

ALLOCATED COST/REVENUE COMPARISON

1996 Cost/Revenue	PAPUC	RESIDENTIAL	GEN. SERVICE	LIGHTING
Rate Base	\$2,367,154,351	\$830,087,949	\$1,496,859,986	\$40,206,416
ROR @ 9.61%	9.61%	9.61%	9.61%	9.61%
Return	\$227,483,533	\$79,771,452	\$143,848,245	\$3,863,837
Expense	\$907,098,040	\$320,995,551	\$572,714,771	\$13,387,718
Allocated Cost of Service	\$1,134,581,573	\$400,767,003	\$716,563,016	\$17,251,555
Actual 1996 Revenues	\$1,085,649,638	\$404,017,095	\$664,497,624	\$17,134,919
Cost less Revenue	\$48,931,935	(\$3,250,092)	\$52,065,392	\$116,636
1996 Cost/Revenue (adjusted)	PAPUC	RESIDENTIAL	GEN. SERVICE	LIGHTING
Rate Base	\$2,367,154,351	\$830,087,949	\$1,496,859,986	\$40,206,416
Class Adjusted ROR	9.61%	10.69%	8.95%	11.87%
Return	\$227,483,533	\$88,773,022	\$133,938,210	\$4,772,301
Expense	\$907,098,040	\$320,995,551	\$572,714,771	\$13,387,718
Adjusted Cost of Service	\$1,134,581,573	\$409,768,573	\$706,652,981	\$18,160,019
Adjusted 1996 Revenues	\$1,104,215,125	\$408,990,686	\$677,980,833	\$17,243,606
Cost less Revenue (adjusted)	\$30,366,448	\$777,887	\$28,672,148	\$916,413

ALLOCATED COST/REVENUE COMPARISON

1996 COST/REVENUE	PA PUC	RA	RS	RH	GS/GM	GMH	GL	GLH	L	HVPS	AL	SE	SM	SH	TRAFFIC SIGNALS
Rate Base	\$2,367,154,351	\$8,291,477	\$741,796,375	\$80,000,097	\$602,175,296	\$70,313,771	\$426,787,789	\$71,921,874	\$195,420,848	\$130,240,408	\$3,123	\$13,198,087	\$25,192,269	\$292,136	\$1,520,801
ROR @ 9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%
RETURN	\$227,483,533	\$796,811	\$71,286,632	\$7,088,009	\$57,869,036	\$6,757,153	\$41,014,307	\$6,911,892	\$18,779,043	\$12,516,103	\$100	\$1,268,336	\$2,420,977	\$28,074	\$146,349
EXPENSE	\$907,098,040	\$1,093,186	\$288,739,258	\$29,163,107	\$214,260,545	\$25,098,152	\$166,408,039	\$27,756,054	\$77,618,135	\$61,573,846	\$1,164	\$4,397,912	\$8,159,716	\$94,834	\$734,092
Allocated Cost of Service	\$1,134,581,573	\$3,889,997	\$360,025,890	\$36,851,116	\$272,129,591	\$31,855,303	\$207,472,346	\$34,667,748	\$96,398,078	\$74,089,949	\$1,464	\$5,666,248	\$10,380,693	\$122,908	\$880,241
Actual Revenues	\$1,085,649,638	\$3,349,885	\$374,878,804	\$25,788,406	\$274,559,065	\$27,070,932	\$201,808,495	\$29,104,629	\$82,353,498	\$49,601,005	\$1,223	\$3,093,842	\$12,238,677	\$165,787	\$1,615,290
Cost less Revenue	\$48,931,935	\$540,112	(\$14,851,914)	\$11,062,710	(\$1,429,474)	\$4,784,373	\$5,619,851	\$5,563,117	\$14,044,580	\$24,488,944	\$141	\$2,572,406	(\$1,677,984)	(\$42,879)	(\$735,049)
Adjusted COST/REVENUE	PA PUC	RA	RS	RH	GS/GM	GMH	GL	GLH	L	HVPS	AL	SE	SM	SH	AFFIC LIGHT
Rate Base	\$2,367,154,351	\$8,291,477	\$741,796,375	\$80,000,097	\$602,175,296	\$70,313,771	\$426,787,789	\$71,921,874	\$195,420,848	\$130,240,408	\$3,123	\$13,198,087	\$25,192,269	\$292,136	\$1,520,801
ROR @ 9.61%	9.61%	10.46%	10.64%	10.46%	10.09%	10.88%	8.88%	8.73%	6.62%	11.79%	3.93%	16.75%	11.58%	24.52%	
RETURN	\$227,483,533	\$867,087	\$78,925,017	\$8,366,061	\$60,729,142	\$7,646,930	\$37,909,429	\$6,380,574	\$12,940,173	\$8,624,123	\$368	\$518,988	\$4,218,975	\$33,837	\$372,879
EXPENSE	\$907,098,040	\$3,093,186	\$288,739,258	\$29,163,107	\$214,260,545	\$25,098,152	\$166,408,039	\$27,756,054	\$77,618,135	\$61,573,846	\$1,164	\$4,397,912	\$8,159,716	\$94,834	\$734,092
Allocated Cost of Service	\$1,134,581,573	\$3,960,273	\$367,664,275	\$37,529,168	\$275,039,687	\$32,745,082	\$204,317,468	\$34,036,628	\$90,528,308	\$70,197,969	\$1,532	\$4,916,900	\$12,378,691	\$128,671	\$1,106,921
Adjusted 1996 Revenues	\$1,104,215,125	\$3,400,589	\$379,338,751	\$26,251,345	\$278,720,764	\$27,562,659	\$205,894,834	\$29,786,549	\$84,614,690	\$51,401,337	\$1,342	\$3,136,712	\$12,305,786	\$167,041	\$1,632,725
Cost less Revenue	\$30,366,448	\$559,683	(\$11,674,477)	\$11,277,823	(\$3,681,077)	\$5,182,423	(\$1,577,365)	\$4,250,079	\$5,943,618	\$18,796,632	\$190	\$1,780,189	\$72,905	(\$38,370)	(\$525,805)

DUQUESNE LIGHT COMPANY
COMPARISON BETWEEN BUNDLED AND UNBUNDLED RATES
RATE RSD - RESIDENTIAL SERVICE DELIVERY

ENERGY USAGE - KWH		0	100	200	300	400	500	750	1000	1500	2000	2500	3000	3500	4000	4500	5000
RATE RS (bundled rate)																	
Customer Charge	\$ 6.38 per month	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38
Energy Charge per kWh	\$ 0.1166 per kWh	\$ -	\$ 11.66	\$ 23.32	\$ 34.98	\$ 46.64	\$ 58.30	\$ 87.45	\$ 116.60	\$ 174.90	\$ 233.20	\$ 291.50	\$ 349.80	\$ 408.10	\$ 466.40	\$ 524.70	\$ 583.00
Monthly Bill		\$ 6.38	\$ 18.04	\$ 29.70	\$ 41.36	\$ 53.02	\$ 64.68	\$ 93.83	\$ 122.98	\$ 181.28	\$ 239.58	\$ 297.88	\$ 356.18	\$ 414.48	\$ 472.78	\$ 531.08	\$ 589.38
Supplier Market Price	1.856 cents per kWh																
DLC Customer Gen. Charge/Credit	1.856 cents per kWh																
FIXED CTC CALCULATION																	
Monthly RS Bill		\$ 6.38	\$ 18.04	\$ 29.70	\$ 41.36	\$ 53.02	\$ 64.68	\$ 93.83	\$ 122.98	\$ 181.28	\$ 239.58	\$ 297.88	\$ 356.18	\$ 414.48	\$ 472.78	\$ 531.08	\$ 589.38
Less:																	
Customer Distribution Charge	\$ 6.38 per month	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)
Transmission Charge	\$ 0.0045 per kWh	\$ -	\$ (0.45)	\$ (0.90)	\$ (1.35)	\$ (1.80)	\$ (2.25)	\$ (3.38)	\$ (4.51)	\$ (6.76)	\$ (9.02)	\$ (11.27)	\$ (13.53)	\$ (15.78)	\$ (18.03)	\$ (20.29)	\$ (22.54)
Distribution Charge	\$ 0.0281 per kWh	\$ -	\$ (2.81)	\$ (5.61)	\$ (8.42)	\$ (11.23)	\$ (14.03)	\$ (21.05)	\$ (28.07)	\$ (42.10)	\$ (56.14)	\$ (70.17)	\$ (84.20)	\$ (98.24)	\$ (112.27)	\$ (126.30)	\$ (140.34)
Variable CTC	\$ 0.0072 per kWh	\$ -	\$ (0.72)	\$ (1.43)	\$ (2.15)	\$ (2.87)	\$ (3.58)	\$ (5.37)	\$ (7.16)	\$ (10.75)	\$ (14.33)	\$ (17.91)	\$ (21.49)	\$ (25.07)	\$ (28.65)	\$ (32.24)	\$ (35.82)
DLC Customer Gen. Charge/Credit	\$ 0.01856 per kWh	\$ -	\$ (1.86)	\$ (3.71)	\$ (5.57)	\$ (7.42)	\$ (9.28)	\$ (13.92)	\$ (18.56)	\$ (27.84)	\$ (37.12)	\$ (46.40)	\$ (55.68)	\$ (64.96)	\$ (74.24)	\$ (83.52)	\$ (92.80)
Fixed CTC		\$ -	\$ 5.83	\$ 11.66	\$ 17.49	\$ 23.32	\$ 29.15	\$ 43.73	\$ 58.30	\$ 87.45	\$ 116.60	\$ 145.75	\$ 174.90	\$ 204.05	\$ 233.20	\$ 262.35	\$ 291.50
RATE RSD (proposed unbundled rate)																	
Fixed Charges																	
Customer Distribution Charge	\$ 6.38 per month	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38
Fixed CTC (per month)		\$ -	\$ 5.83	\$ 11.66	\$ 17.49	\$ 23.32	\$ 29.15	\$ 43.73	\$ 58.30	\$ 87.45	\$ 116.60	\$ 145.75	\$ 174.90	\$ 204.05	\$ 233.20	\$ 262.35	\$ 291.50
Energy Charges																	
Transmission Charge	\$ 0.0045 per kWh	\$ -	\$ 0.45	\$ 0.90	\$ 1.35	\$ 1.80	\$ 2.25	\$ 3.38	\$ 4.51	\$ 6.76	\$ 9.02	\$ 11.27	\$ 13.53	\$ 15.78	\$ 18.03	\$ 20.29	\$ 22.54
Distribution Charge	\$ 0.0281 per kWh	\$ -	\$ 2.81	\$ 5.61	\$ 8.42	\$ 11.23	\$ 14.03	\$ 21.05	\$ 28.07	\$ 42.10	\$ 56.14	\$ 70.17	\$ 84.20	\$ 98.24	\$ 112.27	\$ 126.30	\$ 140.34
Variable CTC	\$ 0.0072 per kWh	\$ -	\$ 0.72	\$ 1.43	\$ 2.15	\$ 2.87	\$ 3.58	\$ 5.37	\$ 7.16	\$ 10.75	\$ 14.33	\$ 17.91	\$ 21.49	\$ 25.07	\$ 28.65	\$ 32.24	\$ 35.82
Supplier Market Price	\$ 0.01856 per kWh	\$ -	\$ 1.86	\$ 3.71	\$ 5.57	\$ 7.42	\$ 9.28	\$ 13.92	\$ 18.56	\$ 27.84	\$ 37.12	\$ 46.40	\$ 55.68	\$ 64.96	\$ 74.24	\$ 83.52	\$ 92.80
Monthly Bill		\$ 6.38	\$ 18.04	\$ 29.70	\$ 41.36	\$ 53.02	\$ 64.68	\$ 93.83	\$ 122.98	\$ 181.28	\$ 239.58	\$ 297.88	\$ 356.18	\$ 414.48	\$ 472.78	\$ 531.08	\$ 589.38
Percent Change		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**DUQUESNE LIGHT COMPANY
COMPARISON BETWEEN BUNDLED AND UNBUNDLED RATES
RATE RHD - RESIDENTIAL SERVICE HEATING DELIVERY - WINTER**

ENERGY USAGE - KWH			0	100	200	300	400	500	750	1000	1500	2000	2500	3000	3500	4000	4500	5000	
RATE RH (bundled rate)																			
Customer Charge	\$	6.38	per month	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	
Energy Charges																			
First Block (up to 500 kWh)	\$	0.1166	per kWh	\$ -	\$ 11.66	\$ 23.32	\$ 34.98	\$ 46.64	\$ 58.30	\$ 58.30	\$ 58.30	\$ 58.30	\$ 58.30	\$ 58.30	\$ 58.30	\$ 58.30	\$ 58.30	\$ 58.30	
Excess kWh	\$	0.0449	per kWh	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11.23	\$ 22.45	\$ 44.90	\$ 67.35	\$ 89.80	\$ 112.25	\$ 134.70	\$ 157.15	\$ 179.60	\$ 202.05	
Monthly Bill				\$ 6.38	\$ 18.04	\$ 29.70	\$ 41.36	\$ 53.02	\$ 64.68	\$ 75.91	\$ 87.13	\$ 109.58	\$ 132.03	\$ 154.48	\$ 176.93	\$ 199.38	\$ 221.83	\$ 244.28	\$ 266.73

Supplier Market Price 1.844 cents per kWh
DLC Customer Gen. Charge/Credit 1.844 cents per kWh

FIXED CTC CALCULATION

Monthly RH Bill	\$	6.38	\$ 18.04	\$ 29.70	\$ 41.36	\$ 53.02	\$ 64.68	\$ 75.91	\$ 87.13	\$ 109.58	\$ 132.03	\$ 154.48	\$ 176.93	\$ 199.38	\$ 221.83	\$ 244.28	\$ 266.73	
Less:																		
Customer Distribution Charge	\$	6.38	per month	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)
Transmission Charges																		
First 500 kWh	\$	0.0052	per kWh	\$ -	\$ (0.52)	\$ (1.05)	\$ (1.57)	\$ (2.10)	\$ (2.62)	\$ (2.62)	\$ (2.62)	\$ (2.62)	\$ (2.62)	\$ (2.62)	\$ (2.62)	\$ (2.62)	\$ (2.62)	\$ (2.62)
Excess kWh	\$	0.0035	per kWh	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (0.87)	\$ (1.74)	\$ (3.48)	\$ (5.22)	\$ (6.97)	\$ (8.71)	\$ (10.45)	\$ (12.19)	\$ (13.93)	\$ (15.67)
Distribution Charges																		
First 500 kWh	\$	0.0316	per kWh	\$ -	\$ (3.16)	\$ (6.32)	\$ (9.48)	\$ (12.64)	\$ (15.80)	\$ (15.80)	\$ (15.80)	\$ (15.80)	\$ (15.80)	\$ (15.80)	\$ (15.80)	\$ (15.80)	\$ (15.80)	\$ (15.80)
Excess kWh	\$	0.0210	per kWh	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5.25)	\$ (10.49)	\$ (20.98)	\$ (31.47)	\$ (41.96)	\$ (52.45)	\$ (62.94)	\$ (73.43)	\$ (83.92)	\$ (94.41)
Variable CTC Charges																		
First 500 kWh	\$	0.0030	per kWh	\$ -	\$ (0.30)	\$ (0.60)	\$ (0.90)	\$ (1.20)	\$ (1.50)	\$ (1.50)	\$ (1.50)	\$ (1.50)	\$ (1.50)	\$ (1.50)	\$ (1.50)	\$ (1.50)	\$ (1.50)	\$ (1.50)
Excess kWh	\$	0.0020	per kWh	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (0.50)	\$ (1.00)	\$ (2.00)	\$ (3.00)	\$ (4.99)	\$ (6.99)	\$ (8.99)	\$ (10.99)	\$ (12.99)	\$ (14.99)
DLC Customer Gen. Charge/Credit	\$	0.01844	per kWh	\$ -	\$ (1.84)	\$ (3.69)	\$ (5.53)	\$ (7.38)	\$ (9.22)	\$ (13.83)	\$ (18.44)	\$ (27.66)	\$ (36.88)	\$ (46.10)	\$ (55.32)	\$ (64.54)	\$ (73.76)	\$ (82.98)
Fixed CTC	\$	-	\$ 5.83	\$ 11.66	\$ 17.49	\$ 23.32	\$ 29.15	\$ 29.15	\$ 29.15	\$ 29.15	\$ 29.15	\$ 29.15	\$ 29.15	\$ 29.15	\$ 29.15	\$ 29.15	\$ 29.15	\$ 29.15

RATE RHD (proposed unbundled rate)

Fixed Charges																		
Customer Distribution Charge	\$	6.38	per month	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38
Fixed CTC (per month)	\$	-	\$ 5.83	\$ 11.66	\$ 17.49	\$ 23.32	\$ 29.15	\$ 29.15	\$ 29.15	\$ 29.15	\$ 29.15	\$ 29.15	\$ 29.15	\$ 29.15	\$ 29.15	\$ 29.15	\$ 29.15	\$ 29.15
Delivery Charges-Energy																		
Transmission Charges																		
First 500 kWh	\$	0.0052	per kWh	\$ -	\$ 0.52	\$ 1.05	\$ 1.57	\$ 2.10	\$ 2.62	\$ 2.62	\$ 2.62	\$ 2.62	\$ 2.62	\$ 2.62	\$ 2.62	\$ 2.62	\$ 2.62	\$ 2.62
Excess kWh	\$	0.0035	per kWh	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.87	\$ 1.74	\$ 3.48	\$ 5.22	\$ 6.97	\$ 8.71	\$ 10.45	\$ 12.19	\$ 13.93	\$ 15.67
Distribution Charges																		
First 500 kWh	\$	0.0316	per kWh	\$ -	\$ 3.16	\$ 6.32	\$ 9.48	\$ 12.64	\$ 15.80	\$ 15.80	\$ 15.80	\$ 15.80	\$ 15.80	\$ 15.80	\$ 15.80	\$ 15.80	\$ 15.80	\$ 15.80
Excess kWh	\$	0.0210	per kWh	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5.25	\$ 10.49	\$ 20.98	\$ 31.47	\$ 41.96	\$ 52.45	\$ 62.94	\$ 73.43	\$ 83.92	\$ 94.41
Variable CTC Charges																		
First 500 kWh	\$	0.0030	per kWh	\$ -	\$ 0.30	\$ 0.60	\$ 0.90	\$ 1.20	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50
Excess kWh	\$	0.0020	per kWh	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.50	\$ 1.00	\$ 2.00	\$ 3.00	\$ 3.99	\$ 4.99	\$ 5.99	\$ 6.99	\$ 7.99	\$ 8.99
Supplier Market Price	\$	0.01844	per kWh	\$ -	\$ 1.84	\$ 3.69	\$ 5.53	\$ 7.38	\$ 9.22	\$ 13.83	\$ 18.44	\$ 27.66	\$ 36.88	\$ 46.10	\$ 55.32	\$ 64.54	\$ 73.76	\$ 82.98
Monthly Bill	\$	6.38	\$ 18.04	\$ 29.70	\$ 41.36	\$ 53.02	\$ 64.68	\$ 75.91	\$ 87.13	\$ 109.58	\$ 132.03	\$ 154.48	\$ 176.93	\$ 199.38	\$ 221.83	\$ 244.28	\$ 266.73	
Percent Change				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

DUQUESNE LIGHT COMPANY
COMPARISON BETWEEN BUNDLED AND UNBUNDLED RATES
RATE RHD - RESIDENTIAL SERVICE HEATING DELIVERY - SUMMER

ENERGY USAGE - KWH		0	100	200	300	400	500	750	1000	1500	2000	2500	3000	3500	4000	4500	5000
RATE RH (bundled rate)																	
Customer Charge	\$ 6.38 per month	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38
Energy Charges																	
First Block (up to 500 kWh)	\$ 0.1166 per kWh	\$ -	\$ 11.66	\$ 23.32	\$ 34.98	\$ 46.64	\$ 58.30	\$ 58.30	\$ 58.30	\$ 58.30	\$ 58.30	\$ 58.30	\$ 58.30	\$ 58.30	\$ 58.30	\$ 58.30	\$ 58.30
Excess kWh	\$ 0.1166 per kWh	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29.15	\$ 58.30	\$ 116.60	\$ 174.90	\$ 233.20	\$ 291.50	\$ 349.80	\$ 408.10	\$ 466.40	\$ 524.70
Monthly Bill		\$ 6.38	\$ 18.04	\$ 29.70	\$ 41.36	\$ 53.02	\$ 64.68	\$ 93.83	\$ 122.98	\$ 181.28	\$ 239.58	\$ 297.88	\$ 356.18	\$ 414.48	\$ 472.78	\$ 531.08	\$ 589.38

Supplier Market Price 1.844 cents per kWh
DLC Customer Gen. Charge/Credit 1.844 cents per kWh

FIXED CTC CALCULATION

Monthly RH Bill		\$ 6.38	\$ 18.04	\$ 29.70	\$ 41.36	\$ 53.02	\$ 64.68	\$ 93.83	\$ 122.98	\$ 181.28	\$ 239.58	\$ 297.88	\$ 356.18	\$ 414.48	\$ 472.78	\$ 531.08	\$ 589.38
Less:																	
Customer Distribution Charge	\$ 6.38 per month	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)
Transmission Charges																	
First 500 kWh	\$ 0.0052 per kWh	\$ -	\$ (0.52)	\$ (1.05)	\$ (1.57)	\$ (2.10)	\$ (2.62)	\$ (2.62)	\$ (2.62)	\$ (2.62)	\$ (2.62)	\$ (2.62)	\$ (2.62)	\$ (2.62)	\$ (2.62)	\$ (2.62)	\$ (2.62)
Excess kWh	\$ 0.0052 per kWh	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1.31)	\$ (2.62)	\$ (5.25)	\$ (7.87)	\$ (10.49)	\$ (13.12)	\$ (15.74)	\$ (18.36)	\$ (20.99)	\$ (23.61)
Distribution Charges																	
First 500 kWh	\$ 0.0316 per kWh	\$ -	\$ (3.16)	\$ (6.32)	\$ (9.48)	\$ (12.64)	\$ (15.80)	\$ (15.80)	\$ (15.80)	\$ (15.80)	\$ (15.80)	\$ (15.80)	\$ (15.80)	\$ (15.80)	\$ (15.80)	\$ (15.80)	\$ (15.80)
Excess kWh	\$ 0.0316 per kWh	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (7.90)	\$ (15.80)	\$ (31.60)	\$ (47.41)	\$ (63.21)	\$ (79.01)	\$ (94.81)	\$ (110.62)	\$ (126.42)	\$ (142.22)
Variable CTC Charges																	
First 500 kWh	\$ 0.0030 per kWh	\$ -	\$ (0.30)	\$ (0.60)	\$ (0.90)	\$ (1.20)	\$ (1.50)	\$ (1.50)	\$ (1.50)	\$ (1.50)	\$ (1.50)	\$ (1.50)	\$ (1.50)	\$ (1.50)	\$ (1.50)	\$ (1.50)	\$ (1.50)
Excess kWh	\$ 0.0030 per kWh	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (0.75)	\$ (1.50)	\$ (3.01)	\$ (4.51)	\$ (6.02)	\$ (7.52)	\$ (9.03)	\$ (10.53)	\$ (12.03)	\$ (13.54)
DLC Customer Gen. Charge/Credit	\$ 0.01844 per kWh	\$ -	\$ (1.84)	\$ (3.69)	\$ (5.53)	\$ (7.38)	\$ (9.22)	\$ (13.83)	\$ (18.44)	\$ (27.66)	\$ (36.88)	\$ (46.10)	\$ (55.32)	\$ (64.54)	\$ (73.76)	\$ (82.98)	\$ (92.20)
Fixed CTC		\$ -	\$ 5.83	\$ 11.66	\$ 17.49	\$ 23.32	\$ 29.15	\$ 43.73	\$ 58.30	\$ 87.45	\$ 116.60	\$ 145.75	\$ 174.90	\$ 204.05	\$ 233.20	\$ 262.35	\$ 291.50

RATE RHD (proposed unbundled rate)

Fixed Charges																	
Customer Distribution Charge	\$ 6.38 per month	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38
Fixed CTC (per month)		\$ -	\$ 5.83	\$ 11.66	\$ 17.49	\$ 23.32	\$ 29.15	\$ 43.73	\$ 58.30	\$ 87.45	\$ 116.60	\$ 145.75	\$ 174.90	\$ 204.05	\$ 233.20	\$ 262.35	\$ 291.50
Delivery Charges-Energy																	
Transmission Charges																	
First 500 kWh	\$ 0.0052 per kWh	\$ -	\$ 0.52	\$ 1.05	\$ 1.57	\$ 2.10	\$ 2.62	\$ 2.62	\$ 2.62	\$ 2.62	\$ 2.62	\$ 2.62	\$ 2.62	\$ 2.62	\$ 2.62	\$ 2.62	\$ 2.62
Excess kWh	\$ 0.0052 per kWh	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1.31	\$ 2.62	\$ 5.25	\$ 7.87	\$ 10.49	\$ 13.12	\$ 15.74	\$ 18.36	\$ 20.99	\$ 23.61
Distribution Charges																	
First 500 kWh	\$ 0.0316 per kWh	\$ -	\$ 3.16	\$ 6.32	\$ 9.48	\$ 12.64	\$ 15.80	\$ 15.80	\$ 15.80	\$ 15.80	\$ 15.80	\$ 15.80	\$ 15.80	\$ 15.80	\$ 15.80	\$ 15.80	\$ 15.80
Excess kWh	\$ 0.0316 per kWh	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7.90	\$ 15.80	\$ 31.60	\$ 47.41	\$ 63.21	\$ 79.01	\$ 94.81	\$ 110.62	\$ 126.42	\$ 142.22
Variable CTC Charges																	
First 500 kWh	\$ 0.0030 per kWh	\$ -	\$ 0.30	\$ 0.60	\$ 0.90	\$ 1.20	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50	\$ 1.50
Excess kWh	\$ 0.0030 per kWh	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.75	\$ 1.50	\$ 3.01	\$ 4.51	\$ 6.02	\$ 7.52	\$ 9.03	\$ 10.53	\$ 12.03	\$ 13.54
Supplier Market Price	\$ 0.01844 per kWh	\$ -	\$ 1.84	\$ 3.69	\$ 5.53	\$ 7.38	\$ 9.22	\$ 13.83	\$ 18.44	\$ 27.66	\$ 36.88	\$ 46.10	\$ 55.32	\$ 64.54	\$ 73.76	\$ 82.98	\$ 92.20
Monthly Bill		\$ 6.38	\$ 18.04	\$ 29.70	\$ 41.36	\$ 53.02	\$ 64.68	\$ 93.83	\$ 122.98	\$ 181.28	\$ 239.58	\$ 297.88	\$ 356.18	\$ 414.48	\$ 472.78	\$ 531.08	\$ 589.38
Percent Change		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**DUQUESNE LIGHT COMPANY
COMPARISON BETWEEN BUNDLED AND UNBUNDLED RATES
RATE RAD - RESIDENTIAL SERVICE ADD-ON HEAT PUMP DELIVERY - WINTER**

ENERGY USAGE - KWH		0	100	200	300	400	500	750	1000	1500	2000	2500	3000	3500	4000	4500	5000	
RATE RA (bundled rate)																		
Customer Charge	\$ 6.38 per month	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38
Energy Charges																		
First Block (up to 500 kWh)	\$ 0.1166 per kWh	\$ -	\$ 11.66	\$ 23.32	\$ 34.98	\$ 46.64	\$ 58.30	\$ 58.30	\$ 58.30	\$ 58.30	\$ 58.30	\$ 58.30	\$ 58.30	\$ 58.30	\$ 58.30	\$ 58.30	\$ 58.30	\$ 58.30
Excess kWh	\$ 0.0449 per kWh	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11.23	\$ 22.45	\$ 44.90	\$ 67.35	\$ 89.80	\$ 112.25	\$ 134.70	\$ 157.15	\$ 179.60	\$ 202.05	
Monthly Bill		\$ 6.38	\$ 18.04	\$ 29.70	\$ 41.36	\$ 53.02	\$ 64.68	\$ 75.91	\$ 87.13	\$ 109.58	\$ 132.03	\$ 154.48	\$ 176.93	\$ 199.38	\$ 221.83	\$ 244.28	\$ 266.73	

Supplier Market Price 1.848 cents per kWh
DLC Customer Gen. Charge/Credit 1.848 cents per kWh

FIXED CTC CALCULATION

Monthly RA Bill		\$ 6.38	\$ 18.04	\$ 29.70	\$ 41.36	\$ 53.02	\$ 64.68	\$ 75.91	\$ 87.13	\$ 109.58	\$ 132.03	\$ 154.48	\$ 176.93	\$ 199.38	\$ 221.83	\$ 244.28	\$ 266.73	
Less:																		
Customer Distribution Charge	\$ 6.38 per month	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)
Transmission Charges																		
First 500 kWh	\$ 0.0051 per kWh	\$ -	\$ (0.51)	\$ (1.03)	\$ (1.54)	\$ (2.05)	\$ (2.56)	\$ (2.56)	\$ (2.56)	\$ (2.56)	\$ (2.56)	\$ (2.56)	\$ (2.56)	\$ (2.56)	\$ (2.56)	\$ (2.56)	\$ (2.56)	\$ (2.56)
Excess kWh	\$ 0.0034 per kWh	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (0.85)	\$ (1.70)	\$ (3.40)	\$ (5.10)	\$ (6.80)	\$ (8.50)	\$ (10.20)	\$ (11.90)	\$ (13.60)	\$ (15.30)	
Distribution Charges																		
First 500 kWh	\$ 0.0279 per kWh	\$ -	\$ (2.79)	\$ (5.57)	\$ (8.36)	\$ (11.15)	\$ (13.93)	\$ (13.93)	\$ (13.93)	\$ (13.93)	\$ (13.93)	\$ (13.93)	\$ (13.93)	\$ (13.93)	\$ (13.93)	\$ (13.93)	\$ (13.93)	\$ (13.93)
Excess kWh	\$ 0.0185 per kWh	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4.62)	\$ (9.25)	\$ (18.49)	\$ (27.74)	\$ (36.98)	\$ (46.23)	\$ (55.47)	\$ (64.72)	\$ (73.96)	\$ (83.21)	
Variable CTC Charges																		
First 500 kWh	\$ 0.0068 per kWh	\$ -	\$ (0.68)	\$ (1.37)	\$ (2.05)	\$ (2.73)	\$ (3.41)	\$ (3.41)	\$ (3.41)	\$ (3.41)	\$ (3.41)	\$ (3.41)	\$ (3.41)	\$ (3.41)	\$ (3.41)	\$ (3.41)	\$ (3.41)	\$ (3.41)
Excess kWh	\$ 0.0045 per kWh	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1.13)	\$ (2.26)	\$ (4.53)	\$ (6.79)	\$ (9.06)	\$ (11.32)	\$ (13.59)	\$ (15.85)	\$ (18.11)	\$ (20.38)	
DLC Customer Gen. Charge/Credit	\$ 0.01848 per kWh	\$ -	\$ (1.85)	\$ (3.70)	\$ (5.54)	\$ (7.39)	\$ (9.24)	\$ (13.86)	\$ (18.48)	\$ (27.72)	\$ (36.96)	\$ (46.20)	\$ (55.44)	\$ (64.68)	\$ (73.92)	\$ (83.16)	\$ (92.40)	
Fixed CTC		\$ -	\$ 5.83	\$ 11.66	\$ 17.49	\$ 23.32	\$ 29.15	\$ 29.15	\$ 29.15	\$ 29.15	\$ 29.15	\$ 29.15	\$ 29.15	\$ 29.15	\$ 29.15	\$ 29.15	\$ 29.15	\$ 29.15

RATE RAD (proposed unbundled rate)

Fixed Charges																		
Customer Distribution Charge	\$ 6.38 per month	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38
Fixed CTC		\$ -	\$ 5.83	\$ 11.66	\$ 17.49	\$ 23.32	\$ 29.15	\$ 29.15	\$ 29.15	\$ 29.15	\$ 29.15	\$ 29.15	\$ 29.15	\$ 29.15	\$ 29.15	\$ 29.15	\$ 29.15	\$ 29.15
Delivery Charges-Energy																		
Transmission Charges																		
First 500 kWh	\$ 0.0051 per kWh	\$ -	\$ 0.51	\$ 1.03	\$ 1.54	\$ 2.05	\$ 2.56	\$ 2.56	\$ 2.56	\$ 2.56	\$ 2.56	\$ 2.56	\$ 2.56	\$ 2.56	\$ 2.56	\$ 2.56	\$ 2.56	\$ 2.56
Excess kWh	\$ 0.0034 per kWh	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.85	\$ 1.70	\$ 3.40	\$ 5.10	\$ 6.80	\$ 8.50	\$ 10.20	\$ 11.90	\$ 13.60	\$ 15.30	
Distribution Charges																		
First 500 kWh	\$ 0.0279 per kWh	\$ -	\$ 2.79	\$ 5.57	\$ 8.36	\$ 11.15	\$ 13.93	\$ 13.93	\$ 13.93	\$ 13.93	\$ 13.93	\$ 13.93	\$ 13.93	\$ 13.93	\$ 13.93	\$ 13.93	\$ 13.93	\$ 13.93
Excess kWh	\$ 0.0185 per kWh	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4.62	\$ 9.25	\$ 18.49	\$ 27.74	\$ 36.98	\$ 46.23	\$ 55.47	\$ 64.72	\$ 73.96	\$ 83.21	
Variable CTC Charges																		
First 500 kWh	\$ 0.0068 per kWh	\$ -	\$ 0.68	\$ 1.37	\$ 2.05	\$ 2.73	\$ 3.41	\$ 3.41	\$ 3.41	\$ 3.41	\$ 3.41	\$ 3.41	\$ 3.41	\$ 3.41	\$ 3.41	\$ 3.41	\$ 3.41	\$ 3.41
Excess kWh	\$ 0.0045 per kWh	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1.13	\$ 2.26	\$ 4.53	\$ 6.79	\$ 9.06	\$ 11.32	\$ 13.59	\$ 15.85	\$ 18.11	\$ 20.38	
Supplier Market Price	\$ 0.01848 per kWh	\$ -	\$ 1.85	\$ 3.70	\$ 5.54	\$ 7.39	\$ 9.24	\$ 13.86	\$ 18.48	\$ 27.72	\$ 36.96	\$ 46.20	\$ 55.44	\$ 64.68	\$ 73.92	\$ 83.16	\$ 92.40	
Monthly Bill		\$ 6.38	\$ 18.04	\$ 29.70	\$ 41.36	\$ 53.02	\$ 64.68	\$ 75.91	\$ 87.13	\$ 109.58	\$ 132.03	\$ 154.48	\$ 176.93	\$ 199.38	\$ 221.83	\$ 244.28	\$ 266.73	
Percent Change		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

DUQUESNE LIGHT COMPANY
COMPARISON BETWEEN BUNDLED AND UNBUNDLED RATES
RATE RAD - RESIDENTIAL SERVICE ADD-ON HEAT PUMP DELIVERY - SUMMER

ENERGY USAGE - KWH		0	100	200	300	400	500	750	1000	1500	2000	2500	3000	3500	4000	4500	5000	
RATE RA (bundled rate)																		
Customer Charge	\$ 6.38 per month	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38
Energy Charges																		
First Block (up to 500 kWh)	\$ 0.1166 per kWh	\$ -	\$ 11.66	\$ 23.32	\$ 34.98	\$ 46.64	\$ 58.30	\$ 58.30	\$ 58.30	\$ 58.30	\$ 58.30	\$ 58.30	\$ 58.30	\$ 58.30	\$ 58.30	\$ 58.30	\$ 58.30	\$ 58.30
Excess kWh	\$ 0.1166 per kWh	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29.15	\$ 58.30	\$ 116.60	\$ 174.90	\$ 233.20	\$ 291.50	\$ 349.80	\$ 408.10	\$ 466.40	\$ 524.70	
Monthly Bill		\$ 6.38	\$ 18.04	\$ 29.70	\$ 41.36	\$ 53.02	\$ 64.68	\$ 93.83	\$ 122.98	\$ 181.28	\$ 239.58	\$ 297.88	\$ 356.18	\$ 414.48	\$ 472.78	\$ 531.08	\$ 589.38	

Supplier Market Price 1.848 cents per kWh
DLC Customer Gen. Charge/Credit 1.848 cents per kWh

FIXED CTC CALCULATION																		
Monthly RA Bill		\$ 6.38	\$ 18.04	\$ 29.70	\$ 41.36	\$ 53.02	\$ 64.68	\$ 93.83	\$ 122.98	\$ 181.28	\$ 239.58	\$ 297.88	\$ 356.18	\$ 414.48	\$ 472.78	\$ 531.08	\$ 589.38	
Less:																		
Customer Distribution Charge	\$ 6.38 per month	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)	\$ (6.38)	
Transmission Charges																		
First 500 kWh	\$ 0.0051 per kWh	\$ -	\$ (0.51)	\$ (1.03)	\$ (1.54)	\$ (2.05)	\$ (2.56)	\$ (2.56)	\$ (2.56)	\$ (2.56)	\$ (2.56)	\$ (2.56)	\$ (2.56)	\$ (2.56)	\$ (2.56)	\$ (2.56)	\$ (2.56)	
Excess kWh	\$ 0.0051 per kWh	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1.28)	\$ (2.56)	\$ (5.13)	\$ (7.69)	\$ (10.25)	\$ (12.81)	\$ (15.38)	\$ (17.94)	\$ (20.50)	\$ (23.07)	
Distribution Charges																		
First 500 kWh	\$ 0.0279 per kWh	\$ -	\$ (2.79)	\$ (5.57)	\$ (8.36)	\$ (11.15)	\$ (13.93)	\$ (13.93)	\$ (13.93)	\$ (13.93)	\$ (13.93)	\$ (13.93)	\$ (13.93)	\$ (13.93)	\$ (13.93)	\$ (13.93)	\$ (13.93)	
Excess kWh	\$ 0.0279 per kWh	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (6.97)	\$ (13.93)	\$ (27.87)	\$ (41.80)	\$ (55.74)	\$ (69.67)	\$ (83.61)	\$ (97.54)	\$ (111.48)	\$ (125.41)	
Variable CTC Charges																		
First 500 kWh	\$ 0.0068 per kWh	\$ -	\$ (0.68)	\$ (1.37)	\$ (2.05)	\$ (2.73)	\$ (3.41)	\$ (3.41)	\$ (3.41)	\$ (3.41)	\$ (3.41)	\$ (3.41)	\$ (3.41)	\$ (3.41)	\$ (3.41)	\$ (3.41)	\$ (3.41)	
Excess kWh	\$ 0.0068 per kWh	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1.71)	\$ (3.41)	\$ (6.83)	\$ (10.24)	\$ (13.65)	\$ (17.06)	\$ (20.48)	\$ (23.89)	\$ (27.30)	\$ (30.71)	
DLC Customer Gen. Charge/Credit	\$ 0.01848 per kWh	\$ -	\$ (1.85)	\$ (3.70)	\$ (5.54)	\$ (7.39)	\$ (9.24)	\$ (13.86)	\$ (18.48)	\$ (27.72)	\$ (36.96)	\$ (46.20)	\$ (55.44)	\$ (64.68)	\$ (73.92)	\$ (83.16)	\$ (92.40)	
Fixed CTC		\$ -	\$ 5.83	\$ 11.66	\$ 17.49	\$ 23.32	\$ 29.15	\$ 43.73	\$ 58.30	\$ 87.45	\$ 116.60	\$ 145.75	\$ 174.90	\$ 204.05	\$ 233.20	\$ 262.35	\$ 291.50	

RATE RAD (proposed unbundled rate)																		
Fixed Charges																		
Customer Distribution Charge	\$ 6.38 per month	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	\$ 6.38	
Fixed CTC (per month)		\$ -	\$ 5.83	\$ 11.66	\$ 17.49	\$ 23.32	\$ 29.15	\$ 43.73	\$ 58.30	\$ 87.45	\$ 116.60	\$ 145.75	\$ 174.90	\$ 204.05	\$ 233.20	\$ 262.35	\$ 291.50	
Delivery Charges-Energy																		
Transmission Charges																		
First 500 kWh	\$ 0.0051 per kWh	\$ -	\$ 0.51	\$ 1.03	\$ 1.54	\$ 2.05	\$ 2.56	\$ 2.56	\$ 2.56	\$ 2.56	\$ 2.56	\$ 2.56	\$ 2.56	\$ 2.56	\$ 2.56	\$ 2.56	\$ 2.56	
Excess kWh	\$ 0.0051 per kWh	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1.28	\$ 2.56	\$ 5.13	\$ 7.69	\$ 10.25	\$ 12.81	\$ 15.38	\$ 17.94	\$ 20.50	\$ 23.07	
Distribution Charges																		
First 500 kWh	\$ 0.0279 per kWh	\$ -	\$ 2.79	\$ 5.57	\$ 8.36	\$ 11.15	\$ 13.93	\$ 13.93	\$ 13.93	\$ 13.93	\$ 13.93	\$ 13.93	\$ 13.93	\$ 13.93	\$ 13.93	\$ 13.93	\$ 13.93	
Excess kWh	\$ 0.0279 per kWh	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6.97	\$ 13.93	\$ 27.87	\$ 41.80	\$ 55.74	\$ 69.67	\$ 83.61	\$ 97.54	\$ 111.48	\$ 125.41	
Variable CTC Charges																		
First 500 kWh	\$ 0.0068 per kWh	\$ -	\$ 0.68	\$ 1.37	\$ 2.05	\$ 2.73	\$ 3.41	\$ 3.41	\$ 3.41	\$ 3.41	\$ 3.41	\$ 3.41	\$ 3.41	\$ 3.41	\$ 3.41	\$ 3.41	\$ 3.41	
Excess kWh	\$ 0.0068 per kWh	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1.71	\$ 3.41	\$ 6.83	\$ 10.24	\$ 13.65	\$ 17.06	\$ 20.48	\$ 23.89	\$ 27.30	\$ 30.71	
Supplier Market Price	\$ 0.01848 per kWh	\$ -	\$ 1.85	\$ 3.70	\$ 5.54	\$ 7.39	\$ 9.24	\$ 13.86	\$ 18.48	\$ 27.72	\$ 36.96	\$ 46.20	\$ 55.44	\$ 64.68	\$ 73.92	\$ 83.16	\$ 92.40	
Monthly Bill		\$ 6.38	\$ 18.04	\$ 29.70	\$ 41.36	\$ 53.02	\$ 64.68	\$ 93.83	\$ 122.98	\$ 181.28	\$ 239.58	\$ 297.88	\$ 356.18	\$ 414.48	\$ 472.78	\$ 531.08	\$ 589.38	
Percent Change		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	

**DUQUESNE LIGHT COMPANY
COMPARISON BETWEEN BUNDLED AND UNBUNDLED RATES
RATE GS/GMD - GENERAL SERVICE SMALL AND MEDIUM DELIVERY**

MONTHLY DEMAND = 100 KW

Load Factor	0%	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%
Demand - kW	100	100	100	100	100	100	100	100	100	100	100
Usage - kWh	-	7,300	14,600	21,900	29,200	36,500	43,800	51,100	58,400	65,700	73,000

Rate GS/GM (bundled rate)

Customer Charge	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07
Capacity Charge												
First 5 kW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Excess kW	\$ 18.34	\$ 1,742.30	\$ 1,742.30	\$ 1,742.30	\$ 1,742.30	\$ 1,742.30	\$ 1,742.30	\$ 1,742.30	\$ 1,742.30	\$ 1,742.30	\$ 1,742.30	\$ 1,742.30
Energy Charge												
First 550 kWh	\$ 0.1397	\$ -	\$ 76.84	\$ 76.84	\$ 76.84	\$ 76.84	\$ 76.84	\$ 76.84	\$ 76.84	\$ 76.84	\$ 76.84	\$ 76.84
Next 750 kWh	\$ 0.1309	\$ -	\$ 98.18	\$ 98.18	\$ 98.18	\$ 98.18	\$ 98.18	\$ 98.18	\$ 98.18	\$ 98.18	\$ 98.18	\$ 98.18
Excess kWh	\$ 0.0380	\$ -	\$ 228.00	\$ 505.40	\$ 782.80	\$ 1,060.20	\$ 1,337.60	\$ 1,615.00	\$ 1,892.40	\$ 2,169.80	\$ 2,447.20	\$ 2,724.60
Monthly Total	\$ 1,751.37	\$ 2,154.38	\$ 2,431.78	\$ 2,709.18	\$ 2,986.58	\$ 3,263.98	\$ 3,541.38	\$ 3,818.78	\$ 4,096.18	\$ 4,373.58	\$ 4,650.98	

Supplier Market Price \$0.00 per kW
 DLC Customer Gen. Charge/Credit 1.8640 cents per kWh
 1.8640 cents per kWh

GSD/GMD CTC Calculation

Base Bill	\$ 1,751.37	\$ 2,154.38	\$ 2,431.78	\$ 2,709.18	\$ 2,986.58	\$ 3,263.98	\$ 3,541.38	\$ 3,818.78	\$ 4,096.18	\$ 4,373.58	\$ 4,650.98
Less:											
Customer Charge	\$ 9.07	\$ (9.07)	\$ (9.07)	\$ (9.07)	\$ (9.07)	\$ (9.07)	\$ (9.07)	\$ (9.07)	\$ (9.07)	\$ (9.07)	\$ (9.07)
<u>Delivery Charges-Demand</u>											
Transmission											
First 5 kW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Excess kW	\$ 0.93	\$ (88.62)	\$ (88.62)	\$ (88.62)	\$ (88.62)	\$ (88.62)	\$ (88.62)	\$ (88.62)	\$ (88.62)	\$ (88.62)	\$ (88.62)
Distribution											
First 5 kW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Excess kW	\$ 4.45	\$ (422.33)	\$ (422.33)	\$ (422.33)	\$ (422.33)	\$ (422.33)	\$ (422.33)	\$ (422.33)	\$ (422.33)	\$ (422.33)	\$ (422.33)
CTC											
First 5 kW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Excess kW	\$ 3.79	\$ (360.21)	\$ (360.21)	\$ (360.21)	\$ (360.21)	\$ (360.21)	\$ (360.21)	\$ (360.21)	\$ (360.21)	\$ (360.21)	\$ (360.21)
<u>Delivery Charges-Energy</u>											
Transmission											
First 550 kWh	\$ 0.0052	\$ -	\$ (2.87)	\$ (2.87)	\$ (2.87)	\$ (2.87)	\$ (2.87)	\$ (2.87)	\$ (2.87)	\$ (2.87)	\$ (2.87)
Next 750 kWh	\$ 0.0048	\$ -	\$ (3.57)	\$ (3.57)	\$ (3.57)	\$ (3.57)	\$ (3.57)	\$ (3.57)	\$ (3.57)	\$ (3.57)	\$ (3.57)
Excess kWh	\$ 0.0020	\$ -	\$ (11.82)	\$ (26.19)	\$ (40.57)	\$ (54.95)	\$ (69.32)	\$ (83.70)	\$ (98.07)	\$ (112.45)	\$ (126.83)
Distribution											
First 550 kWh	\$ 0.0248	\$ -	\$ (13.65)	\$ (13.65)	\$ (13.65)	\$ (13.65)	\$ (13.65)	\$ (13.65)	\$ (13.65)	\$ (13.65)	\$ (13.65)
Next 750 kWh	\$ 0.0227	\$ -	\$ (17.02)	\$ (17.02)	\$ (17.02)	\$ (17.02)	\$ (17.02)	\$ (17.02)	\$ (17.02)	\$ (17.02)	\$ (17.02)
Excess kWh	\$ 0.0094	\$ -	\$ (56.31)	\$ (124.83)	\$ (193.34)	\$ (261.86)	\$ (330.37)	\$ (398.89)	\$ (467.40)	\$ (535.92)	\$ (604.43)
Variable CTC											
First 550 kWh	\$ 0.0212	\$ -	\$ (11.65)	\$ (11.65)	\$ (11.65)	\$ (11.65)	\$ (11.65)	\$ (11.65)	\$ (11.65)	\$ (11.65)	\$ (11.65)
Next 750 kWh	\$ 0.0194	\$ -	\$ (14.52)	\$ (14.52)	\$ (14.52)	\$ (14.52)	\$ (14.52)	\$ (14.52)	\$ (14.52)	\$ (14.52)	\$ (14.52)
Excess kWh	\$ 0.0080	\$ -	\$ (48.03)	\$ (106.47)	\$ (164.90)	\$ (223.34)	\$ (281.78)	\$ (340.21)	\$ (398.65)	\$ (457.09)	\$ (515.52)
DLC Customer Gen. Charge/Credit	\$ 0.0186	\$ -	\$ (136.07)	\$ (272.14)	\$ (408.22)	\$ (544.29)	\$ (680.36)	\$ (816.43)	\$ (952.50)	\$ (1,088.58)	\$ (1,224.65)
Fixed CTC	\$ 871.15	\$ 958.66	\$ 958.66	\$ 958.66	\$ 958.66	\$ 958.66	\$ 958.66	\$ 958.66	\$ 958.66	\$ 958.66	\$ 958.66

DUQUESNE LIGHT COMPANY
COMPARISON BETWEEN BUNDLED AND UNBUNDLED RATES
RATE GS/GMD - GENERAL SERVICE SMALL AND MEDIUM DELIVERY (continued)

MONTHLY DEMAND = 100 kW

Rate GS/GMD (proposed unbundled rate)

Duquesne Light Charges																
Customer Charge	\$	9.07	\$	9.07	\$	9.07	\$	9.07	\$	9.07	\$	9.07	\$	9.07	\$	9.07
Fixed CTC	\$	871.15	\$	958.66	\$	958.66	\$	958.66	\$	958.66	\$	958.65	\$	958.66	\$	958.66
Delivery Charges-Demand																
Transmission																
First 5 kW	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Excess kW	\$	0.93	\$	88.62	\$	88.62	\$	88.62	\$	88.62	\$	88.62	\$	88.62	\$	88.62
Distribution																
First 5 kW	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Excess kW	\$	4.45	\$	422.33	\$	422.33	\$	422.33	\$	422.33	\$	422.33	\$	422.33	\$	422.33
CTC																
First 5 kW	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Excess kW	\$	3.79	\$	360.21	\$	360.21	\$	360.21	\$	360.21	\$	360.21	\$	360.21	\$	360.21
Delivery Charges-Energy																
Transmission																
First 550 kWh	\$	0.0052	\$	-	\$	2.87	\$	2.87	\$	2.87	\$	2.87	\$	2.87	\$	2.87
Next 750 kWh	\$	0.0048	\$	-	\$	3.57	\$	3.57	\$	3.57	\$	3.57	\$	3.57	\$	3.57
Excess kWh	\$	0.0020	\$	-	\$	11.82	\$	26.19	\$	40.57	\$	54.95	\$	69.32	\$	83.70
Distribution																
First 550 kWh	\$	0.0248	\$	-	\$	13.65	\$	13.65	\$	13.65	\$	13.65	\$	13.65	\$	13.65
Next 750 kWh	\$	0.0227	\$	-	\$	17.02	\$	17.02	\$	17.02	\$	17.02	\$	17.02	\$	17.02
Excess kWh	\$	0.0094	\$	-	\$	56.31	\$	124.83	\$	193.34	\$	261.86	\$	330.37	\$	398.89
Variable CTC																
First 550 kWh	\$	0.0212	\$	-	\$	11.65	\$	11.65	\$	11.65	\$	11.65	\$	11.65	\$	11.65
Next 750 kWh	\$	0.0194	\$	-	\$	14.52	\$	14.52	\$	14.52	\$	14.52	\$	14.52	\$	14.52
Excess kWh	\$	0.0080	\$	-	\$	48.03	\$	106.47	\$	164.90	\$	223.34	\$	281.78	\$	340.21
Supplier Market Price																
Demand	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Energy	\$	0.0186	\$	-	\$	136.07	\$	272.14	\$	408.22	\$	544.29	\$	680.36	\$	816.43
Total Monthly Charges	\$	1,751.37	\$	2,154.38	\$	2,431.78	\$	2,709.18	\$	2,986.58	\$	3,263.98	\$	3,541.38	\$	3,818.78
Percent Change		0.00%		0.00%		0.00%		0.00%		0.00%		0.00%		0.00%		0.00%

**DUQUESNE LIGHT COMPANY
COMPARISON BETWEEN BUNDLED AND UNBUNDLED RATES
RATE GMHD - GENERAL SERVICE MEDIUM HEATING DELIVERY - WINTER**

MONTHLY DEMAND = 250 KW

Load Factor	0%	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%
Demand - kW	250	250	250	250	250	250	250	250	250	250	250
Usage - kWh	-	18,250	36,500	54,750	73,000	91,250	109,500	127,750	146,000	164,250	182,500

Rate GMH (bundled rate)

Customer Charge	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07
Energy charge													
First 1,250 kWh plus 150 kWh for each kW over 6 kW	\$ 0.11460	\$ 4,337.61	\$ 4,337.61	\$ 4,337.61	\$ 4,337.61	\$ 4,337.61	\$ 4,337.61	\$ 4,337.61	\$ 4,337.61	\$ 4,337.61	\$ 4,337.61	\$ 4,337.61	\$ 4,337.61
Excess kWh	\$ 0.0380	\$ -	\$ -	\$ -	\$ 642.20	\$ 1,335.70	\$ 2,029.20	\$ 2,722.70	\$ 3,416.20	\$ 4,109.70	\$ 4,803.20	\$ 5,496.70	\$ 6,190.20
Total		\$ 4,337.61	\$ 4,337.61	\$ 4,337.61	\$ 4,979.81	\$ 5,673.31	\$ 6,366.81	\$ 7,060.31	\$ 7,753.81	\$ 8,447.31	\$ 9,140.81	\$ 9,834.31	\$ 10,527.81

Supplier Market Price \$0.00 per kW
 DLC Customer Gen. Charge/Credit 1.855 cents per kWh
 1.855 cents per kWh

CTC Calculation

Base Bill		\$ 4,337.61	\$ 4,337.61	\$ 4,337.61	\$ 4,979.81	\$ 5,673.31	\$ 6,366.81	\$ 7,060.31	\$ 7,753.81	\$ 8,447.31	\$ 9,140.81	\$ 9,834.31	\$ 10,527.81
Less:													
Customer Charge	\$ 9.07	\$ (9.07)	\$ (9.07)	\$ (9.07)	\$ (9.07)	\$ (9.07)	\$ (9.07)	\$ (9.07)	\$ (9.07)	\$ (9.07)	\$ (9.07)	\$ (9.07)	\$ (9.07)
Delivery Charges-Energy													
Transmission													
First Block	\$ 0.0046	\$ (172.23)	\$ (172.23)	\$ (172.23)	\$ (172.23)	\$ (172.23)	\$ (172.23)	\$ (172.23)	\$ (172.23)	\$ (172.23)	\$ (172.23)	\$ (172.23)	\$ (172.23)
Excess kWh	\$ 0.0023	\$ -	\$ -	\$ -	\$ (38.60)	\$ (80.28)	\$ (121.96)	\$ (163.64)	\$ (205.32)	\$ (247.01)	\$ (288.69)	\$ (330.37)	\$ (372.05)
Distribution													
First Block	\$ 0.0241	\$ (914.00)	\$ (914.00)	\$ (914.00)	\$ (914.00)	\$ (914.00)	\$ (914.00)	\$ (914.00)	\$ (914.00)	\$ (914.00)	\$ (914.00)	\$ (914.00)	\$ (914.00)
Excess kWh	\$ 0.0121	\$ -	\$ -	\$ -	\$ (204.84)	\$ (426.04)	\$ (647.25)	\$ (868.45)	\$ (1,089.65)	\$ (1,310.86)	\$ (1,532.06)	\$ (1,753.27)	\$ (1,974.47)
Variable CTC													
First Block	\$ 0.0101	\$ (380.46)	\$ (380.46)	\$ (380.46)	\$ (380.46)	\$ (380.46)	\$ (380.46)	\$ (380.46)	\$ (380.46)	\$ (380.46)	\$ (380.46)	\$ (380.46)	\$ (380.46)
Excess kWh	\$ 0.0050	\$ -	\$ -	\$ -	\$ (85.27)	\$ (177.34)	\$ (269.42)	\$ (361.50)	\$ (453.58)	\$ (545.65)	\$ (637.73)	\$ (729.81)	\$ (821.89)
DLC Customer Gen. Charge/Credit	\$ 0.0186	\$ -	\$ (338.54)	\$ (677.08)	\$ (1,015.61)	\$ (1,354.15)	\$ (1,692.69)	\$ (2,031.23)	\$ (2,369.76)	\$ (2,708.30)	\$ (3,046.84)	\$ (3,385.38)	\$ (3,723.92)
Fixed CTC		\$ 2,861.85	\$ 2,523.32	\$ 2,184.78	\$ 2,159.74	\$ 2,159.74	\$ 2,159.74	\$ 2,159.74	\$ 2,159.74	\$ 2,159.74	\$ 2,159.74	\$ 2,159.74	\$ 2,159.74

Rate GMHD (proposed unbundled rate)

Fixed CTC		\$ 2,861.85	\$ 2,523.32	\$ 2,184.78	\$ 2,159.74	\$ 2,159.74	\$ 2,159.74	\$ 2,159.74	\$ 2,159.74	\$ 2,159.74	\$ 2,159.74	\$ 2,159.74	\$ 2,159.74
Customer Charge	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07
Delivery Charges-Energy													
Transmission													
First Block	\$ 0.0046	\$ 172.23	\$ 172.23	\$ 172.23	\$ 172.23	\$ 172.23	\$ 172.23	\$ 172.23	\$ 172.23	\$ 172.23	\$ 172.23	\$ 172.23	\$ 172.23
Excess kWh	\$ 0.0023	\$ -	\$ -	\$ -	\$ 38.60	\$ 80.28	\$ 121.96	\$ 163.64	\$ 205.32	\$ 247.01	\$ 288.69	\$ 330.37	\$ 372.05
Distribution													
First Block	\$ 0.0241	\$ 914.00	\$ 914.00	\$ 914.00	\$ 914.00	\$ 914.00	\$ 914.00	\$ 914.00	\$ 914.00	\$ 914.00	\$ 914.00	\$ 914.00	\$ 914.00
Excess kWh	\$ 0.0121	\$ -	\$ -	\$ -	\$ 204.84	\$ 426.04	\$ 647.25	\$ 868.45	\$ 1,089.65	\$ 1,310.86	\$ 1,532.06	\$ 1,753.27	\$ 1,974.47
Variable CTC													
First Block	\$ 0.0101	\$ 380.46	\$ 380.46	\$ 380.46	\$ 380.46	\$ 380.46	\$ 380.46	\$ 380.46	\$ 380.46	\$ 380.46	\$ 380.46	\$ 380.46	\$ 380.46
Excess kWh	\$ 0.0050	\$ -	\$ -	\$ -	\$ 85.27	\$ 177.34	\$ 269.42	\$ 361.50	\$ 453.58	\$ 545.65	\$ 637.73	\$ 729.81	\$ 821.89
Supplier Market Price													
Demand	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Energy	\$ 0.0186	\$ -	\$ 338.54	\$ 677.08	\$ 1,015.61	\$ 1,354.15	\$ 1,692.69	\$ 2,031.23	\$ 2,369.76	\$ 2,708.30	\$ 3,046.84	\$ 3,385.38	\$ 3,723.92
Total		\$ 4,337.61	\$ 4,337.61	\$ 4,337.61	\$ 4,979.81	\$ 5,673.31	\$ 6,366.81	\$ 7,060.31	\$ 7,753.81	\$ 8,447.31	\$ 9,140.81	\$ 9,834.31	\$ 10,527.81
Percent Change		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

DUQUESNE LIGHT COMPANY
COMPARISON BETWEEN BUNDLED AND UNBUNDLED RATES
RATE GMHD - GENERAL SERVICE SMALL AND MEDIUM DELIVERY - SUMMER

MONTHLY DEMAND =

250 KW

	0%	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%
Load Factor											
Demand - kW	250	250	250	250	250	250	250	250	250	250	250
Usage - kWh	-	18,250	36,500	54,750	73,000	91,250	109,500	127,750	146,000	164,250	182,500

Rate GMHD (bundled rate, summer)

Customer Charge	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07
Capacity Charge												
First 5 kW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Excess kW	\$ 18.34	\$ 4,493.30	\$ 4,493.30	\$ 4,493.30	\$ 4,493.30	\$ 4,493.30	\$ 4,493.30	\$ 4,493.30	\$ 4,493.30	\$ 4,493.30	\$ 4,493.30	\$ 4,493.30
Energy Charge												
First 550 kWh	\$ 0.1397	\$ -	\$ 76.84	\$ 76.84	\$ 76.84	\$ 76.84	\$ 76.84	\$ 76.84	\$ 76.84	\$ 76.84	\$ 76.84	\$ 76.84
Next 750 kWh	\$ 0.1309	\$ -	\$ 98.18	\$ 98.18	\$ 98.18	\$ 98.18	\$ 98.18	\$ 98.18	\$ 98.18	\$ 98.18	\$ 98.18	\$ 98.18
Excess kWh	\$ 0.0380	\$ -	\$ 644.10	\$ 1,337.60	\$ 2,031.10	\$ 2,724.60	\$ 3,418.10	\$ 4,111.60	\$ 4,805.10	\$ 5,498.60	\$ 6,192.10	\$ 6,885.60
Monthly Total	\$ 4,502.37	\$ 5,321.48	\$ 6,014.98	\$ 6,708.48	\$ 7,401.98	\$ 8,095.48	\$ 8,788.98	\$ 9,482.48	\$ 10,175.98	\$ 10,869.48	\$ 11,562.98	

Supplier Market Price	\$0.00 per kW	1.8550 cents per kWh
DLC Customer Gen. Charge/Credit		1.8550 cents per kWh

GMHD CTC Calculation (summer)

Base Bill	\$ 4,502.37	\$ 5,321.48	\$ 6,014.98	\$ 6,708.48	\$ 7,401.98	\$ 8,095.48	\$ 8,788.98	\$ 9,482.48	\$ 10,175.98	\$ 10,869.48	\$ 11,562.98
Less:											
Customer Charge	\$ 9.07	\$ (9.07)	\$ (9.07)	\$ (9.07)	\$ (9.07)	\$ (9.07)	\$ (9.07)	\$ (9.07)	\$ (9.07)	\$ (9.07)	\$ (9.07)
<u>Delivery Charges-Demand</u>											
Transmission											
First 5 kW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Excess kW	\$ 1.08	\$ (263.81)	\$ (263.81)	\$ (263.81)	\$ (263.81)	\$ (263.81)	\$ (263.81)	\$ (263.81)	\$ (263.81)	\$ (263.81)	\$ (263.81)
Distribution											
First 5 kW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Excess kW	\$ 5.71	\$ (1,400.05)	\$ (1,400.05)	\$ (1,400.05)	\$ (1,400.05)	\$ (1,400.05)	\$ (1,400.05)	\$ (1,400.05)	\$ (1,400.05)	\$ (1,400.05)	\$ (1,400.05)
CTC											
First 5 kW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Excess kW	\$ 2.38	\$ (582.78)	\$ (582.78)	\$ (582.78)	\$ (582.78)	\$ (582.78)	\$ (582.78)	\$ (582.78)	\$ (582.78)	\$ (582.78)	\$ (582.78)
<u>Delivery Charges-Energy</u>											
Transmission											
First 550 kWh	\$ 0.0060	\$ -	\$ (3.31)	\$ (3.31)	\$ (3.31)	\$ (3.31)	\$ (3.31)	\$ (3.31)	\$ (3.31)	\$ (3.31)	\$ (3.31)
Next 750 kWh	\$ 0.0055	\$ -	\$ (4.13)	\$ (4.13)	\$ (4.13)	\$ (4.13)	\$ (4.13)	\$ (4.13)	\$ (4.13)	\$ (4.13)	\$ (4.13)
Excess kWh	\$ 0.0023	\$ -	\$ (38.71)	\$ (80.39)	\$ (122.06)	\$ (163.76)	\$ (205.44)	\$ (247.12)	\$ (288.80)	\$ (330.48)	\$ (372.16)
Distribution											
First 550 kWh	\$ 0.0320	\$ -	\$ (17.58)	\$ (17.58)	\$ (17.58)	\$ (17.58)	\$ (17.58)	\$ (17.58)	\$ (17.58)	\$ (17.58)	\$ (17.58)
Next 750 kWh	\$ 0.0292	\$ -	\$ (21.92)	\$ (21.92)	\$ (21.92)	\$ (21.92)	\$ (21.92)	\$ (21.92)	\$ (21.92)	\$ (21.92)	\$ (21.92)
Excess kWh	\$ 0.0121	\$ -	\$ (205.45)	\$ (426.65)	\$ (647.85)	\$ (869.06)	\$ (1,090.26)	\$ (1,311.46)	\$ (1,532.67)	\$ (1,753.87)	\$ (1,975.07)
Variable CTC											
First 550 kWh	\$ 0.0133	\$ -	\$ (7.32)	\$ (7.32)	\$ (7.32)	\$ (7.32)	\$ (7.32)	\$ (7.32)	\$ (7.32)	\$ (7.32)	\$ (7.32)
Next 750 kWh	\$ 0.0122	\$ -	\$ (9.12)	\$ (9.12)	\$ (9.12)	\$ (9.12)	\$ (9.12)	\$ (9.12)	\$ (9.12)	\$ (9.12)	\$ (9.12)
Excess kWh	\$ 0.0050	\$ -	\$ (85.52)	\$ (177.60)	\$ (269.67)	\$ (361.75)	\$ (453.83)	\$ (545.91)	\$ (637.98)	\$ (730.06)	\$ (822.14)
DLC Customer Gen. Charge/Credit	\$ 0.0186	\$ -	\$ (338.54)	\$ (677.08)	\$ (1,015.61)	\$ (1,354.15)	\$ (1,692.69)	\$ (2,031.23)	\$ (2,369.76)	\$ (2,708.30)	\$ (3,046.84)
Fixed CTC	\$ 2,246.65	\$ 2,334.16	\$ 2,334.16	\$ 2,334.16	\$ 2,334.16	\$ 2,334.16	\$ 2,334.16	\$ 2,334.16	\$ 2,334.16	\$ 2,334.16	\$ 2,334.16

