***American Electric Power’s 4CP Tariff:***

**DETERMINATION OF 4CP kW For IDR Metered Customers**

If the Billing Meter is an IDR Meter that was installed at the Retail Customer’s request, or by Commission rule, the transmission system charges will be calculated using the 4CP billing kW demand as determined in this section. The 4CP kW demand applicable under the Monthly Rate section shall be the average of the sum of the Retail Customer’s integrated 15-minute demands at the time of the monthly ERCOT system 15-minute peak demand for the months of June, July, August and September of the previous calendar year. The Retail Customer’s average 4CP kW demand will be updated effective on January 1 of each calendar year and remain fixed throughout the calendar year. Retail Customers without previous history on which to determine their 4CP kW demand will be billed at the applicable NCP kW demand rate under the “Transmission System Charge” using the Retail Customer’s NCP kW demand.

All Retail Customers with IDR metering, except IDR meters installed by Company for load survey purposes, will be billed Transmission charges on their 4CP kW demand pursuant to this schedule.

***CenterPoint Energy’s 4CP Tariff:***

**6.1.1.1.3 SECONDARY SERVICE GREATER THAN 10 KVA**

**AVAILABILITY**

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

**TYPE OF SERVICE**

Delivery Service will be single or three-phase, 60 hertz, at a standard secondary voltage. Delivery

Service will be metered using Company’s standard Meter provided for this type of Delivery Service.

Any Meter other than the standard Meter will be provided at an additional charge and/or will be provided by a Meter Owner other than the Company pursuant to Applicable Legal Authorities. Where Delivery Service of the type desired is not available at the Point of Delivery, additional charges and special contract arrangements may be required prior to Delivery Service being furnished, pursuant to Section 6.1.2.2, Construction Services, in this Tariff.

**DETERMINATION OF BILLING DEMAND FOR TRANSMISSION SYSTEM**

**CHARGES AND DISTRIBUTION SYSTEM CHARGES**

**Determination of NCP kVA** The NCP kVA applicable under the Monthly Rate section shall be the kVA supplied during the 15 minute period of maximum use during the billing month.

**Determination of 4CP kVA**. The 4 CP kVA applicable under the Monthly Rate section shall be the average of the Retail Customer’s integrated 15 minute demands at the time of the monthly ERCOT system 15-minute peak demand for the months of June, July, August and September of the previous calendar year. Retail Customers without previous history on which to determine their 4 CP kVA will be billed based on estimated 4 CP kVA in accordance with the following procedures:

1. Retail Customers having IDR data for fewer than 4 CP kVA, but at least 2 CP kVA, will be billed based on the average of the actual CP kVA, so long as the CP kVA are representative of the Retail Customer’s expected load, as derived from engineering estimates. If the CP kVA are not representative of the expected load, the estimated 4 CP kVA will be set based on mutual agreement between the Retail Customer and the Company.
2. Retail Customers that do not have at least 2 CP kVA will be billed by estimating the Retail Customer’s 4 CP kVA demand by applying a class coincidence factor to the Retail Customer’s NCP kVA, using the formula:

Estimated 4 CP kVA = (NCP kVA \* TCCF) where:

NCP kVA is the highest 15-minute integrated demand of an individual Retail Customer served at transmission voltage during the month; and

TCCF is the transmission class coincidence factor for the months June, July, August, and September calculated from the Company’s most recent general rate case proceeding using the following formula:

TCCF = Class CP kVA for June, July, August, September = 0.652679

Class NCP kVA for June, July, August, September

Where:

Class CP kVA is the transmission voltage rate class’ 15-minute demand at the time of the ERCOT CP and Class NCP kVA is the transmission voltage class’ maximum 15-minute demand during a month.

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

***Oncor’s 4CP Tariff:***

**DETERMINATION OF 4CP kW**

The 4 CP kW applicable under the Monthly Rate section shall be the average of the Retail Customer’s integrated 15 minute demands at the time of the monthly ERCOT system 15 minute peak demand for the months of June, July, August and September of the previous calendar year. The Retail Customer’s average 4CP demand will be updated effective on January 1 of each calendar year and remain fixed throughout the calendar year. Retail Customers without previous history on which to determine their 4 CP kW will be billed at the applicable NCP rate under the “Transmission System Charge” using the Retail Customer’s NCP kW.

***Texas New Mexico Power’s 4CP Tariff*:**

**Secondary and Primary Service:**

**DETERMINATION OF 4CP kW**

The 4 CP kW applicable under the Monthly Rate section shall be the average of the Retail Customer's integrated 15 minute demands at the time of the monthly ERCOT system 15 minutes peak demand for the months of June, July, August and September of the previous calendar year. The Retail Customer's average 4CP demand will be updated effective on January 1 of each calendar year and remain fixed throughout the calendar year. Retail Customers without previous history on which to determine their 4 CP kW will be billed at the applicable NCP rate under the "Transmission System Charge" using the Retail Customer's NCP kW.

Under **6.1.1.6.1 RIDER TCRF – TRANSMISSION COST RECOVERY FACTOR**

**MONTHLY RATE**

The Competitive Retailer, on behalf of the Retail Customer, will be assessed this transmission service charge adjustment based on the monthly per unit cost (TCRF) multiplied times the Retail Customer's appropriate monthly billing determinant (kWh, 4 CP kW, 4 CP kVA or NCP kW). The TCRF shall be calculated for each rate according to the following formula:

TCRF =

Where:

TCRF = Transmission Cost Recovery Factor in dollars per kWh, dollars per 4 CP kW or dollars per NCP kW to be used for billing for each listed rate schedule. The rate schedules are listed under "ALLOC" below.

