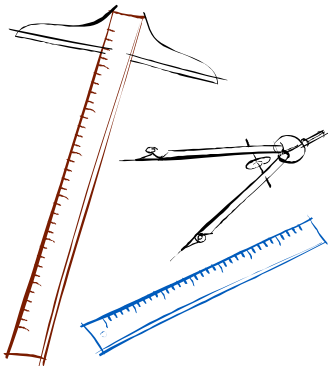
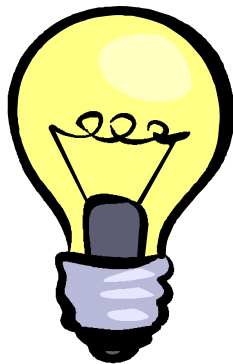


New Service Delivery

Subdivision Development Package





**Welcome to New Service Delivery
Subdivision Development!
Revised 9-21-2009**

**Specific information regarding
requirements, standards and processes for Subdivision
Development at CPS Energy is enclosed.**

Contents:

- **Subdivision Development Application**
- **CPS Energy's Residential Distribution Installation to Front Lot Construction Memo**
- **CPS Energy Process for New Service Delivery – Platting and Subdivisions**
- **New Service Delivery Contractors Guidelines for Construction of Natural Facilities**
- **Site Criteria Sheet**
- **Construction Standards**

**New Service Delivery
Subdivision Manager
Steve Blain 210.353.6867**



Subdivision Development Application

(Please print or type)

Application must be completed and accompanied by the following:
3 hard copies of Subdivision Plat, 3 hard copies of Utility Plans w/ streetlight locations and authorization letter to install streetlights, 1 digital copy of Site plan w/ all easements identified

Date Project Name:

Ferguson Map # Nearest Intersection:

Average Living Space Sq. Ft. Total # of Lots Subd. Zip Code

Developer Address Phone #

Contact E-mail

Engineer Address Phone #

Contact E-mail

Structure Type: Single Family Residential Zero Lot Lines Mobile Homes
 Condominiums Commercial Townhouses
 Apartments Other (gates, guardhouses, etc.)

Service Type: Underground Electric Overhead Electric Gas
 Street Lights Front Lot Construction Rear Lot **

**To qualify for rear lot construction, see Front Lot Memo or a minimum 20' all weather access will be required to be installed and maintained by Developer along underground distribution line prior to energizing any services.

Electric: Air Conditioning Tons Heating BTU
 Heat Pump Tons **Gas:** Water Heater Gallons
 Resistance Heat Tons Other

Trenching to be done in: Rock Hard Rock Dirt Sand
 (Soil conditions will be shown as the same throughout the subdivision)

Trenching and infrastructure installation to be done by: Developer CPS Energy

Associated WR #'s (CPS Energy use only)

IDS Project Manager Designer

URD # GAS # OTHER

OH # STREET LIGHT # OTHER

Scheduling:

Plans accepted date CPS Energy Start by date

Planning completion date CPS Energy completion date

Comments:

Developer or Representative Signature

CPS Energy Representative Signature

Developer's Tax ID #
 (Required to initiate work request)



Memo

To: All San Antonio Area Builders and Developers

From: New Service Delivery Team

Date: Revised as of Friday March 23, 2007

CC: Energy Delivery Services Personnel

Re: CPS Energy's Residential Distribution Installation to Front Lot Construction

Over the past five (5) months, the New Service Delivery Redesign (NSDR) Team initiated and completed a collective effort to change CPS Energy's Residential Distribution installation standard. In collaboration with the Greater San Antonio Builders Association and Joint Trench Participants, an agreement was reached. The details of this agreement and the guidelines are set forth below.

Effective August 1, 2006, CPS Energy will change the standard of installing Residential Distribution to front lot construction. Due to this standard change we realize there will be a transition period.

Exceptions:

- If a master planned development has 2 units or less remaining, the Developer will have the option to request either front or rear lot construction regardless of whether the job package has been submitted to CPS Energy.
- If a master planned development has 3 units or more remaining, and a completed job package has not been received by CPS Energy prior to August 1, 2006 all remaining units will be designed utilizing front lot construction.
 - A completed job package consists of:
 - *Completed hard copy of Subdivision Development Application*
 - *3 hard copies of Subdivision Plat*
 - *3 hard copies of utility layout (with streetlight locations and authorization letter to install streetlights)*
 - *1 digital copy of Site plan with all easements identified*

Design guidelines for front lot construction:

- All lots being served will be required to have a minimum 7' (foot) Gas, Electric, Telephone and Cable TV Easement along frontage with grade level at transformer location to be the same as parkway grade level.
- Transformers will not be installed on Overhead Distribution lines in subdivisions in rear of lots unless developer installs and maintains a 20' (foot) all weather drivable access (CPS Energy will provide standards if requested) along overhead lines and is labeled Gas, Electric, Telephone and Cable TV easement or access easement.
- All secondary conduits installed from transformers to secondary enclosures will be 3" PVC. As of March 23, 2007, all service conduits will be 3" PVC.
- As of March 23, 2007, all service cable sizes (transformer or pedestal to meter) will be standardized to 1/0 aluminum and above. All secondary cable sizes (transformer to pedestal or pedestal to pedestal) will be standardized to 3/0 aluminum and 4/0 copper.
- Transformer location for front lot construction will now be placed 6" (inches) inside the front property line and shared across the side property line where applicable (see diagram- "Transformer Detail").
- Unless otherwise contracted through CPS Energy, the Developer's contractor will install the subdivision infrastructure for CPS Energy and all other joint trench participants (i.e. telephone, cable TV). If Developer's contractor to install infrastructure, contractor will trench, install conduit, transformers, secondary enclosures and streetlights. No other competitor will be allowed in CPS Energy trench (please refer to the CPS Energy Joint Trench Exclusivity Agreement). Once CPS Energy inspects and accepts installation of infrastructure, CPS Energy will take over ownership of trench.
- CPS Energy reserves the right to inspect the infrastructure work prior to, during, and after installation operations to insure that CPS Energy facilities are properly installed. CPS Energy is not responsible for work performed by the customer. Upon final inspection and acceptance by CPS Energy, CPS Energy shall assume ownership of said facilities. The Customer shall guarantee the integrity of the infrastructure installation for a period of at least two (2) years from the date of final completion of a job by Contractor.
- The Developer's contractor installing Gas and/or Electric infrastructure will be required to be certified by CPS Energy prior to installation.

- Coordination of joint trench will be done using a Pre-Design meeting scheduled by the Developer or Developer's Engineer.
- Prior to the Pre-Design meeting, the Developer's Engineer will layout possible transformer locations. Final locations of transformers will be determined by CPS Energy.
- Gas and Electric trench will be a standard of 48" (inches) with installation of joint trench participants per diagram (CPS Energy will provide standards).
- Electric trench will be a standard of 42" (inches) with installation of joint trench participants per diagram (CPS Energy will provide standards).

Gas Trenching Credit

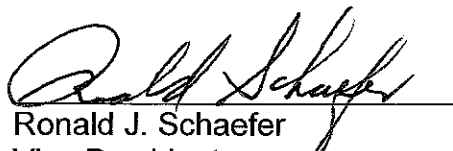
CPS Energy will credit the Developer half of the trench costs when CPS Energy gas infrastructure is installed and utilized. The credit for half of the trench costs will be based on the market value as determined by CPS Energy.

If additional information is required, please contact New Service Delivery Northeast Area (NEA) at 353-4NEW (4639).

Thank you,
New Service Delivery Redesign Team


Julius Moore
Sr. Manager
New Service Delivery

Approved:


Ronald J. Schaefer
Vice President
New Service Delivery



Memo

To: Developers in CPS Energy Territory

From: New Service Delivery Redesign Team

Date: Revised as of Monday March 26, 2007

CC: CPS Energy Management

Re: CPS Energy Process for New Service Delivery – Platting and Subdivisions

Starting February 26, 2007, CPS Energy will start the New Service Delivery (NSD) pilot project. The pilot's service area will be bordered on the west by US 281, on the east by IH 35, on the north by CPS Energy's Service Territory and the south by Loop 410. Depending on work load the boundary of the pilot may be expandable.

Plat Submittal Process

Effective February 12, 2007, all new plats and availability letter requests are required to be delivered to:

CPS Energy
New Service Delivery
17281 N. Green Mountain Rd.
San Antonio, Texas 78247

All plats submitted will be checked for completeness and compliance. Developers submitting incomplete plats will be notified of the deficient information. The Developer will have **10 business days** to correct deficiencies before the submittal is returned. Plats submitted incomplete **will not** be considered as having entered the CPS Energy design process. Plats in the pilot area that pass the completeness and compliance examination will be forwarded to the proper NSD Team.

Plats not in the pilot area that pass the completeness and compliance examination will be forwarded to the proper CPS Energy Planning Department.

Information Completeness

Information submittal requirements can be obtained from CPS Energy New Service Delivery Information Development Section at (210) 353-4NEW (353-4369).

A complete job package consists of:

- Completed hard copy of Subdivision Development Application
- 3 hard copies of Subdivision Plat
- 3 hard copies of Utility Layout (with streetlight locations and authorization letter to install streetlights)
- 1 digital copy of site plan with all potential easements identified

Preliminary Design Meeting Requirements

Once you have been contacted by a NSD representative, a pre-design meeting may be scheduled. The Developer will be required to schedule the pre-design meeting with all utilities. The purpose of the pre-design is to coordinate the project design and eliminate future problems. The following items will be covered in the pre-design meeting:

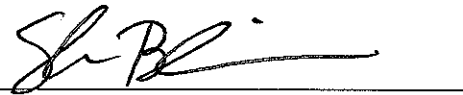
- DEFINE EACH UTILITY'S LOCATION - Each utility's representative should be capable of free hand drawing the basic routes of infrastructure and the possible locations of equipment.
- DEFINE REQUIRED EASEMENTS – After the completion of the free hand drawings, all required easements should be defined. Each utility should be willing to sign off on this proposed design.
- LETTER OF CERTIFICATION – Completion of the free hand drawing and the confirmation of all required easements will allow the Letter of Certification to be released by the end of the following business day.
- JOINT TRENCH PARTICIPANTS – All utilities that will be participating in the common trench will need to be determined at this time. All coordination for joint trench participants will be done by the Developer.
- DESIGNS – Formal designs of all utilities can now be prepared and completed. Once all the utilities are designed, the construction of wet and dry utilities should be installed simultaneously.
- INFRASTRUCTURE INSTALLATION DECLARED – Installation of CPS Energy infrastructure should now be specified by the Developer. It is the preference of CPS Energy that the Developer installs the infrastructure.

