

SOUTHWESTERN ELECTRIC POWER COMPANY

Tariff Manual - Public Utility Commission of Texas

Section Title: Service Rules and Regulations

Section No: V

Applicable: All Areas

Docket No: 51415

Sheet No: V-1

Effective Date: March 1, 2022

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STANDARD TERMS AND CONDITIONS

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1. APPLICABLE TO ALL CLASSES OF ELECTRIC SERVICE

In order that all Customers may receive uniform, efficient, and adequate service, electric service will be supplied to and accepted by all Customers receiving service from the Company in accordance with these Terms and Conditions.

2. ORDER FOR SERVICE

Contract and Agreement forms may be required by the Company to show the agreement under which the Customer receives and the Company delivers electric service. Appropriate arrangements will be completed with Customer, or his duly-authorized agent, before service is supplied by the Company. A separate contract will be in effect for each class of service at each separate location. Refusal of service by the Company is governed by the Company's Service Refusal Policy, Sheet No. V-7.

3. OPTIONAL RATES

The Company's published rate schedules state the conditions under which each is available for electric service. When two or more rates are applicable to a certain class of service, the choice of such rates lies with the Customer.

The Company, at any time upon request, will determine for any Customer the rate best adapted to existing or anticipated service requirements as defined by the Customer, but the Company does not assume responsibility for the selection of such rate or for the continuance of the lowest annual cost under the rate selected.

The Company, lacking knowledge of changes that may occur at any time in the Customer's operating conditions, does not assume responsibility that Customer will be served under the most favorable rate; nor will the Company make refunds covering the difference between the charges under the rate in effect and those under any other rate applicable to the same service.

Rates are normally established on a twelve-month basis and a Customer having selected a rate adapted to his service may not change to another rate within a twelve-month period unless there is a substantial change in the character or conditions of his service. A new Customer will be given reasonable opportunity to determine his service requirements before definitely selecting the most favorable rate therefor.

4. DEPOSIT

The Customer, if requested by the Company to do so, will make and maintain a reasonable deposit to secure payment of bills. Rules and regulations governing the requirement for and refund ability of deposits are contained in the Company's Deposit Policy, Sheet No. V-2.

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5. MONTHLY BILLS

Bills for service will be rendered monthly, unless otherwise specified. The term "month" for billing purposes will mean the period between any two consecutive readings of the meters by the Company, such readings to be taken as nearly as practicable every thirty days.

Bills for electric service shall be rendered for a full month basis except that bills may be prorated for the number of days from the date connected to the regular meter reading or from the regular meter reading to the date of disconnect. For proration purposes, 30 days is considered a full month.

Failure to receive a bill in no way exempts Customers from payment for electric service.

When there is good reason for doing so, estimated bills may be submitted provided that an actual meter reading is taken every three (3) months. In months when the meter reader is unable to gain access to the premises to read the meter on regular meter-reading trips, or in months when meters are not read, Company shall provide the Customer with a postcard and request the Customer to read the meter and return the card to Company. If such postcard is not received by Company in time for billing, Company may estimate meter reading and render bill accordingly.

If amounts billed for utility service are found to differ from the Company's rates approved by the Public Utility Commission of Texas (PUCT), or if the Company fails to bill the customer for such service, a billing adjustment shall be calculated by the Company.

If the Customer is due a refund, an adjustment shall be made for the entire period of the overcharges. If an overcharge is adjusted by the Company within three billing cycles of the bill error, interest shall not accrue. Interest on overcharges that are not adjusted by the Company within three billing cycles of the bill in error shall accrue from the date of payment or from the date of the bill in error. The rate of interest shall be that set annually for a calendar year by the PUCT. All interest shall be compounded monthly based on the annual rate of interest. Interest shall not apply to leveling plans or estimated billings that are authorized by statute or rule.

If the Customer was undercharged, the Company may backbill the customer for the amount which was underbilled. The backbilling is not to exceed six months unless such undercharge is a result of theft of service by the customer. The Company may disconnect service if the Customer fails to pay charges arising from an underbilling of charges. If the underbilling is \$50 or more, the Company shall offer the customer a deferred payment plan option for the same length of time as that of the underbilling. In case of meter tampering, bypass, or diversion, the Company may, but is not required to, offer a customer a deferred payment plan unless the backbilled amounts exceed double the amount of deposit permitted

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under PUCT Subst.R.25.24, at which time the Company shall offer repayment over no less than six equal monthly installments.

Interest shall not apply to undercharged amounts unless such amounts are found to be the result of meter tampering, bypass, or diversion by the Customer as defined in PUCT Subst. R. 25.125. Interest on undercharged amounts shall be compounded monthly at the annual rate and shall accrue from the day the Customer is found to have first tampered, bypassed or diverted the service.

When a bill rendered to a Commercial or Industrial Customer is paid after the due date, a one-time penalty in an amount set forth in the applicable rate schedule will be added to the amount owed the Company.

6. DISCONTINUANCE OF SERVICE

A Customer's utility service may be disconnected and the Company's property removed from the Customer's premises if the bill has not been paid by the due date and proper notice has been given in accordance with the Company's Collection and Disconnect Policy, Sheet No. V-3. No such suspension of electric service will interfere with the enforcement by the Company of any other legal right or remedy nor relieve the Customer from liability to pay the minimum charge during any suspension.

The Company is not responsible for loss or damage caused by disconnection or reconnection of its facilities, unless it be shown the Company failed to make reasonable provisions to avoid or prevent loss or damage.

No delay by the Company in enforcing any of its rights will be deemed a waiver of such rights nor will waiver by the Company of any default by the Customer be deemed a waiver of any other subsequent default.

7. EXCLUSIVE SERVICE ON INSTALLATION CONNECTED TO COMPANY'S SYSTEM

Except as may be specifically permitted under tariffs governing the interconnection or provision of service to small power producers or cogenerators, standard electric rate schedules are based on exclusive use of Company's service.

Except in cases where the Customer has a contract with the Company for breakdown or standby service, no other electric light or power service will be used by the Customer on the same installation in conjunction with the Company's service, either by means of a throw-over switch or any other connection.

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The Company will not be required to supply or continue to supply service to any Customer where a portion of Customer's service requirement is obtained from other sources, except when such service is covered by a contract for standby service.

The Customer will not sell the electricity purchased from the Company to any other customer, company, or person, and Customer will not deliver electricity purchased from the Company to any connection wherein said electricity is to be used off of the Customer's premises on which the meter is located.

8. CUSTOMER'S INSTALLATION

Customer is responsible for installing and maintaining such protective devices as are recommended or required by the then current edition of the National Electrical Code or as may be necessary to protect Customer's equipment or process during abnormal service conditions or the failure of all or a part of the electric service provided by the Company. All wiring and other electrical equipment furnished by the Customer will be installed, operated, and maintained by the Customer at all times in conformity with good electrical practice and with the requirements of the constituted authorities and these Terms and Conditions. Where no public authorities have jurisdiction, Company, for Customer's protection, may require Customer to furnish Company a certificate from wiring electrician that Customer's installation conforms to the National Electrical Code and/or the National Electrical Safety Code. The Company does not assume responsibility for the design, operation, or condition of the Customer's installation.

Service will be delivered to Customer for each premise at one point of delivery to be designated by Company and to conform to Company's service standards. For mutual protection of Customer and Company, only authorized employees of Company are permitted to make and energize the connection between Company's service wire and Customer's service entrance conductors. The Customer will indemnify and save the Company harmless from all loss on account of injury or damage to persons or property on the Customer's premises, and at and from the point of delivery of power if such point is located off the Customer's premises, growing out of any accident or mishap.

9. OWNER'S CONSENT TO OCCUPY

The Company shall have the right to install and maintain equipment in, over and under the Customer's property and shall have access to the Customer's premises for any other purpose necessary for supplying electric service to the Customer. In case the Customer is not the owner of the premises or of the intervening property between the premises and the Company's lines, the Customer will obtain from the property owner or owners the easements or right-of-way necessary to install and maintain in, over or under said premises all such wires and electrical equipment as are necessary or convenient for supplying electric service to the Customer.

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10. MOTOR INSTALLATIONS

For mutual protection of service to all customers, all motor installations will be as follows:

- (a) All motors rated in horsepower up to and including 7-1/2 HP and individual air conditioning units with ratings of 65,000 BTUH (ARI rating) or less will be single phase, unless otherwise agreed to by the Company or served in conjunction with other larger three phase loads.
- (b) All three phase motors will be equipped with approved starting equipment having low voltage release attachment and properly sized over-current protection in each of the three phases.

11. POWER FACTOR

Where Customer has power or heating equipment installed that operates at low power factor, Customer will furnish, at his own expense, suitable corrective equipment to maintain a power factor of 90% lagging, or higher. Customer will install and maintain in conjunction with any fluorescent lighting, neon lighting, or other lighting equipment having similar load characteristics, auxiliary or other corrective apparatus that will correct the power factor of such lighting equipment to not less than 90% lagging.

12. PROTECTION OF SERVICE

Where the Customer's use of any devices that have a detrimental effect upon the service rendered to other Customers or upon Company equipment and causes voltage fluctuation of the 60 Hertz wave, clipping of the current, or voltage wave - thereby producing harmonics or a cyclic pulsation between one and sixty Hertz (1 and 60 Hertz), the Customer will furnish at his own expense necessary equipment to limit such voltage fluctuation, harmonics, or pulsations so that they will not interfere with other Customers or Company equipment. Where the interference cannot be corrected, the use of such devices must be discontinued.

13. CONTINUOUS SERVICE

Company will make reasonable provisions to insure satisfactory and continuous service, but does not guarantee a continuous supply of electric energy or that the voltage, wave form or frequency of the supply will not fluctuate. The Company shall not be liable for damages occasioned by interruption, failure to commence delivery, or voltage, wave form or frequency fluctuation caused by interruption or failure of service or delay in commencing service due to accident to or breakdown of plant, lines, or equipment, theft, destruction of Company property by a third party, strike, riot, act of God, order of any court or judge granted in any bonafide adverse legal proceedings or action or any order of any commission or tribunal having jurisdiction; or, without limitation by the preceding enumeration, any other act or things due to causes beyond its control, to the negligence of the Company, its employees, or contractors, except to the extent that the damages are occasioned by the gross negligence or willful misconduct of the Company.

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In like manner, should the Customer's premises be rendered wholly unfit for the continued operation of the Customer's plant or business, due to any of the causes mentioned above, the Customer's contract, if any, will thereupon be suspended until such time as the plant or premises will have been reconstructed, reconditioned, and reoccupied by the Customer for the purpose of his business.

