

SOUTHWESTERN ELECTRIC POWER COMPANY

TARIFF FOR ELECTRIC DELIVERY SERVICE

Applicable: Entire System

Chapter: 4

Chapter Title: Service Rules and Regulations Relating to Access to Delivery System of Company by Competitive Retailers

Revision: Original Effective Date: June 1, 2001

equipped with the protective safeguards recommended or required by the then current edition of the National Electrical Code.

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

4.2.2 Limitation of Duty and Liability of Competitive Retailer

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

4.2.3 Duty to Avoid or Mitigate Damages

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

4.2.4 Force Majeure

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

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4.2.5 Emergencies and Necessary Interruptions

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

Company shall provide advance notice to Competitive Retailer of such actions, if reasonably possible. Such notice may be met by electronic notice to all certificated Competitive Retailers with specific identification of location, time and expected duration of outage. Notice shall also be provided, if reasonably possible, to those Retail Customers for whom a Competitive Retailer has provided notice to the Company that interruptions or suspensions of service will create a dangerous or life-threatening condition on the Retail Customer's premises.

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

4.2.6 Limitation of Warranties by Company

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

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4.3 Service

4.3.1 Eligibility

A Competitive Retailer is eligible for Delivery Service when:

- (1) The Competitive Retailer and Company have successfully completed system testing for electronic and other data exchange requirements and for interruption reporting and service requests pursuant to this Chapter. Testing for electronic data exchange will be conducted in accordance with a test plan developed by the SET team in coordination with the Commission and will be limited to the SET transactions developed by the SET team. Company and Competitive Retailer shall use best efforts to promptly complete system testing; and
- (2) Competitive Retailer and Company execute a Delivery Service Agreement; or
- (3) Following successful completion of system testing, Company has failed to execute the Delivery Service Agreement upon presentment by Competitive Retailer who has signed such Delivery Service Agreement - Competitive Retailer shall be deemed eligible for Delivery Service during an interim period of Commission investigation by filing the unexecuted Delivery Service Agreement with the Commission for investigation into the reasons for such non-execution by Company.

4.3.2 Initiation of Delivery System Service (Service Connection)

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

4.3.2.1 Initiation of Delivery System Service Where Construction Services Are Not Required

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

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- (1) Unless the Retail Customer's Electrical Installation is known to be hazardous under applicable codes, or is of such character that satisfactory Delivery System Service cannot be provided consistent with Good Utility Practice, or interferes with the service of other Retail Customers, or unless a known dangerous condition exists as long as it exists; and
- (2) Upon notification by the Registration Agent pursuant to the protocols developed by the Independent Organization that the Retail Customer has designated an eligible Competitive Retailer; and
- (3) Unless the Competitive Retailer or Retail Customer is in default under this Tariff. Retail Customer is considered to be in default if Retail Customer fails to satisfy any material obligation under this Tariff after receiving notice of the failure and at least ten days to cure.

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

Applications for new Delivery System Service made by Competitive Retailer on behalf of Retail Customer not involving Construction Services shall be filled within seven Business Days after Company's receipt of both the request and, if applicable, notification of approval of Retail Customer's Electrical Installation by the proper authority as provided in Section 5.4.2, INSPECTION AND APPROVAL OF RETAIL CUSTOMER'S ELECTRICAL INSTALLATION.

4.3.2.2 Initiation of Delivery System Service Where Construction Services Are Required

When a Competitive Retailer requests initiation of Delivery System Service that requires Construction Service prior to initiation, Competitive Retailer shall contact Company to make arrangements for Construction Service and for establishment of an ESI ID, if one is not in existence, for the Delivery Point. Company will establish the new ESI ID and will notify the Registration Agent. The processing of Construction Service requests shall be governed by the provisions in Section 5.7, FACILITIES EXTENSION POLICY. After completion of Construction Service, Company shall initiate Delivery System Service in accordance with Section 4.3.2.1, INITIATION OF DELIVERY SERVICE WHERE CONSTRUCTION SERVICES ARE NOT REQUIRED.

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4.3.3 Requests for Discretionary Services Including Construction Services

A Competitive Retailer may request Discretionary Services from Company. Such requests for Discretionary Service must include the following information:

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

To the extent SET transactions are developed by the Texas SET team, such transactions shall be used by Competitive Retailer to request Discretionary Services for their Retail Customers. Company will acknowledge receipt of Competitive Retailer's electronic service request and will notify Competitive Retailer upon completion. For requests involving Construction Services, Company will contact the designated person to make proper arrangements for Construction Service pursuant to Section 5.7, FACILITIES EXTENSION POLICY.

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

4.3.4 Changing of Designated Competitive Retailer

Company shall change a Retail Customer's designated Competitive Retailer upon receiving proper notification from the Registration Agent, in accordance with the Commission's customer protection rules and the protocols developed by the Independent Organization, unless the new Competitive Retailer is in default under the Tariff. Company shall release proprietary customer information to the designated Competitive Retailer in a manner prescribed by the Applicable Legal Authorities.

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4.3.5 Switching Fee

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

4.3.6 Selection of Rate Schedules

The Rate Schedules included in this Tariff state the conditions under which Company's Delivery Services are available and the applicable rates for each Delivery Service. If requested by the Competitive Retailer, Company will assist in selecting the Rate Schedule that is best suited to existing or anticipated Retail Customer's Delivery Service requirements. However, Company does not assume responsibility for the selection of the Rate Schedule or for any failure to select the most appropriate Rate Schedule for the Retail Customers' Delivery Service requirements. Upon the request of the Retail Customers' Competitive Retailer, the Company shall switch a Retail Customer's Rate Schedule to any applicable Rate Schedule for which the Retail Customer is eligible.

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

Unless a change in Rate Schedule is requested as a result of a change in Company's facilities used to serve Retail Customer or the change in Rate Schedule requires a different change in billing determinants necessary to calculate the Residential Customers' Delivery Charge, any change in a Rate Schedule selection shall be applicable for the entire billing cycle in which the change in Rate Schedule was requested if the request is made at least two business days before the meter read date for that Retail Customer. If a change in Company's facilities used to serve Retail Customer, or the change in Rate Schedule, requires a different billing methodology, then such change in billing methodology shall be effective in the next full billing cycle.

4.3.7 Provision of Data by Competitive Retailer to Company

Competitive Retailer shall timely supply to Company all data, materials, or other information specified in this Tariff, including current customer names, telephone number, and mailing address, in connection with Company's provision of Delivery Services to Competitive Retailer's Retail Customers, if required. Such information shall be used only for Company operations and will be subject to the provisions of the code of conduct rule, P.U.C. SUBST. R. 25.272(g), Code of Conduct for Electric Utilities and Their Affiliates.

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4.3.8 Suspension of Delivery Service

4.3.8.1 Suspensions Without Prior Notice

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

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

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

Competitive Retailer shall convey any notice received by Retail Customer to Company that suspension or interruption of service of Retail Customer will create a dangerous or life-threatening condition on Retail Customer's premises.

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

4.3.8.2 Noticed Suspension Not Related to Emergencies or Necessary Interruptions

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

- (1) In the event of unauthorized use, unauthorized reconnection, or diversion of service or tampering with Company's Meter or equipment or bypassing same;
- (2) In the event of Retail Customer's violation of the provisions of Company's Tariff pertaining to the use of Delivery Service in a manner which interferes with the Delivery Service of others or the operation of nonstandard equipment, or as otherwise specified by written agreement, and a reasonable opportunity has been provided to remedy the situation;

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- (3) Upon Retail Customer's failure to comply with the terms of any written agreement made between Company and Retail Customer, upon default of Retail Customer under such an agreement, or upon failure to pay any charges billed by Company directly to Retail Customer pursuant to Section 5.8.2, BILLING TO RETAIL CUSTOMER BY COMPANY after a reasonable opportunity has been provided to remedy the failure;
- (4) For Retail Customer's failure to provide Company with reasonable access to Company's facilities located on Retail Customer's Premises after a reasonable opportunity has been provided to remedy the situation; or
- (5) Upon Company's receipt of a notice requiring such action, in the form and from the party specified by Applicable Legal Authorities. Company will not be responsible for monitoring or reviewing the appropriateness of any such notice.

Company shall provide electronic notice pursuant to Section 3.8, REQUIRED NOTICE, of any noticed suspension of service to Competitive Retailer, specifically identifying the time, cause and expected duration of such suspension. Company shall perform all suspensions or disconnects in accordance with Section 5.3.7.4, PROHIBITED SUSPENSION OR DISCONNECTION.

4.3.9 Restoration of Delivery Service

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

4.3.10. Disconnection of Service to Retail Customer's Facilities at the Request of Competitive Retailer

At the request of Competitive Retailer for Retail Customer related construction, alteration, or other temporary clearance requirement, Company shall disconnect Retail Customer's facilities on the date requested by Competitive Retailer, provided such request is made at least three Business Days prior to the requested date for disconnection.

In the event that Retail Customer is vacating the Premises and Competitive Retailer no longer desires to be associated with the Point of Delivery, Competitive Retailer shall notify the Registration Agent of the date Competitive Retailer desires Company to discontinue Delivery Service to a particular Point of Delivery because a Retail Customer has vacated the Premises.

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Company shall be required to disconnect Delivery Service to the Point of Delivery no later than seven Business Days after receipt of the notice from the Registration Agent. Competitive Retailer shall not be responsible for any Delivery Services provided to that Point of Delivery after disconnection.

Competitive Retailer may request disconnection for non-payment by Retail Customer as authorized by the Commission's customer protection rules. Company shall disconnect and reconnect Retail Customer's premises upon receipt of request for disconnection or reconnection by a Competitive Retailer authorized to do so. In situations where requested disconnection will not be permitted or will be delayed pursuant to Section 5.3.7.4, PROHIBITED SUSPENSION OR DISCONNECTION, Competitive Retailer shall continue to be responsible for Delivery Service until the disconnection actually occurs.

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

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4.4 Billing and Remittance

4.4.1 Calculation and Transmittal of Delivery Service Invoices

Not later than three Business Days after the date of a Meter Read for a Point of Delivery, Company shall transmit an electronic invoice for the Company's total Delivery System Charges associated with that Point of Delivery supplied with Electric Power and Energy by the Competitive Retailer. The Company shall separately identify the Delivery System Charges and billing determinants on the electronic invoice for each Point of Delivery served by a Competitive Retailer.

Charges for Discretionary Services, other than Construction Services, provided to a particular Point of Delivery shall be separately identified on the invoice.

Electronic invoices shall be transmitted using the appropriate SET transaction and shall be consistent with the terms and conditions of this Tariff. The Competitive Retailer shall validate or reject the SET transaction using the appropriate rejection code within 48 hours of the first Business Day following receipt. Company shall correct any Company errors that lead to a rejection. Transactions that are neither validated nor rejected within 48 hours shall be deemed valid.

4.4.2 Calculation and Transmittal of Construction Service Charges

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

4.4.3 Invoice Corrections

Invoices shall be subject to adjustment for errors, including, but not limited to, arithmetic errors, computational errors, and Meter Reading errors. Company shall cancel and re-bill the original invoice that was incorrect and apply any payments made to the re-billed invoice. If it is determined that Company over-billed for Delivery Charges, Company will make adjustment(s) associated with the Point of Delivery for the entire period of over-billing. If it is determined that Company under-billed for Delivery Charges, Company will make adjustments for the entire period of under-billing but not to exceed six months.

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

4.4.4 Billing Cycle

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

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

4.4.5 Remittance of Invoiced Charges

Payments for all Delivery Charges invoiced to Competitive Retailer shall be due 35 calendar days after the date of Company's transmittal of a validated invoice. Disputed invoiced amounts shall be governed by Section 4.4.8, INVOICE DISPUTES. Payments are due without regard to whether or when the Competitive Retailer receives payment from its Retail Customer(s). The Company shall specify the due date on the invoice, and the due date shall be the 35th calendar day after the transmittal date of the validated invoice, unless the 35th day falls on a weekend or Banking Holiday, in which case the due date shall be the following Business Day. Electronic invoices transmitted after 5:00 p.m. (Central Prevailing Time) shall be considered transmitted on the next calendar day.

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

Competitive Retailer shall pay the invoice by electronic funds transfer (EFT) utilizing the electronic data interchange (EDI) standard to a bank designated by Company. Competitive Retailer may also pay by wire transfer (WT) accompanied by the appropriate SET transaction. Payment will be considered received on the date Company's bank receives the EFT or WT.

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4.4.6 Delinquent Payments

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

4.4.7 Partial Payments

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

4.4.8 Invoice Disputes

Unless otherwise governed by Schedule TC of this Tariff or P.U.C. SUBST. R. 25.108, Financial Standards for Retail Electric Providers Regarding the Billing and Collection of Transition Charges, Competitive Retailer shall pay all undisputed portions of an invoice within the remittance timeframes of Section 4.4.5 REMITTANCE OF INVOICED CHARGES, unless otherwise agreed to by Company and Competitive Retailer. If a Competitive Retailer disputes all or a portion of an invoice, the Competitive Retailer may refuse to pay the disputed amount. If it does so, it shall provide written notice to Company of the dispute and shall include in the notice, at a minimum, an explanation of the disputed portion of the invoice, the basis of the dispute, and a proposed resolution. Upon notice of a disputed invoice, Company shall investigate and report the results of the investigation within ten business days. Invoice disputes will be addressed promptly, and in the event the dispute is not resolved, the parties shall resort to the dispute resolution procedures set forth in Section 4.9, DISPUTE RESOLUTION PROCEDURES. If Company does not receive notification of a dispute within 11 months from the due date of the invoice in question, said invoice shall be deemed conclusive and binding.

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

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

4.4.9 Successor Competitive Retailer

A Competitive Retailer shall not be obligated to pay the delinquent balance of another Competitive Retailer as a condition of providing service to Retail Customers. The prior Competitive Retailer, however, shall in no case be relieved of any previously invoiced charges or late fees incurred in the use of Company's Delivery System.

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4.5 Security Deposits and Creditworthiness

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

4.5.1 Security Related to Other Delivery Charges

4.5.1.1 Deposit Requirements

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

4.5.1.2 Size of Deposit

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

4.5.1.3 Form of Deposit

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

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agreed to by Company and Competitive Retailer. Within ten Business Days of the quarterly review in Section 4.5.1.2, SIZE OF DEPOSIT, Competitive Retailer shall remit additional cash or replacement affiliate guaranty, surety bonds or letters of credit, as applicable, in the amount determined pursuant to the review.

4.5.1.4 Interest

Cash deposits shall accrue interest payable to Competitive Retailer. Company shall pay all interest to Competitive Retailer upon refund of the deposit, or during the quarterly review under Section 4.5.1.2, SIZE OF DEPOSIT, if such interest causes the size of the deposit to exceed the required amount. The rates of interest to be paid shall be in accordance with the Tex. Utilities Code Ann. Section 183.

4.5.1.5 Historical Deposit Information

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

4.5.1.6 Refund of Deposit

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

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

4.5.2 Credit Reporting

The Company shall report Competitive Retailer's credit history with Company to national credit bureaus.

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4.6 Default and Remedies on Default

4.6.1 Competitive Retailer Default

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

- (1) Fails to remit payment to the Company as set forth in Section 4.4.6, DELINQUENT PAYMENTS;
- (2) Fails to satisfy any material obligation under this Tariff, including failure to fulfill the security requirements set forth in Section 4.5, SECURITY DEPOSITS AND CREDITWORTHINESS; or
- (3) Loses its Commission certification as a Retail Electric Provider.

4.6.2 Remedies on Default

4.6.2.1 Default Related to Failure to Remit Charges or Maintain Required Security

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

- (1) Apply to delinquent balances Competitive Retailer's cash deposit, if any, and any accrued interest, or seek recourse against any letter of credit or surety bond for the amount of delinquent charges due to Company, including any penalties or interest;
- (2) Avail itself of any legal remedies that may be appropriate to recover unpaid amounts and associated penalties or interest;
- (3) Implement other mutually suitable and agreeable arrangements with Competitive Retailer, provided that such arrangements are available to all Competitive Retailers on a non-discriminatory basis;
- (4) Notify the Commission that Competitive Retailer is in default and request suspension or revocation of Competitive Retailer's certificate; and
- (5) Require Competitive Retailer to do one of the following:

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- (A) Transfer the billing and collection responsibility for all charges to the Provider of Last Resort. Amounts collected by the POLR shall first be applied to amounts due Company, including any late fees and penalties with remaining amount released to the Competitive Retailer;
- (B) Immediately arrange for all future remittances from Retail Customers to be paid into a lock-box controlled by Company. Amounts collected in lock-box shall first be applied to amounts due Company, including any late fees and penalties with remaining amounts released to Competitive Retailer. Competitive Retailer shall bear all costs of such mechanism; or
- (C) Immediately arrange for Competitive Retailer's customers to be served by another qualified Competitive Retailer or the Provider of Last Resort.

