TRANSMISSION SERVICE TARIFF
OF
CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
FOR TRANSMISSION SERVICE TO FROM
AND OVER CERTAIN INTERCONNECTIONS

FERC ELECTRIC TARIFF, SIXTH REVISED VOLUME NO. 1

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Form of Transmission Service Agreement

TRANSMISSION SERVICE TARIFF

Authority

This Transmission Service Tariff is filed by CenterPoint Energy Houston Electric, LLC ("CenterPoint Houston" or "the Transmission Provider") in accordance with the "Order Requiring Interconnection and Wheeling, and Approving Settlement" issued by the Federal Energy Regulatory Commission ("FERC" or "Commission") in Docket Nos. EL79-8 and E-9558, on October 28, 1981, as corrected by the Errata Notice issued November 5, 1981, as modified by the "Order on Rehearing" issued January 29, 1982, incorporating by reference the form of Order Approving Settlement submitted with the Second Supplemental Offer of Settlement in that proceeding and as modified by the Order Approving Settlement issued July 23, 1987 in Docket No. EL79-8-002, and in accordance with the "Order Directing Interconnection and Transmission Services, Approving Settlement and Accepting Interconnection Agreement for Filing" issued by the Commission in Docket Nos. TX02-2-000 and ER02-1654-000 on May 31, 2002 (collectively referred to herein as the "Orders"). The Transmission Provider will provide Transmission Service to, from and over certain Interconnections pursuant to the terms and conditions of this tariff ("Tariff") and the Electric Reliability Council of Texas ("ERCOT") Protocols. While the services to be rendered and the terms and conditions of such service are governed by said Orders and such services are rendered under this Tariff in accordance with said Orders, the Transmission Provider offers under this Tariff transmission services consistent with the Pro-Forma Open Access Transmission Tariff adopted by the Commission in Order No. 888 in Docket No. RM95-8-000, "Promoting

Wholesale Competition Through Open Access Non-Discriminatory Transmission Service by Public Utilities."

CenterPoint Houston shall not be required to provide service or to maintain any existing or future interconnection which is necessary to facilitate the transmission, sale, exchange, wheeling, coordination or commingling of electric power in interstate commerce to or from and over the Interconnections or within the State of Texas, in the event it determines that to do so would affect its non-jurisdictional status under the Federal Power Act unless any such interconnection is a non-jurisdictional interconnection ordered by the Commission under the provisions of Sections 210, 211 and 212 of such Act.

1.1 Definitions

1.2 Ancillary Services: Those services that are necessary to support the transmission of energy from Resources to Loads while maintaining reliable operation of the Transmission Provider's Transmission System in accordance with Good Utility Practice and ERCOT Protocols.

1.3 Balanced Schedule: An Energy and Ancillary Service schedule submitted to ERCOT by a QSE that consists of projected interval Obligations and projected interval Supply, and that includes QSE Obligations for Transmission Losses. A Balanced Supply and Obligation Schedule must have aggregate Supply equal to aggregate Obligations, by Settlement Interval.

1.4 CenterPoint Houston: CenterPoint Energy Houston Electric, LLC, or its successors and assigns.

1.5 Chapter 25: Chapter 25, Subchapter I, Division 1 of the PUCT's Substantive Rules, as amended from time to time.

1.6 Commercially Significant Constraint ("CSC"): A constraint in the ERCOT Transmission Grid that is found to result in Congestion which limits the free flow of energy within the ERCOT market to a commercially significant degree.

1.7 Commission: The Federal Energy Regulatory Commission, or its successor in function.

1.8 Congestion: The situation that exists when requests for power transfers across a Transmission Facility element or set of elements, when netted, exceed the transfer capability of such elements.

1.9 Congestion Zone: A grouping of busses that create a similar Shift Factor on CSCs.

1.10 Control Area: An electrical system, bound by interconnect metering and telemetry, which continuously regulates, through automatic Resource control, its Resource(s) and interchange schedules to match its system Load, regulates frequency, and meets all applicable Control Area requirements.

1.11 Designated Agent: Any entity that performs actions or functions on behalf of the Transmission Provider or the Transmission Customer required under this Tariff.

