TEXAS- NEW MEXICO POWER COMPANY

577 N. Garden Ridge Blvd.
Lewisville, Texas 75067

WHOLESALE TARIFF
FOR
TRANSMISSION SERVICE

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CHAPTER 1: PRELIMINARY STATEMENT

Texas-New Mexico Power Company (the "Company") is an electric utility engaged in the transmission and distribution of electricity in the State of Texas. This Tariff for Transmission Service establishes the rates, terms and conditions for the provision of wholesale transmission service by the Company and its relationship with customers. Unless otherwise defined herein, each term used herein with its initial letter capitalized shall have the meaning assigned to such term in Substantive Rule 25.5 of the Public Utility Commission of Texas (the "Commission").

CHAPTER 2: WHOLESALE TRANSMISSION SERVICES AND DEFINITIONS

All of the services provided pursuant to this Tariff for Transmission Service are available to customers, as specified in the applicable Rate Schedule, on a non-discriminatory basis. Service will be provided in accordance with this Tariff for Transmission Service, the service agreement between the Company and the customer, and the interconnection agreement between the Company and the customer. This Tariff for Transmission Service is subject to change from time to time by the Company and regulatory authorities having jurisdiction. Any changes to this Tariff for Transmission Service made by the Company and regulatory authorities having jurisdiction will automatically become effective. Sections 25.5, 25.191-25.198, and 25.200-25.203 of the Commission Substantive Rules address the provision of wholesale transmission service in ERCOT.

2.1 Definitions

The following terms, when used in this Tariff for Transmission Service, have the following definitions.

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

COMMISSION. The Public Utility Commission of Texas.

COMPANY. Texas-New Mexico Power Company, its successors and assigns.

CONTRIBUTION IN AID OF CONSTRUCTION ("CIAC"). Payment by Customer to Company for facilities extensions, upgrades, or expansions in excess of allowable expenditures, or for nonstandard service facilities, removals or relocations. To the extent that the CAIC payment is considered taxable revenue to the Company, it shall include an amount equal to the Company's tax liability. The CIAC payment shall also include an amount to recover franchise fees where applicable.

CUSTOMER. A DSP, TSP, or Generator that receives service over Company's electric facilities at transmission or distribution voltages or is an applicant for such service under this Tariff for Transmission Service.

DISTRIBUTION FACILITIES. Facilities used to provide wholesale transmission service at distribution voltage.

DISTRIBUTION SERVICE PROVIDER ("DSP"). An electric utility, municipally owned utility, or electric cooperative, as those terms are defined **in** the TEXAS UTILITIES CODE, that owns or operates for compensation in this state equipment or facilities that are used for the distribution of electricity to retail customers.

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

ELECTRICAL INSTALLATION. All conductors, equipment, or apparatus of any kind on Customer's side of the Point of Interconnection, except Company's metering equipment, used by Customer in taking service under one of Company's rate schedules set forth in this Tariff for Transmission Service.

ERCOT. The Electric Reliability Council of Texas, or such other organization certified by the Commission to perform the functions prescribed by Texas Utilities Code Section 39.151.

EXEMPT WHOLESALE GENERATOR ("EWG"). A person who is engaged directly or indirectly through one or more affiliates exclusively in the business of owning or operating all or part of a facility for generating electric energy and selling electric energy at wholesale who does not own a facility for the transmission of electricity, other than an essential interconnecting transmission facility necessary to effect a sale of electric energy at wholesale, and who is in compliance with the registration requirements of Commission Substantive Rule§ 25.105.

FACILITY CONNECTION REQUIREMENTS. Requirements for connecting with Company's transmission.

GENERATION FACILITIES. As used in this tariff, Generation Facilities are facilities owned by an entity that is an EWG, Power Generation Company, or QF.

GENERATOR. As used in this tariff, a Generator is an entity that is an EWG, Power Generation Company, or QF as those terms are defined in this tariff.

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

KILOVOLT. 1000 volts, abbreviated kV.

KILOWATT. 1000 watts, abbreviated kW.

MEGAWATT. I 000 kilowatts, abbreviated MW.

METER. A device, or devices, together with any required auxiliary equipment, for measuring power and energy. If a device that measures power and energy has multiple channels, then each channel that measures power and energy is considered a separate Meter.

POINT OF INTERCONNECTION. The point where Company's conductors are connected to Customer's conductors. If there are multiple points where Company's conductors are connected to WDSC's conductors, each point where Company's conductors are connected to WDSC's conductors is a separate Point of Interconnection for billing purposes under Rate XFMR or Rate DLS.

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

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

POWER GENERATION COMPANY. A person that (a) generates electricity that is intended to be sold at wholesale, including the owner or operator of electric energy storage equipment or facilities to which the Public Utility Regulatory Act, Chapter 35, Subchapter E applies; (b) does not own a transmission or distribution facility in Texas, other than an essential interconnecting facility, a facility not dedicated to public use, or a facility otherwise excluded from the definition of "electric utility" contained in Section 25.5 of the Commission's Substantive Rules; and (c) does not have a certificated service area, although its affiliated electric utility or transmission and distribution utility may have a certificated area.

QUALIFYING FACILITY ("QF"). A qualifying cogenerator as defined by 16 U.S.C. § 796(18)(C) or a qualifying small power producer as defined by 16 U.S.C. § 796(17)(D).

RATE SCHEDULE. A statement of the method of determining charges for a service, including the conditions under which such method applies, set forth in Section 3 of this Tariff for Transmission Service.

TRANSMISSION SERVICE PROVIDER ("TSP"). An electric utility, municipally-owned utility, or electric cooperative, as defined in the Texas Utilities Code, that owns or operates facilities used for the transmission of electricity.

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

WHOLESALE DISTRIBUTION SERVICE CUSTOMER ("WDSC"). A DSP or WESF-D that receives service over Company's electric facilities under this Tariff for Transmission Service.

WHOLESALE ENERGY STORAGE FACILITY - DISTRIBUTION ("WESF-D"). As used in this tariff, a storage facility where electricity is used to charge the facility, and the stored energy from that electricity is used to subsequently re-generate electricity that is sold at wholesale as energy or ancillary services. The storage facility must be separately metered from all other facilities, including auxiliary facilities, and the Point of Interconnection with the Company must be at the Company's Distribution Facilities.

WHOLESALE ENERGY STORAGE FACILITY-TRANSMISSION ("WESF-T"). As used in this tariff, a storage facility where electricity is used to charge the facility, and the stored energy from that electricity is used to subsequently re-generate electricity that is sold at wholesale as energy or ancillary services. The storage facility must be separately metered from all other facilities, including auxiliary facilities, and the Point of Interconnection with the Company must be at a voltage of 60 kV or greater.

CHAPTER 3: Rate Schedules

3.1 RATE NTS – Network Transmission Service

Application

Applicable to all Transmission Service Customers receiving service over the Company's electric facilities rated at 60 kV and above ("Customers") for delivery of electric power and energy from resources to loads while maintaining reliable operation of the Company's transmission system in accordance with Good Utility Practice and Commission Substantive Rules. This Rate Schedule is not applicable to service offered by the Company under another Rate Schedule.

Type of Service

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

Annual Rate

Network Transmission Service Charge	=	$2.154933	per kW
Rate Case Expense *	=	$0.00531	per kW
Hurricane Cost Recovery Factor*	=	$0.00097	per kW

*The rates shall take effect on the first day of the month following Commission approval of this schedule and shall continue in effect for three years or until the full amount approved in Docket No. 58964 has been recovered. The amount payable for Rate Case Expense and for Hurricane Cost Recovery Factor a month is one-twelfth of the of the rate.

The amount payable for Network Transmission Service for a month is one-twelfth of the Network Transmission Service Charge. The Customer's "Utility System Demand" is the average of the demand, expressed in kilowatts, of the Customer's retail and wholesale loads for the 15-minute interval that is coincident with the ERCOT system coincident peak demand for the months of June, July, August, and September in the preceding calendar year.

Transmission Service Charges for Exports from ERCOT

In accordance with P.U.C. SUBST. R. 25.192(e), Transmission Service Customers, excluding those customers that are eligible for the OklaUnion Exemption, exporting power from ERCOT will be assessed transmission service charges for the use of the ERCOT transmission system, based on the amount of power actually exported and the duration of the transaction, and which shall be calculated using the charges set forth below:

Hourly rate per kW	$0.000246	per kW

Payment

The Company must receive payment by the 35th calendar day after the date of issuance of the bill to Customer, unless the Company and the Customer agree on another mutually acceptable payment due date in the service agreement between the Company and the Customer, in accordance with applicable Commission Substantive Rules. Interest will accrue on any unpaid amount in accordance with applicable Commission Substantive Rules.

Agreements

Customers shall enter into a service agreement with the Company covering the specific terms and conditions of the Network Transmission Service requested.

3.2 RATE XFMR – Wholesale Substation Service

Application

Applicable to all WDSCs receiving wholesale transmission service at distribution voltage supplied at one Point of Interconnection and necessary to support the transmission of energy for purposes of resale in accordance with Commission Substantive Rules 25.5, 25.191-25.199, 25.200-25.203 and 25.501, where the shortest distance between the TNMP substation property line and the WDSC Customer property line is less than 900 feet. This rate schedule is not applicable to service offered by the Company under another rate schedule.

For WDSC Customers energized after June 1, 2026, the WDSC Customer must be the first, or only, customer taking service on the primary distribution feeder at the time the interconnection agreement is executed and CIAC is paid.

Type of Service

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

Monthly Rate

Customer Charge	=	$47.64	per Customer
Metering Charge	=	$89.90	per meter
Distribution System Charge	=	$1.28288	per Billing kW
Distribution Cost Recovery Factor	=	See Rider DCRF	
Interim Surcharge	=	See Rider IS	
Rate Case Expense Recovery Factor	=	$0.003269	per Billing kW
Hurricane Cost Recovery Factor	=	$0.001866	per Actual kW

The Distribution System Charge Billing kVA shall be the kVA supplied during the 15-minute period of maximum use. The Billing kVA applicable to the Distribution System Charge, including DCRF charges, shall be the higher of the Billing kVA demand for the current billing month or the highest monthly Billing kVA demand established in the 11 months preceding the current billing month. Demand data registered during required ERCOT commissioning and required ongoing ancillary service testing, and necessary Company testing, will be removed from the determination of customer NCP demand and application of the ratchet prior to monthly billing if testing requirements are communicated to the Company in advance of billing.

