

**TARIFF
FOR
COMPETITIVE RETAILER ACCESS**

Nueces Electric Cooperative, Inc. (NEC)

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**Tariff for Competitive Retailer Access
Nueces Electric Cooperative (Energy Delivery)**

Applicable: NEC Distribution System Members
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CHAPTER 1: DEFINITIONS

The following definitions apply to the Access Tariff of a Municipally Owned Utility or Electric Cooperative and to any Access Agreements made pursuant to the Access Tariff, unless specifically defined otherwise therein.

ACCESS. The ability of a Competitive Retailer to deliver electric energy to Retail Customers at the Point of Supply.

ACCESS AGREEMENT. The Access Agreement set forth in this Access Tariff that must be executed by NEC and Competitive Retailer before the Competitive Retailer can deliver Electric Power and Energy to NEC's Delivery System and provide Electric Power and Energy to Retail Customers connected to NEC's Delivery System.

ACCESS TARIFF. The document filed with and approved, except for Chapters 2 and 5, by the PUC pursuant to which NEC provides Access to Competitive Retailers. It is comprised of Rate Schedules, Access rules and regulations. The Access rules and regulations include definitions, terms and conditions, policies, and Access Agreements.

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

BANKING HOLIDAY. Any day on which the bank designated by NEC as the repository for payment of funds due to NEC under this Access Tariff is not open for business.

BUSINESS DAY. Any day on which NEC's corporate offices are open for business and that is not a Banking Holiday.

CENTRAL PREVAILING TIME. As established by national time standards, either Central Standard Time or Central Day-Light time.

CODES. Federal, state or local laws, or other rules or regulations governing electrical installations.

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COMMISSION, PUC or PUCT. The Public Utility Commission of Texas.

COMPETITIVE RETAILER. A Retail Electric Provider, POLR or a Municipally Owned Utility or Electric Cooperative that offers customer choice in the restructured competitive electric power market, and is selling Electric Power and Energy or any other entity authorized to provide Electric Power and Energy in Texas.

CONSTRUCTION SERVICE. Services related to the construction, extension, installation, modification, repair, upgrade, conversion, relocation, or removal of NEC facilities including temporary facilities.

DELIVERY. The movement of Electric Power and Energy through NEC's electric lines and other equipment, including transformers, from the Point of Supply to the Point of Delivery.

DELIVERY SERVICE. A service performed by NEC for Retail Customers to effect the Delivery of Electric Power and Energy from the Point of Supply where it enters the Delivery System of NEC and is delivered to the Retail Customer to the Point of Delivery.

DELIVERY SERVICE TARIFF. A document promulgated by NEC describing the rates, terms and conditions of Delivery Service to Retail Customers.

DELIVERY SYSTEM. NEC's electric lines, Meters and other equipment, including transformers used in the Delivery of Electric Power and Energy.

DEMAND. The rate at which electric energy is used at any instant or averaged over any designated period of time and which is measured KW or KVA.

DISCRETIONARY SERVICES. Customer specific services.

ELECTRIC COOPERATIVE. An electric cooperative as defined in PURA §11.003(9).

ELECTRIC POWER AND ENERGY. The KWH, the rate of delivery of KWH, and ancillary services related to KWH that a Competitive Retailer provides to Retail Customers

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ELECTRIC SERVICE IDENTIFIER or ESI ID. The basic identifier assigned to each Point of Delivery used in the registration system and settlement system managed by ERCOT or another Independent Organization.

ERCOT. The Electric Reliability Council of Texas, Inc.

GOOD UTILITY PRACTICE. This term will have the meaning ascribed thereto in P.U.C. SUBST. R. 25.5, *Definitions*, or its successor.

INDEPENDENT ORGANIZATION or IO. The organization authorized to perform the functions prescribed by PURA §39.151.

KILOVOLT AMPERES or KVA. 1000 volt-amperes.

KILOWATT or KW. 1000 watts.

KILOWATT-HOUR or KWH. 1000 watt-hours.

METER or METERING EQUIPMENT. A device, or devices, together with any required auxiliary equipment, for measuring the amount of Electric Power and Energy delivered.

METER READING or METER READ. The process whereby NEC determines the information recorded by Metering Equipment. Such reading may be obtained manually, through telemetry, or by estimation, in accordance with the procedures and practices of NEC.

MUNICIPALLY OWNED UTILITY. A utility owned, operated and controlled by a municipality or by a nonprofit corporation, the directors of which are appointed by one or more municipalities, as defined in PURA §11.003(11).

POINT OF DELIVERY. As determined by NEC, the point where the Electric Power and Energy leaves NEC's Delivery System and is delivered to a customer.

POINT OF SUPPLY. The point where the Electric Power and Energy enters NEC's Delivery System.

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PREMISES. A tract of land or real estate or related commonly used tracts, including buildings and other appurtenances thereon.

PROVIDER OF LAST RESORT or POLR. A REP certified in Texas that has been designated by the commission to provide a basic, standard retail service package to requesting or default customers or an entity selected by a municipally owned utility or electric cooperative to act as a provider of last resort.

PURA. Public Utility Regulatory Act.

REGISTRATION AGENT. Entity designated by the Commission to administer settlement and premise data and other processes concerning a Retail Customer's choice of a Competitive Retailer in the competitive retail electric market in Texas.

RETAIL CUSTOMER. An end-use customer who purchases Electric Power and Energy and ultimately consumes it. Whenever used in the context of Construction Services, the term Retail Customer also includes property owners, builders, developers, contractors, governmental entities, or any other organization, entity or individual that is not a Competitive Retailer making a request for such services to NEC.

RETAIL CUSTOMER'S ELECTRICAL INSTALLATION. All conductors, equipment, or apparatus of any kind on Retail Customer's side of the Point of Delivery, except NEC's Metering Equipment, used by or on behalf of Retail Customer in taking and consuming Electric Power and Energy delivered by NEC.

RETAIL ELECTRIC PROVIDER or REP. As defined in PURA §31.002(17), a person, certificated pursuant to PURA §39.352, that sells Electric Power and Energy to Retail Customers.

SET. A Standard Electronic Transaction as defined by the protocols adopted by the Commission or the Independent Organization.

TAMPER OR TAMPERING. Any unauthorized alteration, manipulation, change, modification, or diversion of NEC's facilities, including Metering Equipment. Tampering includes, but is not limited to, harming or defacing NEC's facilities, physically or electronically disorienting the Meter, attaching objects to the Meter, inserting objects into the Meter, or other electrical or mechanical means of altering Delivery Service.

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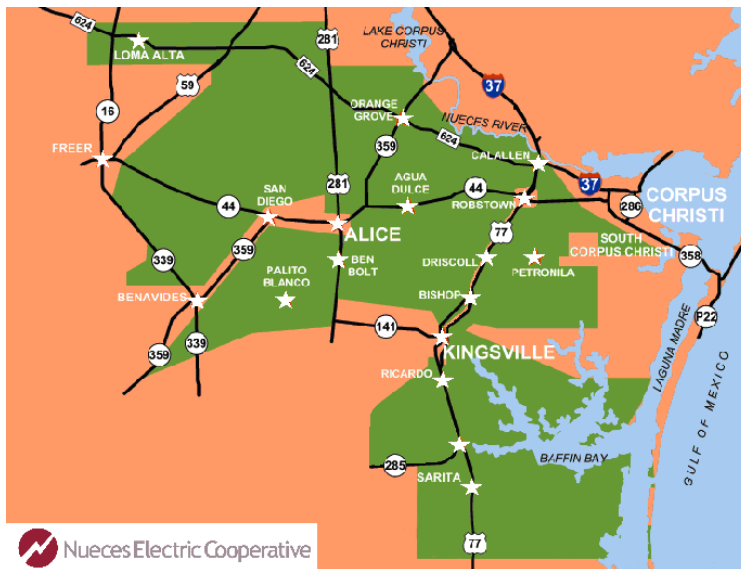
TARIFF. A document describing rates, terms and conditions of electric service.

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CHAPTER 2: DESCRIPTIONS OF NEC's CERTIFICATED SERVICE AREA

Nueces Electric Cooperative, Inc. (NEC), a Touchstone Energy member, is a member-owned rural electric cooperative incorporated on December 7, 1938, and headquartered in Nueces County, Robstown, Texas. Texas 088 is the Rural Utilities Service designation for this Cooperative. Electrical service is provided to portions of eight South Texas counties. They are: Nueces, Jim Wells, Duval, McMullen, Live Oak, Kenedy, Brooks, and Kleberg. Within these counties, service is provided to portions of the cities of Robstown, Corpus Christi, Alice, Kingsville, and several small communities including Ben Bolt - Palito Blanco, Loyola Beach, Riviera Beach, Rosita, Los Reyes, San Jose, San Juan, Sarita, Tecolote, Clegg, Riviera and Bentonville. As of December 31, 2008, NEC provided electric distribution services to 11,911 members with 17,069 active billing points.



Nueces Electric Cooperative Zip Codes Served Include:

78022	78341	78357	78376	78412
78023	78342	78358	78377	78413
78069	78343	78359	78379	78414
78071	78347	78361	78380	78415
78072	78349	78363	78383	78416
78330	78350	78364	78384	78417
78332	78351	78368	78385	
78333	78352	78370	78403	
78338	78353	78372	78410	
78339	78355	78375	78411	

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CHAPTER 3: GENERAL TERMS AND CONDITIONS OF ACCESS APPLICABILITY

3.1 APPLICABILITY

This Access Tariff governs the terms and conditions of the provision of Access by NEC to Competitive Retailers to the Delivery System of NEC for the purpose of selling Electric Power and Energy to Retail Customers within the retail service area of NEC who are connected to the Delivery System of NEC. The provisions of this Access Tariff shall uniformly apply to all Competitive Retailers. Terms and Conditions for the Delivery of Electric Power and Energy to Retail Customers are set out in a separate Delivery Service Tariff. NEC provides Delivery Service directly to Retail Customers at their respective Points of Delivery in conjunction with the provision of Access.

3.1.1. RECEIPT OF ELECTRICITY FROM COMPETITIVE RETAILERS

A Competitive Retailer meeting the eligibility requirements of Section 4.3.1, ELIGIBILITY, that is not in default as provided in Section 4.6.3, DEFAULT AND REMEDIES ON DEFAULT OF COMPETITIVE RETAILER, may deliver Electric Power and Energy to Retail Customers connected to the Delivery System of NEC at the Point of Supply. NEC will allow Access by receiving Electric Power and Energy at the Point of Supply from eligible Competitive Retailers that are not in default.

3.2 GENERAL

Competitive Retailers shall own the electricity that is delivered to Retail Customers at the Point of Supply. Retail Customers shall own the electricity from the Point of Supply to the Point of Delivery. However, Retail Customer has no obligation to pay for Electric Power and Energy if the power is not delivered to the Retail Customer at the Retail Customer's Point of Delivery. NEC has no ownership interest in any Electric Power and Energy supplied by third party Competitive Retailers or delivered to Retail Customers that purchase electric energy from third party Competitive Retailers.

3.3 DESCRIPTION OF ACCESS

The provision of Access by NEC is subject to the terms of any Access Agreements, the terms and conditions of this Access Tariff and Applicable Legal Authorities.

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3.4 AVAILABILITY OF TARIFFS

Copies of this Access Tariff are on file with the Commission and are also available for inspection at the Commission. NEC shall post on its Internet site a copy of its current Access Tariff and Delivery Service Tariff in a standard electronic format for downloading free of charge.

3.5 CHANGES TO ACCESS TARIFF

This Access Tariff may be revised, amended, supplemented or otherwise changed from time to time in accordance with the laws of the State of Texas and the rules and regulations of the PUC, and such changes, when effective, shall have the same force and effect as the present Access Tariff. NEC retains the right to file an application requesting a change in Chapters 1, 3, and 4 of its Access Tariff and will comply with all laws and rules concerning the provision of notice concerning any such application. NEC shall file accurate and current rates for Access in Chapter 5. If an Access rate is altered, NEC is responsible for providing the current rate information in a timely manner. Any agreement made pursuant to this Access Tariff shall be deemed to be modified to conform to any changes in this Access Tariff as of the date of the effectiveness of such change. No agent, officer, director, employee, or representative of NEC has authority to modify the provisions of this Access Tariff or to bind NEC by any promise or representation contrary to the terms of this Access Tariff except as expressly permitted by the PUC.

3.6 NON-DISCRIMINATION

NEC shall discharge its responsibilities under this Access Tariff in a non-discriminatory manner not favoring or burdening any particular Competitive Retailer. NEC shall not discriminate against non-affiliated Competitive Retailers or their Retail Customers in the provision of Delivery Services that affect Competitive Retailer's Access to NEC's Delivery System or Retail Customers.

3.7 FORM OF NOTICE

A notice, demand or request required or authorized under this Access Tariff to be given by any party to any other party shall be in writing or conveyed electronically, as specified in the section of this Access Tariff requiring such notice. Electronic notice shall be given in accordance with the appropriate SET protocol. Written notice shall either be personally delivered, transmitted by telecopy or facsimile equipment (with receipt confirmed), sent by overnight courier or mailed, by certified mail, return receipt requested, postage pre-paid, to the other party. Any such notice, demand or request so delivered or mailed shall be deemed to be given when so delivered or three

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days after mailed, unless the party asserting that such notice was provided is unable to show evidence of its delivery.

3.8 DESIGNATION OF NEC CONTACT PERSONS FOR MATTERS RELATING TO ACCESS

NEC shall designate a person(s), either by name or title, who will serve as the NEC's contact for all matters relating to Access provided to Competitive Retailers and post such information along with the names, telephone numbers, mailing addresses and electronic mail addresses for its Access contact person(s) on its Internet website. NEC may change its designation by providing notice to the Commission and those Competitive Retailers with Access and by updating such information on NEC's Internet website.

3.9 INVOICING TO STATE AGENCIES

Notwithstanding any provisions in this Access Tariff with respect to when invoices become past due and imposing an increased amount if invoices are not paid within a specified time, all invoices rendered directly to a "State Agency," as that term is defined in Chapter 2251 of the Government Code, shall be due and shall bear interest if overdue as provided in Chapter 2251.

3.10 GOVERNING LAWS AND REGULATIONS

This Access Tariff is to be interpreted to conform with Applicable Legal Authorities. Changes in an Applicable Legal Authority, shall become effective with regard to this Access Tariff and any Access Agreement made pursuant to it, as of the effective date of such Applicable Legal Authority.

3.11 GOOD FAITH OBLIGATION

NEC and Competitive Retailer will use reasonable efforts to cooperate in good faith to fulfill all duties, obligations, and rights set forth in this Access Tariff. NEC and Competitive Retailer will negotiate in good faith concerning the details of carrying out their duties, obligations, and rights set forth in this Access Tariff.

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3.12 COOPERATION IN EMERGENCIES

NEC and Competitive Retailer, shall cooperate with each other, the Independent Organization and any other affected entities in the event of an emergency condition affecting the delivery of Electric Power and Energy or the safety and security of persons and property.

3.13 HEADINGS

The descriptive headings of the various sections of this Access Tariff have been inserted for convenience of reference only and shall in no way define, modify or restrict any of the terms and provisions hereof.