1.12 East Interconnection: The East Interconnection consists of: (1) a 345 kV alternating current (AC) switchyard facility at the Monticello generating station necessary for the interconnection of the Oncor Electric Delivery AC electric system with the Welsh-Monticello Line; (2) the "Welsh-Monticello Line," a 345 kV AC transmission line

between the Monticello switchyard facility (described in the preceding clause) and the Interconnection Terminal ("Interconnection Terminal"); (3) the Interconnection Terminal, consisting of high voltage back-to-back converters, having a nominal capacity of 600 MW, of which the Transmission Provider owns 200 MW, and related facilities and the land on which such facilities are located; and (4) a 345 kV AC switchyard facility at the SWEPCO Welsh generating station interconnecting the SWEPCO AC electric system with the Interconnection Terminal.

1.13 Electric Reliability Council of Texas ("ERCOT"): A Texas nonprofit corporation that has been certified by the PUCT as the Independent Organization, as defined in §39.151 of PURA, for the ERCOT Region, or its successor in function.

1.14 ERCOT Protocols: Body of procedures developed by ERCOT, as amended from time to time, to maintain the reliability of the regional electric network and account for the production and delivery of electricity among Resources and market participants. The procedures, initially approved by the PUCT, include a revisions process that may be appealed to the PUCT, and are subject to the oversight and review of the PUCT.

1.15 ERCOT Region: The geographic area under the jurisdiction of the PUCT that is served by transmission service providers that are not synchronously interconnected with transmission service providers outside of the state of Texas.

1.16 Generation Resources: Facilities that produce energy and that are owned or operated by a Generation Entity.

1.17 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 which, 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 to be acceptable practices, methods, or acts generally accepted in the electric utility industry.

1.18 Inadvertent Energy: Differences between deemed meter readings at the Interconnections, based on schedules, and the actual metered values at the Interconnection meters.

1.19 Interconnection Operator: American Electric Power Service Corporation, or its successors or assigns, with respect to the North Interconnection and the East Interconnection; Oncor Electric Delivery, with respect to the Valley Interconnection; or operators of other Interconnections.

1.20 Interconnection(s): The North Interconnection, the East Interconnection, the Valley Interconnection or other interconnection facilities ordered by the FERC allowing the transfer of electricity between the ERCOT Region and non-ERCOT Control Area(s).

1.21 Load: The amount of electric power delivered at any specified point or points on a system.

1.22 NERC: North American Electric Reliability Council, or its successor in function.

1.23 North Interconnection: The North Interconnection consists of the high voltage back-to-back converters on either side of the ERCOT-SPP border at Oklaunion, Texas, having a nominal capacity of 200 MW.

1.24 Obligation: Total Obligations scheduled by a QSE that are comprised of energy Obligations and Ancillary Services Obligations where:

> Energy Obligations = Load + losses + energy sales + energy exports; and Ancillary Services Obligations = ERCOT allocated Ancillary Services Obligations (which may be self-arranged) + Ancillary Services sales (to ERCOT or to other QSEs)

1.25 Operating Period: A two-hour period comprised of the current clock hour and the hour preceding the current clock hour.

1.26 Party(ies): The Transmission Provider and/or the Transmission Customer receiving service under this Tariff.

1.27 PUCT: The Public Utility Commission of Texas, or its successor in function.

1.28 Qualified Scheduling Entity ("QSE"): A market participant that is qualified by ERCOT in accordance with ERCOT Protocol Section 16, Qualification of Qualified Scheduling Entities and Registration of Market Participants, to submit Balanced Schedules and Ancillary Services bids and settle payments with ERCOT.

1.29 Resources: Facilities capable of providing electrical energy or Load capable of reducing, or increasing the need for electrical energy or providing Ancillary Services to the ERCOT System. This includes Generation Resources and Loads acting as Resources.

1.30 Shift Factor: A measure of the flow of a unit injection of the power on the transmission element from a particular bus to a fixed reference bus.

1.31 SPP: Southwest Power Pool, or its successor in function.

1.32 Supply: Total supply scheduled by a QSE that is comprised of Energy Supply and Ancillary Services Supply where:

> Energy Supply = Resources + energy purchases + energy imports; and Ancillary Services Supply = Resources + Ancillary Services purchases (including purchases through ERCOT) + Ancillary Services imports.