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

4.6.2.2 Default Related to Failure to Satisfy Obligations Under Tariff

Upon failure of Competitive Retailer to satisfy material obligations under this Tariff, Company shall provide notice of default to Competitive Retailer that explains the reason(s) for default. Competitive Retailer shall have ten Business Days to cure such reasons for default. Upon failing to do so, Company may pursue any or all of the following:

- (1) Implement mutually suitable and agreeable arrangements with Competitive Retailer, provided that such arrangements are available to all Competitive Retailers on a non-discriminatory basis;
- (2) Notify the Commission that Competitive Retailer is in default and request that certification be suspended or cancelled;

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- (3) Notify the Commission that the municipally owned utility or electric cooperative is in default, and request that its Retail Customers in Company's service territory be immediately served by another qualified Competitive Retailer or the POLR.

4.6.2.3 Default Related to De-Certification

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

4.6.3 Cure of Default

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

4.7 Measurement and Metering of Service

4.7.1 Measurement

Charges for Delivery Service are calculated using measurements obtained from Company-owned, Company-installed and Company-read Metering Equipment, estimation, or otherwise as defined in the applicable Rate Schedule.

Electric Meter services will be performed by Company. Company shall provide metering services and provide monthly meter reads in accordance with Applicable Legal Authorities and all standards and protocols adopted by the Independent Organization.

When mutually agreed to by Company and Competitive Retailer, if Retail Customer takes Delivery Service at primary distribution or transmission voltage, Company may meter Delivery Service on the low side of Retail Customer's transformers and adjust measurements to account for losses as set forth in the Rate Schedules in Section 6.1, RATE SCHEDULES.

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4.7.2 Meter Reading

Company is responsible for reading Company's Meter. If an actual Meter Reading is not obtained, Company shall estimate the Meter Reading for invoicing purposes in accordance with this Chapter, the Rate Schedules in Section 6.1, RATE SCHEDULES, and Applicable Legal Authorities.

4.7.3 Reporting Measurement Data

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

4.7.4 Meter Testing

Company will test its Meters in accordance with the schedule and standards of the American National Standards Institute, Incorporated ("ANSI"), as adopted by the Commission. Upon notice of a request, Company will perform additional tests of the accuracy of Company's Meter no later than ten Business Days after the notice is received. The additional tests will be performed preferably on the Retail Customer's Premises, but may, at Company's discretion, be performed at Company's test laboratory. The additional tests will be free of charge if the Meter is determined to be outside the accuracy standards established by ANSI. Otherwise, Company will charge Competitive Retailer for the additional tests in accordance with the Rate Schedules in Section 6.1, RATE SCHEDULES. Following the completion of any additional test, Company will promptly advise the party requesting the test of the date of removal of the Meter, the date of the test, the result of the test, and who made the test.

4.7.5 Invoice Adjustment Due to Meter Inaccuracy

If any Company-owned Meter is determined to be outside of the accuracy standards established by the ANSI, unless bypassed or Tampered with, proper correction will be made of previous measurement data.

If a Meter is determined not to register for any period, unless bypassed or Tampered with, Company will invoice Retail Customer's Competitive Retailer for the Delivery Charges associated with the amount of Electric Power and Energy delivered, but not metered, for a period not to exceed six months based on amounts used under similar conditions during a period preceding or subsequent thereto, or during corresponding periods in previous years.

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4.8 Data Exchange

Company shall make proprietary Retail Customer information available to Competitive Retailer as prescribed by the Applicable Legal Authorities. Company shall not assess separate charges for the provision of meter or load data to Competitive Retailer.

4.8.1 Data from Meter Reading

Company shall make available to Retail Customer's Competitive Retailer all data recorded in Retail Customer's meter(s) that are owned by Company.

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

All metering data values will contain an associated Date/Time field as a time stamp. All time stamps (both for data points and sets of data) will be reported in Central Prevailing Time.

Unless provided by the Independent Organization, Company shall provide, if requested by Competitive Retailer in a switch request, the most recent 12 months of historical usage and/or interval data to Competitive Retailer via the appropriate SET protocol upon the switching of a Retail Customer to a new Competitive Retailer.

Unless provided by the Independent Organization, Company shall provide access to Retail Customer's historical usage and/or interval data to Retail Customer' and with the Retail Customer's permission, current and/or prospective Competitive Retailers. Company shall maintain at least 12 months of usage and/or demand data for each customer with a volumetric or demand meter and shall also maintain interval data for any customer for whom Company records interval data. If not provided by the Independent Organization, Company shall provide access to this data for interval demand recorder (IDR) customers through a web-portal, or other means such that the data is accessible in real-time. Company shall ensure confidentiality of customer load data through the assignment of unique customer passwords or personal identification numbers (PINs) released only to the IDR-metered Retail Customer.

4.8.1.1 Data Related to Interval Meters

Data from interval Meters will be sent as kWh during each interval. The kWh and kW or kVA Demand, as applicable, will be reported for each interval. The time stated for a recording interval shall be the end of the interval.

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4.8.1.2 Data Reported by Volumetric (kWh) Meters

Data reported by volumetric (kWh) Meters will include: the start-of-period date and time, usage for period, demand readings (if available), end-of-period date and time, and end-of-period reading. Exceptions, which include start of accounts and Meter changes for start-of-period reading, must be sent.

Metered data upon termination of a Retail Customers' Delivery Service at a particular Point of Delivery (final read) will be provided by Company to Competitive Retailer within three Business Days from the date that Delivery Service has been terminated.

4.8.1.3 Out of Cycle Meter Reads

Out of cycle Meter Reads associated with a Retail Customer's change in designated Competitive Retailer shall be provided to both the new and previous Competitive Retailer on the next Business Day following the out of cycle Meter Read date. For the new Competitive Retailer, the billing period begins with the out of cycle Meter Read, and for the previous Competitive Retailer, the billing period ends with the out of cycle Meter Read.

Out of cycle Meter Reads not associated with a Retail Customer's change in Competitive Retailer shall be provided to Competitive Retailer requesting such Meter Read within three Business Day following the out of cycle meter read date.

Competitive Retailer may be charged for an out of cycle Meter Read pursuant to the Rate Schedules of this Tariff.

4.8.1.4 Estimated Usage

Estimated usage must be identified as "Estimated" in the SET transactions. If requested, Company shall provide the reason for estimation and the estimation method used. If an estimation methodology is developed by the Commission, Company shall use that methodology.

4.8.1.5 Meter/Billing Determinant Changes

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

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

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

4.8.2 Data for Unmetered Loads

For unmetered service, the following standards apply:

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

4.8.3 Adjustments to Previously Transmitted Data

Re-sending or adjusting of previously transmitted data arises from data maintenance activities (e.g., response to inquiries, needs to restore data files, and responses to problems with posted data) and Meter maintenance activities (e.g., adjustments as improved information becomes available due to discovery of incorrect reads, crossed Meters, non-registering Meters, slow or fast Meters, incorrect multipliers, etc.).

The following standards apply to such previously transmitted data:

- (1) When corrections are made to previously sent data, the original SET is first cancelled. A new SET of "original" data is then transmitted;
- (2) When corrections are made to previously sent data, the complete set of data pertaining to a Meter and billing cycle will be resent. When re-sending or correcting data, each billing cycle for the affected Meter will be in a distinct data set in the SET. Only the data for the affected billing cycle and Meter will be resent;
- (3) In the case of "crossed Meters," in which Meter numbers have been incorrectly reported for sets of usage data, the original SET will be cancelled and a new SET transmitted that correctly reports the data, ESI ID, and other associated data;

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- (4) Company will make corrected data available to the original recipients in a timely manner no matter when the correction is made; and
- (5) Company shall provide a reason for an adjustment to Competitive Retailer when the adjustment is made.

4.8.4 Data Exchange Protocols

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

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

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4.9 Dispute Resolution Procedures

4.9.1 Complaint Procedures

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

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

- (1) Company or Competitive Retailer may initiate the dispute process by presenting to the other party a notice of the dispute/complaint, unless the dispute involves an invoice and notice has already been given under Section 4.4.8, INVOICE DISPUTES. Notice shall include, at a minimum, a clear description of the dispute, the nature of the dispute, a contact name, and a proposed resolution;
- (2) Disputes shall be referred as promptly as practicable to a designated senior representative of each of the parties for resolution on an informal basis;
- (3) The receiving party shall investigate the complaint and provide a response to the complaining party as soon as possible, but not later than ten Business Days following receipt of the complaint;
- (4) In the event that the designated representatives are unable to resolve the dispute within 30 calendar days, such dispute, by mutual agreement, may be referred to mediation or be submitted to binding arbitration and resolved in accordance with the current Commercial Arbitration Rules of the American Arbitration Association; and
- (5) In the event that binding arbitration is not chosen and resolution is not obtained within 30 calendar days after the initial complaint (or another mutually agreed upon timeline), an affected party may file a complaint at any time thereafter with the Commission.

4.9.2 Complaint with Regulatory Authority

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

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4.10 Service Inquiries

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

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

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

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4.11 Outage and Service Request Reporting

4.11.1 Notification of Interruptions, Irregularities, and Service Requests

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

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

Competitive Retailer choosing option (1) must ensure that all necessary information is electronically communicated to Company in a timely manner using the appropriate SET protocol so as not to unnecessarily delay Company's response. The data necessary includes the following information:

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

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A Competitive Retailer choosing option (2) shall ensure that calls are properly forwarded to a Company supplied telephone number. A Competitive Retailer choosing option (3) shall provide Retail Customers, in accordance with the Commission's customer protection rules, with the Company supplied toll free telephone number and indicate that Retail Customer should call this number. A Competitive Retailer choosing option (2) or (3) shall be required to provide Company with the information needed to verify Retail Customers' identity (name, address, and home phone number) for a particular Point of Delivery served by Competitive Retailer and to continually provide Company updates of such information.

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

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

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

4.11.2 Response to Reports of Interruptions and Repair Requests

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

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

5.1 General

5.1.1 Applicability of Chapter

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

5.1.2 Company Contact Information

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

Manager, Customer Services

American Electric Power

P.O. Box 2121

Corpus Christi, Texas 78403

1-877-373-4858

5.2 Limits on Liability

5.2.1 Liability Between Company and Retail Customers

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

Company will make reasonable provisions to supply steady and continuous Delivery Service, but does not guarantee the Delivery Service against fluctuations or interruptions. Company will not be liable for any damages, whether direct or consequential, including, without limitation, loss of profits, loss of revenue, or loss of production capacity, occasioned by fluctuations or interruptions unless it be shown that Company has not made reasonable provision to supply steady and continuous Delivery Service, consistent with the Retail Customer's class of service, and in the event of a failure to make such reasonable

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provisions (whether as a result of negligence or otherwise), Company's liability shall be limited to the cost of necessary repairs of physical damage proximately caused by the service failure to those electrical delivery facilities of Retail Customer which were then equipped with the protective safeguards recommended or required by the then current edition of the National Electrical Code.

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

5.2.2 Limitation of Duty and Liability of Competitive Retailer

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

5.2.3 Duty to Avoid or Mitigate Damages

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

5.2.4 Force Majeure

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

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5.2.5 Emergencies and Necessary Interruptions

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

Company shall provide advance notice to Retail Customer's Competitive Retailer, if reasonably possible. Such notice may be met by electronic notice to all certificated Competitive Retailers with specific identification of location, time and expected duration of outage. Notice shall also be provided, if reasonably possible, to those Retail Customers for whom a Competitive Retailer has provided notice to the Company that interruptions or suspensions of service will create a dangerous or life-threatening condition on the Retail Customer's premises. Retail Customer should notify their Competitive Retailer if a condition exists on the Retail Customer's premises such that a suspension or interruption of service will create a life-threatening or dangerous condition.

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

5.2.6 Limitation of Warranties by Company

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

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5.3 Service

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

5.3.1 Initiation of Delivery System Service (Service Connection)

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

5.3.1.1 Initiation of Delivery System Service Where Construction Services are Not Required

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

- (1) Unless Retail Customer's Electrical Installation is known to be hazardous under applicable codes, or is of such character that adequate satisfactory Delivery System Service cannot be provided consistent with Good Utility Practice, or interferes with the service of other Retail Customers;
- (2) Upon notification by the Registration Agent that Retail Customer has selected an eligible Competitive Retailer; and
- (3) Unless Competitive Retailer or Retail Customer is in default under this Tariff. Retail Customer is considered to be in default if Retail Customer fails to satisfy any material obligation under this Tariff after being given notice of the failure and at least ten days to cure.

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

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Applications for new Delivery System Service not involving Construction Service shall be filled within seven Business Days after Company's receipt of both the request, and if applicable, notification of approval of Retail Customer's Electrical Installation by the proper authority as provided in Section 5.4.2, INSPECTION AND APPROVAL OF RETAIL CUSTOMER'S ELECTRICAL INSTALLATION.

5.3.1.2 Initiation of Delivery System Service Where Construction Services are Required

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

5.3.2 Requests for Construction Services

All Construction Service requests must include the following information:

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

Company will acknowledge receipt of Retail Customer's Construction Service request and will contact the designated person to make proper arrangement for Construction Service pursuant to Section 5.7, FACILITIES EXTENSION POLICY.

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5.3.3 Changing of Designated Competitive Retailer

Company shall change a Retail Customer's designated Competitive Retailer upon receiving proper notification from the Registration Agent, in accordance with the Commission's customer protection rules and the protocols developed by the Independent Organization, unless the new Competitive Retailer is in default under the Tariff. Company shall release proprietary customer information to a Competitive Retailer in a manner prescribed by Applicable Legal Authorities.

5.3.4 Switching Fees and Switchovers

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

5.3.5 Selection of Rate Schedules

The Rate Schedules included in this Tariff state the conditions under which Company's Delivery Services are available and the applicable rates for each Delivery Service. Retail Customer may, if directed by Competitive Retailer, contact the Company to discuss the appropriate Rate Schedule for the Retail Customer. If requested, Company will assist Retail Customer in selecting the Rate Schedule that is best suited to existing or anticipated Delivery Service requirements. However, Company does not assume responsibility for the selection of the Rate Schedule or for any failure to select the most appropriate Rate Schedule for Retail Customer's Delivery Service requirements. Company shall direct Retail Customer to its Competitive Retailer to initiate any changes in Rate Schedule selection.

Before the initial selection of a Rate Schedule, Retail Customer shall notify its Competitive Retailer, who will in turn notify Company, of any known change in Retail Customer's Electrical Installation that may affect the applicability of a Rate Schedule.

5.3.6 Changes in Rate Schedules

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

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Schedule requires a different billing methodology, then the change shall be effective in the next full billing cycle.

5.3.7 Suspension of Service

5.3.7.1 Suspensions without Prior Notice

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

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

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

Retail Customers shall inform their designated Competitive Retailer of any conditions on Retail Customer's premises such that a suspension or interruption of service may cause a dangerous or life-threatening condition.

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

5.3.7.2 Noticed Suspension Not Related to Emergencies or Necessary Interruptions

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

- (1) In the event of unauthorized use, reconnection, or diversion of service, or tampering with the Company's Meter or equipment, or bypassing same;

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

5.3.7.3 Restoration of Service

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

5.3.7.4 Prohibited Suspension or Disconnection

- (1) Company shall not disconnect or suspend Delivery Service to Retail Customer in the following situations:
 - (A) On a day, or on a day immediately preceding a day, when personnel of Company are not available to the public for the purpose of reconnecting Delivery Service, unless a dangerous condition exists, or unless Retail Customer requests disconnection on that day; or
 - (B) For delinquency of payment to Company by Retail Customer's Competitive Retailer.

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- (2) Company shall not suspend or disconnect Delivery Service to Retail Customer for non payment during "extreme weather conditions" as defined in the Commission's customer protection rules. This prohibition shall not apply where suspension or disconnection is at the request of Competitive Retailer or Retail Customer, for Retail Customer related construction, alteration, emergency, or other temporary clearance requirement.
- (3) Company shall not disconnect Delivery Service at a permanent, individually metered dwelling unit of a Retail Customer for non-payment of amounts billed directly to Retail Customer by Company pursuant to the Company's Tariff, when that Retail Customer establishes that disconnection of Delivery Service will cause some person residing at that residence to become seriously ill or more seriously ill.
- (A) Each time a Retail Customer seeks to avoid disconnection of Delivery Service under this subsection, the Retail Customer must accomplish all of the following by the stated date of disconnection:
- (i) have the subject person's attending physician (for purposes of this subsection the term "physician" shall mean any public health official, including, medical doctors, doctors of osteopathy, nurse practitioners, registered nurses, and any other similar public health official) call or contact the Company by the date of the disconnection;
 - (ii) have the subject person's attending physician submit a written statement to Company; and
 - (iii) enter into a deferred payment plan.
- (B) The prohibition against Delivery Service disconnection provided by this subsection shall last 63 days from the issuance of the bill by Company or a shorter period as agreed upon by Company and Retail Customer or subject person's physician.
- (4) Company shall not suspend or disconnect Retail Customer when such disconnection will cause a dangerous or life-threatening condition on that Retail Customer's premise, without prior notice of reasonable length such that Retail Customer can ameliorate the condition. Retail Customer is responsible for notifying its designated Competitive Retailer if a disconnection to its facility will result in such a condition.