Payment

The Company must receive payment by the 20th calendar day after the date of issuance of the bill to Customer, unless the Company and the Customer agree on another mutually acceptable payment due date in the service agreement between the Company and the Customer, in accordance with applicable Commission Substantive Rules. Interest will accrue on any unpaid amount in accordance with applicable Commission Substantive Rules.

Definitions

“Distribution Line Service” means wholesale wholesale transmission service at distribution voltage provided to the Customer from the Company’s Distribution system.

“Distribution Service Providers” means an electric utility, municipally-owned utility, or electric cooperative that owns or operates for compensation in the State of Texas equipment or facilities that are used for the distribution of electricity to Retail Customers.

Contribution in Aid of Construction

In the event any new facilities, or any upgrades, extensions or modifications to existing facilities, are required in order to provide requested service, whether due to new service requested, increase in demand or otherwise, the Customer may be required to pay, as a contribution in aid of construction, the estimated cost of such facilities, upgrades, extensions and modifications. If any payment by the Customer is determined by the Company to be taxable revenue to the Company, the Customer shall also pay to the Company an amount equal to the Company’s tax liability, as determined by the Company.

Customers that are energized after June 1, 2026, are entitled to receive a standard allowance under Section 4.3.6.2, including those Customers with existing interconnection agreements when this provision goes into effect. However, the standard allowance may not be applied to the portion of distribution poles or conductors more than 250-feet from the from the TNMP substation property line.

Agreements

Customers shall enter into a service agreement with the Company covering the specific terms and conditions of the Wholesale Substation Service requested and an interconnection agreement with the Company covering the specific terms and conditions for the point(s) of interconnection.

Notice

Service here under is subject to the orders of regulatory authorities having jurisdiction and to the provisions of this Tariff for Transmission Service.

3.3 RATE DLS – Wholesale Distribution Line Service

Application

Applicable to all WDSCs receiving wholesale transmission service at distribution voltage supplied at one Point of Interconnection and measured through one meter necessary to support the transmission of energy for purposes of resale in accordance with Commission Substantive Rules 25.5, 25.191-25.199, 25.200-25.203 and 25.501. This rate schedule is not applicable to service offered by the Company under another rate schedule. WDSCs taking service under this rate schedule are not subject to Rate XFMR.

Type of Service

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

Monthly Rate

Customer Charge	=	$46.46	per Customer
Metering Charge	=	$80.91	per meter
Distribution System Charge	=	$4.979199	per Billing kW
Distribution Cost Recovery Factor	=	See Rider DCRF	
Interim Surcharge	=	See Rider IS	
Rate Case Expense Recovery Factor	=	$0.012355	per Billing kW
Hurricane Cost Recovery Factor	=	$0.020092	per Actual kW

The amount payable for Distribution Line Service for a month is equal to the sum of (a) the Customer Charge plus (b) the Metering Charge plus (c) the Distribution System Charge for such month. The "Billing kW" to be used for determining the Distribution System Charge for a month shall be the for the current billing month or the highest monthly NCP kW established in the 11 months preceding the current billing month.

Payment

The Company must receive payment by the 20th calendar day after the date of issuance of the bill to Customer, unless the Company and the Customer agree on another mutually acceptable payment due date in the service agreement between the Company and the Customer, in accordance with applicable Commission Substantive Rules. Interest will accrue on any unpaid amount in accordance with applicable Commission Substantive Rules.

Definitions

"Distribution Line Service" means wholesale wholesale transmission service at distribution voltage provided to the Customer from the Company's Distribution system.

"Distribution Service Providers" means an electric utility, municipally-owned utility, or electric cooperative that owns or operates for compensation in the State of Texas equipment or facilities that are used for the distribution of electricity to Retail Customers.

Contribution in Aid of Construction

In the event any new facilities, or any upgrades, extensions or modifications to existing facilities, are required in order to provide requested service, whether due to new service requested, increase in demand or otherwise, the Customer may be required to pay, as a contribution in aid of construction, the estimated cost of such facilities, upgrades, extensions and modifications. If any payment by the Customer is determined by the Company to be taxable revenue to the Company, the Customer shall also pay to the Company an amount equal to the Company's tax liability, as determined by the Company.

Agreements

Customers shall enter into a service agreement with the Company covering the specific terms and conditions of the Distribution Line Service requested and an interconnection agreement with the Company covering the specific terms and conditions for the point(s) of interconnection.

Notice

Service here under is subject to the orders of regulatory authorities having jurisdiction and to the provisions of this Tariff for Transmission Service.

3.4 RIDER DCRF –Distribution Cost Recover Factor

AVAILABILITY

Each WDSC will be assessed a nonbypassable distribution service charge adjustment pursuant to this rider. The charges derived herein, pursuant to Substantive Rule § 25.243, are necessitated by incremental distribution costs not included in the Company's last general rate case proceeding before the Commission.

MONTHLY RATE

The WDSC receiving service will be assessed this distribution service charge adjustment based on the monthly per unit cost (WDCRF) multiplied times the WDSC's appropriate monthly billing determinant. The WDCRF shall be calculated for each rate according to the following formula:

$$WDCRF = [((DIC_{C} - DIC_{RC}) * ROR_{AT}) + (DEPR_{C} - DEPR_{RC}) + (FIT_{C} - FIT_{RC}) + (OT_{C} - OT_{RC}) - \Sigma(DISTREV_{RC\text{-}CLASS} * \%GROWTH_{CLASS})] * ALLOC_{CLASS} / BD_{C\text{-}CLASS}$$

rounded to nearest $.000001

Where:

DIC_{C} = Current Net Distribution Invested Capital

DIC_{RC} = Net Distribution Invested Capital from the last comprehensive base-rate proceeding.

ROR_{AT} = After-Tax Rate of Return as defined in Substantive Rule § 25.243(d)(2).

$DEPR_{C}$ = Current Depreciation Expense, as related to Current Gross Distribution Invested Capital, calculated using the currently approved depreciation rates.

$DEPR_{RC}$ = Depreciation Expense, as related to Gross Distribution Invested Capital, from the last comprehensive base-rate proceeding.

FIT_{c} = Current Federal Income Tax, as related to Current Net Distribution Invested Capital, including the change in federal income taxes related to the change in return on rate base and synchronization of interest associated with the change in rate base resulting from additions to and retirements of distribution plant as used to compute Net Distribution Invested Capital.

FIT_{RC} = Federal Income Tax, as related to Net Distribution Invested Capital from the last comprehensive base-rate proceeding.

OT_{C} = Current Other Taxes (taxes other than income taxes and taxes associated with the return on rate base), as related to Current Net Distribution Invested capital, calculated using current tax rates and the methodology from the last comprehensive base-rate proceeding, and not including municipal franchise fees.

OT_{RC} = Other Taxes, as related to Net Distribution Invested Capital from the last comprehensive base-rate proceeding, and not including municipal franchise fees.

$DISTREV_{RC\text{-}CLASS}$ (Distribution Revenues by rate class based on Net Distribution Invested Capital from the last comprehensive base-rate proceeding) = $(DIC_{RC\text{-}CLASS} * ROR_{AT}) + DEPR_{RC\text{-}CLASS} + FIT_{RC\text{-}CLASS} + OT_{RC\text{-}CLASS}$.

$\%GROWTH_{CLASS}$=Growth in Billing Determinants by Class) = $(BD_{C\text{-}CLASS} – BD_{RC\text{-}CLASS}) / BC_{RC\text{-}CLASS}$.

$DIC_{RC\text{-}CLASS}$ = Net Distribution Invested Capital allocated to the rate class from the last comprehensive base-rate proceeding.

$DEPR_{RC\text{-}CLASS}$ = Depreciation Expense, as related to Gross Distribution Invested Capital, allocated to the rate class in the last comprehensive base-rate proceeding.

$FIT_{RC\text{-}CLASS}$ = Federal Income Tax, as related to Net Distribution Invested Capital, allocated to the rate class in the last comprehensive base-rate proceeding.

$OT_{RC\text{-}CLASS}$ = Other Taxes, as related to Net Distribution Invested Capital, allocated to the rate class in the last comprehensive base-rate proceeding, and not including municipal franchise fees.

$ALLOC_{CLASS}$ = Rate Class Allocation Factor approved in the last comprehensive base-rate proceeding, calculated as: total net distribution plant allocated to rate class, divided by total net distribution plant. For situations in which data from the last comprehensive base-rate proceeding are not available to perform the described calculation, the Rate Class Allocation Factor shall be calculated as the total distribution revenue requirement allocated to the rate class (less any identifiable amounts explicitly unrelated to Distribution Invested Capital) divided by the total distribution revenue requirement (less any identifiable amounts explicitly unrelated to Distribution Invested Capital) for all classes as approved by the commission in the electric utility’s last comprehensive base-rate case.

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

Class	**Class Allocation Factor**

Wholesale XFMR	0.65%
Wholesale DLS	1.08%

$BD_{C\text{-}CLASS}$ = Rate Class Billing Determinants (weather-normalized and adjusted to reflect the number of customers at the end of the period) for the 12 months ending on the date used for purposes of determining the Current Net Distribution Invested Capital. For customer classes billed primarily on the basis of kilowatt-hour billing determinants, the DCRF shall be calculated using kilowatt-hour billing determinants. For customer classes billed primarily on the basis of demand billing determinants, the DCRF shall be calculated using demand billing determinants.

$BD_{RC\text{-}CLASS}$ = Rate Class Billing Determinants used to set rates in the last comprehensive base-rate proceeding.

MONTHLY RATE

Wholesale Distribution Service Customer	$0.0000	Per Billing kW

NOTICE

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

3.5 RATE NDS – Network Discretionary Service

Application

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

Activity	Description	Amount
Generator Interconnection Study	Studies performed by Company associated with the interconnection of Generation Facilities to Company's transmission or distribution system in accordance with Commission Substantive Rules and applicable ERCOT requirements, including Steady State Study, Short Circuit Study, Stability Study, and Facilities Study	As Calculated
Facilities Relocation/Removal Study	Study performed by Company at request of Customer for the relocation/removal of Company facilities	As Calculated
Facilities Relocation/Removal	Relocation/removal of Company facilities at request of Customer	As Calculated
Operations & Maintenance Support Service	O&M services performed by Company on transmission and substation facilities owned by other transmission and distribution providers, including facilities that are jointly owned by Company and other transmission owners, and facilities owned by Generators. The applicable Agreement is required.	As Calculated
Power Factor Correction Facilities Installation	Power factor correction facilities installed by Company due to failure of Customer to maintain required power factor	As Calculated
Miscellaneous Transmission & Distribution Discretionary Services	Additional transmission related discretionary services, including transmission services at distribution level voltages, as requested by Customer in accordance with Commission Substantive Rules and Company's Commission-approved service regulations	As Calculated
Temporary Facilities Installation and Removal	Applicable to the construction and removal of Temporary Facilities requested by Customer, pursuant to the provisions of Section 4.5.15, below	As Calculated
Retail Disconnection of Service for Non-Payment	Applicable to Customer that is the Retail Electric Utility for Company's Wholesale Transmission Customer. Upon request by Customer, Company will disconnect service to Customer's Retail Electric Customer.	As Calculated

Retail Reconnection of Service after Disconnection of Service for Non-Payment	Applicable to Customer that is the Retail Electric Utility for Company's Wholesale Transmission Customer. Upon request by Customer, Company will reconnect service to Customer's Retail Electric Customer.	As Calculated

Payment

The Company must receive payment by the 20th calendar day after the date of issuance of the bill to Customer, unless the Company and the Customer agree on another mutually acceptable payment due date in the service agreement between the Company and the Customer, in accordance with applicable Commission Substantive Rules. Interest will accrue on any unpaid amount in accordance with applicable Commission Substantive Rules.