1.33 SWEPCO: Southwestern Electric Power Company, or its successors or assigns.

1.34 Transmission Customer: A transmission service provider, distribution service provider, 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 PUCT has determined to be eligible to be a Transmission Customer. However, with respect to transmission service that the Commission is prohibited from ordering by Section 212(h) of the Federal Power Act, such entity is eligible only if the service is

provided pursuant to a state requirement that the Transmission Provider offer the unbundled transmission service, or pursuant to a voluntary offer of such service by the Transmission Provider.

1.35 Transmission Facilities: The following Facilities are deemed to be Transmission Facilities:

(a) Power lines, substation, and associated Facilities, operated at 60 kV or above, including radial lines operated at or above 60 kV.

(b) Substation Facilities on the high side of the transformer, in a substation where power is transformed from a voltage higher than 60 kV to a voltage lower than 60 kV or is transformed from a voltage lower than 60 kV to a voltage higher than 60 kV.

(c) The direct current interconnections with the Southwest Power Pool, Western System Coordinating Council, Comision Federal de Electricidad, or other interconnections.

1.36 Transmission Losses: Difference between energy input into the ERCOT Transmission Grid and the energy taken out of the ERCOT Transmission Grid.

1.37 Transmission Provider: CenterPoint Houston, or its successors or assigns.

1.38 Transmission Service: Service that allows a Transmission Customer to use the transmission and distribution facilities of the Transmission Provider to transmit energy from Resources to Loads.

1.39 Transmission System: The facilities owned, controlled, operated or supported by the Transmission Provider that are used to provide Transmission Service under this Tariff.

1.40 Oncor Electric Delivery: Oncor Electric Delivery Company, or its successors and assigns.

1.41 Unaccounted for Energy ("UFE"): The difference between total metered Load each settlement period, adjusted for applicable distribution losses and transmission losses, and total ERCOT System net generation.

1.42 Valley Interconnection: The alternating current interconnection, consisting of a 345 kV interconnection at the Valley Switching Station, located in Fannin County, Texas, with the 345 kV transmission line extending from the Valley Switching Station to the natural gas-fired generating facility in Pittsburgh County, Oklahoma. The Valley Interconnection was constructed pursuant to a FERC order.

2.1 Open Access to the ERCOT Transmission Grid

2.2 Nature of Transmission Service: Transmission Service allows for power delivery from Resources to serve Loads, inside and outside of the ERCOT Region. Transmission Service provided pursuant to this Tariff permits Transmission Customers to use the Transmission System of the Transmission Provider. Transmission Service under this Tariff shall be available to Transmission Customers served at either transmission voltage or distribution voltage. Transmission Service shall be provided pursuant to Chapter 25, Commission-approved tariffs, the ERCOT Protocols, and FERC requirements.

2.3 Obligation to Provide Transmission Service: Transmission Service will be available to all Transmission Customers. Energy must be scheduled with ERCOT through a QSE pursuant to ERCOT Protocols in order to be transmitted across the Interconnections.

2.4 Initiating Transmission Service: Transmission Customers should contact ERCOT at www.ercot.com to initiate transmission service. A list of QSEs providing scheduling services is also provided on this website.

3.1 Scheduling of Transmission Service

3.2 Control Area Operations: Control Area schedules between the ERCOT Control Area and interconnected non-ERCOT Control Area(s), through the use of schedules over the Interconnections, will be implemented in accordance with ERCOT Protocols, NERC scheduling protocols, and in compliance with NERC operating policies. ERCOT will perform schedule confirmation with the applicable interconnected non-ERCOT Control Area(s) and will coordinate the approval process for the NERC tags with both the ERCOT Control Area and on behalf of the Transmission Provider.