- ❖ DEVELOPER INSTALLED INFRASTRUCTURE – All Gas and/or Electric infrastructure contractors must be selected from the CPS Energy approved contractors list for construction. Approval of contractor shall be obtained prior to the preconstruction meeting. Failure to obtain approval of subcontractor prior to construction could result in delays and/or stoppage of construction. CPS Energy will provide approval requirements and the approved contractor list at the pre-design meeting.
- DESIGN SCHEDULE ESTIMATED – Once the infrastructure installer and customer need by dates have been specified, preliminary time lines can be established. The CPS Energy representative will communicate these dates to the Developer. Participants should leave this meeting with a preliminary design of the project ready to transfer to a formal design as soon as possible.
- CPS Energy FINAL DESIGN – Upon completion, CPS Energy will deliver drawings to the Developer/Engineer only. It is the Developers/Engineers responsibility to distribute drawings to all Joint Trench Participants. CPS Energy will allow Developers to expedite the design process by hiring an outside source to do electric and gas infrastructure design. The design must be done according to CPS Energy standards and approved by the CPS Energy Representative. All outside source design work will be at the Developer's expense.
- CPS Energy MATERIALS – All infrastructure materials, with the exception of sand and base, will be provided by CPS Energy. The collection of monies from other Joint Trench Participants will be the responsibility of the Developer.
 - ❖ Note: Installation of any utilities above the CPS Energy gas infrastructure is prohibited by law. CPS Energy's policy prohibits joint trench with any competitors.

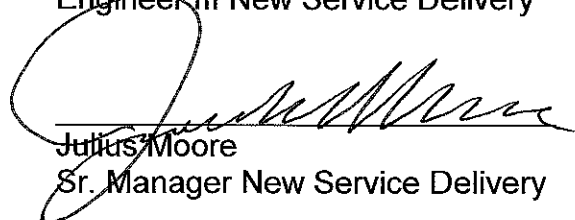
If additional information is required, please contact New Service Delivery Northeast Area (NEA) at 353-4NEW (4639).



Milton Russell
Engineer III New Service Delivery



Steven Blain
Senior Planner New Service Delivery



Julius Moore
Sr. Manager New Service Delivery



**CPS ENERGY
CONTRACTOR GUIDELINES
FOR CONSTRUCTION OF NATURAL GAS FACILITIES**

EXPERIENCE QUALIFICATIONS

The Contractor shall have a minimum of three (3) years of verifiable experience in the construction and/or maintenance of natural gas distribution mains, services and facilities similar to those defined in the attached specifications. Written verification of minimum experience must be provided and include: firms organizational structure, resumes of key members, descriptions of representative work, the entity for whom the work was performed, and the names, titles and telephone numbers of individuals representing those entities who can speak knowledgeably about the quality of the work performed. If a contractor does not have three years experience, CPS Energy Gas Operations Section will review contractors on a case by case basis, contact Brad Carr 210-353-4251.

SUBCONTRACTORS

Contractor shall secure written approval from CPS Energy Gas Operations before subcontracting any portion of the work. No such approval shall relieve the Contractor from any of their obligations with CPS. Contractor shall keep such records and furnish reports and information relative to the Subcontractor or Subcontractor's employees, agents, etc. as CPS may request. All references to "Contractor" shall include "Subcontractor."

DRUG TESTING

The Contractor must have a program complying with 49 CFR Part 199, "Control of Drug Use in Natural Gas, Liquefied Natural Gas, and Hazardous Liquid Pipeline Operations" and 49 CFR Part 40, "Procedures for Transportation Workplace Drug and Alcohol Testing Programs" to test employees for the presence of prohibited drugs and use of alcohol in the workplace as prescribed and to provide an employee assistance program. Any Contractor Employee who fails a drug or alcohol test will not be allowed to work on any existing or subsequent CPS projects.

The Contractor agrees to allow CPS Human Resources Drug and Alcohol Program Administrator and/or representative(s) periodic on-site access to Contractor's records documenting compliance with FMCSA (Federal Motor Carrier Safety Administration) and PHMSA (Pipeline and Hazardous Material Safety Administration) regulations as stated therein. Contractor will provide the name and contact person for the agency or consortium used by the Contractor to comply with this requirement.

Contractor shall provide the following for ensuring compliance with the Department of Transportation (DOT) regulations, which relate to the illegal use of alcohol and controlled substances:

1. A completed and signed Contractor DOT Compliance Document form and Contractor Anti- Drug/Alcohol Program Information DOT Compliance form.
2. A current copy of its Anti-Drug and Alcohol Plan for Testing. Bidders may call (210) 353-2120 to determine if the plan is on file and approved by CPS Human Resources.
3. Proof of Supervisor's Training for Anti-Drug and Alcohol- regulations in compliance with DOT regulations. Training should include the following: Pre-Employment/Placement Testing, Reasonable Suspicion Testing, Post-Accident Testing, Return-to-Duty Testing, and Random Testing.
4. A chain-of-custody form provided by the lab conducting the testing.
5. A statistical report on latest Drug and Alcohol analysis from the lab conducting the testing.

OPERATOR QUALIFICATIONS

The Contractor and Sub Contractor must comply with all applicable laws, statutes and regulations pertaining to the qualification of pipeline personnel including, but not limited to the requirements of 49 CFR Part 192 – Subpart N -“Qualification of Pipeline Personnel” as adopted by the Railroad Commission of Texas (RCC) within the Pipeline Safety Rules.

The Contractor must have an approved plan for complying with the Operator Qualification rule as well as documentation that the plan is being followed. Records must be maintained that identify the individuals that have been qualified and the tasks that they are qualified to perform. The individual's identity and the tasks he/she is qualified to perform must also be stated in a qualification card to be carried by the employees at the job site. The contractor and sub-contractors will be subject, at a minimum, to the same re - qualification intervals as CPS employees.

The following must be submitted and approved prior to approval:

1. A notarized affidavit that states the contractor and its sub-contractors are in compliance with 49 CFR 192 and RRC Pipeline Safety Rules pertaining to the qualification of pipeline personnel.
2. A current copy of the contractor and its sub-contractors Operator Qualification Plan, unless the plan is currently on file, and approved by CPS Energy Gas Operation's Representative. A copy of CPS Energy list of Covered Tasks is shown in Exhibit 2.

3. Current listing of contractor and sub-contractor qualified personnel and their covered task, the qualification date, expiration date, qualification method, and the name of the qualifier.

FUSION QUALIFICATION

All persons who will perform plastic pipe fusion will be qualified in accordance with 49 CFR 192.285, Subpart F. They shall be qualified for joining pipe by testing sample fusion joints before being allowed to fuse CPS gas facilities. Before fusion qualifications can occur the Gas Operations Representative must review and approve the work experience, drug-testing, and operator qualification plan.

The Contractor will conduct, or make arrangements for, and stand the expense of the qualification tests of the welders, in accordance with the rate(s) shown below. The qualifying tests will be conducted in the presence of the CPS Representative or his appointed representative.

The testing rates are as follows:

A. Testing/Qualification Rates *Note 1*

- | | |
|--|--------------------------|
| 1. Joiner Plastic/PE Heat Fusion Qualification Test | <u>\$ 75.00 per test</u> |
| 2. Joiner Plastic/PE Electro Fusion Qualification Test | <u>\$ 55.00 per test</u> |

B. Construction Inspection Rates *Note 2*

- | | |
|---------------------------|--------------------------|
| 1. Construction Inspector | <u>\$ 60.00 per hour</u> |
|---------------------------|--------------------------|

Note 1: Rates are for each individual attempting qualification to be paid by Contractor in accordance with the Contract Documents. Cost of qualification shall be paid prior to individual's qualification attempt and shall not be refunded if individual meets or fails to meet the qualification requirements.

Note 2: Rates are for Inspection costs to be paid by Contractor in accordance with the Contract Documents before and/or after normal working hours when not required by City Public Service, as stipulated in the Contract Documents.

HOW TO BECOME A QUALIFIED CONTRACTOR FOR CONSTRUCTION OF NATURAL GAS FACILITIES

STEP 1: Submit the following information to Brad Carr, 210-353-2757 prior to scheduling welding qualifications.

1. Written verification of minimum experience including: firms organizational structure, resumes of key members, descriptions of representative work, the entity for whom the work was performed, and the names, titles and telephone numbers of individuals representing those entities who can speak knowledgeably about the quality of the work performed.
2. A list of names and addresses of all subcontractors to be used, if any.
3. A completed and signed Contractor DOT Compliance Document form and Contractor Anti- Drug/Alcohol Program Information DOT Compliance form.
4. A current copy of its Anti-Drug and Alcohol Plan for Testing. Bidders may call Calie Avila at (210) 353-2731 to determine if the plan is on file and approved by CPS Human Resources.
5. Proof of Supervisor's Training for Anti-Drug and Alcohol- regulations in compliance with DOT regulations. Training should include the following: Pre-Employment/Placement Testing, Reasonable Suspicion Testing, Post-Accident Testing, Return-to-Duty Testing, and Random Testing.
6. A chain-of-custody form provided by the lab conducting the testing.
7. A statistical report on latest Drug and Alcohol analysis from the lab conducting the testing.
8. A notarized affidavit that states the contractor and its sub-contractors are in compliance with 49 CFR 192 and RRC Pipeline Safety Rules pertaining to the qualification of pipeline personnel.
9. A current copy of the contractor and subcontractor's Operator Qualification Plan, unless the plan is currently on file, and approved by CPS Energy Gas Operation's Representative.
10. Current listing of contractor and sub-contractor qualified personnel and their covered task, the qualification date, expiration date, qualification method, and the name of the qualifier.
11. The contractor must have an established safe worker program. Submit a copy of three (3) years month's safety records including safety training and safety program statistics. Include a copy of the safety and training materials provided to its employees.
12. Submit a copy of OSHA 200 logs for the past three (3) years. Include all accident incident rates and details for any fatalities listed in the logs.