Agreements

A Discretionary Service Agreement or Interconnection Agreement is required, whichever is applicable.

Notice

Service here under is subject to the orders of regulatory authorities having jurisdiction and to the provisions of this Tariff for Transmission Service.

3.6 RATE IS – Interim Surcharge

Application

Applicable to all WDSC receiving Delivery Service under one of the Company's Rate Schedules in the Tariff for Wholesale Delivery Service for recovery of the difference in revenue between rates approved in Docket No. 58964 and those in effect May 22, 2026, the beginning of the surcharge period.

Rider IS shall remain in effect through the end of the billing month that the approved amount of $XXXXXXX has been billed (which is estimated to be XXXXXXX from the effective date). Any over or under recovery shall be returned in a future proceeding..

Monthly Rate

Wholesale XFMR	$0.0000	Per Billing kW
Wholesale DLS	$0.0000	Per Billing kW

CHAPTER 4: Service Regulations and Standard Agreements

4.1 Forward

These Service Regulations govern the supplying and taking of wholesale transmission service (either at transmission or distribution voltage level), interconnection of facilities, and discretionary services (collectively "related services"), by Customer from Company. Such Service Regulations are subject to change from time to time by Company and regulatory authorities having jurisdiction and are on file at Company's business offices and with applicable regulatory authorities. Those Customers receiving wholesale transmission service and related services from Company must also comply with Company's Facility Connection Requirements.

The supplying and taking of wholesale transmission and related services is also governed by Commission Substantive Rules, including, without limitation, Substantive Rules 25.5, 25.191-25.195, 25.197-25.203 and 25.501 and certain ERCOT requirements. If conflicts exist between these Service Regulations and the Commission Substantive Rules, the provisions of Commission Substantive Rules shall govern.

4.2 WHOLESALE TRANSMISSION AND RELATED SERVICES

4.2.1 AVAILABILITY OF SERVICE

4.2.1.1 INTERCONNECTION ARRANGEMENTS

Interconnection of facilities includes interconnections with Customers at transmission voltages and distribution voltages, including WESF-D and WESF-T. An Interconnection Agreement is required for interconnection with Company's facilities.

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

4.2.1.2 COMPANY'S STANDARD TRANSMISSION AND DISTRIBUTION VOLTAGES

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

Standard Transmission Voltages:	**Standard Distribution Voltages**
Three Phase (Volts)	*Three Phase (Volts)*
69000	7200/12470
138000	7620/13200
345000, when appropriate given safety and reliability concerns	12470/21600
	12470
	13200
	14400/24940
	19920/34500
	34500

4.2.2 METERING FOR SERVICE TO GENERATION FACILITIES

All meters are furnished, installed and maintained by Company as required by Commission Substantive Rules and ERCOT requirements. Generator provides space, without cost to Company, which is suitable for installation of Company's meter and metering equipment. No metering equipment may be by-passed for any reason, without prior approval of Company.

4.2.3 METERING FOR SERVICE TO DSPS

Meters at DSP's distribution voltage Points of Interconnection that are used for Company's billing purposes under Rate XFMR and Rate DLS may be owned by DSP or the Company, as agreed by the DSP and Company. The meter must be able to provide 15 minute interval data to Company electronically or have the ability to be interrogated by the Company.

4.2.4 LOCATION OF METER

Meters and associated equipment are installed in a location suitable to Company and in such a way that a clear working space is provided on all sides. All meter locations should be as near as possible to the Point of Interconnection. Meters may not be installed in any hazardous location. Customer shall provide Company access to the meter at all times.

4.2.5 TESTING OF METER

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

4.2.6 TESTING OF CUSTOMER EQUIPMENT

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

4.3 PROVIDING WHOLESALE TRANSMISSION AND RELATED SERVICES

4.3.1 CONTINUITY AND QUALITY OF SERVICE

Company uses reasonable diligence to provide continuous service but Company does not guarantee against irregularities or interruptions, it being understood that occasional irregularities and interruptions are inevitable. Customer is responsible for installing and maintaining protective devices in accordance with Company's Facility Connection Requirements and the applicable Interconnection Agreement, and such other devices as are necessary to protect Customer's equipment during fault conditions or irregular or interrupted service including, but not limited to voltage and wave form irregularities, or the failure of part or all of the service. Company will provide a copy of those Facility Connection Requirements to Customer upon request. In those instances where (a) Customer experiences irregularities or interruptions to all or part of the service of an undetermined cause, (b) the report of same to Company prompts an investigation at the Customer's request, and (c) it is determined that the interruption or irregularity resulted from Customer's electrical facilities, Company may charge Customer an amount based on the cost to Company for such an investigation.

4.3.2 INTERRUPTION OF SERVICE

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

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

To the extent required by Commission Substantive Rules, notice of such interruption will be given in accordance with such rules.

4.3.3 LIABILITY AND RESPONSIBILITY FOR DAMAGE OR INJURY AND DISCLAIMER OF WARRANTIES

4.3.3.1 LIABILITY AND RESPONSIBILITY

The rights and obligations of Company and Customer with regard to indemnification and liability are governed by Commission Substantive Rule 25.202 and this Tariff for Transmission Service. Company is responsible for the design, installation, operation, and maintenance of its facilities up to and including the Point of Interconnection, except as provided elsewhere in this Tariff for Transmission Service or in the Interconnection Agreement or other agreement between Customer and Company. Customer is responsible for the design, installation, operation, and maintenance of facilities beyond the Point of Interconnection, except as provided elsewhere in this Tariff for Transmission Service or in the Interconnection Agreement or other agreement between Customer and Company. Company may perform voluntary or emergency acts to facilities that are the responsibility of the Customer, but shall have no liability for damages or injuries resulting from said acts except to the extent that said damages or injuries are proximately caused by acts or omissions of the Company which are found to be wanton or willful with the intent to cause injury.

4.3.3.2 Disclaimer of Warranties

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

4.3.3.3 Customer Complaints

All Customer complaints concerning the provision of service shall be handled in accordance with the Alternative Dispute Resolution procedures specified in Section 25.203 of the Commission's Substantive Rules, to the extent applicable.

4.3.4 LOCATION OF POINT OF INTERCONNECTION

Customer's installation must be arranged so that the location of the Point of Interconnection is acceptable to Company, taking into consideration the location of existing Company facilities, the construction needed to connect Customer to Company system, the Company's Facility Connection Requirements, and safety considerations.

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

4.3.5 SPACE REQUIREMENTS

Customer grants to or secures for Company, at Customer's expense, any rights-of-way on property owned or controlled by Customer that are necessary to provide service to Customer. If assistance is requested by Company, Customer will assist Company in securing rights-of-way on property not owned or controlled by Customer if Company's having access to that property is necessary to provide service to Customer.

Customer provides, without cost to Company, suitable space on Customer's premises for the installation of facilities necessary to provide service to Customer. Customer shall provide Company access at all reasonable hours to Company's facilities located on Customer's premises.

4.3.6 STANDARD FACILITIES

Company provides standard wholesale transmission and related services, in accordance with Commission Substantive Rules, Company's Facility Connection Requirements, and applicable ERCOT requirements, utilizing an overhead radial circuit on wood poles (unless in Company's sole judgment, other construction is appropriate) to Customer, at one Point of Interconnection, with one meter, at one of Company's standard voltages at a frequency of 60 Hertz, and such voltage and frequency may have a variation.

4.3.6.1 STANDARD ALLOWANCE

WDSC will pay to Company prior to construction, pursuant to 4.4.6.2 below, a Contribution in Aid of Construction ("CIAC") for any amount that is in excess of the Standard Allowance associated with Company's construction of Distribution Facilities. Standard Allowance equals the Standard Allowance Factor of $79/kW times the kW Demand as defined below.

4.3.6.2 CIAC DETERMINATION FOR STANDARD FACILITIES

For WDSCs taking service at voltages below 60 kV at a new or existing Point of Interconnection, WDSC will pay a CIAC prior to the construction of facilities if the Direct Cost of the Distribution Facilities necessary to serve WDSC exceeds the Standard Allowance for the WDSC's load. Such CIAC will be determined as follows:

CIAC Amount= Direct Cost - Standard Allowance + Company's Tax Liability+ Applicable Franchise Fees

Direct Cost - An estimate of all expenditures for Distribution Facilities deemed necessary by Company to provide service to a new Point of Interconnection or to upgrade facilities associated with an existing Point of Interconnection. This includes all costs of Distribution Facilities solely used to serve the WDSC as well as a prorated portion of the costs of Distribution Facilities that jointly serve the WDSC and other wholesale or retail customers. The cost associated with those facilities used to serve other retail and wholesale customers will be prorated by an amount equal to the projected load of the WDSC on such facilities during the calendar year in which the construction of such Distribution Facilities is projected to be completed, divided by the total projected load on such facilities in the same year.

The Direct Costs of those facilities used to serve both the WDSC and other wholesale and retail customers will be grouped by facilities with common capacity ratings that are contiguous. A single prorating factor will be developed for each of these groups of facilities. Such prorating factor may vary for each of these groups of facilities. This cost does not include the costs of Distribution Facilities that will jointly serve the WDSC and others to the extent that Company anticipates such costs will be necessary to meet load growth, other than that of the WDSC, projected to occur within two (2) years.

kW Demand -For new Points of Interconnection, the value shall be the projected peak WDSC 15 minute interval demand that the Distribution Facilities are designed to serve less the Load Transfer Demand, as defined below. For existing Points of Interconnection, the kW Demand shall be determined as follows:

kW Demand= New Contract Demand - Previous Contract Demand - Load Transfer Demand

Previous Contract Demand - Initially, the Previous Contract Demand shall be equal to the WDSC's highest 15 minute interval demand occurring during the test year upon which Rate XFMR and Rate DLS were established. A Previous Contract Demand shall be determined for both the period May through October ("Summer Months") and the period November through April ("Winter Months") and shall be documented by an amendment to the Transmission Service Agreement.

