

AGENDA ITEM 31

Consider approving resolution(s) to purchase electricity through the HGAC Energy Purchasing Corporation.

Moved: **Commissioner Boatright**

Motion: To approve a resolution to purchase electricity through the HGAC Energy Purchasing Corporation.

Commissioner Boatright withdrew his motion.

No further action was taken on this agenda item.

< Attachment >

Update on the H-GAC Energy Purchasing Corporation

October 12, 2001

Status of H-GAC aggregation

The H-GAC Energy Purchasing Corporation has entered into an agreement with **TXU Energy Services** as the supplier for local governments who choose to purchase electricity through the H-GAC aggregation. Those who have not yet joined the aggregation still have an opportunity to do so. Currently, any government wishing to participate in H-GAC's aggregation must make final commitments (passing Resolution I and Resolution II) by November 7, 2001.

There will be a General Participant Meeting at H-GAC offices on Tuesday, October 23, 2001, at 9:00 a.m. in Room A on the Second Floor. Please be prepared to discuss any questions you may have concerning the information included in this packet. Our contractor, TXU Energy Services, will be present to answer questions as well.

Information included in this packet:

Information on TXU Energy Services
Resolution II (attached)
Indicative Pricing from TXU Energy Services
Sample Supply Agreement (attached)

ABOUT TXU ENERGY SERVICES:

TXU Energy Services is part of TXU, one of the largest energy companies in the world. With more than \$40 billion in assets, TXU is at the forefront of energy generation, trading, and retailing. From Texas to the United Kingdom to Australia, TXU provides more than eight million customers with competitive and dependable electric and gas services. TXU Energy Services provides:

- A vast knowledge of what it takes to meet the energy needs of your government.
- Representation in Texas and across the U.S.
- Access to hundreds of dedicated energy professionals.
- Innovative energy-related services and solutions designed to meet your needs.
- Relationships built on trust, not just transactions.

TXU Energy Services representative:

Greg Pendley
Phone: 713-954-4939
Email: cpendle1@txu.com
www.txu.com

RESOLUTION II

Attached is a copy of Resolution II. Resolution II will commit your entity to purchase electricity through TXU Energy Services if the final pricing released to you on November 13 is less than or equal to the "Indicative Pricing" contained herein (referred to in Resolution II as "initial proposal pricing"). Resolution II must be passed by November 7 in order for you to participate in the purchasing process. By passing Resolution II, you acknowledge that you have seen and approve of the Supply Agreement and the Indicative Price. In addition, you name the representative(s) that will be the point of contact during the Final Price Closing Round on November 13-14. You should have already passed Resolution I, which makes your local government a member of the H-GAC Energy Purchasing Corporation.

NOTE: Local governments should not adopt Resolution II if they do not intend to purchase electricity through the H-GAC Energy Purchasing Corporation.

INDICATIVE PRICING

Below is a table that shows the prices and terms available through TXU Energy Services. One and two year contract terms will be offered. These are only indicative prices. In addition, there is a \$10.00 monthly standing fee per account. The final pricing will be released on November 13, 2001, at 1:00 p.m. This information will be released to the contact representative named by your local government on Resolution II. For high demand accounts (or those with IDR meters), specialized time-of-day pricing is be available.

H-GAC Pricing: Fixed		
Energy Charges Per kWh		
Fixed kWh for all Usage		
Term	12 Month	24 Month
TXU Indicative Energy Price	\$0.0415706	\$0.0415950
Transmission & Distribution Charges *	\$0.0094038	\$0.0094038
Aggregation Fee	\$0.0004500	\$0.0004500
Total	\$0.0514244	\$0.0514488

* The estimated costs and expenses charged by the TDSP for delivery services may fluctuate during the Agreement Term, as will other applicable tariffs, riders, fees, and charges.

SAMPLE SUPPLY AGREEMENT

Attached is a sample of the Supply Agreement that you should sign by November 14 if you choose to purchase electricity through the H-GAC aggregation. The Supply Agreement contains (1) the Terms and Conditions for Supply of Electricity, (2) the Price Sheet which describes the various pricing components, and (3) The Offer Sheet which acknowledges the acceptance of the offer for the supply of electricity. Read this Agreement carefully. If you have any questions about any terms, please contact the H-GAC Energy Purchasing Corporation or the TXU Energy Services Representative.

The Supply Agreement contains these features:

1. **Pricing** is based on plus or minus 20% deviation from your typical energy usage. Most contracts give only 10%. There is one fixed price for the whole group, taking advantage of group purchasing power – with time-of-day pricing available for larger IDR accounts. There are no penalties for ambiguous delivery points. Most contracts leave a gray area between where the REP delivers the electricity and where the customer takes the electricity.
2. **Payment Terms** are 30 days from date of invoice (most contracts are 10 to 16 days) with no early termination provisions. Many contracts give a customer only a few days to pay an overdue bill before beginning the termination process. No deposits are required and there are various billing options that may be available to your local government.
3. **Energy Related Services** will be available later through this contract such as energy consulting, engineering, energy audits, load shift consultants, etc.
4. **Excellent Customer Service** means that TXU will be the one point of contact for any electricity related matters. In most other contracts, the customer must call the REP for billing issues and the TDSP for service disruptions.

Following is the timeline for the Final Price Closing Process. Remember, you must have passed Resolution I (to become a member of the H-GAC Energy Purchasing Corporation) and Resolution II (to make a firm commitment to purchase electricity) by November 7 in order to participate.

Oct 23	9:00 a.m.	General Participant Meeting
Nov 7	5:00 p.m.	Deadline for Member Buyers to return Resolution I & Resolution II

Nov 8	12:00 noon	Release list of committed Member Buyers to TXU
Nov 12	12:00 noon	Deadline for TXU to submit revised pricing
Nov 13	1:00 p.m.	Final Pricing released to committed Member Buyers
Nov 14	5:00 p.m.	Deadline for Member Buyers to select pricing options on contract & sign Supply Agreements
Jan 1, 2002		Begin electricity supply

To purchase electricity through the H-GAC Energy Purchasing Corporation, Resolution I and II must be passed and sent to H-GAC by 5:00 p.m., CT, on November 7, 2001.

If you have any questions or concerns, please contact us.

