

**TARIFF
FOR
TRANSMISSION SERVICE**

SHARYLAND UTILITIES, L.L.C.



**SHARYLAND UTILITIES, L.L.C.
1900 North Akard
Dallas, Texas 75201**

**Tariff for Transmission Service
SHARYLAND UTILITIES, L.L.C.**

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1.0 Definitions

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1.0 Definitions

The following terms, when used in this Tariff for Transmission Service ("Tariff"), have the following definitions. Other terms used in this Tariff shall have the meanings set forth in 16 Tex. Admin. Code ("TAC") § 25.5.

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

COMMISSION or PUC. The Public Utility Commission of Texas.

COMMISSION SUBSTANTIVE RULES or PUC SUBSTANTIVE RULES. The rules contained in Chapter 25 of the Texas Administrative Code, as may be amended from time to time.

CONTRIBUTION IN AID OF CONSTRUCTION ("CIAC"). Payment by Transmission Service Customer to Sharyland for upgrades, extensions, or modifications to existing facilities that are outside of the nominal voltages and standard system configurations Sharyland utilizes. If any payment by the Transmission Service Customer is determined by Sharyland to be taxable revenue to Sharyland, the Transmission Service Customer shall also pay to Sharyland an amount equal to Sharyland's tax liability, as determined by Sharyland.

DISTRIBUTION FACILITIES. Facilities used to provide wholesale transmission service at distribution voltage.

DISTRIBUTION SERVICE PROVIDER ("DSP"). An electric utility, municipally owned utility, or electric cooperative that owns or operates for compensation in this state equipment or facilities that are used for the distribution of electricity to retail customers.

ERCOT. The Electric Reliability Council of Texas, or such other organization certified by the Commission to perform the functions prescribed by Texas Utilities Code § 39.151.

GOOD UTILITY PRACTICE. Any of the practices, methods, and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods, and acts that, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act, to the exclusion of all others, but rather is intended to include acceptable practices, methods, and acts generally accepted in the region.

INDEPENDENT SYSTEM OPERATOR ("ISO") An entity supervising the collective transmission facilities of a power region that is charged with non-discriminatory coordination of market transactions, system-wide transmission planning, and network reliability.

INTERCONNECTION AGREEMENT. An agreement setting forth the contractual conditions under which Sharyland and a Transmission Service Customer agree that one or more facilities may be interconnected with Sharyland's utility system.

KILOVOLT. 1000 volts, abbreviated kV.

KILOWATT. 1000 watts, abbreviated kW.

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POINT OF DELIVERY. The point where electric energy and/or power is metered for billing purposes

POINT OF INTERCONNECTION. The point where Sharyland's conductors are connected to a Transmission Service Customer's conductors.

POWER. The rate at which electric energy is provided for doing work. The electrical unit of power is the watt, or kilowatt.

POWER FACTOR. The ratio of real power, in kilowatts, to apparent power, in kilovolt amperes, for any given load and time, generally expressed as a percentage ratio.

RATE SCHEDULE. A statement of the method of determining charges for a service, including the conditions under which such method applies, set forth in Section 3 of this Tariff.

SHARYLAND. Sharyland Utilities, L.L.C. and its successors and assigns.

SUPERVISORY CONTROL AND DATA ACQUISITION ("SCADA"). Electronic monitoring system for electric facilities.

TRANSMISSION SERVICE. Service that allows a Transmission Service Customer to use the transmission and distribution facilities of electric utilities, electric cooperatives, and municipally owned utilities to efficiently and economically utilize generation resources to reliably serve its loads and to deliver power to another Transmission Service Customer. Includes construction or enlargement of facilities, transmission over distribution facilities, control area services, scheduling resources, regulation services, reactive power support, voltage control, provision of operating reserves, and any other associated electrical service the Commission determines appropriate, except that, on and after the implementation of customer choice in any portion of the ERCOT region, control area services, scheduling resources, regulation services, provision of operating reserves, and reactive power support, voltage control and other services provided by generation resources are not "transmission service."

TRANSMISSION SERVICE CUSTOMER. A Transmission Service Provider, DSP, river authority, municipally owned utility, electric cooperative, power generation company, retail electric provider, federal power marketing agency, exempt wholesale generator, qualifying facility, power marketer, or other person whom the Commission has determined to be eligible to be a Transmission Service Customer. A retail customer, as defined in 16 TAC § 25.5, may not be a Transmission Service Customer.