14. INTENTIONAL INTERRUPTION OF SERVICE

The Company may without notice and without liability to Customer interrupt service to Customer when in the Company's sole judgment such interruption:

- (a) Will prevent or alleviate an emergency threatening to disrupt the operation of the Company's system; or
- (b) Will lessen or remove possible danger to life or property; or
- (c) Will aid in the restoration of electric service; or
- (d) Is required to make necessary repairs to or changes in the Company's facilities.

Customer may request, in writing, that Company provide notice of intentional interruption of service by contact at an address and telephone number provided in such written request by Customer and Company will exercise reasonable diligence to give such notice but does not warrant that notice will be given in every case of intentional interruption.

The Company is not responsible for loss or damage caused by disconnection or reconnection of its facilities, unless it be shown the Company failed to make reasonable provisions to avoid or prevent loss or damage.

15. METERING

The electricity used will be measured by a meter or meters and bills will be calculated upon the registration of such meters. Meters include all measuring instruments. Provisioning and installation requirements for meters, meter bases, and metering enclosures will be in accordance with the specifications set forth in the Company's Electric Service Handbook (available at SWEPCO.com). Customer will provide a sufficient and proper space in a clean and safe place, accessible at all times and free from vibration, for the installation of Company's meters.

The Company shall determine the meter type to be installed at customer facilities.

Meters will be tested as reasonably necessary in accordance with the Company's Meter Testing Policy, Sheet No. V-6.

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16. PROTECTION OF COMPANY'S PROPERTY AND ACCESS TO PREMISES

The Customer will protect the Company's property on the Customer's premises from loss or damage and will permit no one who is not an agent of the Company to remove or tamper with the Company's property.

The Company will have the right of access to the Customer' premises at all reasonable times for the purpose of installing, reading, inspecting, or repairing any meters or devices owned by Company or for the purpose of removing its property.

17. AGENTS CANNOT MODIFY AGREEMENT

No agent has power to amend, modify, or waive any of these Terms and Conditions, or to bind the Company by making any promises or representations not contained herein.

18. SUPERSEDE PREVIOUS TERMS AND CONDITIONS

These Terms and Conditions supersede all Terms and Conditions under which the Company has previously supplied electric service.

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Application for Permanent Residential Service

SWEPSCO may require all applicants for permanent residential service who previously have been a customer of the Company and whose service has been discontinued for nonpayment of bills or the tampering with or bypassing of a meter, to make a deposit or establish credit satisfactory to the Company before electric service will be provided. Credit history shall be applied equally for 12 months immediately after their divorce to a spouse or former spouse who shared the service.

Credit satisfactory to the Company may be established by any of the following methods:

- (1) Applicant has been a customer of any utility for the same kind of service within the last two years and is not delinquent in payment of any such utility service account, and during the last 12 consecutive months of service did not have more than one occasion in which a bill for such utility service was paid after becoming delinquent and never had service disconnected for nonpayment; or
- (2) Applicant furnishes a letter in writing from a third party that satisfactorily guarantees payment of bills up to an amount stated in the written guarantee, not to exceed the amount of the deposit the Company would require on the applicant's account. The guarantor must have an acceptable credit standing. Letter must state that the guarantee is a condition precedent to service, and that the applicant and guarantor may be disconnected for nonpayment, if applicant's bills are not paid; or
- (3) If the residential applicant demonstrates a satisfactory credit rating by appropriate means, including, but not limited to, the production of generally acceptable credit cards, letters of credit reference, the names of credit references which may be quickly and inexpensively contacted by the Company, or ownership of substantial equity that is easily liquidated; or
- (4) If the residential applicant has a satisfactory credit rating on other accounts with SWEPSCO within the same accounting town; or
- (5) If the residential applicant has a satisfactory credit rating on accounts with SWEPSCO at other locations, a deposit will be required of the applicant pending verification from the previous accounting office. Upon verification of a satisfactory credit record the deposit will be refunded.
- (6) If the applicant is sixty-five years of age or older, the requisite credit rating may be demonstrated by showing that the applicant does not have an outstanding account balance for electric service with either the Company or any other electric utility which accrued within the last two (2) years.

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The burden to establish and supply proper credit information to establish credit satisfactory to the Company will rest with the applicant.

Commercial and Industrial Services

Commercial and industrial applicants for service must establish a satisfactory credit rating with SWEPCO or be required to make a deposit.

Amount of Deposit and Interest for Permanent Residential, Commercial and Industrial Service

The deposit will be an amount up to one-sixth (1/6) of the estimated annual billings. Estimated billings will be determined by reasonably estimating electric usage based upon type and size of the applicant's facility, connected electric load, reasonably anticipated consumption pattern, actual historical usage (if available), and information supplied by the applicant.

An initial deposit may not be required from residential Customers already receiving service unless Customer has on more than one (1) occasion during the last twelve (12) consecutive months of service in which a bill for utility service was paid after becoming delinquent or if the Customer's service was disconnected for nonpayment. Such deposit may be required to be made within ten (10) days after issuance of written termination notice and requested deposit. In lieu of initial deposit, Customer may elect to pay the current bill by the due date of the bill, provided Customer has not exercised this option in the previous twelve (12) months. Customer may furnish in writing a satisfactory guarantee to secure payments of bills in lieu of a cash deposit.

At the time a deposit is required, Company will provide applicants for, and Customers of, commercial, industrial, or residential service written information about deposits by providing the "Your Rights as a Customer" brochure, which contains the relevant information.

An initial deposit may be required from an existing customer if the customer is late paying a bill more than once during the last 12 months of service or had service disconnected for nonpayment. The request for such additional deposit must be issued in writing and must indicate that the Customer may elect to pay the current usage in lieu of the additional deposit. The Company may disconnect service if the additional deposit or the current usage payment is not made within 10 days of the request provided a written disconnect notice has been issued to the Customer. Such disconnect notice may be issued concurrently with the written request for the additional deposit or current usage payment.

If actual billings of a residential Customer are at least twice the amount of the estimated billings and a disconnection notice has been issued for the account within the previous twelve (12) month period, a new deposit may be required to be made within fifteen (15) days after issuance of written notice of disconnection and requested additional deposit. If actual billings of a commercial Customer are at least twice the amount of the estimated billings, and a disconnection notice has been issued on a bill

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within the previous twelve (12) month period, a new deposit may be required to be made within fifteen (15) days after issuance of written notice of disconnection and requested additional deposit. In lieu of additional deposit, the Customer may elect to pay the current bill by the due date of the bill, provided the customer has not exercised this option in the previous 12 months. If such additional deposit is not made, the Customer may be disconnected by the Company under the provisions of Company's Collection and Disconnect Policy.

SWEPCO pays interest on refundable deposits from the date of deposit receipt. The rate of interest to be paid on customer deposits in accordance with P.U.C. SUBST. R.25.24, is established annually on December 1 for the subsequent calendar year by the Commission. If refund of deposit is made within 30 days of receipt of deposit, no interest payment is required. If the Company retains the deposit more than 30 days, payment of interest shall be made retroactive to the date of deposit. The Customer may request the interest payment through the end of the previous calendar year or at the time the deposit is returned or credited to the customer's account. The deposit shall cease to draw interest on the date it is returned or credited to the Customer's account.

On final bills, the deposit and interest will be applied toward settlement of the account. When the Customer has paid bills for service for twelve (12) consecutive residential billings or for twenty-four (24) consecutive commercial or industrial billings without having service disconnected for nonpayment of bill and without having more than two occasions in which a bill was delinquent, and when the customer is not delinquent in the payment of the current bills, the Company will refund the deposit plus accrued interest to the customer.

Company shall have the right to require a deposit from any Customer selecting to pay for electric service under the Company's Average Monthly Payment Plan or Equal Payment Plan without regard to whether the customer is able to establish credit in accordance with the other provisions of this Deposit Policy. The deposit will not exceed one-sixth (1/6) of the estimated annual billings and may be retained by the Company for the duration of time that the Customer remains on the Average Month Payment Plan or Equal Payment Plan.

Dissatisfaction with Company's Decision

If an applicant for service or Customer seeking to establish or re-establish credit under the provisions of this policy is dissatisfied with Company's decision, Company must inform customer of his or her right to file a complaint with the Commission thereon.

Amount of Deposit for Temporary or Seasonal Service and for Weekend Residences

The required deposit for temporary or seasonal service and for service to weekend residences shall be sufficient to reasonably protect the Company against the risk assumed in providing such service.

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Re-establishment of Credit

SWEPCO will require every applicant for service to pay all unpaid balances before service is rendered.

Customers disconnected for nonpayment of bills will be required to pay all accounts due before service is restored. Customers disconnected for nonpayment may be required to make a deposit sufficient to cover two months of estimated annual billing before service is connected. Customers disconnected for meter tampering or bypassing of the meter will be required to pay all accounts due before service is restored. Electric energy consumed, but not metered, will be estimated by the Company based on amounts used by customer under similar conditions during preceding years. Where no previous usage history exists or is considered to be unreliable due to meter tampering or bypassing of the meter, consumption will be estimated by the Company on the basis of usage levels of similar customers under similar conditions.

Records of Deposit

SWEPCO maintains records to show:

- (1) The name and address of the depositor
- (2) The amount and date of the deposit
- (3) Each deposit transaction

SWEPCO issues a receipt to the depositor and provides an affidavit form for the depositor to sign if the original receipt is misplaced.

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Due Date of Bills

The due date of the bill for electric service shall not be less than sixteen (16) days after issuance and a bill is delinquent if unpaid by the due date.

Discontinuation of Service

Service may be disconnected if the bill has not been paid within twenty-six (26) days from the date of issuance providing proper notice has been given. Proper notice shall consist of a mailing or hand delivery of a past due notice to the address to which the monthly bills are sent at least ten (10) days prior to a stated date of disconnection. The notice will state the date of disconnection and contain the words "disconnection notice" or similar language promptly displayed.

A reconnect charge as set forth in the Company's Schedule of Fees and Charges for Miscellaneous Services will be made where Customer has been disconnected for nonpayment.

Electric service may be disconnected for any of the following reasons: (1) Failure to pay a delinquent account or make deferred payment arrangements by the date of disconnection; (2) failure to comply with the terms of a deferred payment agreement; (3) Violation of Company's rules pertaining to the use of service in a manner which interferes with the service of others or the operation of nonstandard equipment, if Customer has first been notified and provided with reasonable opportunity to remedy the situation; (4) Failure to comply with deposit or guarantee arrangements; (5) Without notice where a known dangerous condition exists for as long as the condition exists; (6) Without notice where service is connected without authority by a person who has not made application for service; (7) Without notice where service was reconnected without authority after termination for nonpayment; or, (8) Without notice for tampering with Company's meter or equipment or bypassing the same.

