

TXU ELECTRIC COMPANY

**Tariff for Transmission Service
To, From and Over Certain HVDC Interconnections**

**TXU Electric Company
An Investor-Owned Electric Utility**

**1601 Bryan Street
Dallas, Texas 75201-3411**

©2000 TXU Electric Company

**TARIFF FOR TRANSMISSION SERVICE
TO, FROM AND OVER CERTAIN HVDC INTERCONNECTIONS
TXU ELECTRIC COMPANY**

Contents

Applicable: Wholesale Transmission Service

Effective Date: April 13, 1999

Sheet: 1

Revision: Two

Page 1 of 3

CONTENTS

1.0	Utility Operations	1
1.1	Authority	1
2.0	Wholesale Transmission Services	2
2.1	Definitions	3
2.2	Obligation to Provide Transmission Service	6
2.2.1	Terms and Conditions	6
2.2.2	Transmission Service Less Than 60 kV	6
2.2.3	Reactive Power Support	6
2.3	Reciprocity	7
2.4	Billing and Payment for Transmission Service	8
2.4.1	Billing Procedure	8
2.4.2	Payment Procedure	8
2.4.3	Interest on Unpaid Balances	8
2.4.4	Customer Default	8
2.5	Regulatory Filings	9
2.5.1	Changes	9
2.6	Force Majeure and Indemnification	10
2.6.1	Force Majeure	10
2.6.2	Indemnification	10
2.7	Creditworthiness for Transmission Service	11
2.7.1	Credit Review	11
2.7.2	Irrevocable Letter of Credit	11
2.7.3	Waiver of Security	11
2.8	Alternative Dispute Resolution (ADR)	12
2.8.1	Initial Resolution Efforts	12
2.8.2	Administration of the ADR Process	12
2.8.3	Initiation	12
2.8.4	Participation	12
2.8.5	Arbitration Panel Selection	12
2.8.6	Procedure	13
2.8.7	Arbitrator's Authorities	13
2.8.8	Costs	13
2.8.9	Effect on Transaction	13
2.8.10	Limitation on Restriction of Rights	13
2.8.11	Limitation Related to Reliability of Transmission Service	13
2.9	Standards of Conduct	14
2.9.1	Standard of Nondiscrimination	14
2.9.2	Communications with Eligible Transmission Service Customers	15
2.9.3	Standard of Due Diligence	15
2.10	Initiating Planned Transmission Service	16
2.10.1	Conditions Precedent for Receiving Service	16
2.10.2	Application Procedures For Annual Planned Service To, From and Over the HVDC Interconnections	16
2.10.3	Application Procedures For Other Planned Service	17
2.11	Initiating Unplanned Transmission Service	19
2.11.1	Application Procedures For Unplanned Transmission Service	19
2.12	Requirements for Commencement of Transmission Service	21
2.12.1	Technical Arrangements to be Completed Prior to Commencement of Service	21

**TARIFF FOR TRANSMISSION SERVICE
TO, FROM AND OVER CERTAIN HVDC INTERCONNECTIONS
TXU ELECTRIC COMPANY**

Contents

**Applicable: Wholesale Transmission Service
Effective Date: April 13, 1999**

**Sheet: 1
Revision: Two
Page 2 of 3**

2.12.2	Transmission Service Customer Facilities	21
2.12.3	Transmission Arrangements for Resources Located Outside of ERCOT	21
2.13	Requirements for Termination of Transmission Service	22
2.13.1	Termination of Planned Transmission Service	22
2.14	Transmission Service Provider Responsibilities	23
2.15	Transmission Facilities or Upgrades Related to Designation of New Planned Resources	24
2.15.1	Priority For Transmission Service Applications	24
2.15.2	System Security Study	24
2.15.3	Facilities Study	25
2.15.4	Changes in Service Requests	25
2.15.5	Annual Load and Resource Information Updates	25
2.16	Construction of New Facilities	26
2.16.1	Alternating Current Facilities	26
2.17	Reservation of HVDC Capacity by Qualified Utilities	27
2.17.1	Reservation of Capacity	27
2.18	Transmission Service Customer Redispatch Obligation	29
2.19	Load Shedding and Curtailments	30
2.19.1	Procedures	30
2.19.2	Transmission Constraints	30
2.19.3	Cost Responsibility for Relieving Capacity Constraints	31
2.19.4	System Reliability	31
2.20	Compensation	32
2.20.1	Losses	32
2.21	Stranded Cost Recovery	33
2.22	Sale or Assignment of Transmission Service	34
2.22.1	Procedures for Assignment of Transfer of Service	34
2.22.2	Limitations on Assignment or Transfer of Service	34
3.0	Rate Schedules - Wholesale Transmission Service - TFO	35
3.1	Rate NTSP - TFO - Network Transmission Service - Planned	36
3.2	Rate STPS - TFO - Short-Term Planned Transmission Service	38
3.3	Rate NTSU - TFO - Network Transmission Service - Unplanned	39
3.4	Rate XFMR - TFO - Transformation Service	41
3.5	Rate DLS - TFO - Distribution Line Service	42
3.6	Rate MT - TFO - Miscellaneous Transmission Service Charges	43
4.0	Service Regulations and Standard Agreements	44
4.1	Contents - Service Regulations and Standard Agreements	45
4.2	Foreword	46
4.3	Definitions	47
4.4	Wholesale Transmission Services	48
4.4.1	Availability of Service	48
4.4.2	Metering	48
4.5	Providing Wholesale Transmission Services	49
4.5.1	Continuity and Quality of Service	49
4.5.2	Liability and Responsibility for Damage or Injury and Disclaimer of Warranties	49
4.5.3	Customer Complaints	50
4.5.4	Location of Point of Delivery	50
4.5.5	Space Requirements	50
4.5.6	Standard Facilities for Wholesale Transmission Services	50
4.5.7	Nonstandard Wholesale Transmission Services	50

**TARIFF FOR TRANSMISSION SERVICE
TO, FROM AND OVER CERTAIN HVDC INTERCONNECTIONS
TXU ELECTRIC COMPANY**

Contents

**Applicable: Wholesale Transmission Service
Effective Date: April 13, 1999**

**Sheet: 1
Revision: Two
Page 3 of 3**

4.5.8	Contribution in Aid of Construction	50
4.5.9	Installation and Maintenance of Company Facilities	50
4.5.10	Protection of Company's Facilities On Customer's Premises	51
4.5.11	Admittance to Customer's Premises	51
4.5.12	Removal and Relocation of Company's Facilities	51
4.5.13	Dismantling of Company's Facilities	51
4.5.14	Attachments to Company's Facilities	51
4.6	Obtaining Service	52
4.6.1	Application for Service	52
4.6.2	Service Agreement	52
4.7	Use of Wholesale Transmission Services	53
4.7.1	Limitations On Use of Service	53
4.7.2	Customer's Electrical Load	53
4.7.3	Tampering With Company's Equipment or Other Property	54
4.7.4	Unauthorized Use of Service	54
4.8	Charges For Service	55
4.8.1	Rate Schedules For Service	55
4.8.2	Billing	55
4.8.3	Transfer of Electrical Load Between Points of Delivery	56
4.9	Discontinuance of Service	57
4.9.1	Customer Discontinues Service	57
4.9.2	Company Discontinues Service	57
4.10	Standard Agreements	58
4.10.5	Transmission Service Agreement for Planned Service and Unplanned Service To, From and Over Certain HVDC Interconnections	59
4.10.6	Transmission Service Agreement for Unplanned Service To, From and Over Certain HVDC Interconnections	63

**TARIFF FOR TRANSMISSION SERVICE
TO, FROM AND OVER CERTAIN HVDC INTERCONNECTIONS
TXU ELECTRIC COMPANY**

1.0 Utility Operations
Applicable: Wholesale Transmission Service
Effective Date: April 13, 1999

Sheet: 1
Revision: One
Page 1 of 1

1.0 Utility Operations

TXU Electric Company (Company) was incorporated under the laws of the State of Texas in 1982 and has perpetual existence under the provisions of the Texas Business Corporation Act. The Company is an electric utility, as that term is defined in the Public Utility Regulatory Act of 1995 of the State of Texas, Tex. Rev. Civ. Stat. art. 1446c-O, engaged in the generation, purchase, transmission, distribution, and sale of electricity wholly within the State of Texas. The Company is not a public utility, as that term is defined in the Federal Power Act.

1.1 Authority

This Tariff for Transmission Service To, From and Over Certain HVDC Interconnections (TFO Tariff), is being filed in accordance with the Orders of the FERC in FERC Docket No. EL79-8-002, issued on July 23, 1987, and the Orders of the FERC in FERC Docket Nos. EL79-8 and E-9558, issued on October 28, 1981, November 5, 1982, and January 29, 1982, together with the form of Order Approving Settlement submitted with the Second Supplemental Offer of Settlement in FERC Docket EL79-8 on January 22, 1981, and incorporated by reference in the said Order of the FERC dated January 29, 1982 (collectively referred to herein as "Orders"). This TFO Tariff and the services provided hereunder are applicable to any eligible transmission service customer except to the extent the eligible transmission service customer is required to take service from Company, or the Company is required to provide service to the eligible transmission service customer, under other orders of the FERC or other rate schedules on file with the FERC.

**TARIFF FOR TRANSMISSION SERVICE
TO, FROM AND OVER CERTAIN HVDC INTERCONNECTIONS
TXU ELECTRIC COMPANY**

2.0 Wholesale Transmission Services
Applicable: Wholesale Transmission Service
Effective Date: April 13, 1999

Sheet: 1
Revision: One
Page 1 of 1

2.0 Wholesale Transmission Services

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

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

**TARIFF FOR TRANSMISSION SERVICE
TO, FROM AND OVER CERTAIN HVDC INTERCONNECTIONS
TXU ELECTRIC COMPANY**

2.1 Definitions

Applicable: Wholesale Transmission Service

Effective Date: April 13, 1999

Sheet: 1

Revision: One

Page 1 of 3

2.1 Definitions

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

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

CODES. Codes governing electric utility installations.

COMPANY. TXU Electric Company, its successors and assigns.

