during business hours.

6.1.2.3.17 Additional Service Design:

Applicable to requests to prepare iterative designs to provide service to a specific location where such iterations are at the request of the Retail Customer for the Retail Customer's sole benefit. Calculated

6.1.2.3.18 Distributed Generation Meter Installation Fee:

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.2 Company Specific Terms and Conditions

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 163

Revision 1

Fee for the installation of customer requested metering equipment, pursuant to Substantive Rule §25.213(b), to separately measure customer consumption and the outflow from installed customer owned distributed generation, at the distribution level.

As
Calculated

NOTICE

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

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.2 Company Specific Terms and Conditions

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 164

Revision 1

6.1.2.4 DISTRIBUTED GENERATION SERVICE

DISTRIBUTED GENERATION SERVICE (DGS)

AVAILABILITY

Company shall interconnect distributed generation (DG) as described in P.U.C. Substantive Rules 25.211 and 25.212 and pursuant to the terms of the Agreement for Interconnection and Parallel Operation of Distributed Generation which is incorporated herein.

APPLICATION FOR INTERCONNECTION

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

DEFINITIONS

- 1) Non-Peak Hours – will be in accordance with the standard rate schedule that DGS is taken in conjunction with, if applicable.
- 2) Peak Hours – will be in accordance with the standard rate schedule that DGS is taken in conjunction with, if applicable.
- 3) Scheduling Service – a service that establishes specific hourly schedules for the transmission of power, by coordinating the event among affected Control Areas. This service includes set up, modifications, confirmations, implementation, accounting and necessary reporting of the transaction, as well as supporting hardware and software systems for control and tracking of schedules
- 4) Service Study – an on-site analysis used to determine the interconnection requirements and the system voltage for providing parallel service to a customer with DG. The study may vary in scope, but it results in the minimum information for attaching a small DG unit at a particular location on the Company's distribution system. The study may identify further studies needed for the interconnecting of larger DG units to the distribution system. An engineering analysis that determines whether the presence of the DG unit at a particular location would interfere with the protective fusing and relaying on the distribution system may also be required. This study includes an analysis of the DG contribution to power flow, VAR flow, available fault current, effects on switched capacitors and the effects on voltage levels under normal and worst case situations.

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.2 Company Specific Terms and Conditions

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 165

Revision 1

STUDY FEES

No Pre-Interconnection Study Fees will be assessed for DG units up to 500 kW that are pre-certified (as defined pursuant to the Commission DG rules as defined in this tariff), that export no more than 15% of the total load on a single feeder, and contribute no more than 25% of the maximum potential short circuit current on a single feeder.

| <u>NON-EXPORTING</u> | <u>0 to 10kW</u> | <u>10+ to 500kW</u> | <u>500+ to 2000kW</u> | <u>2000+ to 10,000kW</u> |
|--------------------------------------|-------------------------|--------------------------------|----------------------------------|-------------------------------------|
| 1. Pre-certified, not on network | | | | |
| Study Fee | \$ --- | \$ --- | \$ 600 | \$ 1,038 |
| 2. Not pre-certified, not on network | | | | |
| Study Fee | \$ 218 | \$ 350 | \$ 810 | \$ 1,125 |
| 3. Pre-certified, on-network | | | | |
| Study Fee | \$ --- | \$ --- | \$ 1,500 | \$ 1,700 |
| 4. Not pre-certified, on network (1) | | | | |
| Study Fee | \$ 350 | \$ 350 | \$ 1,700 | \$ 1,700 |

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.2 Company Specific Terms and Conditions

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 166

Revision 1

| <u>EXPORTING</u> | <u>0 to 10kW</u> | <u>10+ to 500kW</u> | <u>500+ to 2000kW</u> | <u>2000+ to 10,000kW</u> |
|--------------------------------------|------------------|-------------------------|---------------------------|------------------------------|
| 1. Pre-certified, not on network | | | | |
| Study Fee | \$ --- | \$ --- | \$1,400 | \$ 1,900 |
| 2. Not pre-certified, not on network | | | | |
| Study Fee | \$ 237 | \$ 400 | \$ 1,808 | \$ 1,900 |
| 3. Pre-certified, on-network | | | | |
| Study Fee | \$ --- | \$ --- | \$ 1,900 | \$ 1,900 |
| 4. Not pre-certified, on network | | | | |
| Study Fee | \$ 400 | \$ 400 | \$ 1,900 | \$ 1,900 |

STANDBY/SUPPLEMENTAL SERVICE

Standby Service – will be in accordance with the Company's Agreement for Standby Service, PUCT Sheet No. 3C-6, except as noted below for small customers.

Maintenance Service – will be in accordance the Company's Agreement for Standby Service, PUCT Sheet No. 3C-6, except as noted below for small customers.

Exception for Small Customers

For residential and small commercial DG customers, the contract capacity applicable for the Agreement for Standby Service will be the manufacturer's nameplate rating of the generator. For purposes of this rate schedule, a small commercial DG customer is an entity having either total load or a DG facility of less than 500 kW.

Supplemental

The purchase of supplemental energy is available in accordance with the applicable Residential Service or General Service rate schedule.

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.2 Company Specific Terms and Conditions

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 167

Revision 1

TERMS AND CONDITIONS OF SERVICE

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

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.2 Company Specific Terms and Conditions

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 168

Revision 1

6.2 COMPANY SPECIFIC TERMS AND CONDITIONS

6.2.1 DEFINITIONS

NCP [kW][kVA] The [kW][kVA] supplied during the fifteen minute period of maximum use during the billing month.

4CP [kW][kVA] The average of the Retail Customer's integrated 15-minute demands at the time of the monthly ERCOT system 15-minute peak demand for the months of June, July, August and September of the previous calendar year.

6.2.2 STANDARD VOLTAGES

Character of Service

All delivery service furnished shall be of a character known as 60 hertz, alternating current and will be furnished as single or three-phase in accordance with the applicable provisions of the Company's rates in accordance with Section 6.1, RATE SCHEDULES, of this tariff.

Residential Delivery Service

1. Residential delivery service at each Point of Delivery will be furnished at one of the nominal voltages indicated below:
 - (a) 120 volts, 2-wire, single-phase;
 - (b) 120/240 volts, 3-wire, single-phase; or
 - (c) 240/120 volts, 4-wire, three-phase.
2. Unless previously agreed upon, delivery service under the Residential Delivery service rate shall not be used for the operation of individual motors in excess of five horsepower (HP).
3. Three-phase delivery service for residential use will be furnished where existing three-phase secondary lines of adequate capacity are already installed or where such delivery service may be extended as provided in the Residential Delivery

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.2 Company Specific Terms and Conditions

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 169

Revision 1

service tariff and rates in accordance with Section 6.1.2.2, CONSTRUCTION SERVICE CHARGES, of this tariff.

4. Requests for residential service voltages other than listed in this rule shall be considered independently and are subject to availability. Customers requiring other voltages than listed in this rule may be required to provide a non-refundable contribution in accordance with Section 6.1.2.2.
5. In order to obtain delivery service under the Residential Delivery service tariff for an apartment house or single-family house which has been converted or constructed to include separate living quarters for more than one family, separate wiring must be provided for each dwelling unit so that delivery service to each separate living quarters can be metered separately.
6. Where premises are used and occupied by a Retail Customer as a commercial establishment and also as a residence, all delivery service supplied will be billed under the applicable Secondary Service tariff. However, if the Retail Customer so desires, the wiring may be separated (subject to the Company's inspection, and State and Local inspection as required) and each class of delivery service may be metered separately and billed in accordance with the applicable rate schedule.
7. Each separate delivery service or meter location will be metered and billed separately.