Electric service may not be disconnected for any of the following reasons: (1) Delinquency in in payment for service by a previous occupant of the premises; (2) Failure to pay for merchandise, or charges for non-utility service provided by Company; (3) Failure to pay for a different type or class of utility service unless fee for such service is included on the same bill; ; (4) Failure to pay charges arising from an underbilling occurring due to any misapplication of rates more than six months prior to the current billing; (5) Failure to pay charges arising from an underbilling due to any faulty metering, unless the meter has been tampered with or unless such underbilling charges are due under the Company's Meter Policy, Sheet No. V-6; and, (6) Failure to pay an estimated bill other than a bill rendered pursuant to an approved meter reading plan, unless the Company is unable to read the meter due to circumstances beyond its control; and (7) Failure to pay disputed charges, except for the required average billing payment, until a determination as to the accuracy of the charges has been made by the Company or the Public Utility Commission of Texas and the Customer has been notified of this determination.

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Unless a dangerous condition exists, or unless customer requests disconnection, service shall not be disconnected on holidays or weekends or the day immediately preceding a holiday or weekend unless personnel of Company are available on those days to take payments and reconnect service.

Service to a Delinquent Residential Customer

Service to a delinquent residential customer permanently residing in a permanent individually metered dwelling unit will not be discontinued if such customer establishes that the discontinuance of service will result in some person residing at that residence becoming seriously ill or more seriously ill. Any such customer seeking to avoid the termination of service under this provision must have the attending physician call or contact the Company by the stated date of disconnection supported by a written statement from the physician. Any postponement in the discontinuance of service resulting from this provision shall continue for a period of time agreed to by Company and Customer, such period not to exceed sixty-three (63) days from the date of issuance of the utility bill. The allowance of any postponement under this provision is contingent upon customer signing an deferred payment agreement which provides for payment of such service plus timely payments for subsequent monthly billings.

Deferred Payment Plan

Any residential customer who has expressed an inability to pay all of his or her bill and has not been issued more than two (2) disconnection notices during the past twelve (12) months, may request to enter into and will receive a deferred payment plan with the Company. The Company, at its option, may also offer a deferred payment plan in other circumstances.

The deferred payment plan will be evidenced by a written agreement which provides that service will not be disconnected if the customer pays the current bills in their entirety, plus the balance of the outstanding bill in reasonable installments until the bill is paid. A one time penalty of five percent (5%) for late payment will be included in the deferred payment agreement. For purposes of determining reasonableness under this policy, Company will consider the following:

- (a) Size of the delinquent account;
- (b) Customer's ability to pay;
- (c) Customer's payment history;
- (d) (Length of time the debt has been outstanding;
- (e) Reasons for the Customer's inability to pay the outstanding debt;
- (f) Any other relevant factors concerning the circumstances of the Customer.

The written deferred payment plan will contain the following legend printed immediately preceding the space for Customer's signature in boldface print no smaller than 14 point size:

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“If you are not satisfied with this contract, or if agreement was made by telephone and you feel this contract does not reflect your understanding of that agreement, contact the utility immediately. and do not sign this contract. If you do not contact the utility you give up your right to dispute the amount due under the agreement except for the utility's failure or refusal to comply with the terms of this agreement.”

If customer enters into a deferred payment agreement with Company and fails to comply with the terms of the agreement, constituting default on the part of the customer, Company has the right to disconnect service in accordance with the terms of this policy.

Equal Payment Plan (Closed to New Applications)

An Equal Payment Plan is available to grandfathered accounts of residential customers or churches having established satisfactory credit and having a net average monthly billing of \$10.00 or more. The purpose of this plan is to provide a means of budgeting or leveling monthly payment amounts on an annual basis to avoid extreme seasonal billing fluctuations. The Equal Payment Plan is not to be used to defer payment of delinquent bills. Company, by agreement with Customer, may accept payment for electric service in twelve (12) equal monthly payments to approximately equal the anticipated average of the next twelve (12) months billing for service. Monthly payments are determined by dividing annual billings plus a nominal growth factor by twelve. Annual billing is based upon actual history, if available, or from estimated use. Monthly payments are subject to review and quarterly adjustment, if needed, to break even at the end of each twelve (12) month period. Application may be made in person at Company's office or by mail or telephone. The Agreement may be cancelled by either party upon notice to the other party. Failure to maintain a satisfactory credit rating may result in cancellation from the plan. In case of cancellation, the accumulated amount by which Customer's payments are more than or are less than the amount accumulated by monthly billings will be refunded or credited to Customer's account, upon request, or shall become due from Customer as of the date of cancellation or the date of the last bill rendered for the twelve (12) month period.

Average Monthly Payment Plan

An Average Monthly Payment Plan is available upon request to residential Customers or churches who do not have past-due accounts. The purpose of this plan is to provide a means of budgeting or leveling monthly payment amounts on an annual basis to avoid extreme seasonal billing fluctuations. The Average Monthly Payment Plan is not to be used to defer payment of delinquent bills.

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Company, by agreement with Customer, may accept an average payment amount for electric service that is based on the current month's billing, plus the eleven (11) preceding months, divided by twelve (12). At the next billing period, the oldest month's billing history is dropped, the current month's billing is added, and the total is again divided by twelve (12) to find a new average payment amount. In such instances where sufficient billing history is not available, an Average Monthly Payment Plan amount may be established by using an estimated average payment amount. When sufficient billing history (six months) has been attained, the system will automatically compute the new average payment amount based on actual billing history.

The difference between actual billings and the averaged billings under the Average Monthly Payment Plan will be carried in a deferred balance that will accumulate both debit and credit differences for the duration of the Average Monthly Payment Plan year -- twelve (12) consecutive billing months. At the end of the Average Monthly Payment Plan year (anniversary month), the current month's billing, the eleven (11) preceding month's billing, and the net accumulated deferred balance will be summed, and the totals divided by twelve (12) to derive a new average for the new plan year. The deferred balance (debit or credit) is then applied to the billing amount due.

Settlement occurs only when participation in the plan is terminated. Settlement happens if an account is final billed, if the customer requests termination, or if terminated by the Company as a result of past-due amounts on an account. In the case of termination, the accumulated amount by which Customer's payments are more than or are less than the amount accumulated by monthly billings will be refunded or credited to Customer's account, or shall become due from Customer as of the date of termination or the date of the last bill rendered for the twelve (12) month period.

Disputed Bills

In the event of a dispute between Customer and Company regarding a bill for utility service, customer shall contact Company prior to the bill's due date and notify Company of the portion of the bill which is disputed and the grounds for such dispute. Upon notification of the dispute and customer's grounds therefor, Company will forthwith make such investigation as shall be required by the particular case and report the results thereof to customer. If the dispute is not thereby resolved, the Company will inform customer of the complaint procedures of the regulatory authority having jurisdiction over such service. Pending the completion of the determination of the dispute, Customer shall not be required to pay the disputed portion of the bill.

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Retirement Plus Plan

The Retirement Plus Plan (Plan) is available to qualified residential customers who make application for the Plan. To qualify, the applicant must provide evidence to SWEPCO that he or she is in one of the following categories:

- 1) Age 62 or above and receiving Social Security, Governmental, Military, or other retirement income;
- 2) Receiving disability income; or
- 3) Receiving survivor's income.

Evidence of any of these can be supplied by providing one or more of the following:

- 1) Drivers license;
- 2) Birth certificate;
- 3) A copy of their check; or
- 4) A letter or other document to the recipient indicating that payment is being made.

The applicant also must be the SWEPCO customer of record at his or her address.

When a customer is placed on the Plan, his or her monthly electric bill will be due thirty (30) days after the date of the mailing of the bill. This time period is applicable irrespective of contrary wording concerning due dates which may be found elsewhere in these tariffs.

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EXTENSION POLICY

For Residential Customers in Undeveloped Areas

Southwestern Electric Power Company's (SWEPCO) philosophy is to extend facilities to provide service requested under the applicable rate schedule. If the anticipated continuing annual revenue, not including cost of fuel and tax adjustment charge, will not support the allocated portion of SWEPCO's investment in facilities to extend or provide service in undeveloped areas the following extension policy will apply.

When the revenue from the prospective customer(s) does not meet these estimated criteria, the Company will be authorized to collect a minimum bill which will be determined by such factors as: cost of extension (not including system investment and cost of meter), growth potential, future earnings, system improvements, terrain, geography and other considerations.

The customer will be billed for electric service made available hereunder on the published rate schedule applicable to the location. However, for the amount of investment determined by the Company, Customer agrees to pay to the Company a monthly minimum amount of 1/60th of the allocated portion of SWEPCO's investment, plus the cost of fuel and the tax adjustment charge as provided in the rate schedule for a period of five years from the date service is first made available to the customer from said extension. The Customer agrees to pay said minimum monthly amount to the Company. Customer further agrees to pay said minimum monthly amount even though it may be in excess of the amount specified in Company's applicable published rate schedule. If the premises served under this agreement are sold, leased, or rented, the customer nevertheless guarantees the payment of said minimum bill for said period, as provided above.

For Underground Distribution Serving Residential Subdivisions

Refer to the Policy for Providing Residential Underground Electric Distribution Service (Schedule V-5).

For Industrial, Large Commercial and Loads Requiring an Unusual Amount of Investment

SWEPCO will own, install, operate and maintain the facilities required to supply the customer's electric requirements. Electric service will be furnished according to terms of a contract between the parties including the applicable rate schedule plus a provision which will provide:

In consideration of the determined investment in facilities by SWEPCO necessary to make electric service available, the customer agrees to pay to SWEPCO as a monthly minimum bill an amount sufficient to allow the Company to recover its operating, maintenance and depreciation expenses associated with providing service together with a return on the determined investment equal to the rate of return allowed by the Commission in the Company's last rate proceeding. The determined investment will include such factors as cost of extension (including system investment), growth potential, future earnings, system improvements, terrain, geography and other considerations.

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EXTENSION POLICY

Contribution in Aid of Construction

The customer may reduce the minimum bill requirement by making a contribution in aid of construction to reduce the determined investment.

Contributions in aid of construction that are considered taxable income by a governmental agency or body will be increased by the appropriate tax rate.

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POLICY FOR PROVIDING RESIDENTIAL UNDERGROUND ELECTRIC DISTRIBUTION SERVICE

I. SCOPE

This policy applies to installation of residential underground electric distribution systems where feasible from engineering, operation, and economic standpoint to serve. Underground Electric Distribution (UED) and similar phrases include not only electric facilities that are actually located underground, but also above ground which may be necessary to provide service to the customer. All underground electric distribution facilities to be constructed to meet company specifications.