DUQUESNE LIGHT COMPANY
COMPARISON BETWEEN BUNDLED AND UNBUNDLED RATES
RATE GMHD - GENERAL SERVICE SMALL AND MEDIUM DELIVERY - SUMMER

MONTHLY DEMAND = 250 KW

Rate GMHD (proposed unbundled rate, summer)

Duquesne Light Charges														
Customer Charge	\$	9.07	\$	9.07	\$	9.07	\$	9.07	\$	9.07	\$	9.07	\$	9.07
Fixed CTC	\$	2,246.65	\$	2,334.16	\$	2,334.16	\$	2,334.16	\$	2,334.16	\$	2,334.16	\$	2,334.16
Delivery Charges-Demand														
Transmission														
First 5 kW	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Excess kW	\$	1.08	\$	263.81	\$	263.81	\$	263.81	\$	263.81	\$	263.81	\$	263.81
Distribution														
First 5 kW	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Excess kW	\$	5.71	\$	1,400.05	\$	1,400.05	\$	1,400.05	\$	1,400.05	\$	1,400.05	\$	1,400.05
CTC														
First 5 kW	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Excess kW	\$	2.38	\$	582.78	\$	582.78	\$	582.78	\$	582.78	\$	582.78	\$	582.78
Delivery Charges-Energy														
Transmission														
First 550 kWh	\$	0.0060	\$	-	\$	3.31	\$	3.31	\$	3.31	\$	3.31	\$	3.31
Next 750 kWh	\$	0.0055	\$	-	\$	4.13	\$	4.13	\$	4.13	\$	4.13	\$	4.13
Excess kWh	\$	0.0023	\$	-	\$	38.71	\$	80.39	\$	122.08	\$	163.76	\$	205.44
Distribution														
First 550 kWh	\$	0.0320	\$	-	\$	17.58	\$	17.58	\$	17.58	\$	17.58	\$	17.58
Next 750 kWh	\$	0.0292	\$	-	\$	21.92	\$	21.92	\$	21.92	\$	21.92	\$	21.92
Excess kWh	\$	0.0121	\$	-	\$	205.45	\$	426.65	\$	647.85	\$	869.06	\$	1,090.26
Variable CTC														
First 550 kWh	\$	0.0133	\$	-	\$	7.32	\$	7.32	\$	7.32	\$	7.32	\$	7.32
Next 750 kWh	\$	0.0122	\$	-	\$	9.12	\$	9.12	\$	9.12	\$	9.12	\$	9.12
Excess kWh	\$	0.0050	\$	-	\$	85.52	\$	177.60	\$	269.67	\$	361.75	\$	453.83
Supplier Market Price														
Demand	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Energy	\$	0.0186	\$	-	\$	338.54	\$	677.08	\$	1,015.61	\$	1,354.15	\$	1,692.69
Total Monthly Charges	\$	4,502.37	\$	5,321.48	\$	6,014.98	\$	6,708.48	\$	7,401.98	\$	8,095.48	\$	8,788.98
Percent Change		0.00%		0.00%		0.00%		0.00%		0.00%		0.00%		0.00%

**DUQUESNE LIGHT COMPANY
COMPARISON BETWEEN BUNDLED AND UNBUNDLED RATES
RATE GLHD - GENERAL SERVICE LARGE HEATING DELIVERY - WINTER**

MONTHLY DEMAND = 500 KW

Load Factor	0%	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%
Demand - kW	500	500	500	500	500	500	500	500	500	500	500
Usage - kWh	-	36,500	73,000	109,500	146,000	182,500	219,000	255,500	292,000	328,500	365,000

Rate GLH (bundled rate)

Customer Charge	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07
Energy charge												
First 1,250 kWh plus 150 kWh for each kW over 6 kW	\$ 0.11460	\$ 8,635.11	\$ 8,635.11	\$ 8,635.11	\$ 8,635.11	\$ 8,635.11	\$ 8,635.11	\$ 8,635.11	\$ 8,635.11	\$ 8,635.11	\$ 8,635.11	\$ 8,635.11
Excess kWh	\$ 0.0380	\$ -	\$ -	\$ -	\$ 1,297.70	\$ 2,684.70	\$ 4,071.70	\$ 5,458.70	\$ 6,845.70	\$ 8,232.70	\$ 9,619.70	\$ 11,006.70
Total		\$ 8,635.11	\$ 8,635.11	\$ 8,635.11	\$ 9,932.81	\$ 11,319.81	\$ 12,706.81	\$ 14,093.81	\$ 15,480.81	\$ 16,867.81	\$ 18,254.81	\$ 19,641.81

Supplier Market Price \$0.00 per kW
 DLC Customer Gen. Charge/Credit 1.858 cents per kWh
 1.858 cents per kWh

CTC Calculation

Base Bill	\$ 8,635.11	\$ 8,635.11	\$ 8,635.11	\$ 9,932.81	\$ 11,319.81	\$ 12,706.81	\$ 14,093.81	\$ 15,480.81	\$ 16,867.81	\$ 18,254.81	\$ 19,641.81
Less:											
Customer Charge	\$ 9.07	\$ (9.07)	\$ (9.07)	\$ (9.07)	\$ (9.07)	\$ (9.07)	\$ (9.07)	\$ (9.07)	\$ (9.07)	\$ (9.07)	\$ (9.07)
<u>Delivery Charges-Energy</u>											
Transmission											
First Block	\$ 0.0046	\$ (349.56)	\$ (349.56)	\$ (349.56)	\$ (349.56)	\$ (349.56)	\$ (349.56)	\$ (349.56)	\$ (349.56)	\$ (349.56)	\$ (349.56)
Excess kWh	\$ 0.0023	\$ -	\$ -	\$ -	\$ (79.46)	\$ (164.39)	\$ (249.32)	\$ (334.24)	\$ (419.17)	\$ (504.10)	\$ (589.03)
Distribution											
First Block	\$ 0.0145	\$ (1,094.68)	\$ (1,094.68)	\$ (1,094.68)	\$ (1,094.68)	\$ (1,094.68)	\$ (1,094.68)	\$ (1,094.68)	\$ (1,094.68)	\$ (1,094.68)	\$ (1,094.68)
Excess kWh	\$ 0.0073	\$ -	\$ -	\$ -	\$ (248.83)	\$ (514.79)	\$ (780.75)	\$ (1,046.71)	\$ (1,312.67)	\$ (1,578.62)	\$ (1,844.58)
Variable CTC											
First Block	\$ 0.0196	\$ (1,473.30)	\$ (1,473.30)	\$ (1,473.30)	\$ (1,473.30)	\$ (1,473.30)	\$ (1,473.30)	\$ (1,473.30)	\$ (1,473.30)	\$ (1,473.30)	\$ (1,473.30)
Excess kWh	\$ 0.0098	\$ -	\$ -	\$ -	\$ (334.90)	\$ (692.84)	\$ (1,050.79)	\$ (1,408.73)	\$ (1,766.68)	\$ (2,124.62)	\$ (2,482.57)
DLC Customer Gen. Charge/Credit	\$ 0.0186	\$ -	\$ (678.17)	\$ (1,356.34)	\$ (2,034.51)	\$ (2,712.68)	\$ (3,390.85)	\$ (4,069.02)	\$ (4,747.19)	\$ (5,425.36)	\$ (6,103.53)
Fixed CTC		\$ 5,708.49	\$ 5,030.32	\$ 4,352.15	\$ 4,308.49	\$ 4,308.49	\$ 4,308.49	\$ 4,308.49	\$ 4,308.49	\$ 4,308.49	\$ 4,308.49

Rate GLHD (proposed unbundled rate)

Fixed CTC	\$ 5,708.49	\$ 5,030.32	\$ 4,352.15	\$ 4,308.49	\$ 4,308.49	\$ 4,308.49	\$ 4,308.49	\$ 4,308.49	\$ 4,308.49	\$ 4,308.49	\$ 4,308.49
Customer Charge	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07
<u>Delivery Charges-Energy</u>											
Transmission											
First Block	\$ 0.0046	\$ 349.56	\$ 349.56	\$ 349.56	\$ 349.56	\$ 349.56	\$ 349.56	\$ 349.56	\$ 349.56	\$ 349.56	\$ 349.56
Excess kWh	\$ 0.0023	\$ -	\$ -	\$ -	\$ 79.46	\$ 164.39	\$ 249.32	\$ 334.24	\$ 419.17	\$ 504.10	\$ 589.03
Distribution											
First Block	\$ 0.0145	\$ 1,094.68	\$ 1,094.68	\$ 1,094.68	\$ 1,094.68	\$ 1,094.68	\$ 1,094.68	\$ 1,094.68	\$ 1,094.68	\$ 1,094.68	\$ 1,094.68
Excess kWh	\$ 0.0073	\$ -	\$ -	\$ -	\$ 248.83	\$ 514.79	\$ 780.75	\$ 1,046.71	\$ 1,312.67	\$ 1,578.62	\$ 1,844.58
Variable CTC											
First Block	\$ 0.0196	\$ 1,473.30	\$ 1,473.30	\$ 1,473.30	\$ 1,473.30	\$ 1,473.30	\$ 1,473.30	\$ 1,473.30	\$ 1,473.30	\$ 1,473.30	\$ 1,473.30
Excess kWh	\$ 0.0098	\$ -	\$ -	\$ -	\$ 334.90	\$ 692.84	\$ 1,050.79	\$ 1,408.73	\$ 1,766.68	\$ 2,124.62	\$ 2,482.57
<u>Supplier Market Price</u>											
Demand	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Energy	\$ 0.0186	\$ -	\$ 678.17	\$ 1,356.34	\$ 2,034.51	\$ 2,712.68	\$ 3,390.85	\$ 4,069.02	\$ 4,747.19	\$ 5,425.36	\$ 6,103.53
		\$ 8,635.11	\$ 8,635.11	\$ 8,635.11	\$ 9,932.81	\$ 11,319.81	\$ 12,706.81	\$ 14,093.81	\$ 15,480.81	\$ 16,867.81	\$ 18,254.81
Percent Change		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**DUQUESNE LIGHT COMPANY
COMPARISON BETWEEN BUNDLED AND UNBUNDLED RATES
RATE GLHD - GENERAL SERVICE LARGE HEATING DELIVERY - SUMMER**

MONTHLY DEMAND = 500 KW

Load Factor	0%	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%
Demand - kW	500	500	500	500	500	500	500	500	500	500	500
Usage - kWh	-	38,500	73,000	109,500	146,000	182,500	219,000	255,500	292,000	328,500	365,000

Rate GLH (bundled rate, summer)

Capacity Charge												
First 300 kW	\$ 5,527	\$ 5,527.00	\$ 5,527.00	\$ 5,527.00	\$ 5,527.00	\$ 5,527.00	\$ 5,527.00	\$ 5,527.00	\$ 5,527.00	\$ 5,527.00	\$ 5,527.00	\$ 5,527.00
Excess kW	\$ 13.98	\$ 2,796.00	\$ 2,796.00	\$ 2,796.00	\$ 2,796.00	\$ 2,796.00	\$ 2,796.00	\$ 2,796.00	\$ 2,796.00	\$ 2,796.00	\$ 2,796.00	\$ 2,796.00
Energy charge												
All kWh	\$ 0.0380	\$ -	\$ 1,387.00	\$ 2,774.00	\$ 4,161.00	\$ 5,548.00	\$ 6,935.00	\$ 8,322.00	\$ 9,709.00	\$ 11,096.00	\$ 12,483.00	\$ 13,870.00
Total		\$ 8,323.00	\$ 9,710.00	\$ 11,097.00	\$ 12,484.00	\$ 13,871.00	\$ 15,258.00	\$ 16,645.00	\$ 18,032.00	\$ 19,419.00	\$ 20,806.00	\$ 22,193.00

Supplier Market Price \$0.00 per kW 1.858 cents per kWh
 DLC Customer Gen. Charge/Credit 1.858 cents per kWh

CTC Calculation

Base Bill		\$ 8,323.00	\$ 9,710.00	\$ 11,097.00	\$ 12,484.00	\$ 13,871.00	\$ 15,258.00	\$ 16,645.00	\$ 18,032.00	\$ 19,419.00	\$ 20,806.00	\$ 22,193.00
Less:												
Fixed Charges-First 300 kW												
Transmission	\$ 662.21	\$ (662.21)	\$ (662.21)	\$ (662.21)	\$ (662.21)	\$ (662.21)	\$ (662.21)	\$ (662.21)	\$ (662.21)	\$ (662.21)	\$ (662.21)	\$ (662.21)
Distribution	\$ 2,073.77	\$ (2,073.77)	\$ (2,073.77)	\$ (2,073.77)	\$ (2,073.77)	\$ (2,073.77)	\$ (2,073.77)	\$ (2,073.77)	\$ (2,073.77)	\$ (2,073.77)	\$ (2,073.77)	\$ (2,073.77)
CTC	\$ 2,791.02	\$ (2,791.02)	\$ (2,791.02)	\$ (2,791.02)	\$ (2,791.02)	\$ (2,791.02)	\$ (2,791.02)	\$ (2,791.02)	\$ (2,791.02)	\$ (2,791.02)	\$ (2,791.02)	\$ (2,791.02)
Delivery Charges-Demand												
Transmission-per kW	\$ 0.84	\$ (167.50)	\$ (167.50)	\$ (167.50)	\$ (167.50)	\$ (167.50)	\$ (167.50)	\$ (167.50)	\$ (167.50)	\$ (167.50)	\$ (167.50)	\$ (167.50)
Distribution-per kW	\$ 2.62	\$ (524.54)	\$ (524.54)	\$ (524.54)	\$ (524.54)	\$ (524.54)	\$ (524.54)	\$ (524.54)	\$ (524.54)	\$ (524.54)	\$ (524.54)	\$ (524.54)
Variable CTC-per kW	\$ 3.53	\$ (705.96)	\$ (705.96)	\$ (705.96)	\$ (705.96)	\$ (705.96)	\$ (705.96)	\$ (705.96)	\$ (705.96)	\$ (705.96)	\$ (705.96)	\$ (705.96)
Delivery Charges-Energy												
Transmission-per kWh	\$ 0.0023	\$ -	\$ (84.93)	\$ (169.86)	\$ (254.78)	\$ (339.71)	\$ (424.64)	\$ (509.57)	\$ (594.49)	\$ (679.42)	\$ (764.35)	\$ (849.28)
Distribution-per kWh	\$ 0.0073	\$ -	\$ (265.96)	\$ (531.92)	\$ (797.87)	\$ (1,063.83)	\$ (1,329.79)	\$ (1,595.75)	\$ (1,861.70)	\$ (2,127.66)	\$ (2,393.62)	\$ (2,659.58)
Variable CTC-per kWh	\$ 0.0098	\$ -	\$ (357.94)	\$ (715.89)	\$ (1,073.83)	\$ (1,431.78)	\$ (1,789.72)	\$ (2,147.67)	\$ (2,505.61)	\$ (2,863.56)	\$ (3,221.50)	\$ (3,579.45)
DLC Customer Gen. Charge/Credit	\$ 0.0186	\$ -	\$ (678.17)	\$ (1,356.34)	\$ (2,034.51)	\$ (2,712.68)	\$ (3,390.85)	\$ (4,069.02)	\$ (4,747.19)	\$ (5,425.36)	\$ (6,103.53)	\$ (6,781.70)
Fixed CTC		\$ 1,398.00	\$ 1,398.00	\$ 1,398.00	\$ 1,398.00	\$ 1,398.00	\$ 1,398.00	\$ 1,398.00	\$ 1,398.00	\$ 1,398.00	\$ 1,398.00	\$ 1,398.00

Rate GLHD (proposed unbundled rate, summer)

Fixed CTC		\$ 1,398.00	\$ 1,398.00	\$ 1,398.00	\$ 1,398.00	\$ 1,398.00	\$ 1,398.00	\$ 1,398.00	\$ 1,398.00	\$ 1,398.00	\$ 1,398.00	\$ 1,398.00
Fixed Charges-First 300 kW												
Transmission	\$ 662.21	\$ 662.21	\$ 662.21	\$ 662.21	\$ 662.21	\$ 662.21	\$ 662.21	\$ 662.21	\$ 662.21	\$ 662.21	\$ 662.21	\$ 662.21
Distribution	\$ 2,073.77	\$ 2,073.77	\$ 2,073.77	\$ 2,073.77	\$ 2,073.77	\$ 2,073.77	\$ 2,073.77	\$ 2,073.77	\$ 2,073.77	\$ 2,073.77	\$ 2,073.77	\$ 2,073.77
CTC	\$ 2,791.02	\$ 2,791.02	\$ 2,791.02	\$ 2,791.02	\$ 2,791.02	\$ 2,791.02	\$ 2,791.02	\$ 2,791.02	\$ 2,791.02	\$ 2,791.02	\$ 2,791.02	\$ 2,791.02
Delivery Charges-Demand												
Transmission-per kW	\$ 0.84	\$ 167.50	\$ 167.50	\$ 167.50	\$ 167.50	\$ 167.50	\$ 167.50	\$ 167.50	\$ 167.50	\$ 167.50	\$ 167.50	\$ 167.50
Distribution-per kW	\$ 2.62	\$ 524.54	\$ 524.54	\$ 524.54	\$ 524.54	\$ 524.54	\$ 524.54	\$ 524.54	\$ 524.54	\$ 524.54	\$ 524.54	\$ 524.54
Variable CTC-per kW	\$ 3.53	\$ 705.96	\$ 705.96	\$ 705.96	\$ 705.96	\$ 705.96	\$ 705.96	\$ 705.96	\$ 705.96	\$ 705.96	\$ 705.96	\$ 705.96
Delivery Charges-Energy												
Transmission-per kWh	\$ 0.0023	\$ -	\$ 84.93	\$ 169.86	\$ 254.78	\$ 339.71	\$ 424.64	\$ 509.57	\$ 594.49	\$ 679.42	\$ 764.35	\$ 849.28
Distribution-per kWh	\$ 0.0073	\$ -	\$ 265.96	\$ 531.92	\$ 797.87	\$ 1,063.83	\$ 1,329.79	\$ 1,595.75	\$ 1,861.70	\$ 2,127.66	\$ 2,393.62	\$ 2,659.58
Variable CTC-per kWh	\$ 0.0098	\$ -	\$ 357.94	\$ 715.89	\$ 1,073.83	\$ 1,431.78	\$ 1,789.72	\$ 2,147.67	\$ 2,505.61	\$ 2,863.56	\$ 3,221.50	\$ 3,579.45
Supplier Market Price												
Demand	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Energy	\$ 0.0186	\$ -	\$ 678.17	\$ 1,356.34	\$ 2,034.51	\$ 2,712.68	\$ 3,390.85	\$ 4,069.02	\$ 4,747.19	\$ 5,425.36	\$ 6,103.53	\$ 6,781.70
		\$ 8,323.00	\$ 9,710.00	\$ 11,097.00	\$ 12,484.00	\$ 13,871.00	\$ 15,258.00	\$ 16,645.00	\$ 18,032.00	\$ 19,419.00	\$ 20,806.00	\$ 22,193.00
Percent Change		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**DUQUESNE LIGHT COMPANY
COMPARISON BETWEEN BUNDLED AND UNBUNDLED RATES
RATE GLD - GENERAL SERVICE LARGE DELIVERY**

MONTHLY DEMAND = 500 KW

Load Factor	0%	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%
Demand - kW	500	500	500	500	500	500	500	500	500	500	500
Usage - kWh	-	38,500	73,000	109,500	146,000	182,500	219,000	255,500	292,000	328,500	365,000

Rate GL (bundled rate)

Capacity Charge												
First 300 kW	\$ 5,527	\$ 5,527.00	\$ 5,527.00	\$ 5,527.00	\$ 5,527.00	\$ 5,527.00	\$ 5,527.00	\$ 5,527.00	\$ 5,527.00	\$ 5,527.00	\$ 5,527.00	\$ 5,527.00
Excess kW	\$ 13.98	\$ 2,796.00	\$ 2,796.00	\$ 2,796.00	\$ 2,796.00	\$ 2,796.00	\$ 2,796.00	\$ 2,796.00	\$ 2,796.00	\$ 2,796.00	\$ 2,796.00	\$ 2,796.00
Energy charge												
All kWh	\$ 0.0380	\$ -	\$ 1,387.00	\$ 2,774.00	\$ 4,161.00	\$ 5,548.00	\$ 6,935.00	\$ 8,322.00	\$ 9,709.00	\$ 11,096.00	\$ 12,483.00	\$ 13,870.00
Total		\$ 8,323.00	\$ 9,710.00	\$ 11,097.00	\$ 12,484.00	\$ 13,871.00	\$ 15,258.00	\$ 16,645.00	\$ 18,032.00	\$ 19,419.00	\$ 20,806.00	\$ 22,193.00

Supplier Market Price \$0.00 per kW 1.852 cents per kWh
 DLC Customer Gen. Charge/Credit 1.852 cents per kWh

CTC Calculation

Base Bill	\$ 8,323.00	\$ 9,710.00	\$ 11,097.00	\$ 12,484.00	\$ 13,871.00	\$ 15,258.00	\$ 16,645.00	\$ 18,032.00	\$ 19,419.00	\$ 20,806.00	\$ 22,193.00
Less:											
Fixed Charges-First 300 kW											
Transmission	\$ 429.56	\$ (429.56)	\$ (429.56)	\$ (429.56)	\$ (429.56)	\$ (429.56)	\$ (429.56)	\$ (429.56)	\$ (429.56)	\$ (429.56)	\$ (429.56)
Distribution	\$ 1,546.19	\$ (1,546.19)	\$ (1,546.19)	\$ (1,546.19)	\$ (1,546.19)	\$ (1,546.19)	\$ (1,546.19)	\$ (1,546.19)	\$ (1,546.19)	\$ (1,546.19)	\$ (1,546.19)
CTC	\$ 3,551.25	\$ (3,551.25)	\$ (3,551.25)	\$ (3,551.25)	\$ (3,551.25)	\$ (3,551.25)	\$ (3,551.25)	\$ (3,551.25)	\$ (3,551.25)	\$ (3,551.25)	\$ (3,551.25)
Delivery Charges-Demand											
Transmission-per kW	\$ 0.54	\$ (108.65)	\$ (108.65)	\$ (108.65)	\$ (108.65)	\$ (108.65)	\$ (108.65)	\$ (108.65)	\$ (108.65)	\$ (108.65)	\$ (108.65)
Distribution-per kW	\$ 1.96	\$ (391.09)	\$ (391.09)	\$ (391.09)	\$ (391.09)	\$ (391.09)	\$ (391.09)	\$ (391.09)	\$ (391.09)	\$ (391.09)	\$ (391.09)
Variable CTC-per kW	\$ 4.49	\$ (898.25)	\$ (898.25)	\$ (898.25)	\$ (898.25)	\$ (898.25)	\$ (898.25)	\$ (898.25)	\$ (898.25)	\$ (898.25)	\$ (898.25)
Delivery Charges-Energy											
Transmission-per kWh	\$ 0.0015	\$ -	\$ (55.26)	\$ (110.52)	\$ (165.78)	\$ (221.04)	\$ (276.30)	\$ (331.56)	\$ (386.82)	\$ (442.08)	\$ (497.35)
Distribution-per kWh	\$ 0.0054	\$ -	\$ (198.91)	\$ (397.82)	\$ (596.73)	\$ (795.64)	\$ (994.55)	\$ (1,193.46)	\$ (1,392.37)	\$ (1,591.28)	\$ (1,790.19)
Variable CTC-per kWh	\$ 0.0125	\$ -	\$ (456.85)	\$ (913.70)	\$ (1,370.55)	\$ (1,827.40)	\$ (2,284.25)	\$ (2,741.10)	\$ (3,197.95)	\$ (3,654.80)	\$ (4,111.65)
DLC Customer Gen. Charge/Credit	\$ 0.0185	\$ -	\$ (675.98)	\$ (1,351.96)	\$ (2,027.94)	\$ (2,703.92)	\$ (3,379.90)	\$ (4,055.88)	\$ (4,731.86)	\$ (5,407.84)	\$ (6,083.82)
Fixed CTC	\$ 1,398.00	\$ 1,398.00	\$ 1,398.00	\$ 1,398.00	\$ 1,398.00	\$ 1,398.00	\$ 1,398.00	\$ 1,398.00	\$ 1,398.00	\$ 1,398.00	\$ 1,398.00

Rate GLD (proposed unbundled rate)

Fixed CTC	\$ 1,398.00	\$ 1,398.00	\$ 1,398.00	\$ 1,398.00	\$ 1,398.00	\$ 1,398.00	\$ 1,398.00	\$ 1,398.00	\$ 1,398.00	\$ 1,398.00	\$ 1,398.00
Fixed Charges-First 300 kW											
Transmission	\$ 429.56	\$ 429.56	\$ 429.56	\$ 429.56	\$ 429.56	\$ 429.56	\$ 429.56	\$ 429.56	\$ 429.56	\$ 429.56	\$ 429.56
Distribution	\$ 1,546.19	\$ 1,546.19	\$ 1,546.19	\$ 1,546.19	\$ 1,546.19	\$ 1,546.19	\$ 1,546.19	\$ 1,546.19	\$ 1,546.19	\$ 1,546.19	\$ 1,546.19
CTC	\$ 3,551.25	\$ 3,551.25	\$ 3,551.25	\$ 3,551.25	\$ 3,551.25	\$ 3,551.25	\$ 3,551.25	\$ 3,551.25	\$ 3,551.25	\$ 3,551.25	\$ 3,551.25
Delivery Charges-Demand											
Transmission-per kW	\$ 0.54	\$ 108.65	\$ 108.65	\$ 108.65	\$ 108.65	\$ 108.65	\$ 108.65	\$ 108.65	\$ 108.65	\$ 108.65	\$ 108.65
Distribution-per kW	\$ 1.96	\$ 391.09	\$ 391.09	\$ 391.09	\$ 391.09	\$ 391.09	\$ 391.09	\$ 391.09	\$ 391.09	\$ 391.09	\$ 391.09
Variable CTC-per kW	\$ 4.49	\$ 898.25	\$ 898.25	\$ 898.25	\$ 898.25	\$ 898.25	\$ 898.25	\$ 898.25	\$ 898.25	\$ 898.25	\$ 898.25
Delivery Charges-Energy											
Transmission-per kWh	\$ 0.0015	\$ -	\$ 55.26	\$ 110.52	\$ 165.78	\$ 221.04	\$ 276.30	\$ 331.56	\$ 386.82	\$ 442.08	\$ 497.35
Distribution-per kWh	\$ 0.0054	\$ -	\$ 198.91	\$ 397.82	\$ 596.73	\$ 795.64	\$ 994.55	\$ 1,193.46	\$ 1,392.37	\$ 1,591.28	\$ 1,790.19
Variable CTC-per kWh	\$ 0.0125	\$ -	\$ 456.85	\$ 913.70	\$ 1,370.55	\$ 1,827.40	\$ 2,284.25	\$ 2,741.10	\$ 3,197.95	\$ 3,654.80	\$ 4,111.65
Supplier Market Price	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Demand	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Energy	\$ 0.0185	\$ 675.98	\$ 1,351.96	\$ 2,027.94	\$ 2,703.92	\$ 3,379.90	\$ 4,055.88	\$ 4,731.86	\$ 5,407.84	\$ 6,083.82	\$ 6,759.80
Total	\$ 8,323.00	\$ 9,710.00	\$ 11,097.00	\$ 12,484.00	\$ 13,871.00	\$ 15,258.00	\$ 16,645.00	\$ 18,032.00	\$ 19,419.00	\$ 20,806.00	\$ 22,193.00
Percent Change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

DUQUESNE LIGHT COMPANY
COMPARISON BETWEEN BUNDLED AND UNBUNDLED RATES
RATE LD - LARGE POWER SERVICE DELIVERY

MONTHLY DEMAND = 45,000 KW

Load Factor	0%	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%
Demand - kW	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000
First 5000 kW	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Next 10,000 kW	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Next 25,000 kW	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Excess kW	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Usage - kWh	-	3,285,000	6,570,000	9,855,000	13,140,000	16,425,000	19,710,000	22,995,000	26,280,000	29,565,000	32,850,000
First 750,000 kWh + 400 kWh per kW	-	3,285,000	6,570,000	9,855,000	13,140,000	16,425,000	18,750,000	18,750,000	18,750,000	18,750,000	18,750,000
Next 150 kWh per kW	-	-	-	-	-	-	960,000	4,245,000	6,750,000	6,750,000	6,750,000
Excess kWh	-	-	-	-	-	-	-	780,000	4,065,000	7,350,000	7,350,000

Rate L (current bundled rate)
Capacity Charge

First 5000 kW	\$ 71,289.00	\$ 71,289.00	\$ 71,289.00	\$ 71,289.00	\$ 71,289.00	\$ 71,289.00	\$ 71,289.00	\$ 71,289.00	\$ 71,289.00	\$ 71,289.00	\$ 71,289.00	\$ 71,289.00
Next 10,000 kW	\$ 11.45 per kW	\$ 114,500.00	\$ 114,500.00	\$ 114,500.00	\$ 114,500.00	\$ 114,500.00	\$ 114,500.00	\$ 114,500.00	\$ 114,500.00	\$ 114,500.00	\$ 114,500.00	\$ 114,500.00
Next 25,000 kW	\$ 11.13 per kW	\$ 278,250.00	\$ 278,250.00	\$ 278,250.00	\$ 278,250.00	\$ 278,250.00	\$ 278,250.00	\$ 278,250.00	\$ 278,250.00	\$ 278,250.00	\$ 278,250.00	\$ 278,250.00
Excess kW	\$ 10.84 per kW	\$ 54,200.00	\$ 54,200.00	\$ 54,200.00	\$ 54,200.00	\$ 54,200.00	\$ 54,200.00	\$ 54,200.00	\$ 54,200.00	\$ 54,200.00	\$ 54,200.00	\$ 54,200.00
Energy Charge												
First 750,000 kWh + 400 kWh per kW	\$ 0.0380 per kWh	\$ -	\$ 124,830.00	\$ 249,660.00	\$ 374,490.00	\$ 499,320.00	\$ 624,150.00	\$ 712,500.00	\$ 712,500.00	\$ 712,500.00	\$ 712,500.00	\$ 712,500.00
Next 150 kWh per kW	\$ 0.0256 per kWh	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,576.00	\$ 108,672.00	\$ 172,800.00	\$ 172,800.00	\$ 172,800.00
Excess kWh	\$ 0.0234 per kWh	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,252.00	\$ 95,121.00	\$ 171,990.00	\$ 171,990.00
Total Monthly Bill		\$ 518,239.00	\$ 643,069.00	\$ 767,899.00	\$ 892,729.00	\$ 1,017,559.00	\$ 1,142,389.00	\$ 1,255,315.00	\$ 1,339,411.00	\$ 1,421,791.00	\$ 1,498,660.00	\$ 1,575,529.00

DUQUESNE LIGHT COMPANY
COMPARISON BETWEEN BUNDLED AND UNBUNDLED RATES
RATE LD - LARGE POWER SERVICE DELIVERY (continued)

MONTHLY DEMAND =		45,000 KW																						
Supplier Market Price	\$0.00	per kW	1.847 cents per kWh																					
DLC Customer Gen. Charge/Credit			1.847 cents per kWh																					
Rate LD - Fixed CTC Calculation																								
Monthly Rate L Bill	\$		518,239.00	\$	643,069.00	\$	767,899.00	\$	892,729.00	\$	1,017,559.00	\$	1,142,389.00	\$	1,255,315.00	\$	1,339,411.00	\$	1,421,791.00	\$	1,498,660.00	\$	1,575,529.00	
Less:																								
<u>Fixed Charges</u>																								
First 5000 kW																								
Transmission	\$	6,797.70	\$	(6,797.70)	\$	(6,797.70)	\$	(6,797.70)	\$	(6,797.70)	\$	(6,797.70)	\$	(6,797.70)	\$	(6,797.70)	\$	(6,797.70)	\$	(6,797.70)	\$	(6,797.70)	\$	(6,797.70)
Distribution	\$	21,616.25	\$	(21,616.25)	\$	(21,616.25)	\$	(21,616.25)	\$	(21,616.25)	\$	(21,616.25)	\$	(21,616.25)	\$	(21,616.25)	\$	(21,616.25)	\$	(21,616.25)	\$	(21,616.25)	\$	(21,616.25)
CTC	\$	42,875.05	\$	(42,875.05)	\$	(42,875.05)	\$	(42,875.05)	\$	(42,875.05)	\$	(42,875.05)	\$	(42,875.05)	\$	(42,875.05)	\$	(42,875.05)	\$	(42,875.05)	\$	(42,875.05)	\$	(42,875.05)
<u>Delivery Charges-Demand</u>																								
Next 10,000 kW																								
Transmission	\$	0.55 per kW	\$	(5,459.02)	\$	(5,459.02)	\$	(5,459.02)	\$	(5,459.02)	\$	(5,459.02)	\$	(5,459.02)	\$	(5,459.02)	\$	(5,459.02)	\$	(5,459.02)	\$	(5,459.02)	\$	(5,459.02)
Distribution	\$	1.74 per kW	\$	(17,359.35)	\$	(17,359.35)	\$	(17,359.35)	\$	(17,359.35)	\$	(17,359.35)	\$	(17,359.35)	\$	(17,359.35)	\$	(17,359.35)	\$	(17,359.35)	\$	(17,359.35)	\$	(17,359.35)
Variable CTC	\$	3.44 per kW	\$	(34,431.63)	\$	(34,431.63)	\$	(34,431.63)	\$	(34,431.63)	\$	(34,431.63)	\$	(34,431.63)	\$	(34,431.63)	\$	(34,431.63)	\$	(34,431.63)	\$	(34,431.63)	\$	(34,431.63)
Next 25,000 kW																								
Transmission	\$	0.53 per kW	\$	(13,266.14)	\$	(13,266.14)	\$	(13,266.14)	\$	(13,266.14)	\$	(13,266.14)	\$	(13,266.14)	\$	(13,266.14)	\$	(13,266.14)	\$	(13,266.14)	\$	(13,266.14)	\$	(13,266.14)
Distribution	\$	1.69 per kW	\$	(42,185.49)	\$	(42,185.49)	\$	(42,185.49)	\$	(42,185.49)	\$	(42,185.49)	\$	(42,185.49)	\$	(42,185.49)	\$	(42,185.49)	\$	(42,185.49)	\$	(42,185.49)	\$	(42,185.49)
Variable CTC	\$	3.35 per kW	\$	(83,673.37)	\$	(83,673.37)	\$	(83,673.37)	\$	(83,673.37)	\$	(83,673.37)	\$	(83,673.37)	\$	(83,673.37)	\$	(83,673.37)	\$	(83,673.37)	\$	(83,673.37)	\$	(83,673.37)
Additional kW																								
Transmission	\$	0.52 per kW	\$	(2,584.10)	\$	(2,584.10)	\$	(2,584.10)	\$	(2,584.10)	\$	(2,584.10)	\$	(2,584.10)	\$	(2,584.10)	\$	(2,584.10)	\$	(2,584.10)	\$	(2,584.10)	\$	(2,584.10)
Distribution	\$	1.64 per kW	\$	(8,217.26)	\$	(8,217.26)	\$	(8,217.26)	\$	(8,217.26)	\$	(8,217.26)	\$	(8,217.26)	\$	(8,217.26)	\$	(8,217.26)	\$	(8,217.26)	\$	(8,217.26)	\$	(8,217.26)
Variable CTC	\$	3.26 per kW	\$	(16,298.64)	\$	(16,298.64)	\$	(16,298.64)	\$	(16,298.64)	\$	(16,298.64)	\$	(16,298.64)	\$	(16,298.64)	\$	(16,298.64)	\$	(16,298.64)	\$	(16,298.64)	\$	(16,298.64)
<u>Delivery Charges-Energy</u>																								
First 750,000 kWh +																								
400 kWh per kW																								
Transmission	\$	0.00186 per kWh	\$	-	\$	(6,117.54)	\$	(12,235.08)	\$	(18,352.62)	\$	(24,470.17)	\$	(30,587.71)	\$	(36,714.25)	\$	(42,840.79)	\$	(48,967.33)	\$	(55,093.87)	\$	(61,220.41)
Distribution	\$	0.00592 per kWh	\$	-	\$	(19,453.40)	\$	(38,906.80)	\$	(58,360.20)	\$	(77,813.60)	\$	(97,267.00)	\$	(116,720.40)	\$	(136,173.80)	\$	(155,627.20)	\$	(175,080.60)	\$	(194,534.00)
Variable CTC	\$	0.01175 per kWh	\$	-	\$	(38,585.11)	\$	(77,170.22)	\$	(115,755.33)	\$	(154,340.43)	\$	(192,925.54)	\$	(231,510.65)	\$	(270,095.76)	\$	(308,680.87)	\$	(347,265.98)	\$	(385,851.09)
Next 150 kWh per kW																								
Transmission	\$	0.00068 per kWh	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	(652.68)	\$	(2,886.07)	\$	(4,589.15)	\$	(4,589.15)	\$	(4,589.15)
Distribution	\$	0.00216 per kWh	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	(2,075.48)	\$	(9,177.52)	\$	(14,593.22)	\$	(14,593.22)	\$	(14,593.22)
Variable CTC	\$	0.00429 per kWh	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	(4,116.64)	\$	(18,203.27)	\$	(28,945.12)	\$	(28,945.12)	\$	(28,945.12)
Excess kWh																								
Transmission	\$	0.00047 per kWh	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	(366.67)	\$	(1,910.94)	\$	(3,455.20)	\$	(3,455.20)
Distribution	\$	0.00149 per kWh	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	(1,166.00)	\$	(6,076.67)	\$	(10,987.33)	\$	(10,987.33)
Variable CTC	\$	0.00297 per kWh	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	(2,312.72)	\$	(12,052.85)	\$	(21,792.97)	\$	(21,792.97)
Market Energy																								
DLC Customer Gen. Charge/Credit	\$	0.01847 per kWh	\$	-	\$	(60,673.95)	\$	(121,347.90)	\$	(182,021.85)	\$	(242,695.80)	\$	(303,369.75)	\$	(364,043.70)	\$	(424,717.65)	\$	(485,391.60)	\$	(546,065.55)	\$	(606,739.50)
Fixed CTC	\$		\$	223,475.00	\$	223,475.00	\$	223,475.00	\$	223,475.00	\$	223,475.00	\$	223,475.00	\$	223,475.00	\$	223,475.00	\$	223,475.00	\$	223,475.00	\$	223,475.00

DUQUESNE LIGHT COMPANY
COMPARISON BETWEEN BUNDLED AND UNBUNDLED RATES
RATE LD - LARGE POWER SERVICE DELIVERY (continued)

MONTHLY DEMAND = 45,000 KW

Rate LD (proposed unbundled rate)

Fixed Charges																
Fixed CTC		\$	223,475.00	\$	223,475.00	\$	223,475.00	\$	223,475.00	\$	223,475.00	\$	223,475.00	\$	223,475.00	
First 5000 kW																
Transmission	\$	6,797.70	\$	6,797.70	\$	6,797.70	\$	6,797.70	\$	6,797.70	\$	6,797.70	\$	6,797.70	\$	6,797.70
Distribution	\$	21,616.25	\$	21,616.25	\$	21,616.25	\$	21,616.25	\$	21,616.25	\$	21,616.25	\$	21,616.25	\$	21,616.25
Variable CTC	\$	42,875.05	\$	42,875.05	\$	42,875.05	\$	42,875.05	\$	42,875.05	\$	42,875.05	\$	42,875.05	\$	42,875.05
Delivery Charges-Demand																
Next 10,000 kW																
Transmission	\$	0.55 per kW	\$	5,459.02	\$	5,459.02	\$	5,459.02	\$	5,459.02	\$	5,459.02	\$	5,459.02	\$	5,459.02
Distribution	\$	1.74 per kW	\$	17,359.35	\$	17,359.35	\$	17,359.35	\$	17,359.35	\$	17,359.35	\$	17,359.35	\$	17,359.35
Variable CTC	\$	3.44 per kW	\$	34,431.63	\$	34,431.63	\$	34,431.63	\$	34,431.63	\$	34,431.63	\$	34,431.63	\$	34,431.63
Next 25,000 kW																
Transmission	\$	0.53 per kW	\$	13,266.14	\$	13,266.14	\$	13,266.14	\$	13,266.14	\$	13,266.14	\$	13,266.14	\$	13,266.14
Distribution	\$	1.69 per kW	\$	42,185.49	\$	42,185.49	\$	42,185.49	\$	42,185.49	\$	42,185.49	\$	42,185.49	\$	42,185.49
Variable CTC	\$	3.35 per kW	\$	83,673.37	\$	83,673.37	\$	83,673.37	\$	83,673.37	\$	83,673.37	\$	83,673.37	\$	83,673.37
Additional kW																
Transmission	\$	0.52 per kW	\$	2,584.10	\$	2,584.10	\$	2,584.10	\$	2,584.10	\$	2,584.10	\$	2,584.10	\$	2,584.10
Distribution	\$	1.64 per kW	\$	8,217.26	\$	8,217.26	\$	8,217.26	\$	8,217.26	\$	8,217.26	\$	8,217.26	\$	8,217.26
Variable CTC	\$	3.26 per kW	\$	16,298.64	\$	16,298.64	\$	16,298.64	\$	16,298.64	\$	16,298.64	\$	16,298.64	\$	16,298.64
Delivery Charges-Energy																
First 750,000 kWh +																
400 kWh per kW																
Transmission	\$	0.00186 per kWh	\$	-	\$	6,117.54	\$	12,235.08	\$	18,352.62	\$	24,470.17	\$	30,587.71	\$	34,917.47
Distribution	\$	0.00592 per kWh	\$	-	\$	19,453.40	\$	38,906.80	\$	58,360.20	\$	77,813.60	\$	97,267.00	\$	111,035.39
Variable CTC	\$	0.01175 per kWh	\$	-	\$	38,585.11	\$	77,170.22	\$	115,755.33	\$	154,340.43	\$	192,925.54	\$	220,234.64
Next 150 kWh per kW																
Transmission	\$	0.00068	\$	-	\$	-	\$	-	\$	-	\$	-	\$	652.68	\$	2,886.07
Distribution	\$	0.00216 per kWh	\$	-	\$	-	\$	-	\$	-	\$	-	\$	2,075.48	\$	9,177.52
Variable CTC	\$	0.00429 per kWh	\$	-	\$	-	\$	-	\$	-	\$	-	\$	4,116.64	\$	18,203.27
Excess kWh																
Transmission	\$	0.00047	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	366.67
Distribution	\$	0.00149 per kWh	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	1,910.94
Variable CTC	\$	0.00297 per kWh	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	6,076.67
Supplier Market Price																
Demand																
Energy	\$	0.01847 per kWh	\$	-	\$	60,673.95	\$	121,347.90	\$	182,021.85	\$	242,695.80	\$	303,369.75	\$	364,043.70
Total Monthly Bill	\$		\$	518,239.00	\$	643,069.00	\$	767,899.00	\$	892,729.00	\$	1,017,559.00	\$	1,142,389.00	\$	1,255,315.00
Percent Change				0.00%		0.00%		0.00%		0.00%		0.00%		0.00%		0.00%

**DUQUESNE LIGHT COMPANY
COMPARISON BETWEEN BUNDLED AND UNBUNDLED RATES
RATE HVPSD - HIGH VOLTAGE POWER SERVICE DELIVERY**

MONTHLY DEMAND = 70,000 KW

Load Factor		0%	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%
Demand - KW	First 30,000 kW	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000
	Excess kW	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Usage - kWh		40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
	% kWh off peak	70%										
	On-peak kWh	-	3,577,000.00	7,154,000.00	10,731,000.00	14,308,000.00	17,885,000.00	21,462,000.00	25,039,000.00	28,616,000.00	32,193,000.00	35,770,000.00
	Off-peak kWh	-	1,533,000.00	3,066,000.00	4,599,000.00	6,132,000.00	7,665,000.00	9,198,000.00	10,731,000.00	12,264,000.00	13,797,000.00	15,330,000.00
On peak max hours		51										
Off peak max hours		117	8,190,000									

Rate HVPS (current bundled rate)

Capacity Charge												
First 30,000 kW	\$ 330,536.00	\$ 330,536.00	\$ 330,536.00	\$ 330,536.00	\$ 330,536.00	\$ 330,536.00	\$ 330,536.00	\$ 330,536.00	\$ 330,536.00	\$ 330,536.00	\$ 330,536.00	\$ 330,536.00
Additional kW - on-peak	\$ 11.92 per kW	\$ 476,800.00	\$ 476,800.00	\$ 476,800.00	\$ 476,800.00	\$ 476,800.00	\$ 476,800.00	\$ 476,800.00	\$ 476,800.00	\$ 476,800.00	\$ 476,800.00	\$ 476,800.00
Energy Charge												
On-peak kWh	\$ 0.0433 per kWh	\$ -	\$ 154,884.10	\$ 309,768.20	\$ 464,652.30	\$ 619,536.40	\$ 774,420.50	\$ 929,304.60	\$ 1,084,188.70	\$ 1,239,072.80	\$ 1,393,956.90	\$ 1,548,841.00
Off-peak kWh	\$ 0.0221 per kWh	\$ -	\$ 33,879.30	\$ 67,758.60	\$ 101,637.90	\$ 135,517.20	\$ 169,396.50	\$ 203,275.80	\$ 237,155.10	\$ 271,034.40	\$ 304,913.70	\$ 338,793.00
Monthly Bill		\$ 807,336.00	\$ 996,099.40	\$ 1,184,862.80	\$ 1,373,626.20	\$ 1,562,389.60	\$ 1,751,153.00	\$ 1,939,916.40	\$ 2,128,679.80	\$ 2,317,443.20	\$ 2,506,206.60	\$ 2,694,970.00

Supplier Market Price 50.00 per kW 1.848 cents per kWh
 DLC Customer Gen. Charge/Credit 1.848 cents per kWh

Fixed CTC Calculation

Monthly Bill		\$ 807,336.00	\$ 996,099.40	\$ 1,184,862.80	\$ 1,373,626.20	\$ 1,562,389.60	\$ 1,751,153.00	\$ 1,939,916.40	\$ 2,128,679.80	\$ 2,317,443.20	\$ 2,506,206.60	\$ 2,694,970.00
Less:												
<u>Fixed Charges</u>												
First 30,000 kW												
Transmission	\$ 37,954.56	\$ (37,954.56)	\$ (37,954.56)	\$ (37,954.56)	\$ (37,954.56)	\$ (37,954.56)	\$ (37,954.56)	\$ (37,954.56)	\$ (37,954.56)	\$ (37,954.56)	\$ (37,954.56)	\$ (37,954.56)
Distribution	\$ 76,367.59	\$ (76,367.59)	\$ (76,367.59)	\$ (76,367.59)	\$ (76,367.59)	\$ (76,367.59)	\$ (76,367.59)	\$ (76,367.59)	\$ (76,367.59)	\$ (76,367.59)	\$ (76,367.59)	\$ (76,367.59)
Fixed CTC	\$ 216,213.85	\$ (216,213.85)	\$ (216,213.85)	\$ (216,213.85)	\$ (216,213.85)	\$ (216,213.85)	\$ (216,213.85)	\$ (216,213.85)	\$ (216,213.85)	\$ (216,213.85)	\$ (216,213.85)	\$ (216,213.85)
<u>Delivery Charges - Demand</u>												
Additional on-peak kW												
Transmission	\$ 1.37 per kW	\$ (54,749.67)	\$ (54,749.67)	\$ (54,749.67)	\$ (54,749.67)	\$ (54,749.67)	\$ (54,749.67)	\$ (54,749.67)	\$ (54,749.67)	\$ (54,749.67)	\$ (54,749.67)	\$ (54,749.67)
Distribution	\$ 2.75 per kW	\$ (110,160.67)	\$ (110,160.67)	\$ (110,160.67)	\$ (110,160.67)	\$ (110,160.67)	\$ (110,160.67)	\$ (110,160.67)	\$ (110,160.67)	\$ (110,160.67)	\$ (110,160.67)	\$ (110,160.67)
Variable CTC	\$ 7.80 per kW	\$ (311,889.66)	\$ (311,889.66)	\$ (311,889.66)	\$ (311,889.66)	\$ (311,889.66)	\$ (311,889.66)	\$ (311,889.66)	\$ (311,889.66)	\$ (311,889.66)	\$ (311,889.66)	\$ (311,889.66)
<u>Delivery Charges - Energy</u>												
On-Peak												
Transmission	\$ 0.0030 per kWh	\$ -	\$ (10,809.79)	\$ (21,619.57)	\$ (32,429.36)	\$ (43,239.14)	\$ (54,048.93)	\$ (64,858.71)	\$ (75,668.50)	\$ (86,478.28)	\$ (97,288.07)	\$ (108,097.85)
Distribution	\$ 0.0061 per kWh	\$ -	\$ (21,750.14)	\$ (43,500.28)	\$ (65,250.43)	\$ (87,000.58)	\$ (108,750.72)	\$ (130,500.86)	\$ (152,251.01)	\$ (174,001.15)	\$ (195,751.30)	\$ (217,501.44)
Variable CTC	\$ 0.0172 per kWh	\$ -	\$ (61,579.56)	\$ (123,159.11)	\$ (184,738.67)	\$ (246,318.23)	\$ (307,897.78)	\$ (369,477.34)	\$ (431,056.90)	\$ (492,636.45)	\$ (554,216.01)	\$ (615,795.57)
Off-Peak												
Transmission	\$ 0.0006 per kWh	\$ -	\$ (900.92)	\$ (1,801.85)	\$ (2,702.77)	\$ (3,603.69)	\$ (4,504.62)	\$ (5,405.54)	\$ (6,306.46)	\$ (7,207.38)	\$ (8,108.31)	\$ (9,009.23)
Distribution	\$ 0.0012 per kWh	\$ -	\$ (1,812.73)	\$ (3,625.46)	\$ (5,438.19)	\$ (7,250.91)	\$ (9,063.64)	\$ (10,876.37)	\$ (12,689.10)	\$ (14,501.83)	\$ (16,314.56)	\$ (18,127.28)
Variable CTC	\$ 0.0033 per kWh	\$ -	\$ (5,132.24)	\$ (10,264.49)	\$ (15,396.73)	\$ (20,528.97)	\$ (25,661.21)	\$ (30,793.46)	\$ (35,925.70)	\$ (41,057.94)	\$ (46,190.18)	\$ (51,322.43)
Market energy												
DLC Customer Gen Charge/Credit	\$ 0.01848 per kWh	\$ -	\$ (94,432.80)	\$ (188,865.60)	\$ (283,298.40)	\$ (377,731.20)	\$ (472,164.00)	\$ (566,596.80)	\$ (661,029.60)	\$ (755,462.40)	\$ (849,895.20)	\$ (944,328.00)
Fixed CTC		\$ (0.00)	\$ (7,654.78)	\$ (15,309.56)	\$ (22,964.34)	\$ (30,619.12)	\$ (38,273.90)	\$ (45,928.68)	\$ (53,583.46)	\$ (61,238.24)	\$ (68,893.02)	\$ (76,547.80)

DUQUESNE LIGHT COMPANY
COMPARISON BETWEEN BUNDLED AND UNBUNDLED RATES
RATE HVPSD - HIGH VOLTAGE POWER SERVICE DELIVERY (continued)

MONTHLY DEMAND = 70,000 KW

Rate HVPSD (proposed unbundled rate)

Fixed Charges																									
CTC		\$	(0.00)	\$	(7,654.78)	\$	(15,309.56)	\$	(22,964.34)	\$	(30,619.12)	\$	(38,273.90)	\$	(45,928.68)	\$	(53,583.46)	\$	(61,238.24)	\$	(68,893.02)	\$	(76,547.80)		
<u>First 30,000 kW</u>																									
Transmission	\$	37,954.56		\$	37,954.56	\$	37,954.56	\$	37,954.56	\$	37,954.56	\$	37,954.56	\$	37,954.56	\$	37,954.56	\$	37,954.56	\$	37,954.56	\$	37,954.56		
Distribution	\$	76,367.59		\$	76,367.59	\$	76,367.59	\$	76,367.59	\$	76,367.59	\$	76,367.59	\$	76,367.59	\$	76,367.59	\$	76,367.59	\$	76,367.59	\$	76,367.59		
CTC	\$	216,213.85		\$	216,213.85	\$	216,213.85	\$	216,213.85	\$	216,213.85	\$	216,213.85	\$	216,213.85	\$	216,213.85	\$	216,213.85	\$	216,213.85	\$	216,213.85		
<u>Delivery Charges - Demand</u>																									
Additional on-peak kW																									
Transmission	\$	1.37	per kW	\$	54,749.67	\$	54,749.67	\$	54,749.67	\$	54,749.67	\$	54,749.67	\$	54,749.67	\$	54,749.67	\$	54,749.67	\$	54,749.67	\$	54,749.67		
Distribution	\$	2.75	per kW	\$	110,160.67	\$	110,160.67	\$	110,160.67	\$	110,160.67	\$	110,160.67	\$	110,160.67	\$	110,160.67	\$	110,160.67	\$	110,160.67	\$	110,160.67		
Variable CTC	\$	7.80	per kW	\$	311,889.66	\$	311,889.66	\$	311,889.66	\$	311,889.66	\$	311,889.66	\$	311,889.66	\$	311,889.66	\$	311,889.66	\$	311,889.66	\$	311,889.66		
<u>Delivery Charges - Energy</u>																									
On-Peak																									
Transmission	\$	0.00302	per kWh	\$	-	\$	10,809.79	\$	21,619.57	\$	32,429.36	\$	43,239.14	\$	54,048.93	\$	64,858.71	\$	75,668.50	\$	86,478.28	\$	97,288.07	\$	108,097.85
Distribution	\$	0.00608	per kWh	\$	-	\$	21,750.14	\$	43,500.29	\$	65,250.43	\$	87,000.58	\$	108,750.72	\$	130,500.86	\$	152,251.01	\$	174,001.15	\$	195,751.30	\$	217,501.44
Variable CTC	\$	0.01722	per kWh	\$	-	\$	61,579.56	\$	123,159.11	\$	184,738.67	\$	246,318.23	\$	307,897.78	\$	369,477.34	\$	431,056.90	\$	492,636.45	\$	554,216.01	\$	615,795.57
Off-Peak																									
Transmission	\$	0.00059	per kWh	\$	-	\$	900.92	\$	1,801.85	\$	2,702.77	\$	3,603.69	\$	4,504.62	\$	5,405.54	\$	6,306.46	\$	7,207.38	\$	8,108.31	\$	9,009.23
Distribution	\$	0.00118	per kWh	\$	-	\$	1,812.73	\$	3,625.46	\$	5,438.19	\$	7,250.91	\$	9,063.64	\$	10,876.37	\$	12,689.10	\$	14,501.83	\$	16,314.56	\$	18,127.28
Variable CTC	\$	0.00335	per kWh	\$	-	\$	5,132.24	\$	10,264.49	\$	15,396.73	\$	20,528.97	\$	26,661.21	\$	30,793.46	\$	35,925.70	\$	41,057.94	\$	46,190.18	\$	51,322.43
<u>Supplier Market Price</u>																									
Demand		\$	50.00	per kW	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	
Energy	\$	0.01848	per kWh	\$	-	\$	94,432.80	\$	188,865.60	\$	283,298.40	\$	377,731.20	\$	472,164.00	\$	566,596.80	\$	661,029.60	\$	755,462.40	\$	849,895.20	\$	944,328.00
Monthly Bill		\$	807,336.00		\$	896,099.40	\$	1,184,862.80	\$	1,373,626.20	\$	1,562,389.60	\$	1,751,153.00	\$	1,939,916.40	\$	2,128,679.80	\$	2,317,443.20	\$	2,506,206.60	\$	2,694,970.00	
Percent Change			0.00%		0.00%		0.00%		0.00%		0.00%		0.00%		0.00%		0.00%		0.00%		0.00%		0.00%		

**DUQUESNE LIGHT COMPANY
COMPARISON BETWEEN BUNDLED AND UNBUNDLED RATES
RATE ALD - ARCHITECTURAL LIGHTING SERVICE DELIVERY**

MONTHLY DEMAND = 10 KW

Load Factor	0%	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%
Demand - kW	10	10	10	10	10	10	10	10	10	10	10
Usage - kWh	-	730	1,460	2,190	2,920	3,650	4,380	5,110	5,840	6,570	7,300

Rate AL (bundled rate)

Customer Charge	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07
Capacity Charge												
All kW	\$ 7.02	\$ 70.20	\$ 70.20	\$ 70.20	\$ 70.20	\$ 70.20	\$ 70.20	\$ 70.20	\$ 70.20	\$ 70.20	\$ 70.20	\$ 70.20
Energy Charge												
First 300 kWh	\$ 0.1006	\$ -	\$ 30.18	\$ 30.18	\$ 30.18	\$ 30.18	\$ 30.18	\$ 30.18	\$ 30.18	\$ 30.18	\$ 30.18	\$ 30.18
Excess kWh	\$ 0.0277	\$ -	\$ 11.91	\$ 32.13	\$ 52.35	\$ 72.57	\$ 92.80	\$ 113.02	\$ 133.24	\$ 153.46	\$ 173.68	\$ 193.90
Monthly Total	\$ 79.27	\$ 121.36	\$ 141.58	\$ 161.80	\$ 182.02	\$ 202.25	\$ 222.47	\$ 242.69	\$ 262.91	\$ 283.13	\$ 303.35	

Supplier Market Price 50.00 per kW 1.8140 cents per kWh
 DLC Customer Gen. Charge/Credit 1.8140 cents per kWh

CTC Calculation												
Base Bill	\$ 79.27	\$ 121.36	\$ 141.58	\$ 161.80	\$ 182.02	\$ 202.25	\$ 222.47	\$ 242.69	\$ 262.91	\$ 283.13	\$ 303.35	
Less:												
Customer Charge	\$ 9.07	\$ (9.07)	\$ (9.07)	\$ (9.07)	\$ (9.07)	\$ (9.07)	\$ (9.07)	\$ (9.07)	\$ (9.07)	\$ (9.07)	\$ (9.07)	
Delivery Charges-Demand												
Transmission	\$ 0.30	\$ (2.97)	\$ (2.97)	\$ (2.97)	\$ (2.97)	\$ (2.97)	\$ (2.97)	\$ (2.97)	\$ (2.97)	\$ (2.97)	\$ (2.97)	
Distribution	\$ 1.88	\$ (18.80)	\$ (18.80)	\$ (18.80)	\$ (18.80)	\$ (18.80)	\$ (18.80)	\$ (18.80)	\$ (18.80)	\$ (18.80)	\$ (18.80)	
CTC	\$ 1.33	\$ (13.33)	\$ (13.33)	\$ (13.33)	\$ (13.33)	\$ (13.33)	\$ (13.33)	\$ (13.33)	\$ (13.33)	\$ (13.33)	\$ (13.33)	
Delivery Charges-Energy												
Transmission												
First 300 kWh	\$ 0.0027	\$ -	\$ (0.82)	\$ (0.82)	\$ (0.82)	\$ (0.82)	\$ (0.82)	\$ (0.82)	\$ (0.82)	\$ (0.82)	\$ (0.82)	
Excess kWh	\$ 0.0008	\$ -	\$ (0.35)	\$ (0.94)	\$ (1.53)	\$ (2.12)	\$ (2.71)	\$ (3.30)	\$ (3.89)	\$ (4.48)	\$ (5.07)	
Distribution												
First 300 kWh	\$ 0.0172	\$ -	\$ (5.17)	\$ (5.17)	\$ (5.17)	\$ (5.17)	\$ (5.17)	\$ (5.17)	\$ (5.17)	\$ (5.17)	\$ (5.17)	
Excess kWh	\$ 0.0051	\$ -	\$ (2.20)	\$ (5.94)	\$ (9.68)	\$ (13.42)	\$ (17.15)	\$ (20.89)	\$ (24.63)	\$ (28.37)	\$ (32.11)	
Variable CTC												
First 300 kWh	\$ 0.0122	\$ -	\$ (3.66)	\$ (3.66)	\$ (3.66)	\$ (3.66)	\$ (3.66)	\$ (3.66)	\$ (3.66)	\$ (3.66)	\$ (3.66)	
Excess kWh	\$ 0.0036	\$ -	\$ (1.56)	\$ (4.21)	\$ (6.86)	\$ (9.51)	\$ (12.16)	\$ (14.81)	\$ (17.46)	\$ (20.11)	\$ (22.76)	
DLC Customer Gen. Charge/Credit	\$ 0.0181	\$ -	\$ (13.24)	\$ (26.48)	\$ (39.73)	\$ (52.97)	\$ (66.21)	\$ (79.45)	\$ (92.70)	\$ (105.94)	\$ (119.18)	
Fixed CTC	\$ 35.10	\$ 50.19	\$ 50.19	\$ 50.19	\$ 50.19	\$ 50.19	\$ 50.19	\$ 50.19	\$ 50.19	\$ 50.19	\$ 50.19	

Rate ALD (proposed unbundled rate)

Fixed Charges												
Customer Charge	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07	\$ 9.07
Fixed CTC	\$ 35.10	\$ 50.19	\$ 50.19	\$ 50.19	\$ 50.19	\$ 50.19	\$ 50.19	\$ 50.19	\$ 50.19	\$ 50.19	\$ 50.19	\$ 50.19
Delivery Charges-Demand												
Transmission	\$ 0.30	\$ 2.97	\$ 2.97	\$ 2.97	\$ 2.97	\$ 2.97	\$ 2.97	\$ 2.97	\$ 2.97	\$ 2.97	\$ 2.97	\$ 2.97
Distribution	\$ 1.88	\$ 18.80	\$ 18.80	\$ 18.80	\$ 18.80	\$ 18.80	\$ 18.80	\$ 18.80	\$ 18.80	\$ 18.80	\$ 18.80	\$ 18.80
CTC	\$ 1.33	\$ 13.33	\$ 13.33	\$ 13.33	\$ 13.33	\$ 13.33	\$ 13.33	\$ 13.33	\$ 13.33	\$ 13.33	\$ 13.33	\$ 13.33
Delivery Charges-Energy												
Transmission												
First 300 kWh	\$ 0.0027	\$ -	\$ 0.82	\$ 0.82	\$ 0.82	\$ 0.82	\$ 0.82	\$ 0.82	\$ 0.82	\$ 0.82	\$ 0.82	\$ 0.82
Excess kWh	\$ 0.0008	\$ -	\$ 0.35	\$ 0.94	\$ 1.53	\$ 2.12	\$ 2.71	\$ 3.30	\$ 3.89	\$ 4.48	\$ 5.07	\$ 5.67
Distribution												
First 300 kWh	\$ 0.0172	\$ -	\$ 5.17	\$ 5.17	\$ 5.17	\$ 5.17	\$ 5.17	\$ 5.17	\$ 5.17	\$ 5.17	\$ 5.17	\$ 5.17
Excess kWh	\$ 0.0051	\$ -	\$ 2.20	\$ 5.94	\$ 9.68	\$ 13.42	\$ 17.15	\$ 20.89	\$ 24.63	\$ 28.37	\$ 32.11	\$ 35.84
Variable CTC												
First 300 kWh	\$ 0.0122	\$ -	\$ 3.66	\$ 3.66	\$ 3.66	\$ 3.66	\$ 3.66	\$ 3.66	\$ 3.66	\$ 3.66	\$ 3.66	\$ 3.66
Excess kWh	\$ 0.0036	\$ -	\$ 1.56	\$ 4.21	\$ 6.86	\$ 9.51	\$ 12.16	\$ 14.81	\$ 17.46	\$ 20.11	\$ 22.76	\$ 25.41
Supplier Market Price												
Demand	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Energy	\$ 0.0181	\$ -	\$ 13.24	\$ 26.48	\$ 39.73	\$ 52.97	\$ 66.21	\$ 79.45	\$ 92.70	\$ 105.94	\$ 119.18	\$ 132.42
Total Monthly Charges	\$ 79.27	\$ 121.36	\$ 141.58	\$ 161.80	\$ 182.02	\$ 202.25	\$ 222.47	\$ 242.69	\$ 262.91	\$ 283.13	\$ 303.35	
Percent Change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	

Potential Stranded Cost Mitigation Resulting From Rate Redesign¹
(Millions of Dollars Each Year)

	Incremental Stranded Cost <u>Mitigation</u>	Foregone Revenues	Net Stranded Cost Mitigation
	[1]	[2]	[1] - [2]
Residential	9.3	0.3	9.0
Commercial & Industrial	<u>8.1</u>	<u>1.5</u>	<u>6.6</u>
Total	17.4	1.8	15.6

¹ Based on a 50% reduction in most demand and energy usage charges and price elasticities of -0.1 for energy and -0.5 for demand.

