

ORIGINAL

VOLUME IX

RECEIVED

AUG 01 1997

**PA PUBLIC UTILITY COMMISSION
PROTHONOTARY'S OFFICE**

**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**

Contents:

- Filing Requirements K.1. through K.2.**
- Filing Requirements L.1. through L.17.**
- Filing Requirements M.1. through M.6.**
- Filing Requirements N.1. through N.4.**
- Filing Requirements O.1. through O.6.**
- Filing Requirements P.1. through P.25.**
- Questions from Statement of Commissioner John Hanger No.'s 1 - 8.**

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

DUQUESNE LIGHT COMPANY

K-1 Tariff Schedules

- 1a. Provide detailed calculations and proof of revenues supporting proposed unbundled rates for generation, jurisdictional transmission, distribution and other services.
- 1b. Demonstrate that the proposed tariffs are in compliance with the rate cap provisions of Chapter 28.

Response:

1a. The attached tables provide calculations for revenues from unbundled rates.

1b. The attached tables demonstrate that the revenues from the unbundled rates are the same as the revenues from bundled rates.

Duquesne Light Company

Calculation of Revenue
12 Months ended Dec. 31, 1996

Rate RS	Bills, kWh or Meters	Rate	Revenue
<u>Customer Charges</u>			
Customer Charge	5,955,305	\$ 6.42	\$ 38,233,058
Rider 14 Meter Charge	55	\$ 1.50	\$ 83

<u>Energy Charges</u>	Bills, kWh or Meters	Rate	Revenue
Regular kWh	2,977,045,069	\$ 0.1174	\$ 349,505,091
Metered Heating Rider 14	60,228	\$ 0.0452	\$ 2,722
Water Heating Rider 19	163,700	\$ 0.0300	\$ 4,911
<u>Total</u>	<u>2,977,268,997</u>		<u>\$ 349,512,724</u>

Total Revenue	\$ 387,745,865
Base Revenue	\$ 387,762,855
Adjustment Factor	99.9956%

Calculation of Net 1996 RS Revenue (Including STAS @ SUPP 4 Roll-In \$ ECR)	
Base Revenue	\$ 387,762,855
Adjust for STAS Roll-in	\$ (3,147,528)
ECR	\$ (9,736,523)
<u>Net 1996 Revenue</u>	<u>\$ 374,878,804</u>
Adjust for ECR roll-in at Cap	\$ 4,459,947
<u>Adjusted 1996 Revenue</u>	<u>\$ 379,338,751</u>

Proposed Rate RSD	Bills, kWh or Meters	Rate	Revenue
<u>Customer Charges</u>			
Customer Distribution Charge	5,955,305	\$ 6.38	\$ 37,994,846

<u>Delivery Charges - Energy</u>	Bills, kWh or Meters	Rate	Revenue
Transmission	2,977,268,997	\$ 0.0045	\$ 13,423,406
Distribution	2,977,268,997	\$ 0.0281	\$ 83,565,298
CTC	2,977,268,997	\$ 0.0072	\$ 21,327,966
<u>Total Delivery Charges</u>			<u>\$ 118,316,670</u>

<u>Energy Credits</u>	\$ 55,258,113
-----------------------	---------------

<u>Calculation of Fixed CTC</u>	
Net 1996 Revenue	\$ 379,338,751
less Customer Charges	\$ 37,994,846
less Total Delivery Charges	\$ 118,316,670
less Competitive Generation Credit	\$ 55,258,113
<u>Fixed CTC</u>	<u>\$ 167,769,122</u>

Unbundled Revenue	\$ 379,338,751
Difference - Bundled Versus Unbundled Revenue	0.00%

Duquesne Light Company

Calculation of Revenue
12 Months ended Dec. 31, 1996

Rate RH	Bills, kWh or Meters	Rate	Revenue	Proposed Rate RHD	Bills, kWh or Meters	Rate	Revenue
<u>Customer Charges</u>				<u>Customer Charges</u>			
Customer Charge	272,748	\$ 6.42	\$ 1,751,042	Customer Distribution Charge	272,748	\$ 6.38	\$1,740,132
<u>Energy Charges</u>				<u>Delivery Charges - Energy</u>			
First 500 kWh	155,535,363	\$ 0.1174	\$ 18,259,852	Transmission			
Excess kWh	153,503,057	\$ 0.0452	\$ 6,938,338	First 500 kWh	155,535,363	\$ 0.0052	\$816,021
Water Heating Rider 19	162,600	\$ 0.0300	\$ 4,878	Excess kWh	153,665,657	\$ 0.0035	\$535,182
Total kWh	309,201,020		\$ 25,203,068	Total Transmission	309,201,020		\$1,351,203
				Distribution			
				First 500 kWh	155,535,363	\$ 0.0316	\$4,915,686
				Excess kWh	153,665,657	\$ 0.0210	\$3,223,921
				Total Distribution	309,201,020		\$8,139,607
				CTC			
				First 500 kWh	155,535,363	\$ 0.0030	\$467,933
				Excess kWh	153,665,657	\$ 0.0020	\$306,891
				Total CTC	309,201,020		\$774,824
Total Revenue			\$ 26,954,110	Total Variable Delivery Charges			\$10,265,634
Base Revenue			\$ 26,954,110	Energy Credits			\$5,701,667
Adjustment Factor			100.00%				
Net 1996 Revenue (Includes STAS@Supp. 4 Roll-In and ECR)				<u>Calculation of Fixed CTC</u>			
Base Revenue			\$ 26,954,110	Net 1996 Revenue	\$ 26,251,345		
Adjust for STAS Roll-in			\$ (220,502)	less Customer Charges	\$1,740,132		
ECR			\$ (945,202)	less Total Delivery Charges	\$10,265,634		
Net 1996 Revenue			\$ 25,788,406	less Competitive Generation Credit	\$5,701,667		
Adjust for ECR roll-in at Cap			\$ 462,939	Fixed CTC			\$8,543,912
Adjusted 1996 Revenue			\$ 26,251,345	Unbundled Revenue		\$	26,251,345
				Difference - Bundled Versus Unbundled Revenue			0.00%

Duquesne Light Company

Calculation of Revenue
12 Months ended Dec. 31, 1996

Rate RA				Proposed Rate (RAD)			
	Bills, kWh or Meters	Rate	Revenue		Bills, kWh or Meters	Rate	Revenue
<u>Customer Charges</u>				<u>Customer Charges</u>			
Customer Charge	33,516	\$ 6.42	\$ 215,173	Customer Distribution Charge	33,516	\$ 6.38	\$213,832
<u>Energy Charges</u>				<u>Delivery - Energy</u>			
kWh @ \$0.1174	24,159,137	\$ 0.1174	\$ 2,836,283	Transmission			
kWh @ \$0.0452	9,625,362	\$ 0.0452	\$ 435,066	First 500 kWh	24,159,137	\$ 0.0051	\$123,831
Water Heating Rider 19	63,400	\$ 0.0300	\$ 1,902	Excess kWh	9,688,762	\$ 0.0034	\$32,950
Total	33,847,899		\$ 3,273,251	Total Transmission	33,847,899		\$156,781
				Distribution			
				First 500 kWh	24,159,137	\$ 0.0279	\$673,297
				Excess kWh	9,688,762	\$ 0.0185	\$179,154
				Total Distribution	33,847,899		\$852,451
				CTC			
				First 500 kWh	24,159,137	\$ 0.0068	\$164,888
				Excess kWh	9,688,762	\$ 0.0045	\$43,874
				Total CTC	33,847,899		\$208,762
Total Revenue			\$ 3,488,424	Total Variable Delivery Charges			\$1,217,994
Base Revenue			\$ 3,488,424	Energy Credits			\$625,509
Adjustment Factor			100.00%				
Net 1996 Revenue (Includes STAS @Supp 4 Roll-in & ECR)				<u>Calculation of Fixed CTC</u>			
Base Revenue			\$ 3,488,424	Net Revenue	\$ 3,400,589		
Adjust for STAS Roll-in			\$ (28,188)	less Customer Charges	\$213,832		
ECR			\$ (110,351)	less Total Delivery Charges	\$1,217,994		
Net 1996 Revenue			\$ 3,349,885	less Competitive Generation Credit	\$625,509		
Adjust for ECR roll-in at Cap			\$ 50,704	Fixed CTC			\$1,343,254
Adjusted 1996 Revenue			\$ 3,400,589	Unbundled Revenue			\$ 3,400,589
				Difference - Bundled Versus Unbundled Revenue			0.00%

Duquesne Light Company

Calculation of Revenue
12 Months ended Dec. 31, 1996

Rate GS/GM	Bills, kW, kWh or Meters	Rate	Revenue	Proposed Rate GS/GM(D)	Bills, kW, kWh or Meters	Rate	Revenue
<u>Customer Charges</u>				<u>Customer Charges</u>			
Number of Bills	588,232	\$ 9.13	\$ 5,370,558	Customer Distribution Charge	616,548	\$ 9.07	\$ 5,592,090
Number of Min. Bills	27,128	\$ 9.13	\$ 247,679				
Number of Rider 12 Bills	1,188	\$ 9.13	\$ 10,846				
Total Bills	616,548		5,629,083				
Rider 13 Meters	96	\$ 10.00	\$ 960				
<u>Demand Charges</u>				<u>Delivery Charges - Demand</u>			
First 5 kW	1,632,758			Transmission			
Excess kW	6,831,328	\$ 18.47	\$ 126,174,621	First 5 kW	1,632,758	\$ -	
kW in Min. Bills	146,110	\$ 18.47	\$ 2,698,644	Additional kW	6,977,437	\$ 0.93	\$ 6,508,564
Total Billing kW	6,977,437		128,873,265	Distribution			
				First 5 kW	1,632,758	\$ -	
				Additional kW	6,977,437	\$ 4.45	\$ 31,018,566
				Variable CTC			
				First 5 kW	1,632,758	\$ -	
				Additional kW	6,977,437	\$ 3.79	\$ 26,455,969
				Total Demand			\$ 63,983,099
<u>Energy Charges</u>				<u>Delivery Charges - Energy</u>			
kWh in Minimum Bills	3,283,825			Transmission			
kWh at Max. Rate	10,341,911	\$ 0.3188	\$ 3,297,001	First 550 kWh	211,324,438	\$ 0.0052	\$ 1,100,841
First 550 kWh	197,698,702	\$ 0.1407	\$ 27,816,207	Next 750 kWh	212,612,535	\$ 0.0048	\$ 1,012,389
Next 750 kWh	212,612,535	\$ 0.1318	\$ 28,022,332	Additional kWh	2,197,209,027	\$ 0.0020	\$ 4,327,097
Over 1,300 kWh	2,190,443,749	\$ 0.0383	\$ 83,893,996	Distribution			
Rider 12	2,594,824	\$ 0.1174	\$ 304,632	First 550 kWh	211,324,438	\$ 0.0248	\$ 5,246,394
Rider 13	1,522,554	\$ 0.0383	\$ 58,314	Next 750 kWh	212,612,535	\$ 0.0227	\$ 4,824,851
Rider 19	2,647,900	\$ 0.0300	\$ 79,437	Additional kWh	2,197,209,027	\$ 0.0094	\$ 20,622,113
Total kWh	2,621,146,000		\$ 143,471,919	Variable CTC			
Rider 8 discounts			\$ (25,017)	First 550 kWh	211,324,438	\$ 0.0212	\$ 4,474,689
Rider 9 discounts			\$ (242,230)	Next 750 kWh	212,612,535	\$ 0.0194	\$ 4,115,152
Rider 16			\$ 873,123	Additional kWh	2,197,209,027	\$ 0.0080	\$ 17,588,756
Total Revenue			\$ 278,581,104	Total Energy			\$ 63,312,284
Base Revenue			\$ 285,488,138	Total Variable Delivery Charges			\$ 127,295,383
Adjustment Factor			97.58%	Energy Credits			\$ 48,858,161
Net 1996 Revenue (Includes STAS @Supp 4 Roll-in & ECR)				Calculation of Fixed CTC			
Base Revenue			\$ 285,488,138	Net Revenue		\$ 278,485,545	
Adjust for STAS Roll-in			\$ (2,313,628)	less Customer Charges		\$ 5,592,090	
ECR			\$ (8,615,443)	less Total Delivery Charges		\$ 127,295,383	
Net 1996 Revenue			\$ 274,559,067	less Competitive Generation Credit		\$ 48,858,161	
Adjust for ECR roll-in at Cap			\$ 3,926,478	Fixed CTC			\$ 96,739,911
Adjusted 1996 Revenue			\$ 278,485,545	Unbundled Revenue			\$ 278,485,545
				Difference - Bundled Versus Unbundled Revenue			0.00%

Duquesne Light Company

Calculation of Revenue
12 Months ended Dec. 31, 1996

Rate GMH	Bills, kW, kWh or Meters	Rate	Revenue
<u>Customer Charges</u>			
Customer Charge	37,598	\$ 9.13	343,270
Number of Min. Bills	2,662	\$ 9.13	24,304
Number of Rider 12 Bills	24	\$ 6.42	154
Total Bills	40,284		367,728

<u>Energy Charges - Winter</u>			
kWh @ \$0.1154	116,385,373	\$0.1154	\$ 13,430,872
kWh @ \$0.0383	116,406,838	\$0.0383	\$ 4,458,382
Total	232,792,211		\$ 17,889,254

<u>Demand Charges - Summer</u>			
First 5 kW	53,069		
Excess kW	256,285	\$ 18.47	\$ 4,733,588
kW in Min. Bills	32,697.50	\$ 18.47	\$ 603,923
Total - Billed	288,983		\$ 5,337,510

<u>Energy Charges - Summer</u>			
kWh at Maximum Rate	583,772	\$0.3188	\$ 186,107
First 550 kWh	6,093,105	\$0.1407	\$ 857,300
Next 750 kWh	6,646,916	\$0.1318	\$ 876,063
Excess kWh	82,118,456	\$0.0383	\$ 3,145,137
Total Summer kWh	95,442,249		\$ 1,919,470

Rider 12 kWh	21,552	\$0.1174	\$ 2,530
Total GMH kWh	328,256,012		

Total Revenue		\$ 28,057,706
Base Revenue		\$ 28,343,716
Adjustment Factor		98.99%

Net 1996 Revenue (includes STAS @ Supp 4 Roll-in & ECR)		
Base Revenue	\$ 28,343,716	
Adjust for STAS Roll-in	\$ (231,020)	
ECR	\$ (1,041,763)	
Net 1996 Revenue	\$ 27,070,933	
Adjust for ECR roll-in at Cap	\$ 491,727	
Adjusted 1996 Revenue	\$ 27,562,660	

Proposed Rate GMHD	Bills, kW, kWh or Meters	Rate	Revenue
<u>Customer Charge</u>			
Customer Distribution Charge	40,284	\$ 9.07	\$ 365,376

<u>Delivery Charges - Energy - Winter</u>			
Transmission			
First Block	116,385,373	\$ 0.0046	\$ 529,580
Excess kWh	116,406,838	\$ 0.0023	\$ 265,864
Distribution			
First Block	116,385,373	\$ 0.0241	\$ 2,810,475
Excess kWh	116,406,838	\$ 0.0121	\$ 1,410,937
Variable CTC			
First Block	116,385,373	\$ 0.0101	\$ 1,169,878
Excess kWh	116,406,838	\$ 0.0050	\$ 587,312

<u>Delivery Charges - Demand - Summer</u>			
Transmission			
First 5 kW		\$ -	
Additional kW	288,983	\$ 1.08	\$ 311,174
Distribution			
First 5 kW		\$ -	
Additional kW	288,983	\$ 5.71	\$ 1,651,394
Variable CTC			
First 5 kW		\$ -	
Additional kW	288,983	\$ 2.38	\$ 687,403

<u>Delivery Charges - Energy - Summer</u>			
Transmission			
First 550 kWh	6,698,429	\$ 0.0060	\$ 40,351
Next 750 kWh	6,646,916	\$ 0.0055	\$ 36,606
Additional kWh	82,118,456	\$ 0.0023	\$ 187,552
Distribution			
First 550 kWh	6,698,429	\$ 0.0320	\$ 214,141
Next 750 kWh	6,646,916	\$ 0.0292	\$ 194,269
Additional kWh	82,118,456	\$ 0.0121	\$ 995,337
Variable CTC			
First 550 kWh	6,698,429	\$ 0.0133	\$ 89,138
Next 750 kWh	6,646,916	\$ 0.0122	\$ 80,866
Additional kWh	82,118,456	\$ 0.0050	\$ 414,315

Total Variable Delivery Charges		\$ 11,676,591
Energy Credits		\$ 6,089,149

<u>Calculation of Fixed CTC</u>		
Net Revenue	\$ 27,562,660	
less Customer Charges	\$ 365,376	
less Total Delivery Charges	\$ 11,676,591	
less Competitive Generation Credit	\$ 6,089,149	
Fixed CTC	\$ 9,431,544	
Unbundled Revenue	\$ 27,562,660	
Difference - Bundled Versus Unbundled Revenue	0.00%	

Duquesne Light Company

Calculation of Revenue
12 Months ended Dec. 31, 1996

Rate GLH				Proposed Rate GLHD			
	Bills, kW, kWh or Meters	Rate	Revenue		Bills, kW, kWh or Meters	Rate	Revenue
<u>Customer Charges</u>				<u>Customer Charge</u>			
Customer Charge	843	\$ 9.13	\$ 7,697	Customer Distribution Charge	843	\$ 9.07	\$ 7,646
Summer - Customer Charge	426	\$ 5.565	\$ 2,370,690				
<u>Energy Charges-Winter</u>				<u>Delivery Charges - Energy-Winter</u>			
kWh @ \$0.1154	103,574,781	\$0.1154	\$ 11,952,530	Transmission			
kWh @ \$0.0383	200,419,613	\$0.0383	\$ 7,676,071	First Block	103,574,781	\$ 0.0046	\$ 480,504
Total	303,994,394		\$ 19,628,601	Excess kWh	200,419,613	\$ 0.0023	\$ 466,334
				Distribution			
				First Block	103,574,781	\$ 0.0145	\$ 1,504,734
				Excess kWh	200,419,613	\$ 0.0073	\$ 1,460,360
				Variable CTC			
				First Block	103,574,781	\$ 0.0196	\$ 2,025,177
				Excess kWh	200,419,613	\$ 0.0098	\$ 1,965,455
				Sub-Total-Winter			\$ 7,902,564
<u>Demand Charges - Summer</u>				<u>Fixed Charges - Summer</u>			
First 300 kW	125,455			First 300 kW			
Excess kW	215,770	\$ 14.08	\$ 3,038,046	Transmission	426	\$ 662.21	\$ 282,102
				Distribution	426	\$ 2,073.77	\$ 883,425
				CTC	426	\$ 2,791.02	\$ 1,188,975
				Total Fixed			\$ 2,354,502
<u>Energy Charges - Summer</u>				<u>Delivery Charges-Demand - Summer</u>			
All kWh	151,224,606	\$0.0383	\$ 5,791,902	Transmission	215,770	\$ 0.84	\$ 180,707
				Distribution	215,770	\$ 2.62	\$ 565,900
				CTC	215,770	\$ 3.53	\$ 761,627
				Total Delivery Charges-Demand			\$ 1,508,234
Total GLH kWh	455,219,000			<u>Delivery Charges-Energy - Summer</u>			
				Transmission	151,224,606	\$ 0.0023	\$ 351,867
				Distribution	151,224,606	\$ 0.0073	\$ 1,101,900
				CTC	151,224,606	\$ 0.0098	\$ 1,483,014
				Total Delivery Charges-Energy			\$ 2,936,782
Total Revenue			\$ 30,836,936	Total Variable Delivery Charges			\$ 12,347,581
Base Revenue			\$ 30,833,987	Energy Credits			\$ 8,457,969
Adjustment Factor			100.01%	<u>Calculation of Fixed CTC</u>			
Net 1996 Revenue (includes STAS @Supp 4 Roll-in & ECR)				Net Revenue		\$ 29,786,549	
Base Revenue			\$ 30,833,987	less Customer Charges/Fixed Delivery Chg.		\$ 2,362,148	
Adjust for STAS Roll-in			\$ (250,419)	less Total Delivery Charges		\$ 12,347,581	
ECR			\$ (1,478,939)	less Competitive Generation Credit		\$ 8,457,969	
Net 1996 Revenue			\$ 29,104,629	Fixed CTC			\$ 6,618,851
Adjust for ECR roll-in at Cap			\$ 681,920	Unbundled Revenue			\$ 29,786,549
Adjusted 1996 Revenue			\$ 29,786,549	Difference - Bundled Versus Unbundled Revenue			0.00%

Duquesne Light Company

Calculation of Revenue
12 Months ended Dec. 31, 1996

Rate GL	Bills, kW, kWh or Meters	Rate	Revenue
<u>Customer Charges</u>			
Customer Charge-First 300 kW	7,668	\$ 5,565.00	\$ 42,672,420
Rider 13 Meters	12	\$ 10.00	\$ 120
<u>Demand Charges</u>			
First 300 kW	2,150,458		
Excess kW	4,324,871	\$ 14.08	\$ 60,894,181
Total kW	6,475,329		\$ 103,566,601
<u>Energy Charges</u>			
All kWh	2,879,495,950	\$ 0.0383	\$ 110,284,695
Rider 13 kWh	5,392,050	\$ 0.0383	\$ 206,516
Total kWh	2,884,888,000		
Rider 8 discounts			(954,557)
Rider 9 discounts			(2,249,661)
Rider 16			\$ 800,612
Total Revenue			\$ 211,654,445
Base Revenue			\$ 211,784,348
Adjustment Factor			99.94%
Net 1996 Revenue (includes STAS @Supp 4 Roll-in & ECR)			
Base Revenue			\$ 211,784,348
Adjust for STAS Roll-in			\$ (1,715,819)
ECR			\$ (9,514,399)
Net 1996 Revenue			\$ 200,554,130
Adjust for ECR roll-in at Cap			\$ 4,321,561
Adjusted 1996 Revenue			\$ 204,875,691

Proposed Rate GL/D	Bills, kW, kWh or Meters	Rate	Revenue
<u>Customer Charges</u>			
Customer Charge-First 300 kW			
Transmission	7,668	\$ 429.56	\$ 3,293,862
Distribution	7,668	\$ 1,546.19	\$ 11,856,194
CTC	7,668	\$ 3,551.25	\$ 27,230,980
Total-Customer Charges			\$ 42,381,036
<u>Delivery Charges-Demand</u>			
Transmission	4,324,871	\$ 0.54	\$ 2,349,547
Distribution	4,324,871	\$ 1.96	\$ 8,457,150
CTC	4,324,871	\$ 4.49	\$ 19,424,150
Total Delivery Charges-Demand			\$ 30,230,847
<u>Delivery Charges-Energy</u>			
Transmission	2,884,888,000	\$ 0.0015	\$ 4,367,689
Distribution	2,884,888,000	\$ 0.0054	\$ 15,721,416
CTC	2,884,888,000	\$ 0.0125	\$ 36,108,514
Total Delivery Charges-Energy			\$ 56,197,618
Total Variable Delivery Charges			\$ 86,428,465
Energy Credits			\$ 53,428,126
<u>Calculation of Fixed CTC</u>			
Net Revenue			\$ 204,875,691
less-Customer Charges/Fixed Delivery Chg.			\$ 42,381,036
less Total Delivery Charges			\$ 86,428,465
less Competitive Generation Credit			\$ 53,428,126
Fixed CTC			\$ 22,638,064
Unbundled Revenue			\$ 204,875,691
Difference - Bundled Versus Unbundled Revenue			0.00%

Duquesne Light Company

Calculation of Revenue
12 Months ended Dec. 31, 1996

Rate L	Bills, kW, kWh or Meters	Rate	Revenue	Proposed Rate LD	Bills, kW, kWh or Meters	Rate	Revenue
<u>Fixed Charge</u>				<u>Fixed Charge</u>			
First 5000 kW	312	\$ 71,780.00	\$ 22,395,360	First 5,000 kW			
				Transmission	312	\$ 6,797.70	\$ 2,120,882
				Distribution	312	\$ 21,616.25	\$ 6,744,271
				CTC	312	\$ 42,875.05	\$ 13,377,015
				Total			\$ 22,242,168
<u>Demand Charges</u>				<u>Delivery Charges-Demand</u>			
Next 10,000 kW	1,138,342	\$ 11.53	\$ 13,125,080	Transmission			
Next 25,000 kW	21,725	\$ 11.21	\$ 243,535	Next 10,000 kW	1,138,342	\$ 0.55	\$ 621,423
Excess kW	0	\$ 10.91	\$ -	Next 25,000 kW	21,725	\$ 0.53	\$ 11,528
Total Variable kW	1,160,067		13,368,615	Excess kW	0	\$ 0.52	\$ -
				Distribution			
				Next 10,000 kW	1,138,342	\$ 1.74	\$ 1,976,087
				Next 25,000 kW	21,725	\$ 1.69	\$ 36,659
				Excess kW	0	\$ 1.64	\$ -
				CTC			
				Next 10,000 kW	1,138,342	\$ 3.44	\$ 3,919,496
				Next 25,000 kW	21,725	\$ 3.35	\$ 72,711
				Excess kW	0	\$ 3.26	\$ -
<u>Energy Charges</u>				<u>Delivery Charges - Energy</u>			
First 750,000+400 kWh per kW	1,215,882,769	\$ 0.0383	\$ 46,568,310	Transmission			
Next 150 kWh per kW	234,969,371	\$ 0.0258	\$ 6,062,210	First 750,000+400 kWh per	1,215,882,769	\$ 0.00186	\$ 2,264,296
Excess kWh	58,621,860	\$ 0.0236	\$ 1,383,476	Next 150 kWh per kW	234,969,371	\$ 0.00068	\$ 159,750
Total kWh	1,509,474,000		\$ 54,013,996	Excess kWh	58,621,860	\$ 0.00047	\$ 27,558
U.T.C Credit			0	Distribution			
Rider 8 discounts			(146,834)	First 750,000+400 kWh per	1,215,882,769	\$ 0.00592	\$ 7,200,321
Rider 9 discounts			0	Next 150 kWh per kW	234,969,371	\$ 0.00216	\$ 507,994
				Excess kWh	58,621,860	\$ 0.00149	\$ 87,632
				CTC			
				First 750,000+400 kWh per	1,215,882,769	\$ 0.01175	\$ 14,281,573
				Next 150 kWh per kW	234,969,371	\$ 0.00429	\$ 1,007,588
				Excess kWh	58,621,860	\$ 0.00297	\$ 173,816
Total Revenue			89,631,137	Total Variable Delivery Charges			\$ 32,348,433
Base Revenue			88,074,447	Energy Credits			\$ 27,879,985
Adjustment Factor			101.77%				
Net 1996 Revenue (includes STAS @Supp 4 Roll-in & ECR)				<u>Calculation of Fixed CTC</u>			
Base Revenue			\$ 88,074,447	Net Revenue		\$ 84,614,689	
Adjust for STAS Roll-in			\$ (713,593)	less Customer Charges/Fixed Delivery Chg.		\$ 22,242,168	
ECR			\$ (5,007,357)	less Total Variable Delivery Charges		\$ 32,348,433	
Net 1996 Revenue			\$ 82,353,497	less Competitive Generation Credit		\$ 27,879,985	
Adjust for ECR roll-in at Cap			\$ 2,261,192	Fixed CTC		\$ 2,144,103	
Adjusted 1996 Revenue			\$ 84,614,689	Unbundled Revenue		\$ 84,614,689	
				Difference - Bundled Versus Unbundled Revenue			0.00%

Duquesne Light Company

Calculation of Revenue
12 Months ended Dec. 31, 1996

Rate HVPS				Proposed Rate HVPSD			
	Bills, kW or kW	Rate	Revenue		Bills, kW or k	Rate	Revenue
<u>Demand Charges</u>				<u>Demand Charges</u>			
Fixed Charge-First 30,000 kW	36	\$332,813.00	\$ 11,981,268	Fixed Charge-First 30,000 kW			
				Transmission	36	\$ 37,954.56	\$ 1,366,364
				Distribution	36	\$ 76,367.59	\$ 2,749,233
				CTC	36	\$ 216,213.85	\$ 7,783,698
				<u>Total</u>			<u>\$ 11,899,296</u>
<u>Demand Charges</u>				<u>Delivery Charges-Demand</u>			
Excess kW	690,166.40	\$12.00	\$ 8,281,997	Transmission	690,166.40	\$ 1.37	\$ 944,660
<u>Total</u>			<u>20,263,264.80</u>	Distribution	690,166.40	\$ 2.75	\$ 1,900,730
				CTC	690,166.40	\$ 7.80	\$ 5,381,394
<u>Energy Charges</u>				<u>Delivery Charges-Energy</u>			
On peak kWh	315,164,863	\$0.0436	\$ 13,741,188	Transmission			
Off peak kWh	703,225,572	\$0.0223	\$ 15,681,930	On-peak	315,164,863	\$ 0.00302	\$ 952,436
Generation Avoidance kWh	55,034,433		\$ 2,477,140	Off-peak	886,659,137	\$ 0.00059	\$ 521,077
Special	128,399,132		\$ 3,655,285	Delivery			
<u>Total</u>	<u>1,201,824,000</u>		<u>\$ 35,555,543</u>	On-peak	315,164,863	\$ 0.00608	\$ 1,916,377
Interruptible Service Credit kW	876,000	(\$2.03)	\$ (1,778,280)	Off-peak	886,659,137	\$ 0.00118	\$ 1,048,449
				CTC			
				On-peak	315,164,863	\$ 0.01722	\$ 5,425,695
				Off-peak	886,659,137	\$ 0.00335	\$ 2,968,395
Total Revenue			\$ 54,040,528	Total Variable Delivery Charges			\$ 21,059,214
Base Revenue			\$ 54,040,528	Energy Credits			\$ 22,209,708
Adjustment Factor			100.00%	Calculation of Fixed CTC			
Net 1996 Revenue (includes STAS @Supp 4 Roll-in & ECR)			\$ 54,040,528	Net Revenue		\$ 51,401,337	
Base Revenue			\$ 54,040,528	less Customer Charges/Fixed Delivery Chg		\$ 11,899,296	
Adjust for STAS Roll-in			\$ (438,859)	less Total Variable Delivery Charges		\$ 21,059,214	
ECR			\$ (4,000,664)	less Competitive Generation Credit		\$ 22,209,708	
Net 1996 Revenue			\$ 49,601,005	Fixed CTC (adjustment for approved Rule 4 contracts)		\$ (3,766,880)	
Adjust for ECR roll-in at Cap			\$ 1,800,332	<u>Unbundled Revenue</u>		<u>\$ 51,401,337</u>	
Adjusted 1996 Revenue			\$ 51,401,337	Difference - Bundled Versus Unbundled Revenue		0.00%	

Duquesne Light Company

Calculation of Revenue
12 Months ended Dec. 31, 1996

Rate SE				Proposed Rate SED			
	kWh	Rate	Revenue		kWh	Rate	Revenue
<u>Energy Charges</u>				<u>Delivery Charges - Energy</u>			
All kilowatt-Hours	28,617,845	\$0.1110	\$ 3,176,581	Transmission	28,617,845	\$ 0.0030	\$ 84,927
Special Facilities			\$ 37,164	Distribution	28,617,845	\$ 0.0906	\$ 2,592,501
Total Revenue			\$ 3,213,745	CTC	28,617,845	\$ -	\$ -
Base Revenue			\$ 3,213,745	Total Variable Delivery Charges			\$ 2,677,428
Adjustment Factor			100.00%	Energy Credits			\$ 519,128
<u>Calculation of Net 1996 Revenue</u>				<u>Calculation of Fixed CTC</u>			
(includes STAS @Supp 4 Roll-in & ECR)				Net Revenue		\$ 3,136,712	
Base Revenue			\$ 3,213,745	less Customer Charges		\$ -	
Adjust for STAS Roll-in			\$ (26,081)	less Total Variable Delivery Charge		\$ 2,677,428	
ECR			\$ (93,822)	less Competitive Generation Credit		\$ 519,128	
Net 1996 Revenue			\$ 3,093,842	Fixed CTC (adjustments for special facilities)			\$ (59,844)
Adjust for ECR roll-in at Cap			\$ 42,870	Unbundled Revenue		\$ 3,136,712	
Adjusted 1996 Revenue			\$ 3,136,712	Difference - Bundled Versus Unbundled Revenue			0.00%

Duquesne Light Company

Calculation of Revenue
12 Months ended Dec. 31, 1996

Rate MTS	Bills or kWh	Rate	Revenue	Proposed Rate MTS/D	Bills or kWh	Rate	Revenue
Number of Bills	20,220	\$8.97	\$ 181,373	Number of Bills	20,220	\$8.91	\$ 180,160
<u>Energy Charges</u>				<u>Delivery Charges-Energy</u>			
First 1,300 kWh	10,665,094	\$0.1360	\$ 1,450,453	Transmission			
Excess kWh	974,036	\$0.0366	\$ 35,650	First 1,300 kWh	10,665,094	\$ 0.0031	\$ 33,470
	11,639,130		\$ 1,486,103	Excess kWh	974,036	\$ 0.0011	\$ 1,112
				Distribution			
				First 1300 kWh	10,665,094	\$ 0.0074	\$ 78,998
				Excess kWh	974,036	\$ 0.0027	\$ 2,626
				CTC			
				First 1300 kWh	10,665,094	\$ 0.0386	\$ 411,508
				Excess kWh	974,036	\$ 0.0140	\$ 13,678
Total Revenue			\$ 1,667,476	Total Variable Delivery Charges			\$ 541,392
Base Revenue			\$ 1,667,476	Energy Credits			\$ 214,393
Adjustment Factor			100.00%				
Calculation of Net 1996 Revenue				Calculation of Fixed CTC			
(includes STAS @Supp 4 Roll-in & ECR)				Net Revenue	\$ 1,632,725		
Base Revenue			\$ 1,667,476	less Customer Charges	\$ 180,160		
Adjust for STAS Roll-in			\$ (13,476)	less Total Delivery Charges	\$ 541,392		
ECR			\$ (38,710)	less Competitive Generation Credit	\$ 214,393		
Net 1996 Revenue			\$ 1,615,290	Fixed CTC			\$ 696,780
Adjust for ECR roll-in at Cap			\$ 17,435				
Adjusted 1996 Revenue			\$ 1,632,725	Unbundled Revenue			\$ 1,632,725
				Difference - Bundled Versus Unbundled Revenue			0.00%

Duquesne Light Company

Calculation of Revenue
12 Months ended Dec. 31, 1996

Rate AL	Bills, kW or kWh	Rate	Revenue	Proposed Rate ALD	Bills, kW or kWh	Rate	Revenue
<u>Customer Charges</u>				<u>Customer Charges</u>			
Customer Charge	18.00	\$ 9.13	\$ 164	Customer Distribution Charge	18.00	\$ 9.07	\$ 163
<u>Demand Charges</u>				<u>Delivery Charges - Demand</u>			
All kW	68	\$ 7.07	\$ 482	All kW - transmission	68.20	\$ 0.30	\$ 20
				All kW - distribution	68.20	\$ 1.88	\$ 128
				All kW - CTC	68.20	\$ 1.33	\$ 91
				Total			
<u>Energy Charges</u>				<u>Delivery Charges - Energy</u>			
First 300 kWh	4,197	\$ 0.1013	\$ 425	First 300 kWh			
Excess kWh	9,027	\$ 0.0279	\$ 252	Transmission	4,197	\$ 0.00272	\$ 11
Total	13,224		\$ 677.01	Distribution	4,197	\$ 0.01723	\$ 72
				CTC	4,197	\$ 0.01221	\$ 51
				Excess kWh			
				Transmission	9,027	\$ 0.0008	\$ 7
				Distribution	9,027	\$ 0.0051	\$ 46
				CTC	9,027	\$ 0.0036	\$ 33
				Total Variable Delivery Charges			\$ 460.66
Total Revenue			1,323.52	Energy Credits			\$ 239.88
Base Revenue			1,332.12				
Adjustment Factor			99.35%				
<u>Calculation of Net 1996 Revenue</u> (includes STAS @Supp 4 Roll-in & ECR)				<u>Calculation of Fixed CTC</u>			
Base Revenue			\$ 1,332	Net Revenue	\$ 1,342		
Adjust for STAS Roll-in			\$ (9)	less Customer Charges	\$ 163		
ECR			\$ -	less Total Variable Delivery Charge	\$ 461		
Net 1996 Revenue			\$ 1,323	less Competitive Generation Credit	\$ 240		
Adjust for ECR roll-in at Cap			\$ 19	Fixed CTC			\$ 478.32
Adjusted 1996 Revenue			\$ 1,342	Unbundled Revenue			\$ 1,342
				Difference - Bundled Versus Unbundled Revenue			0.00%

DUQUESNE LIGHT COMPANY

K. Tariff Schedules

2. Provide complete copies of the proposed tariffs and rate schedules and the tariffs and rate schedules that were in effect at the time of filing.

Response:

Attached is one copy of the tariff and rate schedules effective July 26, 1997. The proposed tariffs and rate schedules are included as an exhibit in Mr. Lahtinen's testimony.

SUPPLEMENT NO. 4
TO ELECTRIC - PA. P.U.C. NO. 17

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 15230

DAVID D. MARSHALL
President and Chief Executive Officer

ISSUED: May 28, 1997

EFFECTIVE: July 26, 1997

Issued in compliance with Title 52 § 69.55 and 69.56.

NOTICE

THIS TARIFF SUPPLEMENT DECREASES EXISTING RATES AND RIDERS
AND INCREASES AN EXISTING RIDER- See Page Two

LIST OF MODIFICATIONS MADE BY THIS SUPPLEMENT

SUPPLEMENT NO. 4

TO ELECTRIC - PA. P.U.C. NO. 17

The rate levels in the following rates and riders have been decreased by (0.6843%) to reflect the roll-in of the State Tax Adjustment Surcharge.

DECREASES

Rate RS - Residential Service	First Revised Page No. 26 Cancelling Original Page No. 26
Rate RH - Residential Service Heating	First Revised Page NO. 28 Cancelling Original Page No. 28
Rate RA - Residential Service Add-On Heat Pump	First Revised Page No. 30 Cancelling Original Page No. 30
Rate GS/GM - General Service Small And Medium	First Revised Page No. 32 Cancelling Original Page No. 32
Rate GMH - General Service Medium Heating	First Revised Page No. 34 Cancelling Original Page No. 34
Rate GLH - General Service Large Heating	First Revised Page No. 36 Cancelling Original Page No. 36
Rate GL - General Service Large	First Revised Page No. 38 Cancelling Original Page No. 38
Rate L - Large Power Service	First Revised Page No. 40 Cancelling Original Page No. 40
Rate HVPS - High Voltage Power Service	First Revised Page No. 43 Cancelling Original Page No. 43
Rate HVPS - High Voltage Power Service	First Revised Page No. 45 Cancelling Original Page No. 45
Rate SM - Street Light Municipal	First Revised Page No. 48 Cancelling Original Page No. 48
Rate SE - Street Lighting Energy	First Revised Page No. 50 Cancelling Original Page No. 50
Rate SE - Street Lighting Energy	First Revised Page No. 51 Cancelling Original Page No. 51

LIST OF MODIFICATIONS MADE BY THIS SUPPLEMENT - (Continued)

DECREASES - (Continued)

Rate SH - Street Lighting Highway	First Revised Page No. 53 Cancelling Original Page No. 53
Rate MTS - Municipal Traffic Signals	First Revised Page No. 55 Cancelling Original Page No. 55
Rate AL - Architectural Lighting Service	First Revised Page No. 56 Cancelling Original Page No. 56
Rate PAL - Private Area Lighting	First Revised Page No. 58 Cancelling Original Page No. 58
Rider No. 1 - Direct Current Service	First Revised Page No. 61 Cancelling Original Page No. 61
Rider No. 2 - Untransformed Service	First Revised Page No. 62 Cancelling Original Page No. 62
Rider No. 7 - Interruptible Service	First Revised Page No. 68 Cancelling Original Page No. 68
Rider No. 13 - General Service Separately Metered Electric Space Heating Service	Second Revised Page No. 84 Cancelling First Page No. 84
Rider No. 14 - Residential Service Separately Metered Electric Space And Water Heating	First Revised Page No. 85 Cancelling Original Page No. 85
Rider No. 16 - Service to Non-Utility Generating Facilities	First Revised Page No. 89 Cancelling Original Page No. 89
Rider No. 16 - Service to Non-Utility Generating Facilities	First Revised Page No. 90 Cancelling Original Page No. 90
Rider No. 16 - Service to Non-Utility Generating Facilities	First Revised Page No. 91 Cancelling Original Page No. 91
Rider No. 16 - Service to Non-Utility Generating Facilities	First Revised Page No. 92 Cancelling Original Page No. 92
Rider No. 19 - Off-Peak Water Heating Service Facilities	First Revised Page No. 98 Cancelling Original Page No. 98

LIST OF MODIFICATIONS MADE BY THIS SUPPLEMENT - (Continued)

INCREASE

The State Tax Adjustment Surcharge has been increased to (0.1629%) to reflect the roll-in of the State Tax Adjustment into base rates and the reconciliation of the prior period State Tax Adjustment revenues to tax liabilities incurred.