II. DEFINITION OF TERMS

A. For purposes of this policy the following abbreviations and definitions shall prevail:

1. Underground (US) Service -- Customer owned, maintained and installed underground service conductors, sometimes installed in a raceway, that extend from the Customer's meter to the point of delivery, where connection is made to Company's distribution system. The Developer/Builder/Customer will install and maintain the individual underground service from SWEPCO's underground electric distribution equipment to the Customer's meter.
2. Overhead (OH) Service Drop -- Company owned and installed overhead service drop conductors that extend from the Company's overhead distribution system to the point of delivery, where connection is made to Customer's electrical installation.
3. Point of Delivery -- The point of delivery of electric service shall be the point at which the electrical facilities of the Company connect to the electrical facilities of the Customer.
 - a) For Overhead construction, the point of delivery is that point where the Company owned and installed OH Service Drop connects to the Customer owned service entrance wires which are located at the customer's weatherhead. The Customer owned service entrance wires are connected by the customer to the source side of the meter socket and runs along the customer owned and installed service entrance raceway. The Service Entrance conductors extend out the weatherhead approximately 2 - 3 ft.
 - b) For Underground construction, the point of delivery is that point where the Company owned distribution UED secondary facilities connect to the Customer owned and installed UED Service. The customer owned UED service is connected by the customer to the source side of the meter socket

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and runs underground from the Customer's meter location to the Company owned UED distribution facilities.

4. SWEPCO - Southwestern Electric Power Company (Company)
5. Developer – A person, partnership, association, corporation, or governmental agency that owns, operates, or develops a subdivision or mobile home park, commercial development, business park, or industrial park.
6. Builder – A person, partnership, corporation or others that contract to perform work to construct buildings.
7. Customer – A Developer, individual, firm, organization or others subscribing to the services of SWEPCO.
8. Service Connections – The electrical facilities of the underground system installed, maintained and owned by developer extending from SWEPCO's secondary connection on the distribution system to the point of metering, but not including the meter(s). This would consist of the underground cable from customer's entrance equipment to SWEPCO's secondary pedestal or transformer.
9. Primary - That portion of the distribution system which delivers energy to the primary (high voltage) side of the distribution transformer from the substation or point of supply.
10. Secondary - That portion of the distribution system which distributes the energy from the secondary (low voltage) side of the distribution transformer to the customers' service connection points at utilization voltage.
11. Lot - A parcel of land intended to (according to the subdivision plat) accommodate a single family home.
12. Subdivision – A subdivision is the development and division of a lot, tract, or parcel of land into two or more lots, plats, sites, or otherwise for the purpose of establishing or creating a subdivision through sale or lease. Development includes, but is not limited to, the design work of lot layout, the construction of drainage structures, the construction of homes or public use areas, the planning and construction of private or public streets and roads, and the placement of public utilities, which has been approved and is filed on record with the county commission or like governing body.

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13. Standard Underground Distribution Subdivision – See “Conditions of Service” Section III. A.

III. CONDITION OF SERVICE

A. SWEPCO will install, at no cost to the Customer /Developer, single phase, 3 wire at a nominal voltage of 120/240, front lot (roadside) underground (non-subsurface) distribution facilities in subdivisions where the underground single phase loop will start and end at overhead distribution lines or where there is an existing underground point of connection to accommodate the loop. The average lot road frontage will not exceed 225 feet and individual lot size will not exceed one (1) acre. The Developer must provide private right-of-way on the front lot lines that is contiguous to the roadway that is approved by the SWEPCO. A subdivision meeting the requirements described in this paragraph will be known henceforth as a “Standard Underground Distribution Subdivision.”

B. UED will be made available in SWEPCO’s service area where feasible from engineering, operation, and economic standpoint. Customer will pay to Company prior to installation a contribution in aid to construction (CIAC), grossed up for taxes, for all costs in excess of the cost of overhead electric distribution facilities. The terms and conditions of the Company’s Extension Policy (Sheet V-3) apply as necessary. The cost estimate for all facilities provided, installed, owned, and maintained by the Company will include:

1. Material cost (purchased and stores) except for commercial/industrial customers who will provide the conduit to meet company specifications;
2. Labor costs (Company and Contract);
3. Transportation cost;
4. Trenching (including backhoeing and boring) except for Commercial/Industrial customers who will provide all trenching and backfilling to meet Company specifications.
5. Right-of-way clearing, purchase, and acquisition;
6. Permanent Work Orders (PWO’s) (where applicable) and overheads (exempt material);
7. Stores, Freight, and Handling;

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8. Administrative & General costs; and
9. Engineering & Supervisory costs.

Terms applying to SWEPCO's North Texas service territory are shown in Paragraph IV below.

IV. SWEPCO North Texas Service Territory

Underground service will be provided in SWEPCO's North Texas service territory under the terms of SWEPCO's Extension Policy (Sheet V-3) and in accordance with specifications outlined in the appropriate Underground Electric Distribution Contract with the following exceptions:

1. Service cables, up to ninety (90) linear feet, will be installed by the Company in service conduits provided by the customer.
2. Trenching, to accommodate the service cable, will be supplied by the customer.

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METER POLICY

Meter Testing

Company carefully calibrates, maintains and tests its meters in an approved manner. Upon the request of Customer, and, if he so desires, in his presence or in that of his authorized representative, Company shall make a test of the meter accuracy without charge. The test shall be made during Company's normal working hours at a time convenient to Customer if he desires to observe the test. The test shall preferably be made on Customer's premises, but may, at Company's discretion, be made at Company's test laboratory. If the meter has been tested by Company, or by an authorized agency, at Customer's request, and within a period of four years Customer requests a new test, Company shall make the test, but if the meter is found to be within the accuracy standards established by the American National Standards Institute, Inc., Company may charge Customer the fee set forth in the Company's Schedule of Fees and Charges for Miscellaneous Services. Following the completion of any requested test, Company shall promptly advise Customer of the date of removal of the meter, the date of the test, the result of the test, and who made the test.

Bill Adjustment Due to Meter Error

If any meter is found to be outside of the accuracy standards established by the American National Standards Institute, Inc., proper correction shall be made of previous readings for the period of six months immediately preceding the removal of such meter from service for test, or from the time the meter was in service since last tested, but not exceeding six months, 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 Company except to the Customer last served by the meter prior to the testing. If a meter is found not to register for any period, unless bypassed or tampered with, Company shall make a charge for units used, but not metered, for a period not to exceed three months based on amounts used under similar conditions during period preceding or subsequent thereto, or during corresponding period in previous years.

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METER POLICY

Meter Test Program

The Company tests its meters according to the following schedule:

<u>Meter Description</u>	<u>Test Frequency</u>
All Residential	Random Sample
All Singlephase SC with Demand (KW)	Random Sample
Polyphase SC with mechanical KW	6 years
Polyphase SC electromechanical KWH only or with electronic register	16 years
Polyphase SC electronic meters	16 years
Transformer Rated meters	16 years

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SERVICE REFUSAL POLICY

The Company may decline to serve an applicant until such applicant has complied with the applicable state and municipal regulations and approved rules and regulations of the Company governing the service applied for or for the following reasons:

- (1) Applicant's facilities inadequate: If the applicant's installation or equipment is known to be hazardous or of such character that satisfactory service cannot be given; or
- (2) Violation of Tariffs: The applicant fails to comply with SWEPCO's tariffs pertaining to operation of nonstandard equipment or unauthorized attachments which interfere with the service of others. SWEPCO shall provide the applicant notice of such refusal and afford the applicant a reasonable amount of time to comply with SWEPCO's tariffs.
- (3) Failure to pay guarantee: The applicant has acted as a guarantor for another customer and failed to pay the guaranteed amount, where such guarantee was made in writing to SWEPCO and was a condition of service.
- (4) Intent to deceive: The applicant applies for service at a location where another customer received, or continues to receive, service and the SWEPCO bill is unpaid at that location, and SWEPCO can prove the change in identity is made in an attempt to help the other customer avoid or evade payment of a SWEPCO bill. An applicant may request a supervisory review as specified in §25.30 of the Substantive Rules of the Public Utility Commission of Texas if SWEPCO determines that the applicant intends to deceive SWEPCO and refuses to provide service.
- (5) For indebtedness: If the applicant owes a debt to any electric utility for the same kind of service as that requested; provided however, that in the event the indebtedness of the applicant for service is in dispute, the applicant shall be served upon complying with the deposit requirement set forth in the Company's Deposit Policy.
- (6) Refusal to make deposit: For refusal to make a deposit if applicant is required to make a deposit under provisions of the Company's Deposit Policy.

In the event that the Company refuses to serve an applicant under the provisions of this policy, the Company will inform the applicant of the basis of its refusal and that the applicant may file a complaint with the Public Utility Commission of Texas thereon.

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SERVICE REFUSAL POLICY

The Company shall not refuse service for the following reasons:

- (1) Delinquency in payment for service by a previous occupant of the premises to be served;
- (2) Failure to pay for merchandise, or charges for non-utility service purchased from the Company;
- (3) Failure to pay a bill that includes more than the allowed six months of underbilling, unless the underbilling is the result of theft of service; or
- (4) Failure to pay the bill of another customer at the same address except where the change of customer identity is made to avoid or evade payment of a utility bill.

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GUIDE FOR FURNISHING METER DATA PULSES TO CUSTOMERS ELECTRIC DEMAND CONTROL EQUIPMENT

SWEPCO is agreeable to providing meter data pulses for those customers requesting this service for operation of electric demand control equipment on the following basis.

SWEPCO is willing, as an accommodation, to supply appropriate meter data to customer after it has demonstrated to SWEPCO's satisfaction that it has the capability of using such pulses for the purposes of demand control or energy conservation.

SWEPCO agrees to install the necessary facilities to provide the requested services subject to the following terms and conditions which are in addition to the contract for electric service.

Customer shall submit a plan describing the equipment to be installed, a list of customer's loads to be controlled or cycled, expected load reductions, and expected energy reductions. This information must be reviewed and approved by SWEPCO prior to installation of any equipment, or connection to SWEPCO's metering facilities.

SWEPCO's approval of the customer's plan for the use of the equipment shall not be construed as confirming or endorsing the design or effectiveness of the equipment or the customer's plan for use of the equipment for actually reducing demand or energy usage, or as any warranty of the safety, durability or reliability of the equipment or the plan for its use.

