

Met-Ed/Penelec/Penn Power/West Penn Exhibit JDR-1

Exhibit JDR-1
Comparison of Default Service Full Requirements Auction Price to Expected Wholesale Market Costs
Met-Ed, Penelec, Penn Power, and West Penn Auctions, 2010-2015

Utility	Auction Month	Product	Duration months	Delivery Period Start	Delivery Period End	PJM West Forward		Zonal Premium over		All Hours Flat Load \$/MWh	Load Shape Factor %	Adjusted Load Price \$/MWh	Average Capacity Price \$/MWh	Capacity Scaling Factor	Adjusted Capacity Price \$/MWh	Ancillary Services Add-in \$/MWh	Average NITS Rate \$/MWh	NITS Scaling Factor	Adjusted NITS Rate \$/MWh	Estimated N/A Auction Price \$/MWh	N/A Auction Price \$/MWh	Estimated Risk Premium %																					
						Price \$/MWh	Peak	Off-Peak	Peak																																		
						(1)	(2)	(3)	(4)																																		
Met-Ed	Oct-10	Commercial	12	Jun-11	May-12	36.95	49.73	1.22	3.74	38.17	53.47	45.32	7.10%	46.54	5.29	2.33	12.32	1.94	0.00	2.33	0.00	63.97	1.17	1.86%																			
Met-Ed	Oct-10	Residential	24	Jun-11	May-13	37.81	51.46	1.22	3.74	39.03	55.19	46.59	11.12%	51.76	5.87	2.64	15.50	1.94	0.00	2.64	0.00	69.21	66.66	-2.55	-3.68%																		
Met-Ed	Jan-11	Commercial	12	Jun-11	May-12	39.70	52.75	1.22	3.74	40.92	56.49	48.20	7.10%	51.62	5.29	2.33	12.32	1.94	0.00	2.33	0.00	65.88	69.97	4.09	6.20%																		
Met-Ed	Jan-11	Residential	24	Jun-11	May-12	39.70	52.75	1.22	3.74	40.92	56.49	48.20	11.12%	51.56	5.29	2.33	13.96	1.94	0.00	2.33	0.00	69.46	67.43	-2.03	-2.92%																		
Met-Ed	Jan-11	Residential	24	Jun-11	May-13	39.83	53.34	1.22	3.74	41.05	57.08	48.54	11.12%	51.94	5.87	2.64	15.50	1.94	0.00	2.64	0.00	71.38	70.69	-0.69	-0.97%																		
Met-Ed	Mar-11	Commercial	12	Jun-11	May-12	38.24	50.88	1.22	3.74	39.45	54.62	46.55	7.10%	49.85	5.29	2.33	12.32	1.94	0.00	2.33	0.00	64.11	67.34	3.23	5.04%																		
Met-Ed	Mar-11	Residential	24	Jun-11	May-12	38.24	50.88	1.22	3.74	39.45	54.62	46.55	11.12%	51.72	5.29	2.33	13.96	1.94	0.00	2.33	0.00	67.62	67.35	-0.27	-0.40%																		
Met-Ed	Mar-11	Residential	24	Jun-11	May-13	39.02	51.86	1.22	3.74	40.24	55.60	47.42	11.12%	51.69	5.87	2.64	15.50	1.94	0.00	2.64	0.00	70.14	70.09	-0.05	-0.06%																		
Met-Ed	May-11	Commercial	12	Jun-11	May-13	40.76	54.11	1.22	3.74	41.97	57.84	49.40	7.10%	52.90	6.46	2.33	15.04	1.94	0.00	2.33	0.00	69.88	72.85	2.97	4.25%																		
Met-Ed	Oct-11	Commercial	12	Jun-12	May-13	39.32	52.52	1.22	3.74	40.54	56.25	47.89	7.10%	51.28	6.46	2.33	15.04	1.94	0.00	2.33	0.00	68.26	68.00	-0.26	-0.39%																		
Met-Ed	Oct-11	Residential	24	Jun-12	May-13	31.46	41.93	-0.49	0.11	30.96	42.03	36.11	5.21%	37.99	6.03	2.08	13.44	1.92	0.00	2.08	0.00	53.35	56.17	2.82	5.29%																		
Met-Ed	Jan-12	Commercial	12	Jun-12	May-13	31.46	41.93	-0.49	0.11	30.96	42.03	36.11	6.95%	38.62	6.46	2.31	14.89	1.92	0.00	2.31	0.00	55.42	56.19	0.77	1.38%																		
Met-Ed	Jan-12	Residential	24	Jun-12	May-13	30.09	41.33	-0.49	0.11	29.60	41.43	35.09	5.21%	36.92	6.46	2.08	13.44	1.92	0.00	2.08	0.00	52.28	54.88	2.70	5.16%																		
Met-Ed	Mar-12	Commercial	12	Jun-12	May-13	30.09	41.33	-0.49	0.11	29.60	41.43	35.09	6.95%	37.53	6.46	2.31	14.89	1.92	0.00	2.31	0.00	54.34	55.83	1.49	2.74%																		
Met-Ed	Jan-13	Residential	24	Jun-13	May-14	31.63	45.04	-0.49	0.11	31.14	45.15	37.65	6.95%	40.13	6.45	2.31	15.47	1.92	1.73	2.31	3.98	65.49	67.71	2.22	3.38%																		
Met-Ed	Feb-13	Residential	12	Jun-13	May-14	31.63	45.04	-0.49	0.11	31.14	45.15	37.65	6.95%	40.26	10.86	2.31	25.05	1.92	1.73	2.31	3.98	71.21	71.34	0.13	0.19%																		
Met-Ed	Feb-13	Commercial	12	Jun-13	May-14	31.63	45.04	-0.49	0.11	31.14	45.15	37.65	5.21%	39.61	10.86	2.08	22.62	1.92	1.73	2.08	3.59	67.73	69.16	1.43	2.10%																		
Met-Ed	Sep-13	Commercial	12	Dec-13	Nov-14	31.54	44.52	-0.49	0.11	31.05	44.62	37.35	5.21%	39.20	6.44	2.08	17.57	1.94	1.73	2.08	3.59	62.88	63.49	0.61	1.78%																		
Met-Ed	Jan-14	Residential	12	Jun-14	May-15	31.23	44.63	-0.73	1.43	31.96	46.06	38.53	16.07%	44.72	6.03	1.97	11.89	2.41	1.73	1.97	3.40	62.42	63.24	0.82	1.32%																		
Met-Ed	Jan-14	Commercial	12	Jun-14	May-15	31.23	44.63	-0.73	1.43	31.96	46.06	38.53	7.31%	41.35	6.03	1.88	11.32	2.41	1.73	1.88	3.24	58.31	63.09	4.78	8.19%																		
Met-Ed	Oct-14	Residential	12	Jun-15	May-16	33.32	48.97	-0.73	1.43	34.06	50.39	41.67	16.07%	48.36	7.21	1.97	14.22	2.41	1.72	1.97	3.39	68.39	77.89	9.50	13.00%																		
Met-Ed	Oct-14	Commercial	12	Jun-15	May-16	33.32	48.97	-0.73	1.43	34.06	50.39	41.67	16.07%	47.98	7.21	1.97	14.22	2.41	1.72	1.97	3.39	67.11	65.53	-1.58	-2.36%																		
Met-Ed	Oct-14	Commercial	12	Jun-15	May-16	33.32	48.97	-0.73	1.43	34.06	50.39	41.67	7.31%	44.71	7.21	1.88	13.54	2.41	1.72	1.88	3.23	63.90	65.86	2.26	3.57%																		
Met-Ed	Jan-15	Residential	24	Jun-15	May-17	32.99	48.43	-0.73	1.43	33.72	49.85	41.24	7.31%	44.25	6.48	1.88	12.16	2.41	1.72	1.88	3.23	62.06	65.56	3.50	5.48%																		
Met-Ed	Jan-15	Commercial	12	Jun-15	May-16	31.34	44.33	-0.73	1.43	32.07	45.75	38.44	16.07%	44.62	7.21	1.97	14.22	2.41	1.72	1.97	3.39	64.64	65.74	1.10	1.69%																		
Met-Ed	Jan-15	Commercial	24	Jun-15	May-17	31.34	44.33	-0.73	1.43	32.07	45.75	38.44	16.07%	44.97	6.48	1.97	14.22	2.41	1.72	1.97	3.39	67.11	65.53	-1.58	-2.36%																		
Met-Ed	Jan-15	Commercial	12	Jun-15	May-16	31.34	44.33	-0.73	1.43	32.07	45.75	38.44	7.31%	41.25	7.21	1.88	13.54	2.41	1.72	1.88	3.23	60.44	66.09	5.65	9.35%																		
Met-Ed	Jan-15	Commercial	24	Jun-15	May-17	31.34	44.33	-0.73	1.43	32.07	45.75	38.44	7.31%	41.23	6.48	1.88	12.16	2.41	1.72	1.88	3.23	59.03	60.33	1.30	2.17%																		
Met-Ed	Apr-15	Residential	12	Jun-15	May-16	32.84	47.16	-0.73	1.43	33.57	48.58	40.57	16.07%	45.58	6.46	1.73	11.19	1.92	0.00	1.73	0.00	59.48	60.57	1.09	1.83%																		
Met-Ed	Apr-15	Residential	24	Jun-15	May-17	32.47	46.53	-0.73	1.43	33.21	47.95	40.08	16.07%	46.52	6.48	1.97	12.77	2.41	1.72	1.97	3.40	65.09	66.44	1.35	2.07%																		
Met-Ed	Apr-15	Commercial	12	Jun-15	May-16	32.84	47.16	-0.73	1.43	33.57	48.58	40.57	7.31%	43.53	7.21	1.88	13.54	2.41	1.72	1.88	3.23	62.72	65.03	2.31	3.69%																		
Met-Ed	Apr-15	Commercial	24	Jun-15	May-17	32.47	46.53	-0.73	1.43	33.21	47.95	40.08	7.31%	43.01	6.48	1.88	12.16	2.41	1.72	1.88	3.23	60.81	65.15	4.34	7.13%																		
Met-Ed Average																																										3.70	5.94%
Penelec	Oct-10	Commercial	12	Jun-11	May-12	36.95	49.73	-2.23	-1.13	34.73	49.60	40.28	5.33%	42.42	5.29	1.88	9.96	1.94	0.00	1.88	0.00	54.33	54.33	0.00	0.00%																		
Penelec	Oct-10	Residential	24	Jun-11	May-13	37.81	51.46	-2.23	-1.13	35.68	51.47	41.21	5.33%	45.87	2.12	1.88	9.96	1.94	0.00	1.88	0.00	61.21	61.21	0.00	0.00%																		
Penelec	Jan-11	Commercial	12	Jun-11	May-12	39.70	52.75	-2.23	-1.13	37.48	49.62	43.55	5.33%	45.45	5.29	1.88	9.96	1.94	0.00	1.88	0.00	57.36	59.32	1.96	3.42%																		
Penelec	Jan-11	Residential	24	Jun-11	May-12	39.70	52.75	-2.23	-1.13	37.48	49.62	43.55	7.39%	46.34	5.29	2.12	11.21	1.94	0.00	2.12	0.00	59.49	58.01	-1.48	-2.49%																		
Penelec	Jan-11	Residential	24	Jun-11	May-13	39.83	53.34	-2.23	-1.13	37.60	50.21	43.50	7.39%	46.71	5.87	2.12	12.44	1.94	0.00	2.12	0.00	61.10	59.74	-1.36	-2.22%																		
Penelec	Mar-11	Commercial	12	Jun-11	May-12	38.24	50.88	-2.23	-1.13	36.80	47.75	41.50	5.33%	44.57	5.29	1.88	9.96	1.94	0.00	1.88	0.00	57.56	57.56	0.00	0.00%																		
Penelec	Mar-11	Residential	24	Jun-11	May-12	38.24	50.88	-2.23	-1.13	36.01	47.75	41.50	7.39%	44.57	5.29	2.12	11.21	1.94	0.00	2.12	0.00	57.72	57.28	-0.44	-0.76%																		
Penelec	Mar-11	Residential	24	Jun-11	May-13	39.02	51.86	-2.23	-1.13	36.80	47.75	41.50	7.39%	45.51	5.87	2.12	12.44	1.94	0.00	2.12	0.00	59.89	60.07	0.18	0.29%																		
Penelec	May-11	Commercial	12	Jun-12	May-13	40.76	54.11	-2.23	-1.13	38.05	50.88	44.23	5.33%	46.71	6.46	2.08	12.16	1.94	0.00	2.08	0.00	60.82	64.43	3.63	5.68%																		
Penelec	May-11	Residential	24	Jun-12	May-13	39.32	52.52	-2.23	-1.13	37.09	49.68	42.84	5.33%	45.12	6.46	1.88	12.16	1.94	0.00	1.88	0.00	59.22	60.08	0.86	1.44%																		
Penelec	Jan-12	Commercial	12	Jun-12	May-13	31.46	41.93	-0.28	0.71	31.18	41.22	35.84	4.42%	37.43	6.46	1.73	11.19	1.92	0.00	1.73	0.00	50.54	51.25	0.71	1.41%																		
Penelec	Jan-12	Residential	12																																								