Rider No. 10 - State Tax Adjustment

Second Revised Page No. 81
Cancelling First Revised Page No. 81

TABLE OF CONTENTS

Page Number

List of Modifications	2-2b
Table of Contents	3
List of Communities Served.....	4-5
RULES AND REGULATIONS	6-25a
RATES:	
RS Residential Service	26-27
RH Residential Service Heating	28-29
RA Residential Service Add-on Heat Pump.....	30-31
GS/GM General Service Small and Medium.....	32-33
GMH General Service Medium Heating.....	34-35
GLH General Service Large Heating	36-37
GL General Service Large.....	38-39
L Large Power Service	40-42
HVPS High Voltage Power Service	43-47
SM Street Lighting Municipal	48-49
SE Street Lighting Energy	50-52
SH Street Lighting Highway	53-54
MTS Municipal Traffic Signals.....	55
AL Architectural Lighting Service	56-57
PAL Private Area Lighting	58-59

STANDARD CONTRACT RIDERS:

General	60
No. 1 Direct Current Service	61
No. 2 Untransformed Service	62
No. 3 School and Government Service Discount Period.....	63
No. 4 Budget Billing HUD Finance Multi-Family Housing.....	64
No. 5 Time of Day Discounts	65-66
No. 6 Temporary Service	67
No. 7 Interruptible Service	68-70
No. 8 Industrial Economic Development Rider (Existing Service Locations)	71-76
No. 9 Industrial Economic Development Rider (New Service Locations)	77-80
No. 10 State Tax Adjustment Surcharge.....	81
No. 11 Street Railway Service.....	82
No. 12 Billing Option - Volunteer Fire Companies and Nonprofit Senior Citizen Centers	83
No. 13 General Service Separately Metered Electric Space Heating	84
No. 14 Residential Service Separately Metered Space and Water Heating	85
No. 15 Energy Cost Rate.....	86-88
No. 16 Service to Non-Utility Generating Facilities	89-94
No. 17 Emergency Energy Conservation	95-96
No. 18 Rates for Purchase of Electric Energy from Customer-Owned Renewable Resources Generating Facilities	97
No. 19 Off-Peak Water Heating Service.....	98-99
No. 20 Small Business Development Rider	100-103

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	Heidelberg	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 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 supply of 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 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 service is to be supplied 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 service is to be supplied, the address to which the bill is to be mailed, the date service is to commence, and supply information requested by the Company regarding the customer's credit standing. The customer shall notify the Company to cancel service and the customer shall be responsible for payment for all service used until the customer has so notified the Company to cancel service.

RULES AND REGULATIONS - (Continued)

CONTRACTS, DEPOSITS AND ADVANCE PAYMENTS - (Continued)

4. CONTRACTS - (Continued)

The Company at its sole discretion may enter into special contracts 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 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 service rendered. 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 bills 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 tariff rates will be applied to service rendered from that point forward. 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. 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 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 energy 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 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 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 service bills 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 service bills, 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 service requirements at the affected location. 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 service 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 furnish and install all conduits or ducts for the underground primary service line within the street area as well as all necessary conduit, ducts, manholes and junction boxes 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 in a development, that is, streets, sidewalks, and utility-ready lots.
- (3) **Development** - A planned project which is developed by a developer/applicant 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 mobile homes and one or more five-unit apartment houses, all of which are intended for year-round occupancy, if providing electric service to such project necessitates extending the Company's existing distribution lines.
- (4) **Distribution line** - An electric supply line of untransformed voltage which delivers 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 adjoining 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 service to such subdivision necessitates extending the Company's existing distribution lines.

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 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 service and is acceptable to the Company.
 - (b) A change in the plot plan or final grade elevations by the applicant for electric 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 service.
- (5) No charges other than those described in paragraph (4) of this rule shall be borne by the applicant for electric 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 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 service is granted, and the applicant thereafter desires underground electric 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 providing electric service 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.

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.

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.

18. REDISTRIBUTION All electric energy shall be consumed by the customer to whom the Company furnished 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.

RULES AND REGULATIONS - (Continued)

MEASUREMENT AND USE OF SERVICE - (Continued)

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

BILLS AND NET PAYMENT PERIODS

20. **BILLS** Bills 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 supply 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.

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 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.

(C) - Indicates Change

RULES AND REGULATIONS - (Continued)

COMPANY PROPERTY ON CUSTOMER'S PREMISES

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 service supplied, the customer shall be required to pay for such electric service, 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 supply of electric service 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 supply of electric service 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 supply of electric service 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.

29. UNDERGROUND SERVICE The Company reserves the right to terminate the supply of electric service 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.

RULES AND REGULATIONS - (Continued)

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

30. HAZARDOUS AND IMPROPER CONDITIONS *The Company may terminate the supply 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 supply of electric service 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 supply of electric service 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 supply of electric service 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 supply of electric service 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.*

35. REPAIRS AND LOSSES *The Company may terminate the supply of electric service 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.*

RULES AND REGULATIONS - (Continued)

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

36. **WRITS AND LEVIES** The Company reserves the right to terminate the supply of electric service 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' service 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 supply of electric service 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 supply of electric service 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 service 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.

(C) - Indicates Change

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 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, 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 conserve available fuel supplies. Such measures may include, but shall not be limited to reduction, interruption, or suspension of service 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 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 service 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 service 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 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.

(C) - Indicates Change

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. (C)

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.

(C) - Indicates Change

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 \$500 per occurrence.

RATE RS - RESIDENTIAL SERVICE

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

CUSTOMER CHARGE \$6.38 (D)

ENERGY CHARGE

All Kilowatt-Hours at..... 11.66 cents per Kilowatt-Hour (D)

MINIMUM CHARGE

The Minimum Charge shall be \$6.38. (D)

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.

(D) - Indicates Decrease

RATE RS - RESIDENTIAL SERVICE - (Continued)

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.

RATE RH - RESIDENTIAL SERVICE HEATING

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.

WINTER MONTHLY RATE

For the Billing Months of November through April:

CUSTOMER CHARGE	\$6.38	(D)
ENERGY CHARGE		
First 500 Kilowatt-Hours at.....	11.66 cents per Kilowatt-Hour	(D)
Excess Kilowatt-Hours at.....	4.49 cents per Kilowatt-Hour	(D)

SUMMER MONTHLY RATE

For the Billing Months of May through October:

CUSTOMER CHARGE	\$6.38	(D)	
ENERGY CHARGE			
All Kilowatt-Hours at.....	11.66 cents per Kilowatt-Hour	(D)	
MINIMUM CHARGE			
The Minimum Charge shall be \$6.38.			(D)

RIDERS

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

(D) - Indicates Decrease

RATE RH - RESIDENTIAL SERVICE HEATING - (Continued)

SUMMER MONTHLY RATE - (Continued)

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.

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° F. or more.

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.

(C) - Indicates Change

RATE RA - RESIDENTIAL SERVICE ADD-ON HEAT PUMP

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 40⁰ 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.

WINTER MONTHLY RATE

For the Billing Months of November through April:

CUSTOMER CHARGE \$6.38 (D)

ENERGY CHARGE

First 500 Kilowatt-Hours at..... 11.66 cents per Kilowatt-Hour (D)
Excess Kilowatt-Hours at..... 4.49 cents per Kilowatt-Hour (D)

SUMMER MONTHLY RATE

For the Billing Months of May through October:

CUSTOMER CHARGE \$6.38 (D)

ENERGY CHARGE

All Kilowatt-Hours at 11.66 cents per Kilowatt-Hour (D)

MINIMUM CHARGE

The Minimum Charge shall be \$6.38. (D)

RIDERS

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

(D) - Indicates Decrease

RATE RA - RESIDENTIAL SERVICE ADD-ON HEAT PUMP - (Continued)

SUMMER MONTHLY RATE - (Continued)

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.

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° F.

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.

RATE GS/GM - GENERAL SERVICE SMALL AND MEDIUM

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

CUSTOMER CHARGE \$9.07 (D)

CAPACITY CHARGE

First 5 Kilowatts or less of Demand No Charge
Additional Kilowatt of Demand \$18.34 per Kilowatt (D)

ENERGY CHARGE

First 550 Kilowatt-Hours at 13.97 cents per Kilowatt-Hour (D)
Next 750 Kilowatt-Hours at 13.09 cents per Kilowatt-Hour (D)
Additional Kilowatt-Hours at 3.80 cents per Kilowatt-Hour (D)

MAXIMUM AVERAGE CHARGE

The average charge under the above rate shall not exceed 31.66 cents per kilowatt-hour except by reason of the Minimum Charge hereinafter provided. This provision is only applicable for those bills that include demand that is billed on the above Capacity Charge. (D)

MINIMUM CHARGE

The Minimum Charge shall be the sum of the Customer Charge plus the Capacity Charge based on 50% of the current month Billing Demand or 30% of the highest Billing Demand during the preceding eleven months, whichever is the greater, but not less than \$9.07. (D)

RIDERS

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

(D) - Indicates Decrease

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

MONTHLY RATE - (Continued)

LATE PAYMENT CHARGE

Bills will be calculated on the rates stated herein, and are due and payable on or before fifteen 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.

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.

CONTRACT PROVISIONS

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

STANDARD CONTRACT RIDERS

For modifications of the above rate under special conditions, see "Standard Contract Riders".

RATE GMH - GENERAL SERVICE MEDIUM HEATING

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:

CUSTOMER CHARGE \$9.07 (D)

ENERGY CHARGE

First 1,250 Kilowatt-Hours plus 150 Kilowatt-Hours for each
Kilowatt of Demand over 6 Kilowatts at..... 11.46 cents per Kilowatt-Hour (D)
Additional Kilowatt-Hours at 3.80 cents per Kilowatt-Hour (D)

For the Billing Months of June through September Rate GS/GM will apply.

MINIMUM CHARGE

\$9.07 for the first kilowatt of demand and \$7.36 for each additional kilowatt but not less than \$9.07. (D)

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 fifteen 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.

(D) - Indicates Decrease

RATE GMH - GENERAL SERVICE MEDIUM HEATING - (Continued)

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.

STANDARD CONTRACT RIDERS

For modifications of the above rate under special conditions, see "Standard Contract Riders".

SPECIAL PROVISION

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.

RATE GLH - GENERAL SERVICE LARGE HEATING

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:

CUSTOMER CHARGE \$9.07 (D)

ENERGY CHARGE

First 1,250 Kilowatt-Hours plus 150 Kilowatt-Hours for each
Kilowatt of Demand over 6 Kilowatts at 11.46 cents per Kilowatt-Hour (D)
Additional Kilowatt-Hours at 3.80 cents per Kilowatt-Hour (D)

For the Billing Months of June through September Rate GL will apply.

MINIMUM CHARGE

\$9.07 for the first kilowatt of demand and \$7.36 for each additional kilowatt but not less than \$9.07. (D)

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 fifteen 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.

(D) - Indicates Decrease

RATE GLH - GENERAL SERVICE LARGE HEATING - (Continued)

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.

STANDARD CONTRACT RIDERS

For modifications of the above rate under special conditions, see "Standard Contract Riders".

SPECIAL PROVISION

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.

RATE GL - GENERAL SERVICE LARGE

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

CAPACITY CHARGE

First 300 Kilowatts or less of Demand..... \$5,527.00 (D)
Additional Kilowatts of Demand at..... \$13.98 per Kilowatt (D)

ENERGY CHARGE

All Kilowatt-Hours at..... 3.80 cents per Kilowatt-Hour (D)

MINIMUM CHARGE

The Minimum Charge shall be the Capacity Charge based on 50% of the Contract On-Peak Demand, but not less than \$5,527.00. (D)

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 fifteen 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.

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

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

(D) - Indicates Decrease

RATE GL - GENERAL SERVICE LARGE - (Continued)

DETERMINATION OF DEMAND - (Continued)

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.

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.

CONTRACT PROVISIONS

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.

STANDARD CONTRACT RIDERS

For modifications of the above rate under special conditions, see "Standard Contract Riders".

RATE L - LARGE POWER SERVICE

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

CAPACITY CHARGE

First 5,000 Kilowatts or less of Demand.....	\$71,289.00	(D)
Next 10,000 Kilowatts of Demand at.....	\$11.45 per Kilowatt	(D)
Next 25,000 Kilowatts of Demand	\$11.13 per Kilowatt	(D)
Additional Kilowatts of Demand at.....	\$10.84 per Kilowatt	(D)

ENERGY CHARGE

First 750,000 Kilowatt-Hours plus		
400 Kilowatt-Hours per Kilowatt of Demand at.....	3.80 cents per Kilowatt-Hour	(D)
Next 150 Kilowatt-Hours per Kilowatt of Demand.....	2.56 cents per Kilowatt-Hour	(D)
Additional Kilowatt-Hours at	2.34 cents per Kilowatt-Hour	(D)

UNTRANSFORMED SERVICE CREDIT

Where the customer furnishes all necessary equipment to take untransformed service 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	(D)
69,000 Volt Service or Higher.....	9.1 cents per Kilowatt	(D)

MINIMUM CHARGE

The Minimum Charge shall be the Capacity Charge based on 70% of the Contract On-Peak Demand, but not less than \$71,289.00. (D)

RIDERS

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

(D) - Indicates Decrease

RATE L - LARGE POWER SERVICE - (Continued)

MONTHLY RATE - (Continued)

LATE PAYMENT CHARGES

Bills will be calculated on the rates stated herein, and are due and payable on or before fifteen 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.

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.

STANDARD CONTRACT RIDERS

For modifications of the above rate under special conditions, see "Standard Contract Riders".

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.

RATE L - LARGE POWER SERVICE - (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 L before January 26, 1986, in which case the appropriate contract cancellation date shall prevail.

When a customer takes service 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 HVPS - HIGH VOLTAGE POWER SERVICE

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

CAPACITY CHARGE

First 30,000 Kilowatts or less of On-Peak Demand \$330,536.00 (D)
Additional Kilowatts of On-Peak Demand at \$11.92 per Kilowatt (D)

ENERGY CHARGE

On-Peak Kilowatt-Hours at 4.33 cents/per Kilowatt-Hour (D)
Off-Peak Kilowatt-Hours at 2.21 cents/per Kilowatt-Hour (D)

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 4.33 cents per Kilowatt-Hour. (D)

MINIMUM CHARGE

The Minimum Charge shall be the Capacity Charge based on 70% of the Contract On-Peak Demand, but not less than \$330,536.00. (D)

RIDERS

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

LATE PAYMENT CHARGES

Bills will be calculated on the rates stated herein, and are due and payable on or before fifteen 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.

(D) - Indicates Decrease

RATE HVPS - HIGH VOLTAGE POWER SERVICE - (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 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 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.

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.

RATE HVPS - HIGH VOLTAGE POWER SERVICE - (Continued)

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 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.

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

Where a customer contracts for interruptible load and agrees to the "Special Terms and Conditions" listed below, the Capacity Charge of this rate will be reduced by a \$2.02 per kW credit of contracted interruptible load. (D)

(D) - Indicates Decrease

RATE HVPS - HIGH VOLTAGE POWER SERVICE - (Continued)

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.*
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.

RATE HVPS - HIGH VOLTAGE POWER SERVICE - (Continued)

GENERATION AVOIDANCE

Generation Avoidance energy provides an option to customers who produce electricity for their own use by utilizing their own internal generating equipment. The customer may purchase energy in excess of that contracted for on this rate and avoid the increased use of alternate energy sources.

Prior to the start of each billing month, the customer must inquire as to the availability of generation avoidance energy for the billing month. When generation avoidance energy is available, the Company and the customer will mutually establish the demand threshold for generation avoidance energy. All kilowatt-hours in any 15 minute on-peak metered period that exceed the monthly stipulated demand level will be considered generation avoidance energy. Generation Avoidance energy will be billed at the average base rate price resulting from the charges calculated for the demand and energy under this rate.

FACILITIES CHARGE

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

RATE SM - STREET LIGHT MUNICIPAL

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	(D)
Sodium Vapor	\$15.09	\$19.30	\$22.92	----	\$33.53	\$43.84	\$91.79	(D)

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). (D)

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.

(D) - Indicates Decrease

RATE SM - STREET LIGHT MUNICIPAL - (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 SE - STREET LIGHTING ENERGY

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

All Kilowatt-Hours at..... 11.02 cents per Kilowatt-Hour

(D)

DETERMINATION OF ENERGY FOR BILLING PURPOSES

The total energy billed each month shall be the sum of the amounts of energy determined under each of the following:

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 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.

(b) For Other than Standard Dusk to Dawn Operation. 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 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.

(D) - Indicates Decrease

RATE SE - STREET LIGHTING ENERGY- (Continued)

MONTHLY RATE - (Continued)

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 energy charges will be made on the monthly bill.

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.

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	(D)
Cable used exclusively for street lighting service between lamps in the customer's area	\$0.0030 per foot	(D)
Parkway-type cable used exclusively for street lighting service between lamps in the customer's area	\$0.0080 per foot	(D)
Standard junction boxes, for street lighting service located within the customer's area and installed prior to July 1, 1969	\$0.4528 each	(D)
Insulating transformers	\$0.4126 each	(D)
Ballasts for Mercury Vapor Lamps	\$0.9056 each	(D)

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

RIDERS

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

(D) - Indicates Decrease

RATE SE - STREET LIGHTING ENERGY - (Continued)

SPECIAL CONDITIONS

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. Service will normally be supplied under this rate by overhead circuits, but if the Company is required to supply or the customer requests 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.

TERM OF CONTRACT

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

RATE SH - STREET LIGHTING HIGHWAY

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 (D)
Sodium Vapor	\$12.33	\$15.18	----	\$18.03	\$20.86	\$29.39	\$65.94 (D)

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 over due 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 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.

(D) - Indicates Decrease

RATE SH - STREET LIGHTING HIGHWAY - (Continued)

SPECIAL TERMS AND CONDITIONS - (Continued)

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.
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 MTS - MUNICIPAL TRAFFIC SIGNALS

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

CUSTOMER CHARGE \$8.91 (D)

ENERGY CHARGE

First 1,300 Kilowatt-Hours at 13.51 cents per Kilowatt-Hour (D)
Additional Kilowatt-Hours at 3.63 cents per Kilowatt-Hour (D)

RIDERS

Bills rendered under this schedule are subject to the charge 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

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.

(D) - Indicates Decrease

RATE AL - ARCHITECTURAL LIGHTING SERVICE

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

CUSTOMER CHARGE \$9.07 (D)

CAPACITY CHARGE

All Kilowatts of Demand at \$7.02 per Kilowatt (D)

ENERGY CHARGE

First 300 Kilowatt-Hours at 10.06 cents per Kilowatt-Hour (D)

Additional Kilowatt-Hours at 2.77 cents per Kilowatt-Hour (D)

MINIMUM CHARGE

The Minimum Charge shall be \$9.07. (D)

LATE PAYMENT CHARGE

Bills will be calculated on the rates stated herein, and are due and payable on or before fifteen 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.

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.

(D) - Indicates Decrease

RATE AL - ARCHITECTURAL LIGHTING SERVICE - (Continued)

CONTRACT PROVISIONS

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

STANDARD CONTRACT RIDERS

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

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.

RATE PAL - PRIVATE AREA LIGHTING

AVAILABILITY

Available for high pressure sodium lighting and flood lighting of residential, commercial and industrial private property installations including parking lots, for normal dusk to dawn operation of approximately 4,200 hours per year.

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>250</u>	<u>400</u>
-----------------------------	-----------	------------	------------	------------	------------

Duquesne Light Company Owned and Maintained Equipment

Monthly Rate Per Unit

High Pressure Sodium Vapor	\$15.09	\$19.30	\$22.92	\$33.53	\$43.83	(D)
Flood Lighting	N/A	\$17.45	\$20.30	\$24.48	\$31.48	(D)

Unmetered Energy for Customer Owned and Maintained Equipment

Approximate Monthly kWh Usage	29	46	67	100	155	
Monthly Rate Per Unit	\$3.20	\$5.08	\$7.39	\$11.02	\$17.09	(D)

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 the installation of one (1) or more wood poles is required to serve the customer, the customer has the option to install the pole(s) at his own expense in accordance with SPECIAL TERM AND CONDITION NO. 2 or the Company will install, own and maintain the pole(s) and bill the customer at the monthly rate of \$15.73 for each pole required. (D)

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.

(D) - Indicates Decrease

RATE PAL - PRIVATE AREA LIGHTING - (Continued)

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.
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.
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.

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/GM and GL 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 \$12.29 plus (2) a charge computed on the applicable rate schedule (either Rate GS/GM or GL), 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.

(D)

(D) - Indicates Decrease

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 2 - UNTRANSFORMED SERVICE

(Applicable to Rates GS/GM, GMH, GLH, and GL only)

Where customers take all or part of their electric 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	20.1 cents per Kilowatt	(D)
Next 550 Kilowatts at	13.1 cents per Kilowatt	(D)
Excess over 600 Kilowatts at	7.0 cents per Kilowatt	(D)

(D) - Indicates Decrease

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 3 - SCHOOL AND GOVERNMENTAL SERVICE DISCOUNT PERIOD

(Applicable to Rates GS/GM, GMH, GLH, GL and L 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/GM, GMH, GLH, GL or L will be added to the net amount for failure to make payment of the bill 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/GM, GL, GMH, and GLH only)

Budget billing for 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, Company will make an estimate subject to revisions when conditions warrant, of the total charge for electric 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/GM, GL, and L - and to Rates GMH
and GLH 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.

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.

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.

STANDARD CONTRACT RIDERS - (Continued)

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

(Applicable to Rates GS/GM, GL, and L - and to Rates GMH
and GLH during months of June, July, August and September only)

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 GMH and GLH, the appropriate meter charge will be added to all twelve monthly bills. The meter charge and type of meter for GMH and GLH 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/GM 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 service is to be used, but in no case less than six (6) days.
3. Estimate the charges in accordance with the provisions of the applicable rate.
4. Require the customer to make a deposit in the amount of the estimated 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 GL, GLH, and L)

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 \$2.01 credit per kW of contracted interruptible load. (D)

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 GL.

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

(D) - Indicates Decrease

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 7 - INTERRUPTIBLE SERVICE - (Continued)

(Applicable to Rates GL, GLH, and LI)

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 GL, GLH, and L)

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 GM, GL and L)

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.

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 GM, GL and L)

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 L. The percentage discount is determined as follows:

<u>Incremental Hours Use</u>	<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

(C)

The percent discount applicable to those Incremental kilowatt-hours to be billed at the excess kilowatt-hour charges of Rate L 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.

(C) - Indicates Change

STANDARD CONTRACT RIDERS - (Continued)

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

(Applicable to Rates GM, GL and L)

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 GM, kilowatt-hour charge of Rate GL, and charge for 750,000 kilowatt-hours plus 400 kilowatt-hours per kilowatt of demand of Rate L of the currently effective rates. The excess kilowatt-hour charges of Rate L 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 GM, GL and L)

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 GM, GL and L)

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 GM, GL and L)

SPECIAL PROVISION FOR RATE L

For those existing Rate L 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 L which is specified under Rate L Exception.

STANDARD CONTRACT RIDERS - (Continued)

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

(Applicable to Rates GM, GL, and L)

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 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

STANDARD CONTRACT RIDERS - (Continued)

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

(Applicable to Rates GM, GL, and L)

ECONOMIC INCENTIVE - (Continued)

A qualifying customer will earn a separately stated credit equal to the percentage discount determined below multiplied by the monthly Energy Charge of the applicable rate excluding the energy billed at the excess kilowatt-hour charges of Rate L. The percentage discount is determined as follows:

<u>Incremental Hours Use</u>	<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

(C)

The percent discount applicable to those kilowatt-hours to be billed at the excess kilowatt-hour charges of Rate L 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.

(C) - Indicates Change

STANDARD CONTRACT RIDERS - (Continued)

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

(Applicable to Rates GM, GL, and L)

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 GM, GL, and L)

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 (0.1629%) will apply to all bills, except Rider No. 15 - ENERGY COST RATE revenues, 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. (I)

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.

(I) - Indicates Increase

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 11 - STREET RAILWAY SERVICE

(Applicable to Rates GS/GM and GL 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 bill under Rates GS/GM and GL 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/GM, and GMH 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 RS - RESIDENTIAL SERVICE or of RATE RH - RESIDENTIAL SERVICE HEATING provided that it satisfies the space heating requirements stated in the availability clause of Rate RH.

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 - GENERAL SERVICE SEPARATELY METERED ELECTRIC SPACE HEATING SERVICE

(Applicable to Rates GS/GM, GL and L)

Available for separately metered circuitry connected to electric space heating devices limited to electric resistance heaters, add-on heat pumps, heat pump compressors, system fans, pumps and controls except where the customer uses the Company's service for water heating, then water heating may also be included on the Circuit. The space heating service may be provided at the same voltage as other electric service.

MONTHLY RATE

ENERGY CHARGE

For the Billing Months of November through April:

All Kilowatt-hours at 3.80 cents per Kilowatt-hour

(D)

For the Billing Months of May through October:

Rate GS/GM, GL or L will apply.

METER CHARGE \$10.00 per month

The customer will be responsible for any necessary wiring, structural or equipment changes or relocations to allow the isolation and metering of the electric space heating system.

(D) - Indicates Decrease

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 14 - RESIDENTIAL SERVICE SEPARATELY METERED ELECTRIC SPACE AND WATER HEATING

(Applicable to Rate RS)

AVAILABILITY

Available for separately metered circuitry connected solely to electric space heating devices limited to electric resistance heaters, add-on heat pumps, heat pump compressors and system fans, pumps and controls comprising the customer's entire space heating system except where the customer uses the Company's service for water heating, then water heating equipment may also be included on the circuit.

MONTHLY RATE

ENERGY CHARGE

For the billing months of November through April:

All Kilowatt-Hours at 4.49 cents per Kilowatt-Hour (D)

For the billing months of May through October:

All Kilowatt-Hours at 11.66 cents per Kilowatt-Hour (D)

METER CHARGE \$1.50 per month

SPECIAL TERMS AND CONDITIONS

1. Space heating equipment must be permanently installed, thermostatically controlled and approved by the Company.
2. The customer must use the Company's standard low voltage service 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. Any alternate energy source may be used to supplement an add-on heat pump.
3. The customer will be responsible for any necessary wiring, structural or equipment changes or relocations to allow isolation and metering of the electric space heating system and water heating equipment.
4. The Company reserves the right to inspect at all reasonable times the customer's circuitry to determine that the load served under the terms of this rider is created by the equipment defined herein.
5. If the Company finds, in its sole judgment, that the conditions of this rider are being violated, it may discontinue application of the rider and bill all usage pursuant to Rate RH.

(D) - Indicates Decrease

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 15 - ENERGY COST RATE

(Applicable to All Rates)

An Energy Cost Rate shall be applied to each kilowatt-hour supplied under this Tariff. This Energy Cost Rate will be determined to the nearest one-thousandth of 1 mill per kilowatt-hour in accordance with the formula set forth below and shall be applied to all kilowatt-hours billed during the billing month:

$$ECR = \left[\frac{F_c}{S_c} - \frac{F_b}{S_b} - \frac{E_c}{S_r} \right] \times \left[\frac{1}{1-T} \right]$$

The Energy Cost Rate so computed, effective during the billing periods of April through March, shall be submitted to the Commission by March 1 of each year and be effective for service rendered on and after the following April 1 of each year provided; however, that such rate may be revised on an interim basis subject to approval of the Pennsylvania Public Utility Commission. Upon determination that the effective rate will result in a material over or under collection, such interim change shall become effective 30 days from the date of the filing unless otherwise ordered by the Commission.

Where ECR = Energy Cost Rate in mills per kilowatt-hour to be applied to each kilowatt-hour supplied under this Tariff.

F = The estimated energy-related costs of net energy generated in the Company's fossil and nuclear generating stations, plus the Company's net cost of purchased power, less the revenue received for power sold to non-affiliated utilities in the current (c) and base (b) periods, defined as follows:

Fossil Generation costs - the net costs charged to Fuel Accounts 501 and 547 which are computed on the basis of the cost of fuel delivered to the generating site at which it is consumed, plus the cost of disposing of solid waste from sulphur oxide removal devices, plus the cost of lime for sulfur oxide removal devices.

Emission Allowances - the amounts charged to Account 509 for the cost of allowances used in conjunction with corresponding amounts of sulfur dioxide emitted. Also, gains and losses from the disposition of those allowances associated with utility operations and recorded in Accounts 411.8 and 411.9, respectively.

Nuclear Generation costs - the net costs charged to Fuel Account 518 which are computed on the basis of the cost of fuel delivered to the generating site at which it is consumed, after deducting the present salvage or reuse value of such fuel, if any, plus the cost of the disposal of spent nuclear fuel (exclusive of the unamortized balanced of pre-April, 1983 disposal costs), plus payments made pursuant to the provisions of the National Energy Policy Act of 1992 for the decontamination and decommissioning of the Department of Energy's gaseous diffusion enrichment facilities.

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 15 - ENERGY COST RATE - (Continued)

(Applicable to All Rates)

F - (Continued)

Purchased Steam costs - the net costs charged to Account 521 for steam purchased from others under a joint facility operating arrangement for use in prime movers devoted to the production of electricity.

Purchased Power costs - the net amounts of the charges and credits to Account 555.

Power sold to non-affiliated utilities - the total revenue received from sales to other utilities (short-term and pass through sales) as recorded in Account 447 less sales under rate schedule FPC-11.

Test Power - the amounts charged to Account 557 for the value assigned to the energy produced from facilities undergoing operational tests prior to being placed in commercial operation.

The computation year shall be April 1 through March 31 for which the ECR as computed will apply. In projecting the Company's energy costs for the computation year, the estimated cost of energy generated and sold to other utilities on a firm basis and the estimated net effect on the Company's energy costs of generation for the computation year from any unit whose costs are not currently reflected in base rate shall be excluded. When the in-service date of such a unit can be estimated with reasonable certainty, the Company shall file with the Commission no later than 20 days prior to the unit's expected in-service date for an interim revision of the ECR then in effect to reflect the estimated effect of the unit's operation on the Company's energy cost. Such interim revision of the ECR shall not become effective unless and until rates reflecting the unit's base rate revenue requirements become effective by order of the Commission.

Ec = Experienced net over collection or under collection of the cost of energy as of the end of the 12-month period ending with the January billing period including interest. Interest shall be computed monthly at the appropriate rate as provided in Section 1308(d) of the Public Utility Code from the month over or under collection occurs to the effective month such over collection is refunded and such under collection is recouped. Customers shall not be liable for interest on net under collections.

S = The Company's projected total kilowatt-hour sales to customers excluding firm sales to other utilities in the computation year (c) and base (b) periods.

Sr = The Company's projected kilowatt-hour sales to retail customers during the computation year.

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 15 - ENERGY COST RATE - (Continued)

(Applicable to All Rates)

F - (Continued)

F_b

S_b = Base energy cost of 16.450 mills per kilowatt-hour.

T = The Pennsylvania gross receipts tax rate in effect during the billing month, expressed in decimal form.

The amount for this energy cost rate shall not be subject to the State Tax Adjustment surcharge.

Minimum bills shall not be reduced by reason of this energy cost rate. This rate shall be applied to all kilowatt-hours supplied and such charge shall be in addition to any minimums applicable.

The Company shall file quarterly reports within thirty (30) days following the conclusion of each computation year quarter. These reports will be in such form as the Commission shall have prescribed. The quarterly report filed immediately preceding the April 1 effective date will be accompanied by the tentative estimate of the energy cost rate for the next computation year.

The Company's proposed annual energy cost rate, effective for service rendered on and after April 1 through March 31, shall be submitted to the Commission by March 1 of each year and be effective for service rendered on and after April 1 unless otherwise modified or ordered by the Pennsylvania Public Utility Commission and shall remain in effect for a period of one year unless revised on an interim basis subject to the approval of the Pennsylvania Public Utility Commission. The application of the energy cost rate shall be subject to continuous review and audit by the Commission at such intervals as the Commission shall determine; the Commission shall continuously review the reasonableness and lawfulness of the amounts of charges produced by the energy cost rate and the charges herein.

If from such audit it shall be determined, by final order entered after notice and hearing, that this energy cost rate has been erroneously or improperly utilized, the Company will rectify such error of impropriety, and, in accordance with the terms of the order, apply credits against future energy cost rates for such revenues as shall have been erroneously or improperly collected. The Commission's order shall be subject to the right of appeal.

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 16 - 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 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:

Large Power Service/HVPS (5,000 kW or more)	\$3.56/kW	Energy @ 3.14 cents/kWh	(D)
General Service Large (300 to 4,999 kW)	\$4.87/kW	Energy @ 3.07 cents/kWh	(D)
General Service Small/Medium (less than 300 kW) ..	\$5.57/kW	Energy @ 3.80 cents/kWh	(D)

Plus for any General Service Large (300 to 4,999 kilowatts) or Small/Medium (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 (300 to 4,999 kW)	\$0.2483/kW	(D)
General Service Small/Medium (less than 300 kW) ..	\$0.3675/kW	(D)

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

However, any Large Power Service/HVPS, General Service Large or General Service Small/Medium 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.

(D) - Indicates Decrease

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 16 - 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:

Large Power Service/HVPS (5,000 kW or more)	\$2.26/kW	Energy @ 3.14 cents/kWh	(D)
General Service Large (300 to 4,999 kW)	\$3.42/kW	Energy @ 3.07 cents/kWh	(D)
General Service Small/Medium (less than 300 kW) ..	\$4.26/kW	Energy @ 3.80 cents/kWh	(D)

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.

(D) - Indicates Decrease

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 16 - SERVICE TO NON-UTILITY GENERATING FACILITIES - (Continued)

(Applicable to all General Service Rates)

C. (Continued)

Plus for any General Service Large (300 to 4,999 kilowatts) or Small/Medium (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 (300 to 4,999 kW) \$0.2781/kW
General Service Small/Medium (less than 300 kW) .. \$0.4171/kW

(D)
(D)

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

However, any Large Power Service/HVPS, General Service Large or General Service Small/Medium 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.

(D) - Indicates Decrease

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 16 - 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.

Large Power Service/HVPS (5,000 kW or more)	\$2.26/kW	Energy @ 2.84 cents/kWh	(D)
General Service Large (300 to 4,999 kW)	\$3.42/kW	Energy @ 2.77 cents/kWh	(D)
General Service Small/Medium (less than 300 kW) ..	\$4.26/kW	Energy @ 3.51 cents/kWh	(D)

Plus for any General Service Large (300 to 4,999 kilowatts) or Small/Medium (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 (300 to 4,999 kW)	\$0.2781/kW	(D)
General Service Small/Medium (less than 300 kW) ..	\$0.4171/kW	(D)

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

However, any Large Power Service/HVPS, General Service Large or General Service Small/Medium 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.

(D) - Indicates Decrease

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 16 - 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. 16 - 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/HVPS, General Service Large and General Service Small/Medium 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. 17 - EMERGENCY ENERGY CONSERVATION

(Applicable to Rates GL, GLH, L, and HVPS 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 L and HVPS 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 GL and GLH 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. 17 - EMERGENCY ENERGY CONSERVATION - (Continued)

(Applicable to Rates GL, GLH, L, and HVPS 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. 18 - 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. 19 - OFF-PEAK WATER HEATING SERVICE

(Applicable to Rates RS, RH, RA AND GS/GM)

AVAILABILITY

Available to all RS, RH, RA and GS/GM customers utilizing electric storage water heaters equipped with timing devices that control water heating to defined off-peak hours as the sole source of water heating.

MONTHLY RATE

ENERGY CHARGE

All Kilowatt-hours of water heating usage at 2.98 cents per Kilowatt-Hour

(D)

The energy charge per kilowatt-hour of water heating usage shall be revised annually each December 1st, beginning on December 1, 2001, according to an index reflecting the average annual increase or decrease in residential gas prices billed by the three major Pittsburgh area gas companies for the previous year. However, in no case will the monthly energy charge billed under this rider fall below 3.00 cents per kilowatt-hour or go above 6.00 cents per kilowatt-hour by action of the annual adjustment.

DETERMINATION OF MONTHLY WATER HEATING USAGE

For customers who have installed a storage water heating system that limits water heating to the defined off-peak hours specified and stores hot water for use during on-peak periods, the monthly water heating usage will be determined based upon the heating unit capacities as follows and subject to the limitation listed below:

<u>Unit Capacity</u>	<u>Monthly Water Heating Allowance</u>
30 to 39 gallons	last 150 kWh of total usage
40 to 59 gallons	last 200 kWh of total usage
60 to 99 gallons	last 300 kWh of total usage
100 to 119 gallons	last 400 kWh of total usage
120 gallons or greater	last 500 kWh of total usage

LIMITATION ON WATER HEATING USAGE

In no instance will this rider apply to the first 200 kWh of a customer's monthly usage. This base usage of 200 kWh will always be billed at the applicable Rate RS, RH, RA or GS/GM.

(D) - Indicates Decrease

STANDARD CONTRACT RIDERS (CONTINUED)

RIDER NO. 19 - OFF-PEAK WATER HEATING SERVICE- (Continued) (C)

(Applicable to Rates RS, RH, RA and GS/GM)

ON-PEAK AND OFF-PEAK HOURS

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

Monday through Friday
10:00 A.M. TO 9:00 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 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.

SPECIAL TERMS AND CONDITIONS

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

1. The electric storage water heaters must be approved by the Company as capable of meeting the usage control requirements of this rider.
2. The Company reserves the right to inspect at all reasonable times the energy storage and usage control devices that qualify the customer for this rider and to ascertain by any reasonable means that the time differentiated load characteristics of such devices meet Company specifications.
3. If the Company finds that in its sole judgment the conditions of this rider are being violated, it may discontinue billing the customer under the provisions of this rider and all usage will be billed at the applicable Rate RS, RH, RA or GS/GM.

(C) - Indicates Change

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 20 - SMALL BUSINESS DEVELOPMENT RIDER

(Applicable to Rate GS/GM)

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 base load requirements not exceeding 105 kW, or existing customers whose base load is less than 100 kW and plan to add up to 100 kW of estimated incremental load. Qualifying terms and conditions are listed below.

ECONOMIC INCENTIVE

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 Rate GS/GM. The minimum Monthly Base Period Billing Demands for new or existing customers will be five (5) kW. 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 shall not be applied to more than 100 kW of new or incremental load.

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/GM shall not be reduced by this rider.

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 20 - SMALL BUSINESS DEVELOPMENT RIDER - (Continued)

(Applicable to Rate GS/GM)

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:
 - (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.
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 for Existing Customers** - The twelve consecutive monthly billing periods applicable to the existing customer ending one month prior to the application of this rider.
4. **Monthly Base Period Billing Demand:**
 - (a) **Existing Customer** - 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.*
 - (b) **New Customer** - The Monthly Base Period Billing Demand will be five (5) kW for every month billed under this rider.
5. **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.

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 20 - SMALL BUSINESS DEVELOPMENT RIDER - (Continued)

(Applicable to Rate GS/GM)

TERMS AND CONDITIONS

1. The customer may 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 new or incremental load consistently exceeds 100 kW, the customer will be given the option, upon request, of remaining on this rider with the discount applied to a maximum of 100 kW of new or incremental load or the customer may execute a new Rider 8 five (5) year contract with base load normally set equal to the customer's load at the time of the transfer to Rider 8. The Company reserves the right to establish an appropriate base load in the event the customer's load prior to transfer to Rider 8 is not a true representation of its base load.
6. The customer must sign a five (5) year "Economic Development Rider No. 20 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. A Customer who increases its business after the initial five (5) year discount period is eligible for Rider 8 if the customer meets the Qualifications and Terms and Conditions of Rider 8.
8. The Company reserves the right to refuse this rider to customers who do not meet the conditions specified above.

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 20 - SMALL BUSINESS DEVELOPMENT RIDER - (Continued)

(Applicable to Rate GS/GM)

TERMS AND CONDITIONS - (Continued)

9. 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.
10. 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.
11. 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.
12. 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.
13. 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.
14. Discontinuance of or detrimental changes to the rider will not apply to an existing rider participant or a prospective participant as described in Condition (13).

DUQUESNE LIGHT COMPANY

L. Restructuring Issues

1. State the basis of calculations supporting the competitive transition charge or stranded costs, if claimed. Provide on a 3.5 inch diskette in Excel Version 5.0 format, Windows version, a copy of the macro/model used for calculating the competitive transition or stranded costs and an explanation of the model.

Response:

The response to this item is described in the direct testimony of James A. Lahtinen, Duquesne Statement No. 5 and my direct testimony, Duquesne Statement No. 2, Exhibits 2C and 2E.

DUQUESNE LIGHT COMPANY

L. Restructuring Issues

2. State all "transition costs or stranded costs" as defined at 66 Pa.C.S. subsection 2803 "Transition Costs" that will be claimed pursuant to 66 Pa.C.S. subsection 2808(c)(1), (2) or (3). For each such transition or stranded cost element claimed, state:
 - (a) Date at which such transition or stranded cost has been or will be stranded.
 - (b) Basis of claim that such cost is stranded, including copies of any engineering or economic studies or other studies or memoranda supporting such claim, and all studies, analyses, and data regarding the marginal cost at which the unit will be unprofitable in a competitive generation market. Provide a full description of past, present and future efforts to mitigate each claimed transition or stranded cost.
 - (c) Plant or other facility with which the transition or stranded cost is associated.
 - (d) For each claimed transition or stranded cost, the provision of 66 Pa.C.S. subsection 2808 under which recovery is sought.
 - (e) Basis of claimed prudence.
 - (f) Methodology for ensuring that transition or stranded costs are shared equitably by all stakeholders.
 - (g) If an alternative payment period is sought under subsection 2808(b), the basis for such request.