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

CONTROL AREA. An electric power system or combination of electric power systems to which a common automatic generation control scheme is applied in order to:

- (1) match, at all times, the power output of the generators within the electric power system(s) and capacity and energy purchased from entities outside the electric power system(s), with the load within the electric power system(s);
- (2) maintain, within the limits of good utility practice, scheduled interchange with other Control Areas;
- (3) maintain the frequency of the electric power system(s) within reasonable limits in accordance with good utility practice; and
- (4) obtain sufficient generating capacity to maintain operating reserves in accordance with good utility practice.

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

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

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

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

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

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

ERCOT ISO, ERCOT Independent System Operator. An entity supervising the collective transmission facilities of a

**TARIFF FOR TRANSMISSION SERVICE
TO, FROM AND OVER CERTAIN HVDC INTERCONNECTIONS
TXU ELECTRIC COMPANY**

2.1 Definitions

Applicable: Wholesale Transmission Service

Effective Date: April 13, 1999

Sheet: 1

Revision: One

Page 2 of 3

power region that is charged with non-discriminatory coordination of market transactions, systemwide transmission planning, and network reliability.

FERC. Federal Energy Regulatory Commission.

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

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

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

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

KILOVOLT. 1000 volts, abbreviated kV.

KILOWATT. 1000 watts, abbreviated kW.

MEGAWATT. 1000 kilowatts, abbreviated MW.

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

NATIVE LOAD CUSTOMERS. Those wholesale and retail customers on whose behalf TXU Electric by statute, franchise, regulatory requirement or contract, has an obligation to construct and operate its system to meet in a reliable manner the electric needs of such customers.

NERC. The North American Electric Reliability Council.

PLANNED RESOURCES. Generation resources owned, controlled, or purchased by the transmission service customer, and designated as planned resources for the purpose of serving load.

PLANNED TRANSMISSION SERVICE. A service that permits a transmission service customer to use TXU Electric's transmission system for the delivery of power from planned resources to loads on the same basis as TXU Electric uses its transmission system to reliably serve its native load customers to, from and over certain HVDC interconnections.

**TARIFF FOR TRANSMISSION SERVICE
TO, FROM AND OVER CERTAIN HVDC INTERCONNECTIONS
TXU ELECTRIC COMPANY**

2.1 Definitions

Applicable: Wholesale Transmission Service

Effective Date: April 13, 1999

Sheet: 1

Revision: One

Page 3 of 3

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

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

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

PUCT. The Public Utility Commission of Texas.

SPP. The Southwest Power Pool or its successors.

SYSTEM SECURITY STUDY. An assessment, performed at the direction of the ERCOT ISO, by TXU Electric of the feasibility of integrating new generation resources into the TXU Electric transmission system and whether any upgrades of facilities providing transmission service are needed.

TRANSMISSION LOSSES. Energy losses resulting from the transmission of power over TXU Electric's transmission network. Generators providing power to the Company's network must generate sufficient energy to offset such losses on an instantaneous basis, and this TFO Tariff prescribes the compensation for persons that generate the energy to offset such losses.

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

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

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

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

UNPLANNED RESOURCES. Generation resources owned, controlled or purchased by the transmission service customer, and that have not been designated as planned resources.

UNPLANNED TRANSMISSION SERVICE. A service that permits a transmission service customer to use TXU Electric's transmission system to deliver energy to its loads from resources that have not been designated as the transmission service customer's planned resources.

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

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

**TARIFF FOR TRANSMISSION SERVICE
TO, FROM AND OVER CERTAIN HVDC INTERCONNECTIONS
TXU ELECTRIC COMPANY**

2.2 Obligation to Provide Transmission Service
Applicable: Wholesale Transmission Service
Effective Date: April 13, 1999

Sheet: 2
Revision: One
Page 1 of 1

2.2 Obligation to Provide Transmission Service

TXU Electric will provide wholesale transmission service to other electric utilities, federal power marketing agencies, power marketers, exempt wholesale generators, and qualifying facilities, in accordance with the provisions of this TFO Tariff. The Company will take transmission service for all of its wholesale uses of its own transmission facilities for the transmission of electric energy to, from and over the HVDC Interconnections in accordance with the terms of this TFO Tariff.

2.2.1 Terms and Conditions

TXU Electric will provide transmission service to other utilities, federal power marketing agencies, power marketers, exempt wholesale generators, and qualifying facilities on the same terms and conditions that it provides transmission service to itself.

2.2.2 Transmission Service Less Than 60 kV

The obligation to provide comparable wholesale transmission service applies to TXU Electric, even if the Company's interconnection with the transmission service customer is through distribution, rather than transmission facilities. In such cases, the Company shall provide an eligible transmission service customer access to the delivery points of an electric utility purchasing electricity at wholesale using facilities rated at less than 60 kilovolts on the same pricing, terms and conditions used by the Company in serving similar primary metered distribution level customers.

2.2.3 Reactive Power Support

The obligation to provide transmission service includes the obligation to provide reactive power support to maintain adequate system voltage support and control.

**TARIFF FOR TRANSMISSION SERVICE
TO, FROM AND OVER CERTAIN HVDC INTERCONNECTIONS
TXU ELECTRIC COMPANY**

2.3 Reciprocity
Applicable: Wholesale Transmission Service
Effective Date: April 13, 1999

Sheet: 3
Revision: One
Page 1 of 1

2.3 Reciprocity

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

**TARIFF FOR TRANSMISSION SERVICE
TO, FROM AND OVER CERTAIN HVDC INTERCONNECTIONS
TXU ELECTRIC COMPANY**

2.4 Billing and Payment for Transmission Service
Applicable: Wholesale Transmission Service
Effective Date: April 13, 1999

Sheet: 4
Revision: One
Page 1 of 1

2.4 Billing and Payment for Transmission Service

2.4.1 Billing Procedure

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

2.4.2 Payment Procedure

The invoice shall be paid to TXU Electric by the customer so that the Company will receive the funds by the 20th calendar day after the date of issuance of the invoice, unless the Company and the customer agree on another mutually acceptable deadline. All payments shall be made in immediately available funds payable to TXU Electric, or by wire transfer to a bank named by the Company.

2.4.3 Interest on Unpaid Balances

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

2.4.4 Customer Default

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

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

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

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

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

**TARIFF FOR TRANSMISSION SERVICE
TO, FROM AND OVER CERTAIN HVDC INTERCONNECTIONS
TXU ELECTRIC COMPANY**

2.5 Regulatory Filings
Applicable: Wholesale Transmission Service
Effective Date: April 13, 1999

Sheet: 5
Revision: One
Page 1 of 1

2.5 Regulatory Filings

2.5.1 Changes

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

**TARIFF FOR TRANSMISSION SERVICE
TO, FROM AND OVER CERTAIN HVDC INTERCONNECTIONS
TXU ELECTRIC COMPANY**

2.6 Force Majeure and Indemnification
Applicable: Wholesale Transmission Service
Effective Date: April 13, 1999

Sheet: 6
Revision: One
Page 1 of 1

2.6 Force Majeure and Indemnification

2.6.1 Force Majeure

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

2.6.2 Indemnification

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

**TARIFF FOR TRANSMISSION SERVICE
TO, FROM AND OVER CERTAIN HVDC INTERCONNECTIONS
TXU ELECTRIC COMPANY**

2.7 Creditworthiness for Transmission Service
Applicable: Wholesale Transmission Service
Effective Date: April 13, 1999

Sheet: 7
Revision: One
Page 1 of 1

2.7 Creditworthiness for Transmission Service

2.7.1 Credit Review

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

2.7.2 Irrevocable Letter of Credit

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

2.7.3 Waiver of Security

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

**TARIFF FOR TRANSMISSION SERVICE
TO, FROM AND OVER CERTAIN HVDC INTERCONNECTIONS
TXU ELECTRIC COMPANY**

2.8 Alternative Dispute Resolution
Applicable: Wholesale Transmission Service
Effective Date: April 13, 1999

Sheet: 8
Revision: One
Page 1 of 2

2.8 Alternative Dispute Resolution (ADR)

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

2.8.1 Initial Resolution Efforts

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

2.8.2 Administration of the ADR Process

The ERCOT ISO shall administer the arbitration. The ERCOT ISO maintains a PUCT-approved list of qualified persons available to serve on arbitration panels who are knowledgeable in electric utility matters, including electricity transmission and bulk power issues, to be selected from a list of persons proposed by owners and users of the transmission system wishing to participate in the development of the list. The ERCOT ISO selects at least one name submitted by each stakeholder for the list. The ERCOT ISO also maintains a separate list of attorneys experienced in arbitration who may be available to chair the arbitration panels.

2.8.3 Initiation

A party shall initiate arbitration by filing a letter with the ERCOT ISO requesting that arbitration be scheduled. A copy of the letter shall be served upon the other party to the dispute at the same time the letter is filed with the ERCOT ISO. The ERCOT ISO shall make all necessary arrangements for arbitration to commence within ten working days of receipt of the letter.

2.8.4 Participation

Only parties to the dispute may participate in the arbitration.

2.8.5 Arbitration Panel Selection

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

**TARIFF FOR TRANSMISSION SERVICE
TO, FROM AND OVER CERTAIN HVDC INTERCONNECTIONS
TXU ELECTRIC COMPANY**

2.8 Alternate Dispute Resolution
Applicable: Wholesale Transmission Service
Effective Date: April 13, 1999

Sheet: 8
Revision: One
Page 2 of 2

2.8.6 Procedure

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

2.8.7 Arbitrator's Authorities

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

2.8.8 Costs

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

2.8.9 Effect on Transaction

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

2.8.10 Limitation on Restriction of Rights

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

2.8.11 Limitation Related to Reliability of Transmission Service

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

**TARIFF FOR TRANSMISSION SERVICE
TO, FROM AND OVER CERTAIN HVDC INTERCONNECTIONS
TXU ELECTRIC COMPANY**

2.9 Standards of Conduct
Applicable: Wholesale Transmission Service
Effective Date: April 13, 1999

Sheet: 9
Revision: One
Page 1 of 2

2.9 Standards of Conduct

2.9.1 Standard of Nondiscrimination

In performing its obligations under this section, TXU Electric shall apply the provisions of this section in a non-discriminatory manner to all users, including itself as a user of its services.