TRANSMISSION SERVICE PROVIDER. An electric utility, municipally-owned utility, or electric cooperative that owns or operates facilities used for the transmission of electricity.

WATT. The rate at which electric power is provided to do work. One watt is the power represented by current having a component of one ampere in phase with and under a pressure of one volt.

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2.0 Utility Operations
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2.0 Utility Operations

Sharyland, a Delaware limited liability company, is an electric utility engaged in the transmission of electricity wholly within the State of Texas.

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3.0 Transmission and Related Services
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3.0 Transmission and Related Services

All of the services provided pursuant to this Tariff are available to the specified entities on a non-discriminatory basis, in accordance with Commission Substantive Rules, 16 TAC §§ 25.191, 25.192, 25.195 and 25.198–25.203 (the “Transmission Rules”).

3.1 Amendment to Rules

In the event the Transmission Rules are amended or if a new rule is adopted governing the subject matter of this Tariff, this Tariff shall, nevertheless, remain effective until the new Tariff(s) filed pursuant to any such amendment(s) or such new rules are approved, unless the amendment(s) or new rules provide otherwise.

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4.0 Rate Schedules
Applicable: Wholesale Transmission Service
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4.0 Rate Schedules

4.1 Rate WTS – Wholesale Transmission Service

Applicability

This Wholesale Transmission Service Rate is applicable to all eligible Transmission Service Customers, in accordance with the Transmission Rules, to use the transmission facilities of Sharyland to reliably serve load and to deliver power to another Transmission Service Customer and to any entity scheduling the export of power from the ERCOT and will not apply to entities engaging in wholesale storage as described in 16 TAC § 25.501(m).

Type of Service

Three phase, 60 hertz alternating current, delivered onto or received from Sharyland's transmission system at 60,000 volts or greater and on transmission facilities that have been prepared and made available for this service.

Rates

Charges for Wholesale Transmission Service hereunder shall be in accordance with Texas Utilities Code § 35.004(d) and the Transmission Rules and will not apply to entities engaging in wholesale storage as described in 16 TAC § 25.501(m). For Wholesale Transmission Service, a Transmission Service Customer shall incur an access charge, as set forth below:

Access Charge

Annual Rate	\$0.563436	Per kW*
Monthly Rate	\$0.046953	Per kW*

* The kW will be adjusted annually in accordance with the Transmission Rules.

Pricing for Transmission Service for Exports from ERCOT

Charges for Wholesale Transmission Service for exports from ERCOT shall be in accordance with Texas Utilities Code § 35.004(d) and the Transmission Rules. Transmission Service Customers exporting power from ERCOT will be assessed an access charge based on the amount of power actually exported and the duration of the service requested and shall be calculated using the charges set forth below:

Access Charge

Hourly Rate	\$0.000064	Per kW
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Wholesale exports from ERCOT are subject to the satisfaction of applicable requirements necessary to provide export service.

Payment

Any charges due to Sharyland under this rate schedule shall be billed in accordance with the Transmission Rules. The Transmission Service Customer shall make payment to Sharyland in a manner consistent with the procedures and deadlines set forth in the Transmission Rules. Any late payments by customers or customer defaults shall be handled in accordance with the Transmission Rules.

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4.0 Rate Schedules

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4.2 Rate WDSS – Wholesale Distribution Substation Service

Applicability

Applicable to DSPs for transformation of electric power and energy from or to one of Sharyland's standard transmission voltages to or from one of Sharyland's standard voltages below 60 kV, for delivery of electric power and energy from or to the transmission system to or from a distribution system while maintaining reliable operation of Sharyland's delivery systems in accordance with Good Utility Practice and Commission Substantive Rules. This rate schedule is not applicable to service offered by Sharyland under another rate schedule.

Applicable to all transformation service supplied in connection with the delivery of electric power and energy to a Point of Interconnection from or to one of Sharyland's standard transmission voltages to or from one of Sharyland's standard voltages below 60 kV, measured through one meter or through separate channels of a multi-channel meter.

Type of Service

Three phase, 60 hertz, and at Sharyland's standard voltages. Where service of the type desired by Transmission Service Customer is not already available at the Point of Interconnection, additional charges and special contract arrangements between Sharyland and Transmission Service Customer may be required prior to it being furnished.