Response:

The response to this item is described in the direct testimony of James A. Lahtinen, Duquesne Statement No. 5 and my direct testimony, Duquesne Statement No. 2, Exhibits 2C and 2E.

DUQUESNE LIGHT COMPANY

L. Restructuring Issues

3. For each stranded cost claimed, state and explain the methodology and all assumptions used to determine net present value. For any generating unit not identified for stranded cost recovery, provide a calculation of any positive (or negative) stranded costs using the same methodologies or assumptions described in L.(2)(b) above.

Response:

The response to this item is described in the direct testimony of James A. Lahtinen, Duquesne Statement No. 5 and my direct testimony, Duquesne Statement No. 2, Exhibits 2C and 2E.

DUQUESNE LIGHT COMPANY

L. Restructuring Issues

4. For each stranded cost claimed, state the amount of securitization approval that has or will be sought and the expected rate reduction from such securitization, as well as the expected balance sheet impact from such securitization.

Response:

At this time the Company is not requesting approval for securitization of any of its stranded cost claim. The Company is, however, reserving the right to request securitization in a future proceeding.

DUQUESNE LIGHT COMPANY

L. Restructuring Issues

5. For each generating unit wholly or partially owned by the utility, provide the following:
- (a) Net book value as of 12/31/96
 - (b) Depreciation reserve as of 12/31/96
 - (c) Accumulated deferred income tax reserves as of 12/31/96
 - (d) Unamortized ITC reserve as of 12/31/96
 - (e) Annual depreciation expense for the year 1996
 - (f) ITC amortization for 1996 and deferred income taxes for 1996
 - (g) Property taxes and any other revenue requirements for the unit in 1996
 - (h) O&M expenses, subdivided as fixed and variable for 1996
 - (i) Total revenue requirements for the unit in 1996
 - (j) Projected revenue requirements, based on projections of the above items, for each year of the remaining life of the unit
 - (k) Heat rate curves used in the system dispatch model for each unit
 - (l) Average heat rates at minimum loading, 50 percent, 75 percent and 100 percent
 - (m) Net dependable capacity for each unit
 - (n) Operational constraints that impact unit operations such as minimum loadings, must-run, or voltage support requirements.
 - (o) Anticipated average equivalent forced outage rates and annual maintenance requirements for the remaining life of the unit
 - (p) Projected kWh generation for each unit for each year of the remaining life of the unit
 - (q) Anticipated or currently planned retirement date
 - (r) Projected annual delivered or consumed cost of fuel

Response:

The response to this item can be found on pages 2 through 42 of this item.

Duquesne Light Company

\$ In Millions
Data for year ended 12/31/96

Item	Cheswick	Elrama	Brunot Island	Phillips	Mansfield	Sammie	Eastlake	Beaver Valley Unit 1	Beaver Valley Unit 2	Perry	TOTAL
(a) Net Book Value	119.9	99.9	54.0	78.4	144.7	53.4	42.7	378.4	54.5	474.0	1,499.9
(b) Depreciation Reserve	96.0	137.7	36.3	68.6	124.6	40.2	36.2	275.3	23.0	394.2	1,232.2
(c) Accum. Deferred Tax Reserve	34.9	18.8	20.0	28.3	39.2	13.6	10.5	123.5	17.7	165.7	472.0
(d) Unamortized ITC Reserve	2.9	2.2	0.9	1.7	6.8	2.8	1.7	19.5	13.2	24.3	76.0
Revenue Requirement											
(e) Depreciation Expense	8.1	12.8	0.8	0.0	8.4	4.6	3.4	34.9	2.2	80.5	155.7
(f) ITC and Deferred Tax Amortization	(1.9)	(2.4)	(0.5)	(0.3)	(1.3)	(0.5)	(0.5)	(7.3)	(2.4)	(15.6)	(32.7)
(g) Property Tax	0.7	0.7	0.1	0.7	0.5	2.2	3.6	1.3	0.2	11.5	29.9
(g) Non-Production Expenses	11.1	14.8	0.1	0.0	8.7	3.2	3.2	10.6	3.0	5.3	50.9
(g) Decommissioning	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.1	1.0	1.0	5.1
(g) Operating Revenue Tax	2.9	3.0	0.3	0.2	2.9	1.0	1.0	4.6	2.4	3.5	21.8
(g) Other Taxes	1.4	1.4	0.3	0.0	1.7	0.6	0.7	3.6	1.6	3.0	14.3
(g) Current Taxes	9.1	9.0	2.4	2.1	7.1	2.5	2.3	22.2	4.5	38.4	99.6
(g) Interest Expense	4.1	3.9	1.5	2.1	5.0	1.9	1.5	11.3	1.6	13.7	46.7
(g) Preferred Return	0.7	0.7	0.2	0.4	0.8	0.3	0.3	1.9	0.3	2.3	7.9
(g) Income Available for Equity Return	4.4	4.2	1.6	2.3	5.4	2.0	1.6	12.2	1.7	14.8	50.3
(h) Fixed O & M	15.1	18.8	0.3	0.0	10.8	2.5	3.1	33.8	55.4	17.9	157.7
(h) Variable (fuel) O & M	41.5	56.6	0.2	0.0	33.9	13.5	13.0	15.3	3.7	6.8	184.5
(i) Total Revenue Requirements	97.2	123.6	7.2	7.6	83.9	33.8	33.3	147.4	75.3	183.0	792.4
(q) Planned Retirement Date	2014	2005	2012	*	(1) 2015 (2) 2016 (3) 2019	2010	2011	2015	2027	2026	

* Cold Reserved

**(J) Revenue Requirements Forecast
Fossil Generation**

Year	1997	1998	1999	2000	2001	2002	2003	2004	2005
Cheswick									
Off-system Sales Revenue	4.2	3.7	9.6	10.1	10.5	11.1	10.3	9.1	3.6
Revenue from Customers	90.3	92.8	105.6	111.1	116.6	125.1	130.5	137.3	153.2
Total Revenue	94.5	96.5	115.2	121.1	127.0	136.2	140.7	146.4	156.9
Operating Expenses									
Fuel	39.9	36.8	45.8	48.0	47.8	52.9	52.6	48.7	55.4
Emissions	0.7	0.2	5.9	6.2	8.9	10.8	11.0	9.1	11.7
Non Fuel O&M (production)	11.0	24.6	12.6	12.2	14.0	13.8	12.5	25.4	14.7
Outage Accounting	2.7	(10.9)	2.2	2.2	2.2	2.2	2.2	(10.4)	2.1
Non-production Expenses	10.7	14.3	12.1	14.6	14.5	15.3	18.0	22.4	17.4
Major Maintenance Expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Decommissioning	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Book Depreciation	8.6	9.6	9.9	10.1	10.0	10.3	11.8	15.5	15.9
Amortization	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Revenue Tax	4.2	4.2	5.1	5.3	5.6	6.0	6.2	6.4	6.9
Property Taxes	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Other Taxes	1.3	1.3	1.3	1.3	1.4	1.3	1.3	1.3	1.4
Current Taxes	7.3	1.5	10.8	11.2	13.1	14.5	15.3	10.3	17.2
Deferred Taxes	(2.9)	2.9	(2.3)	(2.3)	(2.4)	(2.6)	(2.9)	2.0	(2.6)
ITC Amortization	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
Total Operating Expenses	84.2	85.2	103.9	109.4	115.7	125.2	128.7	131.4	140.6
Operating Income	10.3	11.3	11.3	11.7	11.3	11.0	12.0	15.0	16.3
Interest Expense	4.6	5.0	5.0	5.2	5.0	4.9	5.3	6.7	7.2
Net Income	5.7	6.3	6.3	6.5	6.3	6.1	6.7	8.3	9.0
Preferred Return	0.8	0.8	0.8	0.9	0.9	0.8	0.9	1.1	1.2
Income Available for Equity Return	4.9	5.4	5.4	5.6	5.4	5.3	5.8	7.2	7.8
Operating Income	10.3	11.3	11.3	11.7	11.3	11.0	12.0	15.0	16.3
Rate Base	106.9	117.7	117.5	121.7	117.9	114.5	125.0	156.5	169.3
Return on Rate Base	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%
Rate Base - Equity	42.8	47.2	47.1	48.8	47.2	45.9	50.1	62.7	67.9
Return on Equity	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%

Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
------	------	------	------	------	------	------	------	------	------	------

Cheswick										
Off-system Sales Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenue from Customers	172.9	175.7	174.0	190.3	178.3	192.1	209.1	210.3	204.6	4.5
Total Revenue	172.9	175.7	174.0	190.3	178.3	192.1	209.1	210.3	204.6	4.5
Operating Expenses										
Fuel	65.5	64.4	64.6	74.9	66.5	75.1	84.0	83.5	82.8	0.0
Emissions	15.2	15.3	15.0	18.1	14.1	17.6	21.7	21.5	20.7	0.0
Non Fuel O&M (production)	13.5	15.6	15.7	14.4	27.2	16.5	15.1	17.4	17.4	0.0
Outage Accounting	2.1	2.1	2.1	2.1	(11.5)	0.0	0.0	0.0	0.0	0.0
Non-production Expenses	17.7	20.0	19.6	21.6	23.8	22.2	25.2	26.5	25.4	0.0
Major Maintenance Expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Decommissioning	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.5
Book Depreciation	17.5	18.2	18.9	19.9	22.9	24.1	25.2	26.2	32.6	0.0
Amortization	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Revenue Tax	7.6	7.7	7.7	8.4	7.8	8.5	9.2	9.3	9.0	0.2
Property Taxes	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.0
Other Taxes	1.4	1.4	1.4	1.3	1.4	1.4	1.4	1.5	1.4	0.0
Current Taxes	17.5	17.5	17.2	19.4	11.9	18.9	21.9	22.5	23.0	(0.1)
Deferred Taxes	(0.9)	(1.2)	(1.6)	(2.1)	2.4	(2.7)	(3.5)	(5.0)	(8.5)	0.0
ITC Amortization	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)
Total Operating Expenses	157.8	161.7	161.2	178.7	167.2	182.4	201.0	204.1	204.6	4.5
Operating Income	15.2	14.0	12.8	11.6	11.1	9.8	8.1	6.2	0.0	0.0
Interest Expense	6.7	6.2	5.7	5.2	4.9	4.3	3.6	2.8	0.0	0.0
Net Income	8.4	7.8	7.1	6.4	6.2	5.4	4.5	3.4	0.0	0.0
Preferred Return	1.1	1.1	1.0	0.9	0.8	0.7	0.6	0.5	0.0	0.0
Income Available for Equity Return	7.3	6.7	6.1	5.6	5.3	4.7	3.9	3.0	0.0	0.0

Operating Income	15.2	14.0	12.8	11.6	11.1	9.8	8.1	6.2	0.0	0.0
Rate Base	157.8	145.5	133.1	120.9	115.5	101.7	84.0	64.5	0.0	0.0
Return on Rate Base	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%
Rate Base - Equity	63.3	58.3	53.4	48.5	46.3	40.8	33.7	25.8	0.0	0.0
Return on Equity	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
------	------	------	------	------	------	------	------	------	------	------	------

Cheswick											
Off-system Sales Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenue from Customers	9.5	12.4	12.4	12.4	7.7	2.9	0.0	0.0	0.0	0.0	0.0
Total Revenue	9.5	12.4	12.4	12.4	7.7	2.9	0.0	0.0	0.0	0.0	0.0
Operating Expenses											
Fuel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Emissions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non Fuel O&M (production)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Outage Accounting	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-production Expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Major Maintenance Expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Decommissioning	9.1	11.9	11.9	11.9	7.4	2.8	0.0	0.0	0.0	0.0	0.0
Book Depreciation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortization	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Revenue Tax	0.4	0.5	0.5	0.5	0.3	0.1	0.0	0.0	0.0	0.0	0.0
Property Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ITC Amortization	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Operating Expenses	9.5	12.4	12.4	12.4	7.7	2.9	0.0	0.0	0.0	0.0	0.0
Operating Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest Expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Preferred Return	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income Available for Equity Return	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Operating Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rate Base	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Return on Rate Base	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%
Rate Base - Equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Return on Equity	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%

**(J) Revenue Requirements Forecast
Fossil Generation**

Year	1997	1998	1999	2000	2001	2002	2003	2004	2005
Elrama									
Off-system Sales Revenue	2.2	2.9	6.8	6.9	7.6	7.8	6.6	7.1	0.0
Revenue from Customers	95.8	105.1	103.5	104.1	106.1	108.7	103.5	107.1	12.5
Total Revenue	98.0	108.0	110.2	111.0	113.7	116.5	110.1	114.2	12.5
Operating Expenses									
Fuel	34.8	41.1	38.4	37.2	39.3	42.1	39.1	42.6	0.0
Emissions	0.0	0.0	6.6	6.9	6.5	7.4	6.1	7.3	0.0
Non Fuel O&M (production)	17.8	16.7	20.0	18.2	17.7	17.6	20.7	18.2	0.0
Outage Accounting	(0.7)	1.7	(2.8)	(1.0)	0.5	0.5	(2.9)	0.0	0.0
Non-production Expenses	11.7	12.3	12.0	13.1	13.2	13.0	12.6	12.2	0.0
Major Maintenance Expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Decommissioning	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Book Depreciation	14.6	16.2	17.1	18.1	19.0	19.8	20.5	21.5	12.5
Amortization	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Revenue Tax	4.3	4.8	4.9	4.9	5.0	5.1	4.8	5.0	0.5
Property Taxes	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.0
Other Taxes	1.2	1.2	1.2	1.2	1.2	1.2	1.3	1.3	0.0
Current Taxes	7.2	8.4	6.6	7.6	8.3	8.3	6.7	7.9	2.5
Deferred Taxes	(3.5)	(4.7)	(3.2)	(4.4)	(5.3)	(5.8)	(4.7)	(6.4)	(2.7)
ITC Amortization	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.3)
Total Operating Expenses	88.1	98.1	101.1	102.3	105.8	109.6	104.6	110.0	12.5
Operating Income	9.9	9.9	9.2	8.7	8.0	6.8	5.5	4.2	0.0
Interest Expense	4.4	4.4	4.1	3.9	3.5	3.0	2.5	1.9	0.0
Net Income	5.5	5.5	5.1	4.8	4.4	3.8	3.1	2.3	0.0
Preferred Return	0.7	0.7	0.7	0.7	0.6	0.5	0.4	0.3	0.0
Income Available for Equity Return	4.8	4.7	4.4	4.2	3.8	3.3	2.7	2.0	0.0
Operating Income	9.9	9.9	9.2	8.7	8.0	6.8	5.5	4.2	0.0
Rate Base	103.4	103.1	95.5	90.9	82.8	71.3	57.6	43.6	0.0
Return on Rate Base	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%
Rate Base - Equity	41.4	41.3	38.3	36.4	33.2	28.6	23.1	17.5	0.0
Return on Equity	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%

Year 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025 2026

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Kiratia											
Off-system Sales Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenue from Customers	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Expenses											
Fuel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Emissions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non Fuel O&M (production)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Outage Accounting	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-production Expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Major Maintenance Expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Decommissioning	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Book Depreciation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortization	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Revenue Tax	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Property Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ITC Amortization	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Operating Expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest Expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Preferred Return	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income Available for Equity Return	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Operating Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rate Base	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Return on Rate Base	9.61%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Rate Base - Equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Return on Equity	11.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Year 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015

Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Elrama										
Off-system Sales Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenue from Customers	5.1	9.1	9.1	9.1	9.1	3.9	0.0	0.0	0.0	0.0
Total Revenue	5.1	9.1	9.1	9.1	9.1	3.9	0.0	0.0	0.0	0.0
Operating Expenses										
Fuel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Emissions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non Fuel O&M (production)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Outage Accounting	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-production Expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Major Maintenance Expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Decommissioning	4.9	8.7	8.7	8.7	8.7	3.8	0.0	0.0	0.0	0.0
Book Depreciation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortization	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Revenue Tax.	0.2	0.4	0.4	0.4	0.4	0.2	0.0	0.0	0.0	0.0
Property Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ITC Amortization	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Operating Expenses	5.1	9.1	9.1	9.1	9.1	3.9	0.0	0.0	0.0	0.0
Operating Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest Expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Preferred Return	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income Available for Equity Return	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Operating Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rate Base	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Return on Rate Base	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%
Rate Base - Equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Return on Equity	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%

**(J) Revenue Requirements Forecast
Fossil Generation**

Year	1997	1998	1999	2000	2001	2002	2003	2004	2005
Brunot Island									
Off-system Sales Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenue from Customers	6.0	5.7	7.4	6.2	5.9	5.7	5.6	7.1	6.2
Total Revenue	6.0	5.7	7.4	6.2	5.9	5.7	5.6	7.1	6.2
Operating Expenses									
Fuel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Emissions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non Fuel O&M (production)	0.7	0.4	0.6	0.6	0.6	0.6	0.7	0.7	0.7
Outage Accounting	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-production Expenses	0.5	0.4	1.1	0.2	0.2	0.2	0.2	1.0	0.3
Major Maintenance Expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Decommissioning	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Book Depreciation	1.9	2.0	2.3	2.2	2.1	2.1	2.1	2.5	2.5
Amortization	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Revenue Tax	0.3	0.2	0.3	0.3	0.3	0.3	0.2	0.3	0.3
Property Taxes	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Other Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current Taxes	1.3	1.2	1.4	1.2	1.2	1.1	1.1	1.3	1.2
Deferred Taxes	(0.7)	(0.6)	(0.6)	(0.5)	(0.5)	(0.5)	(0.6)	(0.7)	(0.6)
ITC Amortization	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Total Operating Expenses	4.4	4.0	5.4	4.3	4.2	4.1	4.1	5.4	4.7
Operating Income	1.7	1.7	2.0	1.9	1.7	1.6	1.5	1.7	1.5
Interest Expense	0.8	0.7	0.9	0.8	0.8	0.7	0.7	0.8	0.7
Net Income	0.9	0.9	1.1	1.1	1.0	0.9	0.8	0.9	0.8
Preferred Return	0.1	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.1
Income Available for Equity Return	0.8	0.8	1.0	0.9	0.8	0.8	0.7	0.8	0.7
Operating Income	1.7	1.7	2.0	1.9	1.7	1.6	1.5	1.7	1.5
Rate Base	17.6	17.5	21.3	19.7	18.2	16.7	15.2	17.6	15.8
Return on Rate Base	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%
Rate Base - Equity	7.1	7.0	8.5	7.9	7.3	6.7	6.1	7.1	6.3
Return on Equity	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%

Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
------	------	------	------	------	------	------	------	------	------	------

Brunt Island										
Off-system Sales Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenue from Customers	56.2	21.7	21.9	21.9	22.1	24.8	0.5	4.8	6.0	6.0
Total Revenue	56.2	21.7	21.9	21.9	22.1	24.8	0.5	4.8	6.0	6.0
Operating Expenses										
Fuel	40.3	12.5	12.9	13.2	13.6	13.9	0.0	0.0	0.0	0.0
Emissions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non Fuel O&M (production)	1.2	0.9	0.9	0.9	0.9	1.0	0.0	0.0	0.0	0.0
Outage Accounting	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-production Expenses	7.2	2.7	2.7	2.7	2.8	2.9	0.1	0.0	0.0	0.0
Major Maintenance Expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Decommissioning	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.6	5.7	5.7
Book Depreciation	2.9	2.9	2.9	2.7	2.7	5.7	0.0	0.0	0.0	0.0
Amortization	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Revenue Tax	2.5	1.0	1.0	1.0	1.0	1.1	0.0	0.2	0.3	0.3
Property Taxes	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.0	0.0	0.0
Other Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current Taxes	1.2	1.2	1.1	1.0	1.0	1.9	(0.0)	(0.0)	(0.0)	(0.0)
Deferred Taxes	(0.8)	(0.8)	(0.8)	(0.8)	(0.8)	(2.0)	0.0	0.0	0.0	0.0
ITC Amortization	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)	0.0	0.0	0.0	0.0
Total Operating Expenses	54.8	20.6	20.9	21.1	21.5	24.8	0.5	4.8	6.0	6.0
Operating Income	1.3	1.1	0.9	0.8	0.6	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Interest Expense	0.6	0.5	0.4	0.3	0.3	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Net Income	0.7	0.6	0.5	0.4	0.3	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Preferred Return	0.1	0.1	0.1	0.1	0.0	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Income Available for Equity Return	0.6	0.5	0.5	0.4	0.3	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)

Operating Income	1.3	1.1	0.9	0.8	0.6	0.0	0.0	0.0	0.0	0.0
Rate Base	13.8	11.8	9.8	7.9	6.1	0.0	0.0	0.0	0.0	0.0
Return on Rate Base	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%
Rate Base - Equity	5.5	4.7	3.9	3.2	2.4	0.0	0.0	0.0	0.0	0.0
Return on Equity	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Brunot Island											
Off-system Sales Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenue from Customers	6.0	6.0	1.2	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Total Revenue	6.0	6.0	1.2	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Operating Expenses											
Fuel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Emissions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non Fuel O&M (production)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Outage Accounting	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-production Expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Major Maintenance Expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Decommissioning	5.2	5.7	1.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Book Depreciation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortization	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Revenue Tax	0.3	0.3	0.1	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Property Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current Taxes	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Deferred Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ITC Amortization	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Operating Expenses	6.0	6.0	1.2	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Operating Income	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Interest Expense	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Net Income	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Preferred Return	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Income Available for Equity Return	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Operating Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rate Base	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Return on Rate Base	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%
Rate Base - Equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Return on Equity	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%

**(J) Revenue Requirements Forecast
Fossil Generation**

Year	1997	1998	1999	2000	2001	2002	2003	2004	2005
B.L. Cold Reserve									
Off-system Sales Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenue	2.4	2.4	2.4	2.3	2.3	2.3	2.3	2.3	16.5
Total Revenue	2.4	2.4	2.4	2.3	2.3	2.3	2.3	2.3	16.5
Operating Expenses									
Fuel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Emissions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non Fuel O&M (production)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Outage Accounting	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-production Expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Major Maintenance Expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Decommissioning	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Book Depreciation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	13.9
Amortization	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Revenue Tax	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.7
Property Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current Taxes	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	6.3
Deferred Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(5.8)
ITC Amortization	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Total Operating Expenses	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	15.1
Operating Income	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.4
Interest Expense	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.6
Net Income	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.8
Preferred Return	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Income Available for Equity Return	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.7
Operating Income	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.4
Rate Base	17.5	17.5	17.5	17.4	17.4	17.4	17.4	17.4	14.9
Return on Rate Base	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%
Rate Base - Equity	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	6.0
Return on Equity	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%

Year 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015

B.I. Cold Reserve										
Off-system Sales Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenue	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.1	2.1
Total Revenue	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.1	2.1
Operating Expenses										
Fuel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Emissions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non Fuel O&M (production)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Outage Accounting	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-production Expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Major Maintenance Expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Decommissioning	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Book Depreciation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortization	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Revenue Tax	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Property Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current Taxes	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6
Deferred Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ITC Amortization	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	0.0	0.0
Total Operating Expenses	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.7
Operating Income	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
Interest Expense	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Net Income	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Preferred Return	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Income Available for Equity Return	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7

Operating Income	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
Rate Base	14.9	14.8	14.8	14.8	14.8	14.8	14.8	14.8	14.8	14.8
Return on Rate Base	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%
Rate Base - Equity	6.0	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9
Return on Equity	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
B.L. Cold Reserve											
Off-system Sales Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenue	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1
Total Revenue	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1
Operating Expenses											
Fuel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Emissions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non Fuel O&M (production)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Outage Accounting	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-production Expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Major Maintenance Expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Decommissioning	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Book Depreciation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortization	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Revenue Tax	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Property Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current Taxes	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Deferred Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ITC Amortization	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Operating Expenses	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Operating Income	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
Interest Expense	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Net Income	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Preferred Return	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Income Available for Equity Return	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Operating Income	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
Rate Base	14.8	14.8	14.8	14.8	14.8	14.8	14.8	14.8	14.8	14.8	14.8
Return on Rate Base	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%
Rate Base - Equity	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9
Return on Equity	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%

**(J) Revenue Requirements Forecast
Fossil Generation**

Year	1997	1998	1999	2000	2001	2002	2003	2004	2005
Phillips									
Off-system Sales Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenue from Customers	7.2	7.5	6.7	6.6	17.2	33.7	26.3	15.2	(0.3)
Total Revenue	7.2	7.5	6.7	6.6	17.2	33.7	26.3	15.2	(0.3)
Operating Expenses									
Fuel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Emissions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non Fuel O&M (production)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Outage Accounting	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-production Expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Major Maintenance Expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Decommissioning	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Book Depreciation	0.5	0.8	0.0	0.0	11.0	29.1	23.9	14.4	0.0
Amortization	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Revenue Tax	0.3	0.3	0.3	0.3	0.8	1.5	1.2	0.7	(0.0)
Property Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current Taxes	1.7	1.8	1.5	1.6	5.9	12.8	10.1	5.9	(0.2)
Deferred Taxes	0.1	(0.1)	0.2	0.2	(4.4)	(12.0)	(9.8)	(5.9)	0.1
ITC Amortization	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
Total Operating Expenses	2.4	2.7	1.9	1.9	13.1	31.2	25.2	14.9	(0.3)
Operating Income	4.8	4.8	4.8	4.8	4.1	2.5	1.1	0.3	(0.0)
Interest Expense	2.1	2.1	2.1	2.1	1.8	1.1	0.5	0.1	(0.0)
Net Income	2.7	2.7	2.7	2.7	2.3	1.4	0.6	0.2	(0.0)
Preferred Return	0.4	0.4	0.4	0.4	0.3	0.2	0.1	0.0	(0.0)
Income Available for Equity Return	2.3	2.3	2.3	2.3	2.0	1.2	0.6	0.2	(0.0)
Operating Income	4.8	4.8	4.8	4.8	4.1	2.5	1.1	0.3	0.0
Rate Base	50.1	50.1	49.9	49.7	43.2	26.0	11.9	3.4	0.0
Return on Rate Base	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%
Rate Base - Equity	20.1	20.1	20.0	19.9	17.3	10.4	4.8	1.4	0.0
Return on Equity	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%

Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Phillips										
Off-system Sales Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenue from Customers	1.4	2.5	2.5	2.5	2.5	1.1	(0.0)	(0.0)	(0.0)	(0.0)
Total Revenue	1.4	2.5	2.5	2.5	2.5	1.1	(0.0)	(0.0)	(0.0)	(0.0)
Operating Expenses										
Fuel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Emissions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non Fuel O&M (production)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Outage Accounting	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-production Expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Major Maintenance Expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Decommissioning	1.3	2.4	2.4	2.4	2.4	1.0	0.0	0.0	0.0	0.0
Book Depreciation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortization	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Revenue Tax	0.1	0.1	0.1	0.1	0.1	0.0	(0.0)	(0.0)	(0.0)	(0.0)
Property Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current Taxes	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Deferred Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ITC Amortization	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Operating Expenses	1.4	2.5	2.5	2.5	2.5	1.1	(0.0)	(0.0)	(0.0)	(0.0)
Operating Income	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Interest Expense	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Net Income	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Preferred Return	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Income Available for Equity Return	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Operating Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rate Base	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Return on Rate Base	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%
Rate Base - Equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Return on Equity	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Phillips											
Off-system Sales Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenue from Customers	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Revenue	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Expenses											
Fuel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Emissions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non Fuel O&M (production)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Outage Accounting	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-production Expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Major Maintenance Expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Decommissioning	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Book Depreciation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortization	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Revenue Tax	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Property Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current Taxes	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ITC Amortization	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Operating Expenses	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Income	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest Expense	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Income	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Preferred Return	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income Available for Equity Return	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rate Base	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Return on Rate Base	9.61%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Rate Base - Equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Return on Equity	11.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**(J) Revenue Requirements Forecast
Fossil Generation**

Year	1997	1998	1999	2000	2001	2002	2003	2004	2005
Mansfield									
Off-system Sales Revenue	2.4	3.3	7.8	7.1	8.6	7.9	8.2	8.0	3.0
Revenue from Customers	91.1	98.8	109.3	84.3	88.0	87.7	91.7	96.4	105.8
Total Revenue	93.5	102.1	117.1	91.5	96.7	95.6	99.9	104.4	108.8
Operating Expenses									
Fuel	40.5	46.7	52.0	33.3	37.3	35.9	40.0	40.1	42.9
Emissions	0.0	0.0	6.0	5.3	6.2	5.8	6.9	6.9	7.6
Non Fuel O&M (production)	12.6	12.8	14.7	16.1	13.3	14.6	12.2	14.8	14.1
Outage Accounting	1.2	1.2	1.3	(3.6)	(0.0)	(0.0)	1.1	1.1	1.1
Non-production Expenses	10.0	11.7	12.9	11.6	11.6	11.3	11.7	12.5	13.7
Major Maintenance Expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Decommissioning	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Book Depreciation	8.1	8.4	8.5	8.3	7.9	8.2	8.3	8.9	9.3
Amortization	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Revenue Tax	4.1	4.5	5.2	4.0	4.3	4.2	4.4	4.6	4.8
Property Taxes	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Other Taxes	1.4	1.3	1.4	1.3	1.3	1.3	1.3	1.4	1.3
Current Taxes	5.7	6.2	6.5	4.3	5.5	5.5	5.8	6.0	5.8
Deferred Taxes	(1.6)	(2.1)	(2.5)	(0.4)	(1.7)	(1.7)	(2.2)	(2.3)	(2.2)
ITC Amortization	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
Total Operating Expenses	82.5	91.2	106.4	80.8	86.3	85.5	90.1	94.5	99.1
Operating Income	11.0	11.0	10.7	10.6	10.4	10.1	9.8	9.9	9.7
Interest Expense	4.9	4.9	4.8	4.7	4.6	4.5	4.4	4.4	4.3
Net Income	6.1	6.1	5.9	5.9	5.8	5.6	5.4	5.5	5.4
Preferred Return	0.8	0.8	0.8	0.8	0.8	0.8	0.7	0.7	0.7
Income Available for Equity Return	5.3	5.3	5.1	5.1	5.0	4.9	4.7	4.8	4.7
Operating Income	11.0	11.0	10.7	10.6	10.4	10.1	9.8	9.9	9.7
Rate Base	114.7	114.3	111.4	110.7	108.2	105.5	102.0	103.4	101.4
Return on Rate Base	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%
Rate Base - Equity	46.0	45.8	44.6	44.4	43.4	42.3	40.9	41.4	40.6
Return on Equity	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%

Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Mansfield										
Off-system Sales Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenue from Customers	101.7	115.5	112.2	119.0	121.2	125.5	118.4	130.1	136.5	144.3
Total Revenue	101.7	115.5	112.2	119.0	121.2	125.5	118.4	130.1	136.5	144.3
Operating Expenses										
Fuel	38.7	46.7	43.8	49.1	48.8	52.0	45.9	53.2	53.7	57.8
Emissions	6.4	8.5	7.6	9.1	9.0	9.9	8.0	10.0	10.2	11.4
Non Fuel O&M (production)	18.4	15.2	17.5	16.0	17.7	16.9	21.9	19.1	19.7	20.7
Outage Accounting	(3.8)	0.8	(0.1)	1.3	1.3	1.3	(5.0)	(1.2)	(0.3)	0.0
Non-production Expenses	12.4	14.4	13.9	14.3	15.2	15.7	16.6	18.0	17.9	20.4
Major Maintenance Expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Decommissioning	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Book Depreciation	9.9	10.2	10.5	10.7	11.2	11.6	12.9	13.6	14.5	15.0
Amortization	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Revenue Tax	4.5	5.1	4.9	5.2	5.3	5.5	5.2	5.7	6.0	6.3
Property Taxes	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Other Taxes	1.4	1.4	1.4	1.4	1.5	1.4	1.5	1.5	1.5	1.5
Current Taxes	3.8	5.6	5.1	5.5	5.5	5.6	2.7	3.5	5.5	1.4
Deferred Taxes	(0.2)	(2.1)	(1.8)	(2.5)	(2.7)	(2.8)	0.2	(0.9)	(2.1)	1.4
ITC Amortization	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
Total Operating Expenses	92.1	106.2	103.4	110.7	113.4	117.8	110.5	123.0	127.3	136.5
Operating Income	9.7	9.3	8.9	8.3	7.8	7.7	7.9	7.1	9.2	7.7
Interest Expense	4.3	4.1	4.0	3.7	3.5	3.4	3.5	3.2	4.1	3.4
Net Income	5.4	5.2	4.9	4.6	4.3	4.3	4.4	4.0	5.1	4.3
Preferred Return	0.7	0.7	0.7	0.6	0.6	0.6	0.6	0.5	0.7	0.6
Income Available for Equity Return	4.6	4.5	4.3	4.0	3.8	3.7	3.8	3.4	4.4	3.7
Operating Income	9.7	9.3	8.9	8.3	7.8	7.7	7.9	7.1	9.2	7.7
Rate Base	100.8	97.0	92.5	86.0	81.4	80.3	82.4	74.3	95.3	80.3
Return on Rate Base	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%
Rate Base - Equity	40.4	38.9	37.1	34.4	32.6	32.2	33.0	29.8	38.2	32.2
Return on Equity	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Mansfield											
Off-system Sales Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenue from Customers	86.3	77.7	73.4	84.0	36.4	32.1	16.3	12.7	12.7	6.8	0.0
Total Revenue	86.3	77.7	73.4	84.0	36.4	32.1	16.3	12.7	12.7	6.8	0.0
Operating Expenses											
Fuel	25.4	15.7	17.5	17.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Emissions	5.5	3.6	4.2	4.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non Fuel O&M (production)	9.4	6.1	6.3	6.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Outage Accounting	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-production Expenses	7.5	4.7	5.6	5.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Major Maintenance Expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Decommissioning	10.6	25.8	29.2	29.2	34.8	30.7	15.6	12.1	12.1	6.5	0.0
Book Depreciation	14.6	10.7	0.3	16.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortization	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Revenue Tax	3.8	3.4	3.2	3.7	1.6	1.4	0.7	0.6	0.6	0.3	0.0
Property Taxes	0.4	0.2	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Taxes	0.8	0.5	0.5	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current Taxes	1.9	0.7	(3.1)	(25.3)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred Taxes	0.4	1.2	4.8	25.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ITC Amortization	(0.3)	(0.3)	(0.3)	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Operating Expenses	79.9	72.3	68.5	84.0	36.4	32.1	16.3	12.7	12.7	6.8	0.0
Operating Income	6.4	5.4	4.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest Expense	2.9	2.4	2.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Income	3.6	3.0	2.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Preferred Return	0.5	0.4	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income Available for Equity Return	3.1	2.6	2.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Income	6.4	5.4	4.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rate Base	67.0	55.7	50.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Return on Rate Base	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%
Rate Base - Equity	26.8	22.3	20.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Return on Equity	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%

**(J) Revenue Requirements Forecast
Fossil Generation**

Year	1997	1998	1999	2000	2001	2002	2003	2004	2005
Summary:									
Off-system Sales Revenue	1.3	1.6	3.3	3.7	3.6	3.6	3.4	3.8	1.3
Revenue from Customers	33.1	36.3	35.2	35.5	37.9	39.7	42.9	42.2	48.6
Total Revenue	34.4	37.8	38.4	39.2	41.5	43.3	46.3	45.9	49.8
Operating Expenses									
Fuel	13.6	17.3	16.1	18.7	17.9	18.5	19.5	21.6	20.8
Emissions	0.2	0.0	(0.7)	(0.6)	0.4	0.5	0.5	0.7	2.3
Non Fuel O&M (production)	4.4	3.9	5.7	4.3	5.8	5.4	6.7	4.8	7.0
Outage Accounting	0.3	0.3	0.3	0.3	(0.8)	(0.4)	0.5	0.5	0.5
Non-production Expenses	3.8	4.2	4.5	4.5	5.8	5.9	5.6	5.2	6.3
Major Maintenance Expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Decommissioning	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Book Depreciation	4.2	4.3	4.6	4.5	4.7	5.3	5.5	5.6	5.7
Amortization	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Revenue Tax	1.5	1.7	1.7	1.7	1.8	1.9	2.0	2.0	2.2
Property Taxes	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.3	0.3
Other Taxes	0.5	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Current Taxes	2.0	2.5	2.6	2.5	2.2	2.5	2.7	2.6	2.6
Deferred Taxes	(0.5)	(1.1)	(1.2)	(1.2)	(0.7)	(1.0)	(1.3)	(1.4)	(1.4)
ITC Amortization	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
Total Operating Expenses	30.3	33.9	34.4	35.4	37.6	39.2	42.5	42.4	46.6
Operating Income	4.1	3.9	4.0	3.8	3.9	4.1	3.9	3.6	3.2
Interest Expense	1.8	1.8	1.8	1.7	1.7	1.8	1.7	1.6	1.4
Net Income	2.3	2.2	2.2	2.1	2.2	2.3	2.1	2.0	1.8
Preferred Return	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2
Income Available for Equity Return	2.0	1.9	1.9	1.8	1.9	2.0	1.9	1.7	1.5
Operating Income	4.1	3.9	4.0	3.8	3.9	4.1	3.9	3.6	3.2
Rate Base	42.7	40.9	41.8	39.5	40.7	42.7	40.3	37.2	33.6
Return on Rate Base	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%
Rate Base - Equity	17.1	16.4	16.8	15.8	16.3	17.1	16.1	14.9	13.5
Return on Equity	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%

Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Summary										
Off-system Sales Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenue from Customers	50.7	47.6	53.5	54.6	54.8	10.4	8.2	10.8	10.8	10.8
Total Revenue	50.7	47.6	53.5	54.6	54.8	10.4	8.2	10.8	10.8	10.8
Operating Expenses										
Fuel	23.8	20.4	25.7	24.6	27.4	0.0	0.0	0.0	0.0	0.0
Emissions	3.0	2.4	3.4	3.2	3.7	0.0	0.0	0.0	0.0	0.0
Non Fuel O&M (production)	5.1	7.7	5.4	7.9	5.6	0.0	0.0	0.0	0.0	0.0
Outage Accounting	0.5	(2.3)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-production Expenses	5.8	6.7	6.8	7.0	7.2	0.0	0.0	0.0	0.0	0.0
Major Maintenance Expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Decommissioning	0.0	0.0	0.0	0.0	0.0	3.8	7.8	10.4	10.4	10.4
Book Depreciation	5.8	6.4	6.5	6.7	6.7	6.5	0.0	0.0	0.0	0.0
Amortization	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Revenue Tax	2.2	2.1	2.4	2.4	2.4	0.5	0.4	0.5	0.5	0.5
Property Taxes	0.3	0.2	0.2	0.1	0.1	0.0	(0.0)	(0.0)	(0.0)	(0.0)
Other Taxes	0.5	0.5	0.5	0.6	0.5	0.0	0.0	0.0	0.0	0.0
Current Taxes	2.5	1.5	2.2	2.1	2.0	1.6	(0.0)	(0.0)	(0.0)	(0.0)
Deferred Taxes	(1.5)	(0.6)	(1.5)	(1.6)	(1.7)	(1.8)	0.0	0.0	0.0	0.0
ITC Amortization	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	0.0	0.0	0.0	0.0
Total Operating Expenses	47.8	45.0	51.3	52.8	53.7	10.4	8.2	10.8	10.8	10.8
Operating Income	2.9	2.7	2.3	1.8	1.2	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Interest Expense	1.3	1.2	1.0	0.8	0.5	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Net Income	1.6	1.5	1.3	1.0	0.6	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Preferred Return	0.2	0.2	0.2	0.1	0.1	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Income Available for Equity Return	1.4	1.3	1.1	0.9	0.6	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Operating Income	2.9	2.7	2.3	1.8	1.2	0.0	0.0	0.0	0.0	0.0
Rate Base	29.8	27.7	23.5	18.6	12.1	0.0	0.0	0.0	0.0	0.0
Return on Rate Base	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%
Rate Base - Equity	12.0	11.1	9.4	7.5	4.9	0.0	0.0	0.0	0.0	0.0
Return on Equity	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Summary											
Off-system Sales Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenue from Customers	6.9	2.7	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Total Revenue	6.9	2.7	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Operating Expenses											
Fuel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Emissions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non Fuel O&M (production)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Outage Accounting	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-production Expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Major Maintenance Expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Decommissioning	6.6	2.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Book Depreciation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortization	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Revenue Tax	0.3	0.1	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Property Taxes	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Other Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current Taxes	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Deferred Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ITC Amortization	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Operating Expenses	6.9	2.7	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Operating Income	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Interest Expense	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Net Income	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Preferred Return	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Income Available for Equity Return	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Operating Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rate Base	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Return on Rate Base	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%
Rate Base - Equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Return on Equity	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%