A RESOLUTION
APPROVING AND AUTHORIZING EXECUTION OF A
“SUPPLY AGREEMENT” WITH A RETAIL ELECTRIC PROVIDER,
APPROVING INITIAL PROPOSAL PRICING, AND
APPOINTING AUTHORIZED REPRESENTATIVE(S)

WHEREAS, H-GAC Energy Purchasing Corporation (the “Corporation”) is a non-profit political subdivision corporation, as defined in Chapter 303 of the Texas Local Government Code (to be codified effective September 1, 2001 as Chapter 304); and

WHEREAS, the Corporation is authorized to negotiate on behalf of its members for the purchase of electricity, make contracts for the purchase of electricity, purchase electricity, and take any other action necessary to purchase electricity for use in the public facilities of the political subdivisions represented by it; and

WHEREAS, _____
(the “Political Subdivision”) has adopted a resolution authorizing participation in the Corporation; and

WHEREAS, the Corporation has negotiated and contracted with various Retail Electric Providers (each a “REP”) and has entered into a contract with the REP referenced in the attached Supply Agreement; and

WHEREAS, the Member, as a Buyer, has selected the REP referenced in the attached Supply Agreement; and

WHEREAS, the Corporation has received and distributed to its members the initial proposal pricing (“Initial Pricing”) of the REP and the Political Subdivision has reviewed the Initial Pricing, which is incorporated herein by reference; and

WHEREAS, the Political Subdivision acknowledges that the Initial Pricing is not binding on the REP but will be updated during a subsequent time period to be announced by the Corporation, at which time final closing pricing (the “Final Pricing”) will be announced; and

WHEREAS, the Political Subdivision has reviewed a Supply Agreement with the selected REP (the “Supply Agreement”), a copy of which is presented with this Resolution and is incorporated herein by reference, and wishes to enter into such agreement provided that the Final Pricing does not exceed the Initial Proposal Pricing;

NOW, THEREFORE, BE IT RESOLVED:

1. The Supply Agreement with the Initial Proposal Pricing made a part thereof is hereby approved and adopted.

2. The following officers, officials or employees of the Political Subdivision are hereby designated as "Authorized Representatives," with full power and authority to execute the Supply Agreement, so long as the Final Pricing is less than or equal to the Initial Proposal Pricing, exclusive of any regulated rates subject to change, which the Political Subdivision has elected, and take all other actions deemed necessary or appropriate to consummate the transaction authorized by this Resolution.

Signature: _____

Printed Name: _____

Title: _____

Tele: _____

Fax: _____

E-mail: _____

Signature: _____

Printed Name: _____

Title: _____

Tele: _____

Fax: _____

E-mail: _____

PASSED AND APPROVED this ____ day of _____, 2001.

ATTESTS:

By: _____

By: _____

Printed Name and Title

Printed Name and Title

(SEAL)

**A RESOLUTION AUTHORIZING A POLITICAL SUBDIVISION
TO PARTICIPATE IN THE H-GAC ENERGY PURCHASING CORPORATION**

WHEREAS, Senate Bill 7, enacted by the 76th Texas Legislature, restructures electric power within the State of Texas; and

WHEREAS, Section 303.001 of the Local Government Code authorizes political subdivisions to join together to form a political subdivision corporation to negotiate the purchase of electricity or to aid or act on behalf of the political subdivisions for which the corporation is created with respect to their own electricity use for their respective public facilities; and

WHEREAS, the Houston-Galveston Area Council, a political subdivision of the State under Chapter 391 of the Local Government Code, has conducted a cooperative purchasing program for more than twenty-five years and has formed the H-GAC Energy Purchasing Corporation ("Corporation") as a political subdivision corporation; and

WHEREAS, the Political Subdivision wishes to obtain electricity for its public facilities, at the lowest cost providing the best value, thereby benefiting its citizens and taxpayers; and

NOW THEREFORE BE IT RESOLVED BY THE POLITICAL SUBDIVISION'S GOVERNING BODY THAT:

Section 1. The Political Subdivision agrees to join with the Houston-Galveston Area Council and other participating political subdivisions and participate in the Corporation.

Section 2. The Political Subdivision hereby approves the H-GAC Energy Purchasing Corporation Articles of Incorporation, attached as Exhibit A, and Bylaws, attached as Exhibit B.

Section 3. The Political Subdivision agrees to cooperate with the Corporation in providing data related to electricity demand for its accounts, and other information that may assist in preparing bid solicitations or requests for proposals.

Section 4. By approving this resolution, the Political Subdivision does not create an obligation for the Political Subdivision, nor does it authorize the Corporation to actually purchase electricity on its behalf without the Political Subdivision's prior consent to specific purchases. The Political Subdivision understands that prior to authorizing the purchase of electricity through contracts negotiated by the Corporation, information detailing procurement terms will be provided. The Political Subdivision may then purchase electricity through contract(s) negotiated by the Corporation on its behalf by issuing an order, resolution, purchase order or other binding agreement under terms that are materially the same as the terms the Corporation originally described in the information presented to the Political Subdivision.

Section 5. The Political Subdivision agrees to allow the Corporation to use its name as a participant in descriptions of the Corporation.

PASSED AND APPROVED this _____ day of _____, 2001 at a regular meeting of the Political Subdivision's governing body.

Name of Political Subdivision:

By: _____

Title: _____

H-GAC Aggregation Survey-- Part One(Due not later than May 1st.)**Purpose**

This survey is designed to collect basic information needed by H-GAC as quickly and easily as possible. All information submitted to H-GAC will be kept confidential and provided only on an aggregate basis to potential Retail Electric Providers ("REPs"). **Please return this completed survey to H-GAC no later than May 1st. (FAX to 713/993-4548 or mail to 3555 Timmons, Suite 500, Houston, TX 77027). Contact Bob Wooten (713/993-4539) or Neal Witty (713/499-6693) for assistance.**

[A request for detailed information in **Survey- Part Two** will follow within the next 30 days.]

I. Name of Political Subdivision: _____

Type of political subdivision (please check only one):

☐ Municipality☐ County☐ School District, College or College District☐ Other, please specify type: _____

Physical Location in county / counties: _____

II. Primary contacts on electricity in your organization**A. Primary contact on electricity purchasing policy**

Name: _____

Title: _____

Tel. _____

Fax _____

Email: _____

B. Primary contact on electricity use and cost data

Name: _____

Title: _____

Tel. _____

Fax _____

Email: _____

III. Population Data**A.** If a municipality or county, list total 2000 census population: _____**B.** If a school district, college or college district, list your current enrollment: _____**C.** List total full time equivalent employees (FTE): _____**D.** If you are a special district, utility, authority or other type of organization, please characterize the constituency you serve:

Number of households: _____

Number of customers: _____

Other (describe): _____

IV. Annual electricity cost and usage in last fiscal year, or last 12 months.**A.** Actual total expenditures: \$ _____**B.** Total of all **demand metered accounts** exceeding 1,000 kW (or 1,000 kVA): \$ _____**C.** Local electric utility company: _____**D.** On-site power generation: 1) Standby: _____ kW. 2) Cogeneration: _____ kW**V. Identifying major power consumption facilities****A.** Water/waste water, healthcare, and criminal justice facilities often consume a major portion of electricity costs. If you have one or two facilities that stand out as major users, please indicate below:

No. 1 _____ Annual Cost: \$ _____

No. 2 _____ Annual Cost: \$ _____

VI. Other than H-GAC, are you considering participation in another electricity aggregation program?☐ Yes (If "yes," have you already registered with another aggregator? ☐)☐ No**-End of Survey-Part One-**



TERMS AND CONDITIONS FOR SUPPLY OF ELECTRICITY

These Terms and Conditions for the Supply of Electricity ("**Terms**"), together with any Offer for Supply of Electricity ("**Offer**") and any other attachments, exhibits or appendices (including, as appropriate, one or more Price Sheets) as may be hereafter agreed to by Buyer (the term Buyer includes its employees and/or agents as appropriate), and Seller (the term Seller includes its assignees and/or as appropriate its employees, agents and/or subcontractors), shall constitute the "**Agreement**" for the supply of electricity to the Premise(s) of Buyer set forth in Exhibit "A" attached hereto. Seller and Buyer may hereinafter be referred to individually as a "**Party**" and collectively as the "**Parties**". "**Premise(s)**" herein shall mean the designated (in Exhibit "A") property or facilities and associated metered account(s) identified by an Electric Service Identifier ("**ESI**"), which is a unique and permanent identifier assigned to each Premise(s). A "**Price Sheet(s)**" is a document(s) containing a description of the method for determining charges payable by Buyer to Seller for electricity supplied pursuant to this Agreement, for specified Premises and shall contain the **Offer Price**. A condition precedent for the effectiveness of the Agreement shall be the execution of a separate Offer, and agreement by the Parties on the terms contained in Exhibit "A" and the appropriate Price Sheet(s).

I. SUBJECT MATTER AND QUANTITY. Seller shall sell and cause delivery, and Buyer shall purchase and receive at the Point of Delivery, for use only at the Premise(s), Buyer's non-residential electricity requirements set forth on Exhibit "A" attached hereto. "**TDSP**" herein shall mean a transmission and/or distribution provider under the jurisdiction of the Public Utility Commission of Texas ("**PUCT**") that owns and maintains a transmission or distribution system for the delivery of energy; including a Municipally owned utility or Rural Electric Cooperative. "**Point of Delivery**" herein shall mean the point where TDSP's conductors are connected to Buyer's conductors at or near Buyer's Premises.

II. [This Section has been deleted intentionally.]

III. TERM. The "**Agreement Term**" shall be the time period, as referred to in the Offer, during which the prices contained in the Price Sheets are and shall remain in force.

IV. AGREEMENT RENEWAL/PRICE RENEGOTIATION. If Buyer and Seller have not agreed to new pricing and terms prior to thirty calendar days before the expiration of the then current Offer, and Buyer has not arranged for electricity from another supplier prior to the expiration of such Offer, then, effective upon expiration of the Offer and until Buyer arranges for electricity with another supplier or under a new Offer with Seller, Seller agrees to sell and deliver and Buyer agrees to purchase and receive electricity under terms and prices of Seller's then current Standard List Price Offer applicable to businesses of same or similar nature as Buyer. "**Standard List Price Offer**" herein shall mean the Seller's price charged to customer's purchasing electricity without a valid Offer for the Supply of Electricity. The Standard List Price Offer may change from time to time at the discretion of Seller.

V. CALCULATION AND PAYMENT OF CHARGES.

5.1 Seller will invoice Buyer for electricity delivered to the Premise(s) during each monthly billing cycle of the Agreement Term, and for any other amounts due from Buyer to Seller hereunder, in accordance with the applicable Price Sheet, provided, however, in the event Buyer takes quantities of electricity in any month that are in excess of one hundred twenty percent (120.0%) of the aggregated quantities listed in Exhibit "A", Seller shall have the option to price such excess quantities at 105.0% of the then current retail market value. If Buyer, (provided such is not the result of a force majeure event), takes quantities of electricity in a month that are less than eighty percent (80.0%) of the aggregated quantities listed in Exhibit "A", in addition to paying for those quantities actually taken in accordance with the applicable Price Sheet, Buyer agrees to pay Seller the positive amount, if any, calculated as follows: (80.0% of the aggregated quantities on Exhibit "A" for the applicable month minus the aggregated quantities actually used by Buyer during the month, the "Shortfall Quantity") multiplied by (the contracted price from the applicable Price Sheet minus 95.0% of the then current retail market price for the Shortfall Quantity). 5.2 If Buyer has more than one Premise, the monthly billing cycle may vary for different Premises, and may not coincide with a calendar month. In the event that an interval demand recorder ("**IDR**") must be installed at any Premise, if such IDR has not been installed prior to the commencement of the Agreement Term, Seller reserves the right to calculate prices based upon the appropriate deemed load profile, as obtained by Seller from the PUCT, until such IDR can be installed.

5.3 Buyer shall pay the invoiced amount on or before the due date specified in the Offer, and/or notify Seller within ten business days of the invoice date if Buyer disputes any part of the invoice together with Buyer's reasons for disputing the invoice (however, Buyer's payment of an invoice and/or failure to dispute an invoice by the due date, in and of itself, shall not constitute a waiver by Buyer of Buyer's right to contest later the correctness of such invoice), but the undisputed part shall remain due and payable. In the event that Buyer gives notice of such dispute, the Parties shall, for a period of thirty calendar days following Seller's receipt of that notice, pursue diligent, good faith efforts to resolve the dispute. If the Parties are unable to resolve a disputed invoice during that thirty day period, Seller may require, in the event it is subsequently determined that Buyer should pay Seller all or part of the disputed amount, that Buyer pay interest on such amount, at a rate equal to (i) one

percent (1%) per month or (ii) the highest rate allowed by law, whichever is the lesser, from the date such payment was originally due until the same is paid. Following resolution of the dispute, any amount found payable (including interest) shall be paid within thirty calendar days. If Buyer fails to pay any amount due (including any disputed amount withheld which is subsequently found to have been payable), Seller may, at its option, pursue any or all of the following actions or remedies: (a) accrue interest on the unpaid portion at a rate equal to that described earlier in this paragraph, from the date such payment is due until the same is paid, or (b) transfer Buyer to the provider of last resort ("POLR"). POLR shall be defined as a retail electric provider that has been designated by the PUCT to provide a basic, standard retail service package to requesting or defaulting customers.

5.4 If Buyer notifies Seller in writing of a justifiable concern regarding the accuracy of an invoice hereunder, Seller shall make available to Buyer during normal business hours the records in Seller's possession reasonably necessary for Buyer to verify the accuracy of its bill. Provided, however, neither Party may request any adjustment or correction of any statement or payment unless written notice of such request for adjustment or correction is furnished within twenty-four (24) months of the date of the statement or payment for which such adjustment or correction is requested.