3.3 Linkage of Schedules with Interconnected Non-ERCOT Control Area Schedules: ERCOT will match the Balanced Supply and Obligation Schedules submitted by the QSEs with interconnected non-ERCOT Control Area schedules obtained through the NERC scheduling process to confirm schedules and perform checkouts with adjacent interconnected non-ERCOT Control Areas. ERCOT will determine the linkage between interconnected non-ERCOT Control Area schedules and Balanced Supply and Obligation Schedules submitted by QSEs. QSE schedules to and over the Interconnections are an Obligation. QSE schedules over and from the

Interconnections are a Supply. If a match does not exist between the interconnected non-ERCOT Control Area schedule and the QSE schedule to or from the Interconnections, then ERCOT will deny the QSE Control Area schedule with the applicable interconnected non-ERCOT Control Area(s).

3.4 Operation of Interconnections: ERCOT will confirm interconnected non-ERCOT Control Area schedules with the Interconnection Operator, who will control the Interconnections to the schedules agreed to by ERCOT and the interconnected non-ERCOT Control Area(s).

3.5 Settlement with ERCOT: A QSE exporting from ERCOT through an Interconnection export schedule will include that Interconnection export schedule as an Obligation in its Balanced Schedule by using the identifier field indicating the appropriate Interconnection. Exports from ERCOT to and over the Interconnections will be treated as a Load connected at transmission voltage in the settlement system and are responsible for allocated Ancillary Services, Transmission Losses, UFE, ERCOT administrative fees, Settlement and Billing, and any other applicable ERCOT fees.

A QSE importing into ERCOT through the Interconnection import schedule will include that Interconnection import schedule as a Supply in its Balanced Schedule by using the identifier field indicating the appropriate Interconnection. Imports into ERCOT over and from the Interconnections will be treated as generation into the applicable Congestion Zone in the settlement system.

Any changes in the interconnected non-ERCOT Control Area schedules due to a de-rating of the Interconnections or other change within the NERC scheduling protocols will be communicated to ERCOT by the Interconnection Operator or the

interconnected non-ERCOT Control Area(s) operator. For any interconnected non-ERCOT Control Area schedules that are revised during the Operating Period, the Interconnection Operator shall communicate to ERCOT the integrated schedule. If the Interconnection schedule flows as planned, then ERCOT will use schedules as the deemed meter readings for purposes of settlement. If the interconnected non-ERCOT Control Area schedule changes during the Operating Period, then ERCOT will use the changed interconnected non-ERCOT Control Area schedule as the deemed meter readings for purposes of settlement. ERCOT will not change Balanced Supply and Obligation Schedule of the QSE during the Operating Period.

3.6 Inadvertent Energy Account: Any difference between the net of deemed meter readings at the Interconnections and the actual metered value at the Interconnections will be tracked in an Inadvertent Energy Account between ERCOT and each interconnected non-ERCOT Control Area. ERCOT will coordinate operation of the Interconnection with the Interconnection Operator such that the Inadvertent Energy Account is maintained as close to zero as possible. Corrections of inadvertent energy between ERCOT and the interconnected non-ERCOT Control Areas will be in accordance with the NERC scheduling protocols and the ERCOT Protocols.

4.0 Metering and Communication

Metering and communication shall be provided in accordance with the ERCOT Protocols and requirements of the Interconnection Operator.

5.0 Curtailment of Transmission Service

ERCOT shall direct non-discriminatory emergency Load shedding and curtailment procedures for responding to emergencies on the Transmission System in

accordance with ERCOT Protocols and Chapter 25. Market mechanisms contained in the ERCOT Protocols shall be used to manage Congestion. During any period when ERCOT determines that a transmission constraint exists on the Transmission System, and such constraint may impair the reliability of the Transmission Provider's system or adversely affect the operations of the Transmission Provider or the Transmission Customer, ERCOT will take actions, consistent with Good Utility Practice and the ERCOT Protocols, that are reasonably necessary to maintain the reliability of the Transmission System and avoid interruption of service. ERCOT shall notify the Transmission Provider and Transmission Customer of the actions being taken. In these circumstances, the Transmission Provider and Transmission Customer shall take such actions as ERCOT directs.

Notwithstanding any other provisions of this section, the Transmission Provider may, consistent with Good Utility Practice and on a non-discriminatory basis, interrupt Transmission Service 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.

6.0 Transmission Losses

Transmission Losses are associated with all transmission service. The Transmission Customer is responsible for losses associated with all transmission service as calculated pursuant to the ERCOT Protocols.

