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November 4, 1998

James J. McNulty  
Office of the Prothonotary  
Pennsylvania Public Utility Commission  
North Office Building  
North St. & Commonwealth Ave.  
Harrisburg, PA 17105-3265

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NOV 04 1998

Re: Duquesne Light Company  
Docket No. R-00974104

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

Dear Mr. McNulty:

Enclosed is an original and nine copies of the Third Compliance Filing of Duquesne Light Company regarding Stand-Alone Restructuring Plan. I also have enclosed two additional copies and request that your office time-stamp them and return them in the enclosed self-addressed, stamped envelope.

Thank you for your assistance in this matter.

Sincerely,



Victor A. Contract  
Counsel to Duquesne Light Company

DOCUMENT  
FOLDER

Enclosure

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**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION** PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

**Pennsylvania Public Utility )  
Commission, )  
v. )  
Duquesne Light Company )  
Application to approve )  
restructuring plan pursuant. )  
to 66 Pa. C.S. § 2806(d) )**

**Docket No. R-00974104**

**THIRD COMPLIANCE FILING OF DUQUESNE LIGHT COMPANY  
REGARDING STAND-ALONE RESTRUCTURING PLAN**

Pursuant to the Order on Compliance Filing ("Second Compliance Order") issued on October 16, 1998, Duquesne Light Company ("Duquesne") hereby submits its third compliance filing regarding the stand-alone restructuring plan approved in this proceeding, including Duquesne Electric Tariff No. 18 and the Electric Generation Supplier Services Tariff ("Supplier Tariff").

The following is a discussion of each significant item reflected in the compliance filing.

**I. UNBUNDLING ISSUES - TRANSMISSION AND DISTRIBUTION RATES**

**A. Requirements of the Order**

The Commission's order raises three issues regarding Duquesne's unbundled transmission and distribution rates. First, the Commission ordered Duquesne to recalculate the overall system realized return incorporating the revised

ECR roll-in (-3.628 mills/kWh) and to use the recalculated percentage return in re-setting its T&D rates. Second Compliance Order at 9. Second, the Commission directed the Company to use the 1999 sales volume of 12,519,000,000 kWh in calculating the unbundled T&D rate cap. Second Compliance Order at 10. Finally, the Commission directed the Company to provide a written response to the DII cost of service study allegation as part of this filing and to include detailed calculations to support Duquesne's cost of service. Second Compliance Order at 12.

The Commission also directs the Company to include language regarding the transmission and distribution rate cap. Second Compliance Order at 21.

**B. Description of Compliance Filing**

Appendix A contains the following: (1) Summary Table of Transmission, Distribution, CTC and Shopping Credits (Attachment A ); (ii) Average Rates 1999-2000 (Attachment B); (iii) Determination of Class Rate Caps (Attachment C); (iv) Allocated Revenue Requirements--Transmission and Distribution (Attachment D); and Summary of Tariff Revisions and Tariff No. 18 (Attachment E). These attachments set forth the system average transmission, ancillary services, and distribution rates that result from compliance with the Second Order on Compliance. The T&D rate cap was developed based on a revised realized rate of return of 8.57% resulting from an ECR credit of 3.628 mills/kWh, 1999 sales volume of 12,519,000

MWH and 1996 class rates of return adjusted to the system average of 8.57%.<sup>1</sup> The resulting unbundled T&D rate is 2.14 cents per kWh, 0.12 cents per kWh lower than previously calculated.

Regarding concerns raised by DII, Duquesne has discussed the over-allocation of income tax-related expense to Rates L and HVPS. Duquesne has corrected the error in its cost of service. Supporting schedules and data are included as part of Appendix A, Attachment D.

Regarding the Commission's concerns that Duquesne set forth the procedure to comply with the rate caps should Duquesne's transmission rate change, it is likely that Duquesne will employ the same process set forth in Appendix A. See Attachment D at 3. However, no definitive commitment can be made without knowing the circumstances under which a change in transmission rates might occur.

## **II. TARIFF ISSUES**

### **A. Requirements of the Order**

The Commission directed Duquesne to roll-in to base rates the ECR prevailing on the effective date of the Act. Second Compliance Order at 14.

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<sup>1</sup> The adjustment to the class rates of return follows the recommendation contained in the OSBA's comments and implemented in the UGI Stipulated Settlement. See OSBA comments at 3.

**B. Description of Compliance Filing**

Duquesne has rolled-in an ECR credit of 3.268 cents per kWh in establishing its rate cap. The 3.268 cent ECR is consistent with a fuel and purchased power cost of 12.81 cents per kWh and was the ECR rate on the effective date of the Act.

**III. COMPETITIVE SAFEGUARDS**

**A. Requirements of the Order**

The Second Compliance Order directs Duquesne to further revise its Interim Code of Conduct to comply with the Interim Code of Conduct adopted in *PECO Energy*. Second Compliance Order at 28. The Order also approved most portions of the Supplier Tariff, but directed Duquesne to convene the necessary meeting(s) with interested parties to resolve outstanding Supplier Tariff issues and to file a Settlement Agreement on this matter. Second Compliance Order at 40.

**B. Description of Compliance Filing**

**1. Code of Conduct**

Duquesne has modified Rule 7 and inserted Rules 9 and 11 as prescribed. As set forth in Rule 11, Duquesne will file a detailed plan for compliance with the Code of Conduct within 60 days of the Second Compliance Order. The revised Code of Conduct, and a black-lined version thereof, is attached as Appendix B.

## 2. Supplier Tariff

As directed, Duquesne convened two "Supplier Tariff Settlement Conferences" on Wednesday, October 28, 1998 and Monday, November 2, 1998 to resolve the outstanding Supplier Tariff issues. Duquesne encouraged parties to raise issues so that acceptable terms could be incorporated in this filing. Duquesne and interested parties negotiated all outstanding issues at these conferences.<sup>2</sup> Prior to each meeting, Duquesne notified all interested parties. The Company also posted the agreed-upon changes at the Company's website the day following each conference.<sup>3</sup>

The parties agreed-upon a revised Supplier Tariff, which is attached, along with a black-lined version thereof, as Appendix C. Duquesne expressed its intent that the revised Supplier Tariff would be acceptable to all interested parties save only for the exception attached hereto. See Appendix D. Consistent with this proposal, the parties also agreed that, to the extent possible, parties would provide comments and/or objections regarding the consensus tariff for the purpose of filing them with this tariff.<sup>4</sup> Duquesne believed that the filing of such comments would

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<sup>2</sup> Certain parties also attended by teleconference.

<sup>3</sup> The Company also informed interested parties that they could contact the Company regarding specific issues should they be unable to attend either conference. No party chose this option.

<sup>4</sup> This procedure is not intended in any manner to circumscribe the procedures for the filing of Comments.

highlight any areas where consensus was not achieved. Allegheny Energy, Enron, and SEL forwarded comments to Duquesne, and these are attached at Appendix D.

**(a) Rule 6.4 - Forecasting Process**

Duquesne and interested parties discussed the forecasting process and the feasibility and appropriateness of Real-Time Load Following. The parties reached consensus about the type of forecast that is feasible on Duquesne's system. As a result, Rule 7.3.3 is revised to provide an EGS with an opportunity to submit a supply schedule change with two hours notice, unless waived during emergency operations. Rule 7.3.3 is intended to alleviate EGSs' concerns about having the option to modify previously submitted schedules.

The parties also discussed and agreed that dynamic scheduling is available under Duquesne's FERC-approved OATT.

**(b) Rule 12.4 - Guarantee of Payment/Amount of Deposit**

The revised Supplier Tariff reflects the consensus reached with regard to requiring that an EGS with bad credit post a guarantee of payments. The EGS must provide a letter of credit, or other guarantee satisfactory to the Company. The parties agreed to maintain the amount of deposit (the lesser of \$250,000, or two months of the EGS's Customers' forecasted MWH load multiplied by \$25.00). The parties also reached consensus that the Company has the discretion to reduce the amount of this deposit if circumstances warrant.

**(c) Scheduling Coordinator**

Duquesne revises the Scheduling Coordinator Designation Form to clarify that the EGS, and not the Scheduling Coordinator, shall be responsible for matters not specifically designated in this Rider.

**(d) Other Revisions**

The Compliance Order directs Duquesne to revise the definition of "Bad Credit" by removing the phrase "as evidenced by two payments overdue by sixty days." Duquesne accordingly revises the definition. Duquesne also revises Rule 8.6, as prescribed, to provide for the algorithms and methodology utilized in calculating the Consumption Energy Imbalance upon request of an EGS. The Second Compliance Order also directs Duquesne to revise the EDC obligation to forward funds, and Duquesne accordingly revises Rule 12.1.5.

The Supplier Tariff also is revised to reflect that Duquesne will not provide for transmission losses. This revision was not opposed by interested parties.

**(e) Additional Comments**

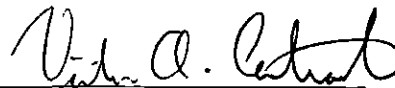
SEL comments that the Commission should allow an EGS to audit Duquesne's calculation of System Lambda or monitor the EDC's calculations through Commission audits. Duquesne disagrees because the Commission presently has no authority to audit System Lambda. In addition, unlike PJM, which operates a public

power market exchange, Duquesne does not belong to or operate a similar exchange, and is not obligated to post imbalances after each operating hour.

SEL further requests the release of imbalance charge information. SEL contends that such a release should not raise concerns about the release of commercially sensitive information because the identity of the parties could be redacted. SEL's suggestion is unwarranted. Duquesne's power purchases are proprietary regardless of whether the names are redacted. In addition, Duquesne's practices are consistent with the Company's FERC-approved OATT.

WHEREFORE, Duquesne's third compliance filing should be accepted without modification or condition.

Respectfully submitted,



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Dated: November 4, 1998

**APPENDIX A**

**Attachment A** T, D, CTC, and Shopping Credit Summary Table

**Attachment B** Class Average Rates 1999-2000

**Attachment C** Determination of Class Rate Caps

**Attachment D** Allocated Revenue Requirements--Transmission and Distribution

**Attachment E** Summary of Tariff Revisions and Retail Tariff 18

Attachment A  
T, D and CTC and Shopping Credit Summary Table

**Duquesne Light Company**

**CTC, T&D and Shopping Credit in Cents per kwh**

**CTC Revenue Collections with kwh consumption as indicated (See Notes)**

**Stranded: To Be Determined (post-auction)**

**Pre-Tax Return: To Be Determined (post-auction)**

<b>Year</b>	<b>kwh consumed (1)</b>	<b>CTC Revenue Collections (2)</b>	<b>CTC Rate With GRT (3)</b>	<b>T&amp;D Rate (4)</b>	<b>Bundled Rate Today (5)</b>	<b>Shopping Credit (6)</b>
1999	12,518,902,647	\$ 341,090,023	2.85	2.140	8.78	3.79
2000	13,396,867,288	\$ 309,939,205	2.42	2.140	8.78	4.22
2001	13,617,281,321	\$ 303,322,219	2.33	2.140	8.78	4.31
2002	13,845,460,353	\$ 296,492,227	2.24	2.140	8.78	4.40
2003	14,082,528,386	\$ 288,106,000	2.14	2.140	8.78	4.50
2004	14,331,562,413	\$ 278,129,767	2.03	2.140	8.78	4.61
2005	14,587,560,447	\$ 263,573,878	1.89	2.140	8.78	4.75
2006	14,846,254,483	\$ 261,151,556	1.84	2.140	8.78	4.80
2007	15,111,485,513	\$ 260,038,444	1.80	2.140	8.78	4.84

**Notes:**

- (1) OCA's retail kWh for 1999 (PaPUC-mandated level). Thereafter, Duquesne's sales forecast was used.
- (2) CTC collections in 1999 are calculated as a residual using methodology from the pilot. Thereafter, the CTC rates (post-auction) are set at levels to produce shopping credits in the May PaPUC order. The length of the CTC recovery period will be shortened or lengthened depending on the results of Duquesne's auction of generating assets and actual retail sales.
- (3) GRT Gross up is  $1/(1-GRT)$ , or 1.0460251, to reflect payment of the portion of the GRT on the GRT revenue receipt.
- (4) Figures are illustrative beyond June 2001 when the cap on non-generation charges expires.
- (5) The ECR roll-in in bundled rates is based on the PaPUC-mandated level of fuel and purchased power costs of \$12.80 per MWH.
- (6) Shopping credits in 1999 are based on the pilot methodology. Thereafter, shopping credits (post-auction) are set at levels consistent with the May PaPUC Order. Shopping credits include energy and capacity, T&D losses, ancillary services, and GRT.

Attachment B  
Class Average Rates 1999-2007

# Duquesne Light Company (Third Compliance Filing)

Filed November 5, 1998

## AVERAGE RETAIL RATES

Total Bundled Rates (c/kWh)	1999	2000	2001	2002	2003	2004	2005	2006	2007
RA	9.87	9.87	9.87	9.87	9.87	9.87	9.87	9.87	9.87
RS	12.57	12.57	12.57	12.57	12.57	12.57	12.57	12.57	12.57
RH	8.30	8.30	8.30	8.30	8.30	8.30	8.30	8.30	8.30
GS/GM	10.45	10.45	10.45	10.45	10.45	10.45	10.45	10.45	10.45
GMH	8.21	8.21	8.21	8.21	8.21	8.21	8.21	8.21	8.21
GL	7.07	7.07	7.07	7.07	7.07	7.07	7.07	7.07	7.07
GLH	6.36	6.36	6.36	6.36	6.36	6.36	6.36	6.36	6.36
L	5.47	5.47	5.47	5.47	5.47	5.47	5.47	5.47	5.47
HVPS	4.37	4.37	4.37	4.37	4.37	4.37	4.37	4.37	4.37
AL	10.18	10.18	10.18	10.18	10.18	10.18	10.18	10.18	10.18
SE	10.66	10.66	10.66	10.66	10.66	10.66	10.66	10.66	10.66
SM	38.94	38.94	38.94	38.94	38.94	38.94	38.94	38.94	38.94
SH	19.81	19.81	19.81	19.81	19.81	19.81	19.81	19.81	19.81
MTS	<u>14.14</u>	<u>14.14</u>	<u>14.14</u>	<u>14.14</u>	<u>14.14</u>	<u>14.14</u>	<u>14.14</u>	<u>14.14</u>	<u>14.14</u>
System Average	8.78	8.78	8.78	8.78	8.78	8.78	8.78	8.78	8.78

Notes:

The ECR roll-in in bundled rates is based on the PaPUC-mandated level of fuel and purchased power costs of \$12.80 per MWH.

Transmission Rates (c/kWh)	1999	2000	2001	2002	2003	2004	2005	2006	2007
RA	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
RS	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
RH	0.21	0.21	0.21	0.21	0.21	0.21	0.21	0.21	0.21
GS/GM	0.32	0.32	0.32	0.32	0.32	0.32	0.32	0.32	0.32
GMH	0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.24	0.24
GL	0.23	0.23	0.23	0.23	0.23	0.23	0.23	0.23	0.23
GLH	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
L	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
HVPS	0.21	0.21	0.21	0.21	0.21	0.21	0.21	0.21	0.21
AL	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12
SE	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06
SM	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06
SH	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06
MTS	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18
System Average	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25

Notes:

Based on FERC-approved revenue requirements and rates. Figures are illustrative beyond June 2001 when the cap on non-generation charges expires.

<b>Distribution Rates (c/kWh)</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
RA	1.91	1.91	1.91	1.91	1.91	1.91	1.91	1.91	1.91
RS	4.30	4.30	4.30	4.30	4.30	4.30	4.30	4.30	4.30
RH	1.55	1.55	1.55	1.55	1.55	1.55	1.55	1.55	1.55
GS/GM	2.19	2.19	2.19	2.19	2.19	2.19	2.19	2.19	2.19
GMH	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40
GL	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92	0.92
GLH	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51	0.51
L	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70
HVPS	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04
AL	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75
SE	5.24	5.24	5.24	5.24	5.24	5.24	5.24	5.24	5.24
SM	28.85	28.85	28.85	28.85	28.85	28.85	28.85	28.85	28.85
SH	8.27	8.27	8.27	8.27	8.27	8.27	8.27	8.27	8.27
MTS	<u>5.20</u>	<u>5.20</u>	<u>5.20</u>	<u>5.20</u>	<u>5.20</u>	<u>5.20</u>	<u>5.20</u>	<u>5.20</u>	<u>5.20</u>
System Average	1.89	1.89	1.89	1.89	1.89	1.89	1.89	1.89	1.89
<b>December 31, 1996 T&amp;D Rate Cap</b>	<b>2.140</b>	<b>2.140</b>	<b>2.140</b>	<b>2.140</b>	<b>2.140</b>	<b>2.140</b>	<b>2.140</b>	<b>2.140</b>	<b>2.140</b>

Notes:

Figures are illustrative beyond June 2001 when the cap on non-generation charges expires.