5.5 If this Agreement is terminated for any reason (including where Buyer terminates in accordance with Section VII) and Buyer does not arrange for a new electricity supply agreement with Seller or another supplier, Seller, until Buyer arranges for a new electric supply agreement with Seller or another supplier, may (in addition to other remedies) charge Buyer for any electricity used at the Premise(s) after the effective date of the termination, and subject to these Terms, at Seller's then current Standard List Price Offer applicable to businesses of same or similar nature as Buyer. This sub-clause shall survive termination of this Agreement.

5.6 Payments may be made by check, wire transfer, direct debit or electronic data interchange (on terms reasonably acceptable to both Parties), and notwithstanding anything to the contrary contained herein, must be received by the receiving Party on or before the dates specified in Article II of the Offer. The address to which payments are to be made shall be as set forth in the Offer. For Buyer to pay Seller other than by check, Buyer needs to obtain required information / agreements with Seller. If Buyer fails to pay the invoiced amount to Seller by the Due Date, and such amount is not disputed as provided in Section 5.3 the undisputed invoiced amount will accrue interest at the rate of 12% per year, and, in addition, Seller may pursue, but is not required to pursue, available legal remedies for collection of the unpaid invoice and late-payment interest charges, including termination of the Agreement in accordance with the procedures set forth in Article VII.

5.7 In the event Buyer ever takes electricity exceeding the Maximum kW for each Premise(s), each time it does so Buyer shall pay the Over Capacity Charges as stated in the applicable Price Sheet. "Maximum kW" for each Premise is set forth on Exhibit "A", and shall be recorded at the TDSP Point of Delivery.

5.8 Buyer agrees that it shall abide and be bound by the Agreement through the end of the Agreement Term and shall not, during the Agreement Term, claim any right to pricing based upon the Price to Beat. "Price to Beat" shall mean a price for electricity, as determined pursuant to the Public Utility Regulatory Act, Section 39.202, charged by an affiliated retail electric provider to eligible customers.

VI. METERING EQUIPMENT.

6.1 The supply of electricity to Buyer at the TDSP Delivery Point(s) shall be measured by Metering Equipment. "Metering Equipment" herein shall mean any and all equipment required for the measurement of demand, energy, reactive demand or reactive energy and the times during which said demand or energy is consumed. Unless the accuracy of the Metering Equipment is disputed by notice given by either Party to the other the Metering Equipment shall be deemed to be accurate. If notice is given (unless otherwise agreed) the Metering Equipment shall be examined within a reasonable period by the TDSP in accordance with the applicable Substantive Rules of the PUCT. If such test finds that the inaccuracy of the registration of kWh or kW at normal loads exceeds that allowed by ANSI standard C.12, suitable adjustment shall be made in the accounts rendered by Seller, and, within a reasonable period following that determination, the Metering Equipment shall be re-calibrated or replaced by the entity that installs, validates, registers, and maintains the physical meter required on a Premise to measure customer usage. If such test finds the Metering Equipment to be accurate within the said limits, the Metering Equipment shall be deemed to be accurate and the cost of moving, testing, and replacing the Metering Equipment shall be paid by the Party who issued the notice. If it is discovered that any reading of the Metering Equipment or translation of the readings into charges have been incorrect then the amount of money due to and from Seller shall be paid forthwith.

6.2 If appropriate meter reading personnel cannot gain access to read the Metering Equipment, or the Metering Equipment fails to register correctly the amount of electricity supplied, or the readings are not communicated to Seller in time for whatever reason, Seller shall reasonably estimate the quantity of the electricity consumed and Buyer shall pay the charges for the estimated amounts subject to any adjustments which may be necessary following the reading. Buyer shall notify Seller of any dispute or query regarding the Metering Equipment made by the TDSP. Seller is not responsible for damage to the Metering Equipment unless caused by Seller's negligence.

VII. TERMINATION OF AGREEMENT.

7.1 A material breach of this Agreement includes: (a) the failure of either Party to make any payment due to the other Party pursuant to the terms hereof, provided, however, that notwithstanding the foregoing or anything else to the contrary in this Agreement, Supplier may not terminate this Agreement for non-payment by Buyer of an undisputed invoiced amount unless the undisputed invoiced amount remains unpaid for thirty (30) days after the due date; (b) the failure of a Party to comply with any other material term of this Agreement; (c) a Party

becomes or declares that it is insolvent or bankrupt, or becomes or declares that it is the subject of any proceedings, or is taking any action whatsoever, relating to its bankruptcy, liquidation or insolvency, or is not generally paying its debts as they become due, (d) a Party fails to comply with any federal, state or local law, regulation, rule or order that causes a material adverse affect upon this Agreement, either Party or either Party's performance of its obligations described in this Agreement; (e) if Buyer enters into another electricity supply agreement for any Premise(s) with another retail energy provider that covers any period during the Agreement Term; or (f) if Buyer, except as provided in paragraphs 7.2 and 14.3 below, sells, leases, closes or otherwise conveys or assigns any Premise(s) in which the electricity sold hereunder is utilized. If either Party commits a material breach of this Agreement, the non-breaching Party shall give written notice to the breaching Party that describes the breach in reasonable detail ("**Original Notice**"). The non-breaching Party may, in its sole discretion, and without prejudice to any other right under this Agreement, at law, or in equity, terminate this Agreement (i) by providing an additional notice if the breaching Party does not pay all amounts due and owing set forth in the Original Notice within ten calendar days of the date of the Original Notice, or (ii) effective immediately in the Original Notice in the event the breach pertains to (c), (e), or (f) in this paragraph above, or (iii) by providing an additional notice if the breaching Party fails to cure any breach other than one related to (a), (c), (e), or (f) in this paragraph above within thirty calendar days of the date of the Original Notice.

7.2 (a) In the event Buyer sells, closes, or leases a particular Premise, without selling, closing, or leasing all of the Premises, Buyer shall have the right to delete that particular Premise and the quantities of electricity attributable to that Premise through the end of the Agreement Term (the "**Liquidated Quantities**") from this Agreement without terminating the Agreement (a "**Premise Buyout Option**"). If Buyer desires to exercise a Premise Buyout Option with regard to a Premise, Buyer shall notify Seller in writing at least thirty calendar days prior to the effective date. Upon the exercise of a Premise Buyout Option, in the event a new owner of the applicable Premise (i) is willing to sign a new contract with Seller upon the same terms and conditions as Buyer's contract, (ii) is deemed creditworthy by Seller, and (iii) the new owner and Seller can legally enter into such a contract in accordance with the rules and regulations of the PUCT, then the Premise will be deleted from this Agreement and neither Party will owe any compensation to the other. In the event that the new owner (i) is unwilling to sign a contract with Seller upon the same terms and conditions, (ii) is not reasonably deemed creditworthy by Seller, or (iii) the new owner and Seller cannot legally enter into the contract, then Buyer agrees to pay Seller the positive amount, if any, calculated as follows: the Liquidated Quantities multiplied by (the price that Buyer would have paid for the Liquidated Quantities through the end of the Agreement Term according to the applicable Price Sheet, minus 95.0% of the then current retail market price). Buyer shall pay such amount, if any, to Seller within twenty days of the date of liquidation. Exhibit "A" shall be modified to reflect the deletion of such Premise and its Liquidated Quantities, and all other terms and conditions of this Agreement shall remain in full force and effect with respect to the remaining Premises.