- (a) The employees of TXU Electric's merchant function described in subparagraph (b) of this paragraph and its transmission operations functions described in subparagraph (c) of this paragraph shall adhere to the standards of conduct in this TFO Tariff.
- (b) The employees of TXU Electric that are engaged in wholesale merchant functions (that is, the purchase or sale of electric energy at wholesale), other than purchases required under the Public Utility Regulatory Policies Act, shall not--
 - (1) conduct transmission system operations or reliability functions;
 - (2) have preferential access to the Company's system control center and other facilities, beyond the access that is available to other market participants;
 - (3) have preferential access to information about the Company's transmission system that is not available to users of the electronic information network; and
 - (4) obtain information about the Company's transmission system and offerings of ancillary services, including calculations of available transmission capacity and information concerning curtailments, through means or sources other than the information network operated by the ERCOT ISO.
- (c) To the maximum extent practicable, employees of TXU Electric engaged in transmission system operations will function independently of the Company's employees engaged in wholesale merchant functions and of employees of any affiliate of the Company. Employees engaged in transmission system operations may disclose information to employees of the Company engaged in merchant functions only through the information network, if the information relates to the utility's transmission system or offerings of ancillary services, including calculations of available transmission capacity and information concerning curtailments.
- (d) Information concerning transfers of persons between an organizational unit that is responsible for transmission system operations and a unit that is responsible for wholesale merchant functions shall be provided to the ERCOT ISO on a monthly basis and shall be made available, on request, to any market participant.
- (e) If an employee of TXU Electric discloses or obtains information in a manner that is inconsistent with the rules in this TFO Tariff, the Company shall post a notice and details of the disclosure on the information network.
- (f) Employees of TXU Electric engaged in transmission operations shall apply the rules in this TFO Tariff in a fair and impartial manner.
- (g) Provisions of this TFO Tariff that allow no discretion shall be strictly applied, and where discretion is allowed, it shall be exercised in a non-discriminatory manner.
- (h) For all of the PUCT-authorized discounts on ancillary transmission services or discounts on transmission service under Rate NTSU-TFO, TXU Electric shall offer discounts on all services to similarly-situated transmission service customers on a non-discriminatory basis. TXU Electric shall post on the ERCOT electronic information network on a contemporaneous basis discounts offered to its power marketing personnel, its affiliates, or persons buying or selling electricity in the bulk power market.
- (i) Bids or offers for ancillary services shall not be bundled with a power sale. The purchase of power from a source shall not be contingent on purchase of ancillary services from the same source.
- (j) This subsection shall not apply to data that does not relate to transmission service operations such as information on human resource policies.

**TARIFF FOR TRANSMISSION SERVICE
TO, FROM AND OVER CERTAIN HVDC INTERCONNECTIONS
TXU ELECTRIC COMPANY**

2.9 Standards of Conduct

Applicable: Wholesale Transmission Service

Effective Date: April 13, 1999

Sheet: 9

Revision: One

Page 2 of 2

2.9.2 Communications with Eligible Transmission Service Customers

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

2.9.3 Standard of Due Diligence

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

**TARIFF FOR TRANSMISSION SERVICE
TO, FROM AND OVER CERTAIN HVDC INTERCONNECTIONS
TXU ELECTRIC COMPANY**

2.10 Initiating Planned Transmission Service
Applicable: Wholesale Transmission Service
Effective Date: April 13, 1999

Sheet: 10
Revision: One
Page 1 of 3

2.10 Initiating Planned Transmission Service

2.10.1 Conditions Precedent for Receiving Service

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

- (a) the eligible transmission service customer has completed an application for service as provided under this TFO Tariff;
- (b) the eligible transmission service customer and the Company have completed the technical arrangements set forth in this TFO Tariff;
- (c) the eligible transmission service customer has an executed transmission service agreement with the Company;
- (d) the eligible transmission service customer has arranged for ancillary services necessary for the transaction; and
- (e) each wholesale load maintains a power factor of 95% or greater at each point of interconnection.

2.10.2 Application Procedures For Annual Planned Service To, From and Over the HVDC Interconnections

2.10.2.1 Application

An eligible transmission service customer requesting annual planned transmission service to, from and over the HVDC Interconnections under this TFO Tariff must submit an application for service to the ERCOT ISO by October 1 in the year preceding the year in which service is to commence. A completed application shall provide the information required in this TFO Tariff. The purpose of this application is to identify deficiencies in the ERCOT transmission system so that plans may be formulated by the ERCOT ISO and Company to correct these deficiencies.

2.10.2.2 Information Required

The following information shall be provided in connection with an application for service under this TFO Tariff:

- (a) The identity, address, e-mail address, telephone number and facsimile number of the party requesting service and the name of a contact person to deal with matters relating to the application.
- (b) A statement that the party requesting service is, or will be upon commencement of service, an eligible transmission service customer under this TFO Tariff.
- (c) A description of the load to be served. The description should include a five-year forecast of summer and winter peak load and resource requirements beginning with the first year after the service is scheduled to commence. The ERCOT ISO will establish the nature, detail and format of the information that must be provided.
- (d) A description of planned resources (current and five-year projection), which shall include, for each resource:
 - (1) Location, unit size and amount of capacity from a unit to be designated as a resource.
 - (2) Reactive power capability (both leading and lagging) of all generators.
 - (3) Operating restrictions, including:
 - (i) any periods of restricted operations during the year;
 - (ii) minimum loading level of unit;
 - (iii) normal operating level of unit; and
 - (iv) any must-run unit designations required for system reliability or contract reasons.
- (e) A description of purchased power designated as a resource, including source of supply, control area location, transmission arrangements, and if applicable, delivery points in ERCOT.
- (f) To the extent arrangements have been made for ancillary services, the identity of the providers of

**TARIFF FOR TRANSMISSION SERVICE
TO, FROM AND OVER CERTAIN HVDC INTERCONNECTIONS
TXU ELECTRIC COMPANY**

2.10 Initiating Planned Transmission Service
Applicable: Wholesale Transmission Service
Effective Date: April 13, 1999

Sheet: 10
Revision: One
Page 2 of 3

- ancillary services.
- (g) The service commencement date of the requested transmission service and service termination date or duration of service.
- (h) Any other information designated by the ERCOT ISO as reasonably necessary to evaluate the ability of the interconnected ERCOT transmission systems to reliably accommodate the requested service.

2.10.2.3 Acknowledgment of Request

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

2.10.2.4 Application Deficiency

If an application fails to meet the requirements of this section, the ERCOT ISO shall notify the eligible transmission service customer requesting service within 15 days of receipt and specify the reasons for such failure. Wherever possible, the ERCOT ISO will attempt to remedy deficiencies in the application through informal communications with an eligible transmission service customer.

2.10.2.5 System Security Study

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

2.10.2.6 Facilities Study

If the ERCOT ISO determines as a result of the system security study that additions or upgrades to the transmission system are needed to supply the transmission service customer's forecasted transmission requirements, the Company will, upon the approval of the requesting transmission service customer, initiate a facilities study. When completed, a facilities study will include an estimate of the cost of any required facilities or upgrades as determined pursuant to the provisions of this TFO Tariff, and the time required to complete such construction and initiate the requested service.

2.10.2.7 Conversion of Unplanned Service Transactions to Planned Service

Unplanned service transactions of a duration of more than 30 days, may be converted to planned service transactions upon approval of an application submitted pursuant to this TFO Tariff. The participants to such a transaction are responsible for the costs of the feasibility analysis.

2.10.3 Application Procedures For Other Planned Service

An eligible transmission service customer may request monthly, weekly, or daily planned transmission service in connection with a change in its designated planned resources or other transmission needs. The ERCOT ISO may establish hourly planned transmission service, if it deems that it is feasible.

2.10.3.1 Submission Lead Times

**TARIFF FOR TRANSMISSION SERVICE
TO, FROM AND OVER CERTAIN HVDC INTERCONNECTIONS
TXU ELECTRIC COMPANY**

2.10 Initiating Planned Transmission Service
Applicable: Wholesale Transmission Service
Effective Date: April 13, 1999

Sheet: 10
Revision: One
Page 3 of 3

The ERCOT ISO shall determine maximum and minimum lead times for submitting requests for planned transmission service for the period that the planned transmission service is to be effective.

2.10.3.2 Application Content

The application must provide information similar to that required for annual planned transmission service for the period that the planned transmission service is to be effective.

2.10.3.3 Notification by ERCOT ISO

When the ERCOT ISO determines that the service can be provided and a system security study is not required it will notify the requesting transmission service customer and the Company will tender transmission service.

**TARIFF FOR TRANSMISSION SERVICE
TO, FROM AND OVER CERTAIN HVDC INTERCONNECTIONS
TXU ELECTRIC COMPANY**

2.11 Initiating Unplanned Transmission Service
Applicable: Wholesale Transmission Service
Effective Date: April 13, 1999

Sheet: 11
Revision: One
Page 1 of 2

2.11 Initiating Unplanned Transmission Service

2.11.1 Application Procedures For Unplanned Transmission Service

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

2.11.1.1 Duration of Service

The duration for unplanned transactions is from one hour to 30 days. In no case shall unplanned transactions be accepted for consideration more than 30 days in advance of the actual commencement of service.

2.11.1.2 Request for Service

Requests for service must be submitted with at least the following lead times:

- (a) for hourly transactions, at least 20 minutes in advance,
- (b) for daily transactions, no later than 2 p.m. the day before the transaction is to commence,
- (c) for weekly transactions, at least two days in advance, and
- (d) for monthly transactions, at least four days in advance.

2.11.1.3 Response to Request

A response to a request for service will be made by the ERCOT ISO as soon as practical after the request is made. Unless the parties agree to a different time frame, responses to requests for unplanned service shall be provided no later than the times prescribed as follows:

- (a) for hourly transactions, within 10 minutes of the request for service,
- (b) for daily transactions, within four hours of the request for service,
- (c) for weekly transactions, within 24 hours of the request for service, and
- (d) for monthly transactions, within two days of the request for service.

2.11.1.4 Initiation of the Requested Transmission Service

A request for a transaction will be analyzed first for the next hour and allowed to start if no violations of the transmission operating criteria are anticipated.

2.11.1.5 Application

The following information shall be provided in connection with an application for unplanned transmission service:

- (a) The identity, address, telephone number and facsimile number of the party requesting service and contact person to deal with questions concerning the application for service.
- (b) A statement that the party requesting service is, or will be upon commencement of service, an eligible transmission service customer under this TFO Tariff.
- (c) A description of the load to be served and the resources serving the load, which shall include, for each resource:
 - (1) Location, unit size and amount of capacity from that unit to be designated as resource.
 - (2) Reactive power capability (both leading and lagging) of all generators.
 - (3) Operating restrictions, including minimum loading level of unit, and normal operating level of unit.