Customer shall pay to SWEPCO a non-refundable contribution prior to installation representing SWEPCO's expenses to furnish and install special isolation relay(s), any special metering facilities, protective devices and associated wiring connected to SWEPCO's metering facilities, all of which are referred to as Relay System, which will supply meter pulses to customer's equipment. No circuit for the customer's use shall be connected directly to SWEPCO's metering potential or current transformers. In addition to the above there will be a monthly facilities maintenance charge of 0.69% of the installed cost.

SWEPCO and customer shall determine a mutually acceptable location for connection to the Relay System. Customer shall provide termination and protective equipment suitable to SWEPCO.

If customer's load or service requirements change to the extent that SWEPCO's metering facilities must be changed, any additional costs to SWEPCO necessary to change the Relay System in order to continue to supply meter pulses will be paid to SWEPCO by customer.

The reliability of the customer's equipment is entirely the responsibility of the customer. The interruption of pulses for any reason to the customer's equipment such as meter tests, or the failure or malfunction of the customer's equipment shall in no way nullify the validity of SWEPCO's meter readings or recordings for billing purposes.

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GUIDE FOR FURNISHING METER DATA PULSES TO CUSTOMERS ELECTRIC DEMAND CONTROL EQUIPMENT

If at any time, the supply of metering data pulses through the operation of the Relay System becomes detrimental to reliable metering or to SWEPCO's metering practices, SWEPCO shall have the right to disconnect the Relay System or any portion of Relay System from its metering facilities until repairs or corrections can be made.

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TERMS AND CONDITIONS FOR PURCHASE BY THE COMPANY OF ELECTRICITY APPLICABLE TO RATE SCHEDULE PURCHASED POWER SERVICE (PPS)

- (1) The Customer shall meet all Company requirements for interconnection equipment including metering requirements (to be determined by the Company on a case by case basis) and shall submit specifications for such equipment, drawings, and one-line diagrams to the Company for review. The Company's review of Customer's specification shall not be construed as confirming or endorsing the design or as any warranty of safety, durability or reliability of the facility or equipment.
- (2) The Customer's generation and electrical facilities shall be installed, operated, and maintained by the Customer at all times in conformity with good electrical practice and shall comply with the National Electrical Code, the National Electrical Safety Code, any applicable local codes, and applicable Company service standards.
- (3) The Company will specify the location, phase, voltage, and power factor requirements for Customer's interconnection.
- (4) The Customer shall own and maintain at his own expense protective devices necessary for the protection of Customer and Company's personnel, equipment, and service as well as the protection of the general public. These protective devices shall be included but are not limited to the following functions:
 - a. To automatically disconnect Customer facilities when Company's service is interrupted;
 - b. To prevent interconnection with Company's System when Company's supply is deenergized;
 - c. To protect equipment and personnel during synchronization and interconnection with Company's system;
 - d. To isolate and protect Customer's equipment when his generating equipment is not running.
- (5) The Customer shall install, own, and maintain a disconnecting device accessible and operable by Company personnel at all times at a location specified by the Company.

The Company shall have the right to disconnect and lock-out Customer with due notice as a result of the following:

- a. At any time service is discontinued under these Terms and Conditions of Service;
- b. If the Customer refuses to provide the Company reasonable access to the disconnecting device or Company's equipment upon Customer's premises;

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- c. Violation of any rule or regulation of the Public Utility Commission of Texas or non-compliance with any applicable federal, state, municipal or other local laws, rules or regulations;
- d. Violation of or non-compliance with an approved contract, applicable rate schedule including Purchased Power Service and Standby Service Rate Schedule or these Terms and Conditions;
- e. Failure of the Customer to make application for purchase;
- f. When Company has determined that harmonics are being produced or other factors are present which interfere with communications or otherwise cause degradation of service to other customers.
- g. When required under Item (7)

The Company shall have the right to disconnect and lock-out customer without notice due to the following:

- a. Existence of a dangerous or defective condition of wiring or equipment on Customer's premises;
- b. Sale of electricity;
- c. Tampering with the Company's regulating and measuring equipment or other property;
- d. For safety of Company personnel during unscheduled repairs of Company's lines and equipment.

The Company may discontinue purchase for non-payment of a utility bill, net of purchases, in the same manner as for electric service.

- (6) The Customer shall change its facility or equipment as may be required by the Company to meet changes in the transmission and distribution system. The Customer will be given a reasonable notice by the Company prior to requesting changes in the Customer's facilities.
- (7) The Company may require the Customer to interrupt or reduce deliveries of energy if it determines that interruption or reduction is necessary because of emergencies or forced outages, or if the purchase from the Customer will result in costs greater than those which the Company would incur if it did not make such purchases, but instead generated an equivalent amount of energy itself. The Company shall give reasonable prior notice to the Customer in time for the Customer to cease delivery of energy to the Company. The Company may require the Customer to interrupt or reduce deliveries of energy so that the Company can construct, install, maintain, repair, replace, remove, investigate, or inspect any part of its transmission and distribution system related to the purchase of power from the Customer, but will make a reasonable effort to coordinate such interruptions or reductions with the Customer.

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- (8) The Customer will install, own, operate and maintain all necessary interconnection facilities between the generator and the point of interconnection with the Company. The Company will perform all work relating to the actual connection and any necessary additions or reinforcements to the Company's system. The meters required to record power deliveries to the Company will be furnished and maintained by the Company. Company will furnish all meter and transformer boxes to be installed by the Customer on Customer's equipment.
- (9) Meters will be tested as reasonably necessary. If the meter or meters are found to be in error more than 2%, proper adjustment in billing will be made for the period during which the meter was in error. Should Company's meters fail to register, the amount of electricity delivered to Company will be estimated on the basis of the best available information, or upon Customer's meters when installed. The Customer will protect the Company's property on the Customer's premises from loss or damage and will permit no one who is not an agent of the Company to remove or tamper with the Company's property.
- The Company will have the right of access to the Customer's premises at all reasonable times for the purpose of installing, reading, inspecting, or repairing any meters or devices owned by Company or for the purpose of removing its property.
- (10) The Company shall have the right to require a Customer with generating facilities to give the Company reasonable prior notice of any scheduled curtailment or reduction and its probable duration and Company shall have the right to require notification to the Company immediately of any complete or partial outage of power production facilities.
- (11) The Customer operating electric generating equipment shall not connect it in parallel with the Company's system without the written consent of the Company.
- (12) The customer shall agree to indemnify the Company, its agents, representatives and its employees against liability for any injuries or damages caused by the operation of the Customer's equipment or by any failure of the Customer to maintain his equipment in satisfactory and/or safe operating condition.
- (13) The Customer shall maintain liability insurance including contractual liability insurance covering indemnity agreements which insures Customer 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 Customer's generating equipment. The amount of such insurance coverage shall be at least \$500,000 per occurrence. Customer shall furnish a certificate from Customer's insurance carrier showing that it has complied with the provisions of this section and providing that the insurance policy will not be changed or

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TERMS AND CONDITIONS FOR PURCHASE BY THE COMPANY OF ELECTRICITY APPLICABLE TO RATE SCHEDULE PURCHASED POWER SERVICE (PPS)

anceled during its term without written 30-day notice to Company. Renewal certificates shall be furnished prior to expiration date of existing certificate.

- (14) The Company may install, at its expense, on the Customer's premises load research metering.
- (15) The Customer shall notify the Company before the initial energizing and start-up testing of the Customer-owned generator and the Company shall have the right to have a representative present at such test.
- (16) The Customer will not sell electricity generated to any other customer, company, or person and will not deliver electricity to any connection wherein said electricity is to be used off of the Customer's premises on which the meter is located.
- (17) The Company shall have the right to install and maintain equipment in, over, and under the Customer's property and shall have access to the Customer's premises for any other purpose necessary for purchasing electricity from the Customer. In case the Customer is not the owner of the premises or of the intervening property between the premises and the Company's lines, the Customer will obtain from the property owner or owners the easements or right-of-way necessary to install and maintain in, over, or under said premises all such wires and electrical equipment as are necessary or convenient for purchasing electricity from the Customer.

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TERMS AND CONDITIONS FOR INTERCONNECTION OF CUSTOMER-OWNED GENERATION

- (1) The Customer shall submit to the Company for review, specifications for interconnection equipment, including drawings, and one-line diagrams. The Company's review of Customer's specification shall not be construed as confirming or endorsing the design or as any warranty of safety, durability or reliability of the facility or equipment.
- (2) Each party shall be responsible for obtaining all permits, licenses, and authorizations, for operating its own facilities and each party shall in no way be responsible for failure of the other to obtain such permits, licenses, or necessary authorizations, or comply with any applicable federal, state, or local laws. Each party shall cooperate with the other in obtaining any such permits, licenses, or authorizations necessary for operation.
- (3) The Customer's generation and electrical facilities shall be installed, operated, and maintained by the Customer at all times in conformity with good electrical practice and shall comply with the National Electrical Code, the National Electrical Safety Code, any applicable local codes, applicable Company service standards included in the requirements of the Contract, these Terms and Conditions, and in accordance with the electrical diagram for electric power purchase included as Appendix B to the Contract between Company and Customer.
- (4) The Customer shall own and maintain at its own expense any protective devices not provided by the Company that are necessary for the protection of Customer and Company's personnel, equipment, and service as well as the protection of the general public. These protective devices shall perform at least the following functions:
 - a. Automatic disconnection of Customer facilities from Company's facilities when Company's service is interrupted;
 - b. Prevention of interconnection with Company's System when Company's supply is deenergized;
 - c. Protection of equipment and personnel during synchronization and interconnection with Company's system;
 - d. Isolation and protection of Customer's equipment when its generating equipment is not running.
- (5) The Customer shall install, own, and maintain a disconnecting device accessible at all times and operable by Company personnel at a location specified in Appendix C to the contract between Company and Customer. The Company shall have the right to disconnect and lock-out the Customer with ten days written notice by certified mail as a result of any of the following, with the exception of "b" which shall require only reasonable notice:
 - a. When harmonics are being produced or other factors are present which interfere with communications or otherwise cause degradation of service to other Company customers;

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TERMS AND CONDITIONS FOR INTERCONNECTION OF CUSTOMER-OWNED GENERATION

- b. When required under Section (7);
- c. For non-payment of charges due and payable under this contract.