CTC Rates (c/kWh)	1999	2000	2001	2002	2003	2004	2005	2006	2007
RA	3.56	2.92	2.69	2.49	2.29	2.09	1.87	1.76	1.66
RS	3.52	3.47	3.39	3.31	3.21	3.09	2.92	2.89	2.87
RH	2.61	3.92	3.83	3.74	3.62	3.49	3.30	3.26	3.24
GS/GM	3.78	2.96	2.82	2.69	2.54	2.38	2.20	2.12	2.05
GMH	2.68	2.92	2.78	2.64	2.50	2.34	2.16	2.08	2.01
GL	2.43	1.88	1.79	1.71	1.62	1.52	1.40	1.35	1.31
GLH	2.08	2.07	1.98	1.89	1.80	1.69	1.56	1.51	1.47
L	1.43	1.52	1.46	1.40	1.34	1.27	1.18	1.14	1.12
HVPS	1.42	1.12	1.09	1.07	1.04	1.00	0.95	0.94	0.94
AL	3.22	4.25	4.16	4.06	3.95	3.81	3.61	3.58	3.56
SE	1.19	3.34	3.27	3.19	3.10	3.00	2.84	2.81	2.80
SM	2.19	7.10	6.95	6.80	6.60	6.37	6.04	5.99	5.96
SH	6.12	3.19	3.12	3.05	2.96	2.86	2.71	2.68	2.67
MTS	<u>4.08</u>	<u>3.02</u>	<u>2.96</u>	<u>2.89</u>	<u>2.81</u>	<u>2.71</u>	<u>2.57</u>	<u>2.55</u>	<u>2.54</u>
System Average	2.85	2.42	2.33	2.24	2.14	2.03	1.89	1.84	1.80

Notes:

CTC collections in 1999 are calculated as a residual using methodology from the pilot. Thereafter, the CTC rates (post-auction) are set at levels to produce shopping credits in the May PaPUC order. The length of the CTC recovery period will be shortened or lengthened depending on the results of Duquesne's auction of generating assets and actual retail sales.

<b>Shopping Credits</b> (c/kWh)	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
RA	4.15	4.79	5.02	5.22	5.42	5.62	5.84	5.95	6.05
RS	4.50	4.55	4.63	4.71	4.81	4.93	5.10	5.13	5.15
RH	3.93	2.62	2.71	2.80	2.92	3.05	3.24	3.28	3.30
GS/GM	4.16	4.98	5.12	5.25	5.40	5.56	5.74	5.82	5.89
GMH	3.89	3.65	3.79	3.93	4.07	4.23	4.41	4.49	4.56
GL	3.49	4.04	4.13	4.21	4.30	4.40	4.52	4.57	4.61
GLH	3.52	3.53	3.62	3.71	3.80	3.91	4.04	4.09	4.13
L	3.14	3.05	3.11	3.17	3.23	3.30	3.39	3.43	3.45
HVPS	2.70	3.00	3.03	3.05	3.08	3.12	3.17	3.18	3.18
AL	4.09	3.06	3.15	3.25	3.36	3.50	3.70	3.73	3.75
SE	4.17	2.02	2.09	2.17	2.26	2.36	2.52	2.55	2.56
SM	7.84	2.93	3.08	3.23	3.43	3.66	3.99	4.04	4.07
SH	5.36	8.29	8.36	8.43	8.52	8.62	8.77	8.80	8.81
MTS	<u>4.68</u>	<u>5.74</u>	<u>5.80</u>	<u>5.87</u>	<u>5.95</u>	<u>6.05</u>	<u>6.19</u>	<u>6.21</u>	<u>6.22</u>
System Average	3.79	4.22	4.31	4.40	4.50	4.61	4.75	4.80	4.84

Notes:

Shopping credits in 1999 are based on the pilot methodology. Thereafter, shopping credits (post-auction) are set at levels consistent with the May PaPUC Order. Shopping credits include energy and capacity, T&D losses, ancillary services, and GRT.

Price To Compare (c/kWh)	<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>
RA	4.40	5.04	5.27	5.47	5.67	5.87	6.09	6.20	6.30
RS	4.75	4.80	4.88	4.96	5.06	5.18	5.35	5.38	5.40
RH	4.14	2.83	2.92	3.01	3.13	3.26	3.45	3.49	3.51
GS/GM	4.48	5.30	5.44	5.57	5.72	5.88	6.06	6.14	6.21
GMH	4.13	3.89	4.03	4.17	4.31	4.47	4.65	4.73	4.80
GL	3.72	4.27	4.36	4.44	4.53	4.63	4.75	4.80	4.84
GLH	3.77	3.78	3.87	3.96	4.05	4.16	4.29	4.34	4.38
L	3.34	3.25	3.31	3.37	3.43	3.50	3.59	3.63	3.65
HVPS	2.91	3.21	3.24	3.26	3.29	3.33	3.38	3.39	3.39
AL	4.21	3.18	3.27	3.37	3.48	3.62	3.82	3.85	3.87
SE	4.23	2.08	2.15	2.23	2.32	2.42	2.58	2.61	2.62
SM	7.90	2.99	3.14	3.29	3.49	3.72	4.05	4.10	4.13
SH	5.42	8.35	8.42	8.49	8.58	8.68	8.83	8.86	8.87
MTS	<u>4.86</u>	<u>5.92</u>	<u>5.98</u>	<u>6.05</u>	<u>6.13</u>	<u>6.23</u>	<u>6.37</u>	<u>6.39</u>	<u>6.40</u>
System Average	4.04	4.47	4.56	4.65	4.75	4.86	5.00	5.05	5.09

Notes:

Shopping credits plus transmission.

PAPUC Approved  
Production  
Allocators

CTC Revenue Requirements By Class (Post-Auction)

	2000	2001	2002	2003	2004	2005	2006	2007
CTC Revenues (\$)								
0.372147% RA	1,206,516	1,180,758	1,154,170	1,121,525	1,082,690	1,026,027	1,016,598	1,012,265
31.092155% RS	100,802,069	98,650,016	96,428,685	93,701,218	90,456,630	85,722,593	84,934,777	84,572,758
3.653433% RH	11,844,583	11,591,709	11,330,696	11,010,209	10,628,959	10,072,694	9,980,123	9,937,584
26.147770% GS/GM	84,772,167	82,962,340	81,094,254	78,800,518	76,071,896	72,090,682	71,428,147	71,123,698
3.164604% GMH	10,259,779	10,040,740	9,814,650	9,537,044	9,206,805	8,724,968	8,644,783	8,607,936
18.467611% GL	59,872,770	58,594,528	57,275,138	55,655,122	53,727,955	50,916,108	50,448,174	50,233,148
3.160839% GLH	10,247,573	10,028,794	9,802,973	9,525,698	9,195,852	8,714,588	8,634,498	8,597,695
6.960736% L	22,566,999	22,085,209	21,587,910	20,977,300	20,250,920	19,191,091	19,014,719	18,933,672
5.879573% HVPS	19,061,823	18,654,867	18,234,810	17,719,042	17,105,485	16,210,272	16,061,294	15,992,836
0.000153% AL	497	487	476	462	446	423	419	417
0.294341% SE	954,266	933,893	912,864	887,044	856,328	811,512	804,054	800,627
0.688707% SM	2,232,818	2,165,148	2,135,945	2,075,530	2,003,661	1,898,799	1,881,349	1,873,330
0.009821% SH	31,841	31,161	30,459	29,598	28,573	27,077	26,829	26,714
0.108108% MTS	350,490	343,007	335,283	325,800	314,518	298,058	295,319	294,060
100.000000% Total	324,204,189	317,282,656	310,138,313	301,366,109	290,930,719	275,704,893	273,171,084	272,006,741
GRT on CTC	14,264,984	13,960,437	13,646,086	13,260,109	12,800,952	12,131,015	12,019,528	11,968,297
CTC Revenue (exclusive of GRT)	309,939,205	303,322,219	296,492,227	288,106,000	278,129,767	263,573,878	261,151,556	260,038,444

Attachment C  
Determination of Unbundled Rate Caps by Class

**Duquesne Light Company (Third Compliance Filing)**  
**Class Rate Caps with ECR Roll In**

Rate Class	1996 Sales	Billing Determinant Revenue-Current Rates - No ECR	ECR \$/kWh (\$0.003628)	Adjusted Revenue	Cents/kWh
	A	B	C	D=B+C	E=D/A
RA	33,848,000	\$3,464,856	(\$122,801)	\$3,342,055	9.87
RS	2,977,269,000	\$385,142,840	(\$10,801,532)	\$374,341,308	12.57
RH	309,038,000	\$26,772,687	(\$1,121,190)	\$25,651,497	8.30
GS/GM	2,621,176,000	\$283,474,375	(\$9,509,627)	\$273,964,748	10.45
GMH	328,256,000	\$28,139,712	(\$1,190,913)	\$26,948,799	8.21
GL	2,885,988,000	\$214,508,567	(\$10,470,364)	\$204,038,202	7.07
GLH	455,219,000	\$30,607,837	(\$1,651,535)	\$28,956,302	6.36
L	1,528,460,000	\$89,108,553	(\$5,545,253)	\$83,563,300	5.47
HVPS	1,201,824,000	\$56,886,758	(\$4,360,217)	\$52,526,541	4.37
AL	13,000	\$1,370	(\$47)	\$1,323	10.18
SE	28,618,000	\$3,153,704	(\$103,826)	\$3,049,878	10.66
SM	31,448,000	\$12,359,674	(\$114,093)	\$12,245,581	38.94
SH	837,000	\$168,873	(\$3,037)	\$165,836	19.81
MTS	11,639,000	\$1,688,276	(\$42,226)	\$1,646,049	14.14
<b>Total</b>	<b>12,413,633,000</b>	<b>\$1,135,478,081</b>	<b>(\$45,036,661)</b>	<b>\$1,090,441,419</b>	<b>8.78</b>
Adjustments for Special Customer Tariffs				(\$8,183,594)	
Adjusted Revenue				\$1,082,257,826	8.72

**Duquesne Light Company (Third Compliance Filing)**  
**Class Average Rates Using Retail Access Pilot Program Credits - Cents per kWh**

<b>Rate Class</b>	<b>Transmission Cents/kWh</b>	<b>Distribution Cents/kWh</b>	<b>CTC Cents/kWh</b>	<b>Generation Cents/kWh</b>	<b>Total Average Cents/kWh</b>
RA	0.25	1.91	3.56	4.15	9.87
RS	0.25	4.30	3.52	4.50	12.57
RH	0.21	1.55	2.61	3.93	8.30
GS/GM	0.32	2.19	3.78	4.16	10.45
GMH	0.24	1.40	2.68	3.89	8.21
GL	0.23	0.92	2.43	3.49	7.07
GLH	0.25	0.51	2.08	3.52	6.36
L	0.20	0.70	1.43	3.14	5.47
HVPS	0.21	0.04	1.42	2.70	4.37
AL	0.12	2.75	3.22	4.09	10.18
SE	0.06	5.24	1.19	4.17	10.66
SM	0.06	28.85	2.19	7.84	38.94
SH	0.06	8.27	6.12	5.36	19.81
MTS	0.18	5.20	4.08	4.68	14.14
<b>Total</b>	<b>0.25</b>	<b>1.89</b>	<b>2.85</b>	<b>3.79</b>	<b>8.78</b>

**Duquesne Light Company (Third Compliance Filing)  
Class Average Rates by Function - Cents per kWh**

Rate Class	Transmission Cents/kWh	Distribution Cents/kWh	CTC Cents/kWh	Transmission Losses Cents/kWh	Distribution Losses Cents/kWh	Ancillary Services Cents/kWh	Participation Credit Cents/kWh	Shopping Credit Cents/kWh	Total Generation Cents/kWh	Total Charges Cents/kWh
RA	0.25	1.91	3.56	0.0142	0.1369	0.1102	0.89	3.00	4.15	9.87
RS	0.25	4.30	3.52	0.0142	0.1369	0.1080	1.24	3.00	4.50	12.57
RH	0.21	1.55	2.61	0.0142	0.1369	0.0905	0.69	3.00	3.93	8.30
GS/GM	0.32	2.19	3.78	0.0141	0.1242	0.1371	0.95	2.93	4.16	10.45
GMH	0.24	1.40	2.68	0.0140	0.1154	0.1059	0.67	2.98	3.89	8.21
GL	0.23	0.92	2.43	0.0135	0.0619	0.0981	0.51	2.81	3.49	7.07
GLH	0.25	0.51	2.08	0.0135	0.0595	0.1095	0.43	2.91	3.52	6.36
L	0.20	0.70	1.43	0.0131	0.0376	0.0868	0.31	2.69	3.14	5.47
HVPS	0.21	0.04	1.42	0.0129	0.0000	0.0908	0.20	2.40	2.70	4.37
AL	0.12	2.75	3.22	0.0161	0.0966	0.0403	0.93	3.00	4.09	10.18
SE	0.06	5.24	1.19	0.0142	0.1369	0.0266	1.00	3.00	4.17	10.66
SM	0.06	28.85	2.19	0.0142	0.1369	0.0266	4.62	3.00	7.84	38.94
SH	0.06	8.27	6.12	0.0141	0.1371	0.0266	2.19	3.00	5.36	19.81
MTS	0.18	5.20	4.08	0.0142	0.1370	0.0803	1.45	3.00	4.68	14.14
<b>Total</b>	<b>0.25</b>	<b>1.89</b>	<b>2.85</b>	<b>0.0137</b>	<b>0.0879</b>	<b>0.1067</b>	<b>0.74</b>	<b>2.84</b>	<b>3.79</b>	<b>8.78</b>

**ATTACHMENT D**

## EXPLANATORY STATEMENT OF ADJUSTMENTS TO COST OF SERVICE

Attached hereto (Appendix A, Attachment D) is revised cost of service information in support of Duquesne's unbundled rates. A schedule entitled "Cost of Service, Revenue Requirement Summary" has been included to allow the Commission to follow the adjustments made to the figures contained in Duquesne's second compliance filing. This "Revenue Requirement Summary" contains four sets of allocated cost of service numbers. The cost data appearing in the upper left hand quadrant of the page (labeled Compliance Filing II) depicts the allocated cost of service contained in the previous compliance filing. The cost of service data appearing in the lower right hand quadrant of the page (labeled "ECR -3.628 Adjusted with Inc. Tax Allocator --Adjusted Class ROR) depict the allocated cost data supporting the revised unbundled rates. These data incorporate the following adjustments

Re-allocation of income tax expense per comments of DII  
ECR credit (-3.628 mills per kWh) in effect on December 31, 1996  
Adjusted class ROR to hit revised system average return of 8.57%

Duquesne concurs with the observations raised by the DII and their expert witnesses that federal and state income taxes were improperly allocated across rate classes in Duquesne's second compliance filing. This error was the result of using a system-wide allocation factor instead of functional allocation factors. The unbundled rates contained in this compliance filing incorporate the correction for this error. The effect of correction for the allocator is shown in the upper right hand quadrant of the Revenue Requirement Summary.

The Company has rolled-in the ECR credit in effect on December 31, 1996 in computing bundled rate caps. The effect of this adjustment is shown on the lower left quadrant of the "Revenue Requirement Summary".

Finally Duquesne has adjusted the class ROR to hit the system-wide average return for each of the functionalized cost components. Duquesne's adjustment follows the recommendation contained in the OSBA's comments on Duquesne second compliance filing (see p. 3 of OSBA comments). Moreover, the OSBA also indicated there that such an adjustment was included in the UGI Stipulated Settlement.

## EXPLANATORY STATEMENT OF UNBUNDLED T&D RATES

Page \_\_\_\_\_ [3] of Attachment D, Appendix A, shows the derivation of the bundled T&D cap. The allocated cost of service information cost for transmission and distribution were combined and then divided by the 1999 kWh sales figures referenced in the Commission's order (system total of 12,519,000 MWh). Class specific 1999 kWh sales were divided into the allocated T&D cost of service data to derive T&D rate caps for each class. These T&D rate caps were then reduced by the appropriate class-specific FERC transmission rate to derive the

unbundled distribution rates. As shown, the revised system-wide T&D rate cap is 2.13 cents per kWh, comprised of a transmission rate of 0.245 cents per kWh and a distribution orate of 1.89 cents per kwh.