**(J) Revenue Requirements Forecast
Fossil Generation**

Year	1997	1998	1999	2000	2001	2002	2003	2004	2005
Eastlake									
Off-system Sales Revenue	1.4	1.3	2.2	3.2	3.1	3.1	3.2	2.9	1.0
Revenue from Customers	29.6	28.0	29.3	33.7	35.5	37.7	39.8	39.4	42.6
Total Revenue	30.9	29.2	31.5	36.9	38.6	40.7	43.1	42.4	43.6
Operating Expenses									
Fuel	12.3	11.2	9.5	13.8	12.7	13.2	15.2	14.1	13.7
Emissions	0.3	0.1	1.4	2.7	3.3	3.6	4.4	4.2	5.1
Non Fuel O&M (production)	4.7	5.4	6.8	5.7	6.2	6.4	6.2	6.8	7.5
Outage Accounting	0.1	(1.4)	0.2	0.3	0.3	0.3	0.3	0.3	(0.8)
Non-production Expenses	3.6	3.8	3.5	4.4	5.5	5.6	5.3	5.1	6.0
Major Maintenance Expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Decommissioning	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Book Depreciation	3.2	3.4	3.5	3.4	3.7	4.2	4.3	4.7	5.1
Amortization	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Revenue Tax	1.4	1.3	1.4	1.6	1.7	1.8	1.9	1.9	1.9
Property Taxes	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Other Taxes	0.4	0.5	0.4	0.5	0.5	0.5	0.5	0.5	0.5
Current Taxes	1.8	1.3	1.9	1.8	2.0	2.1	2.3	2.4	1.9
Deferred Taxes	(0.6)	0.0	(0.6)	(0.6)	(0.7)	(0.8)	(1.0)	(1.1)	(0.7)
ITC Amortization	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Total Operating Expenses	27.5	25.8	28.2	33.8	35.3	37.1	39.6	39.0	40.3
Operating Income	3.4	3.4	3.3	3.2	3.4	3.6	3.5	3.4	3.3
Interest Expense	1.5	1.5	1.5	1.4	1.5	1.6	1.5	1.5	1.5
Net Income	1.9	1.9	1.8	1.8	1.9	2.0	1.9	1.9	1.8
Preferred Return	0.3	0.3	0.3	0.2	0.3	0.3	0.3	0.3	0.2
Income Available for Equity Return	1.6	1.6	1.6	1.5	1.6	1.7	1.7	1.6	1.6
Operating Income	3.4	3.4	3.3	3.2	3.4	3.6	3.5	3.4	3.3
Rate Base	35.5	35.8	34.7	32.9	35.1	37.6	36.0	35.3	34.6
Return on Rate Base	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%
Rate Base - Equity	14.2	14.3	13.9	13.2	14.1	15.1	14.4	14.1	13.9
Return on Equity	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%

Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
------	------	------	------	------	------	------	------	------	------	------

Eastlake										
Off-system Sales Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenue from Customers	46.8	49.4	50.8	54.9	53.1	54.4	10.3	7.7	9.5	9.5
Total Revenue	46.8	49.4	50.8	54.9	53.1	54.4	10.3	7.7	9.5	9.5
Operating Expenses										
Fuel	15.7	16.5	17.3	19.6	18.1	19.1	0.0	0.0	0.0	0.0
Emissions	6.1	6.8	7.4	8.8	8.3	9.2	0.0	0.0	0.0	0.0
Non Fuel O&M (production)	7.6	7.5	7.7	7.5	8.1	8.3	0.0	0.0	0.0	0.0
Outage Accounting	(0.7)	0.1	0.1	0.1	0.1	(0.5)	0.0	0.0	0.0	0.0
Non-production Expenses	5.7	6.3	6.5	7.0	6.9	7.3	0.0	0.0	0.0	0.0
Major Maintenance Expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Decommissioning	0.0	0.0	0.0	0.0	0.0	0.0	3.2	7.3	9.0	9.0
Book Depreciation	5.4	5.5	5.7	5.9	6.2	6.6	6.8	0.0	0.0	0.0
Amortization	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Revenue Tax	2.1	2.2	2.2	2.4	2.3	2.4	0.5	0.3	0.4	0.4
Property Taxes	0.3	0.3	0.2	0.2	0.1	0.1	0.0	(0.0)	(0.0)	(0.0)
Other Taxes	0.5	0.5	0.5	0.5	0.5	0.5	0.0	0.0	0.0	0.0
Current Taxes	2.0	2.3	2.2	2.2	2.2	1.9	1.8	(0.0)	(0.0)	(0.0)
Deferred Taxes	(0.8)	(1.2)	(1.3)	(1.4)	(1.6)	(1.5)	(1.8)	0.0	0.0	0.0
ITC Amortization	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	0.0	0.0	0.0
Total Operating Expenses	43.7	46.6	48.4	52.8	51.3	53.2	10.3	7.7	9.5	9.5
Operating Income	3.1	2.8	2.5	2.1	1.8	1.2	(0.0)	(0.0)	(0.0)	(0.0)
Interest Expense	1.4	1.2	1.1	0.9	0.8	0.5	(0.0)	(0.0)	(0.0)	(0.0)
Net Income	1.7	1.6	1.4	1.2	1.0	0.7	(0.0)	(0.0)	(0.0)	(0.0)
Preferred Return	0.2	0.2	0.2	0.2	0.1	0.1	(0.0)	(0.0)	(0.0)	(0.0)
Income Available for Equity Return	1.5	1.3	1.2	1.0	0.8	0.6	(0.0)	(0.0)	(0.0)	(0.0)

Operating Income	3.1	2.8	2.5	2.1	1.8	1.2	0.0	0.0	0.0	0.0
Rate Base	32.8	29.1	25.7	22.1	18.4	12.3	0.0	0.0	0.0	0.0
Return on Rate Base	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%
Rate Base - Equity	13.1	11.7	10.3	8.9	7.4	4.9	0.0	0.0	0.0	0.0
Return on Equity	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Eastlake											
Off-system Sales Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenue from Customers	9.5	6.1	1.8	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Total Revenue	9.5	6.1	1.8	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Operating Expenses											
Fuel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Emissions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non Fuel O&M (production)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Outage Accounting	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-production Expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Major Maintenance Expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Decommissioning	9.0	5.9	1.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Book Depreciation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortization	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Revenue Tax	0.4	0.3	0.1	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Property Taxes	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Other Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current Taxes	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Deferred Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ITC Amortization	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Operating Expenses	9.5	6.1	1.8	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Operating Income	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Interest Expense	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Net Income	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Preferred Return	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Income Available for Equity Return	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Operating Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rate Base	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Return on Rate Base	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%
Rate Base - Equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Return on Equity	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%

**(J) Revenue Requirements Forecast
Nuclear Generation**

Year	1997	1998	1999	2000	2001	2002	2003	2004	2005
Beaver Valley I									
Off-system Sales Revenue	3.0	3.6	7.5	7.7	9.4	8.1	7.7	8.8	2.8
Revenue from Customers	135.9	127.1	124.4	116.4	113.1	108.6	109.0	107.7	116.0
Other Revenues	<u>11.9</u>	<u>10.8</u>	<u>10.9</u>	<u>10.9</u>	<u>10.9</u>	<u>10.9</u>	<u>10.9</u>	<u>10.9</u>	<u>10.9</u>
Total Revenue	150.9	141.5	142.7	135.0	133.4	127.6	127.5	127.3	129.7
Operating Expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fuel	16.9	19.3	16.6	16.2	18.3	16.7	16.6	19.3	17.9
Non Fuel O&M (production)	45.1	26.5	46.4	40.8	30.0	43.5	45.1	33.4	48.3
Outage Accounting	(3.8)	9.1	(5.6)	(3.7)	8.3	(3.9)	(4.1)	9.2	(4.3)
Non-Production Expenses	11.9	8.6	11.2	11.3	9.7	11.8	12.3	9.7	13.6
Major Maintenance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Decommissioning	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2	4.2
Book Depreciation	33.3	33.4	33.6	32.5	31.4	31.7	32.0	32.4	32.9
Amortization	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Revenue Tax	6.6	6.2	6.3	5.9	5.9	0.0	0.0	0.0	0.0
Property Taxes	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1
Other Taxes	3.6	3.5	3.6	3.6	3.6	3.7	3.7	3.7	3.8
Current Taxes	17.7	22.6	15.5	15.3	19.2	13.6	13.0	18.0	12.0
Deferred Taxes	(9.3)	(14.9)	(9.0)	(9.4)	(13.9)	(8.9)	(8.9)	(14.6)	(9.2)
ITC Amortization	(1.6)	(1.6)	(1.6)	(1.6)	(1.6)	(1.6)	(1.6)	(1.6)	(1.6)
Total Operating Expenses	126.7	119.1	123.3	117.2	117.2	112.9	114.3	115.8	119.7
Operating Income	24.1	22.4	19.4	17.8	16.2	14.7	13.2	11.5	10.0
Interest Expense	10.7	10.0	8.6	7.9	7.2	6.5	5.9	5.1	4.5
Net Income	13.4	12.4	10.8	9.9	9.0	8.2	7.3	6.4	5.6
Preferred Return	1.8	1.7	1.5	1.3	1.2	1.1	1.0	0.9	0.8
Income Available for Equity Return	11.6	10.8	9.3	8.5	7.8	7.0	6.3	5.5	4.8
Operating Income	24.1	22.4	19.4	17.8	16.2	14.7	13.2	11.5	10.0
Rate Base	251.3	233.3	201.7	185.5	168.5	152.9	137.3	120.0	104.1
Return on Operating Income	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%
Rate Base - Equity	100.7	93.5	80.8	74.3	67.5	61.3	55.0	48.1	41.7
Return on Equity	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%

Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Beaver Valley I										
Off-system Sales Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenue from Customers	113.5	115.8	107.0	94.2	99.0	103.5	109.1	114.3	109.8	118.5
Other Revenues	10.9	10.9	10.9	10.9	10.9	10.9	10.9	10.9	10.9	10.9
Total Revenue	124.4	126.7	117.9	105.1	109.9	114.3	120.0	125.2	120.7	129.4
Operating Expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fuel	18.0	21.2	19.3	19.9	23.4	21.3	22.1	26.0	23.6	27.5
Non Fuel O&M (production)	50.0	36.9	53.6	55.4	40.9	59.4	61.5	45.4	65.8	48.1
Outage Accounting	(4.5)	10.2	(4.8)	(5.0)	11.3	(5.3)	(5.6)	12.6	(16.7)	0.0
Non-Production Expenses	12.5	11.7	14.6	14.9	12.8	16.3	17.6	15.6	19.3	18.2
Major Maintenance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Decommissioning	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Book Depreciation	33.6	34.1	24.0	6.8	7.5	8.9	10.8	12.6	16.4	24.4
Amortization	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Revenue Tax	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Property Taxes	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1
Other Taxes	3.8	3.8	3.9	3.9	3.9	4.0	4.0	4.0	4.1	4.1
Current Taxes	11.6	17.3	6.5	0.1	7.5	0.9	1.5	9.6	(1.2)	8.6
Deferred Taxes	(9.4)	(15.7)	(5.3)	1.9	(5.2)	1.3	0.7	(7.6)	3.0	(7.2)
ITC Amortization	(1.6)	(1.6)	(1.6)	(0.5)	0.0	0.0	0.0	0.0	0.0	0.0
Total Operating Expenses	115.9	119.9	112.1	99.3	104.3	108.8	114.6	120.2	116.2	125.8
Operating Income	8.5	6.8	5.8	5.8	5.6	5.6	5.4	5.0	4.5	3.6
Interest Expense	3.8	3.0	2.6	2.6	2.5	2.5	2.4	2.2	2.0	1.6
Net Income	4.7	3.7	3.2	3.2	3.1	3.1	3.0	2.8	2.5	2.0
Preferred Return	0.6	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.3	0.3
Income Available for Equity Return	4.1	3.2	2.8	2.8	2.7	2.7	2.6	2.4	2.2	1.7
Operating Income	8.5	6.8	5.8	5.8	5.6	5.6	5.4	5.0	4.5	3.6
Rate Base	88.2	70.3	60.2	60.6	58.8	57.9	56.2	51.6	46.9	37.8
Return on Operating Income	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%
Rate Base - Equity	35.4	28.2	24.1	24.3	23.6	23.2	22.5	20.7	18.8	15.1
Return on Equity	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Beaver Valley I											
Off-system Sales Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenue from Customers	3.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Revenues	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Revenue	3.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fuel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non Fuel O&M (production)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Outage Accounting	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-Production Expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Major Maintenance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Decommissioning	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Book Depreciation	3.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortization	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Revenue Tax	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Property Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current Taxes	(1.5)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred Taxes	1.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ITC Amortization	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Operating Expenses	3.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Income	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest Expense	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Income	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Preferred Return	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income Available for Equity Return	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rate Base	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Return on Operating Income	9.61%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Rate Base - Equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Return on Equity	11.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**(J) Revenue Requirements Forecast
Nuclear Generation**

Year	1997	1998	1999	2000	2001	2002	2003	2004	2005
Beaver Valley 2									
Off-system Sales Revenue	1.0	0.9	2.2	2.6	2.4	2.4	2.6	2.3	0.8
Revenue from Customers	75.4	74.0	73.9	72.7	81.0	82.5	82.8	83.6	85.4
Other Revenues	<u>3.4</u>	<u>3.1</u>	<u>3.1</u>	<u>3.1</u>	<u>3.1</u>	<u>3.1</u>	<u>3.1</u>	<u>3.1</u>	<u>3.1</u>
Total Revenue	79.8	78.0	79.3	78.4	86.5	88.0	88.5	89.0	89.4
Operating Expenses									
Fuel	4.9	4.5	4.5	5.3	4.8	4.7	5.5	5.0	5.0
Non Fuel O&M (production)	8.7	11.1	12.5	8.4	11.8	12.2	9.3	13.1	13.5
Outage Accounting	3.2	(1.1)	(1.0)	2.1	(1.0)	(1.0)	2.3	(1.1)	(1.1)
Non-Production Expenses	49.3	49.7	49.8	49.4	57.6	58.9	58.4	59.0	59.1
Major Maintenance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Decommissioning	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
Book Depreciation	3.3	3.4	3.4	3.4	3.3	3.2	3.2	3.3	3.4
Amortization	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Revenue Tax	3.5	3.4	3.5	3.5	3.8	3.9	3.9	3.9	3.9
Property Taxes	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Other Taxes	0.8	0.8	0.8	0.8	0.9	0.9	0.9	0.9	0.9
Current Taxes	3.6	1.8	1.3	2.5	1.1	1.0	2.4	0.9	0.9
Deferred Taxes	(2.7)	(0.8)	(0.4)	(1.7)	(0.3)	(0.3)	(1.7)	(0.3)	(0.3)
ITC Amortization	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)
Total Operating Expenses	76.0	74.2	75.7	75.1	83.2	84.8	85.5	86.1	86.6
Operating Income	3.8	3.8	3.5	3.4	3.3	3.2	3.0	2.9	2.8
Interest Expense	1.7	1.7	1.6	1.5	1.5	1.4	1.3	1.3	1.2
Net Income	2.1	2.1	1.9	1.9	1.8	1.8	1.7	1.6	1.6
Preferred Return	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2
Income Available for Equity Return	1.8	1.8	1.7	1.6	1.6	1.5	1.4	1.4	1.3
Operating Income	3.8	3.8	3.5	3.4	3.3	3.2	3.0	2.9	2.8
Rate Base	39.5	40.0	36.6	35.1	34.1	33.0	31.3	30.5	29.2
Return on Operating Income	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%
Rate Base - Equity	15.8	16.0	14.7	14.1	13.7	13.2	12.6	12.2	11.7
Return on Equity	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%

Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Beaver Valley 2										
Off-system Sales Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenue from Customers	24.1	25.3	26.0	26.9	27.9	28.9	30.0	31.4	32.3	33.4
Other Revenues	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1
Total Revenue	27.3	28.4	29.2	30.0	31.1	32.0	33.2	34.5	35.5	36.6
Operating Expenses										
Fuel	5.8	5.3	5.5	6.5	5.9	6.1	7.2	6.5	6.7	7.9
Non Fuel O&M (production)	10.3	14.5	15.0	11.4	16.1	16.6	12.7	17.8	18.5	13.9
Outage Accounting	2.6	(1.2)	(1.3)	2.8	(1.3)	(1.4)	3.2	(1.5)	(1.6)	3.5
Non-Production Expenses	1.6	2.7	2.7	2.1	3.1	3.2	2.6	3.9	3.9	3.4
Major Maintenance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Decommissioning	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Book Depreciation	1.8	1.9	2.0	2.1	2.2	2.3	2.4	2.5	2.7	2.8
Amortization	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Revenue Tax	1.2	1.2	1.3	1.3	1.4	1.4	1.5	1.5	1.6	1.6
Property Taxes	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Other Taxes	0.9	0.9	0.9	0.9	0.9	0.9	1.0	1.0	1.0	1.0
Current Taxes	1.8	0.3	0.2	1.9	0.2	0.2	2.1	0.3	0.3	2.4
Deferred Taxes	(1.2)	0.3	0.3	(1.4)	0.3	0.3	(1.6)	0.2	0.2	(2.0)
ITC Amortization	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)
Total Operating Expenses	24.5	25.7	26.5	27.4	28.4	29.4	30.6	32.0	32.9	34.2
Operating Income	2.7	2.8	2.7	2.6	2.7	2.6	2.5	2.5	2.5	2.4
Interest Expense	1.2	1.2	1.2	1.2	1.2	1.2	1.1	1.1	1.1	1.1
Net Income	1.5	1.5	1.5	1.5	1.5	1.5	1.4	1.4	1.4	1.3
Preferred Return	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Income Available for Equity Return	1.3	1.3	1.3	1.3	1.3	1.3	1.2	1.2	1.2	1.2
Operating Income	2.7	2.8	2.7	2.6	2.7	2.6	2.5	2.5	2.5	2.4
Rate Base	28.5	28.6	28.3	27.5	27.6	27.3	26.4	26.5	26.1	25.0
Return on Operating Income	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%
Rate Base - Equity	11.4	11.5	11.4	11.0	11.1	11.0	10.6	10.6	10.5	10.0
Return on Equity	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Beaver Valley 2											
Off-system Sales Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenue from Customers	39.4	40.2	41.1	43.1	44.8	45.1	48.7	50.3	51.1	50.5	51.8
Other Revenues	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1
Total Revenue	42.5	43.4	44.2	46.3	47.9	48.2	51.9	53.4	54.2	53.7	54.9
Operating Expenses											
Fuel	7.2	7.5	8.6	8.0	8.3	9.5	8.9	9.3	10.4	10.0	10.3
Non Fuel O&M (production)	19.8	20.5	15.2	21.9	22.7	16.6	24.3	25.1	18.1	26.9	27.9
Outage Accounting	(1.6)	(1.6)	4.0	(1.6)	(1.6)	4.6	(1.6)	(1.6)	5.3	(7.1)	(7.4)
Non-Production Expenses	4.1	4.1	3.6	4.7	5.1	4.1	6.0	5.9	5.4	6.9	7.3
Major Maintenance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Decommissioning	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Book Depreciation	3.1	3.4	3.6	4.1	4.5	4.8	5.7	6.5	7.2	9.6	13.2
Amortization	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Revenue Tax	1.9	1.9	1.9	2.0	2.1	2.1	2.3	2.4	2.4	2.4	2.4
Property Taxes	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Other Taxes	1.0	1.0	1.0	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Current Taxes	1.8	(0.5)	2.0	(0.1)	0.1	2.8	0.7	1.0	4.1	(0.1)	(18.6)
Deferred Taxes	0.1	2.2	(0.4)	1.6	1.4	(1.5)	0.7	0.3	(3.1)	1.0	18.4
ITC Amortization	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
Total Operating Expenses	37.6	38.7	39.8	41.9	43.8	44.4	48.2	50.0	51.2	50.9	54.9
Operating Income	4.9	4.7	4.4	4.3	4.1	3.8	3.7	3.4	3.0	2.8	(0.0)
Interest Expense	2.2	2.1	2.0	1.9	1.8	1.7	1.6	1.5	1.3	1.2	(0.0)
Net Income	2.7	2.6	2.5	2.4	2.3	2.1	2.0	1.9	1.7	1.5	(0.0)
Preferred Return	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2	(0.0)
Income Available for Equity Return	2.4	2.3	2.1	2.1	2.0	1.8	1.8	1.6	1.5	1.3	(0.0)
Operating Income	4.9	4.7	4.4	4.3	4.1	3.8	3.7	3.4	3.0	2.8	0.0
Rate Base	51.4	49.1	46.3	45.2	43.0	39.8	38.4	35.6	31.5	28.7	0.0
Return on Operating Income	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%
Rate Base - Equity	20.6	19.7	18.5	18.1	17.2	15.9	15.4	14.3	12.6	11.5	0.0
Return on Equity	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%

**(J) Revenue Requirements Forecast
Nuclear Generation**

Year	1997	1998	1999	2000	2001	2002	2003	2004	2005
Perry									
Off-system Sales Revenue	1.3	1.5	3.2	3.7	3.5	3.9	3.3	3.7	1.2
Revenue from Customers	<u>145.7</u>	<u>138.9</u>	<u>132.0</u>	<u>125.4</u>	<u>121.4</u>	<u>121.3</u>	<u>114.4</u>	<u>98.6</u>	<u>96.7</u>
Total Revenue	147.0	140.4	135.2	129.1	124.9	125.2	117.7	102.3	97.8
Operating Expenses									
Fuel	8.1	9.1	8.6	9.2	8.9	9.6	9.1	9.8	9.1
Non Fuel O&M (production)	17.0	12.2	18.9	15.9	20.0	20.9	21.3	22.3	22.8
Outage Accounting	0.0	2.8	(1.5)	1.7	(1.6)	1.8	(1.7)	2.0	(1.8)
Non-Production Expenses	7.6	6.5	7.5	7.2	8.4	8.1	8.4	8.0	9.1
Major Maintenance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Decommissioning	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Book Depreciation	58.0	58.1	58.2	56.5	55.0	55.0	55.1	38.7	34.9
Amortization	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Revenue Tax	5.0	4.8	4.5	4.2	3.9	3.7	3.5	2.7	2.6
Property Taxes	11.3	11.3	11.3	11.3	11.3	11.3	11.3	11.3	11.3
Other Taxes	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4
Current Taxes	30.7	30.9	27.1	26.5	23.5	23.7	21.0	14.9	12.9
Deferred Taxes	(21.6)	(23.0)	(21.4)	(22.1)	(20.3)	(21.7)	(20.2)	(14.9)	(11.7)
ITC Amortization	(2.9)	(2.9)	(2.9)	(2.9)	(2.9)	(2.9)	(2.9)	(2.9)	(0.1)
Total Operating Expenses	118.8	115.3	115.7	112.8	111.6	115.0	110.4	97.3	94.6
Operating Income	28.3	25.2	19.5	16.3	13.3	10.2	7.3	5.1	3.3
Interest Expense	12.6	11.2	8.7	7.2	5.9	4.6	3.2	2.3	1.5
Net Income	15.7	14.0	10.8	9.0	7.4	5.7	4.0	2.8	1.8
Preferred Return	2.1	1.9	1.5	1.2	1.0	0.8	0.5	0.4	0.2
Income Available for Equity Return	13.6	12.1	9.4	7.8	6.4	4.9	3.5	2.4	1.6
Operating Income	28.3	25.2	19.5	16.3	13.3	10.2	7.3	5.1	3.3
Rate Base	294.3	262.0	202.9	169.3	138.6	106.5	75.7	53.1	34.1
Return on Operating Income	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%
Rate Base - Equity	118.0	105.0	81.3	67.9	55.6	42.7	30.3	21.3	13.7
Return on Equity	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%

Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Perry										
Off-system Sales Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenue from Customers	<u>63.1</u>	<u>60.5</u>	<u>67.5</u>	<u>63.3</u>	<u>71.1</u>	<u>66.9</u>	<u>75.6</u>	<u>71.4</u>	<u>80.1</u>	<u>76.3</u>
Total Revenue	63.1	60.5	67.5	63.3	71.1	66.9	75.6	71.4	80.1	76.3
Operating Expenses										
Fuel	9.9	9.3	10.8	9.9	11.4	10.5	12.2	11.2	13.0	11.9
Non Fuel O&M (production)	23.8	24.3	25.4	26.0	27.2	27.8	29.1	29.7	31.1	31.8
Outage Accounting	2.1	(2.0)	2.2	(2.1)	2.4	(2.3)	2.6	(2.4)	2.8	(2.6)
Non-Production Expenses	8.2	9.3	9.4	9.4	9.9	10.1	10.8	11.6	11.7	13.0
Major Maintenance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Decommissioning	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Book Depreciation	0.1	0.3	0.4	0.6	0.8	1.0	1.2	1.4	1.6	1.9
Amortization	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Revenue Tax	0.8	0.9	0.9	0.9	0.9	0.9	0.9	0.9	1.0	1.0
Property Taxes	11.3	11.3	11.3	11.3	11.3	11.3	11.3	11.3	11.3	11.3
Other Taxes	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4
Current Taxes	0.2	(1.2)	0.7	(1.0)	0.9	(0.7)	1.4	(0.3)	2.0	(0.0)
Deferred Taxes	1.1	2.5	0.6	2.4	0.4	2.2	0.0	1.8	(0.5)	1.6
ITC Amortization	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Total Operating Expenses	59.8	57.0	64.1	59.7	67.5	63.1	71.8	67.5	76.2	72.2
Operating Income	3.3	3.4	3.5	3.6	3.6	3.7	3.8	3.9	3.9	4.1
Interest Expense	1.5	1.5	1.5	1.6	1.6	1.7	1.7	1.7	1.8	1.8
Net Income	1.8	1.9	1.9	2.0	2.0	2.1	2.1	2.2	2.2	2.3
Preferred Return	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Income Available for Equity Return	1.6	1.6	1.7	1.7	1.7	1.8	1.8	1.9	1.9	2.0
Operating Income	3.3	3.4	3.5	3.6	3.6	3.7	3.8	3.9	3.9	4.1
Rate Base	34.2	35.7	36.0	37.4	37.6	39.0	39.2	40.7	41.0	42.4
Return on Operating Income	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%
Rate Base - Equity	13.7	14.3	14.4	15.0	15.1	15.6	15.7	16.3	16.4	17.0
Return on Equity	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Perry											
Off-system Sales Revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenue from Customers	<u>83.4</u>	<u>84.6</u>	<u>87.9</u>	<u>88.3</u>	<u>91.8</u>	<u>91.9</u>	<u>92.3</u>	<u>91.9</u>	<u>95.0</u>	<u>90.1</u>	<u>88.7</u>
Total Revenue	83.4	84.6	87.9	88.3	91.8	91.9	92.3	91.9	95.0	90.1	88.7
Operating Expenses											
Fuel	13.8	12.6	14.5	13.3	15.3	13.6	15.3	13.6	15.3	13.6	15.3
Non Fuel O&M (production)	33.3	40.2	35.5	43.1	38.2	44.6	38.1	44.6	38.2	44.9	38.3
Outage Accounting	2.9	(2.9)	3.0	(3.3)	3.1	(3.4)	3.1	(3.4)	3.2	(6.7)	0.0
Non-Production Expenses	10.9	12.0	12.4	12.6	12.9	14.5	13.4	14.3	15.5	14.8	15.3
Major Maintenance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Decommissioning	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Book Depreciation	2.2	2.4	2.5	2.7	2.8	3.2	3.3	3.8	4.1	5.1	5.4
Amortization	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating Revenue Tax	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.9
Property Taxes	11.3	11.3	11.3	11.3	11.3	11.3	11.3	11.3	11.3	11.3	11.3
Other Taxes	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4
Current Taxes	2.4	0.1	2.6	0.1	2.8	0.2	3.0	0.5	3.2	(0.5)	(14.6)
Deferred Taxes	(0.8)	1.4	(1.1)	1.3	(1.4)	1.1	(1.7)	0.7	(2.1)	1.5	14.6
ITC Amortization	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Total Operating Expenses	79.3	80.5	84.1	84.5	88.3	88.4	89.1	88.8	92.0	87.4	88.7
Operating Income	4.1	4.0	3.8	3.8	3.6	3.5	3.3	3.2	2.9	2.8	(0.0)
Interest Expense	1.8	1.8	1.7	1.7	1.6	1.6	1.5	1.4	1.3	1.2	(0.0)
Net Income	2.3	2.2	2.1	2.1	2.0	1.9	1.8	1.8	1.6	1.5	(0.0)
Preferred Return	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	(0.0)
Income Available for Equity Return	2.0	1.9	1.8	1.8	1.7	1.7	1.6	1.5	1.4	1.3	(0.0)
Operating Income	4.1	4.0	3.8	3.8	3.6	3.5	3.3	3.2	2.9	2.8	0.0
Rate Base	42.4	41.8	39.9	39.2	37.3	36.4	34.2	33.0	30.5	28.7	0.0
Return on Operating Income	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%	9.61%
Rate Base - Equity	17.0	16.8	16.0	15.7	14.9	14.6	13.7	13.2	12.2	11.5	0.0
Return on Equity	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%	11.50%

(K) Heat Curves used in dispatch

	<u>Coefficient of Squared Term</u>	<u>Coefficient of Linear Term</u>	<u>Constant Coefficient</u>
Cheswick	0.000038350	8.999000	417.800000
Elrama 1	0.015100000	8.357000	169.700000
Elrama 2	0.015100000	8.357000	169.700000
Elrama 3	0.005042000	8.924000	169.700000
Elrama 4	0.006364000	7.721000	261.500000
Brunot Island 1A	0.000000000	8.747000	107.800000
Brunot Island 1B	0.000000000	8.747000	107.800000
Brunot Island 1C	0.000000000	8.747000	107.800000
Brunot Island 2A	0.000000000	8.881000	176.200000
Brunot Island 2B	0.000000000	8.881000	176.200000
Mansfield 1	0.001443208	8.005700	229.806961
Mansfield 2	0.005285750	8.005700	62.745928
Mansfield 3	0.005202329	7.713600	108.873562
Sammis	0.001314103	7.946830	127.223647
Eastlake	0.006323718	6.808799	237.355081
Beaver Valley 1	0.004742072	6.797889	892.681750
Beaver Valley 2	0.005356673	8.777735	159.381250
Perry	0.003011281	8.569464	223.136360

(L) Avg. heat rates at minimum loading, 50%, 75%, 100%

	<u>Minimum</u> <u>(MW)</u>	<u>Heat Rate</u> <u>(Btu/kwhr)</u>	<u>50%</u> <u>(MW)</u>	<u>Heat Rate</u> <u>(Btu/kwhr)</u>	<u>75%</u> <u>(MW)</u>	<u>Heat Rate</u> <u>(Btu/kwhr)</u>	<u>100%</u> <u>(MW)</u>	<u>Heat Rate</u> <u>(Btu/kwhr)</u>
Cheswick	180	11,327	285	10,476	484	9,881	570	9,754
Eirama 1	35	13,734	50	12,506	75	11,752	100	11,564
Eirama 2	35	13,734	50	12,506	75	11,752	100	11,564
Eirama 3	35	13,949	56	12,237	84	11,368	112	11,004
Eirama 4	75	11,685	88	11,253	131	10,551	175	10,327
Brunot Island 1A	10	19,527	11	18,457	16	15,484	22	13,647
Brunot Island 1B	10	19,527	11	18,457	16	15,484	22	13,647
Brunot Island 1C	10	19,527	11	18,457	16	15,484	22	13,647
Brunot Island 2A	10	26,501	28	15,174	42	13,076	56	12,027
Brunot Island 2B	10	26,501	28	15,174	42	13,076	56	12,027
Mansfield 1	148	9,772			171	9,596	228	9,343
Mansfield 2	48	9,567					62	9,345
Mansfield 3	69	9,650			82	9,468	110	9,276
Sammis	77	9,700	94	9,424	140	9,040	187	8,873
Eastlake	125	9,498			140	9,390	186	9,261
Beaver Valley 1	192	12,358			289	11,257	385	10,942
Beaver Valley 2	56	11,924			85	11,108	113	10,793
Perry	82	11,538			123	10,754	164	10,424

(M) Net Dependable Capacity

	<u>(MW)</u>
Cheswick	570
Elrama 1	100
Elrama 2	100
Elrama 3	112
Elrama 4	175
Brunot Island 1A	22
Brunot Island 1B	22
Brunot Island 1C	22
Brunot Island 2A	56
Brunot Island 2B	56
Mansfield 1	228
Mansfield 2	62
Mansfield 3	110
Sammis	187
Eastlake	186
Beaver Valley 1	385
Beaver Valley 2	113
Perry	164

(N) Operational Constraints

	<u>Minimum (MW)</u>	<u>Comments</u>
Cheswick	180	Must Run
Eirama 1	35	Must Run
Eirama 2	35	Must Run
Eirama 3	35	Must Run
Eirama 4	75	
Brunot Island 1A	10	
Brunot Island 1B	10	
Brunot Island 1C	10	
Brunot Island 2A	10	
Brunot Island 2B	10	
Mansfield 1	148	Must Run
Mansfield 2	48	Must Run
Mansfield 3	69	Must Run
Sammis	77	Must Run
Eastlake	125	Must Run
Beaver Valley 1	192	Must Run
Beaver Valley 2	56	Must Run
Perry	82	Must Run

(O) Equivalent Forced Outage Rates, Maintenance Requirements

	<u>Equivalent F.O.R.</u>	<u>Maintenance Requirements</u>			
		<u>Minor Outage Duration (weeks)</u>	<u>Minor Outage Interval (months)</u>	<u>Major Outage Duration (weeks)</u>	<u>Major Outage Interval (years)</u>
Cheswick	12.3%	4	18	10	6
Elrama 1	10.9%	3	18	6	6
Elrama 2	24.8%	3	18	6	6
Elrama 3	12.8%	3	18	6	6
Elrama 4	16.0%	3	18	6	6
Elrama Plant Scrubber		2	18		
Brunot Island 1A	20.0%	1	12		
Brunot Island 1B	20.0%	1	12		
Brunot Island 1C	20.0%	1	12		
Brunot Island 2A	6.0%	2	12		
Brunot Island 2B	6.0%	2	12		
Mansfield 1	6.0%	4	24	12	6
Mansfield 2	8.2%	4	24	12	6
Mansfield 3	9.0%	4	24	12	6
Sammis	7.6%	4	24	9	6
Eastlake	20.6%	6	18	16	6
Beaver Valley 1	6.0%	Refueling outages on an 18 month cycle			
Beaver Valley 2	6.0%	Refueling outages on an 18 month cycle			
Perry	6.0%	Refueling outages on an 24 month cycle			

(P) UNIT OUTPUT
GWH

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
CHESWICK	1,465.6	3,272.3	3,899.5	3,646.6	3,528.3	3,830.3	3,722.7	3,295.6	3,651.9	4,197.4	4,031.8	3,876.5	4,194.8	3,528.0	3,865.4	4,211.4	4,031.9	3,828.3	0.0	0.0
SAMMIS 7	445.1	1,369.6	1,214.7	1,326.4	1,217.8	1,232.2	1,251.0	1,366.0	1,270.7	1,493.2	1,236.2	1,498.1	1,377.8	1,473.8	0.0	0.0	0.0	0.0	0.0	0.0
EASTLAKE 6	475.4	1,110.3	827.4	1,184.9	1,038.6	1,051.6	1,172.2	1,057.6	1,000.3	1,120.2	1,149.2	1,185.6	1,285.9	1,149.2	1,178.2	0.0	0.0	0.0	0.0	0.0
ELRAMA	780.7	2,621.1	2,621.2	2,480.3	2,558.2	2,690.1	2,387.8	2,680.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MANSFIELD 1	390.8	1,680.4	1,642.4	1,343.9	1,696.3	1,667.3	1,712.2	1,694.7	1,738.4	1,378.0	1,788.8	1,866.6	1,786.6	1,651.6	1,788.8	1,382.1	1,788.8	1,651.6	1,789.1	0.0
MANSFIELD 2	64.6	446.9	465.3	395.2	464.0	436.3	477.6	448.4	469.7	403.6	460.6	462.8	499.1	461.4	499.7	403.9	461.9	461.4	499.7	454.8
MANSFIELD 3	389.6	668.6	791.0	645.3	768.0	731.0	780.9	652.7	767.2	874.4	838.8	711.6	809.9	674.7	607.6	677.1	719.0	629.2	607.5	677.1
BRUNOT ISLAND	0.0	11.8	0.0	0.0	0.0	0.0	0.0	0.0	1.0	406.2	111.0	111.0	111.0	111.0	111.0	0.0	0.0	0.0	0.0	0.0
BEAVER VALLEY 1	1,063.9	3,171.9	2,780.9	2,789.8	3,171.9	2,780.9	2,780.9	3,180.6	2,780.9	2,780.9	3,171.9	2,789.8	2,780.9	3,171.9	2,780.9	2,789.8	3,171.9	2,780.9	3,137.2	0.0
BEAVER VALLEY 2	358.2	816.2	816.2	933.6	816.2	816.2	931.0	816.6	816.2	931.0	816.2	816.6	931.0	816.2	816.2	933.6	816.2	816.2	920.8	816.2
PERRY	452.7	1,342.9	1,194.4	1,348.6	1,194.6	1,342.9	1,194.6	1,346.4	1,194.6	1,342.9	1,194.6	1,346.4	1,194.6	1,342.7	1,194.6	1,346.4	1,194.6	1,342.7	1,194.6	1,346.4

**(R) FUEL COSTS
\$ IN MILLIONS**

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
CHESWICK	39.9	36.6	44.9	47.1	46.9	62.0	51.6	47.7	54.3	64.4	63.3	63.4	73.8	65.3	73.9	62.8	62.2	61.5	0.0	0.0
SAMMIS 7	13.6	17.3	16.0	18.7	17.8	16.8	19.6	21.6	20.8	23.8	20.3	25.7	24.6	27.3	0.0	0.0	0.0	0.0	0.0	0.0
EASTLAKE 5	12.3	11.2	9.4	13.7	12.8	13.1	15.1	14.0	13.6	15.8	16.4	17.2	19.5	17.9	18.9	0.0	0.0	0.0	0.0	0.0
ELRAMA	34.8	41.1	31.7	30.4	32.2	34.6	31.9	35.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MANSFIELD 1	24.2	25.9	26.4	14.8	19.2	17.2	19.4	18.5	20.8	16.9	22.6	21.5	23.8	22.7	26.3	20.1	26.7	25.4	28.6	0.0
MANSFIELD 2	5.3	7.2	7.3	4.2	4.6	4.7	5.3	5.1	5.8	4.9	6.0	5.9	6.6	6.2	6.9	5.8	7.1	7.0	7.8	7.3
MANSFIELD 3	11.0	14.0	12.2	8.8	7.8	7.7	8.5	9.5	9.1	10.3	10.2	8.9	10.4	11.6	11.0	12.3	10.4	12.3	12.3	13.8
BRUNOT ISLAND	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	40.3	12.5	12.9	13.2	13.8	13.9	0.0	0.0	0.0	0.0	0.0
BEAVER VALLEY 1	16.9	19.3	13.8	13.4	15.2	13.9	13.8	16.1	15.2	15.2	18.0	16.5	17.1	20.3	18.5	19.3	22.8	20.8	24.4	0.0
BEAVER VALLEY 2	4.8	4.5	3.7	4.4	3.9	3.9	4.6	4.2	4.1	4.9	4.8	4.7	5.6	5.1	5.3	6.3	5.7	5.9	6.9	6.4
PERRY	6.1	9.1	7.4	7.8	7.7	6.2	7.9	8.5	6.0	6.5	6.1	9.4	8.7	10.1	9.3	10.8	10.0	11.6	10.7	12.5

DUQUESNE LIGHT COMPANYL. Restructuring Issues

6. Provide a return-to-revenue factor (gross-up factor) for 1999. State all assumptions made in determining said factor.

Response:

The Return to Revenue Factor is calculated as follows:

<u>Item</u> (1)	<u>Capitalization (%)</u> (2)	<u>Average Cost</u> <u>Rate (%)</u> (3)	<u>After-Tax</u> <u>Rate (%)</u> (4)=(3)X(1-T)	<u>Weighted Rate (%)</u> (5)=(4)X(2)
Long Term Debt	50.23%	8.51%	4.98%	2.50%
Preferred and Preference Stock	9.69%	7.45%	7.45%	0.72%
Common Equity	<u>40.08%</u>	11.50%	11.50%	<u>4.61%</u>
Weighted Average Cost of Capital				7.83%
			divided by (1- T)	13.39%
			divided by (1-GRT)	14.00%
			Return to Revenue Factor	<u>14.00%</u>

T = Effective Income Tax Rate = 41.4935%

GRT = Gross Receipts Tax Rate = 4.4%

DUQUESNE LIGHT COMPANY

L. Restructuring Issues

7. Provide a computation of each generating plant's cost per kilowatt hour using the net book value amount, providing the basis and methodology used and explaining the reasonableness of each generating unit's cost/kwh.

Response:

The response to this item is described in the direct testimonies of Ralph Nelson, Duquesne Statement No. 10, Ralph Duckworth, Duquesne Statement No. 11, Exhibits 2C and 2E to my testimony, and the response to Item L-5.

DUQUESNE LIGHT COMPANY

L. Restructuring Issues

8. State the company's preferred discount rate(s) such as weighted average cost-of capital for use in computing net present value of lost revenues or stranded capital at each generating plant or unit.

Response:

The Company has used the fully after-tax weighted average cost of capital for use in its present value calculations related to the determination of stranded cost. The fully after-tax weighted average cost of capital is based on the Company's overall cost of capital (which includes the cost of long term debt on a pre-tax basis) as developed in response to Item H-1.