(b) In the event Buyer reduces its operations at a Premise, Buyer shall have the right to delete the quantities of electricity attributable to the reduction in operations at such Premise from the effective date of the reduction through the end of the Agreement Term (the "**Reduced Operations Liquidated Quantities**") from this Agreement without terminating the Agreement. If Buyer desires to exercise such right with regard to a Premise, Buyer shall notify Seller in writing at least thirty calendar days prior to the effective date. Upon the exercise of such right, Buyer agrees to pay Seller the positive amount, if any, calculated as follows: the Reduced Operations Liquidated Quantities multiplied by (the price that Buyer would have paid for the Reduced Operations Liquidated Quantities through the end of the Agreement Term according to the applicable Price Sheet, minus 95.0% of the then current retail market price for the liquidated quantities). Buyer shall pay such amount, if any, to Seller within twenty days of the date of liquidation. Exhibit "A" shall be modified to reflect the deletion of the liquidated quantities, and all other terms and conditions of this Agreement shall remain in full force and effect.

(c) Both Parties will work in good faith during the Agreement Term to reasonably accommodate and assist Buyer with the management of its electricity needs at the Premises. Since it is not possible to foresee the evolution of the deregulated power industry in Texas, various reasonable options for Buyer to achieve this are evolving and under development by Seller. For example, if Buyer desires to contract for additional electricity, both Parties will work in good faith to mutually agree upon the terms and conditions that are economically viable to both Parties. However, notwithstanding the previous language, nothing contained herein shall be construed as to deny or diminish the economic benefit of this Agreement to either Party, and neither Party shall be under any obligation whatsoever to agree to a modification that would have such result.

7.3 (a) In the event that this Agreement is terminated by Seller pursuant to Section 7.1, the Parties agree, that in addition to all amounts Buyer may owe Seller prior to the termination, Seller's damages shall be the positive amount, if any, calculated as follows: (all remaining unpurchased quantities of electricity reflected on Exhibit "A" through the end of the Agreement Term) multiplied by (the price that Buyer would have paid for the unpurchased quantities through the end of the Agreement Term according to the applicable Price Sheet, minus the current retail market price for the unpurchased quantities at the time of termination) plus (all reasonable costs and expenses incurred by Seller). Such amount shall be immediately due and payable within thirty calendar days following such termination. The current retail market price in this instance shall mean the price that Seller would reasonably be able to obtain from a bona-fide third party if entering into a contract with another customer for the unpurchased quantities, and for the remaining term after the Early Termination Date through the end of the Agreement Term. Seller shall have a duty to use commercially reasonable efforts to mitigate its damages.

(b) In the event that this Agreement is terminated by Buyer pursuant to Section 7.1, the Parties agree, that in addition to all amounts Seller may owe Buyer prior to the termination, Buyer's damages shall be the positive amount, if any, calculated as follows: (all remaining unpurchased quantities of electricity reflected on Exhibit "A" through the end of the Agreement Term) multiplied by (the current retail market price for the unpurchased quantities at the time of termination, minus the price that Buyer would have paid for the unpurchased quantities through the end of the Agreement Term according to the applicable Price Sheet) plus (all reasonable costs and expenses incurred by Buyer).

Such amount shall be immediately due and payable within thirty calendar days following such termination. The current retail market price in this instance shall mean the price Buyer would have to pay if entering into a contract with another Retail Electric Provider ("REP") for the same quantities, and for the remaining term after the Early Termination Date through the end of the Agreement Term. The price offered by the POLR, or any REP's Standard List Price Offer, shall not be used to calculate Buyer's damages. Buyer shall have a duty to use commercially reasonable efforts to mitigate its damages.

7.4 Buyer may terminate this Agreement, on a prospective basis, in the event of non-appropriation of funding for this Agreement by Buyer's Governing Body. Buyer agrees, to the full extent allowed by Texas law, that if any funds are appropriated for electricity costs, such funds shall be applied first to the cost of electricity provided pursuant to this Agreement. Buyer agrees to notify the REP in writing of such non-appropriation at the earliest practicable time subsequent to the failure to appropriate, and as of Buyer's termination date, Seller shall have no further duty to supply Electricity to Buyer and shall move service for the Accounts to the POLR as established by the PUCT on the date of termination for non-appropriation.

VIII . FORCE MAJEURE. If either Party is unable to perform its obligations in whole or in part due to an event of force majeure as defined herein, then the obligations of the affected Party shall be suspended to the extent made necessary by such event. The term "force majeure" means any cause not within the control of the Party claiming relief, including, but not limited to, Acts of God, including magnetic disturbances but not including extremes of temperature alone; arrests, orders, directives, restraints and requirements of the government and governmental agencies, either federal or state (excluding Buyer), civil or military; civil disorder; strikes or labor disputes; failure, repair or change of or obstruction in electric power lines, equipment or machinery; the failure of the TDSP to receive, transport, or deliver, or otherwise perform, unless due to the failure of the Party claiming force majeure to perform such Party's obligations hereunder; an event of force majeure of Seller's supplier(s) or with Buyer's electrical equipment at Buyer's Premises; or any other cause which by the exercise of reasonable diligence such Party could not have prevented or is unable to overcome. Any such event of force majeure shall, so far as possible, be remedied with all reasonable dispatch. It is understood and agreed that the settlement of strikes or lockouts will be entirely within the discretion of the Party having the difficulty, and that the above requirement of the use of diligence in restoring normal operating conditions will not require the settlement of strikes or lockouts by acceding to the terms of the opposing party when such course is inadvisable in the discretion of the Party having the difficulty. Neither financial distress nor the inability of either Party to make a profit or avoid a financial loss shall be deemed a force majeure event, nor shall (i) changes in the market prices of fuel, energy, or electricity, or (ii) a Party's financial inability to perform its obligations under this Agreement, constitute an event of Force Majeure hereunder.