**TARIFF FOR TRANSMISSION SERVICE
TO, FROM AND OVER CERTAIN HVDC INTERCONNECTIONS
TXU ELECTRIC COMPANY**

2.11 Initiating Unplanned Transmission Service

Applicable: Wholesale Transmission Service

Effective Date: April 13, 1999

Sheet: 11

Revision: One

Page 2 of 2

- (d) A description of purchased power designated as a resource including source of supply, control area location, and, if applicable, delivery points into ERCOT.
- (e) To the extent arrangements have been made for ancillary services, the identity of the providers of ancillary services.
- (f) When service is to begin and the anticipated duration (i.e. service interval).
- (g) If the unplanned service will result in the transmission service customer using different resources than its planned resources, a statement of the effect of the unplanned service on the use of the planned resources.

2.11.1.6 Limitation on Commencement of Service

The ERCOT ISO will make every reasonable attempt to begin the transactions as soon as possible to conform to the requested commencement time. Operating restrictions, anticipated redispatch needs, the potential for curtailment, and other related information, if known, will be communicated to the requester to see if the transactions are still feasible for the eligible transmission service customer given the known restrictions.

2.11.1.7 Exceptions

The ERCOT ISO, at its discretion, may take requests outside the time frames prescribed herein, if practical given the current or expected operating conditions on the transmission service providers' systems. The ERCOT ISO may set longer notification and response times than those prescribed herein during a system emergency, and shall periodically review the notification and response times and may propose to the PUCT revisions to those times. The ERCOT ISO may put such revisions into effect, pending action by the PUCT on its proposal.

**TARIFF FOR TRANSMISSION SERVICE
TO, FROM AND OVER CERTAIN HVDC INTERCONNECTIONS
TXU ELECTRIC COMPANY**

2.12 Requirements for Commencement of Service
Applicable: Wholesale Transmission Service
Effective Date: April 13, 1999

Sheet: 12
Revision: One
Page 1 of 1

2.12 Requirements for Commencement of Transmission Service

2.12.1 Technical Arrangements to be Completed Prior to Commencement of Service

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

2.12.2 Transmission Service Customer Facilities

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

2.12.3 Transmission Arrangements for Resources Located Outside of ERCOT

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

**TARIFF FOR TRANSMISSION SERVICE
TO, FROM AND OVER CERTAIN HVDC INTERCONNECTIONS
TXU ELECTRIC COMPANY**

2.13 Requirements for Termination of Transmission Service
Applicable: Wholesale Transmission Service
Effective Date: April 13, 1999

Sheet: 13
Revision: One
Page 1 of 1

2.13 Requirements for Termination of Transmission Service

2.13.1 Termination of Planned Transmission Service

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

**TARIFF FOR TRANSMISSION SERVICE
TO, FROM AND OVER CERTAIN HVDC INTERCONNECTIONS
TXU ELECTRIC COMPANY**

2.14 Transmission Service Provider Responsibilities

Applicable: Wholesale Transmission Service

Effective Date: April 13, 1999

Sheet: 14

Revision: One

Page 1 of 1

2.14 Transmission Service Provider Responsibilities

TXU Electric, as a transmission service provider, will plan, construct, operate and maintain its transmission system in accordance with good utility practice in order to provide transmission service customers with planned transmission service over the Company's transmission system in accordance with this TFO Tariff. The Company shall include the transmission service customer's load in its transmission system planning and shall, consistent with good utility practice, endeavor to construct and place into service sufficient transmission capacity, in accordance with the provisions of this TFO Tariff, to deliver power from transmission service customers' planned resources to, from and over the HVDC Interconnections to serve load on the same basis as the Company's delivery of its own generating and purchased resources to, from and over the HVDC Interconnections to its native load customers.

**TARIFF FOR TRANSMISSION SERVICE
TO, FROM AND OVER CERTAIN HVDC INTERCONNECTIONS
TXU ELECTRIC COMPANY**

2.15 Transmission Facilities or Upgrades Related to Designation of New Planned Resources
Applicable: Wholesale Transmission Service
Effective Date: April 13, 1999

Sheet: 15
Revision: One
Page 1 of 2

2.15 Transmission Facilities or Upgrades Related to Designation of New Planned Resources

2.15.1 Priority For Transmission Service Applications

Planned transmission service shall have priority over unplanned transmission service, and annual planned transmission service shall have priority over planned transmission service of a shorter duration.

- (a) Subject to the foregoing priorities, for applications for planned or unplanned transmission service, complete applications filed earlier with the ERCOT ISO shall have priority over application that are filed later. Requests for annual planned transmission service filed on or before the date prescribed in this TFO Tariff will be accorded equal priority.
- (b) Where a transmission service customer is using annual planned transmission service for a resource that becomes unavailable due to an unplanned outage or the expiration of a power supply contract, the transmission service customer shall have priority in using the same transmission capacity to transmit power from a replacement resource, over other requests for unplanned transmission service or planned transmission service of a shorter duration.

2.15.2 System Security Study

2.15.2.1 Intent to Designate a New Resource

When a transmission service customer applies for planned transmission service for a new resource under this TFO Tariff, the ERCOT ISO shall notify TXU Electric of the application and request comments from them concerning the scope of any security study. The transmission service customer and the ERCOT ISO shall execute a joint study agreement for performing a system security study to determine the feasibility of integrating such new resources into TXU Electric's transmission system and whether any upgrades of facilities providing transmission services are needed. The ERCOT ISO will perform the security study.

2.15.2.2 Criteria of System Security Study

In performing the system security study, the ERCOT ISO shall apply the same methods and criteria that TXU Electric employs in integrating new resources or new loads.

2.15.2.3 Completion of System Security Study

The ERCOT ISO shall complete its system security study within 60 days after the receipt of the executed study agreement and receipt from the customer of all the data necessary to complete the study. In the event the ERCOT ISO is unable to complete its portion of the study within the 60 day period, it will provide the transmission service customer a written explanation of when the study will be completed and the reasons for the delay.

2.15.2.4 Cost of System Security Study

The requesting transmission service customer shall be responsible for the cost of the system security study and shall be provided with the results thereof, including relevant work papers.

2.15.2.5 Procedures

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

**TARIFF FOR TRANSMISSION SERVICE
TO, FROM AND OVER CERTAIN HVDC INTERCONNECTIONS
TXU ELECTRIC COMPANY**

2.15 Transmission Facilities or Upgrades Related to Designation of New Planned Resources
Applicable: Wholesale Transmission Service
Effective Date: April 13, 1999

Sheet: 15
Revision: One
Page 2 of 2

2.15.3 Facilities Study

2.15.3.1 Criteria for Facilities Study

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

2.15.3.2 Completion of Facilities Study

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

2.15.3.3 Customer's Cost of Facilities Study

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

2.15.3.4 Company's Cost of Facilities Study

The Company shall be responsible for the costs of any facilities study undertaken to determine the engineering, design and cost of facilities associated with the Company's addition of new resources used to serve the Company's load. Such costs will be separately booked by the Company.

2.15.4 Changes in Service Requests

Under no circumstances shall a transmission service customer's decision to cancel or delay the addition of a new planned resource in any way reduce or relieve the transmission service customer's obligation to pay a contribution in aid of construction to cover the costs of transmission facilities constructed by TXU Electric. Upon receipt of a transmission service customer's written notice of such a cancellation or delay, the Company will use the same reasonable efforts to mitigate the costs and charges owed by the transmission service customer to the Company as it would to reduce its own costs and charges.

2.15.5 Annual Load and Resource Information Updates

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

**TARIFF FOR TRANSMISSION SERVICE
TO, FROM AND OVER CERTAIN HVDC INTERCONNECTIONS
TXU ELECTRIC COMPANY**

2.16 Construction of New Facilities
Applicable: Wholesale Transmission Service
Effective Date: April 13, 1999

Sheet: 16
Revision: One
Page 1 of 1

2.16 Construction of New Facilities

2.16.1 Alternating Current Facilities

If additional AC transmission facilities or interconnections between TXU Electric and other utilities are needed to provide transmission service pursuant to a request for such service, TXU Electric shall acquire the facilities necessary to permit the transmission service to be provided, unless the Company can use redispatch or other more economical means of making transmission capacity available for the requested transmission service. A utility, federal power marketing agency, qualifying facility, exempt wholesale generator, or power marketer that is requesting transmission service may be required to make a contribution in aid of construction to cover all or a part of the cost of acquiring the facilities, if the acquisition of the additional facilities is primarily for the benefit of the utility, federal power marketing agency, qualifying facility, exempt wholesale generator, or power marketer requesting the transmission service.

**TARIFF FOR TRANSMISSION SERVICE
TO, FROM AND OVER CERTAIN HVDC INTERCONNECTIONS
TXU ELECTRIC COMPANY**

2.17 Reservation of HVDC Capacity by Qualified Facilities
Applicable: Wholesale Transmission Service
Effective Date: April 13, 1999