Customer Referral Program Agreement

Residential and Small Commercial Customer Class Full Requirements

for

{Insert EDC Here}

CUSTOMER REFERRAL PROGRAM AGREEMENT

THIS CUSTOMER REFERRAL PROGRAM AGREEMENT (“Agreement”) is made and entered into as of {Insert Date} (“Effective Date”) by and between **{Insert EDC Name Here }** (“Company”), a corporation organized and existing under the laws of the Commonwealth of Pennsylvania and _____ (“Customer Referral Supplier”) a corporation organized and existing under the laws of [State of or Commonwealth of.....]. The Company and the Customer Referral Supplier hereinafter are sometimes referred to collectively as the “Parties,” or individually as a “Party.”

WITNESSETH:

WHEREAS, the Company is an electric public utility engaged, inter alia, in providing retail electric service within its service territory located in the Commonwealth of Pennsylvania; and

WHEREAS, the Pennsylvania Public Utility Commission (“PaPUC” or “Commission”) has found that it would serve the public interest for the Company to establish a Customer Referral Program to refer customers that contact the Company to licensed Electric Generation Suppliers (“EGSs”), and the PaPUC has approved the Program; and

WHEREAS, the undersigned EGS desires to participate in the Customer Referral Program.

WHEREAS, the Customer Referral Supplier is licensed by the PaPUC to offer and supply competitive retail electric services in Pennsylvania, and is a registered supplier under the Company’s Supplier Coordination Tariff.

NOW, THEREFORE, in consideration of the mutual covenants and promises set forth below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto, intending to be legally bound, hereby covenant, promise and agree as follows:

Article 1 Definitions

Any capitalized or abbreviated term not elsewhere defined in this Agreement shall have the definition set forth in this Article.

- 1.1 **Agreement** – This Agreement for an EGS to become a Customer Referral Supplier and to participate in the Company’s Customer Referral Program together with attached Appendices.
- 1.2 **Applicable Legal Authorities** - Those federal and Pennsylvania statutes and administrative rules, regulations and Orders that govern the electric utility industry in Pennsylvania, as they may be amended from time to time.
- 1.3 **Business Day** – Any day on which the Company’s corporate offices are open for business.
- 1.4 **Company** – Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company or West Penn Power Company individually, or in combination as the “Companies.”
- 1.5 **Consolidated EDC Billing** - Shall have the meaning set forth in the Company’s Supplier Tariff as filed with the PaPUC and available on the Company’s website.
- 1.6 **Customer** – Any person or entity who enters a contractual agreement with the Company to receive retail electric service including, without limitation, all persons or entities taking service under a retail tariff that are eligible to receive competitive electricity supply from an EGS or Default Service in accordance with the Applicable Legal Authorities.
- 1.7 **Customer Referral Customer(s)** – Customers who are provided competitive retail electric service as part of the Customer Referral Program in accordance with the terms of this Agreement.
- 1.8 **Customer Referral Program or “CRP”** – The Customer Referral Program as defined in this agreement
- 1.9 **Customer Referral Program Implementation Team** – customer service representatives trained in Pennsylvania customer choice issues and processes and the Customer Referral Program, employed by the Company directly or as independent contractors to implement the Customer Referral Program on behalf of the Company.