IX. WARRANTIES AND LIMITATIONS OF LIABILITIES.

9.1 Seller hereby warrants to Buyer that at the time of delivery of electricity hereunder it will have good title and/or the right to sell such electricity, and that such electricity will be free and clear of all liens and adverse claims. Title will pass to Buyer at the TDSP Point of Delivery. EXCEPT AS PROVIDED FOR IN THE FIRST SENTENCE OF THIS PARAGRAPH, SELLER EXPRESSLY DISCLAIMS AND MAKES NO WARRANTIES, WHETHER WRITTEN OR VERBAL, WHETHER EXPRESS, IMPLIED, OR STATUTORY, INCLUDING, WITHOUT LIMITATION, ANY EXPRESS, IMPLIED, OR STATUTORY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

9.2 Unless otherwise expressly provided herein, any liability under this Agreement will be limited to direct actual damages as the sole and exclusive remedy, and all other remedies or damages at law or in equity are waived. Neither Party will be liable for consequential, incidental, punitive, exemplary or indirect damages, including lost profits or other business interruption damages, whether in tort or contract, under any indemnity provisions or otherwise in connection with this Agreement. The limitations imposed on remedies and damage measurement will be without regard to cause, including negligence of any Party, whether sole, joint, concurrent, active or passive; provided no such limitation shall apply to damages resulting from the willful misconduct or gross negligence of any Party.

X . NOTICES. All notices required or permitted under this Agreement shall be in writing and shall be deemed to be delivered when deposited in the United States mail (first class, registered or certified), postage prepaid, when deposited with an overnight delivery service, prepaid to the applicable Buyer's address shown in the attached Exhibit "A", and Seller's address as shown in the Offer, or to such address as either Party may from time to time designate as the address, or in the case of hand delivery, when delivered to a representative of either Party by a representative of the other Party; provided, however, except for payments of amounts due hereunder, either Party may provide such items hereunder by electronic mail or facsimile to the other Party at the applicable telephone number shown on the current Offer, and further provided, the original copy of such item shall be sent to the other Party within three business days thereafter.

XI . APPLICABLE LAW AND REGULATIONS.

11.1 This Agreement is subject to all applicable laws, regulations, rules and orders.

11.2 In the event a judicial decision, order, new law or regulation, or a change in any law or regulation, requires a change in the method by which prices are calculated under this Agreement, or materially and directly affects a Party's ability to perform its obligations hereunder, then the Party that is negatively affected shall have the right to notify the other Party, within thirty calendar days after becoming aware of such detrimental change. The Parties shall attempt to negotiate a modification to the terms of this Agreement so as to mitigate the impact of the event. If, after twenty calendar days beyond the date of notice, the Parties have been unable to negotiate a mutually satisfactory modification to the terms of this Agreement, either Party shall have the right to terminate this Agreement upon ten calendar days prior written notice to the

other Party. If such right to terminate is not exercised within forty-five calendar days after the date of the original notice hereunder, then the right to terminate this Agreement shall be waived with respect to the particular event.

11.3 Seller agrees to maintain all necessary certifications and comply with all necessary PUCT and/or ERCOT requirements in order to perform its obligations under this Agreement.

11.4 Notwithstanding anything contained in this Agreement, Buyer shall not attempt to utilize, under the provisions of this Section XI or Section VIII, or in any other manner, its inherent powers as a political subdivision of the State of Texas in order to circumvent in any way the terms and provisions of this Agreement or the intent of this Agreement.

XII. FAILURE OR TEMPORARY DISCONTINUANCE OF SUPPLY.

12.1 The supply of electricity may be disconnected in the event of Force Majeure in respect of this Agreement; or if at TDSP's discretion it is necessary to do so for any of the following reasons: (a) to avoid danger; or because failure to disconnect the supply of electricity would or might involve TDSP being in breach of applicable regulations or laws; or to avoid interference with the supply of electricity to another person which TDSP reasonably believes may be caused or result from Buyer's equipment or device used at the Premise(s); or to enable TDSP or TDSP's representatives to inspect, maintain or repair any part of the equipment or the Distribution System; or in case of accident or other emergency affecting or likely to affect the Distribution System or any other system through which (directly or indirectly) Seller or TDSP receives or supplies electricity; or (b) because Buyer's electric connections or systems are deemed by TDSP to present a hazard.

12.2 In the event that the supply of electricity to Buyer's Premises is interrupted due to the material breach by Seller of its contractual obligations under this Agreement and not due to (i) a force majeure event, (ii) as provided in paragraph 12.1 above, or (iii) the failure of Buyer to comply with its obligations under this Agreement, then, in the event Buyer is required to purchase replacement electricity from a third party during such interruption, Seller shall be liable for the positive amount, if any, calculated as follows: the quantities so interrupted by Seller multiplied by [the then current retail market price (or the POLR price if Buyer was unable to purchase electricity from another retail electricity provider) minus the contracted price from the applicable Price Sheet].

XIII. RESPONSIBILITY.

13.1 Buyer Responsibility. Buyer assumes full responsibility for electric energy furnished to Buyer at and on Buyer's side of the Point of Delivery, and agrees, to the full extent allowed by law, to hold harmless Seller, its parent company and all of its affiliates, and all of their respective officers, directors, shareholders, associates, employees, servants, and agents (hereinafter collectively referred to as "Seller Group"); from and against all claims, losses, expenses, damages, demands, judgments, causes of action, and suits of any kind (hereinafter collectively referred to "Claims"), including Claims for personal injury, death, or damages to property occurring on Buyer's side of the Point of Delivery and upon the Premise(s), arising out of or related to the electric power and energy and/or Buyer's performance under the Agreement.

13.2 Seller Responsibility. Buyer acknowledges and understands that (i) Seller never obtains physical possession or control of the electricity, (ii) Seller does not own nor have control of the electric transmission wires and equipment, and that they are owned and/or controlled by the TDSP, (iii) all meter reading, and repair services will be provided by employees or agents of the TDSP, (iv) all responsibilities and liabilities of the TDSP are set forth in the tariff regulations as approved by the PUCT, and (v) the employees and agents of the TDSP are not employees or agents of Seller. Seller shall not have any obligation whatsoever to indemnify, defend, nor hold harmless Buyer, its parent company and all of its affiliates, and all of their respective officers, directors, shareholders, associates, employees, servants, and agents (hereinafter collectively referred to as "Buyer Group"), against any Claims, on either side of the Point of Delivery, arising out of or in any way related to the electricity and/or the delivery thereof, including, without limitation, the actions of the TDSP and its employees and agents, except in the event, and only in the event, that such Claims are the direct result of the sole negligence and/or intentionally wrongful act of an employee, or agent under the exclusive control, of Seller.

XIV. MISCELLANEOUS.

14.1 TDSPs. Buyer and Seller agree to all terms and conditions (adopted pursuant to statutes, regulations or other lawful authority) of the TDSPs that provide electricity delivery services to the Premise(s) or other Buyer facilities, which may from time to time be amended, are made part of this Agreement.

14.2 Choice of Law; Venue. THIS AGREEMENT SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS WITHOUT GIVING EFFECT TO ANY CONFLICTS OF LAW PRINCIPLES WHICH OTHERWISE MIGHT BE APPLICABLE.