# **Allocated Revenue Requirements Transmission & Distribution**

**COST OF SERVICE STUDY  
(1996)  
Revenue Requirement Summary**

**Compliance Filing II  
ECR (-2.737)**

ROR @	(8.56%) <u>Production</u>	(8.47%) <u>Transmission</u>	(9.37%) <u>Distribution</u>	(8.83%) <u>Total</u>
PA PUC	823,001,734	28,231,770	250,268,523	1,101,502,028
RA	2,536,949	61,860	773,405	3,372,214
RS	249,113,270	8,904,225	118,976,560	376,994,054
RH	20,656,173	230,436	5,040,241	25,926,850
GS/GM	206,853,542	8,618,435	60,828,240	276,300,216
GMH	21,630,326	541,968	5,068,982	27,241,275
GL	169,782,495	6,380,851	30,446,274	206,609,619
GLH	25,384,141	679,336	3,298,426	29,361,902
L	71,569,900	2,353,253	11,002,004	84,925,158
HVPS	48,267,572	276,456	5,053,339	53,597,367
AL	999	11	325	1,336
SE	1,950,869	21,547	1,102,962	3,075,377
SM	4,129,868	79,339	8,064,374	12,273,580
SH	86,790	1,466	78,404	166,659
SIGNALS	1,038,841	82,589	534,990	1,656,419

**Compliance Filing II  
Adjusted For Inc. Tax Allocator  
ECR (-2.737)**

ROR @	(8.53%) <u>Production</u>	(9.71%) <u>Transmission</u>	(9.43%) <u>Distribution</u>	(8.83%) <u>Total</u>
PA PUC	822,291,009	28,121,984	251,089,031	1,101,502,024
RA	2,539,186	59,267	773,761	3,372,214
RS	246,944,116	8,747,593	121,302,346	376,994,054
RH	20,729,618	185,751	5,011,481	25,926,850
GS/GM	206,761,988	8,653,173	60,885,055	276,300,216
GMH	21,612,688	529,456	5,099,133	27,241,276
GL	170,893,837	6,390,914	29,324,867	206,609,618
GLH	25,635,924	680,267	3,045,711	29,361,902
L	71,679,596	2,513,201	10,732,361	84,925,158
HVPS	49,502,664	225,930	3,868,772	53,597,367
AL	1,002	8	325	1,335
SE	1,624,592	5,821	1,444,963	3,075,376
SM	3,247,890	46,470	8,979,220	12,273,580
SH	82,947	1,177	82,534	166,658
SIGNALS	1,034,960	82,958	538,503	1,656,420

**ECR (-3.628) Adjusted With Inc. Tax Allocator  
(Class ROR)**

ROR @	(8.26%) <u>Production</u>	(8.16%) <u>Transmission</u>	(9.19%) <u>Distribution</u>	(8.57%) <u>Total</u>
PA PUC	815,530,490	27,253,208	247,657,721	1,090,441,419
RA	2,521,224	57,566	763,265	3,342,055
RS	245,534,015	8,603,431	120,203,862	374,341,308
RH	20,561,380	173,679	4,916,438	25,651,497
GS/GM	205,399,437	8,478,152	60,087,159	273,964,748
GMH	21,442,837	511,330	4,994,633	26,948,799
GL	169,246,040	6,177,122	28,615,040	204,038,202
GLH	25,367,004	645,045	2,944,253	28,956,302
L	70,878,252	2,358,038	10,327,010	83,563,300
HVPS	48,605,886	113,520	3,807,135	52,526,541
AL	995	8	320	1,323
SE	1,617,771	5,637	1,426,471	3,049,878
SM	3,243,578	46,353	8,955,650	12,245,581
SH	82,657	1,169	82,010	165,836
SIGNALS	1,029,417	82,159	534,473	1,646,049

**ECR (-3.628) Adjusted With Inc. Tax Allocator  
(Adjusted Class ROR)**

ROR @	(8.57%) <u>Production</u>	(8.57%) <u>Transmission</u>	(8.57%) <u>Distribution</u>	(8.57%) <u>Total</u>
PA PUC	823,172,728	28,514,252	238,754,439	1,090,441,419
RA	2,539,276	60,044	742,735	3,342,055
RS	249,148,523	8,994,985	116,197,800	374,341,308
RH	20,613,132	179,086	4,859,279	25,651,497
GS/GM	207,436,355	8,875,891	57,652,502	273,964,748
GMH	21,593,894	533,738	4,821,167	26,948,799
GL	170,246,807	6,466,525	27,324,870	204,038,202
GLH	25,448,105	673,325	2,834,872	28,956,302
L	71,178,846	2,477,905	9,906,548	83,563,300
HVPS	48,606,264	112,088	3,808,189	52,526,541
AL	1,004	8	310	1,322
SE	1,610,314	5,581	1,433,983	3,049,879
SM	3,611,046	47,712	8,586,823	12,245,581
SH	86,714	1,215	77,907	165,836
SIGNALS	1,052,449	86,147	507,453	1,646,049

## COST OF SERVICE STUDY (1996)

### ALLOCATED REVENUE REQUIREMENTS (Transmission & Distribution)

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
	Compliance Filing II ROR @ 9.37%	Compliance Filing II With OCA Correction for tax allocator	Revised ECR roll-in and correction for tax allocator @ class ROR (9.19%)	Revised ECR roll-in and correction for tax allocator @ Adj. Class ROR (8.57%)	Pa PUC 1999 kWh Sales	Combined Transmission & Distribution "Rate" (D)/(E) \$/kwh	FERC Transmission "Rate" \$/kwh	Residual Distribution (F)-(G) \$/kwh
<b>PA PUC</b>	\$278,500,293	\$279,211,015	\$274,910,929	\$267,268,691	12,518,902,647	0.021349	0.002453	0.018896
<b>RA</b>	835,265	833,028	820,831	802,779	37,185,850	0.021588	0.002534	0.019054
<b>RS</b>	127,880,784	130,049,938	128,807,293	125,192,785	2,754,124,100	0.045456	0.002483	0.042973
<b>RH</b>	5,270,677	5,197,232	5,090,117	5,038,365	286,391,750	0.017593	0.002081	0.015511
<b>GS/GM</b>	69,446,674	69,538,228	68,565,311	66,528,393	2,655,183,543	0.025056	0.003153	0.021903
<b>GMH</b>	5,610,950	5,628,588	5,505,962	5,354,905	326,638,988	0.016394	0.002435	0.013959
<b>GL</b>	36,827,124	35,715,781	34,792,162	33,791,395	2,949,402,308	0.011457	0.002255	0.009202
<b>GLH</b>	3,977,762	3,725,978	3,589,298	3,508,197	461,490,905	0.007602	0.002516	0.005085
<b>L</b>	13,355,257	13,245,562	12,685,048	12,384,454	1,383,028,143	0.008955	0.001995	0.006960
<b>HVPS</b>	5,329,795	4,094,703	3,920,655	3,920,277	1,596,472,150	0.002456	0.002086	0.000369
<b>AL</b>	337	333	328	319	11,126	0.028660	0.001154	0.027507
<b>SE</b>	1,124,508	1,450,784	1,432,107	1,439,564	27,146,723	0.053029	0.000612	0.052417
<b>SM</b>	8,143,712	9,025,690	9,002,003	8,634,535	29,861,032	0.289157	0.000612	0.288545
<b>SH</b>	79,870	83,711	83,179	79,122	949,251	0.083352	0.000614	0.082738
<b>TRAFFIC</b>	617,578	621,460	616,632	593,600	11,016,778	0.053881	0.001846	0.052036

## COST OF SERVICE STUDY (1996)

### ALLOCATED REVENUE REQUIREMENTS (Transmission)

	(A)	(B)	(C)	(D)
CLASS	Compliance Filing II ROR @ 8.47%	Compliance Filing II With OCA correction for tax allocator	Revised ECR roll-in and correction for tax allocator @ class ROR (8.16%)	Revised ECR roll-in and correction for tax allocator @ System ROR (8.57%)
PA PUC	\$28,231,770	\$28,121,984	\$27,253,208	\$28,514,252
RA	\$61,860	\$59,267	\$57,566	\$60,044
RS	\$8,904,225	\$8,747,593	\$8,603,431	\$8,994,985
RH	\$230,436	\$185,751	\$173,679	\$179,086
GS/GM	\$8,618,435	\$8,653,173	\$8,478,152	\$8,875,891
GMH	\$541,968	\$529,456	\$511,330	\$533,738
GL	\$6,380,851	\$6,390,914	\$6,177,122	\$6,466,525
GLH	\$679,336	\$680,267	\$645,045	\$673,325
L	\$2,353,253	\$2,513,201	\$2,358,038	\$2,477,905
HVPS	\$276,456	\$225,930	\$113,520	\$112,088
AL	\$11	\$8	\$8	\$8
SE	\$21,547	\$5,821	\$5,637	\$5,581
SM	\$79,339	\$46,470	\$46,353	\$47,712
SH	\$1,466	\$1,177	\$1,169	\$1,215
TRAFFIC	\$82,589	\$82,958	\$82,159	\$86,147

## COST OF SERVICE STUDY (1996)

### ALLOCATED REVENUE REQUIREMENTS (Distribution)

	(A)	(B)	(C)	(D)
CLASS	Compliance Filing II ROR @ 9.37%	Compliance Filing II With OCA Correction for tax allocator	Revised ECR roll-in and correction for tax allocator @ class ROR (9.19%)	Revised ECR roll-in and correction for tax allocator @ System ROR (8.57%)
PA PUC	\$250,268,523	\$251,089,031	\$247,657,721	\$238,754,439
RA	\$773,405	\$773,761	\$763,265	\$742,735
RS	\$118,976,560	\$121,302,346	\$120,203,862	\$116,197,800
RH	\$5,040,241	\$5,011,481	\$4,916,438	\$4,859,279
GS/GM	\$60,828,240	\$60,885,055	\$60,087,159	\$57,652,502
GMH	\$5,068,982	\$5,099,133	\$4,994,633	\$4,821,167
GL	\$30,446,274	\$29,324,867	\$28,615,040	\$27,324,870
GLH	\$3,298,426	\$3,045,711	\$2,944,253	\$2,834,872
L	\$11,002,004	\$10,732,361	\$10,327,010	\$9,906,548
HVPS	\$5,053,339	\$3,868,772	\$3,807,135	\$3,808,189
AL	\$325	\$325	\$320	\$310
SE	\$1,102,962	\$1,444,963	\$1,426,471	\$1,433,983
SM	\$8,064,374	\$8,979,220	\$8,955,650	\$8,586,823
SH	\$78,404	\$82,534	\$82,010	\$77,907
TRAFFIC	\$534,990	\$538,503	\$534,473	\$507,453

**Backup To Compliance II Result  
ECR (-2.737)**

**COST OF SERVICE STUDY  
(1996)  
Transmission COS Summary**

Compliance Filing II

	<u>Total Utility</u>	<u>FERC JURIS.</u>	<u>PA PUC JURIS.</u>	<u>RA</u>	<u>RS</u>	<u>RH</u>	<u>GS/GM</u>	<u>GMH</u>	<u>GL</u>	<u>GLH</u>	<u>L</u>	<u>HVPS</u>	<u>AL</u>	<u>SE</u>	<u>SM</u>	<u>SH</u>	<u>TRAFFIC SIGNALS</u>
<b>OPTION 2 SOLVE FOR COST OF SERVICE</b>																	
sum rev fr. cust and adj.	28,261,444	29,674	28,231,770	61,860	8,904,225	230,436	8,618,435	541,968	6,380,851	679,336	2,353,253	276,456	11	21,547	79,339	1,466	82,589
<b>CAP REVENUE</b>	?		?	?	?	?	?	?	?	?	?	?	?	?	?	?	?
Revenues fr. Customers Incl. GRI at Stat R	28,884,127	30,143	28,853,983	62,494	8,868,519	235,711	8,855,359	557,515	6,581,945	705,080	2,452,415	362,645	11	20,017	69,066	1,330	81,877
Adjustment diff bet COS and Stat Rate	(622,683)	(469)	(622,214)	(633)	35,706	(5,276)	(236,924)	(15,547)	(201,094)	(25,744)	(99,162)	(86,189)	0	1,529	10,273	136	712
Revenues fr. Others	8,501,428	8,008	8,493,419	23,090	1,990,419	173,170	2,227,957	215,154	1,752,007	308,377	1,112,376	675,055	2	4,714	5,180	138	5,781
<b>Total Revenues</b>	<b>36,762,872</b>	<b>37,682</b>	<b>36,725,189</b>	<b>84,950</b>	<b>10,894,644</b>	<b>403,605</b>	<b>10,846,391</b>	<b>757,122</b>	<b>8,132,857</b>	<b>987,713</b>	<b>3,465,629</b>	<b>951,511</b>	<b>14</b>	<b>26,260</b>	<b>84,519</b>	<b>1,603</b>	<b>88,370</b>
Transmission O&M Expense	13,466,871	12,957	13,453,913	37,358	3,220,411	280,181	3,601,302	348,110	2,834,671	498,941	1,515,141	1,092,210	4	7,627	8,381	223	9,354
Transmission Dep. and Amortization	6,594,369	6,232	6,588,136	17,969	1,548,967	134,763	1,733,028	167,435	1,363,431	239,983	844,917	525,336	2	3,668	4,031	107	4,499
Taxes other than income and GRI	474,217	340	473,877	1,657	150,262	15,934	120,694	14,098	84,504	14,174	39,143	24,713	1	2,821	5,507	61	308
Interest Expense	7,341,048	6,926	7,334,122	19,968	1,721,343	149,760	1,926,932	186,068	1,515,161	266,689	950,726	583,797	2	4,077	4,480	119	5,000
Adjustment to COS Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross Receipts taxes	1,329,395	1,387	1,328,008	2,876	408,175	10,849	407,569	25,660	302,935	32,451	112,873	16,691	1	921	3,179	61	3,768
	(622,683)	(469)	(622,214)	(633)	35,706	(5,276)	(236,924)	(15,547)	(201,094)	(25,744)	(99,162)	(86,189)	0	1,529	10,273	136	712
<b>Expenses</b>	<b>28,583,216</b>	<b>27,373</b>	<b>28,555,843</b>	<b>79,196</b>	<b>7,084,863</b>	<b>586,211</b>	<b>7,552,601</b>	<b>725,824</b>	<b>5,899,608</b>	<b>1,026,494</b>	<b>3,363,637</b>	<b>2,156,558</b>	<b>9</b>	<b>20,643</b>	<b>35,850</b>	<b>708</b>	<b>23,641</b>
<b>Taxable Income</b>	<b>8,179,656</b>	<b>10,310</b>	<b>8,169,346</b>	<b>5,754</b>	<b>3,809,781</b>	<b>(182,605)</b>	<b>3,293,790</b>	<b>31,298</b>	<b>2,233,249</b>	<b>(38,781)</b>	<b>101,992</b>	<b>(1,205,047)</b>	<b>4</b>	<b>5,617</b>	<b>48,668</b>	<b>896</b>	<b>64,729</b>
Taxes at statutory rate	3,394,026	4,278	3,389,748	2,388	1,580,811	(75,769)	1,366,709	12,987	926,653	(16,091)	42,320	(500,016)	2	2,331	20,194	372	26,858
Adjust. (COS less calculated) (Fixed)	(1,788,708)	(2,013)	(1,786,695)	(3,530)	(285,244)	(13,493)	(485,735)	(38,231)	(415,726)	(75,315)	(314,127)	(182,503)	1	9,011	19,336	152	(1,292)
Other income taxes	(654,110)	(616)	(653,494)	(1,777)	(153,145)	(13,324)	(171,422)	(16,554)	(134,801)	(23,727)	(85,588)	(51,940)	(0)	(363)	(399)	(11)	(445)
<b>Total Income Taxes</b>	<b>951,208</b>	<b>1,649</b>	<b>949,559</b>	<b>(2,919)</b>	<b>1,142,422</b>	<b>(102,586)</b>	<b>709,552</b>	<b>(41,799)</b>	<b>376,126</b>	<b>(115,133)</b>	<b>(357,394)</b>	<b>(734,458)</b>	<b>3</b>	<b>10,979</b>	<b>39,131</b>	<b>514</b>	<b>25,121</b>
Preferred Dividends	1,255,027	1,184	1,253,843	3,414	294,281	25,603	329,429	31,810	259,032	45,593	162,536	99,806	0	697	766	20	855
return available for Common	5,973,421	7,477	5,965,944	5,259	2,373,078	(105,622)	2,254,810	41,287	1,598,091	30,759	296,850	(570,395)	1	(6,059)	8,771	362	38,753
<b>TARGET ROE by Rate Class (calc)</b>	<b>8.67%</b>	<b>11.50%</b>	<b>8.67%</b>	<b>2.81%</b>	<b>14.68%</b>	<b>-7.51%</b>	<b>12.47%</b>	<b>2.36%</b>	<b>11.24%</b>	<b>1.23%</b>	<b>3.33%</b>	<b>-10.41%</b>	<b>5.76%</b>	<b>-15.83%</b>	<b>20.86%</b>	<b>32.36%</b>	<b>82.57%</b>
<b>TARGET ROR by Rate Class Input</b>	<b>8.47%</b>	<b>9.61%</b>	<b>8.47%</b>	<b>6.12%</b>	<b>10.89%</b>	<b>1.99%</b>	<b>10.00%</b>	<b>5.95%</b>	<b>9.50%</b>	<b>5.49%</b>	<b>6.33%</b>	<b>0.83%</b>	<b>7.31%</b>	<b>-1.35%</b>	<b>13.36%</b>	<b>17.97%</b>	<b>38.10%</b>