- 1.10 **Customer Referral 12 Month Fixed Price** – The 12 month fixed price set forth each quarter in the Confirmation Sheet, which shall be in the form provided in Appendix A. The fixed price includes all EGS charges for Basic Electricity Supply including generation charges, market based transmission charges, and all Independent System Operator charges and gross receipt taxes. The fixed price shall be billed to an enrolled customer for 12 consecutive billing periods.
- 1.11 **Customer Referral Supplier** – An entity that: (i) has accepted the obligations and associated rights to provide competitive retail electric service under the terms of this Agreement to retail customers in accordance with the Applicable Legal Authorities; (ii) has entered into this Agreement with the Company; (iii) is a full member of PJM and registered with PJM as a Load Serving Entity; (iv) is licensed by the PaPUC to offer and supply electric generation services in Pennsylvania, and (v) is in compliance with the terms and conditions of the Company’s Supplier Tariff.
- 1.12 **Customer Referral Supplier Representative** – Any officer, director, employee, consultant, contractor, or other agent or representative of the Customer Referral Supplier having actual or apparent authority to act on behalf of the Customer Referral Supplier in connection with the Customer Referral Supplier’s performance under this Agreement. To the extent the Customer Referral Supplier is a division or group of a Company, the term Customer Referral Supplier Representative does not include any person in that Company who is not part of the Customer Referral Supplier’s division or group.
- 1.13 **Default Service** – Shall mean Default Service as defined in 52 Pa. Code § 54.182.
- 1.14 **Electric Distribution Company or “EDC”** – A public utility providing facilities for the transmission and distribution of electricity to retail Customers in Pennsylvania subject to the jurisdiction of the Commission.
- 1.15 **Electric Generation Supplier or “EGS”** – A person or entity that is duly certified by the Commission to offer and provide competitive retail electric service to retail customers located in the Commonwealth of Pennsylvania.
- 1.16 **Electronic Data Interchange or “EDI”** – The standardized format for the electronic transfer of data between different entities.
- 1.17 **FERC** – The Federal Energy Regulatory Commission.
- 1.18 **Price-to-Compare** – Shall mean “price-to-compare” as defined in 52 Pa. Code § 54.182.
- 1.19 **Participating EGSs** – All EGSs that have executed this Agreement.
- 1.20 **PJM** – PJM Interconnection, LLC.
- 1.21 **Rate Schedule(s)** – The Customer rate schedule(s) in the electric service tariff of the Company on file with the Commission as they may be modified from time to time.
- 1.22 **Rate Ready** – Shall have the meaning set forth in the Company’ Supplier Tariff as filed with the PaPUC and available on the Company’s website.

- 1.23 **Residential Customer** – Customers on: Rate Schedules RS, RT and GS-Volunteer Fire Company and Non-Profit Ambulance Service, Rescue Squad and Senior Center Service. (Metropolitan Edison Company and Pennsylvania Electric Company); 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 (Pennsylvania Power Company); or Domestic Service Schedule 10 (West Penn Power Company), each as defined in the electric service tariff of the Company on file with the Commission as they may be modified from time to time.
- 1.24 **Seller** – means the Customer Referral Supplier.
- 1.25 **Service Territory** – The service territory in which the Company is authorized to furnish retail electric service in Pennsylvania.
- 1.26 **Small Commercial Customer** - Customer on Rate Schedule GS-Small (Metropolitan Edison Company and Pennsylvania Electric Company); General Service - Small (Pennsylvania Power Company); or General Service Schedule 20 (West Penn Power Company) as defined in each respective Company's electric service tariff on file with the Commission as such may be modified from time to time.
- 1.27 **Supplier Tariff** –The PaPUC-approved Electric Generation Supplier Tariff for the Company.

Article 2 General Terms and Conditions

2.1 Term

This Agreement shall be effective upon execution by the Parties and with the approval of the PaPUC and shall terminate on May 31, 2019. This Agreement may be terminated prior to the end of each such term by the existence of any of the following conditions: (1) if the Customer Referral Program is terminated by governmental action; (2) if the Customer Referral Supplier is no longer a certified EGS; (3) if either Party is in material breach of this Agreement or the Supplier Tariff; or (4) pursuant to Article 3 of this Agreement.

2.2 Customer Referral Supplier Participation and Suspension of Participation

Customer Referral Suppliers will be able to begin participation in the Program effective on the following dates each year: June 1, September 1, December 1 or March 1. In order to participate, a Customer Referral Supplier must provide initial notice of its intent to participate in the Customer Referral Program at least sixty days prior to its desired effective date. A Customer Referral Supplier that has previously participated in the Company's Customer Referral Program must provide notice of its intent to participate at least thirty days prior to its desired effective date. A Customer Referral Supplier may suspend its participation in the Customer Referral Program effective on those same four dates (June 1, September 1, December 1 or March 1) and must provide notice of its intent to suspend participation at least thirty days prior to its desired effective suspension date. Notice of participation or suspension of participation shall be provided in the Form of Appendix C attached hereto.

2.3 Supplier Tariff

Except as otherwise stated herein, all the terms and conditions of the Company's Supplier Tariff, as filed with the PaPUC and available on the Company's website, and as modified from time to time with the approval of the Commission, are incorporated herein by reference, are in full force and effect and are binding upon the Parties for the duration of this Agreement.

2.4 CRP Charges – Calculation

Each Company will incur the following types of cost related to the Customer Referral Program: (1) capital and start up costs, such as costs associated with programming, development of phone scripts, administration of developing third party

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vendor arrangements, etc. (the “Initial CRP Costs”); and (2) ongoing monthly costs, such as third party contractor charges and continuing internal administrative costs (the “Ongoing CRP Costs”; collectively, “CRP Costs”). The Companies will update their estimate of the CRP Costs prior to soliciting EGS participation in the CRP.

Each Company will track and record its CRP Costs separately, and each Company will recover CRP Costs from Customer Referral Suppliers by assessing a standard, per-customer charge (the “CRP Charge”), not to exceed \$30. The CRP Charge is subject to change by order of the Pa PUC or a Court of competent jurisdiction, and such change might be retroactive. A Customer Referral Supplier will be assessed a CRP Charge for every CRP customer enrollment that has been completed for that Customer Referral Supplier. The CRP Charge will be calculated on an annual basis, with a new CRP Charge becoming effective June 1 of each year.

The CRP Charge will be calculated by dividing CRP Costs by a projected number of customer enrollments in the CRP during the applicable year. Three cost components will be included in the CRP calculation: (1) Initial CRP Costs; (2) Ongoing CRP Costs; and (3) a reconciliation component for each year beyond the first year of the CRP (the “Reconciliation Component”). The Initial CRP Costs will be recovered utilizing a 12-month amortization period, and will include a return at the legal rate of interest.

In the event that the actual CRP Costs result in a cost per customer that exceeds the CRP Charge, the Companies will recover the resulting difference between their actual costs and the amount recovered by their CRP Charge through a non-bypassable surcharge applied to the bills of all Customers eligible to participate in the CRP.

2.5 CRP Charges

(a) Consistent with the calculation methodology in Section 2.4, the Companies will provide updates of the CRP Charge to the Customer Referral Suppliers annually and will communicate the annual CRP Charge to Customer Referral Suppliers through a modification to Appendix B attached hereto, by May 1 of each year.

(b) The Companies shall charge any Customer Referral Supplier in violation of Section 2.4(h) an hourly fee, consistent with the Technical Support and Assistance Charge allowed for under the Supplier Tariff, for time spent researching, manually verifying and confirming a Customer Referral Customer's account.

(c) The Companies shall charge any Customer Referral Supplier all legal fees resulting from customer complaints from Customer Referral Customers caused by the action or inaction of the Customer Referral Supplier.

2.6 Company Obligations and Authority

The Company shall:

(a) Record the Customer's intent to participate and then transmit the following to each participating EGS via a secure website post or secure EDI transmittal: (1) the Customer's intent to participate; (2) the Company's twenty-digit customer identification number; and (3) the Customer's billing address. This transmission will provide the EGS with a valid referral for processing an enrollment.

(b) Bill the Customer Referral Customers on behalf of the Customer Referral Supplier under Rate Ready Consolidated EDC Billing utilizing the Customer Referral 12-Month Fixed Price in effect when the Customer enrolls, as set forth in Appendix A (the "Confirmation Sheet");

(c) Assign to the Customer Referral Supplier all eligible Customer accounts enrolled by the Customer Referral Supplier, with the requisite Customer consent, consistent with the Supplier Tariff as filed with the PaPUC and available on the Company's website;

(d) Inform Residential and Small Commercial Default Service Customers that contact the Company regarding a high bill, a new service request, or electric choice inquiry, that they have the ability to purchase power from an EGS at favorable prices and offering such Customers the opportunity to have their call transferred to the Company's Customer Referral Program Implementation Team;

(e) Have the Customer Referral Program Implementation Team inform the customer that the Company can refer the customer to an EGS with a 12-month fixed price that is 7% below the EDC's current Price-To-Compare default service rate.