14.3 Assignment. In the event that Buyer conveys legal title to all of the Premises to the same entity, Buyer may request from Seller the right to assign its rights and obligations under the Agreement to the new owner of the Premises, and in such event, Seller shall not unreasonably withhold its consent. Any purported assignment without Seller's prior written consent shall be null and void. Buyer shall not have any right whatsoever to assign this Agreement to any party that is not the owner of all of the Premises, and any purported assignment shall be null and void. Seller may assign this Agreement to another party, with the prior written consent of Buyer, which consent shall not be unreasonably withheld. Any purported assignment without Buyer's prior written consent shall be null and void. This Agreement shall inure to and be binding upon the Parties hereto, and their respective successors and assigns.

14.4 Entirety of Agreement. It is the intention of the Parties that the Agreement shall contain all terms, conditions, and protections in any way related to, or arising out of, the sale and purchase of the electricity, and supersedes all prior agreements, whether written or oral. It is also the intention of the Parties to agree to terms of service different than those that would otherwise apply under the Substantive Rules of the Public Utility Commission of Texas "Customer Protection Rules for Retail Electric Service", Sections 25.471 - 25.485, and 25.491 - 25.492. The Parties expressly acknowledge that certain terms, conditions, and protections addressed in such sections 25.472 - 25.485, and 25.491 - 25.492 may not be provided for or referred to in this Agreement, and, in such event, it is the intent of the Parties that such terms, conditions, and protections are not applicable to the Parties. Neither Party may assert any claim that any term, condition, and/or protection contained in Sections 25.472 - 25.485 and 25.491 - 25.492 of the Rules is inconsistent with any term, condition, and/or protection contained in the Agreement and, therefore, applies to the Parties. This Agreement may not be modified or amended except in writing, duly executed by the Parties hereto. Buyer warrants that the information supplied by it pursuant to this Agreement is true and shall remain so throughout the term of the Agreement unless varied by agreement.

14.5 Waiver of Rights. A waiver by either Party of any breach of this Agreement, or the failure of either Party to enforce any of the terms and provisions of this Agreement, will not in any way affect, limit or waive that Party's right to enforce and compel strict compliance with the same or other terms or provisions of this Agreement.

14.6 Third Party Rights. Nothing in this Agreement shall create, or be construed as creating, any express or implied rights in any person or entity other than the Parties.

14.7 Survival. No termination or cancellation of this Agreement will relieve either Party of any obligations under this Agreement that by their nature survive such termination or cancellation, including, but not limited to, all warranties and obligations of indemnity.

14.8 Further Assurances. Buyer and Seller agree to provide such information, execute and deliver any instruments and documents and to take such other actions as may be necessary or reasonably requested by the other Party which are not inconsistent with the provisions of this Agreement and which do not involve the assumptions of obligations other than those provided for in this Agreement, in order to give full effect to this Agreement and to carry out the intent of this Agreement.

14.9 Distribution System. Distribution System herein shall mean any system for the distribution of electricity through which the electricity to be provided by Seller to Buyer is provided or passed to the Premise(s). Seller's obligations under this Agreement are subject to the maximum capacity and any other design feature of Buyer's Premise or Connection. Buyer shall contact Seller in accordance with all applicable legal requirements, and otherwise reasonably in advance, if Buyer proposes to make any significant change to Buyer's connection, electric lines or electrical equipment, install or operate generating equipment or do anything else that could affect the Distribution System or require alterations to Buyer's Connection. Each of the Parties undertakes to comply with Buyer's TDSP's Tariff for Distribution Service.

14.10 Delivery of Electricity. Seller does not guarantee against irregularities or interruptions, it being understood that occasional irregularities and interruptions by the TDSP may occur. Buyer is responsible for installing and maintaining protective devices as recommended or required by the then current edition of the National Electric Code and other such devices as are necessary to protect equipment or process during irregular or interrupted service including, but not limited to voltage and wave form irregularities.

14.11 Confidentiality. Seller acknowledges that Buyer is a governmental body that is subject to public information laws, including Chapter 552 of the Texas Government Code, which requires Buyer to release any information that is defined as or deemed to be public (the "Public Information Statutes"). Subject to any Public Information Statute or related order, rule or regulation requiring disclosure, Seller and Buyer agree to keep all terms and provisions of this Agreement confidential and not to disclose the terms of the same to any third parties; provided, however, each Party shall have the right to make such disclosures, if any, to governmental agencies and to its own agents, attorneys, auditors, accountants and shareholders as may be reasonably necessary. If disclosure is sought through process of a court, or a state or federal regulatory agency, the Party from whom the disclosure is sought shall resist disclosure through all reasonable means and shall immediately notify the other Party to allow it the opportunity to participate in such proceedings.

14.12 Resale of Seller's Electric Service. Buyer may not use supply of electricity provided by Seller except for the purpose specified in the Price Sheet under which Buyer receives supply of electricity. Buyer may not resell or otherwise dispose of supply of electricity unless as provided by statute or as specifically provided for in the Price Sheet.

14.13 Authorization. At such time as executed Offer and Price Sheet(s) are attached hereto, Buyer authorizes Seller to become Buyer's new retail electric provider in place of Buyer's current retail electric provider for the duration of the Agreement Term set forth in the Offer. Buyer authorizes Seller to act as Buyer's agent to effect the change, and Buyer directs its current retail electric provider to work with Seller to make this change happen. Buyer represents to Seller that Buyer is legally authorized to change the retail electric provider for all of the Premises.

14.14 Severability. If any portion of this Agreement, or application thereof to any person or circumstance, shall be held legally invalid, the remainder shall not be affected and shall be valid and enforced to the fullest extent permitted by law or equity.

14.15 Aggregator Fees. Seller shall bill and collect from Buyer for HGAC Energy Purchasing Corporation ("HGAC") Aggregation Fees with

respect to the purchase of Electricity under these Terms and Conditions ("Aggregation Fees"). Seller shall remit all Aggregation Fee collections received during each calendar month to HGAC on or before the twentieth (20th) Business Day of the following calendar month. Payments received from Buyer shall be deemed to be payments of Seller and TDSP charges then due, then of the Aggregation Fee.

14.16 Aggregator Review. Buyer understands and acknowledges that any deviations from the standard Terms and Conditions for Supply of Electricity negotiated by HGAC on behalf of Buyer shall be subject to the prior review and consent of the HGAC.

14.17 Buyer is a Member of the HGAC Energy Purchasing Corporation. Seller is basing the indicative price on the attached price sheet upon assumptions as to the aggregated load and associated load factor of all Members of the Corporation. A condition precedent to the effectiveness of this Agreement is satisfaction of certain load and load factor criteria as agreed to between Seller and the HGAC Energy Purchasing Corporation. In the event that such criteria, as established in Section 1.b of the Agreement between H-GAC Energy Purchasing Corporation and TXU Energy Services, are not satisfied, then Seller shall not sign this Agreement and it shall be null and void ab initio.

14.18 Buyer shall notify seller of any ESIs that have any significant load shifting capabilities so Seller may offer multipart pricing for that Premise.

