

RIDERS

RIDER R

DEFAULT SERVICE SUPPORT RIDER

A Default Service Support (“DSS”) rate shall be applied to DSS Sales delivered by Met-Ed to Delivery Service Customers under this rider as determined to the nearest one-thousandth of a cent per kWh or cent per kW, as applicable. The kW under this rider shall be the Network Service Peak Load (“NSPL”), as calculated by the Company in accordance with PJM rules and requirements. The DSS rate shall be billed to Customers receiving Delivery Service from the Company under this rider. The DSS rates shall be calculated according to the provisions of this rider. The DSS Rider shall be non-bypassable.

(C)

(C)

(C) Change

RIDERS

Rider R (continued)

The DSS rates by rate schedule shall be calculated annually in accordance with the formula set forth below:

(C)

$$\text{DSS rate} = [\text{UE} + \text{TSC}_1 + \text{NMB} + \text{RE} + \text{CEC}] \times [1 / (1-T)]$$

(C)

The components of the formula are defined below:

Default Service Related Uncollectibles

UE = A default service-related unbundled uncollectible accounts expense charge, determined by Customer Class and stated to the nearest one-thousandth of a cent per kWh or cent per kW NSPL, as applicable, to be applied to DSS Sales delivered by Met-Ed to Delivery Service Customers under this rider. The UE reflects the generation-related portion of the uncollectible account expense based on the cost of service study in the Company's base rate case at Docket No. R-00061366 and the additional uncollectible accounts expense incurred by the Company as a result of providing Default Service under this tariff. This component of the DSS rate in this non-bypassable rider is non-reconcilable.

(C)

The unbundled uncollectible accounts expense associated with Default Service and a purchase of receivables program allocated to Delivery Service Customers on a non-bypassable, non-reconcilable basis will be Customer Class specific and will be adjusted annually on June 1 of each year based on the projected price of Default Service. Adjustments, if necessary, will be made to the uncollectible percentage in a future distribution base rate case or the start of the next Default Service Program, whichever occurs earlier.

(C)

The unbundled generation related uncollectibles as determined from the cost of service study in the Company's base rate case at Docket No. R-00061366, combined with the calculated incremental uncollectible accounts expense based on the projected price of Default Service, represents the appropriate fully unbundled non-reconcilable uncollectible accounts expense to be recovered in DSS rates. The calculated incremental uncollectible expense is based on the historical relationship of uncollectible accounts expense to total revenues for the twelve months ended December 31, 2006, utilizing the top sheets from the Company's rate case compliance filings at Docket No. R-00061366. This ratio is applied to the change in the Company's revenues that would result from the change experienced in default service prices. Incremental uncollectible accounts expense divided by the projected DSS Sales yields an adjustment to the retail price of Default Service supply to be included in DSS rates.

(C)

(C) Change

RIDERS

Rider R (continued)

The UE charges by Customer Class to be included in DSS rates are as follows:

Industrial Customer Class (Rate GS – Large, GP and Rate TP):

\$X.XXXXX per kW NSPL (C)

Commercial Customer Class (Rate GS-Small, Rate GS-Medium, Rate MS, Borderline Service, Street Lighting Service, Ornamental Street Lighting and Outdoor Lighting Service):

X.XXX cents per kWh (C)

Residential Customer Class (Rate RS, Rate RT, and Rate GS – Volunteer Fire Company, Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate):

X.XXX cents per kWh (C)

2006 Deferred Transmission Service Charges

$$TSC_1 = [(TSCD - E) / S] \times \text{Rate Schedule Adjustment Factor}$$

Where:

TSC₁ = The charge to be applied to Delivery Service Customers under this rider to recover the 2006 Transmission Service Charge Deferral (“TSCD”), including carrying charges, which was approved by the Commission in its final order at Docket No. R-00061366, authorizing the Company to amortize such deferral over a 10 year period beginning January 11, 2007 and ending on December 31, 2016. The 10 year amortization of the 2006 TSCD that was not fully recovered under the Transmission Service Charge Rider is being recovered under this DSS Rider which replaced the TSC Rider. The TSC₁ rate will be adjusted on June 1 of each year based on the Company’s latest sales forecast available at the time. (C)

TSCD = The balance of the 2006 TSCD including carrying charges, that, as of March 31, 2013 remains to be amortized over the remaining months of the amortization period. (C)

(C) Change

RIDERS

Rider R (continued)

E = The over or under-collection of the TSCD that results from billing the TSC₁ during the DSS Reconciliation Year (an over-collection is denoted by a positive E and an under-collection by a negative E), including applicable interest. Interest shall be computed monthly at the legal statutory interest rate stated in 41 P.S. § 202 from the month the over or under-collection occurs to the month that the over-collection is refunded to or the under-collection is recovered from Delivery Service Customers.

S= The Company's total DSS Sales to Delivery Service Customers projected for the DSS Computational Year. (C)

Non-Market Based Services Transmission Charges (C)

$$NMB = (NMB_C - E) / S \quad (C)$$

Where:

NMB = The charge to be applied to Delivery Service Customers served under this rider for Non-Market Based Services Transmission Charge costs incurred by the Company. (C)

NMB_C = Forecasted NMB costs applicable to the Company's DSS Sales. Forecasted NMB costs shall include costs for PJM Regional Transmission Enhancement Plan charges, PJM Expansion Cost Recovery, as well as any other FERC-approved PJM transmission charges that will not be reconciled through the Company's Price To Compare Default Service Rate Rider and/or Hourly Pricing Default Service Rider. Forecasted NMB costs are allocated to each Customer Class based upon each Customer Class's contribution to the total Company Network Service Peak Load. (C)

E = The over or under-collection of the NMB_C that results from billing of the NMB during the DSS Reconciliation Year, including applicable interest. An over-collection is denoted by a positive E and an under-collection by a negative E. Interest shall be computed monthly at the legal statutory interest rate stated in 41 P.S. § 202, from the month the over or under-collection occurs to the month that the over-collection is refunded to or the under-collection is recovered from Delivery Service Customers. (C)

S = The Company's total DSS Sales per Customer Class to Delivery Service Customers projected for the DSS Computational Year. (C)

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RIDERS

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RIDERS

Rider R (continued)

The NMB rates billed to Customers by Rate Schedule are shown below. The TSC₁ rates billed to Customers shall be adjusted by the following Rate Schedule Adjustment Factors shown below: (C)

<u>Rate Schedule</u>	<u>Rate Schedule Adjustment Factors</u>	<u>TSC₁ Rate</u>	<u>NMB Rate</u> (C)
Rate Schedule RT & GS Volunteer Fire Company and Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate - TOD	0.9086	X.XXX (C)	X.XXX (C)
Rate Schedule RS & GS Volunteer Fire Company and Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate - Non-TOD	1.0759	X.XXX (C)	X.XXX (C)
Rate Schedule GS – Small	1.0560	X.XXX (C)	X.XXX (C)
Rate Schedule GS – Medium	1.0560	X.XXX (C)	X.XXX (C)
Rate Schedule GS – Large	0.9939	\$X.XXXXXX (C)	\$X.XXXXXX (C)
Rate Schedule GP	0.9332	\$X.XXXXXX (C)	\$X.XXXXXX (C)
Rate Schedule TP	0.8911	\$X.XXXXXX (C)	\$X.XXXXXX (C)
Rate Schedule MS	0.9702	X.XXX (C)	X.XXX (C)
Rate Schedule OL	0.6712	X.XXX (C)	X.XXX (C)
Rate Schedule ST	0.6721	X.XXX (C)	X.XXX (C)
Rate Schedule BRD	0.9550	X.XXX (C)	X.XXX (C)

The above rates are listed as a cent per kWh, with the exception of Rate Schedules GS – Large, GP and TP which are listed as a dollar per kW NSPL. (C)

(C) Change

RIDERS

Rider R (continued)

Retail Enhancements

$$RE = [(RE_c - E) / S] \tag{C}$$

Where:

RE = The charge to be applied to Delivery Service Customers served under this rider for the Retail Enhancement Costs incurred by the Company. (C)

RE_c = The Retail Enhancement Costs incurred by the Company to cover programming expenses and implementation costs associated with competitive market enhancements approved by the Commission. (C)

E = The over or under-collection of the RE_c that results from billing of the RE during the DSS Reconciliation Year, including applicable interest. An over-collection is denoted by a positive E and an under-collection by a negative E. Interest shall be computed monthly at the legal statutory interest rate stated in 41 P.S. § 202, from the month the over or under-collection occurs to the month that the over-collection is refunded to or the under-collection is recovered from Delivery Service Customers. (C)

S = The Company's total DSS Sales per Customer Class to Delivery Service Customers projected for the DSS Computational Year. (C)

(C) Change

RIDERS

Rider R (continued)

The RE rates by Customer Class to be included in DSS rates are as follows: (C)

Industrial Customer Class (Rate GS – Large, GP and Rate TP):

\$X.XXXXX per kW NSPL (C)

Commercial Customer Class (Rate GS-Small, Rate GS-Medium, Rate MS, Borderline Service, Street Lighting Service, Ornamental Street Lighting, and Outdoor Lighting Service):

X.XXX cents per kWh (C)

Residential Customer Class (Rate RS, Rate RT, and Rate GS – Volunteer Fire Company, Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate):

X.XXX cents per kWh (C)

Customer Education Charges (C)

$$CEC = (CEC_C - E) / S \quad (C)$$

Where:

CEC = The charge to be applied to Delivery Service Customers served under this rider for Customer Education Charges incurred by the Company. (C)

CEC_C = Customer Education costs for the specific Customer Class to cover customer education costs associated with competitive market enhancements approved by the Commission, excluding costs being recovered by the Consumer Education Program Cost Recovery Rider. (C)

(C) Change

RIDERS

Rider R (continued)

E = The over or under-collection of the CEC_C that results from the billing of the CEC during the DSS Reconciliation Year, including applicable interest. An over-collection is denoted by a positive E and an under-collection by a negative E. Interest shall be computed monthly at the legal statutory interest rate stated in 41 P.S. § 202 from the month the over or under-collection occurs to the month that the over-collection is refunded to or the under-collection is recovered from Delivery Service Customers. (C)

S = The Company's total DSS Sales per Customer Class to Delivery Service Customers projected for the DSS Computational Year. (C)

The CEC rates by Customer Class to be included in DSS rates are as follows: (C)

Industrial Customer Class (Rate GS – Large, GP and Rate TP):

\$X.XXXXXX per kW NSPL (C)

Commercial Customer Class (Rate GS-Small, Rate GS-Medium, Rate MS, Borderline Service, Street Lighting Service, Ornamental Street Lighting, and Outdoor Lighting Service):

X.XXX cents per kWh (C)

Residential Customer Class (Rate RS, Rate RT, and Rate GS – Volunteer Fire Company, Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate):

X.XXX cents per kWh (C)

(C) Change

RIDERS

Rider R (continued)

Gross Receipts Tax

T = The Pennsylvania gross receipts tax rate in effect during the billing month expressed in decimal form as reflected in the Company's base rates.

All capitalized terms not otherwise defined in this Rider shall have the definitions specified in Section 2 of this Tariff. For purposes of this Rider, the following additional definitions shall apply:

1. DSS Sales – The kWh or kW NSPL delivered during a billing month to all Delivery Service Customers, as applicable to each Rate Schedule billed under the DSS Rider. (C)
2. DSS Computational Year – The 12-month period from June 1 through the following May 31. (C)
3. DSS Reconciliation Year – The 12-month period ending March 31 immediately preceding the DSS Computational Year. (C)

(C) Change

RIDERS

Rider R (continued)

The Company shall recalculate its DSS Rates annually and, based on that recalculation, shall file with the Commission, by May 1st of each year, revised Rates to become effective on June 1st of the same year unless the Commission orders otherwise. The revised DSS rates shall remain in effect for a period of one year, unless revised on an interim basis subject to the approval of the Commission. Upon determining that its DSS Rates, if left unchanged, would result in material over or under-collection of all costs incurred, or expected to be incurred, for DSS during the then current DSS Reconciliation Year, the Company may request that the Commission approve one or more interim revisions to its DSS Rates to become effective thirty (30) days from the date of filing, unless the Commission orders otherwise.

At the conclusion of the period during which this DSS Rider is in effect, the Company shall be authorized to recover or refund at any time, any remaining differences between recoverable costs and revenues billed under this rider by charges or credits to be applied to customer's bills under such mechanism the Commission may approve, but uncollectibles, which are non-reconcilable under the terms of this rider, shall not be included in the final reconciliation.

Application of the DSS rates shall be subject to annual review and audit by the Commission.

RIDERS

RIDER R

DEFAULT SERVICE SUPPORT RIDER

A Default Service Support (“DSS”) rate shall be applied to DSS Sales delivered by Penelec to Delivery Service Customers under this rider as determined to the nearest one-thousandth of a cent per kWh or cent per kW, as applicable. The kW under this rider shall be the Network Service Peak Load (“NSPL”), as calculated by the Company in accordance with PJM rules and requirements. The DSS rate shall be billed to Customers receiving Delivery Service from the Company under this rider. The DSS rates shall be calculated according to the provisions of this rider. The DSS Rider shall be non-bypassable.

(C)

(C)

(C) Change

RIDERS

Rider R (continued)

The DSS rates by rate schedule shall be calculated annually in accordance with the formula set forth below:

(C)

$$\text{DSS rate} = [\text{UE} + \text{TSC}_1 + \text{NMB} + \text{RE} + \text{CEC}] \times [1 / (1-T)]$$

(C)

The components of the formula are defined below:

Default Service Related Uncollectibles

UE = A default service-related unbundled uncollectible accounts expense charge, determined by Customer Class and stated to the nearest one-thousandth of a cent per kWh or cent per kW NSPL, as applicable, to be applied to DSS Sales delivered by Penelec to Delivery Service Customers under this rider. The UE reflects the generation-related portion of the uncollectible account expense based on the cost of service study in the Company's base rate case at Docket No. R-00061366 and the additional uncollectible accounts expense incurred by the Company as a result of providing Default Service under this tariff. This component of the DSS rate in this non-bypassable rider is non-reconcilable.

(C)

The unbundled uncollectible accounts expense associated with Default Service and a purchase of receivables program allocated to Delivery Service Customers on a non-bypassable, non-reconcilable basis will be Customer Class specific and will be adjusted annually on June 1 of each year based on the projected price of Default Service. Adjustments, if necessary, will be made to the uncollectible percentage in a future distribution base rate case or the start of the next Default Service Program, whichever occurs earlier.