**RATE REDUCTION ON INCREMENTAL USAGE –
COMPARISON OF BUNDLED AND UNBUNDLED USAGE RATES (1)**

Customers In This Rate Class	Current Bundled Usage Rates		Proposed Unbundled Usage Rates		This Represents A Reduction On Incremental Usage Of
	Currently Pay This Much For Incremental Usage (cents per kWh)		Will Pay This Much For Incremental Usage (cents per kWh) (2)		
<u>Residential</u>					
RS	11.66		5.83		50%
RH					
Summer	11.66		5.83		50%
Winter (3)	4.49		4.49		0%
RA					
Summer	11.66		5.83		50%
Winter (3)	4.49		4.49		0%
<u>Commercial & Industrial</u>					
GS/GM (3)	10.57		7.19		32%
GMH					
Summer (3)	10.70		7.25		32%
Winter (3)	3.80		3.80		0%
GLH					
Summer	7.39		5.60		24%
Winter	3.80		3.80		0%
GL	7.15		5.47		23%
L (4)	5.93		4.87		18%
HVPS (5)	4.97		4.97		0%
SE	11.02		11.02		0%
MTS	3.63		3.63		0%
AL	5.37		4.07		<u>24%</u>

Weighted Average Reduction in Incremental Usage Rate = **27% (7)**

- (1) Total usage rates by class are equal to the sum of energy charges and the effective demand charge rate (if applicable).
The effective demand charge rate is computed by dividing the demand charge by the associated monthly consumption (i.e., the average class load factor times the number of hours in the month).
- (2) Includes usage delivery charges (T, D and variable CTC) and CGC.
- (3) Assumes all customers are in the tailblock rate. Customers in initial blocks would experience greater reductions.
- (4) Assumes all customers are in the first block of energy and the second block of demand.
- (5) Off peak kWh price. Both on and off-peak rates have not changed.
- (6) Rate schedules SM and SH have not been unbundled and are not shown.
- (7) Weighted by kWh sales by class and by season.

**Mitigation Sensitivity Analysis:
Changes in Energy and Demand Price Elasticities**

**Potential Stranded Cost Mitigation Resulting From Rate Redesign¹
(Millions of Dollars Each Year)**

Demand Elasticity	Energy Elasticity					
	-0.05	-0.10	-0.15	-0.20	-0.30	-0.40
-0.010	5.5	12.2	19.1	26.2	41.0	56.8
-0.025	6.7	13.4	20.3	27.4	42.3	58.0
-0.050	8.9	15.6	22.5	29.6	44.4	60.2
-0.075	11.1	17.8	24.8	31.9	46.7	62.5
-0.100	13.5	20.2	27.1	34.3	49.1	64.9
-0.150	18.6	25.3	32.2	39.3	54.1	69.9

¹ Based on a 50% reduction in most demand and energy usage charges.

Mitigation Sensitivity Analysis:
Changes in Percentage Reduction in Most Demand and Energy Charges

Potential Stranded Cost Mitigation Resulting From Rate Redesign¹
(Millions of Dollars Each Year)

Reduction in Most Demand and Energy Charges

<u>25%</u>	<u>50%</u>	<u>75%</u>
\$10.2	\$15.6	\$12.3

¹ Based on price elasticities of -0.1 for energy and -.05 for demand.

COMPARISON OF CURRENT BUNDLED AND PROPOSED UNBUNDLED USAGE RATES (1)

Rate	Current Bundled Usage Rates (2)	Unbundled Usage Delivery Charges					Market Based CGC (3)	Total Proposed Unbundled Usage Rate CGC+(T+D+C)	Reduction: Current Versus Proposed Usage Rate	Percent Reduction In Usage Rate
		Transmission T	Distribution D	Variable Class-Specific CTC (3) C	Usage Delivery Charges Subtotal (T+D+C)					
RS	All kWh	\$0.1166	\$0.0045	\$0.0281	\$0.0072	\$0.0397	\$0.01856	\$0.0583	\$0.0583	50%
RH										
Summer	First 500 kWh	\$0.1166	\$0.0052	\$0.0316	\$0.0030	\$0.0399	\$0.01844	\$0.0583	\$0.0583	50%
	Excess kWh	\$0.1166	\$0.0052	\$0.0316	\$0.0030	\$0.0399	\$0.01844	\$0.0583	\$0.0583	50%
Winter	First 500 kWh	\$0.1166	\$0.0052	\$0.0316	\$0.0030	\$0.0399	\$0.01844	\$0.0583	\$0.0583	50%
	Excess kWh	\$0.0449	\$0.0035	\$0.0210	\$0.0020	\$0.0265	\$0.01844	\$0.0449	\$0	0%
RA										
Summer	First 500 kWh	\$0.1166	\$0.0051	\$0.0279	\$0.0068	\$0.0398	\$0.01848	\$0.0583	\$0.0583	50%
	Excess kWh	\$0.1166	\$0.0051	\$0.0279	\$0.0068	\$0.0398	\$0.01848	\$0.0583	\$0.0583	50%
Winter	First 500 kWh	\$0.1166	\$0.0051	\$0.0279	\$0.0068	\$0.0398	\$0.01848	\$0.0583	\$0.0583	50%
	Excess kWh	\$0.0449	\$0.0034	\$0.0185	\$0.0045	\$0.0264	\$0.01848	\$0.0449	\$0	0%
GS/GM										
	First 5 kW	\$0	\$0	\$0	\$0	\$0		\$0	\$0	0%
	Additional kW	\$18.34	\$0.93	\$4.45	\$3.79	\$9.17		\$9.17	\$9.17	50%
	First 550 kWh	\$0.1397	\$0.0052	\$0.0248	\$0.0212	\$0.0512	\$0.01864	\$0.0699	\$0.0699	50%
	Next 750 kWh	\$0.1309	\$0.0048	\$0.0227	\$0.0194	\$0.0468	\$0.01864	\$0.0655	\$0.0655	50%
	Additional kWh	\$0.0380	\$0.0020	\$0.0094	\$0.0080	\$0.0194	\$0.01864	\$0.0380	\$0	0%
GMH										
Summer	First 5 kW	\$0	\$0	\$0	\$0	\$0		\$0	\$0	0%
	Additional kW	\$18.34	\$1.08	\$5.71	\$2.38	\$9.17		\$9.17	\$9.17	50%
	First 550 kWh	\$0.1397	\$0.0060	\$0.0320	\$0.0133	\$0.0513	\$0.01855	\$0.0699	\$0.0699	50%
	Next 750 kWh	\$0.1309	\$0.0055	\$0.0292	\$0.0122	\$0.0469	\$0.01855	\$0.0655	\$0.0655	50%
	Additional kWh	\$0.0380	\$0.0023	\$0.0121	\$0.0050	\$0.0195	\$0.01855	\$0.0380	\$0	0%
Winter	First Block	\$0.1146	\$0.0046	\$0.0241	\$0.0101	\$0.0388	\$0.01855	\$0.0573	\$0.0573	50%
	Additional kWh	\$0.0380	\$0.0023	\$0.0121	\$0.0050	\$0.0195	\$0.01855	\$0.0380	\$0	0%
GLH										
Summer	First 300 kW	\$5,527.00	\$662.21	\$2,073.77	\$2,791.02	\$5,527.00		\$5,527.00	\$0	0%
	Additional kW	\$13.98	\$0.84	\$2.62	\$3.53	\$6.99		\$6.99	\$6.99	50%
	All kWh	\$0.0380	\$0.0023	\$0.0073	\$0.0098	\$0.0194	\$0.01858	\$0.0380	\$0	0%
Winter	First Block	\$0.1146	\$0.0046	\$0.0145	\$0.0196	\$0.0387	\$0.01858	\$0.0573	\$0.0573	50%
	Additional kWh	\$0.0380	\$0.0023	\$0.0073	\$0.0098	\$0.0194	\$0.01858	\$0.0380	\$0	0%
GL										
	First 300 kW	\$5,527.00	\$429.56	\$1,546.19	\$3,551.25	\$5,527.00		\$5,527.00	\$0	0%
	Additional kW	\$13.98	\$0.54	\$1.96	\$4.49	\$6.99		\$6.99	\$6.99	50%
	All kWh	\$0.0380	\$0.0015	\$0.0054	\$0.0125	\$0.0195	\$0.01852	\$0.0380	\$0	0%
L										
	First 5,000 kW	\$71,289.00	\$6,797.70	\$21,616.25	\$42,875.05	\$71,289.00		\$71,289.00	\$0	0%
	Next 10,000 kW	\$11.45	\$0.55	\$1.74	\$3.44	\$5.73		\$5.73	\$5.73	50%
	Next 25,000 kW	\$11.13	\$0.53	\$1.69	\$3.35	\$5.57		\$5.57	\$5.57	50%
	Additional kW	\$10.84	\$0.52	\$1.64	\$3.26	\$5.42		\$5.42	\$5.42	50%
	First Block kWh	\$0.0380	\$0.0019	\$0.0059	\$0.0117	\$0.0195	\$0.01847	\$0.0380	\$0	0%
	Next Block kWh	\$0.0256	\$0.0007	\$0.0022	\$0.0043	\$0.0071	\$0.01847	\$0.0256	\$0	0%
	Additional kWh	\$0.0234	\$0.0005	\$0.0015	\$0.0030	\$0.0049	\$0.01847	\$0.0234	\$0	0%
HVPS (4)										
	First 30,000 kW	\$330,536.00	\$37,954.56	\$76,367.59	\$216,213.85	\$330,536.00		\$330,536.00	\$0	0%
	Additional kW	\$11.92	\$1.37	\$2.75	\$7.80	\$11.92		\$11.92	\$0	0%
	On peak kWh	\$0.0448	\$0.0030	\$0.0061	\$0.0172	\$0.0263	\$0.01848	\$0.0448	\$0	0%
	Off peak kWh	\$0.0236	\$0.0006	\$0.0012	\$0.0033	\$0.0051	\$0.01848	\$0.0236	\$0	0%
SE (4)(5)	All kWh	\$0.1117	\$0.0030	\$0.0906	\$0.0000	\$0.0936	\$0.01814	\$0.1117	\$0	0%
MTS										
	First 1300 kWh	\$0.1351	\$0.0031	\$0.0074	\$0.0386	\$0.0491	\$0.01842	\$0.0676	\$0.0676	50%
	Additional kWh	\$0.0363	\$0.0011	\$0.0027	\$0.0140	\$0.0179	\$0.01842	\$0.0363	\$0	0%
AL										
	All kW	\$7.02	\$0.30	\$1.88	\$1.33	\$3.51		\$3.51	\$3.51	50%
	First 300 kWh	\$0.1006	\$0.0027	\$0.0172	\$0.0122	\$0.0322	\$0.01814	\$0.0503	\$0.0503	50%
	Additional kWh	\$0.0277	\$0.0008	\$0.0051	\$0.0036	\$0.0096	\$0.01814	\$0.0277	\$0	0%

(1) Does not include customer charges and customer-specific fixed CTCs.

(2) Includes adjustment for STAS roll-in.

(3) Actual CTC charges and customer generation charges/credits will depend on annual market sale of firm power.

(4) The ECR roll-in is included in both bundled and unbundled rates. Existing credits are maintained in negotiated HVPS contracts.

(5) Rate PAL is based on Rate SE as there were no customers on Rate PAL in 1996.

COMPARISON OF CURRENT BUNDLED AND PROPOSED UNBUNDLED REVENUES BY RATE CLASS

Unbundled Rates	1996 Billing Determinants	Unbundled Usage/Delivery Revenues				Market Based CGC (1)	Total Unbundled Usage Revenues/Credits CGC+(T+D+C)	Unbundled Fixed Revenues		Total Unbundled Revenue (3)	Current Bundled Revenue (4)	Difference		
		Transmission T	Distribution D	Variable Class-Specific CTC (2) C	Usage Delivery Charges Subtotal (T+D+C)			Distribution Customer Charges	Fixed Customer Specific CTC					
RS	All MWh	2,977,269	\$13,423,406	\$83,565,298	\$21,327,966	\$118,316,670	\$55,258,113	\$173,574,783	\$37,994,846	\$167,769,123	\$ 378,338,751	\$ 379,338,751	0.000%	
	Total MWh	2,977,269	\$13,423,406	\$83,565,298	\$21,327,966	\$118,316,670								
RH	Summer/Winter (5)	155,535	\$816,021	\$4,915,686	\$467,933	\$6,199,640	\$5,701,067	\$15,967,300	\$1,740,132	\$8,543,913	\$ 26,251,345	\$ 26,251,345	0.000%	
	Winter (6)	153,666	\$535,182	\$3,223,821	\$306,891	\$4,065,993								
	Total MWh	309,201	\$1,351,203	\$8,139,607	\$774,823	\$10,265,633								
RA	Summer/Winter (5)	24,159	\$123,831	\$673,297	\$164,888	\$962,017	\$625,509	\$1,843,503	\$213,832	\$1,343,254	\$ 3,400,589	\$ 3,400,589	0.000%	
	Winter (6)	9,689	\$32,950	\$178,154	\$43,874	\$255,977								
	Total MWh	33,848	\$156,781	\$852,451	\$208,762	\$1,217,994								
GS/GM	First 5 kW	6,977,437	\$6,506,564	\$31,018,565	\$26,455,969	\$63,983,097	\$48,858,181	\$176,153,543	\$5,592,090	\$96,739,912	\$ 278,485,545	\$ 278,485,545	0.000%	
	Additional kW	211,324	\$1,100,841	\$5,246,394	\$4,474,689	\$10,821,924								
	First 550 MWh	212,613	\$1,012,389	\$4,824,851	\$4,115,152	\$9,952,393								
	Next 750 MWh	2,197,209	\$4,327,097	\$20,622,113	\$17,589,756	\$42,537,867								
	Additional MWh	2,621,146	\$12,948,891	\$61,711,924	\$52,634,567	\$127,295,381								
	Total MWh	12,393,680	\$50,507,546	\$243,820,542	\$222,979,663	\$503,052,235								
GMH	Summer	First 5 kW	288,982	\$311,173	\$1,651,390	\$687,402	\$2,649,965	\$6,089,149	\$17,765,734	\$365,376	\$9,431,550	\$ 27,562,660	\$ 27,562,660	0.000%
	Additional kW	6,698	\$40,351	\$214,141	\$89,138	\$343,629								
	First 550 MWh	6,647	\$36,606	\$194,269	\$80,666	\$311,740								
	Next 750 MWh	82,118	\$187,552	\$995,337	\$414,315	\$1,597,204								
	Additional MWh	116,385	\$529,580	\$2,810,475	\$1,189,878	\$4,509,933								
	Winter	First Block	116,407	\$285,864	\$1,410,937	\$587,312	\$2,284,113							
	Additional MWh	328,256	\$1,371,126	\$7,276,549	\$3,028,910	\$11,876,585								
GLH	Summer	First 300 kW	426	\$282,102	\$883,425	\$1,188,975	\$2,354,502	\$8,457,969	\$23,160,050	\$7,846	\$6,618,853	\$ 29,786,549	\$ 29,786,549	0.000%
	Additional kW	215,770	\$180,707	\$565,899	\$781,626	\$1,508,232								
	All MWh	151,225	\$351,867	\$1,101,800	\$1,483,014	\$2,936,782								
	Winter	First Block	103,575	\$480,504	\$1,504,734	\$2,025,177	\$4,010,416							
	Additional MWh	200,420	\$466,334	\$1,460,380	\$1,965,455	\$3,892,149								
	Total MWh	455,219	\$1,761,514	\$5,516,318	\$7,424,249	\$14,702,081								
GL	First 300 kW	7,668	\$3,293,862	\$11,856,194	\$27,230,980	\$42,381,038	\$53,428,126	\$182,237,828	\$22,838,063	\$ 204,875,691	\$ 204,875,691	0.000%		
	Additional kW	4,324,871	\$2,349,547	\$8,457,151	\$19,424,151	\$30,230,848								
	All MWh	2,884,888	\$4,367,689	\$15,721,416	\$36,108,514	\$56,197,818								
	Total MWh	2,884,888	\$10,011,097	\$38,034,761	\$82,763,645	\$128,809,503								
L	First 5,000 kW	312	\$2,120,882	\$6,744,271	\$13,377,015	\$22,242,168	\$27,879,985	\$82,470,588	\$2,144,101	\$ 84,614,689	\$ 84,614,689	0.000%		
	Next 10,000 kW	1,138,342	\$621,423	\$1,976,087	\$3,919,497	\$6,517,008								
	Next 25,000 kW	21,725	\$11,528	\$36,659	\$72,712	\$120,900								
	Additional kW	0	\$0	\$0	\$0	\$0								
	First Block MWh	1,215,883	\$2,264,296	\$7,200,321	\$14,281,573	\$23,746,190								
	Next Block MWh	234,969	\$159,750	\$507,994	\$1,007,588	\$1,875,332								
	Additional MWh	58,622	\$27,558	\$87,832	\$173,816	\$289,008								
	Total MWh	1,509,474	\$5,205,437	\$16,552,965	\$32,832,201	\$54,590,803								
HVPS (7)	First 30,000 kW	36	\$1,366,364	\$2,749,233	\$7,783,698	\$11,899,296	\$22,209,708	\$55,168,213	\$0	\$ 55,168,213	\$ 55,168,212	0.000%		
	Additional kW	690,166	\$944,659	\$1,900,729	\$5,381,391	\$8,226,779								
	On peak MWh	315,165	\$952,438	\$1,916,377	\$5,425,695	\$8,294,509								
	Off peak MWh	886,859	\$521,977	\$1,048,449	\$2,968,395	\$4,537,921								
	Total MWh	1,201,824	\$3,784,537	\$7,614,788	\$21,559,180	\$32,958,505								
	Total MWh	1,201,824	\$3,784,537	\$7,614,788	\$21,559,180	\$32,958,505								
SE (7)	All MWh	28,618	\$84,827	\$2,592,501	\$0	\$2,677,428	\$518,128	\$3,196,556	\$0	\$ 3,196,557	\$ 3,196,557	0.000%		
	Total MWh	28,618	\$84,827	\$2,592,501	\$0	\$2,677,428								
MTS	First 1300 MWh	10,885	\$33,470	\$78,998	\$411,508	\$523,976	\$214,393	\$755,785	\$180,160	\$898,780	\$ 1,632,725	\$ 1,632,725	0.000%	
	Additional MWh	874	\$1,112	\$2,628	\$13,678	\$17,416								
	Total MWh	11,839	\$34,582	\$81,624	\$425,186	\$541,392								
AL	All kW	68	\$20	\$128	\$91	\$239	\$240	\$701	\$163	\$478	\$ 1,342	\$ 1,342	0.000%	
	First 300 MWh	4	\$11	\$72	\$51	\$135								
	Additional MWh	9	\$7	\$46	\$33	\$86								
	Total MWh	13	\$39	\$247	\$175	\$461								
Total - Unbundled		12,393,680	\$50,507,546	\$243,820,542	\$222,979,663	\$503,052,235	\$229,242,146	\$732,294,382	\$46,094,246	\$315,926,027	\$1,106,787,482	\$1,106,787,482	0.000%	
Bundled Rates														
SM		31,448	\$184,011	\$6,886,302							\$12,305,786	\$12,305,786		
SH		837	\$2,892	\$54,453							\$167,041	\$167,041		
Total - Bundled		32,285	\$187,003	\$6,940,755							\$12,472,827	\$12,472,827		
TOTAL		12,393,680	\$50,507,546	\$243,820,542	\$222,979,663	\$503,052,235	\$229,242,146	\$732,294,382	\$46,094,246	\$315,926,027	\$1,106,787,482	\$1,106,787,482	0.000%	

(1) Actual CTC charges and customer generation charges/credits will depend on annual market sale of firm power.
(2) Based on 1996 billing determinants and roll-in of ECR and STAS credits.
(3) Rates SM and SH were not unbundled and shown for information.
(4) Based on actual 1996 revenues adjusted for roll-in of ECR at cap.
(5) Winter MWh at 1st block.
(6) Winter MWh at 2nd block.
(7) The ECR roll-in is included in both bundled and unbundled rates. Existing credits are maintained in negotiated HVPS contracts.

RETAIL MARKET PRICES OFFERED TO RESIDENTIAL CUSTOMERS
(Massachusetts Electric Retail Access Pilot)

<u>Supplier By Price Option</u>	<u>Market Share</u> (kWh)	<u>%</u>	<u>Retail Prices [4]</u> (\$/mWh)
<i>Price Options: [1]</i>			
Enova	13,162,824	44%	19.3
Northeast Utilities	7,313,256	24%	22.9
WEPCO	885,684	3%	27.1
<i>Green Options: [2]</i>			
AllEnergy	335,448	1%	34.1 [5]
Enova	820,140	3%	22.1
Northfield Mountain	2,812,548	9%	20.0
Working Assets	3,650,364	12%	29.8
<i>Other Options: [3]</i>			
AllEnergy	844,272	3%	28.7
WEPCO	<u>54,732</u>	<u>0%</u>	<u>Variable [6]</u>
Total	29,879,268	100%	22.2

Notes:

- [1] These options aim to offer the lowest price for electricity.
- [2] These options aim to be environmental, either in their generation source or through projects they support.
- [3] These options offer donations and a variable pricing alternative.
- [4] The comparative prices shown reflect the base price and any bonuses offered by the suppliers.
- [5] Price options range from \$30.1 to \$34.1 per mwh; the highest figure was used for purposes of this analysis.
- [6] Power Markets Week NEPOOL Weekly Index + \$1 per mWh.

Source: Environmental Futures, Inc.

WHOLESALE ELECTRICITY PRICES IN NEPOOL

1996 Week Ending	On-Peak Index Price (\$/mWh) NEPOOL	Off-Peak Average Price (\$/mWh) NEPOOL
01/12/96	32.00	24.00
01/19/96	32.00	23.00
01/26/96	29.00	21.50
02/02/96	30.75	21.00
02/09/96	35.75	21.00
02/16/96	31.75	22.00
02/23/96	28.50	20.00
03/01/96	26.00	20.00
03/08/96	29.50	19.50
03/15/96	27.00	22.50
03/22/96	26.75	20.00
03/29/96	27.00	19.50
04/05/96	26.00	17.50
04/12/96	26.00	16.50
04/19/96	25.75	18.50
04/26/96	24.50	19.00
05/03/96	25.00	18.00
05/10/96	24.30	16.50
05/17/96	23.45	17.38
05/24/96	27.85	20.50
05/31/96	23.75	18.00
06/07/96	23.25	16.25
06/14/96	25.25	17.50
06/21/96	25.80	18.50
06/28/96	25.70	17.00
07/05/96	25.12	18.00
07/12/96	26.45	17.50
07/19/96	28.90	18.00
07/26/96	28.50	18.00
08/02/96	27.30	19.00
08/09/96	35.27	20.50
08/16/96	25.99	17.25
08/23/96	27.64	18.00
08/30/96	25.85	17.50
09/06/96	26.88	17.50
09/13/96	29.59	20.00
09/20/96	27.65	20.00
09/27/96	27.80	18.50
10/04/96	27.95	20.50
10/11/96	30.12	20.00
10/18/96	32.45	21.75
10/25/96	34.00	20.88
11/01/96	34.00	20.25
11/08/96	34.48	21.50
11/15/96	35.00	19.75
11/22/96	33.70	22.50
11/29/96	33.69	22.13
12/06/96	34.70	22.25
12/13/96	35.00	20.00
12/20/96	34.60	22.50
12/27/96	33.31	23.00
01/03/97	30.81	22.00
Average Price	29.03	19.69

1996 Weighted Average Price:

	\$/MWH	Hours	
On-Peak	29.03	4,160	47.5%
Off-Peak	19.69	4,600	52.5%
Hourly Wtd. Average	\$24.12	8,760	100.0%

Notes: Indexes are based on prices of actual transactions obtained in confidential surveys of buyers and sellers. The weekly on-peak indexes represent an average daily price for the preceding week, Monday through Friday. On-peak hours are 6 a.m. to 10 p.m. (16 hours) five days a week. Each weekday is given equal weight to determine the weekly index price. The index prices are an assessment of where the bulk of dealmaking occurred. The chief determinant of the index price is the volume-weighted average. However, the straight average, median and mode also are considered. Off-peak prices are the average of the reported high and low price range for the week during off-peak periods.

SAMPLE CUSTOMER GENERATION CHARGES/CREDITS (CGC) BASED ON RECENT RFP _1/

One-Year Market Price From Recent RFP Contract (at 75% load factor) **18.16**
 Associated One-Year Market Price (at 100% load factor) _2/ **17.45 [A]**

Rate Class	\$/MWH			
	[B] Customer Class Load Pattern Adjustment _3/	[C] Customer Generation Charge/Credit (Without T Losses and GRT)	[D] Customer Generation Charge/Credit (Incl. T Losses, without GRT)	[E] Customer Generation Charge/Credit (Incl. T Losses and GRT.)
RS	1.0079	17.59	17.75	18.56
RA	1.0033	17.51	17.67	18.48
RH	1.0011	17.47	17.63	18.44
GS/GM	1.0118	17.66	17.82	18.64
GMH	1.0071	17.57	17.73	18.55
GLH	1.0089	17.60	17.76	18.58
GL	1.0057	17.55	17.71	18.52
L	1.0030	17.50	17.66	18.47
HVPS	1.0036	17.51	17.67	18.48
SE	0.9851	17.19	17.34	18.14
MTS	1.0000	17.45	17.61	18.42
AL	0.9848	17.18	17.34	18.14
PAL	0.9848	17.18	17.34	18.14

NOTES:

Final credits are rounded to two decimals; interim calculations carry more decimal places.

[C] = [A] * [B]

[D] = [C]/(1-.009)

[E] = [D]/(1-.044)

_1/ Actual customer credits will depend on the results of a competitive market solicitation conducted each year. Customer credits will be determined based on the highest winning bids for firm power. Credits are adjusted for customer class load patterns, transmission losses, and related gross receipts taxes.

_2/ The 100% load factor market price was derived from the 75% load factor RFP price based on Company actual 1996 system lambda price data in all the hours of the year. This price shape will be updated each year to reflect the latest known and measurable price information.

_3/ The customer class load pattern adjustment is determined by weighting hourly prices by the customer class load pattern. These load patterns are based on historical 1996 TOU data for a sample of residential, commercial, and industrial customers.

ELECTRIC DELIVERY - PA. P.U.C. NO. 1

DUQUESNE LIGHT COMPANY
SCHEDULE OF RATES

For Electric Service in Allegheny and Beaver Counties

(For List of Communities Served, see Page No. 4)

Issued By

DUQUESNE LIGHT COMPANY

411 Seventh Avenue
Pittsburgh, PA 15219

DAVID D. MARSHALL

President and Chief Executive Officer

ISSUED: July 31, 1997

EFFECTIVE: January 1, 1999

NOTICE

THIS TARIFF MAKES CHANGES TO EXISTING RATES AND RIDERS - See Page Two

LIST OF MODIFICATIONS MADE BY THIS TARIFF

CHANGES

The changes in this tariff to the following rates and riders reflect the unbundling of rates required by Section 2806(E) of Act 138 of 1996:

Rate RSD - Residential Service Delivery	Page 27
Rate RHD - Residential Service Heating Delivery	Page 30
Rate RAD - Residential Service Add-on Heat Pump Delivery	Page 34
Rate GS/GMD - General Service Small and Medium Delivery	Page 38
Rate GMHD - General Service Medium Heating Delivery	Page 42
Rate GLHD - General Service Large Heating Delivery	Page 46
Rate GLD - General Service Large Delivery	Page 50
Rate LD - Large Power Service Delivery	Page 54
Rate HVPSD - High Voltage Power Service Delivery	Page 60
Rate SED - Street Lighting Energy Delivery	Page 69
Rate MTSD - Municipal Traffic Signals Delivery	Page 76
Rate ALD - Architectural Lighting Service Delivery	Page 79
Rate PALD - Private Area Lighting Delivery	Page 83
Rider No. 1 - Direct Current Service	Page 88
Rider No. 2 - Untransformed Service	Page 89
Rider No. 3 - School and Government Service Discount Period	Page 90
Rider No. 4 - Budget Billing - HUD Finance Multi-Family Housing	Page 91
Rider No. 5 - Time of Day Discounts	Page 92
Rider No. 6 - Temporary Service	Page 94
Rider No. 7 - Interruptible Service	Page 95
Rider No. 8 - Industrial Economic Development Rider (Existing Service Locations)	Page 98
Rider No. 9 - Industrial Economic Development Rider (New Service Locations)	Page 104
Rider No. 10 - State Tax Adjustment Surcharge	Page 108
Rider No. 11 - Street Railway Service	Page 109
Rider No. 12 - Billing Option - Volunteer Fire Companies and Nonprofit Senior Citizen Centers	Page 110
Rider No. 13 - Service to Non-Utility Generating Facilities	Page 111
Rider No. 14 - Emergency Energy Conservation	Page 117
Rider No. 15 - Rates for Purchase of Electric Energy from Customer-Owned Renewable Resources Generating Facilities	Page 119
Rider No. 16 - Small Business Development Rider	Page 120

TABLE OF CONTENTS

	Page Number
List of Modifications	2
Table of Contents	3
List of Communities Served.....	4-5
RULES AND REGULATIONS	6-26
RATES:	
RSD Residential Service Delivery	27-29
RHD Residential Service Heating Delivery	30-33
RAD Residential Service Add-on Heat Pump Delivery	34-37
GS/GMD General Service Small and Medium Delivery	38-41
GMHD General Service Medium Heating Delivery	42-45
GLHD General Service Large Heating Delivery	46-49
GLD General Service Large Delivery	50-53
LD Large Power Service Delivery	54-59
HVPSD High Voltage Power Service Delivery	60-66
SMD Street Lighting Municipal Delivery	67-68
SED Street Lighting Energy Delivery	69-73
SHD Street Lighting Highway Delivery	74-75
MTSD Municipal Traffic Signals Delivery	76-78
ALD Architectural Lighting Service Delivery	79-82
PALD Private Area Lighting Delivery	83-86
STANDARD CONTRACT RIDERS:	
General	87
No. 1 Direct Current Service	88
No. 2 Untransformed Service	89
No. 3 School and Government Service Discount Period	90
No. 4 Budget Billing - HUD Finance Multi-Family Housing	91
No. 5 Time of Day Discounts	92-93
No. 6 Temporary Service	94
No. 7 Interruptible Service	95-97
No. 8 Industrial Economic Development Rider (Existing Service Locations)	98-103
No. 9 Industrial Economic Development Rider (New Service Locations)	104-107
No. 10 State Tax Adjustment Surcharge	108
No. 11 Street Railway Service	109
No. 12 Billing Option - Volunteer Fire Companies and Nonprofit Senior Citizen Centers	110
No. 13 Service to Non-Utility Generating Facilities	111-116
No. 14 Emergency Energy Conservation	117-118
No. 15 Rates for Purchase of Electric Energy from Customer-Owned Renewable Resources Generating Facilities	119
No. 16 Small Business Development Rider	120-122

LIST OF COMMUNITIES SERVED

The Company renders service in portions of Allegheny and Beaver Counties, Pennsylvania. Electric service is available in all localities where the Company has distribution facilities, including all or a portion of the following cities, boroughs and townships.

ALLEGHENY COUNTY

Cities and Boroughs

Aspinwall	Dormont	Jefferson	Roslyn Farms
Avalon	Dravosburg	Leetsdale	Sewickley
Baldwin	Duquesne	Liberty	Sewickley Heights
Bell Acres	East McKeesport	Lincoln	Sewickley Hills
Bellevue	East Pittsburgh	McKeesport	Sharpsburg
Ben Avon	Edgewood	McKees Rocks	Swissvale
Ben Avon Heights	Edgeworth	Millvale	Thornburg
Bethel Park	Emsworth	Monroeville	Trafford
Blawnox	Etna	Mt. Oliver	Turtle Creek
Braddock	Forest Hills	Munhall	Verona
Braddock Hills	Fox Chapel	North Braddock	Versailles
Brentwood	Franklin Park	Oakmont	Wall
Carnegie	Glassport	Osborne	West Homestead
Castle Shannon	Glenfield	Pennsbury Village	West Mifflin
Chalfant	Green Tree	Pittsburgh	West View
Churchill	Haysville	Pleasant Hills	Whitaker
Clairton	Heidleberg	Plum	Whitehall
Coraopolis	Homestead	Port Vue	White Oak
Crafton	Ingram	Rankin	Wilkesburg
			Wilmerding

Townships

Aleppo	Kilbuck	Ohio	Shaler
Baldwin	Leet	Penn Hills	Stowe
Collier	McCandless	Pine	Upper St. Clair
Crescent	Moon	Reserve	West Deer
Findlay	Mt. Lebanon	Richland	Wilkins
Hampton	Neville	Robinson	
Indiana	North Versailles	Ross	
Kennedy	O'Hara	Scott	

LIST OF COMMUNITIES SERVED - (Continued)

BEAVER COUNTY

Cities and Boroughs

Aliquippa	East Rochester	Glasgow	Patterson Heights
Ambridge	Eastvale	Hookstown	Rochester
Baden	Economy	Industry	Shippingport
Beaver	Fallston	Midland	South Heights
Beaver Falls	Frankfort Springs	Monaca	West Mayfield
Bridgewater	Freedom	New Brighton	
Conway	Georgetown	Ohioville	

Townships

Brighton	Hanover	New Sewickley	Raccoon
Center	Harmony	Patterson	Rochester
Daugherty	Hopewell	Potter	Vanport
Greene	Independence	Pulaski	White

RULES AND REGULATIONS

THE ELECTRIC SERVICE TARIFF

1. **FILING AND POSTING** A copy of the tariff, comprising the Rates, Riders, and Rules and Regulations governing the supply of electric service, is filed with the Pennsylvania Public Utility Commission and is posted and open to inspection at the offices of the Company where payments are made by customers.
2. **REVISIONS** The tariff is subject to such change and modification as may be made from time to time in the manner prescribed by the Public Utility Law. If any rate for electric delivery service is increased, the affected customer shall have the option of discontinuing service, but shall be obligated to pay the increased rate from the effective date thereof until service has been discontinued.
3. **APPLICATION** Rates of the tariff apply only to the Company's Standard Service delivered from overhead supply lines except in certain restricted areas where the Company is required to provide underground distribution. Riders of the tariff amend or modify the terms governing the delivery service under the rates to which they apply. Standard Service is alternating current of sixty cycles frequency, conforming as to voltage and phase with the following list of standard nominal service delivery voltages.

<u>SINGLE-PHASE</u>	<u>THREE-PHASE</u>	
120 volts, 2 wire	120/208 volts, 4 wire	11,500 volts, 3 wire
120/240 volts, 3 wire	230 volts, 3 wire	13,200/23,000 volts, 4 wire
120/208 volts, 3 wire	277/480 volts, 4 wire	23,000 volts, 3 wire
230 volts, 2 wire	460 volts, 3 wire	69,000 volts, 3 wire
460 volts, 2 wire	2,400 volts, 3 wire	138,000 volts, 3 wire
230/460 volts, 3 wire	2,400/4,160 volts, 4 wire	345,000 volts, 3 wire
2,400 volts, 2 wire		
23,000 volts, 2 wire		

CONTRACTS, DEPOSITS AND ADVANCE PAYMENTS

4. **CONTRACTS** The Company reserves the right to require the customer to sign a written contract indicating the rate under which electricity is to be delivered and to require a contract term which, in the judgment of the Company, is sufficient to justify the cost of any facilities installed for the exclusive use of the customer. Receipt of electric service, however, shall constitute the receiver a customer of the Company, subject to its rules and regulation, whether service is based upon contract, agreement, accepted signed application or otherwise. The customer shall notify the Company, in advance of receipt of service, of the customer's name, address to which the electricity is to be delivered, the address to which the bill is to be mailed, the date delivery of electricity is to commence, and supply information requested by the Company regarding the customer's credit standing. The customer shall notify the Company to cancel delivery of electricity and the customer shall be responsible for payment for all delivery charges until the customer has so notified the Company to cancel delivery of energy.

RULES AND REGULATIONS - (Continued)

CONTRACTS, DEPOSITS AND ADVANCE PAYMENTS - (Continued)

4. CONTRACTS - (Continued)

The Company at its sole discretion may enter into special contracts for delivery of and/or the purchase of electricity with industrial customers having load of at least 100 kW to address changing business needs or operating conditions, or for incremental sales of at least 100 kW from existing or new industrial customers.

The Company at its sole discretion may enter into special contracts for delivery of and/or the purchase of electricity with industrial or commercial customers having load of at least 100 kW to address less expensive competitive alternatives for energy to be used for applications other than space heating. If requested by the Company, the customer shall provide to the Company, on a confidential basis, all information, records and financial analysis necessary to evaluate the customer's request for a special contract.

Terms and conditions of service will be mutually agreed upon by the Company and the customer and included in a signed contract, which will be filed with the Public Utility Commission. The Company at its sole discretion may request Public Utility Commission approval. The terms of the agreement will be confidential upon filing with the Commission. Rates established under special contracts will be sufficient to recover, at a minimum, all appropriate incremental costs and a contribution to fixed costs.

The contract shall contain all service terms and conditions and the rates and charges to be paid for the delivery of and/or the purchased electricity. The contract shall be for a period of no less than five years and no greater than ten years.

The contract will be terminated by the Company if the Company charges are not paid when due as specified in Tariff Rule No. 21, before the addition of the Late Payment Charge. Upon termination of the contract under these conditions, the regular electricity delivery rates will be applied to service rendered from that point forward. The fixed competitive transition charge (CTC) as discussed in the applicable customer rate will be based upon the 1 Year Option for the contract period. The Company energy charges will be based on the 1 Year Option charge unless the customer has made arrangements for electricity from another supplier. A new special contract will not be made available to a customer whose previous special contract was terminated because of failure to pay bills as specified in Tariff Rule No. 21.

RULES AND REGULATIONS - (Continued)

CONTRACTS, DEPOSITS AND ADVANCE PAYMENTS - (Continued)

5. **DEPOSITS AND ADVANCE PAYMENTS** The Company reserves the right to require a cash deposit from applicants taking service for a period of less than thirty days, in an amount equal to the estimated gross bill for such temporary service. The gross bill shall include all fixed charges and capacity and energy charges per the applicable tariff and electricity energy charges per the 1 Year option. Deposits may be required from all other applicants when credit has not been established or from existing ratepayers when such ratepayer's credit standing is impaired by delinquent payments of any two consecutive electric delivery bills or three or more bills within the preceding 12 months or as a condition to the reconnection of service or by failure to comply with a settlement or amortization agreement. The amount of the deposit will not exceed the estimated gross bill for two months for applicants and the average actual bill for two months for existing ratepayers. Deposits secured from a residential applicant or ratepayer shall be returned to the depositor when he shall have paid undisputed bills for service over a period of 12 consecutive months without having service terminated and without having paid his bill subsequent to the due date on more than two occasions as long as the ratepayer is not currently delinquent. Deposits secured from other than residential customers shall be returned to the depositor upon annual review provided such depositor shall have paid undisputed bills during those consecutive 12 months without having service terminated and without having paid his bill subsequent to the due date so long as the ratepayer is not currently delinquent. The payment of any undisputed bill shall be payment of the bill within thirty days following presentation of the bill, or the payment of any contested bill, payment of which is withheld beyond the period herein mentioned and the dispute is terminated substantially in favor of the ratepayer and payment made by the ratepayer within 15 days thereafter. The Company will pay interest on residential cash deposits at the rate of the average of 1-year Treasury Bills for September, October and November of the previous year beginning May 1, 1995 and January 1, 1996 and each year thereafter, without deduction for any taxes thereon. For all other cash deposits, the Company will pay interest at the rate of six percent per annum without deduction for any taxes thereon. On deposits held for more than one year, accrued interest will be paid at the end of each anniversary year. Upon the return of a deposit, any unpaid interest accrued thereon will be paid. Where service is discontinued, the deposit and unpaid interest accrued thereon to the date of discontinuance of service, less the amount of all bills due the Company, will promptly be paid to the ratepayer. The Company reserves the right to require payment in advance for seasonal service, when the applicants elect to take such service, in an amount equal to the estimated gross charges for such seasonal service as determined by the provisions of the rate under which this service is taken.

INSTALLATION OF SERVICE

6. **INSTALLATION RULES** Service installations shall be made in accordance with the Company's "Electric Service Installation Rules," copies of which may be obtained at the Company's offices.

RULES AND REGULATIONS - (Continued)

INSTALLATION OF SERVICE - (Continued)

7. SUPPLY LINE EXTENSIONS

A. Definitions

For the purposes of this rule, the following definitions are applicable:

- (1) **Contractor cost** - The amount paid to a contractor for work performed on a line extension.
- (2) **Direct labor cost** - The pay and expenses of public utility employees directly attributable to work performed on line extensions, but does not include construction overheads or payroll taxes, workers' compensation expenses, or similar expenses.
- (3) **Direct material cost** - The purchase price of materials used for a line extension, but does not include the related stores expenses. In computing direct material costs, proper allowance should be made for unused materials recovered from temporary structures, and discounts allowed and realized in the purchase of materials.
- (4) **Total construction cost** - The contractor cost, direct labor cost, direct material cost, stores expense, construction overheads, payroll taxes, workers' compensation expenses, or similar expenses.
- (5) **Current Year** - For purposes of calculating a revenue guarantee, current year shall be each consecutive period of 12 calendar months following the date permanent electric delivery service was first provided to a customer.
- (6) **Income Tax** - Federal and State tax relating to the tax liability of contributions in aid-of-construction.

B. Overhead Areas

- (1) In areas where the existing supply lines are overhead, the Company will construct and maintain extensions of all single-phase overhead supply lines operating at 23,000 volts or less to the customer's property line without a guarantee of revenue.
- (2) In areas where the existing supply lines are overhead, the Company will construct and maintain extensions of all three-phase overhead supply lines, operating at 23,000 volts or less, which are usable as a part of its general supply system without a guarantee of revenue. When the three-phase supply line extension is to supply service exclusively to a single customer, such a supply line will be extended to the customer's property line only if a guarantee of revenue is provided by the customer over a period of five years or less which is sufficient to recover the actual total construction cost of the three-phase overhead line extension, less the estimated total construction cost for an equivalent single-phase overhead line extension. Any additional revenue payment required will include the related income tax.

RULES AND REGULATIONS - (Continued)

INSTALLATION OF SERVICE - (Continued)

7. SUPPLY LINE EXTENSIONS - (Continued)

B. Overhead Areas - (Continued)

- (3) When the customer has a severe fluctuating or unbalanced load, or requests an alternate routing or a deviation from the Company's standard overhead construction practices, the additional cost incurred plus the related income tax will be borne by the customer and will not be included when determining the revenue guarantee amount.

C. Underground Areas

- (1) In areas where the existing supply lines are underground outside the limits of a residential development covered by Tariff Rule 13.2, the Company will construct and maintain extensions of all single-phase underground supply lines operating at 23,000 volts or less which are usable as part of its general supply system without a guarantee of revenue. When the single-phase supply line extension is to supply electricity exclusively to a single customer, such a supply line will be extended to the customer's property line only if a guarantee of revenue is provided by the customer, over a period of three years or less which is sufficient to recover the actual total contractor cost, direct labor cost and direct material cost for the full length of the single-phase underground line extension, less the estimated total contractor cost, direct labor cost, and direct material cost for an equivalent single-phase overhead line extension.
- (2) In areas where the existing supply lines are underground outside of the limits of a residential development covered by Tariff Rule 13.2, the Company will construct and maintain extensions of all three-phase underground supply lines operating at 23,000 volts or less which are usable as part of its general supply system without a guarantee of revenue. When the three-phase supply line extension is to supply service exclusively to a single customer, such a supply line will be extended to the customer's property line only if a guarantee of revenue is provided by the customer over a period of three years or less which is sufficient to recover the actual total construction cost of the three-phase underground line extension, less the estimated total construction cost for an equivalent single-phase overhead line extension. Any additional revenue payment required will include the related income tax.
- (3) When the customer has a severe fluctuating or unbalanced load, or requests an alternate routing or a deviation from the Company's standard underground construction practices, the additional cost plus the related income tax will be borne by the customer and will not be included when determining the revenue guarantee amount.

RULES AND REGULATIONS - (Continued)

INSTALLATION OF SERVICE - (Continued)

7. SUPPLY LINE EXTENSIONS - (Continued)

D. Rights-of-Way

Before construction of a line extension, satisfactory rights of way and other necessary permits must be granted to the Company for the construction of the supply line extension along the route selected by the Company. The customer agrees to pay the Company any initial and recurring rights-of-way or license fees in excess of an amount normally incurred by the Company in constructing and maintaining the supply line extension.

E. Revenue Guarantees

The revenue guarantee amount shall be the actual cost of the line extension. The annual revenue guarantee amount shall be the revenue guarantee amount, divided by the number of years in the guarantee period.

The annual revenue guarantee amount will be reviewed yearly and will be adjusted to the minimum charges as provided in the applicable rate schedule on the following basis:

- (1) When the total of the monthly electricity delivery bills, including any Company supplied energy at the end of the current year are less than the annual revenue guarantee amount, a payment equal to the difference plus the related income tax where applicable shall be immediately due and payable.
- (2) When the total of the monthly electricity delivery bills, including any Company supplied energy within the number of years in the guarantee period, equals or exceeds the revenue guarantee amount, no further payments are required. Any prior payments in excess of the revenue guarantee amount will be refunded with accrued interest.
- (3) If an additional customer is served from the line extension, the revenue guarantee amount will be reduced to the cost of the line extension which is used exclusively to serve the single customer. If the cost of the line extension to serve the new customer would increase the revenue guarantee amount for an existing customer, the extension shall be considered as a new line extension.
- (4) In the event the customer discontinues or cancels service before the end of the guarantee period, the balance of the revenue guarantee amount plus the related income tax where applicable shall be immediately due and payable.

8. CONNECTION CHARGES The Company reserves the right to make a reasonable charge including the related income tax, payable in advance, for service lines and for equipment installed for the exclusive use of a customer which exceed Company established standards described in the Company's "Electric Service Installation Rules."

RULES AND REGULATIONS - (Continued)

INSTALLATION OF SERVICE - (Continued)

9. RELOCATIONS OF FACILITIES

A. Pole Removal or Relocation for Residential Customers

When requested by a residential property owner who is not otherwise entitled to receive condemnation damages to cover the cost of the pole removal or relocation or who is not requesting a pole removal or relocation as the result of damages caused by the intentional or negligent conduct of any party, the Company will when it is practicable, subject to the execution and receipt of required easements, licenses or municipal permits, remove or relocate a pole or poles and associated attachments, upon receipt, in advance, of the Company's estimated contractor or direct labor and direct material costs associated with the particular pole removal or relocation, less any maintenance expenses avoided as a result of the pole removal or relocation.

For purposes of this Rule, the following definitions are applicable:

- (1) **Contractor costs** - Amount paid by the utility to a contractor for work performed on a pole removal or relocation.
- (2) **Direct labor costs** - Includes pay and expenses of public utility employees directly attributable to work performed on pole removals or relocations. Excludes payroll taxes, workmen's compensation, similar items of expense and construction overhead costs.
- (3) **Direct materials costs** - Includes the purchase price of materials used in performing a pole removal or relocation and excludes the related stores expenses. Proper allowance shall be made for unused materials, and materials recovered from temporary structures, and for discounts allowed and realized in purchase of materials.
- (4) **Income tax** - Federal and State tax relating to the tax liability of contributions in aid-of-construction.

B. Other Company Facilities for all Customers

When requested or required by the action of a customer or a third party, relocation of Company facilities, except those covered under Section A of this Rule, will be performed by the Company upon receipt, in advance, of the Company's estimated total direct and indirect costs including the related income tax of such relocations from the customer or such third party. The Company may waive charges under this rule if, in the Company's judgment, the location of the Company's existing supply line and/or service line on the customer's property restricts the growth of the customer's operations and the potential increase in the Company's revenues.

RULES AND REGULATIONS - (Continued)

INSTALLATION OF SERVICE - (Continued)

10. ONE SERVICE OF A KIND Only one service of each type as to voltage and phase will be supplied to a customer under one contract; provided, however, that when, in the judgment of the Company, compliance with Rule No. 17, Fluctuations and Unbalances, may be most economically effected by establishing a separate service connection for a portion of the customer's load, such separate service connection may, at the option of the customer, be combined, notwithstanding similarity as to voltage and phase, with other service connections under a single contract for the customer's entire electric delivery service requirements at the affected location. Delivery service at different premises, regardless of voltage or phase, shall never be combined for billing under one account.

11. METER SUPPORTS The customer shall provide on the premises, at a location satisfactory to the Company, proper space, supports, and enclosures for metering equipment.

12. TRANSFORMERS AND CONTROL EQUIPMENT Where, in the judgement of the Company, it is necessary to install transformers and other control or protective equipment on the customer's premises, the customer shall provide a suitable place, foundation and housing for such installation, in accordance with the Company's "Electric Service Installation Rules."

13. CUSTOMER'S FACILITIES The installation and maintenance of the customer's wiring and equipment shall be in accordance with the Company's "Electric Service Installation Rules" and shall be subject to the approval of the proper authorities. The Company is not required to deliver electricity thereto unless so approved, but does not assume any responsibility for securing such approval. The Company shall not be liable for damages or injuries resulting from any defects in the customer's wiring or equipment.

13.1 UNDERGROUND DISTRIBUTION

A. When the Company is required by governmental order or enters into agreements with redevelopment authorities, a private real estate developer or a group of customers to change its distribution supply lines from overhead to underground, customers receiving or to receive electric service at voltages of 600 volts or less from these supply lines shall provide at their own expense the necessary facilities for receiving such underground service.

B. Underground Service Lines from Overhead Supply Lines

(1) Service Line Voltages Under 600 Volts.

(a) Where an underground service line is installed from the Company's overhead, street secondary supply lines, the customer shall furnish and install all conductors and conduit in accordance with the Company's "Electric Service Installation Rules."

RULES AND REGULATIONS - (Continued)

INSTALLATION OF SERVICE - (Continued)

13.1 UNDERGROUND DISTRIBUTION - (Continued)

B. Underground Service Lines from Overhead Supply Lines - (Continued)

(2) Service Line Voltages Over 600 Volts.

- (a) Where the Company's supply lines are overhead, the customer shall install all conduits or ducts for the underground primary service line within street area as well as all necessary conduit, ducts, manholes and junctions on private property in accordance with the Company's "Electric Service Installation Rules."

13.2 UNDERGROUND ELECTRIC SERVICE IN NEW RESIDENTIAL DEVELOPMENTS

A. Definitions

The following words and terms, when used in this rule shall have the following meanings unless the text clearly indicates otherwise.

- (1) **Applicant for Electric Service** - The developer of a recorded plot plan consisting of five or more lots, or of one or more five-unit apartment houses.
- (2) **Developer** - The party responsible for constructing and providing improvements for a development, that is, streets, sidewalks, and utility-ready lots.
- (3) **Development** - A planned project which is developed by a developer/applier for electric service set out in a recorded plot plan of five or more adjoining unoccupied lots for the construction of single-family residences, detached or otherwise, or townhomes and one or more five-unit apartment houses, all of which are intended for year-round occupancy, if providing electric delivery service to such project necessitates extending the Company's existing distribution lines.
- (4) **Distribution line** - An electric supply line of untransformed voltage which carries energy to one or more service lines.
- (5) **Service line** - An electric supply line of transformed voltage which delivers service to a residence or building as described in the Company's Construction Standards.
- (6) **Subdivider** - The party responsible for dividing a tract of land into building lots which are not to be sold as utility-ready lots.
- (7) **Subdivision** - A tract of land divided by a subdivider into five or more unoccupied lots for the construction of single-family residences, detached or otherwise, or one or more five-unit apartment houses, all of which are intended for year-round occupancy, if providing electric delivery service to such subdivision necessitates extending the Company's existing distribution lines.

POOR ORIGINAL

RULES AND REGULATIONS - (Continued)

INSTALLATION OF SERVICE - (Continued)

13.2 UNDERGROUND ELECTRIC SERVICE IN NEW RESIDENTIAL DEVELOPMENTS - (Continued)

B. Installation of Distribution and Service Lines

Distribution and service lines installed under an application for electric service within a development will be installed underground; will conform to the Company's construction standards, the Pennsylvania PUC regulation 57.26 of Title 52 (relating to construction and maintenance of facilities), the specifications set forth in the National Electric Safety Code (NESC), and will be owned and maintained by the Company. Pad-mounted transformers will be installed as a Company construction standard. Excavating and backfilling shall be performed by the developer of the project or by another agent as the developer may authorize. Installation of service-related Company facilities will be performed by the Company or by another agent as the Company may authorize. Street-lighting lines installed then or thereafter within the same development will also be installed underground, upon terms and conditions prescribed elsewhere in the Company's tariff. The Company will not be liable for injury or damage occasioned by the willful or negligent excavation, breakage, or other interference with its underground lines occasioned by anyone other than its own employees or agents.

Nothing in this rule shall prohibit the Company from performing its own excavating and backfilling for greater system design flexibility. However, no charges to the developer other than those specified in C(4) of this rule will be charged.

C. Applicants for Electric Service

The applicant for electric service to a development shall conform with the following:

- (1) At its own cost, provide the Company with a copy of the recorded development plot plan identifying property boundaries, and with easements satisfactory to the Company for occupancy by distribution, service and street-lighting lines and related facilities.
- (2) At its own cost, clear the ground in which the lines and related facilities are to be laid of trees, stumps and other obstructions, provide the excavating and backfilling subject to the inspection and approval of the Company, and rough grade it to within six inches of final grade, so that the Company's part of the installation shall consist only of laying of the lines and installing other service-related facilities. Excavating and backfilling performed or provided by the applicant will follow the Company's underground construction standards and specifications set forth by the Company in written form and presented to the applicant at the time of application for service and presentation of the recorded plot plan to the Company. If the Company's specifications have not been met by the applicant's excavating and backfilling, the excavating and backfilling will be corrected or redone by the applicant or its authorized agent. Failure to comply with the Company's construction standards and specifications permits the Company to refuse utility service until the standards and specifications are met.

RULES AND REGULATIONS - (Continued)

INSTALLATION OF SERVICE - (Continued)

13.2 UNDERGROUND ELECTRIC SERVICE IN NEW RESIDENTIAL DEVELOPMENTS - (Continued)

C. Applicants for Electric Service - (Continued)

- (3) Request electric delivery service at such time that the lines may be installed before curbs, pavements and sidewalks are laid; carefully coordinate scheduling of the Company's line and facility installation with the general project construction schedule, including coordination with other utilities sharing the same trench; keep the route of lines clear of machinery and other obstructions when the line installation crew is scheduled to appear; and otherwise cooperate with the Company to avoid unnecessary costs and delay.
- (4) Pay to the Company any necessary and additional costs incurred by the Company as a result of the following:
 - (a) Installation of underground facilities that deviate from the Company's underground construction standards and specifications if such deviation is requested by the applicant for electric delivery service and is acceptable to the Company.
 - (b) A change in the plot plan or final grade elevations by the applicant for electric delivery service after the Company has completed engineering for the project and/or has commenced installation of its facilities.
 - (c) Physical characteristics such as oversized lots or lots with extreme set-back where under the Company's line extension policy contained in its tariff a charge is mandated for overhead delivery service.
- (5) No charges other than those described in paragraph (4) of this rule shall be borne by the applicant for electric delivery service or by any other utility sharing the same trench, even if the Company elects to perform its own excavating and backfilling.
- (6) No charges other than those described in paragraphs (4) or (5) will be borne by the applicant, even if the Company elects to perform its own trenching and backfilling.

D. Installing Distribution Lines Beyond Boundary of Development

Whenever the distance from the end of the Company's existing distribution line to the boundary of the development is 100 feet or more, the 100 feet of new distribution line nearest to but outside such boundary shall be installed underground if practicable; and whenever such distance is less than 100 feet from said boundary, all of the new distribution line nearest to but outside such boundary shall be installed underground if practicable. The installation required by this paragraph shall be provided by the Company, without cost to the applicant. However, the developer must provide the excavating and backfilling.

RULES AND REGULATIONS - (Continued)

INSTALLATION OF SERVICE - (Continued)

13.2 UNDERGROUND ELECTRIC SERVICE IN NEW RESIDENTIAL DEVELOPMENTS - (Continued)

E: Classification of Charges

Amounts the Company receives under paragraph C(4) (relating to applicant for electric service) will be credited to Contributions in Aid of Construction.

F. Exceptions

(1) Whenever the Company or any affected person believes that the application of the tariff rule works an undue hardship, involves a physical impossibility, or is otherwise inappropriate, the Company or persons may request an exception from the underground requirements of paragraphs A through E of this rule (relating to definitions, installation of distribution and service lines, applicant for electric delivery service, installing distribution lines beyond boundary of development, and calculation and classification of charges) by providing the Pennsylvania Public Utility Commission with the following:

- (a) A copy of the recorded plot plan of the development for which the exception is being sought.
- (b) A letter petition setting forth:
 - (i) the name of the applicant
 - (ii) the location and size of the development involved
 - (iii) the names of the electric utility and telephone utility which will provide service to that development
 - (iv) the date on which construction began or will begin; whether the development is a new development or one phase in a development to be completed in several phases; and whether facilities in the area surrounding the development have been installed underground or overhead.

(2) Upon the filing of an exception request, the Pennsylvania Public Utility Commission (Commission) Staff will notify the utilities involved and the appropriate local government authority, review the facts stated in the request, and issue to the applicant and the utility an informal written report and decision within 180 days of the request for an exception. Failure of the party requesting an exception to supply sufficient data within 180 days of the period shall result in the automatic denial of the request.

RULES AND REGULATIONS - (Continued)

INSTALLATION OF SERVICE - (Continued)

13.2 UNDERGROUND ELECTRIC SERVICE IN NEW RESIDENTIAL DEVELOPMENTS - (Continued)

F. Exceptions - (Continued)

- (3) A public utility or any affected person may appeal the informal decision rendered by Commission Staff by filing a letter petition with the Secretary of the Commission stating the facts in question and requesting a hearing. All appeals shall be referred to the Commission's Office of Administrative Law Judge for hearing and decision.
- (4) If an exception request initiated by an applicant for electric delivery service is granted, and the applicant thereafter desires underground electric delivery service, then paragraphs B and C (relating to installation of distribution and service lines and applicant for electric service) will apply as if no exception had been granted.

G. Applicability

This rule shall apply to applications for service to developments, which are filed with the Company after June 30, 1984.

H. Subdivisions

Underground facilities in new residential developments are only required by paragraphs A through G (relating to underground electrical service in new residential developments) when a bona fide developer exists, that is, only when utility-ready lots are provided by the developer. A mere subdivision is not required to have underground service. Should the lot owner or owners in a subdivision desire underground service, the service will be provided by the Company if the lot owner or owners, at their option, either comply with paragraph C (relating to applicants for electric service) or pays to the Company charges that are contained in the Company's tariff for underground electric service not required by this rule.

13.3 BUILDING ENERGY CONSERVATION STANDARDS FOR RECEIPT OF UTILITY SERVICE FOR RESIDENTIAL BUILDINGS Pursuant to the requirements of amended Pa. Code §69.101 through §69.107, the following provisions are incorporated in this Tariff:

The Company must receive proof of compliance with, or exemption from, the insulation standards set forth in the Building Energy Conservation Act (Act 222) prior to delivery of electricity for any purpose, including temporary electric service for residential building construction purposes, to (1) new residential buildings, (2) additions to existing residential buildings, and (3) renovated residential buildings located in municipalities that have not elected to administer Act 222.

Proof of compliance shall be made by furnishing the Company with a "Notice of Intent to Construct" form certified by Pennsylvania's Department of Community Affairs.

Upon request, the Company will provide information and the required forms for compliance with Act 222.

RULES AND REGULATIONS - (Continued)

MEASUREMENT AND USE OF SERVICE

14. MEASUREMENT OF SERVICE The quantity of energy recorded by the Company's meters shall be final and conclusive, except where the meters fail to register or are determined to be in error; in these instances, the quantity delivered during the period in question shall be estimated, after due consideration of previous or subsequent properly measured deliveries. Tests of meters made upon written request of the customer will be in accordance with the rules and regulations of the Pennsylvania Public Utility Commission. See Rule 42 for more detail on meter inspections. For customers who desire to have additional metering installed for purchasing electricity from another electricity supplier, the cost for installing such metering will be the responsibility of the customer or the alternate energy supplier. The installer of such metering must comply with Company rules as applicable for the installation.

14.1 METER READING INTERVALS The Company will read its meters at scheduled monthly intervals.

14.2 BILLING The Company will render a bill monthly for the delivery of electricity. Customers eligible to choose an electric energy supplier will have the option of integrated billing or separate billing. For integrated billing, the customer will receive one integrated bill for Company delivery and electric energy charges regardless of the electric energy supplier. For customers choosing separate billing, the customer will receive a bill from the Company for delivery charges and a bill from the electric energy supplier for electric energy charges. The customer must notify the Company of the billing arrangement at the time the electric energy supplier is chosen. All rules and regulations of this tariff as well as billing options apply to both options regardless of the electric energy supplier.

15. INABILITY TO READ RESIDENTIAL METERS When scheduled readings of kilowatt-hour meters are not obtained because of inability to gain access to the meter location, the customer may read his meter and furnish the Company the reading on cards supplied by the Company, or by telephone to the Company, in which case the bill will be rendered on the basis of such reading; otherwise, the Company will estimate the bill. No more than five (5) successive bills will be rendered on readings made by the customer.

15.1 INABILITY TO READ COMMERCIAL OR INDUSTRIAL METERS When scheduled readings of kilowatt-hour and demand meters are not obtained, the Company may render an interim statement for each month until the meters are read.

16. USE OF SERVICE BY CUSTOMER The customer shall use the service only at the premise where service is established; and after service has been established, shall notify the Company of any change in connected load, demand, or other conditions of use. By requesting service, the customer shall be deemed to represent that the Company's service shall be the sole source of electricity in each circuit to which such service is supplied, other than electricity concurrently produced as a by-product of another process or electricity produced utilizing renewable resources.

17. FLUCTUATIONS AND UNBALANCES The customer's use of electric service shall not cause fluctuating loads or unbalanced loads of sufficient magnitude to impair the service to other customers or to interfere with the proper operation of the Company's facilities. The Company may require the customer to make such changes in his equipment or use thereof, or to install such corrective equipment, as may be necessary to eliminate fluctuating or unbalanced loads; or, where the disturbances caused thereby may be eliminated more economically by changes in or additions to the Company's facilities, the Company will, at the request of the customer, provide the necessary corrective facilities at a reasonable charge. Payment will be made in full in advance for supplying special equipment installed under this Rule.

RULES AND REGULATIONS - (Continued)

MEASUREMENT AND USE OF SERVICE - (Continued)

18. REDISTRIBUTION All electric energy shall be consumed by the customer to whom the Company supplies and delivers such energy, except that (1) a customer operating a separate office building, and (2) any other customer who, upon showing that special circumstances exist, obtains the written consent of the Company may redistribute electric energy to tenants of such customer, but only if such tenants are not required to make a specific payment for such energy, except where such payments would encourage energy conservation. This rule shall not affect any practice undertaken prior to June 1, 1965. See Rule 41 for special requirements for residential dwelling units in a building.

19. CONTINUITY AND SAFETY The Company will use all reasonable care to provide safe and continuous delivery of electricity but shall not be liable for any damages arising through interruption of the delivery of electricity or for injury to persons or property resulting from the use of the electricity delivered.

BILLS AND NET PAYMENT PERIODS

20. BILLS Bills for electric delivery are due and payable upon presentation and may be paid at the general offices of the Company during its regular office hours or to any of its collecting agencies during the regular office hours of such agencies. When the meter readings are taken at other than monthly intervals or when the elapsed time between meter readings is substantially greater or less than one month, the rate values applicable to monthly delivery periods will be adjusted.

21. NET PAYMENT Payments made direct or received by mail at the payment receiving offices of the Company, or payments made direct to the Company's agencies, not later than the business day following the last day for net payment as shown on the bill, will be accepted by the Company in the net amount. Payments mailed on or before the last day for net payment as shown on the bill, will be accepted by the Company in the net amount, regardless of the date upon which payments are received. The date of mailing shall be determined by the Post Office date stamp on the enclosing envelope.

21.1 PAYMENT OF BILLS FOR RESIDENTIAL SERVICE Payments made direct at the payment receiving offices of the Company or payments made direct to the Company's agencies no later than the business day following 20 days after the mailing of the bill will be accepted by the Company in the amount billed. Payments mailed not later than 20 days after the mailing date of the bills will be accepted by the Company in the amount billed regardless of the date upon which payments are received. The date of mailing shall be determined by the Post Office date stamp on the enclosing envelope. If there is no postmark or if the postmark is illegible, the Company will not impose a Late Payment Charge if the payment is received within five days after the due date. When the due date for residential service occurs from the 21st day of the month through the 5th day of the following month, the due date may be extended upon request to the 6th day of the latter month for ratepayers receiving Social Security or equivalent monthly checks on or about the first of the month. A Late Payment Charge will be added for failure to make payment of the bill in accord with the above.

21.2 RETURNED CHECK CHARGE If a check received in payment of a Customer's account is returned to the Company unpaid by the Customer's bank and cannot be redeposited by the Company for payment, a \$20.00 charge for the returned check will be added to the Customer's account.

RULES AND REGULATIONS - (Continued)

COMPANY PROPERTY ON CUSTOMER'S PREMISES

22. ACCESS TO PREMISES Company representatives, who are properly identified, shall have full and free access to the customer's premises at all reasonable times for the purpose of reading Company meters, for inspection and repairs, for removal of Company property, or for any other purpose incident to the service. The customer should immediately communicate with the Company in case of any question as to the authority or credentials of Company representatives.

23. CUSTOMER'S RESPONSIBILITY The customer shall protect the property of the Company on the premises and shall not permit access thereto except by authorized representatives of the Company.

24. TAMPERING Where evidence is found that the service wires, meters, switch box or other appurtenances on the customer's premises have been tampered with, the customer shall be required to bear all costs incurred by the Company for investigations and inspections, and for such protective equipment as, in the judgment of the Company, may be necessary (including the relocation of inside metering equipment to an accessible outside location); and in addition, where the tampering has resulted in improper measurement of the electricity delivered, the customer shall be required to pay for such electric delivery service, and any Company supplied electricity, including interest at the Late Payment Charge rate, as the Company may estimate, from available information to have been used but not registered by the Company's meters.