3.14 TAX EXEMPT STATUS

Nothing in this Tariff may impair NEC's tax exempt status, nor shall anything in this Tariff compel NEC to use its Delivery System in a manner that violates any contractual provisions, bond covenants, or other restrictions applicable to facilities financed by tax exempt debt. If NEC believes that its tax exempt status is threatened it shall notify the commission.

3.15 SUCCESSORS AND ASSIGNS

This Tariff shall inure to the benefit of, and be binding upon, NEC, Competitive Retailer, and Retail Customer and their respective successors and permitted assigns.

3.16 EXERCISE OF RIGHT TO CONSENT

NEC, Competitive Retailer, or Retail Customer shall not unreasonably withhold, condition, or delay giving any consent required for another party to exercise rights conferred under this Tariff that are made subject to that consent. NEC, Competitive Retailer, or Retail Customer further shall not unreasonably withhold, condition, or delay their performance of any obligation or duty imposed under this Tariff.

3.17 WAIVERS

The failure of NEC, Competitive Retailer, or Retail Customer to insist in any one or more instances upon strict performance of any of the provisions of this Tariff, or to take advantage of any of its rights under this Tariff, shall not be construed as a general waiver of any such provision

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or the relinquishment of any such right, but the same shall continue and remain in full force and effect, except with respect to the particular instance or instances.

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CHAPTER 4: SPECIFIC RULES AND REGULATIONS RELATING TO ACCESS TO DELIVERY SYSTEM OF NEC BY COMPETITIVE RETAILERS

4.1 GENERAL RULES AND REGULATIONS

4.1.1 APPLICABILITY OF CHAPTER

This Chapter governs the terms and conditions of Access by Competitive Retailers to the Delivery System of NEC, whether the Competitive Retailer has entered into an Access Agreement or not. This Chapter also applies to Access by Competitive Retailers to the Delivery System of NEC unlawfully or pursuant to unauthorized use. The provisions of this Chapter shall uniformly apply to all Competitive Retailers receiving Access from NEC.

4.1.2 REQUIRED NOTICE

Notice to Competitive Retailer and NEC provided pursuant to Section 3.7, FORM OF NOTICE, shall be provided to the addresses specified in the Access Agreement.

4.2 LIMITS ON LIABILITY

4.2.1 LIABILITY BETWEEN NEC AND COMPETITIVE RETAILERS

This Access Tariff is not intended to limit the liability of NEC or Competitive Retailer for damages except as expressly provided in this Access Tariff. This Access Tariff does not address the liability between NEC and NEC's Retail Customers or between NEC and Competitive Retailer's Retail Customers.

NEC will make reasonable provisions to supply steady and continuous Access to Competitive Retailer but does not guarantee Access against fluctuations or interruptions (whether as a result of negligence or otherwise). NEC will not be liable for any damages, whether direct or consequential, including, without limitation, loss of profits or loss of revenue occasioned by fluctuations or interruptions of Access caused by the ordinary negligence (or otherwise) of NEC.

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

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4.2.2 LIMITATION OF DUTY AND LIABILITY OF COMPETITIVE RETAILER

Competitive Retailer has no ownership, right of control, or duty to NEC, Retail Customer or other third party, regarding the design, construction or operation of NEC'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 NEC's Delivery System.

4.2.3 DUTY TO AVOID OR MITIGATE DAMAGES

NEC 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 NEC AND COMPETITIVE RETAILERS.

4.2.4 FORCE MAJEURE

Neither NEC 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.

4.2.5 EMERGENCIES AND NECESSARY INTERRUPTIONS

NEC's tariff for Delivery Service governs NEC's authority to interrupt Delivery Service in the event of any emergency that poses a threat to NEC's Delivery System or for other reasons that it deems to be necessary, including, inspection, test, repair, or changes in NEC's Delivery System, or when such interruption will reduce or remove possible danger to life or property or will aid in the restoration of service.

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4.2.6 LIMITATION OF WARRANTIES BY NEC

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

4.2.7 DUTY TO REVIEW

NEC has a right to rely on any notice from a Competitive Retailer requesting connection, disconnection, interruption, or suspension of Delivery Service to Retail Customer, and is not responsible for monitoring or reviewing the factual basis or appropriateness of any such notice from a Competitive Retailer requesting connection, disconnection, or suspension of Delivery Service to Retail Customer.

4.3 ACCESS

4.3.1 ELIGIBILITY

A Competitive Retailer is eligible for Access when:

- (1) The Competitive Retailer and NEC have successfully completed system testing for electronic and other data exchange requirements and for interruption reporting and service requests requested 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. NEC and Competitive Retailer shall use best efforts to promptly complete system testing;
- (2) Competitive Retailer and NEC execute an Access Agreement, or if, NEC has failed to execute the Access Agreement upon presentment by Competitive Retailer who has signed such Access Agreement, Competitive Retailer shall be deemed eligible for Access during an interim period by filing the unexecuted Access Agreement with the Commission so that it may investigate into the reasons for such non-execution by NEC; and

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- (3) The Competitive Retailer, if a REP, is registered with the municipality in whose area the REP intends to provide service, if applicable, and is not in material default with the registration requirements.

4.3.2 INITIATION OF ACCESS

For the purposes of this section, "initiation of Access" refers to the actions taken by NEC to allow the Competitive Retailer to deliver Electric Power and Energy to NEC's Delivery System at the Point of Supply.

4.3.2.1 INITIATION OF ACCESS WHERE CONSTRUCTION SERVICES ARE NOT REQUIRED

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 where existing NEC facilities will be used for Delivery Service and no Construction Service is needed, NEC shall initiate Access when requested by Competitive Retailer through the registration agent:

- (1) Unless the Retail Customer's electrical installation is known to be hazardous or is of such character that Delivery Service cannot be provided consistent with Good Utility Practice, or interferes with the service of other Retail Customers, or unless a known or dangerous condition exists for as long as it exists;
- (2) Unless the Competitive Retailer is in default under this tariff; or
- (3) Unless the Retail Customer is in default under NEC's Delivery Service Tariff.

4.3.2.2 INITIATION OF ACCESS WHERE CONSTRUCTION SERVICES ARE REQUIRED

When Construction Services are required, a Competitive Retailer may request the Construction service on behalf of the Retail Customer or the Retail Customer may request the service. When a Competitive Retailer

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requests initiation of Access that requires Construction Service prior to initiation, Competitive Retailer shall contact NEC to make arrangements for Construction Services and for establishment of an ESI ID if one is not in existence for that Delivery Point. NEC shall establish a new ESI ID and will notify the Registration Agent. The processing of Construction Service, including the establishment of an ESI ID, if one is not in existence for the Point of Delivery, and notifying the Registration Agent of the new ESI ID shall be governed by the provisions of NEC's applicable Tariffs. NEC may contact the Retail Customer for verification of the request. NEC shall initiate Access upon completion of the Construction Service and satisfaction of each of the conditions specified in Section 4.3.2.1, INITIATION OF ACCESS WHERE CONSTRUCTION SERVICES ARE NOT REQUIRED.

4.3.2.3 REQUESTS FOR DISCRETIONARY SERVICES INCLUDING CONSTRUCTION SERVICES

A Competitive Retailer may request Discretionary Services from NEC on behalf of the Retail Customer or the Retail Customer may contact NEC directly to obtain the service. If a Competitive Retailer requests Discretionary Services on behalf of the Retail Customer, such requests for Discretionary Services 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 and/or Construction Services requested; and
- (6) Date requested for NEC to perform Discretionary Services and/or Construction Services.

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NEC may contact the Retail Customer for verification of the request. Provision of the Discretionary Services requested shall be in accordance with NEC's Delivery Service Tariff.

To the extent that SET transactions are developed, such transactions shall be used by Competitive Retailer to request Discretionary Services or Construction Services on behalf of their Retail Customers.

NEC will acknowledge receipt of Competitive Retailer's electronic service request and will notify both the Competitive Retailer and the Retail Customer of the estimated completion date and upon completion of the Discretionary Service request.

4.3.3 CHANGING OF DESIGNATED COMPETITIVE RETAILER

NEC shall change a Retail Customer's designated Competitive Retailer upon receiving proper notification from the Registration Agent, in accordance with NEC's customer protection rules and the protocols developed by the Independent Organization, unless the new Competitive Retailer is in default under this Access Tariff. NEC shall release proprietary customer information to the designated Competitive Retailer in a manner prescribed by Applicable Legal Authorities. NEC shall not charge Competitive Retailer for a change of designation of a Retail Customer's Competitive Retailer.

4.3.4 PROVISION OF DATA BY COMPETITIVE RETAILER TO UTILITY

Competitive Retailer shall timely supply to NEC all data, materials, or other information specified in this Access Tariff, including current customer names, telephone number, and mailing address in connection with NEC's provision of Access to Competitive Retailer for that Retail Customer, if required. Such information shall be used only for NEC operations and will be subject to the provisions P.U.C. SUBST. R. 25.275, *Code of Conduct for Municipally Owned Utilities and Electric Cooperatives Engaged in Competitive Activities*.

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4.3.5 SUSPENSION OF ACCESS

4.3.5.1 SUSPENSIONS WITHOUT PRIOR NOTICE FOR EMERGENCIES OR NECESSARY INTERRUPTIONS

NEC may without prior notice intentionally suspend Access to a Competitive Retailer in connection with suspending Delivery Service to the Competitive Retailer's Retail Customer where a known or dangerous condition exists, for the duration of the dangerous condition, or for an emergency arising anywhere on NEC's Delivery System, which poses a threat to the Delivery System. Any suspension of Delivery Service shall be done in accordance with NEC's Delivery Service Tariff. NEC shall notify, as soon as practically possible, the affected Retail Customer's Competitive Retailer of suspensions for the above reason.

Such notice may be made by electronic notice to all Competitive Retailers operating in NEC's service area with specific identification of location, time, and expected duration of outage.

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

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

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

4.3.5.2 NOTICED SUSPENSION NOT RELATED TO EMERGENCIES OR NECESSARY INTERRUPTIONS

If NEC suspends Access in connection with suspending Delivery Service other than as provided for an emergency under Section 4.3.5.1, SUSPENSIONS WITHOUT PRIOR NOTICE FOR EMERGENCIES OR NECESSARY INTERRUPTIONS, NEC shall provide electronic notice of

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the suspension of Access, specifically identifying the location, time, cause, and expected duration of the suspension.

NEC shall perform all suspensions or disconnects in accordance with its Delivery Service Tariff.

NEC may suspend Access in connection with suspending Delivery Service in accordance with NEC's Delivery Service Tariff:

- (1) In the event of unauthorized use, unauthorized reconnection, or diversion of service or Tampering with NEC's Meter or equipment or bypassing same;
- (2) In the event of Retail Customer's violation of the provisions of NEC's Delivery Service Tariff 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 NEC and Retail Customer, upon default of Retail Customer under such an agreement, or upon failure to pay any charges billed by NEC directly to Retail Customer after a reasonable opportunity has been provided to remedy the failure;
- (4) For Retail Customer's failure to provide NEC with reasonable access to NEC's facilities located on Retail Customer's Premises after a reasonable notice has been provided of the need for access to the facilities; or
- (5) Upon NEC's receipt of a notice requiring such action, in the form and from the party specified by Applicable Legal Authorities. NEC will not be responsible for monitoring or reviewing the appropriateness of any such notice.

NEC shall provide electronic notice of the suspension of Access, specifically identifying the time, cause, and expected duration of the suspension.

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4.3.6 RESTORATION OF ACCESS

NEC will restore Access to the Competitive Retailer as soon as possible following the alleviation or correction of the conditions that cause a suspension or disconnection, consistent with NEC's Delivery Service Tariffs, and provide notice of restoration of Access as soon as practically possible.

4.3.7. DISCONNECTION OF SERVICE REQUESTED BY COMPETITIVE RETAILER TO RETAIL CUSTOMER'S FACILITIES

At the request of Competitive Retailer, for Retail Customer related construction, alteration, or other temporary clearance requirement, and in accordance with NEC's Delivery Service Tariff, NEC 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 Competitive Retailer no longer desires to provide Electric Power and Energy Access to a Retail Customer at the Retail Customer's Premises, Competitive Retailer shall notify the Registration agent of the date the Competitive Retailer desires NEC to discontinue Access to a particular Point of Delivery. Competitive Retailer may request disconnection for non-payment by Retail Customer as authorized by the commission's Customer Protection Rules except when the Competitive Retailer is the affiliate of the NEC, in which case the NEC's customer protection rules apply. NEC shall disconnect and reconnect Retail Customer's premise upon receipt of request for disconnection or reconnection by a Competitive Retailer authorized to do so.

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

Utility shall not be responsible for monitoring or reviewing the appropriateness of any notice from a Competitive Retailer requesting suspension, connection, or disconnection of Delivery Service to Retail Customer.

4.4 BILLING AND REMITTANCE

Retail Customer has the option of (1) receiving a single bill that contains both the Delivery Service charges and the Electric Power and Energy charges; or (2) receiving two bills, one for

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Delivery Service charges and one for Electric Power and Energy charges. In the event that a Retail Customer fails to select to receive either separate bills or a single consolidated bill, a consolidated bill shall be provided.

If a consolidated bill is to be provided, NEC at its option may allow each Competitive Retailer to provide a consolidated bill to its Retail Customers. If NEC has chosen this option, it must do so in a non-discriminatory manner in accordance with 4.4.3, CONSOLIDATED BILLING BY COMPETITIVE RETAILER.

NEC may bill Retail Customers directly for all services it provides to its Retail Customers. Nothing in this Tariff is intended to prohibit a NEC from contracting with a third party, including a Competitive Retailer to perform billing services and functions on its behalf. Any third party performing billing on behalf of the NEC is subject to the billing provisions in this Tariff and billing responsibilities set out in the NEC's Tariff for Delivery Services, to the same extent as the NEC.

4.4.1 CONSOLIDATED BILLING BY NEC

When a Retail Customer receives a consolidated bill from NEC, NEC may assess a fee to Competitive Retailer for billing services, which shall cover the preparation and delivery of reports specified in this chapter.

NEC shall at the Competitive Retailer's request provide the Competitive Retailer with an electronic copy of the entirety of each bill containing the Competitive Retailer's Electric Power and Energy charges within one Business Day of receipt of request. The NEC, in lieu of an electronic copy of the bill may provide access to a database containing all billing information presented on the bill in an electronically accessible format.

NEC shall provide to the Competitive Retailer its schedule for Meter Reading and bill due dates for the Competitive Retailer's Retail Customers. This schedule shall be provided yearly for the coming year. At such time a Competitive Retailer gains a new Retail Customer, NEC shall inform the Competitive Retailer of the Retail Customer's Meter Reading and bill due dates for the remainder of the year. If the schedule is altered, NEC shall notify Competitive Retailer at least 20 days prior to the altered date.

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4.4.1.1 BILLING BY NEC TO RETAIL CUSTOMERS FOR DELIVERY SERVICES

Calculation of charges, transmittal of the invoices, error corrections, dispute resolution and all other aspects of the billing for Delivery Services by NEC to Retail Customer shall be performed in accordance with NEC's Delivery Service Tariff.

