

## Standard Terms of Service

[Insert LSP Name] (Certificate No. \_\_\_\_)

### Provider of Last Resort (POLR) Large Non-Residential Service (> = One Megawatt)

This Standard Terms of Service applies to Large Non-Residential customers receiving Provider of Last Resort (POLR) service from pursuant to Public Utility Commission of Texas (PUCT) Retail Electric Provider (REP) Certificate No. \_\_\_\_\_. These Standard Terms of Service are subject to changes in applicable charges and or transmission and distribution utility (TDU) rates. Each Standard Terms of Service will be given a unique version number for quick reference.

#### 1. PRICE FOR BASIC FIRM SERVICE.

Your Large Service Provider (LSP) is a Provider of Last Resort designated by the Public Utility Commission of Texas and will provide POLR Service. Your LSP will provide basic firm service, defined as electric service not subject to interruption for economic reasons and that does not include value-added options offered in the competitive market.

The price for your electric service from LSP will be derived from the following formula:

$$\text{LSP rate (in \$ per kWh)} = (\text{Non-bypassable charges} + \text{LSP customer charge} + \text{LSP demand charge} + \text{LSP energy charge}) / \text{kWh used}$$

Where:

- (i) Non-bypassable charges shall be all TDU and other non-bypassable charges and credits for the appropriate customer class in the applicable service territory, including ERCOT administrative charges, nodal fees or surcharges, Reliability Unit Commitment (RUC) capacity short charges attributable to LSP load, and applicable taxes from various taxing or regulatory authorities, multiplied by the level of kWh and kW used, where appropriate.
- (ii) LSP customer charge shall be \$2,897.00 per month.
- (iii) LSP demand charge shall be \$6.00 per kW, per month.
- (iv) LSP energy charge shall be the appropriate Real-Time Settlement Point Prices (RTSPPs), determined on the basis of 15-minute intervals, for the customer multiplied by 125%, multiplied by the level of kWh used. The RTSPP shall have a floor of \$7.25 per MWh.

Non-recurring charges will be billed as they are incurred and are set out in section 3 **SERVICE CHARGES AND FEES** below.

#### 2. SECURITY

LSP has no obligation to continue to serve you if you fail to pay the required cash deposit within the appropriate time frame.

##### CASH DEPOSIT

You will be billed monthly for your electric service after the scheduled monthly meter read date. The monthly billing period will be approximately 30 calendar days. Your bill will be due upon receipt and will be considered delinquent if it is not paid by the sixteenth (16<sup>th</sup>) day after issuance of the bill. The late payment fee (5%) will be assessed on the seventeenth (17<sup>th</sup>) day after the bill issuance for all unpaid balances. Disconnection of service may result upon non-payment of a bill pursuant to section 4 **DISCONNECTION OF SERVICE**.

- 1) You may be required to make a cash deposit of other credit arrangement. If your service is initiated with LSP, you will be required to pay a cash deposit or letter of credit after LSP receives confirmation from the Registration Agent of the effective date you are to become a customer of LSP. Cash deposits required for POLR service shall be no higher than the estimated billing for a three-month period, including, where applicable, customer and non-bypassable charges, and

**Figure: 16 TAC §25.43(f)(1)(D)**

- energy and demand charges determined based on your three highest months of usage and demand during the most recent 12-month period.
- 2) If 12 months of historical usage data is not available, LSP in its sole judgment may develop reasonable good faith estimates to determine your cash deposit amount. Estimates will be based on key energy determinants and electric equipment, including, but not limited to: square footage, HVAC type and size, type of business, hours of operation, standard industry load factor assumptions, etc. Other non-discriminatory methods of determining creditworthiness may be used.
  - 3) You may also be required, in the future, to pay an additional cash deposit if you have been issued a disconnection notice or if you have been a customer for three months and you have used more than the amount estimated to determine your initial cash deposit.
  - 4) You will accrue interest on your deposit with LSP. Each year in December, the PUCT establishes the interest rate the LSP will apply to your cash deposit for the next calendar year.
  - 5) You may satisfy security requirements by providing LSP with a surety bond or an irrevocable letter of credit in the amount of the required cash deposit. The surety bond must be approved by the LSP. The required security must be provided within three calendar days after a notice is issued to you requesting a cash deposit.
  - 6) If not previously returned to you, your cash deposit and accrued interest, less any outstanding balance owed for electric service, will be refunded to you upon closing of your account with LSP.
  - 7) If your service is terminated prior to the regularly scheduled meter read date, the energy usage for the final bills may be calculated using the out-of-cycle meter readings and will include all charges defined in section 1. **Price for Basic Firm Service.**
  - 8) LSP may require payment of the cash deposit within three calendar days of receiving confirmation from the Registration Agent of the effective date you become a customer of the LSP.
  - 9) Your service may be disconnected if you fail to pay the required cash deposit within three calendar days of issuance of a notice of disconnection of service.

