FIRST CHOICE POWER, INC.

SECTION NO. 3 PUCT SHEET NO. 1

ITEM: Rate Schedules and Charges

EFFECTIVE January 1, 2002

ORIGINAL

APPLICABLE: Total Texas

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RESIDENTIAL SERVICE

Availability

Available from January 1, 2002 to December 31, 2006 to residential customers in single family dwellings or apartments which are separately metered by the Company for single or three phrase (where three phase facilities are adjacent to property served), 60 hertz, 120/240 volt alternating current. All electric service to each individual single family dwelling or apartment will be metered and billed as one account.

Not available for resale, temporary, breakdown, standby or seasonal service, nor to single phase motors in excess of 5 horsepower individual capacity, hotels, apartment houses where more than one apartment is measured through one meter, or any location where business is regularly conducted.

Monthly Rate

Billing Months of May - October

Customer Charge per Month	\$5.17
Per KWH for First 400 KWH	\$0.041905
Per KWH for All Add'l KWH	\$0.073243

Billing Months of November - April

Customer Charge per Month	\$5.17
Per KWH for First 400 KWH	\$0.041905
Per KWH for All Add'l KWH	\$0.068073

Minimum Bill

\$5.17 per month.

Fuel Cost

Plus fuel cost in accordance with Rider FC

Franchise Fees

For service within the incorporated limits of a municipality which assesses a franchise fee in excess of 2% of the subject revenues, such excess municipal franchise fees shall be added to and separately stated on each Customer's bill.

Special Terms and Conditions

Subject to the Company's terms and conditions for the sale of electric service. This tariff shall be available until the 20% discount results in bill reductions that are greater than 1% of the utilities annual revenues. At such time the utility is exempt from the provisions of Section 2.2141 of the Public Utility Regulatory Act of 1995.

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RESIDENTIAL SERVICE - STATE INSTITUTION FOR HIGHER EDUCATION

Availability

Available from January 1, 2002 to December 31, 2006 to any state-sponsored four-year university, upper-level institution, Texas State Technical College, or college owned single family dwellings or apartments receiving electric service after September 1, 1995 which are separately metered by the Company for single or three phase (where three phase facilities are adjacent to property served), 60 hertz, 120/240 volt alternating current. All electric service to each individual single family dwelling or apartment will be metered and billed as one account.

Not available for resale, temporary, breakdown, standby or seasonal service, nor to single phase motors in excess of 5 horsepower individual capacity, hotels, apartment houses where more than one apartment is measured through one meter, or any location where business is regularly conducted.

Monthly Rate

Billing Months of May - October

Customer Charge per Month	\$4.40
Per KWH for First 400 KWH	\$0.032896
Per KWH for All Add'l KWH	\$0.057493

Billing Months of November - April

Customer Charge per Month	\$4.40
Per KWH for First 400 KWH	\$0.032896
Per KWH for All Add'l KWH	\$0.053093

Minimum Bill

\$4.40 per month.

Discount for State Institution of Higher Education

The above rates reflect a 20% discount to the Company's December 2001 residential base rates applicable to state institutions of higher education. Base rates exclude fuel and taxes. Non-electric services are not eligible for the discount.

Fuel Cost

Plus fuel cost in accordance with Rider FC

Franchise Fees

For service within the incorporated limits of a municipality which assesses a franchise fee in excess of 2% of the subject revenues, such excess municipal franchise fees shall be added to and separately stated on each Customer's bill.

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RESIDENTIAL SERVICE - STATE INSTITUTION FOR HIGHER EDUCATION

Special Terms and Conditions

Subject to the Company's terms and conditions for the sale of electric service. This tariff shall be available until the 20% discount results in bill reductions that are greater than 1% of the utilities annual revenues. At such time the utility is exempt from the provisions of Section 2.2141 of the Public Utility Regulatory Act of 1995.

FIRST CHOICE POWER, INC. SECTION NO. 3B

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GENERAL SERVICE

Availability

Available from January 1, 2002 to December 31, 2006 for services for all customers requiring alternating current electric service when all service is taken through one meter at single point of delivery. If required, Customer will have equipment installed to correct the power factor to no less than 80% lagging

Not available for resale, temporary, breakdown or standby service.

Type of Service

Single or three phase, 60 hertz, 120/240 volt or any available primary voltage. Service may also be furnished at 208, 480, or 2,400 volts when special arrangements are made in advance with the Company. Where entire service cannot be measured at one utilization voltage with one standard type meter, it will be measured at primary voltage.

Monthly Rate

Billing Months of May - October

Customer Charge -Single Phase	\$10.34
Customer Charge - Three Phase	\$16.92
Per KWH for First 1000 KWH*	\$0.068258
Per KWH for All Add'l KWH	\$0.048048
Per KW in excess of 5 KW	\$1.88

^{*} For demands in excess of 5 KW, add 200 KWH per KW in excess of 5 kW.

Billing Months of November - April

Customer Charge -Single Phase	\$10.34
Customer Charge - Three Phase	\$16.92
Per KWH for First 1000 KWH**	\$0.068258
Per KWH for All Add'l KWH	\$0.042878
Per KW in excess of 5 KW	\$1.88

^{**} For demands in excess of 5 KW, add 150 KWH per KW in excess of 5 KW.

Minimum Bill

\$10.34 per month for single-phase service. \$16.92 per month for three-phase service

Fuel Cost

Plus fuel cost in accordance with Rider FC.