STEP 2: Schedule and complete welding qualifications with Mike McCarty at 210-353-3496.

EXHIBIT 1

SPECIFICATIONS FOR THE CONSTRUCTION OF JOINT TRENCH NATURAL GAS DISTRIBUTION FACILITIES

The construction of natural gas facilities shall include all gas mains, all services or stubs from the main to the residence defined termination point, and all buried gas appurtenances as described by and within the areas specified by the CPS representative designated as the Representative.

Contractor shall furnish the labor, equipment, instruments and supplies, and shall perform construction activities as directed by the CPS representative. Such activities shall include the following:

Installing plastic gas mains and service stubs in separate or joint trenches with CPS Energy Electric.

Installing miscellaneous gas facilities such as test points, valves, tracer wires, anodes, cadwelds, etc. as required.

The restoration of driving surfaces in accordance with the applicable street cut policies of the City of San Antonio, Bexar County or other incorporated area.

Completing paperwork such as service record cards, valve cards, as-builts and inspection reports.

Contractor shall receive, transport and unload material from a designated CPS Service Center; excavate and backfill ditches; repair damage incurred on the job to fences, roads, streets, highways, landscaping, sprinkler systems and any other existing structures or facilities; clean up job sites; and do all other job items enumerated in this specification and as necessary to complete the work assigned.

The Contractor working in any public right-of-way is responsible for the safe movement of traffic (pedestrian and/or vehicular) through the construction area. The Contractor shall meet all requirements for barricading and traffic control as specified in the Texas Manual on Uniform Traffic Control Devices. Contractor shall comply with all reasonable requirements of landowners, tenants or lessees that are designed to reduce interference with the assigned work.

REGULATORY REQUIREMENTS AND STANDARDS

All services shall conform to Title 49 of the Code of Federal Regulations, Part 192, "Transportation of Natural and Other Gas by Pipeline: Minimum Federal Safety Standards" and to the CPS Design Standards. Where specifications may be silent, the applicable codes and standards shall control.

CPS agrees to furnish all steel pipe, couplings, valves, valve boxes, service tees, polyethylene (plastic) gas pipe, stop cocks, service risers, anodes, cadweld powder, solder, paste, anode backfill, miscellaneous pipe fittings, gas pipe tracer wire, tracer wire clamps, pipe coating primer, and pipe coating tape and/or shrink sleeves necessary to complete the job except when these materials are to be specifically provided by the Contractor in accordance with the written requirements of this contract. CPS will issue all materials at one or more of its Service Centers in San Antonio, Texas. Contractor will notify the CPS Representative of its requirements in sufficient time to have the materials available when needed.

All materials shall be checked for quantity and condition upon receipt from the CPS storeroom. A written record on the CPS prescribed form shall determine the amount of materials delivered to the Contractor by CPS. Lack of inspection by the Contractor will not relieve the Contractor of liability for returning defective material to the Storeroom without cost to CPS. The Contractor shall be solely responsible for the materials after same have been signed for by its representative. Any materials lost, stolen or damaged while the same are in Contractor's possession shall be replaced at Contractor's cost and expense. Upon completion of the Contract work, the Contractor shall promptly return any excess or salvageable materials remaining in the Contractor's possession to a CPS Storeroom designated by the CPS Representative.

- A. Equipment and General Methods - Contractor shall use such equipment and methods that may be required to excavate the trench or ditch along the route, regardless of the type of soil or rock encountered and regardless of the depth of excavation necessary. Contractor shall furnish all equipment, materials and supplies that may be necessary for the completion and maintenance of the trench or ditch, including water control, shoring, coffer dams and sheet piling.

Protection Of Gas Pipe Ends

During the course of construction, the Contractor will exercise diligent care to keep the gas pipelines clean. At the end of each day's work and at the other times that the ends of the installed pipe are left unattended, the pipe ends shall be securely closed to prevent the entrance of water, animals, trash or any other obstructions, and shall not be opened until work is resumed.

If there is reasonable cause to believe that water, trash or other obstruction is in a portion of the lines, the Contractor shall take whatever steps are necessary to assure CPS that there is no water, trash or other obstruction in the line or to remove the water or other foreign matter if it is in the lines. Any and all work required to assure CPS that the gas pipes are clear of debris and other such matter or to remove such obstructions shall be at the Contractor's expense.

Steel Welding

CPS Energy will furnish a qualified welder as needed. The Contractor will be required to have support personnel on hand while the CPS welder performs the work.

Pressure Testing

- A. General - The Contractor shall perform a pressure test to demonstrate that the services installed do not leak and that they will operate safely at the desired maximum allowable operating pressure. Pressure tests are performed to verify satisfactory workmanship and the strength of materials. To the extent practical, the test shall be conducted to the entire service so as to minimize the number of untested tie-in connections. All joints used to tie-in a test segment of pipeline after the test shall be soap-tested at not less than its operating pressure. The Contractor shall be responsible for locating and repairing any leaks or failures that are revealed by the test.

The Contractor shall furnish all supervision, labor, materials and equipment to perform the pressure test required, including, but not limited to, pumps, compressors, pigs, test instrumentation and water. The specifications will indicate the minimum and maximum test pressure, test fluid and test duration, as appropriate. The Contractor shall conduct the test in accordance with the applicable requirements of Title 49 CFR 192 and shall take all necessary safety precautions to protect construction personnel and the general public during the course of the test. The Contractor shall be responsible for obtaining all permits necessary to conduct the test except for the Railroad Commission of Texas test water discharge permit that is required for hydrostatic pressure tests.

- B. Standard Air Test - A standard air test will generally be specified for gas mains and services to be operated at pressures of 60 psig or less. This test will be indicated on the CPS Job Sketch without a test duration period. The minimum test pressure shall be 90 psig and shall not exceed 120 psig. The test duration shall be a time sufficient to ensure discovery of all potentially hazardous leaks. At the minimum, each weld, butt fusion and any other fitting and connection shall be soap bubble-tested at the specified test pressure. The test pressure shall be measured with a dial-

type gauge and shall be monitored during the course of the test to detect leakage. Upon completion of the test(s), the Contractor shall sign and date, in the appropriate location, the “as built” job sketch to indicate successful completion of the test. Pending acceptance by the CPS Representative, the CPS Representative shall also sign the “as built” job sketch at the appropriate location.

Polyethylene Gas Pipe

The gas pipe system to be installed may consist of 1¼ inch, 2 inch, 4 inch, 6 inch, 8 inch or 12 inch SDR-11 high density polyethylene (PE) pipe for gas mains. Gas service stubs may consist of ¾ inch, 1 inch, or 1 ¼ inch high density PE pipe. Service stubs will be fused to the gas main using either service saddles or branch saddles, at the CPS Representative’s sole discretion. PE pipe is issued in 500 foot rolls for ½ inch, ¾ inch, 1 inch, 1 ¼ inch and 2 inch sizes. Four inch PE pipe may be issued as stick pipe (40 foot lengths) or in 500 foot coils. Eight and twelve inch PE pipe will be issued as stick pipe (40 foot lengths). At the CPS Representative’s sole discretion, the Contractor may be required to utilize either stick or coiled pipe in 4 inch and 6 inch sizes. When placing gas and electric pipes on Joint Trench projects, The Contractor must maintain a minimum of six inches of separation between the gas main and primary electric conduit and a minimum of four inches of separation between the gas service and electric secondary conduits

Polyethylene pipe, which is commonly referred to as plastic, PE or HDPE pipe, shall be handled with suitable equipment and in such a manner as to prevent damage to the pipe, such as fractures, kinking, deep gouges or cuts. The polyethylene pipe shall not be subjected to abuse by dropping, throwing or dragging, except over smooth non-scratching terrain or surface.

An insulated copper wire shall be installed with all polyethylene pipe for the purpose of locating the pipe after backfilling. The Contractor will use appropriate instruments, such as a voltmeter to ensure the electrical continuity of the tracer wire. Under no circumstances should the tracer wire be permanently taped to the pipe.

The Contractor will fuse polyethylene pipe joints in accordance with the requirements of D.O.T., Title 49, and Part 192 - Transportation of Natural Gas by Pipeline: Minimum Federal Safety Standards, Paragraphs 192.281, 192.283, 192.285, and 192.287. Butt fusion is the preferred method of joining polyethylene pipe. Electrofusion shall be allowed at the discretion and approval of the CPS representative for tie-ins or other locations.

The Contractor will furnish all specialty tools and equipment that are required to butt fuse, sidewall fuse, electrofuse and squeeze-off polyethylene pipe. The

Contractor shall ensure that all specialty tools and equipment are specifically designed for use on polyethylene piping systems and are in good working condition. The CPS Representative or his designated representative shall be allowed to inspect all specialty tools and equipment furnished by the Contractor. The CPS Representative may disallow the use of any specialty tools or equipment that are not specifically designed for use on high-density polyethylene piping systems or are deemed to be in poor working condition.

All polyethylene pipe joints shall be tested with soap and water with the line having an internal pressure of between 90 and 120 psig. All pressure tests on polyethylene pipe must be observed and approved by the CPS Representative or his designated representative. It shall be the Contractor's responsibility to coordinate pressure tests on polyethylene pipe so that such test can be performed with a CPS representative present.