(f) The Company will give the Customer an opportunity, at the Customer's election, to choose an EGS or to be referred to an EGS on a rotating basis. The rotation process is designed to provide each EGS participating in Customer Referral Program generally equivalent numbers of rotation-assigned customers, by service type. EGSs must serve all such Residential or Small Commercial Customers referred through a Customer Referral Program.

(g) Secure PaPUC approval to implement the Customer Referral Program for the period June 1, 2017 to May 31, 2019.

2.7 Obligations of the Customer Referral Supplier

The Customer Referral Supplier shall:

Met-Ed/Penelec/Penn Power/West Penn Exhibit KLB-1

(a) Provide Competitive Energy Supply (as defined in the Supplier Tariff) to Customer Referral Customers, consistent with the terms and conditions of service set forth in this Agreement (“Customer Referral Supply”), and PaPUC Orders regarding the Customer Referral Program;

(b) Meet all of the obligations and requirements of a PaPUC-licensed EGS under the then current Supplier Tariff;

(c) Cooperate, at its own expense, with the Company in any regulatory compliance efforts that may be required to maintain the ongoing validity and enforceability of the terms of this Agreement, and fulfill any regulatory reporting requirement associated with the provision of the Customer Referral Supply, before the PaPUC, FERC or any other regulatory body asserting jurisdiction;

(d) Use EDC Rate Ready Consolidated Billing to bill Customer Referral Customers the Customer Referral 12-Month Fixed Price in effect when the Customer enrolled in the Customer Referral Program as set forth in the applicable Confirmation Sheet for 12 consecutive billing periods, unless the contract is terminated by the customer;

(e) After receiving a valid referral for enrollment, issue a standard disclosure statement, consistent with the Terms and Conditions of the Customer Referral Program and welcome kit to the customer at least 3 days prior to transmitting an EDI 814 enrollment transaction to the EDC;

(f) Transmit an EDI 814 enrollment transaction to the EDC consistent with Commission regulations and comply with the switching rules in the Company’s Supplier Tariff;

(g) Pay bills rendered from the EDC relating to the CRP (including the CRP Charge) within 30 days; and

(h) Comply with Commission regulations regarding notice of a price change and changes in the terms and conditions of service following the 12-month initial contract period.

2.8 No Guarantee of Customer Referral Customers

The Company makes no guarantee or representation as to the number of Residential or Small Commercial Customers, if any, that will become Customer Referral Customers or will become Customer Referral Customers of any particular EGS during the term of this Agreement.

2.9 Fees, Penalties, and Exceptions

Customer Referral Customers will be billed the Customer Referral 12-Month Fixed Price, as applicable, set forth in the applicable Confirmation Sheet under and subject to the terms and conditions set forth herein and in applicable PaPUC Orders. Customer Referral Suppliers will be paid by the Company pursuant to the Customer Referral 12-Month Fixed Price, as applicable, set forth in the applicable Confirmation Sheet and the terms and conditions of the Supplier Tariff. Customer Referral Suppliers will not impose any penalties or fees on Customer Referral Customers.

2.10 Guaranteed Power Supply to Customer Referral Customers for One Year

All Customer Referral Customers enrolled in the Customer Referral Program shall receive power at the Customer Referral 12-Month Fixed Price, as applicable, as set forth in the applicable Confirmation Sheet from the Customer Referral Customer's initial

meter read date during the contract terms set forth in Appendix A and ending with the Customer Referral Customer's last meter read date during the 12 month contract term such that the Customer will receive 12 consecutive bills calculated using the Customer Referral 12-Month Fixed Price applicable to the Customer at the time of enrollment.

2.11 Enrollment Procedures and Policies

Customer Referral Customers can enroll or switch to an EGS, including an alternative offer from the Customer Referral Supplier, or return to Default Service at any time during the 12 month period that the 12-Month Fixed Price is billed without restriction or penalty.

2.12 Service Inquiries and Notices to Customer Referral Customers

Customer Referral Customers may direct inquiries regarding this Agreement and any power supply or billing questions regarding the Customer Referral Program to the Customer Referral Supplier, whose address and phone number shall be provided in all communications with Customer Referral Customers regarding the Customer Referral Program.

Article 3 Early Termination of Agreement

The Customer Referral Supplier may only terminate its Consumer Contract and Disclosure Statement with Customer Referral Customers during the initial 12 month billing period upon 30 days' prior written notice to the customer due to a change in law or other act beyond the Customer Referral Supplier's reasonable control or if the Customer Referral Supplier is no longer able to serve the customer. In addition, the

Customer Referral Supplier may reject the enrollment or terminate its Consumer Contract if the Customer does any of the following:

- Moves within or outside of the EDC's service territory or fails to remain an EDC distribution Customer throughout the term under the applicable residential or small commercial electric rate class;
- Fails to be eligible for EDC consolidated billing throughout the term;
- Provides any false, inaccurate or misleading information to the Customer Referral Supplier or the EDC.

Article 4 Energy Efficiency and Conservation Programs

The Customer Referral Supplier acknowledges that Customer Referral Customers may participate in energy efficiency and conservation programs offered by the Company (as required by Applicable Legal Authorities or otherwise), by PJM, or by other third parties, and that such participation may reduce or change the amount of Customer Referral Supply that Customer Referral Supplier is required to provide and, therefore, the amount of money it may receive under this Agreement. Customer Referral Supply does not include the load which the Customer Referral Supplier may have served in the absence of such programs, and the Company shall have no obligation whatsoever to Customer Referral Supplier with respect to the effect, if any, of such programs. Customer Referral Supplier is solely responsible for determining the effect, if any, of such programs on future load requirements.

Article 5 Entire Agreement

This Agreement and Appendices attached hereto constitute the entire Agreement and understanding between the Parties with respect to the services that are being provided hereunder. All prior written and verbal agreements and representations, if any, with respect to these services are merged into and superseded by this Agreement. No revisions or modifications to this Agreement will be valid, unless written and executed by all Parties and approved by the PaPUC.

Article 6 Authorization

Each Party to this Agreement represents and warrants that it has full and complete authority to enter into and perform this Agreement. Each person who executes this Agreement on behalf of either Party represents and warrants that he or she has full and complete authority to do so and that such Party will be bound by the Agreement.

Article 7 Jurisdiction

Any and all matters of dispute between the Parties, whenever arising, shall be governed, construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania regardless of the theory upon which such matter is asserted.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives to be effective as of the day and year first written above.

ATTEST:

{INSERT EDC HERE}

By: _____ By: _____

Name: [Insert Name]
Title: [Insert Title]

Name: [Insert Name]
Title: [Insert Title]

APPENDIX A

**RESIDENTIAL OR SMALL COMMERCIAL CUSTOMER REFERRAL
PROGRAM PRICING
CONFIRMATION SHEET**

**FOR CUSTOMER ENROLLMENTS FOR THE PERIOD XX/XX/XXXX TO
XX/XX/XXXX**

The Customer Referral Supplier shall bill Customer Referral Customers in the [Name of EDC and name of Class] program that have been enrolled* during the period XX/XX/XXXX to XX/XX/XXXX at the prices set forth below. The following Fixed Rate shall be in effect through the last meter read date for 12 monthly billing periods after Enrollment.

Residential Customer Referral 12-Month Fixed Rate \$0.XXXX per kWh

Small Commercial Customer Referral 12-Month Fixed Rate \$0.XXXX per kWh

***Enrolled shall mean the day the customer accepts the EGS proposal for service**

Customers Referral Customers shall be enrolled using Rate Code xxxxxx for the Period xx/xx/xxxx to xx/xx/xxxx

APPENDIX B

CUSTOMER REFERRAL PROGRAM CHARGE

**PER CUSTOMER ENROLLED FOR THE PERIOD XX/XX/XXXX TO
XX/XX/XXXX**

The Companies shall charge the Customer Referral Suppliers for each customer enrolled during the period XX/XX/XXXX to XX/XX/XXXX at the CRP Charge set forth below.