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GENERAL SERVICE

Franchise Fees

For service within the incorporated limits of a municipality which assesses a franchise fee in excess of 2% of the subject revenues, such excess municipal franchise fees shall be added to and separately stated on each Customer's bill.

Determination of Demand

The Customer's billing demand will be the KW supplied during the 15-minute period of maximum use during this month.

Power Factor (PF)

For average lagging power factors of less than 80% the measured demand will be increased according to the following formula:

The average lagging power factor is determined using monthly metered KWH and KVARH data. The following formula is used to calculate the average lagging power factor for the billing month:

$$PF = \frac{KWH}{(KWH^2 + KVARH^2)^{\frac{1}{2}}}$$

Special Terms and Conditions

Subject to the Company's terms and conditions for the sale of electric power.

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GENERAL SERVICE – TIME OF DAY

Availability

Available from January 1, 2002 to December 31, 2006 on a voluntary basis, for all alternating current electric service, on a voluntary basis, to Customers who contract annually for all service to be taken through one meter at a single point of delivery. This voluntary service is available only to Customers for which no rate other than the General Service rate is applicable. If required, Customer will have equipment installed to correct the power factor to not less than 80% lagging. Metering for this service must provide hourly load information. If Customer does not have the required metering, the Customer shall pay for the cost of installing the new metering equipment.

Type of Service

Single or three phase, 60 hertz, 12/240 volt or any available primary voltage. Service may also be furnished at 208, 480, or 2,400 volts when special arrangements are made in advance with the Company.

Monthly Rate

Billing Months of May-October

Customer Charge -Single Phase	\$10.34
Customer Charge - Three Phase	\$16.92
Per KWH for all first block KWH*	\$0.01025
Per KWH for all on-peak KWH	\$0.14194
Per KWH for all off-peak KWH	\$0.02378
Per KW in excess of 5KW	\$1.88

^{*} First block KWH include 1,000 KWH plus 200 KWH/KW for each KW in excess of 5 KW.

Billing Months of November-April

Customer Charge -Single Phase	\$10.34
Customer Charge - Three Phase	\$16.92
Per KWH for all first block KWH**	\$0.01025
Per KWH for all KWH	\$0.02378
Per KW in excess of 5KW	\$1.88

^{**} First block KWH includes 1,000 KWH plus 150 KWH/KW for each KW in excess of 5 KW.

Minimum Bill

\$10.34 per month for single-phase service.

\$16.92 per month for three-phase service

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GENERAL SERVICE – TIME OF DAY

Fuel Cost

Plus fuel cost in accordance with Rider FC.

Franchise Fees

For service within the incorporated limits of a municipality which assesses a franchise fee in excess of 2% of the subject revenues, such excess municipal franchise fees shall be added to and separately stated on each Customer's bill.

Determination of Demand

The Customer's billing demand will be the KW supplied during the 15-minute period of maximum use during the month.

Definition of On-Peak and Off-Peak Periods

On-peak hours are the eight hours between 12 noon and 8 p.m. each weekday (Monday - Friday) excluding Memorial Day, the Independence Day holiday and Labor Day during the billing months of May through October. The on-peak period may be adjusted, when load conditions justify, by the Company notifying the Customer in writing. In any case the on-peak period will include no more than 6 months or be more than 8 hours each weekday. Off-peak hours are all hours of the year not specified as on-peak hours.

Power Factor (PF)

For average lagging power factors of less than 80% the measured demand will be increased according to the following formula:

The average lagging power factor is determined using monthly metered KWH and KVARH data. The following formula is used to calculate the average lagging power factor for the billing month:

$$PF = \frac{KWH}{(KWH^2 + KVARH^2)^{\frac{1}{2}}}$$

Special Terms and Conditions

Subject to the Company's terms and conditions for the sale of electricity service. A Customer requesting service under this rate must sign an agreement for an initial one (1) year term after which the Customer must sign subsequent one (1) year agreements with the Company. The Company, however, is under no obligation to renew any agreement for service under this rate. This may not be taken in conjunction with any other rate.

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LARGE GENERAL SERVICE

Availability

Available from January 1, 2002 to December 31, 2006 for alternating current electric service when all service is typically taken through one meter at a single point of delivery. The Company, at its option, may consolidate metering for billing purposes if the configuration of the Customer's facilities warrant such consolidation.

Not available for resale, temporary, breakdown or standby service.

Type of Service

Single or three phase, 60 hertz, 120/240 volt or any available primary voltage. Service may also be furnished at 208, 480, or 2,400 volts when special arrangements are made in advance with the Company. Where entire service cannot be measured at one utilization voltage with one standard type meter, it will be measured at primary voltage.

Monthly Rate

<u>Distribution Voltage</u>	
First 100 KW	\$1,873.14
Per KW for additional KW	\$16.146
Per KWH for All KWH	\$0.009361
Transmission Voltage	
First 100 KW	\$1,830.84
Per KW for additional KW	\$15.723
Per KWH for All KWH	\$0.008515

Transmission Service - Customer must receive service at any available standard voltage of 69.0 KV or higher.

Minimum Bill

\$12.112 per KW of the highest billing demand established in 12 months ending with the current month, but no less than \$1,873.14

Fuel Cost

Plus fuel cost in accordance with Rider FC.