Final Piping Connections and/Or Tie-Ins

The Contractor will make all connections of new services to existing gas lines. This includes all necessary preparations for tie-ins and purging for all sections of service gas lines installed by the Contractor. When pressure reduction in a gas main is required, CPS personnel will control the flow of gas on all operative gas facilities while the Contractor is making final piping connections and/or tie-ins.

The Contractor shall be responsible for ensuring that all tie-ins between new and existing gas facilities are performed in a safe manner. The Contractor shall furnish all necessary equipment and instrumentation that is required to ensure that the final tie-in welds and/or fusion between new and existing gas facilities are performed in a safe manner. Such equipment and instrumentation may include tapping equipment, polyethylene squeeze off tools, pneumatic air movers, combustible gas indicators (CGIs), oxygen monitors, self-contained breathing apparatus and fire-retardant clothing for construction personnel, and fire extinguishers.

Purging New Gas Facilities

Contractor will purge all new gas lines.

Acceptance

The CPS Representative or his representative will make all inspections and final acceptance of the work performed by the Contractor for CPS.

Warranty

The Contractor shall warrant all components, materials and workmanship for a period of at least two (2) years from the date of final completion of a job by Contractor.

The Contractor warrants the title and guarantees the equipment, materials and workmanship furnished under this Contract to be as specified and to be free from defects in workmanship and materials. If, within the warranty period, the work fails to meet the provisions of this guarantee, CPS shall notify the Contractor thereof immediately and the Contractor shall promptly correct any defects, including nonconformance with the Contract Documents, by adjustment, repair or replacement F.O.B. the CPS job site of all defective work at its sole cost.

EXHIBIT 2

CPS ENERGY COVERED TASKS REGULATED BY 49 CFR PART 192

1. Joining polyethylene pipe by heat fusion or mechanical joint (192.281)
Re-qualification interval – 1 year
2. Pipeline pressure testing (192.503)
Re-qualification interval – 3 years
3. Installation of service lines (192.361)
Re-qualification interval – 3 years
4. Tapping pipelines under pressure (192.627)
Re-qualification interval – 3 years
5. Starting up or shutting down any part of a pipeline (192.605)
Re-qualification interval – 3 years
6. Purging of gas lines (192.629)
Re-qualification interval – 3 years

EXHIBIT 3

**CPS ENERGY APPROVED CONTRACTORS
FOR CONSTRUCTION OF NATURAL GAS FACILITIES
REVISED 9-10-09**

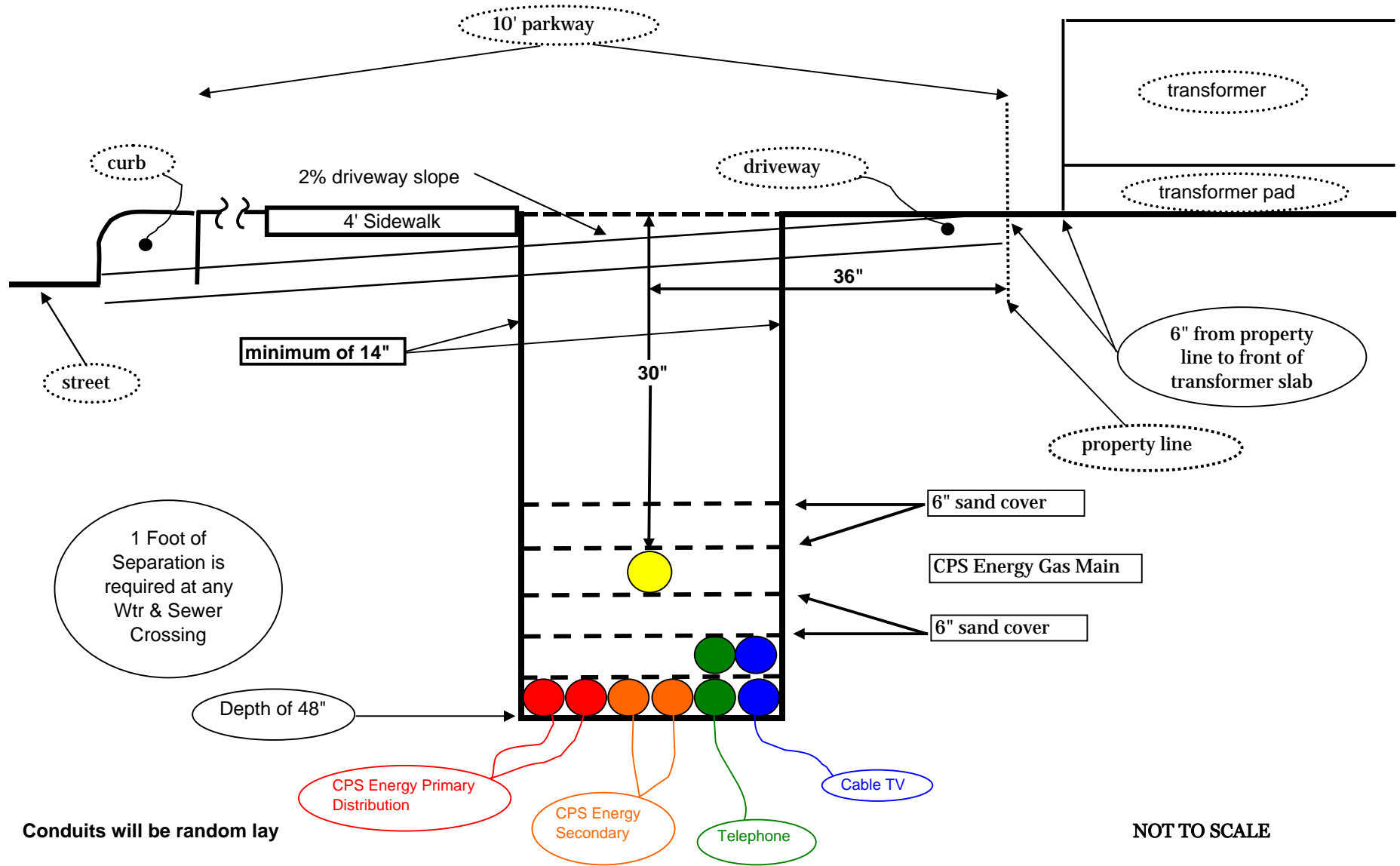
A and L Underground 210-492-5545	Badeco, Inc. 210-299-4714
Capital Excavation 512-440-1717	Infrasource 210-336-7246
Mastec North America 210-224-9932	NPL 972-877-3822
Zachry 210-494-3531	Fuquay 830-606-1882
John Stuart Sitework, LTD 210-651-4646	JC Evans 512-244-1400
Dumor Enterprises 210-684-7211	Rodman LLC 512-670-5600
Saeco Electric 210-695-4526	



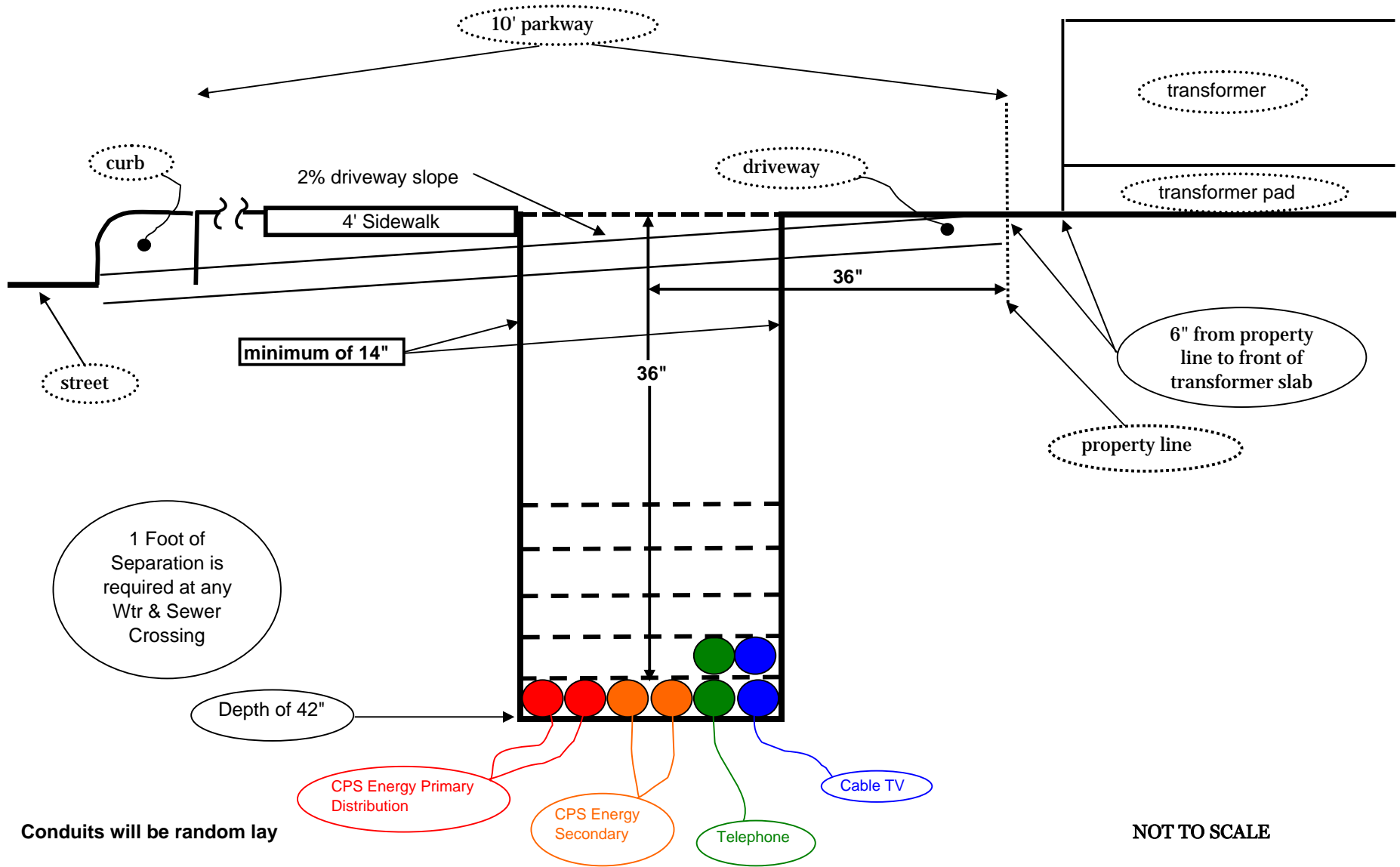
Subdivision Development Site Criteria Sheet Revised 8-2-07