CRP Charge Rate

\$XX.XX per customer enrolled

APPENDIX C

EGS PARTICIPATION OR SUSPENSION OF PARTICIPATION NOTICE

The Customer Referral Supplier shall be permitted to participate or suspend participation June 1, September 1, December 1 or March 1 upon providing the Companies with proper notice, as set forth below.

CUSTOMER REFERRAL SUPPLIER NOTICE TO PARTICIPATE IN OR WITHDRAW FROM THE ENROLLMENT OF NEW CRP CUSTOMERS

{INSERT EGS Name HERE} did not previously participate in the Company's Customer Referral Program and is hereby providing the Company 60 days notice of intent to enroll new customers in the [Name of EDC and Class] Customer Referral Program beginning XX/XX/XXXX.

{INSERT EGS Name HERE} previously participated in the Company's Customer Referral Program and is hereby providing the Company 30 days notice of intent to enroll new customers in the [Name of EDC and Class] Customer Referral Program beginning XX/XX/XXXX.

{INSERT EGS Name HERE} is hereby providing the Company 30 days notice of intent to withdraw from enrolling new customers in the [Name of EDC and Class] Customer Referral Program beginning XX/XX/XXXX.

EGS Representative _____

Date _____

**METROPOLITAN EDISON COMPANY
PENNSYLVANIA ELECTRIC COMPANY
PENNSYLVANIA POWER COMPANY
WEST PENN POWER COMPANY
UNCOLLECTIBLE EXPENSE BY OPERATING COMPANY**

<u>Line No.</u>	<u>Company</u>	<u>Uncollectible Expense Forecasted for 2015</u>	<u>Uncollectible Expense in Base Rates</u>	<u>Variance in Uncollectible Expense</u>	<u>Percentage Increase Forecasted in Uncollectible Expense</u>
		(1)	(2)	(3) = (1) - (2)	(4) = (3)/(2)
1	Met-Ed	\$ 17,238,196	\$ 12,136,226	\$ 5,101,970	42.04%
2	Penelec	14,714,972	8,958,844	5,756,128	64.25%
3	Penn Power	2,815,735	1,610,410	1,205,325	74.85%
4	West Penn	<u>12,195,186</u>	<u>10,641,643</u>	<u>1,553,543</u>	14.60%
5	Total	<u>\$ 46,964,089</u>	<u>\$ 33,347,123</u>	<u>\$ 13,616,966</u>	40.83%

**METROPOLITAN EDISON COMPANY
PENNSYLVANIA ELECTRIC COMPANY
PENNSYLVANIA POWER COMPANY
WEST PENN POWER COMPANY
EGS WRITE-OFFS AS A PERCENTAGE OF EGS REVENUES**

<u>Line No.</u>	<u>Company</u>	<u>EGS Revenues for July 2014 - June 2015</u> (1)	<u>EGS Write-Offs for July 2014 - June 2015</u> (2)	<u>Average Write-Off Percentage</u> (3) = (2)/(1)	<u>150% of Average Write-Off Percentage</u> (4) = (3) x 1.5
1	Met-Ed	273,358,422	4,938,783	1.81%	2.71%
2	Penelec	271,596,576	3,789,532	1.40%	2.09%
3	Penn Power	77,540,802	586,581	0.76%	1.13%
4	West Penn	277,761,557	2,474,018	0.89%	1.34%
5	Total	<u>900,257,358</u>	<u>11,788,914</u>		

**METROPOLITAN EDISON COMPANY
PENNSYLVANIA ELECTRIC COMPANY
PENNSYLVANIA POWER COMPANY
WEST PENN POWER COMPANY**

EGS WRITE-OFFS GREATER THAN 150% OF AVERAGE EGS WRITE-OFFS BY OPERATING COMPANY

Met-Ed - 150% OF AVERAGE = 2.71%

<u>Line No.</u>	<u>EGS</u>	<u>EGS Revenues for July 2014 - June 2015</u> (1)	<u>EGS Write-Offs for July 2014 - June 2015</u> (2)	<u>Write-Offs as a % of Revenues</u> (3) = (2)/(1)	<u>Write-Off Amount at 150% of Average</u> (4)	<u>Supplier Charge</u> (5) = (2) - (4)
1	EGS -1	164,508	59,881	36.40%	4,458	55,423
2	EGS -2	63,237	19,387	30.66%	1,714	17,673
3	EGS -3	2,534,987	476,708	18.81%	68,698	408,010
4	EGS -4	260,602	47,898	18.38%	7,062	40,836
5	EGS -5	7,154,895	1,074,876	15.02%	193,898	880,978
6	EGS -6	7,430	948	12.76%	201	746
7	EGS -7	1,061,578	132,207	12.45%	28,769	103,438
8	EGS -8	99,670	11,575	11.61%	2,701	8,874
9	EGS -9	866,119	54,185	6.26%	23,472	30,714
10	EGS -10	512,073	29,634	5.79%	13,877	15,757
11	EGS -11	6,803,844	356,711	5.24%	184,384	172,327
12	EGS -12	3,590,162	183,209	5.10%	97,293	85,915
13	EGS -13	9,339,862	443,620	4.75%	253,110	190,510
14	EGS -14	3,288,628	152,891	4.65%	89,122	63,769
15	EGS - 15	1,653,697	76,756	4.64%	44,815	31,941
16	EGS -16	1,001,193	33,992	3.40%	27,132	6,860
17	EGS - 17	8,556,468	280,065	3.27%	231,880	48,184
18	EGS - 18	10,583,505	329,387	3.11%	286,813	42,574
19	Total	57,542,458	3,763,931		1,559,401	2,204,530

**METROPOLITAN EDISON COMPANY
PENNSYLVANIA ELECTRIC COMPANY
PENNSYLVANIA POWER COMPANY
WEST PENN POWER COMPANY**

EGS WRITE-OFFS GREATER THAN 150% OF AVERAGE EGS WRITE-OFFS BY OPERATING COMPANY

Penelec - 150% OF AVERAGE = 2.09%

	EGS	EGS Revenues for July 2014 - June 2015	EGS Write-Offs for July 2014 - June 2015	Write-Offs as a % of Revenues	Write-Off Amount at 150% of Average	Supplier Charge
		(1)	(2)	(3) = (2)/(1)	(4)	(5) = (2) - (4)
1	EGS -1	51,263	43,968	85.77%	1,071	42,896
2	EGS -2	44,966	18,965	42.18%	940	18,025
3	EGS -3	12,659	2,774	21.92%	265	2,510
4	EGS -4	4,412,505	703,544	15.94%	92,221	611,323
5	EGS -5	215,293	27,290	12.68%	4,500	22,790
6	EGS -6	143,228	16,596	11.59%	2,993	13,603
7	EGS -7	11,011,378	772,408	7.01%	230,138	542,271
8	EGS -8	698,687	33,866	4.85%	14,603	19,264
9	EGS -9	5,079,379	225,302	4.44%	106,159	119,142
10	EGS -10	345,454	15,280	4.42%	7,220	8,060
11	EGS -11	38,001	1,610	4.24%	794	815
12	EGS -12	4,221,754	149,056	3.53%	88,235	60,822
13	EGS -13	12,085,836	399,726	3.31%	252,594	147,132
14	EGS -14	5,696,416	170,946	3.00%	119,055	51,891
15	EGS -15	438,664	11,468	2.61%	9,168	2,300
16	EGS -16	3,069,685	68,698	2.24%	64,156	4,541
17	EGS -17	152,702	3,318	2.17%	3,191	127
18	Total	47,717,869	2,664,815		997,303	1,667,512

**METROPOLITAN EDISON COMPANY
PENNSYLVANIA ELECTRIC COMPANY
PENNSYLVANIA POWER COMPANY
WEST PENN POWER COMPANY**

EGS WRITE-OFFS GREATER THAN 150% OF AVERAGE EGS WRITE-OFFS BY OPERATING COMPANY

Penn Power - 150% OF AVERAGE = 1.13%

<u>EGS</u>	<u>EGS Revenues for July 2014 - June 2015</u> (1)	<u>EGS Write-Offs for July 2014 - June 2015</u> (2)	<u>Write-Offs as a % of Revenues</u> (3) = (2)/(1)	<u>Write-Off Amount at 150% of Average</u> (4)	<u>Supplier Charge</u> (5) = (2) - (4)
1 EGS -1	591,815	77,185	13.04%	6,688	70,498
2 EGS -2	261,757	17,480	6.68%	2,958	14,523
3 EGS -3	98,807	5,549	5.62%	1,117	4,432
4 EGS -4	2,118,479	111,186	5.25%	23,939	87,247
5 EGS -5	1,964,448	74,731	3.80%	22,198	52,533
6 EGS -6	3,363,550	90,823	2.70%	38,008	52,815
7 EGS -7	1,363,190	16,023	1.18%	15,404	619
8 Total	<u>9,762,045</u>	<u>392,977</u>		<u>110,311</u>	<u>282,666</u>