Franchise Fees

For service within the incorporated limits of a municipality which assesses a franchise fee in excess of 2% of the subject revenues, such excess municipal franchise fees shall be added to and separately stated on each Customer's bill.

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LARGE GENERAL SERVICE

Transformer Credit

For Customers who own and provide their own transformers a \$0.47 per KW of billing demand credit will be applied to each month's bill. Transformers must be connected to Customer's load and rated capacity of transformers must be equal to or greater than the Customer's highest demand established on TNP's system. Customers will be required to provide written documentation concerning ownership of transformers.

Determination of Demand

The Customer's billing demand will be the KW supplied during the 15 minute period of maximum use during the month, but not less than 75% of the maximum KW similarly determined during the billing months of May, June, July, August, September, or October in the 12 months ending with the current month, nor less than 100 KW.

Power Factor (PF)

For average lagging power factors of less than 80% the measured demand will be increased according to the following formula:

The average lagging power factor is determined using monthly metered KWH and KVARH data. The following formula is used to calculate the average lagging power factor for the billing month:

$$PF = \frac{KWH}{(KWH^2 + KVARH^2)^{\frac{1}{2}}}$$

Special Terms and Conditions

Subject to the Company's terms and conditions for the sale of electric service. Contract for not less than one year must be executed by Customer if required under the Company's extension policy.

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LARGE GENERAL SERVICE TIME OF DAY RATE

Availability

Available from January 1, 2002 to December 31, 2006 for all alternating current electric service, on a voluntary basis, to Customers who contract annually for all service to be typically taken through one meter at a single point of delivery. Company, at its option, may consolidate metering for billing purposes if the configuration of the Customer's facilities warrant such consolidation. This voluntary service is available only to Customers for which no rate other than the Large General Service rate is applicable. If required, Customer will have equipment installed to correct the power factor to not less than 80% lagging. Metering for this service must provide hourly load information. If Customer does not have the required metering, the Customer shall pay for the cost of installing the new metering equipment.

Not available for resale, temporary, breakdown or standby service.

Type of Service

Single or three phase, 60 hertz, 120/240 volt or any available primary voltage. Service may also be furnished at 208, 480, or 2,400 volts when special arrangements are made in advance with the Company. Where entire service cannot be measured at one utilization voltage with one standard type meter, it will be measured at primary voltage.

Monthly Rate

Distribution Voltage	
First 100 KW on-peak	\$1,873.14
Per KW for additional on-peak KW	\$16.146
Per KW for all off-peak KW	\$9.510
Per KWH for all KWH	\$0.009361
Transmission Voltage	
First 100 KW	\$1,830.84
Per KW for additional KW	\$15.723
Per KWH for all off-peak KW	\$9.087
Per KWH for all KWH	\$0.008515

Transmission Service - Customer must receive service at any available standard voltage of 69.0 KV or higher.

Minimum Bill

\$7.26573 per KW of the highest on-peak billing demand established in 12 months ending with the current month, but not less than \$1,873.14.

Fuel Cost

Plus fuel cost in accordance with Rider FC.

Franchise Fees

For service within the incorporated limits of a municipality which assesses a franchise fee in excess of 2% of the subject revenues, such excess municipal franchise fees shall be added to and separately stated on each Customer's bill.

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LARGE GENERAL SERVICE TIME OF DAY RATE

Transformer Credit

For Customers who own and provide their own transformers a \$0.47 per KW of billing demand credit will be applied to each month's bill. Transformers must be connected to Customer's load and rated capacity of transformers must be equal to or greater than the Customer's highest demand established on TNP's system. Customers will be required to provide written documentation concerning ownership of transformers.

Determination of Demand

Demand for the calculation of the monthly bill is determined in accordance with the following provisions:

- A. On-Peak Billing Demand is the higher of:
 - 1) Highest current month demand established during on-peak hours of service,
 - 2) 75% of the highest demand established during on-peak hours of service during the billing months of May, June, July, August, September, or October, or
 - 3) 50% of the highest demand established in the proceeding twelve months during either on-peak or off-peak hours of use.
- B. Off-Peak Billing Demand is the difference in the highest KW demand established in off-peak hours of use less the highest on-peak KW demand as determined above. In no event shall off-peak demand be less than zero.

On-Peak hours of use are defined as the eight hours between 12 noon and 8 p.m. each weekday (Monday - Friday). Off-peak hours of use are defined as all hours not defined as on-peak hours of use.

Power Factor (PF)

For average lagging power factors of less than 80% the measured demand will be increased according to the following formula:

The average lagging power factor is determined using monthly metered KWH and KVARH data. The following formula is used to calculate the average lagging power factor for the billing month:

$$PF = \frac{KWH}{(KWH^2 + KVARH^2)^{\frac{1}{2}}}$$

Special Terms and Conditions

Subject to the Company's terms and conditions for the sale of electric service. Contract for not less than one year must be executed by Customer if required under the Company's extension policy. Any additional metering equipment necessary for the determination of on-peak and off-peak usage will be installed by the Company but paid for by the Customer

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OUTDOOR LIGHTING SERVICE

Availability

Available from January 1, 2002 to December 31, 2006 for any Customer for outdoor lighting service where existing facilities have adequate capacity and suitable voltage.

Type of Service

Unmetered, automatically controlled, overhead lighting service operating from dusk to dawn. The Company will install, own, operate and maintain such lighting. Lights will be mounted on an existing service pole or poles and such service will be limited to 120 volt service.