The Parties have signed this Terms and Conditions for Supply of Electricity document, acknowledging their agreement to its provisions as of _____, 200__.

By: _____
Name: _____
Title: _____
Date: _____
"Buyer"

TXU ENERGY SERVICES COMPANY
By: _____
Name: _____
Title: _____
Date: _____
"Seller"

Exhibit A

List of Member Buyers' Accounts

Exhibit B
Pricing Sheet
TXU Energy Services
Price Sheet

Terms and Conditions for Supply of Electricity # _____

This Price Sheet is only valid in association with and shall remain subject to the Terms and Conditions for Supply of Electricity ("Terms") and Offer for Supply of Electricity referenced above and is contingent upon Customer's acceptance of the Offer prior to the Offer Expiration Date. This Price Sheet is applicable to the Customer ESI number(s) identified on Exhibit A of the Terms.

Monthly Prices shall equal the sum of (i) the Monthly Standing Charge set forth below; plus (ii) the applicable per kWh charges set forth below for the electricity; plus (iii) all costs and expenses of any nature whatsoever that are charged by the Transmission and Distribution Service Provider ("TDSP") for the transmission and/or distribution of the electricity, as well as any other charges of the TDSP that are attributable to the Customer Account numbers, including, without limitation, charges for reactive power; plus (iv) all other tariffs, rates, riders, fees, and charges, charged by the TDSP or another party, that are mandated, levied, assessed, allowed, or approved by the Texas Public Utility Commission and all other governmental or regulatory authorities, on or with respect to the acquisition, sale, delivery, and purchase of the electricity; plus (v) all federal, state, and local taxes, of any nature whatsoever, imposed by all governmental and regulatory authorities, on or with respect to the acquisition, sale, delivery, and purchase of the electricity, including Seller's Texas Gross Receipts Tax on the sale of electricity to Buyer; plus (vi) the Over Capacity Charge set forth below, if applicable; plus (vii) an aggregation fee of \$0.00045 per kWh actually consumed by Buyer collected by Seller on behalf of and paid to HGAC Energy Purchasing Corporation.

Charge	Amount
Monthly Standing Charge	\$ 10 per service point
All kWh	\$0._____ per kWh
TDSP Delivery Charges	\$0._____ per kWh for delivery, excluding reactive power, based upon current estimate*; Monthly price will be based upon actual charges.
Tariffs, rates, riders, fees, and charges other than those included in TDSP delivery charges above	To be determined, varies by service point
All applicable taxes	To be determined, varies by jurisdiction
Over Capacity Charge	\$ -0- per kW

Buyer shall notify seller of any ESIs that have any significant load shifting capabilities so Seller may offer multipart pricing for that Premise.

The costs and expenses charged by the TDSP for delivery services may fluctuate during the Agreement Term, as will other applicable taxes, tariffs, riders, fees, and charges.

* For reference purposes only. This is the current estimate of the average TDSP standard delivery costs, excluding charges for reactive power, special metering, or other miscellaneous TDSP charges.

Exhibit C

OFFER FOR THE SUPPLY OF ELECTRICITY

Contract/Plan #: _____

BUYER:		SELLER: TXU Energy Services Company 1601 Bryan Street, 7 th Floor Dallas, Texas 75201	
Phone:		Phone: (214) 875-1000	
Fax:		Fax: (214) 875-1001	
I. CONTRACT TERM	The Primary Term for each Premise, identified in Exhibit A, shall commence upon the date of the first reading of the meter(s) on each respective Premise by the TDSP after _____, or as soon thereafter as practicable, and shall end for each Premise upon the date of the first reading of the respective Premise meter(s) by the TDSP after _____.		
II. PAYMENT TERMS	Net 30 days.		
III. DEPOSIT AMOUNT	No initial deposit required.		
IV. BILL PRESENTMENT METHOD			
V. PAYMENT METHOD			
VI. STANDARD SERVICES	Toll free number (800)725-7920 for 24 hour emergency outage and customer service, available 7 a.m. to 7 p.m. on normal business days; Assigned customer service representative, billing analyst, and assigned professional account manager.		
VII. CUSTOM SERVICES	Not Applicable		
VIII. SPECIAL PROVISIONS	Not Applicable		
IX. AVERAGE COST PER KWH*	\$ _____ per kWh		
X. TERMS AND CONDITIONS	THIS OFFER FOR THE SUPPLY OF ELECTRICITY INCLUDES THE TERMS AND CONDITIONS FOR THE SUPPLY OF ELECTRICITY, WHICH SHALL BE SEPARATELY EXECUTED BY BUYER AND SELLER AND WILL BE PART OF THIS CONTRACT.		
BY SIGNING BELOW, BOTH PARTIES HEREBY ACKNOWLEDGE ACCEPTANCE OF THIS OFFER FOR THE SUPPLY OF ELECTRICITY.			
Buyer Signature:		Seller Signature:	
Name (Please print):		Name (Please print): Kevin Bohn	
Position:		Position: Vice President	
Date:		Date:	

* Estimated. Actual cost will vary with actual delivery charges from your transmission and distribution provider and actual consumption patterns. This cost does not include applicable taxes.

Exhibit D

**FORM LETTER - AUTHORIZATION FOR RELEASE OF ELECTRIC UTILITY DATA
TO BE SIGNED BY MEMBER BUYER ON ITS LETTER HEAD**

[Date]

TXU Energy Services Company
1601 Bryan Street
Dallas, Texas 75201

Re: Account Data for Accounts listed in Attachment
[Attach relevant portion of Exhibit A for description of Accounts]

This letter is to serve as authorization to release to _____, or H-GAC Energy Purchasing Corporation all information relative to our account(s) listed in the attachment, including but not limited to service, load history, load profiles, rates, payment history, billing data and billing determinants. This request for release is valid for one (2) years from the date of this letter with respect to _____ and five (5) years from the date of this letter with respect to H-GAC.

Very truly yours,

[Member Buyer Representative Signature]
[Title of Member Buyer's Representative]

AGENDA ITEM 32

Discuss and take any appropriate action regarding issuance of certificates of obligation.

No action was taken on this agenda item.

AGENDA ITEM 33

Discuss and take any appropriate action on road bond program.

No action was taken on this agenda item.

AGENDA ITEM 34

Consider awarding contract for Pond Springs Road at Turtle Rock construction project to Austin Bridge & Road.

Bids were received from the following:

Austin Bridge & Road

Bland /Schroeder/Archer, L.P.

Fillip Construction Company, L.C.

Moved: **Commissioner Heiligenstein**

Seconded: **Commissioner Boatright**

Motion: To award the contract for Pond Springs Road at Turtle Rock construction project to Austin Bridge & Road.

Vote: **4 – 0** with Commissioner Hays absent from the dais.

< Attachment >