(C)

The unbundled generation related uncollectibles as determined from the cost of service study in the Company's base rate case at Docket No. R-00061367, combined with the calculated incremental uncollectible accounts expense based on the projected price of Default Service, represents the appropriate fully unbundled non-reconcilable uncollectible accounts expense to be recovered in DSS rates. The calculated incremental uncollectible expense is based on the historical relationship of uncollectible accounts expense to total revenues for the twelve months ended December 31, 2006, utilizing the top sheets from the Company's rate case compliance filings at Docket No. R-00061367. This ratio is applied to the change in the Company's revenues that would result from the change experienced in default service prices. Incremental uncollectible accounts expense divided by the projected DSS Sales yields an adjustment to the retail price of Default Service supply to be included in DSS rates.

(C)

(C) Change

RIDERS

Rider R (continued)

The UE charges by Customer Class to be included in DSS rates are as follows:

Industrial Customer Class (Rate GS – Large, GP and Rate LP):

\$X.XXXXX per kW NSPL (C)

Commercial Customer Class (Rate GS-Small, Rate GS-Medium, Rate MS, Borderline Service, Street Lighting Service, Ornamental Street Lighting and Outdoor Lighting Service):

X.XXX cents per kWh (C)

Residential Customer Class (Rate RS, Rate RT, and Rate GS – Volunteer Fire Company, Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate):

X.XXX cents per kWh (C)

2006 Deferred Transmission Service Charges

$$TSC_1 = [(TSCD - E) / S] \times \text{Rate Schedule Adjustment Factor}$$

Where:

TSC₁ = The charge to be applied to Delivery Service Customers under this rider to recover the 2006 Transmission Service Charge Deferral (“TSCD”), including carrying charges, which was approved by the Commission in its final order at Docket No. R-00061366, authorizing the Company to amortize such deferral over a 10 year period beginning January 11, 2007 and ending on December 31, 2016. The 10 year amortization of the 2006 TSCD that was not fully recovered under the Transmission Service Charge Rider is being recovered under this DSS Rider which replaced the TSC Rider. The TSC₁ rate will be adjusted on June 1 of each year based on the Company’s latest sales forecast available at the time. (C)

TSCD = The balance of the 2006 TSCD including carrying charges, that, as of March 31, 2013 remains to be amortized over the remaining months of the amortization period. (C)

(C) Change

RIDERS

Rider R (continued)

E = The over or under-collection of the TSCD that results from billing the TSC₁ during the DSS Reconciliation Year (an over-collection is denoted by a positive E and an under-collection by a negative E), including applicable interest. Interest shall be computed monthly at the legal statutory interest rate stated in 41 P.S. § 202 from the month the over or under-collection occurs to the month that the over-collection is refunded to or the under-collection is recovered from Delivery Service Customers.

S= The Company's total DSS Sales to Delivery Service Customers projected for the DSS Computational Year. (C)

Non-Market Based Services Transmission Charges (C)

$$NMB = (NMB_C - E) / S \quad (C)$$

Where:

NMB = The charge to be applied to Delivery Service Customers served under this rider for Non-Market Based Services Transmission Charge costs incurred by the Company. (C)

NMB_C = Forecasted NMB costs applicable to the Company's DSS Sales. Forecasted NMB costs shall include costs for PJM Regional Transmission Enhancement Plan charges, PJM Expansion Cost Recovery, as well as any other FERC-approved PJM transmission charges that will not be reconciled through the Company's Price To Compare Default Service Rate Rider and/or Hourly Pricing Default Service Rider. Forecasted NMB costs are allocated to each Customer Class based upon each Customer Class's contribution to the total Company Network Service Peak Load. (C)

E = The over or under-collection of the NMB_C that results from billing of the NMB during the DSS Reconciliation Year, including applicable interest. An over-collection is denoted by a positive E and an under-collection by a negative E. Interest shall be computed monthly at the legal statutory interest rate stated in 41 P.S. § 202, from the month the over or under-collection occurs to the month that the over-collection is refunded to or the under-collection is recovered from Delivery Service Customers. (C)

S = The Company's total DSS Sales per Customer Class to Delivery Service Customers projected for the DSS Computational Year. (C)

(C) Change

RIDERS

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RIDERS

Rider R (continued)

The NMB rates billed to Customers by Rate Schedule are shown below. The TSC₁ rates billed to Customers shall be adjusted by the following Rate Schedule Adjustment Factors shown below: (C)

<u>Rate Schedule</u>	<u>Rate Schedule Adjustment Factors</u>	<u>TSC₁ Rate</u>	<u>NMB (C) Rate</u>
Rate Schedule RT & GS Volunteer Fire Company and Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate - TOD	0.7358	X.XXX (C)	X.XXX (C)
Rate Schedule RS & GS Volunteer Fire Company and Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate - Non-TOD	1.0650	X.XXX (C)	X.XXX (C)
Rate Schedule GS - Small	1.1353	X.XXX (C)	X.XXX (C)
Rate Schedule GS - Medium	1.1353	X.XXX (C)	X.XXX (C)
Rate Schedule GS - Large	1.0238	\$X.XXXXXX (C)	\$X.XXXXXX (C)
Rate Schedule GP	0.9453	\$X.XXXXXX (C)	\$X.XXXXXX (C)
Rate Schedule LP	0.8219	\$X.XXXXXX (C)	\$X.XXXXXX (C)
Rate Schedule H	0.7403	X.XXX (C)	X.XXX (C)
Rate Schedule OL	0.4288	X.XXX (C)	X.XXX (C)
Rate Schedule ST	0.4291	X.XXX (C)	X.XXX (C)
Rate Schedule BRD	0.7197	X.XXX (C)	X.XXX (C)

The above rates are listed as a cent per kWh, with the exception of Rate Schedules GS – Large, GP and LP which are listed as a dollar per kW NSPL. (C)

(C) Change

RIDERS

Rider R (continued)

Retail Enhancements

$$RE = [(RE_c - E) / S] \quad (C)$$

Where:

RE = The charge to be applied to Delivery Service Customers served under this rider for the Retail Enhancement Costs incurred by the Company. (C)

RE_c = The Retail Enhancement Costs incurred by the Company to cover programming expenses and implementation costs associated with competitive market enhancements approved by the Commission. (C)

E = The over or under-collection of the RE_c that results from billing of the RE during the DSS Reconciliation Year, including applicable interest. An over-collection is denoted by a positive E and an under-collection by a negative E. Interest shall be computed monthly at the legal statutory interest rate stated in 41 P.S. § 202, from the month the over or under-collection occurs to the month that the over-collection is refunded to or the under-collection is recovered from Delivery Service Customers. (C)

S = The Company's total DSS Sales per Customer Class to Delivery Service Customers projected for the DSS Computational Year. (C)

(C) Change

RIDERS

Rider R (continued)

The RE rates by Customer Class to be included in DSS rates are as follows: (C)

Industrial Customer Class (Rate GS – Large, GP and Rate LP): (C)

\$X.XXXXXX per kW NSPL (C)

Commercial Customer Class (Rate GS-Small, Rate GS-Medium, Rate MS, Borderline Service, Street Lighting Service, Ornamental Street Lighting, and Outdoor Lighting Service):

X.XXX cents per kWh (C)

Residential Customer Class (Rate RS, Rate RT, and Rate GS – Volunteer Fire Company, Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate):

X.XXX cents per kWh (C)

Customer Education Charges (C)

$$CEC = (CEC_C - E) / S \quad (C)$$

Where:

CEC = The charge to be applied to Delivery Service Customers served under this rider for Customer Education Charges incurred by the Company. (C)

CEC_C = Customer Education costs for the specific Customer Class to cover customer education costs associated with competitive market enhancements approved by the Commission, excluding costs being recovered by the Consumer Education Program Cost Recovery Rider. (C)

(C) Change

RIDERS

Rider R (continued)

E = The over or under-collection of the CEC_C that results from the billing of the CEC during the DSS Reconciliation Year, including applicable interest. An over-collection is denoted by a positive E and an under-collection by a negative E. Interest shall be computed monthly at the legal statutory interest rate stated in 41 P.S. § 202 from the month the over or under-collection occurs to the month that the over-collection is refunded to or the under-collection is recovered from Delivery Service Customers. (C)

S = The Company's total DSS Sales per Customer Class to Delivery Service Customers projected for the DSS Computational Year. (C)

The CEC rates by Customer Class to be included in DSS rates are as follows: (C)

Industrial Customer Class (Rate GS – Large, GP and Rate LP):

\$X.XXXXX per kW NSPL (C)

Commercial Customer Class (Rate GS-Small, Rate GS-Medium, Rate MS, Borderline Service, Street Lighting Service, Ornamental Street Lighting, and Outdoor Lighting Service):

X.XXX cents per kWh (C)

Residential Customer Class (Rate RS, Rate RT, and Rate GS – Volunteer Fire Company, Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate):

X.XXX cents per kWh (C)

(C) Change

RIDERS

Rider R (continued)

Gross Receipts Tax

T = The Pennsylvania gross receipts tax rate in effect during the billing month expressed in decimal form as reflected in the Company's base rates.

All capitalized terms not otherwise defined in this Rider shall have the definitions specified in Section 2 of this Tariff. For purposes of this Rider, the following additional definitions shall apply:

1. DSS Sales – The kWh or kW NSPL delivered during a billing month to all Delivery Service Customers, as applicable to each Rate Schedule billed under the DSS Rider. (C)
2. DSS Computational Year – The 12-month period from June 1 through the following May 31. (C)
3. DSS Reconciliation Year – The 12-month period ending March 31 immediately preceding the DSS Computational Year. (C)

(C) Change

RIDERS

Rider R (continued)

The Company shall recalculate its DSS Rates annually and, based on that recalculation, shall file with the Commission, by May 1st of each year, revised Rates to become effective on June 1st of the same year unless the Commission orders otherwise. The revised DSS rates shall remain in effect for a period of one year, unless revised on an interim basis subject to the approval of the Commission. Upon determining that its DSS Rates, if left unchanged, would result in material over or under-collection of all costs incurred, or expected to be incurred, for DSS during the then current DSS Reconciliation Year, the Company may request that the Commission approve one or more interim revisions to its DSS Rates to become effective thirty (30) days from the date of filing, unless the Commission orders otherwise.

At the conclusion of the period during which this DSS Rider is in effect, the Company shall be authorized to recover or refund at any time, any remaining differences between recoverable costs and revenues billed under this rider by charges or credits to be applied to customer's bills under such mechanism the Commission may approve, but uncollectibles, which are non-reconcilable under the terms of this rider, shall not be included in the final reconciliation.

Application of the DSS rates shall be subject to annual review and audit by the Commission.

DEFAULT SERVICE SUPPORT RIDER

A Default Service Support (“DSS”) rate shall be applied to DSS Sales delivered by the Company to Delivery Service Customers under this rider as determined to the nearest one-thousandth of a cent per kWh or cent per kW, as applicable. The kW under this rider shall be the Network Service Peak Load (“NSPL”), as calculated by the Company in accordance with PJM rules and requirements. The DSS rate shall be billed to Customers receiving Delivery Service from the Company under this rider. The DSS rates shall be calculated according to the provisions of this rider. The DSS Rider shall be non-bypassable.

(C)

(C)

The Residential Customer Class consists of Rate Schedules RS; RS Optional Controlled Service Rider; RH; RH Water Heating Option; WH; and GS Special Provision for Volunteer Fire Companies, Non-Profit Senior Citizen Centers, Non-Profit Rescue Squads, and Non-Profit Ambulance Services

(C)

The Commercial Customer Class consists of Rate Schedules GS (excluding GS Special Rule GSDS), GS Optional Controlled Service Rider, PNP, GM, GM Optional Controlled Service Rider, PLS, SV, SVD, SM, OH With Cooling Capabilities, OH Without Cooling Capabilities, and WH Non-Residential

(C)

The Industrial Customer Class consists of Rate Schedules GP, GT, and GS with Special Rule GSDS

(C)

(C) Change

Default Service Support Rider (Continued)

The DSS rates by rate schedule shall be calculated annually in accordance with the formula set forth below:

$$\text{DSS rate} = [\text{UE} + \text{MPI} + \text{CEC} + \text{NMB} + \text{RE}] \times [1 / (1-\text{T})] \quad (\text{C})$$

The components of the formula are defined below:

Default Service Related Uncollectibles

UE = A default service-related unbundled uncollectible accounts expense charge, determined by Customer Class and stated to the nearest one-thousandth of a cent per kWh or cent per kW NSPL, as applicable, to be applied to DSS Sales delivered by the Company to Delivery Service Customers under this rider. The UE reflects the generation-related portion of the uncollectible account expense based on historical data in the Company's restructuring case at Docket No. R-00924149 and the additional uncollectible accounts expense incurred by the Company as a result of providing Default Service under this tariff. This component of the DSS rate in this non-bypassable rider is non-reconcilable. (C)

The unbundled uncollectible accounts expense associated with Default Service and a purchase of receivables program allocated to Delivery Service Customers on a non-bypassable, non-reconcilable basis will be Customer Class specific and will be adjusted annually on June 1 of each year based on the projected price of Default Service. Adjustments, if necessary, will be made to the uncollectible percentage in a future distribution base rate case or the start of the next Default Service Program, whichever occurs earlier. (C)

The UE charges by Customer Class to be included in DSS rates are as follows:

Residential Customer Class:

X.XXX cents per kWh (C)

Commercial Customer Class:

X.XXX cents per kWh (C)

Industrial Customer Class:

\$X.XXXXX per kW NSPL (C)

(C) Change

Default Service Support Rider (Continued)

MTEP and MISO Exit Fees and PJM Integration Charges

$$MPI = (((MPI_{Exp1} + MPI_{Exp2}) - E) \times \text{Adjustment Factor}) / S$$

Where:

MPI = The charge to be applied to each Delivery Service Customer served under this Tariff for the Midwest Independent System Operator (“MISO”) Transmission Expansion Plan (“MTEP”) charges and MISO and PJM charges associated with the transition from MISO to PJM approved by FERC. (C)

MPI_{Exp1} = The Company’s cost of the MTEP charges assessed on the Company pursuant to the Open Access Transmission Tariff (“OATT”) of MISO.

MPI_{Exp2} = The Company’s (i) charges assessed under MISO’s OATT that are associated with the Company’s exit from the MISO control area and (ii) charges assessed under the PJM OATT that are associated with the Company’s integration into the PJM control area. All such MISO exit fees and PJM integration fees charges approved by FERC shall not exceed \$3.5 million, excluding carrying charges. The Company shall recover these charges plus applicable carrying charges over a minimum five year period. (C)

E = The over or under collection of MTEPs and MISO exit fees and PJM integration charges that result from the billing of the MPI portion of the DSS during the DSS Reconciliation Year (an over collection is denoted by a positive E and an under collection by a negative E), including applicable interest. Interest shall be computed monthly based upon 41 P.S. § 202, the legal statutory interest rate, from the month the over or under collection occurs to the month that the over collection is refunded to or the under collection is recovered from Delivery Service Customers.