Secondary, Primary, and Transmission Delivery Service

1. Secondary, Primary, and Transmission delivery service may be furnished at one of the nominal voltages indicated below, subject to the limitations of the electrical system in the vicinity and of the applicable rate schedule:

| Secondary Voltage | Primary Voltage | Transmission Voltage |
|-------------------------------|------------------------|-----------------------------|
| 120/240, 3-wire, single phase | 2400 | 69000 |
| 240, 3-wire, 3-phase | 4160Y/2400 | 138000 |
| 240/120, 4-wire, 3-phase | 12470y/7200 | 345000 |
| 208Y/120, 4-wire, 3-phase | 20780y/12000 | |
| 480Y/277, 4-wire, 3-phase | 24940Y/14400 | |
| 480, 3-wire, 3-phase | | |

TEXAS-NEW MEXICO POWER COMPANY TARIFF FOR RETAIL DELIVERY SERVICE

6.2 Company Specific Terms and Conditions

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 170

Revision 1

2. Three-phase installations will not be made for single motors of less than three HP name plate rating. Single-phase delivery service may be required for single motors of five HP or less, at option of the Company, depending on existing delivery service facilities. Where three-phase line extensions are required involving expense not justified by estimated revenue, the cost of such special extensions in accordance to SECTION 6.1.2.2 CONSTRUCTION SERVICE CHARGES.
3. All motors above five HP shall be three-phase except where single-phase delivery service only is available or it is impracticable or uneconomical to extend three-phase delivery service. In such cases, the Company reserves the right to permit single-phase motors larger than five HP. The Company reserves the right to require all motors five HP and below to be single-phase where single-phase delivery service only is available or where it is impracticable or uneconomical to furnish three-phase delivery service.
4. The Company may require the installation of an approved starting current, load-limiting device on a Retail Customer's motor if deemed necessary to limit voltage fluctuation or disturbances to the Company's distribution system within acceptable limits.
5. Where delivery service is supplied at more than one delivery service or meter location on the Retail Customer's premises, the Company will bill each delivery service location separately. At its sole option, the Company may serve more than one premise or business through one meter as in the instance where each building or delivery service requirement in a group of buildings under one ownership, management and control is an integral part of, and necessary to, the operation of the institution.
6. Primary or Secondary delivery service shall include commercial delivery service to churches, schools, orphanages, stores, hotels, rooming houses, apartment houses, multiple housing units, motels, trailer courts, restaurants, offices, clubs, theaters, State Agencies and all other establishments that are not otherwise classified in specific rates. Any establishment that acknowledges or advertises itself as carrying on a professional or commercial enterprise will be considered commercial; however,

TEXAS-NEW MEXICO POWER COMPANY TARIFF FOR RETAIL DELIVERY SERVICE

6.2 Company Specific Terms and Conditions

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 171

Revision 1

- the absence of such acknowledgment or advertisement shall not be considered as conclusively establishing that the delivery service is not commercial.
7. Delivery service to welders, X-ray machines, electric furnaces, hoists, elevators and other highly intermittent or fluctuating loads shall be considered individually, according to the applicable rates.
 8. In the event a separate delivery service or transformer or additional transformer capacity is required for fluctuating loads, such delivery service shall be provided for in accordance with the applicable rate.
 9. Installations involving special situations will be given individual consideration.
 10. Large loads may be served at primary or transmission voltage as provided by the applicable rate, subject to the limitations of the existing electrical system in the vicinity.
 11. Local zoning requirements, as well as Federal, state and local safety and fire codes, may affect the provision of delivery service by the Company.

Frequency Control

1. Delivery service shall be furnished at nominal 60 hertz alternating current, except as may result from acts of God and other unforeseen causes beyond control of the Company. In the event of variation from a frequency of nominal 60 hertz, the Company will in each case take immediate steps to restore frequency to nominal 60 hertz as soon as reasonably possible. All steps taken will be in accordance with procedures established by and with the Electric Reliability Council of Texas and with procedures established specifically by and for Texas-New Mexico Power Company
2. The standard delivery service arrangement for industrial Retail Customers shall consist of a single, radial, three-phase line and associated equipment that shall be electrically connected to Company's transmission system. The specific equipment required for such standard delivery service arrangement shall be made at the discretion of Company. Any facilities provided by Company at the request of the industrial Retail Customer that are in addition to those required by the standard delivery service arrangement shall be provided to the Retail Customer under terms to be negotiated with the Company and in accordance with Tariff 6.1.2.2.

TEXAS-NEW MEXICO POWER COMPANY TARIFF FOR RETAIL DELIVERY SERVICE

6.2 Company Specific Terms and Conditions

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 172

Revision 1

6.2.3 ADDITIONAL COMPANY SPECIFIC TERMS AND CONDITION

6.2.3.1 APPLICATION FOR DELIVERY SERVICE

Applications for electric delivery service may be made by contacting the Company's office or by contacting a Competitive Retailer to act as an agent on behalf of the retail customer. Any application, upon acceptance by the Company, shall be non-transferable except when agreed to by the Company and will be considered as a contract covering the supply of one class of delivery service to the Applicant. An Account Initiation Charge in accordance with SECTION 6.1.1.6 OTHER CHARGES, will be made for processing an application for delivery service.

1. Until such time the Company determines that these documents are no longer necessary, all applicants for delivery service are required to sign:
 - (a) The Company's standard Application for Delivery service, and/or
 - (b) Specific Service Agreements, depending on the type of delivery service or contractual obligation, in compliance with the applicable tariffs, may be necessary within the guidelines of the applicable Rules and Regulations.
2. The Applicant shall be required to provide load information on new construction or modifications to existing facilities sufficiently in advance of the actual delivery service requirement date to enable Company to provide adequate delivery service facilities in a timely manner.
3. The Company shall supply delivery service in accordance with the Section 4 & 5.
4. Applicants requiring delivery service to be connected to new construction or newly altered wiring or delivery service equipment may be required to sign a delivery service energization permit if there are no ordinances requiring electrical inspections in that location.
5. The Applicant agrees to take the delivery service as provided by the Company and to pay for such delivery service according to the applicable rate, subject to all applicable delivery service rules and commission regulations.

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.2 Company Specific Terms and Conditions

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 173

Revision 1

6.2.3.2 REQUIREMENTS OF CONTRACTS

All agreements for delivery service between the Company, Retail Customers and Competitive Retailers will include the following clause:

“This contract, including the applicable tariff, shall at all times be subject to such change or modification by order of the Public Utility Commission of Texas.”

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.2 Company Specific Terms and Conditions

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 174

Revision 1

6.2.3.3 THE COMPANY'S RIGHT TO INGRESS TO AND EGRESS FROM RETAIL CUSTOMER'S PREMISES

By applying for and accepting delivery service from the Company, the Retail Customer agrees to and does thereby provide to the Company such permission, license or right-of-way as may be necessary to allow the Company:

1. the ability to install, maintain, repair, improve or remove Company facilities upon the Retail Customer's property which may be necessary for the provision of delivery service to the Retail Customer;
2. the right of ingress and egress upon and across the Retail Customer's property in order to perform the following functions:
 - a. all the activities set forth in 1. above;
 - b. inspecting, testing, reading or changing its meters;
 - c. installing or removing its meters;
 - d. obtaining correct connected load count;
 - e. measuring demand;

The Company, in retaining such right of ingress and egress, does not assume any duty to inspect the Retail Customer's wiring, machinery, or apparatus, and shall not be responsible therefore. The Retail Customer assumes all responsibility for the electric current upon the Retail Customer's side of the point of delivery, and for the wires, apparatus and appurtenances used in connection therewith.

6.2.3.4 RESPONSIBILITY FOR THE EQUIPMENT USED IN SUPPLYING DELIVERY SERVICE

1. The Company's Responsibilities:

The Company will install one set of delivery service wires together with necessary metering equipment for each Point of Delivery. The equipment will be owned, maintained and controlled by the Company.

2. The Retail Customer's Responsibilities:

- a. The Retail Customer shall provide equipment as specified in the Section 5.10.2.1.

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.2 Company Specific Terms and Conditions

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 175

Revision 1

- b. The Retail Customer or property owner must exercise due care of the protection of the Company's property on the Retail Customer's premises.
3. The Company assumes no responsibility as to wiring, fixtures and equipment on any Retail Customer's premises further than to provide the proper meter and outside delivery service connection from the delivery service main to the first point of attachment on the building or other structure being served, as provided herein. Also, the Retail Customer must notify the Company of any changes in the Retail Customer's connected load, wiring, fixture, and equipment on the Retail Customer's premises or of any changes in the Retail Customer's electrical demand, uses, processes and operations which may occur from time to time and which may, in any way, affect the operations of the Company's system, devices, equipment, delivery service, or delivery of delivery service.
4. The Retail Customer shall install and maintain in good working condition, at all times, adequate protection and protective devices for its electric motors, machinery, processes and other equipment from electrical outages, overload, low voltage, single phasing and similar risks or hazards incident to the use of electricity.
5. The Retail Customer shall use reasonable care in designing and connecting loads to its circuits so that the loads on the individual phases and circuits of the Company's delivery service to the Retail Customer shall be as equally balanced as possible across the various phases.
6. The Retail Customer agrees, by acceptance of delivery service, that no one except the employees of the Company shall be allowed to make an internal or external adjustment of any meter or any other apparatus, which is the property of the Company.