New Contract Demand - The WDSC's highest 15 minute interval demand projected to occur during the calendar year in which the construction of the Distribution Facilities associated with the Direct Costs is projected to be completed. Such New Contract Demand will also include the Load Transfer Demand, as defined below. When it is determined by Company that Direct Costs will be incurred, a New Contract Demand shall be determined for both the Summer Months and the Winter Months, and shall be documented by an amendment to the Transmission Service Agreement.

Load Transfer Demand - For loads that are being transferred from an existing Point of Interconnection, such demand shall be the highest demand of the load that is projected to occur during the calendar year in which the Distribution Facilities are projected to be completed. Such Load Transfer Demand shall be determined for both Summer Months and Winter Months.

For purposes of determining the kW Demand, if the projected loads on Company's Distribution Facilities during the Summer Months create the need for an upgrade of such facilities, then the WDSC's Previous Contract Demand, New Contract Demand, and Load Transfer Demand for the Summer Months shall be used. Likewise, if the projected loads on Company's Distribution Facilities during the Winter Months create the need for an upgrade of such facilities, then the WDSC's Previous Contract Demand, New Contract Demand, and Load Transfer Demand for the Winter Months shall be used.

4.3.7 NON-STANDARD FACILITIES

Non-standard facilities include service through more than one Point of Interconnection, redundant facilities, facilities to serve load transferred from one Point of Interconnection to another Point of Interconnection where Company determines that its costs to serve such load at the existing Point of Interconnection are lower than its costs associated with serving such load at another Point of Interconnection, and facilities in excess of those normally provided by Company in comparable situations.

If Company provides non-standard facilities, Customer shall pay to Company a Contribution in Aid of Construction prior to the construction of such non-standard facilities, equal to the total estimated cost of such facilities. Such payment will include amounts to recover the Company's federal income tax liability associated with such payment and any applicable franchise fees associated with such payment. The provision of and payment for Non-Standard Facilities will be addressed in either a Discretionary Service Agreement or an Interconnection Agreement.

4.3.8 DEPOSITS OR OTHER SECURITY

Customer may be required to pay Company a deposit, or provide other means of security, in accordance with Commission Substantive Rule 25.195 or its successor.

4.3.9 INSTALLATION AND MAINTENANCE OF FACILITIES

Customer will design, construct, operate, and maintain its facilities in accordance with Company's Facility Connection Requirements. Company will make a copy of those Requirements available to Customer upon request.

Company owns all electric lines and equipment on Company's side of the Point of Interconnection and Customer shall not tamper or interfere therewith. Company may require Customer to install auxiliary metering equipment, furnished by Company, in conjunction with Customer's Electrical Installation.

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

Company and Customer will, at their own cost and expense, operate, maintain, repair, and inspect, and shall be fully responsible for liabilities related to, the electric lines and related facilities which they now or hereafter may own located at or connected to each Point of Interconnection, unless otherwise specified in an Interconnection Agreement. Maintenance by Company or Customer that will cause a deviation from normal power and energy flow at a Point of Interconnection will be scheduled in accordance with the procedures adopted by ERCOT. No changes will be made in the normal operation of a Point of Interconnection without the mutual agreement of the Company and Customer except as otherwise provided herein or in the Interconnection Agreement. Customer will coordinate the protective devices of the lines and facilities it owns and operates that are interconnected with Company's system with the protective devices of Company's system.

4.3.10 PROTECTION OF COMPANY'S FACILITIES ON CUSTOMER'S PREMISES

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

4.3.11 ADMITTANCE TO CUSTOMER'S PREMISES

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

4.3.12 REMOVAL AND RELOCATION OF COMPANY'S FACILITIES

Company may remove or relocate Company facilities at Customer's request, and Customer will pay a Contribution in Aid of Construction equal to the total cost of removing or relocating such facilities.

4.3.13 DISMANTLING OF COMPANY'S FACILITIES

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

4.3.14 ATTACHMENTS TO COMPANY'S FACILITIES

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

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

4.3.15 TEMPORARY FACILITIES

Temporary facilities are those facilities provided by Company to Customer for a single, continuous period of time that is less than twelve consecutive months, except that temporary facilities provided in connection with the delivery of construction power over a continuous period of time in excess of twelve months are considered to be temporary facilities.

Customer will pay to the Company prior to the Company's constructing temporary facilities an amount equal to the estimated cost of installing and removing such facilities, plus the estimated cost of materials to be used that are unsalvageable after removal of the installation. Such payment will also include amounts to recover the

Company's federal income tax liability associated with such payment and any applicable franchise fees associated with such payment.

4.4 OBTAINING SERVICE

4.4.1 APPLICATION FOR SERVICE

Customer is required to make written application, in accordance with Commission Substantive Rules, to obtain service. Any Customer taking service from Company, in consideration of the Company's supplying service, is bound by these Service Regulations and is liable to Company for payment for such service under the applicable rate schedule.

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

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

4.4.2 SERVICE AGREEMENT

Following the approval of a request for service, the Company will tender to the Customer a service agreement that defines the service arrangements particular to the Customer and utilizes the applicable agreement form contained in Section 4.10. That service agreement must be executed and returned to the Company prior to the initiation of the approved service.

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

4.5 USE OF WHOLESALE TRANSMISSION AND RELATED SERVICES

4.5.1 LIMITATIONS ON USE OF SERVICE

4.5.1.1 Intrastate Wholesale Transmission Service Limitations

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

4.5.1.2 Parallel Operation

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

4.5.2 CUSTOMER'S ELECTRICAL SYSTEMS

4.5.2.1 Load Balance

Company requires Customer to control the use of electric energy so that Customer's electrical load at the Point of Interconnection presents a reasonably balanced 3 phase impedance to the Company's system. The determination of reasonableness shall be consistent with good utility practice as defined in Commission Substantive Rules.

4.5.2.2 Electrical Disturbances

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

4.5.2.3 Change in WDSC's Electrical Load

WDSC shall provide annual written notice to ERCOT of its forecasted peak summer and winter loads for each Point of Interconnection in accordance with applicable ERCOT requirements to enable Company to ensure that its facilities are adequate. In those instances where WDSC has load connected via radial interconnection with Company's system, WDSC shall provide advance written notification to Company when WDSC's load is expected to change substantially from the load forecast provided to ERCOT. Company shall have no obligation to plan its facilities to serve load in excess of the load forecasted by WDSC , and Company may hold WDSC liable for any damage to Company1s facilities resulting from the use of service in excess of such maximum. Company's plan to serve WDSC's forecasted load may require a Contribution in Aid of Construction pursuant to Section 4.5.6.2 for Standard Facilities or Section 4.5.7 for Non-Standard Facilities.

4.5.2.4 Power Factor

Customer shall meet the power factor requirements of ERCOT and the Commission for all Points of Interconnection. If Customer does not meet such requirements, the Company will have the right to require Customer to install appropriate equipment to maintain a power factor of not less than the value prescribed by ERCOT and the Commission,. or at Company's option, to reimburse Company for the resulting expense to install equipment necessary to compensate for the power factor deficiency.

4.5.3 TAMPERING WITH COMPANY'S EQUIPMENT OR OTHER PROPERTY

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

4.5.4 UNAUTHORIZED USE OF SERVICE

Unauthorized use of any service covered by this Tariff for Transmission Service shall be governed by the provisions of Commission Substantive Rules 25.191, 25.195, 25.198, 25.200, 25.202, and 25.501 including without limitation Commission Substantive Rule 25.203 pertaining to Alternative Dispute Resolution.

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

4.5.4.1 CHARGES FOR UNAUTHORIZED USE OF SERVICE

a) The charge for the estimated amount of service used without Company authorization which may be estimated based on amounts used under similar conditions during preceding years. Where no previous usage history exists or is considered unreliable, service may be estimated on the basis of usage levels of similar customers and under similar conditions;

b) The cost of replacement or repair of any damaged equipment; and

c) The cost of installing protective facilities or of relocation of meter, if determined necessary by Company.

4.5.5 TRANSFER OF ELECTRICAL LOAD BETWEEN POINTS OF INTERCONNECTION

Customer shall obtain authorization from Company prior to transfer of load from any Point of Interconnection to **another Point of Interconnection connected via radial interconnection, unless such transfer is the result of an** emergency condition that threatens to endanger persons or property, in which case, Customer shall notify Company of such transfer as soon thereafter as possible, but in no case, shall such notification be more than 48 hours after such transfer.

4.6 CHARGES FOR SERVICE

4.6.1 RATE SCHEDULES FOR SERVICE

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

4.6.2 BILLING

Billing is made in accordance with Commission Substantive Rule 25.202, and other applicable Substantive Rules. Notwithstanding any provisions in the rate schedules with respect to when bills become past due and imposing an increased amount if bills are not paid within a specified time, all bills rendered to "State Agencies", as that term is defined in Chapter 2251 of the Government Code, shall be due and shall bear interest if overdue as provided in said Chapter 2251.

4.6.3 BILLING PERIOD

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

4.6.4 DISPUTED BILLS

To the extent applicable, billing disputes are governed by the provisions of Commission Substantive Rule 25.203 pertaining to Alternative Dispute Resolution and Commission Substantive Rule 25.202 pertaining to billing.

4.7 DISCONTINUANCE OF SERVICE

4.7.1 DISCONTINUANCE OF SERVICE

Customer must notify Company in writing, and in accordance with the provisions of Commission Substantive Rule 25.198, to the extent applicable, of the date Customer desires to discontinue service, and Customer is not held responsible for service after such date unless Customer continues to use service or the terms and conditions of an existing service agreement have not been met. Customer is obligated, however, to pay Company any rates, charges, or fees, for service previously provided under the applicable service agreement and which are owed to Company as of the date of termination.

Company is not obligated, after discontinuance, to again provide service to Customer at the same service location

unless Customer reapplies for and Company agrees to provide service.

If Customer removes its load, resulting in Company facilities becoming stranded, not used and useful, or in any way unrecoverable, Customer shall reimburse the Company a sum equal to the estimated present worth of the unamortized original undepreciated cost (or book) value (if any) for all remaining facilities plus removal costs for all remaining facilities.