**COST OF SERVICE STUDY  
(1996)  
Distribution COS Summary**

Compliance Filing II

	<u>Total Utility</u>	<u>FERC JURIS.</u>	<u>PA PUC JURIS.</u>	<u>RA</u>	<u>RS</u>	<u>RH</u>	<u>GS/GM</u>	<u>GMH</u>	<u>GL</u>	<u>GLH</u>	<u>L</u>	<u>HVPS</u>	<u>AL</u>	<u>SE</u>	<u>SM</u>	<u>SH</u>	<u>TRAFFIC SIGNALS</u>
<b>OPTION 2 SOLVE FOR COST OF SERVICE</b>																	
sum rev fr. cust and adj.	250,352,927	84,404	250,268,523	773,405	118,976,560	5,040,241	60,828,240	5,068,982	30,446,274	3,298,426	11,002,004	5,053,339	325	1,102,962	8,064,374	78,404	534,990
CAP REVENUE	?	?	?	?	?	?	?	?	?	?	?	?	?	?	?	?	?
Revenues fr. Customers Incl. GRT at Stat	248,422,431	73,480	248,348,951	760,814	117,820,083	5,014,227	61,141,663	5,012,901	30,211,612	3,065,622	10,490,834	4,871,964	329	1,192,709	8,170,255	77,942	517,996
Adjustment diff bet COS and Stat Rate	1,930,496	10,924	1,919,572	12,591	1,156,476	26,014	(313,424)	56,080	234,662	232,803	511,170	181,375	(3)	(89,747)	(105,882)	462	16,994
Revenues fr. Others	14,108,307	4,118	14,104,188	50,463	5,443,764	480,974	3,584,237	433,803	2,003,068	306,830	975,566	128,998	20	210,327	472,457	3,308	10,372
<b>Total Revenues</b>	<b>264,461,234</b>	<b>88,522</b>	<b>264,372,712</b>	<b>823,868</b>	<b>124,420,324</b>	<b>5,521,215</b>	<b>64,412,477</b>	<b>5,502,785</b>	<b>32,449,342</b>	<b>3,605,256</b>	<b>11,977,570</b>	<b>5,182,338</b>	<b>345</b>	<b>1,313,289</b>	<b>8,536,830</b>	<b>81,712</b>	<b>545,361</b>
Distribution O&M Expense	108,272,036	16,781	108,255,256	430,603	57,858,192	3,904,535	23,957,356	2,343,615	8,833,528	1,015,326	3,486,208	3,100,161	173	1,015,945	2,176,803	20,499	112,311
Distribution Dep. and Amortization	42,910,032	12,332	42,897,699	149,630	15,972,086	1,429,271	10,202,401	1,266,816	6,001,675	917,571	2,948,905	393,559	61	1,088,050	2,486,127	10,071	31,477
Taxes other than income and GRT	7,670,821	5,497	7,665,324	26,806	2,430,596	257,743	1,952,315	228,040	1,366,924	229,283	633,168	399,754	10	45,635	89,077	992	4,981
Interest Expense	34,236,348	10,318	34,226,030	123,212	13,116,276	1,179,101	8,784,626	1,072,739	5,030,602	768,205	2,483,692	320,107	49	408,712	905,533	7,948	25,230
Adjustment to COS Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross Receipts taxes	11,433,668	3,382	11,430,286	35,017	5,422,682	230,780	2,814,051	230,719	1,390,493	141,096	482,842	224,233	15	54,895	376,037	3,587	23,841
	1,930,496	10,924	1,919,572	12,591	1,156,476	26,014	(313,424)	56,080	234,662	232,803	511,170	181,375	(3)	(89,747)	(105,882)	462	16,994
<b>Expenses</b>	<b>206,453,402</b>	<b>59,234</b>	<b>206,394,168</b>	<b>777,858</b>	<b>95,956,307</b>	<b>7,027,444</b>	<b>47,397,325</b>	<b>5,198,010</b>	<b>22,857,884</b>	<b>3,304,284</b>	<b>10,545,985</b>	<b>4,619,189</b>	<b>305</b>	<b>2,523,489</b>	<b>5,927,695</b>	<b>43,559</b>	<b>214,833</b>
<b>Taxable Income</b>	<b>58,007,832</b>	<b>29,288</b>	<b>57,978,544</b>	<b>46,010</b>	<b>28,464,016</b>	<b>(1,506,229)</b>	<b>17,015,152</b>	<b>304,776</b>	<b>9,591,458</b>	<b>300,972</b>	<b>1,431,585</b>	<b>563,148</b>	<b>40</b>	<b>(1,210,200)</b>	<b>2,609,135</b>	<b>38,153</b>	<b>330,528</b>
Taxes at statutory rate	24,069,480	12,153	24,057,327	19,091	11,810,717	(624,987)	7,060,182	126,462	3,979,831	124,884	594,015	233,670	17	(502,154)	1,082,622	15,831	137,148
Adjust.(COS less calculated) (Fixed)	(1,801,065)	5,741	(1,806,806)	(8,110)	(1,677,343)	(75,043)	(513,302)	(84,208)	179,380	68,546	(5,183)	634,764	(4)	(93,397)	(228,257)	(1,963)	(2,684)
Other income taxes	(5,167,942)	(1,509)	(5,166,433)	(18,485)	(1,994,077)	(176,183)	(1,312,924)	(158,904)	(733,734)	(112,393)	(357,355)	(47,253)	(7)	(77,044)	(173,063)	(1,212)	(3,799)
<b>Total Income Taxes</b>	<b>17,100,473</b>	<b>16,385</b>	<b>17,084,088</b>	<b>(7,504)</b>	<b>8,139,296</b>	<b>(876,213)</b>	<b>5,233,956</b>	<b>(116,650)</b>	<b>3,425,478</b>	<b>81,036</b>	<b>231,477</b>	<b>821,181</b>	<b>5</b>	<b>(672,595)</b>	<b>681,301</b>	<b>12,656</b>	<b>130,665</b>
Preferred Dividends	5,853,052	1,764	5,851,289	21,064	2,242,361	201,579	1,501,821	183,396	860,033	131,333	424,612	54,726	8	69,873	154,810	1,359	4,313
return available for Common	35,054,305	11,139	35,043,165	32,449	18,082,359	(831,595)	10,279,374	238,030	5,305,947	88,603	775,496	(312,758)	27	(607,478)	1,773,024	24,138	195,551
TARGET ROE by Rate Class (calc)	10.91%	11.50%	10.91%	2.81%	14.69%	-7.51%	12.47%	2.36%	11.24%	1.23%	3.33%	-10.41%	5.76%	-15.83%	20.86%	32.36%	82.57%
TARGET ROR by Rate Class Input	9.37%	9.61%	9.37%	6.12%	10.89%	1.99%	10.00%	5.95%	9.50%	5.49%	6.33%	0.83%	7.31%	-1.35%	13.36%	17.97%	38.10%

**COST OF SERVICE STUDY  
(1996)  
Output Total P T & D Summary**

Compliance Filing II

	Total Utility	FERC JURIS.	PA PUC JURIS.	RA	RS	RH	GS/GM	GMH	GL	GLH	I	HVPS	AL	SE	SM	SH	TRAFFIC SIGNALS
<b>OPTION 2 SOLVE FOR COST OF SERVICE</b>																	
sum rev fr. cust and adj.	1,102,420,877	918,849	1,101,502,028	3,372,214	376,994,054	25,926,850	276,300,216	27,241,275	206,609,619	29,361,902	84,925,158	53,597,367	1,336	3,075,377	12,273,580	166,659	1,656,419
<b>CAP REVENUE</b>																	
Revenues fr. Customers Incl. GRt at Stat R	1,119,305,754	923,084	1,118,382,671	3,403,210	376,830,086	26,498,592	282,604,333	27,761,650	212,032,920	29,815,296	86,349,417	55,882,885	1,367	3,204,046	12,210,696	164,835	1,623,338
Adjustment diff bet COS and Stat Rate	(16,884,877)	(4,234)	(16,880,643)	(30,996)	163,968	(571,743)	(6,304,117)	(520,374)	(5,423,301)	(453,394)	(1,424,259)	(2,285,518)	(31)	(128,668)	62,884	1,824	33,082
Revenues fr. Other:	74,580,674	62,839	74,517,835	257,410	22,117,614	2,473,677	18,894,117	2,169,688	13,946,672	2,391,704	6,375,772	4,868,605	94	346,547	622,162	7,290	46,481
<b>Total Revenues</b>	<b>1,177,001,551</b>	<b>981,688</b>	<b>1,176,019,863</b>	<b>3,629,624</b>	<b>399,111,668</b>	<b>28,400,527</b>	<b>295,194,334</b>	<b>29,410,964</b>	<b>220,556,292</b>	<b>31,753,607</b>	<b>91,300,930</b>	<b>58,465,973</b>	<b>1,430</b>	<b>3,421,924</b>	<b>12,895,742</b>	<b>173,950</b>	<b>1,702,900</b>
<b>Total O&amp;M Expense</b>	<b>556,132,128</b>	<b>458,542</b>	<b>555,673,586</b>	<b>1,835,888</b>	<b>175,657,182</b>	<b>17,217,833</b>	<b>128,615,960</b>	<b>14,858,447</b>	<b>104,445,585</b>	<b>16,789,818</b>	<b>49,068,615</b>	<b>41,224,210</b>	<b>700</b>	<b>2,087,744</b>	<b>3,354,645</b>	<b>51,840</b>	<b>465,117</b>
<b>Total Dep. and Amortization</b>	<b>289,331,105</b>	<b>252,556</b>	<b>289,078,549</b>	<b>1,016,950</b>	<b>85,324,073</b>	<b>9,972,361</b>	<b>72,348,820</b>	<b>8,454,827</b>	<b>54,354,210</b>	<b>9,353,105</b>	<b>23,535,752</b>	<b>19,658,639</b>	<b>393</b>	<b>1,698,759</b>	<b>3,157,298</b>	<b>27,924</b>	<b>175,437</b>
<b>Taxes other than income and GRt</b>	<b>44,063,033</b>	<b>31,577</b>	<b>44,031,456</b>	<b>153,978</b>	<b>13,961,925</b>	<b>1,480,538</b>	<b>11,214,564</b>	<b>1,309,916</b>	<b>7,851,940</b>	<b>1,317,057</b>	<b>3,637,071</b>	<b>2,296,283</b>	<b>58</b>	<b>262,137</b>	<b>511,681</b>	<b>5,699</b>	<b>28,610</b>
<b>Interest Expense</b>	<b>101,152,864</b>	<b>75,373</b>	<b>101,077,491</b>	<b>354,046</b>	<b>31,674,705</b>	<b>3,416,004</b>	<b>25,712,885</b>	<b>3,002,398</b>	<b>18,223,839</b>	<b>3,071,064</b>	<b>8,344,470</b>	<b>5,561,265</b>	<b>133</b>	<b>563,558</b>	<b>1,075,710</b>	<b>12,474</b>	<b>64,938</b>
<b>Adjustment to COS Interest</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Gross Receipts taxes</b>	<b>51,516,164</b>	<b>42,485</b>	<b>51,473,679</b>	<b>156,633</b>	<b>17,343,644</b>	<b>1,219,600</b>	<b>13,006,894</b>	<b>1,277,733</b>	<b>9,758,837</b>	<b>1,372,252</b>	<b>3,974,241</b>	<b>2,572,016</b>	<b>63</b>	<b>147,467</b>	<b>561,999</b>	<b>7,587</b>	<b>74,714</b>
	(16,884,877)	(4,234)	(16,880,643)	(30,996)	163,968	(571,743)	(6,304,117)	(520,374)	(5,423,301)	(453,394)	(1,424,259)	(2,285,518)	(31)	(128,668)	62,884	1,824	33,082
<b>Expenses</b>	<b>1,025,310,417</b>	<b>856,298</b>	<b>1,024,454,119</b>	<b>3,486,499</b>	<b>324,125,497</b>	<b>32,734,594</b>	<b>244,595,007</b>	<b>28,382,947</b>	<b>189,211,109</b>	<b>31,449,902</b>	<b>87,135,891</b>	<b>69,026,894</b>	<b>1,316</b>	<b>4,630,998</b>	<b>8,724,216</b>	<b>107,349</b>	<b>841,899</b>
<b>Taxable Income</b>	<b>151,691,135</b>	<b>125,390</b>	<b>151,565,744</b>	<b>143,124</b>	<b>74,986,171</b>	<b>(4,334,067)</b>	<b>50,599,327</b>	<b>1,028,017</b>	<b>31,345,182</b>	<b>303,704</b>	<b>4,165,039</b>	<b>(10,560,922)</b>	<b>114</b>	<b>(1,209,073)</b>	<b>4,171,525</b>	<b>66,600</b>	<b>861,002</b>
<b>Taxes at statutory rate</b>	<b>62,941,961</b>	<b>52,029</b>	<b>62,889,932</b>	<b>59,387</b>	<b>31,114,387</b>	<b>(1,798,356)</b>	<b>20,995,432</b>	<b>426,560</b>	<b>13,006,213</b>	<b>126,018</b>	<b>1,728,220</b>	<b>(4,382,096)</b>	<b>47</b>	<b>(501,687)</b>	<b>1,730,912</b>	<b>27,635</b>	<b>357,260</b>
<b>Adjustment (COS less calculated)</b>	<b>51,313,564</b>	<b>44,437</b>	<b>51,269,127</b>	<b>179,399</b>	<b>15,238,828</b>	<b>1,747,009</b>	<b>12,910,397</b>	<b>1,492,952</b>	<b>9,574,072</b>	<b>1,648,901</b>	<b>4,192,362</b>	<b>3,469,507</b>	<b>68</b>	<b>275,221</b>	<b>504,089</b>	<b>4,961</b>	<b>31,363</b>
<b>Other income taxes</b>	<b>(70,601,764)</b>	<b>(65,336)</b>	<b>(70,536,428)</b>	<b>(249,432)</b>	<b>(20,449,536)</b>	<b>(2,457,484)</b>	<b>(17,790,443)</b>	<b>(2,070,989)</b>	<b>(13,571,957)</b>	<b>(2,350,453)</b>	<b>(5,787,552)</b>	<b>(5,165,495)</b>	<b>(97)</b>	<b>(241,323)</b>	<b>(353,607)</b>	<b>(6,014)</b>	<b>(42,046)</b>
<b>Total Income Taxes</b>	<b>43,653,761</b>	<b>31,131</b>	<b>43,622,631</b>	<b>(10,646)</b>	<b>25,903,678</b>	<b>(2,508,831)</b>	<b>16,115,385</b>	<b>(151,476)</b>	<b>9,008,328</b>	<b>(575,534)</b>	<b>133,030</b>	<b>(6,078,084)</b>	<b>19</b>	<b>(467,789)</b>	<b>1,881,395</b>	<b>26,582</b>	<b>346,577</b>
<b>Preferred Dividends</b>	<b>17,293,113</b>	<b>12,886</b>	<b>17,280,227</b>	<b>60,528</b>	<b>5,415,114</b>	<b>584,001</b>	<b>4,395,880</b>	<b>513,291</b>	<b>3,115,551</b>	<b>525,030</b>	<b>1,426,572</b>	<b>950,755</b>	<b>23</b>	<b>96,346</b>	<b>183,904</b>	<b>2,133</b>	<b>11,102</b>
<b>return available for Common</b>	<b>90,744,259</b>	<b>81,374</b>	<b>90,662,885</b>	<b>93,243</b>	<b>43,667,379</b>	<b>(2,409,236)</b>	<b>30,088,062</b>	<b>666,203</b>	<b>19,221,304</b>	<b>354,209</b>	<b>2,605,436</b>	<b>(5,433,592)</b>	<b>72</b>	<b>(837,630)</b>	<b>2,106,227</b>	<b>37,886</b>	<b>503,323</b>
<b>TARGET ROE by Rate Class (Calc)</b>	<b>9.56%</b>	<b>11.50%</b>	<b>9.56%</b>	<b>2.81%</b>	<b>14.69%</b>	<b>-7.51%</b>	<b>12.47%</b>	<b>2.36%</b>	<b>11.24%</b>	<b>1.23%</b>	<b>3.33%</b>	<b>-10.41%</b>	<b>5.76%</b>	<b>-15.83%</b>	<b>20.86%</b>	<b>32.36%</b>	<b>82.57%</b>
<b>TARGET ROR by Rate Class (Calc)</b>	<b>8.83%</b>	<b>9.61%</b>	<b>8.83%</b>	<b>6.12%</b>	<b>10.89%</b>	<b>1.99%</b>	<b>10.00%</b>	<b>5.95%</b>	<b>9.50%</b>	<b>5.49%</b>	<b>6.33%</b>	<b>0.83%</b>	<b>7.31%</b>	<b>-1.35%</b>	<b>13.36%</b>	<b>17.97%</b>	<b>38.10%</b>