TEXAS-NEW MEXICO POWER COMPANY TARIFF FOR RETAIL DELIVERY SERVICE

6.2 Company Specific Terms and Conditions

Applicable: Entire Certified Service Area

Effective Date: January 1, 2004

Page No.: 176

Original

6.2.3.5 METERING

1. Meters and delivery service switches in conjunction with the meter shall be installed in accordance with the latest revision of the American National Standards Institute Incorporated Standard C 12 (American National Code for Electric Metering) or other standards as may be prescribed by the Commission.
2. Standard metering and metering equipment shall be furnished, installed, owned and maintained by and at the expense of the Company.
3. The Company reserves the right to seal all meter-entrance switches and all delivery service-entrance boxes regardless of ownership where the operation or tampering with such equipment may affect the registration of the meter or use of energy.
4. All meters installed for residential use shall be of the outdoor type. Meters shall be mounted in accordance with Texas-New Mexico Power Company specifications.
5. The Retail Customer shall furnish and install the necessary wiring from the delivery service entrance to the meter.
 - a. The meter socket shall be located so that it is on the outside of the building and meets the provisions of Section 6.2.3.3 (The Company's Right to Ingress to and Egress From the Retail Customer's Premises). In the event a porch or other structure is built so that the meter location is inaccessible, or the meter becomes inaccessible to Company meter readers due to locked gates, the Retail Customer's pets or for any other reason controllable by the Retail Customer and not by the Company, the meter socket and/or delivery service conduit or cable shall be moved to an accessible location at the expense of the Retail Customer. In the alternative, the Company shall have the option of installing a remote meter reading device and billing the Retail Customer the actual installed cost of such device. Whenever the construction of a building on an adjacent lot prevents proper access to the meter or the point of attachment of the delivery service conductor, the Retail Customer shall move the meter and/or the delivery service entrance conductor to a location that will be accessible to the Company's employees.

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.2 Company Specific Terms and Conditions

Applicable: Entire Certified Service Area

Effective Date: January 1, 2002

Page No.: 177

Original

- b. The meter socket shall be placed so that the meter can be set and the sealing ring can be installed easily. Should any plaster or abutments be installed after the socket is in place that would interfere with the setting of the meter and the sealing ring, the Retail Customer shall move such socket.
6. Where more than one meter is required for a building such as an apartment house, all of the meter sockets shall be grouped adjacent to each other and must be individually numbered and identified according to apartments. In remodeling, where two separate houses are combined with an addition to form one building, the meter sockets shall be moved to a joint location. In all remodeling where the point of delivery is changed or moved, or any change is made in the wiring, it will be necessary to install outdoor meter sockets.
7. All meters installed for commercial use that do not require current transformers shall be socket-type. The socket shall be installed at a location approved by the Company. The meter sockets shall be mounted in accordance with Texas-New Mexico Power Company specifications. The delivery service switch and cabinet shall be installed as near the point of delivery service entrance as practicable. An outdoor location is preferred for commercial meters, provided the meters will not be subject to damage.
8. Upon notice of a request, the Company will perform additional tests of the accuracy of the Company's meter in accordance with Section 4.7.4.
9. If any meter is found to be outside of the accuracy standards established by the American National Standards Institute, Incorporated, the Company shall make adjustments to and invoice in accordance with Section 4.7.5.

6.2.3.6 DELIVERY SERVICE CONNECTIONS

1. The Company will install one set of delivery service wires and the necessary metering equipment, both of which shall remain its property. The Company will maintain its meter and delivery service wires up to the Point of Delivery on the Retail Customer's structure. It is the Retail Customer's responsibility to install and maintain all other wiring and equipment past the Point of Delivery, including the terminal support for the Company's delivery service wires. In the case of overhead delivery

TEXAS-NEW MEXICO POWER COMPANY TARIFF FOR RETAIL DELIVERY SERVICE

6.2 Company Specific Terms and Conditions

Applicable: Entire Certified Service Area

Effective Date: January 1, 2002

Page No.: 178

Original

- service, the terminal support shall be the point of attachment. For underground delivery services the terminal support shall be the first junction point available on Retail Customer's premises.
2. The Retail Customer will install, own and maintain the delivery service-entrance equipment (type and specifications to be approved by the Company) that shall extend from the Point of Delivery to the Retail Customer's delivery service-entrance switch. This shall include conduit and wires. For all new construction and meter installations, the Retail Customer's delivery service shall leave the meter base, socket or enclosure in one conduit through one set of wires to the main switch or wiring trough. All installations shall, at a minimum, comply with Texas-New Mexico Power Company specifications, the National Electrical Code or appropriate state or municipal electrical codes that have provisions in excess of the National Electrical Code.
 3. Further specifications are as follows:
 - a. In all cases, the Applicant shall consult the Company for the proper location and elevation of the point of attachment and meter. Where the Company's existing delivery service lines are in an alley or along rear lot lines, the delivery service-entrance cap shall be located on the rear or side of the building at a point designated by the Company. The point of attachment must be located at least 10 feet from any Company pole line. Where two poles are located in such a manner that either pole can be used, the delivery service-entrance cap shall be located so that the pole to the rear of the lot on which the building is located can be used in order to prevent delivery service lines from overhanging adjacent properties. When an addition is made to the rear of a building, the Applicant shall extend facilities to the rear of the building.
 - b. Where the Company's existing delivery service lines are in the street or in front of the building, the delivery service-entrance cap shall be located on the front or side of the building at a point designated by the Company.
 - c. Delivery service drops to buildings cannot pass over a roof unless the Applicant makes provisions for the wire to maintain adequate clearances as specified by applicable codes and standards, as a minimum. Delivery service drops will not be run around the corner of any building. The point of attachment shall be placed so that there are no obstructions between it and

TEXAS-NEW MEXICO POWER COMPANY TARIFF FOR RETAIL DELIVERY SERVICE

6.2 Company Specific Terms and Conditions

Applicable: Entire Certified Service Area

Effective Date: January 1, 2002

Page No.: 179

Original

the Company's facility from which the delivery service is to be run. The maximum length of the delivery service drop from any one pole to the attachment on the building shall depend upon the conductor size, but in no event shall such length exceed distances that will hinder Company's ability to deliver electric within specified guidelines.

- d. The delivery service-entrance cap shall be located so that the distance between it and the delivery service shall be one foot or less. The wire needed to make the connection between the delivery service-entrance cap and the delivery service drop shall be furnished by the Applicant. For new delivery services, such wire shall be left hanging from the cap.
 - e. Secondary delivery service-entrance caps on conduit attached to poles for underground delivery service shall be placed as directed by the Company and in accordance with Company specifications and applicable codes. No meters, switches or attachments, other than the conduit, shall be placed on the pole except at the option of the Company.
 - f. The delivery service-entrance shall be located so that it will not be necessary to install more than one set of attachments on the building being served to support the delivery service wires for each class of delivery service.
 - g. In no event shall an Applicant connect delivery service from the Company to a delivery service from another transmission and distribution provider.
4. When an Applicant desires that electricity be provided to a point of delivery service or in a manner other than that specified by the Company, and the Company agrees to provide such delivery service, a charge will be made equal to the additional cost of providing such delivery service, including all applicable taxes in accordance with Section 6.1.2.2.
 5. Underground Delivery Services
 - a. When delivery service is supplied from an underground residential distribution system, the Applicant will be billed under the applicable approved rate for such delivery service. The Company will provide and install the underground delivery service to the Point of Delivery via the most direct route, as determined by the Company.

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.2 Company Specific Terms and Conditions

Applicable: Entire Certified Service Area

Effective Date: January 1, 2002

Page No.: 180

Original

- b. Where the Applicant desires an underground delivery service from the Company's overhead distribution system, the Applicant may be required to pay the difference in cost between overhead and underground delivery in accordance with Section 6.1.2.2.
6. The Applicant agrees, by acceptance of delivery service, that no one except the employees of the Company shall be allowed to make an internal or external adjustment of any meter or any other apparatus, which is the property of the Company.

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.3 Agreements and Forms

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 181

Revision 1

6.3 AGREEMENTS AND FORMS

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.3 Agreements and Forms

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 182

Revision 1

6.3.1 FACILITIES EXTENSION AGREEMENT

**TEXAS-NEW MEXICO POWER COMPANY
ELECTRIC FACILITIES EXTENSION AGREEMENT**

Contract No. _____
Project/Job No. _____
Customer Account No: _____

This Agreement is made by and between Texas-New Mexico Power Company, a Texas Corporation (Company) and _____, hereafter called (Customer) for the extension of Company's Electric Transmission and Distribution System facilities to the following location:

Customer's mailing address is: _____

Customer Has Requested Extension Of Service For The Following: [Check All That Apply]

Standard Electric Facilities for Loads Less Than 12kW

Company will extend its standard electric facilities that it determines are necessary to serve _____ Residential lot(s) or business(es). The character of these facilities is generally identified as _____ volt, _____ phase, alternating current, at 60 hertz, with reasonable variation permitted.

Standard Electric Facilities for Loads Greater Than 12kW

Company will extend its standard electric facilities that it determines are necessary to serve Customer's demand requirement of _____kW ("Threshold kW"). The character of these facilities is generally identified as _____ volt, _____ phase, alternating current, at 60 hertz, with reasonable variation permitted.

Non-Standard Electric Facilities

Company will extend, install, or modify the following non-standard electric facilities:

ARTICLE I. TARIFF

As approved by, and filed with, the Public Utility Commission of Texas (or its successor), the Company's current tariff (Tariff) will apply to this Agreement and for the class of service applicable to Customer's request. Both Company and Customer acknowledge and accept that the Tariff imposes obligations and limitations on both the Company and Customer. This Agreement, including the applicable Tariff, shall at all times be subject to change or modification by regulatory authority or other change in law. A copy of Company's current Tariff may be obtained from Company on request.