4.4.1.2 CALCULATION AND TRANSMITTAL OF ELECTRIC POWER AND ENERGY CHARGES BY COMPETITIVE RETAILER

In order for NEC to prepare a consolidated bill for Retail Customers who receive a consolidated bill from NEC for all services, Competitive Retailer shall calculate charges for Electric Power and Energy and shall transmit the charges to NEC by means of an electronic pre-bill statement for each Retail Customer's total charges within three Business Days from receipt of Meter Reading data. Electronic pre-bill statements shall be transmitted using the appropriate SET transaction and shall be consistent with the terms and conditions of this Access Tariff. NEC shall validate or reject the pre-bill statement using the appropriate rejection code within 48 hours of the first Business Day following receipt. Competitive Retailer shall correct any Competitive Retailer errors that lead to a rejection. Transactions that are neither validated nor rejected within 48 hours shall be deemed valid. Electronic pre-bill statements transmitted after 5:00 P.M. Central Prevailing Time shall be considered transmitted on the next Business Day.

4.4.1.3 PRE-BILL STATEMENT CORRECTIONS

Pre-bill statements shall be subject to adjustment for errors including, but not limited to, arithmetic errors, computational errors, and Meter Reading errors.

4.4.1.4 BILLING CYCLE

Unless otherwise stated in NEC's Delivery Service Tariff 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. If NEC decides to alter the billing cycle for any Retail Customer, NEC agrees that it shall notify the

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Retail Customer's Competitive Retailer at least 30 days prior to such billing cycle change. If NEC has not received the pre-bill statement from the Competitive Retailer within the time period specified in Section 4.4.1.2, CALCULATION AND TRANSMITTAL OF ELECTRIC POWER AND ENERGY CHARGES BY COMPETITIVE RETAILER, NEC may send out its bills to Retail Customer without the Electric Power and Energy charges.

4.4.1.5 REMITTANCE

- (1) Upon receipt of payment from Retail Customer for Electric Power and Energy service billed by NEC on behalf of Competitive Retailer, NEC will remit payment to Competitive Retailer within five Business Days of the due date of the Retail Customer's bill, or if customer has paid after the due date, five days after NEC has received payment. NEC may remit payment by electronic funds transfer (EFT), utilizing the Electronic Data Interchange (EDI) Standard to a bank designated by the Competitive Retailer. NEC may also pay by wire transfer (WT) or check. Payment shall be considered received on the date Competitive Retailer's bank receives the EFT or WT or three days from the date the check is properly addressed and placed in the US mail. No extension of time shall be given if NEC has contracted its billing or collections functions to a third party.
- (2) On the same day NEC remits payment, NEC shall provide a collection report to Competitive Retailer that includes information about amounts billed and received for Electric Power and Energy for each Retail Customer for which payment is remitted, listed by ESI ID.

4.4.1.6 NON-PAYMENT OR PARTIAL PAYMENT BY RETAIL CUSTOMER

NEC shall not be responsible for non-payment for Electric Power and Energy billed by NEC to Retail Customers on behalf of Competitive Retailer. If NEC receives partial payment from Retail Customers, NEC shall

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apply proceeds first to outstanding balances due to NEC, next to the billing service fee specified in Section 4.4.1, CONSOLIDATED BILLING BY NEC, and then to outstanding balances for Electric Power and Energy billed to Retail Customer on behalf of Competitive Retailer.

4.4.1.7 RETAIL CUSTOMER BILLING INQUIRIES

When NEC receives an inquiry from a Retail Customer concerning the Electric Power and Energy portion of the Retail Customer's bill, NEC will direct the Retail Customer to contact the person(s) designated by the Competitive Retailer to handle billing inquiries.

4.4.2 SEPARATE BILLS

If a Retail Customer specifically elects to receive two separate bills, separate invoices will be submitted to the Retail Customer by NEC and Competitive Retailer.

4.4.3 CONSOLIDATED BILLING BY COMPETITIVE RETAILER

If NEC chooses to allow Competitive Retailer to prepare a consolidated bill, Competitive Retailer shall act as a billing agent for NEC in the processing of such bill. The income derived from any services billed by Competitive Retailer on NEC's behalf including, but not limited to Delivery Service, shall be deemed to have come from the Retail Customer, not the Competitive Retailer.

4.4.3.1 CALCULATION AND TRANSMITTAL OF DELIVERY SERVICE INVOICES BY NEC

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

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Charges for all services other than Delivery Service 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 be consistent with the terms and conditions of this Access Tariff. The Competitive Retailer shall validate or reject the invoice using the appropriate code within 48 hours of the first Business Day following receipt. NEC shall correct any NEC errors that lead to a rejection. Transactions that are neither validated nor rejected within 48 hours shall be deemed valid.

4.4.3.2 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, NEC shall include the Construction Service Charge associated with that service as a separately identified item on the invoice provided pursuant to Section 4.4.3.1, CALCULATION AND TRANSMITTAL OF DELIVERY SERVICE INVOICES BY NEC.

The income derived from Construction Service Charges shall be deemed to have come from the Retail Customer whether the service is requested directly by the Retail Customer or indirectly through a Competitive Retailer.

4.4.3.3 INVOICE CORRECTIONS

Invoices shall be subject to adjustment for errors, including, but not limited to arithmetic errors, computational errors, and Meter Reading errors. NEC 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 NEC over-billed for Delivery charges, NEC will make adjustment(s) associated with the Point of Delivery for the entire period of over-billing. If it is determined that NEC under-billed for Delivery charges, NEC 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.

4.4.3.4 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 NEC 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 Reading/Billing Cycle.

4.4.3.5 REMITTANCE OF INVOICED CHARGES

Payments for all charges except Discretionary Service Charges invoiced to Competitive Retailer shall be due 35 calendar days following NEC transmittal of a validated invoice. A Competitive Retailer that has agreed to be billed on behalf of a Retail Customer for discretionary services including for charges for construction services, shall be offered a payment plan as offered to a Retail Customer in NEC's Delivery Service Tariff.

Disputed invoiced amounts shall be governed by Section 4.4.3.7, INVOICE DISPUTES. Payments are due without regard to whether or when the Competitive Retailer receives payment from its Retail Customer(s). However, the income derived from Delivery Service charges is deemed to have come from the Retail Customer, not the Competitive Retailer.

NEC 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

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after 3:00 P.M. shall be considered transmitted on the following Business Day.

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

4.4.3.6 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 5.0% 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, NEC 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 remains unpaid for an additional 30 calendar days from receipt of the notice.

4.4.3.7 INVOICE DISPUTES

Competitive Retailer shall pay all portions of an invoice within the remittance timeframes of Section 4.4.3.5, REMITTANCE OF INVOICED CHARGES, unless otherwise agreed to by NEC and Competitive Retailer. If a Competitive Retailer disputes all or a portion of an invoice, the Competitive Retailer shall provide written notice to NEC 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, NEC shall investigate and report the

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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 NEC 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.

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, NEC shall pay interest on such amounts from the due date on the invoice at the interest rate set in accordance with Tex. Utilities Code Ann. Chapter 183.

4.4.3.8 RETAIL CUSTOMER BILLING INQUIRIES

When Competitive Retailer receives an inquiry from a Retail Customer concerning the Retail Customer's consolidated bill in connection with an inquiry relating to charges for Delivery Service, the Competitive Retailer may respond to the inquiry, may forward the call to NEC or may direct the Retail Customer to contact the person(s) designated by the NEC to handle billing inquiries.

4.4.3.9 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 unpaid charges including but not limited to late fees incurred in the use of NEC's Delivery System.

4.4 SECURITY DEPOSITS AND CREDITWORTHINESS

4.5.1 DEPOSIT REQUIREMENTS FOR CONSOLIDATED BILLING BY UTILITY

If consolidated billing is performed by NEC, the Competitive Retailer shall not require deposits to secure remittance of payments by Retail Customers for Electric Power and Energy from NEC unless NEC has defaulted under Section 4.6.2.1, DEFAULT OF NEC

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RELATED TO FAILURE TO REMIT PAYMENTS DUE UNDER THIS TARIFF OR MAINTAIN REQUIRED SECURITY, within the past 24 months. If NEC has defaulted under that section within the past 24 months, Competitive Retailer may require such deposit from NEC for payments NEC has received from Retail Customers for Electric Power and Energy billed under this Access Tariff.

4.5.2 DEPOSIT REQUIREMENTS FOR CONSOLIDATED BILLING BY COMPETITIVE RETAILER

NEC shall not require deposits for a Competitive Retailer that has not Defaulted under Section 4.6.3.2, DEFAULT AND REMEDIES RELATED TO COMPETITIVE RETAILER'S FAILURE TO REMIT PAYMENT OR MAINTAIN REQUIRED SECURITY within the last 24 months. If a Competitive Retailer has defaulted under Section 4.6, DELINQUENCY, DEFAULT AND REMEDIES ON DEFAULT within the past 24 months, NEC may require the Competitive Retailer to provide a deposit as security for payments of amounts billed under this Access Tariff.

4.5.3 SIZE OF DEPOSIT

For NEC, deposits shall be equal to one-sixth of the estimated annual amount to be received from Retail Customers by NEC for Electric Power and Energy supplied by Competitive Retailer.

For Competitive Retailer, deposits shall be equal to one-sixth of the estimated annual amount of Delivery Service charges to be billed under this Tariff by Competitive Retailer, on behalf of NEC.

The computation of the size of a required deposit shall be mutually agreed upon by NEC and the Competitive Retailer. 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.

4.5.4 FORM OF DEPOSIT

Deposits under this section shall be in the form of cash held by a third-party escrow, surety bond, letter of credit, affiliate guaranty, or any combination thereof, at the billing party's option. The non-billing party shall be the beneficiary of any affiliate guaranty,

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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 agreed to by NEC and Competitive Retailer provided that terms are offered on a non-discriminatory basis. Within ten Business Days of the quarterly review in Section 4.5.3, SIZE OF DEPOSIT, the billing party shall remit additional cash in escrow or replacement affiliate guaranty, surety bonds or letters of credit, as applicable, in the amount determined pursuant to the review.

4.5.5 INTEREST

Cash deposits shall accrue interest payable to the billing party. Interest accrued shall be paid to the billing party in connection with the quarterly review under Section 4.5.3, SIZE OF DEPOSIT, if such interest causes the size of the deposit to exceed the required amount. The rates of interest to be paid in accordance with the Tex. Utilities Code Ann. Chapter 183.

4.5.6 HISTORICAL DEPOSIT INFORMATION

Parties shall maintain adequate records of deposits.

4.5.7 REFUND OF DEPOSIT

Cash deposits in third-party escrow, plus any accrued interest, shall be returned to the billing party after deduction of all charges and other debts that the billing party owes the non-billing party, including any applicable late fees, when:

- (1) Competitive Retailer ceases operations within NEC's service territory; or
- (2) Other arrangements are made for satisfaction of deposit requirements; or
- (3) Twenty-four months have elapsed without the billing party defaulting on any payment obligations to the non-billing party.

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4.6 DELINQUENCY, DEFAULT AND REMEDIES ON DEFAULT

4.6.1 NEC DELINQUENCY AND DEFAULT

NEC shall be considered to be delinquent if NEC:

- (1) Fails to remit payment for Electric Power and Energy received from Retail Customers to the Competitive Retailer pursuant to Sections 4.4.1.5, REMITTANCE, and 4.4.1.6, NON-PAYMENT OR PARTIAL PAYMENT BY RETAIL CUSTOMER; or
- (2) Fails to satisfy any material obligation under this tariff, including fulfilling the security requirements set forth in Section 4.5, SECURITY DEPOSITS AND CREDITWORTHINESS; or
- (3) Fails to provide Meter Reading data to Competitive Retailer in accordance with Section 4.8.1, DATA FROM METER READING.

4.6.2 DEFAULT AND REMEDIES ON DEFAULT OF NEC

4.6.2.1 DEFAULT OF NEC RELATED TO FAILURE TO REMIT PAYMENTS DUE UNDER THIS TARIFF OR MAINTAIN REQUIRED SECURITY

Upon NEC's delinquency related to failure to remit Electric Power and Energy payments, in accordance with Sections 4.4.1.5 REMITTANCE, and 4.4.1.6, NON-PAYMENT OR PARTIAL PAYMENT BY RETAIL CUSTOMER, Competitive Retailer shall provide notice of delinquency to NEC of same. NEC shall have ten Business Days to cure the delinquency. Upon NEC's failure to cure the delinquency, NEC shall be in default, and Competitive Retailer may pursue any or all of the following remedies:

- (1) Apply delinquent balances to NEC's third-party escrow deposit, if any, and any accrued interest to delinquent balances, or seek recourse against any letter of credit or surety bond for the amount of delinquent charges due to Competitive Retailer, including any penalties or interest;

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- (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 NEC, provided that such arrangements are available to all Competitive Retailers on a non-discriminatory basis.

4.6.2.2 DEFAULT OF NEC RELATED TO FAILURE TO PROVIDE METER READING DATA

Upon delinquency related to failure of NEC to provide Meter Reading data in accordance with Section 4.8.1, DATA FROM METER READING, Competitive Retailer shall provide notice of delinquency to NEC. NEC shall have ten Business Days to cure the delinquency by providing the data. Upon failure to cure the delinquency, NEC shall be in default, and Competitive Retailer may pursue any or all of the following remedies:

- (1) Based on the Competitive Retailer's historic usage data for a Retail Customer, use estimated usage information for that billing cycle to calculate charges to a Retail Customer for Electric Power and Energy provided by the Competitive Retailer;
- (2) Avail itself of any other legal remedies that may be appropriate.

4.6.3 DEFAULT AND REMEDIES ON DEFAULT OF COMPETITIVE RETAILER

4.6.3.1 COMPETITIVE RETAILER DELINQUENCY

A Competitive Retailer shall be considered to be delinquent if Competitive Retailer:

- (1) Fails to remit to NEC any payments due under this Access Tariff; or
- (2) Provides consolidated billing and fails to remit payment to NEC within the ten calendar day grace period allowed under Section 4.4.3.6, DELINQUENT PAYMENTS; or

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- (3) Fails to satisfy any material obligation under this Access Tariff including, but not limited to failure to, fulfill the security requirements set forth in Section 4.5, SECURITY DEPOSITS AND CREDITWORTHINESS; or
- (4) Fails to comply with the requirements of the applicable municipal certification.

4.6.3.2 DEFAULT AND REMEDIES RELATED TO COMPETITIVE RETAILER'S FAILURE TO REMIT PAYMENT OR MAINTAIN REQUIRED SECURITY

Upon Competitive Retailer's delinquency related to its failure to remit payments due under this Access Tariff or maintain required security, NEC shall provide notice of delinquency to Competitive Retailer of the same. Competitive Retailer shall have ten Business Days to cure the delinquency. Upon failure to cure the delinquency the Competitive Retailer shall be in default. NEC may pursue any or all of the following remedies:

- (1) Apply to delinquent balances Competitive Retailer's 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 NEC, including any penalties or interest;
- (2) Avail itself of any legal remedies that may be appropriate to recover unpaid amounts and associated fees, including any 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 the Competitive Retailer is in default and request suspension or revocation of the Competitive Retailer's certificate;
- (5) Require the Competitive Retailer to do one of the following:

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- (A) Transfer the billing and collection responsibility for all Delivery charges to NEC, if NEC consents;
- (B) Immediately arrange for all future remittances from Retail Customers to be paid into a lock-box controlled by NEC. Amounts collected in lock-box shall first be applied to amounts due NEC, 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 the Competitive Retailer's customers to be served by another qualified Competitive Retailer or the Provider of Last Resort.