**Backup To Compliance II Result  
Adjusted For Inc. Tax Allocator  
ECR (-2.737)**

**COST OF SERVICE STUDY  
(1996)  
Transmission COS Summary**

Compliance II  
Adjusted For  
Inc. Tax Allocator

	<u>Total Utility</u>	<u>FERC JURIS.</u>	<u>PA PUC JURIS.</u>	<u>RA</u>	<u>RS</u>	<u>RH</u>	<u>GS/GM</u>	<u>GMH</u>	<u>GL</u>	<u>GLH</u>	<u>L</u>	<u>HVPS</u>	<u>AL</u>	<u>SE</u>	<u>SM</u>	<u>SH</u>	<u>TRAFFIC SIGNALS</u>
<b>OPTION 2 SOLVE FOR COST OF SERVICE</b>																	
sum rev fr. cust and adj.	28,151,149	29,165	28,121,984	59,267	8,747,593	185,751	8,653,173	529,456	6,390,914	680,267	2,513,201	225,930	8	5,821	46,470	1,177	82,958
CAP REVENUE	?	?	?	?	?	?	?	?	?	?	?	?	?	?	?	?	?
Revenues fr. Customers Incl. GRT at Stat R	28,773,832	29,661	28,744,171	59,789	8,700,763	189,125	8,891,365	544,410	6,595,794	706,854	2,619,387	315,419	8	3,467	34,512	1,026	82,252
Adjustment diff bet COS and Stat Rate	(622,683)	(496)	(622,187)	(522)	46,830	(3,374)	(238,192)	(14,955)	(204,880)	(26,587)	(106,186)	(89,488)	0	2,354	11,958	151	706
Revenues fr. Others	8,501,428	8,008	8,493,419	23,090	1,990,419	173,170	2,227,957	215,154	1,752,007	308,377	1,112,376	675,055	2	4,714	5,180	138	5,781
Total Revenues	36,652,577	37,173	36,615,404	82,357	10,738,012	358,921	10,881,129	744,610	8,142,921	988,644	3,625,577	900,985	11	10,535	51,650	1,315	88,739
Transmission O&M Expense	13,466,871	12,957	13,453,913	37,358	3,220,411	280,181	3,601,302	348,110	2,834,671	498,941	1,515,141	1,092,210	4	7,627	8,381	223	9,354
Transmission Dep. and Amortization	6,594,369	6,232	6,588,136	17,969	1,548,967	134,763	1,733,028	167,435	1,363,431	239,983	844,917	525,336	2	3,668	4,031	107	4,499
Taxes other than income and GRT	474,217	340	473,877	1,657	150,262	15,934	120,694	14,098	84,504	14,174	39,143	24,713	1	2,821	5,507	61	308
Interest Expense	7,341,048	6,926	7,334,122	19,968	1,721,343	149,760	1,926,932	186,068	1,515,161	266,689	950,726	583,797	2	4,077	4,480	119	5,000
Adjustment to COS Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross Receipts taxes	1,324,319	1,365	1,322,953	2,752	400,454	8,704	409,226	25,057	303,572	32,533	120,558	14,517	0	160	1,588	47	3,786
	(622,683)	(496)	(622,187)	(522)	46,830	(3,374)	(238,192)	(14,955)	(204,880)	(26,587)	(106,186)	(89,488)	0	2,354	11,958	151	706
Expenses	28,578,139	27,324	28,550,815	79,182	7,088,266	585,968	7,552,990	725,813	5,896,459	1,025,732	3,364,298	2,151,085	9	20,707	35,945	709	23,653
Taxable Income	8,074,438	9,849	8,064,588	3,174	3,649,746	(227,047)	3,328,139	18,797	2,246,462	(37,089)	261,279	(1,250,099)	1	(10,172)	15,705	606	65,086
Taxes at statutory rate	3,350,367	4,087	3,346,280	1,317	1,514,407	(94,210)	1,380,961	7,799	932,136	(15,389)	108,414	(518,710)	1	(4,221)	6,517	251	27,007
Adjust. (COS less calculated) (Fixed)	(1,788,708)	(1,690)	(1,787,018)	(4,874)	(420,136)	(36,553)	(470,360)	(45,414)	(369,812)	(65,092)	(228,950)	(142,490)	(1)	(995)	(1,093)	(29)	(1,220)
Other income taxes	(654,110)	(616)	(653,494)	(1,777)	(153,145)	(13,324)	(171,422)	(16,554)	(134,801)	(23,727)	(85,588)	(51,940)	(0)	(363)	(399)	(11)	(445)
Total Income Taxes	907,549	1,780	905,769	(5,333)	941,127	(144,086)	739,180	(54,169)	427,522	(104,208)	(206,123)	(713,139)	(0)	(5,578)	5,025	212	25,341
Preferred Dividends	1,255,027	1,184	1,253,843	3,414	294,281	25,603	329,429	31,810	259,032	45,593	162,536	99,806	0	697	766	20	855
return available for Common	5,911,862	6,885	5,904,977	5,094	2,414,338	(108,564)	2,259,530	41,156	1,559,907	21,526	304,866	(636,766)	1	(5,290)	9,915	374	38,890
TARGET ROE by Rate Class (calc)	8.58%	10.59%	8.58%	2.72%	14.94%	-7.72%	12.49%	2.36%	10.97%	0.86%	3.42%	-11.62%	5.44%	-13.83%	23.58%	33.42%	82.87%
TARGET ROR by Rate Class Input	8.44%	9.24%	8.44%	6.09%	10.99%	1.90%	10.01%	5.94%	9.40%	5.34%	6.37%	0.34%	7.18%	-0.54%	14.45%	18.40%	38.21%

**COST OF SERVICE STUDY  
(1996)  
Distribution COS Summary**

Compliance II  
Adjusted For  
Inc. Tax Allocator

	Total Utility	FERC JURIS.	PA PUC JURIS.	RA	RS	RH	GS/GM	GMH	GL	GLH	L	HVPS	AL	SE	SM	SH	TRAFFIC SIGNALS
<b>OPTION 2 SOLVE FOR COST OF SERVICE</b>																	
sum rev fr. cust and adj.	251,160,856	71,825	251,089,031	773,761	121,302,346	5,011,481	60,885,055	5,099,133	29,324,867	3,045,711	10,732,361	3,868,772	325	1,444,963	8,979,220	82,534	538,503
CAP REVENUE	?	?	?	?	?	?	?	?	?	?	?	?	?	?	?	?	?
Revenues fr. Customers Incl. GRI at Stat	249,230,360	60,371	249,169,989	761,275	120,230,902	4,986,081	61,199,360	5,044,572	29,047,060	2,803,014	10,206,372	3,633,393	328	1,544,549	9,109,262	82,202	521,619
Adjustment diff bet COS and Stat Rate	1,930,496	11,455	1,919,042	12,486	1,071,444	25,400	(314,305)	54,561	277,806	242,697	525,989	235,379	(3)	(99,586)	(130,042)	332	16,884
Revenues fr. Others	14,108,307	4,118	14,104,188	50,463	5,443,764	480,974	3,584,237	433,803	2,003,068	306,830	975,566	128,998	20	210,327	472,457	3,308	10,372
Total Revenues	265,269,163	75,944	265,193,220	824,224	126,746,110	5,492,455	64,469,293	5,532,936	31,327,935	3,352,541	11,707,927	3,997,771	345	1,655,290	9,451,677	85,842	548,875
Distribution O&M Expense	108,272,036	16,781	108,255,256	430,603	57,858,192	3,904,535	23,957,356	2,343,615	8,833,528	1,015,326	3,486,208	3,100,161	173	1,015,945	2,176,803	20,499	112,311
Distribution Dep. and Amortization	42,910,032	12,332	42,897,699	149,630	15,972,086	1,429,271	10,202,401	1,266,816	6,001,675	917,571	4,298,905	393,559	61	1,088,050	2,486,127	10,071	31,477
Taxes other than Income and GRI	7,670,821	5,497	7,665,324	26,806	2,430,596	257,743	1,952,315	228,040	1,366,924	229,283	633,168	399,754	10	45,635	89,077	992	4,981
Interest Expense	34,236,348	10,318	34,226,030	123,212	13,116,276	1,179,101	8,784,626	1,072,739	5,030,602	768,205	2,483,692	320,107	49	408,712	905,533	7,948	25,230
Adjustment to COS Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross Receipts taxes	11,470,853	2,779	11,468,075	35,038	5,533,640	229,485	2,816,707	232,177	1,336,894	129,009	469,749	167,227	15	71,088	419,255	3,783	24,008
	1,930,496	11,455	1,919,042	12,486	1,071,444	25,400	(314,305)	54,561	277,806	242,697	525,989	235,379	(3)	(99,586)	(130,042)	332	16,884
Expenses	206,490,587	59,161	206,431,426	777,774	95,982,233	7,025,534	47,399,100	5,197,948	22,847,430	3,302,091	10,547,712	4,616,188	305	2,529,844	5,946,753	43,625	214,890
Taxable income	58,778,576	16,782	58,761,794	46,450	30,763,876	(1,533,079)	17,070,193	334,989	8,480,505	50,450	1,160,215	(618,417)	40	(874,553)	3,504,924	42,217	333,984
Taxes at statutory rate	24,389,289	6,964	24,382,325	19,274	12,765,009	(636,128)	7,083,021	138,999	3,518,858	20,934	481,414	(256,603)	17	(362,883)	1,454,316	17,517	138,582
Adjust.(COS less calculated) (Fixed)	(1,801,065)	(694)	(1,800,372)	(6,833)	(646,174)	(67,592)	(502,620)	(65,776)	(343,821)	(51,430)	(184,893)	(20,136)	(3)	25,915	64,727	(381)	(1,356)
Other income taxes	(5,167,942)	(1,509)	(5,166,433)	(18,485)	(1,994,077)	(176,183)	(1,312,924)	(158,904)	(733,734)	(112,393)	(357,355)	(47,253)	(7)	(77,044)	(173,063)	(1,212)	(3,799)
Total Income Taxes	17,420,281	4,761	17,415,520	(6,044)	10,124,758	(879,904)	5,267,477	(85,682)	2,441,304	(142,890)	(60,833)	(323,992)	6	(414,011)	1,345,980	15,925	133,427
Preferred Dividends	5,853,052	1,764	5,851,289	21,064	2,242,361	201,579	1,501,821	183,396	860,033	131,333	424,612	54,726	8	69,873	154,810	1,359	4,313
return available for Common	35,505,242	10,257	35,494,985	31,430	18,396,758	(854,755)	10,300,894	237,275	5,179,169	62,008	796,436	(349,151)	25	(530,415)	2,004,134	24,934	196,244
TARGET ROE by Rate Class (calc)	11.05%	10.59%	11.05%	2.72%	14.94%	-7.72%	12.49%	2.36%	10.97%	0.86%	3.42%	-11.62%	5.44%	-13.83%	23.58%	33.42%	82.87%
TARGET ROR by Rate Class Input	9.43%	9.24%	9.43%	6.09%	10.99%	1.90%	10.01%	5.94%	9.40%	5.34%	6.37%	0.34%	7.18%	-0.54%	14.45%	18.40%	38.21%

**COST OF SERVICE STUDY  
(1996)  
Output Total P T & D Summary**

Compliance II  
Adjusted For  
Inc. Tax Allocator

	Total Utility	FERC JURIS.	PA PUC JURIS.	RA	RS	RH	GS/GM	GMM	GL	GLH	L	HVPS	AL	SE	SM	SH	TRAFFIC SIGNALS
<b>OPTION 2 SOLVE FOR COST OF SERVICE</b>																	
sum rev fr. cust and adj.	1,102,420,874	918,850	1,101,502,024	3,372,214	376,994,054	25,926,850	276,300,216	27,241,276	206,609,618	29,361,902	84,925,158	53,597,367	1,335	3,075,376	12,273,580	166,658	1,656,420
<b>CAP REVENUE</b>																	
Revenues fr. Customers Incl. GRI at Stat R	1,119,305,751	923,641	1,118,382,110	3,403,463	376,764,457	26,504,393	282,598,888	27,761,833	212,072,618	29,824,486	86,343,336	55,937,537	1,367	3,194,859	12,186,964	164,726	1,623,184
Adjustment diff bet COS and Stat Rate	(16,884,877)	(4,791)	(16,880,086)	(31,249)	229,597	(577,543)	(6,298,672)	(520,557)	(5,463,000)	(462,584)	(1,418,178)	(2,340,170)	(32)	(119,483)	86,616	1,932	33,236
Revenues fr. Others	74,580,674	62,839	74,517,835	257,410	22,117,614	2,473,677	18,894,117	2,169,688	13,946,672	2,391,704	6,375,772	4,868,605	94	346,547	622,162	7,290	46,481
<b>Total Revenues</b>	<b>1,177,001,548</b>	<b>981,689</b>	<b>1,176,019,859</b>	<b>3,629,624</b>	<b>399,111,668</b>	<b>28,400,527</b>	<b>295,194,333</b>	<b>29,410,964</b>	<b>220,556,290</b>	<b>31,753,606</b>	<b>91,300,930</b>	<b>58,465,972</b>	<b>1,429</b>	<b>3,421,923</b>	<b>12,895,742</b>	<b>173,948</b>	<b>1,702,901</b>
<b>Expenses</b>																	
Total O&M Expense	556,132,128	458,542	555,673,586	1,835,888	175,657,182	17,217,833	128,615,960	14,858,447	104,445,585	16,789,816	49,068,615	41,224,210	700	2,087,744	3,354,645	51,840	465,117
Total Dep. and Amortization	289,331,105	252,556	289,078,549	1,016,950	85,324,073	9,972,361	72,348,820	8,454,827	54,354,210	9,353,105	23,535,752	19,658,639	393	1,698,759	3,157,298	27,924	175,437
Taxes other than Income and GRT	44,063,033	31,577	44,031,456	153,978	13,961,925	1,480,538	11,214,564	1,309,916	7,851,940	1,317,057	3,637,071	2,296,283	58	262,137	511,681	5,699	28,610
Interest Expense	101,152,864	75,373	101,077,491	354,046	31,674,705	3,416,004	25,712,885	3,002,398	18,223,839	3,071,064	8,344,470	5,561,265	133	563,558	1,075,710	12,474	64,938
Adjustment to COS interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross Receipts taxes	51,516,164	42,511	51,473,654	156,645	17,340,624	1,219,867	13,006,643	1,277,741	9,760,664	1,372,675	3,973,961	2,574,531	63	147,044	560,906	7,582	74,707
	(16,884,877)	(4,791)	(16,880,086)	(31,249)	229,597	(577,543)	(6,298,672)	(520,557)	(5,463,000)	(462,584)	(1,418,178)	(2,340,170)	(32)	(119,483)	86,616	1,932	33,236
<b>Expenses</b>	<b>1,025,310,416</b>	<b>855,767</b>	<b>1,024,454,650</b>	<b>3,486,258</b>	<b>324,188,106</b>	<b>32,729,061</b>	<b>244,600,201</b>	<b>28,382,772</b>	<b>189,173,237</b>	<b>31,441,135</b>	<b>87,141,693</b>	<b>68,974,757</b>	<b>1,316</b>	<b>4,639,760</b>	<b>8,746,856</b>	<b>107,452</b>	<b>842,046</b>
<b>Taxable Income</b>	<b>151,691,132</b>	<b>125,922</b>	<b>151,565,209</b>	<b>143,366</b>	<b>74,923,562</b>	<b>(4,328,533)</b>	<b>50,594,132</b>	<b>1,028,192</b>	<b>31,383,053</b>	<b>312,471</b>	<b>4,159,238</b>	<b>(10,508,785)</b>	<b>113</b>	<b>(1,217,837)</b>	<b>4,148,886</b>	<b>66,496</b>	<b>860,855</b>
<b>Taxes</b>																	
Taxes at statutory rate	62,941,960	52,249	62,889,710	59,488	31,088,408	(1,796,060)	20,993,276	426,633	13,021,927	129,655	1,725,813	(4,360,463)	47	(505,323)	1,721,518	27,592	357,199
Adjustment (COS less calculated)	51,313,564	51,191	51,262,373	182,469	14,442,951	1,817,343	12,844,367	1,495,167	10,055,496	1,760,351	4,118,614	4,132,263	72	163,835	216,301	3,651	29,493
Other income taxes	(70,601,764)	(65,336)	(70,536,428)	(249,432)	(20,449,536)	(2,457,484)	(17,790,443)	(2,070,989)	(13,571,957)	(2,350,453)	(5,787,552)	(5,165,495)	(97)	(241,323)	(353,607)	(6,014)	(42,046)
<b>Total Income Taxes</b>	<b>43,653,760</b>	<b>38,105</b>	<b>43,615,655</b>	<b>(7,476)</b>	<b>25,081,823</b>	<b>(2,436,201)</b>	<b>16,047,200</b>	<b>(149,189)</b>	<b>9,505,466</b>	<b>(460,447)</b>	<b>56,875</b>	<b>(5,393,694)</b>	<b>23</b>	<b>(582,812)</b>	<b>1,584,213</b>	<b>25,228</b>	<b>344,645</b>
<b>Preferred Dividends</b>																	
Preferred Dividends	17,293,113	12,886	17,280,227	60,528	5,415,114	584,001	4,395,880	513,291	3,115,551	525,030	1,426,572	950,755	23	96,346	183,904	2,133	11,102
return available for Common	90,744,259	74,931	90,669,328	90,314	44,426,625	(2,476,333)	30,151,053	664,090	18,762,036	247,888	2,675,790	(6,065,846)	68	(731,371)	2,380,770	39,135	505,108
<b>TARGET ROE by Rate Class (Colc)</b>																	
TARGET ROE by Rate Class (Colc)	9.56%	10.59%	9.56%	2.72%	14.94%	-7.72%	12.49%	2.36%	10.97%	0.86%	3.42%	-11.62%	5.44%	-13.83%	23.58%	33.42%	82.87%
TARGET ROR by Rate Class (Colc)	8.83%	9.24%	8.83%	6.09%	10.99%	1.90%	10.01%	5.94%	9.40%	5.34%	6.37%	0.34%	7.18%	-0.54%	14.45%	18.40%	38.21%