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5.3.8 Disconnection of Service to Retail Customer's Facilities

At the request of Retail Customer, or Retail Customer's designated Competitive Retailer, for Retail Customer related construction, alteration, emergency, or other temporary clearance requirement, Company shall disconnect Retail Customer's facilities on the date requested by Retail Customer, provided such request is made at least three Business Days prior to the requested date for disconnection.

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

5.4. Electrical Installation and Responsibilities

5.4.1 Retail Customer's Electrical Installation and Access

Retail Customer is responsible for the design, installation, operation, protection, and maintenance of electric facilities beyond the Point of Delivery, and Company shall have no responsibility therefore, except for the Meter if Meter is owned and maintained by Company. Retail Customer's Electrical Installation for receiving Electric Power and Energy must be installed in accordance with Company's specifications for electric installation, which are available upon request at Company's business offices located in the specific area where Delivery Service is desired. Retail Customer will install and maintain all of its lines and equipment in accordance with good electric practice, all applicable lawful regulations and Codes, and in such condition and manner as not to endanger persons or property, or to cause impairment of Company's Delivery Service to Retail Customer or others. Retail Customer assumes responsibility for Electric Power and Energy delivered to Retail Customer at and past the Point of Delivery in accordance with Section 5.5, RETAIL CUSTOMER'S ELECTRICAL LOAD.

5.4.2 Inspection and Approval of Retail Customer's Electrical Installation

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

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

5.4.3 Location of Point of Delivery and Retail Customer's Electric Installation

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

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

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

5.4.4 Connection of Retail Customer's Electrical Installation to Company Facilities

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

5.4.5 Provisions for Company Facilities and Equipment

Retail Customer must grant to or secure for Company, at Retail Customer's expense, any rights-of-way or easements on property owned or controlled by Retail Customer necessary for Company to install distribution facilities for the sole purpose of delivering Electric Power and Energy to Retail Customer. Retail Customer must provide, without cost to Company, suitable space on Retail Customer's premises for the installation of distribution facilities necessary to deliver Electric Power and Energy to Retail Customer and for installation of Company's Metering Equipment pursuant to Section 5.10, METER.

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5.4.6 Retail Customer's Duty Regarding Company's Facilities on Retail Customer's Premises

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

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

5.4.7 Unauthorized Use of Delivery System

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

- (1) The Delivery Charges associated with the estimated amount of electricity delivered without Company authorization, which may be estimated based on amounts used under similar conditions during preceding years. Where no previous usage history exists at the same Premises, consumption may be estimated on the basis of usage levels of similar Retail Customers at similar Premises under similar conditions;
- (2) The cost of replacement or repair of any damaged Company Meter or associated Company equipment;
- (3) The cost of installment of protective facilities or of relocation of Company's Meter, if necessary to prevent further unauthorized use; and

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- (4) All other costs associated with the investigation and correction of the unauthorized use.

5.4.8 Access to Retail Customer's Premises

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

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5.5 Retail Customer's Electrical Load

5.5.1 Load Balance

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

5.5.2 Intermittent Electrical Loads and Limitations on Adverse Effects

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

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

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

5.5.3 Equipment Sensitive to Voltage and Wave Forms

Retail Customers planning the installation of electric equipment such as computers, communication equipment, electronic control devices, motors etc., whose performances may

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be adversely affected by voltage fluctuations or distorted 60 hertz wave forms or single phase events are responsible for providing and installing the necessary facilities, including protective equipment, to limit these adverse effects.

5.5.4 Change in Retail Customer's Electrical Load

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

5.5.5 Power Factor

If the Power Factor of Retail Customer's load is found to be less than 95% lagging as measured at Retail Customer's Meter, Company may require Retail Customer to arrange for the installation of appropriate equipment on Retail Customer's side of the Meter necessary to maintain a Power Factor of not less than 95% lagging as measured at Retail Customer's Meter, or, at Retail Customer's option, to reimburse Company for installing the necessary equipment on Company's Delivery System.

Until the proper equipment has been installed to correct the Power Factor problem, the Billing Demand associated with Retail Customer's use of Delivery Service, as calculated in the appropriate Rate Schedule in Section 6.1, RATE SCHEDULES, may be adjusted according to the following formula:

Adjusted Billing Demand = (Billing Demand x .95)/Power Factor

5.6 Limitations on Use of Distribution Service

5.6.1 Intrastate Retail Delivery Service Limitations (for ERCOT Utilities)

Company will not provide Delivery Service to Retail Customer where any part of Retail Customer's Electrical Installation is located outside the State of Texas or is connected directly or indirectly to any other electric lines, all or part of which are located outside the State of

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Texas, other than through certain high-voltage direct current interconnections constructed under orders of the Federal Energy Regulatory Commission.

5.6.2 Parallel Operation

Retail Customer may not, without written agreement with Company, connect Retail Customer's Electrical Installation to a source of Electric Power and Energy in a manner that may permit Electric Power and Energy to flow into Company's Delivery System from such source. Retail Customer proposing the interconnection of Distributed Generation must comply with the provisions set forth in this Tariff and P.U.C. SUBST. R. 25.211, Interconnection of On-Site Distributed Generation (DG), and 25.212, Technical Requirements for Interconnection and Parallel Operation of On-Site Distributed Generation, or successor rules. Requirements and specifications for all other interconnections for parallel operation shall be individually negotiated with Company.

5.7 Facilities Extension Policy

5.7.1 General

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

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

Company is responsible for the construction of Delivery System facilities necessary to connect Retail Customer's Point of Delivery to Company's Delivery System. The treatment of extension of Meter facilities is excluded from this section and is addressed in Section 5.10,

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METER, of this Chapter. Payments in the form of a contribution in aid of construction or an advance for construction may be required from the entity requesting such Construction Service prior to commencement of construction in accordance with Section, 5.7.4, ALLOWANCE FOR FACILITIES, Section 5.7.5, NON-STANDARD FACILITIES, and Section 6.1, RATE SCHEDULES.

5.7.2 Contractual Arrangements

Company may require an executed Facility Extension Agreement, in the form approved by the Commission and specified in Section 6.1, RATE SCHEDULES, of this Tariff, between the entity requesting such service and Company prior to Company constructing standard and non-standard Delivery System facilities. In those instances where any payments are required, Company will provide a detailed cost estimate for the entity requesting the service to determine the special contractual arrangements required before Construction Service is provided. Regardless of any such payment, Company shall at all times have title to and complete ownership and control over facilities installed by Company.

5.7.3 Processing of Requests for Construction of Distribution Facilities

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

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

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5.7.4 Allowance for Facilities

The entity requesting the service will receive an allowance for installation of facilities. The calculation of the allowance and definitions of standard and non-standard facilities are provided in Section 6.1, RATE SCHEDULES. Payments in the form of a contribution in aid of construction may be required for the extension in excess of the allowance in accordance with Section 6.1, RATE SCHEDULES. When two or more applications for Delivery Service from the same extension are received prior to starting construction of the extension, the maximum allowance is the sum of each individual applicant's allowance.

5.7.5 Non-Standard Facilities

Non-standard facilities are defined in Section 6.1, RATE SCHEDULES, and may include but are not limited to a two-way feed, automatic and manual transfer switches, Delivery Service through more than one Point of Delivery, redundant facilities, facilities in excess of those normally required for Delivery Service, or facilities necessary to provide Delivery Service at a non-standard voltage.

If the entity requesting Construction Service desires Delivery Service utilizing non-standard Delivery System facilities, as described above and not covered elsewhere in this Tariff, Company shall construct such facilities unless, in the reasonable judgment of Company, such construction would impair Company's facilities or facilities with which Company is interconnected, impair the proper operation of such facilities, impair service to Retail Customers, or there are other appropriate concerns that the entity requesting service is unable or unwilling to correct. The entity requesting Construction Service shall pay to Company the estimated cost of all non-standard facilities, offset by any applicable allowance, as detailed in Section 6.1, RATE SCHEDULES, and the Facility Extension Agreement.

5.7.6 Customer Requested Facility Upgrades

In the case of upgrades to Delivery System facilities necessitated by Retail Customer adding load in excess of existing Delivery System facility capacity, should a contribution in aid of construction be required pursuant to Section 6.1, RATE SCHEDULES, only the cost of the facility upgrades that are attributable to the Retail Customer's request will be included in calculating a payment to Company.

5.7.7 Temporary Distribution Facilities

Company is responsible for the extension of Delivery System facilities necessary to connect Retail Customer's temporary Point of Delivery to Company's Delivery System for the purpose

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6. COMPANY-SPECIFIC ITEMS

6.1 Rate Schedules

6.1.1 Delivery System Charges

6.1.1.1 Residential Service

AVAILABILITY

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

TYPE OF SERVICE

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

MONTHLY RATE

I. Transmission and Distribution Charges:

Customer Charge	\$4.06 per Retail Customer per Month
Metering Charge	\$2.85 per Retail Customer per Month
Transmission System Charge	To be billed by Southwest Power Pool
Distribution System Charge	\$0.016772 per kWh

II. System Benefit Fund Charge:	\$0.00 per kWh, Effective 6/1/01-12/31/01
	\$0.000493 per kWh, Effective beginning 1/1/02

III. Transition Charge: Not Applicable

IV. Nuclear Decommissioning Charge: Not Applicable

V. Transmission Cost Recovery Factor: Not Applicable

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The monthly kWh for billing purposes will be constant as agreed to by the Company and Retail Customer until such time as additional Points of Delivery and or lighting facilities are installed.

The Company will require a written agreement listing the locations of each point of service, the Connected Load and the total kWh to be used for billing. Written request will be required in advance of any additions, deletions, or changes in the Connected Load served under this schedule.

The kWhs for the Retail Customer's electric load will be the total kW as determined from the manufacturer's rated input wattage of the electrical load or the actual test load, whichever is greater, times the estimated hours of operation per month. The same value will be used each month for billing purposes.

The Point of Delivery must be agreed to by the Company, and any installation of equipment by the Retail Customer must comply with Sections 3-6 of the Tariff.

Company's Transmission System Charge

Company's Transmission System Charge falls under the jurisdiction of the Federal Energy Regulatory Commission (FERC). Southwest Power Pool (SPP) has filed provisions in its Open Access Transmission Tariff (OATT) with the FERC to allow for the SPP to bill Retail Energy Providers in Texas for Network Transmission Service and Point to Point Service. A copy of SPP's OATT is available at the PUCT and can also be viewed at <http://www.spp.org>. See Section 34 and Addendum 1 to Attachment H of the OATT for the calculation of the Network Transmission Service charge. See Section 25, Schedules 7 and 8 and Attachment T of the OATT for Point to Point Transmission Service charges. The provisions in the SPP OATT will be in effect for the Texas Retail Pilot Project and full retail access, unless superseded by a new FERC-approved OATT. If a filing is made at the FERC to change SPP OATT rates, the PUCT and appropriate parties will be notified in advance of the filing.

NOTICE

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

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6.1.1.3 Secondary Service Greater Than 10 kW

AVAILABILITY

This schedule is applicable to Delivery Service for non-residential purposes at secondary voltage with demand greater than 10 kW when such Delivery Service is to one Point of Delivery and measured through one Meter.

TYPE OF SERVICE

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

MONTHLY RATE

I. Transmission and Distribution Charges:

Customer Charge	\$4.00 per Retail Customer per Month
Metering Charge	\$7.94 per Retail Customer per Month
Transmission System Charge	To be billed by Southwest Power Pool
Distribution System Charge	\$2.78 per Billing kW

II. System Benefit Fund:

\$0.00 per kWh, Effective 6/1/01-12/31/01
\$0.000494 per kWh, Effective beginning 1/1/02
See Rider SBF

III. Transition Charge:

Not Applicable

IV. Nuclear Decommissioning Charge:

Not Applicable

V. Transmission Cost Recovery Factor:

Not Applicable

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VI. Excess Mitigation Credit:	Not Applicable
VII. State Colleges and Universities Discount:	See Rider SCUD
VIII. Other Charges or Credits	
A. Net Merger Savings Rider	See Rider NMS
B. Rate Reduction Rider	See Rider RR

COMPANY SPECIFIC APPLICATIONS

Determination of Billing Demand for Transmission System Charges

Company's Transmission System Charge falls under the jurisdiction of the Federal Energy Regulatory Commission (FERC). Southwest Power Pool (SPP) has filed provisions in its Open Access Transmission Tariff (OATT) with the FERC to allow for the SPP to bill Retail Energy Providers in Texas for Network Transmission Service and Point to Point Service. A copy of SPP's OATT is available at the PUCT and can also be viewed at <http://www.spp.org>. See Section 34 and Addendum 1 to Attachment H of the OATT for the calculation of the Network Transmission Service charge. See Section 25, Schedules 7 and 8 and Attachment T of the OATT for Point to Point Transmission Service charges. The provisions in the SPP OATT will be in effect for the Texas Retail Pilot Project and full retail access, unless superseded by a new FERC-approved OATT. If a filing is made at the FERC to change SPP OATT rates, the PUCT and appropriate parties will be notified in advance of the filing.

Determination of Billing Demand for Distribution System Charges

Determination of Billing kW:

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

Determination Of Billing Demand When Demand is Not Measured

For Distribution System Charges:

The Retail Customer's monthly Demand value will be determined based upon Retail Customer's metered kWh usage converted into kW based upon load profiles developed for general service Retail Customers. The Retail Customer's monthly Billing Demand will be the monthly maximum created Demand but not less than 80% of the maximum

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created Demand established during the most recent eleven months. See Section 6.2.4 for information on estimating demands.

Refer to Section 6.2.2 of the Tariff for additional voltage information.

Service will normally be metered at the service voltage. For more information, refer to the Meter Installation and Meter Testing Policy, Section 6.2.3.3 of the Tariff.

Refer to Section 5.5.2 of the Tariff for additional information regarding highly fluctuating loads.

Refer to Section 5.5.4 of the Tariff for additional information regarding operational changes significantly affecting demand.

Refer to Section 5.5.5 of the Tariff for additional information regarding Power Factor.

NOTICE

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

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6.1.1.4 Primary Service

AVAILABILITY

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

TYPE OF SERVICE

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

MONTHLY RATE

I. Transmission and Distribution Charges:

Customer Charge	\$4.14 per customer per Month
Metering Charge	\$44.15 per customer per Month
Transmission System Charge	To be billed by Southwest Power Pool
Distribution System Charge	\$2.33 per Billing kW

II. System Benefit Fund:

\$0.00 per kWh, Effective 6/1/01-12/31/01
\$0.000476 per kWh, Effective beginning 1/1/02
See Rider SBF

III. Transition Charge:

Not Applicable

IV. Nuclear Decommissioning Charge:

Not Applicable

V. Transmission Cost Recovery Factor:

Not Applicable

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VI. Excess Mitigation Credit: Not Applicable

VII. State Colleges and Universities Discount: See Rider SCUD

VIII. Other Charges or Credits

A. Net Merger Savings Rider See Rider NMS

B. Rate Reduction Rider See Rider RR

COMPANY SPECIFIC APPLICATIONS

Determination of Billing Demand for Transmission System Charges

Company's Transmission System Charge falls under the jurisdiction of the Federal Energy Regulatory Commission (FERC). Southwest Power Pool (SPP) has filed provisions in its Open Access Transmission Tariff (OATT) with the FERC to allow for the SPP to bill Retail Energy Providers in Texas for Network Transmission Service and Point to Point Service. A copy of SPP's OATT is available at the PUCT and can also be viewed at <http://www.spp.org>. See Section 34 and Addendum 1 to Attachment H of the OATT for the calculation of the Network Transmission Service charge. See Section 25, Schedules 7 and 8 and Attachment T of the OATT for Point to Point Transmission Service charges. The provisions in the SPP OATT will be in effect for the Texas Retail Pilot Project and full retail access, unless superseded by a new FERC-approved OATT. If a filing is made at the FERC to change SPP OATT rates, the PUCT and appropriate parties will be notified in advance of the filing.

Determination of Billing Demand for Distribution System Charges

Determination of Billing kW:

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

Refer to Section 6.2.2 of the Tariff for additional voltage information.