Sheet: 17
Revision: One
Page 1 of 2

2.17 Reservation of HVDC Capacity by Qualified Utilities

2.17.1 Reservation of Capacity

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

- (a) The reservation of 15 MW is for electric utilities in ERCOT and SPP having loads less than 500 MW (Qualified Utilities);
- (b) The reservation of DC capacity will continue for a five year period after the East HVDC Interconnection went into commercial operation, August 6, 1995. At the end of the five year period, August 6, 2000, the Company may file, as a change in service, a request to delete the reservation for Qualified Utilities;
- (c) Company will solicit requests for reservation capacity for use during all or part of said five year period from Qualified Utilities at least one year before the East HVDC Interconnection is projected to be available for commercial operation, and at one year intervals thereafter for reservation capacity which has not been previously committed. A Qualified Utility must respond with a request to use all or part of the reserved DC capacity in writing, accompanied by a signed binding agreement, within 30 days of the date of the solicitation letter. Company reserves the right to utilize any unused portion of the reservation capacity until a timely request for transmission service is made by a Qualified Utility; reservation capacity may be used by the Company on a planned basis from year to year or less, if after solicitation and notice, capacity is not contracted for as provided herein by any Qualified Utility;
- (d) The reservation of 15 MW is reduced by the amount of capacity purchases pursuant to paragraph (f) below;
- (e) Service over any capacity reserved pursuant to the provisions of this section shall be subject to and governed by all provisions of this TFO Tariff as then in effect;
- (f) The capacity reserved for Qualified Utilities will be available for purchase by Qualified Utilities at the depreciated original cost thereof, until either (1) the reservation of capacity has been terminated or (2) the opportunity to participate in ownership of additional DC capacity to be installed has been tendered as set forth below at paragraph (g), whichever comes first. Requests for purchase of reserved capacity must be accompanied by a signed binding agreement. Purchase of reservation capacity by Qualified Utilities in the East HVDC Interconnection shall be on a pro rata basis from the Company, the Central and South West Operating Companies ("CSW"), and Houston Lighting & Power Company ("HL&P") unless the Company, HL&P, and CSW otherwise agree; and
- (g) If, in response to the annual solicitation to Qualified Utilities for reserved capacity, the aggregate of requests to use and/or purchase such capacity exceeds the amount of uncommitted reserved capacity, then capacity will be made available pursuant to such requests on the following basis:
 - (1) Each Qualified Utility requesting reservation capacity shall be entitled to contract for the use of, or to purchase, a pro rata share of the available reservation capacity based on the proportion its request bears to the total of all requests.
 - (2) The agreement signed by the requester shall provide for its cancellation or for reduction in the amount to be contracted for or purchased in the event that the requester is unable to receive as large a share of capacity as requested due to the pro rata reduction set forth in subparagraph (g)(1) above. If a requester finds it necessary to cancel its request as a result of the pro rata reduction, the capacity so relinquished will be divided among the remaining requesters on a pro rata basis pursuant to subparagraph (g)(1) above.
- (h) When, and in the event, planning is undertaken to increase the capacity of the East HVDC Interconnection but at intervals of no more than every three years after June 30, 1989, until June 30, 2004, electric utilities in ERCOT and SPP will be given the opportunity to participate in the

**TARIFF FOR TRANSMISSION SERVICE
TO, FROM AND OVER CERTAIN HVDC INTERCONNECTIONS
TXU ELECTRIC COMPANY**

2.17 Reservation of HVDC Capacity by Qualified Facilities

Applicable: Wholesale Transmission Service

Effective Date: April 13, 1999

Sheet: 17

Revision: One

Page 2 of 2

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

**TARIFF FOR TRANSMISSION SERVICE
TO, FROM AND OVER CERTAIN HVDC INTERCONNECTIONS
TXU ELECTRIC COMPANY**

2.18 Transmission service customer Redispatch Obligation

Applicable: Wholesale Transmission Service

Effective Date: April 13, 1999

Sheet: 18

Revision: One

Page 1 of 1

2.18 Transmission Service Customer Redispatch Obligation

A transmission service customer will redispatch its resources to provide annual planned transmission service to third parties. The redispatch of resources pursuant to this TFO Tariff shall be on a non-discriminatory basis among all transmission service customers and TXU Electric.

**TARIFF FOR TRANSMISSION SERVICE
TO, FROM AND OVER CERTAIN HVDC INTERCONNECTIONS
TXU ELECTRIC COMPANY**

2.19 Load Shedding and Curtailments
Applicable: Wholesale Transmission Service
Effective Date: April 13, 1999

Sheet: 19
Revision: One
Page 1 of 2

2.19 Load Shedding and Curtailments

2.19.1 Procedures

The Company and the ERCOT ISO have established non-discriminatory emergency load shedding and curtailment procedures for responding to emergencies on the ERCOT transmission system.

The Company and transmission service customers will comply with the load shedding and curtailment procedures established under this TFO Tariff.

The Company and transmission service customers will implement such programs during any period when the ERCOT ISO determines that a transmission capacity constraint exists and such procedures are necessary to alleviate the constraint.

The Company will notify the ERCOT ISO in a timely manner of any scheduled transmission facility interruption (*e.g.*, scheduled maintenance).

2.19.2 Transmission Constraints

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

- (a) Any interruption shall be based on operational factors and shall not accord a higher priority to the electric utility's native load customer than to its customers taking transmission service. Priority shall be accorded to transmission service customers in accordance with this TFO Tariff.
- (b) Service to all transmission service customers shall be restored as quickly as possible.

The ERCOT ISO shall determine whether a proposed redispatch is cost-effective and which utility shall redispatch its generating resources to facilitate a transaction.

To the extent the ERCOT ISO determines that the reliability of the transmission system can be maintained by redispatching resources or when redispatch arrangements are necessary to facilitate generation and transmission transactions for an eligible transmission service customer, the Company or transmission service customer will initiate procedures to redispatch its resources, as directed by the ERCOT ISO. The obligation to redispatch resources includes the obligation to redispatch non-utility resources that a transmission service customer is relying on.

To the extent possible, any redispatch shall be made on a least-cost non-discriminatory basis. Any redispatch under this section will provide for equal treatment between the Company and other transmission service customers subject to the priorities set out in this TFO Tariff. If the ERCOT ISO determines that the Company will not have adequate transmission capacity to satisfy the full amount of a valid request for planned transmission service, the Company is nonetheless obligated to offer and provide the portion of the requested planned transmission service that can be accommodated without the addition of any facilities. This obligation includes a duty to redispatch resources to increase the level of planned transmission service that may be provided. However, the Company shall not be obligated to provide transmission service, to the extent that the service requires the addition of facilities or upgrades to the transmission system, until such facilities or upgrades have been placed in service.

**TARIFF FOR TRANSMISSION SERVICE
TO, FROM AND OVER CERTAIN HVDC INTERCONNECTIONS
TXU ELECTRIC COMPANY**

2.19 Load Shedding and Curtailments
Applicable: Wholesale Transmission Service
Effective Date: April 13, 1999

Sheet: 19
Revision: One
Page 2 of 2

2.19.3 Cost Responsibility for Relieving Capacity Constraints

The Company shall provide redispatch services on a non-discriminatory basis to all wholesale market participants when necessary to preserve system reliability or to alleviate transmission constraints that impede wholesale generation and transmission transactions. The price and cost responsibility for redispatch services will be governed by TXU Electric's applicable PUCT-approved Tariff for Transmission Service

2.19.4 System Reliability

Notwithstanding any other provisions of this TFO Tariff, TXU Electric reserves the right, consistent with good utility practice and on a non-discriminatory basis, to interrupt transmission service without liability on the Company's part for the purpose of making necessary adjustments to, changes in, or repairs to its lines, substations and other facilities, or where the continuance of transmission service would endanger persons or property.

In the event of any adverse condition or disturbance on the Company's transmission system or on any other system directly or indirectly interconnected with the Company's system, TXU Electric, consistent with good utility practice, also may interrupt transmission service on a non-discriminatory basis in order to limit the extent or damage of the adverse condition or disturbance, to prevent damage to generating or transmission facilities, or to expedite restoration of service.

The Company will give the ERCOT ISO, affected transmission service customers, and unaffected suppliers of generation, as much advance notice as is practicable in the event of such interruption.

The transmission service customer's failure to respond to established emergency load shedding and curtailment procedures to relieve emergencies on the transmission system may result in the transmission service customer being deemed by the Company to be in default and may result in the termination of transmission service.

**TARIFF FOR TRANSMISSION SERVICE
TO, FROM AND OVER CERTAIN HVDC INTERCONNECTIONS
TXU ELECTRIC COMPANY**

2.20 Compensation
Applicable: Wholesale Transmission Service
Effective Date: April 13, 1999

Sheet: 20
Revision: One
Page 1 of 1

2.20 Compensation

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

2.20.1 Losses

In addition to the facilities charges prescribed in Section 3.0 of this TFO Tariff, a utility, exempt wholesale generator, qualifying facility, federal power marketing agency, or power marketer that uses transmission service to transmit power to its loads shall compensate TXU Electric for energy losses resulting from such transmission service. A matrix of losses on TXU Electric's transmission voltage facilities and the applicable incremental cost shall be determined by the ERCOT ISO using methodologies approved by the PUCT.

**TARIFF FOR TRANSMISSION SERVICE
TO, FROM AND OVER CERTAIN HVDC INTERCONNECTIONS
TXU ELECTRIC COMPANY**

2.21 Stranded Cost Recovery
Applicable: Wholesale Transmission Service
Effective Date: April 13, 1999

Sheet: 21
Revision: One
Page 1 of 1

2.21 Stranded Cost Recovery

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

**TARIFF FOR TRANSMISSION SERVICE
TO, FROM AND OVER CERTAIN HVDC INTERCONNECTIONS
TXU ELECTRIC COMPANY**

2.22 Sale or Assignment of Transmission Service
Applicable: Wholesale Transmission Service
Effective Date: April 13, 1999

Sheet: 22
Revision: One
Page 1 of 1

2.22 Sale or Assignment of Transmission Service

2.22.1 Procedures for Assignment or Transfer of Service

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

2.22.2 Limitations on Assignment or Transfer of Service

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

3.0 Rate Schedules - Wholesale Transmission Service - TFO

**TARIFF FOR TRANSMISSION SERVICE
TO, FROM AND OVER CERTAIN HVDC INTERCONNECTIONS
TXU ELECTRIC COMPANY**

3.0 Wholesale Transmission Service-TFO
Applicable: Wholesale Transmission Service
Effective Date: September 1, 1999

Sheet: 1
Revision: One
Page 1 of 2

3.1 Rate NTSP-TFO - Network Transmission Service - Planned

Application

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

Type of Service

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

Monthly Charge

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

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

Annual Access Rate

\$5,279.162302/MW

Short-Term Planned Service

Short-term planned service is available under Rate STPS-TFO of this TFO Tariff.

Provision for Losses

In accordance with the provisions of Section 2.20.1 of this TFO Tariff.

Demand Determinations

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

Payment

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

**TARIFF FOR TRANSMISSION SERVICE
TO, FROM AND OVER CERTAIN HVDC INTERCONNECTIONS
TXU ELECTRIC COMPANY**

3.0 Wholesale Transmission Service-TFO
Applicable: Wholesale Transmission Service
Effective Date: September 1, 1999

Sheet: 1
Revision: One
Page 2 of 2

Agreement

An Agreement for Transmission Service is required.