West Penn - 150% OF AVERAGE = 1.34%

<u>EGS</u>	<u>EGS Revenues for July 2014 - June 2015</u> (1)	<u>EGS Write-Offs for July 2014 - June 2015</u> (2)	<u>Write-Offs as a % of Revenues</u> (3) = (2)/(1)	<u>Write-Off Amount at 150% of Average</u> (4)	<u>Supplier Charge</u> (5) = (2) - (4)
8 EGS -1	345,184	50,915	14.75%	4,625	46,290
9 EGS -2	3,351,081	350,305	10.45%	44,904	305,401
10 EGS -3	108,952	8,086	7.42%	1,460	6,626
11 EGS -4	14,086,704	825,933	5.86%	188,762	637,172
12 EGS -5	7,913,766	292,795	3.70%	106,044	186,751
13 EGS -6	819,205	28,071	3.43%	10,977	17,093
14 EGS -7	7,193,352	113,762	1.58%	96,391	17,371
15 EGS -8	291,626	4,526	1.55%	3,908	619
16 EGS -9	847,022	11,586	1.37%	11,350	236
17 Total	<u>34,956,892</u>	<u>1,685,980</u>		<u>468,422</u>	<u>1,217,557</u>

(C)

12.9 Purchase of EGS Receivables (“POR”) Program. The Company will purchase the account receivables, associated with EGS sales of retail electricity supply comprised of electric energy, capacity, transmission and ancillary services. The program will be applicable to residential and commercial Customers on Consolidated EDC Billing under the following rate schedules: Residential Service RS, General Service GS-Volunteer Fire Company and Non-Profit Ambulance Service, Rescue Squad and Senior Center Service, General Service GS-Small, General Service GS-Medium, Municipal Service, Borderline Service, Street Lighting Service, Ornamental Street Lighting Service and Outdoor Lighting Service. Provided that the Company is able to bill EGSs for all fees as provided in Section 12.9(f), the POR will be “non-recourse”, except as provided for under Section 12.9(g). To the extent the Company has to provide any consumer protections other than those provided for under Chapter 14 of the Public Utility Code and Chapters 55 and 56 of the Commission’s regulations, 52 Pa. Code §§ 55.1 and 56.1 et. seq., the costs will be borne by the EGSs. The Company will purchase only those receivables that are associated with basic electric supply services and not receivables associated with charges for other products or services.

Suppliers serving both industrial and commercial/residential Customers on Consolidated EDC Billing would need a separate DUNs number for industrial Customers and a separate DUNs number for commercial/residential Customers. EGSs will not deny service to residential customers whose accounts are included in the POR program for credit-related reasons and will not ask residential customers for deposits separate from any deposit required by the Company pursuant to Chapter 14 and Commission regulations.

(a) Eligibility: The POR program will be available only for EGSs who employ the Company’s Consolidated EDC Billing option. Participation in the Company’s POR program will be mandatory for any EGS that does employ the Consolidated EDC Billing option.

(C)

(b) Timing of Payments: Payments to EGSs will be made based on the current amount that is billed and owed by the Customers and will be paid 40 days after invoicing the Customer. The POR payments to EGSs will be subject to the Clawback Provision provided for in Section 12.9(g).

(C) Change

- (c) **Termination of Service:** The Company will have the ability to terminate service to a Customer for the Customer's non-payment of EGS Basic Electric Supply charges incurred after January 1, 2011 in the same manner and to the same extent that the Company could terminate service to such a Customer for non-payment of EDC charges. Residential Customers termination will be subject to the consumer protections included in Chapter 14 of the Public Utility Code, Chapters 55 and 56 of the Commission's regulations, 52 Pa. Code §§ 55.1 and 56.1 et. seq., and/or other applicable regulations as may change from time to time. The POR is only available as long as the Company is able to terminate service to Customers under Chapter 14 of the Public Utility Code and Chapters 55 and 56 of the Commission's regulations, 52 Pa. Code §§ 55.1 and 56.1 et. seq., and/or other applicable regulations as may change from time to time.
- (d) **Customer Complaints:** The Company will manage bill disputes related to purchased EGS receivables in the same manner as bill disputes related to Default Service, except that the Company will be permitted to suspend payment of the portion of an EGS receivable that is the subject of the formal or informal dispute proceeding before the Commission or an allegation made to the Company by a Customer: (i) that the Customer was placed on EGS service without Customer permission; or (ii) that the Customer's EGS rate is incorrect.
- (e) **Dispute Resolution:** To the extent concerns arise regarding the implementation of the provisions of the POR program, the parties shall attempt to resolve such disputes according to the dispute resolution procedures described in Section 18 of this Tariff. Parties also have the right to resolve such disagreements through the PaPUC's dispute resolution process.
- (f) **Administrative Fees:** Administrative costs incurred by the Company associated with consumer protections over and above those provided by Chapter 14 of the Public Utility Code and Chapters 55 and 56 of the Commission's regulations, 52 Pa. Code §§ 55.1 and 56.1 et. seq. as currently enacted, will be recovered from EGSs. Details of these costs and the charges derived there from shall be provided to EGSs at least 60 days in advance of the charge being implemented. Each EGS serving the residential and commercial load will receive a monthly bill with their share of the costs; any costs will be amortized over a twelve month period. The bill will be based on each EGS's load weighted share of the total shopping load for the month.

(g) Clawback Clause: The Company will compare average accounts receivable write off amounts to each EGSs accounts receivable write off amounts annually. Any EGS exceeding 150% of the average accounts receivable write off amount will be charged the difference between their accounts receivable write off amount and 150% of the average accounts receivable write off amount. The Company will bill the EGS for this charge in accordance with Section 12.2.

(h) Customer Refunds: EGSs issuing refunds to Customers included in the POR shall issue the refund to the Company to be applied to the Customer's account.

13. WITHDRAWAL BY EGS FROM RETAIL SERVICE

13.1 Notice of Withdrawal to the Company. An EGS shall provide electronic notice to the Company in a form specified by the Company of withdrawal by the EGS from Competitive Retail Electric Service in a manner consistent with the PaPUC's rulings in Docket No. M-00960890F.0013, and any subsequent applicable PaPUC rulings.

13.2 Notice to Customers. An EGS shall provide notice to its Customers of withdrawal by the EGS from Competitive Retail Electric Service in accordance with the PaPUC's rulings in Docket No. M-00960890F.0013 and any subsequent applicable PaPUC rulings.

13.3 Costs for Noncompliance. An EGS that withdraws from retail service and fails to provide at least ninety (90) days written notice of said withdrawal shall reimburse the Company for any of the following costs associated with the withdrawal:

- (a) mailings by the Company to the EGS's Customers to inform them of the withdrawal and their options;
- (b) non-standard/manual bill calculation and production performed by the Company;
- (c) EGS data transfer responsibilities that must be performed by the Company;
- (d) charges or penalties imposed on the Company by PJM or other parties resulting from EGS non-performance; and
- (e) any and all other out-of-pocket expenses incurred by the Company as a result of the withdrawal.

(C) Change

(C)

12.9 Purchase of EGS Receivables (“POR”) Program. The Company will purchase the account receivables, associated with EGS sales of retail electricity supply comprised of electric energy, capacity, transmission and ancillary services. The program will be applicable to residential and commercial Customers on Consolidated EDC Billing under the following rate schedules: Residential Service RS, General Service GS-Volunteer Fire Company and Non-Profit Ambulance Service, Rescue Squad and Senior Center Service, General Service GS-Small, General Service GS-Medium, Municipal Service, Borderline Service, Street Lighting Service, Ornamental Street Lighting Service and Outdoor Lighting Service. Provided that the Company is able to bill EGSs for all fees as provided in Section 12.9(f), the POR will be “non-recourse”, except as provided for under Section 12.9(g). To the extent the Company has to provide any consumer protections other than those provided for under Chapter 14 of the Public Utility Code and Chapters 55 and 56 of the Commission’s regulations, 52 Pa. Code §§ 55.1 and 56.1 et. seq., the costs will be borne by the EGSs. The Company will purchase only those receivables that are associated with basic electric supply services and not receivables associated with charges for other products or services.