COST OF SERVICE STUDY

(By FERC Account - 1996)

FERC ACCT	Description of Account	Total Utility	FERC JURIS.	PA PUC JURIS.	BA	RS	RH	GS/GM	GMH	GI	GLH	I	HVPS	AI	SE	SM	SH	TRAFFIC SIGNALS
408	Taxes Other Than Income Taxes	44,043,033																
	Production	110 35,917,995	25,740	35,892,255	125,515	11,381,068	1,206,861	9,141,555	1,067,778	6,400,511	1,073,599	2,964,760	1,871,816	47	213,681	417,097	4,646	23,322
	Transmission	110 474,217	340	473,877	1,657	150,262	15,934	120,694	14,098	84,504	14,174	39,143	24,713	1	2,821	5,507	61	308
	Distribution	110 7,670,821	5,497	7,665,324	26,806	2,430,596	257,743	1,952,315	228,040	1,366,924	229,283	633,168	399,754	10	45,635	89,077	992	4,981
409	Federal Income Tax	93,003,328																
	Production	100 73,568,984	71,787	73,497,197	260,264	20,785,560	2,575,694	18,518,500	2,152,715	14,427,014	2,514,772	6,069,763	5,753,695	101	186,157	204,587	5,442	42,931
	Transmission	101 2,183,457	2,057	2,181,400	5,930	511,208	44,476	572,215	55,259	449,975	79,202	285,696	173,377	1	1,211	1,330	35	1,485
	Distribution	102 17,250,887	5,036	17,245,851	61,704	6,656,345	588,109	4,382,615	530,432	2,449,245	375,176	1,192,870	157,732	24	257,177	577,695	4,045	12,682
409	State Income Tax	34,346,324																
	Production	100 27,169,180	26,511	27,142,669	96,116	7,676,151	951,209	6,838,921	795,002	5,327,927	928,711	2,241,576	2,124,852	37	68,748	75,554	2,010	15,855
	Transmission	101 806,355	760	805,595	2,190	188,790	16,425	211,320	20,407	166,177	29,249	105,508	64,029	0	447	491	13	548
	Distribution	102 6,370,789	1,860	6,368,929	22,787	2,458,202	217,190	1,618,509	195,890	904,511	138,553	440,529	58,251	9	94,976	213,344	1,494	4,684
410	Deferred Income Tax	(26,940,324)																
	Production	100 (30,241,939)	(29,509)	(30,212,430)	(106,987)	(8,544,302)	(1,058,768)	(7,612,384)	(884,915)	(5,930,500)	(1,033,745)	(2,495,092)	(2,365,167)	(42)	(76,523)	(84,099)	(2,237)	(17,648)
	Transmission	101 370,938	349	370,589	1,007	86,847	7,556	97,211	9,388	76,444	13,455	48,536	29,454	0	206	226	6	252
	Distribution	102 2,930,677	855	2,929,822	10,483	1,130,817	99,911	744,543	90,113	416,091	63,737	202,651	26,796	4	43,691	98,142	687	2,155
410	Deferred State Income Tax	1,014,841																
	Production	100 802,776	783	801,992	2,840	226,810	28,106	202,072	23,490	157,426	27,441	66,233	62,784	1	2,031	2,232	59	468
	Transmission	101 23,826	22	23,803	65	5,578	485	6,244	603	4,910	864	3,118	1,892	0	13	15	0	16
	Distribution	102 188,240	55	188,185	673	72,633	6,417	47,823	5,788	26,726	4,094	13,016	1,721	0	2,806	6,304	44	138
411	Income Tax Deferred In Prior Years	(36,611,485)																
	Production	100 (28,961,004)	(28,260)	(28,932,744)	(102,455)	(8,182,398)	(1,013,942)	(7,289,952)	(847,433)	(5,679,307)	(989,960)	(2,389,410)	(2,264,987)	(40)	(73,282)	(80,537)	(2,142)	(16,900)
	Transmission	101 (859,531)	(810)	(858,725)	(2,334)	(201,241)	(17,508)	(225,257)	(21,753)	(177,136)	(31,178)	(112,467)	(68,251)	(0)	(477)	(524)	(14)	(585)
	Distribution	102 (6,790,946)	(1,982)	(6,788,964)	(24,290)	(2,620,322)	(231,514)	(1,725,250)	(208,809)	(964,164)	(147,891)	(469,583)	(62,093)	(10)	(101,240)	(227,414)	(1,592)	(4,992)
411	Amortization of Investment Tax Credits	(7,838,483)																
	Production	100 (6,200,523)	(6,050)	(6,194,472)	(21,936)	(1,751,843)	(217,084)	(1,560,772)	(181,435)	(1,215,934)	(211,949)	(511,570)	(484,932)	(9)	(15,690)	(17,243)	(459)	(3,618)
	Transmission	101 (184,026)	(173)	(183,852)	(500)	(43,086)	(3,749)	(48,227)	(4,657)	(37,925)	(6,675)	(24,079)	(14,613)	(0)	(102)	(112)	(3)	(125)
	Distribution	102 (1,453,935)	(424)	(1,453,510)	(5,200)	(561,008)	(49,567)	(369,374)	(44,706)	(206,427)	(31,620)	(100,537)	(13,294)	(2)	(21,675)	(48,689)	(341)	(1,069)
411	Gain From Disposal Of Allowances	(226,313)																
	Production	100 (179,022)	(175)	(178,847)	(633)	(50,579)	(6,268)	(45,063)	(5,238)	(35,107)	(6,119)	(14,770)	(14,001)	(0)	(453)	(498)	(13)	(104)
	Transmission	101 (5,313)	(5)	(5,308)	(14)	(1,244)	(108)	(1,392)	(134)	(1,095)	(193)	(695)	(422)	(0)	(3)	(3)	(0)	(4)
	Distribution	102 (41,978)	(12)	(41,966)	(150)	(16,192)	(1,431)	(10,665)	(1,291)	(5,960)	(913)	(2,903)	(384)	(0)	(626)	(1,406)	(10)	(311)
	<b>Total All Taxes</b>	<b>100,810,921</b>	<b>74,251</b>	<b>100,736,670</b>	<b>353,538</b>	<b>31,788,645</b>	<b>3,416,158</b>	<b>25,566,200</b>	<b>2,988,631</b>	<b>18,004,832</b>	<b>3,032,266</b>	<b>8,185,463</b>	<b>5,462,725</b>	<b>134</b>	<b>629,530</b>	<b>1,231,076</b>	<b>12,724</b>	<b>64,749</b>
	<b>Total All Taxes - Class Percentage</b>	<b>100%</b>	<b>0.0737%</b>	<b>99.9263%</b>	<b>0.3507%</b>	<b>31.5329%</b>	<b>3.3887%</b>	<b>25.3605%</b>	<b>2.9646%</b>	<b>17.8600%</b>	<b>3.0079%</b>	<b>8.1196%</b>	<b>5.4188%</b>	<b>0.0001%</b>	<b>0.6245%</b>	<b>1.2212%</b>	<b>0.0126%</b>	<b>0.0642%</b>

Total Taxes Summary																		
Production	71,876,447	60,827	71,815,620	252,725	21,540,465	2,465,788	18,192,877	2,119,965	13,452,030	2,302,749	5,931,490	4,684,061	97	304,669	517,093	7,306	44,305	
Transmission	2,809,919	2,540	2,807,379	8,001	697,114	63,511	732,808	73,210	565,855	98,899	344,760	210,179	1	4,116	6,930	99	1,896	
Distribution	26,124,555	10,884	26,113,671	92,812	9,551,066	886,859	6,640,515	795,452	3,986,947	630,612	1,909,214	568,485	36	320,744	707,053	5,319	18,547	
<b>Total</b>	<b>100,810,921</b>	<b>74,251</b>	<b>100,736,670</b>	<b>353,538</b>	<b>31,788,645</b>	<b>3,416,158</b>	<b>25,566,200</b>	<b>2,988,631</b>	<b>18,004,832</b>	<b>3,032,266</b>	<b>8,185,463</b>	<b>5,462,725</b>	<b>134</b>	<b>629,530</b>	<b>1,231,076</b>	<b>12,724</b>	<b>64,749</b>	

**Backup To ECR (-3.628)  
With Inc. Tax Allocator  
(Class ROR)**

**COST OF SERVICE STUDY  
(1996)  
Transmission COS Summary**

ECR Adjusted With  
Inc. Tax Allocator  
@ Class ROR

	Total Utility	FERC JURIS.	PA PUC JURIS.	RA	RS	RH	GS/GM	GMH	GL	GLH	L	HVPS	AL	SE	SM	SH	TRAFFIC SIGNALS
<b>OPTION 2 SOLVE FOR COST OF SERVICE</b>																	
sum rev fr. cust and adaj.	27,282,373	29,165	27,253,208	57,566	8,603,431	173,679	8,478,152	511,330	6,177,122	645,045	2,358,038	113,520	8	5,637	46,353	1,169	82,159
CAP REVENUE	?	?	?	?	?	?	?	?	?	?	?	?	?	?	?	?	?
Revenues fr. Customers incl. GRt at Stat R	27,905,056	29,661	27,875,395	58,088	8,556,601	177,053	8,716,344	526,285	6,382,003	671,632	2,464,224	203,008	8	3,282	34,396	1,018	81,453
Adjustment diff bet COS and Stat Rate	(622,683)	(496)	(622,187)	(522)	46,830	(3,374)	(238,192)	(14,955)	(204,880)	(26,587)	(106,186)	(89,488)	0	2,354	11,958	151	706
Revenues fr. Others	8,501,428	8,008	8,493,419	23,090	1,990,419	173,170	2,227,957	215,154	1,752,007	308,377	1,112,376	675,055	2	4,714	5,180	138	5,781
<b>Total Revenues</b>	<b>35,783,801</b>	<b>37,173</b>	<b>35,746,628</b>	<b>80,656</b>	<b>10,593,850</b>	<b>346,849</b>	<b>10,706,109</b>	<b>726,484</b>	<b>7,929,129</b>	<b>953,422</b>	<b>3,470,414</b>	<b>788,575</b>	<b>11</b>	<b>10,350</b>	<b>51,533</b>	<b>1,307</b>	<b>87,940</b>
Transmission O&M Expense	13,466,871	12,957	13,453,913	37,358	3,220,411	280,181	3,601,302	348,110	2,834,671	498,941	1,515,141	1,092,210	4	7,627	8,381	223	9,354
Transmission Dep. and Amortization	6,594,369	6,232	6,588,136	17,969	1,548,967	134,763	1,733,028	167,435	1,363,431	239,983	844,917	525,336	2	3,668	4,031	107	4,499
Taxes other than Income and GRt	474,217	340	473,877	1,657	150,262	15,934	120,694	14,098	84,504	14,174	39,143	24,713	1	2,821	5,507	61	308
Interest Expense	7,341,048	6,926	7,334,122	19,968	1,721,343	149,760	1,926,932	186,068	1,515,161	266,689	950,726	583,797	2	4,077	4,480	119	5,000
Adjustment to COS Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross Receipts taxes	1,284,333	1,365	1,282,968	2,674	393,818	8,149	401,171	24,222	293,732	30,912	113,416	9,343	0	151	1,583	47	3,749
	(622,683)	(496)	(622,187)	(522)	46,830	(3,374)	(238,192)	(14,955)	(204,880)	(26,587)	(106,186)	(89,488)	0	2,354	11,958	151	706
<b>Expenses</b>	<b>28,538,154</b>	<b>27,324</b>	<b>28,510,830</b>	<b>79,104</b>	<b>7,081,630</b>	<b>585,412</b>	<b>7,544,935</b>	<b>724,978</b>	<b>5,886,619</b>	<b>1,024,111</b>	<b>3,357,157</b>	<b>2,145,911</b>	<b>9</b>	<b>20,698</b>	<b>35,939</b>	<b>708</b>	<b>23,616</b>
<b>Taxable Income</b>	<b>7,245,647</b>	<b>9,849</b>	<b>7,235,798</b>	<b>1,552</b>	<b>3,512,219</b>	<b>(238,563)</b>	<b>3,161,173</b>	<b>1,505</b>	<b>2,042,510</b>	<b>(70,689)</b>	<b>113,257</b>	<b>(1,357,336)</b>	<b>1</b>	<b>(10,348)</b>	<b>15,594</b>	<b>599</b>	<b>64,325</b>
Taxes at statutory rate	3,006,473	4,087	3,002,386	644	1,457,343	(98,988)	1,311,682	625	847,509	(29,332)	46,994	(563,206)	0	(4,294)	6,470	248	26,691
Adjst. (COS less calculated) (Fixed)	(1,788,708)	(1,690)	(1,787,018)	(4,874)	(420,136)	(36,553)	(470,360)	(45,414)	(369,812)	(65,092)	(228,950)	(142,490)	(1)	(995)	(1,093)	(29)	(1,220)
Other income taxes	(654,110)	(616)	(653,494)	(1,777)	(153,145)	(13,324)	(171,422)	(16,554)	(134,801)	(23,727)	(85,588)	(51,940)	(0)	(363)	(399)	(11)	(445)
<b>Total Income Taxes</b>	<b>563,655</b>	<b>1,780</b>	<b>561,874</b>	<b>(6,006)</b>	<b>884,062</b>	<b>(148,865)</b>	<b>669,900</b>	<b>(61,344)</b>	<b>342,895</b>	<b>(118,150)</b>	<b>(267,543)</b>	<b>(757,636)</b>	<b>(0)</b>	<b>(5,651)</b>	<b>4,978</b>	<b>209</b>	<b>25,025</b>
Preferred Dividends	1,255,027	1,184	1,253,843	3,414	294,281	25,603	329,429	31,810	259,032	45,593	162,536	99,806	0	697	766	20	855
return available for Common	5,426,965	6,885	5,420,080	4,144	2,333,876	(115,302)	2,161,844	31,039	1,440,582	1,868	218,263	(699,507)	1	(5,393)	9,849	370	38,444
<b>TARGET ROE by Rate Class (calc)</b>	<b>7.88%</b>	<b>10.59%</b>	<b>7.87%</b>	<b>2.21%</b>	<b>14.44%</b>	<b>-8.20%</b>	<b>11.95%</b>	<b>1.78%</b>	<b>10.13%</b>	<b>0.07%</b>	<b>2.45%</b>	<b>-12.77%</b>	<b>4.91%</b>	<b>-14.10%</b>	<b>23.42%</b>	<b>33.03%</b>	<b>81.92%</b>
<b>TARGET ROR by Rate Class Input</b>	<b>8.16%</b>	<b>9.24%</b>	<b>8.16%</b>	<b>5.89%</b>	<b>10.79%</b>	<b>1.71%</b>	<b>9.79%</b>	<b>5.71%</b>	<b>9.06%</b>	<b>5.03%</b>	<b>5.98%</b>	<b>-0.12%</b>	<b>6.97%</b>	<b>-0.65%</b>	<b>14.39%</b>	<b>18.24%</b>	<b>37.83%</b>