25. REPAIRS OR LOSSES The customer shall pay the Company for any repairs to or any loss of the Company's property on the premises when such repairs are necessitated, or loss occasioned, by negligence on the part of the customer or failure to comply with the rules and regulations under which service is furnished.

DISCONTINUANCE, CURTAILMENT OR INTERRUPTION OF ELECTRIC SERVICE

26. ARREARS The Company upon reasonable notice may terminate the delivery of electricity and remove its equipment from the premises for nonpayment of an undisputed delinquent account. When a residential ratepayer or a residence is involved, the Company will comply with the provisions of 52 Pa. Code Chapter 56, Uniform Billing Standards and Practices for Residential Utility Services.

26.1 COLLECTION REVIEW The Company shall review accounts monthly for collection purposes. The Company shall pursue collection of residential accounts on a monthly basis where permitted by applicable regulations.

27. CONTRACTS OR APPLICATIONS Where service has been established without the customer first having executed a written contract or application, the Company reserves the right to terminate the delivery of electricity and remove its equipment from the premises upon reasonable notice in case the customer refuses or neglects to execute a written contract or application when requested so to do by the Company. When a residential ratepayer or a residence is involved, the Company will comply with the provisions of 52 Pa. Code Chapter 56, Uniform Billing Standards and Practices for Residential Utility Services.

28. DEPOSITS The Company reserves the right to terminate the delivery of electricity and remove its equipment from the premises upon reasonable notice in case the customer refuses or neglects to post a cash deposit when requested so to do by the Company, as provided under Rule 5. When a residential ratepayer or a residence is involved, the Company will comply with the provisions of 52 Pa. Code Chapter 56, Uniform Billing Standards and Practices for Residential Utility Services.

RULES AND REGULATIONS - (Continued)

DISCONTINUANCE, CURTAILMENT OR INTERRUPTION OF ELECTRIC SERVICE - (Continued)

29. UNDERGROUND SERVICE The Company reserves the right to terminate the delivery of electricity and remove its equipment from the premises upon reasonable notice when the customer refuses or neglects to provide at his own expense the necessary facilities for receiving underground service, as provided under Rule 13.1. When a residential ratepayer or a residence is involved, the Company will comply with the provisions of 52 Pa. Code Chapter 56, Uniform Billing Standards and Practices for Residential Utility Services.

30. HAZARDOUS AND IMPROPER CONDITIONS The Company may terminate the delivery of electric service and remove its equipment from the premises upon reasonable notice if in the judgment of the Company the customer's installation has become dangerous or defective, or if the Company has received a notice from the proper authorities that the customer's equipment is dangerous or defective, or if the customer's equipment or use thereof injuriously affects the equipment of the Company or the Company's service to other customers. When a residential ratepayer or a residence is involved, the Company will comply with the provisions of 52 Pa. Code Chapter 56, Uniform Billing Standards and Practices for Residential Utility Services.

31. MISREPRESENTATIONS The Company reserves the right to terminate the delivery of electricity and remove its equipment from the premises upon reasonable notice in case the customer has made misrepresentations to the Company with respect to the use of the electric service. When a residential ratepayer or a residence is involved, the Company will comply with the provisions of 52 Pa. Code Chapter 56, Uniform Billing Standards and Practices for Residential Utility Services.

32. REDISTRIBUTION The Company reserves the right to terminate the delivery of electricity and remove its equipment from the premises upon reasonable notice in case the customer redistributes the electric service contrary to the provisions set forth in this tariff. When a residential ratepayer or a residence is involved, the Company will comply with the provisions of 52 Pa. Code Chapter 56, Uniform Billing Standards and Practices for Residential Utility Services.

33. INACCESSIBILITY The Company may terminate the delivery of electricity and remove its equipment from the premises upon reasonable notice in case meter readers or other authorized representatives of the Company cannot gain admittance or are refused admittance to the premises for the purpose of reading meters, making repairs, making inspections, or removing Company property, or in case the customer interferes with Company representatives in the performance of their duties. When a residential ratepayer or a residence is involved, the Company will comply with the provisions of 52 Pa. Code Chapter 56, Uniform Billing Standards and Practices for Residential Utility Services.

34. TAMPERING The Company may terminate the delivery of electricity and remove its equipment from the premises upon reasonable notice in case the Company's property on the premises has been interfered with, or in case evidence is found that the service wires, meters, switch-box or other appurtenances on the premises have been tampered with. When a residential ratepayer or residence is involved, the Company will comply with the provisions of 52 Pa. Code Chapter 56, Uniform Billing Standards and Practices for Residential Utility Services.

RULES AND REGULATIONS - (Continued)

DISCONTINUANCE, CURTAILMENT OR INTERRUPTION OF ELECTRIC SERVICE - (Continued)

35. REPAIRS AND LOSSES The Company may terminate the delivery of electricity and remove its equipment from the premises upon reasonable notice in case the customer shall neglect or refuse to reimburse the Company for repairs to or loss of the Company's property on the premises when such repairs are necessitated, or loss occasioned, by negligence on the part of the customer. When a residential ratepayer or a residence is involved, the Company will comply with the provisions of 52 Pa. Code Chapter 56, Uniform Billing Standards and Practices for Residential Utility Services.

36. WRITS AND LEVIES The Company reserves the right to terminate the delivery of electricity and remove its equipment from the premises upon reasonable notice in case a Writ of Execution is issued against the customer, or in case the premises at which service is supplied is levied upon, or in case of assignment or act of bankruptcy on the part of the customer. When a residential ratepayer or a residence is involved, the Company will comply with the provisions of 52 Pa. Code Chapter 56, Uniform Billing Standards and Practices for Residential Utility Services.

37. INTERRUPTIONS FOR REPAIRS The Company reserves the right to curtail or temporarily interrupt customers' delivery of electricity upon prior notice of the cause and expected duration of interruption when it shall become necessary so to do in order that the Company may make repairs, replacements or changes in its equipment on or off the premises of the customers.

38. GOVERNMENTAL AUTHORITY The Company reserves the right to curtail, interrupt, or discontinue the delivery of electricity without notice in case it becomes necessary for the Company so to do in compliance with any order or request of any governmental authority. Notice of the cause and expected duration of the interruption will be given to affected customers as soon as possible.

39. CURTAILMENT WITHOUT NOTICE The Company reserves the right to curtail, interrupt or discontinue the delivery of electricity without prior notice to the extent required to meet emergencies. Notice of the cause and expected duration of the interruption will be given to affected customers as soon as possible.

39.1 EMERGENCY LOAD CONTROL Pursuant to order of Pennsylvania Public Utility Commission, the following provision is incorporated in this Tariff: Whenever the demands for power on all or part of the Company's system exceed or threaten to exceed the capacity then actually and lawfully available to supply such demands, or whenever system instability or cascading outages could result from actual or expected transmission overloads or other contingencies, or whenever such conditions exist in the system of another public utility or power pool with which the Company's system is interconnected and cause a reduction in the capacity available to the Company from that source or threaten the integrity of the Company's system, a load emergency situation exists. In such case, the Company shall take such reasonable steps as the time available permits to bring the demands within the then-available capacity or otherwise control load. Such steps shall include but shall not be limited to reduction or interruption of delivery of electricity to one or more customers, in accordance with the Company's procedures for controlling load.

The Company shall establish procedures for controlling load including schedules of load shedding priorities to be followed in compliance with the foregoing paragraph, may revise such procedures from time to time, and shall revise them if so required by Pennsylvania Public Utility Commission. A copy of such procedures or of the revision thereof currently in effect shall be kept available for public inspection at each office at which the Company maintains a copy of its tariff for public inspection, and another such copy shall be kept on file with Commission's Bureau of Conservation, Economics and Energy Planning.

RULES AND REGULATIONS - (Continued)

DISCONTINUANCE, CURTAILMENT OR INTERRUPTION OF ELECTRIC SERVICE - (Continued)

39.2 EMERGENCY ENERGY CONSERVATION Pursuant to order of the Pennsylvania Public Utility Commission, the following provision is incorporated in this tariff:

Whenever events occur which are actually resulting, or in the judgment of the Company threaten to result, in a reduction in the supply of electricity which results from conditions such as a restriction of the fuel supplies available to the Company or its energy vendors, such that the amount of electric energy which the Company is able to supply is or will be adversely affected, by the loss of third party supply etc. an emergency energy conservation situation exists.

In the event of an emergency energy conservation situation, the Company shall take such reasonable measures as it believes necessary and proper to maintain the system until need to conserve has passed. Such measures may include, but shall not be limited to reduction, interruption, or suspension of delivery of electricity to one or more of its customers or classes of customers in accordance with the Company's procedure for emergency energy conservation.

The Company shall establish procedures for emergency energy conservation, including if it deems necessary, schedules of service interruption and suspension priorities to be followed as prescribed by the foregoing paragraph.

When a state of emergency is declared by the Governor, or other appropriate governmental authority, and during the period of that emergency, upon notification of the customer by the Company, the customer shall take the actions required by the procedures for emergency energy conservation. During the period of that emergency the appropriate customers will be billed under the provisions of Rider No. 17 - Emergency Energy Conservation.

The Company may revise such procedures from time to time, and shall revise them if so required by the Pennsylvania Public Utility Commission. A copy of such procedures or of the revision thereof currently in effect shall be kept available for public inspection at each office at which the Company maintains a copy of its tariff for public inspection, and another such copy shall be kept on file with the Commission's Bureau of Conservation, Economics and Energy Planning.

40. RECONNECTION CHARGE Where delivery service has been discontinued under the terms of Rules 26 through 36, inclusive, the Company reserves the right as a condition precedent to the reconnection of service to require the payment of all arrearages and a deposit and to require the payment of costs incurred by the Company to reconnect the service.

Where delivery of electricity has been discontinued upon the request of the customer and where the customer requests that service be reconnected at the same location within a period of one year from the date that delivery of electricity was discontinued, the Company reserves the right as a condition precedent to the reconnection of service to require the payment of all arrearages which will consist of the minimum charge applicable to such customer's delivery service during the period of discontinuance.

Where service to a non-residential customer has been terminated under the terms of Rules 30 and/or 34, and such condition was the direct result of tampering, the Company reserves the right as a condition precedent to the reconnection of service to require payment of all costs incurred by the Company for investigations and inspections, and for such protective equipment deemed necessary by the Company.

RULES AND REGULATIONS - (Continued)

DISCONTINUANCE, CURTAILMENT OR INTERRUPTION OF ELECTRIC SERVICE - (Continued)

41. PROHIBITION OF RESIDENTIAL MASTER METERING Each residential dwelling unit in a building must be individually metered by the Company for buildings connected after January 1, 1981. For the purposes of the Rule, a dwelling unit is defined as:

One or more rooms for the use of one or more persons as a housekeeping unit with space for eating, living, and sleeping, and permanent provisions for cooking and sanitation.

This Rule does not preclude the use of a single meter for the common areas and common facilities of a multi-tenant building.

This Rule shall not effect any practice undertaken prior to January 1, 1981.

GENERAL PROVISIONS

42. METER TESTING The Company will inspect or test the accuracy of a meter at the request of the customer for whom the meter registers service, but reserves the right to require payment of the fees set forth in 52 Pa. Code § 57.22 for such test.

43. OTHER SERVICES The Company may, where possible, provide and charge a reasonable fee for services including, but not limited to, energy audits, equipment inspections, technical reports and other similar services, at the request of the customer. Where possible, the Company will give an advanced, written estimate of the cost to provide the service.

44. SURGE PROTECTION SERVICE Surge Shield™, a surge suppression device that will reduce or eliminate voltage surges, is available to customers pursuant to the terms and conditions set forth below. The device is mounted behind the meter socket at the customer's premise.

A. Availability

The Company will provide Surge Shield™, to any customer with a 120/240 volt single-phase meter upon request, provided that the customer is determined by the Company to have an acceptable credit history.

B. Billing

A charge of \$4.65 per month for Surge Protection Service will be billed quarterly for a total of \$13.95. (One hundred and forty customers who elected monthly billing in the initial stage of the pilot program were subsequently offered a \$0.25 per quarter discount to accept quarterly billing. This discount will remain in effect for those customers.) At the Company's option, monthly billing may be offered in the future.

RULES AND REGULATIONS - (Continued)

GENERAL PROVISIONS- (Continued)

44. SURGE PROTECTION SERVICE - (Continued)

C. Payment Terms

Bills are due and payable on or before twenty (20) days for residential customers and fifteen (15) days for all other customers from the date of mailing of the bill to the ratepayer. The bill is overdue when not paid on or before the due date indicated on the bill. An overdue bill is subject to a Late Payment Charge of 1.25% interest per month on the full unpaid and overdue balance of the bill. Non-payment of the charges for Surge Protection Service will result in termination of the service and removal of the Surge Shield™ device. Termination of the Surge Protection Service will not impact the continuity of basic service.

D. Contract Term

An initial contract of one year is required, renewable thereafter from month to month.

E. Termination of the Service

Termination prior to the conclusion of the initial contract term will result in a \$50 service charge for removal of the device. Thereafter, a one month notice of termination is required and the customer will not be charged for removal of the device.

F. Liability

In the event that a customer's equipment and/or appliance is damaged as a direct result of the failure or malfunction of Surge Shield™, Duquesne will be responsible for the repair or replacement of the equipment and/or appliance for up to \$1,000 per occurrence.

RATE RSD - RESIDENTIAL SERVICE DELIVERY

AVAILABILITY

Available to residential or combined residential and farm customers using the Company's standard low voltage service for lighting, appliance operation, and general household purposes.

Available only when supplied at 240 volt (or less) single phase service through a single meter directly by the Company to a single family dwelling or to an individual dwelling unit in a multiple dwelling structure. For the purposes of this rate, a dwelling unit is defined as one or more rooms arranged for the use of one or more individuals for shelter, sleeping, dining, and with permanent provisions for cooking and sanitation.

MONTHLY RATE

FIXED CHARGES

Customer Distribution Charge \$6.38
Competitive Transition Charge (CTC) Customer Specific

DELIVERY CHARGES

Transmission Charge 0.45 cents per Kilowatt-Hour
Distribution Charge 2.81 cents per Kilowatt-Hour
Competitive Transition Charge 0.72 cents per Kilowatt-Hour

ELECTRIC ENERGY CHARGES

CUSTOMERS WHO ARE ELIGIBLE TO CHOOSE ELECTRIC ENERGY SUPPLIERS

Beginning January 1, 1999 some customers will be eligible to choose their electric energy suppliers with all customers having choice on January 1, 2001. Customers who are eligible to choose their supplier will be billed for their electric energy as a Full Service customer or a Delivery Service customer. Full Service customers are those who elect to purchase delivery services and all of their electric energy from the Company. Delivery Service customers are those who elect to purchase their delivery services from the Company and some or all of their electric energy from other electricity suppliers.

CUSTOMERS WHO ARE NOT ELIGIBLE TO CHOOSE ELECTRIC ENERGY SUPPLIERS

Until a Customer is eligible to choose another energy supplier, the Customer will be charged for electric energy at the Company supplied electric energy charge. All customers will have choice of suppliers on January 1, 2001.

RATE RSD - RESIDENTIAL SERVICE DELIVERY - (Continued)

MONTHLY RATE - (Continued)

ELECTRIC ENERGY CHARGES - (Continued)

For The Period January 1 to December 31, 1999

Company Electric Energy Charge
All Kilowatt-Hours..... 1.86 cents per Kilowatt-Hour

OR

Other Electricity Supplier.....PRICES SET BY THE SUPPLIER

Any billing period in which a supplier becomes unavailable or the customer has not chosen a supplier, the Company will procure and deliver energy at current market prices.

MINIMUM CHARGE

The minimum Charge shall be the sum of the Customer Distribution Charge and the Customer Specific CTC.

RIDERS

Bills rendered under this schedule are subject to the charges stated in any applicable rider.

LATE PAYMENT CHARGE

Bills will be calculated on the rates stated herein, and are due and payable on or before twenty days from the date of mailing of the bill to the ratepayer. The bill is overdue when not paid on or before the due date indicated on the bill. An overdue bill is subject to a Late Payment Charge of 1.25% interest per month on the full unpaid and overdue balance of the bill. The Charge shall be calculated on the overdue portions of the bill and shall not be charged against any sum that falls due during a current billing period. A Late Payment Charge on a disputed bill may be reduced or eliminated by the Company, or upon order by the Commission, to facilitate payment by the disputing customer.

DEFINITIONS

CUSTOMER SPECIFIC COMPETITIVE TRANSITION CHARGE

The fixed Competitive Transition Charge (CTC) shall be derived from the specific Customer Baseline Usage (CBL) and the annual revenue calculated on the residential Rate RS and applicable riders in effect on December 31, 1998. The CTC will be equal to the annual revenue of residential Rate RS calculated at the CBL less the sum of the: monthly fixed customer distribution charges, monthly transmission charges, monthly variable distribution charges, monthly variable competitive transition charges, monthly Company electric energy charge. The CTC will be divided by 12 and applied to each monthly bill through December 31, 2005. Customers will have their CTC calculated annually based on the Company Electric Energy Charge.

RATE RSD - RESIDENTIAL SERVICE DELIVERY - (Continued)

DEFINITIONS - (Continued)

CUSTOMER BASELINE USAGE

The CBL will normally be set equal to the monthly metered kilowatt-hour consumption at the customer's current premise for the 12 months ending December 31, 1996. Where 1996 monthly premise data is unavailable, the Company will make its best effort to estimate the CBL.

ANNUAL ENERGY CHARGE

The Company Electric Energy Charge will be derived from the market price obtained from a one year system energy sale. Each year during the Transition period, a one year sale may be conducted to determine the Electric Energy Charge for the next year. The Company reserves the right to set the Electric Energy Charge at prevailing market conditions in lieu of a system sale.

SPECIAL PROVISIONS

COMBINED RESIDENTIAL AND NON-RESIDENTIAL SERVICE

Where a portion of the service supplied is used for non-residential or non-farm purposes, the appropriate General Service rate is applicable to all service; or, at the option of the customer, the wiring may be so arranged that the residential service may be separately metered and this rate is then applicable to the residential service only.

RESIDENTIAL GARAGE

A separately metered 240 volts (or less) single phase service to a detached residential garage utilized solely for storing a residential customer's vehicle(s) and is located on the same property as the residential customer's dwelling unit will be considered residential use and may be serviced under the terms of this rate.

OPTIONAL BUDGET PAYMENT PLAN

An Optional Budget Payment Plan offers the ratepayer the option of paying a budget amount each month as estimated by the Company or the actual account balance of the current bill including any arrearages.

SUPPLIER CHANGES

The customer will be permitted to change suppliers with a minimum of 5 days notice to the Company. Supplier switches will occur on the next regularly scheduled read cycle date that occurs after 5 days from the receipt of consent from the customer and the new supplier.

RATE RHD - RESIDENTIAL SERVICE HEATING DELIVERY

AVAILABILITY

Available to residential or combined residential and farm customers using the Company's standard low voltage service for lighting, appliance operation, general household purposes, and as the sole primary method of space heating except that the space heating system may be supplemented with renewable energy sources such as solar, wind, wood, or hydro.

Available only when supplied at 240 volt (or less) single phase service through a single meter directly by the Company to a single family dwelling or to an individual dwelling unit in a multiple dwelling structure. For the purposes of this rate, a dwelling unit is defined as one or more rooms arranged for the use of one or more individuals for shelter, sleeping, dining, and with permanent provisions for cooking and sanitation.

MONTHLY RATE

FIXED CHARGES

Customer Distribution Charge \$6.38
Competitive Transition Charge (CTC)..... Customer Specific

DELIVERY CHARGES

For the Billing Months of November through April:

Transmission Charge
First 500 Kilowatt-Hours at 0.52 cents per Kilowatt-Hour
Excess Kilowatt-Hours at 0.35 cents per Kilowatt-Hour

Distribution Charge
First 500 Kilowatt-Hours at 3.16 cents per Kilowatt-Hour
Excess Kilowatt-Hours at 2.10 cents per Kilowatt-Hour

Competitive Transition Charge
First 500 Kilowatt-Hours at 0.30 cents per Kilowatt-Hour
Excess Kilowatt-Hours at 0.20 cents per Kilowatt-Hour

For the Billing Months of May through October:

Transmission Charge 0.52 cents per Kilowatt-Hour
Distribution Charge..... 3.16 cents per Kilowatt-Hour
Competitive Transition Charge 0.30 cents per Kilowatt-Hour

RATE RHD - RESIDENTIAL SERVICE HEATING DELIVERY (Continued)

MONTHLY RATE - (Continued)

ELECTRIC ENERGY CHARGES

CUSTOMERS WHO ARE ELIGIBLE TO CHOOSE ELECTRIC ENERGY SUPPLIERS

Beginning January 1, 1999 some customers will be eligible to choose their electric energy suppliers with all customers having choice on January 1, 2001. Customers who are eligible to choose their supplier will be billed for their electric energy as a Full Service customer or a Delivery Service customer. Full Service customers are those who elect to purchase delivery services and all of their electric energy from the Company. Delivery Service customers are those who elect to purchase their delivery services from the Company and some or all of their electric energy from other electricity suppliers.

CUSTOMERS WHO ARE NOT ELIGIBLE TO CHOOSE ELECTRIC ENERGY SUPPLIERS

Until a Customer is eligible to choose another energy supplier, the Customer will be charged for electric energy at the Company supplied electric energy charge. All customers will have choice of suppliers on January 1, 2001.

For The Period January 1 to December 31, 1999

Company Electric Energy Charge

All Kilowatt-Hours..... 1.84 cents per Kilowatt-Hour

OR

Other Electricity Supplier.....PRICES SET BY THE SUPPLIER

Any billing period in which a supplier becomes unavailable or the customer has not chosen a supplier, the Company will procure and deliver energy at current market prices.

MINIMUM CHARGE

The minimum Charge shall be the sum of the Customer Distribution Charge and the Customer Specific CTC.

RIDERS

Bills rendered under this schedule are subject to the charges stated in any applicable rider.

LATE PAYMENT CHARGE

Bills will be calculated on the rates stated herein, and are due and payable on or before twenty days from the date of mailing of the bill to the ratepayer. The bill is overdue when not paid on or before the due date indicated on the bill. An overdue bill is subject to a Late Payment Charge of 1.25% interest per month on the full unpaid and overdue balance of the bill. The Charge shall be calculated on the overdue portions of the bill and shall not be charged against any sum that falls due during a current billing period. A Late Payment Charge on a disputed bill may be reduced or eliminated by the Company, or upon order by the Commission, to facilitate payment by the disputing customer.

RATE RHD - RESIDENTIAL SERVICE HEATING DELIVERY (Continued)

DEFINITIONS

CUSTOMER SPECIFIC COMPETITIVE TRANSITION CHARGE

The fixed Competitive Transition Charge (CTC) shall be derived from the specific Customer Baseline Usage (CBL) and the annual revenue calculated on the residential Rate RH and applicable riders in effect on December 31, 1998. The CTC will be equal to the annual revenue of residential Rate RH calculated at the CBL less the sum of the: monthly fixed customer distribution charges, monthly transmission charges, monthly variable distribution charges, monthly variable competitive transition charges, monthly Company electric energy charge. The CTC will be divided by 12 and applied to each monthly bill through December 31, 2005. Customers will have their CTC calculated annually based on the Company Electric Energy Charge.

CUSTOMER BASELINE USAGE

The CBL will normally be set equal to the monthly metered kilowatt-hour consumption at the customer's current premise for the 12 months ending December 31, 1996. Where 1996 monthly premise data is unavailable, the Company will make its best effort to estimate the CBL.

ANNUAL ENERGY CHARGE

The Company Electric Energy Charge will be derived from the market price obtained from a one year system energy sale. Each year during the Transition period, a one year sale may be conducted to determine the Electric Energy Charge for the next year. The Company reserves the right to set the Electric Energy Charge at prevailing market conditions in lieu of a system sale.

SPECIAL PROVISIONS

COMBINED RESIDENTIAL AND NON-RESIDENTIAL SERVICE

Where a portion of the service supplied is used for non-residential or non-farm purposes, the appropriate General Service rate is applicable to all service; or, at the option of the customer, the wiring may be so arranged that the residential service may be separately metered and this rate is then applicable to the residential service only.

RESIDENTIAL GARAGE

A separately metered 240 volt (or less) single phase service to a detached residential garage utilized solely for storing a residential customer's vehicle(s) and is located on the same property as the residential customer's dwelling unit will be considered residential use and may be served under the terms of this rate. To be served under the terms of this rate, the garage must use the Company's service as the sole primary method for space heating maintaining a winter time temperature of 55^o F. or more.

RATE RHD - RESIDENTIAL SERVICE HEATING DELIVERY (Continued)

SPECIAL PROVISIONS - (Continued)

SPACE HEATING EQUIPMENT

Space heating equipment must be permanently installed, thermostatically controlled and must be approved by the Company.

Any renewable energy source system that produces electric energy may not be interconnected with circuits supplied by the Company's service except upon written approval from the Company.

OPTIONAL BUDGET PAYMENT PLAN

An Optional Budget Payment Plan offers the ratepayer the option of paying a budget amount each month as estimated by the Company or the actual account balance of the current bill including any arrearages.

SUPPLIER CHANGES

The customer will be permitted to change suppliers with a minimum of 5 days notice to the Company. Supplier switches will occur on the next regularly scheduled read cycle date that occurs after 5 days from the receipt of consent from the customer and the new supplier.

RATE RAD - RESIDENTIAL SERVICE ADD-ON HEAT PUMP DELIVERY

AVAILABILITY

Available to residential or combined residential and farm customers using the Company's standard low voltage service for lighting, appliance operation, general household purposes, and an add-on heat pump for space heating. Other energy sources may be used to supplement the add-on heat pump provided that the supplemental energy source is thermostatically controlled to operate only when the outdoor temperature falls to at least 40° F. and the add-on heat pump cannot provide the total heating requirements.

Available only when supplied at 240 volt (or less) single phase service through a single meter directly by the Company to a single family dwelling or to an individual dwelling unit in a multiple dwelling structure. For the purposes of this rate, a dwelling unit is defined as one or more rooms arranged for the use of one or more individuals for shelter, sleeping, dining, and with permanent provisions for cooking and sanitation.

MONTHLY RATE

FIXED CHARGES

Customer Distribution Charge \$6.38

Competitive Transition Charge (CTC) Customer Specific

DELIVERY CHARGES

For the Billing Months of November through April:

Transmission Charge

First 500 Kilowatt-Hours at 0.51 cents per Kilowatt-Hour
Excess Kilowatt-Hours at 0.34 cents per Kilowatt-Hour

Distribution Charge

First 500 Kilowatt-Hours at 2.79 cents per Kilowatt-Hour
Excess Kilowatt-Hours at 1.85 cents per Kilowatt-Hour

Competitive Transition Charge

First 500 Kilowatt-Hours at 0.68 cents per Kilowatt-Hour
Excess Kilowatt-Hours at 0.45 cents per Kilowatt-Hour

For the Billing Months of May through October:

Transmission Charge 0.51 cents per Kilowatt-Hour

Distribution Charge 2.79 cents per Kilowatt-Hour

Competitive Transition Charge 0.68 cents per Kilowatt-Hour

RATE RAD - RESIDENTIAL SERVICE ADD-ON HEAT PUMP DELIVERY - (Continued)

MONTHLY RATE - (Continued)

ELECTRIC ENERGY CHARGES

CUSTOMERS WHO ARE ELIGIBLE TO CHOOSE ELECTRIC ENERGY SUPPLIERS

Beginning January 1, 1999 some customers will be eligible to choose their electric energy suppliers with all customers having choice on January 1, 2001. Customers who are eligible to choose their supplier will be billed for their electric energy as a Full Service customer or a Delivery Service customer. Full Service customers are those who elect to purchase delivery services and all of their electric energy from the Company. Delivery Service customers are those who elect to purchase their delivery services from the Company and some or all of their electric energy from other electricity suppliers.

CUSTOMERS WHO ARE NOT ELIGIBLE TO CHOOSE ELECTRIC ENERGY SUPPLIERS

Until a Customer is eligible to choose another energy supplier, the Customer will be charged for electric energy at the Company supplied electric energy charge. All customers will have choice of suppliers on January 1, 2001.

For The Period January 1 to December 31, 1999

Company Electric Energy Charge
All Kilowatt-Hours 1.85 cents per Kilowatt-Hour

OR

Other Electricity Supplier PRICES SET BY THE SUPPLIER

Any billing period in which a supplier becomes unavailable or the customer has not chosen a supplier, the Company will procure and deliver energy at current market prices.

MINIMUM CHARGE

The minimum Charge shall be the sum of the Customer Distribution Charge and the Customer Specific CTC.

RIDERS

Bills rendered under this schedule are subject to the charges stated in any applicable rider.

LATE PAYMENT CHARGE

Bills will be calculated on the rates stated herein, and are due and payable on or before twenty days from the date of mailing of the bill to the ratepayer. The bill is overdue when not paid on or before the due date indicated on the bill. An overdue bill is subject to a Late Payment Charge of 1.25% interest per month on the full unpaid and overdue balance of the bill. The Charge shall be calculated on the overdue portions of the bill and shall not be charged against any sum that falls due during a current billing period. A Late Payment Charge on a disputed bill may be reduced or eliminated by the Company, or upon order by the Commission, to facilitate payment by the disputing customer.

RATE RAD - RESIDENTIAL SERVICE ADD-ON HEAT PUMP DELIVERY - (Continued)

DEFINITIONS

CUSTOMER SPECIFIC COMPETITIVE TRANSITION CHARGE

The fixed Competitive Transition Charge (CTC) shall be derived from the specific Customer Baseline Usage (CBL) and the annual revenue calculated on the residential Rate RA and applicable riders in effect on December 31, 1998. The CTC will be equal to the annual revenue of residential Rate RA calculated at the CBL less the sum of the: monthly fixed customer distribution charges, monthly transmission charges, monthly variable distribution charges, monthly variable competitive transition charges, monthly Company electric energy charge. The CTC will be divided by 12 and applied to each monthly bill through December 31, 2005. Customers will have their CTC calculated annually based on the Company Electric Energy Charge.

CUSTOMER BASELINE USAGE

The CBL will normally be set equal to the monthly metered kilowatt-hour consumption at the customer's current premise for the 12 months ending December 31, 1996. Where 1996 monthly premise data is unavailable, the Company will make its best effort to estimate the CBL.

ANNUAL ENERGY CHARGE

The Company Electric Energy Charge will be derived from the market price obtained from a one year system energy sale. Each year during the Transition period, a one year sale may be conducted to determine the Electric Energy Charge for the next year. The Company reserves the right to set the Electric Energy Charge at prevailing market conditions in lieu of a system sale.

SPECIAL PROVISIONS

COMBINED RESIDENTIAL AND NON-RESIDENTIAL SERVICE

Where a portion of the service supplied is used for non-residential or non-farm purposes, the appropriate General Service rate is applicable to all service; or, at the option of the customer, the wiring may be so arranged that the residential service may be separately metered and this rate is then applicable to the residential service only.

SPACE HEATING EQUIPMENT

Space heating equipment must be permanently installed, thermostatically controlled and must be approved by the Company.

The add-on heat pump and supplemental heating device must be equipped with a thermostatically operated control system which operates the add-on heat pump as the primary heating system until the outdoor temperature falls to at least 40^o F.

RATE RAD - RESIDENTIAL SERVICE ADD-ON HEAT PUMP DELIVERY - (Continued)

SPECIAL PROVISIONS - (Continued)

OPTIONAL BUDGET PAYMENT PLAN

An Optional Budget Payment Plan offers the ratepayer the option of paying a budget amount each month as estimated by the Company or the actual account balance of the current bill including any arrearages.

SUPPLIER CHANGES

The customer will be permitted to change suppliers with a minimum of 5 days notice to the Company. Supplier switches will occur on the next regularly scheduled read cycle date that occurs after 5 days from the receipt of consent from the customer and the new supplier.

RATE GS/GMD - GENERAL SERVICE SMALL AND MEDIUM DELIVERY

AVAILABILITY

Availability for all the standard electric service taken on a small or medium general service customer's premises for which a residential rate is not available.

MONTHLY RATE

FIXED CHARGES

Customer Distribution Charge \$9.07
Competitive Transition Charge (CTC) Customer Specific

DELIVERY CHARGES - DEMAND

Transmission Charge
First 5 Kilowatts or less of Demand No Charge
Excess Kilowatt of Demand \$0.93 per Kilowatt

Distribution Charge
First 5 Kilowatts or less of Demand No Charge
Excess Kilowatt of Demand \$4.45 per Kilowatt

Competitive Transition Charge
First 5 Kilowatts or less of Demand No Charge
Excess Kilowatt of Demand \$3.79 per Kilowatt

DELIVERY CHARGES - ENERGY

Transmission Charge
First 550 Kilowatt-Hours at 0.52 cents per Kilowatt-Hour
Next 750 Kilowatt-Hours at 0.48 cents per Kilowatt-Hour
Excess Kilowatt-Hours at 0.20 cents per Kilowatt-Hour

Distribution Charge
First 550 Kilowatt-Hours at 2.48 cents per Kilowatt-Hour
Next 750 Kilowatt-Hours at 2.27 cents per Kilowatt-Hour
Excess Kilowatt-Hours at 0.94 cents per Kilowatt-Hour

Competitive Transition Charge
First 550 Kilowatt-Hours at 2.12 cents per Kilowatt-Hour
Next 750 Kilowatt-Hours at 1.94 cents per Kilowatt-Hour
Excess Kilowatt-Hours at 0.80 cents per Kilowatt-Hour

RATE GS/GMD - GENERAL SERVICE SMALL AND MEDIUM DELIVERY - (Continued)

MONTHLY RATE - (Continued)

ELECTRIC ENERGY CHARGES

CUSTOMERS WHO ARE ELIGIBLE TO CHOOSE ELECTRIC ENERGY SUPPLIERS

Beginning January 1, 1999 some customers will be eligible to choose their electric energy suppliers with all customers having choice on January 1, 2001. Customers who are eligible to choose their supplier will be billed for their electric energy as a Full Service customer or a Delivery Service customer. Full Service customers are those who elect to purchase delivery services and all of their electric energy from the Company. Delivery Service customers are those who elect to purchase their delivery services from the Company and some or all of their electric energy from other electricity suppliers.

CUSTOMERS WHO ARE NOT ELIGIBLE TO CHOOSE ELECTRIC ENERGY SUPPLIERS

Until a Customer is eligible to choose another energy supplier, the Customer will be charged for electric energy at the Company supplied electric energy charge. All customers will have choice of suppliers on January 1, 2001.

For The Period January 1 to December 31, 1999

Company Electric Energy Charge
All Kilowatt-Hours..... 1.86 cents per Kilowatt-Hour

OR

Other Electricity Supplier.....PRICES SET BY THE SUPPLIER

Any billing period in which a supplier becomes unavailable or the customer has not chosen a supplier, the Company will procure and deliver energy at current market prices.

MINIMUM CHARGE

The minimum Charge shall be the sum of the Customer Distribution Charge and the Customer Specific CTC.

RIDERS

Bills rendered under this schedule are subject to the charges stated in any applicable rider.

LATE PAYMENT CHARGE

Bills will be calculated on the rates stated herein, and are due and payable on or before twenty days from the date of mailing of the bill to the ratepayer. The bill is overdue when not paid on or before the due date indicated on the bill. An overdue bill is subject to a Late Payment Charge of 1.25% interest per month on the full unpaid and overdue balance of the bill. The Charge shall be calculated on the overdue portions of the bill and shall not be charged against any sum that falls due during a current billing period. A Late Payment Charge on a disputed bill may be reduced or eliminated by the Company, or upon order by the Commission, to facilitate payment by the disputing customer.

RATE GS/GMD - GENERAL SERVICE SMALL AND MEDIUM DELIVERY - (Continued)

DEFINITIONS

CUSTOMER SPECIFIC COMPETITIVE TRANSITION CHARGE

The fixed Competitive Transition Charge (CTC) shall be derived from the specific Customer Baseline Usage (CBL) and the annual revenue calculated on Rate GS/GM and applicable riders in effect on December 31, 1998. The CTC will be equal to the annual revenue of Rate GS/GM calculated at the CBL less the sum of the: monthly fixed customer distribution charges, monthly transmission charges, monthly variable distribution charges, monthly variable competitive transition charges, monthly Company electric energy charge. The CTC will be divided by 12 and applied to each monthly bill through December 31, 2005. Customers will have their CTC calculated annually based on the Company Electric Energy Charge.

CUSTOMER BASELINE USAGE

The CBL will normally be set equal to the monthly metered kilowatt and kilowatt-hour consumption at the customer's current premise for the 12 months ending December 31, 1996. Where 1996 monthly premise data is unavailable, the Company will make its best effort to estimate the CBL.

ANNUAL ENERGY CHARGE

The Company Electric Energy Charge will be derived from the market price obtained from a one year system energy sale. Each year during the Transition period, a one year sale may be conducted to determine the Electric Energy Charge for the next year. The Company reserves the right to set the Electric Energy Charge at prevailing market conditions in lieu of a system sale.

DETERMINATION OF DEMAND

The demand will be measured where a customer's monthly use exceeds 1,000 kilowatt-hours or where the demand is known to exceed 5 kilowatts. Individual demand, except in unusual cases, will be determined by measurement of the average kilowatts during the fifteen-minute period of greatest kilowatt-hour use during the billing period. Individual demands which exceed 30 kilowatts will be adjusted for power factor by multiplying by

$$\left\{ 0.8 + \left[0.6 \frac{\text{Reactive Kilovolt - ampere hours}}{\text{Kilowatt - hours}} \right] \right\}$$

where such multiplier will be not less than 1.00 nor more than 2.00. The Billing Demand will be the sum of the individual demands of each metered service, adjusted for power factor as defined above.

RATE GS/GMD - GENERAL SERVICE SMALL AND MEDIUM DELIVERY - (Continued)

CONTRACT PROVISIONS

Contracts will be written for a period of not less than one year.

SPECIAL PROVISIONS

SUPPLIER CHANGES

The customer will be permitted to change suppliers with a minimum of 5 days notice to the Company. Supplier switches will occur on the next regularly scheduled read cycle date that occurs after 5 days from the receipt of consent from the customer and the new supplier.

RATE GMHD - GENERAL SERVICE MEDIUM HEATING DELIVERY

AVAILABILITY

Available for all the standard electric service taken on a customer's premises for which a residential rate is not available, where the Company's service is the sole method of space heating, and where the heat loss of the customer's premises is calculated in accordance with the ASHRAE* Handbook of Fundamentals, and where such calculated heat loss converted into kilowatt-hour consumption during the heating season is determined by the Company to be at least 25% of the customer's entire electric energy requirements during the heating season. The space heating system may be supplemented with renewable energy sources such as solar, wind, wood, or hydro.

*American Society of Heating, Refrigerating and Air Conditioning Engineers

MONTHLY RATE

FIXED CHARGES

Customer Distribution Charge \$9.07
Competitive Transition Charge (CTC) Customer Specific

DELIVERY CHARGES

For the Billing Months of October through May:

DELIVERY CHARGES - ENERGY

Transmission Charge
First 1,250 Kilowatt-Hours plus 150 Kilowatt-Hours for each
Kilowatt of Demand over 6 Kilowatts at 0.46 cents per Kilowatt-Hour
Excess Kilowatt-Hours at 0.23 cents per Kilowatt-Hour

Distribution Charge
First 1,250 Kilowatt-Hours plus 150 Kilowatt-Hours for each
Kilowatt of Demand over 6 Kilowatts at 2.41 cents per Kilowatt-Hour
Excess Kilowatt-Hours at 1.21 cents per Kilowatt-Hour

Competitive Transition Charge
First 1,250 Kilowatt-Hours plus 150 Kilowatt-Hours for each
Kilowatt of Demand over 6 Kilowatts at 1.01 cents per Kilowatt-Hour
Excess Kilowatt-Hours at 0.50 cents per Kilowatt-Hour

RATE GMHD - GENERAL SERVICE MEDIUM HEATING DELIVERY - (Continued)

MONTHLY RATE - (Continued)

For the Billing Months of June through September:

DELIVERY CHARGES - DEMAND

Transmission Charge	
First 5 Kilowatts or less of Demand	No Charge
Excess Kilowatt of Demand	\$1.08 per Kilowatt
Distribution Charge	
First 5 Kilowatts or less of Demand	No Charge
Excess Kilowatt of Demand	\$5.71 per Kilowatt
Competitive Transition Charge	
First 5 Kilowatts or less of Demand	No Charge
Excess Kilowatt of Demand	\$2.38 per Kilowatt

DELIVERY CHARGES - ENERGY

Transmission Charge	
First 550 Kilowatt-Hours at	0.60 cents per Kilowatt-Hour
Next 750 Kilowatt-Hours at	0.55 cents per Kilowatt-Hour
Excess Kilowatt-Hours at	0.23 cents per Kilowatt-Hour
Distribution Charge	
First 550 Kilowatt-Hours at	3.20 cents per Kilowatt-Hour
Next 750 Kilowatt-Hours at	2.92 cents per Kilowatt-Hour
Excess Kilowatt-Hours at	1.21 cents per Kilowatt-Hour
Competitive Transition Charge	
First 550 Kilowatt-Hours at	1.33 cents per Kilowatt-Hour
Next 750 Kilowatt-Hours at	1.22 cents per Kilowatt-Hour
Excess Kilowatt-Hours at	0.50 cents per Kilowatt-Hour

ELECTRIC ENERGY CHARGES

CUSTOMERS WHO ARE ELIGIBLE TO CHOOSE ELECTRIC ENERGY SUPPLIERS

Beginning January 1, 1999 some customers will be eligible to choose their electric energy suppliers with all customers having choice on January 1, 2001. Customers who are eligible to choose their supplier will be billed for their electric energy as a Full Service customer or a Delivery Service customer. Full Service customers are those who elect to purchase delivery services and all of their electric energy from the Company. Delivery Service customers are those who elect to purchase their delivery services from the Company and some or all of their electric energy from other electricity suppliers.

RATE GMHD - GENERAL SERVICE MEDIUM HEATING DELIVERY - (Continued)

MONTHLY RATE - (Continued)

ELECTRIC ENERGY CHARGES - (Continued)

CUSTOMERS WHO ARE NOT ELIGIBLE TO CHOOSE ELECTRIC ENERGY SUPPLIERS

Until a Customer is eligible to choose another energy supplier, the Customer will be charged for electric energy at the Company supplied electric energy charge. All customers will have choice of suppliers on January 1, 2001.

For The Period January 1 to December 31, 1999

Company Electric Energy Charge
All Kilowatt-Hours..... 1.86 cents per Kilowatt-Hour

OR

Other Electricity Supplier..... PRICES SET BY THE SUPPLIER

Any billing period in which a supplier becomes unavailable or the customer has not chosen a supplier, the Company will procure and deliver energy at current market prices.

MINIMUM CHARGE

The minimum Charge shall be the sum of the Customer Distribution Charge and the Customer Specific CTC.

RIDERS

Bills rendered under this schedule are subject to the charges stated in any applicable rider.

LATE PAYMENT CHARGE

Bills will be calculated on the rates stated herein, and are due and payable on or before twenty days from the date of mailing of the bill to the ratepayer. The bill is overdue when not paid on or before the due date indicated on the bill. An overdue bill is subject to a Late Payment Charge of 1.25% interest per month on the full unpaid and overdue balance of the bill. The Charge shall be calculated on the overdue portions of the bill and shall not be charged against any sum that falls due during a current billing period. A Late Payment Charge on a disputed bill may be reduced or eliminated by the Company, or upon order by the Commission, to facilitate payment by the disputing customer.

RATE GMHD - GENERAL SERVICE MEDIUM HEATING DELIVERY - (Continued)

DEFINITIONS

CUSTOMER SPECIFIC COMPETITIVE TRANSITION CHARGE

The fixed Competitive Transition Charge (CTC) shall be derived from the specific Customer Baseline Usage (CBL) and the annual revenue calculated on Rate GMH and applicable riders in effect on December 31, 1998. The CTC will be equal to the annual revenue of Rate GMH calculated at the CBL less the sum of the: monthly fixed customer distribution charges, monthly transmission charges, monthly variable distribution charges, monthly variable competitive transition charges, monthly Company electric energy charge. The CTC will be divided by 12 and applied to each monthly bill through December 31, 2005. Customers will have their CTC calculated annually based on the Company Electric Energy Charge.

CUSTOMER BASELINE USAGE

The CBL will normally be set equal to the monthly metered kilowatt and kilowatt-hour consumption at the customer's current premise for the 12 months ending December 31, 1996. Where 1996 monthly premise data is unavailable, the Company will make its best effort to estimate the CBL.

ANNUAL ENERGY CHARGE

The Company Electric Energy Charge will be derived from the market price obtained from a one year system energy sale. Each year during the Transition period, a one year sale may be conducted to determine the Electric Energy Charge for the next year. The Company reserves the right to set the Electric Energy Charge at prevailing market conditions in lieu of a system sale.

DETERMINATION OF DEMAND

The demand will be measured where a customer's monthly use exceeds 1,000 kilowatt-hours or where the demand is known to exceed 5 kilowatts. The demand will be the sum of individual demands of each metered standard service. Individual demand, except in unusual cases, will be determined by measurement of the average kilowatts during the fifteen-minute period of greatest kilowatt-hour use during the billing period.

SPECIAL PROVISIONS

Any renewable energy source system that produces electric energy may not be interconnected with circuits supplied by the Company's service except upon written approval from the Company.

SUPPLIER CHANGES

The customer will be permitted to change suppliers with a minimum of 5 days notice to the Company. Supplier switches will occur on the next regularly scheduled read cycle date that occurs after 5 days from the receipt of consent from the customer and the new supplier.

RATE GLHD - GENERAL SERVICE LARGE HEATING DELIVERY

AVAILABILITY

Available for all the standard electric service taken on a customer's premises for which a residential rate is not available, where the Company's service is the sole method of space heating, and where the heat loss of the customer's premises is calculated in accordance with the ASHRAE* Handbook of Fundamentals, and where such calculated heat loss converted into kilowatt-hour consumption during the heating season is determined by the Company to be at least 25% of the customer's entire electric energy requirements during the heating season. The space heating system may be supplemented with renewable energy sources such as solar, wind, wood, or hydro.

*American Society of Heating, Refrigerating and Air Conditioning Engineers

MONTHLY RATE

For the Billing Months of October through May:

FIXED CHARGES

Customer Distribution Charge \$9.07

Competitive Transition Charge (CTC) Customer Specific

DELIVERY CHARGES - ENERGY

Transmission Charge

First 1,250 Kilowatt-Hours plus 150 Kilowatt-Hours for each

Kilowatt of Demand over 6 Kilowatts at 0.46 cents per Kilowatt-Hour

Excess Kilowatt-Hours at 0.23 cents per Kilowatt-Hour

Distribution Charge

First 1,250 Kilowatt-Hours plus 150 Kilowatt-Hours for each

Kilowatt of Demand over 6 Kilowatts at 1.45 cents per Kilowatt-Hour

Excess Kilowatt-Hours at 0.73 cents per Kilowatt-Hour

Competitive Transition Charge

First 1,250 Kilowatt-Hours plus 150 Kilowatt-Hours for each

Kilowatt of Demand over 6 Kilowatts at 1.96 cents per Kilowatt-Hour

Excess Kilowatt-Hours at 0.98 cents per Kilowatt-Hour

RATE GLHD - GENERAL SERVICE LARGE HEATING DELIVERY - (Continued)

MONTHLY RATE - (Continued)

For the Billing Months of June through September:

FIXED CHARGES FOR THE FIRST 300 KILOWATTS OR LESS OF DEMAND

Transmission Charge	\$662.21
Distribution Charge	\$2,073.77
Competitive Transition Charge (CTC)	\$2,791.02

DELIVERY CHARGES - DEMAND GREATER THAN 300 KILOWATTS

Transmission Charge	\$0.84 per Kilowatt
Distribution Charge	\$2.62 per Kilowatt
Competitive Transition Charge	\$3.53 per Kilowatt

DELIVERY CHARGES - ENERGY

Transmission Charge	0.23 cents per Kilowatt-Hour
Distribution Charge	0.73 cents per Kilowatt-Hour
Competitive Transition Charge	0.98 cents per Kilowatt-Hour

ELECTRIC ENERGY CHARGES

CUSTOMERS WHO ARE ELIGIBLE TO CHOOSE ELECTRIC ENERGY SUPPLIERS

Beginning January 1, 1999 some customers will be eligible to choose their electric energy suppliers with all customers having choice on January 1, 2001. Customers who are eligible to choose their supplier will be billed for their electric energy as a Full Service customer or a Delivery Service customer. Full Service customers are those who elect to purchase delivery services and all of their electric energy from the Company. Delivery Service customers are those who elect to purchase their delivery services from the Company and some or all of their electric energy from other electricity suppliers.

RATE GLHD - GENERAL SERVICE LARGE HEATING DELIVERY - (Continued)

MONTHLY RATE - (Continued)

ELECTRIC ENERGY CHARGES - (Continued)

CUSTOMERS WHO ARE NOT ELIGIBLE TO CHOOSE ELECTRIC ENERGY SUPPLIERS

Until a Customer is eligible to choose another energy supplier, the Customer will be charged for electric energy at the Company supplied electric energy charge. All customers will have choice of suppliers on January 1, 2001.

For The Period January 1 to December 31, 1999

Company Electric Energy Charge
All Kilowatt-Hours..... 1.86 cents per Kilowatt-Hour

OR

Other Electricity Supplier.....PRICES SET BY THE SUPPLIER

Any billing period in which a supplier becomes unavailable or the customer has not chosen a supplier, the Company will procure and deliver energy at current market prices.

MINIMUM CHARGE

The minimum Charge shall be the sum of the Customer Distribution Charge and the Customer Specific CTC.

RIDERS

Bills rendered under this schedule are subject to the charges stated in any applicable rider.

LATE PAYMENT CHARGE

Bills will be calculated on the rates stated herein, and are due and payable on or before twenty days from the date of mailing of the bill to the ratepayer. The bill is overdue when not paid on or before the due date indicated on the bill. An overdue bill is subject to a Late Payment Charge of 1.25% interest per month on the full unpaid and overdue balance of the bill. The Charge shall be calculated on the overdue portions of the bill and shall not be charged against any sum that falls due during a current billing period. A Late Payment Charge on a disputed bill may be reduced or eliminated by the Company, or upon order by the Commission, to facilitate payment by the disputing customer.

RATE GLHD - GENERAL SERVICE LARGE HEATING DELIVERY - (Continued)

DEFINITIONS

CUSTOMER SPECIFIC COMPETITIVE TRANSITION CHARGE

The fixed Competitive Transition Charge (CTC) shall be derived from the specific Customer Baseline Usage (CBL) and the annual revenue calculated on Rate GLH and applicable riders in effect on December 31, 1998. The CTC will be equal to the annual revenue of Rate GLH calculated at the CBL less the sum of the: monthly fixed customer distribution charges, monthly transmission charges, monthly variable distribution charges, monthly variable competitive transition charges, monthly Company electric energy charge. The CTC will be divided by 12 and applied to each monthly bill through December 31, 2005. Customers will have their CTC calculated annually based on the Company Electric Energy Charge.

CUSTOMER BASELINE USAGE

The CBL will normally be set equal to the monthly metered kilowatt and kilowatt-hour consumption at the customer's current premise for the 12 months ending December 31, 1996. Where 1996 monthly premise data is unavailable, the Company will make its best effort to estimate the CBL.

ANNUAL ENERGY CHARGE

The Company Electric Energy Charge will be derived from the market price obtained from a one year system energy sale. Each year during the Transition period, a one year sale may be conducted to determine the Electric Energy Charge for the next year. The Company reserves the right to set the Electric Energy Charge at prevailing market conditions in lieu of a system sale.

DETERMINATION OF DEMAND

The demand will be measured where a customer's monthly use exceeds 1,000 kilowatt-hours or where the demand is known to exceed 5 kilowatts. The demand will be the sum of individual demands of each metered standard service. Individual demand, except in unusual cases, will be determined by measurement of the average kilowatts during the fifteen minute period of greatest kilowatt-hour use during the billing period.

SPECIAL PROVISIONS

Any renewable energy source system that produces electric energy may not be interconnected with circuits supplied by the Company's service except upon written approval from the Company.

SUPPLIER CHANGES

The customer will be permitted to change suppliers with a minimum of 5 days notice to the Company. Supplier switches will occur on the next regularly scheduled read cycle date that occurs after 5 days from the receipt of consent from the customer and the new supplier.

RATE GLD - GENERAL SERVICE LARGE DELIVERY

AVAILABILITY

Available for all the standard electric service taken on a customer's premises where the demand is not less than 300 kilowatts.

MONTHLY RATE

FIXED CHARGE

Competitive Transition Charge (CTC) Customer Specific

FIXED CHARGES FOR THE FIRST 300 KILOWATTS OR LESS OF DEMAND

Transmission Charge \$429.56

Distribution Charge..... \$1,546.19

Competitive Transition Charge (CTC) \$3,551.25

DELIVERY CHARGES - DEMAND GREATER THAN 300 KILOWATTS

Transmission Charge \$0.54 per Kilowatt

Distribution Charge..... \$1.96 per Kilowatt

Competitive Transition Charge \$4.49 per Kilowatt

DELIVERY CHARGES - ENERGY

Transmission Charge 0.15 cents per Kilowatt-Hour

Distribution Charge..... 0.54 cents per Kilowatt-Hour

Competitive Transition Charge 1.25 cents per Kilowatt-Hour

RATE GLD - GENERAL SERVICE LARGE DELIVERY - (Continued)

MONTHLY RATE - (Continued)

ELECTRIC ENERGY CHARGES

CUSTOMERS WHO ARE ELIGIBLE TO CHOOSE ELECTRIC ENERGY SUPPLIERS

Beginning January 1, 1999 some customers will be eligible to choose their electric energy suppliers with all customers having choice on January 1, 2001. Customers who are eligible to choose their supplier will be billed for their electric energy as a Full Service customer or a Delivery Service customer. Full Service customers are those who elect to purchase delivery services and all of their electric energy from the Company. Delivery Service customers are those who elect to purchase their delivery services from the Company and some or all of their electric energy from other electricity suppliers.

CUSTOMERS WHO ARE NOT ELIGIBLE TO CHOOSE ELECTRIC ENERGY SUPPLIERS

Until a Customer is eligible to choose another energy supplier, the Customer will be charged for electric energy at the Company supplied electric energy charge. All customers will have choice of suppliers on January 1, 2001.

For The Period January 1 to December 31, 1999

Company Electric Energy Charge
All Kilowatt-Hours 1.85 cents per Kilowatt-Hour

OR

Other Electricity Supplier PRICES SET BY THE SUPPLIER

Any billing period in which a supplier becomes unavailable or the customer has not chosen a supplier, the Company will procure and deliver energy at current market prices.

MINIMUM CHARGE

The minimum Charge shall be the Customer Specific CTC and the sum of the Fixed Charges for the first 300 Kilowatts or less of Demand.

RIDERS

Bills rendered under this schedule are subject to the charges stated in any applicable rider.

LATE PAYMENT CHARGE

Bills will be calculated on the rates stated herein, and are due and payable on or before twenty days from the date of mailing of the bill to the ratepayer. The bill is overdue when not paid on or before the due date indicated on the bill. An overdue bill is subject to a Late Payment Charge of 1.25% interest per month on the full unpaid and overdue balance of the bill. The Charge shall be calculated on the overdue portions of the bill and shall not be charged against any sum that falls due during a current billing period. A Late Payment Charge on a disputed bill may be reduced or eliminated by the Company, or upon order by the Commission, to facilitate payment by the disputing customer.

RATE GLD - GENERAL SERVICE LARGE DELIVERY - (Continued)

DEFINITIONS

CUSTOMER SPECIFIC COMPETITIVE TRANSITION CHARGE

The fixed Competitive Transition Charge (CTC) shall be derived from the specific Customer Baseline Usage (CBL) and the annual revenue calculated on Rate GL and applicable riders in effect on December 31, 1998. The CTC will be equal to the annual revenue of Rate GL calculated at the CBL less the sum of the: monthly fixed customer distribution charges, monthly transmission charges, monthly variable distribution charges, monthly variable competitive transition charges, monthly Company electric energy charge. The CTC will be divided by 12 and applied to each monthly bill through December 31, 2005. Customers will have their CTC calculated annually based on the Company Electric Energy Charge.

CUSTOMER BASELINE USAGE

The CBL will normally be set equal to the monthly metered kilowatt and kilowatt-hour consumption at the customer's current premise for the 12 months ending December 31, 1996. Where 1996 monthly premise data is unavailable, the Company will make its best effort to estimate the CBL.

ANNUAL ENERGY CHARGE

The Company Electric Energy Charge will be derived from the market price obtained from a one year system energy sale. Each year during the Transition period, a one year sale may be conducted to determine the Electric Energy Charge for the next year. The Company reserves the right to set the Electric Energy Charge at prevailing market conditions in lieu of a system sale.

DETERMINATION OF DEMAND

Individual demand, except in unusual cases, will be determined by measurement of the average kilowatts during the fifteen-minute period of greatest kilowatt-hour use during the billing period. Individual demands which exceed 30 kilowatts will be adjusted for power factor by multiplying by

$$\left\{ 0.8 + \left[0.6 \frac{\text{Reactive Kilovolt - ampere hours}}{\text{Kilowatt - hours}} \right] \right\}$$

where such multiplier will be not less than 1.00 nor more than 2.00. The Billing Demand will be the sum of the individual demands of each metered service, adjusted for power factor as defined above, but not less than 50% of the Contract On-Peak Demand nor less than 300 kilowatts, whichever is the greater.

RATE GLD - GENERAL SERVICE LARGE DELIVERY - (Continued)

CONTRACT DEMAND

The Contract Demand is the maximum electrical capacity in kilowatts which the Company shall be required by the contract to make available to the customer.

The Customer shall not establish a demand greater than 105 percent of the individual demands specified in the customer's contract unless written approval shall first have been obtained from the Company. If the customer establishes a repeated pattern of exceeding the Contract Demand, the Contract Demand may be raised to the highest demand established for the remaining term of the contract.

Contracts will be written for a period of not less than one year.

Where the customer has established an energy management and conservation program and has demonstrated to the satisfaction of the Company that such program has resulted in a reduced demand, the Company will, upon the customer's request, amend the contract to reflect such reduced demand for the purpose of calculating the Minimum Charge, but in no case shall the Billing Demand be reduced to less than 300 kilowatts if the customer remains on this rate.

SUPPLIER CHANGES

The customer will be permitted to change suppliers with a minimum of 5 days notice to the Company. Supplier switches will occur on the next regularly scheduled read cycle date that occurs after 5 days from the receipt of consent from the customer and the new supplier.

RATE LD - LARGE POWER SERVICE DELIVERY

AVAILABILITY

Available for all the standard electric service taken on a customer's premises where the Contract Demand is not less than 5,000 kilowatts.

MONTHLY RATE

FIXED CHARGE

Competitive Transition Charge (CTC) Customer Specific

FIXED CHARGES FOR THE FIRST 5,000 KILOWATTS OR LESS OF DEMAND

Transmission Charge \$6,797.70

Distribution Charge..... \$21,616.25

Competitive Transition Charge (CTC) \$42,875.05

NEXT 10,000 KILOWATTS

Transmission Charge \$0.55 per Kilowatt

Distribution Charge..... \$1.74 per Kilowatt

Competitive Transition Charge (CTC) \$3.44 per Kilowatt

NEXT 25,000 KILOWATTS

Transmission Charge \$0.53 per Kilowatt

Distribution Charge..... \$1.69 per Kilowatt

Competitive Transition Charge (CTC) \$3.35 per Kilowatt

EXCESS KILOWATTS

Transmission Charge \$0.52 per Kilowatt

Distribution Charge..... \$1.64 per Kilowatt

Competitive Transition Charge (CTC) \$3.26 per Kilowatt

RATE LD - LARGE POWER SERVICE DELIVERY - (Continued)

MONTHLY RATE - (Continued)

DELIVERY CHARGES - ENERGY

**First 750,000 Kilowatt-Hours
plus 400 Kilowatt-Hours per Kilowatt of Demand**

Transmission Charge	0.19 cents per Kilowatt-Hour
Distribution Charge.....	0.59 cents per Kilowatt-Hour
Competitive Transition Charge (CTC)	1.17 cents per Kilowatt-Hour

Next 150 Kilowatt-Hours per Kilowatt of Demand

Transmission Charge	0.07 cents per Kilowatt-Hour
Distribution Charge.....	0.22 cents per Kilowatt-Hour
Competitive Transition Charge (CTC)	0.43 cents per Kilowatt-Hour

Excess Kilowatt-Hours

Transmission Charge	0.05 cents per Kilowatt-Hour
Distribution Charge.....	0.15 cents per Kilowatt-Hour
Competitive Transition Charge (CTC)	0.30 cents per Kilowatt-Hour

ELECTRIC ENERGY CHARGES

CUSTOMERS WHO ARE ELIGIBLE TO CHOOSE ELECTRIC ENERGY SUPPLIERS

Beginning January 1, 1999 some customers will be eligible to choose their electric energy suppliers with all customers having choice on January 1, 2001. Customers who are eligible to choose their supplier will be billed for their electric energy as a Full Service customer or a Delivery Service customer. Full Service customers are those who elect to purchase delivery services and all of their electric energy from the Company. Delivery Service customers are those who elect to purchase their delivery services from the Company and some or all of their electric energy from other electricity suppliers.

CUSTOMERS WHO ARE NOT ELIGIBLE TO CHOOSE ELECTRIC ENERGY SUPPLIERS

Until a Customer is eligible to choose another energy supplier, the Customer will be charged for electric energy at the Company supplied electric energy charge. All customers will have choice of suppliers on January 1, 2001.

RATE LD - LARGE POWER SERVICE DELIVERY - (Continued)

MONTHLY RATE - (Continued)

ELECTRIC ENERGY CHARGES - (Continued)

For The Period January 1 to December 31, 1999

Company Electric Energy Charge
All Kilowatt-Hours 1.85 cents per Kilowatt-Hour

OR

Other Electricity Supplier PRICES SET BY THE SUPPLIER

Any billing period in which a supplier becomes unavailable or the customer has not chosen a supplier, the Company will procure and deliver energy at current market prices.

MINIMUM CHARGE

The minimum Charge shall be the Customer Specific CTC and the sum of the Fixed Charges for the first 5,000 Kilowatts or less of demand.

RIDERS

Bills rendered under this schedule are subject to the charges stated in any applicable rider.

UNTRANSFORMED SERVICE CREDIT

Where the customer furnishes all necessary equipment to take untransformed delivery at 11,500 volts or higher, in strict accordance with the Company's standards and specifications, a credit based upon the individual demand of the untransformed circuit shall be as follows:

11,500 or 23,000 Volt Service \$39.75 plus 7.0 cents per Kilowatt
69,000 Volt Service or Higher 9.1 cents per Kilowatt

LATE PAYMENT CHARGE

Bills will be calculated on the rates stated herein, and are due and payable on or before twenty days from the date of mailing of the bill to the ratepayer. The bill is overdue when not paid on or before the due date indicated on the bill. An overdue bill is subject to a Late Payment Charge of 1.25% interest per month on the full unpaid and overdue balance of the bill. The Charge shall be calculated on the overdue portions of the bill and shall not be charged against any sum that falls due during a current billing period. A Late Payment Charge on a disputed bill may be reduced or eliminated by the Company, or upon order by the Commission, to facilitate payment by the disputing customer.

RATE LD - LARGE POWER SERVICE DELIVERY - (Continued)

DEFINITIONS

CUSTOMER SPECIFIC COMPETITIVE TRANSITION CHARGE

The fixed Competitive Transition Charge (CTC) shall be derived from the specific Customer Baseline Usage (CBL) and the annual revenue calculated on Rate L and applicable riders in effect on December 31, 1998. The CTC will be equal to the annual revenue of Rate L calculated at the CBL less the sum of the: monthly fixed customer distribution charges, monthly transmission charges, monthly variable distribution charges, monthly variable competitive transition charges, monthly Company electric energy charge. The CTC will be divided by 12 and applied to each monthly bill through December 31, 2005. Customers will have their CTC calculated annually based on the Company Electric Energy Charge.

CUSTOMER BASELINE USAGE

The CBL will normally be set equal to the monthly metered kilowatt and kilowatt-hour consumption at the customer's current premise for the 12 months ending December 31, 1996. Where 1996 monthly premise data is unavailable, the Company will make its best effort to estimate the CBL.

ANNUAL ENERGY CHARGE

The Company Electric Energy Charge will be derived from the market price obtained from a one year system energy sale. Each year during the Transition period, a one year sale may be conducted to determine the Electric Energy Charge for the next year. The Company reserves the right to set the Electric Energy Charge at prevailing market conditions in lieu of a system sale.

DETERMINATION OF DEMAND

Individual demand, except in unusual cases, will be determined by measurement of the average kilowatts during the fifteen-minute period of greatest kilowatt-hour use during the billing period. Individual demands which exceed 30 kilowatts will be adjusted for power factor by multiplying by

$$\left\{ 0.8 + \left[0.6 \frac{\text{Reactive Kilovolt - ampere hours}}{\text{Kilowatt - hours}} \right] \right\},$$

where such multiplier will be not less than 1.00 nor more than 2.00. The Billing Demand will be the sum of the individual demands of each metered service adjusted for power factor as defined above, but not less than 70% of the Contract On-Peak Demand nor less than 5,000 kilowatts, whichever is the greater.

CONTRACT DEMAND

The Contract Demand is the maximum electrical capacity in kilowatts which the Company shall be required by the contract to deliver to the customer.