**3. SERVICE CHARGES AND FEES**

You will be subject to the following charges and fees in addition to the rates for service prescribed in section 1 **PRICE FOR BASIC FIRM SERVICE**. These fees will be billed for each premise. “Premise” herein shall mean the designated property or facilities and associated metered account identified by an Electric Service Identifier Number (ESI ID), which is a unique and permanent identifier assigned to each service point.

You must pay non-recurring fees charged by the transmission and distribution utility (TDU) that are necessary to implement and/or maintain electric service for you. Non-recurring fees by the TDU may include service connection, disconnection or reconnection fees, or meter test fees. Non-recurring fees will appear as line items on your bill.

You must to pay all applicable taxes and any fees charged by any governmental entity.

You must pay any other REP fees disclosed [on the EFL or below and referenced on the EFL]. {Instruction: REP’s fees must be the same as those fees routinely applied to other Large Non-Residential customers}

**Figure: 16 TAC §25.43(f)(1)(D)**

<b>Service Charges and Fees</b>	<b>Amount</b>
<b>Account Reinstatement fee</b> for handling accounts for reconnection after disconnection for non-payment. This is in addition to any applicable disconnect or reconnect charges.	\$ 50.00
<b>Account History charge</b> if you request and are provided a service point usage history for more than the most recent 12 months or if a 12-month history is requested more than once within a 12-month period.	\$ 25.00
<b>Collection Letter charge</b> for processing a registered or certified letter demanding payment of past due accounts or drawing on your letter of credit.	\$15.00
<b>Drawing on irrevocable letter of credit</b> includes all of the activities required to present a drawing letter to your bank.	\$150.00 plus any fees imposed by financial institution
<b>Disconnection charge</b> for disconnection of service pursuant to TDSP's tariffs, including charges that may be assessed by the TDU for scheduling a disconnection that is canceled.	[Insert pass through charge from TDU]
<b>Equipment charge</b> for providing testing, monitoring or other special equipment at the request of the customer.	[Insert pass through charge from TDU]
<b>Field Collection charge</b> for each trip to a customer's premise to collect an amount that is past due when the customer requests the trip.	\$10.00 / ESI ID
<b>Field Service Calls</b> for each trip to the customer's premise to provide non-competitive services such as billing and outage-related inquiries, as requested and approved by the customer after trip charges are disclosed. A four hour minimum will be billed for each customer requested Field Service Call and includes travel and incidental expenses with the field service call.	\$200.00/hour
<b>Late fees</b> will be assessed on the seventeenth (17 <sup>th</sup> ) day after the bill issuance for all unpaid balances, including pay-in-advance billing. Payment arrangements are delinquent and will be assessed a late fee if not paid by the date pursuant to a negotiated payment plan.	5% assessed on the late payment amounts
<b>Master Contracts</b> <ul style="list-style-type: none"> <li>▪ Set-up fee per new or transferred contract</li> <li>▪ Additional fee per each unit placed on a master contract, added to an existing contract or transferred</li> </ul>	\$25.00 \$ 5.00
<b>Master Metered Facilities:</b> <b>Master Metered Tenant charge</b> for facilities may be assessed to recover costs associated with installing, maintaining, testing, reading or other costs incurred by LSP for rendering electric service to tenants of master metered facilities.  <b>Tenant Notification charge</b> for each apartment unit to recover expenses incurred each time a tenant in a master meter facility is notified of either impending disconnection for nonpayment of the electric service or of actual disconnection.	[Insert pass through charge from TDU]  \$25.00 to meet Subst. R. 25.483 minimum. \$10.00 per addn'l 5 notices per 50 units over 100 units
<b>Reread request charge</b> for each request by a customer to obtain meter readings in addition to the normal cycle readings.	[Insert pass through charge from TDU]
<b>Return check charge</b> for each check returned for insufficient funds. This charge will be imposed for each returned check (or for any bill payment method that results in a notice of insufficient funds from the customer's financial institution.)	\$ 25.00
<b>Tampering charge</b> for unauthorized reconnection of service, tampering with the electric meter, theft of electric service by any person on customer's premise, or evidence thereof, at customer's premise. Additional charges for repair, replacement, relocation of equipment and estimated amount of electric service not recorded may also be billed.	[Insert pass through charge from TDU]
<b>Disconnection Reminder Notification charge</b> for notifying customers that disconnection of service may	