S = The Company’s total DSS Sales to Delivery Service Customers projected for the DSS Computational Year.

The MPI shall be adjusted by the following Customer Class Adjustment Factors, as shown:

<u>Customer Class</u>	<u>Adjustment Factor</u>
Residential	.4126
Commercial	.3101
Industrial	.2773

(C) Change

Default Service Support Rider (Continued)

The MPI charges, by Customer Class, to be included in DSS rates are as follows:

Residential Customer Class:

X.XXX cents per kWh (C)

Commercial Customer Class:

X.XXX cents per kWh (C)

Industrial Customer Class:

\$X.XXXXXX per kW NSPL (C)

Customer Education Charges

$$CEC = ((CECc - E) / S)$$

Where:

CEC = The charge to be applied to Delivery Service Customers served under this rider for Customer Education Charges incurred by the Company. (C)

CECc = Customer Education costs for the specific Customer Class to cover customer education costs associated with competitive market enhancements approved by the Commission. (C)

E = The over or under-collection of the CECc that results from the billing of the CEC during the DSS Reconciliation Year, including applicable interest. An over-collection is denoted by a positive E and an under-collection by a negative E. Interest shall be computed monthly at the legal statutory interest rate stated in 41 P.S. § 202 from the month the over or under-collection occurs to the month that the over-collection is refunded to or the under-collection is recovered from Delivery Service Customers. (C)

S = The Company's total DSS Sales per Customer Class to Delivery Service Customers projected for the DSS Computational Year. (C)

(C) Change

Default Service Support Rider (Continued)

The CEC rates by Customer Class to be included in DSS rates are as follows:

Residential Customer Class:

X.XXX cents per kWh (C)

Commercial Customer Class:

X.XXX cents per kWh (C)

Industrial Customer Class:

\$X.XXXXXX per kW NSPL (C)

Non-Market Based Services Transmission Charges (C)

$$\text{NMB} = (\text{NMB}_C - E) / S \quad (C)$$

Where:

NMB = The charge to be applied to Delivery Service Customers served under this rider for Non-Market Based Services Transmission Charge costs incurred by the Company. (C)

NMB_C = Forecasted NMB costs applicable to the Company's DSS Sales. Forecasted NMB costs shall include costs for PJM Regional Transmission Enhancement Plan charges, PJM Expansion Cost Recovery, as well as any other FERC-approved PJM transmission charges that will not be reconciled through the Company's Price To Compare Default Service Rate Rider and/or Hourly Pricing Default Service Rider. Forecasted NMB costs are allocated to each Customer Class based upon each Customer Class's contribution to the total Company Network Service Peak Load. (C)

(C) Change

Default Service Support Rider (Continued)

- E = The over or under-collection of the NMB_C that results from billing of the NMB during the DSS Reconciliation Year, including applicable interest. An over-collection is denoted by a positive E and an under-collection by a negative E. Interest shall be computed monthly at the legal statutory interest rate stated in 41 P.S. § 202, from the month the over or under-collection occurs to the month that the over-collection is refunded to or the under-collection is recovered from Delivery Service Customers. (C)
- S = The Company's total DSS Sales per Customer Class to Delivery Service Customers projected for the DSS Computational Year. (C)

The NMB rates by Customer Class to be included in DSS rates are as follows:

Residential Customer Class:

X.XXX cents per kWh (C)

Commercial Customer Class:

X.XXX cents per kWh (C)

Industrial Customer Class:

\$X.XXXXXX per kW NSPL (C)

Retail Enhancements (C)

$$RE = [(RE_c - E) / S] \quad (C)$$

Where:

- RE = The charge to be applied to Delivery Service Customers served under this rider for the Retail Enhancement Costs incurred by the Company. (C)
- RE_c = The Retail Enhancement Costs incurred by the Company to cover programming expenses and implementation costs associated with competitive market enhancements approved by the Commission. Includes consultant fees and other costs to develop and implement the Time-Of-Use Default Service Rider, which shall be allocated to the Residential Customer Class. (C)
- E = The over or under-collection of the RE_C that results from billing of the RE during the DSS Reconciliation Year, including applicable interest. An over-collection is denoted by a positive E and an under-collection by a negative E. Interest shall be computed monthly at the legal statutory interest rate stated in 41 P.S. § 202, from the month the over or under-collection occurs to the month that the over-collection is refunded to or the under-collection is recovered from Delivery Service Customers. (C)

(C) Change

Pennsylvania Power Company

Default Service Support Rider (Continued)

S = The Company's total DSS Sales per Customer Class to Delivery Service Customers projected for the DSS Computational Year. (C)

The RE rates by Customer Class to be included in DSS rates are as follows: (C)

Residential Customer Class:

X.XXX cents per kWh (C)

Commercial Customer Class:

X.XXX cents per kWh (C)

Industrial Customer Class:

\$X.XXXXXX per kW NSPL (C)

(C) Change

Pennsylvania Power Company

Default Service Support Rider (Continued)

(C)

Gross Receipts Tax

T = The Pennsylvania gross receipts tax rate in effect during the billing month expressed in decimal form as reflected in the Company's base rates.

Other Information

All capitalized terms not otherwise defined in this Rider shall have the definitions specified in the Definitions of Terms section of this Tariff. For purposes of this Rider, the following additional definitions shall apply:

1. DSS Sales – The kWh or kW NSPL delivered during a billing month to all Delivery Service Customers, as applicable to each Rate Schedule billed under the DSS rider. (C)
2. DSS Computational Year – The 12-month period from June 1 through the following May 31.
3. DSS Reconciliation Year – The 12-month period ending March 31 immediately preceding the DSS Computational Year.

(C) Change

Default Service Support Rider (Continued)

The Company shall recalculate its DSS Rates annually and, based on that recalculation, shall file with the Commission, by May 1st of each year, revised DSS Rates to become effective on June 1st of the same year unless the Commission orders otherwise. The revised DSS rates shall remain in effect for a period of one year, unless revised on an interim basis subject to the approval of the Commission. Upon determining that its DSS Rates, if left unchanged, would result in material over or under-collection of all costs incurred, or expected to be incurred, for DSS during the then current DSS Reconciliation Year, the Company may request that the Commission approve one or more interim revisions to its DSS Rates to become effective thirty (30) days from the date of filing, unless the Commission orders otherwise.

At the conclusion of the period during which this DSS Rider is in effect, the Company shall be authorized to recover or refund, at any time, any remaining differences between recoverable costs and revenues billed under this rider by charges or credits to be applied to customers bills under such mechanism as the Commission may approve, but uncollectibles, which are non-reconcilable under the terms of this rider, shall not be included in the final reconciliation.

Application of the DSS rates shall be subject to annual review and audit by the Commission.

(C)

DEFAULT SERVICE SUPPORT RIDER

A Default Service Support ("DSS") Rate shall be applied to DSS Sales delivered by the Company to Delivery Service Customers under this rider as determined to the nearest one-thousandth of a cent per kW. The kW under this rider shall be the Network Service Peak Load ("NSPL"), as calculated by the Company in accordance with PJM rules and requirements. The DSS Rate shall be billed to Customers receiving Delivery Service from the Company under this rider. The DSS Rates shall be calculated according to the provisions of this rider. The DSS Rider shall be non-bypassable.

The DSS Rate shall be calculated annually in accordance with the formula set forth below:

$$\text{DSS Rate} = [\text{NMB} + \text{RE} + \text{CEC}] \times [1 / (1-T)]$$

The components of the formula are defined below:

Non-Market Based Services Transmission Charges

$$\text{NMB} = (\text{NMB}_c - E) / S$$

Where:

NMB = The charge to be applied to Delivery Service Customers served under this rider for Non-Market Based Services Transmission Charge costs incurred by the Company.

NMB_c = Forecasted NMB costs applicable to the Company's DSS Sales. Forecasted NMB costs shall include costs for PJM Regional Transmission Enhancement Plan charges, PJM Expansion Cost Recovery, as well as any other FERC-approved PJM transmission charges that will not be reconciled through the Company's Hourly Pricing Default Service Rider. Forecasted NMB costs are allocated to the Industrial Customer Class based upon the Industrial Customer Class's contribution to the total Company Network Service Peak Load.

E = The over or under-collection of the NMB_c that results from billing of the NMB during the DSS Reconciliation Year, including applicable interest. An over-collection is denoted by a positive E and an under-collection by a negative E. Interest shall be computed monthly at the legal statutory interest rate stated in 41 P.S. § 202, from the month the over or under-collection occurs to the month that the over-collection is refunded to or the under-collection is recovered from Delivery Service Customers.

S = The Company's total DSS Sales for the Industrial Customer Class projected for the DSS Computational Year.

The NMB rates to be included in DSS Rates are as follows:

Industrial Customer Class:

\$ X.XXXXX per kW NSPL

(C) Indicates Change

DEFAULT SERVICE SUPPORT RIDER (Continued)**Retail Enhancements**

$$RE = (RE_C - E) / S$$

Where:

- RE = The charge to be applied to Delivery Service Customers served under this rider for the Retail Enhancement Costs incurred by the Company.
- RE_C = The Retail Enhancement Costs incurred by the Company to cover programming expenses and implementation costs associated with competitive market enhancements approved by the Commission.
- E = The over or under-collection of the RE_C that results from billing of the RE during the DSS Reconciliation Year, including applicable interest. An over-collection is denoted by a positive E and an under-collection by a negative E. Interest shall be computed monthly at the legal statutory interest rate stated in 41 P.S. § 202, from the month the over or under-collection occurs to the month that the over-collection is refunded to or the under-collection is recovered from Delivery Service Customers.
- S = The Company's total DSS Sales for the Industrial Customer Class projected for the DSS Computational Year.

The RE rates to be included in DSS Rates are as follows:

Industrial Customer Class:

\$ X.XXXXX per kW NSPL

Customer Education Charges

$$CEC = (CEC_C - E) / S$$

Where:

- CEC = The charge to be applied to Delivery Service Customers served under this rider for Customer Education Charges incurred by the Company.
- CEC_C = Customer Education costs for the Industrial Customer Class to cover customer education costs associated with competitive market enhancements approved by the Commission, excluding costs being recovered by the Consumer Education Charge surcharge.
- E = The over or under-collection of the CEC_C that results from the billing of the CEC during the DSS Reconciliation Year, including applicable interest. An over-collection is denoted by a positive E and an under-collection by a negative E. Interest shall be computed monthly at the legal statutory interest rate stated in 41 P.S. § 202 from the month the over or under-collection occurs to the month that the over-collection is refunded to or the under-collection is recovered from Delivery Service Customers.

(C) Indicates Change

Issued _____

Effective June 1, 2013

DEFAULT SERVICE SUPPORT RIDER (Concluded)

S = The Company's total DSS Sales for the Industrial Customer Class projected for the DSS Computational Year.

The CEC rates to be included in DSS Rates are as follows:

Industrial Customer Class:

\$ X.XXXXX per kW NSPL

Gross Receipts Tax

T = The Pennsylvania gross receipts tax rate in effect during the billing month expressed in decimal form as reflected in the Company's base rates.

All capitalized terms not otherwise defined in this Rider shall have the definitions specified in the Definitions section of this Tariff. For purposes of this Rider, the following additional definitions shall apply:

1. DSS Sales – The kW NSPL delivered during a billing month to all Delivery Service Customers.
2. DSS Computational Year – The 12-month period from June 1 through the following May 31.
3. DSS Reconciliation Year – The 12-month period ending March 31 immediately preceding the DSS Computational Year.

The Company shall recalculate its DSS Rates annually and, based on that recalculation, shall file with the Commission, by May 1st of each year, revised rates to become effective on June 1st of the same year unless the Commission orders otherwise. The revised DSS Rates shall remain in effect for a period of one (1) year, unless revised on an interim basis subject to the approval of the Commission. Upon determining that its DSS Rates, if left unchanged, would result in material over or under-collection of all costs incurred, or expected to be incurred, for DSS during the then current DSS Reconciliation Year, the Company may request that the Commission approve one or more interim revisions to its DSS Rates to become effective thirty (30) days from the date of filing, unless the Commission orders otherwise.

At the conclusion of the period during which this DSS Rider is in effect, the Company shall be authorized to recover or refund at any time, any remaining differences between recoverable costs and revenues billed under this rider by charges or credits to be applied to Customer's bills under such mechanism the Commission may approve.

Application of the DSS Rates shall be subject to annual review and audit by the Commission.

(C) Indicates Change

WEST PENN POWER COMPANY

(C)

DEFAULT SERVICE SUPPORT RIDER

A Default Service Support ("DSS") Rate shall be applied to DSS Sales delivered by the Company to Delivery Service Customers under this rider as determined to the nearest one-thousandth of a cent per kWh or cent per kW, as applicable. The kW under this rider shall be the Network Service Peak Load ("NSPL"), as calculated by the Company in accordance with PJM rules and requirements. The DSS Rate shall be billed to Customers receiving Delivery Service from the Company under this rider. The DSS Rates shall be calculated according to the provisions of this rider. The DSS Rider shall be non-bypassable.

The DSS Rates by Rate Schedule shall be calculated annually in accordance with the formula set forth below:

$$\text{DSS Rate} = [\text{NMB} + \text{RE} + \text{CEC}] \times [1 / (1-T)]$$

The components of the formula are defined below:

Non-Market Based Services Transmission Charges

$$\text{NMB} = (\text{NMB}_C - E) / S$$

Where:

- NMB = The charge to be applied to Delivery Service Customers served under this rider for Non-Market Based Services Transmission Charge costs incurred by the Company.
- NMB_C = Forecasted NMB costs applicable to the Company's DSS Sales. Forecasted NMB costs shall include costs for PJM Regional Transmission Enhancement Plan charges, PJM Expansion Cost Recovery, as well as any other FERC-approved PJM transmission charges that will not be reconciled through the Company's Price To Compare Default Service Rate Rider and/or Hourly Pricing Default Service Rider. Forecasted NMB costs are allocated to each Customer Class based upon each Customer Class's contribution to the total Company Network Service Peak Load.
- E = The over or under-collection of the NMB_C that results from billing of the NMB during the DSS Reconciliation Year, including applicable interest. An over-collection is denoted by a positive E and an under-collection by a negative E. Interest shall be computed monthly at the legal statutory interest rate stated in 41 P.S. § 202, from the month the over or under-collection occurs to the month that the over-collection is refunded to or the under-collection is recovered from Delivery Service Customers.
- S = The Company's total DSS Sales per Customer Class to Delivery Service Customers projected for the DSS Computational Year.