The customer shall not establish a demand greater than 105 percent of the individual demands specified in the customer's contract unless written approval shall first have been obtained from the Company. If the customer establishes a repeated pattern of exceeding the Contract Demand, the Contract Demand may be raised to the highest demand established for the remaining term of the contract.

RATE LD - LARGE POWER SERVICE DELIVERY - (Continued)

CONTRACT PROVISIONS

Contracts shall be written for an original term of not less than five years for Contract Demand of 100,000 kilowatts or less, and not less than ten years for Contract Demands in excess of 100,000 kilowatts. Effective on January 26, 1985, such contracts shall continue in force after the expiration of the original term until one year following the date of written notice of cancellation by either party. Such notice of cancellation may not be given earlier than one year before the expiration of the original term. Contract cancellations for which written notice of such was received prior to January 26, 1985, shall be effective on January 26, 1986, unless cancellation under such notice would have been effective under the prior three year cancellation provision of Rate LD before January 26, 1986, in which case the appropriate contract cancellation date shall prevail.

When a customer takes delivery at 69 Kv or higher for delivery into its own electric system operated at either of such voltages, and has a Contract Demand of at least 100,000 kilowatts, the customer may apply for service at two or more delivery points interconnected by the customer's facilities. If the Company is satisfied that such multiple delivery points will protect the Company from substantial loss of load and otherwise will be consistent with operation of the Company's system, it will provide such multiple delivery points. In such case the various delivery points will be billed as if metered at one point, but the 5,000 kilowatt, 10,000 kilowatt and 25,000 kilowatt blocks of the Capacity Charge, and the 750,000 kilowatt-hour block of the Energy Charge, will be multiplied by the number of delivery points before the rates stated for them are applied.

The Company reserves the right to refuse contracts hereunder if, in its judgement, its generating or transmission capacity is no more than adequate to meet the requirements of its existing customers.

Where the customer has established an energy management and conservation program and has demonstrated to the satisfaction of the Company that such program has resulted in a reduced demand, the Company will, upon the customer's request, amend the contract to reflect such reduced demand for the purpose of calculating the Minimum Charge, but in no case shall the Billing Demand be reduced to less than 5,000 kilowatts if the customer remains on this rate.

VOLTAGE CONTROL PROVISION

The customer shall be required to operate his equipment in such a manner that the voltage fluctuations produced thereby on the Company's system shall not exceed the following limits, the measurements to be made at the Company's substation nearest (electrically) the customer.

1. Instantaneous voltage fluctuations, defined as a change in voltage consuming two seconds or less, shall not exceed 1-1/4% more than six times a day, of which not more than one such fluctuation shall occur between 6:00 PM and midnight, and in no case shall such fluctuations exceed 3%.
2. Periodic voltage fluctuations, where the change in voltage consumes a period from 2 seconds to 1 minute, shall not exceed 1-1/4% more than five times an hour, and in no case shall such fluctuations exceed 3%.

RATE LD - LARGE POWER SERVICE DELIVERY - (Continued)

SPECIAL PROVISIONS

SUPPLIER CHANGES

The customer will be permitted to change suppliers with a minimum of 5 days notice to the Company. Supplier switches will occur on the next regularly scheduled read cycle date that occurs after 5 days from the receipt of consent from the customer and the new supplier.

RATE HVPSD - HIGH VOLTAGE POWER SERVICE DELIVERY

AVAILABILITY

Available to customers with Contract On-Peak Demands greater than 30,000 kilowatts where service is supplied at 69,000 volts or higher.

MONTHLY RATE

FIXED CHARGE

Competitive Transition Charge (CTC) Customer Specific

FIXED CHARGES FOR THE FIRST 30,000 KILOWATTS OR LESS OF DEMAND

Transmission Charge \$37,954.56

Distribution Charge \$76,367.59

Competitive Transition Charge (CTC) \$216,213.85

DELIVERY CHARGES -DEMAND EXCESS KILOWATTS

Transmission Charge \$1.37 per Kilowatt

Distribution Charge \$2.75 per Kilowatt

Competitive Transition Charge (CTC) \$7.80 per Kilowatt

DELIVERY CHARGES - ENERGY

On-Peak

Transmission Charge 0.30 cents per Kilowatt-Hour

Distribution Charge 0.61 cents per Kilowatt-Hour

Competitive Transition Charge (CTC) 1.72 cents per Kilowatt-Hour

Off-Peak

Transmission Charge 0.06 cents per Kilowatt-Hour

Distribution Charge 0.12 cents per Kilowatt-Hour

Competitive Transition Charge (CTC) 0.33 cents per Kilowatt-Hour

RATE HVPSD - HIGH VOLTAGE POWER SERVICE DELIVERY - (Continued)

MONTHLY RATE - (Continued)

DELIVERY CHARGES - ENERGY - (Continued)

WHERE

Monthly Kilowatt-Hours billed at the Off-Peak Kilowatt-Hour Charge cannot exceed 75% of the total Kilowatt-Hours.

NOR

Monthly Kilowatt-Hours billed at the Off-Peak Kilowatt-Hour Charge cannot exceed 500 Kilowatt-Hours per Kilowatt of the Billing Demand.

All excess Off-Peak Energy will be billed at the on-peak delivery charges.

ELECTRIC ENERGY CHARGES

CUSTOMERS WHO ARE ELIGIBLE TO CHOOSE ELECTRIC ENERGY SUPPLIERS

Beginning January 1, 1999 some customers will be eligible to choose their electric energy suppliers with all customers having choice on January 1, 2001. Customers who are eligible to choose their supplier will be billed for their electric energy as a Full Service customer or a Delivery Service customer. Full Service customers are those who elect to purchase delivery services and all of their electric energy from the Company. Delivery Service customers are those who elect to purchase their delivery services from the Company and some or all of their electric energy from other electricity suppliers.

CUSTOMERS WHO ARE NOT ELIGIBLE TO CHOOSE ELECTRIC ENERGY SUPPLIERS

Until a Customer is eligible to choose another energy supplier, the Customer will be charged for electric energy at the Company supplied electric energy charge. All customers will have choice of suppliers on January 1, 2001.

For The Period January 1 to December 31, 1999

Company Electric Energy Charge
All Kilowatt-Hours..... 1.85 cents per Kilowatt-Hour

OR

Other Electricity Supplier.....PRICES SET BY THE SUPPLIER

Any billing period in which a supplier becomes unavailable or the customer has not chosen a supplier, the Company will procure and deliver energy at current market prices.

MINIMUM CHARGE

The minimum Charge shall be the Customer Specific CTC and the sum of the Fixed Charges for the first 30,000 kilowatts or less of demand.

RATE HVPSD - HIGH VOLTAGE POWER SERVICE DELIVERY - (Continued)

MONTHLY RATE - (Continued)

RIDERS

Bills rendered under this schedule are subject to the charges stated in any applicable rider.

LATE PAYMENT CHARGE

Bills will be calculated on the rates stated herein, and are due and payable on or before twenty days from the date of mailing of the bill to the ratepayer. The bill is overdue when not paid on or before the due date indicated on the bill. An overdue bill is subject to a Late Payment Charge of 1.25% interest per month on the full unpaid and overdue balance of the bill. The Charge shall be calculated on the overdue portions of the bill and shall not be charged against any sum that falls due during a current billing period. A Late Payment Charge on a disputed bill may be reduced or eliminated by the Company, or upon order by the Commission, to facilitate payment by the disputing customer.

DEFINITIONS

CUSTOMER SPECIFIC COMPETITIVE TRANSITION CHARGE

The fixed Competitive Transition Charge (CTC) shall be derived from the specific Customer Baseline Usage (CBL) and the annual revenue calculated on Rate HVPS and applicable riders in effect on December 31, 1998. The CTC will be equal to the annual revenue of Rate HVPS calculated at the CBL less the sum of the: monthly fixed customer distribution charges, monthly transmission charges, monthly variable distribution charges, monthly variable competitive transition charges, monthly Company electric energy charge. The CTC will be divided by 12 and applied to each monthly bill through December 31, 2005. Customers will have their CTC calculated annually based on the Company Electric Energy Charge.

CUSTOMER BASELINE USAGE

The CBL will normally be set equal to the monthly metered kilowatt and kilowatt-hour consumption at the customer's current premise for the 12 months ending December 31, 1996. Where 1996 monthly premise data is unavailable, the Company will make its best effort to estimate the CBL.

ANNUAL ENERGY CHARGE

The Company Electric Energy Charge will be derived from the market price obtained from a one year system energy sale. Each year during the Transition period, a one year sale may be conducted to determine the Electric Energy Charge for the next year. The Company reserves the right to set the Electric Energy Charge at prevailing market conditions in lieu of a system sale.

RATE HVPSD - HIGH VOLTAGE POWER SERVICE DELIVERY - (Continued)

DETERMINATION OF DEMAND

Individual demand, except in unusual cases, will be determined by measurement of the average kilowatts during the fifteen-minute period of greatest kilowatt-hour use during the billing period. Individual demands will be adjusted for power factor by multiplying by

$$\left\{ 0.8 + \left[0.6 \frac{\text{Reactive Kilovolt - ampere hours}}{\text{Kilowatt - hours}} \right] \right\}$$

where such multiplier will be not less than 1.00 nor more than 2.00. The Billing Demand will be the sum of the individual demands of each metered service adjusted for power factor as defined above, but not less than 70% of the Contract On-Peak Demand, nor less than 33 1/3% of the Contract Off-Peak Demand nor less than 30,000 kilowatts, whichever is the greater.

ON-PEAK AND OFF-PEAK CONTRACT DEMAND

The Contract On-Peak Demand is the maximum electrical capacity in kilowatts which the Company shall be required by the contract to deliver or deliver and supply during the On-Peak hours to the customer.

The Contract Off-Peak Demand is the maximum electrical capacity in kilowatts which the Company shall be required by the contract to deliver or deliver and supply during the Off-Peak hours to the customer.

The customer shall not establish a demand greater than 105 percent of the individual demands specified in the customer's contract unless written approval shall first have been obtained from the Company. If the customer establishes a repeated pattern of exceeding the Contract Demand, the Contract Demand may be raised to the highest demand established for the remaining term of the contract.

DEMANDS AND ENERGIES

The On-Peak Demand is the demand during on-peak hours.

The Off-Peak Demand is the demand during off-peak hours.

The Billing Demand is the On-Peak Demand except where the Off-Peak Demand is more than three times the On-Peak Demand. Then the Billing Demand will be one-third (33 1/3%) of the Off-Peak Demand.

Demands and energies will be determined on an individual demand basis and corresponding quantities will be combined to obtain demands and energies for billing purposes.

RATE HVPSD - HIGH VOLTAGE POWER SERVICE DELIVERY - (Continued)

ON-PEAK AND OFF-PEAK HOURS

The following hours will be designated as on-peak hours:

Monday through Thursday
10:00 a.m. to 9:00 p.m.

Friday
10:00 a.m. to 5:00 p.m.

The remaining hours including the generally observed holidays of New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day shall be designated as off-peak hours. The Company may, upon written notice to customers taking service under this rate and upon filing same with the Pennsylvania Public Utility Commission, make such changes in the on-peak hours as it may from time to time deem necessary.

CONTRACT PROVISIONS

Contracts shall be written for an original term of not less than five years for Contract Demand of 100,000 kilowatts or less, and not less than ten years for Contract Demands in excess of 100,000 kilowatts. Such contracts shall continue in force after the expiration of the original term until one year following the date of written notice of cancellation by either party. Such notice of cancellation may not be given earlier than one year before the expiration of the original term.

The Company reserves the right to refuse contracts hereunder if, in its judgement, its generating or transmission capacity is no more than adequate to meet the requirements of its existing customers.

Where the customer has established an energy management and conservation program and has demonstrated to the satisfaction of the Company that such program has resulted in a reduced demand, the Company will, upon the customer's request, amend the contract to reflect such reduced demand for the purpose of calculating the Minimum Charge, but in no case shall the Billing Demand be reduced to less than 30,000 kilowatts if the customer remains on this rate.

SPECIAL PROVISIONS

SUPPLIER CHANGES

The customer will be permitted to change suppliers with a minimum of 5 days notice to the Company. Supplier switches will occur on the next regularly scheduled read cycle date that occurs after 5 days from the receipt of consent from the customer and the new supplier.

RATE HVPSD - HIGH VOLTAGE POWER SERVICE DELIVERY - (Continued)

VOLTAGE CONTROL PROVISION

The customer shall be required to operate his equipment in such a manner that the voltage fluctuations produced thereby on the Company's system shall not exceed the following limits, the measurements to be made at the Company's substation nearest (electrically) the customer.

1. Instantaneous voltage fluctuations, defined as a change in voltage consuming two seconds or less, shall not exceed 1-1/4% more than six times a day, of which not more than one such fluctuation shall occur between 6:00 p.m. and midnight, and in no case shall such fluctuations exceed 3%.
2. Periodic voltage fluctuations, where the change in voltage consumes a period from 2 seconds to 1 minute, shall not exceed 1-1/4% more than five times an hour, and in no case shall such fluctuations exceed 3%.

INTERRUPTIBLE SERVICE

A customer who is supplied electricity from the Company may contract for interruptible load by agreeing to the "Special Terms and Conditions" listed below. The Capacity Charge of this rate will be reduced by a \$2.03 per kW credit of contracted interruptible load.

SPECIAL TERMS AND CONDITIONS

To be eligible for Interruptible Service the customer must agree to the following terms and conditions:

1. The Company must have unilateral, irrevocable control of the customers equipment used to disconnect the interruptible load from its electric supply. The irrevocable control of the customers equipment used to disconnect the interruptible load applies to the period of the interruption.
2. The system would be designed to provide a warning to the customer of imminent interruptions. However, Duquesne Light would reserve the right to interrupt service to the interruptible load at any time without advance notice to the customer. Subject to this reservation, the Company will endeavor to make available to the customer capacity equal to the demand specified in the contract for at least 80% of the hours in any calendar month and 90% of the hours in any calendar year. In all cases it is the customers responsibility to restore the load following notification from Duquesne that the interruption period is over.

RATE HVPSD - HIGH VOLTAGE POWER SERVICE DELIVERY - (Continued)

SPECIAL TERMS AND CONDITIONS - (Continued)

3. The Company shall not be liable for any loss, cost, damage, or expense to customer caused by the disconnection of contracted-for interruptible load from its electric supply.
4. The interruptible portion must be load from facilities that the customer utilizes on a regular basis between 10:00 a.m. and 9:00 p.m. on each day throughout the year except Saturdays, Sundays and generally observed holidays. If the customer ceases to utilize such facilities for more than 60 days, the customer must notify the Company.
5. Customers will be responsible for installing breakers, an interfacing relay, and for making any necessary wiring, structural, or equipment location changes to allow isolation of the interruptible portion of the load without affecting the remainder of the service.
6. The Company will install, own (or control the lease), and maintain the transmitter, communication channel, receiver, and relaying equipment utilized to operate the customer-owned and installed and customer-maintained circuit breaker utilized to interrupt the interruptible load. The Company will install appropriate monitoring equipment on the interruptible service or circuit breaker to enable the Company to determine at a later date that the interruptible load was interrupted. The customer is responsible for the safety and proper operation of the customer's circuit breaker and associated equipment.
7. Interruptible load will be interrupted as a result of overloads on the transmission, subtransmission, and distribution systems on exactly the same basis as firm load customers are interrupted.
8. Where the customer's entire load is under a load management device, the customer must make provisions so that the load management device does not recognize the loss of the interruptible load.
9. The amount of interruptible load that is available will be determined solely by the Company and will be contracted for a first-come first-served basis.

FACILITIES CHARGE

Customer must pay for all new or additional facilities installed on the premises with the exception of meters and metering equipment.

RATE SMD - STREET LIGHT MUNICIPAL DELIVERY

AVAILABILITY

Available for mercury vapor and high pressure sodium lighting of public streets, highways, bridges, parks and similar public places, for normal dusk to dawn operation of approximately 4,200 hours per year.

(Available for mercury vapor street lighting only where served prior to January 30, 1983, and continuously thereafter at the same location).

MONTHLY RATE

Bills shall be rendered monthly according to the following rates:

<u>Nominal Lamp Wattage</u>	<u>70</u>	<u>100</u>	<u>150</u>	<u>175</u>	<u>250</u>	<u>400</u>	<u>1,000</u>
Monthly Rate Per Unit							
Mercury Vapor	----	\$14.90	----	\$19.46	\$24.27	\$32.94	\$71.30
Sodium Vapor	\$15.09	\$19.30	\$22.92	----	\$33.53	\$43.84	\$91.79

No charge is made for wood poles used jointly for street lighting and the support of the Company's general distribution system or for tubular steel poles, trolley type, used jointly for street lighting and the support of trolley span wires.

(Where wood poles have been installed exclusively for street lighting use prior to June 29, 1973, and used continuously thereafter, an additional charge of \$1.31 per pole per month will be made. For wood poles installed exclusively for street lighting use after June 29, 1973, see SPECIAL TERMS AND CONDITIONS).

RIDERS

Bills rendered under this schedule are subject to the charges stated in any applicable rider.

LATE PAYMENT CHARGE

Bills will be calculated on the rates stated herein, and are due and payable on or before thirty days from the date of mailing of the bill to the ratepayer. The bill is overdue when not paid on or before the due date indicated on the bill. An overdue bill is subject to a Late Payment Charge of 1.25% interest per month on the full unpaid and overdue balance of the bill. The Charge shall be calculated on the overdue portions of the bill and shall not be charged against any sum that falls due during a current billing period.

SPECIAL TERMS AND CONDITIONS

1. The above charges include installation of standard Company facilities including lamps, fixtures or luminaries, brackets and ballasts, all when installed on the overhead distribution system. The above charges include normal operation and maintenance. Normal operation and maintenance does not include periodic tree trimming around the fixture or luminaire.

RATE SMD - STREET LIGHT MUNICIPAL DELIVERY - (Continued)

SPECIAL TERMS AND CONDITIONS - (Continued)

2. Where it is necessary to install wood, metal, or ornamental poles, or other special facilities or services not in conformance with the Company's standard overhead practice, the additional cost shall be borne by the customer. Title to all facilities, except as noted below, shall vest in the Company.
3. All facilities used in providing street lighting service shall be and remain the property of the Company and may be removed upon termination of service, except that poles, ducts, conduits, manholes and junction boxes shall be the property of and maintained by the customer if they are an integral part of bridges, viaducts or similar structures, or highway project constructed by the joint participation of the customer and other governmental agencies.
4. The customer agrees that the facilities installed under this rate shall not be removed or converted, or the use thereof discontinued by the customer, except upon payment to the Company of the original investment in such facilities, less depreciation to the date of discontinuance of such facilities, less salvage, plus the cost of removal.

RATE SED - STREET LIGHTING ENERGY DELIVERY

AVAILABILITY

Available for the entire electric energy requirements of municipal street lighting systems where the municipality has not less than 15,000 street lamp installations and provides for the ownership, operation, and maintenance of its own street lamp installations and takes its entire energy requirements for street lighting under this rate.

MONTHLY RATE

FIXED CHARGES

Competitive Transition Charge (CTC) Customer Specific

DELIVERY CHARGES

Transmission Charge 0.30 cents per Kilowatt-Hour

Distribution Charge..... 9.06 cents per Kilowatt-Hour

Competitive Transition Charge 0.00 cents per Kilowatt-Hour

ELECTRIC ENERGY CHARGES

CUSTOMERS WHO ARE ELIGIBLE TO CHOOSE ELECTRIC ENERGY SUPPLIERS

Beginning January 1, 1999 some customers will be eligible to choose their electric energy suppliers with all customers having choice on January 1, 2001. Customers who are eligible to choose their supplier will be billed for their electric energy as a Full Service customer or a Delivery Service customer. Full Service customers are those who elect to purchase delivery services and all of their electric energy from the Company. Delivery Service customers are those who elect to purchase their delivery services from the Company and some or all of their electric energy from other electricity suppliers.

CUSTOMERS WHO ARE NOT ELIGIBLE TO CHOOSE ELECTRIC ENERGY SUPPLIERS

Until a Customer is eligible to choose another energy supplier, the Customer will be charged for electric energy at the Company supplied electric energy charge. All customers will have choice of suppliers on January 1, 2001.

RATE SED - STREET LIGHTING ENERGY DELIVERY - (Continued)

MONTHLY RATE - (Continued)

ELECTRIC ENERGY CHARGES - (Continued)

For The Period January 1 to December 31, 1999

Company Electric Energy Charge
All Kilowatt-Hours..... 1.81 cents per Kilowatt-Hour

OR

Other Electricity Supplier.....PRICES SET BY THE SUPPLIER

Any billing period in which a supplier becomes unavailable or the customer has not chosen a supplier, the Company will procure and deliver energy at current market prices.

MINIMUM CHARGE

The minimum Charge shall be the Customer Specific CTC.

DETERMINATION OF ENERGY FOR BILLING PURPOSES

Series Street Lights

Applicable to the supply of series street lighting energy delivered to the street lighting fixtures at 7.5 amperes unless otherwise agreed upon.

The energy delivered or delivered and supplied each month shall be the product of the connected load in kilowatts as of the fifteenth day of the month for which billed and 350 hours per month, which is the monthly average of the annual burning hours. The connected load on the primary side of the substation or pole-type constant current transformers will be the sum of the rated wattages of all lamps connected, including the rated wattages of their individual transformers and ballasts, if any, and subject to values of circuit efficiency of 85 percent.

Multiple Street Lights

Applicable to the supply of multiple street lighting energy delivered to the street lighting fixtures at 120/240 volts unless otherwise agreed upon.

(a) For Standard Dusk to Dawn Operation Where the Customer Supplies Controls Approved by the Company. The energy delivered each month shall be the product of the connected load in kilowatts as of the fifteenth day of the month for which billed and 350 hours per month, which is the monthly average of the annual burning hours. The connected load shall be the sum of the rated wattages of all lamps connected, including the rated wattages of their individual ballasts, subject to power factor correction, if any.

RATE SED - STREET LIGHTING ENERGY DELIVERY - (Continued)

MONTHLY RATE - (Continued)

DETERMINATION OF ENERGY FOR BILLING PURPOSES - (Continued)

Multiple Street Lights - (Continued)

(b) For Other than Standard Dusk to Dawn Operation. The energy delivered or delivered and supplied each month shall be the product of the connected load in kilowatts as of the fifteenth day of the month for which billed and 730 hours per month or less as may be agreed upon. The connected load shall be the sum of the rated wattages of all lamps connected, including the rated wattages of their individual ballasts, subject to power factor correction, if any.

CREDIT FOR OUTAGE

Company will use reasonable diligence to provide a continuous, regular and uninterrupted supply of service and the Customer will use reasonable diligence to protect the lighting system. In lieu of determination of the actual lamp-hour outages resulting from a failure of any light to burn for any reason, a deduction of 0.2% of the delivery charges or delivery and energy charges will be made on the monthly bill.

RIDERS

Bills rendered under this schedule are subject to the charges stated in any applicable rider.

LATE PAYMENT CHARGE

Bills will be calculated on the rates stated herein, and are due and payable on or before twenty days from the date of mailing of the bill to the ratepayer. The bill is overdue when not paid on or before the due date indicated on the bill. An overdue bill is subject to a Late Payment Charge of 1.25% interest per month on the full unpaid and overdue balance of the bill. The Charge shall be calculated on the overdue portions of the bill and shall not be charged against any sum that falls due during a current billing period. A Late Payment Charge on a disputed bill may be reduced or eliminated by the Company, or upon order by the Commission, to facilitate payment by the disputing customer.

CHARGES FOR SPECIAL FACILITIES

Conduit used exclusively for street lighting service between lamps in the customer's area and installed prior to July 1, 1969.....\$0.0100 per foot

Cable used exclusively for street lighting service between lamps in the customer's area\$0.0030 per foot

Parkway-type cable used exclusively for street lighting service between lamps in the customer's area\$0.0080 per foot

RATE SED - STREET LIGHTING ENERGY DELIVERY - (Continued)

MONTHLY RATE - (Continued)

CHARGES FOR SPECIAL FACILITIES - (Continued)

Standard junction boxes, for street lighting service located within the customer's area and installed prior to July 1, 1969	\$0.4528 each
Insulating transformers	\$0.4126 each
Ballasts for Mercury Vapor Lamps	\$0.9056 each

The total of the Charges for Special Facilities shall be multiplied by 0.97 in order to express such charges at net prices.

DEFINITIONS

CUSTOMER SPECIFIC COMPETITIVE TRANSITION CHARGE

The fixed Competitive Transition Charge (CTC) shall be derived from the specific Customer Baseline Usage (CBL) and the annual revenue calculated on Rate SE and applicable riders in effect on December 31, 1998. The CTC will be equal to the annual revenue of Rate SE calculated at the CBL less the sum of the: monthly fixed customer distribution charges, monthly transmission charges, monthly variable distribution charges, monthly variable competitive transition charges, monthly Company electric energy charge. The CTC will be divided by 12 and applied to each monthly bill through December 31, 2005. Customers will have their CTC calculated annually based on the Company Electric Energy Charge.

CUSTOMER BASELINE USAGE

The CBL will normally be set equal to the monthly metered kilowatt and kilowatt-hour consumption at the customer's current premise for the 12 months ending December 31, 1996. Where 1996 monthly premise data is unavailable, the Company will make its best effort to estimate the CBL.

ANNUAL ENERGY CHARGE

The Company Electric Energy Charge will be derived from the market price obtained from a one year system energy sale. Each year during the Transition period, a one year sale may be conducted to determine the Electric Energy Charge for the next year. The Company reserves the right to set the Electric Energy Charge at prevailing market conditions in lieu of a system sale.

RATE SED - STREET LIGHTING ENERGY DELIVERY - (Continued)

SPECIAL PROVISIONS

1. Ballasts for multiple mercury vapor street lights, when installed by the customer, shall be power factor corrected, having a power factor of not less than 90 percent. For ballasts not so corrected, the wattage of each lamp plus ballasts shall be increased by the following ratio: 90% divided by the actual power factor, expressed in percent, of the lamp plus the ballast.
2. Series street lighting circuits will be energized and de-energized in accordance with an agreed upon schedule of burning hours, except where such circuits are controlled by photo electric cells. During other hours, circuits will not be energized except upon sufficient notice to the customer.
3. On all poles, except ornamental poles used exclusively for street lighting purposes, the Company will terminate its facilities at the bracket to which the lighting fixture is attached. On ornamental poles, used exclusively for street lighting purposes, the Company will terminate its facilities at the top of the pole if served from overhead circuits or at the bottom of the pole if served from the underground system.
4. The Company, to protect continuity of service, the general public, and the safety of men engaged in work on poles, reserves the right to install insulating transformers between the Company's circuit and the wiring of the customer's installation. Where insulating transformers are installed, charges will be made therefore as herein before specified.
5. The customer upon request shall supply the Company periodically, but not more often than at six month intervals, with certified tests made by the Electrical Testing Laboratories, Inc. of New York, or a similar accredited organization, showing the mean life input in watts for each size and type of lamp, and the wattage and power factor for each size and type of mercury vapor ballast used by the customer in street lamp installations served under this rate.
6. Energy will normally be supplied under this rate by overhead circuits, but if the Company is required to supply or the customer requests delivery service from underground facilities, the specified unit charges for underground facilities will apply.
7. All installations, on and after July 1, 1969, of standard junction boxes used for street lighting service and of conduit and multiple service cable used exclusively for street lighting service will be installed, owned and maintained by the customer.

SUPPLIER CHANGES

The customer will be permitted to change suppliers with a minimum of 5 days notice to the Company. Supplier switches will occur on the next regularly scheduled read cycle date that occurs after 5 days from the receipt of consent from the customer and the new supplier.

RATE SHD - STREET LIGHTING HIGHWAY DELIVERY

TERM OF CONTRACT

Contracts under this rate shall be for a term of not less than ten years.

AVAILABILITY

Available for high intensity discharge lighting of state highways for normal dusk to dawn operation of approximately 4,200 hours per year where the highway lighting system acceptable to Duquesne Light Company is installed by the State and ownership of the entire highway lighting system has been transferred to the Company for a nominal consideration.

MONTHLY RATE

Bills shall be rendered monthly according to the following rates:

<u>Nominal Lamp Wattage</u>	<u>100</u>	<u>150</u>	<u>175</u>	<u>200</u>	<u>250</u>	<u>400</u>	<u>1,000</u>
Monthly Rate Per Unit							
Mercury Vapor	----	----	\$12.88	----	\$16.79	\$24.71	\$55.60
Sodium Vapor	\$12.33	\$15.18	----	\$18.03	\$20.86	\$29.39	\$65.94

SPECIAL TERMS AND CONDITIONS

1. The above charges include operation, normal maintenance and replacement of the entire highway lighting system including conduit, cable, wire, ornamental poles, brackets, fixtures, lamps and photo electric controls.
2. Energy shall be supplied at a standard 120/240 or 230/460 volts from a single point or multiple points of supply satisfactory to the Company. Fixtures operating at higher voltages will not be acceptable.
3. The highway lighting system design shall include proper control devices to energize the system, such as individual photo electric controls.
4. If additional highway lighting is to be added to an existing highway lighting system, it shall be installed completely by the customer or the Company will install such facilities at the customer's expense with ownership transferred to the Company for a nominal consideration.
5. In accepting conduit, junction boxes; etc. installed by the State or other governmental agency in bridges, and bridge approaches, the Company accepts no liability for damage to concrete due to deteriorating conduit or junction boxes.

RATE SHD - STREET LIGHTING HIGHWAY DELIVERY - (Continued)

SPECIAL TERMS AND CONDITIONS - (Continued)

6. The State Department of Transportation or other governmental agency shall provide the necessary drawings of the entire highway lighting system to the Company specifying the type of equipment so that acceptability can be established before contracts are awarded.
7. The State Department of Transportation or other governmental agency shall furnish any requisite authority necessary to provide for the installation, operation and maintenance of the entire highway lighting system within the highway right-of-way including authority for equipment to stop on the paved portion of the highway.
8. Maintenance and/or replacement of poles and pole equipment in excess of 35 feet is not included, but will be maintained and/or replaced on a time and material basis by the Company. Charges for this will be reimbursed by the customer. All poles in excess of 35 feet high must be equipped with lowering device equipment so that the lighting equipment can be maintained from the ground.

TERM OF CONTRACT

Contracts under this rate shall be for a term of not less than five years.

RATE MTSD - MUNICIPAL TRAFFIC SIGNALS DELIVERY

AVAILABILITY

Available to any municipality using the Company's standard service at each point of connection for traffic signal lighting installed, owned, and maintained by the customer.

MONTHLY RATE

FIXED CHARGES

Customer Distribution Charge \$8.91
Competitive Transition Charge (CTC) Customer Specific

DELIVERY CHARGES - ENERGY

Transmission Charge
First 1,300 Kilowatt-Hours 0.31 cents per Kilowatt-Hour
Excess Kilowatt-Hours 0.11 cents per Kilowatt-Hour

Distribution Charge
First 1,300 Kilowatt-Hours 0.74 cents per Kilowatt-Hour
Excess Kilowatt-Hours 0.27 cents per Kilowatt-Hour

Competitive Transition Charge
First 1,300 Kilowatt-Hours 3.86 cents per Kilowatt-Hour
Excess Kilowatt-Hours 1.40 cents per Kilowatt-Hour

ELECTRIC ENERGY CHARGES

CUSTOMERS WHO ARE ELIGIBLE TO CHOOSE ELECTRIC ENERGY SUPPLIERS

Beginning January 1, 1999 some customers will be eligible to choose their electric energy suppliers with all customers having choice on January 1, 2001. Customers who are eligible to choose their supplier will be billed for their electric energy as a Full Service customer or a Delivery Service customer. Full Service customers are those who elect to purchase delivery services and all of their electric energy from the Company. Delivery Service customers are those who elect to purchase their delivery services from the Company and some or all of their electric energy from other electricity suppliers.

CUSTOMERS WHO ARE NOT ELIGIBLE TO CHOOSE ELECTRIC ENERGY SUPPLIERS

Until a Customer is eligible to choose another energy supplier, the Customer will be charged for electric energy at the Company supplied electric energy charge. All customers will have choice of suppliers on January 1, 2001.

RATE MTSD - MUNICIPAL TRAFFIC SIGNALS DELIVERY - (Continued)

MONTHLY RATE - (Continued)

ELECTRIC ENERGY CHARGES - (Continued)

For The Period January 1 to December 31, 1999

Company Electric Energy Charge

All Kilowatt-Hours 1.84 cents per Kilowatt-Hour

OR

Other Electricity Supplier PRICES SET BY THE SUPPLIER

Any billing period in which a supplier becomes unavailable or the customer has not chosen a supplier, the Company will procure and deliver energy at current market prices.

MINIMUM CHARGE

The minimum Charge shall be the sum of the Customer Distribution Charge and the Customer Specific CTC.

RIDERS

Bills rendered under this schedule are subject to the charges stated in any applicable rider.

LATE PAYMENT CHARGE

Bills will be calculated on the rates stated herein, and are due and payable on or before twenty days from the date of mailing of the bill to the ratepayer. The bill is overdue when not paid on or before the due date indicated on the bill: An overdue bill is subject to a Late Payment Charge of 1.25% interest per month on the full unpaid and overdue balance of the bill. The Charge shall be calculated on the overdue portions of the bill and shall not be charged against any sum that falls due during a current billing period. A Late Payment Charge on a disputed bill may be reduced or eliminated by the Company, or upon order by the Commission, to facilitate payment by the disputing customer.

DEFINITIONS

CUSTOMER SPECIFIC COMPETITIVE TRANSITION CHARGE

The fixed Competitive Transition Charge (CTC) shall be derived from the specific Customer Baseline Usage (CBL) and the annual revenue calculated on Rate MTSD and applicable riders in effect on December 31, 1998. The CTC will be equal to the annual revenue of Rate MTSD calculated at the CBL less the sum of the: monthly fixed customer distribution charges, monthly transmission charges, monthly variable distribution charges, monthly variable competitive transition charges, monthly Company electric energy charge. The CTC will be divided by 12 and applied to each monthly bill through December 31, 2005. Customers will have their CTC calculated annually based on the Company Electric Energy Charge.

RATE MTSD - MUNICIPAL TRAFFIC SIGNALS DELIVERY - (Continued)

DEFINITIONS - (Continued)

CUSTOMER BASELINE USAGE

The CBL will normally be set equal to the monthly metered kilowatt-hour consumption at the customer's current premise for the 12 months ending December 31, 1996. Where 1996 monthly premise data is unavailable, the Company will make its best effort to estimate the CBL.

ANNUAL ENERGY CHARGE

The Company Electric Energy Charge will be derived from the market price obtained from a one year system energy sale. Each year during the Transition period, a one year sale may be conducted to determine the Electric Energy Charge for the next year. The Company reserves the right to set the Electric Energy Charge at prevailing market conditions in lieu of a system sale.

SPECIAL PROVISIONS

SUPPLIER CHANGES

The customer will be permitted to change suppliers with a minimum of 5 days notice to the Company. Supplier switches will occur on the next regularly scheduled read cycle date that occurs after 5 days from the receipt of consent from the customer and the new supplier.

SPECIAL TERMS AND CONDITIONS

Energy usage shall be estimated by the Company on the basis of lamp wattage and burning-hours. The customer shall notify the Company whenever any change is made in the equipment or the burning-hours, so that the Company may revise the estimated energy usage.

RATE ALD - ARCHITECTURAL LIGHTING SERVICE DELIVERY

AVAILABILITY

Available for separately metered circuitry connected solely to outdoor architectural lighting equipment, with demand of 5 kilowatts or greater, to be operated during non-peak periods.

MONTHLY RATE

FIXED CHARGES

Customer Distribution Charge \$9.07
Competitive Transition Charge (CTC) Customer Specific

DELIVERY CHARGES - DEMAND

Transmission Charge \$0.30 per Kilowatt
Distribution Charge..... \$1.88 per Kilowatt
Competitive Transition Charge \$1.33 per Kilowatt

DELIVERY CHARGES - ENERGY

Transmission Charge
First 300 Kilowatt-Hours 0.27 cents per Kilowatt-Hour
Excess Kilowatt-Hours 0.08 cents per Kilowatt-Hour

Distribution Charge
First 300 Kilowatt-Hours 1.72 cents per Kilowatt-Hour
Excess Kilowatt-Hours 0.51 cents per Kilowatt-Hour

Competitive Transition Charge
First 300 Kilowatt-Hours 1.22 cents per Kilowatt-Hour
Excess Kilowatt-Hours 0.36 cents per Kilowatt-Hour

ELECTRIC ENERGY CHARGES

CUSTOMERS WHO ARE ELIGIBLE TO CHOOSE ELECTRIC ENERGY SUPPLIERS

Beginning January 1, 1999 some customers will be eligible to choose their electric energy suppliers with all customers having choice on January 1, 2001. Customers who are eligible to choose their supplier will be billed for their electric energy as a Full Service customer or a Delivery Service customer. Full Service customers are those who elect to purchase delivery services and all of their electric energy from the Company. Delivery Service customers are those who elect to purchase their delivery services from the Company and some or all of their electric energy from other electricity suppliers.

RATE ALD - ARCHITECTURAL LIGHTING SERVICE DELIVERY - (Continued)

MONTHLY RATE - (Continued)

ELECTRIC ENERGY CHARGES - (Continued)

CUSTOMERS WHO ARE NOT ELIGIBLE TO CHOOSE ELECTRIC ENERGY SUPPLIERS

Until a Customer is eligible to choose another energy supplier, the Customer will be charged for electric energy at the Company supplied electric energy charge. All customers will have choice of suppliers on January 1, 2001.

For The Period January 1 to December 31, 1999

Company Electric Energy Charge
All Kilowatt-Hours..... 1.81 cents per Kilowatt-Hour

OR

Other Electricity Supplier.....PRICES SET BY THE SUPPLIER

Any billing period in which a supplier becomes unavailable or the customer has not chosen a supplier, the Company will procure and deliver energy at current market prices.

MINIMUM CHARGE

The minimum Charge shall be the sum of the Customer Distribution Charge and the Customer Specific CTC.

RIDERS

Bills rendered under this schedule are subject to the charges stated in any applicable rider.

LATE PAYMENT CHARGE

Bills will be calculated on the rates stated herein, and are due and payable on or before twenty days from the date of mailing of the bill to the ratepayer. The bill is overdue when not paid on or before the due date indicated on the bill. An overdue bill is subject to a Late Payment Charge of 1.25% interest per month on the full unpaid and overdue balance of the bill. The Charge shall be calculated on the overdue portions of the bill and shall not be charged against any sum that falls due during a current billing period. A Late Payment Charge on a disputed bill may be reduced or eliminated by the Company, or upon order by the Commission, to facilitate payment by the disputing customer.

RATE ALD - ARCHITECTURAL LIGHTING SERVICE DELIVERY - (Continued)

DEFINITIONS

CUSTOMER SPECIFIC COMPETITIVE TRANSITION CHARGE

The fixed Competitive Transition Charge (CTC) shall be derived from the specific Customer Baseline Usage (CBL) and the annual revenue calculated on Rate ALD and applicable riders in effect on December 31, 1998. The CTC will be equal to the annual revenue of Rate ALD calculated at the CBL less the sum of the: monthly fixed customer distribution charges, monthly transmission charges, monthly variable distribution charges, monthly variable competitive transition charges, monthly Company electric energy charge. The CTC will be divided by 12 and applied to each monthly bill through December 31, 2005. Customers will have their CTC calculated annually based on the Company Electric Energy Charge.

CUSTOMER BASELINE USAGE

The CBL will normally be set equal to the monthly metered kilowatt-hour consumption at the customer's current premise for the 12 months ending December 31, 1996. Where 1996 monthly premise data is unavailable, the Company will make its best effort to estimate the CBL.

ANNUAL ENERGY CHARGE

The Company Electric Energy Charge will be derived from the market price obtained from a one year system energy sale. Each year during the Transition period, a one year sale may be conducted to determine the Electric Energy Charge for the next year. The Company reserves the right to set the Electric Energy Charge at prevailing market conditions in lieu of a system sale.

DETERMINATION OF DEMAND

Individual demand, except in unusual cases, will be determined by measurement of the average kilowatts during the fifteen-minute period of greatest kilowatt-hour use during the billing period. Individual demands which may exceed 30 kilowatts will be adjusted for power factor by multiplying by

$$\left\{ 0.8 + \left[0.6 \frac{\text{Reactive Kilovolt - ampere hours}}{\text{Kilowatt - hours}} \right] \right\},$$

where such multiplier will be not less than 1.00 or more than 2.00. The Billing Demand will be the sum of the individual demands of each metered service adjusted for power factor as defined above.

CONTRACT PROVISIONS

Contracts will be written for a period of not less than one year.

SUPPLIER CHANGES

The customer will be permitted to change suppliers with a minimum of 5 days notice to the Company. Supplier switches will occur on the next regularly scheduled read cycle date that occurs after 5 days from the receipt of consent from the customer and the new supplier.

RATE ALD - ARCHITECTURAL LIGHTING SERVICE DELIVERY - (Continued)

SPECIAL TERMS AND CONDITIONS

1. The service must supply only non-essential lighting facilities installed for decorative purposes and is not applicable to security lighting or the lighting of streets, highways, parking lots or athletic fields.
2. The lights must be controlled by a device that limits the equipment to operation during dusk to dawn hours only.
3. Responsibility for the provision and maintenance of all equipment used in the decorative lighting will remain with the customer.
4. In the event of a system emergency, the Company reserves the right to curtail the usage under this rate.
5. The Company reserves the right to require payment of connection and disconnection costs when a customer requests seasonal service under this rate.

STANDARD CONTRACT RIDERS

GENERAL

In addition to the standard service as set forth under the rates filed with this Tariff, the Company, where practicable, will render certain special classes of service where desired by the customer and provided that the customer meets the necessary requirements for such special service. A special agreement, additional and supplemental to the regular contract under which standard service is rendered, will be made with a customer for any of the special classes of service hereinafter indicated. The terms, conditions and other considerations for such special classes of service are set forth in the following Standard Contract Riders. Notwithstanding anything to the contrary in the said contract contained, the terms of a rider shall continue in force as long as the said contract remains valid. All terms in said contract, except as modified in the rider or riders applicable to it, shall be and remain in full force and effect.

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 1 - DIRECT CURRENT SERVICE

(Applicable to Rates GS/GMD and GLD only)

Where customers have received direct current service continuously since February 1, 1928, the Company will render such service on this rider and bills will be computed in accordance with the following provisions:

Each customer receiving direct current service will be billed monthly for (1) a charge of \$12.37 plus (2) a charge for delivery of Company supplied energy computed on the applicable rate schedule (either Rate GS/GMD or GLD), applying to the direct current system's metered kilowatt demand and kilowatt-hour consumption a kilowatt demand and a kilowatt-hour consumption based on the ratios of the customer's connected load and estimated consumption to the total of the connected loads and estimated consumptions of all direct current customers.

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 2 - UNTRANSFORMED SERVICE

(Applicable to Rates GS/GMD, GMHD, GLHD, and GLD only)

Where customers take all or part of their electric delivery service directly from the Company's available primary distribution or transmission systems, and furnish all necessary equipment to take untransformed service, in strict accordance with the Company's standards and specifications, a monthly reduction based upon the individual demand of such circuit shall be allowed as follows:

First 50 Kilowatts at	20.3 cents per Kilowatt
Next 550 Kilowatts at	13.2 cents per Kilowatt
Excess over 600 Kilowatts at	7.1 cents per Kilowatt

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 3 - SCHOOL AND GOVERNMENTAL SERVICE DISCOUNT PERIOD

(Applicable to Rates GS/GMD, GMHD, GLHD, GLD and LD only)

For public or parochial schools, or local, state or federal governments or public agencies thereof, a Late Payment Charge specified in the applicable Rate GS/GMD, GMHD, GLHD, GLD or LD will be added to the net amount for failure to make payment of Company charges within thirty days from the mailing date.

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 4 - BUDGET BILLING - HUD FINANCED MULTI-FAMILY HOUSING

(Applicable to Rates GS/GMD, GLD, GMHD, and GLHD only)

Budget billing for delivery service is available to master metered multi-family housing and/or the metered service for common areas and common facilities for multi-family housing during the time that such housing is either owned by the Federal Department of Housing and Urban Development or subject to a first mortgage held or guaranteed by that agency.

At the option of the customer, the Company will make an estimate subject to revisions when conditions warrant, of the total charge for the Company electric delivery service to be billed hereunder for a twelve-month period. A budget bill for approximately one-twelfth of such estimate will be rendered monthly. Any adjustment necessary in applying for the full period the actual charges herein established will be made on the final bill for the period. If the budget bill is unpaid when the next monthly bill is rendered, the budget arrangements for billing may be terminated by the Company.

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 5 - TIME OF DAY DISCOUNTS

(Applicable to Rates GS/GMD, GLD, and LD - and to Rates GMHD
and GLHD during months of June, July, August and September only)

Where a customer has a separately measured demand and is supplied by any standard service voltage and where such customer so operates that the maximum demand created during any billing period occurs during off-peak hours, the bills will be calculated using the Billing Demand defined below on the applicable rate and any other applicable riders.

Customers must contact under this rider prior to December 31, 1998 to qualify.

CONTRACT DEMANDS

The Contract On-Peak Demand is the maximum electrical capacity in kilowatts which the Company shall be required by the contract to make available during the on-peak hours to the customer.

The Contract Off-Peak Demand is the maximum electrical capacity in kilowatts which the Company shall be required by the contract to make available during the off-peak hours to the customer. The customer's minimum Billing Demand shall be no lower than one-third (33 1/3%) of the customer's Contract Off-Peak Demand.

The customer shall not establish a demand greater than 105 percent of the individual demands specified in the customer's contract unless written approval shall first have been obtained from the Company. If the customer establishes a repeated pattern of exceeding the Contract Demand, the Contract Demand may be raised to the highest demand established for the remaining term of the contract.

DEMANDS AND ENERGIES

The On-Peak Demand is the demand during on-peak hours. The Off-Peak Demand is the demand during off-peak hours.

The Billing Demand is the On-Peak Demand except where the Off-Peak Demand is more than three (3) times the On-Peak Demand. Then the Billing Demand will be one-third (33 1/3%) of the Off-Peak Demand. In no case will the Billing Demand be lower than the Billing Demand as determined on the applicable rate.

Demands and energies will be determined on an individual demand basis and corresponding quantities will be combined to obtain demands and energies for billing purposes.

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 5 - TIME OF DAY DISCOUNTS - (Continued)

(Applicable to Rates GS/GMD, GLD, and LD - and to Rates GMHD and GLHD during months of June, July, August and September only)

ON-PEAK AND OFF-PEAK HOURS

The following hours will be designated as on-peak hours:

Monday through Thursday
10:00 A.M. TO 9:00 P.M.

Friday
10:00 A.M. TO 5:00 P.M.

ON-PEAK AND OFF-PEAK HOURS - (Continued)

The remaining hours including the generally observed holidays of New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day shall be designated as off-peak hours. The Company may, upon written notice to customers taking service under this rider and upon filing same with the Pennsylvania Public Utility Commission, make such changes in the on-peak hours as it may from time to time deem necessary.

METER CHARGE

For customers with maximum Contract Demands between 500 and 1,000 kW which apply for service on Rider No. 5, the following meter charges will be added to the customer's monthly bill for each metered service voltage supplied to the customer:

For service applied for prior to January 1, 1982 \$17.00 per month
For service applied for after January 1, 1982 \$33.00 per month

For customers with maximum Contract Demands between 5 and 499 kilowatts which apply for service on Rider No. 5, a meter charge of \$10.00 per month will be added to the customer's monthly bill for each metered service voltage supplied to the customer.

For customers on Rates GMHD and GLHD, the appropriate meter charge will be added to all twelve monthly bills. The meter charge and type of meter for GMHD and GLHD customers will be determined by the maximum demand.

CONTRACT PROVISIONS

For customers with Contract On-Peak Demands exceeding 500 kW, contracts will be written for a period not less than two years.

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 6 - TEMPORARY SERVICE

(Applicable to Rate GS/GMD only)

Where a customer desires service of a temporary nature for periods of less than 30 days, the Company will:

1. Charge in advance for the estimated cost of installing and removing the necessary facilities to furnish such service.
2. Estimate the demand and the consumption requirements from the connected load and the number of days during which Company electric service is to be used, but in no case less than six (6) days.
3. Estimate the delivery and energy charges in accordance with the provisions of the applicable rate.
4. Require the customer to make a deposit in the amount of the estimated delivery and energy charges under the applicable rate.
5. Refund said deposit less the amount of the bill due the Company upon surrender of the deposit receipt by the customer.

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 7 - INTERRUPTIBLE SERVICE

(Applicable to Rates GLD, GLHD, and LD)

Available for completely or partially interruptible power service at not less than 23,000 volts at points of supply designated by the Company with the minimum contracted interruptible load of not less than 500 kW.

Where a customer contracts for interruptible loads of not less than 500 kW and agrees to the "Special Terms and Conditions" listed below, the Capacity Charge of the General Service Rate under which the customer received electrical service will be reduced by a \$2.03 credit per kW of contracted interruptible load.

Customers must contract under this rider prior to December 31, 1998 and must take full service from the Company as defined in the applicable rate schedules to qualify.

CONTRACT TERM

Contracts shall be written for an original term of not less than three years and such contracts shall continue in force after the expiration of the original term until one year following the date of written notice of cancellation by either party when this rider is applied to General Service Rate GLD.

When this rider is applied to Rate LD - Large Power Delivery Service, the length of the contract shall be the same as contained in the Rate LD contract.

The Company reserves the right to refuse firm power capacity to replace the interruptible portion of the customer's load, if in its judgment its generating or transmission capacity is no more than adequate to meet the requirements of its firm power load of its existing customers.

METER CHARGE

For customers with an Interruptible Demand of 500 kW or more which apply for service on Rider No. 7, the customer will be charged Duquesne's incremental metering costs for monitoring the interruptible load. In addition, a monthly meter charge of \$12.00 will also be required if the customer does not already have a recording magnetic tape meter with a spare channel to monitor the interruptible load.

INTERRUPTIBLE LOAD CONTROL SYSTEM CHARGE

In order to interrupt the customer's interruptible equipment from a central location, a transmitter-multiple receiver arrangement must be installed. Duquesne will own, operate, and maintain this equipment. However, all costs associated with this installation will be recovered from the group of customers accepting the interruptible rate through a one-time installation fee which will be determined based on the number of customers accepting the rate.

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 7 - INTERRUPTIBLE SERVICE - (Continued)

(Applicable to Rates GLD, GLHD, and LD)

SPECIAL TERMS AND CONDITIONS

To be eligible for this rider the customer must agree to the following terms and conditions:

1. The Company must have unilateral, irrevocable control of the customer's equipment used to disconnect the interruptible load from its electric supply. The irrevocable control of the customer's equipment used to disconnect the interruptible load applies to the period of the interruption.
2. The system would be designed to provide a warning to the customer of imminent interruptions. However, Duquesne Light would reserve the right to interrupt service to the interruptible load at any time without advance notice to the customer. Subject to this reservation, the Company will endeavor to make available to the customer capacity equal to the demand specified in the contract for at least 80% of the hours in any calendar month and 90% of the hours in any calendar year. In all cases it is the customer's responsibility to restore the load following notification from Duquesne that the interruption period is over.
3. The Company shall not be liable for any loss, cost, damage or expense to customer caused by the disconnection of contracted-for interruptible load from its electric supply.
4. The minimum amount of interruptible load would be 500 kW.
5. Interruptible service would be available as either complete or partial interruptible power service at not less than 23,000 volts. In certain special instances interruptible service will be available from the 11,500 volt network system.
6. The interruptible portion must be load from facilities that the customer utilizes on a regular basis between 8 a.m. and 10 p.m. on each day throughout the year except Saturdays, Sundays, and generally observed holidays. If the customer ceases to utilize such facilities for more than 60 days, the customer must notify the Company.
7. Customers will be responsible for installing breakers, an interfacing relay, and for making any necessary wiring, structural or equipment location changes to allow isolation of the interruptible portion of the load without affecting the remainder of the service.
8. The Company will install, own (or control the lease), and maintain the transmitter, communication channel, receiver and relaying equipment utilized to operate the customer-owned and installed and customer-maintained circuit breaker utilized to interrupt the interruptible load. The Company will install appropriate monitoring equipment on the interruptible service or circuit breaker to enable the Company to determine at a later date that the interruptible load was interrupted. The customer is responsible for the safety and proper operation of the customer's circuit breaker and associated equipment.

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 7 - INTERRUPTIBLE SERVICE - (Continued)

(Applicable to Rates GLD, GLHD, and LD)

SPECIAL TERMS AND CONDITIONS - (Continued)

9. Interruptible load will be interrupted as a result of overloads on the transmission, subtransmission and distribution systems on exactly the same basis as firm load customers are interrupted.
10. Where the customer's entire load is under a load management device, the customer must make provisions so that the load management device does not recognize the loss of the interruptible load.
11. The amount of interruptible load that is available will be determined solely by the Company and will be contracted for on a first-come, first-served basis.

STANDARD CONTRACT RIDERS - (Continued)

**RIDER NO. 8 - INDUSTRIAL ECONOMIC DEVELOPMENT
RIDER FOR CUSTOMERS AT EXISTING SERVICE LOCATIONS**

(Applicable to Rates GMD, GLD and LD)

PURPOSE

Stimulating industrial production in Duquesne's economically distressed service area can produce benefits in terms of job creation, increased regional income, and improved living standards. The purpose of this rider is to encourage load management, increased regional industrial production, and growth in employment through an incentive for industrial customers at Existing Service Locations.

AVAILABILITY

This rider will be available for a period not exceeding five (5) years to each qualifying customer having a Monthly Base Period Billing Demand of 100 kilowatts or greater. Qualifying definitions, rules, and conditions are listed below.

Customers must contract under this rider prior to December 31, 1998 to qualify.

ECONOMIC INCENTIVES

A qualifying customer will earn a separately stated credit equal to the Billing Demand minus the Monthly Base Period Billing Demand multiplied by the discounted Incremental Unit Capacity Charge of the applicable rate. The percentage discount is determined as follows:

<u>Incremental Hours Use</u>	<u>Percent Discount to Incremental Unit Capacity Charge</u>		
	<u>First 36 Months On Rider</u>	<u>Next 12 Months On Rider</u>	<u>Next 12 Months On Rider</u>
Over 350 Hours use	50	30	15
Over 300 to 350 Hours Use	40	24	12
Over 250 to 300 Hours Use	30	18	9
Over 200 to 250 Hours Use	20	12	6
Over 150 to 200 Hours Use	10	6	2
150 Hours Use or Less	0	0	0

where the current Billing Demand exceeds the Monthly Base Period Billing Demand by five percent (5%) or more with a minimum of 25 kilowatts.

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 8 - INDUSTRIAL ECONOMIC DEVELOPMENT RIDER
 FOR CUSTOMERS AT EXISTING SERVICE LOCATIONS - (Continued)

(Applicable to Rates GMD, GLD and LD)

ECONOMIC INCENTIVES - (Continued)

A qualifying customer will also earn a separately stated credit equal to the kilowatt-hours minus the Monthly Base Period Kilowatt-hours multiplied by the discounted Incremental Unit Energy Charge of the applicable rate, excluding the energy billed at the excess kilowatt-hour charges of Rate LD. The percentage discount is determined as follows:

Incremental Hours Use	<u>Percent Discount to Incremental Unit Energy Charge</u>		
	<u>First 36 Months On Rider</u>	<u>Next 12 Months On Rider</u>	<u>Next 12 Months On Rider</u>
Over 350 Hours use	25	15	7.5
Over 300 to 350 Hours Use	20	12	6
Over 250 to 300 Hours Use	15	9	4.5
Over 200 to 250 Hours Use	10	6	3
Over 150 to 200 Hours Use	5	3	1.5
150 Hours Use or Less	0	0	0

The percent discount applicable to those Incremental kilowatt-hours to be billed at the excess kilowatt-hour charges of Rate LD will be 15% for the first three (3) years, 9% for the fourth year, and 4.5% for the fifth year.

NOTE

Except for the provisions specifically set forth in this rider, all provisions, prices, and regulations of the standard service rate under which the customer receives service shall apply.

The above credits will be applied before application of Rider No. 10 - State Tax Adjustment. All applicable "Standard Contract Riders" will remain in effect; however, the discounted Incremental Unit Capacity Charge applicable to a customer's billing shall not be less than twenty-five percent (25%) of the nondiscounted Incremental Unit Capacity Charge expressed in the applicable rate. The Minimum Charge Provision of the applicable rate shall not be reduced by this rider.

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 8 - INDUSTRIAL ECONOMIC DEVELOPMENT RIDER
FOR CUSTOMERS AT EXISTING SERVICE LOCATIONS - (Continued)

(Applicable to Rates GMD, GLD and LD)

DEFINITIONS

1. **Incremental Hours Use**

(Total Kilowatt-hours used in billing period - Monthly Base Period Usage)
(Billing Demand - Monthly Base Period Billing Demand)

2. **Existing Service Location** - An existing location of a customer having one or more delivery points for electric service billed separately by the Company under a single billing address.
3. **Base Period** - The twelve consecutive monthly billing periods applicable to the customer ending one month prior to the application of the rider.
4. **Monthly Base Period Billing Demand** - The Billing Demand used in billing the Existing Service Location for the month in the Base Period corresponding to the billing month to which the rate reduction under this rider is applied.
5. **Monthly Base Period Usage** - The total kilowatt-hour usage of the customer used in billing the Existing Service Location for the month in the Base Period corresponding to the billing month to which the rate reduction under this rider is applied.
6. **Incremental Unit Capacity Charge** - The appropriate \$ per kilowatt charge(s) as stated in the Capacity Charge provision of the currently effective general service rate that applies to each kilowatt of Billing Demand greater than the Monthly Base Period Billing Demand.
7. **Incremental Unit Energy Charge** - The applicable ¢ per kilowatt-hour shall be the excess kilowatt-hour charge of Rate GMD, kilowatt-hour charge of Rate GLD, and charge for 750,000 kilowatt-hours plus 400 kilowatt-hours per kilowatt of demand of Rate LD of the currently effective rates. The excess kilowatt-hour charges of Rate LD shall be discounted at the specified percentages.
8. **Employment Reports** - "Employer's Report for Unemployment Compensation" and "Employer's Quarterly Report of Wages Paid to Each Employee" as filed by the customer with the Office of Employment Security, Department of Labor and Industry, Commonwealth of Pennsylvania, and the "Employer's Quarterly Employment and Wage Analysis" as filed by the customer with the Office of Employment Security, Department of Labor and Industry, Commonwealth of Pennsylvania for employers who have more than one place of business in the Commonwealth.

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 8 - INDUSTRIAL ECONOMIC DEVELOPMENT RIDER
FOR CUSTOMERS AT EXISTING SERVICE LOCATIONS - (Continued)

(Applicable to Rates GMD, GLD and LD)

RULES

1. **Existing Service Locations** - If an existing customer in the service area moves their operation to a new location, the Base Period of the prior service shall move with the customer, and the new location would be treated as an Existing Service Location. A service location, to which the Company had previously supplied service within the prior twelve (12) months for substantially the same industrial manufacturing or processing as the present or proposed operation, would be treated as an Existing Service Location. However, the Base Period would be then defined as the last twelve (12) monthly billing periods during which there was industrial operation at the site.
2. **Monthly Base Period Billing Demand** - If the existing customer did not receive service during the entire Base Period, the Monthly Base Period Billing Demand shall be determined by the Company.
3. **Monthly Base Period Usage** - The Company reserves the right to adjust the Monthly Base Period Usage for unusual circumstances such as labor work stoppages. If the existing customer did not receive service during the entire Base Period, the Monthly Base Period Usage shall be determined by the Company.

QUALIFYING CONDITIONS

1. The customer must have an Existing Service Location.
2. The customer must be engaged in manufacturing or processing operation as defined in the Division D. Manufacturing Standard Industrial Classification (SIC) categories as described in the 1972 Edition of Standard Industrial Classification Manual, supplements thereto, or the latest edition.
3. A Pennsylvania Sales Tax Blanket Exemption Certificate must be filed by the customer with the Company showing the address of the service location to which the rider is to be applicable and certifying that more than fifty percent (50%) (on an annual basis) of the electricity purchased thereunder is exempt from sales tax because it is used in manufacturing or processing operations.

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 8 - INDUSTRIAL ECONOMIC DEVELOPMENT RIDER
FOR CUSTOMERS AT EXISTING SERVICE LOCATIONS - (Continued)

(Applicable to Rates GMD, GLD and LD)

QUALIFYING CONDITIONS - (Continued)

4. Employment Reports must be filed with the Company for the Base Period prior to application of the rider and no later than thirty days after the end of the reporting quarter as defined by 43 P.S. 753d.
5. The customer at the Existing Service Location must have expanded its load requirement by five percent (5%) or more above the *Monthly Base Period Billing Demand*.
6. The Contract Demand specified in the customer's existing service contract at the time of the customer's application of the rider shall be used in determination of Minimum Charge. The *Monthly Base Period Billing Demand* will not be affected by a revision of the customer's Contract Demand during the Base Period.
7. The customer must sign an "Economic Development Rider No. 8 Amendment To Electric Service Contract" with the Company for the required term of the rider. Modification of the contract may result in the cancellation of this rider.
8. A service location is eligible for the rider only one time.
9. The Company reserves the right to refuse this rider to customers who do not meet the conditions specified above.

GENERAL QUALIFYING CONDITIONS

1. The application of the rider will be discontinued if bills are not paid when due as specified in Tariff Rule No. 21, before the addition of a *Late Payment Charge*.
2. The rider will be reserved for a customer who applied to the Company for the rider in writing up to twelve months prior to the time service is required.
3. Discontinuance of or detrimental changes to the rider will not apply to an existing rider participant or a prospective participant as described to General Qualifying Condition (2).
4. The Company will monitor the impact of the rider and may modify or discontinue the provisions at any time as approved by the Pennsylvania Public Utility Commission except for the limitations established in *General Qualifying Condition (3)*.

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 8 - INDUSTRIAL ECONOMIC DEVELOPMENT RIDER
FOR CUSTOMERS AT EXISTING SERVICE LOCATIONS - (Continued)

(Applicable to Rates GMD, GLD and LD)

SPECIAL PROVISION FOR RATE LD

For those existing Rate LD customers who do not qualify for the Economic Incentives provided by this rider, but do satisfy Qualifying Condition (2), a separate credit applicable to increased kilowatt-hours is available. A customer who anticipates an increase of ten percent (10%) or more in kilowatt-hour use over the kilowatt-hour use in the Base Period must sign an "Economic Development Rider No. 8 Amendment to Electric Service Contract". In those months where the increased kilowatt-hours are ten percent (10%) or more than the Base Period Kilowatt-hours, a customer will earn a credit equal to the increased kilowatt-hours multiplied by the discounted Incremental Unit Energy Charge. The percent discount applicable will be twenty-five (25%) for the first three (3) years, fifteen percent (15%) in the fourth year, and 7.5% in the fifth year, except for the excess kilowatt-hour charges of Rate LD which is specified under Rate LD Exception.

STANDARD CONTRACT RIDERS - (Continued)

**RIDER NO. 9 - INDUSTRIAL ECONOMIC DEVELOPMENT
 RIDER FOR CUSTOMERS AT NEW SERVICE LOCATIONS**

(Applicable to Rates GMD, GLD, and LD)

PURPOSE

Stimulating industrial production in Duquesne's economically distressed service area can produce benefits in terms of job creation, increased regional income, and improved living standards. The purpose of this rider is to encourage load management, increased regional industrial production, and growth in employment through an incentive for industrial customers at New Service Locations.

AVAILABILITY

This rider will be available for a period not exceeding five (5) years to each qualifying customer having an anticipated average annual load requirement of 100 kilowatts or greater. Qualifying definitions and conditions are listed below.

ECONOMIC INCENTIVE

A qualifying customer will earn a separately stated credit equal to the percentage discount determined below multiplied by the monthly total Capacity delivery Charge of the applicable rate. The percentage discount is determined as follows:

<u>Incremental Hours Use</u>	<u>Percent Discount to Incremental Unit Capacity Charge</u>		
	<u>First 36 Months On Rider</u>	<u>Next 12 Months On Rider</u>	<u>Next 12 Months On Rider</u>
Over 350 Hours use	50	30	15
Over 300 to 350 Hours Use	40	24	12
Over 250 to 300 Hours Use	30	18	9
Over 200 to 250 Hours Use	20	12	6
Over 150 to 200 Hours Use	10	6	2
150 Hours Use or Less	0	0	0

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 9 - INDUSTRIAL ECONOMIC DEVELOPMENT RIDER
 FOR CUSTOMERS AT NEW SERVICE LOCATIONS - (Continued)

(Applicable to Rates GMD, GLD, and LD)

ECONOMIC INCENTIVE - (Continued)

A qualifying customer will earn a separately stated credit equal to the percentage discount determined below multiplied by the monthly Energy delivery Charges, and any Duquesne energy supply charges of the applicable rate excluding the energy billed at the excess kilowatt-hour charges of Rate LD. The percentage discount is determined as follows:

Incremental Hours Use	Percent Discount to Incremental Unit Energy Charge		
	First 36 Months On Rider	Next 12 Months On Rider	Next 12 Months On Rider
Over 350 Hours use	25	15	7.5
Over 300 to 350 Hours Use	20	12	6
Over 250 to 300 Hours Use	15	9	4.5
Over 200 to 250 Hours Use	10	6	3
Over 150 to 200 Hours Use	5	3	1.5
150 Hours Use or Less	0	0	0

The percent discount applicable to those kilowatt-hours to be billed at the excess kilowatt-hour delivery charges of Rate LD will be 15% for the first three (3) years, 9% for the fourth year, and 4.5% for the fifth year.