NWTR; = The new wholesale transmission rate of a TSP, approved by the Commission by order or pursuant to Commission rules, since the Company's last rate

case.

BWTR; = The base wholesale transmission rate of the TSP represented in the NWTR; used to develop the retail transmission charges of the Company, in the Company's last rate case.

NL; = The Company's individual 4CP load component of the total ERCOT 4CP load used to develop the NWTR;.

ALLOC = The class allocator approved by the Commission to allocate the transmission revenue requirement among classes in the Company's last rate case, unless otherwise ordered by the Commission.

Where: ADJ = Σ=−−−61)}2 1 ({ *pppppADJPADJPREVEXP*

ADJ = Adjustment to Rate Class TCRF to include prior periods' over/(under) recovery.

EXPp = Transmission expense not included in base rates for period p.

REVp = TCRF revenue for period p.

(REV p - ADJP1 p- ADJP2p) = TCRF Revenue for period p excluding prior period adjustments included in period p.

ADJP1p = one-sixth of ADJ calculated in the previous TCRF update for the periods 5 and 6.

ADJP2p = one-sixth of ADJ calculated in the second previous TCRF update for the periods 1- 4.

BD = Each class's billing determinant (kWh, 4CP kW, 4CP kVA, or NCP kW) for the previous March 1 through August 31 period for the March 1 TCRF update, and for the previous September 1 through February 28 period for the September 1 TCRF update.

**DETERMINATION OF BILLING DEMAND FOR TRANSMISSION**

**SYSTEM CHARGES AND DISTRIBUTION SYSTEM CHARGES**

**Determination of 4CP kVA**

The 4 CP kVA applicable under the Monthly Rate section shall be the average of the Retail Customer’s integrated 15 minute demands at the time of the monthly ERCOT system 15-minute peak demand for the months of June, July, August and September of the previous calendar year. Retail Customers without previous history on which to determine their 4 CP kVA will be billed based on estimated 4 CP kVA, in accordance with the following procedures:

(a) Retail Customers having IDR data for fewer than 4 CP kVA, but at least 2 CP kVA, will be billed based on the average of the actual CP kVA, so long as the CP kVA are representative of the Retail Customer’s expected load, as derived from engineering estimates. If the CP kVA are not representative of the expected load, the estimated 4 CP kVA will be set based on mutual agreement between the Retail Customer and the Company.

(b) Retail Customers that do not have at least 2 CP kVA will be billed by estimating the Retail Customer’s 4 CP kVA demand by applying a class coincidence factor to the Retail Customer’s NCP kVA, using the formula:

Estimated 4 CP kVA = (NCP kVA \* TCCF) where:

NCP kVA is the highest 15-minute integrated demand of an individual Retail Customer served at transmission voltage during the month; and TCCF is the transmission class coincidence factor for the months June, July, August, and September calculated from the Company’s most recent UCOS proceeding using the following formula:

TCCF = Σ Class CP kVA for June, July, August, September

Σ Class NCP kVA for June, July, August, September

Where:

Class CP kVA is the transmission voltage rate class’ 15-minute demand at the time of the ERCOT CP and Class NCP kVA is the transmission voltage class’ maximum 15-minute demand during a month.

**5.5.5 POWER FACTOR**

If the Power Factor of Retail Customer’s load is found to be less than 95% lagging as measured at the Meter, Company may require Retail Customer to arrange for the installation of appropriate equipment on Retail Customer’s side of the Meter necessary to correct Retail Customer’s Power Factor between unity and 95% lagging as measured at Meter, or, if Retail Customer fails to correct its Power Factor consistent with this standard, the demand associated with Retail Customer’s use of Delivery Service, as determined in the appropriate Rate Schedules in Section 6.1 RATE SCHEDULES, may be increased according to the following formulas:

(1) Calculation of Power Factor Adjusted NCP kW.

The NCP kW applicable under the Monthly Rate section shall be modified by the following formula:

Power Factor Adjusted Monthly NCP kW=(Actual Monthly NCP kW x 0.95)/Current Month Power Factor

(2) Calculation of Power Factor Adjusted 4-CP kW.

Each of the Retail Customer’s monthly coincident peak kW demands used to calculate the Retail Customer’s average 4 CP kW demand applicable under the Monthly Rate section shall be calculated using the following formula:

Power Factor Adjusted Monthly CP kW =(Actual Monthly CP kW demand at the time of the ERCOT peak x 0.95)/Monthly Power Factor

Power Factor Adjusted 4-CP kW=average of the Retail Customer’s Monthly CP kW as adjusted for power factor if applicable.

(3) Power Factor Adjusted Monthly NCP kW demands will be used in determining the Billing kW under the applicable tariff schedule.

If Company has a different power factor billing adjustment it shall conform to these calculations upon its next general rate case.

Should a Retail Customer’s Power Factor deviate from the standard described above to the point that it is causing Delivery System problems for other Retail Customers, and the Retail Customer fails to correct the problem after sufficient notice, Company may install the necessary equipment on the Delivery System to correct the problem to the standard described above, and the Retail Customer shall be required to reimburse Company for the cost.