Service will normally be metered at the service voltage. For more information, refer to the Meter Installation and Meter Testing Policy, Section 6.2.3.3 of the Tariff.

Refer to Section 5.5.2 of the Tariff for information on highly fluctuating load.

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Refer to Section 5.5.4 of the Tariff for additional information regarding operational charges significantly affecting demand.

Refer to Section 5.5.5 of the Tariff for additional information regarding Power Factor.

NOTICE

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

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6.1.1.5 Transmission Service

AVAILABILITY

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

TYPE OF SERVICE

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

MONTHLY RATE

I. Transmission and Distribution Charges:

Customer Charge	\$3.52	per Retail Customer per month
Metering Charge	\$1,034.28	per Retail Customer per month
Transmission System Charge		To be billed by Southwest Power Pool
Distribution System Charge	\$0.04	Per Billing kW

II. System Benefit Fund: \$0.00 per kWh, Effective 6/1/01-12/31/01
\$0.000458 per kWh, Effective beginning 1/1/02
See Rider SBF

III. Transition Charge: Not Applicable

IV. Nuclear Decommissioning Charge: Not Applicable

V. Transmission Cost Recovery Factor: Not Applicable

VI. Excess Mitigation Credit: Not Applicable

VII. State Colleges and Universities Discount: See Rider SCUD

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VIII. Other Charges or Credits

- A. **Net Merger Savings Rider** See Rider NMS
- B. **Rate Reduction Rider** See Rider RR
- C. **Municipal Franchise Fee:**
 - Industrial Customers:
 - Inside City Limits \$0.001026 per kWh
 - Outside City Limits \$0.000470 per kWh
 - Non-Industrial Customers \$0.000768 per kWh

COMPANY SPECIFIC APPLICATIONS

Determination of Billing Demand for Transmission System Charges

Company's Transmission System Charge falls under the jurisdiction of the Federal Energy Regulatory Commission (FERC). Southwest Power Pool (SPP) has filed provisions in its Open Access Transmission Tariff (OATT) with the FERC to allow for the SPP to bill Retail Energy Providers in Texas for Network Transmission Service and Point to Point Service. A copy of SPP's OATT is available at the PUCT and can also be viewed at <http://www.spp.org>. See Section 34 and Addendum 1 to Attachment H of the OATT for the calculation of the Network Transmission Service charge. See Section 25, Schedules 7 and 8 and Attachment T of the OATT for Point to Point Transmission Service charges. The provisions in the SPP OATT will be in effect for the Texas Retail Pilot Project and full retail access, unless superseded by a new FERC-approved OATT. If a filing is made at the FERC to change SPP OATT rates, the PUCT and appropriate parties will be notified in advance of the filing.

Determination of Billing Demand for Distribution System Charges

Determination of Billing kW:

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

Refer to Section 6.2.2 of the Tariff for additional information regarding standard voltages.

Service will normally be metered at the service voltage. For more information, refer to the Meter Installation and Meter Testing Policy, Section 6.2.3.3 of the Tariff.

Refer to Section 5.5.2 of the Tariff for additional information regarding highly fluctuating load.

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Refer to Section 5.5.4 of the Tariff for additional information regarding operational changes significantly affecting demand.

Refer to Section 5.5.5 of the Tariff for additional information regarding Power Factor.

NOTICE

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

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6.1.1.6 Lighting Service

6.1.1.6.1 Municipal Street Lighting Service

AVAILABILITY

This schedule is available only to municipalities, government agencies, colleges, universities and eleemosynary institutions for service to Company-owned and maintained street lighting fixtures installed upon request for the purpose of illuminating public streets, highways, parking lots and campuses.

Service will be provided by means of Company-owned and maintained lamps installed on overhead fixtures supported by poles in Company’s existing distribution system. Costs for added wood poles or ornamental poles conforming to standard specifications and mutually satisfactory to both the Retail Customer and the Company will be reimbursed to the Company by non-refundable payment and Retail Customer will not acquire any title in said facilities by reason of payment. Retail Customer will also be responsible for the cost of any associated circuit work. Additional costs associated with ornamental fixtures will be recovered from Retail Customer. Lamps may be supplied from either series or multiple systems and from overhead circuit at the option of the Company. The Retail Customer agrees to provide, at no cost to the Company, all required right-of-way together with tree trimming permits for installation of the system and any permit necessary to allow the Company the right to use highway, parkway, and street right-of-way for maintenance of the system. Service to mercury vapor lamps and incandescent lamps is available to existing service only.

TYPE OF SERVICE

Mercury vapor and incandescent lamps will be closed to new installations; service will continue to be provided until those fixtures fail or service is otherwise terminated.

MONTHLY RATE

I. Transmission and Distribution Charges:

Customer Charge: \$4.36 per account

Facilities Charge: See chart

Transmission System Charge: To be billed by Southwest Power Pool

Distribution System Charge: \$0.017601 per kWh

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Monthly Facilities Charges

Description	Code	kWh	Facilities Price
Mercury Vapor			
75 Watt	031	30	\$1.23
100 Watt	284	42	\$1.41
175 Watt	285	68	\$1.51
250 Watt	286	98	\$2.31
300 Watt	029	145	\$2.52
400 Watt	287	155	\$2.77
Metal Halide			
400 Watt	282	156	\$2.60
1000 Watt	283	373	\$3.37
High Pressure Sodium			
100 Watt	290	49	\$1.51
150 Watt	294	59	\$1.55
250 Watt	291	105	\$2.31
400 Watt	292	165	\$2.52
1000 Watt	293	388	\$3.37
Incandescent			
100 Watt	022	110	\$2.05

II. System Benefit Fund Charge: \$0.00 per kWh, Effective 6/1/01-12/31/01
 \$0.000488 per kWh, Effective beginning 1/1/02
 See Rider SBF

III. Transition Charge: Not Applicable

IV. Nuclear Decommissioning Charge: Not Applicable

V. Transmission Cost Recovery Factor: Not Applicable

VI. Excess Mitigation Credit: Not Applicable

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VII. State Colleges and Universities Discount: See Rider SCUD

VIII. Other Charges or Credits:

A. Net Merger Savings Rider See Rider NMS

B. Rate Reduction Rider See Rider RR

COMPANY-SPECIFIC APPLICATIONS

The Company will furnish to the Retail Customer, street light facilities for the operation from dusk to dawn of street lights served under this Tariff.

In the case where the lighting service is provided utilizing underground circuit(s), the Retail Customer will provide all trenching and back-filling necessary for the installation of the circuit(s).

The Company will, upon request of Retail Customer, relocate, remove, or change any of its facilities used in rendering service hereunder insofar as it may be practical and permissible, or will render service under any other street lighting service rate offered by the Company provided Retail Customer pays to Company, prior to the time such change is made or such different street lighting service is rendered, all costs incurred by Company in making the change, including costs of equipment or facilities rendered unusable.

If an outage of a street light occurs, Retail Customer shall notify the Company promptly of such outage and Company will be allowed five (5) working days after such outage has been reported in which to restore the lamp to service.

In the event that a lighting service is being provided in an area where it is subject to vandalism, the Retail Customer will be responsible for reimbursing the Company for all costs of maintaining the light(s), and if the vandalism is severe enough, in the Company's sole opinion, lighting service under this Tariff may be refused or terminated.

Company's Transmission System Charge

Company's Transmission System Charge falls under the jurisdiction of the Federal Energy Regulatory Commission (FERC). Southwest Power Pool (SPP) has filed provisions in its Open Access Transmission Tariff (OATT) with the FERC to allow for the SPP to bill Retail Energy Providers in Texas for Network Transmission Service and Point to Point Service. A copy of SPP's OATT is available at the PUCT and can also be viewed at <http://www.spp.org>. See Section 34 and Addendum 1 to Attachment H of the OATT for

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the calculation of the Network Transmission Service charge. See Section 25, Schedules 7 and 8 and Attachment T of the OATT for Point to Point Transmission Service charges. The provisions in the SPP OATT will be in effect for the Texas Retail Pilot Project and full retail access, unless superseded by a new FERC-approved OATT. If a filing is made at the FERC to change SPP OATT rates, the PUCT and appropriate parties will be notified in advance of the filing.

NOTICE

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

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6.1.1.6.2 Non-Roadway Lighting Service

AVAILABILITY

This schedule is for private lighting systems owned and operated by the Company and is only available to currently installed facilities.

TYPE OF SERVICE

The Company will own and operate complete luminaire units of approved design with an automatic control device for lights to burn from dusk until dawn.

The Retail Customer agrees to provide, at no cost to the Company, tree trimming permits for maintenance of the system.

The facilities installed by the Company will remain the property of the Company.

The Non-Roadway Lighting Tariff is closed to new service as of September, 2000.

MONTHLY RATE

I. Transmission and Distribution Charges:

Customer Charge: Not Applicable

Facilities Charge: See chart

Transmission System Charge: To be billed by Southwest Power Pool

Distribution System Charge: \$0.017601 per kWh

Monthly Facilities Charges

The monthly kW, for billing purposes, will be the rated bulb watts multiplied by 105 per cent and divided by 1,000.

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Description	Code	kWh	Facilities Price
Mercury Vapor			
100 Watt	322	68	\$3.15
175 Watt	323	68	\$3.23
250 Watt	324	98	\$4.26
400 Watt	325	155	\$4.47
1000 Watt	327	364	\$6.47
Metal Halide			
400 Watt	336	156	\$6.61
1000 Watt	337	373	\$8.59
High Pressure Sodium			
100 Watt	351	49	\$3.64
250 Watt	352	105	\$4.34
400 Watt	346	165	\$4.91
1000 Watt	347	388	\$6.81
Incandescent			
200 Watt	300	63	\$4.34

- II. **System Benefit Fund Charge:** \$0.00 per kWh, Effective 6/1/01-12/31/01
\$0.000488 per kWh, Effective beginning 1/1/02
See Rider SBF
- III. **Transition Charge:** Not Applicable
- IV. **Nuclear Decommissioning Charge:** Not Applicable
- V. **Transmission Cost Recovery Factor:** Not Applicable
- VI. **Excess Mitigation Credit:** Not Applicable
- VII. **State Colleges and Universities Discount:** See Rider SCUD
- VIII. **Other Charges or Credits:**
 - A. **Net Merger Savings Rider** See Rider NMS
 - B. **Rate Reduction Rider** See Rider RR

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COMPANY-SPECIFIC APPLICATIONS

In the event that a luminaire unit were to require major maintenance or replacement to maintain service after September 2000, any new investment would be at the sole discretion of the Company.

In the event that a lighting service is being provided in an area where it is subject to vandalism, the Retail Customer will be responsible for reimbursing the Company for all costs of maintaining the light(s), and if the vandalism is severe enough, in the Company's sole opinion, lighting service under this Tariff may be refused or terminated.

Company's Transmission System Charge

Company's Transmission System Charge falls under the jurisdiction of the Federal Energy Regulatory Commission (FERC). Southwest Power Pool (SPP) has filed provisions in its Open Access Transmission Tariff (OATT) with the FERC to allow for the SPP to bill Retail Energy Providers in Texas for Network Transmission Service and Point to Point Service. A copy of SPP's OATT is available at the PUCT and can also be viewed at <http://www.spp.org>. See Section 34 and Addendum 1 to Attachment H of the OATT for the calculation of the Network Transmission Service charge. See Section 25, Schedules 7 and 8 and Attachment T of the OATT for Point to Point Transmission Service charges. The provisions in the SPP OATT will be in effect for the Texas Retail Pilot Project and full retail access, unless superseded by a new FERC-approved OATT. If a filing is made at the FERC to change SPP OATT rates, the PUCT and appropriate parties will be notified in advance of the filing.

NOTICE

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

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6.1.1.7 Schedule TC – Transition Charges

NOT APPLICABLE

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6.1.1.8 Rider SBF - System Benefit Fund

AVAILABILITY

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

MONTHLY RATE

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

<u>Rate Schedule</u>	<u>Factor</u> <u>Effective 6/1/01-12/31/01</u>	<u>Factor</u> <u>Effective 1/1/02</u>
Residential Service	\$0.00 per kWh	\$0.000493 per kWh
Secondary Service Less than or Equal to 10 kW	\$0.00 per kWh	\$0.000484 per kWh
Secondary Service Greater than 10 kW	\$0.00 per kWh	\$0.000494 per kWh
Primary Service	\$0.00 per kWh	\$0.000476 per kWh
Transmission Service	\$0.00 per kWh	\$0.000458 per kWh
Lighting Service	\$0.00 per kWh	\$0.000488 per kWh

NOTICE

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

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**6.1.1.9 Rider NDC – Nuclear
Decommissioning Charges**

NOT APPLICABLE

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**6.1.1.10 Rider CTC – Competition
Transition Charge**

NOT APPLICABLE

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6.1.1.11 Rider SCUD – State Colleges And Universities Discount

AVAILABILITY

This rider is available to any facility of a four-year state university, upper-level institution, Texas State Technical College, or college as provided for in Section 36.351 of the Utilities Code, and is applicable to Delivery System Service taken pursuant to a Rate Schedule which specifically references this rider (the “Effectuating Rate Schedule”).

MONTHLY RATE DISCOUNT

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

NOTICE

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

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**6.1.1.12 Rider EMC – Excess Mitigation
Credit**

NOT APPLICABLE

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**6.1.1.13 Rider TCRF – Transmission Cost
Recovery Factor**

NOT APPLICABLE

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6.1.1.14 Additional Delivery System Charges

6.1.1.14.1 Rider NMS - Net Merger Savings

APPLICATION - BILLING MONTH STARTING JULY 2007

This Net Merger Savings Rider applies to distribution revenues to be collected from Retail Customers of a REP beginning with the implementation of competition in the SPP.

This Net Merger Savings Rider provides for a monthly credit calculated as a percentage of the Retail Customer's distribution base rate revenue as shown below. Rate classes are consolidated as approved in Docket No. 22353. After the last billing cycle for the June billing period in 2008, revised percentages will become effective in accordance with the annual redetermination procedure. The credit provided by this Net Merger Savings Rider will be identified as "Merger Savings Credit." The Net Merger Savings Rider was implemented in July 2000 after the closing of the merger between the American Electric Power Company, Inc. and Central and South West Corporation.

BASE RATE REVENUE PERCENTAGES - BILLING MONTH STARTING JULY 2007

<u>RATE CLASSES</u>	<u>% OF BASE RATE REVENUE</u>
Residential Secondary	4.4831%
General Service Secondary \leq 10 kW	2.6039%
General Service Secondary $>$ 10 kW	2.6034%
Primary Service	8.2905%
Transmission Service	17.7999%
Municipal Street Lighting Service	0.8508%
Non-Roadway Lighting Service	0.8507%

ANNUAL REDETERMINATION

No later than 60 days prior to July 1, 2008, the Company will make a compliance filing to implement new distribution Base Rate Revenue Percentages for the upcoming 12-month period. These percentages will be based on the refund amounts for the upcoming year plus any true-up amounts from prior periods. The over-under refund balances for prior periods will be

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determined by rate class and included in the calculation of the Net Merger Savings Rider for the 12-month period beginning with the first billing cycle in July 2007.

The annual true-up of the refund amount, plus interest calculated in accordance with the provisions of PUCT Substantive Rule 25.236(e)(1), will continue until such time as the Net Merger Savings Rider is no longer applicable as provided for in the Final Order issued in PUCT Docket No. 19265.

DETERMINATION OF BASE RATE REVENUE

Base rate revenues includes all distribution base rate revenues with the exception of revenues associated with miscellaneous services, fees and facility rentals. Facilities charges paid by Retail Customers taking service in accordance with lighting rates providing for such charges will be considered Base Rate Revenues.

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6.1.1.14.2 Rider RR – Rate Reduction

APPLICATION – BILLING MONTH STARTING JULY 2007

This Rate Reduction Rider applies to distribution revenues to be collected from Retail Customers of a REP beginning with the implementation of competition in the SPP.

This Rate Reduction Rider provides for a monthly credit calculated as a percentage of the Retail Customer’s distribution base rate revenue as shown below. Rate classes are consolidated as approved in Docket No. 22353. After the last billing cycle for the June billing period in 2008, revised percentages will become effective in accordance with the annual redetermination procedure. The credit provided by this Rate Reduction Rider will be identified as “Rate Reduction Credit.” The Rate Reduction Rider was implemented in July 2000 after the closing of the merger between the American Electric Power Company, Inc. and Central and South West Corporation.