7.0 Transmission Customer Responsibilities

The Transmission Customer shall complete any necessary technical arrangements prior to commencement of Transmission Service. The Transmission

Customer will have arrangements in place for any other transmission service necessary to effect the delivery from the Resource to the Transmission Provider prior to the time service under this Tariff commences.

8.1 Provisions Relating to Transmission Construction and Services by the Transmission Provider

8.2 Obligation to Provide Transmission Service that Requires Expansion or Modification of the Transmission System: If the Transmission Provider determines that it cannot accommodate the requested service, because of insufficient capability on its Transmission System, including its capacity entitlement in the Interconnections, the Transmission Provider will use due diligence to expand or modify its Transmission System, including the Interconnections, to provide the requested Transmission Service, provided the Transmission Customer agrees to compensate the Transmission Provider for such costs to the extent consistent with Commission policy. The Transmission Provider will conform to Good Utility Practice in determining the need for new facilities and in the design and construction of such facilities. The obligation applies only to those facilities that the Transmission Provider has the right to expand or modify, and is conditioned upon receipt of any necessary regulatory approvals for such expansion or modification.

8.3 Deferral of Service: The Transmission Provider may defer providing service until it completes construction of new transmission facilities or upgrades needed to provide Transmission Service whenever the Transmission Provider determines that providing the requested service would, without such new facilities or upgrades, impair or degrade reliability to any existing transmission service.

8.4 Compensation for New Facilities: Whenever the Transmission Provider identifies the need for new facilities in connection with the requested Transmission

Service, the Transmission Customer shall be responsible for such costs to the extent consistent with Commission policy.

9.1 Provisions Relating to Transmission Construction and Services by Third Parties

9.2 Responsibility for Third-Party System Additions: The Transmission Provider shall not be responsible for making arrangements for any necessary engineering, permitting, and construction of transmission or distribution facilities on the system(s) of any other entity or for obtaining any regulatory approval for such facilities.

9.3 Coordination of Third-Party System Additions: In circumstances where the need for transmission facilities or upgrades is identified, and if such upgrades further require the addition of transmission facilities on other systems, the Transmission Provider shall have the right to coordinate construction on its own system with the construction required by others. The Transmission Provider, after consultation with the Transmission Customer and representatives of such other systems, may defer construction of its new transmission facilities, if the new transmission facilities on another system cannot be completed in a timely manner.

10.0 Ancillary Services

The Transmission Provider shall not provide ERCOT Ancillary Services under this Tariff. All ERCOT Ancillary Services shall be obtained pursuant to the procedures set forth in the ERCOT Protocols.

11.0 Compensation for Transmission Service

Rates for Transmission Service are provided in Schedule TS appended to this Tariff.

12.0 Stranded Cost Recovery

The Transmission Provider may seek to recover stranded costs from the Transmission Customer pursuant to this Tariff in accordance with the terms, conditions and procedures set forth in FERC Order No. 888. However, the Transmission Provider must separately file any specific proposed stranded cost charge under Section 205 of the Federal Power Act.

13.1 Billing and Payment

13.2 Billing Procedure: The Transmission Provider shall issue invoices for the prior month's transmission service to the applicable QSE or Transmission Customer. An invoice for transmission service shall be paid so that the Transmission Provider will receive the funds by the 35th calendar day after the date of issuance of the invoice, unless the Transmission Provider and either the QSE or the Transmission Customer agree on another mutually acceptable deadline. All payments shall be made in immediately available funds payable to the Transmission Provider, or by wire transfer to a bank named by the Transmission Provider or by other mutually acceptable terms.

13.3 Interest on Unpaid Balances: Interest on any unpaid amounts shall be calculated by using the interest rate applicable to overbillings and underbillings, set by the PUCT, and compounded monthly. Interest on delinquent amounts shall be calculated from the due date of the bill to the date of payment. When payments are made by mail, bills shall be considered as having been paid on the date of receipt by the Transmission Provider.