Monthly Rate

"Nite Lites"

* 175 w MV Lamp	\$9.31
* 400 w MV Lamp	\$14.48
100 w HPS Lamp	\$9.31
200 w HPS Lamp	\$14.48

"Flood Light"

\$14.62
\$23.41
\$15.37
\$25.19
\$15.28
\$17.06

MV = Mercury Vapor, HPS = High Pressure Sodium, HA = Metal Halide

Additional Pole Charge In the event Customer desires a light to be installed on a pole which will require the Company to install an additional pole or poles, Customer will be charged \$2.35 per month per pole.

Fuel Cost

Plus fuel cost in accordance with Rider FC.

Franchise Fees

For service within the incorporated limits of a municipality which assesses a franchise fee in excess of 2% of the subject revenues, such excess municipal franchise fees shall be added to and separately stated on each Customer's bill.

^{*}Service under this rate is restricted to those installations and those Customers receiving service as of April 1990.

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OUTDOOR LIGHTING SERVICE

Special Terms and Conditions

<u>Lamp Burning Hours</u> The Company will cause the lamps to be lighted at dusk and remain lighted until dawn, but in no event shall the total hours exceed 4,000 hours in any year.

<u>Lumens</u> Lumens as used will be the nominal rating of approximate initial lumens rated by manufacturer.

Replacement of Lamps and Glassware Company will install, own, operate, and maintain the lights including lamps and glassware. Company reserves the right to remove light and appurtenances at any time in the event more than two calls per year become necessary due to vandalism or other causes over and above regular maintenance required unless the Customer agrees to pay for the additional calls and costs incurred.

<u>Electric Energy Supply</u> The monthly KWH used by the lamps in their operation will be estimated as follows:

Total watts connected including ballast x 333 = KWH 1,000

<u>Type of Lamps and Glassware and Poles</u> All lamps, glassware, and service shall be a type normally used by Company and in accordance with standards established by Company.

<u>Contract</u> Contract for an initial term of not less than one year must be executed by Customer if required under the Company's extension policy.

Subject to the Company's terms and conditions for the sale of electric service.

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INTERRUPTIBLE IRRIGATION SERVICE

Availability

Available from January 1, 2002 to December 31, 2006 to any customer for electric service when all service is taken through one meter at a single point of delivery and used in water pumping for farm irrigation which is distinctively of a recurring nature. Customer agrees to not operate their irrigation pump during peak hours of Texas-New Mexico Power Company's system peak periods of use as designated by Company during the months of June through September of each year; such hours of service interruption shall not exceed eight hours per day. Service under this schedule is available on an annual basis.

Not available for resale, temporary, breakdown, standby service, or any service other than irrigation pumping.

Type of Service

Three phase, 60 hertz, 120/240 volt service where the Company's facilities are of adequate capacity and the required phase and voltage are adjacent to the premises served. Service to motors of 50 HP capacity or less will be at 240 or 480 volts. Service to motors of more than 50 HP capacity will be at 240, 480, or 2,400 volts. All motors in excess of 40 HP must have Company approved reduced starting equipment installed by the Customer. Where entire service cannot be measured at one utilization voltage with one standard type meter, it will be measured at primary voltage.

Monthly Rate

Customer Charge Per Mo. \$16.92 Per KWH \$0.04288

Minimum Bill

\$16.92 per month.

Fuel Cost

Plus fuel cost in accordance with Rider FC.

Franchise Fees

For service within the incorporated limits of a municipality which assesses a franchise fee in excess of 2% of the subject revenues, such excess municipal franchise fees shall be added to and separately stated on each Customer's bill.

Curtailment Period

Customer shall restrict their usage during a period not to exceed eight hours in each day with such hours to be designated by Company in the months of June through September. Initially the hours of restricted use shall be from 12:00 noon until 8:00 p.m. each weekday during the months of June through September. The Company may, at its option, temporarily reduce the hours of restricted use.

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INTERRUPTIBLE IRRIGATION SERVICE

Demand Charge

Where Customer has time of day metering and Customer establishes a demand during the restricted hours, Customer shall pay \$16.547 per KW per month for such demand.

Determination of Demand

The KW supplied during the 15 minute period of maximum use during the current month during the hours of restricted use.

Special Terms and Conditions

Controls for curtailment of service during above peak hours of use shall be one of the following:

- 1. Time control approved by Texas-New Mexico Power Company and paid for by Customer and placed on Customer's control equipment to be set and sealed by the Company, or
- 2. Time of day metering, the excess of cost above existing metering to be paid for by Customer with installation to be made by the Company.

Subject to the Company's terms and conditions for the sale of electric service. Contract for not less than one year must be executed by Customer.

If seal on time control on 1 (one) above is broken by other than Company, Customer will pay for service under the General Service rate as if the General Service rate had been in effect for the full irrigation season (six month period beginning April 1) plus a \$50.00 penalty charge. If time of day metering is installed and any demand occurs during restricted hours, Customer will pay for excess demand established as provided for under Demand Charge.

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GENERAL SERVICE - STATE INSTITUTION OF HIGHER EDUCATION

Availability

Available from January 1, 2002 to December 31, 2006 for services for any facility of any state-sponsored four-year university, upper-level institution, Texas State Technical College, or college receiving alternating current electric service after September 1, 1995. Electric service must be taken through one meter at a single point of delivery. If required, Customer will have equipment installed to correct the power factor to no less than 80% lagging.