(C) Indicates Change

WEST PENN POWER COMPANY

(C)

DEFAULT SERVICE SUPPORT RIDER (Continued)

The NMB rates by Customer Class to be included in DSS Rates are as follows:

Residential Customer Class:

\$ X.XXXXX per kWh

Commercial Customer Class:

\$ X.XXXXX per kWh

Industrial Customer Class:

\$ X.XXXXX per kW NSPL

Retail Enhancements

$$RE = (RE_C - E) / S$$

Where:

- RE = The charge to be applied to Delivery Service Customers served under this rider for the Retail Enhancement Costs incurred by the Company.
- RE_C = The Retail Enhancement Costs incurred by the Company to cover programming expenses and implementation costs associated with competitive market enhancements approved by the Commission. Includes consultant fees and other costs to develop and implement the Time-Of-Use Default Service Rider, which shall be allocated to the Residential Customer Class.
- E = The over or under-collection of the RE_C that results from billing of the RE during the DSS Reconciliation Year, including applicable interest. An over-collection is denoted by a positive E and an under-collection by a negative E. Interest shall be computed monthly at the legal statutory interest rate stated in 41 P.S. § 202, from the month the over or under-collection occurs to the month that the over-collection is refunded to or the under-collection is recovered from Delivery Service Customers.
- S = The Company's total DSS Sales per Customer Class to Delivery Service Customers projected for the DSS Computational Year.

(C) Indicates Change

Issued _____

Effective June 1, 2013

WEST PENN POWER COMPANY

(C)

DEFAULT SERVICE SUPPORT RIDER (Continued)

The RE rates by Customer Class to be included in DSS Rates are as follows:

Residential Customer Class:

\$ X.XXXXX per kWh

Commercial Customer Class:

\$ X.XXXXX per kWh

Industrial Customer Class:

\$ X.XXXXX per kW NSPL

Customer Education Charges

$$CEC = (CEC_c - E) / S$$

Where:

- CEC = The charge to be applied to Delivery Service Customers served under this rider for Customer Education Charges incurred by the Company.
- CEC_c = Customer Education costs for the specific Customer Class to cover customer education costs associated with competitive market enhancements approved by the Commission, excluding costs being recovered by the Consumer Education Charge surcharge.
- E = The over or under-collection of the CEC_c that results from the billing of the CEC during the DSS Reconciliation Year, including applicable interest. An over-collection is denoted by a positive E and an under-collection by a negative E. Interest shall be computed monthly at the legal statutory interest rate stated in 41 P.S. § 202 from the month the over or under-collection occurs to the month that the over-collection is refunded to or the under-collection is recovered from Delivery Service Customers.
- S = The Company's total DSS Sales per Customer Class to Delivery Service Customers projected for the DSS Computational Year.

(C) Indicates Change

Issued _____

Effective June 1, 2013

WEST PENN POWER COMPANY

(C)

DEFAULT SERVICE SUPPORT RIDER (Continued)

The CEC rates by Customer Class to be included in DSS Rates are as follows:

Residential Customer Class:

\$ X.XXXXX per kWh

Commercial Customer Class:

\$ X.XXXXX per kWh

Industrial Customer Class:

\$ X.XXXXX per kW NSPL

Gross Receipts Tax

T = The Pennsylvania gross receipts tax rate in effect during the billing month expressed in decimal form as reflected in the Company's base rates.

All capitalized terms not otherwise defined in this Rider shall have the definitions specified in the Definitions section of this Tariff. For purposes of this Rider, the following additional definitions shall apply:

1. DSS Sales – The kWh or kW NSPL delivered during a billing month to all Delivery Service Customers, as applicable to each Rate Schedule billed under the DSS Rider.
2. DSS Computational Year – The 12-month period from June 1 through the following May 31.
3. DSS Reconciliation Year – The 12-month period ending March 31 immediately preceding the DSS Computational Year.

The Company shall recalculate its DSS Rates annually and, based on that recalculation, shall file with the Commission, by May 1st of each year, revised rates to become effective on June 1st of the same year unless the Commission orders otherwise. The revised DSS Rates shall remain in effect for a period of one (1) year, unless revised on an interim basis subject to the approval of the Commission. Upon determining that its DSS Rates, if left unchanged, would result in material over or under-collection of all costs incurred, or expected to be incurred, for DSS during the then current DSS Reconciliation Year, the Company may request that the Commission approve one or more interim revisions to its DSS Rates to become effective thirty (30) days from the date of filing, unless the Commission orders otherwise.

At the conclusion of the period during which this DSS Rider is in effect, the Company shall be authorized to recover or refund at any time, any remaining differences between recoverable costs and revenues billed under this rider by charges or credits to be applied to Customer's bills under such mechanism the Commission may approve.

Application of the DSS Rates shall be subject to annual review and audit by the Commission.

(C) Indicates Change

Issued _____

Effective June 1, 2013

**BLACKLINE
VERSION**

RIDERS

RIDER R

DEFAULT SERVICE SUPPORT RIDER

A Default Service Support ("DSS") rate shall be applied to DSS Sales delivered by Met-Ed to Delivery Service Customers under this rider as determined to the nearest one-thousandth of a cent per kWh or cent per kW, as applicable. The kW under this rider shall be the Network Service Peak Load ("NSPL"), as calculated by the Company in accordance with PJM rules and requirements. The DSS rate shall be billed to Customers receiving Delivery Service from the Company under this rider. The DSS rates shall be calculated according to the provisions of this rider. The DSS Rider shall be non-bypassable.

(C)

(C)

(C) Change

Issued: _____

Effective: June 1, 2013

RIDERS

Rider R (continued)

The DSS rates by rate schedule shall be calculated annually in accordance with the formula set forth below:

(C)

DSS rate = [UE + TSC₁ + NMB + RE + CEC] X [1 / (1-T)]

(C) Deleted: + OAP + CRP + UFE

The components of the formula are defined below:

Default Service Related Uncollectibles

UE = A default service-related unbundled uncollectible accounts expense charge, determined by Customer Class and stated to the nearest one-thousandth of a cent per kWh or cent per kW NSPL, as applicable, to be applied to DSS Sales delivered by Met-Ed to Delivery Service Customers under this rider. The UE reflects the generation-related portion of the uncollectible account expense based on the cost of service study in the Company's base rate case at Docket No. R-00061366 and the additional uncollectible accounts expense incurred by the Company as a result of providing Default Service under this tariff. This component of the DSS rate in this non-bypassable rider is non-reconcilable.

(C)

The unbundled uncollectible accounts expense associated with Default Service and a purchase of receivables program allocated to Delivery Service Customers on a non-bypassable, non-reconcilable basis will be Customer Class specific and will be adjusted annually on June 1 of each year based on the projected price of Default Service. Adjustments, if necessary, will be made to the uncollectible percentage in a future distribution base rate case or the start of the next Default Service Program, whichever occurs earlier.

(C)

The unbundled generation related uncollectibles as determined from the cost of service study in the Company's base rate case at Docket No. R-00061366, combined with the calculated incremental uncollectible accounts expense based on the projected price of Default Service, represents the appropriate fully unbundled non-reconcilable uncollectible accounts expense to be recovered in DSS rates. The calculated incremental uncollectible expense is based on the historical relationship of uncollectible accounts expense to total revenues for the twelve months ended December 31, 2006, utilizing the top sheets from the Company's rate case compliance filings at Docket No. R-00061366. This ratio is applied to the change in the Company's revenues that would result from the change experienced in default service prices. Incremental uncollectible accounts expense divided by the projected DSS Sales yields an adjustment to the retail price of Default Service supply to be included in DSS rates.

(C)

(C) Change

RIDERS

Rider R (continued)

The UE charges by Customer Class to be included in DSS rates are as follows:

Industrial Customer Class (Rate GS – Large, GP and Rate TP):

\$X.XXXXX per kW NSPL (C)

Commercial Customer Class (Rate GS-Small, Rate GS-Medium, Rate MS, Borderline Service, Street Lighting Service, Ornamental Street Lighting and Outdoor Lighting Service):

X.XXX cents per kWh (C)

Residential Customer Class (Rate RS, Rate RT, and Rate GS – Volunteer Fire Company, Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate):

X.XXX cents per kWh (C)

2006 Deferred Transmission Service Charges

$TSC_1 = [(TSCD - E) / S] \times \text{Rate Schedule Adjustment Factor}$

Where:

TSC_1 = The charge to be applied to Delivery Service Customers under this rider to recover the 2006 Transmission Service Charge Deferral (“TSCD”), including carrying charges, which was approved by the Commission in its final order at Docket No. R-00061366, authorizing the Company to amortize such deferral over a 10 year period beginning January 11, 2007 and ending on December 31, 2016. The 10 year amortization of the 2006 TSCD that was not fully recovered under the Transmission Service Charge Rider is being recovered under this DSS Rider which replaced the TSC Rider. The TSC_1 rate will be adjusted on June 1 of each year based on the Company’s latest sales forecast available at the time. (C)

TSCD = The balance of the 2006 TSCD including carrying charges, that, as of March 31, 2013 remains to be amortized over the remaining months of the amortization period. (C)

(C) Change

Issued: _____

Effective: June 1, 2013

RIDERS

Rider R (continued)

E = The over or under-collection of the TSCD that results from billing the TSC₁ during the DSS Reconciliation Year (an over-collection is denoted by a positive E and an under-collection by a negative E), including applicable interest. Interest shall be computed monthly at the legal statutory interest rate stated in 41 P.S. § 202 from the month the over or under-collection occurs to the month that the over-collection is refunded to or the under-collection is recovered from Delivery Service Customers.

S= The Company's total DSS Sales to Delivery Service Customers projected for the DSS Computational Year. (C)

Non-Market Based Services Transmission Charges (C)

$$NMB = (NMB_C - E) / S$$
 (C)

Where:

NMB = The charge to be applied to Delivery Service Customers served under this rider for Non-Market Based Services Transmission Charge costs incurred by the Company. (C)

NMB_C = Forecasted NMB costs applicable to the Company's DSS Sales. Forecasted NMB costs shall include costs for PJM Regional Transmission Enhancement Plan charges, PJM Expansion Cost Recovery, as well as any other FERC-approved PJM transmission charges that will not be reconciled through the Company's Price To Compare Default Service Rate Rider and/or Hourly Pricing Default Service Rider. Forecasted NMB costs are allocated to each Customer Class based upon each Customer Class's contribution to the total Company Network Service Peak Load. (C)

Deleted: FERC-approved Network Integration Transmission Service,

Deleted: Non-Firm Point-to-Point Credits, Generation Deactivation charges,

Deleted: metered demand coincident with the Met-Ed Zone peak hour

E = The over or under-collection of the NMB_C that results from billing of the NMB during the DSS Reconciliation Year, including applicable interest. An over-collection is denoted by a positive E and an under-collection by a negative E. Interest shall be computed monthly at the legal statutory interest rate stated in 41 P.S. § 202, from the month the over or under-collection occurs to the month that the over-collection is refunded to or the under-collection is recovered from Delivery Service Customers. (C)

S = The Company's total DSS Sales per Customer Class to Delivery Service Customers projected for the DSS Computational Year. (C)

(C) Change

METROPOLITAN EDISON COMPANY

Electric Pa. P.U.C. No. 51 (Supp. ___)

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Superseding _____ Page 207

RIDERS

(C)

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(C) Change

Issued: _____

Effective: June 1, 2013

RIDERS

Rider R (continued)

The NMB rates billed to Customers by Rate Schedule are shown below. The TSC₁ rates billed to Customers shall be adjusted by the following Rate Schedule Adjustment Factors shown below: (C)

<u>Rate Schedule</u>	<u>Rate Schedule Adjustment Factors</u>	<u>TSC₁ Rate</u>	<u>NMB Rate</u> (C)
Rate Schedule RT & GS Volunteer Fire Company and Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate - TOD	0.9086	X.XXX (C)	X.XXX (C)
Rate Schedule RS & GS Volunteer Fire Company and Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate - Non-TOD	1.0759	X.XXX (C)	X.XXX (C)
Rate Schedule GS – Small	1.0560	X.XXX (C)	X.XXX (C)
Rate Schedule GS – Medium	1.0560	X.XXX (C)	X.XXX (C)
Rate Schedule GS – Large	0.9939	\$X.XXXXXX (C)	\$X.XXXXXX (C)
Rate Schedule GP	0.9332	\$X.XXXXXX (C)	\$X.XXXXXX (C)
Rate Schedule TP	0.8911	\$X.XXXXXX (C)	\$X.XXXXXX (C)
Rate Schedule MS	0.9702	X.XXX (C)	X.XXX (C)
Rate Schedule OL	0.6712	X.XXX (C)	X.XXX (C)
Rate Schedule ST	0.6721	X.XXX (C)	X.XXX (C)
Rate Schedule BRD	0.9550	X.XXX (C)	X.XXX (C)

The above rates are listed as a cent per kWh, with the exception of Rate Schedules GS – Large, GP and TP which are listed as a dollar per kW NSPL. (C)

(C) Change

Issued: _____

Effective: June 1, 2013

RIDERS

Rider R (continued)

Retail Enhancements

$$RE = [(RE_c - E) / S] \quad (C)$$

Where:

RE = The charge to be applied to Delivery Service Customers served under this rider for the Retail Enhancement Costs incurred by the Company. (C)

RE_c = The Retail Enhancement Costs incurred by the Company to cover programming expenses and implementation costs associated with competitive market enhancements approved by the Commission. (C)

E = The over or under-collection of the RE_c that results from billing of the RE during the DSS Reconciliation Year, including applicable interest. An over-collection is denoted by a positive E and an under-collection by a negative E. Interest shall be computed monthly at the legal statutory interest rate stated in 41 P.S. § 202, from the month the over or under-collection occurs to the month that the over-collection is refunded to or the under-collection is recovered from Delivery Service Customers. (C)

S = The Company's total DSS Sales per Customer Class to Delivery Service Customers projected for the DSS Computational Year. (C)

(C) Change

Issued: _____

Effective: June 1, 2013

RIDERS

Rider R (continued)

The RE rates by Customer Class to be included in DSS rates are as follows: (C)

Industrial Customer Class (Rate GS – Large, GP and Rate TP):

\$X.XXXXXX per kW NSPL (C)

Commercial Customer Class (Rate GS-Small, Rate GS-Medium, Rate MS, Borderline Service, Street Lighting Service, Ornamental Street Lighting, and Outdoor Lighting Service):

X.XXX cents per kWh (C)

Residential Customer Class (Rate RS, Rate RT, and Rate GS – Volunteer Fire Company, Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate):

X.XXX cents per kWh (C)

Customer Education Charges (C)

$CEC = (CEC_c - E) / S$ (C)

Where:

CEC = The charge to be applied to Delivery Service Customers served under this rider for Customer Education Charges incurred by the Company. (C)

CEC_c = Customer Education costs for the specific Customer Class to cover customer education costs associated with competitive market enhancements approved by the Commission, excluding costs being recovered by the Consumer Education Program Cost Recovery Rider. (C)

(C) Change

Issued: _____

Effective: June 1, 2013

RIDERS

Rider R (continued)

E = The over or under-collection of the CEC_C that results from the billing of the CEC during the DSS Reconciliation Year, including applicable interest. An over-collection is denoted by a positive E and an under-collection by a negative E. Interest shall be computed monthly at the legal statutory interest rate stated in 41 P.S. § 202 from the month the over or under-collection occurs to the month that the over-collection is refunded to or the under-collection is recovered from Delivery Service Customers. (C)

S = The Company's total DSS Sales per Customer Class to Delivery Service Customers projected for the DSS Computational Year. (C)

The CEC rates by Customer Class to be included in DSS rates are as follows: (C)

Industrial Customer Class (Rate GS – Large, GP and Rate TP):

\$X.XXXXX per kW NSPL (C)

Commercial Customer Class (Rate GS-Small, Rate GS-Medium, Rate MS, Borderline Service, Street Lighting Service, Ornamental Street Lighting, and Outdoor Lighting Service):

X.XXX cents per kWh (C)

Residential Customer Class (Rate RS, Rate RT, and Rate GS – Volunteer Fire Company, Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate):

X.XXX cents per kWh (C)

(C) Change

Issued: _____

Effective: June 1, 2013

Rider R (continued)

Gross Receipts Tax

T = The Pennsylvania gross receipts tax rate in effect during the billing month expressed in decimal form as reflected in the Company's base rates.