**Figure: 16 TAC §25.43(f)(1)(D)**

<b>Service Charges and Fees</b>	<b>Amount</b>
be in progress. This notification may be made by telephone, electronically or by any other means of communication appropriate for the customer.	\$5.00
LSP reserves the right to charge for court costs, legal fees and other costs associated with collection of delinquent amounts and miscellaneous legal costs associated with maintaining the account.	
LSP reserves the right to charge for services, requested by you, that are rendered on your behalf after your approval of disclosed charges for those services, as well as the right to pass through tariff charges for services rendered by the TDU and billed to LSP.	

#### **4. DISCONNECTION OF SERVICE**

Disconnection means a physical interruption of electric service.

- a) Your account will be considered delinquent if payment for your monthly bill is not paid on or before the 16<sup>th</sup> day after issuance of the bill. If your account becomes delinquent, your service may be disconnected three calendar days after notice is issued.
- b) Your service may be disconnected for failure to pay cash deposit. Your service may be disconnected after you are notified of your failure to comply with the terms of this Standard Terms of Service.
- c) Service may not be reconnected until all delinquent amounts and charges owed to LSP have been paid and credit has been re-established. Upon receipt of all amounts and charges owed service may not be reconnected immediately and is dependent upon TDU scheduling.
- d) Your service may be disconnected without notice if a dangerous or hazardous condition exists, if the service has been connected without proper authority or for the reasons prescribed in the PUCT Rules. Service will not be reconnected until the dangerous or hazardous condition has been corrected.
- e) If you choose to cancel service under this Standard Terms of Service, your service will be disconnected unless you have made arrangements with another retail electric provider and a switch to the new provider has been successfully completed by the Registration Agent by the date you choose to cancel service. You will be responsible for any charges pursuant to section 1 **PRICE FOR BASIC SERVICE**, section 2 **SECURITY AND BILLING** and section 3 **SERVICE CHARGES AND FEES** of this agreement up to the date your service is disconnected or the date you switch electric service to another REP.
- f) A disconnection notice may be issued concurrently with the written requests for either the cash deposit or with a pay-in-advance in lieu of cash deposit billing.
- g) Your service may be disconnected for failure to pay an initial cash deposit bill.
- h) LSP cannot disconnect your electric service until you are a customer of the LSP.

#### **5. CUSTOMER INFORMATION**

You will be required to provide a legal name, Federal tax identification (I.D.) number, a social security number, a valid driver's license number or other verifiable means of identification in order to allow verification of changes you request in services from LSP.

The TDU, any previous retail electric provider, or the Independent Organization may provide information to LSP about your electric service, including but not limited to previous billings and usage of electricity, meter readings and types of service received, credit history, any records of tampering, other names in which service has been provided, social security number, contact telephone number(s), tax ID or driver's license number, etc.

The LSP at its discretion may release your customer payment information to credit reporting agencies, regulatory agents, agents of LSP, energy assistance agencies, law enforcement agencies or the TDU.

The LSP may use credit-reporting agencies to evaluate your credit history consistent with applicable law.

**Figure: 16 TAC §25.43(f)(1)(D)**

**6. LENGTH OF AGREEMENT**

**NOTICE: LSP CANNOT REQUIRE THAT YOU SIGN UP FOR A MINIMUM CONTRACT TERM AS A CONDITION OF PROVIDING SERVICE.**

No term of service is required for POLR service unless by mutual agreement a term is agreed to in writing between you and LSP.

**6. WAIVER OF CERTAIN CUSTOMER PROTECTION RULES**

The Customer Protection Rule provisions contained within Subchapter R of this chapter shall be deemed waived by the execution of this Standard Terms of Service, except for the following:

- a) §25.481, relating to Unauthorized Charges;
- b) §25.485(a)-(b), relating to Customer Access and Complaint Handling; and
- c) §25.495, relating to Unauthorized Change of Retail Electric Provider.