BASE RATE REVENUE PERCENTAGES – BILLING MONTH STARTING JULY 2007

<u>RATE CLASSES</u>	<u>% OF BASE RATE REVENUE</u>
Residential Secondary	2.3026%
General Service Secondary ≤ 10 kW	3.6995%
General Service Secondary > 10 kW	3.6895%
Primary Service	13.3717%
Transmission Service	29.4962%
Municipal Street Lighting Service	2.1525%
Non-Roadway Lighting Service	2.1527%

ANNUAL REDETERMINATION

No later than 60 days prior to July 1, 2008, the Company will make a compliance filing to implement new distribution Base Rate Revenue Percentages for the upcoming 12-month period. These percentages will be based on the refund amounts for the upcoming year plus any true-up amounts from prior periods. The over-under refund balances for prior periods will be determined by rate class and included in the calculation of the Rate Reduction Rider for the 12-month period beginning with the first billing cycle in July 2007.

The annual true-up of the refund amount, plus interest calculated in accordance with the provisions of PUCT Substantive Rule 25.236(e)(1), will continue until such time as the

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Rate Reduction Rider is no longer applicable as provided for in the Final Order issued in PUCT Docket No. 19265.

DETERMINATION OF BASE RATE REVENUE

Base rate revenues includes all distribution base rate revenues with the exception of revenues associated with miscellaneous services, fees and facility rentals. Facilities charges paid by Retail Customers taking service in accordance with lighting rates providing for such charges will be considered Base Rate Revenues.

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6.1.1.14.3 Facilities Maintenance Service

AVAILABILITY

This service is available under Company's Facilities Maintenance Agreement to Retail Customers for operation and maintenance of facilities installed, owned and operated by the Company for which the Retail Customer has paid the full amount to Company. It is also available for routine operation and maintenance of facilities installed and owned by the Retail Customer which are standard to Company's system and for facilities owned by the Retail Customer which are non-standard to Company's system, provided such facilities are of the type and character normally maintained by Company.

MAINTENANCE CHARGES

For facilities that are standard to the Company's system, the monthly maintenance charges will be derived by multiplying the total calculated installed cost of the facilities to be operated and maintained by Company, (determined at the time of the signing of the Facilities Maintenance Agreement), by seventy-two one-hundredths of one percent (0.72%). The annual maintenance charges will be eight and sixty-four one-hundredths percent (8.64%). For facilities that are non-standard to Company's system, Company may at its option, with the agreement of Retail Customer, maintain such facilities at a mutually agreeable monthly rate of at least 0.72%.

TERMS OF PAYMENT

- a) Retail Customers who do not take service from the Company for twelve (12) consecutive months shall be deemed Seasonal Retail Customers and shall pay maintenance charges on an annual basis and the entire annual maintenance charge will be due and payable with the first service bill of the operating season for that Retail Customer.
- b) Retail Customers who take service for twelve (12) consecutive months shall pay maintenance charges on a monthly basis and the monthly maintenance charge will be due and payable with the Retail Customer's monthly bill for electric service.

TERMS AND CONDITIONS

The above maintenance charges are intended to cover routine operating and maintenance costs only. Should the facilities being maintained become damaged and/or require replacement during the term of this agreement, the monthly maintenance charges will be re-computed based on the installed cost of the replacement equipment. If Company installs replacement equipment. Retail Customer will pay Company the cost of installation of the replacement equipment. If Company owns the original equipment and

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if Company purchases and installs the replacement equipment, then Retail Customer will pay Company the cost of removing original equipment and acquiring and installing the replacement equipment purchased by Company, less any salvage or reclamation value of the original equipment. Such payment will be made within 16 days of the rendering of invoice.

This rate is subject to the provisions of the Company's Service Rules and Regulations, Chapters 3-6.

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6.1.1.14.4 Dedicated Facilities Rental

AVAILABILITY

This service is available (when permitted under PUC Rules and Orders) in cases where it is desirable for the Company to maintain ownership and control over operational and maintenance activities associated with specific electrical equipment dedicated to serve a single Retail Customer. In such cases, Retail Customer may contract to lease from the Company electric service facilities required for providing the electrical connection service requested by the Retail Customer. Such service will be provided under contract and in accordance with the provisions of the applicable Rate Schedule(s).

APPLICABILITY

Dedicated Facilities Rental Service is applicable to discretionary services and to other facilities dedicated to serve a single Retail Customer that are in excess of the Standard Facilities and Services that would normally be provided under the applicable Rate Schedule(s) and allowances.

Dedicated Facilities Rental Service is limited to primary voltage and transmission voltage facilities up to the high-side voltage connections on the Retail Customer's premises transformation.

Dedicated Facilities Rental Service is applicable until January 2004, unless extended by Commission Order, to existing facilities leased from Company under contract on September 1, 2000, including transformers and low-side voltage facilities, until Company provides the Retail Customer proper notice that such service is being cancelled.

RENTAL CHARGES

The monthly rental charge for dedicated facilities will be derived by multiplying the total calculated installed cost of the facilities to be installed (less any applicable CIAC), owned, operated and maintained by Company (determined at the time of the signing of the Facilities Rental Agreement) by 1.90%. The Retail Customer is responsible for the rental charge beginning with the effective date of the contract or the date installation of the facilities was completed if the facilities were installed after the execution of the contract.

Monthly Rental Charges = (calculated installed cost less any applicable CIAC) x 0.0190

TERMS OF PAYMENT

- (1) A Retail Customer's request for Company to install facilities to be leased for less than 60 consecutive months shall be considered as a request for

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non-permanent facilities and the Retail Customer will be required to make a contribution to recover expenses for the installation and removal of the facilities in addition to contracting for the monthly rental. In addition, Retail Customers who do not want to contract for service from Company for at least twelve (12) consecutive months will be deemed Seasonal Retail Customers and shall pay Dedicated Facilities Rental on an annual basis. Seasonal Retail Customers will have their entire annual Dedicated Facilities Rental Charge due and payable with the first service bill of the operating season for that Retail Customer.

- (2) All other Retail Customers shall pay Dedicated Facilities Rent on a monthly basis, and the monthly rental charge will be due and payable with the Retail Customer's monthly bill for Electric Service to the REP.

TERMS AND CONDITIONS

Should Company-owned facilities require replacement during the term of the Facilities Rental Agreement contract, the total calculated installed cost of the facilities will be recomputed and increased or decreased, as the case may be, by:

- (1) The total installed cost of the replacement equipment plus the costs of acquiring the replacement equipment; less
- (2) the installed cost of the original equipment.

Should the Retail Customer request that any facilities installed, owned, maintained or operated by Company to provide electrical connection service to the Retail Customer be removed, or upon termination of service at a location without a new Retail Customer willing to continue a contract to rent the dedicated facilities, Company will remove such facilities within a reasonable amount of time at the Retail Customer's expense.

This rate is subject to the provisions of all terms and conditions contained in the Tariff.

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6.1.2 Discretionary Charges

6.1.2.1 Discretionary Charges -- Other than Construction Service

APPLICATION

The following table contains a summary of Discretionary Charges other than Construction Charges. Complete detail concerning each charge is contained in the referenced subsection referenced in the column entitled “Charge No.”

The charges listed below are in addition to any other charges made under Company’s Tariff for Retail Delivery Service, and will be applied for the appropriate detailed description of each service.

		Amount
6.1.2.1.1	Connect Fee is charged for establishing each new electric connection service to an account, including temporary service, as requested by the REP. A. Self-Contained Meter B. CT Meter	\$25.00 \$170.00
6.1.2.1.1	Priority Connect Fee is charged if a REP requests that the connect be completed with less than adequate notice. A. Self-Contained Meter B. CT Meter	\$40.00 \$300.00
6.1.2.1.2	Priority Disconnect Fee is charged when a REP requests that the electric connection be terminated on a priority basis at a location where the REP is accountable for service, or when the Company employee cannot disconnect service on the first trip because of denial of access, threat of bodily injury, or other cause. A. Self-Contained Meter B. Subsurface Box C. Pole/Metering Equipment	\$30.00 \$80.00 \$70.00
6.1.2.1.3	Routine Reconnection Fee is charged when a REP makes a request to restore electric connection service to the same account within ten (10) days after the REP had ordered connection, if one full working day’s notice is given by the REP. A. Self-Contained Meter B. Pole or Subsurface Box C. CT Meter	\$25.00 \$60.00 \$50.00
6.1.2.1.3	Priority Reconnection Fee is charged when a REP makes a request to restore electric connection service to the same account within ten (10) days after the REP had ordered connection, if less than one full working day’s notice is given by the REP. A. Self-Contained Meter B. Pole or Subsurface Box C. CT Meter	\$45.00 \$100.00 \$80.00

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		Amount
6.1.2.1.4	<p>Routine Dispatched Order Fee is charged to recover the costs of preparing and dispatching an order to connect or disconnect an account where the REP cancels the request prior to the work being performed, if the dispatch occurs during normal business hours.</p> <p>A. Self-Contained Meter B. CT Meter</p>	<p>\$25.00 \$55.00</p>
6.1.2.1.4	<p>Priority Dispatched Order Fee is charged to recover the costs of preparing and dispatching an order to connect or disconnect an account where the REP cancels the request prior to the work being performed, if the dispatch occurs during hours other than normal business hours.</p> <p>A. Self-Contained Meter B. CT Meter</p>	<p>\$60.00 \$90.00</p>
6.1.2.1.5	<p>Service Call Fee is charged each time a Company employee is dispatched to the Retail Customer’s premises at the request of the Retail Customer or REP to investigate what the Retail Customer or REP believes to be a service problem but it is determined that the problem, or perceived problem, was not the fault of the Company’s equipment or system.</p> <p>A. During Business Hours B. After Business Hours</p>	<p>\$70.00 \$125.00</p>
6.1.2.1.6	<p>Specific Meter Reading Fee is charged when a REP requests that a meter be re-read to verify the accuracy of the Company’s routine meter reading or requests that a special reading be taken between normal meter reading cycles.</p>	<p>\$15.00</p>
6.1.2.1.7	<p>Meter Test Fee is charged for each meter tested by request other than tests conducted under the frequency guidelines specified by PUCT Substantive Rules for meter tests at no cost to Retail Customer.</p> <p>A. Self-Contained Meter B. CT Meter</p>	<p>\$90.00 \$260.00</p>
6.1.2.1.8	<p>Denial of Access to Meter Fee is charged each month that a Retail Customer denies the Company access to Company’s meter located on the Retail Customer’s property.</p>	<p>\$65.00</p>
6.1.2.1.9	<p>Broken Meter Seal Fee is charged any time there is an unauthorized breakage of the meter seal.</p>	<p>\$55.00</p>
6.1.2.1.10	<p>Meter Tampering Fee and Broken Meter Seal Fee are charged any time there is unauthorized access to the meter enclosure and there is evidence of current diversion, meter tampering, or other deliberate act(s) contributing to theft of service.</p>	<p>Actual time required times hourly rate</p>
6.1.2.1.11	<p>Returned Instrument Fee is charged to the party making the payment for each instrument returned unpaid by a financial institution to the Company.</p>	<p>\$25.00</p>

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		Amount
6.1.2.1.12	<p>Non-Standard Communication Fee is charged each time a REP communicates in a manner other than the otherwise agreed-to standard communication method.</p> <p>Hourly Fees: Clerk \$22.46 per hour Analyst \$34.76 per hour Supervisor \$43.16 per hour</p> <p>Other Fees: Computer Supplies \$5.00 per diskette Copying, handling, and mailing paper report \$15.00 per report</p>	
6.1.2.1.13	<p>Copying Fee is charged to the party making the request on a per page or per diskette basis.</p>	\$0.10 per page copied \$5.00 per 3.5 inch diskette \$.25 per page scanned for electronic file (8.5" x 11" text only)
6.1.2.1.14	<p>Special Metering and Non-Standard Metering Reports Fee is charged for special metering and/or non-standard metering reports that are in addition to what is required for the Company to bill the REP for service.</p>	\$30.00 per account or report per month plus the estimated cost for special metering (if any), calculated using current data at the time of installation, plus the cost of specific equipment requested
6.1.2.1.15	<p>Special Products/Service Fee is charged when products and/or services requested are appropriate for an electric utility to provide and are not prohibited by the PUCT.</p>	Estimated Cost
6.1.2.1.16	<p>Special Billing Service Fee is charged monthly as appropriate for providing any requested special billing analysis or billing reports that are in addition to the Company's standard analysis and reports required to bill the REP.</p> <p>Hourly Fees: Clerk \$22.46 per hour Billing Analyst \$34.76 per hour Supervisor \$43.17 per hour</p> <p>Other Fees: Computer Supplies \$5.00 per diskette Copying, handling, and mailing paper report \$15.00 per report</p>	
6.1.2.1.17	<p>Retail Electric Switchover Fee is charged when a Retail Customer requests to switch service to a consuming facility to another utility that has the right to serve the facility.</p>	Base Charge: \$200 Base Charge Adder: \$100

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6.1.2.1.1 Connect Fees

The Connect Fee is charged to the REP for establishing each new electric connection service to an account, including temporary service, as requested by the REP. After receipt of adequate notification (two working days to complete), connects are performed during normal business hours (8:00 a.m. – 5:00 p.m., Monday through Friday, excluding holidays) and the appropriate routine Connect Fee is charged.

If a REP requests that the connect be completed with less than adequate notice, the appropriate Priority Connect Fee will be charged. A request for a Priority Connect may not be an option when construction is required, depending on the amount of construction needed to make the connection. Requests for electric connection where construction is required may require an additional charge for the necessary construction.

	Connect	Priority Connect
Self-Contained Meter	\$25.00	\$40.00
CT Meter	\$170.00	\$300.00

6.1.2.1.2 Priority Disconnect Fee

The Priority Disconnect Fee is charged to the REP when a REP requests that the electric connection be terminated on a priority basis (less than two working days to complete) at a location where the REP is accountable for service, or when the Company employee cannot disconnect service on the first trip because of the denial of access, threat of bodily injury, or other cause. When repeat trips are required, a fee will be charged for each trip other than the first non-priority trip. The fee will not be charged if the Company is given two working days to disconnect the service and the disconnect can be performed during normal business hours (8:00 a.m. – 5:00 p.m., Monday through Friday, excluding holidays).

	Priority Disconnect Fee
Self-Contained Meter	\$30.00
Subsurface Box	\$80.00
Pole/Metering Equipment	\$70.00

6.1.2.1.3 Service Reconnection Fee

The Service Reconnection Fee is charged to the REP when a REP makes a request to restore electric connection service to the same account within 10 days after the REP had ordered disconnection. If one full working day's notice is given by the REP to perform

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the reconnection, the Routine Reconnection Fee will be charged. If less than one full working day's notice is given by the REP to perform the reconnection, the Priority Reconnection Fee will be charged.

	Routine Reconnect	Priority Reconnect
Self Contained Meter	\$25.00	\$45.00
Pole or Subsurface Box	\$60.00	\$100.00
CT Meter	\$50.00	\$80.00

6.1.2.1.4 Dispatched Order Fee

The Dispatched Order Fee is charged to the REP to recover the costs of preparing and dispatching an order to connect or disconnect an account where the REP cancels the request prior to the work being performed. The fee will be charged if the order has been dispatched, even if the service technician did not arrive at the work location or perform any of the requested work. The Routine Dispatched Order Fee will be charged for dispatches occurring during normal business hours (8:00 a.m. - 5:00 p.m., Monday through Friday, excluding holidays), and a Priority Dispatched Order Fee will be charged for dispatches occurring at any other time.

	Routine Order	Priority Order
Self-Contained Meter	\$25.00	\$60.00
CT Meter	\$55.00	\$90.00

6.1.2.1.5 Service Call Fee

The Service Call Fee is charged to the REP each time a Company employee is dispatched to Retail Customer's premises at the request of the Retail Customer or REP to investigate what the Retail Customer or REP believes to be a service problem but it is determined that the problem, or perceived problem, was not the fault of the Company's equipment or system.

	During Business Hours	After Business Hours
Service Call Fee	\$70.00	\$125.00

6.1.2.1.6 Special Meter Reading Fee

The Special Meter Reading Fee is charged when a REP requests that a Meter be re-read to verify the accuracy of the Company's routine Meter Reading, or requests that a special reading be taken between normal Meter Reading cycles. Special Meter Readings will be

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performed only during normal business hours (8:00 a.m. – 5:00 p.m., Monday through Friday, excluding holidays). The Special Meter Reading Fee will not be charged for a re-read if the new reading indicates that the original reading was in error.

Special Meter Reading Fee	\$15.00
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6.1.2.1.7 Meter Test Fee

The Meter Test Fee will be charged to the REP for each Meter tested by request other than tests conducted under the frequency guidelines specified by PUCT Substantive Rules for Meter tests at no cost to Retail Customer. If the results of a test indicate the Meter accuracy to be outside the tolerance limits specified by the PUCT, the Meter Test Fee will be waived.