Suppliers serving both industrial and commercial/residential Customers on Consolidated EDC Billing would need a separate DUNs number for industrial Customers and a separate DUNs number for commercial/residential Customers. EGSs will not deny service to residential customers whose accounts are included in the POR program for credit-related reasons and will not ask residential customers for deposits separate from any deposit required by the Company pursuant to Chapter 14 and Commission regulations.

(a) Eligibility: The POR program will be available only for EGSs who employ the Company’s Consolidated EDC Billing option. Participation in the Company’s POR program will be mandatory for any EGS that does employ the Consolidated EDC Billing option.

(C)

(b) Timing of Payments: Payments to EGSs will be made based on the current amount that is billed and owed by the Customers and will be paid 40 days after invoicing the Customer. The POR payments to EGSs will be subject to the Clawback Provision provided for in Section 12.9(g).

(C) Change

- (c) **Termination of Service:** The Company will have the ability to terminate service to a Customer for the Customer's non-payment of EGS Basic Electric Supply charges incurred after January 1, 2011 in the same manner and to the same extent that the Company could terminate service to such a Customer for non-payment of EDC charges. Residential Customers termination will be subject to the consumer protections included in Chapter 14 of the Public Utility Code, Chapters 55 and 56 of the Commission's regulations, 52 Pa. Code §§ 55.1 and 56.1 et. seq., and/or other applicable regulations as may change from time to time. The POR is only available as long as the Company is able to terminate service to Customers under Chapter 14 of the Public Utility Code and Chapters 55 and 56 of the Commission's regulations, 52 Pa. Code §§ 55.1 and 56.1 et. seq., and/or other applicable regulations as may change from time to time.
- (d) **Customer Complaints:** The Company will manage bill disputes related to purchased EGS receivables in the same manner as bill disputes related to Default Service, except that the Company will be permitted to suspend payment of the portion of an EGS receivable that is the subject of the formal or informal dispute proceeding before the Commission or an allegation made to the Company by a Customer: (i) that the Customer was placed on EGS service without Customer permission; or (ii) that the Customer's EGS rate is incorrect.
- (e) **Dispute Resolution:** To the extent concerns arise regarding the implementation of the provisions of the POR program, the parties shall attempt to resolve such disputes according to the dispute resolution procedures described in Section 18 of this Tariff. Parties also have the right to resolve such disagreements through the PaPUC's dispute resolution process.
- (f) **Administrative Fees:** Administrative costs incurred by the Company associated with consumer protections over and above those provided by Chapter 14 of the Public Utility Code and Chapters 55 and 56 of the Commission's regulations, 52 Pa. Code §§ 55.1 and 56.1 et. seq. as currently enacted, will be recovered from EGSs. Details of these costs and the charges derived there from shall be provided to EGSs at least 60 days in advance of the charge being implemented. Each EGS serving the residential and commercial load will receive a monthly bill with their share of the costs; any costs will be amortized over a twelve month period. The bill will be based on each EGS's load weighted share of the total shopping load for the month.

(g) Clawback Clause: The Company will compare average accounts receivable write off amounts to each EGSs accounts receivable write off amounts annually. Any EGS exceeding 150% of the average accounts receivable write off amount will be charged the difference between their accounts receivable write off amount and 150% of the average accounts receivable write off amount. The Company will bill the EGS for this charge in accordance with Section 12.2.

(h) Customer Refunds: EGSs issuing refunds to Customers included in the POR shall issue the refund to the Company to be applied to the Customer's account.

13. WITHDRAWAL BY EGS FROM RETAIL SERVICE

13.1 Notice of Withdrawal to the Company. An EGS shall provide electronic notice to the Company in a form specified by the Company of withdrawal by the EGS from Competitive Retail Electric Service in a manner consistent with the PaPUC's rulings in Docket No. M-00960890F.0013, and any subsequent applicable PaPUC rulings.

13.2 Notice to Customers. An EGS shall provide notice to its Customers of withdrawal by the EGS from Competitive Retail Electric Service in accordance with the PaPUC's rulings in Docket No. M-00960890F.0013 and any subsequent applicable PaPUC rulings.

13.3 Costs for Noncompliance. An EGS that withdraws from retail service and fails to provide at least ninety (90) days written notice of said withdrawal shall reimburse the Company for any of the following costs associated with the withdrawal:

- (a) mailings by the Company to the EGS's Customers to inform them of the withdrawal and their options;
- (b) non-standard/manual bill calculation and production performed by the Company;
- (c) EGS data transfer responsibilities that must be performed by the Company;
- (d) charges or penalties imposed on the Company by PJM or other parties resulting from EGS non-performance; and
- (e) any and all other out-of-pocket expenses incurred by the Company as a result of the withdrawal

(C) Change

(C)

12.9 Purchase of EGS Receivables (“POR”) Program. The Company will purchase the account receivables, associated with EGS sales of Basic Electric Supply. The program will be applicable to residential and commercial Customers on Consolidated EDC Billing under the following rate schedules: Residential Service RS, General Service GS Special Provision for Volunteer Fire Company and Non-Profit Ambulance Service, Rescue Squad and Senior Center Service, General Service GS, General Service Medium GM, Street Lighting Service SV, Street Lighting Service SVD, Street Lighting Service SM and Private Outdoor Lighting Service PLS. . Provided that the Company is able to bill EGSs for all fees as provided in Section 12.9(f), the POR will be “non-recourse”, except as provided for under Section 12.9(g). To the extent the Company has to provide any consumer protections other than those provided for under Chapter 14 of the Public Utility Code and Chapters 55 and 56 of the Commission’s regulations, 52 Pa. Code §§ 55.1 and 56.1 et. seq., the costs will be borne by the EGSs. The Company will purchase only those receivables that are associated with basic electric supply services and not receivables associated with Basic Electric Supply.

EGSs will not deny service to residential customers whose accounts are included in the POR program for credit-related reasons and will not ask residential customers for deposits separate from any deposit required by the Company pursuant to Chapter 14 and Commission regulations.

The Company will purchase receivables only for service rendered on or after June 1, 2011. Receivables for service rendered before June 1, 2011 cannot be used for termination purposes.

(a) Eligibility: The POR program will be available only for EGSs who employ the Company’s Consolidated EDC Billing option. Participation in the Company’s POR program will be mandatory for any EGS that does employ the Consolidated EDC Billing option.

(C)

(b) Timing of Payments: Payments to EGSs will be made based on the current amount that is billed and owed by the Customers and will be paid 40 days after invoicing the Customer. The POR payments to EGSs will be subject to the Clawback Provision provided for in Section 12.9(g).

(C) Change

- (c) **Termination of Service:** The Company will have the ability to terminate service to a Customer for the Customer's non-payment of EGS Basic Electric Supply charges incurred after June 1, 2011 in the same manner and to the same extent that the Company could terminate service to such a Customer for non-payment of EDC charges. Residential Customers termination will be subject to the consumer protections included in Chapter 14 of the Public Utility Code, Chapters 55 and 56 of the Commission's regulations, 52 Pa. Code §§ 55.1 and 56.1 et. seq., and/or other applicable regulations as may change from time to time. The POR is only available as long as the Company is able to terminate service to Customers under Chapter 14 of the Public Utility Code and Chapters 55 and 56 of the Commission's regulations, 52 Pa. Code §§ 55.1 and 56.1 et. seq., and/or other applicable regulations as may change from time to time.
- (d) **Customer Complaints:** The Company will manage bill disputes related to purchased EGS receivables in the same manner as bill disputes related to Default Service, except that the Company will be permitted to suspend payment of the portion of an EGS receivable that is the subject of the formal or informal dispute proceeding before the Commission or an allegation made to the Company by a Customer: (i) that the Customer was placed on EGS service without Customer permission; or (ii) that the Customer's EGS rate is incorrect.
- (e) **Dispute Resolution:** To the extent concerns arise regarding the implementation of the provisions of the POR program, the parties shall attempt to resolve such disputes according to the dispute resolution procedures described in Section 18 of this Tariff. Parties also have the right to resolve such disagreements through the PaPUC's dispute resolution process.
- (f) **Administrative Fees:** The Company will make its purchase of receivables "non-recourse" but will recover administrative and consumer protection program costs from the EGSs through a charge per EGS bill rendered per month not to exceed \$0.15. (C)
- (g) **Clawback Clause:** The Company will compare average accounts receivable write off amounts to each EGSs accounts receivable write off amounts annually. Any EGS exceeding 150% of the average accounts receivable write off amount will be charged the difference between their accounts receivable write off amount and 150% of the average accounts receivable write off amount. The Company will bill the EGS for this charge in accordance with Section 12.2. (C)
- (h) **Customer Refunds:** EGSs issuing refunds to Customers included in the POR shall issue the refund to the Company to be applied to the Customer's account.