The Company's fully after-tax weighted cost of capital is computed as follows:

<u>Item</u> (1)	<u>After-tax</u> <u>Cost Rate</u> (2)	<u>% of</u> <u>Capitalization</u> (3)	<u>Weighted</u> <u>After-Tax</u> <u>Cost of</u> <u>Capital</u> (4)=(2) x (3)
Long Term Debt (8.51% x (1-.414935))	4.98%	50.23%	2.50%
Preferred and Preference Stock	7.45%	9.69%	0.72%
Common Stock	11.50%	<u>40.08%</u>	4.61%
Weighted After-Tax Cost of Capital		100.0%	<u>7.83%</u>

DUQUESNE LIGHT COMPANYL. Restructuring Issues

9. For 1999 and each and every year that each generating plant would have remained in regulated base, provide a forecast of market clearing prices for such generation, and the company's overall portfolio of generation assets. Indicate how long after 1999 each generating unit would have remained in rate base. Indicate the rated capability of each plant or unit as of 1996 and the average capacity factor of each unit during the previous 5 years.

Response:

Please see the direct testimony of Michael Schnitzer and Mark Karl for the market clearing prices between 1999 and 2005. Mr. Schnitzer also calculated a range of market ceiling prices beginning in 2006. The high and low estimates which determine this range are listed below:

Market Price
cents/kWh

<u>Year</u>	<u>High</u>	<u>Low</u>
2006	4.41	3.38
2007	4.52	3.47
2008	4.63	3.55
2009	4.75	3.64
2010	4.87	3.73
2011	4.99	3.83
2012	5.11	3.72
2013	5.24	4.02
2014	5.37	4.12
2015	5.50	4.22

Beyond 2015, the market ceiling prices were escalated at 2.5% annually.

The company's portfolio of generation assets, the capability of each unit and any changes through 2005 are summarized in the response to Question G-6. It is anticipated that each unit would have stayed in rate base until the end of its book life. The book life of each plant is shown in Exhibit MGK-7 to the direct testimony of Mark Karl.

<u>Plant</u>	<u>Capacity Factor (%)</u>				
	<i>1996</i>	<i>1995</i>	<i>1994</i>	<i>1993</i>	<i>1992</i>
Elrama	60.9	57.2	53.6	60.1	53.7
Sammis	64.4	61.5	74.9	71.7	81.7
Eastlake	59.5	55.0	57.0	64.1	47.0
Brunot Island			(1)		
Cheswick	62.4	69.2	79.2	65.3	72.5
Beaver Valley Unit 1	80.2	77.0	77.9	61.6	88.9
Beaver Valley Unit 2	68.0	86.5	99.0	73.8	80.1
Mansfield	44.2	43.6	39.3	50.5	41.3
Perry	71.7	87.9	44.2	38.3	69.1

- (1) Brunot Island Units 2A, 2B, 3 & 4 were cold reserved effective 5-1-86. Units 2A and 2B were returned to service in 1996. Units 1A, 1B and 1C have been utilized as peaking units.

DUQUESNE LIGHT COMPANY

L. Restructuring Issues

10. Provide an operations and maintenance expense efficiency factor, representing the company's estimate of potential cost savings and productivity measures available to the company to reduce costs and remain competitive in the future markets. Explain and identify by FERC account each O&M expense category which may be reduced and each account that is not capable of reduction due to as yet unrealized cost savings and productivity measures.

Response:

The Company is continually striving to maintain a low level of operation and maintenance expenses. In the past, the company has undertaken numerous programs and projects which have significantly reduced O&M expenses. These efforts are described in the direct testimony of Mr. Clayton. The improvements in O&M expense efficiency are reflected in the forecasted O&M expenses presented in the direct testimony of Mr. Nelson and Mr. Duckworth. Therefore, further reductions in O&M expenses are not reasonable to project. As such, the Company believes its efficiency factor is nearly 100% and that 100% is the Company's best estimate at this time.

DUQUESNE LIGHT COMPANY

L. Restructuring Issues

11. Provide appropriate inflation factors which may be applied to sales (MWH), O&M expense, stranded costs other than net plant, fuel expense (by type of fuel), and other regulatory assets currently included in base rates and currently not included in base rates.

Response:

Whenever possible, specific forecasts of O&M and fuel costs were made using existing fuel contracts and operating plan (O&M) budgeted levels. Escalation rates were used where specific forecasts were not able to be produced. Generally the escalation rates on page 2 of this item could be applied to sales (MWH), O&M and fuel expense. Changes in stranded costs and regulatory assets are based on changes in amortization levels and capital spending and therefore should not be forecasted using inflation factors.

Escalation Rates %

O&M *		<u>Coal</u>	<u>1997-2016</u>
1997	2.4	Compliance Coal	4.1
1998	2.5	Low Sulfur Coal	4.1
1999	2.5	Medium Sulfur Coal	3.7
2000	2.5	High Sulfur Coal	2.8
2001	2.6	Scrubber Coal	2.8
2002	2.6		
2003	2.7		
2004	2.7		
2005	2.7		
2006	2.7		
2007	2.6		
2008	2.6		
2009	2.6		
2010	2.7		
2011	2.7		
2012	2.7		
2013	2.7		
2014	2.7		
2015	2.7		
2016	2.7		

Nuclear Fuel

3% annual escalation rate through forecast period based upon an Energy Resources International Inc. forecast.

Sales (KWH)

The Company's sales forecast averages a year to year increase of 1.7%. This could be applied to predict sales.

* Rates based on Wharton Econometric Forecast Associates (WEFA).

DUQUESNE LIGHT COMPANY

L-12 Provide a proposed methodology to allocate the following expenses among the company's various kinds of generation (by fuel) consistent with your proposed cost of service study:

- (a) Original cost of plant in service
- (b) Accumulated depreciation and amortization
- (c) Construction Work in Progress
- (d) Nuclear Fuel Inventory
- (e) Working Capital
- (f) Regulatory Assets
- (g) Accumulated Deferred Income Taxes
- (h) Depreciation Expense
- (i) Amortization Expense
- (j) Taxes other than income taxes
- (k) Insurance
- (l) Operation expense
- (m) Maintenance expenses
- (n) Fuel expense (gas, coal, etc.)
- (o) Miscellaneous expenses
- (p) Nuclear Decommissioning expenses
- (q) Purchased power - existing contracts
- (r) Federal Income Taxes

RESPONSE:

The functionalization and allocation of costs are described in the testimony, exhibits and workpapers of Messrs. O'Brien and Lahtinen.

DUQUESNE LIGHT COMPANY

L-13 Provide a proposed methodology allocating the following costs to type of generation (steam, nuclear, etc.) and by customer classes consistent with your proposed cost of service study:

- (a) Return on investment
- (b) Depreciation and amortization expense
- (c) Taxes other than income and insurance
- (d) Operations and maintenance expense
- (e) Fuel expense
- (f) Miscellaneous expenses
- (g) Nuclear decommissioning expense
- (h) Purchased power
- (i) Federal income taxes

RESPONSE:

The functionalization and allocation of costs are described in the testimony exhibits and workpapers of Messrs. O'Brien and Lahtinen.

DUQUESNE LIGHT COMPANY

L. Restructuring Issues

14. Provide a methodology to allocate, for each type of generation used including purchased power (if unclassifiable by fuel type), the company's sales in mWh for each year of the forecast period.

Response:

The projected distribution of generation by fuel type, including purchases, for each year of the forecast period, is shown on the form IRP-Elec 8A which is in Appendix A of Duquesne's Integrated Resource Plan, as filed in May 1997. Projected generation by facility is included as an exhibit to the direct testimony of Mark Karl.

DUQUESNE LIGHT COMPANY

L-15 For each year of the forecast period used to quantify a claimed competitive transition charge, provide a methodology to designate an appropriate allocation of sales in MWh for each type of generation used, including purchased power (if unclassifiable by fuel type) among the customer classes.

Response:

Duquesne is unaware of the existence of any methodology that seeks to allocate MWh of generation by either individual generator or fuel-type to rate classifications. Moreover, even if such a methodology existed it is not clear how it could be applied to produce meaningful results. This is because control area operators attempt to dispatch their entire generation plant portfolio (including purchases) on a real time basis to satisfy combined load and security constraints in a least cost manner. All that control area operators know at any particular time is the amount of load that must be satisfied, system operating constraints and available generation to instantaneously balance supply and demand on a real time basis. Moreover, since electrical energy follows the path of least resistance, it is impossible to identify the ultimate substation destination of generation at any particular location let alone the ultimate customer destination.

Finally, it is important to note that Duquesne's methodology for calculating CTCs is customer specific and depends on customer baseline consumption, current rate cap and the market value of baseline consumption. CTCs do not depend on a plant by plant allocation of costs to either customers or rate classifications.

DUQUESNE LIGHT COMPANY

L-16: Provide a detailed explanation, including all assumptions and computations used to allocate its proposed recovery of net stranded costs (CTC and ITC) in a manner that does not shift inter- or intra-class costs, maintains consistency with the allocation methodology for utility production plant accepted by the commission in the company's most recent base rate proceeding and principally pays down capitalization.

RESPONSE:

Please refer to Mr. Lahtinen's testimony.

DUQUESNE LIGHT COMPANY

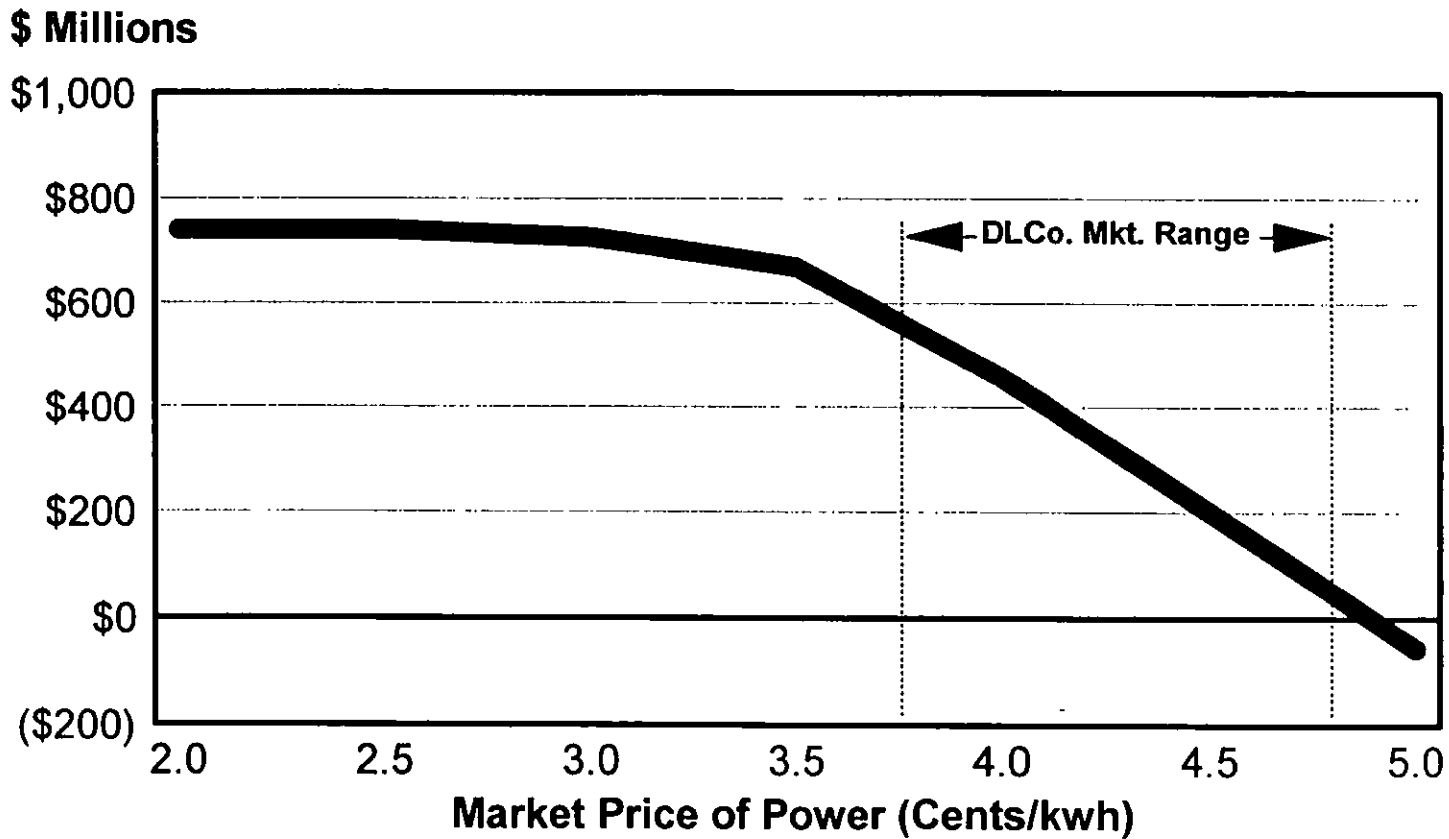
L. Restructuring Issues

17. Provide a graphed function showing amount of stranded capital (y-axis) relative to market clearing prices (x-axis), using the following prices for market clearing prices: 2 cents/kwh, 2.5 cents/kwh, 3 cents/kwh, 3.5 cents/kwh, 4 cents/kwh, 4.5 cents/kwh and 5 cents/kwh.

Response:

The requested chart is provided on page 2 of this item. The referenced market clearing prices are levelized for the period 2006 through the end of each plant's life and the stranded cost calculations as of December 31, 2005, assume that the Company's rate cap and minimum depreciation and amortization commitment as described in Company Statement No. 2 are approved by the commission.

After Tax Stranded Cost At 12/31/2005



DUQUESNE LIGHT COMPANY

M. Restructuring Procedures

1. Explain in full detail your proposed procedures for ensuring direct access to all licensed electric generation suppliers and how you will avoid conflicts of interest, improper use or distribution of customer or proprietary information obtained in the course of providing direct access.

Response:

The Duquesne Light Company's Code of Conduct filed as Exhibit FH-2 that applies to the provision of regulated and unregulated services by Duquesne and its Standards of Conduct filed with the Federal Energy Regulatory Commission at docket No. OA97-407-000 provide detailed guidelines that ensure fair and equitable treatment among all stakeholder groups (both internally and externally). Additionally, the Duquesne Light Company provides open access, nondiscriminatory transmission service to entities who take such service under Duquesne Light Company's prevailing Open Access Transmission Tariff filed with the Federal Energy Regulatory Commission at docket OA96-56-000.

DUQUESNE LIGHT COMPANY

M. Restructuring Procedures

2. Describe your proposed universal service and energy conservation cost recovery mechanism, with regard to the requirements of 66 Pa. C.S. §2802 (10) and 2804 (9) along with supporting calculations and work papers.

Response:

The Commission's Final Order [Docket No. R-000960890F0010], entered July 11, 1997] states in Appendix B, Section H, Paragraph 2, "The universal service funding mechanism should be collected by the EDC as a non-bypassable distribution charge, paid by all customers." Given the very recent issuance of these Guidelines, Duquesne is still in the process of determining how best to incorporate the Commission's directives in the rate design. As such, the relevant supporting calculations and working papers have yet to be finalized. Finalization of this analysis and design will be predicated on the completion of our Universal Service and Energy Conservation Plan scheduled to be completed on or before November 1, 1997.

DUQUESNE LIGHT COMPANY

M. Restructuring Procedures

3. Explain in full detail the proposed procedures for interaction with electric generation suppliers operating on the utility system and with customers which also provide generation (net metering customers).

Response:

FERC Order 888 requires that public utilities offer open access, nondiscriminatory transmission access pursuant to filed tariffs. On July 9, 1996, Duquesne filed a tariff identical to the FERC's pro forma tariff, offering point-to-point and network transmission services. This tariff includes embedded cost rates for transmission and ancillary services. (Some of these rates are "up to" charges.) The FERC accepted the non-rate terms and conditions of the tariff, and the rates have been effective, subject to refund, since July 9, 1996.

Order 888 held that the FERC has jurisdiction over the rates, terms and conditions of unbundled transmission service to retail customers (but not over the rates, terms and conditions of local distribution service). Consistent therewith, Duquesne will provide retail transmission access pursuant to the terms and conditions of FERC's pro forma tariff and unbundled rates that recover Duquesne's embedded cost revenue requirement. Duquesne also will submit these rates to the FERC for its approval.

The non-rate terms and conditions of access will be governed by Duquesne's pro forma tariff. Under the tariff, retail customers will receive the same nondiscriminatory services that the FERC approved in Order 888. To the extent that it becomes necessary to waive or amend certain tariff provisions, Duquesne reserves the right to propose such changes.

Duquesne's transmission rates are based on a traditional cost of service study. Transmission related revenue requirements are allocated according to class contribution to Duquesne's 12 monthly coincident peak demands. The revenue requirement allocated to each class is then recovered through a unit charge (in kWh and/or kW) for billing purposes. The transmission rates charged to customers will apply without discrimination regarding the customer's electricity supplier.

Duquesne will offer all the ancillary services required to be offered by FERC under Order 888. The services are: scheduling; reactive power; regulation and frequency control; spinning reserve; supplemental reserve; and energy imbalance. Each service is described briefly below.

Duquesne will offer or provide these ancillary services consistent with FERC rules.

Three of the services will be charged directly to Duquesne's retail customers: reactive supply, regulation and frequency control, and spinning reserve. Having paid the rates for these services, as well as for transmission and distribution service, customers will have the ability to receive any power supply resource without the imposition of additional charges from Duquesne for these services.

Electricity suppliers will be responsible for the other three services (scheduling, energy imbalance and supplemental reserve). This is appropriate because these charges are dependent on actions undertaken by the suppliers. For example, scheduling charges will vary with the number of schedules and schedule changes submitted. Energy imbalance charges will vary with the degree to which a supplier's schedule matches the demands of its customers. Supplemental reserve charges will apply only if the supplier chooses to purchase them from Duquesne.

Retail customers will be credited with the revenues received by Duquesne for the sale of all ancillary services except energy imbalance service (as discussed below). The credits will be applied as follows:

- For services that are charged directly to retail customers (reactive power, regulation and frequency control, and spinning reserve), a credit will apply to reduce the CTC based on the customer's baseline consumption.
- For the other two services for which customers currently bear cost responsibility in their bundled rates (scheduling and supplemental reserve), the revenues Duquesne receives (net of any additional costs incurred) from electricity suppliers for service to retail load will be credited to the CTC on an annual basis and flowed through to customers in a cents per kilowatt-hour credit. (An annual credit will be used because, as indicated above, the revenues to be received from these services will vary based on the actions of the suppliers and cannot be forecast prior to commencement of retail access.)
- The only service for which there is not CTC credit is energy imbalance service. This is because the cost of supplying imbalance is a cost that will be borne by Duquesne and the costs are not embedded in current bundled rates. These costs will be billed directly to electricity suppliers who impose these costs on Duquesne.

The Duquesne Light Company will provide all suppliers and customers comparable service.

DUQUESNE LIGHT COMPANY

M. Restructuring Procedures

4. Explain in full detail proposed procedures for customer selection of alternate generation suppliers.

Response:

Customer Selection Assistance

No attempt will be made by Duquesne Light to influence customer selection of an alternate generation supplier. To assist the selection process however, Duquesne Light will:

- Provide a list of participants to every licensed generation supplier who requests it. This list excludes all customers who have restricted access to their personal information.
- Provide a list of licensed alternate generation suppliers to every eligible customer as part of the standard notification package.
- Provide customer specific consumption history to allow customers to profile their electricity usage and work with alternate suppliers to determine the most appropriate rate plan to meet their energy consumption needs. The consumption history is included with the notification package and shows electricity usage from the most recent twelve billing periods for that customer.

Customer Choice Notification

Because Duquesne Light will not select or recommend alternative generation suppliers to any customer, those customers who choose to take unbundled service must provide notification of their choice to initiate the switch to alternate service. Customers are encouraged to negotiate terms of service following whatever procedures are established by the supplier (or directed by PUC guidelines). Duquesne Light will not be responsible for monitoring contract compliance between the customer and any alternate generation supplier beyond the established PUC guidelines for billing, service termination, etc.

Duquesne Light has adopted a "two-way" match process to confirm customer choice of supplier agreement and service options with those reported by the suppliers. This matching process also helps to avoid incidents of "slamming". Once terms of service are established, customers may indicate their selection in one of two ways:

- I. Telephone Duquesne Light to report the intention to switch suppliers. Upon confirmation (i.e., caller-id, social security number, or other secured measures) that the caller is authorized to make changes to the account status, the customer will be asked

for i) name of the alternate generation supplier; ii) integrated or separate billing option; and iii) specific supplier rate plan (if the integrated billing option is chosen).

- A. If supplier confirmation has already been received, the customer must confirm the supplier information.
 - B. If supplier confirmation has not been received, or if existing supplier information is different, the customer will be advised that the switch cannot occur until we receive supplier confirmation of the new option.
 - C. Customer will be advised that upon confirmation, the switch to new supplier's service will begin after the next scheduled actual meter reading for the current service (bundled or unbundled).
- II. Arrange for the selected alternate generation supplier to provide a service agreement signed by the customer.
- A. If the customer does not contact Duquesne Light with a supplier choice, but the supplier agreement is signed by the customer, the switch will be completed.
 - B. If the customer does not contact Duquesne Light with a supplier choice, and the supplier agreement is **not** signed by the customer, the agreement will be recorded but no switch will be made.
 - C. If the customer has contacted Duquesne Light with a supplier choice, and the supplier agreement does not match the customer options, the switch will only be completed if the agreement is signed by the customer. If the agreement is unsigned, the supplier will be notified of a mismatch and no switch will be made.
 - D. Duquesne Light will provide a regularly scheduled report of all customer/supplier mismatches that must be resolved by the supplier before a switch will be completed. This report will also serve to record incidences of possible slamming by alternate generation suppliers.

Upon completion of the matching process, the customer will automatically receive a confirmation letter from Duquesne Light indicating the chosen supplier, the preferred billing option (integrated or separate) and the applicable rate plan if integrated billing is selected. Besides confirming the customer's pending supplier change, this letter also alerts customers to changes initiated in their account without their permission.

DUQUESNE LIGHT COMPANY

M. Restructuring Procedures

5. State proposed procedures for customer selection during the phase-in process and the resolution of disputes. Provide a detailed discussion of how the company will satisfy the competitive disadvantage provisions of 66 Pa.C.S. §2806(b) (4) prior to the availability of full direct access prior to the issuance of formal regulations.

Response:

During the three-year phase-in to full direct access, the residential and small commercial customer will be randomly selected by zip code-based geographic areas of choice (GAC). All GAC's in our service territory will be entered into a pool from which the random selection will occur. All GAC's will be assigned to the first, second and third year of the phase-in through this process. This random selection process that allows all residents in local communities to be phased-in together should mitigate many disputes.

Because of the potential problem of competitive disadvantage, Commercial and Industrial (C/I) customers will be selected for phase-in by SIC code based market segments. Duquesne Light has identified 11 commercial and 5 industrial market segments. These segments will be entered into a pool to be randomly selected for phase-in. Some of these segments may be grouped to satisfy the competitive disadvantage provision of 66 Pa.C.S. §2806(b) (4). This process will allow customers that compete with each other to be phased-in together (i.e., Retail Sales, Steel, etc.) thus eliminating most disputes.

When a dispute regarding competitive disadvantage arises, Duquesne Light will ask that customer to make their case in writing showing the specifics of the disadvantage. To prove competitive disadvantage, the customer must:

- show that their business has been misclassified by SIC code or other market segment, or
- show that other businesses within the service territory with the same primary product or service have received a competitive advantage.

Duquesne Light will review the case and rule on its merits. If merit is demonstrated, they will be included in that phase of the process. All other disputes regarding process or timeliness will be denied.

DUQUESNE LIGHT COMPANY

M. Restructuring Procedures

6. State the technical systems and procedures that must be in place in order for the company to act as an open access distributor, including a timetable for implementation, its dependencies and critical path.

Response:

The following technical systems and procedures must be in place in order for the company to act as an open access distributor.

- (1) Computers, software, communications equipment and procedures to interface a multitude of Electric Energy Suppliers with Duquesne Light Company's Energy Management Systems to ensure adequacy of supply to meet customer demands on a minute to minute basis.
- (2) Computers, software, communications equipment and procedures to account for: (a) the energy deliveries made to the Duquesne Light Company control area by wholesale suppliers and (b) the transmission and ancillary services provided by Duquesne Light Company to deliver that energy to the ultimate customer.
- (3) Computers, software, communications equipment, new meters and procedures to obtain hourly KWH meter readings of retail choice customers.
- (4) Computers, software and procedures to match retail customer usage to his supplier's electric energy deliveries for settlement of charges associated with transmission and ancillary services.
- (5) Computer software and procedures to manage customer choice and produce customers' unbundled bills.
- (6) Computers, software, and procedures to determine the amount of monies collected by Duquesne on behalf of a supplier and disbursing funds accordingly.

All technical systems and procedures are expected to be operational in time to begin the Retail Access Pilot Program with the exception of new meters that can provide customers' hourly energy usage.

Since hourly meters will not be universally available prior to customer choice, Duquesne will use representative customer load shapes based on actual hourly readings from load profile meters and load research. It will be assumed that all customers in a given class or category use electricity in a single pattern.

A detailed description of this methodology is presented in Appendix F of Duquesne Light Company's Retail Access Pilot Program filing of February, 1997.

DUQUESNE LIGHT COMPANY

N. Employee and Local Community Impacts

1. Provide a detailed discussion of the impacts of the proposed restructuring plan on the employees of the utility, the utility's federal, state and employer taxes and the concomitant influence on local communities.

Response:

The Company has been making efforts to maximize the productivity of its workforce since the last rate case in 1987. Starting with the Duquesne Plan in 1986, the Company has worked to right-size its workforce to achieve a level appropriate to the developing competitive marketplace while still providing a high level of service.

The result of the Company's focus on cost control has led to over a 1000 person net reduction in the number of employees since 1989.

The Company will continue to focus on cost control as it transitions to a competitive market place. The Company does not anticipate any significant position eliminations based on the transition plan filed herein. The Company has extended the contract with its represented employees through 2001. Under the terms of this contract, the Company has agreed to provide job security for employees as of December 31, 1996 through October 1, 2001. As such, overall staffing levels are expected to generally remain at current levels with the possibility of some small reductions due to attrition.

Any change in employment will have direct effects on the utility's federal, state and employer taxes. The utility receives a current federal and state tax deduction for the direct compensation expense and resulting employee payroll taxes. Changes in employment will have a direct impact on federal and state tax payments which would be calculated at the statutory tax rates in place at the time of the employment change. Small changes in employment levels should have a minimal economic effect on the local community. Impacts related to the announced merger with Allegheny Power System are discussed in the merger application filing at Docket No. A-110150F0015.

DUQUESNE LIGHT COMPANY

N. Employee and Local Community Impacts

2. Demonstrate how the company has considered and will consider the experience and expertise of its work force in moving towards competition and the utility's plan to maintain existing levels of reliability and service.

Response:

On an ongoing basis, the Company reviews its workforce and determines the appropriate level of employment including the use of contract labor. This process has led to increases and decreases in workforce in an effort to achieve the Company's objectives in the most cost effective manner.

The Company places great value on its employees and evaluates them through an annual Performance Leadership merit salary increase program. Goals are established to reward the employee for performance and expertise and the program is used to evaluate candidates for promotion.

Through in-house training, external seminars and corporate communications, the Company has educated its employees as to the coming demands that competition will bring.

An experienced and motivated workforce will accomplish the Company's goals in a much more efficient and cost effective manner thereby making the Company more competitive.

Recently, a "multi-crafting" pay system was established for the represented employees of the IBEW. The program "pays for skills" in that it rewards employees with multiple and higher level skills and expertise with a higher pay level. These employees with increased expertise will provide value in a competitive marketplace.

The Company plans to maintain or exceed existing levels of reliability and service through continued system enhancement including technological advancements and automation.

DUQUESNE LIGHT COMPANY

N. Employee and Local Community Impacts

3. List all planned office or plant closings or consolidations for the calendar years ending 1997, 1998, 1999, 2000 and 2001. State any associated impacts on local communities, social services or any tax implications.

Response:

There are currently no plans to close any plant or major offices or company facilities. From time to time for limited periods of time, some employees are relocated to different facilities to better track the required work load. Business conditions and circumstances change over time, and the company cannot guarantee that ongoing operations review will not require future facility closures.

The statements above anticipate the acceptance of the Company's transition plan as described in this filing. Any significant deviation from that plan could considerably affect levels of employment with a resulting effect on utility tax payments and the economy of the local community. This response does not consider any impacts of the announced merger with Allegheny Power System.

DUQUESNE LIGHT COMPANY

N. Employee and Local Community Impacts

4. Provide a listing and thorough discussion of any planned or currently effective lay-off plans or actions, early retirement programs, hiring freezes or other workforce changes in existence after December 31, 1996 and which will be in effect for the years 1997, 1998, 1999, 2000 and 2001.

Response:

The Company currently has no planned or currently effective early retirement program or major layoff plans. As discussed in the response to Question N-1, the Company is continually working to achieve the proper workforce level and thus has seen a reduction in its employment level during the last 5 years.

Since mid-1990, the Company has had a partial hiring freeze in effect. Limited hiring has taken place since the freeze was put into effect with approval for new positions being granted only after an assessment process determining the need for the new position has been completed. Approval by a vice-president is required to add a new position.

It is anticipated that this partial hiring freeze will continue at least through 1997.

DUQUESNE LIGHT COMPANY

O. Corporate Finance and Structure

1. Provide a copy of any securitization filing submitted prior to the filing of the restructuring plan.

Response:

The Company has not made a securitization filing.

DUQUESNE LIGHT COMPANY

O. Corporate Finance and Structure

2. Provide a discussion of any contemplated acts of merger, consolidation, acquisition or disposition by the company.

Response:

On April 7, 1997 the Company announced its plan to merge with Allegheny Power System. See the Company merger application filing at Docket No. A-110150F0015 which was filed August 1, 1997.

DUQUESNE LIGHT COMPANY

O. Corporate Finance and Structure

3. Provide a description of any contemplated creation of new business entities by the company.

Response:

The response to Item H-12 provides the current structure of DQE, parent company of Duquesne Light. Due to the Securities and Exchange Commission's disclosure requirements and the confidential and proprietary nature of new business creation, it would be inappropriate to comment at this time.

DUQUESNE LIGHT COMPANY

O. Corporate Finance and Structure

4. List accumulated deferred federal income tax amounts held by the utility.

Response:

The following is a list of accumulated deferred federal income tax amounts held by Duquesne Light Company as December 31, 1996.

Account 190	\$102,056,918.37
Account 281	(74,597.96)
Account 282	(399,322,106.99)
Account 283	(554,068,718.77)

Refer to D-5 for individual account balances.

DUQUESNE LIGHT COMPANY

O. Corporate Finance and Structure

5. Provide a schedule of when deferred state taxes are to be paid.

Response:

Attached is a schedule which shows by year when the reversal of deferred state income taxes occurs.

DUQUESNE LIGHT COMPANY
REVERSAL OF STATE DEFERRED INCOME TAXES

Item No: Q-5
Page 2 of 7

<u>NAME OF DEFERRAL</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
<u>ACCOUNT 190</u>					
Recoverable Energy Costs	(91,409.00)	(45,704.00)			
Deferred Incentive Plan	(2,815.00)	(2,814.00)	(2,814.00)	(2,814.00)	(2,814.00)
Long Term Incentive Plan	(126,652.00)	(126,652.00)	(126,653.00)	(126,653.00)	(126,653.00)
Operating Reserve	(41,958.00)	(41,958.00)	(41,958.00)	(41,958.00)	(41,958.00)
Pending Litigation	(69,930.00)	(69,930.00)	(69,930.00)	(69,930.00)	(69,930.00)
State Taxes	(67,932)	(67,932)	(67,932)	(67,932)	(67,932)
Director's Compensation	(30,922)	(30,923)	(30,923)	(30,923)	(30,923)
FAS 106	(38,855)	(38,855)	(38,855)	(38,855)	(38,855)
Obsolescence	(32,084)	(32,084)	(32,084)	(32,084)	(32,084)
Grant Town Investment	(10,323)	(10,323)	(10,323)	(10,323)	(10,323)
Bad Debt Reserve	(61,119)	(61,119)	(61,119)	(61,119)	(61,119)
Oxford Sublease Loss	(151,080)	(151,080)	(151,080)	(151,080)	(151,080)
Unbilled Revenue	(154,263)	(154,263)	(154,263)	(154,263)	(154,263)
Affordable Housing	(373)	(373)	(373)	(372)	(372)
Fossil Gen Outage Costs	(572,759)	(572,758)	(572,758)		
Perry Reserve	(14,643)	(14,643)	(14,642)	(14,642)	(14,642)
Early Window - B.V. #2	(6,532)	(6,532)	(6,532)	(6,532)	(6,532)
Warwick Mine Closing Costs					(2,356,286)
Beaver Valley Sale/Leaseback	(564,889)	(564,889)	(564,889)	(564,889)	(564,889)
<u>ACCOUNT 281</u>					
	NONE				
<u>ACCOUNT 282</u>					
	NONE				
<u>ACCOUNT 283</u>					
First Mortgage Bonds	611,980	611,980	611,980	611,980	611,980
Unrealized Loss on Securities	66,680	66,680	66,680	66,680	66,680
ESOP	14,706	14,706	14,706	14,706	14,706
System Cap	175,471	87,736			
Mansfield Cap Cost	636,379	318,190			
B.V. #2 Maint Outage Costs	41,775	41,775	41,775	41,775	41,774
Perry #1 Outage Costs	32,367	32,367	32,367	32,367	32,366
DOE Dec & Decontamination	32,551	32,551	32,551	32,551	32,551
B.V. #1 Maint Outage Costs	75,745	75,745	75,745	75,745	75,745
B.V. #2 Debt Cancellation	277,259	277,259	277,259	277,259	277,259
GE Settlement	11,938	11,938	11,938	11,938	11,938
B.V. #2 Training Costs	24,549	24,548	24,548	24,548	24,548
Early Window - Perry	74,735	74,735	74,735	74,735	74,735
Perry No. 1 O & M	35,150	35,150	35,150	35,150	35,150
Caretaker Expenses	82,746	82,746	82,746	82,746	82,746

**DUQUESNE LIGHT COMPANY
REVERSAL OF STATE DEFERRED INCOME TAXES**

Item No: 0-5
Page 3 of 7

<u>NAME OF DEFERRAL</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<u>ACCOUNT 190</u>					
Recoverable Energy Costs					
Deferred Incentive Plan					
Long Term Incentive Plan	(126,653)	(126,653)	(126,653)	(126,653)	
Operating Reserve					
Pending Litigation					
State Taxes					
Director's Compensation					
FAS 106	(38,855)	(38,855)	(38,855)	(38,855)	(38,855)
Obsolescence	(32,084)	(32,084)	(32,084)	(32,084)	(32,084)
Grant Town Investment	(10,323)	(10,323)	(10,323)	(10,323)	(10,323)
Bad Debt Reserve	(61,119)	(61,119)	(61,119)	(61,119)	(61,119)
Oxford Sublease Loss	(151,083)	(151,083)	(47,077)		
Unbilled Revenue	(154,263)	(154,263)	(154,263)	(154,263)	(154,262)
Affordable Housing					
Fossil Gen Outage Costs					
Perry Reserve					
Early Window - B.V. #2	(6,532)	(6,532)	(6,532)	(6,532)	(5,444)
Warwick Mine Closing Costs					
Beaver Valley Sale/Leaseback	(564,889)	(564,889)	(564,889)	(564,889)	(564,889)
<u>ACCOUNT 281</u>					
<u>ACCOUNT 282</u>					
<u>ACCOUNT 283</u>					
First Mortgage Bonds	611,980	611,980	611,980	611,980	326,805
Unrealized Loss on Securities	66,680	66,680	66,680	66,680	66,680
ESOP	14,706	14,706	14,706	14,706	14,706
System Cap					
Mansfield Cap Cost					
B.V. #2 Maint Outage Costs	41,774	41,774	41,774	41,774	
Perry #1 Outage Costs	32,366	32,366	32,366	32,366	
DOE Dec & Decontamination	32,551	32,551	32,551	32,551	32,551
B.V. #1 Maint Outage Costs	75,745	75,745	75,745	75,744	
B.V. #2 Debt Cancellation	277,259	277,259	277,259	277,259	44,074
GE Settlement	11,938	11,938	11,938	11,938	11,938
B.V. #2 Training Costs	24,548	24,548	24,548	24,548	
Early Window - Perry	74,735	74,735	74,735	74,735	62,277
Perry No. 1 O & M	35,150	35,150	35,150	35,150	35,150
Caretarer Expenses	82,746	82,746	82,746	82,745	

**DUQUESNE LIGHT COMPANY
REVERSAL OF STATE DEFERRED INCOME TAXES**

Item No: Q-5
Page 4 of 7

<u>NAME OF DEFERRAL</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<u>ACCOUNT 190</u>					
Recoverable Energy Costs					
Deferred Incentive Plan					
Long Term Incentive Plan					
Operating Reserve					
Pending Litigation					
State Taxes					
Director's Compensation					
FAS 106	(38,855)	(38,855)	(38,855)	(38,855)	(38,855)
Obsolescence	(32,084)	(32,084)	(32,084)	(32,084)	(32,084)
Grant Town Investment	(10,323)	(10,323)	(10,323)	(10,323)	(10,323)
Bad Debt Reserve	(61,119)	(61,119)	(61,119)	(61,119)	(61,119)
Oxford Sublease Loss					
Unbilled Revenue	(154,262)	(154,262)	(154,262)	(154,262)	(154,262)
Affordable Housing					
Fossil Gen Outage Costs					
Perry Reserve					
Early Window - B.V. #2					
Warwick Mine Closing Costs					
Beaver Valley Sale/Leaseback	(564,889)	(564,889)	(564,889)	(564,889)	(564,889)
<u>ACCOUNT 281</u>					
<u>ACCOUNT 282</u>					
<u>ACCOUNT 283</u>					
First Mortgage Bonds	326,805	326,805	326,805	326,805	326,805
Unrealized Loss on Securities	66,680	66,680	66,680	66,680	66,680
ESOP	14,706	14,706	14,706	14,706	14,706
System Cap					
Mansfield Cap Cost					
B.V. #2 Maint Outage Costs					
Perry #1 Outage Costs					
DOE Dec & Decontamination	32,551	32,551	32,551	32,551	32,551
B.V. #1 Maint Outage Costs					
B.V. #2 Debt Cancellation	44,074	44,074	44,074	44,074	44,074
GE Settlement	11,938	11,938	11,938	11,938	11,938
B.V. #2 Training Costs					
Early Window - Perry					
Perry No. 1 O & M	35,150	35,150	35,150	35,150	35,150
Caretaker Expenses					

DUQUESNE LIGHT COMPANY
REVERSAL OF STATE DEFERRED INCOME TAXES

Item No: Q-5
Page 5 of 7

<u>NAME OF DEFERRAL</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<u>ACCOUNT 190</u>					
Recoverable Energy Costs					
Deferred Incentive Plan					
Long Term Incentive Plan					
Operating Reserve					
Pending Litigation					
State Taxes					
Director's Compensation					
FAS 106	(38,855)	(38,855)	(38,854)	(38,854)	(38,854)
Obsolescence	(32,084)	(32,084)	(32,084)	(32,084)	(32,084)
Grant Town Investment	(10,323)	(10,323)	(10,323)	(10,323)	(10,323)
Bad Debt Reserve	(61,119)	(61,119)	(61,119)	(61,119)	(61,119)
Oxford Sublease Loss					
Unbilled Revenue	(154,262)	(154,262)	(154,262)	(154,262)	(154,262)
Affordable Housing					
Fossil Gen Outage Costs					
Perry Reserve					
Early Window - B.V. #2					
Warwick Mine Closing Costs					
Beaver Valley Sale/Leaseback	(564,889)	(564,889)	(564,889)	(564,889)	(564,889)
<u>ACCOUNT 281</u>					
<u>ACCOUNT 282</u>					
<u>ACCOUNT 283</u>					
First Mortgage Bonds	326,805	228,807			
Unrealized Loss on Securities	66,680	66,680	66,680	66,680	66,680
ESOP	14,706	14,706	14,705	14,705	14,705
System Cap					
Mansfield Cap Cost					
B.V. #2 Maint Outage Costs					
Perry #1 Outage Costs					
DOE Dec & Decontamination	32,551	32,550	32,550	32,550	32,550
B.V. #1 Maint Outage Costs					
B.V. #2 Debt Cancellation	44,074	44,074	44,074	44,074	44,074
GE Settlement	11,938	11,938	11,938	11,938	11,938
B.V. #2 Training Costs					
Early Window - Perry					
Perry No. 1 O & M	35,150	35,150	35,150	35,150	35,150
Caretaker Expenses					

**DUQUESNE LIGHT COMPANY
REVERSAL OF STATE DEFERRED INCOME TAXES**

<u>NAME OF DEFERRAL</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<u>ACCOUNT 190</u>					
Recoverable Energy Costs					
Deferred Incentive Plan					
Long Term Incentive Plan					
Operating Reserve					
Pending Litigation					
State Taxes					
Director's Compensation					
FAS 106	(38,854)	(38,854)	(38,854)	(38,854)	(38,854)
Obsolescence	(32,084)	(32,083)	(32,083)	(32,083)	(32,083)
Grant Town Investment	(10,323)	(10,323)	(10,323)	(10,323)	(10,323)
Bad Debt Reserve	(61,119)	(61,119)	(61,119)	(61,119)	(61,119)
Oxford Sublease Loss					
Unbilled Revenue	(154,262)	(154,262)	(154,262)	(154,262)	(154,262)
Affordable Housing					
Fossil Gen Outage Costs					
Perry Reserve					
Early Window - B.V. #2					
Warwick Mine Closing Costs					
Beaver Valley Sale/Leaseback	(275,329)				
<u>ACCOUNT 281</u>					
<u>ACCOUNT 282</u>					
<u>ACCOUNT 283</u>					
First Mortgage Bonds					
Unrealized Loss on Securities	66,680	66,680	66,680	66,680	66,680
ESOP	14,705	14,705	14,705	14,705	14,705
System Cap					
Mansfield Cap Cost					
B.V. #2 Maint Outage Costs					
Perry #1 Outage Costs					
DOE Dec & Decontamination	32,550	32,550	32,550	32,550	32,550
B.V. #1 Maint Outage Costs					
B.V. #2 Debt Cancellation	21,461				
GE Settlement	11,938	11,938	11,938	11,938	11,938
B.V. #2 Training Costs					
Early Window - Perry					
Perry No. 1 O & M	35,150	35,150	35,150	35,150	35,150
Caretaker Expenses					

**DUQUESNE LIGHT COMPANY
REVERSAL OF STATE DEFERRED INCOME TAXES**

<u>NAME OF DEFERRAL</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>TOTAL</u>
<u>ACCOUNT 190</u>						
Recoverable Energy Costs						(137,113)
Deferred Incentive Plan						(14,071)
Long Term Incentive Plan						(1,139,875)
Operating Reserve						(209,790)
Pending Litigation						(349,650)
State Taxes						(339,660)
Director's Compensation						(154,614)
FAS 106	(38,854)	(38,854)	(38,854)	(38,854)	(38,854)	(1,165,637)
Obsolescence	(32,083)	(32,083)	(32,083)	(32,083)	(32,083)	(962,511)
Grant Town Investment	(10,323)	(10,323)	(10,323)	(10,323)	(10,323)	(309,690)
Bad Debt Reserve	(61,119)	(61,119)	(61,118)	(61,118)	(61,118)	(1,833,567)
Oxford Sublease Loss						(1,104,643)
Unbilled Revenue	(154,262)	(154,262)	(154,262)	(154,262)	(154,262)	(4,627,869)
Affordable Housing						(1,863)
Fossil Gen Outage Costs						(1,718,275)
Perry Reserve						(73,212)
Early Window - B.V. #2						(64,232)
Warwick Mine Closing Costs						(2,356,286)
Beaver Valley Sale/Leaseback						(11,573,109)
<u>ACCOUNT 281</u>						
<u>ACCOUNT 282</u>						
<u>ACCOUNT 283</u>						
First Mortgage Bonds						8,024,262
Unrealized Loss on Securities	66,679	66,679	66,679	66,679	66,679	2,000,395
ESOP	14,705	14,705	14,705	14,705	14,705	441,167
System Cap						263,207
Mansfield Cap Cost						954,569
B.V. #2 Maint Outage Costs						375,970
Perry #1 Outage Costs						291,298
DOE Dec & Decontamination	32,550	32,550	32,550	32,550	32,550	976,516
B.V. #1 Maint Outage Costs						681,704
B.V. #2 Debt Cancellation						3,001,606
GE Settlement	11,938	11,937	11,937	11,937	11,937	358,136
B.V. #2 Training Costs						220,933
Early Window - Perry						734,892
Perry No. 1 O & M	35,150	35,150	35,150	34,865		1,019,065
Caretaker Expenses						744,713

Item No.: O-6
Witness: M.K. O'Brien
Page 1 of 1

DUQUESNE LIGHT COMPANY

0. Corporate Finance and Structure
6. Provide a discussion and description of the utility's proposed functional separation between regulated and nonregulated operations.