	Meter Test Fee
Self-Contained Meter	\$90.00
CT Meter	\$260.00

6.1.2.1.8 Denial of Access to Meter Fee

The Denial of Access to Meter Fee will be charged to the REP each month that its Retail Customer denies the Company access to Company's Meter located on the Retail Customer's property. When the Company is denied access, it will estimate the Meter Readings for that month and bill the REP for electric connection service based on the estimated readings. In addition to the service charges based on the estimated readings, the REP will be billed the Denial of Access to Meter Fee. After two consecutive months of being billed this fee, or upon the REP's refusal to pay the fee, the Company will terminate electric connection service (with proper notice) until access is granted on a permanent basis.

Denial of Access to Meter Fee	\$65.00
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6.1.2.1.9 Broken Meter Seal Fee

The Broken Meter Seal Fee will be charged to the REP any time there is an unauthorized breakage of the Meter seal, regardless of whether it is for unauthorized reconnection of service, unauthorized access into the Meter enclosure, or for reasons not identifiable. Additional charges for any cost of repairs or replacement of damaged facilities, installing protective equipment, or relocation of Meter will also be charged if such costs are incurred.

Broken Meter Seal Fee	\$55.00
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6.1.2.1.10 Meter Tampering Fee

The Meter Tampering Fee and the Broken Meter Seal Fee will be charged to the REP any time there is unauthorized access into the Meter enclosure and there is evidence of current diversion, Meter tampering, or other deliberate act(s) contributing to theft of service. The Meter Tampering Fee will be based on actual time required and will be billed according to established hourly rates. In addition to the Meter Tampering Fee, charges will be assessed based on an estimate of the difference between Meter Readings during the estimated duration of the theft of service and what the Meter should have actually registered. Also, charges for any cost of repairs or replacement of damaged facilities, missing or destroyed Meter, installation of protective equipment, or relocation of Meter will also be charged if such is required.

Meter Tampering Fee	Actual time required times hourly rates
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6.1.2.1.11 Returned Instrument Fee

The Returned Instrument Fee is charged to the party making the payment for each instrument returned unpaid by a financial institution to the Company.

Returned Instrument Fee	\$25.00
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6.1.2.1.12 Non-Standard Communication Fee

The Non-Standard Communication Fee is charged to the REP each time a REP communicates in a manner other than the otherwise agreed-to standard communication method.

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Non-Standard Communication Fee

Hourly Fees:

Clerk	\$22.46 per hour
Analyst	\$34.76 per hour
Supervisor	\$43.16 per hour

Other Fees:

Computer Supplies	\$5.00 per diskette
Copying, handling and mailing paper report	\$15.00 per report

6.1.2.1.13 Copying Fee

The Copying Fee will be charged to the party making the request on a per page or per diskette basis depending on the requirements of each request and must be paid in advance of the copying being performed. This service is only for documents and data existing within the Company at the time of the request and that is available for public distribution.

Copying Fee	\$0.10 Per page copied
	\$5.00 Per 3.5 inch diskette
	\$0.25 Per page scanned for electronic file (8.5" x 11" text only)

6.1.2.1.14 Special Metering and Non-Standard Metering Reports Fee

The Special Metering and Non-Standard Metering Reports Fee will be charged for special metering and/or non-standard metering reports that are in addition to what is required for the Company to bill the REP for service. The requested product or service, if the Company agrees to provide it, must be appropriate for an electric utility to provide and not be prohibited under the PUCT's competitive energy services restrictions. This fee will be charged monthly to the REP or to the Retail Customer requesting the Report and will be based on the estimated recurring monthly costs plus estimated monthly maintenance on any special equipment required for providing the requested service. This monthly fee will be charged in addition to any installation costs for the special Metering Equipment requested.

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Special Metering and Non-Standard Metering Reports Fee	\$30.00 per account or report per month plus the estimated monthly maintenance cost for special metering (if any), calculated using current data at the time of installation, plus the cost of specific equipment requested.
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6.1.2.1.15 Special Products/Services Fee

A Special Products/Services Fee will be charged to the REP when products and/or services requested are appropriate for an electric utility to provide and are not prohibited by the PUCT. The full spectrum of such potential products and/or services either may not be anticipated at this time or may not occur regularly enough to warrant a specific fee.

For each of these qualifying products and/or services provided by the Company, the Special Products/Services Fee will be charged based on the estimated cost (current cost at the time the product/service is provided) to provide the requested product and/or service.

Special Products/Services Fee	Estimated Cost
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6.1.2.1.16 Special Billing Services Fees

The Special Billing Services Fees will be charged monthly to the REP as appropriate for providing any requested special billing analysis or billing reports that are in addition to the Company's standard analysis and reports required to bill the REP. Such requests may include services such as duplicate billing, special account aggregation reports, or special account consolidation reports.

Special Billing Services Fees		
Hourly Fees:		
Clerk	\$22.46	per hour
Billing Analyst	\$34.76	per hour
Supervisor	\$43.17	per hour
Other Fees:		
Computer Supplies	\$5.00	per diskette
Copying, handling, and mailing paper report	\$15.00	per report

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6.1.2.1.17 Retail Electric Switchovers

AVAILABILITY

A request to switch service of a consuming facility to another utility that has the right to serve the facility shall be handled pursuant to PUCT Subst. R. 25.27, a copy of which will be provided upon request.

RATE

Base Charge: \$200.00

Base Charge Adder: \$100.00

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6.1.2.2 Discretionary Charges -- Construction Service

6.1.2.2.1 Facilities Extension Schedule

TERMS AND CONDITIONS

Schedule 6.1.2.2.1 addresses the costs associated with extension of Delivery System facilities under Section 5.7 of the Tariff. For purposes of this Schedule, whenever the context requires the term “Retail Customer” includes property owners, builders, developers, contractors, government entities, authorized Agent for the ultimate consumer, or any other organization, entity, or individual making the request to the Company for electric connection.

Modifications to, and/or re-routes of existing facilities outside of extending electric connection to the Retail Customer making the request, are addressed elsewhere in Section 6.1.2.2 of this Tariff.

This Schedule is not applicable to interconnections with qualifying facilities (cogenerators or small power producers) or distributed generators. Sections 6.1.2.3 and 6.1.2.4.1 of this Tariff address facilities extension for service to those Retail Customers.

Retail Customers must satisfy all applicable state and municipal laws and regulations, including Local Gov. Code Sec. 212 or 232 for residential customers, and appropriate provisions of the Tariff prior to construction by the Company.

Electric connection service will be provided utilizing construction with standard facilities. Standard facilities consist of one radial feed provided by overhead distribution facilities installed above ground on wood poles with pole-mounted materials and equipment (excluding facilities associated with dips for underground service), and overhead conductors (including the service conductors) supplying one Point of Connection and one standard service voltage level applicable for the Rate Schedule under which the Retail Customer receives electric connection service. Standard facilities for all residential, and for non-residential secondary voltage electrical connections where permanently installed motor loads do not meet the minimum load requirements for three-phase connection as set out in Section 6.2.2 of the Tariff, will be single-phase connections. A request for three-phase service by a residential Retail Customer or a non-residential Retail Customer that does not meet the permanently installed motor load requirements will only be provided with the Company’s approval and will require the Retail Customer to share in the cost of providing that service according to the terms of this Policy.

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Retail Customer requests for excess facilities, redundant facilities, any non-standard voltage(s), underground electric connection, conversion from overhead to underground electric connection, or for any facilities other than described above are considered requests for non-standard facilities. If a Retail Customer requests electrical connection service for two (2) or more voltage classes, each voltage class electrical connection will be considered as a separate Retail Customer request for the purpose of application of this Schedule, and each electrical connection service interconnection will be considered a separate Retail Customer.

Any Retail Customer requests for electric connection service that will require facilities extension construction in excess of the allowances described herein (without regard to whether the construction is standard facilities or non-standard facilities) or if the service connection is anticipated to be temporary as described in this Policy, will be provided only with the Company's approval and the Retail Customer may be required to share in the cost of constructing the facilities extension required to satisfy the Retail Customer's request.

DISTRIBUTION FACILITIES EXTENSIONS

Overhead Facilities Extensions. Standard facilities extensions, not to exceed the allowances stated herein, will be provided to Retail Customers within the Company's certificated area without requiring the Retail Customer to make a contribution to share in the cost. Any requests requiring expenditures on the part of the Company in excess of the stated allowances may require the Customer to make a contribution in aid to construction (CIAC) to share in the cost.

Underground Facilities Extensions. Underground facilities, not to exceed the allowances stated herein, will be provided to Retail Customers within the Company's certificated area without requiring the Retail Customer to make a contribution to share in the cost. Any requests requiring expenditures on the part of the Company in excess of the stated allowances may require the Retail Customer to share in the cost.

Prior to the start of construction of any facilities to provide an underground electric connection, the Applicant shall:

- Agree to all provisions for an underground electric connection prior to the start of any construction by the Company.
- Provide legal description of property, stake all easements and appropriate control points prior to the initiation of any work by the Company.

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- Locate and clearly mark all other underground facilities currently existing on the Retail Customer's property.
- Make all arrangements deemed necessary or appropriate by the Company for payment of the Retail Customer's portion of costs;
- Execute all contracts, deeds, easements, and other legal documents that the Company deems necessary or appropriate.

CUSTOMER ASSUMES THE RISK OF, AND SHALL INDEMNIFY COMPANY AGAINST DAMAGES FOR INJURIES OR DEATH TO PERSONS OR LOSS TO CUSTOMER'S PROPERTY, OR TO THE PROPERTY OF COMPANY, WHEN OCCASIONED BY ACTIVITIES OF CUSTOMER OR THIRD PARTIES ON CUSTOMER'S PREMISES, RESULTING FROM THE INSTALLATION, EXISTENCE, REPLACEMENT OR REPAIR OF COMPANY'S UNDERGROUND FACILITIES AS FURTHER PROVIDED IN THE TERMS OF "LIMITATION OF LIABILITY AND INDEMNIFICATION," SECTIONS 4.2 AND 5.2 OF THIS TARIFF. NOTWITHSTANDING ANY OF THE ABOVE, THE PROVISIONS REQUIRING A CUSTOMER TO INDEMNIFY, FULLY PROTECT, OR SAVE COMPANY HARMLESS APPLY TO A STATE AGENCY, AS THAT TERM IS DEFINED IN CHAPTER 2251 OF THE TEXAS GOVERNMENT CODE, ONLY TO THE EXTENT OTHERWISE AUTHORIZED BY LAW.

FACILITIES EXTENSION ALLOWANCES AND FACTORS

The Company will consider the Standard Allowances, Facilities Extension Factors, and estimated costs to determine whether the Company's investment might produce a reasonable return for the investment in the facilities extension involved. If, in the Company's opinion, there are sufficient facts to indicate that the potential economic outlook for the proposed facilities warrant, those facts may support an allowance in addition to the standard allowance.

Facilities Extension Standard Allowances. Retail Customers will be given credit for the Standard Allowances stated below which are based on construction costs for standard facilities. Facilities construction costs include labor, transportation, and standard materials, equipment, and appropriate overheads. In addition to construction, other costs incurred by the Company in providing an electric connection to a Retail Customer may also be billed to the Retail Customer. These include, but are not limited to, clearing of easements or rights-of-way, permit costs (railroad, Corps of Engineers, highway, etc.) and use of specialized equipment such as cranes, barges, etc. The

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calculation of costs incurred in the extension of electrical facilities will be applied in a uniform manner throughout the Company's certificated territory.

Standard Allowance for a residential connection:	\$1,014
Standard Allowance for a general service ≤ 10kW connection:	\$1,063
Standard Allowance for general service > 10kW connection:	\$137.00/kW
Standard Allowance for a primary voltage connection:	\$107.00/kW

A contract for electric connection will be required for electric connections of this type.

Facilities Extension Factors. Facilities Extension Factors considered by the Company in determining the Retail Customer's share in the cost of the extension include:

1. The estimated cost of the extension, excluding the Standard Allowances for the type of service requested and the cost for standard transformers, Meters, and service drops will also be excluded when considering request for facilities extension to secondary voltage service Retail Customers.
2. In the case of electrical facilities upgrades, only the cost of the added facilities that are required due to the Retail Customer's request are included in determining the cost to meet the Retail Customer's request. Those portions of the upgrade that will benefit the system but are not needed to meet the Retail Customer's request will not be included. When the Retail Customer's request requires the Company to make a system upgrade in a dually certificated area, the Retail Customer will be required to commit in writing that he will reimburse the Company for the undepreciated value of the upgrade in the event the Retail Customer elects to switch his electric connection provider to another utility.
3. The expected revenue life of the facilities extension. If the expected revenue life of a facilities extension is not at least sixty (60) months, the facility will be deemed to be temporary service.
4. The possibility of serving additional Retail Customers from the proposed facilities within two (2) years.

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SHARING OF CONSTRUCTION COSTS BETWEEN THE COMPANY AND THE RETAIL CUSTOMER

Construction cost issues, including sharing of construction costs between the Company and the Retail Customer, or sharing of costs among the Retail Customer and other Applicants, will be explained to the Retail Customer after assessment of necessary work to extend the facilities.

For permanent installations, and after consideration of all these factors, any expenditure deemed to be in excess of the applicable allowances will require the Retail Customer to share in the cost of the extension through a non-refundable CIAC to be paid prior to construction. CIACs are taxable and shall include an Income Tax Component of Contribution (ITCC) at the current applicable rates. This ITCC rate will be revised and published annually, and it is available on request. The amount of the CIAC is the total cost of the facilities extension less all applicable allowances plus the impact for taxes. The Company, at its sole discretion, may allow some or all of the CIAC to be paid in monthly installments not to exceed 36 months if the Retail Customer agrees to pay, in addition to the CIAC, a one-time finance charge of 1% for each month over which the installment payments are spread. A Retail Customer requesting an installation which in the opinion of the Company may be of questionable permanence but not specifically temporary (such as but not limited to hunting or fishing camps) will pay a CIAC prior to construction. The CIAC for installations that the Company deems to be of questionable permanence will equal the total cost of the facilities extension. Should the Retail Customer default on the payment agreement, the full remaining balance of the CIAC will become due and will be billed to the Retail Customer immediately.

The monthly installment shall be calculated as shown below,

$$\text{CIAC} + (\text{CIAC} * (1\% \times \text{number of months})) = \text{Total CIAC} / \text{Number of Months} = \text{Monthly Payment}$$

The CIAC is non-refundable and will be based on estimated costs and warranted allowances as stated above. Only for jobs estimated to cost Twenty-five Thousand Dollars (\$25,000.00) or more, the Company will compare the estimated costs to actual costs to actual costs upon completion of the job. Any difference exceeding Fifty Dollars (\$50.00) between estimated costs and actual costs will be refunded or billed as the case may be. No adjustments to the CIAC will be made on jobs estimated to cost less than Twenty-five Thousand Dollars (\$25,000.00).

TEMPORARY SERVICE FACILITIES

All requests for electric connection which, in the opinion of the Company, will be utilized for less than 60 months will be considered to be temporary service unless they will

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continue to be utilized by a different Applicant. For temporary service facilities the Retail Customer will be charged a CIAC for the total estimated construction and removal costs, less salvage and depreciation, if any, without allowances.

TRANSMISSION LINE EXTENSIONS (69KV AND ABOVE)

Please see the CSW-OATT for provisions governing transmission line extensions.

6.1.2.2.2 Service Conductors Temporary Removal Fee

The Service Conductors Temporary Removal Fee is charged for self-contained metered services, when activities such as rebuilding the Meter loop, reroofing a house, or placing new siding on a building, for safety reasons would cause a request for the temporary removal of the service conductors. If the request for temporary removal of service conductors is made giving two full working days to schedule in advance of the required work, and the work can be performed during normal working hours (including the reconnection), the service will be performed free of charge once every five years per Point of Delivery. If the request is made more frequently than once every five years, or made as a priority (including the reconnection of the service conductors), a Service Conductors Temporary Removal Fee will be charged based on the hourly rate times the estimated hours required to perform the work.

Temporary removal of the service conductors at locations utilizing CT metering must be coordinated with the Company and a Temporary Service Removal Fee will be charged based on the estimated number of hours required to perform the work.

This fee may be charged to the REP, to the Retail Customer, or to the third party requesting disconnection of the Company's facilities.

Service Conductors Temporary Removal Fees	
Hourly Fees:	
CSR/TSR	\$20.89 per hour
Service/Meter Tech	\$54.63 per hour
Supervisor	\$43.17 per hour

6.1.2.2.3 Temporary Service Fee

The Temporary Service Fee is charged to a Retail Customer when requested by the Retail Customer, or to the REP when it makes a request on behalf of a Retail Customer. The Temporary Service Fee is charged when any construction is required to make the electric service connection to provide temporary service. If no facilities are required to be installed and/or removed in providing this service, then only the appropriate Connect Fee (Routine or Priority) will be charged. The fee covers all costs of installation and removal

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of facilities necessary to provide the temporary service and is charged in addition to the Connect Fee. The Temporary Service Fee is payable in advance when the fee is to be billed directly to a Retail Customer.

