

RULES, REGULATIONS AND CONDITIONS OF SERVICE

2. DEFINITIONS

The following expressions, when used in these Rules and Regulations, in Rate Schedules and in Service Agreements, shall, unless otherwise indicated, have the meanings given below:

Applicant: Any individual, partnership, association, firm, public or private corporation or governmental agency who applies for service for the first time or reapplies at a new or existing location after discontinuance of service.

Billing Month: An interval of approximately thirty days between successive meter reading dates, except when the calendar month is specified.

Commission: The Public Utility Commission of Texas.

Company: Southwestern Public Service Company ("SPS").

Customer: Any individual, partnership, association, firm, public or private corporation or governmental agency receiving electric service from the Company.

Customer's Installation: All wires, cut-outs, switches, appliances and apparatus of every kind and nature used in connection with or forming a part of any installation for utilizing electricity for any purpose ordinarily located on the Customer's side of Point of Delivery, whether such installation is owned outright by Customer or used by Customer under lease or otherwise.

Electric Service: The maintenance by the Company of an established voltage and frequency at the Point of Delivery to the Customer constitutes the supplying of electric service, irrespective of whether or not any electric power and energy is actually used by the Customer.

Extension: Any branch from or continuation of Company's existing facilities to the Point of Delivery to Customer, including increases in capacity of any existing facilities,

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or the changing of any Company Facilities for the purpose of meeting Customer requirements.

Meter: Any metering equipment, including auxiliary devices, if any, constituting the complete installation required to measure the power and energy supplied to any Customer at a single point of delivery.

Notice: Unless otherwise specified, a written notification delivered personally or mailed by one party to the other at such other party's last known address.

Point of Delivery: The end of Company's service connection, or the point where Company's wires are joined to Customer's wires or apparatus, unless otherwise specified in Service Agreement.

Ancillary Meter: A meter that records the energy usage and demand of a Customer (Customer B) whose electrical service is provided by Company but delivered by distribution facilities owned by another Customer (Customer A) rather than facilities owned by Company. Company will utilize an Ancillary Meter for Customer B only when Company measures Customer A's energy usage and demand on the secondary distribution system side of Customer A's facilities instead of using a meter that is located on the primary distribution side of Customer A's facilities.

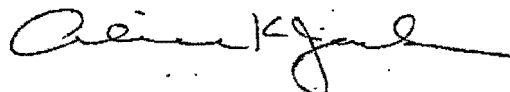
Deduct Meter: A meter that measures the energy usage and demand of a Customer (Customer B) whose electrical service is provided by Company but delivered by distribution facilities owned by another Customer (Customer A) rather than facilities owned by Company. Company will utilize a Deduct Meter for Customer B only when Company measures Customer A's energy usage and demand with a meter located at Customer A's Point of Delivery that is on Company's primary distribution system (Primary Meter). The Primary Meter at Customer A's Point of Delivery will measure all energy usage and electrical demand past Customer A's Point of Delivery regardless of which Customer's facility is consuming the electricity.

Effective May 1, 2013

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