**COST OF SERVICE STUDY  
(1996)  
Distribution COS Summary**

ECR Adjusted With  
Inc. Tax Allocator  
@ Class ROR

	Total Utility	FERC JURIS.	PA PUC JURIS.	RA	RS	RH	GS/GM	GMH	GL	GLH	L	HVPS	AL	SE	SM	SH	TRAFFIC SIGNALS
<b>OPTION 2 SOLVE FOR COST OF SERVICE</b>																	
sum rev fr. cust and adj.	247,729,546	71,825	247,657,721	763,265	120,203,862	4,916,438	60,087,159	4,994,633	28,615,040	2,944,253	10,327,010	3,807,135	320	1,426,471	8,955,650	82,010	534,473
CAP REVENUE		?		?	?	?	?	?	?	?	?	?	?	?	?	?	?
Revenues fr. Customers Incl. GRI at Stat	245,799,050	60,371	245,738,679	750,779	119,132,418	4,891,038	60,401,464	4,940,072	28,337,234	2,701,556	9,801,021	3,571,756	324	1,526,057	9,085,692	81,679	517,589
Adjustment diff bet COS and Stat Rate	1,930,496	11,455	1,919,042	12,486	1,071,444	25,400	(314,305)	54,561	277,806	242,697	525,989	235,379	(3)	(99,586)	(130,042)	332	16,884
Revenues fr. Others	14,108,307	4,118	14,104,188	50,463	5,443,764	480,974	3,584,237	433,803	2,003,068	306,830	975,566	128,998	20	210,327	472,457	3,308	10,372
<b>Total Revenues</b>	<b>261,837,853</b>	<b>75,944</b>	<b>261,761,909</b>	<b>813,728</b>	<b>125,647,626</b>	<b>5,397,411</b>	<b>63,671,397</b>	<b>5,428,436</b>	<b>30,618,108</b>	<b>3,251,083</b>	<b>11,302,576</b>	<b>3,936,134</b>	<b>340</b>	<b>1,636,798</b>	<b>9,428,107</b>	<b>85,319</b>	<b>544,845</b>
Distribution O&M Expense	108,272,036	16,781	108,255,256	430,603	57,858,192	3,904,535	23,957,356	2,343,615	8,833,528	1,015,326	3,486,208	3,100,161	173	1,015,945	2,176,803	20,499	112,311
Distribution Dep. and Amortization	42,910,032	12,332	42,897,699	149,630	15,972,086	1,429,271	10,202,401	1,266,816	6,001,675	917,571	2,948,905	393,559	61	1,088,050	2,486,127	10,071	31,477
Taxes other than Income and GRI	7,670,821	5,497	7,665,324	26,806	2,430,596	257,743	1,952,315	228,040	1,366,924	229,283	633,168	399,754	10	45,635	89,077	992	4,981
Interest Expense	34,236,348	10,318	34,226,030	123,212	13,116,276	1,179,101	8,784,626	1,072,739	5,030,602	768,205	2,483,692	320,107	49	408,712	905,533	7,948	25,230
Adjustment to COS Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross Receipts taxes	11,312,927	2,779	11,310,148	34,555	5,483,082	225,111	2,779,984	227,367	1,304,224	124,339	451,093	164,390	15	70,237	418,170	3,759	23,822
	1,930,496	11,455	1,919,042	12,486	1,071,444	25,400	(314,305)	54,561	277,806	242,697	525,989	235,379	(3)	(99,586)	(130,042)	332	16,884
<b>Expenses</b>	<b>206,332,661</b>	<b>59,161</b>	<b>206,273,499</b>	<b>777,291</b>	<b>95,931,675</b>	<b>7,021,160</b>	<b>47,362,377</b>	<b>5,193,138</b>	<b>22,814,760</b>	<b>3,297,422</b>	<b>10,529,055</b>	<b>4,613,351</b>	<b>305</b>	<b>2,528,992</b>	<b>5,945,668</b>	<b>43,601</b>	<b>214,705</b>
<b>Taxable Income</b>	<b>55,505,192</b>	<b>16,782</b>	<b>55,488,409</b>	<b>36,438</b>	<b>29,715,950</b>	<b>(1,623,749)</b>	<b>16,309,020</b>	<b>235,298</b>	<b>7,803,348</b>	<b>(46,338)</b>	<b>773,521</b>	<b>(677,217)</b>	<b>36</b>	<b>(892,194)</b>	<b>3,482,439</b>	<b>41,718</b>	<b>330,140</b>
Taxes at statutory rate	23,031,047	6,964	23,024,083	15,119	12,330,188	(673,750)	6,767,183	97,633	3,237,882	(19,227)	320,961	(281,001)	15	(370,203)	1,444,986	17,310	136,987
Adjust. (COS less calculated) (Fixed)	(1,801,065)	(694)	(1,800,372)	(6,833)	(646,174)	(67,592)	(502,620)	(65,776)	(343,821)	(51,430)	(184,893)	(20,136)	(3)	25,915	64,727	(381)	(1,356)
Other income taxes	(5,167,942)	(1,509)	(5,166,433)	(18,485)	(1,994,077)	(176,183)	(1,312,924)	(158,904)	(733,734)	(112,393)	(357,355)	(47,253)	(7)	(77,044)	(173,063)	(1,212)	(3,799)
<b>Total Income Taxes</b>	<b>16,062,040</b>	<b>4,761</b>	<b>16,057,278</b>	<b>(10,199)</b>	<b>9,689,937</b>	<b>(917,526)</b>	<b>4,951,640</b>	<b>(127,047)</b>	<b>2,160,328</b>	<b>(183,051)</b>	<b>(221,286)</b>	<b>(348,390)</b>	<b>5</b>	<b>(421,331)</b>	<b>1,336,650</b>	<b>15,718</b>	<b>131,832</b>
Preferred Dividends	5,853,052	1,764	5,851,289	21,064	2,242,361	201,579	1,501,821	183,396	860,033	131,333	424,612	54,726	8	69,873	154,810	1,359	4,313
return available for Common	33,590,100	10,257	33,579,843	25,572	17,783,653	(907,802)	9,855,559	178,950	4,782,988	5,380	570,195	(383,553)	23	(540,737)	1,990,979	24,641	193,995
TARGET ROE by Rate Class (calc)	10.45%	10.58%	10.45%	2.21%	14.44%	-8.20%	11.95%	1.78%	10.13%	0.07%	2.45%	-12.77%	4.91%	-14.10%	23.42%	33.03%	81.92%
TARGET ROR by Rate Class Input	9.19%	9.24%	9.19%	5.89%	10.79%	1.71%	9.79%	5.71%	9.06%	5.03%	5.98%	-0.12%	6.97%	-0.65%	14.39%	18.24%	37.83%

**COST OF SERVICE STUDY  
(1996)  
Output Total P T & D Summary**

ECR Adjusted With  
Inc. Tax Allocator  
@ Class ROR

	Total UTILITY	FERC JURIS.	PA PUC JURIS.	RA	RS	RH	GS/GM	GMH	GL	GLH	L	HVPS	AL	SE	SM	SH	TRAFFIC SIGNALS
<b>OPTION 2 SOLVE FOR COST OF SERVICE</b>																	
sum rev fr. cost and adj.	1,091,360,269	918,850	1,090,441,419	3,342,055	374,341,308	25,651,497	273,964,748	26,948,799	204,038,202	28,956,302	83,563,300	52,526,541	1,323	3,049,878	12,245,581	165,836	1,646,049
<b>CAP REVENUE</b>																	
Revenues fr. Customers incl. GRT at Stat R	1,108,245,146	923,641	1,107,321,505	3,373,304	374,111,711	26,229,040	280,263,420	27,469,356	209,501,202	29,418,886	84,981,478	54,866,711	1,355	3,169,361	12,158,965	163,904	1,612,813
Adjustment diff betl COS and Stat Rate	(16,884,877)	(4,791)	(16,880,086)	(31,249)	229,597	(577,543)	(6,298,672)	(520,557)	(5,463,000)	(462,584)	(1,418,178)	(2,340,170)	(32)	(119,483)	86,616	1,932	33,236
Revenues fr. Others	74,580,674	62,839	74,517,835	257,410	22,117,614	2,473,677	18,894,117	2,169,688	13,946,672	2,391,704	6,375,772	4,868,605	94	346,547	622,162	7,290	46,481
<b>Total Revenues</b>	<b>1,165,940,943</b>	<b>981,689</b>	<b>1,164,959,254</b>	<b>3,599,465</b>	<b>396,458,922</b>	<b>28,125,174</b>	<b>292,858,865</b>	<b>29,118,487</b>	<b>217,984,874</b>	<b>31,348,006</b>	<b>89,939,072</b>	<b>57,395,146</b>	<b>1,417</b>	<b>3,396,425</b>	<b>12,867,743</b>	<b>173,126</b>	<b>1,692,530</b>
<b>Expenses</b>																	
Total O&M Expense	556,132,128	458,542	555,673,586	1,835,888	175,657,182	17,217,833	128,615,960	14,858,447	104,445,585	16,789,818	49,068,615	41,224,210	700	2,087,744	3,354,645	51,840	465,117
Total Dep. and Amortization	289,331,105	252,556	289,078,549	1,016,950	85,324,073	9,972,361	72,348,820	8,454,827	54,354,210	9,353,105	23,535,752	19,658,639	393	1,698,759	3,157,298	27,924	175,437
Taxes other than income and GRT	44,063,033	31,577	44,031,456	153,978	13,961,925	1,480,538	11,214,564	1,309,916	7,851,940	1,317,057	3,637,071	2,296,283	58	262,137	511,681	5,699	28,610
Interest Expense	101,152,864	75,373	101,077,491	354,046	31,674,705	3,416,004	25,712,885	3,002,398	18,223,839	3,071,064	8,344,470	5,561,265	133	563,558	1,075,710	12,474	64,938
Adjustment to COS Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross Receipts taxes	51,007,099	42,511	50,964,588	155,257	17,218,531	1,207,194	12,899,153	1,264,280	9,642,315	1,354,007	3,911,281	2,525,246	62	145,870	559,618	7,544	74,230
	(16,884,877)	(4,791)	(16,880,086)	(31,249)	229,597	(577,543)	(6,298,672)	(520,557)	(5,463,000)	(462,584)	(1,418,178)	(2,340,170)	(32)	(119,483)	86,616	1,932	33,236
<b>Expenses</b>	<b>1,024,801,351</b>	<b>855,767</b>	<b>1,023,945,584</b>	<b>3,484,870</b>	<b>324,066,013</b>	<b>32,716,388</b>	<b>244,492,711</b>	<b>28,369,311</b>	<b>189,054,888</b>	<b>31,422,467</b>	<b>87,079,013</b>	<b>68,925,473</b>	<b>1,315</b>	<b>4,638,586</b>	<b>8,745,567</b>	<b>107,414</b>	<b>841,568</b>
<b>Taxable Income</b>	<b>141,139,592</b>	<b>125,922</b>	<b>141,013,670</b>	<b>114,595</b>	<b>72,392,908</b>	<b>(4,591,213)</b>	<b>48,366,154</b>	<b>749,176</b>	<b>28,929,987</b>	<b>(74,461)</b>	<b>2,860,059</b>	<b>(11,530,326)</b>	<b>102</b>	<b>(1,242,161)</b>	<b>4,122,176</b>	<b>65,712</b>	<b>850,962</b>
<b>Taxes at statutory rate</b>																	
Adjustment (COS less calculated)	58,563,757	52,249	58,511,507	47,550	30,038,351	(1,905,055)	20,068,810	310,859	12,004,064	(30,896)	1,186,739	(4,784,336)	42	(515,416)	1,710,435	27,266	353,094
Other income taxes	51,313,564	51,191	51,262,373	182,469	14,442,951	1,817,343	12,844,367	1,495,167	10,055,496	1,760,351	4,118,614	4,132,263	72	163,835	216,301	3,651	29,493
	(70,601,764)	(65,336)	(70,536,428)	(249,432)	(20,449,536)	(2,457,484)	(17,790,443)	(2,070,989)	(13,571,957)	(2,350,453)	(5,787,552)	(5,165,495)	(97)	(241,323)	(353,607)	(6,014)	(42,046)
<b>Total Income Taxes</b>	<b>39,275,557</b>	<b>38,105</b>	<b>39,237,452</b>	<b>(19,414)</b>	<b>24,031,767</b>	<b>(2,545,196)</b>	<b>15,122,734</b>	<b>(264,962)</b>	<b>8,487,603</b>	<b>(620,998)</b>	<b>(482,200)</b>	<b>(5,817,567)</b>	<b>18</b>	<b>(592,905)</b>	<b>1,573,129</b>	<b>24,903</b>	<b>340,540</b>
<b>Preferred Dividends</b>	<b>17,293,113</b>	<b>12,886</b>	<b>17,280,227</b>	<b>60,528</b>	<b>5,415,114</b>	<b>584,001</b>	<b>4,395,880</b>	<b>513,291</b>	<b>3,115,551</b>	<b>525,030</b>	<b>1,426,572</b>	<b>950,755</b>	<b>23</b>	<b>96,346</b>	<b>183,904</b>	<b>2,133</b>	<b>11,102</b>
return available for Common	84,570,923	74,931	84,495,991	73,481	42,946,028	(2,630,018)	28,847,541	500,848	17,326,833	21,508	1,915,687	(6,663,514)	61	(745,603)	2,365,143	38,676	499,320
<b>TARGET ROE by Rate Class (Calc)</b>	<b>8.91%</b>	<b>10.59%</b>	<b>8.91%</b>	<b>2.21%</b>	<b>14.44%</b>	<b>-8.20%</b>	<b>11.95%</b>	<b>1.78%</b>	<b>10.13%</b>	<b>0.07%</b>	<b>2.45%</b>	<b>-12.77%</b>	<b>4.91%</b>	<b>-14.10%</b>	<b>23.42%</b>	<b>33.03%</b>	<b>81.92%</b>
<b>TARGET ROR by Rate Class (Calc)</b>	<b>8.57%</b>	<b>9.24%</b>	<b>8.57%</b>	<b>5.89%</b>	<b>10.79%</b>	<b>1.71%</b>	<b>9.79%</b>	<b>5.71%</b>	<b>9.06%</b>	<b>5.03%</b>	<b>5.98%</b>	<b>-0.12%</b>	<b>6.97%</b>	<b>-0.65%</b>	<b>14.39%</b>	<b>18.24%</b>	<b>37.83%</b>

**Backup To ECR (-3.628)  
With Inc. Tax Allocator  
(Adjusted Class ROR)**

**COST OF SERVICE STUDY  
(1996)  
Transmission COS Summary**

ECR Adjusted For  
Inc. Tax Allocator  
@ Adjusted Class ROR

	Total Utility	FERC JURIS.	PA PUC JURIS.	RA	RS	RH	GS/GM	GMH	GL	GLH	L	HVPS	AL	SE	SM	SH	TRAFFIC SIGNALS
<b>OPTION 2 SOLVE FOR COST OF SERVICE</b>																	
sum rev fr. cust and adj.	28,544,767	30,515	28,514,252	60,044	8,994,985	179,086	8,875,891	533,738	6,466,525	673,325	2,477,905	112,088	8	5,581	47,712	1,215	86,147
CAP REVENUE	?	?	?	?	?	?	?	?	?	?	?	?	?	?	?	?	?
Revenues fr. Customers Incl. GRT at Stat R	29,167,450	31,011	29,136,439	60,566	8,948,156	182,460	9,114,083	548,693	6,671,406	699,913	2,584,092	201,576	8	3,226	35,754	1,064	85,441
Adjustment diff bet COS and Stat Rate	(622,683)	(496)	(622,187)	(522)	46,830	(3,374)	(238,192)	(14,955)	(204,880)	(26,587)	(106,186)	(89,488)	0	2,354	11,958	151	706
Revenues fr. Others	8,501,428	8,008	8,493,419	23,090	1,990,419	173,170	2,227,957	215,154	1,752,007	308,377	1,112,376	675,055	2	4,714	5,180	138	5,781
Total Revenues	37,046,195	38,523	37,007,671	83,134	10,985,404	352,256	11,103,848	748,892	8,218,532	981,703	3,590,282	787,143	11	10,295	52,892	1,353	91,928
Transmission O&M Expense	13,466,871	12,957	13,453,913	37,358	3,220,411	280,181	3,601,302	348,110	2,834,671	498,941	1,515,141	1,092,210	4	7,627	8,381	223	9,354
Transmission Dep. and Amortization	6,594,369	6,232	6,588,136	17,969	1,548,967	134,763	1,733,028	167,435	1,363,431	239,983	844,917	525,336	2	3,668	4,031	107	4,499
Taxes other than income and GRT	474,217	340	473,877	1,657	150,262	15,934	120,694	14,098	84,504	14,174	39,143	24,713	1	2,821	5,507	61	308
Interest Expense	7,341,048	6,926	7,334,122	19,968	1,721,343	149,760	1,926,932	186,068	1,515,161	266,689	950,726	583,797	2	4,077	4,480	119	5,000
Adjustment to COS Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross Receipts taxes	1,342,435	1,427	1,341,008	2,788	411,840	8,398	419,477	25,254	307,052	32,214	118,933	9,278	0	148	1,646	49	3,932
	(622,683)	(496)	(622,187)	(522)	46,830	(3,374)	(238,192)	(14,955)	(204,880)	(26,587)	(106,186)	(89,488)	0	2,354	11,958	151	706
Expenses	28,596,256	27,386	28,568,870	79,218	7,099,652	585,661	7,563,241	726,010	5,899,939	1,025,413	3,362,674	2,145,845	9	20,696	36,002	710	23,799
Taxable Income	8,449,939	11,137	8,438,802	3,916	3,885,752	(233,405)	3,540,607	22,882	2,318,593	(43,710)	227,608	(1,358,702)	1	(10,401)	16,890	642	68,129
Taxes at statutory rate	3,506,175	4,621	3,501,554	1,625	1,612,335	(96,848)	1,469,122	9,495	962,065	(18,137)	94,442	(563,773)	1	(4,316)	7,008	267	28,269
Adjst. (COS less calculated) (Fixed)	(1,788,708)	(1,690)	(1,787,018)	(4,874)	(420,136)	(36,553)	(470,360)	(45,414)	(369,812)	(65,092)	(228,950)	(142,490)	(1)	(995)	(1,093)	(29)	(1,220)
Other income taxes	(654,110)	(616)	(653,494)	(1,777)	(153,145)	(13,324)	(171,422)	(16,554)	(134,801)	(23,727)	(85,588)	(51,940)	(0)	(363)	(399)	(11)	(445)
Total Income Taxes	1,063,358	2,315	1,061,043	(5,026)	1,039,054	(146,724)	827,340	(52,474)	457,452	(106,956)	(220,095)	(758,202)	(0)	(5,673)	5,516	227	26,604
Preferred Dividends	1,255,027	1,184	1,253,843	3,414	294,281	25,603	329,429	31,810	259,032	45,593	162,536	99,806	0	697	766	20	855
return available for Common	6,131,554	7,639	6,123,916	5,527	2,552,417	(112,284)	2,383,838	43,546	1,602,109	17,652	285,166	(700,306)	1	(5,425)	10,608	395	40,670
TARGET ROE by Rate Class (calc)	8.90%	11.75%	8.90%	2.95%	15.80%	-7.99%	13.18%	2.49%	11.27%	0.71%	3.20%	-12.78%	5.78%	-14.18%	25.23%	35.32%	86.66%
TARGET ROR by Rate Class Input	8.57%	9.71%	8.57%	6.18%	11.33%	1.80%	10.28%	6.00%	9.52%	5.28%	6.28%	-0.12%	7.32%	-0.68%	15.11%	19.16%	39.73%