- ✚ The Customer is responsible for clearing all CPS Energy easements and routes of trees, brush, and other obstructions ***before*** construction start. All CPS Energy infrastructure routes shall be within 6" of final grade ***before*** any construction start. Any trees desired to be saved should be arranged for ahead of final planning.
- ✚ To avoid extra cost from having to bore or cut new streets, the Customer will be responsible for placing 6" Schedule 80 sleeves (at a minimum depth of 36" below final grade and extended 2' into the property) for each CPS Energy facility at all street crossings before they are brought up to sub grade, or at drain crossings if they are to be installed before construction start. These sleeves must also be located for crews during construction.
- ✚ If any CPS Energy facilities have to be removed or abandoned to serve a new subdivision from an existing one due to the customer building in phases, the installation and removal of those facilities will be charged to the Customer at full cost.
- ✚ No transformers, cable or other CPS Energy facilities will be installed in rear or side lot situations unless the grade of the property is 10% or less. All transformer pad sites are to be leveled by the Developer.
- ✚ No transformers, cable or other CPS Energy facilities will be installed in areas that are prone to flooding. If any CPS Energy underground facilities are installed across any earthen drain structure, these facilities ***must*** be concrete encased.
- ✚ If any CPS Energy facilities need to be reconstructed after installation due to grade changes by Customer, the removal and installation of those facilities will be charged to the Customer at full cost.
- ✚ During the front lot infrastructure installation when the trench is in the Right-of-Way, all water and sewer service stubs into lots are not to be placed until CPS Energy facilities are installed. If there is a conflict, CPS Energy will not be liable for any damages to the water and/or sewer service stubs.
- ✚ The Customer's site ready date shall be 30 working days before the Customer's requested completion date.