4.7.2 COMPANY DISCONTINUES SERVICE

Company, in addition to all other legal remedies, may discontinue service to Customer without liability for any of the reasons permitted under Commission Substantive Rules, or authorized elsewhere in this Tariff for Transmission Service.

4.7.3 DISCONNECTION OF SERVICE FOR NON PAYMENT TO RETAIL ELECTRIC UTILITY

Company, in accordance with applicable legal authorities and this Tariff, will disconnect service to Customer without liability for a disconnection upon request from the Customer's Retail Electric Utility as that term is defined in Chapter 37 of the Public Utility Regulatory Act

4.8 STANDARD AGREEMENTS

4.8.1 DISCRETIONARY SERVICE AGREEMENT

This Discretionary Service Agreement ("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. **Discretionary Service to be Provided –** Company agrees to provide, and Customer agrees to pay for Discretionary Service **in** accordance with this Agreement and Company's Rate WDS - Wholesale Discretionary Services contained in Company's Tariff for Transmission Service, as it may from time to time be fixed and approved by the Public Utility Commission of Texas ("PUCT"), including the Service Regulations contained therein ("Company's Tariff for Transmission Service"). A description of the Discretionary Service(s) to be provided, the location at which the Discretionary Service(s) will be provided, and the cost and scheduling of, and any supplemental terms and conditions applicable to, such service(s) are contained in Exhibit A**.**

2. **Nature of Service and Company's Tariff for Transmission Service** -- Any Discretionary Service covered by this Agreement will be provided by Company, and accepted by Customer, in accordance with applicable PUCT Substantive Rules and Company's Tariff for Transmission Service. During the term of this Agreement, Company is entitled to discontinue service, interrupt service, or refuse service initiation requests under this Agreement in accordance with applicable PUCT Substantive Rules and Company's Tariff for Transmission Service. Company's Tariff for Transmission Service is part of this Agreement to the same extent as if fully set out herein. Unless otherwise expressly stated in this Agreement, the terms used herein have the meanings ascribed thereto in Company's Tariff for Transmission Service.

3. **Discretionary Service Charges** – Charges for any Discretionary Service covered by

this Agreement are determined in accordance with Company's Tariff for Transmission Service. Company and Customer agree to comply with PUCT or court orders concerning Discretionary Service charges.

4. **Term and Termination** – This Agreement becomes effective __________ and will thereafter continue in effect until _________. Termination of this Agreement does not relieve Company or Customer of any obligation accrued or accruing prior to termination.

5. **No Other Obligations** – This Agreement does not obligate Company to provide, or entitle Customer to receive, any service not expressly provided for herein. Customer is responsible for making the arrangements necessary for it to receive any further services that it may desire from Company or any third party.

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

7. **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. Changes to applicable PUCT Substantive Rules and Company's Tariff for Transmission Service are applicable to this Agreement upon their effective date and do not require an amendment of this Agreement.

8. **Entirety of Agreement and Prior Agreements Superseded –** This Agreement, including all attached Exhibits and incorporated Company Tariff, which are expressly made a part hereof for all purposes, constitutes the entire agreement and understanding between the Parties with regard to the service(s) expressly provided for in this Agreement. The Parties are not bound by, or liable for, any statement, representation, promise, inducement, understanding, or undertaking of any kind or nature (whether written or oral) with regard to the subject matter hereof not set forth or provided for herein. This Agreement replaces all prior agreements and

undertakings, oral or written, between the Parties with regard to the subject matter hereof, 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, such agreements are unaffected by this Agreement.

9. **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:

Texas-New Mexico Power Company
Attention: Chris Dobard
Director, System Operations
2641 E. Hwy 6
Alvin, TX 77511

(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.

10. **Invoicing and Payment** – Invoices for any Discretionary Service covered by this Agreement will be mailed by Company to the following address (or such other address directed in writing by Customer), unless Customer is capable of receiving electronic invoicing from Company, in which case Company is entitled to transmit electronic invoices to Customer.

If Company transmits electronic invoices to Customer, Customer must make payment to Company by electronic funds transfer. Electronic invoicing and payment by electronic funds transfer will be conducted in accordance with Company's standard procedures. Company must receive payment by the due date specified on the invoice. If payment is not received by the Company by the due date shown on the invoice, a late fee will be calculated and added to the unpaid balance until the entire invoice is paid. The late fee will be 5% of the unpaid balance per invoice period.

11. 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.

12. Taxes – All present or future federal, state, municipal, or other lawful taxes applicable by reason of any service performed by Company, or any compensation paid to Company, hereunder must be paid by Customer.

13. **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.

14. **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.

15. **Other terms and conditions** ________________________.

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

TEXAS-NEW MEXICO POWER COMPANY	CUSTOMER
BY: ________________________	BY: ________________________
Name: ________________________	Name: ________________________
TITLE: ________________________	TITLE: ________________________
DATE: ________________________	DATE: ________________________

4.8.2 AGREEMENT FOR INTERCONNECTION OF DISTRIBUTION GENERATION RESOURCE

Between [CUSTOMER]

as a Distribution Generation Resource, and

Texas-New Mexico Power Company

as the Transmission and Distribution Service Provider, for

[Project Name] [Date]

Agreement for Interconnection of Distribution Generation Resource

This Interconnection Agreement ("Agreement") is made and entered into this _____________day of ____________, 20_____, Texas-New Mexico Power Company ("Company"), and ___________________________________ ("Customer"), each hereinafter may be 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. Objective and Scope

Company represents that it is a public utility that owns and operates facilities for the transmission and distribution of electricity. Customer represents that it will own and operate a Distribution Generation Resource ("DGR"). It is the intent of the Parties, by this Agreement, to state the terms and conditions under which Customer Facilities will be interconnected to Company Facilities and how Customer Facilities will be operated and dispatched as an ERCOT generation or energy storage resource. This Agreement shall apply to the interconnection and operation of Distribution Generation Resources interconnecting at distribution voltage. DGR by definition is subject to all ERCOT protocols and other ERCOT rules that apply to Generation Resources. This Agreement shall apply to the ownership, design, construction, control, operation, and maintenance of Facilities specifically identified and described in the attached Facility Schedules. This Agreement is applicable only to the distribution-level generators that register with ERCOT as a Generation Resource and does not apply to other distribution-level generators, including Settlement-Only Distribution .Generators ("SODG"), and unregistered Distributed Generation.

2. Definitions

Capitalized terms shall apply and have the meaning as set forth below, except as otherwise specified in the Agreement:

A. "Agreement" shall mean this Agreement with all Exhibits attached hereto, and any exhibits, schedules and attachments hereafter added by amendment to this Agreement.

B. "Ancillary Service" shall have the meaning ascribed thereto in Section 2 of the ERCOT Nodal Protocols.

C. "ANSI Standards" shall mean the American National Standards Institute Standards in effect at the time a new Point of Interconnection is constructed or an existing POI is modified.

D. "Commercial Operation" shall mean the date on which Customer declares that the construction of Customer Facility has been substantially completed, testing and commissioning of Customer Facility has been completed, and Customer Facility is ready for dispatch.

E. "Company Facility(ies)" shall mean the network of electrical components, communication, or other common utility equipment installed by Company.

F. "Customer Facility(ies)" shall mean the network of electrical components installed by Customer in order to supply, transfer, or use electric power and as specified in the Facility Schedule(s).

G. "DG Rules" shall mean PUCT Substantive Rules 25.211, relating to Interconnection of Distributed Generation, and 25.212, relating to Technical requirements for Interconnection and Parallel Operation of On- Site Distributed Generation (16 Texas Administrative Code §25.211 and §25.212) or any successor rule(s) addressing distributed generation.

H. "Distribution Generation Resource" ("DGR"} shall mean generation or energy storage resources which are connected to Company's distribution system at less than 60 kV as a Generation

Resource capable of being economically dispatched via the ERCOT Security-Constrained Economic Dispatch ("SCED") and eligible to provide Ancillary Services. In addition, a DGR must be registered with ERCOT in accordance with Planning Guide Section 6.8.2, Resource Registration Process, and must be modeled in ERCOT systems in accordance with Section 3.10.7.2, Modeling of Resources and Transmission Loads.

I. "DGR Integration Study" shall mean the transmission and distribution technical studies required by the Company in order to integrate operation of the Customer Facility with the Company's transmission and distribution system in accordance with all Company operating requirements and consistent with ERCOT protocols and other ERCOT rules. The DGR Integration Study identifies the additional necessary upgrades, improvements, or changes needed to support safe and reliable operations through the distribution interface and into the transmission grid.

J. "Distributed Generation" ("DG") shall mean an electrical generating facility located at a Customer's point of delivery (point of common coupling) of ten megawatts (MW) or less and connected at a voltage less than 60 kilovolts (kV) which may be connected in parallel operation to the utility system.

K. "ERCOT" shall mean the Electric Reliability Council of Texas, Inc., or its successor in function.

L. "ERCOT Requirements" shall mean the ERCOT Operating Guides, ERCOT Protocols, as well as any other binding documents adopted by ERCOT relating to the interconnection and operation of electric systems in ERCOT, including any amendments to those Guides, Protocols, and binding documents that are adopted by ERCOT from time to time, and any successors thereto.

M. "Facility Schedule(s)" shall mean all Exhibits attached to this Agreement, which identify equipment, conditions, and information associated with this Point of Interconnection.

N. "Generation Resource(s)" shall mean a Customer Facility capable of providing energy or Ancillary Service to the ERCOT System and is registered with ERCOT as a Generation Resource. The term "Generation Resource" does not include a Non-Modeled generator.

O. "Good Utility Practice" shall have the meaning ascribed thereto in PUCT Substantive Rule 25.5(56), or its successor.

P. "Governmental Authority(ies)" shall mean any federal, state, local or municipal body having jurisdiction over a Party.

Q. "IEEE Standards" shall mean the Institute of Electrical and Electronic Engineers Standards in effect at the time a new Point of Interconnection is constructed or an existing POI is modified.

R. "Impact Study" shall mean the distribution-level, 60 kV or less, steady-state Impact Study performed by Company intended to determine the expected impacts of the proposed Customer Facility on the Company's transmission and distribution system. This study takes into account the requested modes of operation and reports the necessary upgrades, improvements, or changes needed to allow the interconnection on the distribution system.

S. "In-Service Date" shall be the date, as reflected in the Facility Schedule that the Company Facilities will be ready to connect to the Customer Facilities.

T. "NESC" shall mean the National Electrical Safety Code in effect at the time a new Point of Interconnection is constructed or an existing POI is modified.