Not available for resale, temporary, breakdown or standby service.

Type of Service

Single or three phase, 60 hertz, 120/240 volt or any available primary voltage. Service may also be furnished at 208, 480, or 2,400 volts when special arrangements are made in advance with the Company. Where entire service cannot be measured at one utilization voltage with one standard type meter, it will be measured at primary voltage.

Monthly Rate:

Billing Months of May - October

Customer Charge -Single Phase	\$8.80
Customer Charge - Three Phase	\$14.40
Per KWH for First 1000 KWH*	\$0.056682
Per KWH for All Add'l KWH	\$0.039482
Per KW in excess of 5 KW	\$1.60

^{*} For demands in excess of 5 KW, add 200 KWH per KW in excess of 5 KW.

Billing Months of November - April

Customer Charge -Single Phase	\$8.80
Customer Charge - Three Phase	\$14.40
Per KWH for First 1000 KWH**	\$0.056682
Per KWH for All Add'l KWH	\$0.035082
Per KW in excess of 5 KW	\$1.60

^{**} For demands in excess of 5 KW, add 150 KWH per KW in excess of 5 KW.

Minimum Bill

\$8.80 per month for single-phase service. \$14.40 per month for three-phase service

Discount for State Institution of Higher Education

The above rates reflect a 20% discount to the Company's December 2001 general service base rates applicable to state institutions of higher education. Base rates exclude fuel and taxes. Non-electric services are not eligible for the discount.

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GENERAL SERVICE - STATE INSTITUTION OF HIGHER EDUCATION

Fuel Cost

Plus fuel cost in accordance with Rider FC.

Franchise Fees

For service within the incorporated limits of a municipality which assesses a franchise fee in excess of 2% of the subject revenues, such excess municipal franchise fees shall be added to and separately stated on each Customer's bill.

Determination of Demand

The Customer's billing demand will be the KW supplied during the 15 minute period of maximum use during the billing month.

Power Factor (PF)

For average lagging power factors less than 80%, the measured demand will be increased according to the following formula:

The average lagging power factor is determined using monthly metered KWH and KVARH data. The following formula is used to calculate the average lagging power factor for the billing month:

$$PF = \frac{KWH}{(KWH^2 + KVARH^2)^{\frac{1}{2}}}$$

Special Terms and Conditions

Subject to the Company's terms and conditions for the sale of electric power. This tariff shall be available until the 20% discount results in bill reductions that are greater than 1% of the utilities annual revenues. At such time the utility is exempt from the provisions of Section 2.2141 of the Public Utility Regulatory Act of 1995.

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MUNICIPAL POWER SERVICE

Availability

Available from January 1, 2002 to December 31, 2006 for any municipality or other governmental unit for electric service, when all service is taken through one meter at a single point of delivery and used for pumping required in the operation of water and sewage plants.

Type of Service

Single or three phase, 60 hertz supplied at Company's standard secondary voltages, or any available primary voltage. Not available for agriculture or seasonal usage.

Monthly Rate

Customer Charge Per Mo. \$16.92 Per KWH for all KWH \$0.060893

Minimum Bill

\$16.92 per month.

Fuel Cost

Plus fuel cost in accordance with Rider FC

Franchise Fees

For service within the incorporated limits of a municipality which assesses a franchise fee in excess of 2% of the subject revenues, such excess municipal franchise fees shall be added to and separately stated on each Customer's bill.

Special Terms and Conditions

Subject to the Company's terms and conditions for the sale of electric service. Contract for not less than one year must be executed by Customer.

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MUNICIPAL POWER SERVICE OPTIONAL – RESTRICTED HOURS USE

Availability

Available from January 1, 2002 to December 31, 2006 for any municipality or other governmental unit for electric service, when all service is taken through one meter at a single point of delivery and used for pumping required in the operation of water and sewage plants.

Type of Service

Single or three phase, 60 hertz supplied at Company's standard secondary voltages, or any available primary voltage. Not available for agriculture or seasonal usage.

Hours of Restricted Use

Service under this schedule is available only when and where Customer operates facilities which can have electric service interrupted during the hours of the Company's system peak load period during the months of June, July, August, and September of each year. Such hours of restricted use shall not exceed eight hours per day each weekday during the months of restricted used.

Initially, the hours of restricted use shall be from 12:00 noon until 8:00 p.m. each weekday during the billing months of June, July, August, and September of each year.

Hours of restricted use are subject to change upon 12 months' notification to customers.

Service under this schedule is available on an annual optional basis.

Monthly Rate

Customer Charge Per Mo. \$16.92 Per KWH for all KWH \$0.042878

Minimum Bill

\$16.92 per month.

Fuel Cost

Plus fuel cost in accordance with Rider FC

Franchise Fees

For service within the incorporated limits of a municipality which assesses a franchise fee in excess of 2% of the subject revenues, such excess municipal franchise fees shall be added to and separately stated on each Customer's bill.

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MUNICIPAL POWER SERVICE OPTIONAL – RESTRICTED HOURS USE

Curtailment Period

Customer shall restrict their usage during a period not to exceed eight hours in each day with such hours to be designated by Company in the months of June through September. Initially, the hours of restricted use shall be from 12:00 noon until 8:00 p.m. each weekday during the months of June through September. The Company may, at its option, temporarily reduce the hours of restricted use.