Standards for Gas & Electric Trench with Joint Utilities

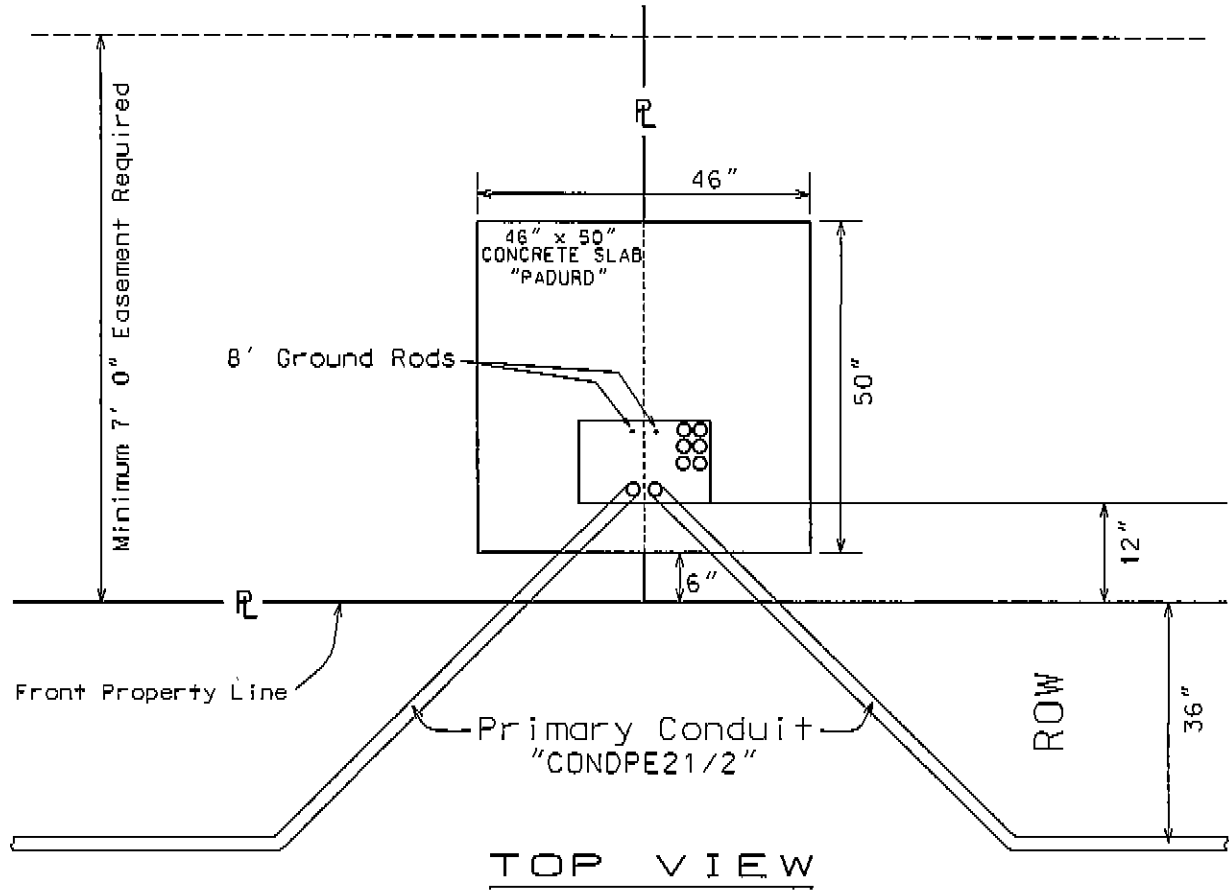


Standards for Electric Trench with Joint Utilities

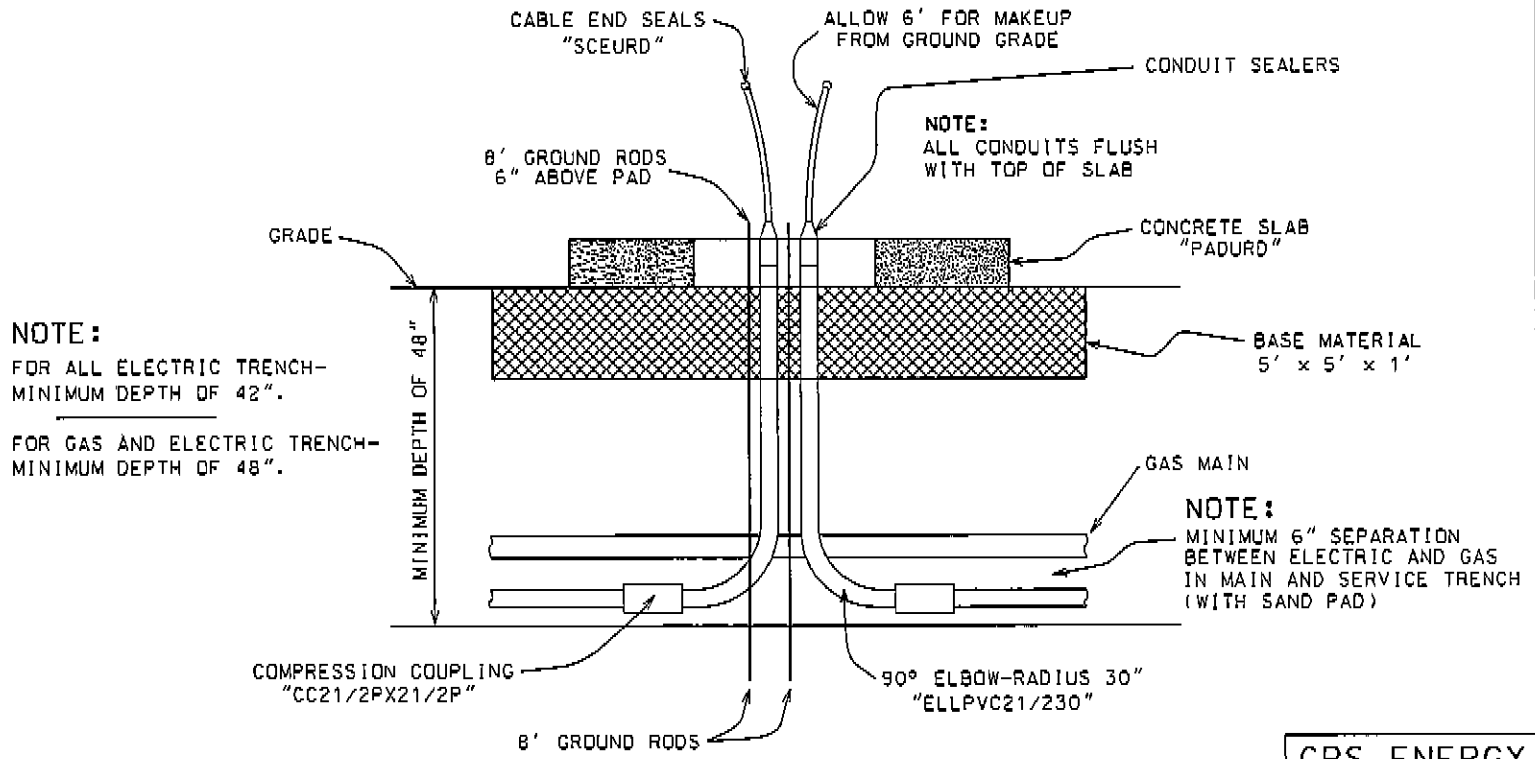


NEW CONSTRUCTION PAD FOR SINGLE PHASE TRANSFORMERS

FRONT LOT CONSTRUCTION STANDARD



FRONT VIEW GAS AND ELECTRIC



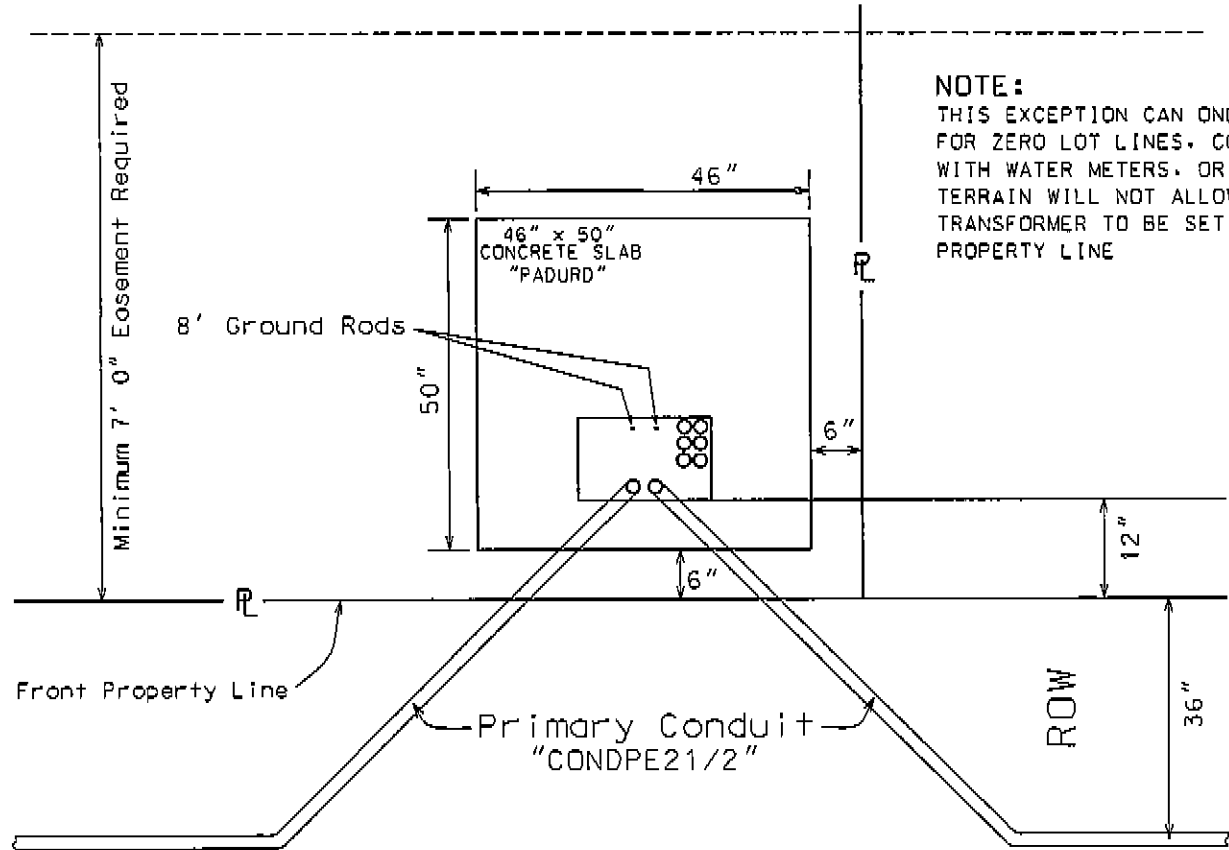
CPS ENERGY

02/14/2007

NEW SERVICE DELIVERY

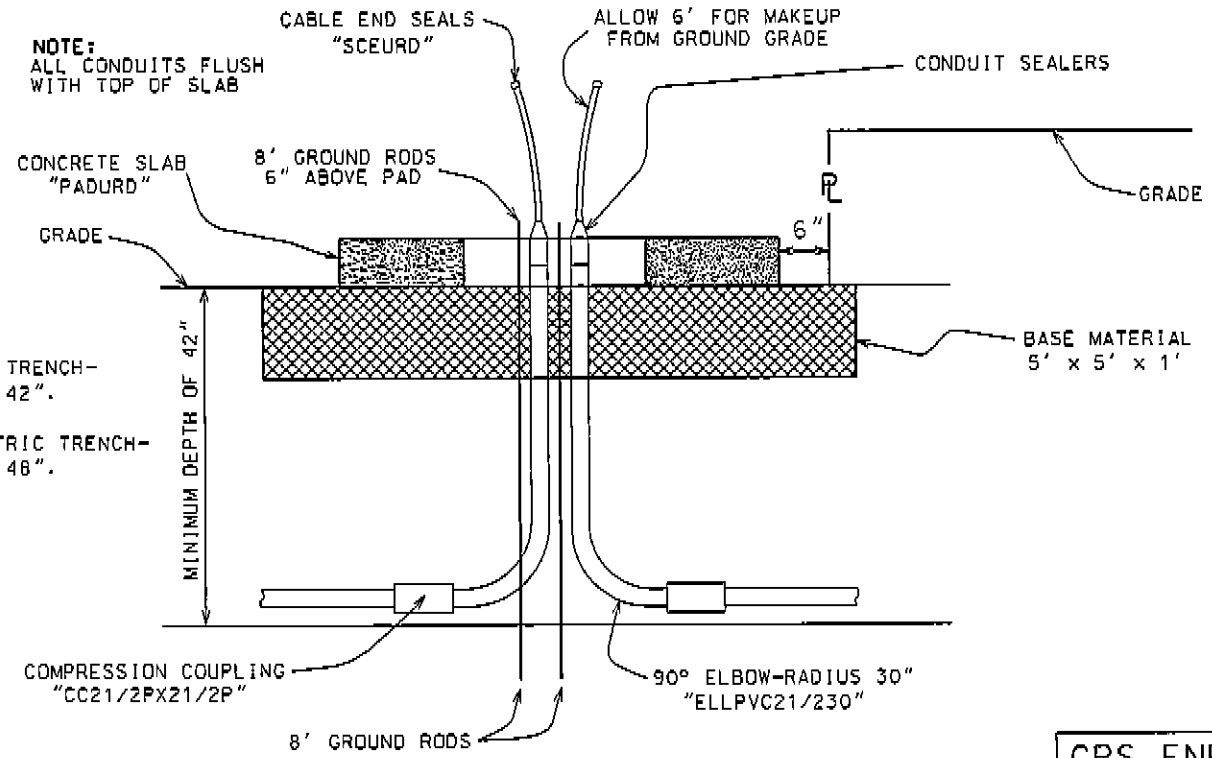
NEW CONSTRUCTION PAD FOR SINGLE PHASE TRANSFORMERS

FRONT LOT CONSTRUCTION STANDARD



TOP VIEW

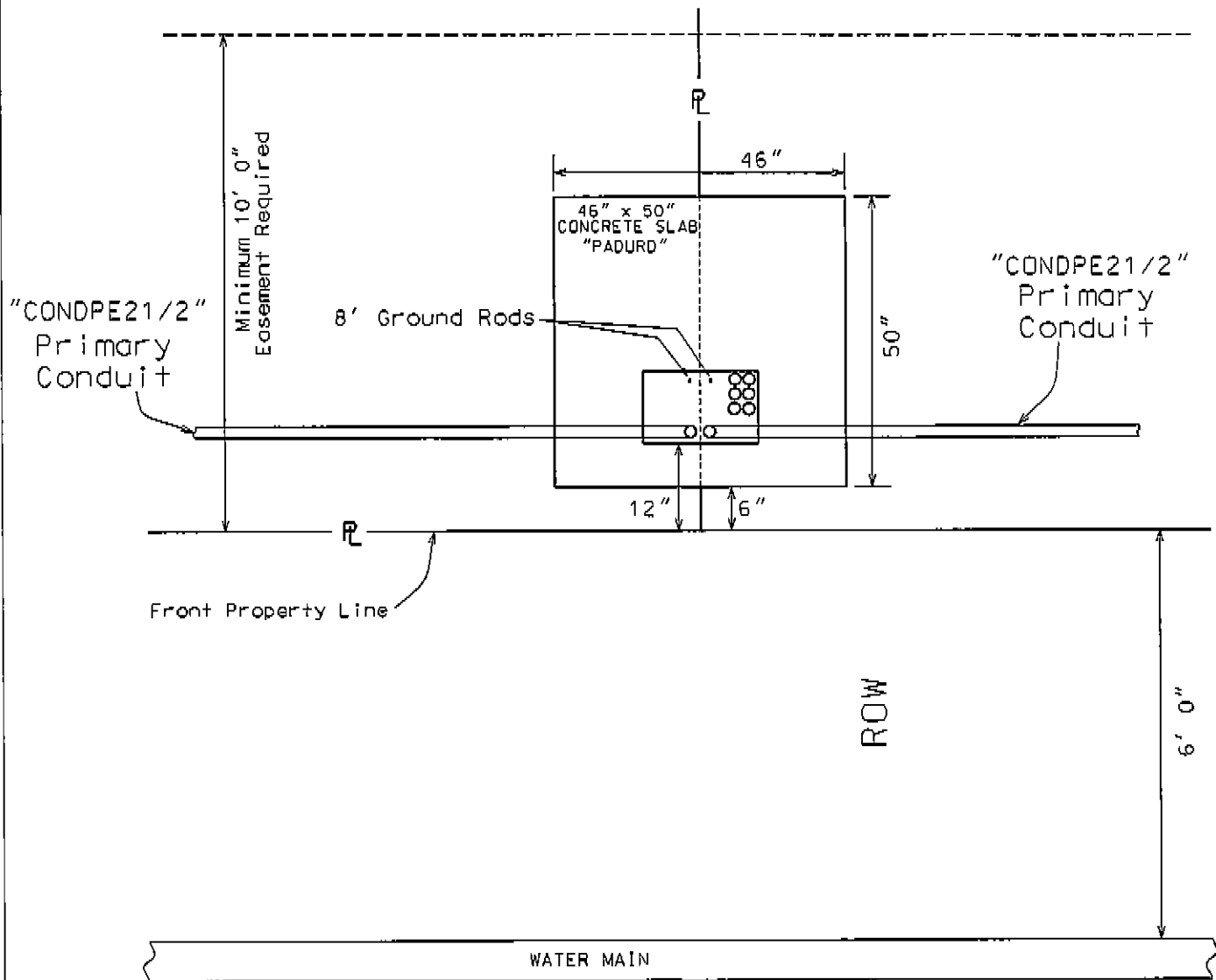
FRONT VIEW ELECTRIC ONLY



NOTE:
FOR ALL ELECTRIC TRENCH-
MINIMUM DEPTH OF 42".
FOR GAS AND ELECTRIC TRENCH-
MINIMUM DEPTH OF 48".