Monthly Rate

Metering Charge	\$353.39	Per Month / Per Point of Delivery with Revenue Grade Meter
Demand (Facilities) Charge	\$3.06	Per kW / Per Point of Delivery

The monthly bill for Wholesale Distribution Substation Service is the sum of the Metering Charge and Demand (Facilities) Charge, and any applicable riders.

The billing kW to be used for determining the Demand (Facilities) Charge for a month shall be the Transmission Service Customer's highest measured 15-minute kW recorded at the Point of Delivery in the 12-month period ended with the current month either for electric power and energy delivered from one of Sharyland's standard transmission voltages to one of Sharyland's standard voltages below 60 kV or for electric power and energy delivered from one of Sharyland's standard voltages below 60 kV to one of Sharyland's standard transmission voltages. If the meter at the Point of Delivery fails, SCADA information will be used to determine demand for the month.

In the event a planned Sharyland transmission event results in distribution load being transferred to a neighboring Sharyland transmission substation, Sharyland and the impacted customer will agree upon the peak demand 15-minute kW to be used until the Sharyland transmission system returns to normal state.

Payment

Any charges due to Sharyland under this rate schedule shall be billed in accordance with the Transmission Rules. The Transmission Service Customer shall make payment to Sharyland in a manner consistent with the procedures and deadlines set forth in the Transmission Rules. Any late payments by Transmission Service Customers or Transmission Service Customer defaults shall be handled in accordance with the Transmission Rules.

Contribution in Aid of Construction

In the event any new Distribution Facilities, or any upgrades, extensions or modifications to existing Distribution Facilities are outside of the nominal voltages and standard system configurations Sharyland utilizes, the Transmission

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Service Customer may be required to pay, as a Contribution in Aid of Construction, the estimated cost of such facilities, upgrades, extensions or modifications. Standard Distribution voltages and system configurations are detailed in Sharyland's WDSS services and configuration policy. If any payment by the Transmission Service Customer is determined by Sharyland to be taxable revenue to Sharyland, the Transmission Service Customer shall also pay to Sharyland an amount equal to Sharyland's tax liability, as determined by Sharyland.

4.3 Rate WDS – Wholesale Discretionary Service

Applicability

Applicable to Transmission Service Customers requesting transmission-related discretionary services. Charges for wholesale discretionary services are in addition to any other charges made under the Tariff.

Type of Service

Transmission-related discretionary services as requested by Transmission Service Customers eligible for Transmission Service in accordance with the Transmission Rules. Wholesale discretionary services will be provided on a non-discriminatory basis at the discretion of Sharyland.

Pricing

Pricing for wholesale discretionary services will be based on Sharyland's cost to provide the requested service as calculated by Sharyland, including appropriate overhead.

Payment

Any charges due to Sharyland under this rate schedule shall be billed in accordance with the Transmission Rules. The eligible entity shall make payment to Sharyland in a manner consistent with the procedures and deadlines set forth in the Transmission Rules. Any late payments or default shall be handled in accordance with the Transmission Rules.

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4.0 Rate Schedules

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4.4 Rider OPEBR – Other Post-Employment Benefits Refund

Application

Applicable to all Distribution Service Providers (“DSPs”) receiving Wholesale Transmission Service for the Other Post-Employment Benefits Refund authorized in Docket No. 51611.

Method of Calculation

$$\text{OPEBR} = \$9,808,114 / 12 \text{ months} / 2020 \text{ 4CP kW}$$

Rate Schedule	OPEBR Credit Factor
Wholesale Transmission Service, OPEBR	\$0.011522 per kW, billed at DSP utility system demand

The billing units are the total ERCOT 4CP demand for the year prior to the year the credit is disbursed. The 2020 ERCOT 4CP demand, as approved in Docket No. 51612, is 70,937,625.2 kW. The OPEBR Credit Factor and billing units will be adjusted in each calendar year to account for the Commission’s update to the ERCOT 4CP determined in the annual petition to set wholesale transmission service charges for ERCOT.

Monthly Bill Amount

The amount to be refunded is determined by multiplying the DSP’s 4CP demand coincident with the ERCOT 4CP demand used in the calculation of the OPEBR by the OPEBR Credit Factor and is rounded to the nearest cent.

Notice

Rider OPEBR is subject to Sharyland’s Tariff for Transmission Service and Applicable Legal Authorities.