ARTICLE II. CUSTOMER PAYMENT AND COMMITMENTS

TEXAS-NEW MEXICO POWER COMPANY TARIFF FOR RETAIL DELIVERY SERVICE

6.3 Agreements and Forms

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 183

Revision 1

Customer will pay a Contribution-In-Aid-Of-Construction (CIAC) to Company of \$_____ as payment for Customer's portion of the facility extension, installation, or modification costs in accordance with Company's Tariff. Per the Tariff the CIAC was calculated based on the following: CIAC = (Project Investment of \$_____ minus Standard Allowance of \$_____) plus Applicable Taxes of \$_____. Such payment is due within 15 days following Company's mailing, first class, an invoice to Customer at: _____ or such other billing address provided to Company by the Customer. Such non-refundable payment will remain the property of the Company.

The Customer will provide, without cost to Company, all rights-of-way (in a form acceptable to Company), permits and suitable space for the installation of poles, wires, transformers, meters, and such other equipment Company deems necessary to enable it to deliver the power and energy herein described.

The Customer will install and maintain in good working condition at all times adequate protection and protective devices for his electric motors and other equipment against overload, low voltage, single-phasing, and similar risks or hazards incident to the use of electricity. The Customer assumes all responsibility for the electric current upon the Customer's side of the point of delivery, and for the wires, apparatus, and appurtenances used in connection therewith. In addition to the terms of the Tariff, Customer will protect and save the Company harmless from all claims for injury or damage to persons or property occurring upon the Customer's side of such point of delivery, occasioned by such electric current or said wire and apparatus, except where said injury or damage shall be shown to have been occasioned solely by the negligence of the Company. In no event shall the Company be responsible for consequential damages whether or not found to have negligently caused injury to Customer.

ARTICLE III. TERM

This Agreement shall expire three (3) years (the "Term") from _____ [Insert Date] (the "Initial Date"). Customer's payment obligations shall survive expiration of this Agreement.

ARTICLE IV. UNDER UTILIZATION CHARGE

A. Based on estimated information provided by the Customer, Company calculated the CIAC amount referenced in Article II above. Such estimated information included, but was not limited to, the Threshold kW and the number of lots or businesses to be built, sold, and occupied. Company will review actual load or the number of lots or businesses at the pertinent location to evaluate the accuracy of the information supplied by Customer. At the end of the Term, the Company will recalculate the CIAC amount if the estimated Threshold kW billing demand for the designated location has not been realized or the estimated number of lots or businesses have not been built, sold, and occupied. The CIAC amount, including applicable taxes, will be recalculated based on the actual kW billing demand achieved or the actual number of lots or businesses built, sold, and occupied at the time of the recalculation. Company may also make such recalculation in the event of a breach during the Term.

B. If Customer does not realize the estimated Threshold kW or the number of estimated lots or businesses are not built, sold, and occupied, Customer will pay Company an amount (the "Under Utilization Charge") equal to the difference between the CIAC amount paid under Article I and the amount of any recalculated CIAC, including any applicable taxes, determined under the preceding Subparagraph A of Article IV. Customer shall pay any such Under Utilization Charge within 15 days after Company deposits an invoice for such amount, addressed to Customer, in the U.S. mail.

C. Article IV only applies to standard electrical facilities.

ARTICLE V. GENERAL PROVISION

Customer understands and agrees that Company shall retain title to, own, and control all electric facilities up to the point of delivery that are extended, installed, or modified under this

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.3 Agreements and Forms

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 184

Revision 1

Agreement. Company may use any such facilities to serve other customers when Company determines that it is feasible to do so. Customer also understands that the delivery of service is not governed by this Agreement, but the delivery of electricity procured by customer will be provided in accordance with Company's Tariff and any subsequent amendments thereto. Customer understands that Company is not a generator, power marketer, or retail electric provider and therefore Company will not procure, generate, or supply power to Customer. Customer accepts responsibility for selecting, enrolling and contracting with a retail electric provider of Customer's choice. The Company does not assume any responsibility associated with Customer's equipment used or the methods employed for the installation and/or maintenance thereof.

This Agreement supersedes all prior agreements between the Company and the Customer for service mentioned herein and all representations, promises or other inducements, written or verbal, made with respect to the matters herein contained. This Agreement shall not be assignable by Customer without the written consent of the Company. This Agreement is not binding upon Company until executed by one of its authorized representatives.

ARTICLE VI. SECURITY

In accordance with the Company's Tariff, Customer must furnish surety in the amount of \$_____ in a form acceptable to Company. The amount of the surety shall be equal to the Standard Allowance used to calculate the initial CIAC. The surety instrument may be a bond, letter of credit ("LOC") or other security acceptable to Company and shall survive the expiration of this Agreement. Such surety instrument must be for a term of 48 months (the "Security Term") from the Initial Date. Company may, but is not required to, accept a LOC of a shorter term provided that such LOC is renewed annually for the length of the Security Term. If a LOC or other security instrument is terminated, canceled or withdrawn, or if Company receives notice that the LOC or other security instrument will not be renewed, the Customer will be considered to be in immediate breach. In addition to any other remedies permitted at law, Company may recalculate the CIAC amount, including applicable taxes, as set forth in Article IV as of the date of breach. Any difference between the initial CIAC and the revised CIAC, including applicable taxes, will be due within 15 days of Company's mailing of an invoice to Customer as described in Article IV. Thereafter, Company may execute or draw on said LOC or other surety prior to the expiration of such LOC/surety and/or the Agreement. Any surety instrument/LOC shall be non-cancelable; however, the face amount of the instrument may be reduced each year when approved by the Company. The surety instrument/LOC may not be replaced with other surety without consent of the Company.

ARTICLE VII. FORCE MAJEURE

The Company shall not be liable for damages occasioned by interruptions or failure to commence delivery or unsatisfactory service caused by an Act of God or the public enemy, inevitable accidents, fire, explosions, strikes, riots, war, delay in receiving shipments of required material, order of any court or judge granted in any bona fide adverse legal proceedings or action, or any order of any commission or tribunal having jurisdiction in the premises; or, without limitation by the preceding enumeration, any other act or thing reasonably beyond its control or incident to interruptions necessary for repairs or changes in the Company's generating equipment, lines or other electric facilities.

ARTICLE VIII. SPECIAL PROVISIONS

CUSTOMER

TEXAS-NEW MEXICO POWER COMPANY

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.3 Agreements and Forms

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 185

Revision 1

By _____

Title _____

Date _____

By _____

Title _____

Date _____

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.3 Agreements and Forms

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 186

Revision 1

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

Return Completed Application to: Texas-New Mexico Power Company
Attention: Rex McDaniel
Director, Engineering
702 36th Street, North
Texas City, TX 77590

Customer's Name _____

Address _____

Contact Person _____

Telephone Number _____

Service Point Address _____

Information Prepared and Submitted by _____

(Name and Address)

Signature _____

The following information shall be supplied by the Customer or Customer's designated representative. All applicable items must be accurately completed in order that the Customer's generating facilities may be effectively evaluated by Texas-New Mexico Power Company for interconnection with the utility system.

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.3 Agreements and Forms

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 187

Revision 1

GENERATOR

Number of Units _____

Manufacturer _____

Type (Synchronous, Induction, or Inverter) _____

Fuel Source Type (Solar, Natural Gas, Wind, etc.) _____

Kilowatt Rating (95° F at location) _____

Kilovolt-Ampere Rating (95° F at location) _____

Power Factor _____

Voltage Rating _____

Ampere Rating _____

Number of Phases _____

Frequency _____

Do you plan to export power? Yes _____ No _____

If Yes, maximum amount expected _____

Pre-Certification Label or Type Number _____

Expected Energizing and Start-up Date _____

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

Please describe _____

One-line diagram attached Yes _____ No _____

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.3 Agreements and Forms

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 188

Revision 1

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

Yes _____

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

Layout sketch showing lockable, "visible" disconnect device? Yes _____

TEXAS-NEW MEXICO POWER COMPANY

_____ Customer

By _____

By _____

Title _____

Title _____

Date _____

Date _____

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.3 Agreements and Forms

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 189

Revision 1

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

This Agreement For Interconnection and Parallel Operation of Distributed Generation ("Agreement") is made and entered into this _____ day of _____, 20____, by Texas-New Mexico Power Company ("Company"), and _____ ("Customer"), a _____ [specify whether corporation, and if so name state, municipal corporation, cooperative corporation, or other], each hereinafter sometimes referred to individually as "Party" or both referred to collectively as the "Parties". In consideration of the mutual covenants set forth herein, the Parties agree as follows:

1. Scope of Agreement – This Agreement is applicable to conditions under which the Company and the Customer agree that one or more generating facility or facilities of ten (10) MW or less to be interconnected at 60 kV or less ("Facility or Facilities") may be interconnected to the Company's utility system, as described in Exhibit A.
2. Establishment of Point(s) of Interconnection – Company and Customer agree to interconnect their Facility or Facilities at the locations specified in this Agreement, in accordance with Public Utility Commission of Texas Substantive Rule 25.211 relating to Interconnection of Distributed Generation and Subst. R. 25.212 relating to Technical requirements for Interconnection and Parallel Operation of On-Site Distributed Generation, (16 Tex. Admin. Code §25.211 and §25.212) (the "Rules") or any successor rule addressing distributed generation and as described in the attached Exhibit A (the "Point(s) of Interconnection").
3. Responsibilities of Company and Customer – Each Party will, at its own cost and expense, operate, maintain, repair, and inspect, and shall be fully responsible for, Facility or Facilities which it now or hereafter may own unless otherwise specified on Exhibit A. Customer shall conduct operations of its facility(s) in compliance with all aspects of the Rules, and Company shall conduct operations on its utility system in compliance with all aspects of the Rules, or as further described and mutually agreed to in the applicable Facility Schedule. Maintenance of Facilities or interconnection facilities shall be performed in accordance with the applicable manufacturer's recommended maintenance schedule. The Parties agree to cause their Facilities or systems to be constructed in accordance with specifications equal to or greater than those provided by the National Electrical Safety Code, approved by the American National Standards Institute, in effect at the time of construction.

Each Party covenants and agrees to design, install, maintain, and operate, or cause the design, installation, maintenance, and operation of, its distribution system and related Facilities and Units so as to reasonably minimize the likelihood of a disturbance, originating in the system of one Party, affecting or impairing the system of the other Party, or other systems with which a Party is interconnected Company will notify Customer if there is evidence that the Facility operation causes disruption or deterioration of service to other customers served from the same grid or if the Facility operation causes damage to Company's system.

TEXAS-NEW MEXICO POWER COMPANY TARIFF FOR RETAIL DELIVERY SERVICE

6.3 Agreements and Forms

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 190

Revision 1

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

4. Limitation of Liability and Indemnification

a. Notwithstanding any other provision in this Agreement, with respect to Company's provision of electric service to Customer, Company's liability to Customer shall be limited as set forth on any other applicable firm tariff.

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

c. Notwithstanding Paragraph 5.b of this Agreement, Company shall assume all liability for and shall indemnify Customer for any claims, losses, costs, and expenses of any kind or character to the extent that they result from Company's negligence in connection with the design, construction, or operation of its facilities as described on Exhibit A; provided, however, that Company shall have no obligation to indemnify Customer for claims brought by claimants who cannot recover directly from Company. Such indemnity shall include, but is not limited to, financial responsibility for: (a) Customer's monetary losses; (b) reasonable costs and expenses of defending an action or claim made by a third person; (c) damages related to the death or injury of a third person; (d) damages to the property of Customer; (e) damages to the property of a third person; (f) damages for the disruption of the business of a third person. In no event shall Company be liable for consequential, special, incidental or punitive damages, including, without limitation, loss of profits, loss of revenue, or loss of production. The Company does not assume liability for any costs for damages arising from the disruption of the business of the Customer or for the Customer's costs and expenses of prosecuting or defending an action or claim against the Company. This paragraph does not create a liability on the part of the Company to the Customer or a third person, but requires indemnification where such liability exists. The limitations of liability provided in this paragraph do not apply in cases of gross negligence or intentional wrongdoing.

d. Notwithstanding Paragraph 5.b of this Agreement, Customer shall assume all liability for and shall indemnify Company for any claims, losses, costs, and expenses of any kind or character to the extent that they result from Customer's negligence in connection with the design, construction or operation of its facilities as described on Exhibit A; provided, however, that Customer shall have no obligation to indemnify Company for claims brought by claimants who cannot recover directly from Customer. Such indemnity shall include, but is not limited to, financial responsibility for: (a) Company's monetary losses; (b) reasonable costs and expenses of defending an action or claim made by a third person; (c) damages related to the death or injury of a third person; (d) damages to the property of Company; (e) damages to the property of a third person; (f) damages for the disruption of the business of a third person. In no event shall Customer be liable for consequential, special, incidental or

TEXAS-NEW MEXICO POWER COMPANY TARIFF FOR RETAIL DELIVERY SERVICE

6.3 Agreements and Forms

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 191

Revision 1

punitive damages, including, without limitation, loss of profits, loss of revenue, or loss of production. The Customer does not assume liability for any costs for damages arising from the disruption of the business of the Company or for the Company's costs and expenses of prosecuting or defending an action or claim against the Customer. This paragraph does not create a liability on the part of the Customer to the Company or a third person, but requires indemnification where such liability exists. The limitations of liability provided in this paragraph do not apply in cases of gross negligence or intentional wrongdoing.

e. Company and Customer shall each be responsible for the safe installation, maintenance, repair and condition of their respective lines and appurtenances on their respective sides of the point of delivery. The Company does not assume any duty of inspecting the Customer's lines, wires, switches, or other equipment and will not be responsible therefor. Customer assumes all responsibility for the electric service supplied hereunder and the facilities used in connection therewith at or beyond the point of delivery, the point of delivery being the point where the electric energy first leaves the wire or facilities provided and owned by Company and enters the wire or facilities provided by Customer.

f. For the mutual protection of the Customer and the Company, only with Company prior authorization are the connections between the Company's service wires and the Customer's service entrance conductors to be energized.

5. Right of Access, Equipment Installation, Removal & Inspection – Upon reasonable notice, the Company may send a qualified person to the premises of the Customer at or immediately before the time the Facility first produces energy to inspect the interconnection, and observe the Facility's commissioning (including any testing), startup, and operation for a period of up to no more than three days after initial startup of the unit. Following the initial inspection process described above, at reasonable hours, and upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition, Company shall have access to Customer's premises for any reasonable purpose in connection with the performance of the obligations imposed on it by this Agreement or if necessary to meet its legal obligation to provide service to its customers.
6. Disconnection of Unit – Customer retains the option to disconnect from Company's utility system. Customer will notify the Company of its intent to disconnect by giving the Company at least thirty days' prior written notice. Such disconnection shall not be a termination of the agreement unless Customer exercises rights under Section 8.

Customer shall disconnect Facility from Company's system upon the effective date of any termination under Section 8.

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

Company shall have the right to suspend service in cases where continuance of service to Customer will endanger persons or property. During the forced outage of the Company's

TEXAS-NEW MEXICO POWER COMPANY TARIFF FOR RETAIL DELIVERY SERVICE

6.3 Agreements and Forms

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 192

Revision 1

utility system serving customer, Company shall have the right to suspend service to effect immediate repairs on Company's utility system, but the Company shall use its best efforts to provide the Customer with reasonable prior notice.

7. Effective Term and Termination Rights – This Agreement becomes effective when executed by both parties and shall continue in effect until terminated. The agreement may be terminated for the following reasons: (a) Customer may terminate this Agreement at any time, by giving the Company sixty days' written notice; (b) Company may terminate upon failure by the Customer to generate energy from the Facility in parallel with the Company's system within twelve months after completion of the interconnection; (c) either party may terminate by giving the other party at least sixty days' prior written notice that the other Party is in default of any of the material terms and conditions of the Agreement, so long as the notice specifies the basis for termination and there is reasonable opportunity to cure the default; or (d) Company may terminate by giving Customer at least sixty days notice in the event that there is a material change in an applicable rule or statute.
8. Governing Law and Regulatory Authority – This Agreement was executed in the State of Texas and must in all respects be governed by, interpreted, construed, and enforced in accordance with the laws thereof. This Agreement is subject to, and the parties' obligations hereunder include, operating in full compliance with all valid, applicable federal, state, and local laws or ordinances, and all applicable rules, regulations, orders of, and tariffs approved by, duly constituted regulatory authorities having jurisdiction.
9. Amendment – This Agreement may be amended only upon mutual agreement of the Parties, which amendment will not be effective until reduced to writing and executed by the Parties.
10. Entirety of Agreement and Prior Agreements Superseded – This Agreement, including all attached Exhibits which are expressly made a part hereof for all purposes, constitutes the entire agreement and understanding between the Parties with regard to the interconnection of the facilities of the Parties at the Points of Interconnection expressly provided for in this Agreement. The Parties are not bound by or liable for any statement, representation, promise, inducement, understanding, or undertaking of any kind or nature (whether written or oral) with regard to the subject matter hereof not set forth or provided for herein. This Agreement replaces all prior agreements and undertakings, oral or written, between the Parties with regard to the subject matter hereof, 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.

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.3 Agreements and Forms

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 193

Revision 1

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

(a) If to Company

(b) If to Customer

The above-listed names, titles, and addresses of either Party may be changed by written notification to the other, notwithstanding Section 11.