NEW CONSTRUCTION PAD FOR SINGLE PHASE TRANSFORMERS

FRONT LOT CONSTRUCTION STANDARD



NOTE:

THIS EXCEPTION CAN ONLY BE USED WHEN THE WATER MAIN IS ON THE SAME SIDE OF THE STREET AS CPS ENERGY FACILITIES

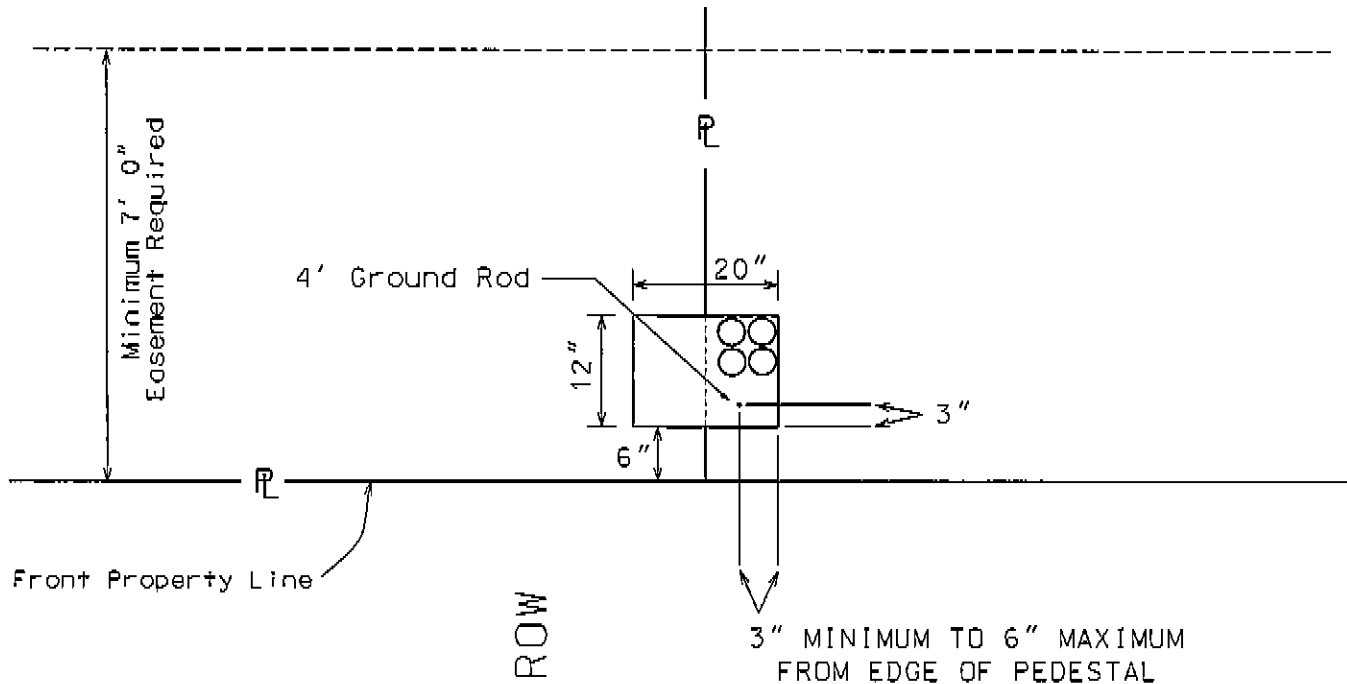
NOTE:

WHEN TRENCHING AND PLACING INFRASTRUCTURE IN EASEMENT, EASEMENT ALONG ENTIRE LOT FRONTAGE WILL NEED TO BE AT SAME GRADE LEVEL AS RIGHT OF WAY

TOP VIEW

NEW CONSTRUCTION FOR SECONDARY PEDESTAL

FRONT LOT CONSTRUCTION STANDARD



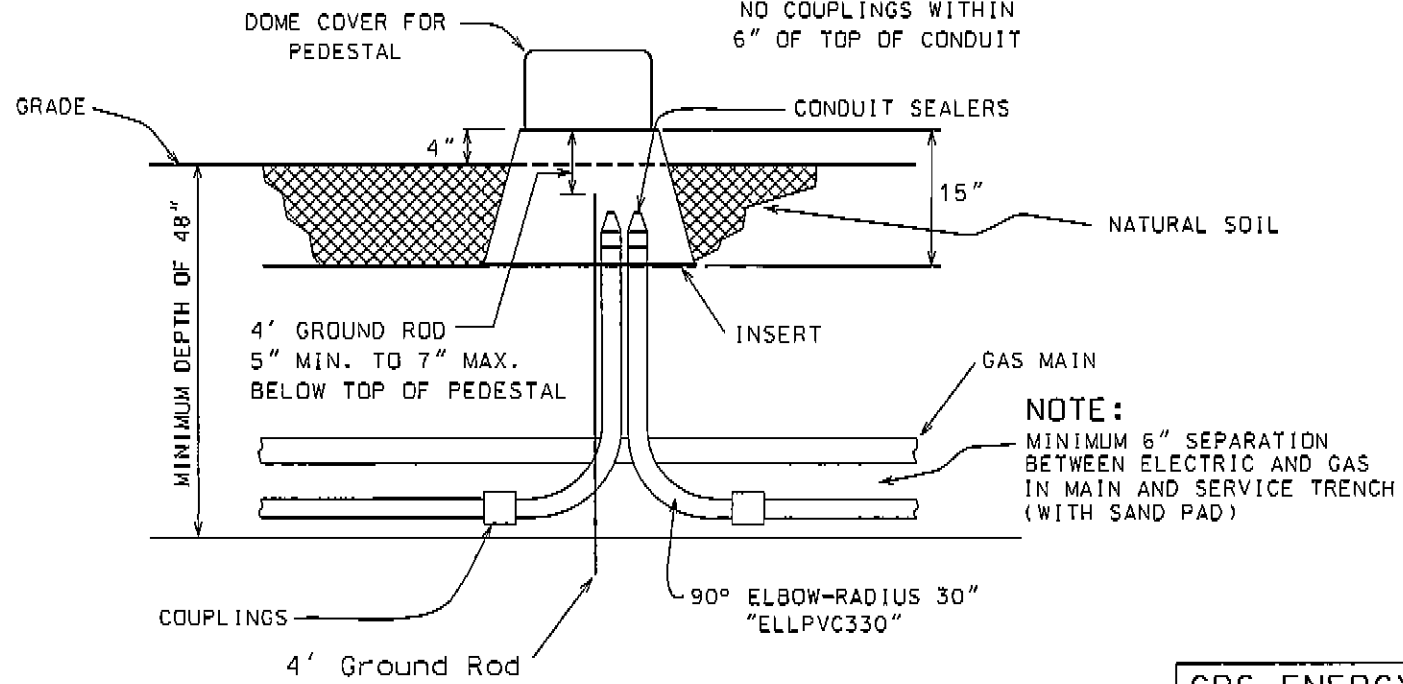
TOP VIEW

FRONT VIEW GAS AND ELECTRIC

NOTE:
FOR ALL ELECTRIC TRENCH-
MINIMUM DEPTH OF 42".

FOR GAS AND ELECTRIC TRENCH-
MINIMUM DEPTH OF 48".