Determination of Demand

The KW supplied during the 15 minute period of maximum use during the current month during the hours of restricted use.

Demand Charge

Where Customer has time of day metering and Customer establishes a demand during the restricted hours, Customer shall pay \$16.74 per KW per month for such demand.

Special Terms

Controls for curtailment of service during above peak hours of use shall be one of the following:

- 1. Time control approved by Texas-New Mexico Power Company and paid for by Customer and placed on Customer's control equipment to be set and sealed by the Company, or
- 2. Time of day metering, the excess cost above existing metering to be paid for by Customer with installation to be made by the Company.

Subject to the Company's terms and conditions for the sale of electric service. Contract for not less than one year must be executed by Customer.

If seal on time control on 1 (one) above is broken by other than Company, Customer will pay for service under the Municipal Power Service rate as if the Municipal Power Service rate had been in effect for the full calendar year, plus a \$50.00 penalty charge. If time of day metering is installed and any demand occurs during restricted hours, Customer will pay for excess demand established as provided for under Demand Charge.

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STREET LIGHTING SERVICE

Availability

Available from January 1, 2002 to December 31, 2006 for street lighting service on public streets and highways or in public parks. Also available for the lighting upon the grounds of school yards or institutions not organized for a profit.

Monthly Rate

A. Metered Series Street Lighting*\$0.07210 per KWH for all KWH

B. Energy Only - Schedule IV

\$0.03995 per KWH for all KWH. At the option of Company, Company may calculate consumption based on manufacture specifications consistent with the calculations used to determine the energy portion of the per pole charge shown in Schedule I through Schedule IV.

C. Monthly Rate per Lamp

OVERHEAD

	Schedule I <u>Wood Pole</u>	Schedule II Ornamental Pole	
		One Lamp <u>Per Pole</u>	Two Lamps <u>Per Pole</u>
* 8150 lumen - 175 watt MV	\$6.09	\$13.01	
* 21500 lumen - 400 watt MV	\$10.99	\$15.42	\$12.47
9500 lumen - 100 watt HPS	\$8.53	\$13.04	\$10.54
* 16000 lumen - 150 watt HPS	\$9.72	\$17.27	\$11.10
22000 lumen - 200 watt HPS	\$10.31	\$17.48	\$12.08
* 27500 lumen - 250 watt HPS	\$10.89	\$19.34	\$13.64
* 50000 lumen - 400 watt HPS	\$11.29	\$24.59	\$16.53

UNDERGROUND (Schedule III)

	Wood Pole	<u>Orname</u>	ntal Pole
		One Lamp <u>Per Pole</u>	Two Lamps <u>Per Pole</u>
* 3500 lumen - 100 watt MV	\$6.86		
* 8150 lumen - 175 watt MV	\$7.03	\$13.93	
* 21500 lumen - 400 watt HPS			\$12.53
9500 lumen - 100 watt HPS	\$9.65	\$14.34	\$10.89
22000 lumen - 200 watt HPS	\$11.47	\$19.01	\$13.84

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STREET LIGHTING SERVICE

D. Public Facilities

\$0.06817 per KWH for all KWH metered at public lighting facilities. See Schedule V.

* Service under these rates are restricted to those installations and customers receiving service as of Apr., 1990

MV = Mercury Vapor, HPS = High Pressure Sodium

Fuel Cost

Plus fuel cost in accordance with Rider FC

Franchise Fees

For service within the incorporated limits of a municipality which assesses a franchise fee in excess of 2% of the subject revenues, such excess municipal franchise fees shall be added to and separately stated on each Customer's bill.

Minimum Bill A minimum bill shall be charged based upon the monthly per lamp charge.

Special Terms and Conditions

<u>Schedule I</u>	Company installed, o	owned, operated	, and maintained	multiple	overhead v	wired street I	ights
	mounted on wood po	oles.					

<u>Schedule II</u> Company owned, operated and maintained multiple overhead wired mercury or high pressure sodium street lighting system mounted on ornamental poles.

Schedule III Company installed, owned, operated, and maintained underground wired mercury vapor street lighting system, mounted on steel or ornamental poles where the Company has paid the installed cost of such system.

Schedule IV Where Company supplies electric power and energy to Customer for operation of street lighting system which is Customer installed, owned, operated, and maintained, or where a governmental subdivision has installed and owns the system for use by Customer.

<u>Schedule V</u> Where Company meters and provides electric power for the operation of lighting at public facilities not located on a public thoroughfare. The facility must meter only lighting load.

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STREET LIGHTING SERVICE

Replacement of Lamps and Glassware

Company will install, own, operate and maintain all street lights including normal replacement of lamps and glassware at no cost to Customer under Schedule I and II above. Company reserves the right to charge Customer for replacement of lamps and glassware any time more than two calls per year become necessary due to vandalism or other causes over and above regular maintenance.

Lamp Burning Hours

The Company will cause the street lights operated by it to be lighted at nightfall and to remain lighted until dawn. Customer will so control the street lighting operated by it so that the total burning hours will not exceed 4,000 hours in each year.

Lumens

Lumens as used will be the nominal rating of approximate initial lumens rated by manufacturer.

Electric Energy Supply

The monthly KWH used by the lamps in the operation of street lighting system will be estimated as follows:

Total watts connected including ballast x 333 hours = KWH 1,000

Type of Lamps and Ornamental Poles

All street lamps, glassware and ornamental poles shall be of a type normally used by Company and in accordance with standards established by Company.