13.4 QSE or Transmission Customer Default: In the event the QSE or Transmission Customer fails, for any reason other than a billing dispute as described below, to make payment to the Transmission Provider on or before the due date, and such

failure of payment is not corrected within thirty (30) calendar days after the Transmission Provider notifies the QSE or Transmission Customer to cure such failure, the QSE or Transmission Customer shall be deemed to be in default. Upon the occurrence of a default, the Transmission Provider may initiate a proceeding with the Commission to terminate service. If the Commission finds that a default has occurred, the QSE or Transmission Customer shall pay to the Transmission Provider an amount equal to two times the amount of the payment that the QSE or Transmission Customer failed to pay, in addition to any other remedy ordered by the Commission.

13.5 Billing Dispute: In the event of a billing dispute between the Transmission Provider and the QSE or Transmission Customer, the Transmission Provider will continue to provide service during the pendency of the dispute, as long as the QSE or Transmission Customer (i) continues to make all payments not in dispute, and (ii) pays into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If the QSE or Transmission Customer fails to meet these two requirements for continuation of service, then the Transmission Provider may provide notice to the QSE or Transmission Customer and to the Commission of its intention to terminate service. Any dispute arising in connection with the termination or proposed termination of service shall be referred to the alternative dispute resolution process described in Section 18 of this Tariff.

14.0 Creditworthiness

For the purpose of determining the ability of the QSE or Transmission Customer to meet its obligations related to the provision of Transmission Service, the Transmission Provider may require reasonable credit review procedures. This review

shall be made in accordance with standard commercial practices. The Transmission Provider may require the QSE or Transmission Customer to provide and maintain in effect during the term of service, an unconditional and irrevocable letter of credit in a reasonable amount as security to meet its responsibilities and obligations under this Tariff or an alternative form of security proposed by the QSE or Transmission Customer and acceptable to the Transmission Provider and consistent with commercial practices established by the Uniform Commercial Code that reasonably protects the Transmission Provider against the risk of non-payment. Creditworthiness standards must be applied to all QSEs or Transmission Customers on a non-discriminatory basis. If a QSE or Transmission Customer is creditworthy, no letter of credit or alternative form of security shall be required.

15.0 Standards of Conduct

In performing the obligations under this Section, CenterPoint Houston shall apply the provisions of this Tariff in a non-discriminatory manner to all users, consistent with its PUCT-approved Code of Conduct. CenterPoint Houston shall use all reasonable efforts to communicate promptly with all Transmission Customers to resolve any questions regarding their requests for service in a non-discriminatory manner. If CenterPoint Houston or its Transmission Customer is required to complete activities or to negotiate agreements as a condition of service, each party shall use due diligence to complete these actions within a reasonable time.

16.0 Regulatory Filings

Nothing contained in this Tariff shall be construed as affecting in any way the right of the Transmission Provider unilaterally to make application to the Commission for a change in rates, terms and conditions, charges, classification of service, rule or

regulation in accordance with the procedures of Section 205 of the Federal Power Act, whether or not otherwise applicable, and pursuant to the Commission's promulgated rules and regulations subject to the provisions of the Orders and applicable provisions of Sections 211 and 212 of the Federal Power Act.

Nothing contained in this Tariff shall be construed as affecting in any way the ability of any Party receiving service under this Tariff to exercise its rights under the Federal Power Act and pursuant to the Commission's promulgated rules and regulations.

17.1 Force Majeure and Indemnification

17.2 Force Majeure: Neither the Transmission Provider or a Transmission Customer shall be liable to the other for damages for any act that is beyond such party's control, including any event that is a result of an act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, a curtailment, order, regulation or restriction imposed by governmental, military, or lawfully established civilian authorities, or by the making of necessary repairs upon the property or equipment of either Party.

17.3 Indemnification: Notwithstanding the provisions of paragraph 17.1, the Transmission Provider and a Transmission Customer shall assume all liability for, and shall indemnify each other for, any losses resulting from negligence or other fault in the design, construction, or operation of their respective facilities. Such liability shall include the Transmission Provider's or Transmission Customer's monetary losses, costs and expenses of defending an action or claim made by a third person, payments for damages related to the death or injury of any person, damage to the property of the Transmission Provider or Transmission Customer, and payments for damages to the

property of a third person, and damages for the disruption of the business of a third person. This paragraph does not create a liability on the part of the Transmission Provider or a Transmission Customer to a retail customer or other third person, but requires indemnification where such liability exists. The indemnification required under this paragraph does not include responsibility for the Transmission Provider's or a Transmission Customer's costs and expenses of prosecuting or defending an action or claim against the other, or damages for the disruption of the business of the service provider or customer. The limitations on liability set forth in this subsection do not apply in cases of gross negligence or intentional wrongdoing.