Effective Period

Rider OPEBR will be effective for 12 billing months, beginning with the effective date.

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Application

Applicable to the Wholesale Distribution Substation Service (“WDSS”) customer receiving service at Sharyland’s Taylor, Bentsen and Railroad substations for the Other Post-Employment Benefits Refund authorized in Docket No. 51611.

Method of Calculation

OPEBR Credit = \$270,262 one-time credit for all Sharyland Wholesale Distribution Substation Points of Delivery

Rate Schedule

Wholesale Distribution Substation Service,
OPEBR

Monthly Bill Amount

The OPEBR is a single, one-time credit to be refunded to the WDSS customer receiving service in the month of June, 2021 at Sharyland’s Taylor, Bentsen, and Railroad substations.

Notice

Rider OPEBR is subject to Sharyland’s Tariff for Transmission Service and Applicable Legal Authorities.

Effective Period

Rider OPEBR is effective for one billing month, beginning with the effective date.

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4.5 Rider TCJA – Tax Cuts and Jobs Act of 2017 Charge

Application

Applicable to all Distribution Service Providers (“DSPs”) receiving Wholesale Transmission Service for the Tax Cuts and Jobs Act of 2017 Charge authorized in Docket No. 51611.

Method of Calculation

$$\text{TCJA} = \$2,080,253 / 12 \text{ months} / 2020 \text{ 4CP kW}$$

Rate Schedule

Wholesale Transmission Service,
TCJA

TCJA Charge Factor

\$.002444 per kW, billed at DSP
utility system demand

The billing units are the total ERCOT 4CP demand for the year prior to the year the charge is collected. The 2020 ERCOT 4CP demand, as approved in Docket No. 51612, is 70,937,625.2 kW. The TCJA Charge Factor and billing units will be adjusted in each calendar year to account for the Commission’s update to the ERCOT 4CP determined in the annual petition to set wholesale transmission service charges for ERCOT.

Monthly Bill Amount

The amount to be charged is determined by multiplying the DSP’s 4CP demand coincident with the ERCOT 4CP demand used in the calculation of the TCJA by the TCJA Charge Factor and is rounded to the nearest cent.

Notice

Rider TCJA is subject to Sharyland’s Tariff for Transmission Service and Applicable Legal Authorities.

Effective Period

Rider TCJA is effective for 12 billing months, beginning with the effective date.

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Application

Applicable to the Wholesale Distribution Substation Service (“WDSS”) customer receiving service at Sharyland’s Taylor, Bentsen and Railroad substations for the Tax Cuts and Jobs Act of 2017 Charge authorized in Docket No. 51611.

Method of Calculation

TCJA Charge = \$77,908 one-time charge for all Sharyland Wholesale Distribution Substation Points of Delivery

Rate Schedule

Wholesale Distribution Substation Service,
TCJA

Monthly Bill Amount

The TCJA is a single, one-time charge to be billed to the WDSS customer receiving service in the month of June, 2021 at Sharyland’s Taylor, Bentsen, and Railroad substations.

Notice

Rider TCJA is subject to Sharyland’s Tariff for Transmission Service and Applicable Legal Authorities.

Effective Period

Rider TCJA is effective for one billing month, beginning with the effective date.

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4.0 Rate Schedules

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4.6 Rider TCOSR – Transmission Cost of Service Refund

Application

Applicable to all Distribution Service Providers (“DSPs”) receiving Wholesale Transmission Service for the Transmission Cost of Service Refund authorized in Docket No. 51611.

Method of Calculation

$$\text{TCOSR} = \$13,000,000 / 12 \text{ months} / 2020 \text{ 4CP kW}$$

Rate Schedule

Wholesale Transmission Service,
TCOSR

TCOSR Credit Factor

\$0.015272 per kW, billed at DSP
utility system demand

The billing units are the total ERCOT 4CP demand for the year prior to the year the credit is disbursed. The 2020 ERCOT 4CP demand, as approved in Docket No. 51612, is 70,937,625.2 kW. The TCOSR Credit Factor and billing units will be adjusted in each calendar year to account for the Commission’s update to the ERCOT 4CP determined in the annual petition to set wholesale transmission service charges for ERCOT.

Monthly Bill Amount

The amount to be refunded is determined by multiplying the DSP’s 4CP demand coincident with the ERCOT 4CP demand used in the calculation of the TCOSR by the TCOSR Credit Factor and is rounded to the nearest cent.