Notice

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

**TARIFF FOR TRANSMISSION SERVICE
TXU ELECTRIC COMPANY**

3.0 Wholesale Transmission Service-TFO
Applicable: Wholesale Transmission Service
Effective Date: September 1, 1999

Sheet: 2
Revision: Original
Page 1 of 1

3.2 Rate STPS - TFO - Short-Term Planned Transmission Service

Application

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

Type of Service

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

Charges

Charges are determined by multiplying the applicable access rate (monthly, weekly, or daily) by the maximum megawatts of demand as stated in the transaction reservation made with the ERCOT ISO. A customer is obligated to pay for this service upon making a request, whether the customer uses the service or not. Charges under this rate schedule will be in addition to charges for annual planned service under Rate NTSP. In the event a requested transaction qualifies as a replacement transaction, the ERCOT ISO will determine the incremental billing units to be applied under this rate schedule.

The following rates apply:

	Effective July 22, 1999 through August 31, 1999		Effective September 1, 1999
	<u>Access Rates</u>	<u>Impact Rates</u>	<u>Access Rates</u>
Monthly	\$307.951134/MW	\$1.2483507/MW-Mile	\$439.930192/MW
Weekly	\$ 71.065646/MW	Not Applicable	\$101.522352/MW
Daily	\$ 10.124421/MW	Not Applicable	\$ 14.463458/MW
Hourly *	\$.421851/MW	Not Applicable	\$.602644/MW

* The rate for hourly planned transmission service is listed in the event that the ERCOT ISO implements procedures to make such service available.

Provision for Losses

In accordance with the provisions of Section 2.20.1 of this TFO Tariff.

Payment

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

Agreement

An Agreement for Transmission Service is required.

Notice

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

**TARIFF FOR TRANSMISSION SERVICE
TO, FROM AND OVER CERTAIN HVDC INTERCONNECTIONS
TXU ELECTRIC COMPANY**

3.0 Wholesale Transmission Service-TFO
Applicable: Wholesale Transmission Service
Effective Date: September 1, 1999

Sheet: 3
Revision: One
Page 1 of 2

3.3 Rate NTSU - TFO - Network Transmission Service - Unplanned

Application

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

Type of Service

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

Rates

If the Customer (or a load entity for whom the Customer is a Designated Agent) is receiving planned transmission service under Rate NTSP-TFO, or the Company's PUCT Rate NTSP, then the Customer will be entitled to receive unplanned transmission service for the delivery of unplanned resources in lieu of planned resources during the same period and up to the same amount of such planned transmission service. Customer shall not incur any additional facilities charges for such unplanned transmission service, but shall incur loss compensation charges as specified in Section 2.20.1 of Company's TFO Tariff. For all other unplanned transmission service, in addition to incurring loss compensation charges under Section 2.20.1 of Company's TFO Tariff, Customer shall also incur facilities charges as specified below.

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

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

<u>Service Interval</u>	<u>Access Rate/MW</u>
Monthly Delivery:	\$439.930192/MW
Weekly Delivery:	\$101.522352/MW
Daily Delivery:	\$ 14.463458/MW
Hourly Delivery:	\$.602644/MW

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

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

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

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

**TARIFF FOR TRANSMISSION SERVICE
TO, FROM AND OVER CERTAIN HVDC INTERCONNECTIONS
TXU ELECTRIC COMPANY**

3.0 Wholesale Transmission Service-TFO
Applicable: Wholesale Transmission Service
Effective Date: September 1, 1999

Sheet: 3
Revision: One
Page 2 of 2

unplanned transmission service in any hour during such week.

Discounts

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

Provision for Losses

In accordance with the provisions of Section 2.20.1 of this TFO Tariff.

Demand Determinations

The Customer's Actual Demand shall be the maximum hourly MW during the appropriate service interval specified in the Customer's request for service under Section 2.11 of this TFO Tariff. Such Actual Demand, for any service interval, may not exceed the total amount of unplanned resources that the Customer designates as involving a transaction over the HVDC Interconnection(s) in any approved application for unplanned transmission service, for the same service interval, submitted by the Customer to the ERCOT ISO or TXU Electric.

For billing purposes, the Customer will specify the service interval to the ERCOT ISO in the remarks section (or other appropriate data field) of each ERCOT OASIS transaction request. The service interval associated with the transaction request which is approved by the ERCOT ISO will be used for billing purposes. However, if a service interval is not specified in the remarks section (or other appropriate data field) of such transaction request, then the service interval applied to the transaction for billing purposes (i.e. monthly, weekly, daily, or hourly) will be the same as the duration of the approved capacity type (i.e. monthly, weekly, daily, hourly) on the SPP OASIS (or successor) reservation system for the companion NERC transaction (or, in the absence of such an approved SPP capacity type specifying a monthly, weekly, daily, or hourly duration, then the monthly service interval will be applied).

Payment

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

Agreement

An Agreement for Transmission Service is required.

Notice

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

**TARIFF FOR TRANSMISSION SERVICE
TO, FROM AND OVER CERTAIN HVDC INTERCONNECTIONS
TXU ELECTRIC COMPANY**

3.0 Wholesale Transmission Service-TFO
Applicable: Wholesale Transmission Service
Effective Date: April 13, 1999

Sheet: 4
Revision: Two
Page 1 of 1

3.4 Rate XFMR - TFO - Transformation Service

Application

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

Applicable to all transformation service supplied at a point of delivery, measured through one meter.

Type of Service

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

Monthly Rate

<u>Charge</u>	<u>Amount</u>
Demand	\$0.255 per kW
Each current month kW in excess of the contract kW	\$1.00 per kW

Demand Determination

Demand for calculation of the monthly bill is the highest of:

- 1) contract kW
- 2) current month kW

Definitions

Current month kW is the highest kW recorded at the point of delivery during the current month.

Contract kW (contract demand) is the maximum kW specified in the Agreement for Transmission Service.

Payment

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

Agreement

An Agreement for Transmission Service is required.

Notice

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

**TARIFF FOR TRANSMISSION SERVICE
TO, FROM AND OVER CERTAIN HVDC INTERCONNECTIONS
TXU ELECTRIC COMPANY**

3.0 Wholesale Transmission Service-TFO
Applicable: Wholesale Transmission Service
Effective Date: April 13, 1999

Sheet: 5
Revision: Two
Page 1 of 1

3.5 Rate DLS - TFO - Distribution Line Service

Application

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

Type of Service

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

Monthly Rate

Customer Charge = \$235
Distribution Line Service Charge = \$0.555/kW

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

Demand Determination

Demand for calculation of the monthly bill is the larger of:

- a) Contract kW;
- b) Annual kW.

Payment

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

Definitions

Contract kW (contract demand) is the maximum kW specified in the associated Agreement.

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

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

Agreement

An Agreement for Transmission Service is required.

Notice

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

**TARIFF FOR TRANSMISSION SERVICE
TXU ELECTRIC COMPANY**

3.0 Wholesale Transmission Service-TFO
Applicable: Wholesale Transmission Service
Effective Date: April 13, 1999

Sheet: 6
Revision: One
Page 1 of 1

3.1.6 Rate MT - TFO - Miscellaneous Transmission Service Charges

Application

The service charges listed below are in addition to any other charges made under the provisions of this TFO Tariff and will be applied for the appropriate condition described. Other services not covered by these standard conditions will be charged on the basis of an estimate of the Company's cost plus appropriate overhead.

Charge	Name and Description
As Calculated	<i>Facilities Study Charge</i> - For facilities studies undertaken in accordance with Company's TFO Tariff. Charges will be based on Company's cost plus appropriate overhead.
As Calculated	<i>Security Study Charge</i> - For security studies undertaken in accordance with Company's TFO Tariff. Charges will be based on Company's cost plus appropriate overhead.

Payment

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

Notice

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

4.0 Service Regulations and Standard Agreements

**TARIFF FOR TRANSMISSION SERVICE
TO, FROM AND OVER CERTAIN HVDC INTERCONNECTIONS
TXU ELECTRIC COMPANY**

4.1 Contents - Service Regulations and Standard Agreements
Applicable: Wholesale Transmission Service
Effective Date: April 13, 1999

Sheet: 1
Revision: One
Page 1 of 1

4.1 Contents - Service Regulations and Standard Agreements

4.2	Foreword	46
4.3	Definitions	47
4.4	Wholesale Transmission Services	48
	4.4.1 Availability of Service	48
	4.4.2 Metering	48
4.5	Providing Wholesale Transmission Services	49
	4.5.1 Continuity and Quality of Service	49
	4.5.2 Liability and Responsibility for Damage or Injury and Disclaimer of Warranties	49
	4.5.3 Customer Complaints	50
	4.5.4 Location of Point of Delivery	50
	4.5.5 Space Requirements	50
	4.5.6 Standard Facilities for Wholesale Transmission Services	50
	4.5.7 Nonstandard Wholesale Transmission Services	50
	4.5.8 Contribution in Aid of Construction	50
	4.5.9 Installation and Maintenance of Company Facilities	50
	4.5.10 Protection of Company's Facilities On Customer's Premises	51
	4.5.11 Admittance to Customer's Premises	51
	4.5.12 Removal and Relocation of Company's Facilities	51
	4.5.13 Dismantling of Company's Facilities	51
	4.5.14 Attachments to Company's Facilities	51
4.6	Obtaining Service	52
	4.6.1 Application for Service	52
	4.6.2 Service Agreement	52
4.7	Use of Wholesale Transmission Services	53
	4.7.1 Limitations On Use of Service	53
	4.7.2 Customer's Electrical Load	53
	4.7.3 Tampering With Company's Equipment or Other Property	54
	4.7.4 Unauthorized Use of Service	54
4.8	Charges For Service	55
	4.8.1 Rate Schedules For Service	55
	4.8.2 Billing	55
	4.8.3 Transfer of Electrical Load Between Points of Delivery	56
4.9	Discontinuance of Service	57
	4.9.1 Customer Discontinues Service	57
	4.9.2 Company Discontinues Service	57
4.10	Standard Agreements	58
	4.10.5 Transmission Service Agreement for Planned Service and Unplanned Service To, From and Over Certain HVDC Interconnections	59
	4.10.6 Transmission Service Agreement for Unplanned Service To, From and Over Certain HVDC Interconnections	63

**TARIFF FOR TRANSMISSION SERVICE
TO, FROM AND OVER CERTAIN HVDC INTERCONNECTIONS
TXU ELECTRIC COMPANY**

4.2 Foreword

Applicable: Wholesale Transmission Service

Effective Date: April 13, 1999

Sheet: 2

Revision: One

Page 1 of 1

4.2 Foreword

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

**TARIFF FOR TRANSMISSION SERVICE
TO, FROM AND OVER CERTAIN HVDC INTERCONNECTIONS
TXU ELECTRIC COMPANY**

4.3 Definitions

Applicable: Wholesale Transmission Service

Effective Date: April 13, 1999

Sheet: 3

Revision: One

Page 1 of 1

4.3 Definitions

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

**TARIFF FOR TRANSMISSION SERVICE
TO, FROM AND OVER CERTAIN HVDC INTERCONNECTIONS
TXU ELECTRIC COMPANY**

4.4 Wholesale Transmission Services
Applicable: Wholesale Transmission Service
Effective Date: April 13, 1999

Sheet: 4
Revision: One
Page 1 of 1

4.4 Wholesale Transmission Services

4.4.1 Availability of Service

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

4.4.1.1 Contractual Arrangements

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

4.4.1.2 Company's Standard Transmission and Distribution Voltages

Company provides wholesale transmission and related services at Company's standard transmission and distribution voltages in accordance with Company's transmission extension policy, and not all standard transmission voltages are available at every location. If Customer requests a voltage that is non-standard or not available for a specific load or location, such voltage may be provided by Company at Customer's expense.