18.1 Dispute Resolution Procedures

18.2 Obligation to Use Alternative Dispute Resolution: In the event that a dispute arises under this Tariff and the dispute is not subject to the alternative dispute resolution procedures established in the ERCOT Protocols, the Parties to the dispute shall engage in mediation or other alternative means for resolving the dispute, prior to filing a complaint with the Commission.

18.3 Referral to Senior Representatives: Any dispute involving Transmission Service under this Tariff (excluding applications for rate changes or other changes to this Tariff, which shall be presented directly to the Commission for resolution) shall be referred for resolution to a designated senior representative of each of the parties to the dispute. The senior dispute representative shall be an individual who has authority to resolve the dispute. The senior dispute representatives shall make a good faith effort to resolve the dispute on an informal basis as promptly as practicable.

18.4 Mediation or Arbitration: In the event the Parties are unable to resolve the dispute under 18.2 of this section, the Parties shall either: (1) refer the matter to arbitration in accordance with the procedures in Section 18.4; or (2) upon agreement of all parties, engage in mediation with the assistance of a neutral third party, mutually selected by all Parties concerned, who has training or experience in mediation.

18.5 Arbitration: Any arbitration initiated under this Tariff shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) days of the referral of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided, shall generally conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association and any applicable Commission regulations.

18.6 Arbitration Decisions: Unless otherwise agreed, the arbitrator(s) shall render a decision within thirty (30) calendar days from the closing of the evidentiary record of the arbitration and shall notify the Parties in writing of such decision and the basis for the decision. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this Tariff and shall have no power to modify or change any of the above in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties,

and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act and/or the Administrative Dispute Resolution Act. The final decision of the arbitrator(s) must also be filed with the Commission if it affects jurisdictional rates, terms and conditions of service or facilities.

18.7 Costs: Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable:

(1) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or

(2) one half the cost of the single arbitrator jointly chosen by the Parties.

18.8 Rights Under The Federal Power Act: Nothing in this section shall restrict the rights of any Party to file a complaint with the Commission under relevant provisions of the Federal Power Act.

SCHEDULE TS

Transmission Service

The Transmission Customer shall compensate the Transmission Provider each month for the applicable charges set forth below:

I. Transmission Service for Imports into ERCOT

Imports over and from the Interconnections shall not be charged for Transmission Service under this Tariff. Imports over and from the Interconnections are charged for Transmission Service in accordance with Chapter 25.

II. Transmission Service for Exports from ERCOT

The Transmission Customer shall be assessed a transmission service charge for Transmission Service based upon the kW demand exported from ERCOT for each hour. The transmission service charge shall be calculated by multiplying (a) the Transmission Customer's kW demand exported from ERCOT for each hour by (b) the hourly on-peak transmission service rate for the months of June through September and the hourly off-peak rate for all other months.

Transmission Service Rate for Exports from ERCOT applicable to service beginning April 13, 2026.

Hourly Export Rate per kW	$0.001101 per kW

SCHEDULE R

Derivation of CenterPoint Houston's Schedule TS Export Rate			
			Reference:
1	CenterPoint Houston's TCOS	$779,824,651	PUCT Notice of Approval dated April 13, 2026.
2	ERCOT Peak Load (kW)	80,874.021	Used to calculate approved rate in PUCT Notice of Approval dated April 13, 2026.
3	CenterPoint Houston's Annual Wholesale Transmission Service Rate ($/kW)	$9.642462	L1/L2
4	CenterPoint Houston's Export Rate ($/kW/hr.)	$0.001101	L3/8,760