The Company shall have the right to disconnect and lock-out Customer without notice due to the following:

- a. Existence of a dangerous or defective condition of wiring or equipment of Customer's premises;
 - b. Tampering with the Company's regulating and measuring equipment or other property;
 - c. For safety of Company personnel during emergency repairs of Company's lines and equipment;
 - d. System emergencies or forced outages on the Company's system.
- (6) The Customer shall change its facility or equipment as may be required by the Company to meet changes in the transmission and distribution system. The Customer will be given a reasonable notice by the Company prior to requesting changes in the Customer's facilities. The Customer shall have the option to terminate the contract rather than to make such changes or petition the Commission for a proper determination of the changes which the Customer will be required to make.
- (7) The Company may require the Customer to interrupt the customer-owned generation so that the Company can construct, install, maintain, repair, replace, remove, investigate, or inspect any part of its transmission and distribution system but will make a reasonable effort to coordinate such interruptions with the Customer. The Company shall give reasonable prior notice to the Customer in time for the Customer to interrupt the customer-owned generation.
- (8) The customer will install, own, operate and maintain all necessary facilities between its generator and the point of interconnection with the Company. The interconnection facilities and point of interconnection shall be as described in Appendix C of the contract between Company and Customer. The Company will perform all work relating to the actual connection and any necessary additions or reinforcements to the Company's system. The meters required to record power deliveries to the Customer will be furnished and maintained by the Company. Company will furnish all meter bases and/or metering enclosures to be installed by the Customer on Customer's equipment.
- (9) Meters will be tested as reasonably necessary. If the meter or meters are found to be in error more than 2%, proper adjustment in billing will be made for the period during which the meter was in error. The Customer has the right to install check meters. The Customer will take all reasonable steps to protect the Company's property on the Customer's premises from loss or damage and will permit no one who is not an agent of the Company to remove or taper with the Company's property.

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TERMS AND CONDITIONS FOR INTERCONNECTION OF CUSTOMER-OWNED GENERATION

- (10) The Company shall have the right to require a Customer with generating facilities to give the Company reasonable prior notice of any scheduled curtailment or significant reduction and its probable duration, and Company shall have the right to require notification as soon as reasonably possible of any complete or partial outage of the Customer's power production facilities.
- (11) The Company and Customer shall each be responsible for the safe installation, repair and condition of their respective lines and appurtenances on their respective side of the Point of Delivery. The Company and Customer will each protect and indemnify the other (including its corporate affiliates, parent, subsidiaries, directors, officers, employees and agents) from and against any liability or loss (including reasonable expenses and attorneys' fees) because of bodily injury or property damage arising out of the Company's or Customer's respective responsibilities as stated herein; except that neither shall be obligated to indemnify the other for injury or damage to the extent such injury or damage is caused by the negligence of the other party. This provision is for the sole benefit of the parties hereto and is not intended and shall not be construed to confer any rights or benefits on any third party.

Customer shall not energize and interconnect to the Company's lines through operation of equipment within the Customer's control without advance notice to and approval by the Company's dispatcher as designated by the Company. Such approval may be requested and received by telephone and will not be withheld unless for safety, contract provisions, or abnormal operating conditions on the Company's system.

- (12) The Customer shall maintain liability insurance, including contractual liability insurance, covering indemnity agreements which insures Customer against all claims for property damage and for personal injury or death rising out of, resulting from or in any manner connected with the installation, operation, ownership, and maintenance of the Customer's generating equipment. The amount of such insurance coverage shall be at least \$1,000,000 per occurrence. Customer shall furnish a certificate from Customer's insurance carrier showing that it has complied with the provisions of this section and providing that the insurance policy will not be changed or canceled during its term without written 30 day notice to Company. Renewal certificates shall be furnished prior to expiration date of existing certificate.
- (13) The Company may install, at its expense, on the Customer's premises load research metering.
- (14) The Customer shall notify the Company before the initial energizing and start up testing of the Customer-owned generator, and the Company shall have the right to have a representative present at such test.

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- (15) The Company shall have the right to install and maintain equipment in, over, and under the Customer's property as provided by easement as shown in the drawings and diagrams in Appendix C to the contract between Company and Customer and shall have access to the Company's property on the Customer's premises.

If the Customer is a Qualified Facility (QF), the following additional terms and conditions shall apply:

- (16) The Company shall have the right to disconnect and lock-out QF with ten days written notice by certified mail as a result of loss of status as a Qualified Facility.

The Company may require the QF to interrupt or reduce deliveries of energy during any period which, due to operational circumstance, the purchase from the QF will result in costs greater than those which the Company would incur if it did not make such purchases, but instead generated an equivalent amount of energy itself; provided, however, this provision does not override contractual obligations of the Company to purchase from the QF. The Company shall give reasonable prior notice to the QF in time for the QF to interrupt or reduce delivery of energy to the Company.

- (18) Should Company's meters fail to register the amount of electricity delivered to Company, such deliveries will be estimated on the basis of the best available information, or upon registration of QF's meters if installed. The QF has the right to install check meters.

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RETAIL ELECTRIC SERVICE SWITHOVERS

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.

Base Charge: \$200.00

Base Charge Adder: \$100.00

The above Base Charge and Base Charge Adder apply to any switching retail customer receiving service at or below 480 volts except as provided for below.

In the event the Commission approves a new switchover cost recovery methodology for customers served at or below 480 volts and using transformer rated metering equipment, the above charges will be reduced to \$175.00 and \$47.50 respectively, and for customers served at or below 480 volts and using transformer rated metering equipment, the charge shall be as specified by the Commission.

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CHECKLESS PAYMENT FORM

Tear along perforated line, moisten, fold and seal.

Automatic Bill Payment Authorization Agreement for Pre-arranged Payments (Debits)

I (We) authorize AEP* to instruct my (our) financial institution to make my (our) payments from the account listed below. This authority is to remain in full force until I (We) give notification of termination in such manner as to afford AEP and my (our) financial institution a reasonable opportunity to act on it. In addition, I (We) may stop payment of a charge up to three (3) business days before the payment date by notifying AEP. AEP will provide the customer with a minimum of ten (10) days written notice of any amount to be debited before the account is charged. I understand that both AEP and my (our) financial institution reserve the right to terminate this payment plan or my (our) participation in it at any time.

REQUIRED INFORMATION

_____/_____/_____
Name (as shown on bill) *Date*

_____/_____/_____
Electric Service Location Address *City* *State*

_____/_____/_____
Signature (must be authorized signer for the bank account) *Phone* *Zip*

Account Information (Bank, Savings Institution, Credit Union)

Name of Financial Institution

⌘ ⌘

Routing Number: Enter the 9 digits between these symbols

Type of Account: *Checking* *Savings*

Bank Account Number

AEP Electric Account Number (as it appears on your bill)

* "AEP" means the subsidiary(ies) of American Electric Power Company, Inc. or the AEP operating unit which provides your electric service. The name of the AEP operating unit which serves you appears on your bill.

DO NOT ENCLOSE PAYMENT — DO NOT WRITE COMMENTS ON THIS FORM — CALL THE NUMBER ON YOUR BILL FOR QUESTIONS OR COMMENTS

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GUARANTOR AGREEMENT

I, the undersigned, do hereby state I will be responsible for charges for electric service used by the above named customer at the address shown. Should the customer pay all charges on a timely basis for the next 12 months, this guarantee will be voided and I will be so notified. I hold myself responsible for all charges up to, but not in excess of \$_____ (not to exceed the deposit requirement), should the customer fail to pay any final amounts due.

This Agreement can only be cancelled if I notify American Electric Power in writing at least 30 days in advance of the cancellation date and after the customer has paid the required deposit.

Guarantee For: _____ (name) _____
_____ (address line 1) _____
_____ (address line 2) _____
_____ (account number) _____

Guarantor: _____ (name) _____
_____ (address line 1) _____
_____ (address line 2) _____

GUARANTOR ACCOUNT NUMBER: _____ (if applicable)

PHONE NUMBER: _____

GUARANTOR SIGNATURE: _____

DATE: _____

ACCEPTED BY: _____ (office approval)

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AMERICAN ELECTRIC POWER OWNER/AGENT AGREEMENT CONTRACT

I (We), _____, being the Owner (s) or Rental Agent(s) for the units listed on the attached Exhibit, desire American Electric Power to provide continuous service to these locations during unoccupied periods subject to the following mutual agreement:

1. Owner/Agent agrees and accepts charges for all electric service during the period service is in Owner/Agent's name.
2. American Electric Power agrees to continue service at the locations and to transfer the billing responsibility to the Owner/Agent during unoccupied periods.
3. It is mutually understood and agreed that this agreement extends service to the units only during unoccupied periods, but does not extend to said units for disconnection of service due to non-payment by a tenant or Owner/Agent.
4. It is further understood and agreed that when, by operation of this agreement, service is continued and the billing responsibility is transferred to the Owner/Agent, such billing will remain in the name of the Owner/Agent until American Electric Power is otherwise notified.
5. The agreement will be binding immediately upon implementation of same by American Electric Power.

(Please verify that all information shown below is correct. If not, indicate changes as necessary.)

Agreement Account Number: _____ Division/Area: _____

Owner/Agent Name: _____

Owner/Agent Agreement Number: _____

Owner/Agent Effective Date: _____

Telephone Number: _____

Mailing Address: _____

Owner/Agent Signature: _____

On behalf of (full corporate name, if applicable): _____

List all corporate trade names or any d/b/a: _____

Corporate Title/Position of Owner/Agent (if applicable): _____

Federal Tax ID Number: _____ or SS Number: _____

Date: _____

SOUTHWESTERN ELECTRIC POWER COMPANY

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CONTRACT FOR ELECTRIC SERVICE

Form 702-L
Rev. July 2002

This contract cancels and supersedes previous contract with (name, date, contract number):

Southwestern Electric Power Company
CONTRACT FOR ELECTRIC SERVICE
TEXAS

Contract Number: _____

_____ hereinafter called "Customer", and Southwestern Electric Power Company, hereinafter called "Company", enter into the following contract:

The Company will sell and deliver to the Customer at _____ and the Customer will receive and pay for electric service for a period of 1 years beginning _____, and thereafter, in automatically recurring yearly periods, unless and until terminated at the end of any yearly period by 30 days prior written notice from either party to the other. Electric service will be delivered and received hereunder in accordance with the standard Terms and Conditions which are attached and made a part of this contract, and Customer agrees to observe and be bound by them.

Electric service delivered by the Company to the Customer will be _____ wire, _____ phase, 60 cycle, alternating current at a nominal voltage of _____ volts, in the amount of approximately _____ kW, and will be metered at _____ volts.

The Customer will use such electric service in the operation of _____ and will be billed and will pay for this service in accordance with the rate schedule attached to this contract and made a part hereof.

The following rate schedule and any special terms are applicable to this contract: _____

In consideration of the investment on the part of the Company to make electric service available under this contract, the minimum monthly billing provision of the aforementioned rate schedule applies, but will not be less than the charge for _____ plus the fuel and tax adjustment clauses provided in the rate schedule.