U. "Person" shall mean any individual, partnership, firm, corporation, limited liability company, association, trust, unincorporated organization or other entity.

V. "Point of Interconnection" ("POI"} shall mean the point(s) of interconnection specified in Exhibit "A" where the electrical systems of the Parties are connected or may, by the closure of normally open switches, be connected, such that electric power may flow in either direction.

W. "PUCT" shall mean the Public Utility Commission of Texas or its successor in function.

X. "RARF" shall mean Resource Asset Registration Form.

Y. "Reasonable Efforts" shall mean the use of Good Utility Practice and the exercise of due diligence (pursuant to PUCT Rule 25.19 l(d)(3)).

Z. "SODG" shall mean a Settlement-Only Distribution Generator which is a less than 10 MW generator connected at 60 kV or less and registered with ERCOT as a Settlement Only Generator ("SOG"). They are not dispatchable by ERCOT and telemetry is not required. They are settled in the market for energy only.

AA. "Tariff" shall mean the applicable Texas-New Mexico Power Company Tariff, either the Tariff for Retail Delivery Service or the Tariff for Transmission Service.

BB. Wholesale Storage Load {"WSL") shall mean energy that is separately metered from all other facilities to charge a technology that is capable of storing energy and releasing that energy at a later time to generate electric energy. WSL includes losses for the energy conversion process that are captured by the WSL EPS Meter. WSL is limited to the following technologies: batteries, flywheels, compressed air energy storage, pumped hydro-electric power, electro chemical capacitors, and thermal energy storage associated with turbine inlet chilling.

3. Effective Term and Termination Rights

A. This Agreement becomes effective when executed by both Parties and shall remain in effect until terminated. The Agreement may be terminated for any of the following reasons:

a. Customer may terminate this Agreement at any time, by giving Company sixty (60) days' advance written notice.

b. Company may terminate this Agreement by giving written notice to the Customer upon failure by Customer to reach Commercial Operation within twelve (12) months after the In-Service Date.

c. Either Party may terminate this Agreement by giving at least sixty (60) days' advance written notice that a Party is in default of any of the material terms and conditions of this Agreement, however, the notice is required to specify the basis of the request for termination and there is opportunity to cure the default with Reasonable Efforts.

d. Company may terminate this Agreement by giving Customer at least sixty (60) days' advance written notice, if possible, in the event of a material change in an applicable rule or statute that necessitates termination of this Agreement. In the event of a termination, Company shall engage in good faith negotiations towards reaching a new interconnection agreement, however the Company does not guarantee such negotiations will result in a new interconnection agreement.

B. If a Party elects to terminate this Agreement pursuant to this Section 3, Customer shall pay all costs incurred by Company as of the date of receipt by the non-terminating Party of the notice of termination. Customer cost shall include

a. The costs that Company has incurred for engineering, procuring equipment and materials, right of way acquisition, construction, and any other costs related to the Company Facilities.

b. The costs that Company has committed to incur that it is unable to avoid using commercially reasonable steps.

c. Costs incurred by Company after the date of termination to return Company's system to a condition consistent with Company's construction standards. In the event of termination by either Party, both Parties shall use Reasonable Efforts to mitigate the damages and charges that they may incur as a consequence of termination. These provisions shall survive termination of this Agreement.

C. In calculating the costs Company has incurred (or has committed to incur), such costs shall include the normal loadings Company applies to construction projects of this nature and shall be increased by an adder to cover the effects of a Customer payment on the Company's tax liability and shall include an amount to recover franchise fees where applicable.

D. Upon termination of this Agreement, the Parties will disconnect the Customer Facilities from the Company Facilities. The Parties will use Reasonable Efforts to coordinate such disconnection and the removal of Customer Facilities and Company Facilities. If the Customer Facilities are not disconnected and/or removed within thirty (30) days of written notice by Company to Customer, Company shall have the right to disconnect the Customer Facilities from the Company Facilities, remove Customer Facilities from property owned or controlled by Company, and restore Company's system to a condition consistent with Company's construction standards. Customer will be responsible for all costs and expenses, in their entirety, for Company to remove Customer Facilities and restore Company's system to a condition of construction standard due to Customer failure to remove Customer Facilities within thirty (30) days. The provisions of this Section shall survive termination of this Agreement.

4. Establishment of Point of Interconnection

Parties agree to interconnect their facilities in accordance with the terms and conditions of this Agreement. The Parties agree to design and construct their individual facilities hereunder in accordance with the following:

A. Good Utility Practice;
B. ERCOT Requirements;
C. PUCT Substantive Rules;
D. Applicable provisions of the NESC, ANSI Standards, and IEEE Standards, in effect at the time of construction of the interconnection facilities; and

E. All valid, applicable federal, state, and local laws, ordinances, rules, regulations and orders of, and Tariffs approved by, duly constituted Governmental Authorities.

5. Exclusions and Modifications

The provisions of the DG Rules, which by their terms may not be applicable to this Agreement, are hereby incorporated into this Agreement in their entirety for Customer Facilities, and all such Customer Facilities must adhere to all applicable provisions of the DG Rules. Provided, however, that the provisions of the DG Rules that are inconsistent with the intended operation of Customer Facilities as a DGR are not incorporated into this Agreement, and provided further that in the event of any conflict between the provisions of the DG Rules and the provisions of this Agreement, this Agreement will control. This Agreement does not fall under jurisdiction of NERC or NERC Reliability Standards except where explicitly described for the operation of Customer Facilities.

6. Right of Access, Equipment Installation, Removal & Inspection

A. Upon reasonable notice, Company shall be granted access to Customer's premises to inspect the Customer Facility and observe the commissioning (including any testing), startup, and operation of the Customer Facility.

B. Following initial inspection as described in Subsection 6(A.) 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 by the terms and conditions of this Agreement, or if necessary to meet its obligations to provide service to its customers.

C. Customer warrants that it has, or has obtained from other entities, all necessary rights to provide Company access to the Customer's premises, as necessary or appropriate for Company to exercise its rights under this

7. Modifications of Customers Facilities

Customer agrees that prior to making any modifications to Customer Facilities including but not limited to changes in Ancillary Services or the services studied at the time of interconnection that substantially affect the interconnection facilities and/or associated system protection equipment and/or system protection settings, and/or other parameters associated with the interconnection between the Customer Facility and Company Facilities (including but not limited to the installation of new or upgraded facilities), Customer must provide notification and receive written approval from Company, prior to making such modifications.

8. Service Interruptions

A. Company shall have the right to suspend service in cases where continuance of service to Customer will endanger Persons or property. During a forced outage of the Company Facilities, Company shall have the right to suspend service to effect immediate repairs of the Company Facilities.

B. The Parties recognize that the interruption of service provisions of Company's applicable Tariff and the applicable provisions of the PUCT Substantive Rules give Company the right to disconnect the Company Facility from Customer Facility under the conditions specified therein. Customer will promptly disconnect Customer Facility from the Company Facility when required by and in accordance with Company's applicable Tariff and the applicable provisions of the PUCT Substantive Rules or ERCOT Requirements, provided that Company shall have the right to disconnect Customer Facility from the Company Facility if Customer fails to comply with any such disconnection requirement or if Customer fails to comply with the terms of the applicable Company Tariff including failure to pay charges assessed, pursuant to the applicable Company Tariff.

9. Metering, Telemetry, and Communication Requirements

A. Metering, telemetry, and communication of data by Company and Customer hereunder will be in accordance with ERCOT Requirements. Company will specify data to be provided to Company by Customer. Company shall, in accordance with Company Tariff, ERCOT Requirements and Good Utility Practice, install, own, operate, inspect, test, and maintain certain metering, telemetry, and communications equipment associated with the interconnection and operation of the Customer Facility.

B. Customer shall, in accordance with ERCOT Requirements and Good Utility Practice, install, own, operate, inspect, test, calibrate, and maintain certain metering, telemetry, and communications equipment associated with the interconnection and operation of the Customer Facility. The interconnection of the Customer Facility with the Company Facilities shall not interfere with the operation of Company's metering, telemetry, or communications equipment.

C. Company will notify Customer no less than seven (7) business days in advance of any planned maintenance, inspection, testing, or calibration of metering equipment, telemetry, or communications equipment unless otherwise agreed to in writing. Customer, shall have the right to be present for these activities and to receive copies of appropriate documents related to the procedures and results.

D. Prior to the connection of the Customer Facility, acceptance tests **will** be performed by the Parties to ensure the proper functioning of all metering, telemetry and communications equipment associated with the interconnection and operation of the Customer Facility, and to verify the accuracy of data received by Company and Customer. All acceptance tests will be performed consistent with ERCOT Requirements and Good Utility Practice.

E. Customer will own and install the necessary communications facilities for prov1s1on of SCADA communications and telemetry to Customer's energy management system and to Company's system dispatch center consistent with ERCOT Requirements. All communications facilities delivering data to Company shall meet Company's requirements. If there is a conflict between Company requirements and ERCOT Requirements, Company requirements shall prevail.

Company shall, in accordance with Good Utility Practice and applicable requirements, specify the communications facilities necessary to transmit data from Customer's metering and telemetry facilities to Company's system dispatch center.

F. Each Party will promptly advise the other Party if it detects or otherwise learns of any metering, telemetry or communications equipment error or malfunction that requires attention and/or correction by the other Party. The Party owning such equipment shall correct such error or malfunction as soon as reasonably feasible in accordance with ERCOT Requirements.

G. Any change to Customer's meters, telemetry equipment, voltage transformers, current transformers, associated panels, hardware, conduit or cable, which will affect the data received by Customer must be approved in writing by Company prior to Customer making such change.

10. System Protection and Other Controls Requirements

A. Customer shall install and maintain equipment necessary to automatically disconnect Customer Facilities from Company Facilities in the event of a fault on the Company electrical distribution system. Design of Customer Facilities is subject to Company review as to suitability for safe, compatible, reliable interconnection and operation with the Company Facilities so as to not reduce or adversely impact the quality of electric service provided by Company to all customers. Customer will provide to Company a relaying one line diagram and any related drawings or other documents pe1iaining to system protection and other controls requested by Company. Customer Facilities will include a fault interrupting device at the Point of Interconnection capable of interrupting the available fault cu1ient. For unintentional islanding event in which the Customer Facility energizes a portion of the Company system through the Point of Interconnection, the Customer's system protection facilities shall detect such islanding, disconnect from, and cease to energize the Company Facilities within two (2) seconds.

A. Customer Facility will comply with ERCOT Requirements concerning voltage ride-through, under- frequency and over-frequency relaying, and primary frequency response.