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

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

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

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

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

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.3 Agreements and Forms

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 194

Revision 1

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

TEXAS-NEW MEXICO POWER COMPANY

Customer

By _____

By _____

Title _____

Title _____

Date _____

Date _____

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.3 Agreements and Forms

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 195

Revision 1

EXHIBIT A

LIST OF FACILITY SCHEDULES AND POINTS OF INTERCONNECTION

Facility Schedule No.

Name of Point of Interconnection

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

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.3 Agreements and Forms

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 196

Revision 1

EXHIBIT A

FACILITY SCHEDULE NO.

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

1. Name _____
2. Facility location _____
3. Delivery voltage _____
4. Metering (voltage, location, loss adjustment due to metering location, and other)

5. Normal Operation of Interconnection _____
6. One line diagram attached (check one) Yes _____ No _____
7. Facilities to be furnished by Company _____
8. Facilities to be furnished by Customer _____
9. Cost Responsibility _____
10. Control area interchange point (check one) Yes _____ No _____
11. Supplemental terms and conditions attached (check one) Yes _____ No _____

Texas-New Mexico Power Company

Customer

By _____ By _____

Title _____ Title _____

Date _____ Date _____

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.3 Agreements and Forms

Applicable: Entire Certified Service Area

Effective Date: January 1, 2002

Page No.: 197

Original

6.3.4 OTHER AGREEMENTS AND FORMS

6.3.4.1 DELIVERY SERVICE ENERGIZATION REPORT

Form No. _____

DELIVERY SERVICE ENERGIZATION REPORT

Customer, by signing this form, acknowledges the following:

1. That customer understands that Utility had no duty to inspect customer-owned wires and had not done so;
2. That customer-owned wires are all wires past the weatherhead on the service entrance riser conduit for an overhead service, or all wires past the load side lugs of the meter socket for an underground service;
3. That the Utility had explained to customer where Utility ownership ends and customer ownership begins;
4. That Utility is not responsible for damages resulting from faulty wiring or service equipment on customers side of the meter installation;
5. That customer's wiring had been installed/inspected by a qualified electrician; and
6. That customer's wiring meets all minimum requirements set forth in the latest edition of the National Electrical Code and/or applicable local ordinances.

Date

Customer Signature

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.3 Agreements and Forms

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 199

Revision: 1

between structures Grantor owns which are constructed after the effective date of this Easement and the nearest electric line of Grantee within this Easement. Horizontal and vertical clearances shall comply with the National Electric Safety Code, and state or local ordinances, as currently in effect or as amended from time to time. Grantor shall not use this Easement for the growing of trees or of any other vegetation which, in the opinion of Grantee, may interfere with the construction, maintenance, operation, efficiency, or safety of the electric line.

Grantee, in addition to any other rights herein granted, shall have the right of ingress and egress to or from said Easement for the purpose of constructing, reconstructing, operating, inspecting, patrolling, maintaining, adding to, replacing, and removing the electric line or lines and all associated facilities; the right to relocate along the same general direction of said line or lines within this Easement; the right to remove from this Easement all trees and vegetation (wild or cultivated) and parts thereof (including overhang from trees and vegetation growing outside this Easement) which, in the opinion of Grantee, endanger or which may interfere with the construction, maintenance, operation, efficiency, or safety of the electric line or lines and associated facilities; and the right to exercise all other rights granted in this Easement.

All covenants of Grantor in this Easement shall be binding on Grantor's heirs and assigns, and shall be covenants running with the land described herein.

TO HAVE AND TO HOLD the above-described Easement and rights unto Grantee, its successors, and assigns, until said Easement shall be abandoned.

SIGNED this _____ day of _____, 20____.

ACKNOWLEDGEMENT

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.3 Agreements and Forms

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 200

Revision: 1

STATE OF _____ §

§

COUNTY OF _____ §

The foregoing instrument was acknowledged before me this _____ day of _____, 199____, by _____.

My Commission Expires:

Notary Public

(Type or print name of Notary)

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.3 Agreements and Forms

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 201

Revision: 1

ACKNOWLEDGEMENT

STATE OF _____ §

§

COUNTY OF _____ §

The foregoing instrument was acknowledged before me this _____ day of _____, 20____, by _____, as attorney-in-fact on behalf of _____.

My Commission Expires:

Notary Public

(Type or print name of Notary)

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.3 Agreements and Forms

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 202

Revision: 1

ACKNOWLEDGEMENT

STATE OF _____ §

§

COUNTY OF _____ §

The foregoing instrument was acknowledged before me this _____ day of _____, 20____, by _____, _____ of _____, a _____ corporation, on behalf of said corporation.

My Commission Expires:

Notary Public

(Type or print name of Notary)

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.3 Agreements and Forms

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 203

Revision: 1

ACKNOWLEDGEMENT

STATE OF _____ §

§

COUNTY OF _____ §

The foregoing instrument was acknowledged before me this _____ day of _____, 199____, by _____, partner(s) of _____, on behalf of said partnership.

My Commission Expires: _____

Notary Public

(Type or print name of Notary)

STATE OF TEXAS §

§

COUNTY OF _____ §

I, _____, hereby certify that the foregoing written instrument was filed in my office for record on the _____ day of _____, 199____, at _____ o'clock ____ .m. and duly recorded by me on the _____ day of _____, 199____, in Vol. _____, Page _____, of the Deed Records of said County.

Given under my hand and seal of office the day and year last above written.

County Clerk _____ County _____

By: _____, Deputy

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.3 Agreements and Forms

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 205

Revision: 1

Grantee. Grantor agrees to maintain minimum horizontal and vertical clearances between structures Grantor owns which are constructed after the effective date of this Easement and the nearest electric line of Grantee within this Easement. Horizontal and vertical clearances shall comply with the National Electric Safety Code, and state or local ordinances, as currently in effect or as amended from time to time. Grantor shall not use this Easement for the growing of trees or of any other vegetation which, in the opinion of Grantee, may interfere with the construction, maintenance, operation, efficiency, or safety of the electric line.

Grantee, in addition to any other rights herein granted, shall have the right of ingress and egress to or from said Easement for the purpose of constructing, reconstructing, operating, inspecting, patrolling, maintaining, adding to, replacing, and removing the electric line or lines and all associated facilities; the right to relocate along the same general direction of said line or lines within this Easement; the right to remove from this Easement all trees and vegetation (wild or cultivated) and parts thereof (including overhang from trees and vegetation growing outside this Easement) which, in the opinion of Grantee, endanger or which may interfere with the construction, maintenance, operation, efficiency, or safety of the electric line or lines and associated facilities; and the right to exercise all other rights granted in this Easement.

All covenants of Grantor in this Easement shall be binding on Grantor's heirs and assigns, and shall be covenants running with the land described herein.

TO HAVE AND TO HOLD the above-described Easement and rights unto Grantee, its successors, and assigns, until said Easement shall be abandoned.

SIGNED this _____ day of _____, 20____.

ACKNOWLEDGEMENT

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.3 Agreements and Forms

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 206

Revision: 1

STATE OF _____ §

§

COUNTY OF _____ §

The foregoing instrument was acknowledged before me this _____ day of _____, 20____, by _____.

My Commission Expires: _____

Notary Public

(Type or print name of Notary)

ACKNOWLEDGEMENT

STATE OF _____ §

§

COUNTY OF _____ §

The foregoing instrument was acknowledged before me this _____ day of _____, 20____, by _____, as attorney-in-fact on behalf of _____.

My Commission Expires: _____

Notary Public

(Type or print name of Notary)

ACKNOWLEDGEMENT

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.3 Agreements and Forms

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 207

Revision: 1

STATE OF _____ §

§

COUNTY OF _____ §

The foregoing instrument was acknowledged before me this _____ day of _____, 199____, by _____, _____ of _____, a _____ corporation, on behalf of said corporation.

My Commission Expires: _____

Notary Public

(Type or print name of Notary)

ACKNOWLEDGEMENT

STATE OF _____ §

§

COUNTY OF _____ §

The foregoing instrument was acknowledged before me this _____ day of _____, 199____, by _____, _____ partner(s) of _____, on behalf of said partnership.

My Commission Expires: _____

Notary Public

(Type or print name of Notary)

ACKNOWLEDGEMENT

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.3 Agreements and Forms

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 208

Revision: 1

STATE OF _____ §

§

COUNTY OF _____ §

I, _____, hereby certify that the foregoing written instrument was filed in my office for record on the _____ day of _____, 20____, at _____ o'clock ____m. and duly recorded by me on the _____ day of _____, 20____, in Vol. _____, Page _____, of the Deed Records of said County.

Given under my hand and seal of office the day and year last above written.