	Temporary Service Fee
Service provided and removed during normal business hours; only service conductors and self-contained Meter installed	\$230.00
All Others	Estimated cost for work order request at then-current costs

6.1.2.2.4 Underground Facilities Location Fee

The Underground Facilities Location Fee will be charged to the person or entity, including the Retail Customer or the REP, making a priority request (less than two working days' notice) for underground facilities to be located and marked. Requests received through Texas One Call with the appropriate lead time will not be charged. The Underground Facilities Location Fee is an hourly rate fee times the hours required to complete the request.

	Business Hours	Overtime
Underground Facilities Location Fee	\$65.00/hr.	\$85.00/hr.

6.1.2.2.5 Facilities Relocation Fee

The Facilities Relocation Fee will be charged to a Retail Customer, a third party, or the Retail Customer's authorized representative requesting the temporary or permanent relocation of any of the Company's facilities. The fee will be the estimated cost to the Company to perform the requested facilities relocation and must be paid in advance of the work being performed.

Facilities Relocation Fee	Estimated cost to perform the requested relocation of facilities, calculated for each specific work request at then-current costs
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6.1.2.3 Distributed Generation

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6.1.2.4 Additional Discretionary Charges

6.1.2.4.1 Parallel Generation Interconnection Requirements

6.1.2.4.1.1 Parallel Generation Interconnects With Company's Transmission System

Retail Customers who want to interconnect generating units with the Company's 60KV and above lines (Transmission System) must comply with the ERCOT ISO Generation Interconnection Procedures.

6.1.2.4.1.2 Distributed Generation (Parallel Generation Of 10 MW Or Less) Interconnects With The Company's Distribution System

Please see Section 6.1.2.3.1.

6.1.2.4.1.3 Parallel Generation Larger Than 10 MW Interconnects With The Company's Distribution System

This section is applicable to entities that want to interconnect with the Company's Distribution System and are not defined as Distributed Generation under PUC Subst. R. 25.211 and 25.212.

6.1.2.4.1.3.1 General Requirement

Retail Customer will submit the standard Application for Interconnection and Parallel Operation of Distributed Generation with the Utility System form contained in Section 6.1.2.3.1.6 of the Company's Service Rules and Regulations.

Company will perform an analysis to determine the impact of the installation on the Company's electric system. The analysis will also determine whether the interconnection can be made consistent with safe and reliable operation of the Company's Distribution System. The cost of such analysis will be the responsibility of the Retail Customer. A cost estimate will be provided and agreed to by the Retail Customer prior to the Company

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performing the analysis. The analysis will include modeling of the Company's Distribution System and determination of the impact the interconnected operation would have on the Distribution System and other customers served from the system. The relevant items for consideration in a pre-interconnection study include the size of the interconnection equipment; calculating the fault current contribution, if any, to the feeder system; determining the proper coordination of protective devices; establishing the metering requirements; and designing the Metering Equipment. Load flow determination, voltage drop calculations, fault current calculations and other analyses will be used to determine the performance of relevant equipment if necessary and analyzing the power quality and reliability impact of the installation on other customers.

Any changes required allowing safe and reliable interconnected operation with the Company's system will also be the responsibility of the Retail Customer.

Upon interconnecting, Retail Customer will enter into an Agreement for Interconnection and Parallel Operation under Section 6.1.2.1.7 and a Service Agreement for the provision of the Electric Delivery Company (EDC) services under the applicable Tariffs.

6.1.2.4.1.3.2 Technical Requirement

All parallel generation interconnections will comply with the technical standards of PUC Subst. R. 25.212 and the following requirements.

Unless specifically amended by contract to adapt these provisions to a specific interconnection, the following are the minimum requirements for parallel operations of Retail Customer generation or any interconnected generation units larger than 10 MW to the Company's distribution facilities.

- A. The Retail Customer or interconnected generator is solely responsible for properly synchronizing its generator with the Company and shall provide to the Company for review the most current specifications for interconnection equipment, including drawings and one line diagrams and the specific electrical characteristics of each generating unit. The Company's review of Retail Customer's specification shall not be construed as confirming or endorsing the design or any warranty of safety, durability or reliability of the facility or equipment.
- B. The Retail Customer or interconnected generator shall not energize a de-energized circuit or substation bus owned by the Company.

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- C. The generating equipment of the Retail Customer or interconnected generator shall not cause objectionable interference with the Electric Delivery Service provided to other customers by the Company. In order to minimize the interference of the parallel generation of the Retail Customer or interconnected generator with the Company's Electric Delivery Service operation, the generation of the Retail Customer or interconnected generator shall meet the following criteria:
1. Voltage - The generating equipment shall not cause excessive voltage excursions. The Retail Customer or the interconnected generator will operate its generating equipment in such manner that the voltage levels on the system are in the same range as if the generating equipment was not connected to the Company system. The Retail Customer or interconnected generator shall provide an automatic method of disconnecting his generating equipment from the Company facilities to protect against excessive voltage excursions.
 2. Flicker - The Retail Customer or interconnected generator shall not cause excessive voltage flicker on the electric facilities of the Company. This flicker shall not exceed 1.5% as measured at the Retail Customer or interconnected generator service point or the Borderline of Visibility Curve, Voltage Flicker Chart, ANSI/IEEE Std 141-1993, whichever is less.
 3. Frequency - The operating frequency of the generating equipment of the Retail Customer or interconnected generator shall not deviate from the Company's system frequency. Underfrequency relays shall be set so that generator of the Retail Customer or interconnected generator shall not separate from Company's system during under-frequency conditions until all of Company's underfrequency load shedding equipment has operated.
 4. Harmonics, Telephone Interference, and Carrier Interference - The generating equipment of the Retail Customer or interconnected generator shall not introduce: excessive distortion of Company's wave-form, telephone interference, or carrier interference at the Retail Customer or interconnected generator service point. IEEE Std 519 -1992 will be used as a guide.
 5. Fault and Line Clearing - The Retail Customer or interconnected generator shall remove its generating equipment from connection with the Company's system on the occurrence of an outage on the Company's

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electric facilities serving the Retail Customer or interconnected generator premises. The Retail Customer or interconnected generator is responsible for the stability of its units and providing adequate facilities (such as transfer-trip relaying) so that critical fault clearing times are met.

6. Power Factor - In order to regulate voltage consistent with Company's voltage profile needs, any interconnected generator(s) and step up transformer shall be capable of maintaining a Company specified high side bus voltage up to a power factor of .95 lagging or .95 leading. The voltage-var schedule, voltage regulator, and transformer ratio settings will be determined by the Company to ensure proper coordination of voltages and regulator action. Company may, in order to maintain a desirable voltage profile, require the Retail Customer or interconnected generator to accept reactive Power. In cases where the Company requires the Retail Customer or interconnected generator to accept reactive Power, the Retail Customer's or interconnected generator's Demand related charges if any shall not be affected by its acceptance.
 7. Excitation System and Automatic Voltage Regulation - Retail Customer's or any interconnected generator's excitation system response ratio shall not be less than 0.5 (five-tenths). Retail Customer's or any interconnected generator's excitation system(s) shall conform, as near as achievable, to the field voltage vs. time criteria specified in ANSI Standard C50.13-1989 in order to permit adequate field forcing during transient conditions. Retail Customer or any interconnected generator(s) shall maintain the Automatic Voltage Regulator (AVR) of each generating unit in service and operable at all times. If the AVR is removed from service for maintenance or repair, the Company's dispatching office shall be notified.
- D. The Company may require that a communication channel(s) be installed, at Retail Customer's or interconnected generator's expense, as part of the relay protection, remote control, remote metering, SCADA telemetry, and/or direct voice contact between Company and Retail Customer or interconnected generator. These channel(s) may be leased telephone circuit, power line carrier, pilot wire circuit, microwave, etc.
 - E. It is the sole responsibility of the Retail Customer or interconnected generator to protect his equipment from excessive negative sequence currents.
 - F. The Retail Customer or interconnected generator will be required to install, operate and maintain in good order and repair, and without cost to the Company,

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all facilities required by the Company for the safe operation of the Retail Customer's or interconnected generator's generation facilities in parallel with the Company's electrical system. The Retail Customer's or interconnected generator's generation and electrical facilities shall be installed, operated, and maintained by the Retail Customer or interconnected generator at all times in conformity with good electrical practice and shall comply with the National Electrical Code, the National Electrical Safety Code, any applicable local Codes and any applicable Company service standards included in the requirements of the contract.

- G. Any modifications or additions to the Company's electrical system due to the addition of the Retail Customer's or interconnected generator's generation will be solely at the Retail Customer's or interconnected generator's expense; however, the Retail Customer or interconnected generator will not acquire any ownership in these facilities. The modifications or additions may include but are not restricted to the upgrading of transformer insulation levels and lightning arrester ratings, the replacement of circuit breakers due to increased fault current levels, additional protective relaying and any additional metering.
- H. The Retail Customer or interconnected generator will furnish a manual disconnect switch with visual contacts and allowance for padlocking, to separate the Retail Customer's or interconnected generator's generator from the Company. The location of this switch will be determined by the Company, and be readily accessible to the Company at all times. The disconnect switch will be under the exclusive control of the Company and will be considered as part of the Company's switching arrangement. The Company reserves the right to open this disconnecting device, isolating the Retail Customer's or interconnected generator's generation, for any of the following reasons:
1. The Retail Customer's or interconnected generator's generating equipment upon the Company's determination causes objectionable interference with other customers' service, or with the operation of the Company's electrical system.
 2. The Retail Customer's or interconnected generator's generator output as determined by the Company exceeds the operating boundaries outlined in Item C.
 3. The Retail Customer's or interconnected generator's control and protective equipment causes or contributes to a hazardous condition. The Company reserves the right to verify on demand all protective equipment including

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relays, circuit breakers, etc. at the intertie location. Verification may include the tripping of the tie breaker by the protective relays.

4. In the Company's opinion, continued parallel operation is hazardous to the Retail Customer or interconnected generator, Company system or to the general public.
 5. To provide Company personnel the clearance for dead line or live line maintenance. The Company will attempt to notify the Retail Customer or interconnected generator before disconnection, but notification may not be possible in emergency situations that require immediate action.
- I. Automatic reclosing is normally applied to distribution circuits. When the Company's source breakers trip and isolate the Retail Customer or interconnected generator, the Retail Customer or interconnected generator shall ensure that his generator is disconnected from the Company circuit prior to automatic reclose by the Company. Automatic reclosing out-of-phase with the Retail Customer's or interconnected generator's generator may cause damage to Retail Customer or interconnected generator equipment. The Retail Customer or interconnected generator is solely responsible for the protection of his equipment from automatic reclosing by the Company.

6.1.2.4.1.3.3 Indemnification

RETAIL CUSTOMER INDEMNIFIES AND HOLDS COMPANY HARMLESS FOR ALL DAMAGES AND INJURIES TO COMPANY, RETAIL CUSTOMER, OR OTHERS ARISING OUT OF RETAIL CUSTOMER'S OR INTERCONNECTED GENERATOR'S USE, OWNERSHIP OR OPERATION OF RETAIL CUSTOMER'S OR INTERCONNECTED GENERATOR'S FACILITIES IN PARALLEL WITH COMPANY'S SYSTEM. RETAIL CUSTOMER OR INTERCONNECTED GENERATOR IS SOLELY RESPONSIBLE FOR PROVIDING ADEQUATE PROTECTION FOR RETAIL CUSTOMER'S OR INTERCONNECTED GENERATOR'S FACILITIES OPERATING IN PARALLEL WITH COMPANY'S SYSTEM IN SUCH MANNER THAT FAULTS OR OTHER DISTURBANCES ON THE COMPANY SYSTEM DO NOT CAUSE DAMAGE TO RETAIL CUSTOMER'S OR INTERCONNECTED GENERATOR'S EQUIPMENT.

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6.2. COMPANY-SPECIFIC TERMS AND CONDITIONS

6.2.1 Definitions

RETAIL SEASONAL AGRICULTURAL CUSTOMER

Not Applicable

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6.2.2 Standard Voltages

Standard voltage designations are as follows:

Secondary	Primary	Transmission
120/240 Single Phase		
120/208Y (4 wire wye)		
120/240 (4 wire delta)		
240 (3 wire 3 phase delta)		
240/480 Single Phase		
277/480Y (4 wire wye)		
480 (single or 3 phase delta)		
480/832Y(4 wire wye)*	480/832Y (4 wire wye)*	
2400 (single or 3 phase delta)	2400 (single or 3 phase delta)*	
2400/4160Y (4 wire wye)	2400/4160Y (4 wire wye)*	
	7200 (single phase)	
	7200/12470Y (4 wire wye)	
	12470 (single or 3 phase delta)	
	14400/24940 (4 wire wye)*	
		69000 (3 phase delta)
		138000 (3 phase delta)
		345000 (3 phase delta)

*Requires approval from Company

The standard voltage designations listed in the table above are nominal design voltages and the actual normal delivery voltages, so far as practicable, will be maintained within 5% of nominal, at the connection. The 5% of nominal voltage value is measurable after transient conditions have settled. Fluctuations greater than 5% may occur during transient conditions (see Sections 5.2.5, 5.3, and 6.2.3.4 of the Tariff).

To maintain system balance and reduce losses, single-phase primary or secondary connections will be limited to 167 kVA unless otherwise agreed upon by Company. Connections in excess of 167 kVA will require a three-phase connection.

Three-phase secondary connections will be limited to 2500 kVA unless otherwise agreed upon by Company. Three phase connections in excess of 2500 kVA will require a three-phase primary connection.

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6.2.3 Additional Company Specific Terms and Conditions

6.2.3.1 Rights-Of-Way And Easements

Upon acceptance of electric connection from the Company, the Retail Customer will provide, free of cost to the Company, all easements, rights-of-way, licenses and other rights on and over the Retail Customer's premises for purposes reasonably related to the Company's business, including, without limitation, the extension and furnishing of the electric connection to any Retail Customer, and services related to the electric connection such as Demand signals. Such easements, rights-of-way and permits shall be permanent, unless otherwise agreed to by the Company. If requested to do so, the Retail Customer shall execute all documents as the Company deems necessary or desirable to evidence any such easement, right-of-way or permit.

When the premises of a Retail Customer is so located that electric connection can be accomplished only by extending facilities over the property of another, the Retail Customer will aid and assist the Company in acquiring all other necessary easements, rights-of-way and permits on, over or under property owned by others along the route from the Company's lines to the Point of Connection for purposes reasonably related to the Company's business, including, without limitation, the installation, maintenance and operation of lines and equipment as may be necessary for providing electric connection to the Retail Customer. Charges specifically related to obtaining the necessary easements, rights-of-way or permits will be borne by the Retail Customer, Retail Customer's Agent or third party.

If the Company is unable to obtain the necessary easements, rights-of-way or permits within the time specified for providing electric connection to the Retail Customer in Section 5.3 of the Tariff, the time for providing electric connection to the Retail Customer shall be increased to accommodate any action the Company deems necessary or desirable for acquiring the necessary easements, rights-of-way and permits.

6.2.3.2 Estimated Demand

For customers without Demand Meters, whose usage is such that they will be placed on a demand rate, a demand will be estimated until such time that a Demand Meter can be installed.

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For Retail Customers without a billing history, the applied ratchet will be estimated by the Company or based on the most recent historical 12 months usage for the location unless a Retail Customer can provide documentation substantiating the appropriateness of a different value.

6.2.3.3 Meter Installation And Meter Testing Policy

6.2.3.3.1 Availability Of Electrical Connections

All Meters shall be installed in accordance with the latest edition of the American National Standards Institute, Inc. (ANSI), Standard C12 (American National Code for Electricity Metering), and all laws and ordinances which may be in force within the cities, towns or communities in which the Company furnishes an electric connection to the Retail Customer. Electric connections to the Retail Customer will normally be metered at the connection voltage. Under certain Rate Schedules and at the Company's option, electric connections may be metered at other than the connection voltage. When the Meter voltage is different than the connection voltage, billing units will be adjusted using the appropriate adjustment factor.

The size and type of connection to the Retail Customer metering facilities required varies in accordance with the different electrical requirements of Secondary Residential Service, Secondary General Service $\leq 10\text{kW}$, Secondary General Service $>10\text{kW}$, General Primary Service, and Transmission Service uses. For detailed information on the Company's requirements, the Retail Customer, contractor, builder or REP should contact the Company.