Response:

Duquesne has a subsidiary which provided \$19,665,341 of income during the test year. The benefits of this subsidiary have been used in this filing to reduce the cost of service to Duquesne's utility customers. See M.K. O'Brien's testimony, adjustment #8. No other unregulated operations are affecting Duquesne's cost of service or rate base.

DUQUESNE LIGHT COMPANY

P. Customer Service, Education and Conservation Programs

1. Provide a listing of each universal service and energy conservation policy, activity and service during the two years ending December 31, 1996. For each such policy, activity and service, state budgeted and actual funding during the two years by the company, along with any funding or contribution by any third party source.

Response:

Universal Service and Energy Conservation Policy, Activity, and Service				
Policy, Activity, and Service	1995 Budget	1995 Actual	1996 Budget	1996 Actual
Smart Comfort	\$700,000	\$711,275	\$700,000	\$788,460
Pilot Customer Assistance Program ¹	\$550,000	\$260,311	\$550,000	\$354,987
Pilot Customer Assistance Program frozen arrearage and billing deficiency write-offs ²	-----	\$0 ³	-----	\$223,390
CARES	\$60,000	\$57,361	\$60,000	\$59,538
Hardship Funds--Administration	\$65,000	\$65,000	\$65,000	\$65,000
Gatekeeper Programs ⁴	\$0	\$1,469	\$0	\$1,477
Low Income Collection Costs, including labor	\$0	\$5,000,000	\$0	\$5,000,000
Low Income Write-offs ⁵	\$0	N/A	\$0	\$5,804,226
Low Income Late Payment Charges forgiven	\$0	\$2,490,928	\$0	\$1,888,618
Consumer Credit Counseling Services	\$12,000	\$14,800	\$12,000	\$12,670
LIHEAP promotion costs	\$50,000	\$68,046	\$50,000	\$67,890

¹ Projected budget expenses include, but are not limited to program start-up, labor, equipment, programming and evaluation costs. Write-offs of both arrearage forgiveness and billing deficiencies are not included in these estimates.

² Write-offs are part of the overall Company write-offs.

³ No participants were in the pilot long enough to earn a write-off.

⁴ The Gatekeeper program is not budgeted as a separate program.

⁵ The amount expended for low income collections is part of the overall collection budget. Duquesne Light does not divide the budget into low income vs. non low income. Based on this, the listed budgeted amount is estimated in a similar manner as the Equitable Gas top down approach which is recommended in the Final Order of the Universal Service and Energy Conservation Programs. The \$5,000,000 includes allocated expenses such as mainframe computer operation time, building rents, utilities, etc. These amounts may not be available to fund other programs. All Duquesne Light labor costs associated with supporting all of the listed low income programs, except Smart Comfort and CAP, are included in this number.

⁶ Actual write offs for 1995 are not identified as low income and non low income. Duquesne Light is unable to supply this data.

Budgeted write offs are based on actual write offs in prior years. Write offs associated with low income customers is not a criteria for budgeting future expected write offs. Based on this, Duquesne Light is unable to provide this data.

⁷ Duquesne Light does not budget late payment charges. Moreover, these moneys are not revenues and are not available for future programming. They represent charges which could be but are not billed to the low-income customer.

DUQUESNE LIGHT COMPANY

P. Customer Service, Education and Conservation Programs

2. Regarding the provisions of 66 Pa.C.S. §2804 (9) and (15), state how the company intends to continue its universal service and energy conservation activities, which programs it intends to continue, how it will fund such programs, whether it commits itself to fully expend such funds, whether it intends to establish new programs or enlarge, reduce or eliminate existing programs, how it will determine the effectiveness of programs, how it intends to determine funding levels for each program and for its overall universal service and energy conservation efforts.

Response:

Duquesne Light Company will continue its current universal service and energy conservation activities¹ including its pilot Customer Assistance Program, Smart Comfort (its low-income usage reduction program), CARES, funding for the Dollar Energy Fund, and Gatekeeper. We intend, however, to view these and other initiatives as an array of resources, not as separate programs, which will be made available to low-income payment-troubled customers to enable them to maintain electric service while maximizing revenue to the Company.

We will continue to fund these activities at current levels until such time as we conduct an analysis to identify the universe of need and determine which activities are cost-effective and of benefit to all stakeholders including all customers, participants, and shareholders. When programs demonstrate their effectiveness to meet the needs of all stakeholders, we will review our funding decisions.

We are committed to prudently and effectively expending those funds committed to these activities. When programs work we will continue them. When they don't, we will seek to modify or eliminate them. Alternately, we will develop initiatives to assist low-income payment-troubled customers to assume responsibility for and control over their usage while cost-effectively benefiting all stakeholders.

As we did in designing our Smart Comfort and pilot CAP initiatives, our approach will be to first determine our business objectives and the results we wish to achieve. We will then determine the methods we will use to measure success. Then we will design program initiatives to "succeed." This design will be followed by "pilots" then by full-scale implementation. We believe this approach served our stakeholders well when we improved our already award-winning Smart Comfort and made it a national model. We will do the same for any program expansions or new initiatives we undertake.

¹ These activities are in addition to low-income account write-offs and late payment charge waivers as well as applicable Chapter 56 protections.

DUQUESNE LIGHT COMPANY

P. Customer Service, Education and Conservation Programs

3. Describe the company's existing consumer protection policies and services, including, but not limited to customer assistance plans, CARES, hardship funds, LIURP programs, Gatekeeper programs and other energy assistance programs. For each program, state the funding and participant level. For LIHEAP funding, include annual figures for the past 5 years. Identify the current organizational structure which provides these services, including in-house and outside individuals, department, and organizations with current staffing and funding levels.

Response:

Pilot Customer Assistance Program

Duquesne Light is in the second year of the three year pilot Customer Assistance Program (CAP). The program targets customers who: have been a resident at their current address for one year; have incomes less than 150% of the poverty level; have housing expenses more than 45% of their gross income; and have a \$500 arrearage on their electric bill. Under this pilot program, the customer's arrearage at the time of enrollment will be written off over three years if the customer makes full and timely monthly payments. The program also helps the customer to lower electric consumption so that at the end of the program, the customer can afford to pay his electric bill.

Funding--\$500,000/year (excluding write-offs) Participant level--1,600

Organizational Structure--DLCo: Director, Customer Programs, CAP Coordinator (FTE);
Five Community Based Organizations with 6 Full-Time Equivalent (FTE).

CARES

The purpose of Duquesne Light's HELP Program (C.A.R.E.S.) is to assist payment troubled customers, and customers with special needs obtain necessary social services support and assistance. The program targets customers whose income is less than 150% of the poverty level and senior citizens, although no needy customer will be turned away. The goal is to have an outreach worker or community agency act as an intermediary between the customer and the Company in an effort to link the customer to the necessary social service programs that will enhance the customer's ability to pay for their electric service. An outreach worker contacts referred customers and, if necessary, makes a home visit to the customer. Referrals are made by Duquesne Light, other utilities, community bases agencies, the PUC, and word of mouth.

Funding--\$130,000/year

Participants--approximately 4500

Organizational Structure--DLCo: Director of Credit, Supervisor of Customer Assistance, and 5 Customer Services Representatives; 5 Community Based Organizations

Hardship Fund

Duquesne Light's hardship fund is a partnership with the Dollar Energy Fund.

Funding--The company's stockholders match customer contributions up to \$325,000 annually. In addition, the Company contributed 10% of the total contributions, or \$65,000, in 1996 to provide administrative support.

Participants--approximately 2500/year

Organizational Structure--DLCo: Director of Credit, Supervisor of Customer Assistance; Dollar Energy Fund Staff and their community based organizations

Smart Comfort

Smart Comfort is Duquesne Light's LIURP program. It targets customers whose incomes are less than 150% of the poverty level and whose electrical usage is 125% over the average customer usage. This program evolved from strictly weatherization to an "end use" strategy. As such, reduction measures include cost effective appliance and lighting replacements.

Funding--\$700,000 annually, rate-based

Participants--approximately 700/year

Organizational Structure--DLCo: Director, Customer Programs, Weatherization Coordinator (FTE); Three Community Based Organizations with 5 FTE

Gatekeeper

Duquesne Light Company field personnel look for situations (e.g. mail piling up, exterior of house not maintained) in our service territory where elderly people may need social service support. The field personnel advise a supervisor of the situation and the supervisor contacts the appropriate social service agency to visit the customer to determine if and/or what kind of assistance the customer requires.

Funding: Part of CARES

Participants are dependent on the number of situations found.

Organizational Structure--DLCo: Director of Credit, Supervisor of Customer Assistance, Field Staff

LIHEAP Funding

These numbers reflect the federally funded grants received by DLC low income customers. They also demonstrate the steady decline of these federal funds.

	1996-1997	1995-1996	1994-1995	1993-1994	1992-1993
Amount	\$2,425,000	\$2,429,045	\$3,006,715	\$3,035,409	\$4,236,263

DUQUESNE LIGHT COMPANY

P. Customer Service, Education and Conservation Programs

4. Fully describe your proposed consumer education program, and describe how it has been designed in accordance with the requirements of 66 Pa.C.S. §2807(d) to inform customers of the changes in the electric utility industry, how the education program will provide consumers with information necessary to help them make appropriate choices as to their electric service and how such information will be provided in an understandable format that enables consumers to compare prices and services on a uniform basis.

Response:

In February 1997, Duquesne Light filed a comprehensive Retail Access Pilot Program. Under Appendix D, Section II (p.p. 7-14) of that filing, we proposed the framework for our customer education program, designed in full accordance with the requirements of 66 Pa.C.S. §2807(d). This consumer education program takes a multi-faceted approach to providing information about customer choice and the impending changes in the electric utility industry. It utilizes the media and methods most effective to appropriately convey complex topics to the individual segments of our customer base.

General Education. An extensive public information campaign provides objective explanations of the new Pennsylvania legislation and the anticipated changes in the electric utility industry that will result in the near future. The campaign begins with a ten-part series of 500-word "advertorials." These advertisements appear weekly in leading local newspapers throughout the service territory, with a concurrent direct mailing to approximately 30,000 residential, commercial and industrial customers. Each advertorial provides a simplified explanation of a significant issue associated with the customer choice process using detailed, but understandable language. Subjects include the new legislation, the pilot programs, stranded investment and the shift from the obligation to serve to the obligation to deliver. The second phase of the print campaign consists of a series of 25-word advertisements. These ads address similar issues, with content and graphics designed to reach a much broader segment of the general population. These mass market advertisements also appear on a regular schedule in leading local newspapers. To further expand accessibility, both the advertisements and the advertorials appear regularly on the DQE website on the Internet.

Customer Service. A team of specially trained telephone representatives responds to customer inquiries generated by the advertisements or any other information sources. A dedicated, toll-free line staffed by these representatives handles all customer inquiries about retail choice in an unbiased, professional manner. A brochure designed to address preliminary concerns about customer choice is also available, and mailed to these customers on request.

More detailed information packages describing the anticipated changes resulting from the legislation are available for special interest groups such as the financial community and government officials. Where appropriate, Duquesne Light personnel address specific customer questions on an individual basis via telephone, e-mail, or written response.

Pilot Program. A detailed customer notification package provides specific education information to those customers eligible to participate in the pilot program. This package informs customers of the changes in the electric utility industry and encourages them to participate in the pilot. It allows participants to request withholding of their personal information from alternative generation suppliers, and introduces the options that customers will have as pilot participants. The package also provides individualized, historical consumption information necessary to help customers make appropriate choices regarding their electric service. An extensive Q & A insert provides additional information on specific areas of interest and concern. These inquiries emerged from customer research and actual questions asked during employee and customer communications meetings.

Community Information. As an additional information source, a videotaped cable TV program provides general education material about the pilot program procedures. Although targeted to pilot participants, the program will appear on basic cable channels accessible to most residents in the service territory. Copies of this video program are also available to pilot participants without access to cable television via community libraries, municipal offices and other public sources. Working with local government officials and community outreach organizations, we will offer live information workshops in the communities chosen to participate in the pilot program. These educational meetings help explain the changes in the electric utility industry and clarify the terms of participation in the pilot program. Consumers will also have the opportunity to ask questions about the legislation, the pilot programs and the changes in the electric utility industry that will affect them directly.

Other education sources. Internal means such as employee meetings, newsletters and other publications, feature ongoing discussions about the new legislation and the changes that are resulting in the electric utility industry. These internal communications serve to provide factual information that employees can pass on to friends, family and customers with whom they interact. These internal communications also help debunk inaccuracies in public information about competition. When requested, Duquesne Light employees make educational presentations to affinity groups throughout the service territory to explain the fundamental changes resulting from customer choice, and answer specific questions.

Regular customer communications, such as bill inserts and the annual report, also address the topic of retail choice, customer options, and the changes Duquesne Light expects to take place in the near future. External coordination efforts and activities via non-profit customer outreach organizations and membership on the Electric Competition Task Force also provide ample opportunity to identify and address education needs.

DUQUESNE LIGHT COMPANY

P. General Description of Utility Operations

5. Identify all criteria used by the company to categorize customers as low income customers. State the collection costs for the base year 1996 associated with handling low income customer accounts, including administrative expenses associated with termination activity (10-day termination notice, personal contact, 48-hour notice, actual termination of service, post termination and restoration costs, negotiating payment arrangement requests, budget counseling, handling formal and informal complaints, securing and maintaining deposits, tracking delinquent accounts, collection agency expenses, litigation expenses, dunning expenses and winter survey expenses.

Response:

The criteria used by the Company to categorize customers as low income customers is based on household income level and family size. Duquesne Light uses the same income guidelines which the Pennsylvania Department of Welfare uses to administer the Low Income Home Energy Assistance Program. Duquesne Light considers a customer's household low income when the household income is at or less than 150% of the poverty level.

Duquesne has approximately 80% of the collection operation working with active delinquent residential customers. The other 20% is attributable to commercial and final accounts. Of the active delinquent residential customers approximately 60% of the credit and collection activities are associated with low income customers. Based on this, it is estimated that Duquesne expends \$5 million handling low income customer accounts, including administrative expenses associated with termination activity. This is in addition to the waiving of late payment charges and write-offs.

DUQUESNE LIGHT COMPANY

P. General Description of Utility Operations

6. State the dollar amount of the company's gross residential write-offs for 1996, the portion related to low income customers or an estimate of the portion related to low income customers.

Response:

	Gross Write-off	Recovery	Net Write-off	Net/Gross %
Low Income	\$ 6,239,732	\$ 434,874	\$ 5,804,858	93%
Other	\$ 6,466,569	\$ 2,898,058	\$ 3,568,511	55%
Total	\$ 12,706,301	\$ 3,322,932	\$ 9,383,369	74%

ISSUE: Duquesne Light only has \$ 5.9 million in the rates for net charge offs.

DUQUESNE LIGHT COMPANY

P. General Description of Utility Operations

7. State how many residential service customers were served in 1996, the number of residential customers known to be low income customers, and total estimated low income customers below the company's definition of low income customers. State how many residential customers are payment troubled customers, how many payment troubled customers are low income customers and how does the company define "payment troubled"? How many low income customers are known to be payment troubled customers, and what is the estimate of the total number of low income, payment troubled customers?

Response:

- Duquesne Light served 522,574 residential customers in 1996.
- Duquesne Light believes that 52,538 customers are low income based on Duquesne Light's definition of low income.
- The number of potential low income customers in Duquesne Light's service territory is based on Allegheny and Beaver County information. Their information lists 141,113 households at or below 150% of the federal poverty level. Not all of these households are customers of Duquesne Light. Many are provided electricity through mastered meters.
- Duquesne Light had 114,724 payment troubled customers in December 1996 of which 73,878 were more than 30 days delinquent.
- Duquesne Light defines "payment troubled" as a customer who owes the Company an amount > \$25.00 and has not paid beyond 45 days past the due date of the bill. This definition is different than "residential account in arrears".
- Duquesne Light had 33,802 delinquent low income payment troubled customers in December 1996.
- In December of 1996, Duquesne Light had 52,538 low income customers who were identified as being payment troubled through the collection process. Not all of them were delinquent in December 1996.

DUQUESNE LIGHT COMPANY

P. General Description of Utility Operations

8. State the company's definition of a residential account in arrears, the total number of residential accounts in arrears in 1996, the number of those accounts which were low income customers, dollars in arrears owed by identified low income customers, and total number of dollars in arrears (identified and estimated).

Response:

- Duquesne Light Company considers a residential account in "arrears" when their bill is delinquent 7 days past the due date. In addition, Duquesne Light still considers an account as delinquent when a customer makes a repayment plan. Also, their account balance remains aged as if no payment agreement exists.
- Duquesne Light had 114,724 residential accounts in arrears in December 1996 of which 73,878 were more than 30 days delinquent.
- Of the 73,878 residential accounts in arrears more than 30 days, 33,802 were identified as low income customers.
- The 33,802 low income customers owed Duquesne Light a past due balance of \$27,107,000.
- The total amount in arrears for the 114,724 customers was \$41,748,509.

DUQUESNE LIGHT COMPANY

P. *Customer Service, Education and Conservation Programs*

9. What would CAP enrollment be if the program was large enough to accommodate all low income negative ability to pay customers? State number of customers still in need of LIURP services. State how much it would cost to serve all customers which need LIURP services.

Response:

Using existing eligibility criteria¹, we conservatively estimate that at least 7,000 customers could be eligible for an expanded Customer Assistance Program. A change in the eligibility criteria would obviously impact this number.

Based on 1996 estimated census data, it appears that as many as 141,000 households are at or below 150% of the federal poverty guideline. Not all these households, however, are eligible for either our CAP or Smart Comfort programs.

We will determine the remaining need for Smart Comfort as part of our "needs assessment" to be conducted pursuant to the requirements contained in the final guidelines for universal service and energy conservation programs. Until such time as we conclude this analysis, we have no basis for estimating either the number of customers needing Smart Comfort or the projected cost associated with such a program.

¹ Household income at or below 150% of the federal poverty guideline; arrearage greater than \$500; a Duquesne Light customer for at least 12 months; housing expenses greater than 45% of gross household income.

DUQUESNE LIGHT COMPANY

P. Customer Service, Education and Conservation Programs

10. Does the company intend to shift traditional collection costs to fund universal service and energy conservation activities? What is the plan for accomplishing this? If there is no such plan, why not?

Response:

Duquesne Light Company intends to continue funding its universal service and energy conservation activities as it is presently doing. Duquesne has only recently received the Commission's Final Order [Docket No. R-000960890F0010, entered July 11, 1997] on Universal Service and Energy Conservation. As such, the most effective approach for funding these activities is predicated on the completion of our Universal Service and Energy Conservation Plan scheduled to be completed on or before November 1, 1997.

DUQUESNE LIGHT COMPANY

P. Customer Service, Education and Conservation Programs

11. State all plans to use community based organizations to assist low income customers, and state known technical and administrative experience of such organizations to assist such customers.

Response:

In our current Universal Service Programs we have used a number of outside contractors. We will continue to use these agencies when they can deliver our services to our customers cost-effectively. We have found that there is a real requirement to ensure that our missions are compatible and that such agencies can combine the provision of customer assistance while emphasizing the customer's personal responsibility. It is also necessary for these agencies to develop a recognition that cost-effectiveness is a primary requirement of successful programs.

The following community based organizations are currently contracted for our various programs:

Conservation Consultants Inc. (CCI) - The main vendor for the Smart Comfort Program. It has been involved with the program since its inception. CCI is one of the leading environmental agencies in the Southwestern Pennsylvania area. It combines environmental and social programming throughout a wide community base.

Steel Valley Opportunities Industrialization Center (SVOIC) - A state weatherization agency based in the heart of one of the state's most depressed areas. SVOIC has been one of the two main Smart Comfort agencies used to provide weatherization in low-income housing. They supply Smart Comfort Program with a full time, annually contracted Energy Manager and also administer our pilot CAP.

Kinetics, Inc. - A for-profit, "start-up" weatherization company. They bring a quality driven program to the field, and are also one of the main "weatherizers" for a local gas utility, that has achieved the most successful LIURP energy savings among gas utilities. They also supply Smart Comfort with a full time, annually contracted Energy Manager.

Catholic Charities, Pittsburgh - The social service agency for the Catholic Diocese of Pittsburgh and one of the most long standing and traditional social service agencies within the community. It is both a Dollar Energy Fund and United Way agency. They are currently our largest CAP agency.

Catholic Charities, Monaca - The agency is also part of the Diocesan Catholic Charities targeted to a specific geographic area. They currently provide CAP services to the westernmost sections of Duquesne Light's service territory.

North Hills Community Outreach - This social service agency provides social services in the northern sections of the Pittsburgh area. A Dollar Energy Fund and United Way Agency; they are deeply rooted and networked into the areas they serve. They are currently a CAP provider.

Goodwill Industries Inc. - A social service agency nationally recognized for the rehabilitation and skills/job training of the mentally and physically challenged. They maintain a social outreach program for basic human needs throughout the community. They are the current implementing agency for the Duquesne Lights CARES Program.

Dollar Energy Fund - A nationally recognized institution that provides grants for those individuals unable to pay their utility bills. Duquesne Light was the first utility supporter of this organization. We continue to be a major funding source for the Dollar Energy Fund.

All of these companies have been used to varying degrees throughout more than a decade of CARES, LIURP and CAP programming. As our programs have evolved, many of these organizations have also evolved to stay current to our needs and the needs of our customers.

We plan to continue the majority of these companies for future programming. We also plan to become even more networked into the communities we serve.

As we continue to increase our services, we will work with many of these organizations to enable them to grow with us. Certainly, the employment of new organizations will have to be considered. Changing customer needs may present us with new challenges that we will meet by changing ourselves and our service delivery methods. As our customers' needs change, we will constantly review these organizations in our efforts to provide cost effective, quality services.

DUQUESNE LIGHT COMPANY

P. Customer Service, Education and Conservation Programs

12. State how new customers will apply for electric service and select a generation supplier. State how electric power will be supplied in the event that new or existing customers do not, or are unable to select a third party generation supplier.

Response:

New customer applications. New customers will apply for electric service in the same manner that they have always made application. At the time of this application, all customers eligible for retail choice (based upon PUC-approved guidelines for customer nomination during the transition period) receive a list of PUC-licensed electricity generation suppliers. Customers eligible for retail choice will select a generation supplier from this list when they request new service. If available, customers will also have the option to accept bundled service from Duquesne Light. Customer Service personnel will make no attempt to recommend or persuade customers to choose any particular generation supplier during the application process.

When advising of their generation supplier selection, customers must indicate the name of the alternate supplier and the billing option (integrated or separate). We will remind all customers that confirmation of the selection by the alternate supplier is necessary before we can activate the change. We also tell the customer that they can change or cancel the selection at any time before activation, as well as after activation—subject to the terms of their agreement with the alternate supplier. While Duquesne Light will accept notification of the customer's selection of a third party generation supplier from either source, the actual activation will not take place until receipt of confirmation of the switch by both the customer and the third party supplier.

For those who do/cannot choose. During the pilot, and subsequent transition period, customers who do not, or cannot select a third party generation supplier will retain the option to remain on Duquesne Light's bundled tariff. If the bundled tariff is not available (for any reason), Duquesne Light will ensure that these customers have access to electric energy at the prevailing market prices. After the transition is complete, customers will remain on Duquesne Light's prevailing market rates for the customer class, unless the PAPUC implements alternate procedures.

DUQUESNE LIGHT COMPANY

P. Customer Service, Education and Conservation Programs

13. In instances in which the end-use customer chooses to receive a single bill from the electric utility for all electric services regardless of generation supplier, provide a proposed billing format. Show how charges will be unbundled to enable customers to determine the basis for each charge. State the procedures which will be employed to receive accurate, timely billing data from other providers in rendering customer bills after restructuring commences. State how the company intends to prevent the improper disclosure or use of sensitive or proprietary customer information, obtained from outside generation suppliers for billing purposes, within the company or to third parties. Indicate how the company will apply partial payments in satisfaction of the unbundled charges. State how customer billing inquiries or complaints will be handled in a timely and effective fashion.

Response:

Consolidated Bill Form

Duquesne will provide each customer the choice to receive a single consolidated bill with itemized charges. Its appearance is similar to the current bill except that it unbundles transmission, distribution, competitive transition charge (CTC) and electricity generation charges. The bill form clearly separates the utility delivery charges from the competitively-priced electricity generation charges. A standard bill form will enable customers to compare prices and services on a uniform basis. Duquesne will provide this consolidated bill in compliance with Chapter 56 regulations and plain language requirements. (Exhibits P-13A and P-13B show sample bill forms). In focus group sessions conducted in March 1997, customers who examined the proposed residential consolidated bill form without any prices or charges responded that the proposed itemization of the various charges was helpful in understanding the bill.

Consolidated Billing Service

Duquesne will provide metering services for customers who choose to receive a single consolidated bill. For information purposes Duquesne will provide electricity suppliers monthly kilowatt-hour readings and monthly maximum kilowatt demand readings (if applicable) in accordance with the existing Duquesne meter reading and billing cycles. Duquesne will provide metering services consistent with Chapter 56 regulations, including estimated readings for utility service when actual meter readings cannot be obtained.

Duquesne plans to offer a complete billing service to the suppliers during the Transition Period, i.e., 1999 through 2005. Duquesne will prepare consolidated bills by computing the generation charges based on rate schedules provided by the electricity suppliers. Calculated bill amounts for generation will be forwarded to the electricity

suppliers in addition to the meter reading data. Consolidated billing services offered by Duquesne during the Transition Period will be provided based on a contract between each electricity supplier and Duquesne for the terms and conditions of the billing and related services.

Supplier electricity charges will remain confidential, consistent with Duquesne's code of conduct. Customer information regarding load and consumption shall be provided directly to each customer upon request. Duquesne shall not release the following information ("confidential information") to Duquesne's Retail Marketers or any other generation suppliers without the customer's explicit authorization: the price, quantity, type or destination of a regulated service provided to a customer; the customer's billing, payment or credit history for regulated services; or information on a customer's desire to purchase unregulated products or services. If authorized by a customer, Duquesne shall *simultaneously make available to all generation suppliers any confidential information* Duquesne provides to its Retail Marketers.

Customer Payment Processing

For those customers to whom Duquesne renders a single, consolidated bill, Duquesne will process customer payments for electricity suppliers related to the generation charges on the bill. Customers will continue to have choice among a variety of payment options provided by the Company. Duquesne will process walk-in payments at Company locations, mail-in payments, walk-in payments at authorized payment agency locations, payments by telephone bill paying service and pre-authorized electronic direct debit payments.

In the absence of customer direction to the contrary, partial payments will be applied: (i) first to extinguish Duquesne's receivables; (ii) second to extinguish electricity supplier receivables; and (iii) any residual to be applied to Duquesne's receivable balance. Payments applied to Duquesne's receivables will extinguish the competitive transition charge balance first. Credit balances resulting from overpayments will be carried forward to future bills in the Duquesne receivable balance. This method of applying payments is consistent with Chapter 56 and good business practice.

Duquesne will transfer funds to each electricity supplier within a reasonable period of time following receipt and processing to ensure that payments are good funds to Duquesne at the time of transfer. Customer payments that are dishonored for any reason will be excluded from the funds transfer and will be reported to the electricity suppliers. Fund transfers between Duquesne and electricity suppliers will be in United States dollars. Gross receipts tax on the generation charges of the electricity suppliers will be remitted to the Commonwealth of Pennsylvania by the electricity suppliers.

Customer Billing Inquiries or Complaints

Duquesne will develop new and enhance existing customer information online data displays which will enable service representatives to answer customer inquiries for the transmission and distribution and electricity supplier portions of the bill. The new online data displays will detail the breakdown of bills and payments for both Duquesne and electricity suppliers and will detail all components of the consolidated bill.

Duquesne will provide the supplier's name and telephone number in the message center on the consolidated bill. Any inquiry or dispute related to supplier plans or rates will be referred to the customer's electricity supplier for further explanation.

Duquesne will handle any inquiry or dispute related to the transmission and distribution portions of the bill in compliance with Chapter 56 regulations. Duquesne will notify the supplier when a billing dispute is initiated and will stop all collection activity on the disputed portion of the bill. Duquesne will again notify the supplier when the dispute is resolved and collection activity resumes.



CHOICE CUSTOMER
123 MAIN ST

EXHIBIT P-13A
RATE (RSP) - Residential Service

Account Number
1000-123-456-001

H

Duquesne Light Company Billing Information

Meter Read Information

Present: Mar 1, 19XX - Actual 0500
 Prior: Feb 1, 19XX - Actual 0000
 Difference 500
 Your Meter Multiplier X 1
 Total kWh used 500

Prior Billing Information

Amount Of Last DLCo Bill \$XX.XX
 Payment Received: Feb 15 - Thank You -XX.XX
 Amount Owed From Your Last DLCo Bill \$X.XX

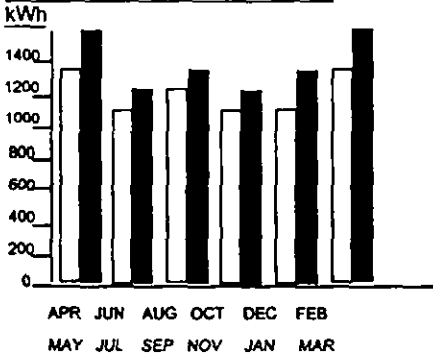
Current Charges

Customer Distribution Charge \$X.XX
 Competitive Transition Charge - Fixed X.XX
 Transmission Charge 500 kWh @ X.XXX¢ X.XX
 Distribution Charge 500 kWh @ X.XXX¢ X.XX
 Competitive Transition Charge - Variable 500 kWh @ X.XXX¢ X.XX
 Current DLCo Billing Charges \$XX.XX

Your Pledge To The Dollar Energy Fund X.XX

Total DLCo Account Balance \$XX.XX

Electric Usage Bi-Monthly



■ Prior 12 Months □ Latest 12 Months

Message Center Supplier ABC Billing Information

For questions regarding the Supplier ABC portion of the bill, please call 1-800-555-4567

Your Total Taxes: Around 14.3% of your total bill is for Federal, State and Local taxes.

Prior Billing Information

Amount Of Last Supplier Bill \$XX.XX
 Payment Received: Feb 15 - Thank You -XX.XX
 Amount Owed From Your Last Supplier Bill \$X.XX

Current Charges

Usage: 500 kWh From Feb 1 To Mar 1 X.XX

Total Supplier Account Balance \$XX.XX

Total Amount Due \$XX.XX

Estimated Gross Receipts Taxes \$X.XX	Estimated PA State Taxes \$X.XX	Late charge after Mar 20, 19XX \$X.XX	PAYMENT DUE Mar 25, 19XX	BUDGET AMOUNT \$XX.XX or	AMOUNT DUE \$XX.XX
---------------------------------------	---------------------------------	---------------------------------------	--------------------------	--------------------------	--------------------

MAKE CHECK PAYABLE TO DUQUESNE LIGHT

Account Number
1000-123-456-001

AMOUNT ENCLOSED	PAYMENT DUE Mar 25, 19XX	BUDGET AMOUNT \$XX.XX	AMOUNT DUE \$XX.XX
-----------------	--------------------------	-----------------------	--------------------

YOU MAY PAY EITHER AMOUNT
Please return this portion with your payment.



CHOICE CUSTOMER
123 MAIN ST

Actual Meter
Reading Bill

TTSBUF H PA 15212-0884

11 00000000 0000000000

EXHIBIT P-13B

ACCOUNT NUMBER
2000654321001

SERVICE USED AT: 321 MAIN ST
RATE GS/GMP - GENERAL SERVICE SMALL AND MEDIUM

DATE PREPARED
H SEP 01, 19XX

TYPE OF SERV	SERVICE PERIOD		KILOWATT HOUR INFORMATION				KW DEMAND INFORMATION			
	FROM	TO	METER READINGS		DIFFERENCE	METER CONSTANT	KILOWATT HOURS	DEMAND READING	PWR. FACT. MULT.	BILLING DEMAND
			PRIOR	PRESENT						
P	02-08	03-10	3442	3465	23	480.0	11040	.08	1.00	38.40
L	02-08	03-10	0193	0387	194	12.0	2328	.93		11.20
					TOTAL		13368			49.60

DUQUESNE LIGHT COMPANY BILLING INFORMATION				SUPPLIER ABC BILLING INFORMATION			
AMOUNT OF LAST BILL			\$XXX.XX	AMOUNT OF LAST BILL			\$XXX.XX
PAYMENT - FEBRUARY 23			XXX.XX CR	PAYMENT - FEBRUARY 23			XXX.XX CR
ACCOUNT BALANCE REMAINING			\$X.XX	ACCOUNT BALANCE REMAINING			\$X.XX
CUSTOMER DISTRIBUTION CHARGE - BILLING PERIOD (1.00 MO.)			\$X.XX	CHARGES FOR 02-08 THRU 03-10			
COMPETITIVE TRANSITION CHARGE - FIXED			XX.XX	KWH: 13368 KW: 49.6			XXX.XX
DELIVERY CHARGES - DEMAND				PENNSYLVANIA SALES TAX			XX.XX
TRANSMISSION CHARGE	5 KW @ NO CHARGE		.XX	CURRENT BILLING PERIOD AMT			XXX.XX
	44.6 KW @ \$X.XX / KW		XX.XX	PRESENT ACCOUNT BALANCE			\$XXX.XX
DISTRIBUTION CHARGE	5 KW @ NO CHARGE		.XX				
	44.6 KW @ \$X.XX / KW		XX.XX				
COMPETITIVE TRANSITION CHARGE	49.6 KW @ \$X.XX / KW		XX.XX				
DELIVERY CHARGES - ENERGY							
DISTRIBUTION CHARGE	550 KWH @ X.XX¢ / KWH		XX.XX				
	750 KWH @ X.XX¢ / KWH		XX.XX				
	12068 KWH @ X.XX¢ / KWH		XX.XX				
COMPETITIVE TRANSITION CHARGE	550 KWH @ X.XX¢ / KWH		XX.XX				
	750 KWH @ X.XX¢ / KWH		XX.XX				
	12068 KWH @ X.XX¢ / KWH		XX.XX				
PENNSYLVANIA SALES TAX			XX.XX				
CURRENT BILLING PERIOD AMOUNT			XX.XX				
PRESENT DLCO ACCOUNT BALANCE			\$XXX.XX				
				MESSAGE CENTER			
				FOR QUESTIONS REGARDING THE SUPPLIER ABC OF YOUR BILL, PLEASE CALL 1-800-555-4567.			
				APPROXIMATELY 16.5% OF YOUR BILL IS FOR FEDERAL, STATE AND LOCAL TAXES.			
				TOTAL AMOUNT DUE			
				\$XXXX.XX			

EST. PA STATE TAXES	LATE PYMT CHARGE RATE PER MONTH
\$XXX.XX	1.25%

PAYMENT DUE	DLCO AMOUNT	SUPPLIER AMT	TOTAL AMT DUE
MAR 28 'XX	XXX.XX	XXX.XX	XXXX.XX

Duquesne Light

One Oxford Centre
301 Grant Street
Pittsburgh, PA 15279-0001

AMOUNT ENCLOSED	PAYMENT DUE	TOTAL AMOUNT DUE
	MAR 28 'XX	XXXX.XX

MAKE CHECK PAYABLE TO DUQUESNE LIGHT

ACCOUNT NUMBER 2000654321001

COMMERCIAL CHOICE CUSTOMER
321 MAIN ST
PITTSBURGH, PA 15212-0084

PLEASE RETURN THIS PORTION
WITH YOUR PAYMENT.

2000654321001 000000000000 000000000000 000000000000

DUQUESNE LIGHT COMPANY

P. Customer Service, Education and Conservation Programs

14. Provide a proposed billing format for customers who choose to be billed separately for energy service by their electric generation provider. Show how charges will be unbundled to enable customers to determine the basis for each charge. State the procedures from other providers (if any) in rendering customer bills after restructuring commences. Indicate how customer billing inquiries or complaints will be handled in a timely and effective fashion.

Response:

Separate Billing

Duquesne will provide each customer the choice to receive a separate bill from their electricity supplier. If a customer chooses separate billing, they will receive two bills: one from Duquesne for charges related to transmission and distribution and one from their electricity supplier for their generation charges.

For those customers who choose to receive a separate bill from their electricity supplier, the supplier will issue a bill directly to the customer, the form and content of which will be determined by the suppliers, subject to Commission regulations.

Duquesne Bill Form

The Duquesne bill form will be the same as for those customers who receive a single bill from Duquesne. The only difference will be that the electricity supplier data will not be included on the bill. (See Exhibit P-14A and P-14B.) A bill message will show that the customer has selected billing from their electricity supplier.

Separate Billing Service

Duquesne will provide metering services for customers who choose to receive a separate bill from the electricity supplier. For bill calculation purposes Duquesne will provide electricity suppliers monthly kilowatt-hour readings and monthly maximum kilowatt demand readings (if applicable) in accordance with the existing Duquesne meter reading and billing cycles. The information will be electronically forwarded to electricity suppliers for their customers on the day after the normal meter reading cycle. Duquesne will provide metering services consistent with the Chapter 56 regulations, including estimated readings for utility service when actual meter readings cannot be obtained.

Customer Payment Processing

Customers who have chosen to receive separate bills from electricity suppliers will remit payments for electricity directly to them.

Customer Billing Inquiries or Complaints

Duquesne will handle any inquiry or dispute related to the transmission, distribution or competitive transition charge (CTC) items of the bill in compliance with Chapter 56 regulations. Customer inquiries or disputes related to the electricity supplier bill will be documented and referred to the electricity supplier for handling.