Special Facilities

If Customer requires special facilities to be installed, or ornamental standards or fixtures which are not in accordance with Company standards, the Customer will make a non-refundable contribution equal to the difference in the cost of such facilities and the installed cost of standard facilities; for other special facilities, Customer will make a non-refundable contribution equal to the installed cost.

Contract

Contract for an initial term of not less than two years must be executed by Customer for lights in accordance with Company standards; a contract with an initial term of five years must be executed by Customer for special facilities lights.

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PUBLIC HIGHWAY LIGHTING SERVICE

Availability

Available from January 1, 2002 to December 31, 2006 for public highway lighting service for public streets, roads, and thoroughfares under the conditions specified herein where existing facilities of adequate capacity are available.

Type of Service

Street lighting and/or sign lighting where the city or other governmental agency owns, installs and provides for the maintenance of the system; or Company provides maintenance in accordance with Schedule I below. The street lights will operate every night from dusk to dawn.

Monthly Rate Per Lamp

Schedule I - Energy and Normal Lamp Replacement

\$10.69
\$4.42
\$4.81
\$7.17
\$8.33
\$11.19

MV = Mercury Vapor, HPS = High Pressure Sodium, HA = Metal Halide

Schedule II - Energy Only - Metered or Unmetered Lighting.

Per KWH \$0.03997

Company will meter street lighting or at Company's discretion, calculate monthly KWH's based on manufacturing specifications.

Fuel Cost

Plus fuel cost in accordance with Rider FC

Franchise Fees

For service within the incorporated limits of a municipality which assesses a franchise fee in excess of 2% of the subject revenues, such excess municipal franchise fees shall be added to and separately stated on each Customer's bill.

^{*}Service under this rate is restricted to those installations and those customers receiving services prior to April, 1990.

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PUBLIC HIGHWAY LIGHTING SERVICE

Special Terms and Conditions

<u>Schedule I</u> Where Company supplies electric power and energy to Customer for operation of street lighting system which is Customer installed, owned, operated, and maintained, or where a governmental subdivision has installed and owns the system for use by Customer. Company will provide normal lamp replacements in accordance with the contract.

<u>Schedule II</u> Where Company supplies electric power and energy to Customer for operation of street lighting and/or sign lighting system which is Customer installed, owned, operated and maintained, or where a governmental subdivision has installed and owns the system for use by Customer.

<u>Lamp Burning Hours</u> Customer will cause the to be lighted at dusk and to remain lighted until dawn, but in no event shall the total burning hours exceed 4,000 hours in any year.

<u>Lumens</u> Lumens as used will be the nominal rating of approximate initial lumens rated by manufacturer.

<u>Electric Energy Supply</u> The monthly KWH used by the lamps in the operation of street lighting system will be estimated as follows:

<u>Total watts connected including ballast x 333 hours = KWH</u>
1.000

Contract

Contract for an initial term of not less than two years must be executed by Customer. Subject to the Company's terms and conditions for the sale of electric service.

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TRAFFIC LIGHT SERVICE

Availability

Available from January 1, 2002 to December 31, 2006 for any municipality or other governmental unit for electric service to street and highway traffic signals, where service facilities of suitable voltage are adjacent to the location to be served. The traffic light facilities must be owned, operated, and maintained by the Customer. This rate applies to a single point of delivery.

Monthly Billing

Customer Charge \$2.35 Per KWH \$0.03997

Fuel Cost

Plus fuel cost in accordance with Rider FC.

Determination of KWH

The monthly KWH, for billing purposes, will be determined by the Company either by metering the load or by formula, at the Company's discretion. If billing KWH is determined by formula then this will be based on data supplied by the Customer, subject to review at any time by either party. The formula, if used, will be the following:

Total Watts		Average		
Connected		Daily Use		Days of
(including	Χ	(Nearest Whole	Χ	Use in
controller)		Hour)		Month
		1,000		

It is the responsibility of the Customer to provide Company any changes in Total Watts Connected.

Franchise Fees

For service within the incorporated limits of a municipality which assesses a franchise fee upon the revenues received by Company under this tariff within that municipality, such municipal franchise fees shall be added to and separately stated on each Customer's bill.

Special Terms and Conditions

Subject to the Company's terms and conditions for the sale of electric service. Contract for an initial term of not less than two years must be executed by Customer.

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PURCHASES FROM QUALIFYING FACILITIES WITH A DESIGN CAPACITY OF 100 KW OR LESS

Availability

Available under contract for purchases from qualifying facilities with a design capacity of 100 kilowatts or less. A qualifying facility (QF) is a cogeneration facility under Subpart B of the Federal Energy Regulatory Commission's regulations under the Public Utility Regulatory Policies Act of 1978, Subsection 201. This tariff is further governed by PUCT Subsection 23.66.

Metering Arrangement Options

Option 1

Parallel operation with interconnection through a single meter that measures net consumption:

- a) Net consumption for a given billing period shall be billed in accordance with the standard tariff applicable to the customer class to which the user of the qualifying facility's output belongs;
- b) Net production will not be metered or purchased by the utility and therefore there will be no additional customer charge imposed on the qualifying facility.