In the event a new or revised rate schedule applicable to service under this contract is authorized and made effective by the duly constituted regulatory authority or authorities having jurisdiction in the premises, which said rate schedule supersedes or modifies the rate schedule which is attached to this contract, then from and after the date upon which said new or revised rate schedule becomes authorized and effective, electric service to Customer will be billed and Customer will pay for such service in accordance with such new or revised rate schedule.

If Customer fails to perform any of his obligations under this contract, including the prompt payment of monthly bills, or fails to observe or comply with any of the attached Terms and Conditions, the Company may suspend delivery of electric service and will not be liable in any manner for loss or damage arising through such suspension. No such suspension will interfere with the enforcement by the Company of any other legal right or remedy nor relieve the Customer from liability to pay the minimum charge during any suspension. No delay by the Company in enforcing any of its rights hereunder will be deemed a waiver of such rights nor will waiver by the Company of any default by Customer be deemed a waiver of any other or subsequent default.

The Customer will indemnify and save the Company harmless from all loss on account of injury or damage to persons or property on the Customer's premises, and at and from the point of delivery of power if such point is located off the Customer's premises, growing out of any accident or mishap relating to the electric service provided by the Company to the Customer hereunder, other than any such injury or damage growing out of the gross negligence or willful misconduct of the Company or any employee or agent of the Company.

This agreement may be assigned by the Customer only with the written consent of the Company. This contract will bind and benefit the successors and assigns of the Company, and, at the option of the Company, the successors and assigns of the Customer. This contract supersedes all prior agreements between the Customer and the Company for the service specified herein.

In witness whereof, the parties hereto have caused this contract to be executed on (X) _____, 20 _____.

Customer _____

By (X) _____
(For the Customer)

Witness (X) _____

Official Capacity _____
SOUTHWESTERN ELECTRIC POWER COMPANY

Witness (X) _____
(For the Company)

By (X) _____

Official Capacity _____

SOUTHWESTERN ELECTRIC POWER COMPANY

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CONTRACT FOR ELECTRIC SERVICE

(BACK)

TERMS AND CONDITIONS

See Company's Standard Terms and Conditions.

SOUTHWESTERN ELECTRIC POWER COMPANY

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RIDER TO CONTRACT FOR ELECTRIC SERVICE

RIDER TO CONTRACT

BY AND BETWEEN

AND

SOUTHWESTERN ELECTRIC POWER COMPANY

DATE OF CONTRACT _____

The Company recognizes that continuity of electric service is essential to the Customer's operation, and is agreeable to recognizing the installation of a _____ kilowatt engine generator, for standby use, as an exception to the Exclusive Service clause of this contract.

It is understood and agreed that the generator is to be used only in the event the Company's service is not available, except for monthly test periods not to exceed three hours.

It is also understood and agreed that the Customer's generator will at no time be operated in parallel and/or synchronism with Company's system.

IN WITNESS THEREOF, the parties hereto have caused this instrument to be executed on

_____, _____.

WITNESS:

(For the Customer)

BY _____

(Official Capacity)

WITNESS:

SOUTHWESTERN ELECTRIC POWER COMPANY

(For the Company)

BY _____

(Official Capacity)

SOUTHWESTERN ELECTRIC POWER COMPANY

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ELECTRIC SERVICE LINE EXTENSION AGREEMENT

Form 200 Rev. 0807
AR, LA & TX

Southwestern Electric Power Company

Account Number

(Town)

ELECTRIC SERVICE LINE EXTENSION AGREEMENT

STATE OF _____
COUNTY/PARISH OF _____

THIS CONTRACT AND AGREEMENT, made and entered into this _____ day of _____, 20____, by and between SOUTHWESTERN ELECTRIC POWER COMPANY, hereinafter called "Company," and _____, hereinafter called "Customer;"

WITNESSETH, That

WHEREAS, Customer is desirous of obtaining an extension of Company's electric line a distance of approximately _____ feet to serve Customer located at _____

_____ ; and,
WHEREAS, there are not now sufficient customers to be served by said extension to yield Company a fair return on the investment necessary to construct said extension, and said extension could not be justified or required except for this agreement; and,

WHEREAS, Company is willing to make such extension upon the terms and conditions hereof;

NOW, THEREFORE, the parties hereto agree as follows:

EXTENSION

The Company will extend its electric line approximately _____ feet from the terminal of its present line to provide service to Customer. The terminal of Company's present line is located at _____.

The character of the construction of this line will be determined by the Company.

REVENUES

The Customer will be billed for electric service made available hereunder on _____ rate schedule. However, on account of the amount of investment made by the Company in constructing this line, Customer agrees to pay to the Company a minimum amount of \$ _____ per month plus the fuel adjustment charge and the tax adjustment charge as provided in the rate schedule for a period of _____ years from the date service is first made available to the Customer from said line. The Customer agrees to pay said minimum monthly amount to provide Company with sufficient revenue to support the unusual amount of investment required to provide service desired by Customer. Customer further agrees to pay said minimum monthly amount even though it be in excess of the amount specified in Company's applicable published rate schedule. If the premises served under this Agreement are sold, leased, or rented, the Customer nevertheless guarantees the payment of said minimum bill for said period, as provided above.

TITLE AND OWNERSHIP

The Company will at all times have title to and complete ownership and control of said extension and will have the right to use the extension for the purpose of serving other customers beyond or from such extension. In no event will there be any refund due Customer, nor will any additional revenues from additional customers connected to said extension relieve the Customer of his guarantee of said minimum amount per month for a period of _____ years from the date of this agreement.

WITNESSES:

(For the Company)

(For the Customer)

SOUTHWESTERN ELECTRIC POWER COMPANY

By _____
Company Official

Customer

Mailing Address:

SOUTHWESTERN ELECTRIC POWER COMPANY

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Docket No: 40443

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RESIDENTIAL UNDERGROUND ELECTRIC DISTRIBUTION CONTRACT

RESIDENTIAL UNDERGROUND ELECTRIC DISTRIBUTION CONTRACT

Texas

Between

Company Name or homeowner

(Company Name)

Owner Name

(Customer Name, Owner, Developer, Operator, or Builder, Hereinafter referred to as "Customer")
And AEP/Southwestern Electric Power Company, hereinafter referred to as "Company", it is mutually understood and agreed that:

I. This agreement applies to installation and operating of an underground electric distribution (UED) system on electric utility easements granted the Company at

Subdivision Name (address if single residential home)

and is further identified by the Company easement drawing which is made a part of this Agreement.

II. Electric service covered by this Agreement shall be for individually metered residential home(s)– single phase, 3 wire at a nominal voltage of 120/240 volts.

III. Customer shall install all underground service entrance cables between Customer's building and the Company's transformer or secondary service pedestal. Meters to be located per company specifications.

IV. Company reserves the right to designate the point of service for each lot. All underground distribution facilities within subdivisions will be installed on the front lot line adjacent to the street right of way.

V. Customer will provide the Company an easement at final grade. The easement will be located adjacent to the street right of way for the placement of the UED system. The easement shall be clear of trees and other obstructions, as required, with all property corners staked before construction of residential underground electric distribution begins. Final grade is further defined as the grade expected to be utilized by the ultimate homeowner on that specific property or lot and is relevant to the UED system placement or subsequent relocation thereof as is referenced by (VII) below.

VI. Location of underground facilities, other than the electric distribution system installed by or for the Customer shall be designated by the Customer prior to construction of the electric distribution system.

VII. Any rearrangements in the electric distribution system which may be required by the Customer after installation of distribution system shall be paid for by the Customer prior to rearrangement of the facility. This includes, but is not limited to, the lowering of transformers, pedestals, cables, or any other Company facility after installation of the system is complete. Failure to pay for the rearrangement of the facilities will result in the inability to provide service from the facility in question due to public safety concerns.

VIII. Company will furnish and install the following equipment:

- A. All primary and secondary cables. (Does not include service cables.)
- B. Switch enclosures, transformers, transformer enclosures, secondary pedestals, and associated equipment.
- C. Any overhead distribution required to provide this service.

SOUTHWESTERN ELECTRIC POWER COMPANY

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RESIDENTIAL UNDERGROUND ELECTRIC DISTRIBUTION CONTRACT

IX. Customer/Developer may be required to provide compensation to the Company for the difference in cost (CIAC) between overhead distribution (least cost) and underground distribution when the residential subdivision does not meet the requirements of a "Standard Underground Distribution Subdivision" as described in the UED policy (Sheet V-5). If CIAC is required, construction/installation of the facilities will not begin until full payment of the CIAC has been received by the Company.

The differential cost (CIAC) for this project is:\$ _____

X. Customer agrees to pay the up-front installation cost of the street lighting system per local city ordinance or other agreed requirements.

Cost of lighting system \$ _____

Description of lighting system to be installed and monthly maintenance fee by city per light:

XI. Customer agrees to pay the up-front installation cost of the street lighting for any Homeowners Association Street Lighting Systems prior to installation of the system.

Cost of lighting system \$ _____

Customer agrees to acquire a Homeowners Association ID from the State of Texas.

Customer agrees to execute a Contract for Homeowners Association Street Lighting.

XII. Customer will pay to the Company at the time of acceptance of this Agreement the amount of \$ _____ for temporary construction, removal, or rearrangement of existing overhead facilities.

XIII. Customer agrees to pay to the Company at time of acceptance of this Agreement the amount of \$ _____ which is the grand total of all the separate charges listed above.

In witness whereof, the parties hereto have caused this agreement to be executed on _____,
20__.

Witness _____ By _____
Customer
Owner Name
Registered Agent Official Capacity

Southwestern Electric Power Company

Witness _____ By _____

SOUTHWESTERN ELECTRIC POWER COMPANY

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COMMERCIAL/INDUSTRIAL UNDERGROUND ELECTRIC DISTRIBUTION CONTRACT

COMMERCIAL/INDUSTRIAL UNDERGROUND ELECTRIC DISTRIBUTION CONTRACT

Texas

Between

Company
(Company Name)

Customer

(Customer Name, Owner, Developer, Operator, or Builder, Hereinafter referred to as "Customer")

And AEP/Southwestern Electric Power Company, hereinafter referred to as "Company", it is mutually understood and agreed that:

- I. This agreement applies to installation and operation of an underground electric distribution (UED) system to serve commercial or industrial customers on electric utility easements granted the Company at

Development Name

and is further identified by the Company easement drawing which is made a part of this Agreement.

- II. Electric service covered by this Agreement shall be: (*Indicate one*)

- A. ____ For individual customer served by a single pad mounted transformer.
- B. ____ For a loop primary system serving one or more individual customers from pad mounted transformers, including business parks, mobile home parks, R/V parks, apartment complexes and apartment buildings. This UED system may include underground secondary, pedestals, or enclosures.
- C. ____ For individual customer(s) served by an underground secondary pedestal or enclosure with UED secondary feeding from overhead distribution transformers.
- D. For several customers served by a single pad mounted transformer.