Notice

Rider TCOSR is subject to Sharyland’s Tariff for Transmission Service and Applicable Legal Authorities.

Effective Period

Rider TCOSR is effective for 12 billing months, beginning with the effective date.

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5.0 Service Regulations and Standard Agreements
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5.0 Service Regulations and Standard Agreements

5.1 Foreword

These Service Regulations govern Sharyland's provision of Wholesale Transmission Service, Wholesale Distribution Substation Service, interconnection of facilities, and wholesale discretionary services to Transmission Service Customers. Such Service Regulations are subject to change from time to time by Sharyland and regulatory authorities having jurisdiction.

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5.2 Availability

Transmission Services are available on a non-discriminatory basis to any eligible Transmission Service Customer using any transmission facilities owned by Sharyland at all points where transmission facilities of adequate capacity and suitable voltage are available to provide service, in accordance with the Transmission Rules.

5.3 Transmission Service Requirements

As a condition to obtaining Transmission Service that requires an interconnection with Sharyland's transmission facilities, the eligible Transmission Service Customer shall execute an Interconnection Agreement with Sharyland, containing terms and provisions consistent with the Transmission Rules, prior to commencement of such service. In addition, a Transmission Service Agreement may be required for interconnection of a DSP. A form Transmission Service Agreement is included with this Tariff in Section 5.12. Sharyland reserves the right to deviate from the form Transmission Service Agreement upon terms that are mutually agreed with the counterparty.

5.4 Conditions Precedent for Receiving Transmission Service

Subject to the terms and conditions hereof and of the Transmission Rules, Sharyland will provide Transmission Service to any eligible Transmission Service Customer, provided that:

- (A) the eligible Transmission Service Customer has completed an application for Transmission Service, if requested by Sharyland;
- (B) the Transmission Service Customer, if directly connected to Sharyland's transmission system, (1) has an executed Interconnection Agreement under this Tariff or, if necessary, has requested in writing that Sharyland file a proposed unexecuted agreement with the PUC, and (2) has an executed Transmission Service Agreement, if required by Sharyland, for interconnection of a DSP;
- (C) the installation of all equipment specified under the Interconnection Agreement has been completed in a manner consistent with North American Electric Reliability Corporation ("NERC") and ERCOT guidelines as set forth in the Transmission Rules;
- (D) each wholesale load for which Transmission Service is requested maintains a power factor of 95% or greater at each Point of Interconnection;
- (E) the eligible Transmission Service Customer has constructed, maintains and operates the facilities on its side of each Point of Interconnection that are necessary to reliably interconnect and deliver power from a resource to Sharyland's transmission system or from Sharyland's transmission system to the Transmission Service Customer's loads;
- (F) to the extent that the Interconnection Agreement requires the addition of facilities or upgrades to the transmission system, such facilities have been placed in service; and
- (G) the eligible Transmission Service Customer has complied with all Transmission Rules.

5.5 Application Procedures for Transmission Service

Sharyland and the Transmission Service Customer shall comply with the application procedures for Transmission Services set forth in the Transmission Rules, which shall govern such procedures, and this Tariff.

5.6 Construction of New Facilities

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Construction of transmission facilities needed to accommodate a request for Transmission Service shall be in accordance with the procedures set forth in the Transmission Rules and NERC guidelines. Upon receipt of a request for Transmission Service, ERCOT shall, if necessary, initiate a System Security Screening Study in accordance with the Transmission Rules. Based on the results of the System Security Screening Study, if additions or upgrades to the transmission system are needed to supply the Transmission Service Customer's forecasted transmission requirements, Sharyland will, upon the approval of the request, initiate a facilities study, in accordance with the Transmission Rules. An executed facility study agreement with the Transmission Service Customer is required prior to Sharyland performing a facilities study. In the event that there are any upgrades, extensions or modifications to existing facilities to support the requested Transmission Service that are outside of the nominal voltages and standard system configurations Sharyland utilizes, the Transmission Service Customer may be required to provide a Contribution in Aid of Construction.

5.7 Load Shedding and Curtailment

Transmission Service hereunder shall be subject to, and Sharyland and the Transmission Service Customer will comply with, the load shedding and curtailment procedures established under the Transmission Rules.