If NEC chooses option (5), the Competitive Retailer shall choose and notify NEC as to which option under (5) it shall implement but, if the Competitive Retailer fails to immediately implement one of the options, NEC shall immediately implement option (A) or (B). A Competitive Retailer choosing option (A) or (C) shall provide all needed customer information to the entity assuming collection responsibilities within three Business Days so that it can bill Competitive Retailer's Retail Customers.

4.6.3.3 DEFAULT RELATED TO COMPETITIVE RETAILER'S FAILURE TO SATISFY MATERIAL OBLIGATIONS UNDER ACCESS TARIFF

Upon failure of Competitive Retailer to satisfy material obligations under this Tariff, NEC shall provide notice of delinquency to Competitive Retailer, explaining the reason(s) for delinquency. Competitive Retailer shall have ten Business days to cure such reasons for delinquency. If the Competitive Retailer fails to cure the delinquency within ten business days, the Competitive Retailer shall be considered to be in default and NEC may pursue any or all of the following:

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- (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 the Competitive Retailer is in default and that certification should be suspended or canceled;
- (3) In municipal utility areas where municipal certification is not required and in electric cooperative utility areas, if the defaulting Competitive Retailer is not a REP certified by the Commission or is not certified by the municipality and the remedy of decertification is unavailable, NEC may discontinue access 15 calendar days after the Competitive Retailer has been in default and has failed to cure the non-compliance.

4.6.3.4 DEFAULT RELATED TO DE-CERTIFICATION OF A COMPETITIVE RETAILER AS A RETAIL ELECTRIC PROVIDER OR LOSS OF MUNICIPAL REGISTRATION

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 (REPs)*, with respect to notice and transfer of Retail Customers to another qualified Competitive Retailer or the Provider of Last Resort. In the event that the Competitive Retailer fails to abide by this rule, the Commission shall instruct the Registration Agent to immediately transfer the customers to the Provider of Last Resort.

Upon Competitive Retailer's failure to comply with the registration requirements of a municipality, the municipality shall provide notice of the failure to comply with the registration requirements to Competitive Retailer. Unless otherwise provided in the registration requirements of the municipality, Competitive Retailer shall have ten Business Days to cure the noncompliance unless the municipality at its option agrees to extend the amount of time. Upon failure to cure the noncompliance, Competitive Retailer shall be in default, and Competitive Retailer shall abide by the procedures provided in the registration requirements of the municipality with

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respect to notice and transfer of affected Retail Customers to another qualified Competitive Retailer or the POLR. In the event that the Competitive Retailer fails to abide by these procedures, the municipality shall instruct the Registration Agent to immediately transfer the affected customers to the POLR. If the municipality has not adopted such procedures, the Competitive Retailer shall abide by the procedures in P.U.C. SUBST. R. 25.107.

4.6.3.5 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 the provisions in Section 4.6, DELINQUENCY, DEFAULT AND REMEDIES ON DEFAULT.

4.7 MEASUREMENT AND METERING OF SERVICE

4.7.1 MEASUREMENT

Charges for Electric Power and Energy are calculated using measurements obtained from NEC-owned, NEC-installed and NEC-read Metering Equipment, estimation, or otherwise as defined in NEC Delivery Service Tariff.

Electric Meter services will be performed by NEC. NEC shall provide metering services in accordance with its Delivery Service Tariff, Applicable Legal Authorities, and all standards and protocols adopted by the Independent Organization.

If Access is provided to Competitive Retailer whose Retail Customer takes Delivery Service at primary distribution or transmission voltage, NEC may meter on the low side of Retail Customer's transformers and adjust measurements to account for losses occurring between the Point of Delivery and point of measurement.

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4.7.2 METER READING

NEC is responsible for reading NEC's Meter. If an actual Meter Reading is not obtained, NEC shall estimate the Meter Reading for invoicing purposes in accordance with the applicable protocols of an Independent Organization, this chapter, the Rates in Chapter 5 and Applicable Legal Authorities.

4.7.3 REPORTING MEASUREMENT DATA

NEC shall report measurement data for a Point of Delivery as required by this Chapter, Applicable Legal Authorities, and in accordance with the NEC's Tariffs.

4.7.4 METER TESTING, METER REPLACEMENT AND ADJUSTMENTS FOR METER READING INACCURACIES

NEC will test its Meters in accordance with the schedule and standards of the American National Standards Institute, Incorporated ("ANSI"). Upon notice of a request by a Competitive Retailer, NEC will perform additional tests of the accuracy of NEC's Meter within a reasonable time after the notice is received. The additional tests preferably will be performed on the Retail Customer's Premises, but may, at NEC's discretion, be performed at NEC test laboratory. Charges for meter accuracy testing requested by

Competitive Retailer will be invoiced to the Competitive Retailer in accordance with the rates contained in Chapter 5. Following the completion of any additional test, NEC will promptly advise the Competitive Retailer 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 NEC-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. Competitive Retailer and NEC may adjust their respective charges to Retail Customer based on the corrected meter data.

4.8 DATA EXCHANGE

NEC shall release to Competitive Retailer in a manner prescribed by Applicable Legal Authorities proprietary customer information necessary to enable the Competitive Retailer to serve the Retail

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Customer. Competitive Retailer may be charged by NEC in accordance with NEC's rates contained in Chapter 5 for provision of such information including Meter Reading data.

4.8.1 DATA FROM METER READING

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

NEC shall provide Meter Reading data or estimated usage data to Retail Customer's Competitive Retailer within three Business Days from NEC's scheduled Meter Reading date for that Retail Customer in accordance with the protocols adopted by the Independent Organization.

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, NEC shall provide to Competitive Retailer, if requested by Competitive Retailer in a switch request, the most recent 12 months of historical usage and interval data by the appropriate SET protocol upon the switching of a Retail Customer to a new Competitive Retailer.

Unless provided by the Independent Organization, NEC shall provide access to Retail Customer's historical usage and interval data to Retail Customer and with the Retail Customer's permission, current and/or prospective Competitive Retailers. NEC shall maintain at least 12 months of usage data for each customer with a volumetric or demand meter, 12 months of usage and demand data for each customer with a demand meter, and 12 months interval data for any customer for whom NEC records interval data. If not provided by the Independent Organization, NEC 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. NEC 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.

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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.

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 Access to a Competitive Retailer as a result of termination of a Retail Customers' Delivery Service at a particular Point of Delivery (final read) will be provided by NEC 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 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. No such out of cycle Meter Read shall be deemed to require any change in NEC's regular continuing Meter Read cycle for that Retail Customer.

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

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Competitive Retailer may be charged for an out of cycle meter read that is requested by the Competitive Retailer in accordance with the rates in Chapter 5 of this Tariff.

4.8.1.4 ESTIMATED USAGE

Estimated usage must be identified as "Estimated" in the SET transactions. NEC shall provide the reason for estimation and the estimation method used.

4.8.1.5 METER 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.

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

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information becomes available due to discovery of incorrect reads, crossed Meters, non-registering Meters, slow or fast Meters, and incorrect multipliers.)

The following standards apply to such previously transmitted data:

- (1) When corrections are made to previously sent data, the original SET is first canceled. 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 canceled, and a new SET transmitted that correctly reports the data, ESI ID, and other associated data;
- (4) NEC will make corrected data available to the original recipients in a timely manner no matter when the correction is made; and
- (5) Utility 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 NEC.
- (2) The ESI ID number will be used in all data exchanges specific to related premise data transactions.

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- (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.
- (4) An ESI ID will be assigned by NEC for each Point of Delivery in accordance with protocols adopted by the Independent Organization.

4.9 DISPUTE RESOLUTION PROCEDURES

4.9.1 COMPLAINT PROCEDURES

For complaints by Competitive Retailers or NEC regarding Access, the parties may contact each other during normal business hours.

Should one party bring a complaint against the other, NEC and Competitive Retailer shall use good faith and commercially reasonable efforts to informally resolve such complaint. Unless otherwise provided for in this tariff all complaints shall be conducted pursuant to the following procedures:

- (1) NEC or Competitive Retailer may initiate the dispute process by presenting to the other party a notice of the dispute/complaint. 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) All disputes shall be referred to a designated senior representative of each of the parties for resolution on an informal basis as promptly as practicable;
- (3) The receiving party shall investigate the complaint and provide a response 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

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- (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), the Competitive Retailer or NEC 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 NEC or Competitive Retailer to file a complaint with the Commission under the relevant portions of PURA, where that right is available, or to exercise other legal rights and remedies.

4.9.3 SERVICE INQUIRIES OR ACCESS STATUS

Competitive Retailer may contact NEC regarding the status of Delivery Service and Access for the provision of Retail Customer's Delivery Service, including, but not limited to, the following situations:

- (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.

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

4.10 OUTAGE AND SERVICE REQUEST REPORTING

4.10.1 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.

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Competitive Retailer shall meet this obligation by directing Retail Customers to call NEC directly to make such reports. Competitive Retailer shall provide Retail Customers, in accordance with the applicable customer protection rules, with the NEC supplied toll free telephone number and indicate that Retail Customer should call this number.

Alternatively, and only with the agreement of both NEC and Competitive Retailer, Competitive Retailer may meet this obligation as follows:

- (1) Competitive Retailer may direct Retail Customers to call the Competitive Retailer for such reporting of requests and electronically forward outage information to NEC. Such arrangements shall ensure that all necessary information is communicated in a manner such that NEC can respond to requests in a timely fashion and that Competitive Retailers are kept informed of the status of restoration efforts and service requests; or
- (2) Competitive Retailer may direct Retail Customer to call Competitive Retailer for such reporting or requests and then forward the call to NEC.

If alternative option (1) is mutually agreed to by Competitive Retailer and NEC, Competitive Retailer must ensure that all necessary information is electronically communicated to NEC in a timely manner using the appropriate SET protocol so as not to unnecessarily delay NEC'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.

If alternative option (2) is mutually agreed to by Competitive Retailer and NEC, Competitive Retailer shall ensure that calls are properly forwarded to a NEC supplied toll

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free telephone number. If alternative option (2) is used, Competitive Retailer shall be required to provide NEC 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 NEC updates of such information.

If alternative option (2) is used, Competitive Retailer shall make arrangements with the NEC to pre-authorize any service requests for which the NEC 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. NEC shall not act in a discriminatory manner in making such arrangements with Competitive Retailers.

In all events, NEC shall, as soon as reasonably practicable, provide information to Competitive Retailer regarding reported customer interruptions, irregularities, outages and service repair requests.

If either of the two alternative options (1) or (2) are mutually agreed to by Competitive Retailer and NEC, Competitive Retailer and Utility shall designate in the Access Agreement Form (Appendix A to the pro-forma access tariff) which one of the two alternative options was selected as the primary method for reporting interruptions, irregularities, outages, and which one of the two alternative options was selected as the primary method for making service repair requests. Nothing in this section is meant to restrict a Competitive Retailer who has mutually agreed with Utility to utilize alternative option (1) or (2) for the majority of their Retail Customers to allow a Retail Customer with special needs to directly contact the NEC if agreed to by the Competitive Retailer and Retail Customer.

NEC shall notify Competitive Retailers of any change in a NEC supplied telephone number 60 days in advance of such change.

4.10.2. RESPONSE TO REPORTS OF INTERRUPTIONS AND REPAIR REQUESTS

NEC will promptly investigate reported problems. If, upon making a service call, NEC determines that a reported problem is caused by a condition on Retail Customer's side of the Point of Delivery, NEC shall notify Competitive Retailer.

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CHAPTER 5: NEC ACCESS RATES

5.1 GENERAL

NEC retains jurisdiction to set all rates including rates relating to Access. The following rate schedules have been promulgated by NEC and are filed with the Public Utility Commission of Texas for informational purposes only.

5.2 RATE SCHEDULES

201. Rate Classification and Assignment

Rates in this section are for the availability of electric service and for the delivery of power supply. The Member may select a Retail Energy Provider from those providing Power Supply Service in the Cooperative's service territory.

Rate classification and assignment shall be made by the Cooperative in accordance with the availability and type of service provisions in the Cooperative's rate schedules. Rate schedules have been developed for the standard types of service provided by the Cooperative. If Member's request for electric service involves unusual circumstances, usage, or load characteristics not regularly encountered by the Cooperative, or if the Member may qualify for service under more than one of the Cooperative's available schedules, the Cooperative shall provide service under the rate schedule determined by the Cooperative to be most applicable, or enter into a special contract. Any special contract shall be subject to the approval of any Regulatory Authority having jurisdiction thereof.

Upon request for service by a residential applicant or request for a transfer of service by a residential Member, the Cooperative shall inform the residential applicant or residential Member of the Cooperative's lowest-priced service alternatives available at the service location, giving full consideration to equipment options and line extension charges, if any.

APPROVED: 08/24/99

EFFECTIVE: 08/24/99

202. Seasonal/Minimal Service

Members requiring service only during certain seasons of the year or accounts that seldom use electric power and energy in excess of the scheduled minimum amounts shall be served in accordance with the applicable rate schedule for the appropriate class of service, except that Members shall pay not less than twelve (12) times the minimum charge under the appropriate rate schedule or line extension contract as if service were extended and used for an entire 12-month period.

Members shall pay the entire annual minimum charge for seasonal service in lump sum payment at the beginning of the applicable season.

APPROVED: 08/24/99

EFFECTIVE: 08/24/99

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Seasonal service includes, but is not limited to, service to water wells, hunting facilities, fishing facilities, vacation and seasonal homes, and other similar types of service. Service under this rate shall be provided at the Member’s option.

Effective Date: November 20, 2008
Revision: First Revision

203. Rate Schedules

203.1 General Service

A. Availability

Single-phase General Service is available to Members in accordance with the Cooperative’s Service Rules and Regulations for the following purposes:

1. for domestic uses associated with the operation of a single- or multi-family residential installation;

and

2. for farming, ranching, and commercial uses other than oil well pumping and cotton gins;

and

3. schools, churches and community halls.

B. Type of Service

Single-phase and multi-phase service at the Cooperative’s standard secondary distribution voltages, where available, with less than 35 kW peak demand in the preceding 12 months.

C. Monthly Rate

Each billing period, the Member shall be obligated to pay the following charges:

	Phase 1	Phase 2	Phase 3
Customer charge, per meter			
Single-phase service	\$14.00	\$15.75	\$17.50
Three-phase service	\$55.00	\$67.50	\$80.00
Distribution Charge, per kWh	\$0.0146	\$0.0162	\$0.0180
Effective Date:	11/20/2008	5/20/2009	11/20/2009

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D. Minimum Charge

Each billing period the Member shall be obligated to pay the following charges as a minimum, whether or not any energy is actually used:

1.
 - (a) The applicable Customer Charge of this tariff; or
 - (b) The amount stated in the Agreement for Electric Service,
whichever is greater;

plus
2. Any applicable billing adjustments

plus
3. Any applicable service fees.

