

TEXAS-NEW MEXICO POWER COMPANY

577 N GARDEN RIDGE BLVD. LEWISVILLE, TX 75067

WHOLESALE TARIFF

FOR

TRANSMISSION SERVICE

Chapter 1: Definitions

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: ii

Original

TABLE OF CONTENTS

| 1.0 | Utility Operations | 1 |
|-----|--|---|
| 2.0 | Wholesale Transmission and Related Services | 2 |
| 3.0 | Rate Schedules | 3 |
| 3.1 | Rate NTS – Network Transmission Service | 4 |
| 32 | Rate DLS – Wholesale Distribution Line Service | 5 |

Chapter 1: Definitions

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Page No.: 1

Original

1.0 Utility Operations

Texas-New Mexico Power Company ("Company") is an electric utility engaged in the transmission and distribution of electricity in the State of Texas.

Chapter 2: Wholesale Transmission and Related Services

Applicable: Entire Certified Service Area

Effective Date: October 3, 2008

Page No.: 2

Original

2.0 Wholesale Transmission and Related Services

All of the services provided pursuant to this Tariff for Transmission Service are available to Customers on a non-discriminatory basis.

Chapter 3: Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 3

Original

3.0 Rate Schedules

Chapter 3: Rate Schedules

Applicable: Entire Certified Service Area Page No.: 4
Effective Date: September 1, 2009 Original

3.1 Rate NTS – Network Transmission Service

Application

Applicable, on a non-discriminatory basis, to all Wholesale Electricity Market Participants receiving service over Company's electric facilities rated at 60 kV and above, for delivery of electric power and energy from resources to loads while maintaining reliable operation of Company's transmission system in accordance with good utility practice and Commission Substantive Rules. This rate is not applicable to service offered by the Company under another Rate Schedule.

Type of Service

Three phase, 60 hertz, and at Company's standard transmission voltages.

Monthly Rate

Monthly charges are determined by multiplying one-twelfth of the Network Transmission Service Charge by the monthly Customer Utility System Demand.

Network Transmission Service Charge = \$0.369465 per kW Hurricane Cost Recovery Factor (5 years) = \$0.000220 per kW Rate Case Expense = \$0.002920 per kW

Customer Utility System Demand

Customer's Utility System Demand is the average of the demand, expressed in kilowatts, of the Customer's retail and wholesale loads for the 15-minute interval that is coincident with the ERCOT system coincident peak demand for the months of June, July, August and September in the preceding calendar year.

Payment

Company must receive payment by the 35th calendar day after the date of issuance of the bill, unless the Company and the Customer agree on another mutually acceptable deadline, in accordance with applicable Commission Substantive Rules. Interest will accrue on any unpaid amount in accordance with applicable Commission Substantive Rules.

Agreement

An Interconnection Agreement is required for Customers directly connected to Company facilities.

Notice

Service hereunder is subject to the orders of regulatory bodies having jurisdiction and to the provisions of Company's Tariff for Transmission Service.

Chapter 3: Rate Schedules

Applicable: Entire Certified Service Area Page No.: 5
Effective Date: September 1, 2009 Original

3.2 Rate DLS – Wholesale Distribution Line Service

Application

Applicable to all Wholesale Electricity Market Participants receiving distribution service supplied at one point of delivery and measured through one meter necessary to support the transmission of energy for purposes of resale to end-users, other public utilities, qualifying facilities, exempt wholesale generators, or power marketers from resources to loads in accordance with Commission Substantive Rules §25.5, §25.191 - §25.198, and §25.200 - §25.204. This Rate Schedule is not applicable to service offered by the Company under another Rate Schedule.

Type of Service

Three phase, 60 hertz, and at Company's standard primary distribution voltages (below 60 kV).

Monthly Rate

| Customer Charge = | \$ 22.32 | per Point of Interconnection |
|------------------------------------|----------|------------------------------|
| Metering Charge = | \$264.50 | per Point of Interconnection |
| Distribution Line Service Charge = | \$2.29 | per Billing kVA |

The monthly bill for Distribution Line Service is the sum of the Customer Charge, Metering Charge and the product of the Distribution Line Service Charge and the Customer's Billing Demand (kVA).

Demand Determination

The Billing kVA applicable to the Distribution Line Service Charge shall be the greater of the Customer's highest measured 15-minute kVA in the 12-month period ending with the current month, or the maximum load specified in the Agreement between customer and the Company covering such service..

Payment

Company must receive payment by the 20th calendar day after the date of issuance of the bill, unless the Company and the Customer agree on another mutually acceptable deadline, in accordance with Commission Substantive Rule §25.202(a), or successor rule. Interest will accrue on any unpaid amount, calculated in accordance with Commission Substantive Rule §25.202(a), or successor rule.

Definitions

Distribution Line Service is Wholesale distribution service provided to Customer from the Company distribution lines operated at voltages below 60 kV.

Chapter 3: Rate Schedules

Applicable: Entire Certified Service Area

Effective Date: September 1, 2009

Page No.: 6

Original

Construction of New Facilities

A Contribution In Aid of Construction (CIAC) may be required if facilities must be constructed to provide the service requested, or if existing facilities must be altered to provide the service. Such CIAC will be made in accordance with the Commission's Substantive Rule §25.195(c)(2).

Agreement

Customers shall enter into an Agreement with the Company covering the specific terms of the transmission service requested.

Notice

Service hereunder is subject to the orders of regulatory bodies having jurisdiction and to the provisions of Company's Tariff for Transmission Service.