County Clerk _____ County _____

By: _____, Deputy

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.3 Agreements and Forms

Applicable: Entire Certified Service Area

Effective Date: January 1, 2002

Page No.: 209

Original

6.3.4.3 AGREEMENT AND TERMS AND CONDITIONS FOR PULSE METERING EQUIPMENT INSTALLATION

Texas-New Mexico Power Company ("Company") and _____ [an Electric Power and Energy end-user; the written authorized representative of _____, an Electric Power and Energy end-user; or a retail electric provider for _____, an Electric Power and Energy end-user] ("Customer") hereby agree that the provision of Pulse Metering Equipment will be governed by the Company's Tariff for Retail Delivery Service and this Agreement and Terms and Conditions for Pulse Metering Equipment Installation ("Agreement").

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

1. Company shall install Pulse Metering Equipment, including: pulse initiator, as needed; external protective devices, as needed; junction box as needed; and necessary wiring and related materials and supplies up to a point for Customer's interconnection.
2. Customer shall be responsible for the installation and maintenance of all wiring and equipment on Customer's side of the point of interconnection with Company's Pulse Metering Equipment.
3. Customer agrees that Company is not obligated to alter or adjust any meter reading based on the equipment that Customer installs to receive the Electrical Pulses provided for herein and that Company in no way guarantees that Customer's equipment will operate satisfactorily.
4. Company shall charge and Customer shall pay (i) the installation charge as set forth in Company's Tariff for Retail Delivery Service, or if there is no such charge, (ii) the difference in costs, if any, between the existing meter (or the standard meter if no meter is currently installed) and the cost of an advanced meter that meets Customer's requirements, or (iii) the actual cost of the installation requirements, which includes the actual cost of equipment, labor, and overheads necessary to provide pulse access, or (iv) an engineering estimate thereof. Customer shall remit payment to Company for the costs incurred under this paragraph by the due date shown on Company's invoice.

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.3 Agreements and Forms

Applicable: Entire Certified Service Area

Effective Date: January 1, 2002

Page No.: 210

Original

5. Only Company or Company's authorized representatives shall install, maintain, repair, replace, or remove Pulse Metering Equipment. Company shall normally complete installation or removal of such equipment within thirty (30) days from the date request is made in accordance with Section 10. Normal installation times may be impacted by equipment availability or other factors beyond the reasonable control of Company. If Company determines that the installation time may exceed thirty (30) days, Company shall provide notice to customer pursuant to section 11 of this agreement. Company shall provide notice to Customer's contact person as set forth in section 11 of this Agreement when Pulse Metering Equipment installation is complete, including pulse multipliers for the meter so that pulse data can be interpreted.
6. Company shall maintain, repair, or replace Pulse Metering Equipment installed hereunder, if and to the extent that such work is necessary to maintain the pulse access desired by Customer. If applicable, a charge for maintenance shall be optional, with Customer having the option whether to pay a monthly maintenance fee, rather than the cost of repair or replacement should such become necessary to maintain the pulse access desired by Customer. Company shall charge and Customer shall pay (i) the replacement charge, (ii) the actual cost of all required repairs/replacement, or (iii) an engineering estimate thereof. Company shall repair or replace only such Company equipment as requires repair or replacement.
7. If an isolation relay is used, under no circumstances shall Customer modify or interrupt the operation of Company's relay and associated wiring.
8. Company shall have the right to interrupt the pulse circuit in accordance with the provisions of the Company's tariff for Retail Delivery Service.
9. This Agreement may be amended, revised, or otherwise changed only by an appropriate order of an Applicable Legal Authority.
10. All requests for Pulse Metering Equipment shall be in writing and must include the following information:
 - (a) Customer name;
 - (b) Letter of authorization if Customer is other than an Electric Power and Energy end-user;
 - (c) Customer's authorized representative contact name, if applicable;
 - (d) Customer's authorized representative contact phone number, if applicable;

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.3 Agreements and Forms

Applicable: Entire Certified Service Area

Effective Date: January 1, 2002

Page No.: 211

Original

- (e) ESI ID (if available);
- (f) Service address (including City and zip code);
- (g) Pulse data requested e.g. watt-hour, time, var-hour;
- (h) Billing/Invoice Information, including:
Responsible Party; Billing Address; and
- (i) If Customer is not the owner of the premises upon which Pulse Metering Equipment will be located, Customer shall represent that Company is fully authorized to enter the premises and to perform any reasonable effort necessary to install, maintain, repair, replace, or remove Pulse Metering Equipment.

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

FOR COMPANY:

Contact: _____

Address: _____

Email: _____

Phone Number: _____

Fax Number: _____

FOR CUSTOMER:

Contact: _____

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.3 Agreements and Forms

Applicable: Entire Certified Service Area

Effective Date: January 1, 2002

Page No.: 212

Original

Address: _____

Email: _____

Phone Number: _____

Fax Number: _____

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

12. Except as expressly provided by this Agreement, no provisions of this Agreement shall revise, alter, modify, or amend Company's Tariff for Retail Delivery Service.
13. This Agreement shall commence upon the date of execution by both Parties (the "Effective Date") and shall terminate (a) upon mutual agreement of the Parties, or (b) written notification by Customer to Company that it requests to terminate this Agreement; or (c) upon the effective date of a new agreement between the Parties.
14. Termination of this Agreement, for any reason, shall not relieve Company or Customer of any obligation accrued or accruing prior to such termination.
15. This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.3 Agreements and Forms

Applicable: Entire Certified Service Area

Effective Date: January 1, 2002

Page No.: 213

Original

Company (insert name) Texas-New Mexico Power Company

(legal signature) _____

(date) _____

Customer (insert name) _____

(legal signature) _____

(date) _____

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.3 Agreements and Forms

Applicable: Entire Certified Service Area

Effective Date: January 1, 2002

Page No. 214

Original

6.3.4.4 AGREEMENT FOR METER OWNERSHIP AND/OR ACCESS FOR NON-COMPANY OWNED METERS

ESI ID:

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

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

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

If Retail Customer is not the owner of the premises where the Non-Company Owned Meter(s) will be installed, Retail Customer represents that Company is fully authorized to enter the

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.3 Agreements and Forms

Applicable: Entire Certified Service Area

Effective Date: January 1, 2002

**Page No. 215
Original**

premises and perform any reasonable effort necessary to install, maintain, repair, replace, or remove the Non Company Owned Meter(s).

A. UTILIZATION OF NON-COMPANY OWNED METER

- (1) Meter Owner.** Retail Customer has selected and authorized _____
to be the Meter Owner of the Non-Company Owned Meter(s) at the ESI ID(s)
specified above. A change in Meter Owner will become effective only upon a
written amendment of this Agreement.
- (2) Non-Company Owned Meter.** The Non-Company Owned Meter(s) selected from
the ERCOT approved competitive meter list that will be installed pursuant to this
Agreement is/are _____ (i.e., meter manufacturer and type). Any
credit to the Delivery Charges invoiced to the Retail Customer's Competitive
Retailer for the utilization of Non-Company Owned Meter(s) shall be as provided
in Section 6.1 - Rate Schedules of Company's Tariff
- (3) Metering Services.** Company shall provide as defined in PUC Substantive Rule
25.311(b)(5), (as the same may be changed from time to time by the
Commission), excluding Meter ownership, to Retail Customer utilizing Non-
Company Owned Meter(s). Charges may apply to these Metering Services as
provided in Section 6.1 - Rate Schedules of Company's Tariff
- (4) Requests for Metering Services.** Requests for Metering Services, including
installation or removal of Non-Company Owned Meter(s), shall be made in
accordance with Company's Tariff and Applicable Legal Authorities.
- (5) Shipping of Non-Company Owned Meters to Company.** A Non-Company
Owned Meter shipped by the Meter Owner to the Company for testing and

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.3 Agreements and Forms

Applicable: Entire Certified Service Area

Effective Date: January 1, 2002

**Page No. 216
Original**

installation shall be shipped to the Company's designated meter delivery address as provided herein, with shipping costs prepaid by the Meter Owner.

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

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

1. Billing and Settlement Meter Reading Capability. Where remote meter reading is required, the method that Retail Customer will provide for the Company to remotely access the Non-Company Owned Meter(s) to obtain Meter Data necessary for the Company to fulfill its billing, settlement and reliability responsibilities pursuant to Applicable Legal Authorities ("Billing and Settlement Meter Reading Capability") is _____ (e.g., cell phone, land line, radio, etc.). The Billing and Settlement Meter Reading Capability must be compatible

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.3 Agreements and Forms

Applicable: Entire Certified Service Area

Effective Date: January 1, 2002

**Page No. 217
Original**

with a method the Company currently uses elsewhere on its system for remote access to Billing Meters providing similar billing, settlement and reliability Meter Data.

The Billing and Settlement Meter Reading Capability must comply with Section 5.10.2 - Retail Customer Responsibility and Rights of Company's Tariff Where remote meter reading is required, Retail Customer shall arrange for and be responsible for the costs, including any ongoing costs, of the remote communications for the Billing and Settlement Meter Reading Capability. Retail Customer shall have the Billing and Settlement Meter Reading Capability in effect beginning____. Retail Customer shall provide Company with 45 calendar days advance written notice of termination of the Billing and Settlement Meter Reading Capability and agrees to work in good faith with Company to restore Company's remote meter reading capability.