Additionally, Members in San Juan and Ben Bolt shall pay a street lighting charge of \$0.75 per month.

*APPROVED: 09/29/2008
EFFECTIVE: 11/20/2008*

203.2 Large Power Service

A. Availability

Multi-Phase Large Power Service is available to Members having a peak demand of 35 kW or greater during the most recent 12 months in accordance with the Cooperative's Service Rules and Regulations for commercial and industrial uses other than cotton gins and standby service.

B. Type of Service

Single-phase and three-phase service at the Cooperative's primary or secondary distribution voltages, where available.

C. Monthly Rate

Each billing period the Member shall be obligated to pay the following charges:

	Phase 1	Phase 2	Phase 3
Customer Charge, per meter	\$88.50	\$92.50	\$96.50
Demand Charge, per billing kW	\$3.25	\$3.50	\$3.75
Distribution Charge, per kWh:	\$0.00292	\$0.00243	\$0.00194
Effective Date:	11/20/2008	5/20/2009	11/20/2009

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D. Billing Demand

This charge for the rate at which energy is used is applied to the maximum kilowatt demand for any period of fifteen consecutive minutes during the billing period as adjusted for power factor, but in no event is billing demand less than 85% of the highest adjusted kW demand established in the eleven months preceding the billing period, or 35 kW.

E. Minimum Charge

Each billing period the Member shall be obligated to pay the following charges as a minimum, whether or not any energy is actually used:

1.
 - (a) The customer charge plus the demand charge; or
 - (b) The amount stated in the Agreement for Electric Service,
whichever is greater;
2. Any applicable ^{plus} billing adjustments;

^{plus}
3. Any applicable service fees.

F. Primary Service Discount.

1. If service is provided at primary distribution voltage, the Demand Charge shall be reduced by \$0.15 per kW.

The Cooperative may meter at secondary voltage and estimate transformation loss.

2. If service is not measured at the point of service delivery, measured usage shall be adjusted to reflect actual usage. However, an adjustment to measured usage will not be required if metering at primary voltage provides an economic benefit to the customer (i.e., qualification for less costly service rate or avoidance of multiple metering resulting in a higher total bill) and the contract for service specifies that measured usage will not be adjusted for transformation and line losses.

G. Demand and Power Factor Metering

The Cooperative shall have the right to make such measurements by test at any time, or install meters permanently, or agree with the consumer on the estimated demand and power factor to be used for billing.

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H. Power Factor Adjustment

Demand charges may be adjusted to correct for average power factors lower than 95%. Measured demand may be increased by 1% for each 1% by which the average power factor is less than 95% lagging. The power factor shall never be leading.

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203.3 Oil Well Pumping Under 35 kW

A. Availability

Single- or Multi-Phase Oil Well Pumping Service is available to Members whose peak demand is less than 35 kW in accordance with the Cooperative's Service Rules and Regulations for oil well pumping and associated uses.

B. Type of Service

Single- or Multi-phase service at the Cooperative's standard secondary distribution voltages, where available, not exceeding 50 kVA installed capacity.

C. Monthly Rate

Each billing period the Member shall be obligated to pay the following charges:

	Phase 1	Phase 2	Phase 3
Customer Charge, per meter	\$61.00	\$64.50	\$68.00
Distribution Charge, per kWh	\$0.0246	\$0.0249	\$0.0253
Effective Date:	11/20/2008	5/20/2009	11/20/2009

The Customer Charge is an availability charge for providing electric distribution service and does not include any energy.

The Distribution Charge for the delivery of energy shall be applied to all kWh usage during a billing period.

D. Minimum Charge

Each billing period the Member shall be obligated to pay the following charges as a minimum, whether or not any energy is actually used:

1. (a) The customer charge; or
- (b) The amount stated in the Agreement for Electric Service,
whichever is greater;

plus

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- 2. Any applicable billing adjustments;
- plus
- 3. Any applicable service fees.

E. Power Factor Adjustment

Demand charges may be adjusted to correct for average power factors lower than 95%. Measured demand may be increased by 1% for each 1% by which the average power factor is less than 95% lagging. The power factor shall never be leading.

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203.4 Cotton Gin

A. Availability

Available to Customers in accordance with the Cooperative’s Service Rules and Regulations for cotton gins and in conjunction with the Cooperative’s Wholesale Power Supplier’s Cotton Gin Load Management program.

B. Type of Service

Three-phase service at the Cooperative’s primary or secondary distribution voltages, where available.

C. Monthly Rate

Each billing period the Customer shall be obligated to pay the following charges:

	Phase 1	Phase 2	Phase 3
Customer Charge, per meter	\$308.25	\$337.00	\$365.50
NCP Billing kW	\$4.75	\$4.85	\$4.95
Distribution Charge per kWh	\$0.000000	\$0.000000	\$0.000000
Effective Date:	11/20/2008	5/20/2009	11/20/2009

The Customer Charge is an availability charge for providing electric distribution service and does not include any energy.

The non-coincident (NCP) billing demand shall be the maximum kilowatt demand established by the customer for any consecutive fifteen (15) minute period during the billing period, as indicated or recorded by a demand meter and adjusted for power factor as provided herein.

D. Billing Adjustments

All bills shall be subject to applicable billing adjustments as provided in this tariff.

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E. Power Factor Adjustment

The customer agrees to maintain unity power factor as nearly as practicable. NCP demand charges may be adjusted to correct for average power factors less than ninety-five percent (95%). The demand shall be taken at 95% of the highest kVA demand recorded during the period.

F. Minimum Monthly Charges

Each billing period the Customer shall be obligated to pay the following charges as a minimum, whether or not any energy is actually used.

1. The Customer Charge plus the NCP Demand Charge or the amount stated in the Electric Service Agreement, whichever is greater;

and

2. Any applicable billing adjustments;

and

3. Any applicable service fees.

G. Demand and Power Factor Metering

If the rate schedule provides for measurement of demand or power factor, the Cooperative shall have the right to make such measurements by test at any time, or install meters permanently in order to determine the demand and power factor values to be used for billing.

H. Terms of Payment

All bills are due and payable monthly within sixteen (16) days after bills have been issued by the Cooperative. After this date a one-time late payment penalty of seven percent (7%) of the outstanding balance will be added to the amount due.

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203.6 Security/Street Light Service

A. Availability

Security/Street Light Service is available to Members, municipalities and governmental authorities in accordance with the Cooperative's Service Rules and Regulations for pole mounted area security and street lighting near the Cooperative's electric distribution lines with existing transformers.

B. Type of Service

Single-phase service at the Cooperative's standard secondary distribution voltages.

MV = Mercury Vapor; HPS = High Pressure Sodium; MH = Metal Halide; X= Cobra Head assembly.

C. Monthly Rate

Each billing period the Member shall be obligated to pay the following charges:

	<u>Watt</u>	<u>kWh Per Month</u>	<u>Phase 1 Charge</u>	<u>Phase 2 Charge</u>	<u>Phase 3 Charge</u>
Mercury Vapor	175	64	\$6.51	\$6.93	\$7.36
	400	146	\$9.36	\$9.96	\$10.58
HPS	70	26	\$7.93	\$8.44	\$8.96
	100	36	\$7.93	\$8.44	\$8.96
	250	91	\$9.36	\$9.96	\$10.58
	1000	365	\$27.45	\$29.22	\$31.03
HPSX	70	26	\$10.93	\$11.63	\$12.35
	100	36	\$10.93	\$11.63	\$12.35
	150	55	\$10.93	\$11.63	\$12.35
	250	91	\$11.99	\$12.76	\$13.55
MH/HPS	400	146	\$22.13	\$23.55	\$25.01
MH	1000	365	\$27.45	\$29.22	\$31.03
Metered	1000		\$6.13	\$6.52	\$6.92
Add'l Pole Chg.			\$4.00	\$4.26	\$4.52
Effective Date:			11/20/2008	5/20/2009	11/20/2009

For non-standard items, such as decorative poles, member may be required to contribute the difference in aid to construction or sign a contract to amortize additional costs based on a 120-month schedule.

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D. Billing Adjustments

The monthly rate is subject to all applicable billing adjustments. Billing adjustment each period shall be based on the estimated kWh usage derived from total hour darkness obtained from Nautical Almanac Office, U.S. Naval Observatory (moon "average" shown for reference).

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203.7 Standby with Maintenance Power

Availability

This rider is available to customers requesting Standby with Maintenance Power from Cooperative which may be substituted, either directly or indirectly, for customer-owned and operated power production equipment or other source of power when taken alone or in conjunction with rate schedule "Large Power - Multi-Phase" on execution by the customer of Cooperative's electric service contract. Service is available only if Cooperative's existing facilities are adequate or if adequate facilities can be built or rebuilt at customer's expense, to provide such service and if service to customer will not, in Cooperative's sole judgment, impair Cooperative's ability to serve the requirements of its existing customers. Customer's source of power may be operated in parallel with Cooperative's system in accordance with Cooperative's Parallel Generation Requirements in Section III, Sheet 33 of the Cooperative's Service Rules and Regulations provided customer installs such protective equipment as Cooperative may reasonably require to protect both customer's equipment and Cooperative's equipment in the event of malfunction on either system.

THE CUSTOMER AGREES TO ASSUME LIABILITY FOR ANY AND ALL DAMAGES AS A RESULT OF PARALLEL OPERATION TO THE EXTENT ATTRIBUTABLE TO THE CUSTOMER'S SOURCE OF POWER AND AS FURTHER PROVIDED IN THE TERMS OF THE COOPERATIVE'S "PARALLEL GENERATION REQUIREMENTS" IN SECTION III, SHEET 33 OF THE COOPERATIVE'S SERVICE RULES AND REGULATIONS.

Cooperative will provide at its expense the normal metering equipment for the size and type of load served. Cooperative will provide, at customer's expense, other metering equipment on the service and/or the other source of power determined by the Cooperative as necessary.

Standby Power

Cooperative agrees to supply Standby Power delivery up to but not exceeding the amount stated on the electric service contract, hereinafter referred to as the "Contract Capacity for Standby Power" or "Standby Contract Capacity". Such kW's or kVAs and all kWh's used, will be billed in accordance with the provisions of the rate schedule to which the rider is applicable except as modified as described herein. The minimum provisions of any rate do not apply for billing purposes for standby power. If customer's metered demand exceeds the Standby Contract Capacity, the excess will be billed at the demand charge of the applicable rate schedule for two months and, with the written consent of the

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Cooperative, the Standby Contract Capacity will be increased to the demand level established that month for the duration of the contract, not to exceed twenty-four (24) months. However, the maximum Standby Contract Capacity shall not exceed the demonstrable capacity of customer’s generating units operating at customer’s location and at 95 degrees Fahrenheit ambient air temperature. In the event that customer’s metered demand exceeds the maximum demonstrable capacity of customer’s generating units, such excess will be billed in accordance with the rate schedule for a period not to exceed twelve (12) months.

	Phase 1	Phase 2	Phase 3
Customer Charge, per meter	\$694.00	\$694.00	\$694.00
Demand Charge, per contract kW	\$4.00	\$4.10	\$4.20
Distribution Charge, per kWh:	\$0.0000	\$0.0000	\$0.0000
Effective Date:	11/20/2008	5/20/2009	11/20/2009

Contract kW

The contract kW shall be the greater of the kW established in the Electric Service Agreement or the maximum kilowatt demand established by the customer for any consecutive fifteen (15) minute period during the billing period, as indicated or recorded by a demand meter and adjusted for power factor as provided herein.

Scheduled Maintenance Power

In order to qualify for scheduled Maintenance Power, the following conditions must be met:

1. Customer must submit to Cooperative at least 50 days prior written notice of the intent to perform maintenance.
2. The outage or outages may include up to four occasions, which total up to ____ days in a calendar year but must be scheduled, with Cooperative’s approval, during the period starting on October 1 and ending on December 15 (inclusive) or during the period starting on, February 15 and ending on April 30 (inclusive). Customer must provide the Cooperative with a window for maintenance that will count against these ____ days and any maintenance that is outside this window will not be billed as scheduled Maintenance Power. Cooperative must be provided at least 50 days prior notice to any change in the customer’s maintenance schedule.

Service in Conjunction with Other Services

When service under this rider is taken in conjunction with other service, the following allowance applies.

During periods of forced shutdown, power production equipment failure or scheduled or unscheduled maintenance, that portion of the customer’s metered demand attributable to load for which this Service is provided will be ignored both for computing current monthly payments for other services provided to the customer and in determining minimums or other factors affecting billing in future months for other service supplied to the customer.

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Terms and Conditions

Service furnished under this rider is subject to all provisions of the rate schedule which is applicable and made a part of this contract, except for those which are specifically modified herein. Where a choice exists in this rider between specification of demand units of kW and kVA, the units used will be those used to measure demand in the rate which the customer is taking service.

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203.11 Small Power Production and Cogeneration Under 100 kW

A. Applicable Areas

This tariff shall apply in the counties of Brooks, Duval, Jim Wells, Kenedy, Kleberg, Live Oak, McMullen, and Nueces.

B. Small Power Production and Cogeneration

This tariff shall apply to the interconnection and parallel operation of all qualifying power generating installations having a design capacity of 100 kW or less as well as to electric utility service to such generating installations. If any part of these sections shall be in conflict with any other provision of this tariff, these sections shall control. By agreement, the Cooperative and Producer may establish additional or different terms, conditions, or rates for the sale or purchase of electricity.

C. Obtaining Interconnection

Any person owning or operating a qualifying power generating installation (hereinafter "Producer") and desiring to interconnect with the Cooperative's system shall:

1. Comply with Tariff

Apply for interconnection, provide an easement satisfactory to the Cooperative, and otherwise comply with the tariff of the Cooperative.

2. Provide Information

At least sixty (60) days in advance of interconnection, Producer shall submit a plan showing the electric design of the generation installation including equipment for interconnection with the Cooperative's system. Producer shall also provide such additional information as may be required by the Cooperative. In the event Producer's plan involves the use of non-standard equipment or design techniques, the Cooperative may require such plan be approved by a registered professional engineer and the Producer shall pay all fees in obtaining this approval. Any review or acceptances of such plan by the Cooperative shall not impose any liability on the Cooperative and does not guarantee the adequacy of Producer's equipment to perform its intended function. The Cooperative disclaims any expertise or special knowledge relating to the design or performance of generating installations and does not warrant the efficiency, cost effectiveness, safety, durability, or reliability of generating installations.

3. Pay for Extension of Cooperative's Facilities

Comply with conditions for extension of the Cooperative's distribution system as may be determined by the Cooperative in accordance with

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the Cooperative's Line Extension Policy, Section 313, and other operating policies.

If an extension of Cooperative's distribution system is required for sale or receipt of electric energy to or from a generating installation, whether or not in conjunction with another use, the Cooperative shall exercise prudent jurisdiction in determining the conditions under which such extension will be made. Each case shall be viewed individually considering:

- (a) cost to provide service,
- (b) longevity of the load,
- (c) annual load factor,
- (d) possibility of other loads developing along the proposed line extension,
- (e) longevity, capacity, and dependability of power to be received by the Cooperative,
- (f) anticipated annual revenue, and
- (g) compatibility with planned system improvements.

