

**CITY PUBLIC SERVICE BOARD
CORPORATE SURETY BOND**

KNOW ALL MEN BY THESE PRESENTS:

Bond No: _____
SAP BP #: _____

That _____ of _____
(PRINCIPAL) (CITY)

State of _____, hereinafter called the PRINCIPAL, and _____
hereinafter called the SURETY, a corporation organized under the laws of the State of
_____, are indebted and firmly bound unto the City of San Antonio, acting by and
through the City Public Service Board (:CPS Energy" or OBLIGEE), in the sum of
\$_____ DOLLARS, for the payment whereof to the Obligee, the Principal, and the
surety bind themselves, their heirs, assigns and successors, jointly and severally, by
these presents.

WHEREAS, the Principal has entered into a contract with Obligee to receive electric
and/or gas service from Obligee at _____
and to pay promptly therefore, the bills presented by Obligee in accordance with
Obligee's rules and regulations.

NOW, THEREOFRE, the condition of the foregoing obligation is such that if the
Principal shall pay all bills for such electric and/or gas service then this obligation shall
be void; otherwise to remain in full force and effect, subject however, to the following
conditions.

1. The term of this Bond shall be indefinite, subject to termination as hereinafter provided.
2. The aggregate liability of the Surety for all or any defaults of the Principal hereunder shall in no
event exceed the above set forth penalty of this bond.
3. In the event of any default in payment on the part of the Principal, a written statement of the
particular facts showing the date and amount of such default shall be given by the Obligee to the
Surety not later than 60 days after the Principal has defaulted in payment for such service. Such
statement shall be forwarded by certified mail to the Surety at the following:

(Address) (City) (State, Zip)

and if after the expiration of 60 days from the date of such notice to Surety such default has not
been paid in full, Obligee shall have the right to bring a legal action against the Surety for the
recovery of all amounts owing under the terms of this bond, without the necessity of joining the
Principal in any such legal action.

4. This bond may be canceled by the Surety at any time as to the accrual of future liability
hereunder by giving thirty (30) days advance written notice to the Business Operations
Section of the Obligee such to be forwarded by certified mail to the Obligee at Post Office
Box 1771, San Antonio, Texas 78295-1771 it being understood and agreed, however, that
the Surety will be liable for any liability accruing up to the effective date of said cancellation
notice in no event, however in excess of the penalty of this bond.

SIGNED AND DATED this _____ day of _____, 20_____.

Principal

By _____

Surety

By _____

Accepted For CPS Energy _____
Jorge De Leon, Business Operations Manager, Retail Energy