- III. Service voltage will be. (*Indicate one*)

- 1. ____ Single phase, 3 wire at a nominal voltage of 120/240.
- 2. ____ Single phase, 3 wire at a nominal voltage of 240/480.
- 3. ____ Three phase, 4 wire at a nominal voltage of 208Y/120.
- 4. ____ Three phase, 4 wire at a nominal voltage of 480Y/277

- IV. Customer shall install all underground service entrance cables between Customer's building and the Company's transformer or secondary service pedestal or enclosure.

- V. Company reserves the right to designate the point of service for each lot.

- VI. Customer will provide adequate overcurrent protection to each individual consumer.

- VII. Customer will provide the utility an easement at final grade. The easement shall be clear of trees and other obstructions, as required, with all property corners staked before construction of the underground electric distribution begins. Final grade is further defined as the grade expected to be

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utilized by the Customer on that specific property or lot and is relevant to the UED system placement or subsequent relocation thereof as is referenced by (IX) below.

- VIII. Location of underground facilities, other than the electric distribution system installed by or for the Customer shall be designated by the Customer prior to construction of the electric distribution system.
- IX. Any rearrangements in the electric distribution system or metering arrangement which may be required by the Customer after installation of distribution system shall be paid for by the Customer prior to rearrangement of the facility. This includes, but is not limited to, the lowering of transformers, pedestals, cables, or any other Company facility after installation of the system is complete. Failure to pay for the rearrangement of the facilities may result in the inability to provide service from the facility in question due to public safety concerns.
- X. Under this agreement the customer will furnish:
- A. Concrete pad(s) for three phase pad mounted transformers in accordance with Company standards. For single phase transformer installations, Customer must compact the earth and Company will install a transformer pad.
 - B. Conduit from Company pole to three phase pad mounted transformer location(s). Conduit will be minimum 4" Sch 40 PVC for 15kV three phase primary systems and minimum 6" Sch 40 PVC for 35kV three phase primary systems. All bends shall be galvanized rigid conduit, long sweep per Company specifications. All conduit will have a minimum of 48" cover below final grade. Conduit shall have a pull string installed by the customer. All steel conduit shall have a grounding bushing installed at transformers when the galvanized elbow is exposed at pad opening.
 - C. Conduit from Company pole to single phase pad mounted transformer location(s). Conduit will be minimum 3" Sch 40 PVC or size specified by Company. All bends shall be galvanized rigid conduit, long sweep per Company specifications. All conduit will have a minimum of 48" cover below final grade. Conduit shall have a pull string installed by the customer. All steel conduit shall have a grounding bushing installed at transformers when the galvanized elbow is exposed at pad opening.
 - D. Conduit for UED secondary cable between transformer and secondary pedestals or enclosure and/or multiple secondary pedestals or enclosures. Conduit number(s) and size will be specified by Company as required and installed as specified on per Company specifications. All conduit will have a minimum of 48" cover below final grade.
 - E. Service connection cables between the Company transformer, secondary pedestal or enclosure and the service entrance equipment.
 - F. Any necessary pullboxes or manholes occasioned by the routing or length of conduit run, requirements as specified by Company.
 - G. A spare conduit is recommended but not required.

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XI. Company will furnish and install the following equipment:

- A. All primary and secondary cables. (Does not include service cables.)
- B. Switch enclosures, transformers, transformer enclosures, secondary pedestals, secondary enclosures, and associated equipment, including the ground rods in pad mounted transformers.
- C. Any overhead distribution required to provide this service.

XII. Customer must provide compensation to the Company for the difference in cost between overhead distribution and underground distribution.

Customer agrees to pay Company the differential cost prior to the installation of (UED) facilities in the amount of \$ _____

XIII. Customer agrees to pay the up-front installation cost of the street lighting system per local city ordinance or other agreed requirements. Must be city streets to qualify for lighting by the city and adhere to the City's street lighting policy when planning lighting.

Cost of lighting system \$ _____

Description of lighting system to be installed and monthly maintenance fee by city per light:

XIV. Customer will pay to the Company at the time of acceptance of this Agreement the amount of \$ _____ for temporary construction, removal, or rearrangement of existing overhead facilities.

XV. Customer agrees to pay to the Company at time of acceptance of this Agreement the amount of \$ _____ which is the grand total of all the separate charges listed above.

In witness whereof, the parties hereto have caused this agreement to be executed on _____, 20__.

Witness _____ By _____
Company Name Customer
Customer
Registered Agent) Official Capacity

Southwestern Electric Power Company

Witness _____ By _____

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SOUTHWESTERN ELECTRIC POWER COMPANY CONTRACT FOR INTERCONNECTION OF CUSTOMER-OWNED GENERATION

THIS Contract is made by and between Southwestern Electric Power Company, a Delaware Corporation, (whose mailing address is P. O. Box 21106, Shreveport, Louisiana 71156) herein called the "Company", and _____, herein called the "Customer" both of which are represented by the undersigned, duly constituted representatives.

This Contract is only available together with a Contract for Electric Service with the Customer. However, if Customer is a Qualified Facility (QF) and chooses not to receive electric service from the Company, Customer will not be required to execute a Contract for Electric Service provided Customer agrees to the installation, at its sole cost, of equipment reasonably required by the Company to prevent the flow of electric service from Company to Customer. Company may, at its option, elect to install, own, operate and maintain such equipment as part of the interconnection costs associated with Customer's QF or to require the Customer to install, own, operate and maintain such equipment.

The parties hereby agree as follows:

The Customer shall generate electricity by means of a _____ generator rated at approximately _____ kilowatts, 3 phase, 60 cycle alternating current at a nominal voltage of _____. The Customer shall interconnect with the Company at a voltage of _____ with voltage regulated at +5% of nominal.

The Company shall interconnect with the electrical facilities associated with the generation of the Customer on the premises occupied by the Customer at _____. The Company will make its best efforts to have interconnection facilities in service not later than _____.

This contract is performable in _____, _____ County, Texas.

The Company, under terms of this contract, will interconnect in accordance with The Public Utility Commission of Texas (Commission) approved Terms and Conditions for Interconnection of Customer-owned Generation which is attached hereto and by this reference made a part hereof. In the event new or revised Terms and Conditions for Interconnection of Customer-owned Generation applicable to interconnection under this Contract is authorized and made effective by the duly constituted regulatory authority or authorities having jurisdiction in the premises, which said Terms and Conditions supersedes or modifies the Terms and Conditions which are attached to this contract, then from and after the date upon which said new Terms and Conditions become authorized and effective, interconnections will be in accordance with such new or revised Terms and Conditions.

The Terms and Conditions for Interconnection of Customer-owned Generation may be revised as a part of (1) a rate filing; (2) upon the agreement of the Company, any affected Customers and

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approval of the Commission; (3) or by order issued in settlement of a dispute by the Commission after a 90 day period of negotiation prior to filing such dispute.

The Customer will pay any interconnection costs which are defined as the costs of connection, switching, metering, transmission, distribution, safety provisions, or any other costs directly related to the installation and maintenance of physical facilities necessary to permit interconnected operations with the Customer, to the extent such costs are in excess of the corresponding costs that the Company would have incurred if it had not engaged in interconnected operations.

The Customer shall reimburse the Company for the actual cost of interconnection facilities prior to construction of the interconnection facilities. The Customer shall pay the Company the estimated interconnection charge of \$_____, less \$_____ previously paid on a previous contract for interconnection at the same locations. Such estimated interconnection costs are detailed in Appendix A. It is agreed that the reimbursement to the Company by the Customer for the costs of interconnection is a continuing obligation. Only when the original interconnection facilities used older, depreciated equipment within the computation of interconnection costs that must be replaced with more costly facilities, the additional cost of replacement for these older facilities will be paid by the Customer and will be considered as a change in the interconnection cost.

Upon completion of construction of the interconnection facilities, the Customer will begin paying a Monthly Maintenance Charge for maintaining facilities at the monthly maintenance charge rate applied to the estimated interconnection costs. After the actual interconnection costs are determined, the Customer shall pay the Company or the Company shall pay the Customer any difference between the actual and estimated interconnection costs, and the monthly charge for maintaining the facilities shall be adjusted to reflect the actual cost. The monthly maintenance charge rate is subject to the jurisdiction of the Commission and may be altered by the Company after approval of any new maintenance charge rate by the Commission. The currently filed monthly maintenance charge rate is 0.77% of the cost of gross investment in facilities. When any changes are made in the interconnection costs as a result of replacement of facilities, the monthly maintenance charge will be adjusted from the date of change to prospectively reflect the revised interconnection costs. The Monthly Maintenance Charge will be payable with the monthly bill for electric service as specified in the Contract for Electric Service unless the Customer is a QF delivering non-firm energy to the Company, in which case the Monthly Maintenance Charge will be reflected in the monthly statement to the Customer as specified in the applicable Commission-approved Qualified Facility Non-Firm Power Purchase Schedule.

If the Customer is a QF and chooses to deliver non-firm energy to the Company, the Company, under the terms of this Contract, will purchase non-firm energy in accordance with the Commission-approved Qualified Facility Non-Firm Power Purchase Schedule with is attached hereto and by this reference made a part hereof.

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The Company shall purchase electric energy generated by the QF beginning on the date that all interconnection facilities are in service and electric energy is available for purchase from the QF.

The line loss adjustment of the Qualified Facility Non-Firm Power Purchase Schedule Option A to be utilized for determining payments in accordance with Section I(B) is an upward or downward (strike inapplicable word) adjustment of _____%.

The Qualified Facility Non-Firm Power Purchase Schedule may be revised as part of (1) a rate filing; (2) a fuel reconciliation; (3) upon agreement of the Company, any affected QF's and approval of the Commission; (4) or by order issued in settlement of a dispute by the Commission after a 90 day period of negotiation prior to filing such dispute.

This contract shall be for an initial term of one year and shall continue in effect thereafter month to month unless terminated by either party with thirty (30) days prior written notice to the other. Provided however, that nothing in this paragraph shall be deemed to be a waiver of the Company's continuing obligation, if any, to interconnect with a Customer or to purchase energy from a QF under state and federal law.

In witness whereof, the parties hereto have caused this contract to be executed this _____ day of _____ 20____.

Witness _____
(For Customer)

By _____

Official Capacity

SOUTHWESTERN ELECTRIC POWER
COMPANY

Witness _____
(For Company)

By _____

Official Capacity