Option 2

Parallel operation with interconnection through two meters with one measuring net consumption and the other measuring net production:

- a) Net consumption for a given billing period shall be billed in accordance with the standard tariff applicable to the customer class to which the user of the qualifying facility's output belongs;
- b) Net production for a given billing period shall be purchased at the standard rate as described in the Rates section of this tariff, specifically set out by contract.

Option 3

Interconnection through two meters with one measuring all consumption by the Customer and the other measuring all production by the qualifying facility:

- a) All consumption by the customer for a given billing period shall be billed in accordance with the standard tariff applicable to the customer class to which the Customer would belong in the absence of the qualifying facility;
- b) All production by the customer for a given billing period shall be purchased at the standard rate described in the Rates section of this tariff, specifically set out by contract.

FIRST CHOICE POWER, INC.

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PURCHASES FROM QUALIFYING FACILITIES WITH A DESIGN CAPACITY OF 100 KW OR LESS

Option 4

Qualifying facilities using renewable resources with an aggregate design capacity of 50 kilometers or less have the option of interconnecting through a single meter that runs forward and backward:

- a) Any consumption for a given billing period shall be billed in accordance with the standard tariff applicable to the customer class to which the user of the qualifying facility's output belongs;
- b) Any production for a given billing period shall be purchased at the standard rate as described in the Rates section of this tariff, specifically set out by contract.

Interconnection

The QF shall submit all specifications and drawings of its proposed facility to the Company for tentative written approval prior to connecting the QF to the Company's system. Tentative approval shall not be construed as permission to operate the facility without written Company authorization subsequent to inspection of the completed facility. Within 60 days of contract execution and receipt of necessary rights-of-way, easements and materials (unless extended by the PUCT), Company shall design, construct, install, operate and maintain the interconnection facilities. The QF shall reimburse the Company for all interconnection costs incurred.

Equipment Access

The QF shall furnish, install and maintain a clearly labeled load break disconnecting switch in a visible, outside, readily accessible location after the purpose of isolating QF generation from the Company's system. The load disconnecting switch must disconnect the QF's generator from the Company's system without interrupting other types of service to the QF. The switch shall be of the securable type. Access to this switch by Company personnel shall be provided at all times by the QF.

Rates

In addition to the minimum monthly bill requirements under the applicable rate schedule which governs power sold from Company to QF, a customer service charge of \$10.34 per month will be added. If a second meter is used, and is anything other than single-phase self-contained, Customer agrees to pay Company the cost difference of the installed meter and a single-phase meter. Such difference in cost will be paid prior to connection.

The Company will pay the Customer for all energy imported into the Company system by an amount equal to: (1) 90% of TNMP's fixed fuel factor as set out in Rider FC; or (2) the estimated avoided cost as provided in the contract between Company and QF, multiplied by the number of KWH imported into the system. Specific rates will be set out in the contract in accordance with PUCT Subsection 23.66, filed with the PUCT in accordance with the Public Utility Regulatory Act and subject to commission review and revision.

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PURCHASES FROM QUALIFYING FACILITIES WITH A DESIGN CAPACITY OF 100 KW OR LESS

Safety Equipment Requirements

The QF shall meet all applicable federal, state, and local codes, all provisions of the National Electrical Code and the National Electrical Safety Code, as such codes now exist, and all prudent safety and electrical practice standards.

Liability for Injury or Equipment Damage

The QF shall indemnify and save the Company harmless for liability occasioned by the negligence of the QF.

Insurance Requirement

The QF must obtain liability insurance to cover risks, liabilities and consequences which may arise as a result of interconnecting to the Company's system.

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FUEL COST FACTOR - RIDER FC

Pursuant to the Substantive Rules of the Public Utility Commission of Texas, Section 25.237, all applicable price to beat rate schedules shall be subject to a Fuel Charge determined by multiplying the KWH usage of the current billing month times the appropriate Fuel Cost Factor. The Fuel Cost Factor will be adjustable to recognize differences in losses due to service voltage levels as set out in the last retail rate filing.

The Fuel Cost Factors are as follows:

Overall Fuel Cost Factor

\$0.0216325/kWh

Rate Class	Voltage Level	May - October	November - April
Residential Service	Distribution Voltage	\$0.0217938 /kWh	\$0.0217938 /kWh
Other*	Distribution Voltage	\$0.0214003 /kWh	\$0.0223406/kWh
	Transmission Voltage	\$0.0201866 /kWh	\$0.0210736/kWh

^{*} Other is defined as non-residential customers having a peak demand of 1,000 kilowatts or less.

PRELIMINARY - NOT APPROVED BY PUCT

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MISCELLANEOUS SERVICE FEES AND CHARGES

Applicability

The service charges listed below are applicable to all customers served by the Company and are in addition to any other changes made under Company's tariff electric service.

Charges and Fees

First Choice Power, Inc. will pass through any charges and fees that the Transmission and Distribution Utility (TDU) charges on behalf of the customer. These charges, which are tariff TDU rates, consist of the following:

Account Initiation Charge
Service Call Charge
Disconnect/Reconnect Charge
Requested Service Interruption Charge
Facilities Relocation/Removal Charge
Facilities Location Charge
Temporary Facilities Charge
Return Check or Bank Charge
Metering Charge
Utility Service Switchover Charge
Security Light Repair Charge
Miscellaneous Discretionary Service Charges
Line Extensions and other Construction Services
Other TDU Charges made on behalf of the customer