5.8 Voltage Support

Sharyland will provide all devices necessary to maintain proper operating voltages on the transmission system in accordance with Good Utility Practice for voltage support and in accordance with the requirements of the ERCOT ISO, or its successor.

5.9 Reliability Guidelines

To maintain reliability of the ERCOT transmission grid, Sharyland shall operate its transmission system in accordance with ERCOT protocols, ERCOT operating guides, NERC guidelines, and any other guidelines of the ISO that may apply to Sharyland's transmission system.

Sharyland reserves the right, consistent with Good Utility Practice and on a non-discriminatory basis, to interrupt Transmission Service without liability on Sharyland's part for the purpose of making necessary adjustments to, changes in, or repairs to its lines, substations, and other facilities, or where the continuance of Transmission Service would endanger persons or property. In the event of any adverse condition or disturbance on Sharyland's system or any other system directly or indirectly interconnected with Sharyland's system, Sharyland, consistent with Good Utility Practice, also may interrupt Transmission Service on a non-discriminatory basis in order to limit the extent or damage of the adverse condition or disturbance, to prevent damage to generating or transmission facilities, or to expedite restoration of service.

Sharyland will give the Transmission Service Customer as much advance notice as is practicable in the event of such interruption and shall restore service with due diligence.

5.10 Discretionary Services

A Discretionary Service Agreement is required for discretionary services. A form Discretionary Service Agreement is included with this Tariff in Section 5.12. Sharyland reserves the right to deviate from the form Discretionary Service Agreement upon terms that are mutually agreed with the counterparty.

5.11 Notice

Service hereunder is subject to this Tariff and Applicable Legal Authorities.

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5.12 Standard Agreements

5.12.1 Transmission Service Agreement

TRANSMISSION SERVICE AGREEMENT

This Transmission Service Agreement (“Agreement”) is made and entered into on the Effective Date set forth herein by Sharyland Utilities, L.L.C. (“Company”), a Delaware limited liability company, and _____ (“Customer”), a _____ [specify whether corporation, and if so name state, municipal corporation, cooperative corporation, or other], each hereinafter sometimes referred to individually as “Party” or both referred to collectively as the “Parties.” In consideration of the mutual covenants set forth herein, the Parties agree as follows:

1. **Transmission Service** – Company will provide transmission service, and Customer will accept, through Company’s transmission system and distribution system (if applicable) in connection with the delivery of power and energy from resources to loads in accordance with Public Utility Commission of Texas (“PUC”) Substantive Rules, requirements adopted by the Electric Reliability Council of Texas (“ERCOT”) relating to the interconnection and operation of transmission systems in ERCOT, as amended from time to time, and any successors thereto, Company’s Tariff for Transmission Service, as it may from time to time be fixed and approved by the PUC, and this Agreement.
2. **Access Charge** – Customer must pay, in accordance with the provisions of this Agreement, an access charge for Wholesale Transmission Service, determined in accordance with Company’s Rate WTS – Wholesale Transmission Service or its successor (together with all riders applicable thereto), as they may from time to time be fixed and approved by the PUC.
3. **Additional Services to be Provided** – In connection with the Wholesale Transmission Service contemplated by this Agreement, Company will provide, and Customer will pay for, the additional services that are indicated below:
 - (a) **Transformation Service** (Yes ____/No ____). This service consists of Company providing transformation of electric power and energy from or to one of Company’s standard transmission voltages (60 kV or higher) to or from one of Company’s standard voltages below 60 kV. This service is provided, and the charge for this service is determined, in accordance with Company’s Rate WDSS – Wholesale Distribution Substation Service or its successor (together with all riders applicable thereto), as it may from time to time be fixed and approved by the PUC. The supplemental terms and conditions applicable to such service, including the locations at which the service is to be provided, are specified in Exhibit A.
 - (b) **Other** (Yes ____/No ____) [If yes, specify other service(s) to be provided under this Agreement, applicable rate schedule(s), and whether supplemental terms and conditions applicable to such service(s) are specified _____ in _____ attached _____ Exhibit.]

_____.
4. **Effective Date** – This Agreement becomes effective on _____ (“Effective Date”).
5. **Other Services** – This Agreement does not obligate Company to provide, or entitle the Customer to receive, any service not expressly provided for herein. Customer is responsible for making the arrangements necessary for it to receive any other service that it may desire from Company or any third party.