11. System Disturbance Analysis, Testing and Commissioning

A. Each Party will test, operate and maintain system protection equipment in accordance with Company requirements and ERCOT Requirements. Prior to the In-Service Date, and again prior to Commercial Operation, each Party or its agent shall perform all required testing of system protection equipment. Customer agrees that acceptable relay test reports will be provided to Company and on-site commissioning acceptance testing shall be performed prior to final commissioning of the Customer Facility. Customer agrees to submit to Company preliminary relay settings for all applicable relaying. After Company and Customer agree on the applicable relay settings, Customer will provide final relay settings to Company. Upon completion of acceptance testing, Customer will provide its relay testing documentation to Company certifying that all relaying and protection equipment has been properly tested prior to the Customer Facilities achieving in service.

B. At intervals suggested by Good Utility Practice, or at intervals described in ERCOT Requirements if so defined therein, and following any apparent malfunction of the system protection equipment, each Party shall perform required testing or functional trip tests of its system protection equipment. Each Party will provide reasonable advance notice to the other Party of testing of its system protection equipment under this section and, if requested, allow the Party to have representatives present during testing of its system protection equipment.

C. Recording equipment shall be installed to analyze all system disturbances in accordance with ERCOT Requirements.

12. System Operation and Maintenance

Each Party shall operate and maintain its facilities in accordance with Good Utility Practice, NESC, ERCOT Requirements, PUCT Substantive Rules, and all other applicable laws, regulations, codes, and standards. Subject to any necessary ERCOT approval, each Party shall provide necessary equipment outages to allow the other Party to perform periodic maintenance, repair or replacement of its Facilities. Such outages shall be scheduled at mutually agreeable times, unless conditions exist which a Party believes, in accordance with

Good Utility Practice, may endanger Persons or property, provided that, in the event that the Parties make all Reasonable Efforts to schedule an outage but are unable to agree on a mutually agreeable schedule, Company's schedule shall control. No changes will be made in the normal operation of the Point of Interconnection without the mutual agreement of the Parties except as otherwise provided herein. All testing of the Customer Facility that will affect the operation of the Company Facilities shall be coordinated between Company and Customer, and will be conducted in accordance with ERCOT Requirements.

A. Any switching or clearances of the Company Facilities or Customer Facilities will be done in accordance with ERCOT Requirements, Company's switching procedures, and Good Utility Practice.

B. Consistent with ERCOT Requirements and the Parties' mutually acceptable procedure, Customer shall be responsible for the proper synchronization of the Customer Facility with the Company Facilities.

C. Customer shall procure, install, maintain and operate power system stabilizers in accordance with ERCOT Requirements, if required.

D. The Parties shall maintain network operating model updates in accordance with the ERCOT Requirements.

E. Each Party will establish and maintain a response plan that requires immediate response in the event of an emergency. Each Party shall have a control center that is staffed 24 hours per day, 7 days per week, with personnel capable of making operating decisions and possessing the ability to effect control of its facilities at the Point of Interconnection (or make appropriate arrangements for a third party to establish and maintain such a control center on its behalf). For purposes of voice communications between the Parties' control centers or the assigned contact personnel, phone numbers and email addresses will be exchanged and each Party will be notified of any changes moving forward.

13. Scheduled and Unscheduled Outages and Clearances

Each Party shall provide outage notification to the other Party, including for unscheduled (forced) outages and planned outages, in accordance with ERCOT Requirements and Good Utility Practice.

A. In the event of an unscheduled (forced) outage occurring within the Company system that will affect service to the Customer Facility, Company shall promptly notify Customer and Customer's Qualified Scheduling Entity ("QSE"). Customer shall update its Current Operating Plan ("COP") status, telemetered status (if appropriate), and the ERCOT outage scheduler accordingly. Following restoration of the affected Company Facilities, Company shall promptly notify Customer when the Company Facilities are ready to be re-energized. Re-energization of the Company Facilities and the Customer Facility shall be coordinated among Company, Customer, ERCOT, and QSE, as necessary.

B. In the event of an unscheduled (forced) outage of Customer Facility, Customer shall promptly notify Company and provide all relevant details of the outage (facilities affected, expected duration of the outage, request for clearance, etc.). Customer shall update the ERCOT outage scheduler in accordance with ERCOT Requirements. If clearance is requested, Customer shall not perform restoration of the affected facilities until Company has notified Customer that it may proceed with restoration. Following restoration of the Customer Facilities, Customer shall promptly notify Company when the facilities are ready to be re-energized. Re- energization of the Customer Facility will be coordinated among Company, Customer, ERCOT, and QSE, as necessary.

C. In the event of a scheduled outage of the Company Facilities, Company shall notify Customer no less than (7) business days prior to the scheduled outage. Company shall notify Customer when the Company Facilities are ready to be re-energized. Re-energization of the Company Facilities and the Customer Facility shall be coordinated among Company, Customer, ERCOT, and QSE, as necessary.

D. In the event of a scheduled outage of the Customer Facility, Customer shall notify Company no less than seven (7) business days prior to the requested outage and provide all relevant details of the outage (facilities affected, expected duration of the outage, request for clearance, etc.). Customer shall notify Company when the Customer Facilities are ready to be re-energized. Re-energization of the Customer Facility will be coordinated among Company, Customer, ERCOT, and QSE, as necessary.

14. Performance Obligation & Financial Security Arrangements

A. The Customer will acquire, construct, operate, test, maintain and own Customer Facilities at its sole expense and responsibility. In addition, the Customer may be required to make a Contribution In Aid of Construction ("CIAC"), as described within Exhibit "C" in accordance with applicable rules of the PUCT.

B. The Company will acquire, own, operate, test, and maintain all Facilities designated as Company at its sole expense and responsibility.

C. The Company may require the Customer to provide a reasonable means of security to cover the costs of planning, licensing, procurement of necessary equipment and materials, and construction of the Interconnection Facilities. Requirements pertaining to security arrangements are specified within Exhibit "D" of the Agreement. If the Customer Facility has not achieved Commercial Operation within twelve (12) months after the scheduled Commercial Operation date, as identified in Exhibit "G", or if the Customer terminates this Agreement in accordance with Section 3 the Company may retain security required to recover the costs the Company has incurred in planning, licensing, procurement of necessary equipment and materials, and construction of the Interconnection Facilities. If a cash deposit is made pursuant to Exhibit "D", any repayment of such cash deposit shall include interest at a rate applicable to customer deposits as established from time to time by the PUCT or other Governmental Authority.

15. Insurance

Customer shall, at its own expense, maintain in force throughout the period of this Agreement and until released by Company the following minimum insurance coverages, with insurers authorized to do business in Texas, and in accordance with the following requirements:

A. Employers' liability and worker's compensation insurance providing statutory benefits in accordance with the laws and regulations of the State of Texas. The minimum limits for the employer's liability insurance shall be one million dollars ($1,000,000) each accident bodily injury by accident, one million dollars ($1,000,000) each employee bodily injury by disease, and one million dollars ($1,000,000) policy limit bodily injury by disease.

B. Commercial general liability insurance including premises and operations, personal injury, broad form property damage, broad form blanket contractual liability coverage (including coverage for the contractual indemnification), products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, coverage for pollution to the extent normally available and punitive damages to the extent normally available and a cross liability endorsement, with minimum limits of one million dollars ($1,000,000) per occurrence / one million dollars ($1,000,000) aggregate combined single limit for personal injury, bodily injury, including death and property damage.

C. Comprehensive automobile liability insurance for coverage of owned, non-owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum combined single limit of one million dollars ($1,000,000) per occurrence for bodily injury, including death, and property damage.

D. Excess public liability insurance over and above the employer's liability, commercial general liability and comprehensive automobile liability insurance coverage, with a minimum combined single limit of five million dollars ($5,000,000) per occurrence.

E. The commercial general liability insurance, comprehensive automobile liability insurance, and excess public liability insurance policies shall name Company, its parent, associated and affiliated companies and their respective directors, officers, agents, servants and employees ("Other Party Group") as additional insured. All policies shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the provisions of this Agreement against the Other Party Group and provide thirty (30) days' advance written notice to Other Party Group prior to anniversary date of cancellation or any material change in coverage or condition.

F. The commercial general liability insurance, comprehensive automobile liability insurance and excess public liability insurance policies shall contain provisions that specify that the policies are primary and shall apply to such extent without consideration for other policies separately carried and shall state that each insured is provided coverage as though a separate policy had been issued to each, except the insurer's liability shall not be increased beyond the amount for which the insurer would have been liable had only one insured been covered. Customer shall be responsible for its respective deductibles or retentions.

G. The commercial general liability insurance, comprehensive automobile liability insurance and excess public liability insurance policies, if written on a claims first made basis, shall be maintained in full force and effect for two (2) years after termination of this Agreement, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Parties.

H. The requirements contained herein as to the types and limits of all insurance to be maintained by Customer are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by each Party under this Agreement.

I. Within ten (10) days following execution of this Agreement, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) days thereafter, Customer shall provide to Company certification of all insurance required in this Agreement, executed by each insurer or by an authorized representative of each insurer.

J. Notwithstanding the foregoing, Customer may self-insure to the extent it maintains a self-insurance program, provided that Customer's senior secured debt is rated at investment grade, or better, by Standard & Poor's or Moody's Investor's Service. For any period of time that Customer's senior secured debt is unrated by Standard & Poor's and Moody's Investor's Service or is rated at less than investment grade by Standard & Poor's and Moody's Investor's Service, Customer shall comply with the insurance requirements applicable to it under Sections I 5(A) through (I). In the event that Customer is permitted to self-insure pursuant to this Section IS(J), it shall not be required to comply with the insurance requirements applicable to it under Sections 14(a) through (i).

K. Each Party shall report to the other Party in writing as soon as practical all accidents or occurrences resulting in injuries to any Person, including death, and any property damage arising out of this Agreement.

16. Limitation of Liability and Indemnification

A. The terms "Delivery Service" and "Construction Service" used in this Section shall have the meaning ascribed to them in Company's Tariff **for** Retail Delivery Service.

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

C. Company will make reasonable provisions to provide Construction Service, but does not guarantee the timeliness of initiating or completing such Construction Service nor the suitability of such facilities for Customer's specific uses. Company will not be liable for any damages, whether direct or consequential, including, without limitation, loss of profits, loss of revenue, or loss of production capacity, occasioned by the failure to provide timely or suitable Construction Service. The term "Construction Service" in this paragraph includes any and all services that (a) are provided, (b) fail to be provided, or (c) fail to be timely provided by Company, from the time Customer first contacts Company with respect to the provision of any type of Construction or Delivery Service.