NOTE

Except for the provisions specifically set forth in this rider, all provisions, prices, and regulations of the standard general service rate under which the customer receives service shall apply.

The preceding credits will be applied before application of Rider No. 10 - State Tax Adjustment. All applicable "Standard Contract Riders" will remain in effect; however, the discounted Capacity Charge applicable to a customer's billing shall not be less than twenty-five percent (25%) of the nondiscounted Capacity Charge expressed in the applicable rate. The Minimum Charge Provision of the appropriate general service rate shall not be reduced by this rider.

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 9 - INDUSTRIAL ECONOMIC DEVELOPMENT RIDER
FOR CUSTOMERS AT NEW SERVICE LOCATIONS - (Continued)

(Applicable to Rates GMD, GLD, and LD)

DEFINITIONS

1. **Hours Use** -
$$\frac{\text{Total Kilowatt-hours used in billing period}}{\text{Billing Demand}}$$
2. **New Service Location** - A location having one or more delivery points for electric service which will be billed separately by the Company under a single billing address:
 - (a) To which the Company has not previously supplied electric service

or

 - (b) To which the Company has previously supplied electric service provided that the service previously supplied had not been used for substantially the same industrial manufacturing or processing as the present operation or that its industrial use had been discontinued at least twelve (12) months prior to application for service under this rider.
3. **Employment Reports** - The "Employer's Report for Unemployment Compensation" and "Employer's Quarterly Report of Wages Paid to Each Employee" as filed by the customer with the Office of Employment Security, Department of Labor and Industry, Commonwealth of Pennsylvania and the "Employer's Quarterly Employment and Wage Analysis" is filed by the customer with the Office of Employment Security, Department of Labor and Industry, Commonwealth of Pennsylvania for employers who have more than one place of business in the Commonwealth.

QUALIFYING CONDITIONS

1. The customer must be one moving into a New Service Location.
2. The customer must be engaged in manufacturing or processing operation as defined in the Division D. Manufacturing Standard Industrial Classification (SIC) categories as described in the 1972 Edition of Standard Industrial Classification Manual, supplements thereto, or later editions.

STANDARD CONTRACT RIDERS - (Continued)

**RIDER NO. 9 - INDUSTRIAL ECONOMIC DEVELOPMENT RIDER
FOR CUSTOMERS AT NEW SERVICE LOCATIONS - (Continued)**

(Applicable to Rates GMD, GLD, and LD)

QUALIFYING CONDITIONS - (Continued)

3. A Pennsylvania Sales Tax Blanket Exemption Certificate must be filed by the customer with the Company as soon as it is filed with the Commonwealth showing the address of the service location to which the rider is to be applicable and certifying that more than fifty percent (50%) (on an annual basis) of the electricity purchased thereunder is exempt from sales tax because it is used in manufacturing or processing operations. The rider shall not be effective until the Certificate or other suitable evidence acceptable to the Company is filed with the Company assuring that the above usage criteria is being achieved.
4. Current "Employment Reports", as defined, must be filed with the Company no later than thirty days after the end of the reporting quarter as defined at 43 P.S. 753d.
5. The customer must sign an "Economic Development Rider No. 9 Amendment to Electric Service Contract". Modifications of the contract may result in the cancellation of this rider.
6. A service location is eligible for the rider only one time.
7. The Company reserves the right to refuse this rider to customers who do not meet the conditions specified above.

GENERAL QUALIFYING CONDITIONS

1. The application of the rider will be discontinued if bills are not paid when due as specified in Tariff Rule No. 21, before the addition of a Late Payment Charge.
2. The rider will be reserved for a customer who applies to the Company for the rider in writing up to twelve months prior to the time service is required.
3. Discontinuance of or detrimental changes to the rider will not apply to an existing rider participant or a prospective participant as described in General Qualifying Condition (2).
4. The Company will monitor the impact of the rider and modify or discontinue the provisions anytime as approved by the Pennsylvania Public Utility Commission, except for the limitations established in General Qualifying Condition (3).

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 10 - STATE TAX ADJUSTMENT

(Applicable to All Rates)

In addition to the charges provided in this Tariff, a surcharge of 0% will apply to the delivery portion of all bills, pursuant to the Pennsylvania Public Utility Commission authorization of March 10, 1970, to compensate the Company for new and increased taxes imposed by the General Assembly.

The Company will recompute the surcharge using the elements prescribed by the Commission's March 10, 1970, authorization:

1. Whenever any of the tax rates used in computing the surcharge is changed, in which case the recomputation shall take into account the changed tax rate.
2. Whenever the Company makes effective increased or decreased rates (other than net energy clause), in which case the recomputation shall take into account the adjustments prescribed by the Commission's March 10, 1970, authorization.
3. On March 31, 1971, and each year thereafter.

Every recomputation made pursuant to the above paragraph shall be submitted to the Commission within ten (10) days after the occurrence of the event or date which occasions such recomputation: and if the recomputed surcharge is less than the one then in effect the Company will, and if the recomputed surcharge is more than the one then in effect the Company may, accompany such recomputation with a Tariff or supplement to reflect such recomputed surcharge, the effective date of which, shall be ten (10) days after filing.

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 11 - STREET RAILWAY SERVICE

(Applicable to Rates GS/GMD and GLD Only)

Where service is supplied at 11,500 volts or higher at two or more interconnected points of delivery to any street railway system for the purpose of conversion to direct current energy for the operation of such system, the Billing Demand in kilowatts of such service shall be reduced by seven percent (7%) for the purpose of computation of the delivery charges of the bill under Rates GS/GMD and GLD and any other applicable rider.

STANDARD CONTRACT RIDERS - (Continued)

**RIDER NO. 12 - BILLING OPTION FOR VOLUNTEER FIRE
COMPANIES AND NONPROFIT SENIOR CITIZEN CENTERS**

(Applicable to Rates GS/GMD, and GMHD only)

Upon application, Pursuant to Act 103 of 1985, a Volunteer Fire Company or a Nonprofit Senior Citizen Center may elect to have its electric service billed at the pricing of RATE RSD - RESIDENTIAL SERVICE or of RATE RHD - RESIDENTIAL SERVICE HEATING provided that it satisfies the space heating requirements stated in the availability clause of Rate RHD.

Contracts will be for a period of not less than one (1) year.

DEFINITIONS

VOLUNTEER FIRE COMPANY - A separately metered service location consisting of a building, sirens, a garage for housing vehicular fire fighting equipment, or a facility certified by the Pennsylvania Emergency Management Agency (PEMA) for fire fighter training. The sole use of electric service at this service location shall be to support the activities of the volunteer fire company. Any fund raising activities at this service location must be used solely to support volunteer fire fighting operations.

The customer of record at this service location must be a predominately volunteer fire company recognized by the local municipality or PEMA as a provider of fire fighting services.

NONPROFIT SENIOR CITIZEN CENTER - A separately metered service location consisting of a facility for the sole use of senior citizens coming together as individuals or groups and where access to a wide range of services to senior citizens is provided.

The customer of record at this service location must be an organization recognized by the Internal Revenue Service (IRS) as nonprofit and recognized by the Department of Aging as an operator of a senior citizen center.

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 13 - SERVICE TO NON-UTILITY GENERATING FACILITIES

(Applicable to all General Service Rates)

The following applies to non-utility generating facilities including, but not limited to cogeneration and small power production facilities which are qualified in accord with Part 292 of Chapter I, Title 18, Code of Federal Regulations (qualifying facility). Electric energy will be supplied to a non-utility generating facility in accord with the following:

- A. **Supplementary Power** is electric energy supplied by Duquesne Light to a non-utility generating facility and regularly used in addition to that electric energy which the non-utility generating facility generates itself.

Duquesne Light's regular and appropriate General Service Delivery Rates will be utilized for billing for Supplementary Power.

- B. **Firm Back-Up Power** is electric energy supplied by Duquesne Light to a non-utility generating facility during an unscheduled outage of the non-utility generating facility's electric generating equipment to replace electric energy ordinarily generated by the non-utility generating facility's generating equipment.

The Company will supply such service each month at the following rates:

LD/HVPSD (5,000 kW or more)	\$3.58/kW	Energy @ 3.16 cents/kWh
GLD (300 to 4,999 kW)	\$4.90/kW	Energy @ 3.09 cents/kWh
GS/GMD (less than 300 kW)	\$5.61/kW	Energy @ 3.83 cents/kWh

Plus for any General Service Large Delivery (300 to 4,999 kilowatts) or Small/Medium Delivery (less than 300 kilowatts) customer commencing service under Rider No. 16 after January 16, 1996, the following charges to recover the cost of existing or newly required transformation equipment that is over and above that equipment necessary for Duquesne Light to supply the customer with its contracted Supplemental Power will apply:

General Service Large Delivery (300 to 4,999 kW) ..	\$0.25/kW
General Service Small/Medium Delivery (less than 300 kW)	\$0.37/kW

(The monthly per kW charge for transformation equipment for Large Power Service Delivery/HVPSD [5,000 kilowatts and over] customers will be determined by Duquesne Light on a case-by-case basis.)

However, any Large Power Service Delivery/HVPSD, General Service Large Delivery or General Service Small/Medium Delivery customer electing to pay the total costs of such transformation at the onset of its contract may do so pursuant to Section E and will not subsequently be billed the aforementioned monthly per kW charges.

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 13 - SERVICE TO NON-UTILITY GENERATING FACILITIES - (Continued)

(Applicable to all General Service Rates)

B. (Continued)

During any month in which the Company is not required to provide energy to backup the customer's source of power, the customer will pay the above charges for contracted backup capacity.

The use of firm backup power at this price level will be limited to 15% usage for all hours in a year. Incremental usage above this limit will be billed on the applicable general service rates, including all ratchets applicable.

If a customer's actual kW demand at the time back-up is being supplied exceeds the customer's firm back-up Contract Demand by 5% or more, the actual kW demand as established will become the customer's new firm back-up Contract Demand for the remaining term of the firm back-up contract. If a customer's actual kW demand at the time back-up service is being supplied exceeds the customer's firm back-up Contract Demand by 10% or more, the customer will be assessed a fee determined by the difference between the actual demand established when back-up service is being supplied and the firm back-up Contract Demand multiplied by two times the applicable charge per kilowatt.

- C. **Interruptible Back-up Power** is electric energy supplied by Duquesne Light to a non-utility generating facility during an unscheduled outage of the non-utility generating facility's electric generating equipment to replace electric energy ordinarily generated by the non-utility generating facility's generating equipment, subject to interruption by the Company.

The Company will provide interruptible backup service to those customers with at least 500 kW of interruptible load. The Company reserves the right to interrupt service to the customer with a 30 minute notice period during periods of transmission limitation or peak period where service to the customer will result in the need for additional capacity sources to be acquired. The rates for such service shall be the following:

LD/HVPSD (5,000 kW or more)	\$2.28/kW	Energy @ 3.16 cents/kWh
GLD (300 to 4,999 kW)	\$3.44/kW	Energy @ 3.09 cents/kWh
GS/GMD (less than 300 kW)	\$4.29/kW	Energy @ 3.83 cents/kWh

These charges will be paid every month regardless of whether or not the Company is required to provide energy to backup the customer's equipment.

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 13 - SERVICE TO NON-UTILITY GENERATING FACILITIES - (Continued)

(Applicable to all General Service Rates)

C. (Continued)

Plus for any General Service Large Delivery (300 to 4,999 kilowatts) or Small/Medium Delivery (less than 300 kilowatts) customer commencing service under Rider No. 16 after January 16, 1996, the following charges to recover the cost of existing or newly required transformation equipment that is over and above that equipment necessary for Duquesne Light to supply the customer with its contracted Supplemental Power will apply:

General Service Large Delivery (300 to 4,999 kW) \$0.28/kW
General Service Small/Medium Delivery (less than 300 kW) \$0.42/kW

(The monthly per kW charge for transformation equipment for Large Power Service Delivery/HVPSD [5,000 kilowatts and over] customers will be determined by Duquesne Light on a case-by-case basis.)

However, any Large Power Service Delivery/HVPSD, General Service Large Delivery or General Service Small/Medium Delivery customer electing to pay the total costs of such transformation at the onset of its contract may do so pursuant to Section E and will not subsequently be billed the aforementioned monthly per kW charges.

The use of interruptible backup power at this price level will be limited to 15% usage for all hours in a year. Incremental usage above this limit will be billed on the applicable general service rates, including all ratchets applicable.

If a customer's actual kW demand at the time back-up is being supplied exceeds the customer's interruptible back-up Contract Demand by 5% or more, the actual kW demand as established will become the customer's new interruptible back-up Contract Demand for the remaining term of the interruptible back-up contract. If a customer's actual kW demand at the time back-up service is being supplied exceeds the customer's interruptible back-up Contract Demand by 10% or more, the customer will be assessed a fee determined by the difference between the actual demand established when back-up service is being supplied and the interruptible back-up Contract Demand multiplied by two times the applicable charge per kilowatt.

- D. **Maintenance Power** is electric energy supplied by Duquesne Light to a non-utility generating facility during outages for maintenance of the non-utility generating facility's electric generating equipment which are scheduled by the non-utility generating facility at a time mutually agreeable with Duquesne Light.

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 13 - SERVICE TO NON-UTILITY GENERATING FACILITIES - (Continued)

(Applicable to all General Service Rates)

D. (Continued)

The following terms and conditions apply to all customers utilizing maintenance power:

Any customer who contracts for either firm or interruptible backup power will pay only the maintenance energy charges, that are 3 mills/kWh less than the backup energy rates, for their maintenance service. However, for those customers who take maintenance service in excess of contracted demands of firm and/or interruptible backup power, the maintenance demand charges will also apply. Customers contracting for maintenance service only will pay the maintenance service demand and backup power energy charges.

LD/HVPSD (5,000 kW or more)	\$2.28/kW	Energy @ 2.86 cents/kWh
GLD (300 to 4,999 kW)	\$3.44/kW	Energy @ 2.79 cents/kWh
GS/GMD (less than 300 kW)	\$4.29/kW	Energy @ 3.53 cents/kWh

Plus for any General Service Large Delivery (300 to 4,999 kilowatts) or Small/Medium Delivery (less than 300 kilowatts) customer commencing service under Rider No. 16 after January 16, 1996, the following charges to recover the cost of existing or newly required transformation equipment that is over and above that equipment necessary for Duquesne Light to supply the customer with its contracted Supplemental Power will apply:

General Service Large Delivery (300 to 4,999 kW) ..	\$0.28/kW
General Service Small/Medium Delivery (less than 300 kW)	\$0.42/kW

(The monthly per kW charge for transformation equipment for Large Power Service Delivery/HVPSD [5,000 kilowatts and over] customers will be determined by Duquesne Light on a case-by-case basis.)

However, any Large Power Service Delivery/HVPSD, General Service Large Delivery or General Service Small/Medium Delivery customer electing to pay the total costs of such transformation at the onset of its contract may do so pursuant to Section E and will not subsequently be billed the aforementioned monthly per kW charges.

These charges for maintenance service will be paid only in months of actual usage.

The customer shall specify to the Company the amount of maintenance power required.

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 13 - SERVICE TO NON-UTILITY GENERATING FACILITIES - (Continued)

(Applicable to all General Service Rates)

D. - (Continued)

Beginning with the date upon which the non-utility generating facility's generating equipment is first operated in any manner whatsoever, and during the immediately ensuing three (3) months of operation of the non-utility generating facility's generating equipment, maintenance power will be supplied by Duquesne Light, if available in the sole judgment of Duquesne Light, to the non-utility generating facility at the non-utility generating facility's request, in order to permit the non-utility generating facility to "shake down" the generating equipment.

After the three-month "shake down" period, the non-utility generating facility will provide the following notice to Duquesne Light for the need for maintenance power:

- (1) For a non-utility generating facility requesting less than 15 mW of maintenance power, the non-utility generating facility will provide 30 calendar days notice to Duquesne Light of the need for maintenance power. Duquesne Light will respond within seven (7) calendar days of notification by the non-utility generating facility whether or not maintenance power can be made available at the time requested or at some other time.
- (2) For a non-utility generating facility requesting between 15 mW and 30 mW of maintenance power, the non-utility generating facility will provide 60 calendar days notice to Duquesne Light of the need for maintenance power. Duquesne Light will respond within 14 calendar days of the notification by the non-utility generating facility whether or not maintenance power can be made available at the time requested or at some other time.
- (3) For a non-utility generating facility requesting more than 30 mW of maintenance power, the non-utility generating facility will provide 90 calendar days notice to Duquesne Light of the need for maintenance power. Duquesne Light will respond within 21 calendar days of the notification by the non-utility generating facility whether or not maintenance power can be made available at the time requested or at some other time.

The Company will make available the maintenance power upon mutual agreement within 30 days before or after the customer's requested scheduled maintenance outage date.

Maintenance power will be available to a non-utility generating facility not more than five (5) separate periods in a calendar year, cumulatively totaling 60 days in a calendar year.

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 13 - SERVICE TO NON-UTILITY GENERATING FACILITIES - (Continued)

(Applicable to all General Service Rates)

D. - (Continued)

Maintenance power may be available between the hours of 10:00 p.m. and 8:00 a.m. weekdays and all day Saturdays, Sundays and generally observed holidays upon six (6) hours notice to Duquesne Light by the non-utility generating facility. These limited "off-peak" uses of maintenance power will be restricted to not more than 15 separate periods in a calendar year and will not be included in the five (5) separate periods or 30 days in a calendar year. The availability of maintenance power between the hours of 10:00 p.m. and 8:00 a.m. weekdays and all day Saturdays, Sundays and generally observed Holidays would be determined solely by Duquesne Light and Duquesne Light will respond within two (2) hours of the request for maintenance power by the non-utility generating facility.

- E. Each non-utility generating facility will be required to install at its expense or pay in advance to have Duquesne Light install interconnection equipment and facilities which are over and above that equipment and facilities required to provide electric service to the non-utility generating facility according to Duquesne Light's General Service Rates. (The costs of transformation equipment recovered under Sections B, C and D on a per kW monthly basis from Large Power Service Delivery/HVPSD, General Service Large Delivery and General Service Small/Medium Delivery customers are not included herein.) Any such equipment to be installed by the non-utility generating facility must be reviewed and approved in writing by Duquesne Light prior to installation. Nothing in this rider shall exempt a new customer from the application of Rules No. 7 and 9 regarding Supply Line Extensions and Relocation of Facilities.

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 14 - EMERGENCY ENERGY CONSERVATION

(Applicable to Rates GLD, GLHD, LD, and HVPSD only)

PURPOSE

This rider is applicable in conjunction with Tariff Rule 39.2, relating to Emergency Energy Conservation. It provides for deviation from and modifications to the charges and practices otherwise applicable to certain customers as a result of compliance with or noncompliance with energy conservation curtailment levels requested or ordered under emergency energy conservation conditions resulting from actual or potential shortage of fuel for electric generation.

APPLICABILITY

Applicable progressively in the following order of priority as required by the need for curtailment to meet conditions resulting from actual or potential shortage of fuel for electric generation:

1. To individual electric customer accounts served under Rates LD and HVPSD with recorded demand of 5,000 kW or higher in a recent 12-month period prior to the request of or order for emergency energy conservation.
2. To individual electric customer accounts served under Rates GLD and GLHD with recorded demand of 300 kW or higher in a recent 12-month period prior to the request of or order for emergency energy conservation.

Customers designated as exempt in the procedures for emergency energy conservation filed in accord with Tariff Rule 39.2 or by the Pennsylvania Public Utility Commission will be exempt from the provisions of this rider.

DEFINITIONS

1. **Base Period Energy Use** - The base energy use for a weekly period shall be determined by the Company for each applicable electric customer account based upon a consideration of the customer's actual past or current electric consumption and the customer's existing operation.
2. **Mandatory Curtailment Energy Use Level Target** - The Mandatory Curtailment Energy Use Level Target for each applicable customer shall be that percentage of base period energy use ordered pursuant to the emergency energy conservation procedures provided by Tariff Rule 39.2 or other percentage as a result of the order of appropriate governmental authority.
3. **Current Energy Use** - Current period use will be monitored on a weekly basis commencing on the date the emergency is declared.

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 14 - EMERGENCY ENERGY CONSERVATION - (Continued)

(Applicable to Rates GLD, GLHD, LD, and HVPSD only)

DEFINITIONS - (Continued)

4. **Compliance** - When the energy consumption in any weekly period during the period of the mandatory emergency energy conservation condition is equal to or less than the mandatory curtailment energy use level target, the customer will be deemed to have complied.

In the event of continued non-compliance, the Company, upon notice to the Commission, may discontinue service.

A customer may arrange with the utility for mutually acceptable methods for achieving the mandatory curtailment energy use level target, as long as the customer, in total, meets the curtailment target.

BILLING

During the period of emergency energy conservation condition, billing will be based on meter readings especially made to identify the demand established and energy used during the current energy use period. Customers in compliance with conservation orders will be excused from minimum bills and historical or Contract Demand or ratchet provisions and will be billed instead on the basis of current consumption and demand whenever the normal calculation method would produce a greater bill.

These customers will be individually notified of this special billing provision prior to the implementation of the emergency energy conservation procedure.

STANDARD CONTRACT RIDERS - (Continued)

**RIDER NO. 15 - RATE FOR PURCHASE OF ELECTRIC ENERGY FROM
CUSTOMER-OWNED RENEWABLE RESOURCES GENERATING FACILITIES**

The Company will purchase electric energy from customer-owned generating facilities that: (1) are "qualifying small power production facilities" as defined in Subpart B - Qualifying Cogeneration and Small Power Production Facilities, of Part 292 of Subchapter K of Chapter 1, Title 18, Code of Federal Regulations ("facility"); (2) are located in the Company's service area; (3) use as the energy source renewable resources such as small scale hydro facilities of 30 megawatts or less, biomass, waste, solar or wind; and (4) meet one of the following three criteria:

- (a) are subject to a contract dated prior to August 25, 1987, and are supplying electric energy, or have commenced construction of facilities to supply electric energy within sixty (60) day of August 25, 1987.
- (b) are supplying electric energy to the Company under the terms of this rider on or before August 25, 1987, but are not subject to an executed contract.
- (c) have been negotiating with the Company for a contract and it is determined that the project has been the subject of serious negotiations prior to August 25, 1987.

The electric energy will be purchased, as available, from such facilities at the rate of six (6) cents per kilowatt-hour, or at a rate based on the Company's avoided costs when such costs exceed six (6) cents per kilowatt-hour. For facilities that do not qualify under the provisions of this rider, electric energy will be purchased at a rate based on the Company's avoided costs as calculated in accordance with the applicable PA. P.U.C. regulations. Payment will be made monthly for the electric energy received from the facility in the preceding month.

Each facility will be required to install at its expense, or to have the Company install at the customer's expense, interconnection equipment and facilities including metering, protection and controls. All such interconnection equipment and facilities must be reviewed and approved in writing by the Company prior to installation.

The owner of each facility will be solely responsible for the operation, maintenance and repair of such facility.

The Company shall not be liable for damage to the facility which may result from its interconnection with the Company's facilities.

This rider shall be effective only so long as the cost of such energy purchased by the Company may be recovered by the Company through its Energy Cost Rate or its equivalent in the future.

Purchase of electric energy under this rider shall be subject to all applicable Rules and Regulations of the Company's Electric Service Tariff, such Rules and Regulations to be read and interpreted, generally, with the word "purchase" substituted for the word "supply" or the word "service" where appropriate to reflect the application of the Rules and Regulations to the purchase rather than the sale of electric energy.

The Company reserves the right to require a written contract covering the purchase of electric energy for each facility.

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 16 - SMALL BUSINESS DEVELOPMENT RIDER

(Applicable to Rate GS/GMD)

PURPOSE

Stimulating development of small industrial facilities in Duquesne's economically distressed service area may produce benefits in terms of job creation, increased regional income, and improved living standards. The purpose of this rider is to encourage load management, increase regional industrial production, and grow employment through an incentive for small industrial customers.

AVAILABILITY

This rider will be available for a period not exceeding five (5) years to qualifying new industrial customers having estimated annual load requirements not exceeding 105 kW. Qualifying terms and conditions are listed below.

ECONOMIC INCENTIVE

A qualifying customer will earn a separately stated credit equal to the Billing Demand and Duquesne supplied energy charge minus the 5Kw multiplied by the discounted Incremental Unit Capacity delivery Charge of Rate GS/GMD. The percentage discount is 50% for the first 36 months, 30% for the next 12 months and 15% for the last 12 months the customer is on this rider. The credit will be applied to the customers fixed CTC.

NOTE

Except for the provisions specifically set forth in this rider, all provisions, prices, and regulations of the standard general service rate under which the customer receives service shall apply.

The preceding credits will be applied before application of Rider No. 10 - State Tax Adjustment. All applicable "Standard Contract Riders" will remain in effect. The Minimum Charge Provision of Rate GS/GMD shall not be reduced by this rider.

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 16 - SMALL BUSINESS DEVELOPMENT RIDER - (Continued)

(Applicable to Rate GS/GMD)

DEFINITIONS

1. **New Service Location** - A location having one or more delivery points for electric service which will be billed separately by the Company under a single billing address to which the Company has not previously supplied electric delivery service
2. **Existing Service Location** - An existing location of a customer having one or more delivery points for electric service billed separately by the Company under a single billing address.
3. **Employment Reports** - The "Employer's Report for Unemployment Compensation" and "Employer's Quarterly Report of Wages Paid to Each Employee" as filed by the customer with the Office of Employment Security, Department of Labor and Industry, Commonwealth of Pennsylvania and the "Employer's Quarterly Employment and Wage Analysis" as filed by the customer with the Office of Employment Security, Department of Labor and Industry, Commonwealth of Pennsylvania for employers who have more than one place of business in the Commonwealth.

TERMS AND CONDITIONS

1. The customer must be a new or an existing customer.
2. The customer must be engaged in manufacturing or processing operations as defined in the Division D. Manufacturing Standard Industrial Classification (SIC) categories as described in the 1987 Edition of Standard Industrial Classification Manual, supplements thereto, or later editions.
3. A Pennsylvania Sales Tax Blanket Exemption Certificate must be filed by the customer with the Company as soon as it is filed with the Commonwealth showing the address of the service location to which the rider is to be applicable and certifying that more than fifty percent (50%) (on an annual basis) of the electricity purchased thereunder is exempt from sales tax because it is used in manufacturing or processing operations. The rider shall not be effective until the Certificate or other suitable evidence acceptable to the Company is filed with the Company assuring that the above usage criteria is being achieved.
4. Current "Employment Reports," as defined, must be filed with the Company no later than thirty days after the end of the reporting quarter as defined at 43 P.S. 753d.
5. In the event a customer's load consistently exceeds 100 kW, the customer will be given the discount applied to a maximum of 100 kW of load.

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 16 - SMALL BUSINESS DEVELOPMENT RIDER - (Continued)

TERMS AND CONDITIONS - (Continued)

(Applicable to Rate GS/GMD)

6. The customer must sign a five (5) year "Economic Development Rider No. 13 Amendment to Electric Service Contract." Failure to comply with the terms and conditions of the contract may result in the cancellation of this rider.
7. The Company reserves the right to refuse this rider to customers who do not meet the conditions specified above.
8. The application of the rider will be discontinued if bills are not paid when due as specified in Tariff Rule No. 21, before the addition of a Late Payment Charge.
9. The rider will be reserved for a customer who applies to the Company for the rider in writing up to twelve months prior to the time service is required.
10. Discontinuance of or detrimental changes to the rider will not apply to an existing rider participant or a prospective participant as described in Condition (9).

MARKET PRICES IN ECAR AND PJM (\$/MWH)

	<u>ECAR</u> [1]	<u>PJM</u> [2]	<u>Price Difference</u> [2]/[1]-1
1997 to date			
On-Peak	21.17	24.56	16%
Off-Peak	<u>14.12</u>	<u>16.55</u>	<u>17%</u>
Hourly Wtd. Average	\$17.47	\$20.36	17%
1996			
On-Peak	22.52	25.29	12%
Off-Peak	<u>14.30</u>	<u>15.46</u>	<u>8%</u>
Hourly Wtd. Average	\$18.20	\$20.13	11%

Notes: Indexes are based on prices of actual transactions obtained in confidential surveys of buyers and sellers. The weekly on-peak indexes represent an average daily price for the preceding week, Monday through Friday. On-peak hours are 6 a.m. to 10 p.m. (16 hours) five days a week. Each weekday is given equal weight to determine the weekly index price. The index prices are an assessment of where the bulk of dealmaking occurred. The chief determinant of the index price is the volume-weighted average. However, the straight average, median and mode also are considered. Off-peak prices are the average of the reported high and low price range for the week during off-peak periods.

Source: The McGraw-Hill Companies' Power Markets Week

MARKET PRICES IN ECAR AND PJM

1997 Week Ending	On-Peak Index Price (\$/MWH)			Off-Peak Average Price (\$/MWH)		
	ECAR [1]	PJM [2]	Price Difference [2]/[1]-1	ECAR [4]	PJM [5]	Price Difference [5]/[4]-1
01/10/97	22.76	26.36	16%	13.50	16.00	19%
01/17/97	34.31	34.30	0%	16.50	18.50	12%
01/24/97	16.67	28.14	69%	14.50	17.00	17%
01/31/97	23.60	29.81	26%	15.50	19.75	27%
02/07/97	16.94	24.30	43%	12.50	17.50	40%
02/14/97	18.25	26.51	45%	14.50	18.50	28%
02/21/97	15.94	23.53	48%	14.00	18.00	29%
02/28/97	17.65	22.37	27%	14.50	16.75	16%
03/07/97	18.86	23.14	23%	14.00	17.25	23%
03/14/97	16.93	22.99	36%	12.75	16.50	29%
03/21/97	18.27	23.64	29%	14.50	17.50	21%
03/28/97	17.09	22.75	33%	13.25	17.00	28%
04/04/97	17.32	20.76	20%	14.00	17.13	22%
04/11/97	20.78	20.16	-3%	14.25	16.45	15%
04/18/97	22.06	22.12	0%	14.00	17.94	28%
04/25/97	19.61	20.93	7%	14.38	16.50	15%
05/02/97	18.15	20.06	11%	13.00	15.00	15%
05/09/97	18.99	22.77	20%	14.50	17.00	17%
05/16/97	17.61	21.31	21%	15.00	15.50	3%
05/23/97	16.57	20.71	25%	14.00	15.00	7%
05/30/97	15.60	17.84	14%	13.50	14.50	7%
06/06/97	16.47	17.39	6%	NA	NA	NA
06/13/97	17.28	22.98	33%	12.50	11.00	-12%
06/20/97	20.02	21.32	6%	14.50	14.25	-2%
06/27/97	52.93	44.97	-15%	14.50	17.63	22%
07/04/97	36.99	34.62	-6%	14.50	16.75	16%
07/11/97	<u>23.84</u>	<u>27.47</u>	<u>15%</u>	<u>14.50</u>	<u>15.50</u>	<u>7%</u>
Average Price	21.17	24.56	16%	14.12	16.55	17%

Notes: Indexes are based on prices of actual transactions obtained in confidential surveys of buyers and sellers. The weekly on-peak indexes represent an average daily price for the preceding week, Monday through Friday. On-peak hours are 6 a.m. to 10 p.m. (16 hours) five days a week. Each weekday is given equal weight to determine the weekly index price. The index prices are an assessment of where the bulk of dealmaking occurred. The chief determinant of the index price is the volume-weighted average. However, the straight average, median and mode also are considered. Off-peak prices are the average of the reported high and low price range for the week during off-peak periods.

Source: The McGraw-Hill Companies' Power Markets Week

MARKET PRICES IN ECAR AND PJM

1996	On-Peak Index Price (\$/MWH)			Off-Peak Average Price (\$/MWH)		
Week Ending	ECAR [1]	PJM [2]	Price Difference [2]/[1]-1	ECAR [4]	PJM [5]	Price Difference [5]/[4]-1
01/12/96	20.30	33.25	64%	13.00	20.50	58%
01/19/96	18.35	31.00	69%	14.00	17.50	25%
01/26/96	22.35	29.50	32%	17.00	17.75	4%
02/02/96	25.40	29.75	17%	16.25	18.00	11%
02/09/96	29.00	37.80	30%	22.75	24.00	5%
02/16/96	20.95	30.00	43%	15.00	20.25	35%
02/23/96	18.90	25.50	35%	14.63	18.75	28%
03/01/96	20.50	24.00	17%	13.50	15.00	11%
03/08/96	24.60	27.50	12%	16.00	17.50	9%
03/15/96	20.00	25.25	26%	14.75	17.50	19%
03/22/96	24.43	25.15	3%	17.00	17.00	0%
03/29/96	22.45	26.25	17%	15.50	18.75	21%
04/05/96	19.75	22.70	15%	14.50	17.25	19%
04/12/96	19.98	21.40	7%	16.50	15.00	-9%
04/19/96	19.20	20.50	7%	14.75	13.45	-9%
04/26/96	18.90	19.70	4%	13.50	12.50	-7%
05/03/96	18.90	19.25	2%	13.75	13.00	-5%
05/10/96	19.25	19.10	-1%	12.50	12.00	-4%
05/17/96	20.00	19.59	-2%	14.50	12.00	-17%
05/24/96	29.52	28.85	-2%	16.00	17.00	6%
05/31/96	19.69	19.50	-1%	13.50	12.25	-9%
06/07/96	18.50	20.45	11%	12.50	12.00	-4%
06/14/96	20.73	27.40	32%	13.50	14.50	7%
06/21/96	32.53	28.38	-13%	15.50	14.50	-6%
06/28/96	36.49	29.44	-19%	15.00	14.50	-3%
07/05/96	29.67	25.42	-14%	13.50	13.50	0%
07/12/96	22.78	25.38	11%	13.50	15.50	15%
07/19/96	38.09	34.80	-9%	14.50	16.25	12%
07/26/96	24.44	25.83	6%	13.00	15.00	15%
08/02/96	17.35	24.98	44%	11.75	14.00	19%
08/09/96	39.10	34.34	-12%	16.00	16.00	0%
08/16/96	18.30	21.87	20%	13.00	13.00	0%
08/23/96	30.13	29.57	-2%	13.50	15.00	11%
08/30/96	19.65	22.00	12%	12.50	15.00	20%
09/06/96	20.30	23.88	18%	13.50	14.38	6%
09/13/96	20.70	27.75	34%	12.00	16.00	33%
09/20/96	17.27	20.91	21%	11.75	13.00	11%
09/27/96	17.31	20.84	20%	11.75	14.25	21%
10/04/96	17.20	20.61	20%	11.75	14.75	26%
10/11/96	17.64	21.72	23%	13.00	14.65	13%
10/18/96	17.54	23.24	32%	13.00	14.90	15%
10/25/96	18.45	21.77	18%	13.50	13.50	0%
11/01/96	21.50	24.15	12%	14.00	14.25	2%
11/08/96	20.57	25.31	23%	14.50	15.25	5%
11/15/96	29.95	29.41	-2%	17.13	16.25	-5%
11/22/96	22.72	23.82	5%	15.70	16.38	4%
11/29/96	25.69	25.04	-3%	15.00	15.75	5%
12/06/96	23.91	24.99	5%	14.88	15.50	4%
12/13/96	20.25	25.97	28%	14.88	15.50	4%
12/20/96	30.98	29.28	-5%	17.13	16.00	-7%
12/27/96	14.71	22.34	52%	12.25	13.00	6%
01/03/97	13.98	18.69	34%	11.50	15.13	32%
Average Price	22.52	25.29	12%	14.30	15.46	8%

Notes: Indexes are based on prices of actual transactions obtained in confidential surveys of buyers and sellers. The weekly on-peak indexes represent an average daily price for the preceding week, Monday through Friday. On-peak hours are 6 a.m. to 10 p.m. (16 hours) five days a week. Each weekday is given equal weight to determine the weekly index price. The index prices are an assessment of where the bulk of dealmaking occurred. The chief determinant of the index price is the volume-weighted average. However, the straight average, median and mode also are considered. Off-peak prices are the average of the reported high and low price range for the week during off-peak periods.

Source: The McGraw-Hill Companies' Power Markets Week

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VOLUME III

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PA PUBLIC UTILITY COMMISSION
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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

DOCUMENT
FOLDER

DUQUESNE LIGHT COMPANY
DOCKET NO. R-00974104

APPLICATION FOR APPROVAL OF
RESTRUCTURING PLAN UNDER SECTION 2806
OF THE PUBLIC UTILITY CODE

Direct Testimony of : Frank A. Hoffmann
Robert A. Irvin
Fred R. Allison

Table of Contents

Direct Testimony of:

Volume I	David D. Marshall Donald J. Clayton Michael M. Schnitzer
Volume II	Morgan K. O'Brien James A. Lahtinen
Volume III.....	Frank A. Hoffmann Robert A. Irvin Fred R. Allison
Volume IV	Mark G. Karl Ralph L. Nelson Ralph E. Duckworth, Jr. Jeff D. Makhholm Thomas S. LaGuardia

Appendix A:

Volume V	Sections A, B and C
Volume VI	Sections D, E, F and G
Volume VII.....	Section H
Volume VIII.....	Sections I and J
Volume IX	Sections K, L, M, N, O, P, and Questions from Commissioner Hanger

VOLUME III

Duquesne Statement No. 6

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**DUQUESNE LIGHT COMPANY
DOCKET NO. R-00974104**

**Direct Testimony
of
Frank A. Hoffmann**

Contents:

**Regarding Retail Choice Phase-In, Customer Education, Universal
Service, Quality of Service and Economic Development Rates.**

DIRECT TESTIMONY OF FRANK HOFFMANN

1 I. QUALIFICATIONS

2 Q. Please state your name and business address.

3 A. Frank Hoffmann, Duquesne Light Company, 411 Seventh Avenue, P.O. Box 1930,
4 Pittsburgh, PA 15230-1930.

5 Q. By whom are you employed and in what capacity?

6 A. I am employed by Duquesne Light Company as the General Manager, Marketing and
7 Sales.

8 Q. What are your duties in that position?

9 A. I am responsible for the marketing and sales functions associated with Duquesne
10 Light's retail sales activities. This includes customer relations, new product
11 development, marketing communication and customer research.

12 Q. Please describe your education, background and professional experience.

13 A. I graduated from Dartmouth College with a Bachelor of Arts ('73) and Bachelor of
14 Engineering ('74) degrees. I subsequently graduated from the University of Chicago
15 and was awarded a Master of Business Administration ('79) degree. I have over 23
16 years of experience in the electric utility industry. After receiving my undergraduate
17 degrees, I worked eight years with an architectural engineering firm, Sargent & Lundy,
18 as a structural engineer and project manager on high voltage transmission systems. I
19 then was employed for nine years by Price Waterhouse providing general management
20 consulting services to electric, gas, telecommunications and water utilities nationwide.

1 And, for the most recent six years, I have been employed by Duquesne Light, first in a
2 corporate planning function and more recently in marketing and sales.

3 **II. SUMMARY OF TESTIMONY**

4 Q. What part of Duquesne's Appendix A filing was prepared by you or under your
5 supervision and direction?

6 A. All of the material related to Restructuring procedures (Section M, with the exception
7 of M-2) and customer service, education and conservation programs (Section P, with
8 the exceptions of P-13, 14 and 15) were prepared by me or under my supervision and
9 direction.

10 Q. What is the purpose of your testimony?

11 A. *First, I provide an overview of Duquesne's method for phasing-in customers for access*
12 *to competitively priced retail electricity in a fair and equitable manner during the three*
13 *year transition period. Second, I summarize Duquesne's proposals on universal service*
14 *and energy conservation. Third, I describe our Code of Conduct for ensuring that all*
15 *alternative suppliers are treated fairly and that customer-specific information is kept*
16 *confidential as appropriate. Finally, I describe the Company's economic development*
17 *rates and how those rates will change or continue in the future.*

18 **III. PHASE-IN PROCEDURES**

19 Q. Please summarize your understanding of how the Electricity Generation Customer
20 Choice and Competition Act ("the Act") phases in retail access.

1 A. The first step in the phase-in process is the establishment of retail access pilot
2 programs. The Act authorizes the Commission to order electric utilities to submit
3 proposals for retail access pilot programs to begin April 1, 1997. The Company has
4 filed a pilot program proposal and is awaiting final Commission approval.

5 The next phase begins on January 1, 1999, when the Act requires electric
6 utilities to allow direct access for up to thirty-three percent of the peak load of each
7 customer class. As of January 1, 2000, direct access must be allowed for an additional
8 thirty-three percent of the peak load of each customer class. As of January 1, 2001,
9 direct access must be allowed for all customers.

10 Q. How will the Company select residential and small commercial customers to
11 participate in the first two phases of retail access?

12 A. Residential and small commercial customers will be randomly selected by zip code-
13 based geographic areas of choice (GACs). All GACs will be assigned to the first,
14 second and third year of the phase-in. Generally, this process will allow all residential
15 and small commercial customers in the same neighborhood to be phased-in together.

16 Q. Why is this type of phase-in appropriate?

17 A. This approach ensures non-discriminatory eligibility, instead of eligibility driven by
18 which customers are better informed or respond more quickly to an open enrollment
19 process. Eligibility should not depend on whether customers are willing to pay \$10 for
20 overnight mail delivery instead of 32 cents for U.S. mail. This approach also will
21 allow the Company to target its consumer education effort more precisely, to specific

1 areas within our service territory. Finally, this approach will allow competing suppliers
2 to target their marketing efforts more precisely.

3 Q. How will the Company select other customers to participate in the first two phases of
4 retail access?

5 A. Other commercial customers and all industrial customers will be selected for phase-in
6 by SIC code-based market segments. Duquesne's customers include eleven
7 commercial and five industrial market segments. Some of these segments may be
8 grouped to avoid competitive disadvantage. Duquesne proposes to prioritize the
9 release of these market segments based on the results of our pilot program open
10 enrollment process. Those market segments having the largest percentage of total
11 accounts being nominated by customers for participation in the pilot will be included in
12 the first phase until the requisite peak load contribution is reached or exceeded. This
13 process will allow customers that compete with each other to be phased-in together,
14 thus eliminating many disputes about competitive disadvantage.

15 Q. How will Duquesne address any remaining disputes about competitive disadvantage?

16 A. Duquesne will ask the complaining customer to submit its complaint in writing,
17 showing the specific competitive disadvantage. To prevail, the customer must show
18 that: (1) their business has been misclassified by SIC code or other market segment; or
19 (2) other businesses within the service territory with the same product or service have
20 received a competitive advantage. Duquesne will review the situation case-by-case,

1 attempt to resolve it to the satisfaction of the affected customer(s) and appropriately
2 address any competitive disadvantage.

3 Q. Did the Company consider other methods for phasing in access for these commercial
4 and industrial customers?

5 A. The Company considered a first-come, first-served approach. The Company rejected
6 this approach for these customers because this approach could have caused
7 inappropriate competitive disadvantages. The Company also considered an approach
8 in which all of these customers would be allowed access for one-third of its load in the
9 first phase, two-thirds of its load in the second phase and all of its load in the third
10 phase. The Company rejected this approach as presenting excessive difficulties in
11 account administration and billing, triggering extraordinary volumes of customer
12 contacts and imposing unnecessary complexity and inconvenience on those customers.

13 Q. How will the Company accommodate pilot program participants who also want to
14 participate in the first phase of direct access?

15 A. Duquesne expects that pilot program participants may want to continue choosing their
16 power supplier upon termination of the pilot program, even if they are not yet eligible
17 for direct access under Duquesne's phase-in plan. Duquesne proposes to allow these
18 customer accounts to "grandfather" into the first phase of retail access upon request.
19 While Duquesne will allow these customer accounts to be transitioned into the first
20 phase under unbundled service, the pricing for Duquesne services will be modified as

1 necessary from the pilot program design to the unbundled service rate design approved
2 by the Commission for the transition period.

3 Q. Does Duquesne propose to allow any other exceptions to its phase-in plan?

4 A. Yes. First, all customers taking service at specified economic development sites will
5 be allowed direct access upon commencement of their service. Exhibit No. FH-1 lists
6 the specific criteria that define the Economic Development Areas of Choice that would
7 be allowed direct access at the outset of the transition period. Customers located within
8 these designated areas will be offered unbundled service with access to competitively
9 priced generation. Second, all customers taking service at new premises (as distinct
10 from new customers taking service at premises previously served by Duquesne) will be
11 allowed direct access upon commencement of their service.

12 Q. Will these exceptions (economic development sites and new premises) reduce the
13 number of other customers offered direct access during the first and second phases?

14 A. No. Customers allowed direct access under the two exceptions will be in addition to
15 the customers offered direct access under Duquesne's proposed plan for determining
16 one-third and two-thirds of the peak load of each customer class.

17 Q. How will the Company notify customers of their eligibility for direct access?

18 A. By mail. The Company will send a list of all licensed alternative suppliers to each
19 participating customer. Alternative suppliers will be responsible for giving customers
20 any additional marketing information about their products or services.

21 Q. How will the Company confirm a customer's choice of alternative supplier?

1 A. The Company will allow confirmation of a customer's choice of supplier and service
2 options in two ways. First, the supplier can send the Company a service agreement
3 signed by the customer. Second, the customer may call the Company. The Company
4 will verify that the caller is authorized to change the account's status (through social
5 security number or other information). The Company will then ask the customer for
6 the name of the alternative supplier, the billing option (integrated or separate billing)
7 and the supplier rate plan (if the integrated billing option is chosen). The customer-
8 supplied information must be verified by supplier-supplied information.

9 Upon confirmation of the customer's choice in either of these two ways, the
10 Company will send the customer a notification of the changes in its service. This
11 notification will alert customers of any unauthorized changes in their account.

12 More information on these procedures is contained in Item M-4 in Duquesne's
13 Appendix A filing.

14 **IV. UNIVERSAL SERVICE AND ENERGY CONSERVATION**

15 Q. Does Duquesne's Restructuring Filing fully comply with the Commission's
16 "Guidelines for Universal Service and Energy Conservation Programs"?

17 A. Duquesne has only recently received the Commission's Final Order [Docket No. R-
18 000960890F0010, entered July 11, 1997] on Universal Service and Energy
19 Conservation. As such, we are still evaluating the various aspects of the
20 Commission's Order but have initiated actions to develop a comprehensive and
21 multi-year Universal Service and Energy Conservation Plan that would reflect the

1 features of our existing policies, protections and services but also address (at a
2 minimum) such issues as:

- 3 • Needs assessment,
- 4 • Identification of the supplier of last resort,
- 5 • Inclusion of renewable resources,
- 6 • Customer education targeting low income customers,
- 7 • Customer access to competitive markets,
- 8 • Estimates of operational costs,
- 9 • Funding mechanisms, and
- 10 • Advisory panels.

11 Our Universal Service and Energy Conservation Plan is scheduled to be completed
12 on or before November 1, 1997.

13 Q. What does "universal service and energy conservation" include?

14 A. Section 2803 of the Act defines "universal service and energy conservation" as
15 "[p]olicies, protections and services that help low income customers to maintain
16 electric service. The term includes customer assistance programs, termination of
17 service protection and policies and services that help low-income customers to reduce
18 or manage energy consumption in a cost-effective manner, such as the low-income
19 usage reduction programs, application of renewable resources and consumer
20 education."

1 Q. How does the Company plan to meet these objectives?

2 A. At this time, the Company plans to continue its existing programs, as described below.

3 The Company views these programs as an array of resources, not as stand-alone
4 programs, available to low-income customers. The Company will continue to fund
5 these activities at current levels pending future review of the need for, and effectiveness
6 of, these programs.

7 Q. Please identify and briefly describe the existing programs.

8 A. Duquesne sponsors the following programs:

9 **Customer Assistance Program:** This is a pilot program currently with about
10 1,600 participants and annual funding of \$500,000. The program writes off past
11 arrearages over three years if the customer makes monthly payments. The program
12 also helps customers to reduce electricity consumption.

13 **Smart Comfort:** This program helps about 700 customers each year, with
14 annual funding of \$700,000. The program offers cost-effective appliance and lighting
15 replacements to low income customers with high electrical usage.

16 **CARES:** This program, currently with about 4,500 participants and annual
17 funding of \$130,000, is targeted at low-income customers and senior citizens. The
18 program seeks to link customers with social service programs that will help them pay
19 for their electric service.

20 **Hardship Fund:** This program provides financial assistance to about 2,500
21 customers annually. The Company's stockholders match customer contributions up to

1 \$325,000 annually. Also, the Company contributed \$65,000 in 1996 to provide
2 administrative support.

3 **Gatekeeper:** Under this program, which is funded as part of CARES,
4 Duquesne field personnel monitor for situations (e.g., mail not picked up, concerns
5 expressed by neighbors) where elderly people may need social service support. The
6 Company asks social support agencies to visit such customers.

7 **LIHEAP:** This federally-funded program is administered by the Pennsylvania
8 Department of Public Welfare. The Company promotes the availability of the program
9 through a variety of media (e.g., bill inserts, special mailings) at an annual cost of about
10 \$65,000.

11 **Write-offs and Waivers:** Each year, the Company writes off substantial
12 arrearages or waives late payment charges for low income customers. The annual cost
13 of these write-offs and waivers is about \$5.8 and \$1.9 million, respectively. In
14 addition, the Company incurs about \$5 million annually in collection costs associated
15 with low income customer accounts.

16 Q. Is the Company proposing to sponsor any new programs in this area?

17 A. Not at this time. However, the Company will continue to consider new ideas and
18 approaches that may be cost-effective in serving the needs of low-income, payment-
19 troubled customers. As the competitive market develops, other innovative models may
20 warrant testing and evaluation. In addition, the Company will continue to improve its
21 existing programs as appropriate.

1 Q. Will Duquesne continue to use community-based organizations ("CBOs") in providing
2 universal service programs?

3 A. Yes. Past experience has demonstrated that the partnership between the Company and
4 CBOs is effective in providing universal service. Thus, the Company is committed to
5 continuing these existing relationships. There may be other CBOs with programs
6 available to assist low income customers and the Company will continue to explore
7 new ways to integrate such organizations into its universal service programs.

8 Q. Will the Company maintain its current customer protections on termination of service?

9 A. Of course. The Company will continue to comply with the Commission's regulations
10 on termination of service, as well as related provisions on credit, collection and billing
11 standards. Section 2807(D) of the Act requires the Company to continue "to provide
12 customer service functions consistent with the regulations of the Commission,
13 including meter reading, complaint resolution and collections. Customer services shall,
14 at a minimum, be maintained at the same level of quality under retail competition."

15 **V. CONSUMER EDUCATION**

16 Q. Does the Act address consumer education?

17 A. Yes. Section 2807(D) of the Act requires all electric distribution utilities to develop
18 and implement a comprehensive plan informing customers of the changes in the
19 electric utility industry and providing them with information necessary to help them
20 make appropriate choices as to their electric service.

21 Q. Please describe Duquesne's customer education program.

1 A. Duquesne's program is multi-faceted. The program uses the media and methods most
2 effective to convey complex topics appropriately to the individual segments of our
3 customer base.

4 Duquesne's program started with a broad-based public information campaign.
5 This included a series of 500-word "advertorials" in local newspapers, with a
6 concurrent direct mailing to about 25,000 residential, commercial and industrial
7 customers. Each advertorial provided a detailed but understandable explanation of a
8 significant issue related to direct access. This effort was paralleled by a series of 25-
9 word advertisements in local newspapers, with content and graphics targeted at a
10 broader segment of customers. In addition, the advertorials and advertisements appear
11 regularly on the Company's Internet website.

12 Duquesne's program also includes a team of specially trained telephone
13 representatives available to answer customer inquiries about direct access. A
14 dedicated, toll-free line is being used for this purpose. A brochure is also available for
15 mailing to customers upon request.

16 Duquesne has also trained other representatives to speak with customer groups
17 about direct access and the attendant changes. These presentations also provide a
18 forum for responding to customer questions.

19 A videotaped cable TV program will also be available for use by basic cable
20 channels accessible to residents in the service territory. The program contains general
21 educational material about direct access. Video cassette copies of the program will also

1 be made available through community libraries, municipal offices and other public
2 sources.

3 In addition, our employees frequently convey information informally to family,
4 friends and acquaintances. To ensure they have (and thus convey) accurate
5 information, the Company's internal communications to employees regularly discuss
6 restructuring and related issues.

7 Finally, regular customer communications such as bill inserts also will address
8 direct access.

9 Q. Will the Company work with other groups in its educational effort?

10 A. Yes. The Company will offer assistance to a range of third-party groups such as
11 universal service CBOs, Chambers of Commerce, community action agencies, senior
12 citizen groups and neighborhood improvement groups. Working with local
13 government officials and community outreach organizations, the Company will offer
14 information workshops on direct access. Similarly, Company employees are available
15 upon request for educational presentations to groups throughout the service territory.
16 The Company also will provide groups with prepared materials on restructuring to
17 supply to their members, clients or other interested parties. This is a cost-effective
18 outreach approach that enables the Company to enhance its educational efforts by
19 partnering with respected community organizations to deliver understandable
20 information to consumers.

21 Q. Will the Company assess the effectiveness of its customer education program?

1 A. Yes. The Company will use several established research techniques. Generally, the
2 Company will use the same kinds of techniques it has already used to assess its
3 educational efforts.

4 For example, the Company retained an independent research firm to conduct
5 one-on-one interviews to test consumers' reaction to the proposed advertorials. Most
6 respondents perceived the advertorials as promoting informed decisions in a fair and
7 unbiased perspective.

8 The Company also retained an independent research firm to conduct a series of
9 customer focus groups. Generally, the customers indicated a realistic understanding of
10 the upcoming changes due to restructuring. The customers also provided valuable
11 suggestions on improving Duquesne's educational program.

12 The Company also has used monthly surveys and other studies to evaluate
13 customers' understanding of restructuring. Tracking surveys have assessed customers'
14 awareness of the Company's advertisements and their understanding of the messages.

15 The Company also will solicit feedback from CBOs and other groups on the
16 effectiveness and understandability of its educational efforts.

17 The Company will adapt its educational materials and techniques as needed
18 based on this evaluation and on input from the Commission.

19 Q. Does the Company use its educational program as a marketing tool?

20 A. No. Consumer education is separate from marketing. The Company recognizes that
21 consumer education should inform customers about restructuring, customer choices

1 and changes in bill format, without seeking to influence customer decisions about
2 power suppliers. The principal purpose of marketing, on the other hand, is to convince
3 customers to select a particular supplier. In short, consumer education is supplier-
4 neutral; marketing is supplier-specific. The Company will seek to provide unbiased,
5 credible and understandable educational information in compliance with the
6 Commission's plain-language guidelines.

7 **VI. RETAIL SERVICES CODE OF CONDUCT**

8 Q. Will the Company compete for the sale of energy and energy-related services in its
9 service territory?

10 A. Duquesne expects to compete in the restructured retail market as a competitive supplier
11 of electric energy, capacity and related services. However, at the present time, the
12 specific structure and timeline for doing so has yet to be established.

13 Q. Is the Company proposing a code of conduct that will assure that nonaffiliate suppliers
14 are treated fairly?

15 A. Yes. I have attached as Exhibit FH-2 a proposed code of conduct that applies to the
16 provision of regulated and unregulated services by Duquesne. This code will apply if
17 and to the extent that Duquesne offers unregulated services to customers within its
18 service territory. As indicated, Duquesne has not yet formulated a timeline or specific
19 strategy with respect to the provision of such services.

20 Q. Please summarize the key principle on which the code of conduct is based.

1 A. The key principle underlying the code of conduct is that Duquesne employees engaged
2 in providing regulated services should not provide preferential treatment to employees
3 engaged in unregulated services.

4 **VII. ECONOMIC DEVELOPMENT RATES**

5 Q. Does Duquesne presently have Economic Development rate incentives?

6 A. Yes. Duquesne presently has Riders No. 8, 9 and 20 in its existing tariff. A brief
7 description of these Riders follows:

8 Rider No. 8 is applicable to existing qualifying manufacturing or processing
9 customers as defined in Section D of the latest Standard Industrial Classification (SIC)
10 Manual. It offers variable percentage discounts for load of 100 kW or greater on a 5
11 year contract basis to both the incremental Capacity and incremental Energy Charges
12 of Rates GM, GL, and L.

13 Rider No. 9 is applicable to all new qualifying manufacturing or processing
14 customers as defined in Section D of the latest Standard Industrial Classification (SIC)
15 Manual. It offers variable percentage discounts for load of 100 kW or greater on a 5
16 year contract basis to the entire Capacity and Energy Charges of Rates GM, GL, and L.

17 Rider No. 20 is applicable to all new or existing smaller qualifying
18 manufacturing or processing customers as defined in Section D of the latest Standard
19 Industrial Classification (SIC) Manual. It offers variable percentage discounts for new
20 or incremental load up to 100 kW on a 5 year contract basis to the Capacity Charge
21 only of Rate GS/GM.

1 Q. Have these economic development initiatives been effective?

2 A. Yes. Duquesne has taken a proactive role in attracting and retaining industrial and
3 commercial entities in Pennsylvania. As conveyed to the Governor and the General
4 Assembly in her report (dated July 3, 1996), *The Restructuring of the Electric Utility*
5 *Industry*, (former) Vice Chairman Lisa Crutchfield noted:

6 "Duquesne Light Company has assisted 178 industrial customers with
7 discounts totaling \$32.5 million while adding 107 MW of new load. In Duquesne's
8 service territory, industrial customers cannot claim that electric rates are making them
9 uncompetitive in the U.S. and in the global international markets. These electric rates
10 are lower than electric rates in England, France, Germany and Japan." [Page 51]

11 Q. Does Duquesne continue to see a role for Economic Development incentives after
12 customer choice is fully implemented by January 1, 2001?

13 A. Following the transition period which is scheduled to end January 1, 2001, Duquesne
14 believes the Economic Development rate incentives applicable for new Industrial
15 customers - Riders 9 and 20 - should continue to be available as part of bundled and
16 unbundled service. For those customers choosing unbundled rates, the CTC
17 component may prove to be a disincentive to locate in Duquesne service area, unless
18 discounted comparable to the level of benefits associated with existing Economic
19 Development Riders 9 and 20. By continuing to offer Riders 9 and 20, we will provide
20 more pricing options for customers with comparable (therefore, unbiased) benefits
21 between bundled and unbundled service. Riders 8 and 20, applicable to expansion of

1 existing industrial customers, will be discontinued. These riders provide economic
2 incentives for incremental load and usage for existing industrial customers. A
3 comparable incentive (depending on load factor) will be embedded in the proposed
4 design of the unbundled rates because the CTC is based on historical, baseline usage
5 with all incremental usage being priced at lower tail block energy rates. Therefore, if a
6 customer is eligible for unbundled rates, there is sufficient incentive to expand their
7 business using unbundled rates, thus making the bundled rate with Riders 8 and 20
8 unnecessary.

9 Q. Does Duquesne see a role for Economic Development rate incentives during the
10 transition period from January 1, 1999 to January 1, 2001?

11 A. Because the customer choice legislation requires the continued offering of bundled
12 service, along with rate caps for total charges through the phase-in period, Duquesne
13 plans to continue to offer its Economic Development rate incentives for existing
14 customers through 2000. Riders 8 and 20 (applicable to existing Industrial customers)
15 will be discontinued and not available for any customers eligible to receive unbundled
16 service. Existing customers who are taking service with the economic development
17 riders will continue to receive the prescribed economic development incentive (i.e.,
18 discount) through the remainder of their 5 year contract through adjustments in the
19 CTC calculation. Duquesne sees a role for Economic Development rate incentives for
20 new customers during this period for the same reasons as outlined in the preceding
21 answer.

1 Q. Does Duquesne have any other tools for use in Economic Development?

2 A. While the ED riders represent standard offers with pricing incentives that minimize the
3 need for time consuming negotiations and ensure comparable pricing among
4 customers, the riders do not offer the pricing flexibility for the attraction or retention of
5 load. Rule 4, in its present form, has proven to be a useful tool for developing
6 customer-specific pricing. Additionally, Rule 4 has proven to be an effective
7 mitigation strategy, whereby the pricing flexibility of Rule 4 has allowed Duquesne to
8 secure significant incremental load and the associated contribution to fixed costs.
9 Without this competitive pricing, we would have lost incremental sales and lost that
10 potential contribution to stranded costs.

11 Q. Does Duquesne expect to introduce any new economic development incentives?

12 A. Yes. As indicated in Mr. Lahtinen's testimony, we will be introducing a new economic
13 development rider applicable to commercial and industrial customers who locate
14 within designated Economic Development Areas of Choice, as defined in Exhibit FH-
15 1. The design of this rider, and the incentives it will offer, are to be patterned after the
16 existing Rider 9. While the existing Rider 9 applies to larger (i.e., >100kw)
17 manufacturing or processing customers, the new rider will apply to any qualifying
18 commercial or industrial customer (i.e., Rates GM, GL or L) with a load of 25 kw or
19 greater. This new rider effectively complements the existing Riders 9 and 20
20 previously discussed as an incentive for new business to locate within the service
21 territory. For a typical industrial or commercial customer, this rider will provide an

1 average of 20-25% reduction in the tariff rate over a five-year period. The new rider
2 would go into effect at the start of the phase-in period, scheduled for January 1, 1999.

3 Q. Does this conclude your testimony?

4 A. Yes.

Economic Development Areas of Choice

Definitions¹

"City" - Any city of the first, second, second class A or third class. "The city" shall mean the particular city for which a particular Authority is created.

"Municipality" - Any county, city, borough or township.

"New Service Location" - A location having one or more delivery points for electric service which will be billed separately by the Company under a single billing address:

- (a) To which the Company has not previously supplied electric service
- (b) To which the Company has previously supplied electric service provided that such service had been discontinued prior to January 1, 1998, and has remained inactive.

"Redeveloper" - Any individual, government, partnership or public or private corporation that shall enter or propose to enter into a contract with an Authority for the redevelopment of an area, or any portion thereof, or any building or structure thereon, under the provisions of this act.

"Redevelopment Authority" - A public body and a body corporate and politic created and organized in accordance with this act.

"Redevelopment-C" - Undertakings and activities for the elimination of blighted areas. Such undertakings and activities may include the planning, replanning, acquisition, rehabilitation, conservation, renewal, improvement, clearance, sale, lease or other disposition of real property, buildings or other improvements in blighted areas, or portions thereof, the relocation of

¹ Title 35, Chapter 18a, Section 1703 of Purdon's Pennsylvania Statutes.

businesses and families affected thereby into or outside of a redevelopment area, or any combination of such undertakings and activities, the installation, construction or reconstruction of streets, utilities, parks playgrounds and other improvements necessary for carrying out in the blighted area the objectives of this activity in accordance with the redevelopment area plan, and carrying out plans for a program of voluntary repair, rehabilitation, and conservation of real property, buildings or other improvements in accordance with the redevelopment area plan.

"Redevelopment Area" - Any area, whether improved or unimproved, which a planning commission may find to be blighted because of the existence of the conditions enumerated in section two of this act so as to require redevelopment under the provisions of this act.¹

Site Qualifying Conditions

1. Economic Development Areas of Choice consist of New Service Locations located in a City or Municipality within a Redevelopment Area.
2. The Redevelopment Area must have a minimum area of 100 acres under Redevelopment by a Redeveloper.

Duquesne Exhibit No. FH-2

R-00974104

Witness: Frank Hoffmann

**DUQUESNE LIGHT COMPANY
CODE OF CONDUCT FOR RETAIL SERVICES**

I. Scope

This code of conduct applies to the employees of Duquesne Light Company ("Duquesne") or any of its affiliate or associate companies that are engaged in the marketing and sale of products and services to Duquesne's franchised retail customers.

II. Definitions

"Aggregate Customer Information" shall mean data that relates to a group of Duquesne's franchised customers and from which individual customer identities and characteristics have been removed.

"Confidential Customer Information" shall mean nonpublic information regarding an individual customer that Duquesne has obtained from the customer regarding (i) the price, quantity, type, or destination of a Regulated Service provided to the customer, (ii) information regarding the customer's billing, payment or credit history for Regulated Services, or (iii) information regarding a customer's desire to purchase unregulated products or services.

"Market Information" shall mean information regarding the market for the provision of energy or energy-related services that is obtained by Duquesne in the course of providing Regulated Services.

"Regulated Service" shall mean a service for which Duquesne holds an exclusive obligation to serve a customer under state law, including, but not limited to, the provision of transmission or distribution services.

"Transmission or Distribution Information" shall mean nonpublic information regarding the provision of retail transmission or distribution service to Duquesne's franchised customers.

"Unregulated Service" shall mean a service for which Duquesne does not have an exclusive obligation to serve under state law.

III. Separation of Functions

Duquesne employees that are engaged in the provision of Regulated Services shall function independently from employees engaged in the provision of Unregulated Services.

IV. Nondiscrimination

Duquesne employees that are engaged in the provision of Regulated Services shall not provide preferential treatment to employees that are engaged in Unregulated Services. Regulated Services shall be offered without undue discrimination and without regard to whether the customer for such services purchases Unregulated Services from Duquesne or an affiliate of Duquesne.

V. Information Sharing

A. Confidential Customer Information

1. An employee engaged in the provision of Regulated Services shall not disclose Confidential Customer Information to any person without the prior consent of the customer.
2. An employee providing Regulated Services may solicit the release of Confidential Customer Information to qualified suppliers of products or services, but may not solicit the release of such information exclusively on behalf of any entity, including affiliates providing Unregulated Services.

B. Supplier Charge Information

Supplier electricity charges provided to Duquesne employees engaged in the provision of Regulated Services for the purpose of providing consolidated bills to customers shall not be released by those employees to Duquesne employees providing Unregulated Services.