All capitalized terms not otherwise defined in this Rider shall have the definitions specified in Section 2 of this Tariff. For purposes of this Rider, the following additional definitions shall apply:

1. DSS Sales – The kWh or kW NSPL delivered during a billing month to all Delivery Service Customers, as applicable to each Rate Schedule billed under the DSS Rider.
2. DSS Computational Year – The 12-month period from June 1 through the following May 31.
3. DSS Reconciliation Year – The 12-month period ending March 31 immediately preceding the DSS Computational Year.

(C) Change

Deleted: METROPOLITAN EDISON COMPANY . Electric Pa. P.U.C. No. 51 (Supp. ___)
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RIDERS

Deleted: Opt-In Aggregation Program (C)

OAP = (OAP_c - E) / S (C)

Where:

OAP = The charge to be applied to Residential Customer Class Delivery Service Customers served under this rider for Opt-In Aggregation Program costs incurred by the Company. (C)

OAP_c = Opt-In Aggregation Program costs for the Residential Customer Class to cover opt-in aggregation costs associated with competitive market enhancements approved by the Commission. (C)

E = The over or under-collection of the OAP_c that results from the billing of the OAP during the DSS Reconciliation Year, including applicable interest. An over-collection is denoted by a positive E and an under-collection by a negative E. Interest shall be computed monthly at the legal statutory interest rate stated in 41 P.S. § 202 from the month the over or under-collection occurs to the month that the over-collection is refunded to or the under-collection is recovered from Residential Customer Class Delivery Service Customers. (C)

S = The Company's total retail kWh sales to Residential Customer Class Delivery Service Customers projected for the DSS Computational Year. (C)

The OAP rate for the Residential Customer Class to be included in DSS rates is as follows: (C)

Residential Customer Class (Rate RS, Rate RT, and Rate GS – Volunteer Fire Company, Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate):

X.XXX cents per kWh (C)

(C) Change

-----Section Break (Next Page)-----

Rider R (continued)

Customer Referral Program (C)

CRP = (CRP_c - E) / S (C)

Where:

CRP = The charge to be applied to Residential Customer Class Delivery Service Customers served under this rider for Customer Referral Program costs incurred by the Company. (C)

CRP_c = Customer Referral Program costs for the Residential Customer Class to cover customer referral costs associated with competitive market ... [1]

Deleted: of billed demand

RIDERS

Rider R (continued)

The Company shall recalculate its DSS Rates annually and, based on that recalculation, shall file with the Commission, by May 1st of each year, revised Rates to become effective on June 1st of the same year unless the Commission orders otherwise. The revised DSS rates shall remain in effect for a period of one year, unless revised on an interim basis subject to the approval of the Commission. Upon determining that its DSS Rates, if left unchanged, would result in material over or under-collection of all costs incurred, or expected to be incurred, for DSS during the then current DSS Reconciliation Year, the Company may request that the Commission approve one or more interim revisions to its DSS Rates to become effective thirty (30) days from the date of filing, unless the Commission orders otherwise.

At the conclusion of the period during which this DSS Rider is in effect, the Company shall be authorized to recover or refund at any time, any remaining differences between recoverable costs and revenues billed under this rider by charges or credits to be applied to customer's bills under such mechanism the Commission may approve, but uncollectibles, which are non-reconcilable under the terms of this rider, shall not be included in the final reconciliation.

Application of the DSS rates shall be subject to annual review and audit by the Commission.

Issued: _____

Effective: June 1, 2013

RIDERS

Rider R (continued)

Customer Referral Program

(C)

$$CRP = (CRP_C - E) / S$$

(C)

Where:

CRP = The charge to be applied to Residential Customer Class Delivery Service Customers served under this rider for Customer Referral Program costs incurred by the Company.

(C)

CRP_C = Customer Referral Program costs for the Residential Customer Class to cover customer referral costs associated with competitive market enhancements approved by the Commission.

(C)

E = The over or under-collection of the CRP_C that results from the billing of the CRP during the DSS Reconciliation Year, including applicable interest. An over-collection is denoted by a positive E and an under-collection by a negative E. Interest shall be computed monthly at the legal statutory interest rate stated in 41 P.S. § 202 from the month the over or under-collection occurs to the month that the over-collection is refunded to or the under-collection is recovered from Residential Customer Class Delivery Service Customers.

(C)

S = The Company's total retail kWh sales to Residential Customer Class Delivery Service Customers projected for the DSS Computational Year.

(C)

The CRP rate for the Residential Customer Class to be included in DSS rates is as follows:

(C)

Residential Customer Class (Rate RS, Rate RT, and Rate GS – Volunteer Fire Company, Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate):

X.XXX cents per kWh

(C)

(C) Change

RIDERS

Rider R (continued)

Unaccounted For Energy

$$UFE = [(UFE_c - E) / S] \quad (C)$$

Where:

UFE = The charge to be applied to Delivery Service Customers served under this rider for Unaccounted For Energy costs incurred by the Company. (C)

UFE_c = Forecasted UFE costs applicable to the Company's DSS Sales. Forecasted UFE costs are determined from forecasted Unaccounted For Energy allocated to each Customer Class on a kWh basis and charged at an estimate of the "Real Time" PJM load-weighted average Locational Marginal Price for the ME Transmission Zone. (C)

E = The over or under-collection of the UFE_c that results from billing of Unaccounted For Energy at the "Real Time" PJM load-weighted average Locational Marginal Price for the ME Transmission Zone during the DSS Reconciliation Year, including applicable interest. An over-collection is denoted by a positive E and an under-collection by a negative E. Interest shall be computed monthly at the legal statutory interest rate stated in 41 P.S. § 202, from the month the over or under-collection occurs to the month that the over-collection is refunded to or the under-collection is recovered from Delivery Service Customers. (C)

S = The Company's total DSS Sales per Customer Class to Delivery Service Customers projected for the DSS Computational Year. (C)

(C) Change

RIDERS

Rider R (continued)

The UFE rates by Customer Class to be included in DSS rates are as follows: (C)

Industrial Customer Class (Rate GS – Large, GP and Rate TP):

\$X.XXXXX per kW (C)

Commercial Customer Class (Rate GS-Small, Rate GS-Medium, Rate MS, Borderline Service, Street Lighting Service, Ornamental Street Lighting, and Outdoor Lighting Service):

X.XXX cents per kWh (C)

Residential Customer Class (Rate RS, Rate RT, and Rate GS – Volunteer Fire Company, Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate):

X.XXX cents per kWh (C)

RIDERS

RIDER R

DEFAULT SERVICE SUPPORT RIDER

A Default Service Support ("DSS") rate shall be applied to DSS Sales delivered by Penelec to Delivery Service Customers under this rider as determined to the nearest one-thousandth of a cent per kWh or cent per kW, as applicable. The kW under this rider shall be the Network Service Peak Load ("NSPL"), as calculated by the Company in accordance with PJM rules and requirements. The DSS rate shall be billed to Customers receiving Delivery Service from the Company under this rider. The DSS rates shall be calculated according to the provisions of this rider. The DSS Rider shall be non-bypassable.

(C)

(C)

(C) Change

Issued: _____

Effective: June 1, 2013

RIDERS

Rider R (continued)

The DSS rates by rate schedule shall be calculated annually in accordance with the formula set forth below:

(C)

DSS rate = [UE + TSC₁ + NMB + RE + CEC] X [1 / (1-T)]

(C) Deleted: + OAP + CRP + UFE

The components of the formula are defined below:

Default Service Related Uncollectibles

UE = A default service-related unbundled uncollectible accounts expense charge, determined by Customer Class and stated to the nearest one-thousandth of a cent per kWh or cent per kW NSPL, as applicable, to be applied to DSS Sales delivered by Penelec to Delivery Service Customers under this rider. The UE reflects the generation-related portion of the uncollectible account expense based on the cost of service study in the Company's base rate case at Docket No. R-00061366 and the additional uncollectible accounts expense incurred by the Company as a result of providing Default Service under this tariff. This component of the DSS rate in this non-bypassable rider is non-reconcilable.

(C)

The unbundled uncollectible accounts expense associated with Default Service and a purchase of receivables program allocated to Delivery Service Customers on a non-bypassable, non-reconcilable basis will be Customer Class specific and will be adjusted annually on June 1 of each year based on the projected price of Default Service. Adjustments, if necessary, will be made to the uncollectible percentage in a future distribution base rate case or the start of the next Default Service Program, whichever occurs earlier.

(C)

The unbundled generation related uncollectibles as determined from the cost of service study in the Company's base rate case at Docket No. R-00061367, combined with the calculated incremental uncollectible accounts expense based on the projected price of Default Service, represents the appropriate fully unbundled non-reconcilable uncollectible accounts expense to be recovered in DSS rates. The calculated incremental uncollectible expense is based on the historical relationship of uncollectible accounts expense to total revenues for the twelve months ended December 31, 2006, utilizing the top sheets from the Company's rate case compliance filings at Docket No. R-00061367. This ratio is applied to the change in the Company's revenues that would result from the change experienced in default service prices. Incremental uncollectible accounts expense divided by the projected DSS Sales yields an adjustment to the retail price of Default Service supply to be included in DSS rates.

(C)

(C) Change

RIDERS

Rider R (continued)

The UE charges by Customer Class to be included in DSS rates are as follows:

Industrial Customer Class (Rate GS – Large, GP and Rate LP):

\$X.XXXXX per kW NSPL (C)

Commercial Customer Class (Rate GS-Small, Rate GS-Medium, Rate MS, Borderline Service, Street Lighting Service, Ornamental Street Lighting and Outdoor Lighting Service):

X.XXX cents per kWh (C)

Residential Customer Class (Rate RS, Rate RT, and Rate GS – Volunteer Fire Company, Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate):

X.XXX cents per kWh (C)

2006 Deferred Transmission Service Charges

$$TSC_1 = [(TSCD - E) / S] \times \text{Rate Schedule Adjustment Factor}$$

Where:

TSC₁ = The charge to be applied to Delivery Service Customers under this rider to recover the 2006 Transmission Service Charge Deferral ("TSCD"), including carrying charges, which was approved by the Commission in its final order at Docket No. R-00061366, authorizing the Company to amortize such deferral over a 10 year period beginning January 11, 2007 and ending on December 31, 2016. The 10 year amortization of the 2006 TSCD that was not fully recovered under the Transmission Service Charge Rider is being recovered under this DSS Rider which replaced the TSC Rider. The TSC₁ rate will be adjusted on June 1 of each year based on the Company's latest sales forecast available at the time. (C)

TSCD = The balance of the 2006 TSCD including carrying charges, that, as of March 31, 2013 remains to be amortized over the remaining months of the amortization period. (C)

(C) Change

Issued: _____

Effective: June 1, 2013

RIDERS

Rider R (continued)

E = The over or under-collection of the TSCD that results from billing the TSC₁ during the DSS Reconciliation Year (an over-collection is denoted by a positive E and an under-collection by a negative E), including applicable interest. Interest shall be computed monthly at the legal statutory interest rate stated in 41 P.S. § 202 from the month the over or under-collection occurs to the month that the over-collection is refunded to or the under-collection is recovered from Delivery Service Customers.