6.2.3.3.2 Location And Installation Of Meters

The Retail Customer will provide a suitable location to be mutually agreed upon on his premises for the installation of the Company's Meter and other equipment necessary for the Company to provide the connection to the Retail Customer. The service entrance will be so arranged that the Company can measure the Retail Customer's entire connected load with one Meter, unless otherwise specified in a Rate Schedule.

The Company will furnish and maintain a standard Meter or Metering Equipment to measure the amount of Demand and/or Energy delivered to Retail Customers in each of

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the following classes: Secondary Residential Service, Secondary General Service ≤ 10 kW, Secondary General Service > 10 kW, Primary Service, and Transmission Service. The standard Meter for a Residential and Secondary General Service ≤ 10 kW customer is a kWh Meter. The standard Meter for a Secondary General Service > 10 kW, Primary or Transmission Retail Customer is a self-contained or transformer-rated kWh Meter with a Demand register. Retail Customers requiring Current Transformer (CT) installations will be accommodated by the Company. For Secondary General Service > 10 kW, Primary Service, and Transmission Service Retail Customers with a Demand measurement of greater than or equal to 1000 kW, an interval data recorder (IDR) is the standard installation.

The Meter or Metering Equipment will meet the minimum requirements necessary to perform its intended function. The Company will make every reasonable attempt to accommodate Retail Customer requests or requirements for a Meter or Metering Equipment other than the minimum standard. Non-standard Meters include an IDR for Retail Customers with a demand measurement of less than 1000 kW and for Retail Customers that do not require an IDR for billing purposes.

The fees for non-standard installations are listed in Section 6.1.2 of the Tariff. Where a Retail Customer Meter request is not covered in that Schedule, the Retail Customer or Retail Customer's agent will be required to pay a non-refundable Contribution-in-Aid-of-Construction based on the difference in installed cost of the requested Meter or Metering Equipment and the standard for his rate class and voltage prior to installation.

All Meters furnished by the Company shall remain the property of the Company. The Retail Customer or REP will be responsible for installation and maintenance of the electric connection entrance enclosure and/or Meter socket, including reinstallation thereof if necessary plus any additional Metering Equipment.

Retail Customers served by an overhead Distribution System will provide an acceptable Point of Connection adequate to properly support the Company's connecting conductors and of an appropriate height above ground for the Company to maintain ground clearance for its connection conductors in accordance with local Codes and the National Electrical Safety Code requirements. Retail Customers will provide the Meter loop wiring. The length of the wiring must be sufficient to allow the proper installation of the Meter and connection at the Point of Connection. The size, or gauge, of the wires shall be determined by the expected load on the equipment but in any event not less than required by the National Electrical Code.

Written notice of the necessity for breaking the Company's seal on the connection entrance enclosure or Meter socket shall be given Company in advance by the Retail

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Customer or the Retail Customer’s agent. The Retail Customer, contractor, builder, or REP should refer to Company's "Handbook of Electric Metering and Connection Requirements" for installations of more than 320 amperes or for installations of more than 480 volts and for detailed information on all installations.

6.2.3.3.3 Billing

The Retail Customer’s usage will be calculated from the registration of the installed Meter or Meters. The quantity of Energy supplied will be determined by means of an integrating watt-hour Meter of standard type and when required by a Rate Schedule, a Demand Meter of standard type. The registration thereon will be conclusive evidence of the quantity of Energy and Power supplied unless upon test the metering is found to be outside the accuracy standards established by ANSI.

The Company will electronically transmit a bill to the Retail Customer’s REP for Company charges and the corresponding billing units. Billing adjustments related to the Meter measuring outside accuracy standards are covered in the Meter Accuracy and Testing section below.

The Company will adjust kWh and kW for metering located on the high side of a Company-owned transformer or for metering located on the low side of a Retail Customer-supplied transformer. The adjustment will decrease the recorded metered quantities for loads metered on the high side of Company-owned transformers and will increase the recorded metered quantities for loads metered on the low side of Retail Customer-supplied transformers. The adjustment for new installations shall be calculated by multiplying the recorded metered quantities by the appropriate adjustment factor listed below.

Intervening Equipment	Adjustment Factor
Substation Transformer	1.0%
Distribution Transformer	2.2%

6.2.3.3.4 Meter Accuracy And Testing

The Company carefully calibrates, maintains and tests its Meters in an approved manner. The calibration for all Meters shall conform to the calibration limits as set by ANSI Standard C12. When tested, a Meter found to exceed these limits shall be adjusted as close as practical to the condition of zero error, or removed from connection. Upon written request of a Retail Customer, and, if he so desires, in his presence or in that of his authorized representative, Company shall make a test of the Meter accuracy without

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charge. The test shall be made during Company's normal working hours at a time convenient to Retail Customer if he desires to observe the test. The test shall preferably be made on Retail Customer's premises, but may, at Company's discretion, be made at Company's test laboratory or contracted outside test laboratory. If the Meter has been tested by Company, or by an authorized agency, at Retail Customer's request, and within a period of four (4) years Retail Customer requests a new test, Company shall make the test; but if the Meter is found to be within the accuracy standards established by ANSI, Company may charge Retail Customer a fee which reflects the cost to test the Meter. Please see Section 6.1.2 of the Tariff. Following the completion of any requested test, the Company shall advise REP or Retail Customer of the date of removal of the Meter, the date of the test, the result of the test, and who made the test.

If any Meter is found to be outside of the accuracy standards established by ANSI, proper correction shall be made of previous readings for the period of six (6) months immediately preceding the removal of such Meter from service for the testing, or from the time the Meter was in service since last tested, but not exceeding six (6) months, as the Meter shall have been shown to be in error by such test, and an adjusted bill shall be rendered. No refund is required from the Company except to the REP that served the Retail Customer prior to the Meter testing. If a Meter is found not to register for any period, unless bypassed or tampered with, Company shall bill the REP the Company charges for units used, but not metered, for a period not to exceed three (3) months based on amounts used under similar conditions during periods preceding or subsequent thereto, or during corresponding periods in previous years. The overbilling adjustment shall include interest. In addition, the Company shall electronically notify the appropriate REP of the adjusted billing units in order for the REP to properly adjust the Retail Customer's bill.

6.2.3.3.5 Meter Testing Facilities and Equipment

The Company will either maintain a standardizing laboratory, or contract to a third-party laboratory, that shall conform to the requirements of ANSI Standard C12. All reference standards used in the testing and calibration of portable standards and instruments shall be submitted to this laboratory once each year for testing and adjustment. All test equipment used for testing billing Meters shall have a permanently attached identification number for use in maintaining records of assignment, certifications, and calibrations. All records will be kept on file at the office of the Company's standardizing laboratory or at a Company office that works directly with a contracted testing laboratory. All Meters shall be tested in accordance with the latest edition of ANSI Standards C-12 and C-12.16 (American National Code for Electricity Metering Solid State Meters).

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6.2.3.3.6 Records

The Company will maintain Meter equipment records showing the Meter location (i.e. physical address) and date of last test. All Meter tests shall be properly referenced to the Meter record. The record of each test made on the Retail Customer's premises or on request of a Retail Customer shall show the identifying number and constants of the Meter, the standard Meter and other measuring devices used, the date and kind of test made, by whom made, the error (or percentage of accuracy) at each load tested, and sufficient data to permit verification of all calculations.

6.2.3.3.7 Meter Enclosure Seal Breakage

In order to protect the Company from theft, the Meters, equipment, or enclosures containing said Meters and equipment shall be either locked or sealed by Company. Removal of said lock or seal is prohibited except when notice is given in advance. Retail Customer shall not knowingly allow anyone but employees of Company or agents authorized by Company to break seals or gain access to the Meters or equipment for the purposes of adjusting, repairing, rewiring or removing such equipment. Breaking of Company's seal without notice may be considered as Meter tampering by Company. There will be a Meter Enclosure Seal Breakage charge assessed when Company personnel are required to seal Meter enclosures or to make minor repairs to Meter enclosures (see Section 6.1.2 of the Tariff).

6.2.3.4 Motor Installations

6.2.3.4.1 Suitability of Equipment

The Retail Customer shall install only such motors or other equipment or devices as are suitable for operations with the Company's electric system and which shall not be detrimental to same, and the connection must not be used in such manner as to cause excessive voltage fluctuations or disturbances on the Company's Distribution System. The Company shall be the sole judge as to the suitability of apparatus, loads or appliances to be connected to its facilities and also as to whether the operation of such apparatus will be detrimental to the Company's Distribution System.

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6.2.3.4.2 Specifications and Operating Characteristics

The specifications and operating characteristics of the Retail Customer's motors and equipment shall be provided to the Company prior to connection of the Retail Customer's motors and equipment, unless otherwise agreed between the Retail Customer and the Company. The Retail Customer's motor and equipment specifications and operating characteristics to be provided to the Company shall include:

- (1) All pertinent nameplate information (*i.e.*, horsepower rating, NEMA codes, full load amps, locked rotor amps, operating voltage, number of electrical phases required, efficiency ratings, power factor ratings, etc.).
- (2) Expected frequency of starting (*i.e.*, number of times motor will start over a set period of time).

Based on the specifications and operating characteristics provided by the Retail Customer, the Company may require the Retail Customer to install and maintain at the Retail Customer's expense such protective equipment or devices approved by the Company as are required or appropriate to limit, to a level acceptable to the Company, the effects of operating motors and equipment on the Company's system.

All motor installations approved by the Company shall be in accordance with the following provisions:

- (1) Connections to all motors of seven and one-half (7-1/2) horsepower or less shall be single phase. 120-volt class motors shall not exceed 50 amperes locked rotor current.
- (2) Connections to all motors of more than seven and one-half (7-1/2) horsepower shall be three phase.
- (3) Groups of motors starting simultaneously shall be classed as one motor.

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6.2.3.5 Continuity of Connection

In the event of national emergency or local disaster resulting in disruption of normal transmission or distribution service, Company may, in the public interest, temporarily interrupt transmission or distribution service to other Retail Customers to provide necessary transmission or distribution service to civil defense or other emergency service agencies until normal transmission or distribution service to these agencies can be restored.

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6.3 Agreements and Forms

6.3.1 Facilities Extension Agreement

WO NO. _____,
_____, 200_

NO. _____

Southwestern Electric Power Company, hereinafter called Company, agrees to accept payment of _____ Dollars to be paid by _____ of _____ County, Texas, hereinafter called Applicant, as a Non-Refundable Construction Payment in connection with an application for the purpose of inducing Company to extend Facilities to premises identified as follows:

at or near _____, Texas.

In consideration of said Non-Refundable Construction Payment, to be paid to Company by Applicant prior to commencement of construction, Company agrees to install and operate lines and equipment necessary to distribute electric service to the above identified premises, all of which shall be and remain the property of Company. Company expressly retains the right to use said lines and equipment for any purpose which Company deems advisable, including the distribution of electric service to other customers.

Nothing herein contained shall be construed as a waiver or relinquishment by Company of any right that it has or may hereafter have to discontinue service for or on account of default in the payment of any bill owing or to become owing thereunder or for any other reason or cause stated in Company's Tariff.

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

Southwestern Electric Power Company

By: _____
Title

ACCEPTED:

Applicant

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**6.3.2 Application for Interconnection and Parallel
Operation of Distribution Generation**

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**6.3.3 Agreement for Interconnection and Parallel
Operation of Distributed Generation**

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6.3.4 Other Agreements and Forms

6.3.4.1 Facilities Rental Agreement

Customer Name: _____

Account Number: _____

Contract Number: _____

1. This Facilities Rental Agreement between Retail Customer and Southwestern Electric Power Company (Company) shall continue for a term of _____.
2. Company agrees to lease to Retail Customer the electric equipment and Facilities as set forth in Exhibit A attached hereto and made a part hereof (Facilities) used in providing service to Retail Customer.
3. Retail Customer shall pay Company rent and maintenance charges for the Facilities at the rates and at the time provided in Company’s Dedicated Facilities Rental Rider as filed with the Public Utility Commission of Texas, computed as follows:

Total Installed Cost of Facilities	(Less)	Customer Contributions in Aid of Construction	(Equals)	Balance	(Times)	Monthly Facilities Rental Rate	(Equals)	Monthly Facilities Rent
_____	-	_____	=	_____	X	_____	=	_____

4. In the event Retail Customer requests that any Facilities constructed, owned, maintained or operated by Company be removed or upon the termination of this contract without the execution by the parties of a superseding contract that provides for the continuation of rental payments by Retail Customer, Company will remove such Facilities within a reasonable time at Retail Customer’s expense. The removal charge shall include the labor and construction equipment usage cost to Company of removing such Facilities less the salvage or reclamation value of the Facilities, whichever is higher, and shall be calculated in accordance with Company’s customary accounting procedures, which Company agrees will be in accordance with generally accepted accounting principles, and the requirements of regulatory agencies having jurisdiction over Company. In addition to removal costs net of salvage, Retail Customer shall also pay to the Company the undepreciated value of the assets being removed (including installation, labor and Facilities). Such payment shall be made to Company promptly after such removal is completed.

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5. Company will maintain the Facilities installed by it and rented to Customer in good operating condition and assumes all costs and expenses in connection therewith except for repairs due to any damages or destruction of the Facilities caused by Retail Customer. Maintenance expenses to Company other than repair of damages caused by Retail Customer will in no way increase the monthly rentals which Retail Customer will pay Company, provided that should all or any part of the Facilities being rented require replacement during the term of this Agreement, the monthly and annual rental charges will be re-computed based on the provisions in the Company's Dedicated Facilities Rental Rider. Retail Customer will pay for all damages caused by Retail Customer within 16 days of receiving the notice.
6. Company will endeavor to perform inspection or maintenance of the Facilities during time periods which will minimize any impact on Retail Customer's operation.
7. Retail Customer will protect Company property located on Retail Customer's premises from persons not authorized to have access to Company's property.

ACCEPTED BY:

ACCEPTED:

Southwestern Electric Power Company

Retail Customer Date

By Date

Official Capacity

Title

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6.3.4.2 Facilities Maintenance Agreement

Customer Name: _____

Account Number: _____

Contract Number: _____

1. This Facilities Maintenance Agreement between Retail Customer and Southwestern Electric Power Company (Company) shall continue for a term of _____.
2. Company agrees to operate, repair and maintain the equipment and Facilities used in providing electric service to the Customer as set forth in Exhibit A attached hereto and made a part hereof (Facilities). The Company shall bear all expenses of routine operation of and maintenance on the facilities.
3. Retail Customer represents that Facilities installed and owned by Customer are in accordance with specifications at least equal to those prescribed by the National Electrical Safety Code. In the event that all or any part of the Facilities are not in accordance with such specifications or are below Company’s operational standards, Retail Customer will, prior to qualifying for service, at its expense replace, construct or reconstruct the Facilities or part thereof necessary to bring the Facilities in accordance with such specifications of the Company’s operational standards. Connection of the Facilities to the Company’s system shall not imply that the Facilities are in accordance with such specifications or that the Facilities meet the Company’s operational standards.
4. Retail Customer shall pay Company maintenance charges for the Facilities at the rates and at the times provided in Company’s Facilities Maintenance Rider as filed with the Public Utility Commission of Texas, computed as follows:

$$\begin{array}{ccccccc}
 \text{Total Installed} & & \text{Monthly Facilities} & & \text{Monthly Facilities Maintenance} \\
 \text{Cost of Facilities} & \text{(Times)} & \text{Maintenance Rate} & \text{(Equals)} & \\
 \underline{\hspace{2cm}} & \text{X} & \underline{\hspace{2cm}} & = & \underline{\hspace{2cm}}
 \end{array}$$

5. The above maintenance charges are intended to cover the routine operating and maintenance costs only. If the Facilities being operated and maintained become damaged during the term of this Agreement, the Retail Customer shall be responsible for the cost to repair the Facilities. If the Facilities require replacement during the term of this Agreement, the Retail Customer shall be responsible for the cost of removal of the original equipment and acquisition and

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APPENDIX A

**Agreement Between Company and Competitive Retailer Regarding
Terms and Conditions of Delivery of Electric Power and Energy**

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

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

FOR COMPANY

Legal Name: _____

Mailing Address: _____

Phone Number: _____

Fax Number: _____

Email Address: _____

Payment Address (both electronic and postal): _____

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

FOR COMPETITIVE RETAILER

Legal Name: _____

Mailing Address: _____

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Phone Number: _____

Fax Number: _____

Email Address: _____

Billing Address (both electronic and postal): _____

PUC Certificate Number: _____

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

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

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

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

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

1-866-223-8508

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

1-866-223-8508

B. DESIGNATION OF CONTACT FOR MAKING SERVICE REQUESTS

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

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

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

1-877-373-4858

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

1-877-373-4858

III. TERM

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

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

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

V. SIGNATURES

Southwestern Electric Power Company _____

(legal signature) _____

(date) _____

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Competitive Retailer (insert name) _____

(legal signature) _____

(date) _____