The Cooperative may require Producer to pay a nonrefundable contribution in aid of construction, and may require a contract term of up to five years.

4. Provide Liability Insurance

Furnish a certificate from Producer's insurance carrier showing satisfactory liability insurance, including contractual liability insurance covering indemnity agreements which insures Producers and names Cooperative as additional insured against all claims for property damage and for personal injury or death arising out of, resulting from or in any manner connected with the installation, operation, and maintenance of the Producer's generating equipment. The amount of such insurance coverage shall be at least \$500,000 per occurrence. The certificate shall also provide that the insurance policy will not be changed or canceled during its term without thirty (30) days written notice to the Cooperative.

5. Sign Contract

Sign and delivery to the Cooperative an Agreement for Interconnection and Parallel Operating of a Cogeneration or Small Power Production Installation; 100 kW or Less, the form of which has been approved by the Public Utility Commission and is contained in these tariffs.

6. Complete Construction

Construct the power generating installation and install a disconnect switch and other protective equipment as may be required by the Cooperative to protect its personnel, facilities, and operations.

7. Comply with Laws

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Comply with applicable Federal, state, and local laws, ordinances, and regulations applicable to power generating installations.

8. Notify Cooperative

Notify the Cooperative in writing at least thirty (30) days in advance of energizing the small power generating installation and permit the Cooperative to inspect and test protective equipment.

9. Eliminate Conditions Preventing Interconnection

In the event that it comes to the attention of the Cooperative that there are conditions preventing safe interconnection and proper parallel operating, Cooperative shall notify Producer and Producer shall not interconnect and/or initiate parallel operation until such conditions are corrected and Producer has provided at least ten (10) days written notice to the Cooperative.

The foregoing are conditions precedent to any obligation of the Cooperative to interconnect or provide any form of electric utility service.

D. Parallel Operation

1. Installation

With the exception of only the Cooperative's Meter(s), the Producer shall own and be solely responsible for all expense, installation, maintenance, and operation of the power generating installation at and beyond the point where Producer's conductors contact Cooperative's conductors.

The Producer's generating installation shall be designed and installed in accordance with applicable codes, regulations, and prudent engineering practices.

2. Self-Protected Generating Installation

The Producer will furnish, install, operate, and maintain in good order and repair all equipment necessary for the safe operating of the power generating installation in parallel with the Cooperative's electric distribution system. The equipment will have the capability to both establish and maintain synchronism with the Cooperative's system and to automatically disconnect and isolate the generating installation from the Cooperative's system in the event of any outage of the Cooperative's system or a malfunction of the power generating installation.

The Producer's power generating installation will also be designed, installed, and maintained to be self-protected from normal and abnormal conditions in the Cooperative's electric distribution systems. The conditions for which the power generating installation shall be

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self-protected will be compatible with the Cooperative's system protection arrangements and operating policies. Specialized protective functions may be required by the Cooperative when, in the sole judgment of the Cooperative, the particular generating installation characteristics and/or distribution system characteristics so warrant.

3. Quality of Service

Producer's generating installation will generate power at the nominal voltage of the Cooperative's electric distribution system at the Producer's delivery point plus or minus five percent (5%) at the nominal system frequency of 60 Hz plus or minus one-tenth (1/10) Hz. Producer shall generate at a power factor that is as near one hundred percent (100%) as is practicable. In the event that the power factor is less than ninety-five percent (95%) lagging or leading, the Producer will provide factor correction within ten percent (10%) of unity or reimburse the Cooperative for the cost of any necessary correction.

The overall quality of the power provided by Producer including, but not limited to, the effects of harmonic distortion, voltage regulation, voltage flicker, switching surges, and power factor, will be such that the Cooperative's electric distribution system is not adversely affected in any manner. In the event that adverse effects are caused in whole or in part by Producer's power generating installation, the Producer will correct the cause of such effects or reimburse the Cooperative for the cost of any required correction.

4. Safety Disconnect

The Producer, or at the Producer's option, the Cooperative, shall provide and install, at the Producer's expense, a visible break disconnect switch. The disconnect switch will be located so as to be readily accessible to Cooperative personnel in a location acceptable to both the Producer and the Cooperative. It shall be the type of switch which can be secured in an open position by the Cooperative padlock.

The Cooperative shall have the right to lock the switch open whenever, in the judgment of the Cooperative:

- (a) it is necessary to maintain safe electric operating or maintenance conditions;
- (b) the Producer's power generating installation adversely affects the Cooperative's electric distribution system;
- (c) there is a system emergency or other abnormal operating condition which warrants disconnection;
- (d) the Producer fails to maintain acceptable liability insurance;
- (e) the Producer fails to reimburse the Cooperative for costs incurred as a result of the Producer's power generating installation.

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The Cooperative reserves the right to operate the disconnect for the protection of the Cooperative's system even if it affects Producer's power generating installation. In the event that the Cooperative opens and closes the disconnect switch it shall not be responsible for energization or restoration of parallel operation of the generating installation. The Cooperative will make reasonable efforts to notify the Producer in the event the disconnect switch has been operated. The Producer will not bypass the disconnect switch at any time for any reason.

5. Access

Persons authorized by the Cooperative will have the right to enter the Producer's property for the purpose of operating or inspecting the disconnect switch or metering. Such entry onto the Producer's property may be without notice. If the Producer erects or maintains locked gates or other barriers, the Producer will furnish the Cooperative with convenient means to circumvent the barrier for access to the disconnect switch and meter(s).

6. Modifications of Cooperative System

In the event that it is necessary at the time of initial interconnection or at some future time for the Cooperative to modify its electric distribution system in order to purchase or continue to purchase Producer's output, the Producer will reimburse the Cooperative for all just and reasonable costs of modifications which are allocable to the Producer's small power generating installation. The modifications may include, but are not limited to, special interconnection equipment, protective devices, control devices, or upgrading of distribution system components.

7. Liability for Injury and Damages

Producer assumes full responsibility for electric energy furnished to him at and the past the point of interconnection and will indemnify the Cooperative against and hold the Cooperative harmless from all claims for both injuries to persons, including death resulting therefrom, and damages to property occurring upon the premises owned or operated by Producer arising from electric power and energy delivered by Cooperative or in any way arising directly or indirectly from Producer's generating installation except:

- (a) when the negligence of Cooperative or its agent(s) was the sole proximate cause of injuries, including death therefrom, to Producer or to employees of Producer or in the case of a residential Member/Producer, to all members of the household; and
- (b) as to all other injuries and damages, to the extent that injuries or damages are proximately caused by or result in whole or in part from

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- (i) any negligence of Cooperative or its agent(s) independent of and unrelated to the maintenance of Cooperative's facilities or any condition on Producer's premises; or
- (ii) the breach by Cooperative of any provision of any contract regarding purchase and/or sale of electric energy or service between Cooperative and Producer.

The Cooperative shall not be liable for either direct or consequential damages resulting from failures, interruptions, or voltage and wave form fluctuations occasioned by causes reasonably beyond the control of the Cooperative, including, but not limited to, acts of God, public enemy, sabotage and/or vandalism, accidents, fire, explosion, labor troubles, strikes, order of any court or judge granted in a bona fide adverse legal proceeding or action, or any order of any commission, tribunal or governmental authority having jurisdiction.

For claims resulting from failures, interruptions, or voltage and wave form fluctuations occasioned in whole or in part by the negligence of the Cooperative or its agent(s), the Cooperative shall be liable only for that portion of the damages arising from personal injury, death of persons, or costs of necessary repairs to or reasonable replacement of electric equipment proximately caused by the negligent acts of the Cooperative or its agent(s). the Cooperative shall not be liable in any event for consequential damages.

8. Metering

If the output of the Producer's generating installation is to be purchased by the Cooperative, it will be measured by meters and metering configurations as required for the metering option chosen by the Producer. Under one option, the Producer would sell net surplus output in excess of other requirements, and under the other option Producer would sell total output. Any necessary meter(s) or meter modifications in addition to one standard service meter will be installed, maintained, and operated by the Cooperative at the Producer's expense. A connection will be provided for the meter(s) at the Producer's expense in a location that is acceptable to both the Cooperative and the Producer.

The metered output of Producer's generating installation will be read by the Cooperative.

The meter(s) will, by comparison with accurate standards, be tested and calibrated as often as necessary. The Producer or the Cooperative may reasonably request such test, and shall be given notice of not less than five (5) working days when such tests are to be made. Both the Producer and the Cooperative will have the right to be present at such tests. If a meter is found to be inaccurate, it shall be restored to an accurate condition or replaced. If the tests disclose that no unacceptable

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inaccuracies exist in the meter(s), then the party requesting the tests shall bear the expense of the tests. A report of the results of any tests shall be furnished promptly by the party making such tests to the other party. Any meter(s) registering a deviation of not more than two percent (2%) from normal shall be deemed accurate. The readings of any meter(s) which have been inaccurate shall be corrected according to the percentage of inaccuracy as determined by the test for a period of no more than ninety (90) days prior to the tests. If any meter fails to register for any period, the facility output during such period shall be estimated in the best manner possible as agreed upon by the Cooperative and the Producer.

9. Notice of Change in Installation

Producer will notify the Cooperative in writing fifteen (15) days in advance of making any change affecting the characteristics, performance, or projection of the generating installation. If it comes to the Cooperative's attention that the modification will create or has created conditions which may be unsafe or adversely affect the Cooperative's system, then it shall notify Producer and Producer shall immediately correct such condition.

10. Insurance

Producer shall continue to maintain insurance as required by the Cooperative prior to interconnection and shall provide proof of such insurance to the Cooperative at least annually.

E. Sales to Producer

Producer's rate class shall be designated by the Cooperative in accordance with the availability and type of service provisions in its rate schedules for all services including Backup, Supplementary, Interruptible, and Maintenance.

F. Purchase from Producer

1. Rate

The Cooperative will pay Producer for all power purchased at the following rates:

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- (a) Capacity – No payment except by separate firm power contract between the Producer and the Cooperative.
- (b) Energy – The metered kWh output from the Producer will be purchased at the Cooperative’s total energy and fuel cost divided by the total kWhs purchased as calculated from the most recent wholesale power bill.

In the event that the Producer exercises the option to sell power to the Cooperative, there will be, in addition to the minimum monthly bill requirements under the applicable service rate schedule(s), a customer service charge of \$12.00 per month for metering and billing.

2. Refusal to Purchase

The Cooperative may, at certain times and as operating conditions warrant, reasonably refuse to accept part or all of the output of the Producer’s facility. Such refusal shall be based on system emergency constraints, special operating requirements, adverse effects of the Producer’s facility on the Cooperative’s system or violation by the Producer of the terms of the Agreement for Interconnection and Parallel Operation of Cogeneration and Small Power Installations; 100 kW or Less.

G. Definitions

1. Power Generating Installation, Generating Installation – shall mean a small power production or cogeneration facility which is a “qualifying facility” under Subpart B of the Federal Energy Regulatory Commission’s Regulations under Section 201 of the Public Utility Regulatory Policies Act of 1978, including any generator and associated equipment, wiring, protective devices, or switches owned or operated by Producer.
2. Producer means any person, firm, corporation, partnership, or other entity owning or operating a power generating installation.

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203.12 Purchases/Sales From/To Qualifying Facilities

A. Purchase From Qualifying Facilities

1. Waiver of Purchase/Sale Obligations

By its order in Docket 7754, the Public Utility Commission of Texas (the "PUC") granted to South Texas Electric Cooperative ("STEC") a waiver of its obligations to sell retail capacity and energy to Qualifying Facilities ("QFs") and granted to Karnes Electric Cooperative, Inc.; Nueces Electric Cooperative, Inc.; San Patricio Electric Cooperative, Inc.; Victoria Electric Cooperative, Inc.; and Wharton County Electric Cooperative, Inc. (collectively the "Wholesale Members") a waiver of their obligations to buy capacity and energy directly from QFs. STEC will purchase energy and capacity which a QF may seek to sell and the Wholesale Members will sell retail capacity and energy to QFs within the wholesale Member's service area.

2. Purchases from QFs by STEC

STEC's payment to QFs for purchases of energy and capacity will be based upon the cost STEC can avoid, which is in turn based upon the incremental cost of energy and capacity to the STEC/Medina Power Pool as more particularly set forth in STEC's avoided cost filing with the PUC. A QF selling energy and/or capacity to STEC at a price based on STEC's avoided cost shall not be required to pay or absorb any expense in connection with the transmission of such QF energy and/or capacity to the STEC system from a point of interconnection between the QF and a Wholesale Member, except as would otherwise be required under PUC Substantive Rules (Sec. 25.242(l)).

3. Superseding Effect

To the extent that any other provisions of this tariff, previously approved, are contrary to the waivers granted by the PUC in Docket 7754 such provisions are superseded and no longer of any effect.

B. Sales to Qualifying Facilities

1. Availability

This tariff is applicable to sales of electricity to a QF as defined in Section 3 (18) and of the Federal Power Act, as amended, 16 U.S.C.A. 796 (18) and regulations thereunder provided the QF is interconnected with and served directly from the transmission system of STEC and provided the QF is located in the retail service area of the Cooperative.

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2. Type of Service

Retail electric service for Supplementary, Back-up, Maintenance, and Interruptible Power or combinations thereof.

3. Rates

Rates for sales shall be just and reasonable and shall not discriminate against a QF in comparison to rates for sales to other customers served by the Cooperative. The rate, exclusive of cost reimbursement under Section 25.242(1), to be charged by the Cooperative for such retail service(s) shall be developed at the time such service is requested, and shall be designed on a basis which:

- (a) excludes system distribution costs to the extent the Cooperative's distribution facilities and services are not involved in the rendition of such service, and
- (b) is uniform among the STEC Member distribution cooperatives providing such service insofar as the cost of power and energy from STEC to STEC's Member cooperative. The Cooperative waives the monthly customer service charge for QFs selling energy and/or capacity directly to STEC.

4. Interconnection Standards

Interconnections shall be carried out in a manner consistent with the standards utilized by STEC in establishing interconnections generally, and in compliance with the Interconnection Plan developed by, and on file with, the Cooperative pursuant to Section 25.242(h)(5) of the Substantive Rules of the Public Utility Commission of Texas.

5. Interconnection Costs

The QF shall pay in advance all interconnection costs, in accordance with Section 25.242(1) of the Substantive Rules of the Public Utility Commission of Texas. QF electing to take service under the terms described above shall be subject to duplicate interconnection charges for wheeling of back-up power from the Cooperative, and, no QF shall be required to build separate facilities to the Cooperative to receive back-up services.

6. Terms & Conditions

The availability of this tariff and terms and conditions under which this tariff is applied shall be subject to the provisions of Section 25.242 of the Substantive Rules of the Public Utility Commission of Texas including subsection (k)(2)(B).