S= The Company's total DSS Sales to Delivery Service Customers projected for the DSS Computational Year. (C)

Non-Market Based Services Transmission Charges (C)

$$NMB = (NMB_C - E) / S$$
 (C)

Where:

NMB = The charge to be applied to Delivery Service Customers served under this rider for Non-Market Based Services Transmission Charge costs incurred by the Company. (C)

NMB_C = Forecasted NMB costs applicable to the Company's DSS Sales. Forecasted NMB costs shall include costs for PJM Regional Transmission Enhancement Plan charges, PJM Expansion Cost Recovery, as well as any other FERC-approved PJM transmission charges that will not be reconciled through the Company's Price To Compare Default Service Rate Rider and/or Hourly Pricing Default Service Rider. Forecasted NMB costs are allocated to each Customer Class based upon each Customer Class's contribution to the total Company Network Service Peak Load. (C)

Deleted: FERC-approved Network Integration Transmission Service,

Deleted: Non-Firm Point-to-Point Credits, Generation Deactivation charges,

Deleted: metered demand coincident with the Penelec Zone peak hour

E = The over or under-collection of the NMB_C that results from billing of the NMB during the DSS Reconciliation Year, including applicable interest. An over-collection is denoted by a positive E and an under-collection by a negative E. Interest shall be computed monthly at the legal statutory interest rate stated in 41 P.S. § 202, from the month the over or under-collection occurs to the month that the over-collection is refunded to or the under-collection is recovered from Delivery Service Customers. (C)

S = The Company's total DSS Sales per Customer Class to Delivery Service Customers projected for the DSS Computational Year. (C)

(C) Change

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RIDERS

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Effective: June 1, 2013

RIDERS

Rider R (continued)

The NMB rates billed to Customers by Rate Schedule are shown below. The TSC₁ rates billed to Customers shall be adjusted by the following Rate Schedule Adjustment Factors shown below: (C)

<u>Rate Schedule</u>	<u>Rate Schedule Adjustment Factors</u>	<u>TSC₁ Rate</u>	<u>NMB (C) Rate</u>
Rate Schedule RT & GS Volunteer Fire Company and Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate - TOD	0.7358	X.XXX (C)	X.XXX (C)
Rate Schedule RS & GS Volunteer Fire Company and Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate - Non-TOD	1.0650	X.XXX (C)	X.XXX (C)
Rate Schedule GS - Small	1.1353	X.XXX (C)	X.XXX (C)
Rate Schedule GS - Medium	1.1353	X.XXX (C)	X.XXX (C)
Rate Schedule GS - Large	1.0238	\$X.XXXXXX (C)	\$X.XXXXXX (C)
Rate Schedule GP	0.9453	\$X.XXXXXX (C)	\$X.XXXXXX (C)
Rate Schedule LP	0.8219	\$X.XXXXXX (C)	\$X.XXXXXX (C)
Rate Schedule H	0.7403	X.XXX (C)	X.XXX (C)
Rate Schedule OL	0.4288	X.XXX (C)	X.XXX (C)
Rate Schedule ST	0.4291	X.XXX (C)	X.XXX (C)
Rate Schedule BRD	0.7197	X.XXX (C)	X.XXX (C)

The above rates are listed as a cent per kWh, with the exception of Rate Schedules GS - Large, GP and LP which are listed as a dollar per kW NSPL. (C)

(C) Change

Issued: _____

Effective: June 1, 2013

RIDERS

Rider R (continued)

Retail Enhancements

$$RE = [(RE_c - E) / S] \quad (C)$$

Where:

RE = The charge to be applied to Delivery Service Customers served under this rider for the Retail Enhancement Costs incurred by the Company. (C)

RE_c = The Retail Enhancement Costs incurred by the Company to cover programming expenses and implementation costs associated with competitive market enhancements approved by the Commission. (C)

E = The over or under-collection of the RE_c that results from billing of the RE during the DSS Reconciliation Year, including applicable interest. An over-collection is denoted by a positive E and an under-collection by a negative E. Interest shall be computed monthly at the legal statutory interest rate stated in 41 P.S. § 202, from the month the over or under-collection occurs to the month that the over-collection is refunded to or the under-collection is recovered from Delivery Service Customers. (C)

S = The Company's total DSS Sales per Customer Class to Delivery Service Customers projected for the DSS Computational Year. (C)

(C) Change

Issued: _____

Effective: June 1, 2013

RIDERS

Rider R (continued)

The RE rates by Customer Class to be included in DSS rates are as follows: (C)

Industrial Customer Class (Rate GS – Large, GP and Rate LP): (C)

\$X.XXXXX per kW NSPL (C)

Commercial Customer Class (Rate GS-Small, Rate GS-Medium, Rate MS, Borderline Service, Street Lighting Service, Ornamental Street Lighting, and Outdoor Lighting Service):

X.XXX cents per kWh (C)

Residential Customer Class (Rate RS, Rate RT, and Rate GS – Volunteer Fire Company, Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate):

X.XXX cents per kWh (C)

Customer Education Charges (C)

$$CEC = (CEC_c - E) / S \quad (C)$$

Where:

CEC = The charge to be applied to Delivery Service Customers served under this rider for Customer Education Charges incurred by the Company. (C)

CEC_c = Customer Education costs for the specific Customer Class to cover customer education costs associated with competitive market enhancements approved by the Commission, excluding costs being recovered by the Consumer Education Program Cost Recovery Rider. (C)

(C) Change

Issued: _____

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RIDERS

Rider R (continued)

E = The over or under-collection of the CEC_c that results from the billing of the CEC during the DSS Reconciliation Year, including applicable interest. An over-collection is denoted by a positive E and an under-collection by a negative E. Interest shall be computed monthly at the legal statutory interest rate stated in 41 P.S. § 202 from the month the over or under-collection occurs to the month that the over-collection is refunded to or the under-collection is recovered from Delivery Service Customers. (C)

S = The Company's total DSS Sales per Customer Class to Delivery Service Customers projected for the DSS Computational Year. (C)

The CEC rates by Customer Class to be included in DSS rates are as follows: (C)

Industrial Customer Class (Rate GS – Large, GP and Rate LP):

\$X.XXXXX per kW NSPL (C)

Commercial Customer Class (Rate GS-Small, Rate GS-Medium, Rate MS, Borderline Service, Street Lighting Service, Ornamental Street Lighting, and Outdoor Lighting Service):

X.XXX cents per kWh (C)

Residential Customer Class (Rate RS, Rate RT, and Rate GS – Volunteer Fire Company, Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate):

X.XXX cents per kWh (C)

(C) Change

Issued: _____

Effective: June 1, 2013

Rider R (continued)

Gross Receipts Tax

T = The Pennsylvania gross receipts tax rate in effect during the billing month expressed in decimal form as reflected in the Company's base rates.

All capitalized terms not otherwise defined in this Rider shall have the definitions specified in Section 2 of this Tariff. For purposes of this Rider, the following additional definitions shall apply:

- 1. DSS Sales – The kWh or kW NSPL delivered during a billing month to all Delivery Service Customers, as applicable to each Rate Schedule billed under the DSS Rider.
- 2. DSS Computational Year – The 12-month period from June 1 through the following May 31.
- 3. DSS Reconciliation Year – The 12-month period ending March 31 immediately preceding the DSS Computational Year.

(C) Change

Deleted: PENNSYLVANIA ELECTRIC COMPANY . Electric Pa. P.U.C. No. 80 (Supp. ...) Original Page 216B RIDERS

Deleted: Opt-In Aggregation Program (C)

OAP = (OAP_C - E) / S (C)

Where:

OAP = The charge to be applied to Residential Customer Class Delivery Service Customers served under this rider for Opt-In Aggregation Program costs incurred by the Company. (C)

OAP_C = Opt-In Aggregation Program costs for the Residential Customer Class to cover opt-in aggregation costs associated with competitive market enhancements approved by the Commission. (C)

E = The over or under-collection of the OAP_C that results from the billing of the OAP during the DSS Reconciliation Year, including applicable interest. An over-collection is denoted by a positive E and an under-collection by a negative E. Interest shall be computed monthly at the legal statutory interest rate stated in 41 P.S. § 202 from the month the over or under-collection occurs to the month that the over-collection is refunded to or the under-collection is recovered from Residential Customer Class Delivery Service Customers. (C)

S = The Company's total retail kWh sales to Residential Customer Class Delivery Service Customers projected for the DSS Computational Year. (C)

The OAP rate for the Residential Customer Class to be included in DSS rates is as follows: (C)

Residential Customer Class (Rate RS, Rate RT, and Rate GS – Volunteer Fire Company, Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate):

X.XXX cents per kWh (C)

(C) Change

-----Section Break (Next Page)-----

Rider R (continued)

Customer Referral Program (C)

CRP = (CRP_C - E) / S (C)

Where:

CRP = The charge to be applied to Residential Customer Class Delivery Service Customers served under this rider for Customer Referral Program costs incurred by the Company. (C)

CRP_C = Customer Referral Program costs for the Residential Customer Class to cover customer referral costs associated with competitive market ... [1]

Deleted: of billed demand

RIDERS

Rider R (continued)

The Company shall recalculate its DSS Rates annually and, based on that recalculation, shall file with the Commission, by May 1st of each year, revised Rates to become effective on June 1st of the same year unless the Commission orders otherwise. The revised DSS rates shall remain in effect for a period of one year, unless revised on an interim basis subject to the approval of the Commission. Upon determining that its DSS Rates, if left unchanged, would result in material over or under-collection of all costs incurred, or expected to be incurred, for DSS during the then current DSS Reconciliation Year, the Company may request that the Commission approve one or more interim revisions to its DSS Rates to become effective thirty (30) days from the date of filing, unless the Commission orders otherwise.

At the conclusion of the period during which this DSS Rider is in effect, the Company shall be authorized to recover or refund at any time, any remaining differences between recoverable costs and revenues billed under this rider by charges or credits to be applied to customer's bills under such mechanism the Commission may approve, but uncollectibles, which are non-reconcilable under the terms of this rider, shall not be included in the final reconciliation.

Application of the DSS rates shall be subject to annual review and audit by the Commission.

Issued: _____

Effective: June 1, 2013

RIDERS

Rider R (continued)

Customer Referral Program

(C)

$$CRP = (CRP_C - E) / S$$

(C)

Where:

CRP = The charge to be applied to Residential Customer Class Delivery Service Customers served under this rider for Customer Referral Program costs incurred by the Company.

(C)

CRP_C = Customer Referral Program costs for the Residential Customer Class to cover customer referral costs associated with competitive market enhancements approved by the Commission.

(C)

E = The over or under-collection of the CRP_C that results from the billing of the CRP during the DSS Reconciliation Year, including applicable interest. An over-collection is denoted by a positive E and an under-collection by a negative E. Interest shall be computed monthly at the legal statutory interest rate stated in 41 P.S. § 202 from the month the over or under-collection occurs to the month that the over-collection is refunded to or the under-collection is recovered from Residential Customer Class Delivery Service Customers.

(C)

S = The Company's total retail kWh sales to Residential Customer Class Delivery Service Customers projected for the DSS Computational Year.

(C)

The CRP rate for the Residential Customer Class to be included in DSS rates is as follows:

(C)

Residential Customer Class (Rate RS, Rate RT, and Rate GS – Volunteer Fire Company, Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate):

X.XXX cents per kWh

(C)

(C) Change

RIDERS

Rider R (continued)

Unaccounted For Energy

$$UFE = [(UFE_C - E) / S] \quad (C)$$

Where:

UFE = The charge to be applied to Delivery Service Customers served under this rider for Unaccounted For Energy costs incurred by the Company. (C)

UFE_c = Forecasted UFE costs applicable to the Company's DSS Sales. Forecasted UFE costs are determined from forecasted Unaccounted For Energy allocated to each Customer Class on a kWh basis and charged at an estimate of the "Real Time" PJM load-weighted average Locational Marginal Price for the PN Transmission Zone. (C)

E = The over or under-collection of the UFE_c that results from billing of Unaccounted For Energy at the "Real Time" PJM load-weighted average Locational Marginal Price for the PN Transmission Zone during the DSS Reconciliation Year, including applicable interest. An over-collection is denoted by a positive E and an under-collection by a negative E. Interest shall be computed monthly at the legal statutory interest rate stated in 41 P.S. § 202, from the month the over or under-collection occurs to the month that the over-collection is refunded to or the under-collection is recovered from Delivery Service Customers. (C)

S = The Company's total DSS Sales per Customer Class to Delivery Service Customers projected for the DSS Computational Year. (C)

(C) Change

RIDERS

Rider R (continued)

The UFE rates by Customer Class to be included in DSS rates are as follows: (C)

Industrial Customer Class (Rate GS – Large, GP and Rate LP): (C)

\$X.XXXXX per kW (C)

Commercial Customer Class (Rate GS-Small, Rate GS-Medium, Rate MS, Borderline Service, Street Lighting Service, Ornamental Street Lighting, and Outdoor Lighting Service):

X.XXX cents per kWh (C)

Residential Customer Class (Rate RS, Rate RT, and Rate GS – Volunteer Fire Company, Non-Profit Ambulance Service, Rescue Squad and Senior Center Service Rate):

X.XXX cents per kWh (C)

DEFAULT SERVICE SUPPORT RIDER

A Default Service Support ("DSS") rate shall be applied to DSS Sales delivered by the Company to Delivery Service Customers under this rider as determined to the nearest one-thousandth of a cent per kWh or cent per kW, as applicable. The kW under this rider shall be the Network Service Peak Load ("NSPL"), as calculated by the Company in accordance with PJM rules and requirements. The DSS rate shall be billed to Customers receiving Delivery Service from the Company under this rider. The DSS rates shall be calculated according to the provisions of this rider. The DSS Rider shall be non-bypassable.

(C)

(C)

The Residential Customer Class consists of Rate Schedules RS; RS Optional Controlled Service Rider; RH; RH Water Heating Option; WH; and GS Special Provision for Volunteer Fire Companies, Non-Profit Senior Citizen Centers, Non-Profit Rescue Squads, and Non-Profit Ambulance Services

(C)

The Commercial Customer Class consists of Rate Schedules GS (excluding GS Special Rule GSDS), GS Optional Controlled Service Rider, PNP, GM, GM Optional Controlled Service Rider, PLS, SV, SVD, SM, OH With Cooling Capabilities, OH Without Cooling Capabilities, and WH Non-Residential

(C)

The Industrial Customer Class consists of Rate Schedules GP, GT, and GS with Special Rule GSDS

(C)

(C) Change

Default Service Support Rider (Continued)

The DSS rates by rate schedule shall be calculated annually in accordance with the formula set forth below:

$$\text{DSS rate} = [\text{UE} + \text{MPI} + \text{CEC} + \text{NMB} + \text{RE}] \times [1 / (1-T)] \quad (C)$$

Deleted: + OAP + CRP + UFE

The components of the formula are defined below:

Default Service Related Uncollectibles

UE = A default service-related unbundled uncollectible accounts expense charge, determined by Customer Class and stated to the nearest one-thousandth of a cent per kWh or cent per kW NSPL, as applicable, to be applied to DSS Sales delivered by the Company to Delivery Service Customers under this rider. The UE reflects the generation-related portion of the uncollectible account expense based on historical data in the Company's restructuring case at Docket No. R-00924149 and the additional uncollectible accounts expense incurred by the Company as a result of providing Default Service under this tariff. This component of the DSS rate in this non-bypassable rider is non-reconcilable. (C)

The unbundled uncollectible accounts expense associated with Default Service and a purchase of receivables program allocated to Delivery Service Customers on a non-bypassable, non-reconcilable basis will be Customer Class specific and will be adjusted annually on June 1 of each year based on the projected price of Default Service. Adjustments, if necessary, will be made to the uncollectible percentage in a future distribution base rate case or the start of the next Default Service Program, whichever occurs earlier. (C)

The UE charges by Customer Class to be included in DSS rates are as follows:

Residential Customer Class:

X.XXX cents per kWh (C)

Commercial Customer Class:

X.XXX cents per kWh (C)

Industrial Customer Class:

\$X.XXXXXX per kW NSPL (C)

(C) Change

Default Service Support Rider (Continued)

MTEP and MISO Exit Fees and PJM Integration Charges

$$MPI = (((MPI_{Exp1} + MPI_{Exp2}) - E) \times \text{Adjustment Factor}) / S$$

Where:

MPI = The charge to be applied to each Delivery Service Customer served under this Tariff for the Midwest Independent System Operator ("MISO") Transmission Expansion Plan ("MTEP") charges and MISO and PJM charges associated with the transition from MISO to PJM approved by FERC. (C)

MPI_{Exp1} = The Company's cost of the MTEP charges assessed on the Company pursuant to the Open Access Transmission Tariff ("OATT") of MISO.