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6. **Governing Law and Regulatory Authority** – This Agreement is executed in the State of Texas and must in all respects be governed by, interpreted, construed, and enforced in accordance with the laws thereof. This Agreement is subject to all valid, applicable federal, state, and local laws, ordinances, and rules and regulations of duly constituted regulatory authorities having jurisdiction.
7. **Amendment** – This Agreement may be amended only upon mutual agreement of the Parties, which amendment will not be effective until reduced to writing and executed by the Parties.
8. **Entirety of Agreement and Prior Agreements Suspended** – This Agreement, including all attached Exhibits, which are expressly made a part hereof for all purposes, constitutes the entire agreement and understanding between the Parties with regard to the service(s) expressly provided for in this Agreement. The Parties are not bound by or liable for any statement, representation, promise, inducement, understanding, or undertaking of any kind or nature (whether written or oral) with regard to the subject matter hereof not set forth or provided for herein. This Agreement replaces all prior agreements and undertakings, oral or written, between the Parties with regard to the subject matter hereof, including without limitation _____ [specify any prior agreements being superseded], and all such agreements and undertakings are agreed by the Parties to no longer be of any force or effect. It is expressly acknowledged that the Parties may have other agreements covering other services not expressly provided for herein, which agreements are unaffected by this Agreement.
9. **Notices** – Notices given under this Agreement are deemed to have been duly delivered if hand delivered or sent by United States certified mail, return receipt requested, postage prepaid, to:
- (a) If to Company:
- _____

- (b) If to Customer:
- _____

- The above-listed names, titles, and addresses of either Party may be changed by written notification to the other.
10. **Invoicing and Payment** – Invoices for sums due hereunder will be rendered monthly by Company to Customer at the following address (or such other address directed in writing by Customer):
- _____

Company must receive payment by the date due under the applicable rate schedule, unless the Company and the Customer agree on another mutually acceptable deadline, in accordance with the Company's Tariff for Transmission Service and applicable PUC Substantive Rules. Interest will accrue on any unpaid amount, calculated in accordance with applicable PUC Substantive Rules. When payments are made by mail, bills are considered as having been paid on the date of receipt by Company. Payments by Customer to Company under this Agreement must be made in immediately available funds payable to Company or by wire transfer to _____, for credit to Company Account No. _____ with sufficient information to identify the source and application of the funds, or to such other bank account so directed in writing by Company.

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11. **No Third-Party Beneficiaries** – This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.
12. **No Waiver** – The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered to waive the obligations, rights, or duties imposed upon the Parties.
13. **Taxes** – All present or future federal, state, municipal, or other lawful taxes (other than federal income taxes) applicable by reason of any service performed by Company, or any compensation paid to Company, hereunder must be paid by Customer.
14. **Headings** – The descriptive headings of the various articles and sections of this Agreement have been inserted for convenience of reference only and are to be afforded no significance in the interpretation or construction of this Agreement.
15. **Multiple Counterparts** – This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.
16. **Other Terms and Conditions** – _____.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed by their respective duly authorized representatives.

Sharyland Utilities, L.L.C.

[CUSTOMER NAME]

BY: _____

BY: _____

TITLE: _____

TITLE: _____

DATE: _____

DATE: _____

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<u>Point of Delivery</u>	<u>Rate Schedule</u>	<u>Summer Peak Demand</u>	<u>Winter Peak Demand</u>

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5.12.2 Discretionary Service Agreement

DISCRETIONARY SERVICE AGREEMENT

This Discretionary Service Agreement (“Agreement”) is made and entered into on the Effective Date set forth herein by Sharyland Utilities, L.L.C. (“Company”), a Delaware limited liability company, and _____ (“Customer”), a [specify whether corporation, and if so name state, municipal corporation, cooperative corporation, or other] _____, each hereinafter sometimes referred to individually as “Party” or both referred to collectively as the “Parties.” In consideration of the mutual covenants set forth herein, the Parties agree as follows:

1. **Discretionary Service to be Provided** – Company agrees to provide, and Customer agrees to pay for, Discretionary Service in accordance with this Agreement and Company’s Rate WDS – Wholesale Discretionary Services contained in Company’s Tariff for Transmission Service, as it may from time to time be fixed and approved by the Public Utility Commission of Texas (“PUC”), including the Service Regulations contained therein. A description of the Discretionary Service(s) to be provided, the location at which the Discretionary Service(s) will be provided, and the cost and scheduling of, and any supplemental terms and conditions applicable to, such service(s) are contained in Exhibit A.
2. **Nature of Service and Company’s Tariff for Transmission Service** – Any Discretionary Service covered by this Agreement will be provided by Company, and accepted by Customer, in accordance with applicable PUC Substantive Rules and Company’s Tariff for Transmission Service. During the term of this Agreement, Company is entitled to discontinue service, interrupt service, or refuse service initiation requests under this Agreement in accordance with applicable PUC Substantive Rules and Company’s Tariff for Transmission Service. Company’s Tariff for Transmission Service is part of this Agreement to the same extent as if fully set out herein. Unless otherwise expressly stated in this Agreement, the terms used herein have the meanings ascribed thereto in Company’s Tariff for Transmission Service.
3. **Discretionary Service Charges** – Charges for any Discretionary Service covered by this Agreement are determined in accordance with Company’s Tariff for Wholesale Transmission Service. Company and Customer agree to comply with PUC or court orders concerning Discretionary Service charges.
4. **Term and Termination** – This Agreement becomes effective _____ (the “Effective Date”) and will thereafter continue in effect until _____. Termination of this Agreement does not relieve Company or Customer of any obligation accrued or accruing prior to termination.
5. **No Other Obligations** – This Agreement does not obligate Company to provide, or entitle Customer to receive, any service not expressly provided for herein. Customer is responsible for making the arrangements necessary for it to receive any further services that it may desire from Company or any third party.
6. **Governing Law and Regulatory Authority** – This Agreement was executed in the State of Texas and must in all respects be governed by, interpreted, construed, and enforced in accordance with the laws thereof. This Agreement is subject to all valid, applicable federal, state, and local laws, ordinances, and rules and regulations of duly constituted regulatory authorities having jurisdiction.
7. **Amendment** – This Agreement may be amended only upon mutual agreement of the Parties, which amendment will not be effective until reduced to writing and executed by the Parties. Changes to applicable PUC Substantive Rules and Company’s Tariff for Transmission Service, however, are applicable to this Agreement upon their effective date and do not require an amendment of this Agreement.

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8. **Entirety of Agreement and Prior Agreements Superseded** – This Agreement, including all attached Exhibits, which are expressly made a part hereof for all purposes, constitutes the entire agreement and understanding between the Parties with regard to the service(s) expressly provided for in this Agreement. The Parties are not bound by or liable for any statement, representation, promise, inducement, understanding, or undertaking of any kind or nature (whether written or oral) with regard to the subject matter hereof not set forth or provided for herein. This Agreement replaces all prior agreements and undertakings, oral or written, between the Parties with regard to the subject matter hereof, and all such agreements and undertakings are agreed by the Parties to no longer be of any force or effect. It is expressly acknowledged that the Parties may have other agreements covering other services not expressly provided for herein, which agreements are unaffected by this Agreement.

9. **Notices** – Notices given under this Agreement are deemed to have been duly delivered if hand delivered or sent by United States certified mail, return receipt requested, postage prepaid, to:

(a) If to Company:

(b) If to Customer:

The above-listed names, titles, and addresses of either Party may be changed by written notification to the other.

10. **Invoicing and Payment** – Invoices for any Discretionary Service covered by this Agreement will be mailed by Company to the following address (or such other address directed in writing by Customer), unless Customer is capable of receiving electronic invoicing from Company, in which case Company is entitled to transmit electronic invoices to Customer.

11. **No Waiver** – The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered to waive the obligations, rights, or duties imposed upon the Parties.

12. **Taxes** – All present or future federal, state, municipal, or other lawful taxes applicable by reason of any service performed by Company, or any compensation paid to Company, hereunder must be paid by Customer.

13. **Headings** – The descriptive headings of the various articles and sections of this Agreement have been inserted for convenience of reference only and are to be afforded no significance in the interpretation or construction of this Agreement.

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

15. **Other Terms and Conditions** – _____

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IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed by their respective duly authorized representatives.

Sharyland Utilities, L.L.C.

[CUSTOMER NAME]

BY: _____

BY: _____

TITLE: _____

TITLE: _____

DATE: _____

DATE: _____

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<u>Discretionary Service to be Provided</u>	<u>Location / Cost & Schedule / Supplemental Terms and Conditions</u>