CHOICE CUSTOMER
123 MAIN ST

EXHIBIT P-14A
RATE (RSP) - Residential Service

Account Number
1000-123-456-001

H

Duquesne Light Company Billing Information

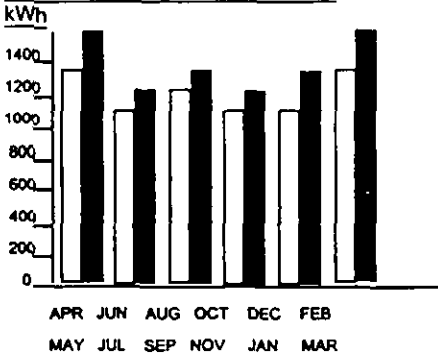
Meter Read Information

Present: Mar 1, 19XX - Actual 0500
 Prior: Feb 1, 19XX - Actual 0000
 Difference 500
 Your Meter Multiplier X 1
 Total kWh used 500

Prior Billing Information

Amount Of Last DLCo Bill \$XX.XX
 Payment Received: Feb 15 - Thank You -XX.XX
 Amount Owed From Your Last DLCo Bill \$X.XX

Electric Usage Bi-Monthly



■ Prior 12 Months □ Latest 12 Months

Current Charges

Customer Distribution Charge \$X.XX
 Competitive Transition Charge - Fixed X.XX
 Transmission Charge 500 kWh @ X.XXX¢ X.XX
 Distribution Charge 500 kWh @ X.XXX¢ X.XX
 Competitive Transition Charge - Variable 500 kWh @ X.XXX¢ X.XX
 Current DLCo Billing Charges \$XX.XX

Your Pledge To The Dollar Energy Fund X.XX

Total DLCo Account Balance \$XX.XX

Message Center Supplier ABC Billing Information

For questions regarding the Supplier ABC portion of the bill, please call 1-800-555-4567

Your Total Taxes: Around 14.3% of your total bill is for Federal, State and Local taxes.

OUR RECORDS INDICATE THAT YOU HAVE REQUESTED A SEPARATE BILL FOR YOUR SUPPLIER ENERGY CHARGES.

Estimated Gross Receipts Taxes \$X.XX	Estimated PA State Taxes \$X.XX	Late charge after Mar 20, 19XX \$X.XX	PAYMENT DUE Mar 25, 19XX	BUDGET AMOUNT \$XX.XX or	AMOUNT DUE \$XX.XX
---------------------------------------	---------------------------------	---------------------------------------	--------------------------	--------------------------	--------------------

MAKE CHECK PAYABLE TO DUQUESNE LIGHT

Account Number
1000-123-456-001

AMOUNT ENCLOSED	PAYMENT DUE Mar 25, 19XX	BUDGET AMOUNT \$XX.XX	AMOUNT DUE \$XX.XX
-----------------	--------------------------	-----------------------	--------------------

YOU MAY PAY EITHER AMOUNT
Please return this portion with your payment.

CHOICE CUSTOMER
123 MAIN ST
PITTSBURGH PA 15212-0884

Actual Meter Reading Bill

100012345600

EXHIBIT P-14B

ACCOUNT NUMBER
2000654321001

SERVICE USED AT: 321 MAIN ST
RATE GS/GMP - GENERAL SERVICE SMALL AND MEDIUM

DATE PREPARED
H SEP 01, 19XX

TYPE OF SERV	SERVICE PERIOD		KILOWATT HOUR INFORMATION				KW DEMAND INFORMATION			
	FROM	TO	METER READINGS		DIFFERENCE	METER CONSTANT	KILOWATT HOURS	DEMAND READING	PWR. FACT. MULT.	BILLING DEMAND
			PRIOR	PRESENT						
P	02-08	03-10	3442	3465	23	480.0	11040	.08	1.00	38.40
L	02-08	03-10	0193	0387	194	12.0	2328	.93		11.20
					TOTAL		13368			49.60

DUQUESNE LIGHT COMPANY BILLING INFORMATION			SUPPLIER ABC BILLING INFORMATION	
AMOUNT OF LAST BILL		\$XXX.XX	<p>OUR RECORDS INDICATE THAT YOU HAVE REQUESTED A SEPARATE BILL FOR YOUR SUPPLIER ENERGY CHARGES.</p> <hr/> <p>MESSAGE CENTER</p> <p>FOR QUESTIONS REGARDING THE SUPPLIER ABC OF YOUR BILL, PLEASE CALL 1-800-555-4567.</p> <p>APPROXIMATELY 16.5% OF YOUR BILL IS FOR FEDERAL, STATE AND LOCAL TAXES.</p>	
PAYMENT - FEBRUARY 23		XXX.XX CR		
ACCOUNT BALANCE REMAINING		\$X.XX		
CUSTOMER DISTRIBUTION CHARGE - BILLING PERIOD (1.00 MO.)		\$X.XX		
COMPETITIVE TRANSITION CHARGE - FIXED		XX.XX		
DELIVERY CHARGES - DEMAND				
TRANSMISSION CHARGE	5 KW @ NO CHARGE	.XX		
	44.6 KW @ \$X.XX / KW	XX.XX		
DISTRIBUTION CHARGE	5 KW @ NO CHARGE	.XX		
	44.6 KW @ \$X.XX / KW	XX.XX		
COMPETITIVE TRANSITION CHARGE	49.6 KW @ \$X.XX / KW	XX.XX		
DELIVERY CHARGES - ENERGY			<p>TOTAL AMOUNT DUE: \$XXXX.XX</p>	
DISTRIBUTION CHARGE	550 KWH @ X.XX¢ / KWH	XX.XX		
	750 KWH @ X.XX¢ / KWH	XX.XX		
	12068 KWH @ X.XX¢ / KWH	XX.XX		
COMPETITIVE TRANSITION CHARGE	550 KWH @ X.XX¢ / KWH	XX.XX		
	750 KWH @ X.XX¢ / KWH	XX.XX		
	12068 KWH @ X.XX¢ / KWH	XX.XX		
PENNSYLVANIA SALES TAX		XX.XX		
CURRENT BILLING PERIOD AMOUNT		XX.XX		
PRESENT DLCO ACCOUNT BALANCE		\$XXX.XX		

EST. PA STATE TAXES	LATE PYMT CHARGE RATE PER MONTH
\$XXX.XX	1.25%

PAYMENT DUE	DLCo AMOUNT	SUPPLIER AMT	TOTAL AMT DUE
MAR 28 'XX	XXX.XX	XXX.XX	XXXX.XX

Duquesne Light

One Oxford Centre
301 Grant Street
Pittsburgh, PA 15279-0001

AMOUNT ENCLOSED	PAYMENT DUE	TOTAL AMOUNT DUE
	MAR 28 'XX	XXXX.XX

MAKE CHECK PAYABLE TO DUQUESNE LIGHT

ACCOUNT NUMBER 2000654321001

COMMERCIAL CHOICE CUSTOMER
321 MAIN ST
PITTSBURGH, PA 15212-0084

PLEASE RETURN THIS PORTION
WITH YOUR PAYMENT.

2000654321001 000000000000 000000000000 000000000000

DUQUESNE LIGHT COMPANY

P. Customer Service, Education and Conservation Programs

15. If the utility intends to permit generation suppliers (including its own generation affiliate or division) to bill all charges, provide a proposed billing format. Show how charges will be unbundled to enable customers to determine the basis for each charge. State the procedures which will be employed to transmit accurate, timely billing data to other providers in rendering customer bills after restructuring commences. Indicate how the billing company will apply partial payments in satisfaction of the unbundled charges. State how customer billing inquiries or complaints will be handled in a timely and effective fashion.

Response:

Duquesne will continue to perform essential regulated metering, billing, and other customer related services during the Transition Period. The precise line of demarcation between regulated distribution services and competitive retail services will need to be established. There is a question of whether metering, billing, and certain types of customer services - which are regulated distribution services today - should be deemed to be regulated or competitive services after the Transition Period. Whether these services can and should be provided on a competitive basis at the end of the seven-year Transition Period will depend in part on market developments that may occur during the Transition Period, but are uncertain today.

Duquesne believes that metering, billing and customer services should remain regulated as distribution services until the ability to provide them competitively in a safe and reliable manner has been demonstrated as part of a Commission proceeding. Duquesne recognizes that these services could eventually become competitive. However, during the Transition Period, as the new industry structure evolves, Duquesne believes that the potential costs of allowing metering to be competitive exceed the benefits for the reasons stated in Mr. Allison's testimony.

Therefore, the Company recommends that metering, billing and related services remain regulated until a generic proceeding involving all the Pennsylvania utilities to address further unbundling of these services has been completed.

See the responses to Exhibit Numbers P-13 and P-14.

DUQUESNE LIGHT COMPANY

P. Customer Service, Education and Conservation Programs

16. Describe how the company will provide customer service functions consistent with the requirements of 66 Pa.C.S. §2807(d) and 2809(e).

Response:

We respond by sections to each paragraph.

§ (D) 2807 - CONSUMER PROTECTIONS AND CUSTOMER SERVICE. -- THE ELECTRIC DISTRIBUTION COMPANY SHALL CONTINUE TO PROVIDE CUSTOMER SERVICE FUNCTIONS CONSISTENT WITH THE REGULATIONS OF THE COMMISSION. INCLUDING METER READING, COMPLAINT RESOLUTION AND COLLECTIONS. CUSTOMER SERVICES SHALL, AT A MINIMUM, BE MAINTAINED AT THE SAME LEVEL OF QUALITY UNDER RETAIL COMPETITION.

- A. Duquesne Light plans to continue to perform the functions referred to in paragraph 2807(d) and 2809(e) as it has in the past. Duquesne intends to maintain control over the activities mentioned and provide service consistent with regulations of the Commission and at a level comparable to our past performance. Duquesne is installing an automatic meter reading system and will provide at a minimum, monthly meter readings. Complaint resolution and collection activities will meet or exceed Chapter 56 requirements. The quality of customer service will continue to be measured through independent customer surveys and service reliability through industry accepted performance standards.
- (1) THE COMMISSION SHALL ESTABLISH REGULATIONS TO ENSURE THAT AN ELECTRIC DISTRIBUTION COMPANY DOES NOT CHANGE A CUSTOMER'S ELECTRICITY SUPPLIER WITHOUT DIRECT ORAL CONFIRMATION FROM THE CUSTOMER OF RECORD OR WRITTEN EVIDENCE OF THE CUSTOMER'S CONSENT TO A CHANGE OF SUPPLIER.
- A. The company will allow confirmation of a customer's choice of supplier and service options in two ways. First, the supplier can send the Company a service agreement signed by the customer. Second, the customer may call the Company. The Company will verify that the caller is authorized to change the account's status (through social security number or other information). The Company will then ask the customer for the name of the alternative supplier, the billing options (integrated or separate billing) and the supplier rate plan (if the integrated billing option is chosen). The customer-supplied information must be verified by supplier-supplied information.

Upon confirmation of the customer's choice in either of these two ways, the Company will send the customer a notification of the changes in its service. This notification will alert customers of any unauthorized changes in their account.

- (2) THE COMMISSION SHALL ESTABLISH REGULATIONS TO REQUIRE EACH ELECTRIC DISTRIBUTION COMPANY, ELECTRICITY SUPPLIER, MARKETER, AGGREGATOR AND BROKER TO PROVIDE ADEQUATE AND ACCURATE CUSTOMER INFORMATION TO ENABLE CUSTOMERS TO MAKE INFORMED CHOICES REGARDING THE PURCHASE OF ALL ELECTRICITY SERVICES OFFERED BY THAT PROVIDER.
INFORMATION SHALL BE PROVIDED TO CONSUMERS IN AN UNDER-STANDABLE FORMAT THAT ENABLES CONSUMERS TO COMPARE PRICES AND SERVICES ON A UNIFORM BASIS.

- A. A separate toll free number for inquiries regarding customer choice issues has been established. Trained representatives have been designated to handle customer's choice in an unbiased fashion. Duquesne will provide, upon request, a list of PA-PUC certified suppliers to customers. These referrals will be made without showing preference. It is not Duquesne's intent to furnish suppliers-specific marketing information to customers unless it is mandated in final Commission orders.

- (3) PRIOR TO THE IMPLEMENTATION OF ANY RESTRUCTURING PLAN UNDER SECTION 2806 (RELATING TO IMPLEMENTATION, PILOT PROGRAM AND PERFORMANCE-BASED RATES), EACH ELECTRIC DISTRIBUTION COMPANY, IN CONJUNCTION WITH THE COMMISSION, SHALL IMPLEMENT A CONSUMER EDUCATION PROGRAM INFORMING CUSTOMERS OF THE CHANGES IN THE ELECTRIC UTILITY INDUSTRY. THE PROGRAM SHALL PROVIDE CONSUMERS WITH INFORMATION NECESSARY TO HELP THEM MAKE APPROPRIATE CHOICES AS TO THEIR ELECTRIC SERVICE. THE EDUCATION PROGRAM SHALL BE SUBJECT TO APPROVAL BY THE COMMISSION.

- A. Duquesne Light is planning, subject to Commission approval, an extensive and comprehensive educational program to assure that all participants have the opportunity to make informed choices. (Also see response to Item No. P-4)

§ (E) 2809 - FORM OF REGULATION OF ELECTRIC GENERATION SUPPLIERS. - THE COMMISSION MAY FORBEAR FROM APPLYING REQUIREMENTS OF THIS PART WHICH IT DETERMINES ARE UNNECESSARY DUE TO COMPETITION AMONG ELECTRIC GENERATION SUPPLIERS. IN REGULATING THE SERVICE OF ELECTRIC GENERATION SUPPLIERS, THE COMMISSION SHALL

IMPOSE REQUIREMENTS NECESSARY TO ENSURE THAT THE PRESENT QUALITY OF SERVICE PROVIDED BY ELECTRIC UTILITIES DOES NOT DETERIORATE, INCLUDING ASSURING THAT ADEQUATE RESERVE MARGINS OF ELECTRIC SUPPLY ARE MAINTAINED AND ASSURING THAT 52 PA. CODE CH. 56 (RELATING TO STANDARDS AND BILLING PRACTICES FOR RESIDENTIAL SERVICE), ARE MAINTAINED.

- A. Our response to quality of service is the same as per 2807 (D). i.e. The quality of customer service will continue to be measured through independent customer surveys and service reliability through industry accepted performance standards.

Duquesne will comply with the requirements of 66 Pa. C.S. by being the supplier of last resort through the transition period.

DUQUESNE LIGHT COMPANY

P. Customer Service, Education and Conservation Programs

17. Describe fully the company's proposed customer education and information program relative to restructuring, including the explanation of restructuring to individual customers, to groups and through mass advertising, in customer solicitations, in responding to customer inquiries and with regard to outreach programs.

Response:

The design of the consumer education and information program relative to restructuring will closely mirror that providing information about the overall changes to the electric utility industry (as described in Item No. Appendix A-P-4 of this testimony). It will utilize the most effective media and methods appropriate to convey each part of the message to the individual segments of our customer base.

General Education. An extensive public information campaign (using news media, mail and direct customer contact) will provide objective explanations of restructuring as it applies to Duquesne Light and the electric utility industry. We will also utilize community outreach organizations as appropriate to help convey the message to their individual constituents, including those served by universal service programs such as CAP and LIURP. Where appropriate, we will also train sales and other employees with significant customer contact to appropriately explain this issue to customers with whom they interact.

Customer Service. A team of specially trained telephone representatives respond to customer inquiries generated by advertisements or any other information sources. A dedicated, toll-free line staffed by these representatives handles all customer inquiries about restructuring in an unbiased, professional manner. Where appropriate, Duquesne Light personnel address specific customer questions on an individual basis via telephone, e-mail or written response.

Other education sources. Internal means such as employee meetings, newsletters and other publications, feature ongoing discussions about the restructuring changes that are taking place in the company and in the electric utility industry. These internal communications serve to provide factual information that employees can pass on to friends, family and customers with whom they interact. These internal communications also help debunk inaccuracies in public information about restructuring. When requested, Duquesne Light employees make educational presentations to affinity groups throughout the service territory to explain the fundamental changes resulting from restructuring, and answer specific questions.

Regular customer communications, such as bill inserts and the annual report, will also address the topic of restructuring, and the changes Duquesne Light expects will take place in the near future.

DUQUESNE LIGHT COMPANY

P. Customer Service, Education and Conservation Programs

18. Describe how the company intends to ensure that plain language is employed in company communications with customers in the future, including in bills, sales contracts, and in handling billing for third parties.

Response:

Duquesne Light has always been in the forefront of plain language communications—we designed our customer-friendly bill before the plain language regulations were issued. Clearly, we recognize and appreciate the benefits when customers understand the information we give them, and we will continue this commitment to plain language with our restructuring efforts.

Duquesne Light uses communication specialists to write most of the company publications we provide to customers. This includes the educational information explaining the advent of competition and customer choice. Standard grade level statistics (Flesch-Kincaid and Coleman-Liau) serve as guides to measure our documents' readability, but consumers' reactions provide a truer test. We seek critical input for many of our communications, and customers make their voices heard through comments, community groups and market research. We have already conducted preliminary research to test customer understanding of new billing formats, including those containing information for third party electricity generation suppliers. We also tested consumer understanding of the proposed education packages that we will provide to all customers eligible to participate in the upcoming pilot program.

DUQUESNE LIGHT COMPANY

P. Customer Service, Education and Conservation Programs

19. If the company intends to use outside contractors or third parties in situations requiring customer contact or education, describe the circumstances and what services will be provided.

Response:

Outside contractors. Duquesne Light does not anticipate the need to use outside contractors in situations requiring customer contact or education concerning restructuring or the impending changes in the electric utility industry.

Third parties. Duquesne Light will maintain our existing relationships with community outreach organizations and customer affinity groups to respond to the specific information needs of those customers. As an example, those organizations who provide budget counseling as part of CAP or energy education as part of LIURP, will also receive appropriate training to inform customers of their options and provide guidance on how to compare these options and ultimately make the appropriate choices about their electric service.

DUQUESNE LIGHT COMPANY

P. Customer Service, Education and Conservation Programs

20. Describe what statistical or survey techniques the company intends to utilize to determine the effectiveness of its customer education efforts. State whether all such information will be provided to the commission, and if not, to what extent and why.

Response:

As with all of its customer interactions, Duquesne Light intends to continue monitoring the effectiveness of its customer education programs using several established research techniques. We have in place a well-structured research effort that not only aids the development of these communication programs, but also helps to continuously gauge the impact of our educational efforts. These research activities utilize third party expertise to assure an objective perspective, and combine quantitative and qualitative measures as appropriate for each issue or communications vehicle. Customers' opinions and attitudes guide all phases of our communications—design to implementation. The following summarizes existing research reports available to the Commission upon request.

Interviews. An independent research firm conducted one-on-one interviews to test consumers' reactions to the proposed advertorials. (Tripp-Umbach, December 1996) Most respondents understood that these messages promoted informed decisions from a fair and unbiased perspective. Just as importantly, many of the participants expressed interest in reading some or all of the advertorial from a newspaper.

Surveys. Quantitative research, via monthly surveys and benchmark studies, provides another window into customers' understanding of deregulation. Tracking surveys regularly monitor consumer awareness of our advertisements, and their understanding of the educational messages. Considering these surveys and other quantitative efforts, we know that our customers are hearing, and understanding, our preliminary messages. This intelligence serves as a guide influencing the design of all of our customer communications, including customer service training and the customer notification package for the pilot program.

Focus Groups. To ensure that customers really understand the information they get about customer choice, we engaged an independent research firm to conduct a series of customer focus groups. We used this qualitative analysis to better understand customers' awareness of deregulation issues and to test our pilot program educational effort. (Cambridge Reports Research International/March 1997). We found that customers had realistic expectations about the impact upcoming changes would have on their bills. Many of these

customers had a solid understanding of the differences between the generation and distribution of electricity, and most understood that their choice only applies to electricity generation suppliers. Customers provided invaluable input on our pilot program notification package. They found the information useful and understandable, and they also made valuable suggestions concerning the format. Considering these comments, we revised the layout of the information package to clarify the messages and make them more informative. Customers commented on their preferences concerning alternative information sources such as video tapes and cable television. Customers also demonstrated comfort with proposed changes to the billing statements, particularly the expanded itemization of charges.

DUQUESNE LIGHT COMPANY

P. Customer Service, Education and Conservation Programs

21. Provide the following information for each business office and for the utility's operations in Pennsylvania as a whole, by average length of time and for 10th, 25th, 50th, 75th and 90th percentiles, for calendar years 1995 and 1996:

- a. Installation of service - Length of time in days that it takes to complete the installation of new service after receipt of a customer application for service.

Response:

See Page 2.

**Average Length of Time for Installation of New Service
(1995 and 1996)**

1995

Raccoon Office	Percent	Penn Hills Office	Percent
1 day or less	10	1 day or less	10
1 day or less	25	1 day or less	25
1 day or less	50	1 day or less	50
2 days or less	75	2 days or less	75
2 days or less	90	2 days or less	90

Edison Office	Percent	All District Offices	Percent
1 day or less	10	1 day or less	10
1 day or less	25	1 day or less	25
1 day or less	50	1 day or less	50
2 days or less	75	2 days or less	75
2 days or less	90	2 days or less	90

1996

Raccoon Office	Percent	Penn Hills Office	Percent
1 day or less	10	1 day or less	10
1 day or less	25	1 day or less	25
1 day or less	50	2 days or less	50
2 days or less	75	2 days or less	75
2 days or less	90	2 days or less	90

Edison Office	Percent	All District Offices	Percent
1 day or less	10	1 day or less	10
1 day or less	25	1 day or less	25
1 day or less	50	1 day or less	50
2 days or less	75	2 days or less	75
2 days or less	90	2 days or less	90

Notes

1. Above data represents 97% of new installations. It includes installations categorized as Service Drop/Laterals and Simple Jobs. The data excludes Complex jobs which are defined as installations that involve terminal poles, or involve URD plans or involve more than one pole.

2. In 1995 and 1996, 96% and 98% of the new Service Drop/Lateral and Simple jobs respectively, were provided service within 2 days of receiving the required customer information such as wiring approvals.

DUQUESNE LIGHT COMPANY

P. Customer Service, Education and Conservation Programs

21. Provide the following information for each business office and for the utility's operations in Pennsylvania as a whole, by average length of time and for the 10th, 25th, 50th, 75th, and 90th percentiles, for calendar years 1995 and 1996:

b. Response to telephone inquiries - Length of time in minutes and seconds it takes to respond to a telephone inquiry into the business office (length of time on hold).

Response:

Duquesne does not maintain statistics for telephone inquiries in this manner. Duquesne measures performance through commonly accepted industry standards of service level and average speed of answer. Since we have a centralized telephone center, statistics represent the overall Company performance.

	1995	1996
Service Level		
Percent of all calls answered in 30 seconds *	87% **	88% **
Average Speed of Answer measured in seconds *	13	10

Additional Points

- * Service Level and Average Speed of Answer represent the time a customer is in queue waiting to reach a live representative.
- ** 1995 and 1996 Service Level results place Duquesne Light in the top 25% of utilities which respond to the American Gas Association/Edison Electric Institute survey of telephone service centers.

DUQUESNE LIGHT COMPANY

P. Customer Service, Education and Conservation Programs

21. Provide the following information for each business office and for the utility's operations in Pennsylvania as a whole, by average length of time and for the 10th, 25th, 50th, 75th, and 90th percentiles, for calendar years 1995 and 1996:

- c. Response time to billing complaints - Length of time in days it takes to resolve billing complaints.

Response:

We do not keep records in a manner that will enable us to report the average length of time for handling the 10th, 25th, 50th, 75th and 90th percentile of complaints. We do have a P.C. based system in place to track completion of billing complaints. The goal is to have all billing complaints (disputes) completed in 30 days or less, which is a BCS requirement

Residential billing complaint activity for 1996 and 1995 was as follows:

<u>Year</u>	<u>Number of Complaints</u>	<u>Number Handled in 30 days</u>	<u>Percent Handled in 30 days</u>
1996	8,339	8248	99
1995	4,692	4634	99

A root cause analysis is conducted on complaints that take more than 30 days to complete. Corrective action plans are developed and implemented to eliminate the problems.

DUQUESNE LIGHT COMPANY

P. Customer Service, Education and Conservation Programs

23. Provide the following information for each field office and for the utility's operations as a whole for calendar years 1995 and 1996:

- a. Appointments with customers - Number and percentage of appointments which the utility failed to keep, by month.

Response:

Corporate records of all customer appointments and the appointments which the Company failed to keep are not currently maintained by the Company. However, the Company's Customer Service Guarantee Program does track all missed appointments for which a customer was issued a \$25 credit. The missed appointments as traced by the Customer Service Guarantee Program are shown below:

<u>Year</u>	<u>Total Missed Appointments</u>
1995	4
1996	3

DUQUESNE LIGHT COMPANY

P. Customer Service, Education and Conservation Programs

23. Provide the following information for each field office and for the utility's operations as a whole for calendar years 1995 and 1996:

- b. Meter Reading - Number of meters and percentage of meters that have not been read for at least 3 months, 6 months, 9 months, 12 months and more than 12 months.

Response:

<i>Not Read For:</i>	<i>1995</i>		<i>1996</i>	
	<i># of Meters</i>	<i>% of Meters</i>	<i># of Meters</i>	<i>% of Meters</i>
<i>3 months</i>	<i>2,670</i>	<i>0.44</i>	<i>3,975</i>	<i>0.65</i>
<i>6 months</i>	<i>729</i>	<i>0.12</i>	<i>504</i>	<i>0.08</i>
<i>9 months</i>	<i>469</i>	<i>0.08</i>	<i>321</i>	<i>0.05</i>
<i>12 months</i>	<i>239</i>	<i>0.04</i>	<i>185</i>	<i>0.03</i>
<i>>12 months</i>	<i>207</i>	<i>0.03</i>	<i>158</i>	<i>0.03</i>

DUQUESNE LIGHT COMPANY

P. Customer Service, Education and Conservation Programs

23. Provide the following information for each field office and for the utility's operations as a whole for calendar years 1995 and 1996:

- c. Response to meter reading complaints - Length of time in hours it takes to resolve field complaints (out of service reports, downed wires, etc.) by average length of time and by 10th, 25th, 50, 75, and 90 percentiles.

Response:

The length of time in hours it takes to resolve field complaints related to out of service reports, downed wires, etc., is not available in the format requested. However, the following schedule illustrates actual response time in resolving service reliability issues:

<u>Response Time</u>	<u>% Resolved¹</u>	
	<u>1995</u>	<u>1996</u>
< 0.5 hours	54.8	48.4
< 2.0 hours	80.3	78.2
< 4.0 hours	91.3	88.5
< 12.0 hours	98.8	98.5
> 12.0 hours	1.2	1.5

¹ % resolved is determined based on total kVA restored.

DUQUESNE LIGHT COMPANY

P. Customer Service, Education and Conservation Programs

23. Provide the following information for each field office and for the utility's operations as a whole for calendar years 1995 and 1996:

- d. Average interruption frequency index - Average number of interruptions per customer per year. Provide the index value and the components of the calculation.

Response:

Duquesne supports use of industry standards SAIFI for calculating the average interruption frequency. The average interruption frequency index is calculated for the system. Individual calculations for each field office are not relevant to Duquesne's system. The index is based upon connected load (i.e., kVA), not the number of customers.

SAIFI = SYSTEM AVERAGE INTERRUPTION FREQUENCY INDEX

$$\text{SAIFI} = \frac{\text{SYSTEM KVA INTERRUPTED}}{\text{TOTAL SYSTEM CONNECTED KVA}}$$

<u>Year</u>	<u>System kVA Interrupted</u>	<u>Total System Connected kVA</u>	<u>SAIFI</u>
1995	8,432,276	5,379,605	1.57
1996	8,476,620	5,441,553	1.56

DUQUESNE LIGHT COMPANY

P. Customer Service, Education and Conservation Programs

23. Provide the following information for each field office and for the utility's operations as a whole for calendar years 1995 and 1996:

- e. Average interruption duration index - Duration of interruptions experienced by those customers which experienced an interruption for the year divided by the number of such customers. Provide the index value and the components of the calculation.

Response:

Duquesne supports use of industry standard SAIDI for calculating the average interruption duration. The average interruption duration index is calculated for the system. Individual calculations for each field office are not relevant to Duquesne's system. The index is based on connected load (i.e., kVA), not the number of customers.

SAIDI = SYSTEM AVERAGE INTERRUPTION DURATION INDEX

$$\text{SAIDI} = \frac{\text{SYSTEM KVA} \cdot \text{MINUTES INTERRUPTED}}{\text{TOTAL SYSTEM CONNECTED KVA}}$$

<u>Year</u>	<u>System kVA Min. Interrupted</u>	<u>Total System Connected kVA</u>	<u>SAIDI</u>
1995	789,872,345	5,379,605	147
1996	970,865,741	5,441,553	178

DUQUESNE LIGHT COMPANY

P. Customer Service, Education and Conservation Programs

23. Provide the following information for each field office and for the utility's operations as a whole for calendar years 1995 and 1996:

- f. Average interruption frequency index - Average number of interruptions for customers which experienced an interruption with respect to all customers which experienced an interruption. Provide the index value and the components of the calculation.

Response:

Duquesne supports use of industry standard CAIDI for calculating customer average interruption duration. The customer average interruption duration index is tracked for the entire system using connected load (i.e., kVA) rather than number of customers.

CAIDI = CUSTOMER AVERAGE INTERRUPTION DURATION INDEX

$$\text{CAIDI} = \frac{\text{SAIDI}^1}{\text{SAIFT}^2}$$

CAIDI (Minutes)

<u>1996</u>	<u>1995</u>
114	94

¹ See P-23e for the determination of SAIDI.

² See P-23d for the determination of SAIFI.

DUQUESNE LIGHT COMPANY

P. Customer Service, Education and Conservation Programs

24. What standards are used by the company to establish when an interruption has occurred, when an interruption condition has ceased, when a field complaint has been resolved and when a billing complaint has been resolved?

Response:

An interruption occurs when a customer has been out of service for 5 minutes or longer. Interruptions of less than 5 minutes are deemed to be "momentaries," are generally resolved automatically without requiring field action and, therefore, excluded from service reliability calculations. An interruption begins upon receipt of an alarm from the SCADA system or the first call received from a customer if the outage does not produce an alarm on SCADA. The service interruption ceases when all customers involved in an outage incident are restored to service.

A billing dispute is considered initiated when the Company is contacted by the customer either in writing or by telephone. The billing dispute is considered resolved when the customer indicates that their inquiry has been satisfied.

All other issues which require field action are initiated by the customer contact which triggers the issuance of a field memo, service order, etc. These issues are considered resolved when the appropriate action has been completed by field operations.

DUQUESNE LIGHT COMPANY

P. Customer Service, Education and Conservation Programs

25. Does the company maintain a System Average Interruption Frequency Index (SAIFI), a Customer Average Interruption Duration Index (CAIDI) and/or a Customer Average Interruption Frequency Index (CAIDI)? If so, provide reports of such indices for the years 1995 and 1996, and discuss how such indices are used.

Response:

The company maintains a system average interruption frequency index (SAIFI), a customer average interruption duration index (CAIDI) and a system average interruption duration index (SAIDI).

	<u>1996</u>	<u>1995</u>
SAIDI (Minutes)	178	147
CAIDI (Minutes)	114	94
SAIFI (Interruptions)	1.56	1.57

The indices are utilized to measure the performance of the system as a whole and of the individual transmission, subtransmission, network and distribution circuits. A detailed methodology of how the indices are utilized is contained in the company's Transmission and Distribution Service Reliability Guidelines. A copy of the guidelines follows.

DUQUESNE LIGHT COMPANY
TRANSMISSION AND DISTRIBUTION RELIABILITY
SYSTEM GUIDE*

DEFINITION

SYSTEM GUIDE MEASURES EXPECTED
PERFORMANCE OF THE AVERAGE SYSTEM
(NOT INDIVIDUAL CUSTOMERS)
INCLUDING TRANSMISSION,
SUBTRANSMISSION, NETWORK AND
DISTRIBUTION CIRCUITS

DLCO'S "SYSTEM GUIDE": (Based on 4 Year Average)**

ASIDI = AVERAGE SYSTEM INTERRUPTION
DURATION INDEX

- 120 MINUTES/YEAR

ASIFI = AVERAGE SYSTEM INTERRUPTION
FREQUENCY INDEX

- 1.5 INTERRUPTIONS/YEAR

- * SYSTEM GUIDE WILL BE REVIEWED ON AN ANNUAL BASIS
- ** INTERRUPTIONS OF LESS THAN 5 MINUTES DURATIONS, AND MAJOR STORMS (SEE DEFINITION UNDER SYSTEM GUIDE EXPLANATION EXHIBIT 9-2, RULE 6) ARE EXCLUDED

REVISED 3/97

SYSTEM GUIDE EXPLANATION

PURPOSE

The System Guide for Reliability was developed to provide:

- A consistent and quantitative means to measure and monitor reliability performance of the system (which includes all load on distribution, subtransmission, transmission, and downtown network circuits)
- A tool to determine the need for improvement in system reliability by establishing operation, planning and design criteria
- A means to compare reliability indices with Intercompany Performance Comparison Group (IPCG) and reporting to others agencies

SYSTEM GUIDE

The System Guide measures expected performance of the overall system (not individual customers) including all distribution, high voltage and downtown network circuits.

Two indices (ASIDI* and ASIFI**) are established, both of which will apply to the averages of DLCo's overall system. Interruptions of less than 2 minutes duration and major storms (see definition on page 3, item 6) shall be excluded.

*ASIDI = Average System Interruption Duration Index

$$\text{ASIDI} = \frac{\text{kVA Minutes Interrupted}}{\text{Total Connected kVA Served}} \quad (\text{Minutes})$$

**ASIFI = Average System Interruption Frequency Index

$$\text{ASIFI} = \frac{\text{kVA Interrupted}}{\text{Total Connected kVA Served}} \quad (\text{Avg. Int.})$$

When these indices refer to the system, we will use the letter "S" for SYSTEM (ASIDI and ASIFI). When these indices refer to the circuit, we will use the letter "C" to represent CIRCUIT (ACIDI and ACIFI).

RULES:

(1) Application

The System Guide is designed for application only to overall average system performance (not individual customers). In many cases, areas such as individual substations, circuits, branches or transformers may be found where service exceeds the System Guide, even though the system average conforms to the guide. Improvement in such cases will be based on Planning and Design Criteria. Radical departures from this criteria

- (2) Methodology
These indices are calculated based on the amount of connected kVA affected during an interruption. DLCo will need a Customer Information System (CIS) data base that provides the needed data linkage for relating the number of customers, circuits and substations. Once these capabilities exist, reliability indices will be revised to be directly compatible with other electric utility companies.
- (3) Period
A 4-year average will be used in evaluating the frequency and duration of interruptions.
- (4) Momentary Interruptions
Momentary interruptions of less than 2 minutes duration will be excluded from service reliability calculations. For the Intercompany Performance Comparison Group (IPCG), the momentary interruption definition will be set by the group.
- (5) Scheduled Outages
The System Guide does not include scheduled outages for company maintenance, construction, outages caused by the customer's equipment, or those requested by the customer or governmental authority. It is usually possible to schedule outages for these purposes and not seriously interfere with the customer's operation.
- (6) Storm Exclusion For Intercompany Performance Comparison Group (IPCG), and the System Reliability Index Calculations
The following major storms definition will apply to IPCG data and the System Reliability Index calculations.

A major storm is defined as any incident which creates an interruption of electric service of 25,000 MVA-Minutes and/or meets the criteria of a major storm as established by the Intercompany Performance Comparison Group (IPCG). (See note below)

To determine the annual average system interruption duration and frequency indices (ASIDI) and (ASIFI), Duquesne will eliminate any major storm meeting the criteria above, but not less than two storms with the highest MVA-minutes of interruption.

NOTE: The IPCG criteria is as follows:

Major storm disasters designate weather conditions which exceed design limits and which satisfy all of the following.

1. Extensive mechanical damage to the electric system
2. More than 10% of the customers served are affected
3. More than 1% of the customers served have not been restored within 24 hours

The percentage of customers out of service may be related to a company operating area rather than to an entire company. Examples of major storm disasters are hurricanes and major ice storms. Interruptions that do not meet the above major storm criteria but are considered as major based on other standards, require explanation.

**DUQUESNE LIGHT COMPANY
 DISTRIBUTION RELIABILITY CRITERIA***

OPERATING, PLANNING AND DESIGN CRITERIA

DISTRIBUTION OPERATING CRITERIA

	Target	Maximum Allowable
Incidental (Per Incident)	<ul style="list-style-type: none"> • ≥10,000 kVA Conn. Interruption • 2 hour restoration 	<ul style="list-style-type: none"> • ≤10,000 kVA Conn. Interruption • 2 hour restoration

NOTE: Interruption of connected load block of greater than 30 MVA must be restored within 2 minutes.

DISTRIBUTION PLANNING AND DESIGN CRITERIA**

Frequency Index (ACIFI) Criteria for Distribution Circuits

	Target (Per Circuit)	Maximum Allowable (Per Circuit)
Incidental (Per Incident)	N/A	N/A
Cumulative (4 Yr. Avg.)	ACIFI: 3.0 Int./Yr.	ACIFI: 4.0 Int./Yr.

Duration Index (ACIDI) Criteria for Distribution Circuits

	Target (Per Circuit)	Maximum Allowable (Per Circuit)
Incidental (Per Incident)	120 min.	720 min.
Cumulative (4 Yr. Avg.)	ACIFI: 240 min.	ACIFI: 360 min.

*Distribution Criteria will be reviewed on an annual basis.

**Interruptions of less than 2 minutes duration are excluded.

DISTRIBUTION CRITERIA EXPLANATION

PURPOSE

DlCo's Criteria for Distribution Reliability have been developed to provide:

- A consistent and quantitative means to measure and monitor reliability performance of the distribution circuits
- A means for evaluating the sensitivity of the circuit performance to actual or proposed changes in operating, planning, and design
- A means to establish priority of capital budget projects.
- A tool for developing tree trouble analysis to focus DlCo tree trimming budget to problem areas

DISTRIBUTION OPERATING CRITERIA

This criteria is intended to cover the "Operating Procedure".

The operating criteria represents an all inclusive measure of feeder availability including duration, and frequency over a given period. The operating incidental target criteria, requires that interrupted loads greater than or equal to 10,000 connected kVA to be restored within 2 hours. (i.e., operating procedures should insure that individual interruptions not last more than 2 hours).

The operating incidental maximum allowable criteria stipulates that interrupted load less than or equal to 10,000 connected kVA must be restored within 12 hours. The purpose of the maximum allowable criteria is to represent the longest duration of service that any circuit or part of a circuit (or load block) could experience due to adverse conditions. (e.g., cable or transformer failure, fire and major storm).

The Distribution Operating Criteria will be used as a trigger for evaluating distribution circuits that exceed the Target and the Maximum Allowable Criteria. Revised operating procedures and other applicable improvements will be recommended for budget consideration.

The operating criteria in no way is intended to degrade the present level of reliability, but to improve the level of service reliability by implementing specific programs.

DISTRIBUTION PLANNING AND DESIGN CRITERIA

The Distribution Planning and Design Criteria have been developed to provide a tool to determine the need for additional equipment, capacity addition or rehabilitation projects or a review of operating procedures and preventive maintenance programs.

When these indices refer to individual circuits, we will use the letter "C" to represent CIRCUIT (ACIDI and ACIFI).

Two sets of Distribution Criteria have been developed.

Target:

Defines expected performance of an average distribution circuit.

Maximum Allowable

Defines the maximum allowable frequency and duration that any circuit in the entire service area could expect.

The target and maximum allowable are each broken down into incidental criteria and cumulative criteria. They are defined as:

Incidental Criteria

Provides an objective magnitude of frequency and duration target for evaluation of individual interruptions.

Cumulative Criteria

Provides a target for all incidental occurrences based on 4 year averages.

RULES:

(1) Application

The reliability criteria is designed for application only to average performance of 230 or 4kv circuits (not individual customers). In some cases, smaller areas such as individual circuit load blocks, branches or transformers may exist where service exceeds the Distribution Criteria, even though the average for the circuit area conforms with the criteria. Improvement in such cases, should be based on engineering judgement, and cost justification. The following steps will clarify implementation of reliability criteria:

(a) Historic total system problems will be reviewed annually as part of the budget cycle. Overall historic system performance relative to system reliability guides, provides the basis for budget allocation and O&M expenses.

(b) On a yearly basis, the average reliability of every circuit in the Duquesne Light Company system will be reviewed. All circuits whose 4 year average historic performance exceeds the maximum allowable criteria will be reviewed for possible capital and maintenance budget work or revised operations and maintenance procedures. In addition, all circuits which exceed the distribution target criteria will be evaluated. Programs for reliability improvement or other work will be based on cost justification.

(c) All customer complaints will be investigated and the service interruptions to that particular customer will be identified. Improvements may be recommended for budget consideration.

(2) Methodology

These indices are calculated based on the amount of connected kVA affected during an interruption. DLCo will need a Customer Information System (CIS) data base that provides the needed data linkage for relating the number of customers, circuits and substations. Once these capabilities exist, reliability indices will be revised to be directly compatible with other electric utility companies.