MPI_{Exp2} = The Company's (i) charges assessed under MISO's OATT that are associated with the Company's exit from the MISO control area and (ii) charges assessed under the PJM OATT that are associated with the Company's integration into the PJM control area. All such MISO exit fees and PJM integration fees charges approved by FERC shall not exceed \$3.5 million, excluding carrying charges. The Company shall recover these charges plus applicable carrying charges over a minimum five year period. (C)

E = The over or under collection of MTEPs and MISO exit fees and PJM integration charges that result from the billing of the MPI portion of the DSS during the DSS Reconciliation Year (an over collection is denoted by a positive E and an under collection by a negative E), including applicable interest. Interest shall be computed monthly based upon 41 P.S. § 202, the legal statutory interest rate, from the month the over or under collection occurs to the month that the over collection is refunded to or the under collection is recovered from Delivery Service Customers.

S = The Company's total DSS Sales to Delivery Service Customers projected for the DSS Computational Year.

The MPI shall be adjusted by the following Customer Class Adjustment Factors, as shown:

<u>Customer Class</u>	<u>Adjustment Factor</u>
Residential	.4126
Commercial	.3101
Industrial	.2773

(C) Change

Default Service Support Rider (Continued)

The MPI charges, by Customer Class, to be included in DSS rates are as follows:

Residential Customer Class:

X.XXX cents per kWh (C)

Commercial Customer Class:

X.XXX cents per kWh (C)

Industrial Customer Class:

\$X.XXXXXX per kW NSPL (C)

Customer Education Charges

$$CEC = ((CEC_c - E) / S)$$

Where:

CEC = The charge to be applied to Delivery Service Customers served under this rider for Customer Education Charges incurred by the Company. (C)

CEC_c = Customer Education costs for the specific Customer Class to cover customer education costs associated with competitive market enhancements approved by the Commission. (C)

E = The over or under-collection of the CEC_c that results from the billing of the CEC during the DSS Reconciliation Year, including applicable interest. An over-collection is denoted by a positive E and an under-collection by a negative E. Interest shall be computed monthly at the legal statutory interest rate stated in 41 P.S. § 202 from the month the over or under-collection occurs to the month that the over-collection is refunded to or the under-collection is recovered from Delivery Service Customers. (C)

S = The Company's total DSS Sales per Customer Class to Delivery Service Customers projected for the DSS Computational Year. (C)

(C) Change

Default Service Support Rider (Continued)

The CEC rates by Customer Class to be included in DSS rates are as follows:

Residential Customer Class:

X.XXX cents per kWh (C)

Commercial Customer Class:

X.XXX cents per kWh (C)

Industrial Customer Class:

\$X.XXXXX per kW NSPL (C)

Non-Market Based Services Transmission Charges

$NMB = (NMB_c - E) / S$ (C)

Where:

NMB = The charge to be applied to Delivery Service Customers served under this rider for Non-Market Based Services Transmission Charge costs incurred by the Company. (C)

NMB_c = Forecasted NMB costs applicable to the Company's DSS Sales. Forecasted NMB costs shall include costs for PJM Regional Transmission Enhancement Plan charges, PJM Expansion Cost Recovery, as well as any other FERC-approved PJM transmission charges that will not be reconciled through the Company's Price To Compare Default Service Rate Rider and/or Hourly Pricing Default Service Rider. Forecasted NMB costs are allocated to each Customer Class based upon each Customer Class's contribution to the total Company Network Service Peak Load. (C)

Deleted: FERC-approved Network Integration Transmission Service.

Deleted: Non-Firm Point-to-Point Credits, Generation Deactivation charges.

Deleted: metered demand coincident with the Penn Power Zone peak hour

(C) Change

Default Service Support Rider (Continued)

E = The over or under-collection of the NMB_C that results from billing of the NMB during the DSS Reconciliation Year, including applicable interest. An over-collection is denoted by a positive E and an under-collection by a negative E. Interest shall be computed monthly at the legal statutory interest rate stated in 41 P.S. § 202, from the month the over or under-collection occurs to the month that the over-collection is refunded to or the under-collection is recovered from Delivery Service Customers. (C)

S = The Company's total DSS Sales per Customer Class to Delivery Service Customers projected for the DSS Computational Year. (C)

The NMB rates by Customer Class to be included in DSS rates are as follows:

Residential Customer Class:

X.XXX cents per kWh (C)

Commercial Customer Class:

X.XXX cents per kWh (C)

Industrial Customer Class:

\$X.XXXXXX per kWh NSPL (C)

Retail Enhancements

$$RE = [(RE_C - E) / S] \quad (C)$$

Where:

RE = The charge to be applied to Delivery Service Customers served under this rider for the Retail Enhancement Costs incurred by the Company. (C)

RE_C = The Retail Enhancement Costs incurred by the Company to cover programming expenses and implementation costs associated with competitive market enhancements approved by the Commission. Includes consultant fees and other costs to develop and implement the Time-Of-Use Default Service Rider, which shall be allocated to the Residential Customer Class. (C)

E = The over or under-collection of the RE_C that results from billing of the RE during the DSS Reconciliation Year, including applicable interest. An over-collection is denoted by a positive E and an under-collection by a negative E. Interest shall be computed monthly at the legal statutory interest rate stated in 41 P.S. § 202, from the month the over or under-collection occurs to the month that the over-collection is refunded to or the under-collection is recovered from Delivery Service Customers. (C)

(C) Change

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Pennsylvania Power Company

Default Service Support Rider (Continued)

S = The Company's total DSS Sales per Customer Class to Delivery Service Customers projected for the DSS Computational Year. (C)

The RE rates by Customer Class to be included in DSS rates are as follows: (C)

Residential Customer Class:

X.XXX cents per kWh (C)

Commercial Customer Class:

X.XXX cents per kWh (C)

Industrial Customer Class:

\$X.XXXXXX per kW NSPL (C)

(C) Change

Deleted: ¶
 ¶
Opt-In Aggregation Program (C)¶
 ¶
 $OAP = (OAP_c - E) / S$ (C)¶
 ¶
 Where:¶
 ¶
 OAP = The charge to be applied to Residential Customer Class Delivery Service Customers served under this rider for Opt-In Aggregation Program costs incurred by the Company. . (C)¶
 ¶
 OAP_c = . Opt-In Aggregation Program costs for the Residential Customer Class to cover opt-in aggregation costs associated with competitive market enhancements approved by the Commission. (C)¶
 ¶
 E = . The over or under-collection of the OAP_c that results from the billing of the OAP during the DSS Reconciliation Year, including applicable interest. An over-collection is denoted by a positive E and an under-collection by a negative E. Interest shall be computed monthly at the legal statutory interest rate stated in 41 P.S. § 202 from the month the over or under-collection occurs to the month that the over-collection is refunded to or the under-collection is recovered from Residential Customer Class Delivery Service Customers. . (C)¶
 ¶
 S = The Company's total retail kWh sales to Residential Customer Class Delivery Service Customers projected for the DSS Computational Year. . (C)¶

Issued: _____

Effective: June 1, 2013

Default Service Support Rider (Continued)

(C)

Gross Receipts Tax

T = The Pennsylvania gross receipts tax rate in effect during the billing month expressed in decimal form as reflected in the Company's base rates.

Other Information

All capitalized terms not otherwise defined in this Rider shall have the definitions specified in the Definitions of Terms section of this Tariff. For purposes of this Rider, the following additional definitions shall apply:

1. DSS Sales – The kWh or kW NSPL delivered during a billing month to all Delivery Service Customers, as applicable to each Rate Schedule billed under the DSS rider.
2. DSS Computational Year – The 12-month period from June 1 through the following May 31.
3. DSS Reconciliation Year – The 12-month period ending March 31 immediately preceding the DSS Computational Year.

(C)

(C) Change

Deleted: Default Service Support Rider
(Continued)

The OAP rate for the Residential Customer Class to be included in DSS rates is as follows: . . . (C)

Residential Customer Class:
X.XXX cents per kWh (C)

Customer Referral Program . (C)

CRP = $(CRP_c - E) / S$. (C)

Where:

CRP = The charge to be applied to Residential Customer Class Delivery Service Customers served under this rider for Customer Referral Program costs incurred by the Company. . (C)

CRP_c = Customer Referral Program costs for the Residential Customer Class to cover customer referral costs associated with competitive market enhancements approved by the Commission. . (C)

E = The over or under-collection of the CRP_c that results from the billing of the CRP during the DSS Reconciliation Year, including applicable interest. An over-collection is denoted by a positive E and an under-collection by a negative E. Interest shall be computed monthly at the legal statutory interest rate stated in 41 P.S. § 202 from the month the over or under-collection occurs to the month that the over-collection is refunded to or the under-collection is recovered from Residential Customer Class Delivery Service Customers. (C)

S = The Company's total retail kWh sales to Residential Customer Class Delivery Service Customers projected for the DSS Computational Year. . (C)

The CRP rate for the Residential Customer Class to be included in DSS rates is as follows: . . . (C)

Residential Customer Class:
X.XXX cents per kWh . (C)

(C) Change

-----Section Break (Next Page)-----

Unaccounted For Energy (C)

UFE = $[(UFE_c - E) / S]$ (C)

Where:

... [1]

Deleted: of billed demand

Default Service Support Rider (Continued)

The Company shall recalculate its DSS Rates annually and, based on that recalculation, shall file with the Commission, by May 1st of each year, revised DSS Rates to become effective on June 1st of the same year unless the Commission orders otherwise. The revised DSS rates shall remain in effect for a period of one year, unless revised on an interim basis subject to the approval of the Commission. Upon determining that its DSS Rates, if left unchanged, would result in material over or under-collection of all costs incurred, or expected to be incurred, for DSS during the then current DSS Reconciliation Year, the Company may request that the Commission approve one or more interim revisions to its DSS Rates to become effective thirty (30) days from the date of filing, unless the Commission orders otherwise.

At the conclusion of the period during which this DSS Rider is in effect, the Company shall be authorized to recover or refund, at any time, any remaining differences between recoverable costs and revenues billed under this rider by charges or credits to be applied to customers bills under such mechanism as the Commission may approve, but uncollectibles, which are non-reconcilable under the terms of this rider, shall not be included in the final reconciliation.

Application of the DSS rates shall be subject to annual review and audit by the Commission.

Pennsylvania Power Company

Unaccounted For Energy

(C)

$$UFE = [(UFE_c - E) / S]$$

(C)

Where:

UFE = The charge to be applied to Delivery Service Customers served under this rider for Unaccounted For Energy costs incurred by the Company.

(C)

UFE_c = Forecasted UFE costs applicable to the Company's DSS Sales. Forecasted UFE costs are determined from forecasted Unaccounted For Energy allocated to each Customer Class on a kWh basis and charged at an estimate of the "Real Time" PJM load-weighted average Locational Marginal Price for the Penn Power Transmission Zone.

(C)

E = The over or under-collection of the UFE_c that results from billing of Unaccounted For Energy at the "Real Time" PJM load-weighted average Locational Marginal Price for the Penn Power Transmission Zone during the DSS Reconciliation Year, including applicable interest. An over-collection is denoted by a positive E and an under-collection by a negative E. Interest shall be computed monthly at the legal statutory interest rate stated in 41 P.S. § 202, from the month the over or under-collection occurs to the month that the over-collection is refunded to or the under-collection is recovered from Delivery Service Customers.

(C)

S = The Company's total DSS Sales per Customer Class to Delivery Service Customers projected for the DSS Computational Year.

(C)

The UFE rates by Customer Class to be included in DSS rates are as follows:

(C)

Residential Customer Class:

X.XXX cents per kWh

(C)

Commercial Customer Class:

X.XXX cents per kWh

(C)

Industrial Customer Class:

\$X.XXXXXX per kW

(C)

(C) Change

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Original Sheet No. 62.5D

Pennsylvania Power Company

(C)

DEFAULT SERVICE SUPPORT RIDER

A Default Service Support ("DSS") Rate shall be applied to DSS Sales delivered by the Company to Delivery Service Customers under this rider as determined to the nearest one-thousandth of a cent per ~~kW~~. ~~The kW under this rider shall be the Network Service Peak Load ("NSPL"), as calculated by the Company in accordance with PJM rules and requirements.~~ The DSS Rate shall be billed to Customers receiving Delivery Service from the Company under this rider. The DSS Rates shall be calculated according to the provisions of this rider. The DSS Rider shall be non-bypassable.

Deleted: kVA.

The DSS Rate shall be calculated annually in accordance with the formula set forth below:

$$DSS\ Rate = [NMB + RE + CEC] X [1 / (1-T)]$$

Deleted: + UFE

The components of the formula are defined below:

Non-Market Based Services Transmission Charges

$$NMB = (NMB_c - E) / S$$

Where:

NMB = The charge to be applied to Delivery Service Customers served under this rider for Non-Market Based Services Transmission Charge costs incurred by the Company.

NMB_c = Forecasted NMB costs applicable to the Company's DSS Sales. Forecasted NMB costs shall include costs for ~~PJM Regional Transmission Enhancement Plan charges, PJM Expansion Cost Recovery, as well as any other FERC-approved PJM transmission charges that will not be reconciled through the Company's Hourly Pricing Default Service Rider.~~ Forecasted NMB costs are allocated to the Industrial Customer Class based upon the Industrial Customer Class's contribution to the ~~total Company Network Service Peak Load.~~

Deleted: FERC-approved Network Integration Transmission Service,

Deleted: Non-Firm Point-to-Point Credits, Generation Deactivation charges,

Deleted: Price To Compare

Deleted: Rate

Deleted: metered demand coincident with the APS Zone peak hour

E = The over or under-collection of the NMB_c that results from billing of the NMB during the DSS Reconciliation Year, including applicable interest. An over-collection is denoted by a positive E and an under-collection by a negative E. Interest shall be computed monthly at the legal statutory interest rate stated in 41 P.S. § 202, from the month the over or under-collection occurs to the month that the over-collection is refunded to or the under-collection is recovered from Delivery Service Customers.

S = The Company's total ~~DSS Sales~~ for the Industrial Customer Class projected for the DSS Computational Year.