Standard Transmission Voltages:

Three Phase (Volts)
69000
138000
345000

Standard Distribution Voltages:

Three Phase (Volts)
7200/12470
7620/13200
12470
12470/21600
13200
14400/24940

4.4.2 Metering

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

4.4.2.1 Location of Meter

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

4.4.2.2 Testing of Meter

Upon Customer's request, Company will test the accuracy of the 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. Customer may be required to pay for the meter testing in accordance with Section 3.1.6 Rate MT - TFO - Miscellaneous Transmission Service Charges.

**TARIFF FOR TRANSMISSION SERVICE
TO, FROM AND OVER CERTAIN HVDC INTERCONNECTIONS
TXU ELECTRIC COMPANY**

4.5 Providing Wholesale Transmission Services
Applicable: Wholesale Transmission Service
Effective Date: April 13, 1999

Sheet: 5
Revision: One
Page 1 of 3

4.5 Providing Wholesale Transmission Services

4.5.1 Continuity and Quality of Service

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

4.5.1.1 Interruption of Service

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

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

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

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

4.5.2.1 Liability and Responsibility

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

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

4.5.2.2 Disclaimer of Warranties

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

**TARIFF FOR TRANSMISSION SERVICE
TO, FROM AND OVER CERTAIN HVDC INTERCONNECTIONS
TXU ELECTRIC COMPANY**

4.5 Providing Wholesale Transmission Services
Applicable: Wholesale Transmission Service
Effective Date: April 13, 1999

Sheet: 5
Revision: One
Page 2 of 3

4.5.3 Customer Complaints

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

4.5.4 Location of Point of Delivery

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

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

4.5.5 Space Requirements

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

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

4.5.6 Standard Facilities for Wholesale Transmission Services

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

4.5.7 Nonstandard Wholesale Transmission Services

Nonstandard wholesale transmission services include but are not limited to service from an underground source, a two-way feed, service through more than one point of delivery, facilities in excess of those normally required for service, or service at a nonstandard voltage.

If Customer desires nonstandard wholesale transmission service, as described above, and not covered elsewhere in this TFO Tariff, then Customer may be required to pay a contribution in aid of construction that is based upon the cost of providing such nonstandard wholesale transmission service that is in excess of the cost to provide standard transmission service.

4.5.8 Contribution in Aid of Construction

If Company facilities are installed primarily for the benefit of the Customer, Customer may be required to pay Company a Contribution In Aid of Construction in accordance with the provisions of this TFO Tariff. The Contribution In Aid of Construction will be calculated so as to allow Company to recover all costs, including appropriate overhead, associated with such facilities. If mutually agreed by Company and Customer, payments may be made over an agreed upon term.

4.5.9 Installation and Maintenance of Company Facilities

Company owns all electric lines and equipment on Company's side of the point of receipt and point of delivery and

**TARIFF FOR TRANSMISSION SERVICE
TO, FROM AND OVER CERTAIN HVDC INTERCONNECTIONS
TXU ELECTRIC COMPANY**

4.5 Providing Wholesale Transmission Services
Applicable: Wholesale Transmission Service
Effective Date: April 13, 1999

Sheet: 5
Revision: One
Page 3 of 3

Customer shall not tamper or interfere therewith. Company may require Customer to install auxiliary metering equipment, furnished by Company, in conjunction with Customer's electrical installation.

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

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

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

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

4.5.11 Admittance to Customer's Premises

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

4.5.12 Removal and Relocation of Company's Facilities

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

4.5.13 Dismantling of Company's Facilities

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

4.5.14 Attachments to Company's Facilities

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

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

**TARIFF FOR TRANSMISSION SERVICE
TO, FROM AND OVER CERTAIN HVDC INTERCONNECTIONS
TXU ELECTRIC COMPANY**

4.6 Obtaining Service
Applicable: Wholesale Transmission Service
Effective Date: April 13, 1999

Sheet: 6
Revision: One
Page 1 of 1

4.6 Obtaining Service

4.6.1 Application for Service

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

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

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

4.6.2 Service Agreement

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

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

**TARIFF FOR TRANSMISSION SERVICE
TO, FROM AND OVER CERTAIN HVDC INTERCONNECTIONS
TXU ELECTRIC COMPANY**

4.7 Use of Wholesale Transmission and Related Services

Applicable: Wholesale Transmission Service

Effective Date: April 13, 1999

Sheet: 7

Revision: One

Page 1 of 2

4.7 Use of Wholesale Transmission Services

4.7.1 Limitations On Use of Service

4.7.1.1 Interstate Wholesale Transmission Service Limitations

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

4.7.1.2 Parallel Operation

Customer may not connect its lines to another source of electric energy in a manner that may permit electric energy to flow into Company's system from such source without written agreement with Company. Additionally, the Customer's electrical facility shall not be configured in such a manner as to allow the paralleling of two electrical nodes of the Company's system without written agreement of the Company. Company will provide a written agreement for parallel connection when reasonably requested to do so by Customer.

4.7.2 Customer's Electrical Load

4.7.2.1 Load Balance

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

4.7.2.2 Electrical Disturbances

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

4.7.2.3 Change in Customer's Electrical Load

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

**TARIFF FOR TRANSMISSION SERVICE
TO, FROM AND OVER CERTAIN HVDC INTERCONNECTIONS
TXU ELECTRIC COMPANY**

4.7 Use of Wholesale Transmission and Related Services

Applicable: Wholesale Transmission Service

Effective Date: April 13, 1999

Sheet: 7

Revision: One

Page 2 of 2

4.7.2.4 Power Factor

The power factor of the Customer's load at each point of interconnection will be in excess of 95% lagging during the summer peak load season. Compliance with this power factor requirement will be determined by averaging the Customer's kW and kvar demand coincident with the ERCOT system coincident peak demand for the months of June, July, August and September. If the power factor of the Customer's load at each point of delivery is less than the prescribed requirement, as determined by the above method, the Company will require Customer to install appropriate equipment to maintain a power factor of not less than the prescribed value, or at Company's option, to reimburse Company for the resulting expense to install equipment necessary to compensate for the power factor deficiency.

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

4.7.3 Tampering With Company's Equipment or Other Property

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

4.7.4 Unauthorized Use of Service

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

**TARIFF FOR TRANSMISSION SERVICE
TO, FROM AND OVER CERTAIN HVDC INTERCONNECTIONS
TXU ELECTRIC COMPANY**

4.8 Charges for Service
Applicable: Wholesale Transmission Service
Effective Date: April 13, 1999

Sheet: 8
Revision: One
Page 1 of 2

4.8 Charges For Service

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

4.8.1 Rate Schedules For Service

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

4.8.2 Billing

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

4.8.2.1 Billing Period

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

4.8.2.2 Disputed Bills

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

4.8.2.3 Metering Adjustment

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

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

4.8.2.4 Overcharges and Undercharges

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

**TARIFF FOR TRANSMISSION SERVICE
TO, FROM AND OVER CERTAIN HVDC INTERCONNECTIONS
TXU ELECTRIC COMPANY**

4.8 Charges for Service
Applicable: Wholesale Transmission Service
Effective Date: April 13, 1999

Sheet: 8
Revision: One
Page 2 of 2

4.8.3 Transfer of Electrical Load Between Points of Delivery

Upon written notice by Customer to Company within five days of a transfer of electrical load between points of delivery of Customer, Company will adjust the billing of the affected points of delivery to ensure that any charges under this TFO Tariff for the transferred load are billed at only one of the affected points of delivery. Load transfers made upon request of Company will not require written notice.

**TARIFF FOR TRANSMISSION SERVICE
TO, FROM AND OVER CERTAIN HVDC INTERCONNECTIONS
TXU ELECTRIC COMPANY**

4.9 Discontinuance of Service
Applicable: Wholesale Transmission Service
Effective Date: April 13, 1999

Sheet: 9
Revision: One
Page 1 of 1

4.9 Discontinuance of Service

4.9.1 Customer Discontinues Service

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

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

4.9.2 Company Discontinues Service

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

4.10 Standard Agreements

**TRANSMISSION SERVICE AGREEMENT
FOR PLANNED SERVICE AND UNPLANNED SERVICE
TO, FROM AND OVER CERTAIN HVDC INTERCONNECTIONS**

This Transmission Service Agreement for Planned Service and Unplanned Service To, From and Over Certain HVDC Interconnections ("Agreement") is made and entered into this _____ day of _____, 19___, by TXU Electric Company ("TXU Electric" or "Company"), a Texas corporation, and _____ ("Customer"), a _____ [specify whether corporation, and if so name state, municipal corporation, cooperative corporation, or other], each hereinafter sometimes referred to individually as "Party" or both referred to collectively as the "Parties". In consideration of the mutual covenants set forth herein, the Parties agree as follows:

1. **Planned Service** -- TXU Electric will provide transmission service to, from and over the HVDC Interconnections in connection with the delivery of power and energy from planned resources to loads designated by Customer in accordance with the provisions of Section 3 hereof ("Planned Service"). Customer must pay, in accordance with the provisions of this Agreement, both a facilities charge and loss compensation charges for Planned Service.