C. Other Information

If Aggregate Customer Information, Market Information or Transmission and Distribution Information is transferred from an employee providing Regulated Services to an employee providing Unregulated Services, such information shall be made available upon request to any nonaffiliate.

D. Reliability

Notwithstanding any other provision of this Code of Conduct, in emergency circumstances affecting system reliability Duquesne employees may take whatever steps are necessary to protect system reliability or the health and safety of employees, customers or others.

E. Officers and Directors

Nothing in this Code of Conduct shall prohibit an officer or director of Duquesne or any of its affiliates or subsidiaries from performing his or her duties, provided that, in performing such duties, the officer or director does not provide information that is subject to Section V of this Code of Conduct to employees engaged in the provision of Unregulated Services or, if such information is provided to such persons, the information must be disclosed to nonaffiliates upon request in accordance with this Code of Conduct.

VI. Pricing of Goods and Services

To the extent Duquesne provides support services, including, but not limited to, legal, human resources, accounting, and information systems, to employees providing Unregulated Services, the costs associated with the provision of such services shall be

allocated on a nondiscriminatory basis and in a manner that reflects the degree to which such employees have caused such costs to be incurred.

VII. Dispute Resolution

Duquesne shall establish and file with the Commission a dispute resolution procedure to address complaints alleging violations of this Code of Conduct.

VOLUME III

Duquesne Statement No. 7

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**DUQUESNE LIGHT COMPANY
DOCKET NO. R-00974104**

**Direct Testimony
of
Robert A. Irvin**

Contents:

**Regarding Current Prices of Electricity, Certain Retail Access
Implementation Issues, and the Separation of Transmission and Distribution Assets**

DIRECT TESTIMONY OF ROBERT A. IRVIN

I. QUALIFICATIONS

1 Q. Please state your name, address and job title.

2 A. My name is Robert A. Irvin and my business address is 411 Seventh Avenue, Pittsburgh,
3 Pennsylvania 15230-1930. I am employed by Duquesne Light Company ("Duquesne")
4 as General Manager, System Operations Unit.

5 Q. Please describe your work history at Duquesne.

6 A. I have been employed in this position since August 1988. I have held various positions in
7 System Operations since I joined the Company in June 1960, except for the period from
8 1978 to 1984 when I was Technical Assistant to the Vice President of Operations. I have
9 worked for Duquesne for 37 years.

10 Q. Please describe your current responsibilities at Duquesne.

11 A. Among my duties as General Manager, System Operations Unit, I am responsible for
12 bulk power sales and purchases. In performing my duties, members of my organization
13 negotiate power transactions on a day-to-day basis with representatives of other vertically
14 integrated utilities in Duquesne's market, as well as power marketers that typically do not
15 own generation assets.

II. SUMMARY OF TESTIMONY

16 Q. Please state the purpose of your testimony.

17 A. The purpose of my testimony is threefold. First, I will discuss several market issues

1 related to Duquesne's filing – current market prices for power delivered in Duquesne's
2 service territory and the Request for Proposals (“RFP”) recently issued by Duquesne.
3 Second, I will discuss certain implementation issues of retail choice concerning open
4 access to unbundled distribution, transmission, and ancillary services, as well as how
5 Duquesne proposes to implement legislative requirements for distribution companies and
6 electric suppliers. Finally, I will describe how Duquesne differentiated between PaPUC-
7 jurisdictional distribution and FERC-jurisdictional transmission assets.

8 Q. Please summarize your conclusions regarding market issues.

9 A. First, I conclude that the average hourly market price of power sold by Duquesne has
10 been and currently remains below \$0.02/kWh (or \$20 per MWH). My conclusion is
11 based on actual sales made by Duquesne over the past several years. I also present the
12 results of Duquesne's recent competitive market solicitation to sell at wholesale (i) 50
13 MW of firm power for the term of one year, commencing January 1, 1998 and (ii) 100
14 MW of firm power for a term of eight years, commencing January 1, 1998. The winning
15 bids reveal levelized market prices of \$18.16 and \$20.19 per MWH for one and eight
16 years, respectively.

17 Q. Please summarize your conclusions with respect to the implementation of retail choice.

18 A. I have three main conclusions. First, Duquesne's plan provides non-discriminatory, open
19 access for distribution, transmission and ancillary services. Second, Duquesne's plan
20 complies with the requirements in Sections 2807 and 2809 of the Electricity Generation
21 Customer Choice and Competition Act (hereafter referred to as the “Act”) pertaining to
22 the responsibilities of distribution companies and requirements of electric suppliers,

1 respectively. Third, Duquesne's plan will maintain system reliability both as it pertains
2 to transmission service and generation reserves.

3 Q. Please summarize your conclusions regarding how Duquesne split distribution and
4 transmission assets for purposes of differentiating between PaPUC-jurisdictional
5 distribution and FERC-jurisdictional transmission.

6 A. Duquesne's engineering analysis supports continued use of the transmission/distribution
7 functionalization that is reflected in Duquesne's system of accounts. Maintaining this
8 traditional functionalization will prevent cost-shifting and therefore is consistent with the
9 intent of the Act.

III. MARKET ISSUES

10 Q. Please describe the market issues you plan to discuss.

11 A. I will discuss two market issues related to Duquesne's filing:

- 12 1. Current market prices in this market
- 13 2. The recent competitive RFP Duquesne issued to sell firm power and the results from
14 that solicitation.

15 Each of these is addressed in turn.

1. Current Market Prices in the Duquesne Market

16 Q. Please discuss your experience with respect to the market price of power for Duquesne-
17 supplied generation.

18 A. I will first discuss Duquesne's annual sales to a customer within PJM that have ranged
19 between 100 MW and 350 MW over the past four years (1994-97). I do not refer to the

1 PJM customer by name because it has requested that its identity be kept confidential.
2 However, I am attaching the relevant price information as Exhibit RAI-1 to my
3 testimony.

4 Q. What prices were contained in the agreements?

5 A. In accordance with the customer's preferences, the prices were structured to include a
6 demand charge, an operating capacity charge and an energy charge. (There also were
7 scheduling provisions and penalties for non-delivery that increase the "firmness" of the
8 power from a financial perspective.) Combining these various charges, I provide below a
9 calculation of the annual average price (in \$/MWH) using (i) the assumption that the
10 customer would schedule the full contract amount each hour and (ii) the actual delivered
11 amounts (computed on an "after the fact" basis). While the former may better reflect the
12 market price to the customer at the time it agreed to these prices, I include the latter for
13 completeness.

Year	Prices at Anticipated Deliveries	Prices at Actual Deliveries
1994	\$18.37/MWH	\$18.49/MWH
1995	\$19.07/MWH	\$19.28/MWH
1996	\$18.90/MWH	\$18.93/MWH
1997	\$17.52/MWH	\$17.48/MWH (Jan. - June)

14 The support for my calculations is included in Exhibit RAI-2.

15 Q. How was the power delivered to PJM?

16 A. Duquesne delivered the power to its interconnection with West Penn Power Company;

1 West Penn transmitted the power across its system to PJM; and the customer, a member
2 of PJM, used its contractual rights to use certain PJM transmission facilities to import the
3 power to its system. The cost of transmitting power from Duquesne to the customer was
4 borne by the customer, not Duquesne¹. Thus, the contract prices were for delivery at the
5 Duquesne-West Penn border and reflect the market price in the Duquesne area, not
6 market prices in PJM, which tend to be higher than those in ECAR. Mr. Lahtinen
7 discusses the price differences between PJM and ECAR in more detail.

8 Q. Do any other recent power transactions provide relevant information?

9 A. Yes. In 1996 and 1997 Duquesne entered into contracts giving Duquesne the option to
10 purchase firm power during the peak summer months. Duquesne entered into these
11 contracts as a form of insurance against unexpected generation outages or summer load
12 exceeding projected levels. The contracts included two different charges. The first was a
13 reservation charge for the right to call on a specified amount of generating capacity. The
14 second was an energy charge that would apply if and when Duquesne exercised its option
15 to schedule the capacity.

16 Q. Can you calculate a value of firm capacity from the reservation charge?

17 A. Yes. I calculate this capacity value by dividing the reservation fee (which gives
18 Duquesne the right to call on the capacity) by the number of on-peak hours that the fee
19 entitles Duquesne to schedule capacity under the contract. (See Exhibit RAI-3.) The
20 resulting charge is \$0.0009/kW-hr (\$0.9/MW-hr) for 1996 and \$0.0015/kW-hr

¹ The only exception was that, for the 1997 sale, Duquesne agreed to supply the losses across the West Penn System associated with the sale. These losses represent only 3% of the total sale.

1 (\$1.5/MW-hr) for 1997. As these figures indicate, even for the peak summer months, the
2 market price of firm capacity is very low.

2. Description of RFP and the Results

3 Q. Please describe the RFP recently conducted by Duquesne.

4 A. On June 6, 1997 Duquesne issued an RFP seeking bids (i) to purchase 50 MW of firm
5 power for a term of one year, commencing January 1, 1998, and (ii) to purchase not less
6 than 100 MW, nor more than 500 MW, of firm power for a term of eight years,
7 commencing January 1, 1998. The specific terms of the RFP, and the associated Power
8 Sales Agreement, are set forth in Exhibit RAI-4.

9 Q. Please describe how potential purchasers were made aware of the RFP.

10 A. Duquesne made extensive efforts to publicize the RFP and encourage broad purchaser
11 participation. The RFP was sent directly to approximately 300 potential purchasers. The
12 list of potential purchasers included all power marketers registered with FERC as well as
13 various utilities with which Duquesne sells and purchases power from time to time. (See
14 Exhibit RAI-5 for a list of the suppliers who received the RFP.) In addition, a press
15 release was distributed to a large number of news and industry trade publications (Exhibit
16 RAI-6) and an advertisement was published on page A2 of the Wall Street Journal on
17 June 9, 1997 (Exhibit RAI-7.) The RFP and associated documents also were made
18 available in their entirety on-line over the Internet. Several industry publications printed
19 stories about the RFP. Exhibit RAI-8 provides a sample of the articles published.

20 Q. You stated that Duquesne made extensive efforts to publicize the RFP. Did Duquesne

1 design any aspects of the RFP to further encourage responses to the RFP?

2 A. Yes, the RFP had several features that were intended to encourage participation. For
3 example, bidders were permitted to submit bids as small as 2 MW. Typically, wholesale
4 transactions involve much larger quantities, but Duquesne chose to also allow small
5 suppliers an opportunity to purchase firm power in the RFP.

6 Duquesne also made a commitment to sell power to the highest bidder(s).
7 Duquesne included this commitment because, in my experience, it is not uncommon for a
8 utility to conduct an RFP without following through by awarding capacity and energy to
9 the winning bidders. Uncertainty regarding the utility's level of commitment to an RFP
10 can dampen bidder participation, something Duquesne sought to avoid through this
11 commitment to sell.

12 Duquesne also made the RFP as detailed as possible. Duquesne published an
13 explanatory document (the RFP itself) that provided all the relevant bidding rules,
14 summarized important contractual terms, and provided a formal schedule pursuant to
15 which bids would be submitted and considered. Duquesne also included a standard form
16 contract (the Power Sales Agreement, or "PSA") that each winning bidder would sign.
17 The PSA provided bidders all the relevant contractual information in advance and
18 reduced the uncertainty associated with negotiations over non-price terms and conditions.

19 Finally, Duquesne invited bidders to submit questions and comments on the RFP.
20 Duquesne committed to respond promptly to each inquiry by posting each question and
21 answer on Duquesne's Internet page. This process allowed potential bidders to resolve
22 questions in advance of submitting their bids. It also ensured that all bidders would have

1 access to the same information on which to base their bids, given that all answers were
2 posted on the Internet. This process attracted 15 questions, each of which Duquesne
3 answered promptly. In one instance Duquesne agreed to modify the PSA to
4 accommodate a potential bidder's concern. See Exhibit RAI-9 for RFP questions and
5 answers.

6 Q. Please turn to the substantive terms of the RFP. You stated that Duquesne offered to sell
7 "firm power." What does "firm power" mean in the context of a competitive generation
8 sector?

9 A. To answer the question I first must describe the meaning of "firm power" prior to the
10 recent era of open access. Traditionally, firm power connoted a commitment to provide
11 the customer with a level of reliability comparable to that provided to franchised retail
12 customers. This meant, for example, that a firm sale would be curtailed only after all
13 economy energy sales had been curtailed and after the curtailment of interruptible retail
14 customers. To the extent, however, that the firm sale had to be interrupted, there was no
15 associated financial penalty. Thus "firmness" of the sale was related to the customer's
16 place in a curtailment priority queue and, in many instances, was accompanied by a "best
17 efforts" commitment to secure power on the wholesale market should the utility's internal
18 resources be insufficient to meet the demands of all firm customers.

19 In today's market environment, however, curtailment priorities that relate to
20 "native load" commitments and "non firm" sales have less relevance, and power
21 marketers in particular are demanding that "firm power" be backed up by financial
22 penalties for a failure to deliver. Duquesne therefore structured its PSA to provide both a

1 contractual obligation to sell power on a firm basis and financial penalties should
2 Duquesne fail to deliver. Specifically, Duquesne is obligated to make available the full
3 contract amount to the purchaser during every hour of the contract term, subject only to a
4 minimum hourly schedule of 50% of the contract amount and an annual 75% capacity
5 factor. If, for any reason, Duquesne cannot deliver the power scheduled by the purchaser
6 -- either through dispatch of its own generation or by Duquesne purchasing power from
7 third parties -- the purchaser has the right to secure replacement power, and Duquesne
8 will reimburse the purchaser for the increased costs associated therewith. The customer
9 therefore is held harmless, from a financial perspective, for a failure to deliver. Duquesne
10 also added a provision to address the unlikely circumstance where neither Duquesne nor
11 the purchaser is able to secure power, an instance most likely limited to widespread
12 curtailments of customer load throughout the region. In such an unlikely circumstance,
13 the purchaser would receive a credit of \$200 for each MWH scheduled but not delivered.

14 Q. Please turn to the bids Duquesne received in response to the RFP.

15 A. Duquesne received five bids on the one-year sale for a total of 210 MW and 11 bids on
16 the eight-year sale for a total of 1,300 MW.

17 Q. How were the bids evaluated?

18 A. Duquesne awarded firm power to the highest bidders on a dollar per MWH basis, not a
19 total revenue basis. For example, a 10 MW bid at \$20 per MWH was ranked higher than
20 a 40 MW bid at \$19 per MWH. The eight-year bids were ranked on a present value basis
21 using a 7.94 percent discount rate.

22 Q. How many purchasers were awarded contracts?

1 A. The 50 MW of one-year power was divided between two bidders. One bidder was
2 awarded the entire 100 MW for the eight-year sale.

3 Q. Can you release the names of the winning bidders?

4 A. I can do so for the one-year sale. The winning bidders were CMS Marketing and Trading
5 and American Municipal Power-Ohio. However, the winning bidder for the eight-year
6 sale submitted its bid on the condition that it be kept confidential.

7 Q. Can Duquesne release the bid prices it received?

8 A. To encourage participation, Duquesne committed to maintain the confidentiality of the
9 bids. However, I can provide the Commission relevant information regarding the bid
10 prices without revealing the specific prices contained in specific bids. I will do so by pro-
11 viding (i) the range of bid prices submitted for the one-year sale and the weighted average
12 of the winning bids for that sale, and (ii) the range of bid prices for the eight-year sale and
13 the nominal levelized price associated with the winning bid for that sale. A "levelized"
14 price calculation yields a constant price each year of the contract term that provides the
15 same revenue, on a present value basis, as the actual price stream submitted by the
16 winning bidder for the eight-year sale. Duquesne therefore can provide market price
17 information without disclosing the bids themselves.

18 Q. Please describe this price information.

19 A. For the one-year firm power, the lowest bid was \$15.3/MWH and no bid was higher than
20 \$19/MWH. The weighted average of the two winning bids was \$18.16/MWH. As to the
21 eight-year sale of power, the lowest bid was \$16.5/MWH on a levelized basis and the

1 winning bid was \$20.19/MWH on a levelized basis.² These are "nominal" levelized
2 figures that apply throughout the eight years in contrast to a "real" levelized number that
3 escalates each year with an inflation factor. The real levelized prices associated with the
4 winning bid for the eight-year sale are provided in Mr. Schnitzer's testimony.

5 Q. Did the winning bid prices include the cost of transmission losses and other delivery
6 charges?

7 A. No. Under the RFP, purchasers were required to secure transmission service over the
8 Duquesne transmission system. Therefore, the bid prices that Duquesne solicited relate
9 solely to the value of Duquesne's firm power at the generating station, not the cost of
10 delivering that power (e.g., transmission charges).

IV. IMPLEMENTATION OF RETAIL CHOICE

11 Q. What retail choice implementation issues do you discuss?

12 A. I discuss two major issues. First, I describe Duquesne's open access proposal related to
13 distribution, transmission, and ancillary services, and second, I explain how Duquesne's
14 plan complies with Section 2807 and Section 2809 of the Act pertaining to
15 responsibilities of distribution companies and requirements for electric suppliers.

16 Q. Describe Duquesne's open access proposal with respect to the treatment of
17 nondiscriminatory distribution service?

18 A. Customers choosing alternative suppliers will be subject to distribution and customer

² These nominal levelized prices are based on a 7.83% discount factor since the Company's after-tax weighted average cost of capital was revised after the RFP was issued. This discount factor is the same as the after-tax weighted cost of capital included in Mr. Clayton's testimony.

1 charges that reflect the cost of "local distribution" facilities and other retail services
2 subject to the jurisdiction of the Commission. This service will be available and provided
3 on a nondiscriminatory basis to customers electing retail choice and to Duquesne's
4 bundled service customers.

5 Q. Describe Duquesne's open access proposal with respect to the treatment of transmission
6 and ancillary services?

7 A. FERC Order 888 requires that public utilities offer open access, nondiscriminatory
8 transmission access pursuant to filed tariffs. On July 9, 1996, Duquesne filed a tariff
9 identical to the Commission's pro forma tariff, offering point-to-point and network
10 transmission service. This tariff includes embedded cost rates for transmission and
11 ancillary services. (Some of these rates are "up to" charges.) The FERC accepted the
12 non-rate terms and conditions of the tariff,³ and the rates have been effective, subject to
13 refund, since July 9, 1996.

14 Order 888 held that the FERC has jurisdiction over the rates, terms and conditions
15 of unbundled transmission service to retail customers (but not over the rates, terms and
16 conditions of local distribution service). Consistent therewith, Duquesne will provide
17 retail transmission access pursuant to the terms and conditions of FERC's pro forma tariff
18 and unbundled rates that recover Duquesne's embedded cost revenue requirement.

19 Q. Which ancillary services will be offered?

20 A. Duquesne will offer all the ancillary services required to be offered by FERC under Order
21 888. The services are scheduling; reactive power; regulation and frequency control;

³ Atlantic City Electric et al., 77 FERC ¶ 61, 144 (1996).

1 spinning reserve; supplemental reserve; and energy imbalance.⁴ Mr. Lahtinen discusses
2 the rates for these services.

3 Q. Can electricity suppliers offer these services as well?

4 A. The FERC's Order No. 888 answers this question. I will summarize FERC's findings
5 regarding each service below. For convenience, I discuss the services in three groups.

6 Scheduling; Reactive Power. Order No. 888 held that scheduling service and
7 reactive power must be purchased from the transmission provider. Duquesne will comply
8 with this requirement by offering these services at cost-based rates to its customers.

9 Energy Imbalance; Regulation and Frequency Control. Order No. 888 recognizes
10 that energy imbalance service and regulation and frequency response service are services
11 that are automatically provided by the control area operator because only the control area
12 operator can balance the difference between the amount of power scheduled and the
13 amount of power consumed on a dynamic basis. The two services are similar but distinct.
14 Energy imbalance service is associated with mismatches in generation and load over an
15 entire hour, while regulation and frequency response service is associated with balancing
16 generation and load on a moment-to-moment basis within each hour. Because
17 Duquesne's generation automatically responds to restore the balance between the power
18 scheduled and the power consumed, Duquesne automatically provides this service to each
19 of the customers within its control area.

20 The FERC recognized, however, that some customers may desire to use "dynamic

⁴ The FERC does not consider transmission losses to be an ancillary service and therefore losses are discussed separately below.

1 scheduling" to avoid energy imbalance charges and regulation and frequency response
2 charges. Dynamic scheduling essentially removes the customer's load from Duquesne's
3 control area and places that customer's load within another control area. As a result,
4 Duquesne's generation is not required to respond to restore supply and demand
5 imbalances for that customer; rather, generation in the other control area provides the
6 required response. Order No. 888 requires Duquesne to work in good faith with suppliers
7 that wish to establish dynamic scheduling and requires the customer to pay the associated
8 costs. Duquesne will comply with these requirements.

9 Operating Reserves (Spinning and Supplemental). The other two services are
10 different types of operating reserves: (i) spinning reserve service and (ii) supplemental
11 reserve service. As described by FERC: "Operating reserve is extra generation available
12 to serve load in case there is an unplanned event such as loss of generation. Generation
13 held for operating reserve should be located near the load, typically in the same control
14 area." Order No. 888 at 214. Duquesne will offer these services to customers at cost-
15 based rates, as required by Order No. 888, and will allow electric suppliers to offer these
16 services to the extent they are permitted to do so under ECAR rules. At present, ECAR
17 requires that spinning reserve be provided within the control area, but does not impose
18 the same requirement on supplemental reserve. Duquesne will comply with this ECAR
19 rule and will provide spinning reserve service to all customers within the control area and
20 will allow electric suppliers to offer supplemental reserves.

21 Q. Who will pay for these services?

22 A. Three of the services will be charged directly to all retail customers within Duquesne's

1 control area: reactive supply, regulation and frequency control, and spinning reserve.
2 Having paid the rates for these services, as well as for transmission and distribution
3 service, customers electing retail choice will have the ability to receive power from any
4 electric supplier without the imposition of additional charges from Duquesne for these
5 services.

6 Electricity suppliers will be responsible for the other three services (scheduling,
7 energy imbalance and supplemental reserve). This is appropriate because these charges
8 are dependent on actions undertaken by the suppliers. For example, scheduling charges
9 will vary with the number of schedules and schedule changes submitted. Energy
10 imbalance charges will vary with the degree to which a supplier's schedule matches the
11 demands of its customers. Duquesne will charge for supplemental reserve only if the
12 supplier chooses to purchase supplemental reserve from Duquesne. As Mr. Lahtinen
13 describes, control area customers will receive an annual credit for revenues collected
14 from suppliers, net of any additional expenses incurred. This will ensure that customers
15 are not "charged twice" for ancillary services.

16 Q. How will Duquesne treat transmission losses?

17 A. Duquesne will require electricity suppliers to supply or purchase the transmission losses
18 associated with their electricity deliveries over the Duquesne transmission system.
19 (Distribution losses will be recovered as part of the distribution charge.) Electricity
20 suppliers will have the option of providing the real power losses themselves or
21 purchasing them from Duquesne consistent with FERC Order 888. The rate (if purchased
22 from Duquesne) and the amount of losses that must be supplied will be governed by

1 Duquesne's FERC's pro forma tariff.

2 Q. Explain how Duquesne will satisfy Section 2807 of the Act relating to responsibilities of
3 distribution companies?

4 A. The Act requires distribution companies to:

5 maintain the integrity of the distribution system at least in conformity
6 with the National Electric Safety Code and such other standards practiced
7 by the industry in a manner sufficient to provide safe and reliable service
8 to all customers connected to the system consistent with the Act and the
9 Commission's regulations. In performing such duties, the electric
10 distribution company shall implement procedures to require all electric
11 generation suppliers to deliver energy to the electric distribution company
12 at locations and in amounts that are adequate to meet the energy
13 supplier's obligations to its customers. [Section 2807 (A)]
14

15 Duquesne will continue to provide safe and reliable delivery service (i.e., transmission
16 and distribution) to all customers. As to safety, Duquesne will continue to operate its
17 facilities to ensure public and worker safety to the maximum practicable extent. As to
18 reliability, the delivery portion of the service will be firm and thus will be no different in
19 quality than the service customers receive today. To comply with the Act, Duquesne's
20 distribution business will abide by the following procedures for review by the
21 Commission:

- 22 • The distribution business will have the ability to receive energy at all points on its
23 system sufficient to meet the needs of all electric generation suppliers' customers on
24 its system.
- 25 • The distribution business will not have an obligation to install nonstandard facilities
26 unless the energy supplier or its customers pays the full cost of these facilities.

- 1 • The distribution business shall upgrade its system to meet changing customer
2 requirements consistent with the requirements of Section 1501 relating to character
3 of service and facilities.

4 Duquesne will also ensure accurate, concise and timely information exchange between
5 the local distribution business, competitive electric generation suppliers and the control
6 area operator.

7 Mr. Allison describes in his testimony how Duquesne's plan complies with
8 specific requirements in the Act pertaining to customer billing, consumer protections and
9 customer service, Section 2807 (C) and (D). The Act also requires that, prior to the
10 implementation of retail access in 1999, "each electric distribution company, in
11 conjunction with the Commission, shall implement a consumer education program" that
12 "provide[s] consumers with information necessary to help them make appropriate choices
13 as to their electric service." Section 2807(D)(3). Mr. Hoffmann will address how
14 Duquesne's distribution business shall implement a consumer education program that
15 complies with this section of the Act.

16 Q. The Act requires that the distribution company retain its full obligation to serve,
17 including the connection of customers, the delivery of electric energy and the production
18 or acquisition of electric energy for customers, during the period when it is collecting a
19 CTC. Section 2807 (E). Please describe how the distribution company will comply with
20 this obligation to serve?

21 A. Duquesne's distribution business will maintain throughout the transition period its "full"
22 obligation to serve consistent with the Act:

- 1 • For customers that either do not yet have retail access or choose to continue taking
2 supply services from Duquesne, the Company will continue to plan and operate its
3 system to serve their demands in the same manner as it does today.
- 4 • For customers that choose an alternative electricity supplier, Duquesne will have an
5 obligation to provide firm transmission, distribution and ancillary services, as well as
6 allow customers to return to Duquesne’s unbundled generation service at the rate
7 cap.

8 In addition, as the Act requires, Duquesne will maintain adequate reserve margins in
9 conformity with the standards required by NERC and ECAR. Section 2804 (1). I discuss
10 the operating reserve requirements later in my testimony and Mr. Karl describes how
11 Duquesne will maintain adequate reserve margins throughout the transition period.

12 Q. Explain how Duquesne will satisfy Section 2809 of the Act pertaining to requirements for
13 electric suppliers?

14 A. As part of Duquesne’s effort to provide customers the same level of system reliability that
15 they currently enjoy today, certain requirements related to electricity supplier
16 (“Supplier”) involvement are included as an integral part of Duquesne’s Customer Choice
17 Plan. Suppliers must provide satisfactory documentary evidence of certification or
18 licensure by the Commission.

19 Q. Does Duquesne propose that the Commission’s already promulgated interim licensing
20 requirements be adopted for general use during the phase-in and beyond?

21 A. Yes. Duquesne plans on adopting the Commission’s licensing requirements.

22 Q. What procedure will Duquesne employ to ensure that all Suppliers for whose customers

1 Duquesne is providing unbundled electric delivery service have current licenses?

2 A. In addition to the requirement that suppliers in Duquesne's retail access program provide
3 documentary evidence of licensure, Duquesne proposes that the Commission inform
4 Duquesne immediately when a Supplier's license has been revoked. In such
5 circumstances, during the period in which Duquesne will be recovering its CTC, and in
6 accordance with its obligation to serve, Duquesne will provide power to customers until
7 or unless the customers obtain their supply from another Supplier.

8 Q. What is the reciprocity requirement in the Act and how will Duquesne comply with that
9 requirement?

10 A. The Act provides that "no electric utility regulated by the Commission and no affiliate of
11 such electric utility may use the distribution system of another electric utility regulated by
12 the Commission or make sales to end-use customers in another electric utility's service
13 territory unless the Commission has approved a restructuring plan for the supplying
14 electric utility which provides for direct access comparable to the direct access provided
15 under the approved plan of the electric utility operating the distribution system in the
16 location where the supplying electric utility seeks to sell electricity to an end-use
17 customer." See Section 2805. Duquesne will implement procedures that ensure
18 compliance with this provision of the Act. For example, an affiliate or competitive
19 generation marketing group or division of a Pennsylvania jurisdictional utility will be
20 able to sell generation to customers in Duquesne's service territory only if any Duquesne
21 competitive marketing group or generation affiliate has comparable access to customers
22 of that Pennsylvania jurisdictional utility, and that utility applies the provisions of its

1 FERC transmission tariff in making sales to Duquesne's customers.

2 Q. Will suppliers be required to sign/enter into any agreement with Duquesne?

3 A. Yes. Duquesne and suppliers will enter into standard form service agreement governing,
4 among other things, certain ancillary service charges.

5 Q. What technical and operation standards will Duquesne require Suppliers to meet?

6 A. In order to serve retail load in Duquesne's control area, all suppliers will be required to
7 "deliver" electricity to Duquesne's control area in amounts sufficient to supply customer
8 load and transmission losses. Suppliers can comply with this standard by purchasing
9 electricity in Duquesne's annual competitive RFP solicitation or by supplying electricity
10 from an entity other than Duquesne. In addition, all Suppliers will be responsible for
11 procuring or providing certain related ancillary services. These and other requirements
12 will be applied in a nondiscriminatory manner to all electricity suppliers, and are
13 designed to maintain existing consumer protections.

14 Q. Explain how Duquesne will maintain system reliability with respect to generation
15 operating "reserves"?

16 A. All Suppliers will be subject to the same operating reserve requirements as Duquesne.
17 Under ECAR rules, supplemental reserve may be provided from sources outside the
18 control area or purchase the reserve from Duquesne. Suppliers shall provide or arrange to
19 be provided, as a minimum, Daily Supplemental Operating Reserve equal to the amounts
20 as set forth in ECAR Document No. 2, as follows:

21 **Supplemental Reserve** — An amount equal to 3% of that Supplier's maximum 60-
22 minute integrated clock hour Internal Load less Qualified Interruptible Load

1 projected for the day. Supplemental Reserve must be capable of being maintained
2 for at least four hours. This portion of the Daily Operating Reserve is to provide for
3 protection against an unexpected loss of generating capacity and load forecast error
4 and may be allocated among the acceptable components in any combination within
5 the following prescribed limits.

- 6 a. 0-100% Spinning Reserve which may be fully utilized within ten minutes
- 7 b. 0-100% Non-Spinning Reserve that may be fully utilized within ten minutes
8 which may include: Qualified Interruptible Load or Qualified Quick-Start
9 Generating Capacity
- 10 c. 0-100% prescheduled assistance from another System(s) which is fully
11 applicable within 10 minutes.

12 Q. How does Duquesne propose to handle the Supplier settlement process and determine
13 energy imbalances?

14 A. This matter is addressed by Mr. Allison.

**V. DESCRIPTION OF SPLIT BETWEEN TRANSMISSION AND DISTRIBUTION
ASSETS**

15 Q. How did Duquesne split transmission and distribution assets for purposes of
16 differentiating between PaPUC-jurisdictional distribution and FERC-jurisdictional
17 transmission?

18 A. Duquesne maintained the split in accordance with the way the assets are presently booked
19 in Duquesne's system of accounts.

20 Q. Please provide a brief description of Duquesne's electric distribution system.

21 A. The distribution system consists of a network of overhead and underground 23 KV
22 subtransmission, 13.2/23 KV distribution and 4 KV distribution circuits supplied from

1 strategically located distribution supply substations which are connected to the bulk
2 Transmission System. The 23 KV subtransmission lines originate at these distribution
3 substations and form a complex network that interconnects the distribution substations.
4 These subtransmission lines are used to support the loss of capacity of one of the
5 distribution substations, to provide service to the larger retail customers, and to supply the
6 13.2/23 KV distribution and 4 KV distribution substations described below. Both the
7 13.2/23 KV distribution and 4 KV distribution circuits are radial circuits with normally
8 open ties, and are used to supply smaller customers and most customers whose electric
9 requirements fall in the intermediate range. The 13.2/23 KV distribution circuits
10 originate in most cases from the same distribution substations that supply
11 subtransmission lines. The 4 KV distribution circuits are supplied from and originate at
12 numerous 4 KV distribution substations and some 13.2/23 KV distribution connected to
13 the 23 KV subtransmission system.

14 Q. Please describe briefly the Company's transmission system.

15 A. Duquesne's transmission system consists of approximately 161 miles of 345 KV lines,
16 410 miles of 138KV lines, 145 miles of 69 KV lines, the interconnections with
17 neighboring utilities and the 37 bulk power substations where the transmission lines
18 terminate. Duquesne's wholly-owned generating units and the jointly-owned CAPCO
19 generating units operated by Duquesne are connected to Duquesne's transmission system.
20 Other CAPCO generating units in which Duquesne has an ownership interest are
21 connected to CAPCO transmission lines located on the system of the operator of each of
22 these units. Duquesne has an investment responsibility in these CAPCO transmission

1 lines.

2 Q. Does the traditional transmission and distribution functionalization used by Duquesne
3 meet FERC's seven-prong test for distribution?

4 A. Yes. Duquesne applied FERC's seven-prong test to its transmission and distribution
5 systems. Any facility that failed to meet all of the functional criteria for distribution was
6 classified as transmission. As a result, all electric facilities 69KV and above were
7 classified as transmission and all facilities 23KV and below were classified as
8 distribution. There are no facilities between 23KV and 69KV.

9 Q. Does the traditional functionalization prevent cost-shifting, consistent with the intent of
10 the Act?

11 A. Yes. Costs are separated into transmission and distribution in a consistent manner as the
12 Company's most recent rate case. However, as Mr. James A. Lahtinen discusses in his
13 testimony, the PaPUC never approved unbundled charges for transmission and
14 distribution in the Company's most recent rate case.

15 Q. Does this conclude your testimony?

16 A. Yes, it does.

List of Bob Irvin Exhibits

- Exhibit RAI-1 Price Information For PJM Contract
- Exhibit RAI-2 PJM Contract Price Calculations
- Exhibit RAI-3 Capacity Values During Summer Peak Months
- Exhibit RAI-4 RFP And RFP Contract
- Exhibit RAI-5 List of Suppliers Receiving RFP
- Exhibit RAI-6 Press Release And List Of Trade Publications
- Exhibit RAI-7 Copy of Wall Street Journal Advertisement
- Exhibit RAI-8 Sample Articles Published In Papers And Trade Press
- Exhibit RAI-9 RFP Questions And Duquesne Responses

		Anticipated \$	Anticipated MWH	Anticipated \$/MWH	Anticipated C.F.(%)	Actual \$	Actual MWH	Actual \$/MWH	Actual C.F.(%)
Year	MW								
1994	350	63888300	3477600	18.37	100	51956189	2809696	18.49	80.8
1995	300	51098040	2679936	19.07	100	43555518	2258835	19.28	84.3
1996	300	49793143	2635200	18.9	100	48026904	2536628	18.93	96.3
1997	200/100	14511679	828120	17.52	100	8853903	506467	17.48	96.7
						Y.T.D. June	Y.T.D. June	Y.T.D. June	Y.T.D. June

0		1994 ANTICIPATED																
MONTH	WEEK	WEEK	MW	DEMAND	MW	DEMAND	TOTAL	TOTAL	ON PEAK	ON PEAK	ON PEAK	OFF PEAK	OFF PEAK	OFF PEAK	TOTAL			
	BEGINNING															DAY	BLOCK1	BLOCK2
1	3	1	100	85000	280	235000	320000	168	350	84800	90	78750	383750	78	84800	232050	788150	
1	10	2	100	85000	280	235000	320000	168	350	84800	90	78750	383750	78	84800	232050	788150	
1	17	3	100	85000	280	235000	320000	168	350	84800	90	78750	383750	78	84800	232050	788150	
1	24	4	100	85000	280	235000	320000	168	350	84800	90	78750	383750	78	84800	232050	788150	
1	31	5	100	85000	280	235000	320000	168	350	84800	90	78750	383750	78	84800	232050	788150	
2	7	6	100	85000	280	235000	320000	168	350	84800	90	78750	383750	78	84800	232050	788150	
2	14	7	100	85000	280	235000	320000	168	350	84800	90	78750	383750	78	84800	232050	788150	
2	21	8	100	85000	400	378000	481000	168	800	84000	90	112500	842500	78	78000	331500	1084500	
2	28	9	100	85000	280	235000	320000	168	350	84800	90	78750	383750	78	84800	232050	788150	
3	7	10	100	85000	280	235000	320000	168	350	84800	90	78750	383750	78	84800	232050	788150	
3	14	11	100	85000	280	235000	320000	168	350	84800	90	78750	383750	78	84800	232050	788150	
3	21	12	100	85000	280	235000	320000	168	350	84800	90	78750	383750	78	84800	232050	788150	
3	28	13	100	85000	350	329000	414000	168	450	78800	90	101250	808250	78	70200	288350	876050	
4	4	14	100	85000	350	329000	414000	168	450	78800	90	101250	808250	78	70200	288350	876050	
4	11	15	100	85000	350	329000	414000	168	450	78800	90	101250	808250	78	70200	288350	876050	
4	18	16	100	85000	350	329000	414000	168	450	78800	90	101250	808250	78	70200	288350	876050	
4	25	17	100	85000	350	329000	414000	168	450	78800	90	101250	808250	78	70200	288350	876050	
5	2	18	100	85000	300	282000	367000	168	400	87200	90	80000	480000	78	82400	288200	867500	
5	9	19	100	85000	280	235000	320000	168	350	84800	90	78750	383750	78	84800	232050	788150	
5	16	20	100	85000	280	235000	320000	168	350	84800	90	78750	383750	78	84800	232050	788150	
5	23	21	100	85000	280	235000	320000	168	350	84800	90	78750	383750	78	84800	232050	788150	
5	30	22	100	85000	280	235000	320000	168	350	84800	90	78750	383750	78	84800	232050	788150	
6	6	23	100	85000	280	235000	320000	168	350	84800	90	78750	383750	78	84800	232050	788150	
6	13	24	100	85000	280	235000	320000	168	350	84800	90	78750	383750	78	84800	232050	788150	
6	20	25	100	85000	280	235000	320000	168	350	84800	90	78750	383750	78	84800	232050	788150	
6	27	26	100	85000	280	235000	320000	168	350	84800	90	78750	383750	78	84800	232050	788150	
7	4	27	100	85000	280	235000	320000	168	350	84800	90	78750	383750	78	84800	232050	788150	
7	11	28	100	85000	280	235000	320000	168	350	84800	90	78750	383750	78	84800	232050	788150	
7	18	29	100	85000	280	235000	320000	168	350	84800	90	78750	383750	78	84800	232050	788150	
7	25	30	100	85000	280	235000	320000	168	350	84800	90	78750	383750	78	84800	232050	788150	
8	1	31	100	85000	280	235000	320000	168	350	84800	90	78750	383750	78	84800	232050	788150	
8	8	32	100	85000	280	235000	320000	168	350	84800	90	78750	383750	78	84800	232050	788150	
8	15	33	100	85000	300	282000	367000	168	400	87200	90	80000	480000	78	82400	288200	867500	
8	22	34	100	85000	300	282000	367000	168	400	87200	90	80000	480000	78	82400	288200	867500	
8	29	35	100	85000	300	282000	367000	168	400	87200	90	80000	480000	78	82400	288200	867500	
9	5	36	100	85000	250	235000	320000	168	350	84800	90	78750	383750	78	84800	232050	788150	
9	12	37	100	85000	300	282000	367000	168	400	87200	90	80000	480000	78	82400	288200	867500	
9	19	38	100	85000	300	282000	367000	168	400	87200	90	80000	480000	78	82400	288200	867500	
9	26	39	100	85000	300	282000	367000	168	400	87200	90	80000	480000	78	82400	288200	867500	
10	3	40	100	85000	400	378000	481000	168	800	84000	90	112500	842500	78	78000	331500	1084500	
10	10	41	100	85000	400	378000	481000	168	800	84000	90	112500	842500	78	78000	331500	1084500	
10	17	42	100	85000	400	378000	481000	168	800	84000	90	112500	842500	78	78000	331500	1084500	
10	24	43	100	85000	400	378000	481000	168	800	84000	90	112500	842500	78	78000	331500	1084500	
10	31	44	100	85000	400	378000	481000	168	800	84000	90	112500	842500	78	78000	331500	1084500	
11	7	45	100	85000	400	378000	481000	168	800	84000	90	112500	842500	78	78000	331500	1084500	
11	14	46	100	85000	280	235000	320000	168	350	84800	90	78750	383750	78	84800	232050	788150	
11	21	47	100	85000	280	235000	320000	168	350	84800	90	78750	383750	78	84800	232050	788150	
11	28	48	100	85000	280	235000	320000	168	350	84800	90	78750	383750	78	84800	232050	788150	
12	5	49	100	85000	400	378000	481000	168	800	84000	90	112500	842500	78	78000	331500	1084500	
12	12	50	100	85000	400	378000	481000	168	800	84000	90	112500	842500	78	78000	331500	1084500	
12	19	51	100	85000	400	378000	481000	168	800	84000	90	112500	842500	78	78000	331500	1084500	
12	26	52	100	85000	400	378000	481000	168	800	84000	90	112500	842500	78	78000	331500	1084500	
							18980000			5477600							4488300	
																	DEMAND	18980000
																	TOTAL \$	63866300

0	1995 ANTICIPATED			DEMAND \$/MWH	DEMAND \$	HOURS	MWH	ON PEAK	ON PEAK	ON PEAK	OFF PEAK	OFF PEAK	OFF PEAK	P. CAP. \$
	WEEK	WEEK	MW					ON PEAK	ON PEAK	ON PEAK	OFF PEAK	OFF PEAK	OFF PEAK	
	BEGINNING DAY							HOURS	OP. CAP. \$	ENRGY \$	HOURS	OP. CAP. \$	ENRGY \$	
1	2	1	301	1182	365782	188	60568	90	67726	338626	78	48958	195843	632889
1	9	2	301	1182	365782	188	60568	90	67726	338626	78	48958	195843	632889
1	16	3	301	1182	365782	188	60568	90	67726	338626	78	48958	195843	632889
1	23	4	301	1182	365782	188	60568	90	67726	338626	78	48958	195843	632889
1	30	5	301	1182	365782	188	60568	90	67726	338626	78	48958	195843	632889
2	6	6	301	1182	365782	188	60568	90	67726	338626	78	48958	195843	632889
2	13	7	301	1182	365782	188	60568	90	67726	338626	78	48958	195843	632889
2	20	8	301	1182	365782	188	60568	90	67726	338626	78	48958	195843	632889
2	27	9	301	1182	365782	188	60568	90	67726	338626	78	48958	195843	632889
3	4	10	301	862	259482	188	60568	90	67726	338626	78	48958	195843	632889
3	11	11	301	862	259482	188	60568	90	67726	338626	78	48958	195843	632889
3	18	12	301	862	259482	188	60568	90	67726	338626	78	48958	195843	632889
3	25	13	301	862	259482	188	60568	90	67726	338626	78	48958	195843	632889
4	1	14	301	862	259482	188	60568	90	67726	338626	78	48958	195843	632889
4	8	15	301	862	259482	188	60568	90	67726	338626	78	48958	195843	632889
4	15	16	301	862	259482	188	60568	90	67726	338626	78	48958	195843	632889
4	22	17	301	862	259482	188	60568	90	67726	338626	78	48958	195843	632889
5	3	18	301	1022	307822	188	60568	90	67726	338626	78	48958	195843	632889
5	10	19	301	1022	307822	188	60568	90	67726	338626	78	48958	195843	632889
5	17	20	301	1022	307822	188	60568	90	67726	338626	78	48958	195843	632889
5	24	21	301	1022	307822	188	60568	90	67726	338626	78	48958	195843	632889
6	1	22	301	1022	307822	188	60568	90	67726	338626	78	48958	195843	632889
6	8	23	301	1344	404844	188	60568	90	67726	338626	78	48958	195843	632889
6	15	24	301	1344	404844	188	60568	90	67726	338626	78	48958	195843	632889
6	22	25	301	1344	404844	188	60568	90	67726	338626	78	48958	195843	632889
6	29	26	301	1344	404844	188	60568	90	67726	338626	78	48958	195843	632889
7	6	27	301	1344	404844	188	60568	90	67726	338626	78	48958	195843	632889
7	13	28	301	1344	404844	188	60568	90	67726	338626	78	48958	195843	632889
7	20	29	301	1344	404844	188	60568	90	67726	338626	78	48958	195843	632889
7	27	30	301	1344	404844	188	60568	90	67726	338626	78	48958	195843	632889
8	4	31	301	1344	404844	188	60568	90	67726	338626	78	48958	195843	632889
8	11	1	301	1182	365782	188	60568	90	67726	338626	78	48958	195843	632889
8	18	2	301	1182	365782	188	60568	90	67726	338626	78	48958	195843	632889
8	25	3	301	1182	365782	188	60568	90	67726	338626	78	48958	195843	632889
8	31	4	301	862	259482	188	60568	90	67726	338626	78	48958	195843	632889
9	7	5	301	862	259482	188	60568	90	67726	338626	78	48958	195843	632889
9	14	6	301	862	259482	188	60568	90	67726	338626	78	48958	195843	632889
9	21	7	301	862	259482	188	60568	90	67726	338626	78	48958	195843	632889
9	28	8	301	862	259482	188	60568	90	67726	338626	78	48958	195843	632889
10	5	9	301	700	210700	188	60568	90	67726	338626	78	48958	195843	632889
10	12	10	301	700	210700	188	60568	90	67726	338626	78	48958	195843	632889
10	19	11	301	700	210700	188	60568	90	67726	338626	78	48958	195843	632889
10	26	12	301	700	210700	188	60568	90	67726	338626	78	48958	195843	632889
10	31	13	301	700	210700	188	60568	90	67726	338626	78	48958	195843	632889
11	7	14	301	862	259482	188	60568	90	67726	338626	78	48958	195843	632889
11	14	15	401	862	345882	188	67368	90	90226	451126	78	62558	265843	869789
11	21	16	401	862	345882	188	67368	90	90226	451126	78	62558	265843	869789
11	28	17	401	862	345882	188	67368	90	90226	451126	78	62558	265843	869789
12	4	18	301	1022	307822	188	60568	90	67726	338626	78	48958	195843	632889
12	11	19	301	1022	307822	188	60568	90	67726	338626	78	48958	195843	632889
12	18	20	301	1022	307822	188	60568	90	67726	338626	78	48958	195843	632889
12	25	21	301	1022	307822	188	60568	90	67726	338626	78	48958	195843	632889
					18486182		2679936							3469488
														DEMAND 18486182
														TOTAL \$ 81086048

0	1998	ANTICIPATED		DEMAND	DEMAND			ON PEAK	ON PEAK	ON PEAK	OFF PEAK	OFF PEAK	OFF PEAK	P. CAP. \$
	WEEK	WEEK	MW	\$/MW-WK	\$	HOURS	MW	HOURS	OP. CAP. \$	ENRGY \$	HOURS	OP. CAP. \$	ENRGY \$	ENRGY \$
MONTH	BEGINNING DAY								2.5	12.5		2	5.5	
1	1	1	300	1303	390900	168	50400	90	67500	337500	78	46800	106800	650700
1	8	2	300	1303	390900	168	50400	90	67500	337500	78	46800	106800	650700
1	15	3	300	1303	390900	168	50400	90	67500	337500	78	46800	106800	650700
1	22	4	300	1303	390900	168	50400	90	67500	337500	78	46800	106800	650700
1	29	5	300	1303	390900	168	50400	90	67500	337500	78	46800	106800	650700
2	5	6	300	1303	390900	168	50400	90	67500	337500	78	46800	106800	650700
2	12	7	300	1303	390900	168	50400	90	67500	337500	78	46800	106800	650700
2	19	8	300	1303	390900	168	50400	90	67500	337500	78	46800	106800	650700
2	26	9	300	1303	390900	168	50400	90	67500	337500	78	46800	106800	650700
3	4	10	300	988	298400	168	50400	90	67500	337500	78	46800	106800	650700
3	11	11	300	988	298400	168	50400	90	67500	337500	78	46800	106800	650700
3	18	12	300	988	298400	168	50400	90	67500	337500	78	46800	106800	650700
3	25	13	300	988	298400	168	50400	90	67500	337500	78	46800	106800	650700
4	1	14	300	988	298400	168	50400	90	67500	337500	78	46800	106800	650700
4	8	15	300	988	298400	168	50400	90	67500	337500	78	46800	106800	650700
4	15	16	300	988	298400	168	50400	90	67500	337500	78	46800	106800	650700
4	22	17	300	988	298400	168	50400	90	67500	337500	78	46800	106800	650700
4	29	18	300	988	298400	168	50400	90	67500	337500	78	46800	106800	650700
5	6	19	300	988	298400	168	50400	90	67500	337500	78	46800	106800	650700
5	13	20	300	988	298400	168	50400	90	67500	337500	78	46800	106800	650700
5	20	21	300	988	298400	168	50400	90	67500	337500	78	46800	106800	650700
5	27	22	300	988	298400	168	50400	90	67500	337500	78	46800	106800	650700
6	3	23	300	1148	343800	168	50400	90	67500	337500	78	46800	106800	650700
6	10	24	300	1148	343800	168	50400	90	67500	337500	78	46800	106800	650700
6	17	25	300	1148	343800	168	50400	90	67500	337500	78	46800	106800	650700
6	24	26	300	1148	343800	168	50400	90	67500	337500	78	46800	106800	650700
7	1	27	300	1303	390900	168	50400	90	67500	337500	78	46800	106800	650700
7	8	28	300	1303	390900	168	50400	90	67500	337500	78	46800	106800	650700
7	15	29	300	1303	390900	168	50400	90	67500	337500	78	46800	106800	650700
7	22	30	300	1303	390900	168	50400	90	67500	337500	78	46800	106800	650700
7	29	31	300	1303	390900	168	50400	90	67500	337500	78	46800	106800	650700
8	5	32	300	1303	390900	168	50400	90	67500	337500	78	46800	106800	650700
8	12	33	300	1303	390900	168	50400	90	67500	337500	78	46800	106800	650700
8	19	34	300	1303	390900	168	50400	90	67500	337500	78	46800	106800	650700
8	26	35	300	1303	390900	168	50400	90	67500	337500	78	46800	106800	650700
8	2	36	300	547	164100	168	50400	90	67500	337500	78	46800	106800	650700
8	9	37	300	547	164100	168	50400	90	67500	337500	78	46800	106800	650700
8	16	38	300	547	164100	168	50400	90	67500	337500	78	46800	106800	650700
8	23	39	300	547	164100	168	50400	90	67500	337500	78	46800	106800	650700
8	30	40	300	547	164100	168	50400	90	67500	337500	78	46800	106800	650700
10	7	41	300	672	201800	168	50400	90	67500	337500	78	46800	106800	650700
10	14	42	300	672	201800	168	50400	90	67500	337500	78	46800	106800	650700
10	21	43	300	672	201800	168	50400	90	67500	337500	78	46800	106800	650700
10	28	44	300	672	201800	168	50400	90	67500	337500	78	46800	106800	650700
11	4	45	300	672	201800	168	50400	90	67500	337500	78	46800	106800	650700
11	11	46	300	672	201800	168	50400	90	67500	337500	78	46800	106800	650700
11	18	47	300	672	201800	168	50400	90	67500	337500	78	46800	106800	650700
11	25	48	300	672	201800	168	50400	90	67500	337500	78	46800	106800	650700
12	2	49	300	830	249000	168	50400	90	67500	337500	78	46800	106800	650700
12	9	50	300	830	249000	168	50400	90	67500	337500	78	46800	106800	650700
12	16	51	300	830	249000	168	50400	90	67500	337500	78	46800	106800	650700
12	23	52	300	830	249000	168	50400	90	67500	337500	78	46800	106800	650700
12	TWO DAYS	53	300	830	71143	48	14400	30	22500	112500	18	10800	44800	191700
					18785043		2635200							34028100
														DEMAND 18785043
														TOTAL \$ 24955143

Exhibit RAI-2
 Page 3 of 4

0	1997 ANTICIPATED		MW	DEMAND MW-WK	DEMAND \$	HOURS	MW	ON PEAK HOURS	ON PEAK OP.CAP.\$	ON PEAK ENRGY \$	OFF PEAK HOURS	OFF PEAK OP.CAP.\$	OFF PEAK ENRGY \$	P.CAP.\$	LOSS MW
	WEEK BEGINNING DAY	WEEK													
1	1	1	200	975	139200	120	24000	78	37500	187500	48	18000	78000	318000	720
1	8	2	200	975	195000	188	33800	90	48000	228000	78	31200	132000	433800	1008
1	13	3	200	975	195000	188	33800	90	48000	228000	78	31200	132000	433800	1008
1	20	4	200	975	195000	188	33800	90	48000	228000	78	31200	132000	433800	1008
1	27	5	200	975	195000	188	33800	90	48000	228000	78	31200	132000	433800	1008
2	3	6	100	975	97500	188	18800	90	22500	112500	78	18800	84300	218900	504
2	10	7	100	975	97500	188	18800	90	22500	112500	78	18800	84300	218900	504
2	17	8	100	975	97500	188	18800	90	22500	112500	78	18800	84300	218900	504
2	24	9	100	975	97500	188	18800	90	22500	112500	78	18800	84300	218900	504
3	3	10	100	700	70000	188	18800	90	22500	112500	78	18800	84300	218900	504
3	10	11	100	700	70000	188	18800	90	22500	112500	78	18800	84300	218900	504
3	17	12	100	700	70000	188	18800	90	22500	112500	78	18800	84300	218900	504
3	24	13	100	700	70000	188	18800	90	22500	112500	78	18800	84300	218900	504
3	31	14	100	700	70000	188	18800	90	22500	112500	78	18800	84300	218900	504
4	7	15	100	700	70000	188	18800	90	22500	112500	78	18800	84300	218900	504
4	14	16	100	700	70000	188	18800	90	22500	112500	78	18800	84300	218900	504
4	21	17	100	700	70000	188	18800	90	22500	112500	78	18800	84300	218900	504
4	28	18	100	700	70000	188	18800	90	22500	112500	78	18800	84300	218900	504
5	5	19	100	750	75000	188	18800	90	22500	112500	78	18800	84300	218900	504
5	12	20	100	750	75000	188	18800	90	22500	112500	78	18800	84300	218900	504
5	19	21	100	750	75000	188	18800	90	22500	112500	78	18800	84300	218900	504
5	26	22	100	750	75000	188	18800	90	22500	112500	78	18800	84300	218900	504
6	2	23	100	975	97500	188	18800	90	22500	112500	78	18800	84300	218900	504
6	9	24	100	975	97500	188	18800	90	22500	112500	78	18800	84300	218900	504
6	16	25	100	975	97500	188	18800	90	22500	112500	78	18800	84300	218900	504
6	23	26	100	975	97500	188	18800	90	22500	112500	78	18800	84300	218900	504
6	30	27	100	975	97500	188	18800	90	22500	112500	78	18800	84300	218900	504
7	7	28	100	975	97500	188	18800	90	22500	112500	78	18800	84300	218900	504
7	14	29	100	975	97500	188	18800	90	22500	112500	78	18800	84300	218900	504
7	21	30	100	975	97500	188	18800	90	22500	112500	78	18800	84300	218900	504
7	28	31	100	975	97500	188	18800	90	22500	112500	78	18800	84300	218900	504
8	4	32	100	975	97500	188	18800	90	22500	112500	78	18800	84300	218900	504
8	11	33	100	975	97500	188	18800	90	22500	112500	78	18800	84300	218900	504
8	18	34	100	975	97500	188	18800	90	22500	112500	78	18800	84300	218900	504
8	25	35	100	975	97500	188	18800	90	22500	112500	78	18800	84300	218900	504
8	1	36	0	0	0	188	0	90	0	0	78	0	0	0	0
8	8	37	0	0	0	188	0	90	0	0	78	0	0	0	0
8	15	38	0	0	0	188	0	90	0	0	78	0	0	0	0
8	22	39	0	0	0	188	0	90	0	0	78	0	0	0	0
8	29	40	0	0	0	188	0	90	0	0	78	0	0	0	0
10	6	41	0	0	0	188	0	90	0	0	78	0	0	0	0
10	13	42	0	0	0	188	0	90	0	0	78	0	0	0	0
10	20	43	0	0	0	188	0	90	0	0	78	0	0	0	0
10	27	44	0	0	0	188	0	90	0	0	78	0	0	0	0
11	3	45	100	700	70000	188	18800	90	22500	112500	78	18800	84300	218900	504
11	10	46	100	700	70000	188	18800	90	22500	112500	78	18800	84300	218900	504
11	17	47	100	700	70000	188	18800	90	22500	112500	78	18800	84300	218900	504
11	24	48	100	700	70000	188	18800	90	22500	112500	78	18800	84300	218900	504
12	1	49	100	750	75000	188	18800	90	22500	112500	78	18800	84300	218900	504
12	8	50	100	750	75000	188	18800	90	22500	112500	78	18800	84300	218900	504
12	15	51	100	750	75000	188	18800	90	22500	112500	78	18800	84300	218900	504
12	22	52	100	750	75000	188	18800	90	22500	112500	78	18800	84300	218900	504
12	29	53	100	750	52143	72	7200	48	11250	84300	27	8400	22500	84300	218
					4118828		804000							10362780	24120
						LOSSES	24120						DEMAND	4118828	
						TOTAL MW	828120						TOTAL \$	14811678	

DUQUESNE LIGHT COMPANY

Actual Summer Peaking Capacity Purchases

1996

<u>Reservation Price</u>	-	<u>\$32,000</u>	-	\$0.9/MW-HR
<u>Period and Capacity</u>		5 days x 16 hours x 6 weeks x 75 MW		

1997

<u>Preservation Price</u>	-	<u>\$52,800</u>	-	\$1.5/MW-HR
<u>Period and Capacity</u>		5 days x 16 hours x 9 weeks x 50 MW		

REQUEST FOR PROPOSALS

SOLICITATION FOR BIDS TO PURCHASE FIRM POWER FROM DUQUESNE LIGHT COMPANY JUNE 1997

I. INTRODUCTION

Duquesne Light Company (DLC) is offering to sell at wholesale (i) 50 MW of firm electrical capacity and energy ("firm power") for a term of one year, commencing January 1, 1998, and (ii) a minimum of 100 MW, but not more than 500 MW, of firm power for a term of eight years, commencing January 1, 1998. Bids are due June 26, 1997.

II. KEY TERMS AND CONDITIONS

Quantity; Term. Duquesne will sell 50 MW of firm power for a one-year term and a minimum of 100 MW, but not more than 500 MW, for an eight-year term, each term commencing January 1, 1998. Purchasers may submit bids to purchase all or part of the firm power, subject to a 2 MW minimum bid requirement for each sale.

Capacity Factor. During each hour of the contract term, a purchaser must take at least 50% of the contract amount. During each calendar year, a purchaser must take or pay for an amount of energy equal to a 75% annual capacity factor.

Firmness. Duquesne will be obligated to make available the full contract amount to the purchaser, subject to the capacity factors described above. If Duquesne cannot deliver the power scheduled by the purchaser through dispatch of its generation or the purchase of power from third parties, the purchaser will have the right to secure replacement power and Duquesne will reimburse the purchaser for any increased costs associated therewith. In the event neither Duquesne nor the purchaser is able to secure power, the purchaser will receive a credit of \$200 for each MWH scheduled but not delivered, with the exception of a failure to deliver due to force majeure.

Price. The winning bidder will pay the price contained in its bid. The one- and eight-year sales require a bid floor of \$18/MWH for each year of the contract term.

Commitment to Sell. Provided Duquesne receives sufficient qualifying bids, Duquesne commits to sell 50 MW for one-year and not less than 100 MW for eight years to the highest bidder(s) on a \$/MWH basis.

No Duquesne Bids. Neither Duquesne nor any of its affiliates will bid on the sale.

Delivery. Duquesne is not responsible for procuring the necessary transmission and ancillary services on Duquesne's transmission system to resell the power, such responsibility being that of the purchaser or ultimate customer. All service over Duquesne's transmission system shall be governed by Duquesne's FERC-filed tariff, which is identical to FERC's pro forma tariff. Under that tariff, (i) Duquesne's unbundled retail customers are likely to pay for the necessary transmission and distribution charges, such that purchasers reselling power to these customers would be directly responsible only for ancillary service charges (Order 888 specifies which services must be provided by Duquesne), and (ii) the resale of power outside the Duquesne control area requires the purchase of point-to-point service by the purchaser, its agent or the customer to whom the power is resold.

Contract Terms. Each winning bidder will be required to (i) sign a service agreement pursuant to Duquesne's FERC-approved Coordination Sales Tariff ("CST"), and (ii) sign the standard form Power Sale Agreement ("PSA") and Security Addendum enclosed herewith. The CST provides certain general terms and conditions applicable to Duquesne's power sales. The PSA contains terms and prices that are specific to the firm power offered under this RFP. FERC approval is not required for the PSA. (Both the CST and PSA are attached hereto.)

Duquesne Retail Pilot Program. The firm power may be used to serve eligible customers in Duquesne's retail access pilot program, which is scheduled to commence November 1, 1997. If bidders are interested in purchasing firm power for November-December 1997 for use in the pilot program, Duquesne is willing to negotiate arrangements comparable

to those offered here for that two-month period. The negotiations would occur outside the RFP process and therefore potential bidders need not submit bids for this period in their bid forms.

III. RULES FOR SUBMITTING BIDS

Eligibility. To be eligible, a bidder must be able to demonstrate creditworthiness consistent with Section 4.2 of the CST, submit a bid that conforms to the Bid Form attached hereto, agree to resell the power, and satisfy all the other criteria contained in the RFP.

Multiple Bids. A bidder may submit one or more bids; each bid, however, must conform to the following requirements.

Fixed Contract Amount. Each bid must be for a fixed number of MW for the entire contract term (i.e., the MW cannot vary by year).

Minimum Bid Quantity. Each bid must be for a minimum of 2 MW.

Reductions in Bid Amounts. All bids shall be "up to" bids, such that Duquesne may award a bidder an amount (in MW) less than offered if necessary to avoid selling more power than Duquesne has committed to sell in the RFP. (For bidders that offer to purchase more than 10 MW, however, their bids will not be reduced to less than 10 MW.) Any bids conditioned on a contrary requirement that Duquesne accept the entire bid amount, without the possibility of reduction, will be rejected as deficient. The following examples illustrate the bid selection process for the one-year sale:

Example 1

Bid	Bid Amount	Bid Price	MWs Awarded
Bid A	5 MW	\$21/MWH	5 MW
Bid B	3 MW	\$20/MWH	3 MW
Bid C	20 MW	\$19 MWH	20 MW
Bid D	30 MW	\$18/MWH	22 MW
Total MW Awarded			50 MW

Example 2

Bid	Bid Amount	Bid Price	MWs Awarded
Bid A	20 MW	\$21/MWH	20 MW
Bid B	20 MW	\$20/MWH	20 MW
Bid C	5 MW	\$19/MWH	5 MW
Bid D	20 MW	\$18/MWH	10 MW ¹
Total MW Awarded			55 MW

Fixed Annual Bid Price. Each bid must contain a single fixed price (in \$/MWH) for each year of the contract term, although prices may vary by year. Bids may not be tied to an index.

Bid Evaluation. DLC will award the firm power to the highest bid(s) on a \$/MWH basis, not a total revenue basis. For example, a 10 MW bid @ \$23/MWH will be ranked higher than a 40 MW bid @ \$22/MWH. The eight-year sale bids will be ranked on a present value basis (7.94% discount rate).

Minimum Bid Price. The minimum bid price for the one- and eight-year sales is \$18/MWH each year of the contract term.

Authorization. Proposals must be signed by an officer of the entity submitting the bid and must contain an irrevocable offer to purchase firm power in the quantity awarded (up to the quantity of the bid) and at the prices contained in the bid.

Term of Offer. Bids must remain valid through July 17, 1997, the date on which an executed service agreement and PSA from each winning bidder must be received by Duquesne.

¹ Bidder D is awarded 10 MW because it has offered to purchase more than 10 MW.

Questions and Comments; Revisions. Bidders may submit written questions or comments regarding the RFP or PSA to Robert A. Irvin, Duquesne Light Company, 411 Seventh Ave., Pittsburgh, Pa. 15230 (facsimile 412-393-8647). No oral questions or comments will be answered. All responses to written questions or comments will be published on the DLC System Operations Internet page (www.soc-dlco.lm.com) as soon as possible after receipt. Duquesne reserves the right to modify the RFP or PSA to reflect any such comments. Any modifications will be publicly disseminated sufficiently in advance of the bid due date to allow potential bidders to take such modifications into account in preparing their bids. Any such changes will be posted on the aforementioned Internet page.

Confidentiality. DLC may disclose the bids only to: (i) DLC employees (on a need to know basis and in conformance with all applicable codes of conduct); (ii) consultants and attorneys retained by DLC, and (iii) a judicial or administrative body if ordered to do so. Duquesne also reserves the right to disclose the bid prices and terms of sale to DLC's regulators without reference to the identity of the bidders.