Deleted: Delivery Service billed demand

The NMB rates to be included in DSS Rates are as follows:

Industrial Customer Class:

$$\text{\$ X.XXXXX per } \del{kW\ NSPL}$$

Deleted: kVA

(C) Indicates Change

Issued _____

Effective June 1, 2013

(C)

DEFAULT SERVICE SUPPORT RIDER (Continued)

Retail Enhancements

$$RE = (RE_C - E) / S$$

Where:

RE = The charge to be applied to Delivery Service Customers served under this rider for the Retail Enhancement Costs incurred by the Company.

RE_C = The Retail Enhancement Costs incurred by the Company to cover programming expenses and implementation costs associated with competitive market enhancements approved by the Commission.

E = The over or under-collection of the RE_C that results from billing of the RE during the DSS Reconciliation Year, including applicable interest. An over-collection is denoted by a positive E and an under-collection by a negative E. Interest shall be computed monthly at the legal statutory interest rate stated in 41 P.S. § 202, from the month the over or under-collection occurs to the month that the over-collection is refunded to or the under-collection is recovered from Delivery Service Customers.

S = The Company's total DSS Sales for the Industrial Customer Class projected for the DSS Computational Year.

Deleted: Delivery Service billed demand

The RE rates to be included in DSS Rates are as follows:

Industrial Customer Class:

\$ X.XXXXX per kW NSPL

Deleted: kVA

Customer Education Charges

$$CEC = (CEC_C - E) / S$$

Where:

CEC = The charge to be applied to Delivery Service Customers served under this rider for Customer Education Charges incurred by the Company.

CEC_C = Customer Education costs for the Industrial Customer Class to cover customer education costs associated with competitive market enhancements approved by the Commission, excluding costs being recovered by the Consumer Education Charge surcharge.

E = The over or under-collection of the CEC_C that results from the billing of the CEC during the DSS Reconciliation Year, including applicable interest. An over-collection is denoted by a positive E and an under-collection by a negative E. Interest shall be computed monthly at the legal statutory interest rate stated in 41 P.S. § 202 from the month the over or under-collection occurs to the month that the over-collection is refunded to or the under-collection is recovered from Delivery Service Customers.

(C) Indicates Change

Issued _____

Effective June 1, 2013

DEFAULT SERVICE SUPPORT RIDER (Concluded)

S = The Company's total DSS Sales for the Industrial Customer Class projected for the DSS Computational Year.

The CEC rates to be included in DSS Rates are as follows:

Industrial Customer Class:

\$ X.XXXXX per kW NSPL

Gross Receipts Tax

T = The Pennsylvania gross receipts tax rate in effect during the billing month expressed in decimal form as reflected in the Company's base rates.

All capitalized terms not otherwise defined in this Rider shall have the definitions specified in the Definitions section of this Tariff. For purposes of this Rider, the following additional definitions shall apply:

1. DSS Sales – The kW NSPL delivered during a billing month to all Delivery Service Customers.
2. DSS Computational Year – The 12-month period from June 1 through the following May 31.
3. DSS Reconciliation Year – The 12-month period ending March 31 immediately preceding the DSS Computational Year.

The Company shall recalculate its DSS Rates annually and, based on that recalculation, shall file with the Commission, by May 1st of each year, revised rates to become effective on June 1st of the same year unless the Commission orders otherwise. The revised DSS Rates shall remain in effect for a period of one (1) year, unless revised on an interim basis subject to the approval of the Commission. Upon determining that its DSS Rates, if left unchanged, would result in material over or under-collection of all costs incurred, or expected to be incurred, for DSS during the then current DSS Reconciliation Year, the Company may request that the Commission approve one or more interim revisions to its DSS Rates to become effective thirty (30) days from the date of filing, unless the Commission orders otherwise.

At the conclusion of the period during which this DSS Rider is in effect, the Company shall be authorized to recover or refund at any time, any remaining differences between recoverable costs and revenues billed under this rider by charges or credits to be applied to Customer's bills under such mechanism the Commission may approve.

Application of the DSS Rates shall be subject to annual review and audit by the Commission.

(C) Indicates Change

Issued _____

Effective June 1, 2013

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Original Page No. ___

(C)

DEFAULT SERVICE SUPPORT RIDER (Continued)

S = The Company's total Delivery Service billed demand for the Industrial Customer Class projected for the DSS Computational Year.

The CEC rates to be included in DSS Rates are as follows:

Industrial Customer Class:

\$ X.XXXXX per kVA

Unaccounted For Energy

UFE = (UFE_C - E) / S

Where:

UFE = The charge to be applied to Delivery Service Customers served under this rider for Unaccounted For Energy costs incurred by the Company.

UFE_C = Forecasted UFE costs applicable to the Company's DSS Sales. Forecasted UFE costs are determined from forecasted Unaccounted For Energy allocated to the Industrial Customer Class on a kWh basis and charged at an estimate of the "Real Time" PJM load-weighted average Locational Marginal Price for the APS Transmission Zone.

E = The over or under-collection of the UFE_C that results from billing of Unaccounted For Energy at the "Real Time" PJM load-weighted average Locational Marginal Price for the APS Transmission Zone during the DSS Reconciliation Year, including applicable interest. An over-collection is denoted by a positive E and an under-collection by a negative E. Interest shall be computed monthly at the legal statutory interest rate stated in 41 P.S. § 202, from the month the over or under-collection occurs to the month that the over-collection is refunded to or the under-collection is recovered from Delivery Service Customers.

S = The Company's total Delivery Service billed demand for the Industrial Customer Class projected for the DSS Computational Year.

The UFE rates to be included in DSS Rates are as follows:

Industrial Customer Class:

\$ X.XXXXX per kVA

Deleted: kVA of billed demand,

WEST PENN POWER COMPANY

(C)

DEFAULT SERVICE SUPPORT RIDER

A Default Service Support ("DSS") Rate shall be applied to DSS Sales delivered by the Company to Delivery Service Customers under this rider as determined to the nearest one-thousandth of a cent per kWh or cent per kW, as applicable. The kW under this rider shall be the Network Service Peak Load ("NSPL"), as calculated by the Company in accordance with PJM rules and requirements. The DSS Rate shall be billed to Customers receiving Delivery Service from the Company under this rider. The DSS Rates shall be calculated according to the provisions of this rider. The DSS Rider shall be non-bypassable.

Deleted: billed demand

The DSS Rates by Rate Schedule shall be calculated annually in accordance with the formula set forth below:

$$\text{DSS Rate} = [\text{NMB} + \text{RE} + \text{CEQ}] \times [1 / (1 - T)]$$

Deleted: + OAP + CRP + UFE

The components of the formula are defined below:

Non-Market Based Services Transmission Charges

$$\text{NMB} = (\text{NMB}_C - E) / S$$

Where:

NMB = The charge to be applied to Delivery Service Customers served under this rider for Non-Market Based Services Transmission Charge costs incurred by the Company.

NMB_C = Forecasted NMB costs applicable to the Company's DSS Sales. Forecasted NMB costs shall include costs for PJM Regional Transmission Enhancement Plan charges, PJM Expansion Cost Recovery, as well as any other FERC-approved PJM transmission charges that will not be reconciled through the Company's Price To Compare Default Service Rate Rider and/or Hourly Pricing Default Service Rider. Forecasted NMB costs are allocated to each Customer Class based upon each Customer Class's contribution to the total Company Network Service Peak Load.

Deleted: FERC-approved Network Integration Transmission Service,

Deleted: Non-Firm Point-to-Point Credits, Generation Deactivation charges,

Deleted: metered demand coincident with the APS Zone peak hour

E = The over or under-collection of the NMB_C that results from billing of the NMB during the DSS Reconciliation Year, including applicable interest. An over-collection is denoted by a positive E and an under-collection by a negative E. Interest shall be computed monthly at the legal statutory interest rate stated in 41 P.S. § 202, from the month the over or under-collection occurs to the month that the over-collection is refunded to or the under-collection is recovered from Delivery Service Customers.

S = The Company's total DSS Sales per Customer Class to Delivery Service Customers projected for the DSS Computational Year.

(C) Indicates Change

Issued _____

Effective June 1, 2013

WEST PENN POWER COMPANY

(C)

DEFAULT SERVICE SUPPORT RIDER (Continued)

The NMB rates by Customer Class to be included in DSS Rates are as follows:

Residential Customer Class:

\$ X.XXXXX per kWh

Commercial Customer Class:

\$ X.XXXXX per kWh

Industrial Customer Class:

\$ X.XXXXX per kW NSPL

Deleted: or KVA (billed demand as determined by the controlling Rate Schedule)

Retail Enhancements

$$RE = (RE_c - E) / S$$

Where:

- RE = The charge to be applied to Delivery Service Customers served under this rider for the Retail Enhancement Costs incurred by the Company.
- RE_c = The Retail Enhancement Costs incurred by the Company to cover programming expenses and implementation costs associated with competitive market enhancements approved by the Commission. Includes consultant fees and other costs to develop and implement the Time-Of-Use Default Service Rider, which shall be allocated to the Residential Customer Class.
- E = The over or under-collection of the RE_c that results from billing of the RE during the DSS Reconciliation Year, including applicable interest. An over-collection is denoted by a positive E and an under-collection by a negative E. Interest shall be computed monthly at the legal statutory interest rate stated in 41 P.S. § 202, from the month the over or under-collection occurs to the month that the over-collection is refunded to or the under-collection is recovered from Delivery Service Customers.
- S = The Company's total DSS Sales per Customer Class to Delivery Service Customers projected for the DSS Computational Year.

(C) Indicates Change

Issued _____

Effective June 1, 2013

WEST PENN POWER COMPANY

(C)

DEFAULT SERVICE SUPPORT RIDER (Continued)

The RE rates by Customer Class to be included in DSS Rates are as follows:

Residential Customer Class:

\$ X.XXXXX per kWh

Commercial Customer Class:

\$ X.XXXXX per kWh

Industrial Customer Class:

\$ X.XXXXX per kWh NSPL

Deleted: or kVA (billed demand as determined by the controlling Rate Schedule)

Customer Education Charges

$$CEC = (CEC_c - E) / S$$

Where:

- CEC = The charge to be applied to Delivery Service Customers served under this rider for Customer Education Charges incurred by the Company.
- CEC_c = Customer Education costs for the specific Customer Class to cover customer education costs associated with competitive market enhancements approved by the Commission, excluding costs being recovered by the Consumer Education Charge surcharge.
- E = The over or under-collection of the CEC_c that results from the billing of the CEC during the DSS Reconciliation Year, including applicable interest. An over-collection is denoted by a positive E and an under-collection by a negative E. Interest shall be computed monthly at the legal statutory interest rate stated in 41 P.S. § 202 from the month the over or under-collection occurs to the month that the over-collection is refunded to or the under-collection is recovered from Delivery Service Customers.
- S = The Company's total DSS Sales per Customer Class to Delivery Service Customers projected for the DSS Computational Year.

(C) Indicates Change

Issued _____

Effective June 1, 2013

Opt-In Aggregation Program

$$OAP = (OAP_C - E) / S$$

Where:

OAP = The charge to be applied to Residential Customer Class Delivery Service Customers served under this rider for Opt-In Aggregation Program costs incurred by the Company.

OAP_C = Opt-In Aggregation Program costs for the Residential Customer Class to cover opt-in aggregation costs associated with competitive market enhancements approved by the Commission.

E = The over or under-collection of the OAP_C that results from the billing of the OAP during the DSS Reconciliation Year, including applicable interest. An over-collection is denoted by a positive E and an under-collection by a negative E. Interest shall be computed monthly at the legal statutory interest rate stated in 41 P.S. § 202 from the month the over or under-collection occurs to the month that the over-collection is refunded to or the under-collection is recovered from Residential Customer Class Delivery Service Customers.

S = The Company's total retail kWh sales to Residential Customer Class Delivery Service Customers projected for the DSS Computational Year.

The OAP rate for the Residential Customer Class to be included in DSS rates is as follows:

Residential Customer Class:

\$ X.XXXXX per kWh

(C) Indicates Change

Issued _____

Effective June 1, 2013

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WEST PENN POWER COMPANY

(C)

DEFAULT SERVICE SUPPORT RIDER (Continued)**Customer Referral Program**

$$CRP = (CRP_C - E) / S$$

Where:

CRP = The charge to be applied to Residential Customer Class Delivery Service Customers served under this rider for Customer Referral Program costs incurred by the Company.

CRP_C = Customer Referral Program costs for the Residential Customer Class to cover customer referral costs associated with competitive market enhancements approved by the Commission.

E = The over or under-collection of the CRP_C that results from the billing of the CRP during the DSS Reconciliation Year, including applicable interest. An over-collection is denoted by a positive E and an under-collection by a negative E. Interest shall be computed monthly at the legal statutory interest rate stated in 41 P.S. § 202 from the month the over or under-collection occurs to the month that the over-collection is refunded to or the under-collection is recovered from Residential Customer Class Delivery Service Customers.

S = The Company's total retail kWh sales to Residential Customer Class Delivery Service Customers projected for the DSS Computational Year.

The CRP rate for the Residential Customer Class to be included in DSS rates is as follows:

Residential Customer Class:

\$ X.XXXXX per kWh

Unaccounted For Energy

$$UFE = (UFE_C - E) / S$$

Where:

UFE = The charge to be applied to Delivery Service Customers served under this rider for Unaccounted For Energy costs incurred by the Company.

UFE_C = Forecasted UFE costs applicable to the Company's DSS Sales. Forecasted UFE costs are determined from forecasted Unaccounted For Energy allocated to each Customer Class on a kWh basis and charged at an estimate of the "Real Time" PJM load-weighted average Locational Marginal Price for the APS Transmission Zone.

(C) Indicates Change

Issued _____

Effective June 1, 2013

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DEFAULT SERVICE SUPPORT RIDER (Continued)

E = The over or under-collection of the UFE_C that results from billing of Unaccounted For Energy at the "Real Time" PJM load-weighted average Locational Marginal Price for the APS Transmission Zone during the DSS Reconciliation Year, including applicable interest. An over-collection is denoted by a positive E and an under-collection by a negative E. Interest shall be computed monthly at the legal statutory interest rate stated in 41 P.S. § 202, from the month the over or under-collection

occurs to the month that the over-collection is refunded to or the under-collection is recovered from Delivery Service Customers.

S = The Company's total DSS Sales per Customer Class to Delivery Service Customers projected for the DSS Computational Year.

The UFE rates by Customer Class to be included in DSS Rates are as follows:

Residential Customer Class:

\$ X.XXXXX per kWh

Commercial Customer Class:

\$ X.XXXXX per kWh

Industrial Customer Class:

\$ X.XXXXX per kW or kVA (billed demand as determined by the controlling Rate Schedule)

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