(C) Change

13. WITHDRAWAL BY EGS FROM RETAIL SERVICE

13.1 Notice of Withdrawal to the Company. An EGS shall provide electronic notice to the Company in a form specified by the Company of withdrawal by the EGS from Competitive Retail Electric Service in a manner consistent with the PaPUC's rulings in Docket No. M-00960890F.0013, and any subsequent applicable PaPUC rulings.

13.2 Notice to Customers. An EGS shall provide notice to its Customers of withdrawal by the EGS from Competitive Retail Electric Service in accordance with the PaPUC's rulings in Docket No. M-00960890F.0013 and any subsequent applicable PaPUC rulings.

13.3 Costs for Noncompliance. An EGS that withdraws from retail service and fails to provide at least ninety (90) days written notice of said withdrawal shall reimburse the Company for any of the following costs associated with the withdrawal:

- (a) mailings by the Company to the EGS's Customers to inform them of the withdrawal and their options;
- (b) non-standard/manual bill calculation and production performed by the Company;
- (c) EGS data transfer responsibilities that must be performed by the Company;
- (d) charges or penalties imposed on the Company by PJM or other parties resulting from EGS non-performance; and
- (e) any and all other out-of-pocket expenses incurred by the Company as a result of the withdrawal.

- (j) The Company will only purchase Basic Electric Supply charges. Upon request, a Registered EGS shall provide a written certification to the Company that the Registered EGS is providing only Basic Electric Supply to Customers billed under Company Consolidated Billing. If a Registered EGS is providing a Customer with a service or product that does not meet the definition of Basic Electric Supply, the Registered EGS shall be permitted to issue a separate bill for such service or product in accordance with Dual Billing for that Customer if it provides written certification to the Company that the service or product cannot be billed under Company Consolidated Billing.
- (k) Registered EGSs will not deny service to residential Customers whose accounts are included in the Company's purchase of receivables program for credit-related reasons and will not ask for deposits separate from any deposit required by the Company pursuant to PUC regulations and Act 201.

- (l) Clawback Clause: The Company will calculate annually the average percentage of write-offs as a percentage of billed revenues. The Company will compare 150% of the average accounts receivable write off percentage to each EGSs accounts receivable write off percentage. Any EGS exceeding 150% of the average accounts receivable write off percentage will be charged the difference between their actual accounts receivable write off amount and 150% of the average accounts receivable write off percentage. The Company will bill the EGS for this charge in accordance with Section 12.7.
- (m) Customer Refunds: EGSs issuing refunds to Customers included in the POR shall issue the refund to the Company to be applied to the Customer's account.

12.4.3 Billing and Payment Data Access. The Company and the Registered EGS shall transmit consumption, billing, and related data to each other using EDI transactions for the purpose of Company Consolidated Billing.

- (a) The Company shall remit Registered EGS revenue and billing data to the Registered EGS by EDI transaction.
- (b) The Registered EGS shall have access to Customer billing and payment information from the Registered EGS for the Registered EGS's presently enrolled Customers at no cost.

12.4.4 Bill Due Dates. Under Company Consolidated Billing, the Registered EGS must adopt the same bill due date as assigned by the Company. Most bill due dates will be in accordance with the Company's published bill schedule.

(C) Change

(C)

12.4.4.1 Exceptions to Bill Due Date Provisions. For Customers eligible for, and participating in, the Company's Summary Billing, meter read data is collected on its regular schedule, but the billing date and due date is adjusted to allow multiple accounts to be summarized and due on the same date. Summary Billing is a billing method that lists multiple Customer accounts on one bill statement and is only available for Dual Billing and the Rate Ready Option of Company Consolidated Billing.

12.4.5 Responsibilities in the Event of Registered EGS Default. A Registered EGS in Default using Company Consolidated Billing remains obligated to provide the Company with information necessary to allow the Company to continue Company Consolidated Billing through the conclusion of the billing cycle in which the Default occurred. The Registered EGS in Default is prohibited from issuing bills to Customers at the time of the Default unless specifically authorized by the PUC.

12.5 Billing and Payment Programs. The following programs will continue to be offered by the Company.

12.5.1 Average Payment Plan. The Monthly amount is calculated based on the most recent twelve (12) month history and may adjust with each meter reading.

- (a) The Company will continue to offer residential Customers the Average Payment Plan for its charges in accordance with the EDC Tariff.
- (b) When a Registered EGS of a Customer chooses to use Dual Billing, the Customer's Average Payment Plan will be adjusted to reflect the Company's regulated non-Basic Electric Supply charges only.
- (c) Customers seeking to enroll in, or terminate from, the Average Payment Plan must do so by contacting the Company.

12.6 Taxes. In accordance with PUC procedures, the entity that originates the charge is responsible for, and shall remit and file taxes applicable to its charges.

12.6.1 Company Tax Responsibilities. The Company is responsible for calculation, collection, and remittance of gross receipt taxes, franchise tax on delivery service, and state and local energy taxes assessed on delivery service or other products and services provided by the Company.

12.6.2 Supplier Tax Responsibilities. The Registered EGS is responsible for calculation, collection, and remittance of gross receipts taxes and state and local energy taxes assessed on all products and services provided by the Registered EGS.

(C) Change

12.7.4 Late Fee for Unpaid Balances. If payment by the Registered EGS is made to the Company after the due date shown on the bill, a late fee will be added to the unpaid balance until the entire bill is paid. This late fee will be 2% per month on the unpaid balance. A billing dispute shall be dealt with promptly in accordance with the dispute resolution procedures set forth in Rule 18.

12.7.5 Registered EGS Default. In the event the Registered EGS fails to make payment to the Company on or before the due date as described above, and such failure of payment is not corrected within thirty (30) calendar days after the Company notifies the Registered EGS to cure such failure, a Default by the Registered EGS shall be deemed to exist. In the event of a billing dispute between the Company and the Registered EGS, the Company will continue to provide service pursuant to the Individual Coordination Agreement and the EGS Tariff as long as the Registered EGS continues to make all payments. A billing dispute shall be dealt with promptly in accordance with the dispute resolution procedures set forth in Rule 18.

12.7.5.1 EGS Offset. In the event an EGS is deemed to be delinquent under 12.2.5, the Company may, at its sole discretion, reduce the reimbursement to the EGS for amounts collected by the Company by the amount owed to the Company. (C)

12.7.6 State Tax Indemnification. If the Company becomes liable under the Public Utility Code for Pennsylvania State taxes not paid by a Registered EGS, the non-compliant Registered EGS shall indemnify the Company for the amount of additional state tax liability imposed upon the Company by the Pennsylvania Department of Revenue due to the failure of the Registered EGS to pay or remit to Pennsylvania the tax imposed on its gross receipts.

12.8 Billing for Registered EGS Obligations to Other Parties. The Company will assume no responsibility for billing between a Registered EGS and any energy source or a Scheduling Coordinator and any Coordinated Suppliers.

13. WITHDRAWAL BY REGISTERED EGS FROM RETAIL SERVICE

13.1 Notice of Withdrawal to the Company. A Registered EGS shall provide electronic notice to the Company in a form specified by the Company of withdrawal by the Registered EGS from retail service in a manner consistent with the PUC's rulings in Docket No. M-00960890, and any subsequent applicable PUC rulings.

13.2 Notice to Customers. A Registered EGS shall provide notice to its Customers of withdrawal by the Registered EGS from retail service in accordance with the PUC's rulings in Docket No. M-00960890 and any subsequent applicable PUC rulings.

(C) Change