IV. BIDDING HYPOTHETICAL

A. Sample Bids; Bid Evaluation

The following are three sample bids for the eight-year sale and the manner in which Duquesne will evaluate them. (The prices are examples; they do not represent a price stream preferred by DLC.) The bids (in \$/MWH) are as follows:

Bid; Amount	1998	1999	2000	2001	2002	2003	2004	2005
Bid A (50 MW)	21.00	22.00	24.00	24.50	26.00	27.00	29.00	31.00
Bid B (100 MW)	21.00	22.00	24.00	25.50	27.00	28.00	30.00	32.00
Bid C (70 MW)	18.50	19.00	23.00	26.00	30.00	33.00	35.00	38.00

The format of each bid is acceptable, given that each uses a fixed price (\$/MWH) per year, each bid exceeds the \$18/MWH floor, and each bid specifies a single contract amount (in MW) for the entire contract

term. The price streams offered by the bidders convert to the following nominal levelized payments:

Bid	Levelized Price ²	MW Bid	MW Awarded
Bid A	\$25.02/MWH	50 MW	0
Bid B	\$25.57/MWH	100 MW	30 MW
Bid C	\$26.62/MWH	70 MW	70 MW

As the table indicates, "Bid C" is the highest on a present value basis and therefore is awarded the first block of firm power (70 MW) at the prices contained in that bid. The residual 30 MW is awarded to the next highest bid, "Bid B." Although Bid B offered to purchase 100 MW, it will be awarded 30 MW at the prices contained in its bid if Duquesne decides to sell only the minimum amount (100 MW). Also as indicated, Bid A receives no award of firm power.

B. Sample Payments

Each calendar year, purchasers must take or pay for energy in an amount equal to a 75% annual capacity factor. The next table illustrates the annual amounts and payments for the winning bidders in the previous example. The first set of rows indicates the annual take or pay amount, using the capacity awarded to each bid and a 75% annual capacity factor. The second set of rows indicates the total annual

² The levelized price is determined by calculating the present value of the contract price stream and solving for the single price for all years of the contract that will yield the same present value. Duquesne will use a 7.94% discount rate to calculate the present values.

payments by each bidder, using these annual energy amounts and the winning bid prices.

	1998	1999	2999	2991	2992	2003	2004	2005
Annual MWH								
Bid B (30 MW)	197,100	197,100	197,100	197,100	197,100	197,100	197,100	197,100
Bid C (70 MW)	459,900	459,900	459,900	459,900	459,900	459,900	459,900	459,900
Annual Payment (\$000)								
Bid B	4,139	4,336	4,730	5,026	5,322	5,519	5,913	6,307
Bid C	8,508	8,738	10,578	11,957	13,797	15,177	16,097	17,476

V. SCHEDULE

The following is the RFP schedule:

<u>Date</u>	<u>Event</u>
June 26, 1997	An original, signed bid must be received in the offices of Duquesne Light Company, 411 Seventh Ave., Pittsburgh, Pa. 15230 (attention: Robert A. Irvin) no later than 12:00 noon (EDT). <u>No facsimiles will be accepted.</u>
July 1, 1997	DLC will notify bidders in writing of any omissions, deficiencies or requests for credit information. DLC will use facsimile numbers provided by bidders; otherwise, notification will be via overnight mail or courier.
July 8, 1997	A signed original of any bid supplements to cure omissions or deficiencies must be received in the offices of Duquesne (address and person indicated above) by 12:00 noon (EDT).

- July 11, 1997 DLC will announce the winning bidder(s) and submit a PSA and a service agreement under the CST (to those that have not already executed same) to each winning bidder for execution. The agreements will be delivered to the bidders by overnight mail or courier for receipt no later than July 14, 1997.
- July 18, 1997 An original executed service agreement and PSA from each winning bidder must be received in the offices of Duquesne (address and person indicated above) by 12:00 noon (EDT).

BID FORM¹

Bidder, _____, a [corporation] organized and operating under the laws of _____, hereby offers to purchase firm power at wholesale from Duquesne Light Company ("Duquesne") in accordance with the requirements of the Request for Proposals ("RFP") issued in June 1997 and the terms contained herein:

1. General Terms. Bidder offers to purchase firm power from Duquesne pursuant to the terms of the Power Sale Agreement ("PSA"), which was enclosed with the RFP, as supplemented by the specific terms contained herein. If Bidder's offer is accepted by Duquesne pursuant to the terms specified herein, Bidder agrees to execute, without modification other than as necessary to complete missing information, the standard form PSA and, if not yet executed, the standard form service agreement under the Coordination Sales Tariffs on or before July 18, 1997.

2. Specific Terms.

Term. Bidder offers to purchase firm power for a term of ___² year[s], commencing January 1, 1998, in the amounts and at the prices specified herein.

Bid Amount. Bidder offers to purchase ___ MW of firm power ("Offer Amount") in each year of the contract term from Duquesne. Bidder authorizes Duquesne to award to Bidder an amount less than the Offer Amount pursuant to the terms of the RFP, provided that if the Offer Amount exceeds 10 MW and a portion (but not all) of the Offer Amount qualifies for an award, Duquesne will not reduce an award to less than 10 MW. Bidder understands and agrees that, with respect to that portion of the Offer Amount which qualifies for an award, the PSA requires the purchaser to (i) schedule at least 50% of that

¹ Bidders may submit one or more bids; however, each bid must conform to the requirements of the RFP.

² Bidder should insert either "eight" or "one" for the term of the sale for which the bid is being submitted.

amount each hour during the contract term, and (ii) take or pay for an amount of energy equal to a 75% annual capacity factor.

Bid Prices. Bidder offers to purchase firm power at the prices, measured in \$/MWH, specified below for the corresponding calendar year(s) during the contract term, such firm power to be taken or paid for on the basis of a 75% annual capacity factor:³

1998	1999	2000	2001	2002	2003	2004	2005

3. Credit. Bidder provides the following information on its credit rating or such other information establishing Bidder's creditworthiness:

4. Resale of Power. Bidder is offering to purchase firm power at wholesale and warrants that, if its bid is accepted in whole or in part, Bidder will resell all firm power delivered by Duquesne.

5. Revocability; Term. This offer is irrevocable by Bidder through July 18, 1997.

6. Authorization. The undersigned is an officer of Bidder authorized to submit this offer, and to bind Bidder to its terms.

[Full Corporate Name of Bidder]:

By: _____
(signature)

Title: _____

Date: _____

³ Bidder should fill in (i) only the first year (1998) if the bid is for the one-year sale, or (ii) all eight-years if the bid is for the eight-year sale. The minimum bid price for all years is \$18/MWH.

**POWER SALE AGREEMENT
(Firm Power for a One-Year Term)**

This Power Sales Agreement ("Agreement") is entered into on the ___ day of ___ 1997 by and between Duquesne Light Company ("Duquesne"), a corporation organized and operating under the laws of Pennsylvania, and _____ ("Purchaser"), a corporation organized and operating under the laws of _____ (together, "the Parties").

W I T N E S S E T H:

WHEREAS, in June 1997 Duquesne issued a request for proposals seeking bids on the wholesale sale by Duquesne of firm electrical capacity and energy ("Firm Power") for a one-year term;

WHEREAS, Purchaser submitted a bid and was selected as a winning bidder;

WHEREAS, Duquesne has authority from the Federal Energy Regulatory Commission ("FERC") to sell Firm Power at wholesale pursuant to a Coordination Sales Tariff ("CST"), provided that (i) the purchaser signs a standard form service agreement that commits the Purchaser to abide by the terms of the CST, and (ii) Duquesne and the Purchaser agree to terms for each transaction entered into thereunder; and

WHEREAS, Purchaser has executed a service agreement under the CST and Duquesne and Purchaser further have agreed to the transaction-specific terms set forth in this Agreement:

NOW, THEREFORE, Duquesne and Purchaser hereby agree as follows:

**ARTICLE I
RELATIONSHIP TO CST**

1.1 CST Obligations. The sale of Firm Power by Duquesne to Purchaser under this Agreement shall be a sale of "negotiated capacity and energy" under the CST and shall be governed by the terms of the CST (attached hereto as Exhibit II), as further supplemented by the transaction-specific terms contained herein. An executed standard form service agreement under the CST is attached hereto (Exhibit III), signifying the Parties' agreement to be bound by the terms of the CST.

1.2 Rates. The rates for the sale of Firm Power under this Agreement shall be exclusively those set forth in this Agreement.

1.3 Amendments to the CST. If Duquesne submits to FERC, and FERC approves, an amendment to the CST, such amendment shall not be binding on Purchaser, and the provisions of the CST in effect on the Effective Date of this Agreement shall continue to bind the Parties, unless Purchaser, in its sole discretion, agrees in writing to such amendment.

**ARTICLE II
EFFECTIVE DATE; TERM**

2.1 Effective Date. Subject to the condition precedent of FERC acceptance of a standard form service agreement between Duquesne and Purchaser under the CST, the effective date of this Agreement is midnight December 31, 1997 ("Effective Date").

2.2 Term. The term of this Agreement shall commence on the Effective Date and shall terminate at midnight December 31, 1998 ("Contract Term"). Such termination shall not relieve Purchaser of the obligation to pay any charges incurred during the Contract Term.

ARTICLE III
CONTRACT AMOUNT; CAPACITY FACTOR; SCHEDULING

3.1 Contract Amount. Subject to Purchaser meeting its obligations under this Agreement, Duquesne shall make available to Purchaser ___ MW (hereinafter "Contract Amount") of Firm Power in each hour during the Contract Term. Duquesne shall have no obligation under this Agreement to make available any amounts in excess of the Contract Amount in any hour.

3.2 Capacity Factor.

(a) During each hour of the Contract Term, Purchaser shall schedule, and accept delivery of, at least 50% percent of the Contract Amount.

(b) During the Contract Term, and irrespective of whether Purchaser schedules and accepts delivery of such amount, Purchaser shall pay for an amount of energy ("Take or Pay Amount" or "TPA"), measured in megawatt-hours, as specified below:

$$\text{TPA} = (\text{Contract Amount}) (.75) (\text{HY}^1)$$

Duquesne shall not be obligated under this Agreement to deliver energy in excess of the Take or Pay Amount during the Contract Term.

3.3 Scheduling.

(a) Purchaser shall submit a schedule, specifying the amount of power (in whole megawatts) to be delivered each hour, no later than 10:00 a.m. of the day prior to the day for which delivery is requested. Schedule changes shall be accepted in accordance with standard industry operating practices.

(b) Unless otherwise agreed by the Parties, for each week of the Contract Term, Purchaser shall, no later than Thursday at 12:00 noon of the previous week, submit a nonbinding schedule of the amount of

¹ HY means hours in the year, which shall be 8760 for each year other than a leap year; HY in a leap year shall be 8784.

power (in whole megawatts) to be delivered each hour during the following calendar week (commencing the following Monday at 12:01 a.m.). This nonbinding schedule shall be Purchaser's good faith estimate of its requirements for the following week and shall not bind Purchaser with respect to the schedules required under Section 3.3(a).

(c) Other scheduling and operating protocols may be adopted by mutual agreement of the Parties.

**ARTICLE IV
NON-DELIVERY**

4.1 Replacement Power.

(a) If Duquesne fails to deliver the Firm Power scheduled by Purchaser in accordance with Sections 3.2 and 3.3(a), Purchaser may procure replacement power for such amounts. Duquesne will reimburse Purchaser for the amount, if any, by which the Replacement Power Cost exceeds the Purchase Price in the hours and for the amounts of Firm Power scheduled in accordance with Sections 3.2 and 3.3(a) but not delivered. Replacement Power Cost means (i) the cost of power purchased to replace the Firm Power scheduled in accordance with Sections 3.2 and 3.3(a) but not delivered by Duquesne, inclusive of energy charges and demand charges, provided that only a pro rata share of such demand charges shall qualify as Replacement Power Costs where such demand charges also apply to deliveries other than replacement power under this Agreement, and (ii) any increase in transmission service costs incurred by Purchaser to deliver the replacement power, provided that any additional transmission service purchased for that purpose is used to deliver replacement power to the same delivery point(s) at which Purchaser would have delivered Firm Power had it been supplied by Duquesne as scheduled.

(b) Purchaser shall submit verification of such replacement power costs to Duquesne and Duquesne shall not be responsible for reimbursement of such costs until such verification is received. Any reimbursement shall take the form of a credit to Purchaser's bill(s) sufficient to reimburse Purchaser for such replacement costs.

(c) Duquesne's obligation to provide a credit for replacement power under this Section is contingent upon Purchaser having used commercially reasonable efforts to procure replacement power at the lowest available cost.

4.2 No Replacement Power Available.

(a) Except where such failure is due to Force Majeure, if Duquesne fails to deliver Firm Power scheduled in accordance with Sections 3.2 and 3.3(a), and Purchaser is unable in good faith to procure replacement power, Purchaser shall receive a credit of \$200/MWH for each MWH scheduled in accordance with Sections 3.2 and 3.3(a) but which Duquesne failed to deliver.

(b) If, because of Force Majeure, Duquesne is unable to deliver Firm Power scheduled by Purchaser in accordance with Sections 3.2 and 3.3(a), Duquesne will be excused from providing the billing credits set forth in this Section 4.2, provided that: (i) the suspension of delivery is no greater in scope and no longer in duration than is required by the Force Majeure; and (ii) Duquesne uses commercially reasonable efforts to overcome the effects of the Force Majeure, provided, however, that under no circumstances shall Duquesne be required to settle any any strike, walkout, lockout or other labor dispute on terms which, in the sole judgment of Duquesne, are contrary to its interest. As used herein, "Force Majeure" means any occurrence beyond the reasonable control of, and without the fault or negligence of, Duquesne that causes Duquesne to be unable to deliver the Firm Power scheduled by Purchaser in accordance with Sections 3.2 and 3.3(a), including, but not limited to, fires, floods, earthquakes or other acts of God, labor disputes, actions or inactions by Federal, state and municipal agencies, and actions or inactions of legislative, judicial or regulatory agencies.

4.3 Notice. Duquesne shall notify Purchaser by telephone or facsimile, or by another equally expeditious medium, if and when Duquesne has reason to believe that it will be unable to deliver the power scheduled by Purchaser pursuant to Section 3.3(a).

4.4 Sole Remedy. Notwithstanding any other provision of this Agreement or any provision of the CST,

the remedies provided in this Article for the non-delivery by Duquesne of Firm Power scheduled by Purchaser in accordance with this Agreement shall be the sole remedies available to Purchaser for such non-delivery.

**ARTICLE V
PAYMENT OBLIGATIONS; BILLING**

5.1 Purchase Price. For all amounts of energy scheduled and delivered under this Agreement, and for any additional amounts of energy up to the Take or Pay Amount, Purchaser shall pay \$__ MWH ("Purchase Price").

5.2 Billing. The rendering of bills, and any defaults related to the failure to pay such bills, is governed by Section 4.3 and 4.4 of the CST. If, at the end of the Contract Term, the amount of energy scheduled and taken by Purchaser during the Contract Term, and for which Purchaser has or will be billed under the provisions of the CST, is less than the Take or Pay Amount, Duquesne shall include in the bill for the last calendar month of the Contract Term charges applicable to the remaining amount of energy for which Purchaser must pay up to the Take or Pay Amount.

**ARTICLE VI
POWER DELIVERY; TRANSMISSION SERVICE**

6.1 Delivery.

(a) Delivery of Firm Power under this Agreement shall be at a point or points on the Duquesne Transmission System as mutually agreed by the Parties or such other delivery points as agreed by the Parties ("Points of Delivery"), provided, however, that in no event shall Duquesne be responsible for the purchase of transmission service on the Duquesne Transmission System to effect such delivery unless otherwise agreed by the Parties. "Duquesne Transmission System" shall mean the transmission facilities owned by Duquesne at or above 69 kilovolts.

(b) Unless otherwise agreed by the Parties, Duquesne shall be responsible for all costs, liabilities, losses, taxes and charges of any kind for the delivery or sale of Firm Power up to the Points of Delivery, and Purchaser shall be responsible for all costs,

liabilities, losses, taxes and charges of any kind for the redelivery or resale of Firm Power after receipt at the Points of Delivery.

6.2 Transmission and Ancillary Services.

Unless otherwise agreed by the Parties, Duquesne shall not be responsible for procuring transmission and ancillary services that are necessary for the resale of power delivered under this Agreement. Duquesne shall not be obligated to deliver Firm Power in any hour unless the necessary transmission and ancillary service arrangements have been made. Upon Duquesne's request, Purchaser shall provide to Duquesne evidence that the necessary transmission and ancillary service arrangements have been made.

**ARTICLE VII
OTHER TERMS**

7.1 Representations and Warranties.

(a) Duquesne hereby represents and warrants to Purchaser that (i) Duquesne is a validly existing corporation with full authority to enter into this Agreement, (ii) Duquesne has taken all necessary measures to have the execution and delivery of this Agreement authorized, and upon the execution and delivery hereof, this Agreement shall be a legally binding obligation of Duquesne, (iii) Duquesne has secured all necessary governmental or regulatory approvals, with the exception of FERC approval of the standard form service agreement under the CST for which Duquesne shall promptly apply after its execution.

(b) Purchaser hereby represents and warrants to Duquesne that: (i) Purchaser is a validly existing [corporation/partnership/other] with full authority to enter into this Agreement, (ii) Purchaser has taken all necessary measures to have the execution and delivery of this Agreement authorized, and upon the execution and delivery hereof, this Agreement shall be a legally binding obligation of Purchaser, (iii) Purchaser has secured all necessary governmental or regulatory approvals, and (iv) Purchaser will resell all Firm Power purchased under this Agreement.

7.2 Controlling Law. The validity, interpretation and effect of this Agreement are governed by

the laws of the Commonwealth of Pennsylvania applicable to contracts made and performed in such State and without regard to conflicts of law doctrines, except to the extent preempted by Federal law or governed by the law of the jurisdiction of organization of the respective Parties.

7.3 Amendment. No modification or amendment of this Agreement shall be effective unless it is in writing and signed on behalf of both Parties.

7.4 Entire Agreement. This Agreement, together with the CST, the standard form service agreement under the CST, and the Security Addendum, shall constitute the entire agreement of the Parties and shall supersede any other agreement, whether written or oral, of the Parties regarding the sale of Firm Power that is the subject of this Agreement.

7.5 Incorporation by Reference. The provisions of Sections 4.4 ("Defaults"), 4.8 ("Successors and Assigns"), 4.9 ("Rights Restriction"), and 4.10 ("Waivers") of the CST, and paragraph 5 of Exhibit A (relating to notices) of the standard form service agreement under the CST, are hereby incorporated by reference and made a part of this Agreement, and for such purposes, references in such Sections to the "tariff" shall be deemed to refer to this Agreement.

IN WITNESS WHEREOF, intending to be legally bound, the Parties have caused this Agreement to be entered into by their duly authorized officers and attested to by their respective secretaries, as of the day and year first above written.

DUQUESNE LIGHT COMPANY

By: _____

Attest: _____

Title: _____

Title: _____

[PURCHASER]

By: _____

Attest: _____

Title: _____

Title: _____

POWER SALE AGREEMENT
(Firm Power for an Eight-Year Term)

This Power Sales Agreement ("Agreement") is entered into on the ___ day of ___ 1997 by and between Duquesne Light Company ("Duquesne"), a corporation organized and operating under the laws of Pennsylvania, and _____ ("Purchaser"), a corporation organized and operating under the laws of _____ (together, "the Parties").

W I T N E S S E T H:

WHEREAS, in June 1997 Duquesne issued a request for proposals seeking bids on the wholesale sale by Duquesne of firm electrical capacity and energy ("Firm Power") for an eight-year term;

WHEREAS, Purchaser submitted a bid and was selected as a winning bidder;

WHEREAS, Duquesne has authority from the Federal Energy Regulatory Commission ("FERC") to sell Firm Power at wholesale pursuant to a Coordination Sales Tariff ("CST"), provided that (i) the purchaser signs a standard form service agreement that commits the Purchaser to abide by the terms of the CST, and (ii) Duquesne and the Purchaser agree to terms for each transaction entered into thereunder; and

WHEREAS, Purchaser has executed a service agreement under the CST and Duquesne and Purchaser further have agreed to the transaction-specific terms set forth in this Agreement:

NOW, THEREFORE, Duquesne and Purchaser hereby agree as follows:

**ARTICLE I
RELATIONSHIP TO CST**

1.1 CST Obligations. The sale of Firm Power by Duquesne to Purchaser under this Agreement shall be a sale of "negotiated capacity and energy" under the CST and shall be governed by the terms of the CST (attached hereto as Exhibit II), as further supplemented by the transaction-specific terms contained herein. An executed standard form service agreement under the CST is attached hereto (Exhibit III), signifying the Parties' agreement to be bound by the terms of the CST.

1.2 Rates. The rates for the sale of Firm Power under this Agreement shall be exclusively those set forth in this Agreement.

1.3 Amendments to the CST. If Duquesne submits to FERC, and FERC approves, an amendment to the CST, such amendment shall not be binding on Purchaser, and the provisions of the CST in effect on the Effective Date of this Agreement shall continue to bind the Parties, unless Purchaser, in its sole discretion, agrees in writing to such amendment.

**ARTICLE II
EFFECTIVE DATE; TERM**

2.1 Effective Date. Subject to the condition precedent of FERC acceptance of a standard form service agreement between Duquesne and Purchaser under the CST, the effective date of this Agreement is midnight December 31, 1997 ("Effective Date").

2.2 Term. The term of this Agreement shall commence on the Effective Date and shall terminate at midnight December 31, 2005 ("Contract Term"). Such termination shall not relieve Purchaser of the obligation to pay any charges incurred during the Contract Term.

ARTICLE III
CONTRACT AMOUNT; CAPACITY FACTOR; SCHEDULING

3.1 Contract Amount. Subject to Purchaser meeting its obligations under this Agreement, Duquesne shall make available to Purchaser ___ MW (hereinafter "Contract Amount") of Firm Power in each hour during the Contract Term. Duquesne shall have no obligation under this Agreement to make available any amounts in excess of the Contract Amount in any hour.

3.2 Capacity Factor.

(a) During each hour of the Contract Term, Purchaser shall schedule, and accept delivery of, at least 50% percent of the Contract Amount.

(b) During each calendar year of the Contract Term, and irrespective of whether Purchaser schedules and accepts delivery of such amount in that calendar year, Purchaser shall pay for an amount of energy ("Take or Pay Amount" or "TPA"), measured in megawatt-hours, as specified below:

$$\text{TPA} = (\text{Contract Amount}) (.75) (\text{HY}^1)$$

Duquesne shall not be obligated under this Agreement to deliver, on a calendar year basis, energy in excess of the Take or Pay Amount.

3.3 Scheduling.

(a) Purchaser shall submit a schedule, specifying the amount of power (in whole megawatts) to be delivered each hour, no later than 10:00 a.m. of the day prior to the day for which delivery is requested. Schedule changes shall be accepted in accordance with standard industry operating practices.

(b) Unless otherwise agreed by the Parties, for each week of the Contract Term, Purchaser shall, no later than Thursday at 12:00 noon of the previ-

¹ HY means hours in the year, which shall be 8760 for each year other than a leap year; HY in a leap year shall be 8784.

ous week, submit a nonbinding schedule of the amount of power (in whole megawatts) to be delivered each hour during the following calendar week (commencing the following Monday at 12:01 a.m.). This nonbinding schedule shall be Purchaser's good faith estimate of its requirements for the following week and shall not bind Purchaser with respect to the schedules required under Section 3.3(a).

(c) Other scheduling and operating protocols may be adopted by mutual agreement of the Parties.

**ARTICLE IV
NON-DELIVERY**

4.1 Replacement Power.

(a) If Duquesne fails to deliver the Firm Power scheduled by Purchaser in accordance with Sections 3.2 and 3.3(a), Purchaser may procure replacement power for such amounts. Duquesne will reimburse Purchaser for the amount, if any, by which the Replacement Power Cost exceeds the Purchase Price in the hours and for the amounts of Firm Power scheduled in accordance with Sections 3.2 and 3.3(a) but not delivered. Replacement Power Cost means (i) the cost of power purchased to replace the Firm Power scheduled in accordance with Sections 3.2 and 3.3(a) but not delivered by Duquesne, inclusive of energy charges and demand charges, provided that only a pro rata share of such demand charges shall qualify as Replacement Power Costs where such demand charges also apply to deliveries other than replacement power under this Agreement, and (ii) any increase in transmission service costs incurred by Purchaser to deliver the replacement power, provided that any additional transmission service purchased for that purpose is used to deliver replacement power to the same delivery point(s) at which Purchaser would have delivered Firm Power had it been supplied by Duquesne as scheduled.

(b) Purchaser shall submit verification of such replacement power costs to Duquesne and Duquesne shall not be responsible for reimbursement of such costs until such verification is received. Any reimbursement shall take the form of a credit to Purchaser's bill(s) sufficient to reimburse Purchaser for such replacement costs.

(c) Duquesne's obligation to provide a credit for replacement power under this Section is contingent upon Purchaser having used commercially reasonable efforts to procure replacement power at the lowest available cost.

4.2 No Replacement Power Available.

(a) Except where such failure is due to Force Majeure, if Duquesne fails to deliver Firm Power scheduled in accordance with Sections 3.2 and 3.3(a), and Purchaser is unable in good faith to procure replacement power, Purchaser shall receive a credit of \$200/MWH for each MWH scheduled in accordance with Sections 3.2 and 3.3(a) but which Duquesne failed to deliver.

(b) If, because of Force Majeure, Duquesne is unable to deliver Firm Power scheduled by Purchaser in accordance with Sections 3.2 and 3.3(a), Duquesne will be excused from providing the billing credits set forth in this Section 4.2, provided that: (i) the suspension of delivery is no greater in scope and no longer in duration than is required by the Force Majeure; and (ii) Duquesne uses commercially reasonable efforts to overcome the effects of the Force Majeure, provided, however, that under no circumstances shall Duquesne be required to settle any any strike, walkout, lockout or other labor dispute on terms which, in the sole judgment of Duquesne, are contrary to its interest. As used herein, "Force Majeure" means any occurrence beyond the reasonable control of, and without the fault or negligence of, Duquesne that causes Duquesne to be unable to deliver the Firm Power scheduled by Purchaser in accordance with Sections 3.2 and 3.3(a), including, but not limited to, fires, floods, earthquakes or other acts of God, labor disputes, actions or inactions by Federal, state and municipal agencies, and actions or inactions of legislative, judicial or regulatory agencies.

4.3 Notice. Duquesne shall notify Purchaser by telephone or facsimile, or by another equally expeditious medium, if and when Duquesne has reason to believe that it will be unable to deliver the power scheduled by Purchaser pursuant to Section 3.3(a).

4.4 Sole Remedy. Notwithstanding any other provision of this Agreement or any provision of the CST,

the remedies provided in this Article for the non-delivery by Duquesne of Firm Power scheduled by Purchaser in accordance with this Agreement shall be the sole remedies available to Purchaser for such non-delivery.

**ARTICLE V
PAYMENT OBLIGATIONS; BILLING**

5.1 Purchase Price. For all amounts of energy scheduled and delivered under this Agreement, and for any additional amounts of energy up to the Take or Pay Amount, Purchaser shall pay the following rates ("Purchase Price") for the corresponding calendar year of delivery during the Contract Term:

Year	Charge
1998	\$ MWH
1999	\$ MWH
2000	\$ MWH
2001	\$ MWH
2002	\$ MWH
2003	\$ MWH
2004	\$ MWH
2005	\$ MWH

5.2 Billing. The rendering of bills, and any defaults related to the failure to pay such bills, is governed by Section 4.3 and 4.4 of the CST. If, at the end of any calendar year during the Contract Term, the amount of energy scheduled and taken by Purchaser for that year, and for which Purchaser has or will be billed under the provisions of the CST, is less than the Take or Pay Amount, Duquesne shall include in the bill for the last calendar month of that year charges applicable to the remaining amount of energy for which Purchaser must pay up to the Take or Pay Amount.

**ARTICLE VI
POWER DELIVERY; TRANSMISSION SERVICE**

6.1 Delivery.

(a) Delivery of Firm Power under this Agreement shall be at a point or points on the Duquesne Transmission System as mutually agreed by the Parties or such other delivery points as agreed by the Parties ("Points of Delivery"), provided, however, that in no event shall Duquesne be responsible for the purchase of transmission service on the Duquesne Transmission System to effect such delivery unless otherwise agreed by the Parties. "Duquesne Transmission System" shall mean the transmission facilities owned by Duquesne at or above 69 kilovolts.

(b) Unless otherwise agreed by the Parties, Duquesne shall be responsible for all costs, liabilities, losses, taxes and charges of any kind for the delivery or sale of Firm Power up to the Points of Delivery, and Purchaser shall be responsible for all costs, liabilities, losses, taxes and charges of any kind for the redelivery or resale of Firm Power after receipt at the Points of Delivery.

6.2 Transmission and Ancillary Services.

Unless otherwise agreed by the Parties, Duquesne shall not be responsible for procuring transmission and ancillary services that are necessary for the resale of power delivered under this Agreement. Duquesne shall not be obligated to deliver Firm Power in any hour unless the necessary transmission and ancillary service arrangements have been made. Upon Duquesne's request, Purchaser shall provide to Duquesne evidence that the necessary transmission and ancillary service arrangements have been made.

**ARTICLE VII
OTHER TERMS**

7.1 Representations and Warranties.

(a) Duquesne hereby represents and warrants to Purchaser that (i) Duquesne is a validly existing corporation with full authority to enter into this Agreement, (ii) Duquesne has taken all necessary measures to have the execution and delivery of this Agreement authorized, and upon the execution and delivery hereof, this Agreement shall be a legally binding obligation of Duquesne, (iii) Duquesne has secured all necessary gov-

ernmental or regulatory approvals, with the exception of FERC approval of the standard form service agreement under the CST for which Duquesne shall promptly apply after its execution.

(b) Purchaser hereby represents and warrants to Duquesne that: (i) Purchaser is a validly existing [corporation/partnership/other] with full authority to enter into this Agreement, (ii) Purchaser has taken all necessary measures to have the execution and delivery of this Agreement authorized, and upon the execution and delivery hereof, this Agreement shall be a legally binding obligation of Purchaser, (iii) Purchaser has secured all necessary governmental or regulatory approvals, and (iv) Purchaser will resell all Firm Power purchased under this Agreement.

7.2 Controlling Law. The validity, interpretation and effect of this Agreement are governed by the laws of the Commonwealth of Pennsylvania applicable to contracts made and performed in such State and without regard to conflicts of law doctrines, except to the extent preempted by Federal law or governed by the law of the jurisdiction of organization of the respective Parties.

7.3 Amendment. No modification or amendment of this Agreement shall be effective unless it is in writing and signed on behalf of both Parties.

7.4 Security. The Parties shall provide such security as is required by the Security Addendum attached hereto as Exhibit I.

7.5 Entire Agreement. This Agreement, together with the CST, the standard form service agreement under the CST, and the Security Addendum, shall constitute the entire agreement of the Parties and shall supersede any other agreement, whether written or oral, of the Parties regarding the sale of Firm Power that is the subject of this Agreement.

7.6 Incorporation by Reference. The provisions of Sections 4.4 ("Defaults"), 4.8 ("Successors and Assigns"), 4.9 ("Rights Restriction"), and 4.10 ("Waivers") of the CST, and paragraph 5 of Exhibit A (relating to notices) of the standard form service agreement under

the CST, are hereby incorporated by reference and made a part of this Agreement, and for such purposes, references in such Sections to the "tariff" shall be deemed to refer to this Agreement. As used in this Section 7.6 and in Sections 7.2 and 7.3 above, references to "this Agreement" shall include the Security Addendum.

IN WITNESS WHEREOF, intending to be legally bound, the Parties have caused this Agreement to be entered into by their duly authorized officers and attested to by their respective secretaries, as of the day and year first above written.

DUQUESNE LIGHT COMPANY

By: _____ Attest: _____

Title: _____ Title: _____

[PURCHASER]

By: _____ Attest: _____

Title: _____ Title: _____

**EXHIBIT I TO POWER SALE AGREEMENT
SECURITY ADDENDUM**

This Security Addendum ("Addendum") is entered into on the ___ day of ___ 1997 by and between Duquesne Light Company ("Duquesne"), a corporation organized and operating under the laws of Pennsylvania, and _____ ("Purchaser"), a corporation organized and operating under the laws of _____ (together, "the Parties").

W I T N E S S E T H:

WHEREAS, Duquesne and Purchaser have executed a Power Sale Agreement ("PSA") under which Duquesne has agreed to sell, and Purchaser has agreed to purchase, ___ MW of Firm Power; and

WHEREAS, as security for the prompt and complete payment by Purchaser of all sums due under the PSA, and the performance by Duquesne of its delivery obligations under the PSA, the Parties have agreed to the terms of a security arrangement set forth in this Addendum:

NOW, THEREFORE, Duquesne and Purchaser hereby agree as follows:

**ARTICLE I
DEFINITIONS**

Collateral means (i) cash in U.S. dollars, or (ii) an irrevocable standby letter of credit in favor of Pledgee issued by a bank, and in a form, acceptable to Pledgee.

Collateral Amount means the absolute value of the Contract-to-Market Amount.

Contract-to-Market Amount means the Remaining Obligation minus the Market Rate.

Contract Term has the meaning ascribed thereto in the PSA.

Duquesne Collateral Account means the account maintained by Duquesne in the name "Duquesne Light Company, as pledgee from [name of Purchaser]" at [name of bank] or such other similarly captioned account as Duquesne may specify in writing.

Effective Date has the meaning ascribed thereto in the PSA.

Firm Power has the meaning ascribed thereto in the PSA.

Investment Grade means a security that is rated higher than Ba1 by Moody's Investors Service or higher than BB+ by Standard & Poors Ratings Group.

Market Rate means the present value, using a discount rate of 7.94%, of the product of (i) the rate prevailing in the market as of the Notice Date for electric capacity and energy similar in firmness, capacity factor and other material respects to the Firm Power sold to Purchaser under the PSA, and (ii) the number of megawatt-hours representing a 75% annual capacity factor for the period from the Notice Date to the end of the Contract Term.

Notice Date has the meaning ascribed thereto in Section 2.4(a) hereof.

Pledgee means Duquesne if the Contract-to-Market Amount is positive and means Purchaser if the Contract-to-Market Amount is negative.

Pledgor means Purchaser if the Contract-to-Market Amount is positive and means Duquesne if the Contract-to-Market Amount is negative.

Purchase Price has the meaning ascribed thereto in the PSA.

Purchaser Collateral Account means the account maintained by the Purchaser in the name "[name of Purchaser], as pledgee from Duquesne Light Company" at [name of bank] or such other similarly captioned account as Purchaser may specify in writing.

Remaining Obligation means the present value, using a discount rate of 7.94%, of the product of (i) the number of megawatt-hours representing a 75% annual capacity factor for the period from the Notice Date to the end of the Contract Term, and (ii) the Purchase Price applicable to each such MWH under the terms of the PSA.

**ARTICLE II
SECURITY REQUIREMENTS**

2.1 Effective Date; Term. This Addendum shall take effect on the Effective Date and shall have a term coincident with the Contract Term.

2.2 Security Interest. As security for the prompt and complete payment of all amounts due or that may become due from Pledgor to Pledgee, and the performance by Pledgor of all covenants and obligations under this Addendum and the PSA, Pledgor hereby pledges, assigns, conveys and transfers to Pledgee, and grants to Pledgee a first priority continuing security interest in and to, and a general first lien upon and right of set-off against, all Collateral which is delivered or transferred to Pledgee or its agent pursuant to the provisions of this Addendum.

2.3 Triggering Events.

(a) If at any time during the Contract Term, (i) Duquesne's senior debt securities are below Investment Grade, and (ii) the Contract-to-Market Amount is negative in the amount of at least \$10 million, Purchaser may, in its sole discretion, require Duquesne to provide the Collateral Amount as security for the performance of Duquesne's obligations under the PSA. Purchaser shall provide such notice and its determination of the Contract-to-Market Amount in writing to Duquesne.

(b) If at any time during the Contract Term, (i) Purchaser's senior debt securities are below Investment Grade, and (ii) the Contract-to-Market Amount is positive in the amount of at least \$10 million, Duquesne may, in its sole discretion, require Purchaser to provide the Collateral Amount as security for payment of all amounts due under the PSA. Duquesne shall provide such notice and its determination of the Contract-to-Market Amount in writing to Purchaser.

2.4 Determination of Market Rate.

(a) The Pledgee shall determine, in good faith and using commercially reasonable methods, the Market Rate, and if as the result of such determination the Pledgee would be entitled to receive the Collateral Amount pursuant to Section 2.3 above, Pledgee may notify the Pledgor of such

determination and that the Pledgor is required to provide the Collateral Amount (the date of such notification, the "Notice Date").

(b) If within five (5) days after the Notice Date the Pledgor notifies the Pledgee that the Pledgor objects to such determination, and the Parties fail to agree on a Market Rate within ten (10) days after the Notice Date, the Parties shall appoint three (3) independent market experts who shall determine the Market Rate, such experts being knowledgeable regarding the markets for the sale of electric power. If the Parties fail to agree on such experts within fifteen (15) days after the Notice Date, each of the Parties shall, within five (5) days thereafter, appoint one (1) independent market expert, and the two (2) experts so appointed shall select a third independent market expert. The three (3) independent market experts so selected shall, within twenty (20) days of the selection of the third expert, agree upon and provide in writing to the Parties a Market Rate for use in calculation of the Contract-to-Market Amount, which rate shall be binding on the Parties. If the Pledgor fails to notify the Pledgee within five (5) days after the Notice Date that the Pledgor objects to the Pledgee's determination of the Market Rate, or fails to select an independent market expert within the time requirements of this Section 2.4(b), then the Market Rate determined by Pledgee pursuant to Section 2.4(a) shall be binding on the Parties.

(c) All costs of the use of the independent market experts pursuant to Section 2.4(b) above shall be shared equally by the Parties; provided, however, that each Party shall be responsible for all costs of preparing or presenting its own position to the independent market experts, including the costs of its own counsel and/or consultants.

2.5 Delivery of Collateral. If Pledgor is required under this Addendum to deliver Collateral to Pledgee, Pledgor shall do so (a) within five (5) days after the Notice Date, or (b) if Pledgor gives notice of its objection to the Pledgee's determination of the Market Rate within said five (5) day period, then within two (2) business days after the later of (i) agreement by the Parties on the Market Rate, or (ii) the date on which the Pledgor receives a determination of the Market Rate from the independent market experts. Within the time periods specified in this

Section 2.5, Pledgor shall pay or deliver, or cause to be paid or delivered, to Pledgee, or its agent for the safekeeping of such Collateral, the Collateral. All cash Collateral delivered by the Purchaser shall be delivered by wire transfer of immediately available funds to the Duquesne Collateral Account. The original executed copies of all letters of credit to be delivered by the Purchaser shall be physically delivered to Duquesne or any agent specified by it. All cash Collateral delivered by Duquesne shall be delivered by wire transfer of immediately available funds to the Purchaser Collateral Account. The original executed copies of all letters of credit to be delivered by Duquesne shall be physically delivered to the Purchaser or any agent specified by it.

2.6 Administration of Collateral.

(a) Pledgee shall be under no obligation to pay Pledgor any interest or dividends with respect to the Collateral. All principal and interest paid to or received by Pledgee and/or its agent for safekeeping, in respect of Collateral held by Pledgee and/or its agent for safekeeping, shall be held or retained as additional Collateral subject to this Addendum and shall be subject to the security interest in, general first lien on and right of set-off against, such Collateral granted pursuant hereto in favor of Pledgee.

(b) Beyond the exercise of reasonable care in the custody thereof, Pledgee shall have no duty as to any Collateral in its possession or control or in the possession or control of any agent or bailee or any income thereon or as to the preservation of rights against prior parties or any other rights pertaining thereto. Pledgee shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession, and/or in the possession of its agent for safekeeping, if the Collateral is accorded treatment substantially equal to that which it accords its own property, and shall not be liable or responsible for any loss or damage to any of the Collateral, or for any diminution in the value thereof, by reason of the act or omission of any agent for safekeeping of Pledgee selected by Pledgee in good faith except to the extent such loss or damage is the result of such agent's recklessness, willful misconduct or bad faith.

(c) Cash Collateral held by Duquesne as Pledgee shall be maintained in the Duquesne Collateral Account. Cash Collateral held by the Purchaser as Pledgee shall be maintained in the Purchaser Collateral Account. Pledgee shall at all times retain possession or control of non-cash Collateral delivered to it and/or its agent for safekeeping, provided that any agent for safekeeping must be an affiliate of the Pledgee, and shall not repledge or transfer any such Collateral to any person other than a person acting as the agent of Pledgee for safekeeping or otherwise deal with any Collateral delivered to it.

(d) The holding of Collateral by an agent for safekeeping for the benefit of a Pledgee shall be deemed to be the holding and possession of such Collateral by the Pledgee for the purpose of perfecting the security interest in the Collateral. Nothing in this Addendum shall be construed as requiring a Pledgee to select an agent for safekeeping of Collateral for the benefit of such Pledgee.

2.7 Exercise of Rights Against Collateral. In the event of a default under the PSA or the Coordination Sales Tariff (attached to the PSA as Exhibit II), Pledgee may exercise, in addition to any other right or remedy at law or in equity, the following rights and remedies:

(a) all rights and remedies available to a secured party under the Uniform Commercial Code of the state in which the Collateral is being held and other applicable laws with respect to the Collateral held by or for the benefit of Pledgee; and

(b) the right to set-off any Collateral held by or for the benefit of Pledgee against and in satisfaction of any amount payable by Pledgor in respect of any of its obligations under the PSA.

Pledgor shall in all events remain liable to Pledgee for any of its obligations remaining unpaid after any application of such Collateral.

2.8 Return or Adjustment of Collateral.

(a) If on any date subsequent to the Notice Date, Pledgor's senior debt securities return to Investment Grade, Pledgee, within two (2) business days of receiving notice from Pledgor of same, shall pay or return, or cause

to be paid or returned, all Collateral previously delivered by Pledgor to Pledgee or its agent under this Addendum that has not been required to satisfy obligations of Pledgor under the PSA.

(b) At any time after the Pledgee has held the same Collateral Amount for a period of at least six months, either Party may require a new determination of the Market Rate if such Party determines that the Collateral Amount then being held by the Pledgee is at least \$5 million greater or less than the then current Contract-to-Market Amount and so notifies the other Party. The date of such notice will be treated as a "Notice Date" for purposes of applying the procedures in Section 2.4(b) above, and the Market Rate determined in accordance with such procedures shall thereupon become binding on the Parties for use in calculation of the Contract-to-Market Amount. If the resulting Contract-to-Market Amount is less than \$5 million are no amounts payable by Pledgor to Pledgee under the PSA that are overdue, or other obligations of Pledgor to Pledgee that Pledgor has failed to perform in a timely fashion, Pledgee shall pay or return, or cause to be paid or returned, all Collateral previously delivered by Pledgor to Pledgee or its agent under this Addendum that has not been required to satisfy obligations of Pledgor under the PSA.

(c) Upon (i) the termination of the PSA and (ii) the performance by Pledgor of all of its obligations under the PSA, Pledgee shall pay or return, or cause to be paid or returned, all Collateral previously delivered by Pledgor to Pledgee or its agent under this Addendum that has not been required to satisfy obligations of Pledgor under the PSA.

(d) If at any time all remaining Collateral is to be paid or returned to Pledgor pursuant to this Section 2.8, Pledgee shall, at the request and expense of Pledgor, execute and deliver to Pledgor such documentation as is necessary or appropriate to release the liens created by this Security Addendum.

2.9 Miscellaneous.

(a) Pledgor will defend the Collateral against the claims and demands of all other parties, will keep all Collateral free from all security interests or other encumbrances (except the security interest hereunder)

and will not sell, transfer, assign, deliver or otherwise dispose of any Collateral or any interest therein without the prior written consent of Pledgee.

(b) Pledgor will execute and deliver to Pledgee (and to the extent permitted by applicable law, Pledgor hereby authorizes Pledgee to execute and deliver, in the name of Pledgor or otherwise) such financing statements, assignments and other documents and do such other things relating to the Collateral and the security interest granted under this Addendum including any action necessary or appropriate to perfect or maintain perfection of Pledgee's security interest in the Collateral, and Pledgor shall pay all costs relating thereto.

IN WITNESS WHEREOF, intending to be legally bound, each of the Parties hereto has caused this Addendum to be executed on its behalf by its duly authorized officer and attested to by its corporate secretary, as of the day and year first above written.

DUQUESNE LIGHT COMPANY

By: _____

Attest: _____

Title: _____

By: _____

[PURCHASER]

By: _____

Attest: _____

Title: _____

By: _____

Class of Service: Coordination Sales Tariff

ARTICLE I

AVAILABILITY

Section 1.1 This tariff is applicable to coordination sales by Duquesne Light Company ("DLC") of capacity and/or energy for resale to any entity, including, without limitation, any electric utility, municipality, exempt wholesale generator, qualifying facility, federal power marketing agency, power marketers, or any other entity engaged in the sale for resale of electric energy or capacity.

Section 1.2 Each entity that desires to take service under this tariff shall sign a Service Agreement in the form attached hereto. A purchaser of capacity and/or energy pursuant to this tariff is referred to herein as a "Customer." DLC and a Customer are sometimes referred to in this tariff as a "Party" or the "Parties."

ARTICLE II

OPERATIONS

Section 2.1 Points of Delivery - The points of delivery for coordination sales by DLC will be mutually agreed upon by DLC and the customer.

Section 2.2 Ownership and Maintenance - Neither Party shall have any responsibility under this tariff to install, operate or maintain the other Party's facilities for or on behalf of the other Party or any other entity.

Section 2.3 Character of Power and Energy - All capacity and/or energy delivered pursuant to this tariff shall be three-phase, 60-cycle capacity and/or energy.

Section 2.4 Reactive Power - Neither Party shall be obligated to deliver reactive power to the other Party or to receive reactive power from the other Party when to do so may introduce detrimental operating conditions on the system of either Party.

Class of Service: Coordination Sales Tariff

ARTICLE III

SERVICE TO BE RENDERED

Section 3.1 Coordination Sales - This tariff establishes a framework under which DLC may sell and a Customer may purchase capacity and/or energy from time to time for their mutual benefit. Additional terms and conditions applicable to such transactions are established by the following attached service schedules:

<u>Service Schedule</u>	<u>Type of Service</u>
A	Negotiated Capacity and/or Energy
B	Emergency Energy

DLC will file with the Commission a Service Agreement signed by each customer who takes service under the tariff.

Section 3.2 Relationship to Other Agreements - This tariff does not govern and shall not affect sales or transmission of capacity and/or energy under any other agreement between the Parties.

Section 3.3 Delivery and Transmission Arrangements - All deliveries of capacity and/or energy shall be made at the points of delivery as agreed to by the Parties. Unless otherwise mutually agreed upon when a transaction is arranged, DLC shall be responsible for making all arrangements necessary for transmission of capacity and/or energy provided hereunder to the points of delivery and for all costs, including losses associated with such transmission, and the Customer shall be responsible for all such arrangements and costs for the transmission of capacity and/or energy from the points of delivery.

Section 3.4 Scheduling - All capacity and/or energy shall be delivered on a scheduled basis in accordance with the applicable service schedule. Scheduling requests shall be initiated by the Customer. Except by mutual agreement, schedules shall be set according to DLC's standard scheduling procedures; provided that DLC shall use reasonable efforts to accommodate a Customer's requests for nonconforming schedules or schedule changes. All schedules shall be in whole megawatt quantities unless modified by mutual agreement to reflect losses. Each Party shall provide to the other Party the names and/or positions of persons authorized to coordinate transaction schedules on its behalf.

Class of Service: Coordination Sales Tariff

Section 3.5 Emission Allowances - Service Schedules A and B shall be deemed to include the cost of emission allowances which are utilized in the production of electric energy under provisions of the Federal Clean Air Act. The terms and conditions for the supply of such allowances shall be as set forth in Appendix 90CAAA, attached to the tariff and shall be effective from time to time as filed with and approved by the FERC.

Section 3.6 Facilities - Services rendered shall not require DLC to construct or install any new facilities.

ARTICLE IV

GENERAL PROVISIONS

Section 4.1 Rate Schedule Changes - DLC shall have the right unilaterally at any time to make application to the FERC, pursuant to Section 205 of the Federal Power Act and the FERC's applicable rules and regulations, for changes in any of the rates, terms or conditions of this tariff. Any such changes in this tariff of a term of one year or less shall not affect transactions agreed to by the Parties prior to the date such changes become effective.

Section 4.2 Credit Appraisal Criteria - DLC has the right to request the following information from any Customer applying for service under this tariff:

- (a) current financial statements, annual reports, other publicly available reports and filings;
- (b) a bank reference and trade references; and
- (c) verification of the Customer's solvency.

The Customer may elect to provide one of the following guarantee of payment options in lieu of providing requested financial data:

- (a) an irrevocable letter of credit acceptable to DLC;
- (b) a security interest in collateral found by DLC to be acceptable; or
- (c) a guarantee by a person or another entity who satisfies DLC's credit appraisal criteria.

Class of Service: Coordination Sales Tariff

Should a Customer fail to meet DLC's credit appraisal criteria and should a Customer fail to provide one of the guarantee payment options above, DLC may refuse service until such time as DLC is assured, to DLC's sole satisfaction, of the Customer's ability to pay.

Additionally, DLC may request any other information that DLC determines to be reasonably required to evaluate the Customer's application and/or continued eligibility for service.

The above steps are necessary to prudently review the credit worthiness of new customers before DLC commits significant resources to a sale.

Section 4.3 Billing - The Customer shall compensate DLC for all purchases in accordance with the terms of the applicable service schedule in effect at the time of delivery. All bills for coordination sales provided under this tariff shall be issued on a calendar month basis, by the 5th working day following the calendar month to which they apply. All bills shall be due and payable within 15 days after receipt; provided that, in no event shall any payment be due before the 20th day of the billing month. If the due date of a payment is a Saturday, Sunday or Federal legal holiday, the bill shall be paid on or before the next following business day. Interest on any unpaid amounts shall accrue at the then prime rate (or comparable rate) per annum of Manufacturers Hanover Trust Company from the due date of the bill until the date of receipt of payment.

Section 4.4 Defaults - Upon the failure of a Customer to pay all amounts as to which there is no dispute within 30 days of the date on which a payment is due, the Customer is in default and (a) DLC may immediately cease making coordination sales to the Customer under this tariff until the default is cured; (b) the Customer shall not contest or object to the suspension of its right to schedule energy hereunder; (c) DLC may terminate its obligations under this tariff; (d) DLC may initiate any regulatory or legal proceeding necessary to terminate the Customer's service under this tariff and to obtain payment of all amounts due; and (e) DLC may exercise any other remedy available at law or in equity. If it becomes necessary to terminate the customer service, DLC will file the appropriate termination notices with all regulatory agencies having jurisdiction.

Section 4.5 Liability - DLC shall not be liable to a Customer, or its customers, in the event DLC is prevented, in whole or in part, from making any coordination sales by any cause beyond DLC's reasonable control, including but not limited to, outages or interruptions due to weather, accidents, equipment failures, repairs, inspections, strikes, civil unrest, injunctions or actions or inactions of any governmental authority having jurisdiction. If DLC's performance has been prevented by such an event, it shall promptly and diligently attempt to remove the cause of its failure to perform, except that DLC shall not be obligated to agree to any settlement of a strike or labor disturbance which, in its opinion, may be inadvisable or detrimental. DLC shall continue to perform after such cause has been removed. DLC shall have no liability to a

Class of Service: Coordination Sales Tariff

Customer or its customers for any direct or indirect, incidental, consequential, special, loss of use, loss of revenue or loss of profit or any other damages which may arise from any cause, however arising.

Section 4.6 Indemnity - Each Party agrees to defend, indemnify and hold harmless the other Party against all claims, liability, loss, damage or expense of any other entity caused by, or resulting from, negligent acts or omissions of the indemnifying Party, its employees or agents.

Section 4.7 Records - The Parties shall maintain records of all transactions for a period of at least three years after the cancellation or termination of this tariff. Each Party shall make such records available for inspection and audit by the other Party at reasonable times and places at the other Party's request; provided, however, that all bills for sales made under this tariff shall become final for all purposes, and not subject to audit or adjustment, on the one-year anniversary of their issuance dates.

Section 4.8 Successors and Assigns - This tariff shall be binding upon the Parties, their successors and assigns, on and after its effective date. Service under this tariff shall not be assigned in whole or in part by either Party to any other entity without the prior written consent of the other Party, which shall not be unreasonably withheld.

Section 4.9 Rights Restriction - This tariff is not intended to, and shall not create rights of any type whatsoever in favor of any person, corporation, association or entity other than the Parties, and the obligations assumed herein are solely for the use and benefit of such Parties.

Section 4.10 Waivers - Any waiver at any time by either Party of its rights with respect to failure to comply with the terms of this tariff or with respect to any other matter arising in connection with this tariff shall not be deemed a waiver with respect to any subsequent failure to comply with such matters or any other matter. Any delay in asserting or enforcing any right under this tariff shall not be deemed a waiver of such right.

Section 4.11 Notices - All notices provided to DLC under this tariff shall be addressed as follows:

Vice President - Power Supply Group
Duquesne Light Company
411 Seventh Avenue
Pittsburgh, Pennsylvania 15219

DLC may designate an alternate representative or change the position and address each as specified above by written notice to the Customer.

Class of Service: Coordination Sales Tariff

Section 4.12 Regulation - This tariff is subject to acceptance for filing by the FERC.

Section 4.13 Effective Date; Termination - This tariff shall become effective on the date as assigned by the FERC. Until terminated, service under this tariff shall continue in full force and effect and, following termination, the provisions of this tariff related to Billing, Liability, Indemnity and Records shall survive until the Parties' obligations thereunder have been fully discharged.

Section 4.14 Article and Section Headings - The headings contained in this tariff are used solely for convenience and are not intended to be used in any manner in the interpretation of this tariff.

Class of Service: Coordination Sales Tariff

SERVICE SCHEDULE A

NEGOTIATED CAPACITY AND/OR ENERGY

SECTION 1 - DURATION

1.1 This Service Schedule A, a part of the Coordination Sales Tariff, shall continue in effect throughout the duration of the Coordination Sales Tariff, unless and until changed pursuant to the tariff.

SECTION 2 - SERVICES TO BE RENDERED

2.1 A Customer may purchase Negotiated Capacity and/or Energy from DLC for the purpose of obtaining a supply of power during the period covered by a commitment. It is intended to provide both the Customer and DLC with a wide range of flexibility in structuring transactions which are mutually beneficial, including negotiated degrees of firmness, reserve responsibility, capacity and energy charges and variable time durations.

SECTION 3 - CONDITIONS OF SERVICE

3.1 A Customer may request the number of megawatts and the period for which it desires to reserve Negotiated Capacity. DLC shall, based upon its sole judgment, promptly indicate the extent of its ability and willingness to make the requested reservation and the capacity charge, if any, which will be applicable. Any request, acknowledgment of such request, offer and/or acceptance of any offer given orally shall be confirmed in writing within five (5) business days following the oral request, acknowledgment, offer or acceptance, unless mutually agreed otherwise by the parties.

3.2 The degree of firmness of the Negotiated Capacity, which may range from firmness equivalent to DLC's native requirements services to non-firm service, shall be mutually agreed upon by both Parties at the time the power is reserved. Capacity classified as non-firm shall, at a minimum, be treated by DLC as having a higher degree of reliability than sales to other systems which do not involve a sale of capacity.

3.3 During the period that firm Negotiated Capacity has been reserved as provided above, it shall be the responsibility of the Customer to schedule in advance, the deliveries of energy associated therewith and of DLC to deliver such energy in amounts up to the number of megawatts reserved.

Class of Service: Coordination Sales Tariff

3.4 The Negotiated Capacity billing demand for any period shall be equal to the number of megawatts reserved for such period as Negotiated Capacity.

SECTION 4 - COMPENSATION

4.1 Compensation for the supply of Negotiated Capacity and/or Energy shall be at the following rates:

4.11 Capacity generated by DLC:

- a. Up to \$132,360/MW-year for periods of up to one (1) year;
- b. Up to \$11,030/MW-month for periods of three (3) through eleven (11) months;
- c. Up to \$2,545/MW-week for periods of one (1) through twelve (12) weeks;
- d. Up to \$509/MW-day for periods of less than one (1) week; provided, however, this element of the charge for any one (1) week shall total no more than the product of \$2,545 times the highest average number of megawatts delivered in any hour during the week; or
- e. Up to \$31.80/MW-hour for periods of less than one (1) day; provided, however, this element of the charge for one (1) day shall be no greater than \$509 times the highest average number of megawatts delivered in any one (1) hour during the day or \$2,545 times the highest average number of megawatts delivered in any one hour in a consecutive seven (7) day period.

4.12 Energy Charge

- a. The energy charge for all megawatt hours generated and delivered by DLC under this Service Schedule A shall be DLC's Incremental Costs (IC) plus an adder of up to 10% of IC. The IC for SO₂ allowances shall be determined as provided for in Appendix 90CAAA attached hereto.

Class of Service: Coordination Sales Tariff

- b. Upon request by a Customer, an estimate of energy charges will be given prior to scheduling of energy for any given day, and the Customer will be notified of any significant changes to that price.

4.13 Transmission Charges

- a. When required, transmission and related ancillary services may be arranged for by the Customer pursuant to the prevailing DLC Open Access Transmission Tariff, FERC Docket OA-96-56-000.
- b. Transmission required for DLC to supply capacity and/or energy to the Customer under this schedule will be priced pursuant to the prevailing DLC Open Access Transmission Tariff, FERC Docket OA-96-56-000.

The Transmission Price for Non-Firm Point-To-Point Transmission Service shall be up to the sum of the applicable charges set forth below:

1. Monthly delivery: \$1.63/KW of Reserved Capacity per month.
2. Weekly delivery: \$0.38/KW of Reserved Capacity per week.
3. Daily delivery: \$0.054/KW of Reserved Capacity per day.

The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.

4. Hourly delivery: The basic charge in no event shall exceed \$2.23/MWH. The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any hour during such day. In addition, the total demand charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any hour during such week.
5. Discounts: If the Transmission Provider offers an affiliate a rate discount or attributes a discounted transmission rate to its own transactions, the Transmission Provider must offer at the same

Class of Service: Coordination Sales Tariff

time the same discounted Non-Firm Point-to-Point Transmission Service rate to all Eligible Customers on the same path and on all unconstrained transmission paths. Information regarding any non-firm transmission discounts must be posted on the OASIS pursuant to Part 37 of the Commission's regulations. In addition, discounts to non-affiliates must be offered in a not unduly discriminatory manner.

Class of Service: Coordination Sales Tariff

SERVICE SCHEDULE B

EMERGENCY ENERGY

SECTION 1 - DURATION

1.1 This Service Schedule B, a part of the Coordination Sales Tariff, shall continue in effect throughout the duration of the Coordination Sales Tariff, unless and until changed pursuant to the Tariff.

SECTION 2 - SERVICES TO BE RENDERED

2.1 Emergency Energy is non-firm energy made available from time to time by DLC from generating capacity on its system or from energy purchased from another entity when an emergency exists on the system of the Customer. An emergency is a breakdown or other contingency involving either sources of power or transmission facilities, or both, which impairs or jeopardizes the Customer's ability to meet its system requirements.

2.2 The Customer may request the provision of Emergency Energy by specifying to DLC the amount of energy it desires to purchase and the period for which it desires the energy. DLC shall furnish Emergency Energy in such amounts and for such periods as, in its sole judgment, it can supply or purchase.

2.3 DLC may curtail, restrict or discontinue delivery of Emergency Energy whenever, in its sole judgment, such curtailment, restriction or discontinuance is necessary in order to meet the requirements of its native load customers and/or other customers. Notice of such curtailment, restriction or discontinuance shall be made by expeditious means to the Customer as far in advance as practicable, and the Customer shall promptly comply with the decision of DLC.

SECTION 3 - COMPENSATION

3.1 The rates for Emergency Energy generated by DLC shall be the greater of:

- 3.11 a. \$100 per megawatt-hour; or
- b. 110% of DLC's Incremental Costs (IC). The IC for SO₂ allowances shall be determined as provided for in Appendix 90CAAA attached hereto.

Class of Service: Coordination Sales Tariff

3.12 Transmission Charges

- a. When required, transmission and related ancillary services may be arranged for by the Customer pursuant to the prevailing DLC Open Access Transmission Tariff, FERC Docket OA-96-56-000.
- b. Transmission required for DLC to supply capacity and/or energy to the Customer under this schedule will be priced pursuant to the prevailing DLC Open Access Transmission Tariff, FERC Docket OA-96-56-000.

The Transmission Price for Non-Firm Point-To-Point Transmission Service shall be up to the sum of the applicable charges set forth below:

1. Monthly delivery: \$1.63/KW of Reserved Capacity per month.
2. Weekly delivery: \$0.38/KW of Reserved Capacity per week.
3. Daily delivery: \$0.054/KW of Reserved Capacity per day.

The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.

4. Hourly delivery: The basic charge in no event shall exceed \$2.23/MWH. The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any hour during such day. In addition, the total demand charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any hour during such week.
5. Discounts: If the Transmission Provider offers an affiliate a rate discount or attributes a discounted transmission rate to its own transactions, the Transmission Provider must offer at the same time the same discounted Non-Firm Point-to-Point Transmission Service rate to all Eligible Customers on the same path and on all unconstrained transmission paths. Information regarding any non-firm transmission discounts must be posted on the OASIS

Class of Service: Coordination Sales Tariff

pursuant to Part 37 of the Commission's regulations. In addition, discounts to non-affiliates must be offered in a not unduly discriminatory manner.

Service Agreement
Duquesne Light Company
Coordination Sales Tariff

Agreement made this _____ day of _____ 19__, by and between the Duquesne Light Company (DLC) and the _____, a _____ corporation (hereinafter 'the Customer'). In consideration of the mutual covenants and agreements herein, and intending to be legally bound, the Parties hereby agree as follows:

1. DLC shall supply services under its Coordination Sales Tariff dated _____ and accepted by FERC Letter Order dated _____ at Docket No. _____.
2. The Customer shall pay DLC for the services rendered in accordance with the provisions of its Coordination Sales Tariff as currently on file with FERC, and as currently in effect, or as it may be amended from time to time.
3. This Agreement incorporates by reference all the provisions of DLC's Coordination Sales Tariff as they exist or as they may be amended from time to time.
4. This Agreement is made subject to acceptance of all the provisions hereof by any governmental authority or authorities having jurisdiction, including the FERC, without change or condition unacceptable to DLC.
5. Exhibit A, as currently attached hereto and as it may be amended from time to time, shall provide points of contact for notice, scheduling and billing of transactions under this Service Agreement.

In witness whereof, the undersigned have caused this Agreement to be executed by their duly authorized representatives on the date first written above.

Attest:

Duquesne Light Company

By: _____

Title: _____

Attest:

Customer

By: _____

Title: _____

1. Any notice given pursuant to this Agreement shall be in writing as follows:

If to DLC: Vice President - Power Supply Group
Duquesne Light Company
411 Seventh Avenue
Pittsburgh, PA 15219

If to Customer: _____

2. Scheduling under this Agreement will be accomplished between the following dispatch centers:

Duquesne Light Company
Pittsburgh, PA
(412) 471-3832

Customer: _____

3. Billing for services provided to the purchaser under this Agreement will be coordinated between:

Duquesne Light Company
2839 New Beaver Avenue
Pittsburgh, PA 15233
Attention: Manager, System Operations
(412) 393-8222

Customer: _____

APPENDIX 90CAAA

Section 1. The calculation of "Out-of-Pocket" and "Incremental" costs shall be deemed to include the cost of emission allowances which are utilized in the production of electric energy under provisions of the federal Clean Air Act, as amended, 42 U.S.C. § 7401 et. seq. (hereinafter referred to as "Clean Air Act").

Section 2. When the Duquesne Light Company (DLC) is the supplying Party, the following guidelines will be implemented for coordination sales requiring the use of emission allowances:

A. Emission Allowances for Coordination Sales

DLC will determine emissions allowance costs on the basis of the emission allowance index published monthly by Emission Exchange Corporation. Both coordination sales pricing and dispatch decisions are based on this index by the inclusion of the appropriate $\text{\$/MMBTU}$ of emission allowance costs into the incremental cost of each affected unit. The appropriate $\text{\$/MMBTU}$ emission allowance cost is based upon the emission rate of the corresponding unit.

B. Election to Supply Emission Allowances

For each transaction, the purchaser shall make an election no later than the beginning of the coordination transaction as to whether it will supply the associated emission allowances or have the allowances supplied by DLC. The cost of allowances supplied by DLC will be billed in the current billing cycle. DLC is indifferent as to the purchaser's election to either supply or pay for emission allowances.

Allowances supplied by the purchaser must be supplied to DLC by December 31 of the current year. If the purchaser fails to supply DLC the allowances by December 31, the purchaser will pay DLC the cost to obtain the allowances plus a 10% adder will be included to

cover those costs which are hard to quantify. If after best efforts DLC cannot obtain the required allowances, the purchaser will reimburse DLC for all fines and penalties occurred under the provisions of the 1990 Clean Air Act Amendments due to the purchaser's failure to supply allowances, plus the cost of any allowances forfeited in future years due to the purchaser's inability to fulfill its commitment and 110% of associated legal fees.

C. Calculation of Emission Allowances to be Supplied by the Purchaser

For each hour in which there is a transaction for energy or capacity services, and in which the purchaser is supplying the emissions allowances, DLC will:

- (1) identify the generation sources used and the amount of energy or capacity provided by those sources for the transaction;
- (2) for those sources requiring emission allowances under the 1990 Clean Air Act Amendments, determine the amount of emission allowances utilized for the transaction using the formula:

$[\text{MMBTU sale} - \text{MMBTU no sale}][\text{SO}_2]$, where MMBTU sale = Million BTU consumed with the transaction, MMBTU no sale = Million BTU consumed without the transaction and $[\text{SO}_2]$ = Tons of SO_2 per MMBTU; and

- (3) reduce the transaction pricing by the cost of allowances calculated in C(2).
- (4) Emission Allowances between 0.001 and 0.449 shall be rounded to zero and Emission Allowances between 0.500 and 0.999 shall be rounded to 1. This rounding method shall apply to both cash and traded allowance type transactions.

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