2. **Unplanned Service** -- If Customer requests, TXU Electric will provide transmission service to, from and over the HVDC Interconnections in connection with the delivery of power and energy from resources that the Customer has not designated as planned resources to loads ("Unplanned Service"). Customer will not incur any additional facilities charges for Unplanned Service for the delivery of unplanned resources in lieu of planned resources during the same period and up to the same amount of the Planned Service provided under this Agreement and the Company's PUCT Rate NTSP, but must compensate TXU Electric for losses in accordance with the provisions of this Agreement. For any other Unplanned Service, Customer must pay both a facilities charge and loss compensation charges in accordance with TXU Electric's Rate NTSU - TFO - Network Transmission Service-Unplanned, or its successor (together with all riders applicable thereto), as it may from time to time be fixed and approved by the Federal Energy Regulatory Commission ("Commission").

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

4. **Nature of Services** -- Planned Service, Unplanned Service, and any additional services designated in Section 8 hereof will be provided by TXU Electric, and accepted by Customer, in accordance with Company's TFO Tariff and this Agreement.

5. **Facilities Charge** -- The facilities charge for the Planned Service TXU Electric provides to Customer under this Agreement is determined in accordance with TXU Electric's Rate NTSP-TFO - Network Transmission Service-Planned, Rate STPS-TFO - Short-Term Planned Transmission Service, or their successors (together with all riders applicable thereto), as they may from time to time be fixed and approved by the Commission.

6. **Compensation for Losses** -- The losses incurred by TXU Electric in connection with the provision of Planned Service and Unplanned Service to Customer under this Agreement shall be as calculated by the Electric Reliability Council of Texas independent system operator ("ISO"). Customer must compensate TXU Electric for all such losses in accordance with TXU Electric's Rate NTSP - TFO - Network Transmission Service-Planned or Rate STPS-TFO - Short-Term Planned Transmission Service, in the case of Planned Service and in accordance with TXU Electric's Rate NTSU - TFO - Network Transmission Service-Unplanned, in the case of Unplanned Service, or their successors (together with all riders applicable thereto), as they may from time to time be fixed and approved by the Commission.

7. **Required Notifications** -- For each transaction under this Agreement, Customer is responsible for notifying the ERCOT ISO and SPP (or successor entity(ies) charged with the responsibility of receiving reservations and transaction requests for the HVDC Interconnections) ("Scheduling Authority"). Such notifications must (a) be made in accordance with the procedures established by the Scheduling Authority, (b) specify the HVDC Interconnection to

be used in the transaction, and (c) contain such other information as may be required, from time to time, by the Scheduling Authority to implement the transaction. Customer will maintain records of the information it provides to the Scheduling Authority pursuant to this Agreement for up to ninety (90) days and will provide copies of same to TXU Electric upon request. Upon request of Customer, TXU Electric will provide information on how to contact the Scheduling Authority.

8. **Additional Services to be Provided**-- In connection with the Planned Service and Unplanned Service contemplated by this Agreement, TXU Electric will provide, and Customer will pay for, the additional services that are indicated below:

(a) Transformation Service (Yes ____/No____). This service consists of TXU Electric providing transformation of electric power and energy from one of Company's standard transmission voltages (60 kV or higher) to one of Company's standard voltages below 60 kV. This service is provided, and the charge for this service is determined, in accordance with TXU Electric's Rate XFMR - TFO - Transformation Service or its successor (together with all riders applicable thereto), as it may from time to time be fixed and approved by the Commission. The supplemental terms and conditions applicable to such service, including the locations at which the service is to be provided and, for purposes of determining demand for calculation of the monthly bill, the Customer's Contract Demand(s), are specified in Exhibit _____.

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

9. **Term, Termination, and Regulatory Filing** -- This Agreement becomes effective on _____
and continues in effect until _____
_____.

After execution by both Parties, TXU Electric will file this Agreement with the Commission.

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

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

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

13. **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.

14. **Entirety of Agreement and Prior Agreements Superseded** -- This Agreement, including all attached Exhibits and Confirmations, which are expressly made a part hereof for all purposes, constitutes the entire agreement and understanding between the Parties with regard to the service(s) expressly provided for in this Agreement. The Parties are not bound by or liable for any statement, representation, promise, inducement, understanding, or undertaking of any kind or nature (whether written or oral) with regard to the subject matter hereof not set forth or provided for herein. This Agreement replaces all prior agreements and undertakings, oral or written, between the Parties with regard to the subject matter hereof, including without limitation _____ [specify any

prior agreements being superseded], and all such agreements and undertakings are agreed by the Parties to no longer be of any force or effect. It is expressly acknowledged that the Parties may have other agreements covering other services not expressly provided for herein, which agreements are unaffected by this Agreement.

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

(a) If to TXU Electric:

TXU Electric Company
Attn: _____
Energy Plaza
1601 Bryan Street, _____ Floor
Dallas, Texas 75201- 3402
E-mail: _____

(b) If to Customer:

E-mail: _____

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

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

Company must receive payment by the 20th calendar day after the date of issuance of the bill, unless the Company and the Customer agree on another mutually acceptable deadline. Interest will accrue on any unpaid amount, calculated in accordance with Section 2.4 of Company's TFO Tariff. When payments are made by mail, bills are considered as having been paid on the date of receipt by TXU Electric. Payments by Customer to TXU Electric under this Agreement must be made in immediately available funds payable to TXU Electric or by wire transfer to _____, for credit to TXU Electric Account No. _____ with sufficient information to identify the source and application of the funds, or to such other bank account so directed in writing by TXU Electric.

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

18. **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.

19. **Taxes** -- All present or future federal, state, municipal, or other lawful taxes (other than federal income taxes) applicable by reason of any service performed by TXU Electric, or any compensation paid to TXU Electric, hereunder must be paid by Customer.

20. **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.

21. **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.

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

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

TXU ELECTRIC COMPANY

[CUSTOMER NAME]

BY: _____

BY: _____

TITLE: _____

TITLE: _____

DATE: _____

DATE: _____

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

This Transmission Service Agreement for Unplanned Service To, From and Over Certain HVDC Interconnections (“Agreement”) is made and entered into this ____ day of _____, 19__, by TXU Electric Company (“TXU Electric” or “Company”), a Texas corporation, and _____ (“Customer”), a _____ [specify whether corporation, and if so name state, municipal corporation, cooperative corporation, or other], each hereinafter sometimes referred to individually as “Party” or both referred to collectively as the “Parties”. In consideration of the mutual covenants set forth herein, the Parties agree as follows:

1. **Unplanned Service** -- TXU Electric will provide transmission service to, from and over the HVDC Interconnections in connection with the delivery of power and energy from resources that the Customer has not designated as planned resources to loads (“Unplanned Service”). Unplanned Service is provided under this Agreement in connection with transactions for which the Customer is not receiving planned service from TXU Electric. Customer must pay, in accordance with the provisions of this Agreement, both a facilities charge and loss compensation charges for such Unplanned Service.

2. **Designation of Resources and Loads** -- The unplanned resources for which TXU Electric is to provide Unplanned Service under this Agreement, and the loads to be served therewith, must be designated by Customer in accordance with the provisions of Company’s Tariff for Transmission Service To, From and Over Certain HVDC Interconnections (“TFO Tariff”).

3. **Nature of Services** -- Unplanned Service will be provided by TXU Electric, and accepted by Customer, in accordance with Company’s TFO Tariff.

4. **Facilities Charge and Compensation for Losses** -- The facilities charge for the Unplanned Service TXU Electric provides to Customer under this Agreement is determined in accordance with TXU Electric’s Rate NTSU - TFO - Network Transmission Service - Unplanned, or its successor (together with all riders applicable thereto), as it may from time to time be fixed and approved by the Federal Energy Regulatory Commission (“Commission”). The losses incurred by TXU Electric in connection with the provision of Unplanned Service to Customer under this Agreement shall be as calculated by the Electric Reliability Council of Texas independent system operator (“ISO”). Customer must compensate TXU Electric for all such losses in accordance with TXU Electric’s Rate NTSU - TFO - Network Transmission Service - Unplanned or its successor (together with all riders applicable thereto), as it may from time to time be fixed and approved by the Commission.

5. **Required Notifications** -- For each transaction under this Agreement, Customer is responsible for notifying the ERCOT ISO and SPP (or successor entity(ies) charged with the responsibility of receiving reservations and transaction requests for the HVDC Interconnections) (“Scheduling Authority”). Such notifications must (a) be made in accordance with the procedures established by the Scheduling Authority, (b) specify the HVDC Interconnection to be used in the transaction, and (c) contain such other information as may be required, from time to time, by the Scheduling Authority to implement the transaction. Customer will maintain records of the information it provides to the Scheduling Authority pursuant to this Agreement for up to ninety (90) days and will provide copies of same to TXU Electric upon request. Upon request of Customer, TXU Electric will provide information on how to contact the Scheduling Authority.

6. **Term, Termination, and Regulatory Filing** -- This Agreement becomes effective on _____ and continues in effect until _____.

After execution by both Parties, TXU Electric will file this Agreement with the Commission.

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

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

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

10. **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.

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

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

(a) If to TXU Electric:

TXU Electric Company
Attn: _____
Energy Plaza
1601 Bryan Street, _____ Floor
Dallas, Texas 75201- 3402
E-mail: _____

(b) If to Customer:

E-mail: _____

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

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

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

accordance with Section 2.4 of Company's TFO Tariff. When payments are made by mail, bills are considered as having been paid on the date of receipt by TXU Electric. Payments by Customer to TXU Electric under this Agreement must be made in immediately available funds payable to TXU Electric or by wire transfer to _____, for credit to TXU Electric Account No. _____ with sufficient information to identify the source and application of the funds, or to such other bank account so directed in writing by TXU Electric.

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

15. **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.

16. **Taxes** -- All present or future federal, state, municipal, or other lawful taxes (other than federal income taxes) applicable by reason of any service performed by TXU Electric, or any compensation paid to TXU Electric, hereunder must be paid by Customer.

17. **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.

18. **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.

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

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

TXU ELECTRIC COMPANY

[CUSTOMER NAME]

BY: _____

BY: _____

TITLE: _____

TITLE: _____

DATE: _____

DATE: _____