(3) Period

A 4-year average will be used in evaluating the historic frequency and duration of interruptions.

(4) Momentary Interruptions

Interruptions of less than 2 minutes duration will be excluded from the data base used for service reliability.

(5) Reliability Criteria Flexibility

On individual circuits, if the minutes per year are below the criteria, the allowable number of interruptions per year may be increased by the same percentage that the minutes per year fall below the criteria and vice-versa. The allowable minutes per year may be increased by the same percentage that the interruptions per year fall below the criteria, provided it does not exceed maximum allowable criteria.

(6) Scheduled Outages

The calculated indices do not include scheduled outages for company maintenance construction, outages caused by the customer's equipment or those requested by the customer or governmental authority. It is usually possible to schedule outages for these purposes and not seriously interfere with the customer's operation.

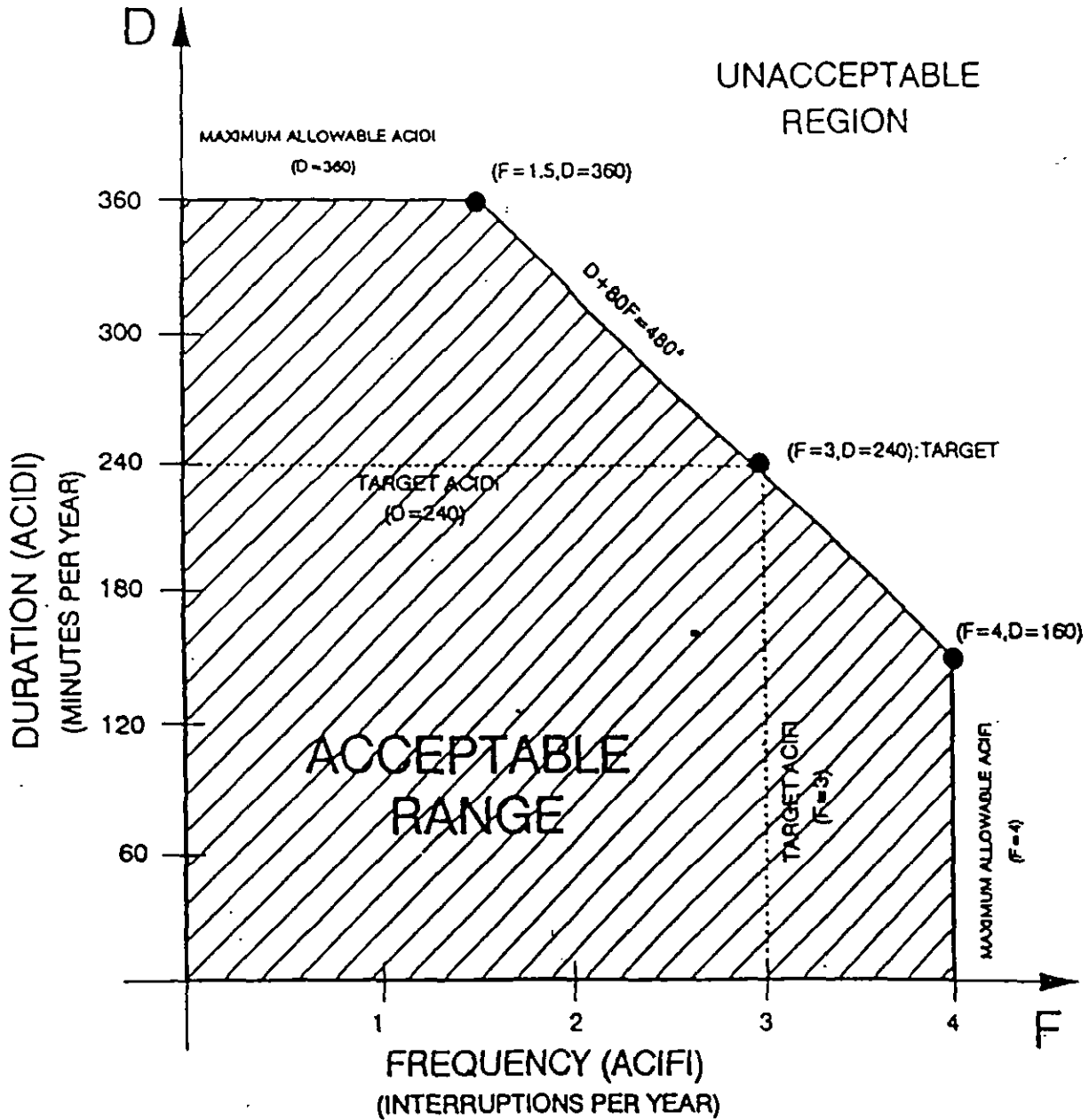
(7) Overhead and Underground

No attempt has been made to differentiate between overhead and underground connected circuits. It is believed that this is not necessary with the allocations and flexibility provided under the proposed criteria.

(8) Review

The Distribution Criteria will be reviewed on an annual basis.

RELIABILITY "PENTAGON"



* REFER TO RULE #5: RELIABILITY CRITERIA FLEXIBILITY

DISTRIBUTION RELIABILITY PLANNING & DESIGN CRITERIA

Item No. : Hanger No. 1
Witness: J.A. Lahtinen

DUQUESNE LIGHT COMPANY

1. Describe the relevant control area for coordination of dispatch and transmission facilities. How will the control area be managed. What form will the control area operator take? Indicate how the control area operator will consider lowest cost for all users of the transmission system.

Response

Prior to the proposed merger with the Allegheny Power System, Duquesne will continue to operate its own control area. The control area will be operated by system operations personnel pursuant to ECAR guidelines and the requirements of FERC Order No. 888. The control area operator will be functionally separated from Duquesne's wholesale merchant function, as required by FERC Order No. 889. The operator will, as is the case today, use security-constrained economic dispatch to ensure that, consistent with system reliability, generating resources are dispatched on a least-cost basis. If wholesale purchases are more economic than incremental generation within the control area, the operator will enter into wholesale purchases to serve area load.

Item No.: Hanger No. 2
Witness: J.A. Lahtinen

DUQUESNE LIGHT COMPANY

2. How will redispatch of generation to maintain the transmission system be managed?

Response

The Duquesne control area operator will redispatch generation to maintain voltages within acceptable limits and to prevent the overloading of circuits. Redispatch may be influenced by several factors, including unit outages, parallel flow or requests for transmission service.

Item No.: Hanger No. 3
Witness: J.A. Lahtinen

DUQUESNE LIGHT COMPANY

3. How will ancillary services to support transmission and dispatch be procured.

Response

The testimony of Robert A. Irvin (Statement No. 7) explains the operational requirements associated with ancillary services. The testimony of James A. Lahtinen (Statement No. 5) explains the cost allocations and rates associated with ancillary services.

Item No.: Hanger No. 4
Witness: J.A. Lahtinen

DUQUESNE LIGHT COMPANY

4. How will applicable standards of the North American Electric Reliability Council and/or regional reliability councils be implemented or enforced?

Response

Duquesne is required to comply with NERC and ECAR standards applicable to electric control areas. Duquesne does not believe that the transition to retail competition will jeopardize compliance with these standards. It may be appropriate, however, to establish certain protocols with electric suppliers to ensure that reliability is maintained.

Item No.: Hanger No. 5
Witness: J.A. Lahtinen

DUQUESNE LIGHT COMPANY

5. How will transmission congestion be managed physically and financially?

Response

See answer to Question No. 2 for the management of physical congestion (i.e., the redispatch of generation to maintain reliability and accommodate wheeling requests). With respect to the financial consequences of congestion, Duquesne supports locational marginal cost pricing. At the present time, however, Duquesne will, on a stand-alone basis, charge congestion (opportunity) costs pursuant to the standard methodologies contained in FERC's Pro Forma Tariff.

Item No.: Hanger No. 6
Witness: J.A. Lahtinen

DUQUESNE LIGHT COMPANY

6. Describe how information regarding transmission system status, such as constraints, load distribution and line losses, will be conveyed to interested parties.

Response

Duquesne will use the ECAR OASIS to publish such information.

Item No.: Hanger No. 7
Witness: J.A. Lahtinen

DUQUESNE LIGHT COMPANY

7. Explain whether customers and suppliers will have access to a spot market in the service territory.

Response

It is not feasible to establish a spot market in the Duquesne control area, given its small size. The merged company will have far broader options with respect to the establishment of, or participation in, a spot electricity market.

Item No.: Hanger No. 8
Witness: J.A. Lahtinen

DUQUESNE LIGHT COMPANY

8. Provide the date and amount of each investment in non-Pennsylvania PUC jurisdictional companies for the last three years. Identify company revenues and assets derived from such investments.

Response

The relevant investments, if any, will be provided promptly after August 1, 1997.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

DUQUESNE LIGHT COMPANY : Docket No. R-00974104

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of Duquesne Light Company's Restructuring Plan upon the following in accordance with the requirements of the Order entered January 24, 1997 at Docket No. M-00960890F0005 and 52 Pa. Code § 1.54.

Chairman John M. Quain
Pennsylvania Public Utility Commission
Post Office Box 3265
North Office Building
North Street and Commonwealth Avenue
Harrisburg, PA 17105-3265

Commissioner John Hanger
Pennsylvania Public Utility Commission
Post Office Box 3265
North Office Building
North Street and Commonwealth Avenue
Harrisburg, PA 17105-3265

Commissioner Robert K. Bloom
Pennsylvania Public Utility Commission
Post Office Box 3265
North Office Building
North Street and Commonwealth Avenue
Harrisburg, PA 17105-3265

Commissioner Nora Mead Brownell
Pennsylvania Public Utility Commission
Post Office Box 3265
North Office Building
North Street and Commonwealth Avenue
Harrisburg, PA 17105-3265

Commissioner David W. Rolka
Pennsylvania Public Utility Commission
Post Office Box 3265
North Office Building
North Street and Commonwealth Avenue
Harrisburg, PA 17105-3265

The Honorable Robert A. Christianson
Pennsylvania Public Utility Commission
Post Office Box 3265
North Office Building
North Street and Commonwealth Avenue
Harrisburg, PA 17105-3265

PROthonotary's OFFICE

PA.P.U.C.

97 AUG - 1 PM 12:33

RECEIVED

Charles F. Hoffman, Esquire
Office of Trial Staff
Pennsylvania Public Utility Commission
Post Office Box 3265
North Office Building
North Street and Commonwealth Avenue
Harrisburg, PA 17105-3265

Bernard A. Ryan, Jr. Esquire
Small Business Advocate
Office of Small Business Advocate
1102 Commerce Building
300 North Street
Harrisburg, PA 17101

Craig G. Goodman, Esquire
Senior Vice President
Law, Regulation and Public Policy
Equitable Resources, Inc.
3333 K. Street, N.W., Suite 425
Washington, D.C. 20007

James M. Cunningham, President
Pennsylvania Electric Association
301 APC Building
800 N. Third Street
Harrisburg, PA 17102

Lawrence P. Godlasky
GPU Energy
100 APC Building
800 North Third Street
Harrisburg, PA 17102

Glenn W. Winter, P.E.
Consultant to Susquehanna Cable Company
1847 Radnor Road
York, PA 17402

John F. Povilaitis, Esquire
Chief Counsel
Pennsylvania Public Utility Commission
Post Office Box 3265
North Office Building
North Street and Commonwealth Avenue
Harrisburg, PA 17105-3265

Irwin A. Popowsky, Esquire
Consumer Advocate
Office of Consumer Advocate
1425 Strawberry Square
Harrisburg, PA 17120

David M. Kleppinger, Esquire
McNees, Wallace & Nurick
1000 Pine Street
P.O. Box 1166
Harrisburg, PA 17101-1166

Evalynn B. Welling
Neighborhood Legal Services Association
1312 East Carson Street
Pittsburgh, PA 15203

Edwin D. Hill
International Vice President
IBEW
200 Corporate Center Drive, Suite 301
Coraopolis, PA 15108

Lisa Yoho
Director of Regulatory Affairs
The Eastern Group
2900 Eisenhower Avenue, Suite 300
Alexandria, VA 22314

Jacquelyn Morrow, Esquire
City Solicitor
City of Pittsburgh
313 City-County Building
Pittsburgh, PA 15219

Scott Rubin, Esquire
3 Lost Creek Drive
Selinsgrove, PA 17870-9357

Dennis S. Shilobod, Esquire
Shilobod Ball & McGreal, P.C.
617 Grant Building
Pittsburgh, PA 15219

Kerry A. Fraas
Allegheny County Law Department
300 Fort Pitt Commons Building
445 Fort Pitt Boulevard
Pittsburgh, PA 15219

Ginny Kreidler
Resources Management International, Inc.
111 Presidential Boulevard, Suite 127
Bala Cynwyd, PA 19004

Jan H. Freeman, Director of Public Policy
Philadelphia Electric Company
2301 Market Street (S26-1)
Philadelphia, PA 19101

Alan J. Barrak, Esquire
Mid-Atlantic Energy Project
Widener University Law School
3700 Vartan Way
Harrisburg, PA 17110

Billie E. Ramsey, Esquire
Executive Director
Anthracite Region Independent Power Producers
Association
1300 Market Street, Suite 7
Lemoyne, PA 17043

Larry B. Selkowitz
Widoff Reager Selkowitz & Adler, P.C.
127 State Street
Harrisburg, PA 17101

Robert J. Stefanko, Solicitor
The Board of Public Education of
The School District of Pittsburgh
341 South Bellefield Avenue
Pittsburgh, PA 15213

Alan Kohler, Esquire
Wolf, Block, Schorr and Solis-Cohen
305 N. Front Street, Suite 401
Harrisburg, PA 17101-1166

Timothy Moran
System Council U-10 IBEW
986 Greentree Road
Pittsburgh, PA 19004

John P. Litz
UGI Utilities, Inc.
P.O. Box 1389
247 Wyoming Avenue
Kingston, PA 18704-0389

Richard H. Counihan, VP
Government Affairs
Edison Source
13191 Crossroads Parkway North
City of Industry, CA 91746

David Magnus Boonin, President
New Energy Ventures-Mid-Atlantic
1845 Walnut Street, Suite 2525
Philadelphia, PA 19103

William T. Hawke
Malatesta Hawke & McKeon
Harrisburg Energy Center
100 North Tenth Street
P.O. Box 1778
Harrisburg, PA 17105-1778

Steve Feld, Esquire
Pennsylvania Power Company
P.O. Box 891
New Castle, PA 16103-0891

Mr. Donald H. Muth
PA Public Utility Commission
North Office Building
Commonwealth Ave. & North Street
Harrisburg, PA 17105-3265

Mr. Glenn Bartron
PA Public Utility Commission
North Office Building
Commonwealth Ave. & North Street
Harrisburg, PA 17105-3265

Michael L. Kurtz, Esq.
Boehm Kurtz & Lowry
2110 Cbld Center
36 East Seventh St.
Cincinnati, OH 45202

David A. McCormick, Esq.
Regulatory Law Officer
Office Judge Advocate General
Dept. of Army (DAJA-RL 3797)
901 N. Stuart Street, Room 40
Arlington, VA 22203-1837

Charles Ault
Vice President
Allegheny Power
800 Cabin Hill Drive
Greensburg, PA 15601

Paul Russell, Esquire
Pennsylvania Power & Light Company
10 North Ninth Street
Allentown, PA 18101

Elizabeth R. Benson
President
Energy Associates
7303 Timber Lane
Falls Church, VA 22046-2735

Dr. Z. Ahmed Kaloko
PA Public Utility Commission
North Office Building
Commonwealth Ave. & North Street
Harrisburg PA 17105-3265

Alan J. Barak, Esquire
3700 Vartan Way
Harrisburg, PA 17110

James T. Selecky
Brubaker & Associates, Inc.
1215 Fern Ridge Parkway, Suite 208
P.O. Box 412000
St. Louis, MO 63141-2000

Daniel P. Delaney, Esq.
Kirkpatrick & Lockhart
240 North Third Street
Harrisburg, PA 17010-1503

W. Edwin Ogden, Esq.
GPU 1100 Berkshire Blvd., Suite 301
Reading, PA 19610

William J. Sterner
President Local 102 UWUA
333 State Street
Charleroi, PA 15022

Donald R. Ayersman
President Local 2357 IBEW
1125 Denver Avenue
Morgantown, WV 26505

Borough of Pitcairn
582 Sixth Street
Pitcairn, PA 15140

Julio Lecuona
Borough of Chambersburg
100 South Second Street
P.O. Box 1009
Chambersburg, PA 17201-0909

D. Richard Beam
Old Dominion Electric Coop
4222 Cox Road
Suite 102
Glen Allen, VA 23060

Richard May
Town of Thurmont
P.O. Box 385
Thurmont, MD 21788

Vance C. Ishler
Town of Williamsport
Williamsport, MD 21795

Mary M. Hopper, Esq.
Jan H. Freeman
PECO Energy
2301 Market Street
Philadelphia, PA 19103

Michael W. Seibert
President Local 331 UWUA
1824 Howell Road
Hagerstown, MD 21740

Harold L. Knotts, Jr.
President Local 307 IBEW
1116 Beechwood Drive
Hagerstown, MD 21742

Anthony C. Adonzio, Esq.
Allegheny Electric Coop, Inc.
212 Locust Street
P.O. Box 1266
Harrisburg, PA 17108

Mary Lowson
Borough of Mont Alto
Mont Alto, PA 17237

Terry L. Weaver
City of Hagerstown
425 East Baltimore Street
Hagerstown, MD 21740-6105

Lyle Lacy
Town Manager
P.O. Box 1560
Front Royal, VA 22630

W. L. Drennen
New Martinsville Municipal Elec.
197 Main Street
New Martinsville, WV 26155

Joseph P. Mattaliano
City of Philippi
108 N Main Street
P.O. Box 460
Philippi, WV 26416

Kenneth L. Hegemann PE
American Municipal Power of Ohio
601 Dempsey Road
P.O. Box 549
Westerville, OH 43081

William Cavanaugh III
Caroline Power & Light Co.
411 Fayetteville Street Mall
Raleigh, NC 27601-1748

Paul J. Ganci President
Central Hudson Gas & Elec Corp
284 South Avenue
Poughkeepsie, NY 12601-4823

James E. Rogers
Cinergy Corp.
139 East Fourth St.
Cincinnati, OH 45202-4003

Michael G. Morris
Consumer's Power Company
212 W. Michigan Avenue
Jackson, MI 49201

Richard B. Priory
Duke Power Company
422 South Church Street
Charlotte, NC 28242-0001

Larry D. Haab
Illinois Power Company
500 South 2th Street
Decatur, IL 62525-1805

Michael Cross
Harrison Rural Electrification
Box 1272 Route 1272
Route 50 W Sun Valley Road
Clarksburg, WV 26301-2464

Richard K. Byrne
Buckeye Power Company
P.O. Box 26036
Columbus, OH 43226-0036

Robert J. Farling
Centerior Energy Corporation
6200 Oak Tree Boulevard
Independence, OH 44131-2510

Clifford L. Greenwalt
Central Illinois Public Service Co.
607 East Adams Street
Springfield, IL 62739-0001

Samuel K. Skinner
Commonwealth Edison Co.
One First National Plaza
Chicago, IL 60603

Allen M. Hill
The Dayton Power & Light Co.
Courthouse Plaza SW
Dayton, OH 45402

Roy Palk
East Kentucky Power Coop Inc.
4758 Lexington Road
P.O. Box 707
Winchester, KY 40392-0707

Raj G. Rao
Indiana Municipal Power Agency
11610 N College Avenue
Carmel, IN 46032

Ramon L. Liumke
Indianapolis Power & Light Co.
25 Monument Circle
Indianapolis, IN 46204-2936

Wesley W. Von Schack
New York State Electric & Gas Corp.
4500 Vestal Parkway East
Binghamton, NY 13903

Gary T. Neale
Northern Indiana Public Serv. Corp.
5265 Hohman Avenue
Hammond, IN 46320-1775

E. Linn Draper, Jr.
Ohio Valley Electric Corp.
P.O. Box 468
Piketon, OH 45661-0468

Craven Crowell
Tennessee Valley Authority
1101 Market Street
Chattanooga, TN 37402-2801

James T. Rhodes
Virginia Power
7th & Cary Street
Richmond, VA 23219-0001

Edward A. Crooke
Baltimore Gas & Electric Co.
39 West Lexington St.
Baltimore, MD 21201

John M. Derrick, Jr.
Potomac Electric Power Co.
1900 Pennsylvania Avenue, N.W.
Washington, D.C 20068-0002

Michael R. Whitley
Kentucky Utilities Co.
One Quality Street
Lexington, KY 40507-1462

Albert J. Budney, Jr.
Niagara Mohawk Power Corp.
300 Erie Boulevard West
Syracuse, NY 13202-4201

Willard R. Holland
Ohio Edison Company
76 South Main Street
Akron, OH 44308-1890

Ronald W. Watkins
Old Dominion Electric Coop
4201 Dominion Boulevard
Glen Allen, VA 23060

David R. Clark
Tennessee Valley Electric Coop
P.O. Box 400
515 Florence Road
Savannah, TN 38372-0400

Michael J. Chesser
Atlantic City Electric co.
6801 Black Horse Pike
Egg Harbor Township, NJ 08234-4130

Dale G. Stoodley, Esq.
Delmarva Power & Light Co.
800 King Street
P.O. Box 231
Wilmington, DE 19899-0231

Lawrence R. Codey
Public Service Electric & Gas Co
80 Park Plaza
Newark, NJ 07102-4106

E. Linn Draper, Jr.
American Electric Power
1 Riverside Plaza
Columbus, OH 43216-6631

Craig G. Goodman, Esq.
Equitable Resources Inc.
3333 K Street, N.W., Suite 425
Washington, D.C. 20007

Office of Attorney
Division of Consumer Counsel
900 East Main Street
Richmond, VA 23219

Billy Jack Gregg, Esq.
Consumer Advocate Division
723 Kanawha Blvd., East
Union Building, 7th Floor
Charleston, WV 25301

Bob Tongren
Ohio Consumers Counsel
77 South High Street
15th Floor
Columbus, OH 43215

Sandra M. Guthorn, Esq.
Office of People's Counsel
6 St. Paul Centre
21st floor
Baltimore, MD 21202

Denise Covert Zeve
Deputy Attorney General
Strawberry Square
14th Floor
Harrisburg, PA 17120

William J. Bridge
Clerk
Virginia State Corporation Commission
c/o Document Control Center
Tyler Building, First Floor
1300 East Main Street
Richmond, VA 23219

Todd Carden
Executive Secretary
WV Public Service Commission
201 Brooks Street
P.O. Box 812
Charleston, WV 25301

Gary Vigorito, Secretary
Public Utilities Commission of Ohio
180 East Broad Street
Columbus, OH 43215

Daniel P. Gahagan
Executive Secretary
Maryland Public Service Commission
6 St. Paul Centre
16th Floor
Baltimore, MD 21202

Jeral A. Milton, Esq.
Legg Mason Tower
Suite 2700
111 South Calvert Street
Baltimore, MD 21202

John J. Carrara, Esq.
Westvaco
Westvaco Building
299 Park Avenue
New York, NY 10171

Andrew Altman
Clean Air Council
135 South 19th Street
Suite 300
Philadelphia, PA 19103

Notice of filing has been served upon the following:

June Perry
Room 19 Capitol Annex
Harrisburg, PA 17120

Alexandra Matthews-Ritter
Senator Bell's Office
20 East Wing Capitol
Harrisburg, PA 17120

Senator Roy C. Afflerbach
184 Main Capitol
Harrisburg, PA 17120

Rep. Frank Tullie, Jr.
155A East Wing Capitol
Harrisburg, PA 17120

Kim Shawkey
Sen. Brightbill's Office
337 Main Capitol
Harrisburg, PA 17120

Senator Joseph M. Uliana
459 Main Capitol
Harrisburg, PA 17120

Nan McLaughlin
Governor's Office
238 Main Capitol
Harrisburg, PA 17120

Glen Thomas
Governor's Office
506 Finance Building
Harrisburg, PA 17120

Cynthia Datig
Dollar Energy Fund
P.O. Box 42329
Pittsburgh, PA 15203

Mike Welsh
IBEW-Local 459
408-412 Broad Street
Johnstown, PA 15906

Brooks Mountcastle
Clean Air Council
3700 Vartan Way
Harrisburg, PA 17110

Liz Robinson
ECA
1924 Arch Street
Philadelphia, PA 19103

Vincent Rossi
Senator Fumo's Office
545 Main Capitol
Harrisburg, PA 17120

Rep. Chris Wogan
House of Representatives
5 East Wing Capitol
Harrisburg, PA 17120

Senator Clarence D. Bell
Room 20 East Wing
Harrisburg, PA 17120

The Hon Samuel McCullough
Secretary
Department of Community and
Economic Development
433 Forum Building
Harrisburg, PA 17120

Jamie Winebrake
U.S. DOE
1880 JFK Blvd., Suite 501
Philadelphia, PA 19103

Daniel Tunnell, President
Pennsylvania Gas Association
800 N. 3rd Street, 2nd Floor
Harrisburg, PA 17102

Wick J. Havens
DEP
Division of Air Resource Management
12th Flr., Market St. State Office Bldg.
P.O. Box 8468
Harrisburg, PA 17105-8468

Eugene M. Trisko
Attorney for UMWA
P.O. Box 596
Berkeley Springs, WV 25411

Bill Shane, Esquire
440 School Street
Indiana, PA 15701

Rep. William R. Lloyd, Jr.
Chairman
House Consumer Affairs Committee
128 South Office Building
Harrisburg, PA 17120

Stanley L. Laskowski
Acting Regional Administrator EPA
841 Chestnut Building
Philadelphia, PA 19107

Frank Betley, Vice President
PA Rural Electric Association
P.O. Box 1266
Harrisburg, PA 17108-1266

Judith L. Mondre, Executive Director
City of Philadelphia
Municipal Energy Office
1600 Arch Street, 7th Floor
Philadelphia, PA 19103

Mike Welsh, Secretary/Treasurer
Utility Workers/Pennsylvania
Utility Caucus
408-412 Broad Street
Johnstown, PA 15906

Dan Rosenblum
Mid-Atlantic Energy Project
203 W. 22nd St., Apt. 3
New York, NY 10011-2748

Mr. George Ellis
Pennsylvania Coal Association
212 N. 3rd St., Suite 102
Harrisburg, PA 17101

Mr. George Emmons
PUC Consumer Advisory Council
17 N. Lancaster Lane
Newtown, 18940

James Steffes, Director
Governmental Affairs
Enron Capital & Trade Resources
1400 Smith Street-EB#2408
Houston, TX 77002

Charles Estes
Appalachian Pacific
1331 Pennsylvania Ave., N.W.
Suite 730
Washington, D.C. 20004

James A. Brodt
Smith Barney, Inc.
390 Greenwich Street
Fifth Floor
New York, NY 10013

Edward A. Essl, Coordinator
Capital City Task force
AARP
225 Market Street, Suite 502
Harrisburg, PA 17101

Timothy McNulty
Dept. of Economic and
Community Development
471 Forum Building
Harrisburg, PA 17120

Bill McCue
Merck & Co., Inc.
Sumneytown Pike
P.O. Box 4, WP2-1
West Point, PA 19486-0004

Mr. Phil Patitsas
Air Products & Chemicals
Windsor 2
7201 Hamilton Blvd.
Allentown, PA 18195-1501

Phillip D. McFarren
The McFarren Group
200 N. 3rd Street, Suite 1100
Harrisburg, PA 17101

Thomas P. Brogan
Klett Lieber Rooney & Schorling
A Professional Corporation
240 North Third Street, Suite 600
Harrisburg, PA 1701-1503

Edward Permar
University of Pittsburgh
3400 Forbes Avenue
Pittsburgh, PA 15260

James Royal
President & C.O.O.
Noble Group Corporation
3121 Norris Street
Philadelphia, PA 19121

Elliot M. Loyless, P.E.
Energy Cost Management
1901 Camp Florida Road
Brandon, FL 33510

Michael Walker
Bradford Stern
Buchanan Ingersoll
College Centre
500 College Road East
Princeton, NJ 08540

Doug Beimfohr
Carey B. Drangula
Buchanan Ingersoll
College Centre
500 College Road East
Princeton, NJ 08540

Byron Williamson
Engelhard Power Marketing, Inc.
101 Wood Avenue
Iselin, NJ 08830-0770

Harry S. Geller, Esquire
Pennsylvania. Utility Law Project
118 Locust Street
Harrisburg, PA 17101-1414

Susan M. Shanaman
212 N. Third Street
Suite 203
Harrisburg, PA 17101-1505

Anthony Lisanti
Consolidated Edison Co.
511 Theodore Fremd Avenue
Room 112
Rye, NY 10580

Patricia Armstrong
Thomas, Thomas, Armstrong & Niesen
212 Locust Street-Suite 500
P.O. Box 9500
Harrisburg, PA 17108-9500

Dan Delaney, Esquire
Kirkpatrick & Lockhart
240 N. Third Street
Harrisburg, PA 17101

Peter J. Thompson
Andrews & Kurth, LLP
1701 Pennsylvania Ave., N.W.
Washington, D.C. 20006

Brian J. Hickey
Mid American Natural Resources
2005 West 8th Street
Suite 201
Erie, PA 16505

Bernie McNamee, General Manager
Compass Management and Leasing, Inc.
Mellon Independence Center
701 Market Street, Suite 2384
Philadelphia, PA 19106

Michael D. Klein, Esq.
LeBoeuf, Lamb, Green & MacRae
200 North Third Street-Suite 300
P.O. Box 12105
Harrisburg, PA 17108-2105

John E. Molinda
Strategic Energy, Ltd.
Two Gateway Center
Pittsburgh, PA 15222

Michael Karp
31 Appaloosa Road
Bellingham, WA 98226

Amy Leader
Legislative Director
Dechert Price & Rhoads
30 N. 3rd Street
Harrisburg, PA 17101

Deborah Schachter
163 Silk Farm Road
Concord, NH 03301

Travis Peyton, PE
Ballinger
2005 Market Street-Suite 1500
Philadelphia, PA 19103-7008

Frank K. Gates
Greenlee Associates
P.O. Box 291
Harrisburg, PA 17108

Brian A. Rider, President
Pennsylvania Retailers' Association
224 Pine Street
Harrisburg, PA 17101

Richard W. Bain
Centerior Energy
5761 West Avenue
Edinboro, PA 16412-1342

Steve R. Corwell
QST Energy, Inc.
300 Hamilton Blvd.
Suite 330
Peoria, IL 61602

Ginny Kreitler
Kreitler Consulting
1004 Hampstead Road
Wynnewood, PA 19096

Erik Hansen
Delmarva Power
800 King Street
Wilmington, DE 19899

Timothy W. Merrill, Jr.
Enserch Energy Services, Inc.
Penn Center West, Bldg. 4
Suite 200
Pittsburgh, PA 15276

John V. Kulik, Vice President
Government Relations
Pennsylvania Food Merchants Association
1029 Mumma Road
P.O. Box 870
Camp Hill, PA 17011

Ralph L. Lentz, Registrar
Chm., Political Education Committee
I.B.E.W. Local Union 777
740 Anna May Street
York, PA 17404-1366

Denis E. George, VP
Stand Energy Corporation
1077 Celestial Street
Rookwood Building, Suite 110
Cincinnati, Oh 45202

Rich Heidorn, Jr.
The Philadelphia Inquirer
P.O. Box 8263
Philadelphia, PA 19101

Neal K. Cody
MAPSA
Energy Investment Advisors
7004 Clifton Forest Drive
Clifton, VA 20124

Trond Grenager, Pres./CEO
Lebanon Methane Recovery, Inc.
920 Rosstown Road
Lewisberry, PA 17339

Chrstiopher Zettlemoyer
Reed, Smith, Shaw & McClay
213 Market Street
P.O. Box 11844
Harrisburg, PA 17108

John Earwood
Pa. Department of Aging
400 Market Street
Harrisburg, PA 17101

Louis J. Carter, Esquire
7300 City Line Avenue
Philadelphia, PA 19151

Daniel Desmond
Sustainable Systems Research
1303 Wheatland Avenue
Lancaster, PA 17603

Tamasin Sterner
Pure Energy
531 W. Frederick Street
Lancaster, PA 17603

Joel Blau
Regulatory Counsel
Wheeled Electric Power Company
32 Windsor Court
Delmar, NY 12054

Frank E. Sparrow
Equitable Gas
423 Walnut Street
Suite 220
Harrisburg, PA 17101

Donna Gehlhaart
Regulatory Public Affairs Manager
International Paper
320 W. Market Street, Suite 600
Harrisburg, PA 17101

Scott Helm
EA&C
516 Kenhorst Boulevard
Reading, PA 19611

Gary R. Stockbridge, VP
Stephen L. Huntoon, General Counsel
Horizon Energy Company
2301 Market Street, S20-1
Philadelphia, PA 19103

Eric Levis
Legislative Representative
Pa. Rural Electric Association
212 Locust Street
P.O. Box 1266
Harrisburg, PA 17108-1266

Diane S. Meyer
VP - Rates & Regulatory Affairs
Peoples Gas
625 Liberty Avenue
Pittsburgh, PA 15222-3197

Dr. John O'Brien
President
Wheeled Electric Power Company
50 Charles Lindbergh Boulevard
Suite 207
Uniondale, NY 11553

Joseph Goldberg
Chief Deputy Attorney General
Director, Bur. of Consumer Protection
14th Floor - Strawberry Square
Harrisburg, PA 17120

Susan Weinstock
AARP
601 E Street, N.W.
Washington, D.C. 20049

Norman H. Stark
MacDonald, Illig, Jones & Britton
Suite 700
100 State Street
Erie, PA 16507

Joseph Wydra
Shumaker Williams Governance
Resource Group
P.O. Box 88
Harrisburg, PA 17108

Rocco Pugliese
Pugliese Associates
208 N. 3rd Street, Suite 410
Harrisburg, PA 17101

Jack Johnson
Geophonics
332 Springfield Avenue
Summit, NJ 07901

Elisa J. Grammer
Monique Penn-Jenkins
Grammer Kissel Robbins Skancke & Edwards
1225 Eye Street, N.W., Suite 1225
Washington, D.C. 20005

David Hughes
4037 Ludwick Street
Pittsburgh, PA 15217

Anthony Mirabile
United Regional Energy
3200 Mellon Bank Center
1735 Market Street
Philadelphia, PA 19103

Dennis Kalbarczyk
Utility Rates Resources
910 Picketown Road
Harrisburg, PA 17112

Jay Layman
Capital Associates, Inc.
200 North 3rd Street
Suite 1402
P.O. Box 1085
Harrisburg, PA 17108-1085

Craig A. Doll, Esq.
214 State Street
Harrisburg, PA 17101-1132

Joe Dudick
PA Rural Development Council
506 Finance Building
Harrisburg, PA 17120

William Kahoc
NORSTAR Energy
26 Tolchester Lane
Bel Aire, MD 21014

Dan Kennedy
Governor's Action Team
439 Forum Building
Harrisburg, PA 17120

Steven B. Loux, Research Associate
The Commonwealth Foundation
3544 North Progress Avenue, Suite 101
Harrisburg, PA 17110

Andrew Altman
Clean Air Council
135 S. 19th Street
Suite 300
Philadelphia, PA 19103

Tom Scott
Killian & Gephart
218 Pine Street
P.O. Box 886
Harrisburg, PA 17108

Paul Barber
Citizens Lehman Power, LLC
530 Atlantic Avenue
Boston, MA 02210

Terry Holt
Hills Department Stores
3010 Greengarden Road
Aliquippa, PA 15001

Dennis Bloom
IBEW Local 272
1099 Marshall Road
Monaca, PA 15061

James Kirkpatrick, Program Mgr.
Electric Unit
PennDOT
District 6-0
St. Davids, PA 19003

Roger Odisio
170 Drake Road
Bethel Park, PA 15102

James H. Cawley, Esquire
Rhoads & Sinon, LLP
One South Market Square
P.O. Box 1146
Harrisburg, PA 17108-1146

Glenn Berger
1440 New York Avenue, N.W.
Sixth Floor
Washington, D.C. 20005

Scott Helm
Expense Audit & Consulting
516 Kenhorst Blvd.
Reading, PA 19610

Robert E. Stewart
PA Government News & Advisory Service
100 South 21st Street
Harrisburg, PA 17104

Ralph J. Weed, CPA
311 Edinburgh Road
Chadds Ford, PA 19317

Edward Wyland
UWUA Local 102
338 West Maiden Street
Washington, PA 15301

Eric Woychik
SI
9901 Caloden Lane
Oakland, CA 94605

Rich Luczko
Legislative Coordinator
IBEW
5144 Caste Drive
Pittsburgh, PA 15236

Bryan Berguson
Wellsboro Electric Co.
P.O. Box 138
Wellsboro, PA 16901

Lisa Yoho
Columbia Gas Transmission Corp.
1700 MacCorkle Avenue, S.E.
P.O. Box 1273
Charleston, WV 25325-1273

Marylou Barton, Assistant Counsel
Bureau of Regulatory Counsel
RCSOB
400 Market Street, 9th Floor
P.O. Box 8464
Harrisburg, PA 17105-8464

William E. Ferrelli
Office Manager
American Telecharge, Inc.
18 Colosseum Drive
Mantua, NJ 08051-1355

Steve Hastie
Resource Management Incorporated
111 Presidential Blvd., Suite 127
Bala Cynwyd, PA 19004

Ed Panavich
Westinghouse Electric Corp.
11 Stanwix Street
Pittsburgh, PA 15222-1384

Jane Drenan
1216 - 16th Street, NW.
Washington, D.C. 20036

Todd Glass
Heller, Ehrman, White & McAuliffe
200 Southwest Market Street
Suite 1750
Portland, OR 97201

Tim McCorry, President
Mack Services Group
45 Branch Avenue
Berwyn, PA 19312

Edward Gallagher
Dairylea Cooperative, Inc.
5001 Brittonfield Parkway
P.O. Box 4844
Syracuse, NY 13221-4844

Barry Goodstadt, Ph.D.
Vice President
Itron, Inc.
P.O. Box 1160
Columbia, MD 21044

Jeff Simpson
Shiplely Oil Company
550 E. King Street
York, PA 17403

James P. McCormick
Utility Operations Consultant
1940 Robert Road
Meadowbrook, PA 19046

Siegfried Doerrer
Xenergy, Inc.
3 Burlington Woods
Burlington, MA 01803

Glenn D. Clowney
Delmarva Power
Christiana Building
252 Chapman Road
P.O. Box 6066
Newark, DE 19714-6066

Arlen K. Bolsad
Robert A. Omberg
Div. of Legislative Services
General Assembly Building-2nd Floor
910 Capitol Street
Richmond, VA 23219

Walter Hans
TRD
P.O. Box 2820
Cherry Hill, NY 08034-0246

Robert N. Grant
Principal for Management Consulting
Delta Development Group, Inc.
207 House Avenue, Suite 103
Camp Hill, PA 17011

J. John Fluharty
Chesapeake Enterprises
1800 K Street, NW
Suite 629
Washington, D.C. 20006

Daniel Moncino
Schlumberger Industries
3155-B Northwoods Parkway
Norcross, GA 30071

Thomas C. Slavonic, P.E.
Exec. Vice President
Earth Sciences Consultants, Inc.
AWS Remediation, Inc.
One Triangle Drive
Export, PA 15632

Robert W. O'Donnell
Attorney at Law
Suite 500
1515 Market Street
Philadelphia, PA 19102

Joe Fisher, Assoc. Editor
Natural Gas Intelligence
211 Regency Square Blvd.
Suite 221
Houston, TX 77036

Russell N. Henn
LG&E Power Marketing
12500 Fair Lakes Circle, Suite 350
Fairfax, VA 22033-3804

William P., Edwards, Jr.
PacifiCorp
1500 Market Street
Centre Square
East Tower - 12th Floor
Philadelphia, PA 19102

Valerie Smith
Rural Utilities
1400 Independence Ave., S.W.
Mail Stop 1516
Rm. 4027 South Bldg.
Washington, D.C. 20250

Pete Langbein
GPU-Advanced Resources
2675 Morgantown Road
Suite GH2-3300
Reading, PA 19607

James Kimball
Onlocation, Inc.
8100 Oak Street
Suite 300
Dunn Loring, VA 22027

Paul Edmundson
Pricing and Planning Analyst
Plum Street Energy Marketing
P.O. Box 5001
507 Plum Street
Syracuse, NY 13204

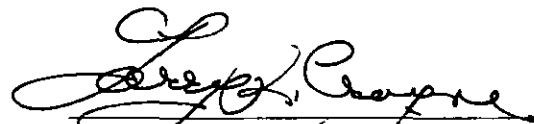
John E. Horton
Emmit C. House
mc²
701 East 22 Street
Lombard, IL 60148-5072

Robert Spaulding
Spaulding Group
5127 Walnut Ridge Drive
Erie, PA 16506

Albert Thomas
Techneglas
60 Old Boston Road
Pittston, PA 18640

John Happ
Noram Energy
1600 Smith Street
Suite 1161
Houston, TX 77002-7345

Dated this 1st day of August, 1997



Larry R. Crayne, Esquire
Assistant General Counsel
Duquesne Light Company
411 Seventh Avenue, 16-006
P.O. Box 1930
Pittsburgh, PA 15230-1930
(412) 393-6049

v:\rsh\cos9741.doc

END