*APPROVED: 06/26/00
EFFECTIVE: 08/01/00*

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203.13 Cotton Gin — Time -of-Peak

- A. Availability
Available to Customers in accordance with the Cooperative’s Service Rules and Regulations for cotton gins.
- B. Type of Service
Three-phase service at the Cooperative’s primary or secondary distribution voltages, where available.
- C. Monthly Rate
Each billing period the Customer shall be obligated to pay the following charges:

	Power <u>Supply</u>	Cust. <u>Svcs.</u>	<u>Distrib.</u>	<u>Total</u>
Customer Charge, per meter		\$7.06	\$237.94	\$245.00
NCP Billing kW			\$4.65	\$4.65
Peak Billing kW	\$6.90	\$0.00	\$0.00	\$6.90
Energy Charge per kWh	\$0.032438	\$0.000000	\$0.008076	\$0.040514

The Customer Charge is an availability charge for providing electric distribution service and does not include any energy.

The non-coincident (NCP) billing demand shall be the maximum kilowatt demand established by the customer for any consecutive fifteen (15) minute period during the billing period, as indicated or recorded by a demand meter and adjusted for power factor as provided herein.

The Peak Billing Demand shall be the kilowatt demand established by the customer for the Cooperative’s wholesale power supplier’s coincidental peak period during the billing period as indicated or recorded by a demand meter and adjusted for power factor as provided herein. The Peak Billing Demand is subject to any ratchet provisions in the Cooperative’s wholesale power supplier’s rate and in no event shall the Peak Billing Demand be less than the Peak Billing Demand calculated in the same manner as defined in the wholesale power supplier’s rate applicable to the Cooperative

The Energy Charge is for the delivery of energy and shall be applied to all kWh usage during the billing period.

D. Billing Adjustments

All bills shall be subject to applicable billing adjustments as provided in this tariff.

E. Power Factor Adjustment

The customer agrees to maintain unity power factor as nearly as practicable. NCP demand charges may be adjusted to correct for average power factors less than ninety-five percent (95%). The demand shall be taken at 95% of the highest kVA demand recorded during the period.

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F. Minimum Monthly Charges

Each billing period the Customer shall be obligated to pay the following charges as a minimum, whether or not any energy is actually used.

1. The Customer Charge plus the NCP Demand Charge or the amount stated in the Electric Service Agreement, whichever is greater;
and
2. Any applicable billing adjustments;
and
3. Any applicable service fees.

G. Demand and Power Factor Metering

If the rate schedule provides for measurement of demand or power factor, the Cooperative shall have the right to make such measurements by test at any time, or install meters permanently in order to determine the demand and power factor values to be used for billing.

H. Terms of Payment

All bills are due and payable monthly within sixteen (16) days after bills have been issued by the Cooperative. After this date a one-time late payment penalty of seven percent (7%) of the outstanding balance will be added to the amount due.

APPROVED: 01/22/05

EFFECTIVE: 02/22/05

203.14 Cotton Gin Time -of-Peak Alternate Rate

A. Availability

Available to Members in accordance with the Cooperative's Service Rules and Regulations for cotton gins.

B. Type of Service

Three-phase service at the Cooperative's primary or secondary distribution voltages, where available.

C. Monthly Rate

Each billing period the Member shall be obligated to pay the following charges:

	Power <u>Supply</u>	Cust. <u>Svcs.</u>	<u>Distrib.</u>	<u>Total</u>
Customer Charge, per meter		\$7.06	\$237.94	\$245.00
Distribution NCP Billing kW	\$0.00	\$0.00	\$4.65	\$4.65
Peak Billing kW (June-Sept)	\$18.86	\$0.00	\$0.00	\$18.86
Peak Billing kW (Oct-May)	\$5.27	\$0.00	\$0.00	\$5.27
Energy Charge per kWh	\$0.032438	\$0.000000	\$0.008076	\$0.040514

The Customer Charge is an availability charge for providing electric distribution service but also includes 0 kWh of energy.

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The Distribution NCP Billing kW is a Demand Charge for the rate at which energy is used and is applied to the maximum kilowatt demand for any period of fifteen consecutive minutes during the billing period as adjusted for power factor.

The Peak Billing kW is a Demand Charge for the power supply demand costs and is applied to the maximum kilowatt demand for any period of fifteen consecutive minutes during the billing period as adjusted for power factor. In October, the Cooperative shall determine the customer's demand contribution to the Wholesale power supplier's monthly peak periods for June, July, August, and September and to the Wholesale power supplier's annual peak established in June-September. The customer shall receive a refund of the difference between the Peak Billing kW amounts billed for June-September and peak billing kW amounts calculated as follows:

Sum of monthly peak demands (June, July, August, and September) x \$6.90 per kW plus annual peak demand (June-September) x \$6.90 per kW x 85% x 8 months.

Refund Example: Monthly maximum kW is 1,000 kW for June-September, contribution to Wholesale supplier's monthly peaks is 250 kW per month for 4 months, and contribution to Wholesale supplier's annual peak is 250 kW.
Refund amount is:

$1,000 \text{ kW} \times \$18.86 \times 4 \text{ months} = \$75,440$
 $(250 \text{ kW} \times 4 \text{ months} \times \$6.90) + (250 \text{ kW} \times \$6.90 \times 85\% \times 8 \text{ months}) = \$18,630$
 $\text{Refund} = \$75,440 - \$18,630 = \$56,810$

The Energy Charge for the delivery of energy shall be applied to all kWh usage during a billing period.

D. Minimum Charge

Each billing period the Member shall be obligated to pay the following charges as a minimum, whether or not any energy is actually used:

1. (a) Customer Charge plus the demand charge; or
(b) The amount stated in the Agreement for Electric Service,
whichever is greater;
and
2. Any applicable billing adjustments;
and
3. Any applicable service fees.

E. Power Factor Adjustment

Demand charges may be adjusted to correct for average power factors lower than 95%. Measured demand may be increased by 1% for each 1% by which the average power factor is less than 95% lagging. The power factor shall never be leading.

APPROVED: 01/22/05
EFFECTIVE: 02/22/05

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203.15 Wholesale Transmission Service at Distribution Level

- A. Application
Nueces Electric Cooperative shall make wholesale transmission service at distribution voltage level available under this schedule to eligible transmission service customers as defined in P.U.C. SUBST. R. 25.5(81).
- B. Type of Service
The service provided pursuant to this tariff is transmission service, as defined in Public Utility Commission of Texas (Commission) Substantive Rules, using the Cooperative's facilities rated below 60 kilovolts. This rate schedule is not applicable to service offered by the Cooperative under another rate schedule. Service under this tariff is only available for wholesale service to eligible transmission service customers and is not available for retail service.
- C. Conditions of Service
An eligible transmission service customer requesting service under this tariff shall make such request in accordance with P.U.C. SUBST. R. 25.198. If adequate facilities are not in place at the time service is requested, the Cooperative will construct new facilities or alter existing facilities as necessary, and make the service available, as soon as reasonably possible. A contribution in aid of construction may be required if facilities must be constructed to provide the service, or if existing facilities must be altered to provide the service, in accordance with Commission Substantive Rules. All facilities altered or constructed by the Cooperative will remain the property of the Cooperative.
- D. Definitions
(1) Contract kW (contract demand) is the maximum kW specified in the Interconnection Agreement. Should the transmission service customer's maximum demand exceed the contract kW specified in the Interconnection agreement, the transmission service customer's contract kW shall, upon approval by the Cooperative, be increased to the new maximum metered demand for a period of twelve months.

(2) Wholesale Transmission Service at Distribution Level is wholesale electric service provided to an eligible customer from Cooperative's distribution lines operated at voltages below 60 kV.
- E. Monthly Rate
(1) Monthly Facilities Charge: \$576.47
(2) Transmission Service Charge: \$3.89 per billing kW
- F. Losses
Customers taking service under this tariff shall compensate the Cooperative for losses resulting from such service. Losses shall be calculated specific for the point of interconnection for the requested service.
- G. Demand Determination
Demand for calculation of the monthly bill is the larger of:

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- (1) Contract kW;
 - (2) The maximum metered kilowatt demand for any fifteen-minute interval, as defined by the ERCOT protocols, during the billing period as adjusted for power factor, but in no event is billing demand less than 85% of the highest adjusted kW demand established in the eleven months preceding the billing period.
- H. Power Factor Adjustment
Demand charges may be adjusted to correct for power factors lower than the applicable ERCOT required power factor.
- I. Payment
The monthly bill for Wholesale Transmission Service at Distribution Level is the sum of the Monthly Facilities Charge, the Transmission Service Charge and compensation for losses. Billing and Payment shall be in accordance with P.U.C. SUBST. R. 25.202. Interest will accrue on any unpaid amount, calculated in accordance with Commission Substantive Rules.
- J. Agreement
An Interconnection Agreement is required for Customers directly connected to Cooperative's facilities.
- K. Notice
Service hereunder is subject to the orders of regulatory bodies having jurisdiction over the Cooperative's Tariff for Wholesale Transmission Service.

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203.16 Wind Farm – Standby and Auxiliary Delivery Service

A. Application.

Applicable to all wind farm customers taking the type of service described in this rate schedule. Service will be furnished under this rate schedule subject to the established rules and regulations of the Cooperative covering this type of service, including all applicable billing adjustments. All service is supplied at one delivery point and taken through a single meter for auxiliary service to the Customer.

B. Type of Service.

- (1) Three-phase service at transmission level voltage.
- (2) Wholesale Delivery Point service from the Cooperative to the Customer, with direct assignment to the Customer of cost of power purchased from the Cooperative's power supplier.

C. Monthly Rate.

Each billing period the Customer shall be obligated to pay the following charges:

- | | | |
|-----|-----------------------------|---------------------------|
| (1) | <u>Basic Service Charge</u> | \$500.00 per meter |
| (2) | <u>NCP Demand Charge:</u> | \$1.50 per NCP Billing kW |

The non-coincident peak (NCP) billing demand shall be the highest of the following:

- (a) The maximum kilowatt demand for any period of ERCOT-settlement interval (currently 15 consecutive minutes) during the billing period, as indicated or recorded by a demand meter and adjusted for power factor,
- (b) The maximum NCP kW established in the previous eleven (11) billing periods; or
- (c) The amount specified in the Agreement for Electric Service between the Customer and the Cooperative.

D. Minimum Charge.

The minimum monthly charge shall be the greater of the amount as set forth in the Agreement for Electric Service referenced in 2(c) above, or the Basic Charge plus NCP Demand Charge.

E. Billing Adjustments.

This rate is subject to all applicable billing adjustments, with the exception of the Power Cost Recovery Factor adjustment.

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F. Agreement.

An Agreement for Electric Service for a specified term, a specified contract capacity, and required contribution in aid of construction of additional facilities, if applicable, may be required by the Cooperative. This rate schedule may be changed by the Cooperative's board of directors and service hereunder is subject to the Cooperative's tariff for electric service.

G. Other Conditions of Service.

- (1) All wiring, pole lines and other electrical equipment beyond the metering point shall be considered the system of the Customer and shall be furnished and maintained by the Customer.
- (2) The Cooperative shall not be responsible for the purchase of any power generated by the Customer.
- (3) Customer shall be responsible for all termination fees, penalties, and any other costs incurred by the Cooperative associated with the power supply for service to the Customer.
- (4) Customer shall be responsible for all costs incurred by the Cooperative in arranging for special wholesale power supply on behalf of the Customer.
- (5) The Customer will be subject to all transmission-related cost responsibility incurred by the Cooperative directly associated with providing service to the Customer, even if such cost recovery should occur after the Customer has terminated service. To the extent that such cost is not included in the Monthly Rate, Customer shall be responsible for the incremental transmission cost.
- (6) This rate schedule may be changed by order or consent of regulatory authorities having jurisdiction, or if none, by the Cooperative's board of directors in accordance with applicable laws.
- (7) All other conditions of service hereunder are subject to the Cooperative's tariff for electric service.

APPROVED: 03/06/09

EFFECTIVE: 03/06/09

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204. Billing Adjustment

The Cooperative shall adjust all bills in accordance with the following adjustments, if applicable:

204.1 Wholesale Transmission and Distribution Cost Recovery Factor (WTDCRF)

The monthly charges for all rates (except for direct billed customers as specified below) shall be increased or decreased on a uniform per-kWh basis computed monthly as follows:

$$A \pm C$$

$$\text{WTDCRF} = \text{kWhs}$$

Where:

WTDCRF = Wholesale Transmission and Distribution Cost Recovery Factor (expressed in \$ per kWh) to be applied to estimated energy sales for the billing period.

A = Total Wholesale Transmission and Distribution Cost (excluding costs from that are direct billed to particular customers) from all suppliers for the billing period.

kWhs = Total estimated energy sales (excluding sales to customers that are directly billed Wholesale Transmission and Distribution Costs) for billing period.

C = Adjustment to be applied to the current monthly billing to account for differences in actual Wholesale Transmission and Distribution costs and actual WTDCRF revenues recovered in previous periods (excluding costs from all suppliers that are direct billed to particular customers).

204.2 Sales Tax

All bills shall be increased by the amount of any sales tax attributable to the sale of electric service to the Member, unless the Member has previously provided satisfactory proof of exemption to the Cooperative.

204.3 Gross Receipts Fees and Franchise Taxes

The Cooperative may increase each Member's bill for service rendered within the incorporated limits of a municipality which imposes a gross receipts adjustment or franchise tax upon the revenues received by the Cooperative from its Members.

204.4 Meter Error Adjustment (Reference Section 205.4 of these Tariffs)

204.5 Over/Under Billings (Reference Section 311 of these Tariffs)

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204.6 State Agencies

Billing is made in accordance with Public Utility Commission Substantive Rule 25.29. Notwithstanding any provisions in the rate schedules with respect to when bills become past due and imposing an increased amount if bills are not paid within a specified time, all bills rendered to "State Agencies," as that term is defined in Article 601f, V.A.T.S., shall be due and shall bear interest if overdue as provided in said Article 601f.

204.7 Stranded Cost Recovery Charges.

In accordance with P.U.R.A. Sec. 39.252 and Public Utility Commission of Texas (PUCT), Substantive Rule 25.28 (f)((2))(F), retail customers in the Cooperative's multiply certificated areas may not avoid stranded cost recovery charges by switching from another electric utility to the Cooperative. The Cooperative will bill affected customers the stranded costs established by the PUCT for the electric utility from which the customer switched and the amount collected will be remitted by the Cooperative to the electric utility from which the customer switched.

Billing for stranded costs to affected customers will be by separate invoice and subject to the Cooperative's rules and regulations for terms of payment and disconnection for non-payment.

205. Service Fees

205.1 Trip Fees

Except as provided in these rules, the Cooperative shall charge for each trip to a Member's premises which is requested by the Member or reasonably required under these rules, including but not limited to, the following types of trips:

A. Investigation Fee

If a Member requests that the Cooperative make an investigation of any outage or service irregularity and if the Member reports or causes to be reported a service outage or irregularity and the Cooperative determines that such outage or irregularity was caused by the Member, his facilities, equipment or installation, then the Cooperative may charge the Member \$50.00 or actual costs incurred for conducting an investigation. This trip fee shall be billed on the Member's next regular bill. If the investigation is made after normal business hours, the Cooperative shall charge \$60.00 or actual costs incurred.