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

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.3 Agreements and Forms

Applicable: Entire Certified Service Area

Effective Date: January 1, 2002

Page No. 218

Original

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

C. CONTACT INFORMATION

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

FOR COMPANY:

Contact:

Address:

E-mail:

Phone Number:

Fax Number:

FOR RECEIPT OF NON-COMPANY OWNED METER:

Contact:

Address:

FOR RETAIL CUSTOMER:

Company Name:

Contact Person:

Premise Address

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.3 Agreements and Forms

Applicable: Entire Certified Service Area

Effective Date: January 1, 2002

Page No. 219

Original

Billing Address:

E-mail:

Phone Number:

Fax Number:

Retail Customer's

Competitive Retailer,
contact

name and phone number

FOR METER OWNER:

Company Name:

Contact Person:

Address:

E-mail:

Phone Number:

Fax Number:

FOR RETURN OF NON-COMPANY OWNED METER:

Contact Person:

Address:

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.3 Agreements and Forms

Applicable: Entire Certified Service Area

Effective Date: January 1, 2002

Page No. 220

Original

FOR RETAIL CUSTOMER'S AGENT:

Company Name: _____

Contact Person: _____

Address: _____

E-mail: _____

Phone Number: _____

Fax Number _____

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

D. OTHER TERMS AND CONDITIONS

1. The form of this Agreement may be amended, revised, or otherwise changed only by an appropriate order of Applicable Legal Authorities.
2. Except as expressly provided by this Agreement, no provisions of this Agreement shall revise, alter, modify, or amend other provisions of Company's Tariff for Retail Delivery Service.
3. This Agreement shall commence, upon the date of execution by both Parties (the "Effective Date").
4. This Agreement shall terminate on the earlier of: (a) the date that none of the ESI IDs specified on the first page of this Agreement are associated with the Retail Customer; or (b) the date that all of the 'Non-Company Owned Meters provided for under this Agreement have been permanently removed, whether removed at the. Retail Customer's

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.3 Agreements and Forms

Applicable: Entire Certified Service Area

Effective Date: January 1, 2002

**Page No. 221
Original**

request or pursuant to Applicable Legal Authorities; or (c) termination by the Retail Customer upon 45 calendar days advance written notice to the Company, or (d) termination by the Company upon Retail Customer's breach of any obligation under this Agreement that has remained uncured after Retail Customer and Retail Customer's Agent, if designated, have been given written notice of the breach and 30 calendar days to cure. Upon termination of the Agreement, Company shall have the right to remove the Non-Company Owned Meter(s) covered by this Agreement; provided that removal of Non-Company Owned Meters shall comply with Section 5.10.5 of the Tariff. Termination of the Agreement may result in applicable charges under Section 6.1 - Rate Schedules of Company's Tariff Termination of this Agreement, for any reason, shall not relieve the Parties of any obligation accrued or accruing prior to such termination.

5. Retail Customer is responsible for providing accurate information to Company as requested herein, as well as accurate information necessary to facilitate Company's access through the Billing and Settlement Meter Reading Capability to billing, settlement and reliability Meter Data (e.g., telephone numbers). Retail Customer is responsible for promptly informing Company of any changes to that information. Failure to maintain the
6. accuracy of the information required under this Agreement will constitute a breach of this Agreement.
7. This Agreement is binding upon Company and Retail Customer and their successors and assigns, provided that Retail Customer may assign this Agreement only to another Retail Customer taking service at the specified ESI IDs, and only upon giving written notice to Company and providing all pertinent changes to information requested-herein.
8. This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

Company (Insert Name)

(Legal Signature)

(Date)

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.3 Agreements and Forms

Applicable: Entire Certified Service Area

Effective Date: January 1, 2002

Page No. 222

Original

Retail Customer (Insert Name)

(Legal Signature) _____

(Date) _____

ACKNOWLEDGED this ____ day of _____, by:

Meter Owner (Insert Name)

(Legal Signature) _____

(Date) _____

ACKNOWLEDGED this ____ day of _____, by:

Retail Customer's Agent (Insert Name)

(Legal Signature) _____

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.3 Agreements and Forms

Applicable: Entire Certified Service Area

Effective Date: January 1, 2002

Page No. 223

Original

6.3.4.5 COMPETITIVE METERING LETTER OF AGENCY

Electric Service Identifier (ESI ID Number):*

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

Retail Customer.

Retail Customer's Billing Address:

(*include city, state, zip*)

Retail Customer's E-mail:

Retail Customer's Telephone Number:

Retail Customer's Fax Number.

Retail Electric Provider or (REP):

Transmission and Distribution Utility (TDU):

Retail Customer's Agent:

Retail Customer's Agent's Address:

(*include city, state, zip*)

Retail Customer's Agent's Email:

Retail Customer's Agent's Telephone Number:

Retail Customer's Agent's Fax Number.

*** If this Letter of Agency applies to multiple ESI IDs, the ESI IDs are listed on an Attachment that identifies the appropriate premise address for each ESI ID.**

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

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.3 Agreements and Forms

Applicable: Entire Certified Service Area

Effective Date: January 1, 2002

Page No. 224

Original

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

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

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

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

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

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

Retail Customer

Date

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.3 Agreements and Forms

Applicable: Entire Certified Service Area

Effective Date: January 1, 2002

**Page No. 225
Original**

**APPENDIX A - AGREEMENT BETWEEN COMPANY AND COMPETITIVE RETAILER
REGARDING TERMS AND CONDITIONS OF DELIVERY OF ELECTRIC POWER
AND ENERGY (DELIVERY SERVICE AGREEMENT)**

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

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

FOR COMPANY

| | |
|------------------|--|
| Legal Name: | Texas-New Mexico Power Company |
| Mailing Address: | Treasury Department/REP Relations PO Box 2943 Fort Worth, Texas 76109 |
| Phone Number: | 817-731-0099 |
| Fax Number: | 817-737-1343 |
| Email Address: | mprelation@tnmp.com |
| Payment Address | (both electronic and postal): Wells Fargo Bank |
| ABA Number: | 121000248 |
| Account Name: | Texas-New Mexico Power Company |
| ACH: | CTX |
| EDI: | Transaction Texas Set 820 |

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

FOR COMPETITIVE RETAILER

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.3 Agreements and Forms

Applicable: Entire Certified Service Area

Effective Date: January 1, 2002

Page No. 226

Original

Legal Name: _____

Mailing Address: _____

Phone Number: _____

Fax Number: _____

Email Address: _____

Billing Address (both electronic and postal): _____

PUC Certificate Number: _____

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

II. A. DESIGNATION OF CONTACT FOR REPORTING OF OUTAGES, INTERRUPTIONS, AND IRREGULARITIES

*Please place a check on the line beside the option selected. ***These options and attendant duties are discussed in pro-forma tariff section 4.11.1.***

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

___ Competitive Retailer will direct Retail Customers to call Competitive Retailer to report outages, interruptions, and irregularities and will then forward such calls to Company at the following toll-free number:

1-888-TNMP456 (888-866-7456)

___ Competitive Retailer will direct Retail Customers to directly call or contact Company to report outages, interruptions, and irregularities. Competitive Retailer

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.3 Agreements and Forms

Applicable: Entire Certified Service Area

Effective Date: January 1, 2002

Page No. 227

Original

will provide Retail Customer with the following Company supplied toll-free number for purposes of such reporting:

1-888-TNMP456 (888-866-7456)

B. DESIGNATION OF CONTACT FOR MAKING SERVICE REQUESTS

*Please place a check on the line beside the option selected. ***These options and attendant duties are discussed in pro-forma tariff section 4.11.1.***

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

___ Competitive Retailer will direct Retail Customers to call Competitive Retailer to make service requests and will then forward such calls to Company at the following toll-free number:

1-888-TNMP456 (888-866-7456)

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

1-888-TNMP456 (888-866-7456)

III. TERM

**TEXAS-NEW MEXICO POWER COMPANY
TARIFF FOR RETAIL DELIVERY SERVICE**

6.3 Agreements and Forms

Applicable: Entire Certified Service Area

Effective Date: January 1, 2002

Page No. 228

Original

This Agreement shall commence upon the date of execution by both Parties (the "Effective Date") and shall terminate upon mutual agreement of the

Parties or upon the earlier of the date (a) Competitive Retailer informs the Company that it is no longer operating as a Competitive Retailer in Company's service territory; (b) a new Delivery Service Agreement between the Parties hereto becomes effective; or (c) Competitive Retailer is no longer certified by the Commission as a retail electric provider in Company's certificated service area.

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

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

V. SIGNATURES

Company (insert name) _____

(legal signature) _____

(date) _____

Competitive Retailer (insert name) _____

(legal signature) _____

(date) _____