

Terms of Agreement
Effective October 23, 2005

The CPS Energy AutoPay Plan offers a way to pay CPS Energy bills automatically. While it does not increase or decrease your total bill, it relieves the CPS Energy account holder of the need to write and mail a monthly check. Participation in AutoPay does not affect your obligation to pay our bill in full when due. Account holders are eligible to participate provided that: they are not on a cash-only payment status, their bank is an accredited financial institution capable of accepting withdrawals and deposits through the Automated Clearing House (ACH) Network, and the account holder has authorized CPS Energy to take payments or make adjustments through ACH. Other restrictions may apply.

To start AutoPay, submit a new AutoPay application and voided check (for payments from checking accounts) or bank document showing the bank name, routing number, and savings account number (for payments from savings accounts) to CPS Energy. Please also submit a new application and bank information immediately if there is any change to the bank account or any change in the status of the financial institution where the automatic withdrawal is administered. Just complete the application, attach a voided check or savings account bank document, and mail both to CPS Energy, ATTN: AutoPay – Mail Drop 160104, P.O. Box 1771, San Antonio, TX 78296-1771. AutoPay will begin after CPS Energy processes the application. Allow four weeks for application processing.

If the automatic transaction is not honored by the financial institution, CPS Energy may attempt to process your payment one additional time within the 30-day billing period. For each returned item, the account holder is responsible for all returned item or late payment fees imposed by CPS Energy and your financial institution. In addition, you may be removed from the CPS Energy AutoPay Plan.

Any protest of a CPS Energy bill or withdrawal from AutoPay should be through communication to CPS Energy (not your bank) by calling (210) 353-2222 at least four business days before the date of automatic withdrawal shown on the utility bill. To cancel participation in the plan, which may be done at any time, call (210) 353-2222. By canceling participation or being removed from AutoPay, the CPS Energy account will revert to normal billing and payment terms and the account holder will be ineligible to join AutoPay for a minimum of 12 months.

Once enrolled, the date of fund withdrawal will be stated on your utility bill, and your bill will include a "Do Not Pay" notice reminding you that your payment is automatic, and there will be no need to write and send CPS Energy a check.

If you have questions, call (210) 353-2222 or visit our Web site at www.cpsenergy.com.

AutoPay Plan

I accept the terms of agreement and wish to participate in the CPS Energy AutoPay Plan. I authorize CPS Energy to withdraw from my bank account the full amount of the "Balance Due" as shown on my monthly CPS Energy billing statement, via the ACH Network on or after the "Due Date" date shown on the billing statement. I also authorize CPS Energy to reverse transactions, or make deposits into my account, through the ACH Network in the event a correction to the amount withdrawn is necessary.

Signature on Bank Account _____

Joint Owner's Signature _____

CPS Energy Customer Number _____

Customer Name _____
(last) (first) (middle initial)

Personal Bank Account Business Bank Account

Bank Name: _____

Checking Savings (Please attach voided check or bank document from savings account.)

Daytime Phone _____

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