B. Miscellaneous Service Fee

If a Member requests that the Cooperative make a trip to perform a service for the Member, including, but not limited to such services as security light modifications (See Section 203.6) or other similar services, the Cooperative may charge the Member \$50.00 or actual costs incurred. This service fee shall be billed on the Member's next regular bill.

C. Disconnection and Reconnection Fees

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The Cooperative shall charge a fee of \$55.00 as partial compensation necessary to disconnect service or reconnect service to a Member when the service disconnection was initiated by the Cooperative under Section 307.2 or Section 307.3.

A reconnection fee may also be charged if the same Member reconnects service at the same location within twenty-four months of the Member requested disconnection of service.

A reconnection fee may also be charged for each reconnection at each seasonal service location.

If the disconnection or reconnection is made outside the normal working hours of the Cooperative, the Cooperative shall charge an additional fee of \$70.00. Disconnection or reconnection outside the Cooperative's normal working hours will be performed only upon request of the Member. These fees shall be billed to the Member on the Member's next regular bill, or on the Member's final bill if service is not reconnected.

D. Collection Fee

If Cooperative service personnel make a trip to the Member's location to disconnect service and payment for service is made by the Member to the serviceman, or if the service personnel make a trip to collect payment, the Cooperative shall charge a fee on the following basis:

First Trip within a 12-Month Period

\$64.00 if the trip is made during normal working hours;
\$100.00 if the trip is made outside of normal working hours.

Succeeding Trips within a 12-month Period

\$100.00 plus mileage if the trip is made during normal working hours;
\$150.00 plus mileage if the trip is made outside normal working hours.

The trip fee shall be paid at the time the trip is made and the Member's outstanding balance collected, or if not collected, added to the Member's past due amount. Collection trips outside the Cooperative's normal working hours will be performed only upon request of the Member.

E. Meter Reading Fees

If for any reason a meter reading is not received from the Member who is designated "self reading" for three consecutive months, the Cooperative will dispatch an employee to read the meter and a charge of \$35.00 will be made to the Member's account. Meter readings are due at the Cooperative's offices no later than the 20th of each month.

205.2 Membership Fee

Each applicant shall pay a Membership fee of \$15.00 upon application for service and prior to receiving service. Payment of the Membership fee shall entitle the applicant to be

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a Member of the Cooperative subject to the Cooperative's Bylaws, rules and regulations. Membership in the Cooperative is not transferable.

205.3 Returned Check Fee

The Cooperative shall charge \$15.00 for each check or other form of payment which is dishonored or returned to the Cooperative, in addition to any returned check fees assessed by any associated organization. Payment for any check that has been returned for insufficient funds, or dishonored for any other reason, shall be made only by cash, money order or cashier's check.

The Cooperative may not accept personal checks from a Member for payment of electric service if that Member has, during the last twelve (12) consecutive month period, had a check returned to the Cooperative for insufficient funds, or dishonored for any other reason, on more than one occasion. The Cooperative will accept only cash, money orders, or cashiers checks from Members when personal checks are not accepted.

205.4 Meter Test Fee

The Cooperative shall, upon the request of a Member, and, if the Member so desires, in the Member's presence or in that of an authorized representative, make without charge a test of the accuracy of the Member's meter. The test shall be made during the Cooperative's normal working hours at a time convenient to the Member if the Member desires to observe the test. The test shall normally be made at a test laboratory designated by the Cooperative.

If the meter has been tested by the Cooperative, or by an authorized test laboratory, at the Member's request, and within a period of four years the Member requests a new test, the Cooperative shall make the test, but if the meter is found to be within the accuracy standards established by the American National Standards Institute, Incorporated, the Cooperative may charge the Member a fee as follows:

Residential Meter Test Fee	\$15.00
Single Phase Meter Test Fee	15.00
Three Phase (kWh only) Meter Test Fee	50.00
Three Phase Demand Meter Test Fee	50.00

Following the completion of any requested test, the Cooperative shall promptly advise the Member 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 the American National Standards Institute, Incorporated, proper correction shall be made of previous readings as the meter shall have been shown to be in error by such test, and adjusted bills shall be rendered. No refund is required from the Cooperative except to the Member last served by the meter prior to the testing. If a meter is found not to register for any period, the Cooperative shall make a charge for kWh used, but not metered, based on amounts used under similar conditions during the period preceding or subsequent thereto, or during corresponding periods in previous years.

205.5 Delinquent Accounts Fee

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The Cooperative may assess a monthly penalty not to exceed seven percent (7%) on each delinquent bill to Members receiving service under all rate schedules.

205.6 Deferred Payment Plan Late Payment Fee

A deferred payment plan shall include a seven percent (7%) penalty for late payment.

205.7 Reproduction of Tariff Sheets

Any person requesting a copy of all or any portion of the tariffs of the Cooperative shall pay in advance the reasonable cost of reproduction.

205.8 Cancellation of Contract

Any person who cancels any agreement for the provision of Electric Service after acceptance by the Cooperative but before service is initiated, shall be charged the actual costs incurred by the Cooperative.

205.9 Temporary Service

The Cooperative will provide temporary service upon payment by the applicant, in advance of construction, an amount equal to the total cost of construction, plus removal cost, less salvage value of removable materials. Upon completion of construction, and closing out of the applicable work order, the consumer will be billed for any deficit or refunded any amount over the actual work order cost. Service to this classification will be billed under the applicable rate schedule.

205.10 Stop Payment Fee

Any person requesting a "stop payment order" on a check issued by the Cooperative shall pay in advance a fee equal to the "stop payment fee" assessed by the participating bank, plus a \$25.00 fee to process the transaction and issue a replacement check.

205.11 Tampering with Cooperative's Meters, Equipment or Other Property and Unauthorized Use of Electric Service

Cooperative meters, equipment or other property, whether on Member's premises or elsewhere, shall not be tampered with, relocated, adjusted, modified, interfered with, or operated by anyone other than authorized employees or agents of the Cooperative. Diversion of electric service shall be defined as tampering with meter, equipment or other property of the Cooperative, bypassing the same, or other instances of diversion, including but not limited to, physically disorienting the meter or other Cooperative equipment, attaching objects to the meter to divert or to bypass service, insertion of objects into the meter, and other electric and mechanical means of tampering with, bypassing or otherwise modifying the Cooperative's equipment or property, or any other means diverting electric service.

The Cooperative accepts no responsibility and assumes no liability, and the Member shall indemnify and hold harmless the Cooperative, for damage or injury to Member, Member's employees or relatives, Cooperative employees, or any others which results from tampering, relocating, adjusting, modifying, interfering with, or operating any of the Cooperative's meters, equipment or property.

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In the event of unauthorized use or evidence of attempted unauthorized use of the Cooperative's electric service, whether by tampering with the Cooperative's meter or equipment or by any other means, electric service shall be discontinued immediately and without any notice by the Cooperative. The Member shall be required to pay all charges, including the following, before service is reconnected:

- A. A tampering charge of \$70.00 (minimum) for the unauthorized reconnection or other tampering with Cooperative's meters, equipment or other property.
- B. The cost of repair and/or replacement of any and all damaged meters, equipment or other property, and the cost of installing protective facilities or relocating the meter, equipment or other property.
- C. The charge for the estimated amount of electricity used without Cooperative authorization. This charge shall be based on amounts used under similar conditions during preceding years, or may be estimated on the basis of usage trends of similar customers and under similar conditions. Interest on the undercharged amounts estimated herein shall also be charged.
- D. A trip fee for each trip made by Cooperative personnel to investigate, evaluate and correct the tampering or diversion.
- E. All other costs associated with the investigation, evaluation and correction of meter tampering or diversion, including personnel time, travel expenses, engineering expenses and legal expenses.

The Cooperative may, at the Cooperative's sole discretion, read the Member's meter for a period not to exceed three (3) months, or for a lesser period if the Cooperative determines that meter tampering or diversion of service is no longer occurring, and charge the Member a meter reading fee. The meter-reading fee shall be billed monthly.

205.12 Miscellaneous Customer Billings

Work performed at the request and for the convenience of the Member may be billed on a Member job order at actual total cost.

205.13 Changes in Member's Electric Load

Member shall notify Cooperative when Member's electric load is to be changed substantially in order that Cooperative may ensure its facilities are adequate.

If in the judgment of the Cooperative, any changes in the Member's electric load or service requirements necessitates additions to or modifications of the Cooperative's facilities, the Member shall pay, in advance, a refundable contribution in aid of construction not to exceed the total cost of the new construction and/or modifications required.

Contractual arrangements shall be entered into in which the Member shall receive credit on his power bill utilizing the methodology prescribed below:

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$$\text{Monthly bill credit} = \text{Total job cost} \div 60$$

Term of the contract shall be five (5) years.

205.14 Retail Electric Service Switchovers

A request to switch service to a consuming facility to another utility that has the right to serve the facility shall be handled pursuant to Public Utility Commission of Texas Substantive Rule 25.27, a copy of which will be provided upon request.

- A. Base charge of \$140.00 – removal of meter and loop and drop line.
- B. Base charge adder of \$20.00 – for each additional meter at the same location.
- C. Facilities recovery charge.

205.15 Working in the Vicinity of the Cooperative's Lines or Moving Equipment and/or Houses in the Area of the Cooperative's Lines

All persons are required by State Law to notify the Cooperative if they need to perform any construction and/or work within the vicinity of the Cooperative's lines, or if they need to operate or move equipment within the vicinity of the Cooperative's lines. No one should attempt to erect television or radio antennas, irrigation systems, water wells, or perform other similar activities near the Cooperative's electric lines.

When a house, structure or large piece of equipment needs to be moved along roads, highways, or lands which are crossed by the Cooperative's electric lines, the person or persons responsible shall provide advance notice to the Cooperative of the proposed route and establish an acceptable schedule with Cooperative personnel.

In some instances, the Cooperative can de-energize its lines for a limited period of time to accommodate this type of activity, and the Cooperative may charge for the total labor plus overhead for the assistance provided by Cooperative personnel. If a relocation of facilities or the installation of protective devices and equipment is required, the Cooperative may assess a fee to cover its expenses, including labor, overhead, the cost to install and remove any equipment and/or materials, and the cost of relocation of the Cooperative's facilities. Only the authorized employees of the Cooperative may remove, relocate, alter, modify, connect, disconnect, or raise any of the Cooperative's facilities for any reason, including to accommodate house or equipment moving or any type of construction activity.

205.16 Relocation or Temporary Placement of Cooperative Facilities

When any person requests the relocation of existing Cooperative facilities or the temporary placement of new facilities, the requesting person shall pay to the Cooperative, in advance, the estimated total cost of the construction, removal and/or relocations of facilities. This payment is nonrefundable.

If the relocation of Cooperative facilities is due to a road or highway widening and the relocation is requested by the appropriate governmental agency, then the governmental agency shall reimburse the total cost of the relocation.

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205.17 Customer Account

The Cooperative shall charge a \$25.00 Customer Account fee to establish new service to a customer. The Customer Account fee is non-refundable and shall recover the costs of clerical, supervision and serviceman's time plus transportation to connect service, process and verify data, obtain customer information, issue connect orders, and set up new customer records.

205.18 Leave-on Agreement/Agreement Activity

The Cooperative shall charge a \$10.00 Leave-on Agreement fee to establish an agreement with the owner of rental property for the automatic transfer of service back to the owner's name when the unit becomes unoccupied. The Cooperative shall also charge a \$5.00 Agreement Activity fee each time an account is re-established in the owner's name. The Leave-on Agreement fee shall recover the clerical and supervision time for establishment of an agreement. The Agreement Activity fee shall recover the clerical and supervision time to transfer service.

205.19 Meter Enclosure Seal Breakage

The Cooperative shall charge a \$45.00 Meter Enclosure Seal Breakage fee each time a Serviceman is required to reseal meter enclosures or to make minor repair to meter enclosures due to unauthorized seal removal and/or entry into meter enclosure. The Meter Enclosure Seal fee shall recover the clerical, supervision and serviceman's time plus transportation to process orders and seal, or make minor repair to, damaged meter.

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APPENDIX A

AGREEMENT BETWEEN NEC AND COMPETITIVE RETAILER REGARDING TERMS AND CONDITIONS OF ACCESS BY THE COMPETITIVE RETAILER TO THE DELIVERY SYSTEM OF NEC TO PROVIDE ELECTRIC POWER AND ENERGY TO COMPETITIVE RETAILER'S RETAIL CUSTOMERS (ACCESS AGREEMENT)

NEC and Competitive Retailer hereby agree that their relationship regarding Access by Competitive Retailer to provide Electric Power and Energy to a Retail Customer will be governed by the terms and conditions that are set forth in NEC Access Tariff approved, except for Chapters 2 and 5, by the Public Utility Commission of Texas (Commission). A copy of this Access Tariff may be obtained by contacting the Central Records Department of the Commission.

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

FOR NEC

Legal Name: _____

Mailing Address: _____

Phone Number: _____

Fax Number: _____

Email Address: _____

Payment Address (both electronic and postal): _____

NEC may change such contact information on 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 on written notice to NEC.

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

Unless otherwise agreed to by Competitive Retailer and NEC, Competitive Retailer will direct Retail Customers to call or contact NEC to report outages, interruptions, and irregularities. Competitive Retailer will provide Retail Customer with the following toll-free number supplied by NEC for purposes of such reporting:

1-800-632-9288

Alternatively, and only with the mutual consent of Competitive Retailer and NEC, one of the following options can be selected. *If one of these options is selected, please place a check on the line beside the option selected. *These options and attendant duties are discussed in pro-forma access tariff section 4.10.1.*

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

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

1-800-632-9288

B. DESIGNATION OF CONTACT FOR MAKING SERVICE REQUESTS

Unless otherwise agreed to by Competitive Retailer and NEC, Competitive will direct Retail Customers to call or contact NEC directly to make service requests. Competitive Retailer will provide Retail Customer with the following toll-free number supplied by NEC for purposes of such reporting:

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1-800-632-9288

Alternatively, and only with the mutual consent of Competitive Retailer and NEC, one of the following options can be selected. *If one of these options is selected, please place a check on the line beside the option selected. *These options and attendant duties are discussed in pro-forma access tariff section 4.10.1.*

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

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

1-800-632-9288

III. DESIGNATION OF CONTACT FOR BILLING INQUIRIES

Competitive Retailer may direct Retail Customers to contact NEC for billing inquiries related to charges for Delivery Service. Competitive Retailer will provide Retail Customer with the following toll-free number for purposes of Delivery Service billing inquiries.

1-800-632-9288

IV. TERM

The term of this Agreement shall commence upon the date of execution by both Parties (the "Effective Date"). This Agreement shall terminate upon mutual agreement of the Parties or upon the earlier of the date (a) the Competitive Retailer informs NEC that it is no longer operating as a Competitive Retailer in NEC's service territory; (b) a new Access Agreement between the Parties hereto becomes effective; (c) Retail Electric Provider is no longer certified by the PUC as a retail electric provider in NEC's certificated service area; (d) Competitive Retailer has lost its municipal registration within the municipality.

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

V. 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.

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VI. SIGNATURES

NEC (insert name) _____

(legal signature) _____

(date) _____

Competitive Retailer (insert name) _____

(legal signature) _____

(date) _____