FORM OF SERVICE AGREEMENT
FOR TRANSMISSION SERVICE
TO, FROM AND OVER CERTAIN INTERCONNECTIONS

This Service Agreement for Transmission Service To, From and Over Certain Interconnections ("Agreement") dated as of _____, is entered into by and between CenterPoint Energy Houston Electric, LLC ("Transmission Provider") and _____ ("Transmission Customer"), 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. Prior to the commencement of transmission service under this Agreement, the Transmission Customer shall contact the Electric Reliability Council of Texas ("ERCOT"), either directly, or through a Qualified Scheduling Entity ("QSE"), and complete any necessary technical, operational, scheduling and/or settlement arrangements. For each transaction under this Agreement, Transmission Customer is responsible for notifying ERCOT and the Interconnection Operator for non-ERCOT Control Area(s) (or successor entity(ies) charged with the responsibility of receiving reservations and transaction requests for the Interconnections) ("Scheduling Authority"). Such notifications must (a) be made in accordance with the procedures established by ERCOT and the Scheduling Authority, (b) specify the Interconnection to be used in the transaction, and (c) contain such other information as may be required, from time to time, by ERCOT and the Scheduling Authority to implement the transaction. Transmission Customer will maintain records of the information it provides to and receives from ERCOT and the Scheduling Authority pursuant to this Agreement for up to 180 days and will provide copies of same to Transmission Provider upon request. Upon request of Transmission Customer, Transmission Provider will provide information on how to contact ERCOT and the Scheduling Authority.

2. Prior to the commencement of transmission service under this Agreement, the Transmission Customer shall satisfy the Transmission Provider's requirements for creditworthiness in accordance with Section 14 of the Transmission Provider's Tariff for Transmission Service To, From and Over Certain Interconnections ("TFO Tariff").

3. Service under this Agreement shall commence on the later of: (1) the requested service commencement date,_____; (2) the date on which construction of any new facilities is completed; or (3) such other date as mutually agreed upon by the parties. Service under this Agreement shall terminate on _____ or on such date as mutually agreed upon by the parties.

4. The Transmission Provider agrees to provide transmission service to, from and over the Interconnections for the delivery of power and energy from resources to loads in accordance with the provisions of the TFO Tariff and this

Agreement. The Transmission Customer agrees to take and pay for transmission service in accordance with the provisions of the TFO Tariff and this Agreement, including transmission service charges and any charges applicable to ERCOT settlement, as outlined in Sections 3.4 and 6.0 of the TFO Tariff.

5. The transmission service charges for Transmission Service provided by Transmission Provider to Transmission Customer under this Agreement shall be determined in accordance with Schedule TS of the TFO Tariff or its successors as they may from time to time be fixed and approved by the Federal Energy Regulatory Commission.

6. Any charges applicable to ERCOT settlement in connection with the provision of Transmission Service to the Transmission Customer, as outlined in Sections 3.4 and 6.0 of the TFO Tariff, shall be calculated and settled pursuant to the ERCOT Protocols.

7. Any notice or request made to or by either party regarding this Agreement shall be made to the representative of the other party as indicated below.

Transmission Provider:

CenterPoint Energy Houston Electric, LLC
Manager, Transmission Commercial Activities
P.O. Box 1700
Houston, Texas 77251

Transmission Customer:

_____
_____
_____
_____

8. This Agreement is subject to the provisions of the TFO Tariff, which is incorporated herein and made a part hereof. Capitalized terms not otherwise defined herein are defined in Section 1 of the TFO Tariff. This Agreement does not obligate the Transmission Provider to provide or entitle the Transmission Customer to receive any services not expressly provided for in this Agreement and in the TFO Tariff.

9. This Agreement shall be governed by, interpreted, construed and enforced in accordance with the laws of the State of Texas. The interpretation and application of this Agreement is limited to the express terms contained herein. This Agreement may not be amended or modified except upon the mutual agreement of the parties, which shall be in writing and signed by both parties.

10. This Agreement, including all attached Exhibits and Confirmations, which are expressly made a part hereof for all purposes, constitutes the entire agreement and understanding between the Parties with regard to 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.

11. 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. 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.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective authorized officials:

CenterPoint Energy Houston Electric, LLC	Transmission Customer Name
By: _____	By: _____
Title: _____	Title: _____
Date: _____	Date: _____