D. However, if damages result from failure to provide timely or suitable Construction Service or fluctuations or interruptions in Delivery Service that are caused by Company's or Customer's gross negligence or intentional misconduct, this Section shall not preclude recovery of appropriate damages when legally due.

E. Company and Customer shall use Reasonable Efforts to avoid or mitigate its damages or losses suffered as a result of the other's culpable behavior under this Section. Neither Company nor Customer shall be liable for damages for any act or event that is beyond such party's control and which could not be reasonably anticipated and prevented through the use of reasonable measures, including, but not limited to, an act of God, act of the public enemy, act of terrorism, war, insurrection, riot, fire, explosion, labor disturbance or strike, wildlife, unavoidable accident, equipment or material shortage, breakdown or accident to machinery or equipment, or good faith compliance with a then valid curtailment, order, regulation or restriction imposed by governmental, military, or lawfully established civilian authorities, including any order or directive of ERCOT.

17. Written Notices

Except as otherwise provided in Exhibit "B", any formal notice, demand or request provided for in this Agreement shall be in writing and shall be deemed properly served, given or made if delivered in person, or sent by either registered or certified mail, postage prepaid, overnight mail or fax to the address or number identified in Exhibit "B". Either Party may change the notice information in Exhibit "B" by giving five (5) business days' written notice prior to the effective date of the change.

18. Successors and Assignments

This Agreement may be assigned by either Party only with the written consent of the other; provided that either Party may assign this Agreement without the consent of the other Party to any affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement; and provided further that Customer shall have the right to assign this Agreement, without the consent of Company. for collateral security purposes to aid in providing financing for the Customer Facility, provided that Customer will require any secured party, trustee or mortgagee to notify Company of any such assignment. Any financing arrangement entered into by Customer pursuant to this Section will provide that prior to or upon the exercise of the secured party's, trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify Company of the date and particulars of any such exercise of assignment right(s). Any attempted assignment that violates this Section is void and ineffective. Any assignment under this Agreement shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

19. Governing Law and Applicable Tariffs

A. This Agreement for all purposes shall be construed in accordance with and governed by the laws of the State of Texas, excluding conflicts of law principles that would refer to the laws of another jurisdiction. The Parties submit to the jurisdiction of the federal and state courts in the State of Texas.

B. This Agreement is subject to all valid, applicable rules, regulations and orders of, and Tariffs approved by duly constituted Governmental Authorities.

C. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, rules, or regulations of a Governmental Authority.

D. This Agreement is applicable only to the interconnection of Customer Facility to Company Facility at the Point of Interconnection and does not obligate either Party to provide, or entitle either Party to receive, any service not expressly provided for herein. Each Party is responsible for making the arrangements necessary for it to receive any other service that it may desire from the other Party or any third party. This Agreement does not address the sale or purchase of any electric energy or Ancillary Services by either Party, either before or after Commercial Operation.

E. This Agreement, including all Facility Schedules, constitutes the entire agreement and understanding between the Parties with regard to the interconnection of the facilities of the Parties at the Point 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 if not set forth or provided for herein. This Agreement replaces all other agreements and undertakings, oral and written, between the Parties with regard to the subject matter hereof. It is expressly acknowledged that the Parties may have other agreements covering other services not expressly provided for herein; such agreements are unaffected by this Agreement.

20. Default and Force Majeure

A. The term "Force Majeure" as used herein shall mean any cause beyond the reasonable control of the Party claiming Force Majeure, and without the fault or negligence of such Party, which materially prevents or impairs the performance of such Party's obligations hereunder, including but not limited to, storm, flood, lightning, earthquake, fire, explosion, failure or imminent threat of failure of facilities, civil disturbance, pandemic, strike or other labor disturbance, sabotage, war, national emergency, or restraint by any Governmental Authority.

B. Neither Party shall be considered to be in Default (as hereinafter defined) with respect to any obligation hereunder, other than the obligation to pay money when due, if prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party in writing within seven (7) days of the occurrence claimed to constitute Force Majeure, which notice shall state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. Failure to give the required notice shall constitute a waiver of any claim of Force Majeure. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

C. The term "Default" shall mean the failure of either Party to perform any obligation in the time or manner provided in this Agreement. No Default shall exist where such failure to discharge an obligation is excused pursuant to section titled "Default and Force Majeure" or is the result of an act or omission of the other Party or any of its agents. Upon discovery of a Default, the non-defaulting Party may give notice of such Default to the defaulting Party. Except as provided in the next paragraph, the defaulting Party shall have thirty (30) days from receipt of the Default notice within which to cure such Default; provided, however, if such Default is not capable of cure within thirty (30) days, the defaulting Party shall commence such cure within twenty (20) days after receipt of the Default notice and continuously and diligently exercise its efforts to complete such cure within ninety (90) days from receipt of the Default notice; and, if cured within such time, the Default specified in such notice shall cease to exist.

D. If a Default is not cured as provided in this Section, or if a Default is not capable of being cured within the period provided for therein, the non-defaulting Party shall have the right, in its sole discretion but subject to receipt of any regulatory approvals required by applicable law, to terminate at any time until a cure occurs either this Agreement or any Facility Schedule as to which the Default relates and disconnect the associated Points of Interconnection by providing 14 calendar days written notice to the Defaulting Party. Upon termination, the terminating Party is relieved of any further obligations (other than obligations associated with its own Defaults, if any, occurring prior to termination) either under this Agreement if that Party shall have elected to terminate this Agreement, or with respect to the terminated Facility Schedule(s) and disconnected Point of Interconnection(s) if that Party shall have elected to only terminate any Facility Schedules as to which the Default relates. Irrespective of whether a Party terminates this Agreement or any Facility Schedule, that Party is entitled to recover from the defaulting Party all amounts due and receive all other remedies to which it is entitled under this Agreement or other applicable tariffs, rules, or law. The provisions of this Section will survive termination of this Agreement

E. The failure of a Party to insist, on any occasion, upon strict performance of this Agreement will not be considered to waive the obligations, rights, or duties imposed upon the Parties by this Agreement.

21. Interconnection Outside of ERCOT

The operation of Customer Facility by Customer shall not cause there to be a synchronous or an asynchronous interconnection between ERCOT and any other facilities operated outside of ERCOT unless ordered by the Federal Energy Regulatory Commission under Section 210 of the Federal Power Act, and shall be referred to as "Intrastate Operation". The Parties recognize and agree that any such interconnection will constitute an adverse condition giving Company the right to immediately disconnect Company Facilities from Customer Facilities, until such interconnection has been disconnected.

22. Invoicing and Payment

Unless the Parties otherwise agree (in a manner permitted by applicable PUCT Substantive Rules or Company Tariff), invoicing and payment rights and obligations under this Agreement shall be governed by Company Tariffs and PUCT Substantive Rules or the rules and regulations of the applicable Governmental Authority. Invoices shall be rendered to the paying Party at the address specified herein, and payments shall be made in accordance with this Agreement.

23. Land Rights and Easements

Terms and conditions addressing the rights of Company and Customer regarding any facilities located on the other Party's property shall, if necessary, be addressed in a separate, duly executed and recorded easement agreement between the Parties.

24. Confidentiality

Subject to the exception in this section, any information that a Party claims is competitively sensitive, commercial or financial information under this Agreement ("Confidential Information") shall not be disclosed by the other Party to any Person not employed or retained by the other Party, except to the extent disclosure is:

A. Required by law.

B. Reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute.

C. Permitted by consent of the other Party, such consent not to be unreasonably withheld.

D. Necessary to fulfill its obligations under this Agreement or as a transmission service provider, including disclosing the Confidential Information to ERCOT. The Party asserting confidentiality shall promptly notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other Party's Confidential Information under this Section, or if any third party or Governmental Authority makes any request or demand for any of the information described in this Section, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures. This provision shall not apply to any information that was or is hereafter in the public domain (except as a result of a breach of this provision). Each Party agrees to:

i. Furnish upon request to the other Party such further information;

ii. Execute and deliver to the other Party such other documents; and

iii. Do such other acts and things, all as the other Party may reasonably request for the purpose of carrying out the intent of this Agreement and the documents referred to in this Agreement. Without limiting the generality of the foregoing, Company shall, at Customer's expense, when reasonably requested to do so by Customer at any time after the execution of this Agreement, prepare and provide such information in connection with this Agreement (including, if available, resolutions, certificates, opinions of counsel or other documents relating to Company's corporate authorization to enter into this Agreement and to undertake the obligations set out herein) as may be reasonably required by any potential lender to Customer under a proposed loan agreement. Company will use commercially Reasonable Efforts to obtain any opinion of counsel reasonably requested by Customer, but Company shall not be in Default of any obligation under this Agreement if Company is unable to provide an opinion of counsel that will satisfy any potential lender to Customer. Specifically, upon the written request of one Party, the other Party shall provide the requesting Party with a letter stating whether or not, up to the date of the letter, that Party is satisfied with the performance of the requesting Party under this Agreement.

25. No Annexation

Any and all equipment placed on the premises of a Party shall be and remain the property of the Party providing such equipment regardless of the mode and manner of annexation or attachment to real property, unless otherwise mutually agreed to in writing by the Parties.

26. Construction Timelines, Customer Completion of Project

Customer agrees if substantial Customer project construction does not begin within six months of the execution of this Agreement and such delay is not materially caused by a delay of Company in designing, procuring equipment and contracting the interconnection facilities, then Customer may be subject to revised utility system interconnection requirements which could result in requests for additional funding.

27. Miscellaneous Provisions

A. This Agreement shall not affect the obligations or rights of either Party with respect to other agreements. Each Party represents to the other that there is no agreement or other obligation binding upon it, which, as such Party is presently aware, would limit the effectiveness or frustrate the purpose of this Agreement.

B. 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.

C. If any provision in this Agreement is finally determined to be invalid, void or unenforceable by any court having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this Agreement.

28. Representations and Restrictions on Foreign Ownership and Affiliation

Customer represents and warrants that it does not meet any of the ownership, control, or headquarters criteria listed in Lone Star Infrastructure Protection Act, Chapter 113 of the Texas Business Commerce Code, as added by Act of June 18, 2021, 87th Leg., R.S., Ch. 975 (S.B. 2116) (relating to China, Iran, North Korea, Russia, and any other country designated by the Texas governor as a threat to critical infrastructure).

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

Texas-New Mexico Power Company	
BY: ______________________________	BY: __________________________
Printed Name: _______________________	Printed Name: __________________
Title: _______________________________	Title: _________________________
Date: ______________________________	Date: _________________________