**8. CONTACT INFORMATION**

Name of Provider:  
Physical Address:

Certificate Number:  
Customer Assistance:  
Contact hours:  
24-Hour Power Outage:  
[provide number]  
Fax:  
Internet web-site:

You may contact LSP if you have a dispute concerning your bill or your service from LSP. You must provide, in writing, within ten business days of the invoice date your reasons for disputing the invoice. You will be obligated to pay the undisputed portion of the bill and the LSP may pursue disconnection of service for nonpayment of the undisputed portion after appropriate notice. In the event that you give timely notice of a dispute, you and the LSP shall, for a period of 30 calendar days following the LSP's receipt of the notice, pursue diligent, good faith efforts to resolve the dispute. Following resolution of the dispute, any amount found payable by either party shall be paid within ten business days.

Complaints regarding your service may also be directed to the Public Utility Commission, 1-888-782-8477 (toll free). Complaints directed to the Public Utility Commission do not relieve customer's obligation to pay in full within 16 calendar days.

**9. BILL PAYMENT METHODS**

You may pay for your electric service by personal or cashier's check, money order, electronic funds transfer, automatic draft from your financial institution or in cash through a company authorized agent. If you choose to make payment by means of electronic funds transfer or automatic draft, you must contact the LSP's Customer Service number above to begin those options for bill payment at no cost. Regardless of the payment method you select, all payments must be made within 16 calendar days of bill issuance. If LSP does not receive payments by the end of the day on the due date, the bill will be considered delinquent and a late fee of 5% will be applied to all unpaid balances.

If you have had two or more personal checks returned for insufficient funds within the past 12 months, LSP may require all further payments for electric service to be by cash, cashier's check or money order.

**10. FORCE MAJEURE**

LSP shall not be liable in damages for any act or event that is beyond its control including but not limited to, an act of God, act of the public enemy, war, insurrection, riot, fire, explosion, labor disturbance or strike, terrorism, wildlife, accident, breakdown or accident to machinery or equipment, or a valid curtailment order, regulation, or

**Figure: 16 TAC §25.43(f)(1)(D)**

restriction imposed by governmental, military, or lawfully established civilian authorities, including any directive of the independent organization, and performance or nonperformance by the TDU.

**11. LIMITATION OF LIABILITY AND INDEMNITY**

NEITHER YOU NOR THE LSP SHALL BE LIABLE TO THE OTHER FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY, OR INDIRECT DAMAGES. ANY LIABILITIES OF THE POLR NOT EXCUSED BY REASON OF FORCE MAJEURE OR OTHERWISE SHALL BE LIMITED TO DIRECT, ACTUAL DAMAGES. NOTWITHSTANDING THE FOREGOING, THE POLR PROVIDER HAS NO OWNERSHIP, RIGHT OF CONTROL, OR DUTY TO THE TDU, RETAIL CUSTOMER OR OTHER THIRD PARTY, REGARDING THE DESIGN, CONSTRUCTION, OR OPERATION OF THE TDU'S DELIVERY SYSTEM. THEREFORE THE POLR PROVIDER 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 THE TDU'S DELIVERY SYSTEM.

**12. REPRESENTATIONS AND WARRANTIES**

LSP WARRANTS THAT THE ELECTRICITY SOLD UNDER THIS AGREEMENT WILL BE "BASIC FIRM SERVICE" AS THAT TERM IS DEFINED IN PUCT SUBST. R. 25.43(c)(1), TO WIT "ELECTRIC SERVICE NOT SUBJECT TO INTERRUPTION FOR ECONOMIC REASONS AND THAT DOES NOT INCLUDE VALUE ADDED OPTIONS OFFERED IN THE COMPETITIVE MARKET. BASIC FIRM SERVICE EXCLUDES, AMONG OTHER COMPETITIVELY OFFERED OPTIONS, EMERGENCY OR BACK-UP SERVICE, AND STAND-BY SERVICE."

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

**13. DISCRIMINATION**

LSP will not refuse to provide electric service or otherwise discriminate in the provision of electric service to any customer based on race, creed, color, national origin, ancestry, sex, marital status, lawful source of income, disability, familial status, level of income, location of customer in an economically distressed geographic area, or qualification for low-income or energy efficiency services.