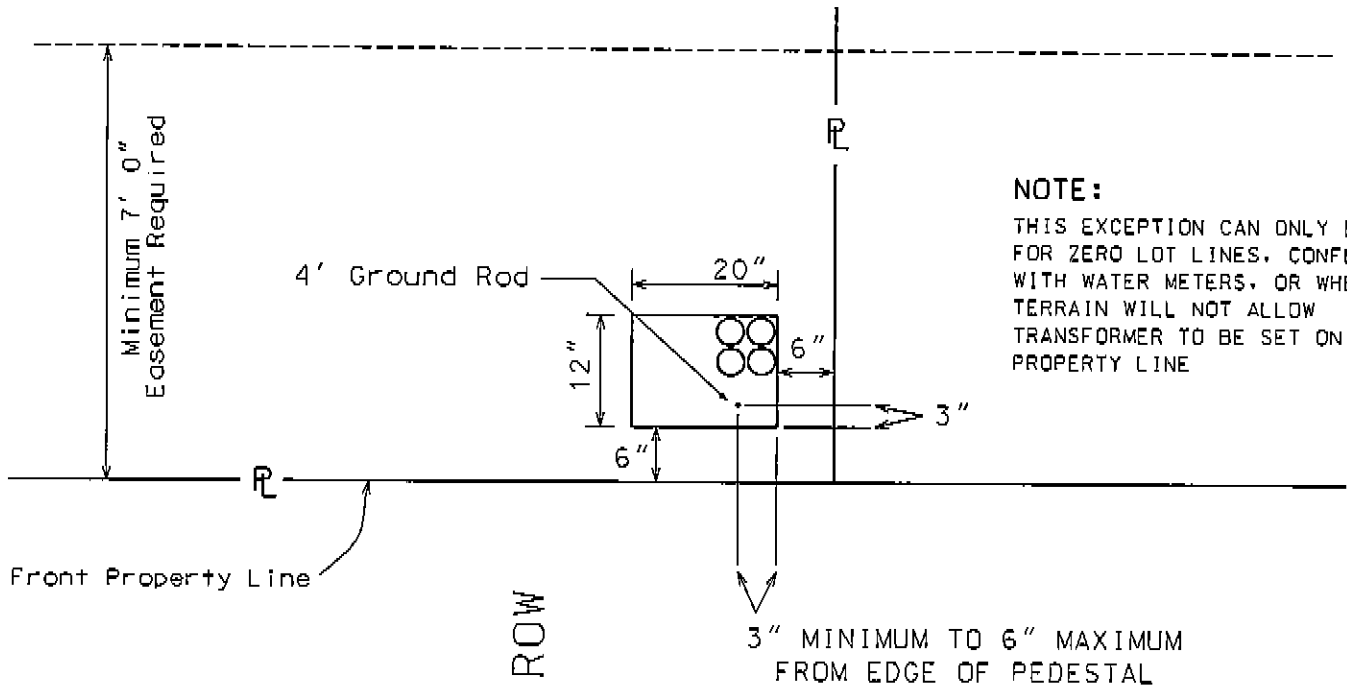
NOTE:
NO COUPLINGS WITHIN
6" OF TOP OF CONDUIT



NOTE:
MINIMUM 6" SEPARATION
BETWEEN ELECTRIC AND GAS
IN MAIN AND SERVICE TRENCH
(WITH SAND PAD)

NEW CONSTRUCTION FOR SECONDARY PEDESTAL

FRONT LOT CONSTRUCTION STANDARD



NOTE:

THIS EXCEPTION CAN ONLY BE USED FOR ZERO LOT LINES. CONFLICTS WITH WATER METERS, OR WHEN TERRAIN WILL NOT ALLOW TRANSFORMER TO BE SET ON PROPERTY LINE

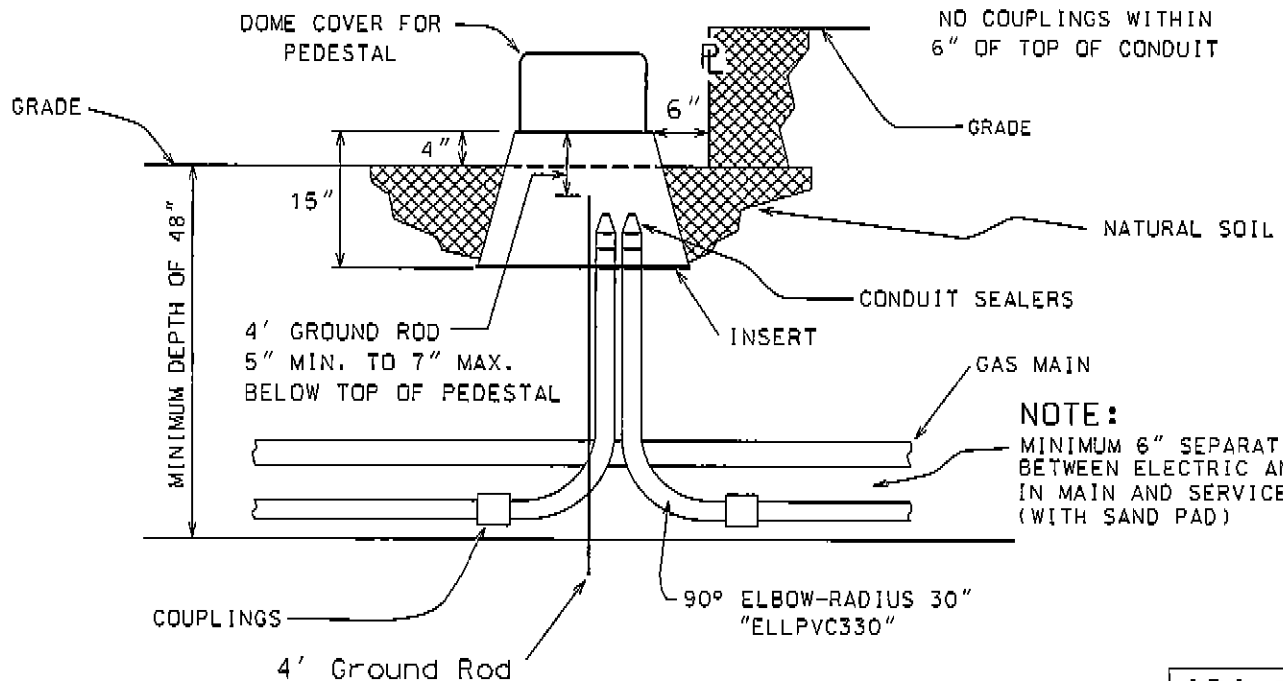
TOP VIEW

FRONT VIEW GAS AND ELECTRIC

NOTE:

FOR ALL ELECTRIC TRENCH-
MINIMUM DEPTH OF 42".

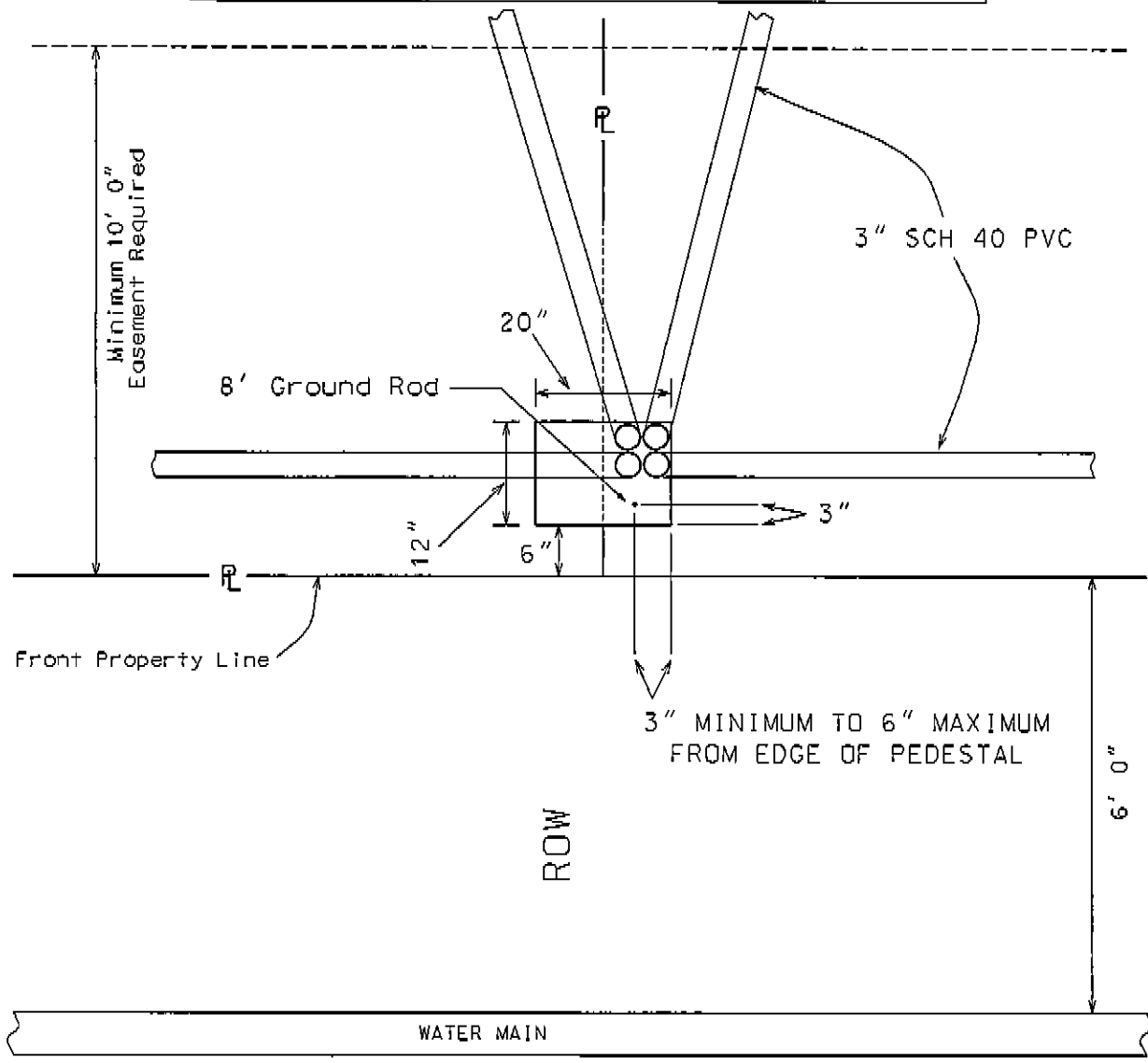
FOR GAS AND ELECTRIC TRENCH-
MINIMUM DEPTH OF 48".



CPS ENERGY

NEW CONSTRUCTION PAD FOR SINGLE PHASE TRANSFORMERS

FRONT LOT CONSTRUCTION STANDARD



NOTE:
THIS EXCEPTION CAN ONLY BE USED
WHEN THE WATER MAIN IS ON THE
SAME SIDE OF THE STREET AS
CPS ENERGY FACILITIES

NOTE:
WHEN TRENCHING AND PLACING INFRASTRUCTURE
IN EASEMENT, EASEMENT ALONG ENTIRE LOT
FRONTAGE WILL NEED TO BE AT SAME GRADE
LEVEL AS RIGHT OF WAY

TOP VIEW