**COST OF SERVICE STUDY  
(1996)  
Distribution COS Summary**

ECR Adjusted For  
Inc. Tax Allocator  
@ Adjusted Class ROR

	Total Utility	FERC JURIS.	PA PUC JURIS.	RA	RS	RH	GS/GM	GMH	GL	GLH	L	HVPS	AL	SE	SM	SH	TRAFFIC SIGNALS
<b>OPTION 2 SOLVE FOR COST OF SERVICE</b>																	
sum rev fr. cust and adj.	238,823,564	69,125	238,754,439	742,735	116,197,800	4,859,279	57,652,502	4,821,167	27,324,870	2,834,872	9,906,548	3,808,189	310	1,433,983	8,586,823	77,907	507,453
CAP REVENUE	?	?	?	?	?	?	?	?	?	?	?	?	?	?	?	?	?
Revenues fr. Customers incl. GR1 at Stat	236,893,068	57,671	236,835,398	730,249	115,126,356	4,833,879	57,966,807	4,766,607	27,047,064	2,592,175	9,380,559	3,572,810	314	1,533,569	8,716,865	77,575	490,569
Adjustment diff bet COS and Stat Rate	1,930,496	11,455	1,919,042	12,486	1,071,444	25,400	(314,305)	54,561	277,806	242,697	525,989	235,379	(3)	(99,586)	(130,042)	332	16,884
Revenues fr. Others	14,108,307	4,118	14,104,188	50,463	5,443,764	480,974	3,584,237	433,803	2,003,068	306,830	975,566	128,998	20	210,327	472,457	3,308	10,372
<b>Total Revenues</b>	<b>252,931,871</b>	<b>73,243</b>	<b>252,858,628</b>	<b>793,198</b>	<b>121,641,564</b>	<b>5,340,253</b>	<b>61,236,739</b>	<b>5,254,971</b>	<b>29,327,938</b>	<b>3,141,702</b>	<b>10,882,114</b>	<b>3,937,188</b>	<b>330</b>	<b>1,644,311</b>	<b>9,059,280</b>	<b>81,215</b>	<b>517,825</b>
Distribution O&M Expense	108,272,036	16,781	108,255,256	430,603	57,858,192	3,904,535	23,957,356	2,343,615	8,833,528	1,015,326	3,486,208	3,100,161	173	1,015,945	2,176,803	20,499	112,311
Distribution Dep. and Amortization	42,910,032	12,332	42,897,699	149,630	15,972,086	1,429,271	10,202,401	1,266,816	6,001,675	917,571	2,948,905	393,559	61	1,088,050	2,486,127	10,071	31,477
Taxes other than income and GRT	7,670,821	5,497	7,665,324	26,806	2,430,596	257,743	1,952,315	228,040	1,366,924	229,283	633,168	399,754	10	45,635	89,077	992	4,981
Interest Expense	34,236,348	10,318	34,226,030	123,212	13,116,276	1,179,101	8,784,626	1,072,739	5,030,602	768,205	2,483,692	320,107	49	408,712	905,533	7,948	25,230
Adjustment to COS Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross Receipts taxes	10,903,028	2,654	10,900,374	33,610	5,298,703	222,480	2,667,928	219,384	1,244,844	119,305	431,741	164,439	14	70,583	401,195	3,570	22,579
	1,930,496	11,455	1,919,042	12,486	1,071,444	25,400	(314,305)	54,561	277,806	242,697	525,989	235,379	(3)	(99,586)	(130,042)	332	16,884
<b>Expenses</b>	<b>205,922,762</b>	<b>59,037</b>	<b>205,863,725</b>	<b>776,346</b>	<b>95,747,296</b>	<b>7,018,529</b>	<b>47,250,321</b>	<b>5,185,154</b>	<b>22,755,379</b>	<b>3,292,387</b>	<b>10,509,704</b>	<b>4,613,400</b>	<b>304</b>	<b>2,529,338</b>	<b>5,928,693</b>	<b>43,412</b>	<b>213,461</b>
<b>Taxable income</b>	<b>47,009,109</b>	<b>14,207</b>	<b>46,994,903</b>	<b>16,852</b>	<b>25,894,268</b>	<b>(1,678,277)</b>	<b>13,986,418</b>	<b>69,817</b>	<b>6,572,558</b>	<b>(150,685)</b>	<b>372,411</b>	<b>(676,212)</b>	<b>26</b>	<b>(885,027)</b>	<b>3,130,587</b>	<b>37,803</b>	<b>304,364</b>
Taxes at statutory rate	19,505,725	5,895	19,499,830	6,993	10,744,438	(696,376)	5,803,454	28,969	2,727,184	(62,525)	154,526	(280,584)	11	(367,229)	1,298,990	15,686	126,291
Adjust.(COS less calculated) (Fixed)	(1,801,065)	(694)	(1,800,372)	(6,833)	(646,174)	(67,592)	(502,620)	(65,776)	(343,821)	(51,430)	(184,893)	(20,136)	(3)	25,915	64,727	(381)	(1,356)
Other income taxes	(5,167,942)	(1,509)	(5,166,433)	(18,485)	(1,994,077)	(176,183)	(1,312,924)	(158,904)	(733,734)	(112,393)	(357,355)	(47,253)	(7)	(77,044)	(173,063)	(1,212)	(3,799)
<b>Total Income Taxes</b>	<b>12,536,718</b>	<b>3,692</b>	<b>12,533,025</b>	<b>(18,326)</b>	<b>8,104,187</b>	<b>(940,151)</b>	<b>3,987,911</b>	<b>(195,711)</b>	<b>1,649,630</b>	<b>(226,348)</b>	<b>(387,721)</b>	<b>(347,973)</b>	<b>1</b>	<b>(418,357)</b>	<b>1,190,654</b>	<b>14,093</b>	<b>121,136</b>
Preferred Dividends	5,853,052	1,764	5,851,289	21,064	2,242,361	201,579	1,501,821	183,396	860,033	131,333	424,612	54,726	8	69,873	154,810	1,359	4,313
return available for Common	28,619,339	8,750	28,610,589	14,113	15,547,720	(939,705)	8,496,686	82,132	4,062,896	(55,670)	335,519	(382,965)	17	(536,543)	1,785,123	22,351	178,914
TARGET ROE by Rate Class (calc)	8.91%	9.04%	8.91%	1.22%	12.63%	-8.49%	10.30%	0.82%	8.60%	-0.77%	1.44%	-12.75%	3.74%	-13.99%	21.00%	29.96%	75.55%
TARGET ROR by Rate Class Input	8.57%	8.62%	8.57%	5.49%	10.06%	1.60%	9.13%	5.33%	8.45%	4.69%	5.58%	-0.11%	6.50%	-0.61%	13.42%	17.01%	35.28%

**COST OF SERVICE STUDY  
(1996)  
Output Total P T & D Summary**

ECR Adjusted For  
Inc. Tax Allocator  
@ Adjusted Class ROR

	Total Utility	FERC JURIS.	PA PUC JURIS.	RA	RS	RH	GS/GM	GMH	GL	GLH	L	HVPS	AL	SE	SM	SH	TRAFFIC SIGNALS
<b>OPTION 2 SOLVE FOR COST OF SERVICE</b>																	
sum rev fr. cust and adj.	1,091,366,735	925,316	1,090,441,419	3,342,055	374,341,308	25,651,497	273,964,748	26,948,799	204,038,202	28,956,302	83,563,300	52,526,541	1,322	3,049,879	12,245,581	165,836	1,646,049
<b>CAP REVENUE</b>																	
Revenues fr. Customers incl. GRI at Stat R	1,108,251,612	930,107	1,107,321,505	3,373,304	374,111,711	26,229,040	280,263,420	27,469,356	209,501,202	29,418,887	84,981,478	54,866,712	1,354	3,169,362	12,158,965	163,904	1,612,813
Adjustment diff betl COS and Stat Rate	(16,884,877)	(4,791)	(16,880,086)	(31,249)	229,597	(577,543)	(6,298,672)	(520,557)	(5,463,000)	(462,584)	(1,418,178)	(2,340,170)	(32)	(119,483)	86,616	1,932	33,236
Revenues fr. Others	74,580,674	62,839	74,517,835	257,410	22,117,614	2,473,677	18,894,117	2,169,688	13,946,672	2,391,704	6,375,772	4,868,605	94	346,547	622,162	7,290	46,481
<b>Total Revenues</b>	<b>1,165,947,409</b>	<b>988,155</b>	<b>1,164,959,255</b>	<b>3,599,465</b>	<b>396,458,922</b>	<b>28,125,174</b>	<b>292,858,866</b>	<b>29,118,487</b>	<b>217,984,875</b>	<b>31,348,006</b>	<b>89,939,072</b>	<b>57,395,147</b>	<b>1,417</b>	<b>3,396,426</b>	<b>12,867,743</b>	<b>173,126</b>	<b>1,692,530</b>
<b>Expenses</b>																	
Total O&M Expense	556,132,128	458,542	555,673,586	1,835,888	175,657,182	17,217,833	128,615,960	14,858,447	104,445,585	16,789,818	49,068,615	41,224,210	700	2,087,744	3,354,645	51,840	465,117
Total Dep. and Amortization	289,331,105	252,556	289,078,549	1,016,950	85,324,073	9,972,361	72,348,820	8,454,827	54,354,210	9,353,105	23,535,752	19,658,639	393	1,698,759	3,157,298	27,924	175,437
Taxes other than income and GRI	44,063,033	31,577	44,031,456	153,978	13,961,925	1,480,538	11,214,564	1,309,916	7,851,940	1,317,057	3,637,071	2,296,283	58	262,137	511,681	5,699	28,610
Interest Expense	101,152,864	75,373	101,077,491	354,046	31,674,705	3,416,004	25,712,885	3,002,398	18,223,839	3,071,064	8,344,470	5,561,265	133	563,558	1,075,710	12,474	64,938
Adjustment to COS Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross Receipts taxes	51,007,396	42,808	50,964,588	155,257	17,218,531	1,207,194	12,899,153	1,264,280	9,642,315	1,354,007	3,911,281	2,525,246	62	145,870	559,618	7,544	74,230
	(16,884,877)	(4,791)	(16,880,086)	(31,249)	229,597	(577,543)	(6,298,672)	(520,557)	(5,463,000)	(462,584)	(1,418,178)	(2,340,170)	(32)	(119,483)	86,616	1,932	33,236
<b>Expenses</b>	<b>1,024,801,649</b>	<b>856,064</b>	<b>1,023,945,584</b>	<b>3,484,870</b>	<b>324,066,013</b>	<b>32,716,388</b>	<b>244,492,711</b>	<b>28,369,311</b>	<b>189,054,888</b>	<b>31,422,467</b>	<b>87,079,013</b>	<b>68,925,473</b>	<b>1,315</b>	<b>4,638,586</b>	<b>8,745,567</b>	<b>107,414</b>	<b>841,568</b>
<b>Taxable income</b>	<b>141,145,761</b>	<b>132,090</b>	<b>141,013,670</b>	<b>114,595</b>	<b>72,392,909</b>	<b>(4,591,213)</b>	<b>48,366,155</b>	<b>749,176</b>	<b>28,929,987</b>	<b>(74,461)</b>	<b>2,860,059</b>	<b>(11,530,326)</b>	<b>102</b>	<b>(1,242,161)</b>	<b>4,122,176</b>	<b>65,712</b>	<b>850,961</b>
<b>Taxes at statutory rate</b>																	
Adjustment (COS less calculated)	58,566,316	54,809	58,511,507	47,550	30,038,352	(1,905,055)	20,068,810	310,859	12,004,064	(30,894)	1,186,739	(4,784,336)	42	(515,416)	1,710,435	27,266	353,094
Other income taxes	51,313,564	51,191	51,262,373	182,469	14,442,951	1,817,343	12,844,367	1,495,167	10,055,496	1,760,351	4,118,614	4,132,263	72	163,835	216,301	3,651	29,493
	(70,601,764)	(65,336)	(70,536,428)	(249,432)	(20,449,536)	(2,457,484)	(17,790,443)	(2,070,989)	(13,571,957)	(2,350,453)	(5,787,552)	(5,165,495)	(97)	(241,323)	(353,607)	(6,014)	(42,046)
<b>Total Income Taxes</b>	<b>39,278,116</b>	<b>40,664</b>	<b>39,237,452</b>	<b>(19,414)</b>	<b>24,031,767</b>	<b>(2,545,196)</b>	<b>13,122,734</b>	<b>(264,962)</b>	<b>8,487,603</b>	<b>(620,998)</b>	<b>(482,200)</b>	<b>(5,817,567)</b>	<b>18</b>	<b>(592,904)</b>	<b>1,573,129</b>	<b>24,903</b>	<b>340,540</b>
<b>Preferred Dividends</b>	<b>17,293,113</b>	<b>12,886</b>	<b>17,280,227</b>	<b>60,528</b>	<b>5,415,114</b>	<b>584,001</b>	<b>4,395,880</b>	<b>513,291</b>	<b>3,115,551</b>	<b>525,030</b>	<b>1,426,572</b>	<b>950,755</b>	<b>23</b>	<b>96,346</b>	<b>183,904</b>	<b>2,133</b>	<b>11,102</b>
return available for Common	84,574,532	78,540	84,495,992	73,481	42,946,028	(2,630,018)	28,847,541	500,848	17,326,833	21,508	1,915,687	(6,663,514)	61	(745,602)	2,365,143	38,676	499,320
<b>TARGET ROE by Rate Class (Calc)</b>	<b>8.91%</b>	<b>11.10%</b>	<b>8.91%</b>	<b>2.21%</b>	<b>14.44%</b>	<b>-8.20%</b>	<b>11.95%</b>	<b>1.78%</b>	<b>10.13%</b>	<b>0.07%</b>	<b>2.45%</b>	<b>-12.77%</b>	<b>4.89%</b>	<b>-14.10%</b>	<b>23.42%</b>	<b>33.03%</b>	<b>81.92%</b>
<b>TARGET ROR by Rate Class (Calc)</b>	<b>8.57%</b>	<b>9.45%</b>	<b>8.57%</b>	<b>5.89%</b>	<b>10.79%</b>	<b>1.71%</b>	<b>9.79%</b>	<b>5.71%</b>	<b>9.06%</b>	<b>5.03%</b>	<b>5.98%</b>	<b>-0.12%</b>	<b>6.96%</b>	<b>-0.65%</b>	<b>14.39%</b>	<b>18.24%</b>	<b>37.83%</b>

Attachment E  
Summary of Tariff Revisions and Retail Tariff 18

**Duquesne Light Company  
Third Compliance Filing  
Tariff Revisions for the November 5, 1998 Compliance Filing  
In Response to the Opinion and Order Entered October 16, 1998**

Ordering Section	Page	Issue	Tariff Change
III.A	12	ECR Roll-In	The energy charges reflect an ECR roll-in of (3.628) cents/kWh
III.B	14	Rule 3.3 (CTC Reconciliation)	Clarifying language has been added to state that the CTC collected during the interim period will be used to adjust the amount owed by each rate class
III.C	14	Provider of Last Resort	The language in the "Electric Charges" section of each tariff rate has been returned to the language stated in the second compliance filing
III.D.1	16	Compliance with Statutory Rate Caps - Rule 4 and Economic Development Riders 8, 9 and 20	The tariff language has been revised to state that contract expiration shall not affect the applicability of statutory class rate caps
III.D.2	17	Unbundling of Special Contracts - Rule 4 and Economic Development Riders 8, 9 and 20	The tariff language has been revised to state that the discounts will apply to both the demand and energy components of the unbundled rate elements. Therefore, Rule 4 contract discounts will be equally allocated between the otherwise applicable unbundled CTC and Generation Charges.
III.D.3	18	Disparate Treatment - Rule 4 and Economic Development Riders 8, 9 and 20	The tariff sections have been revised to adopt the language proposed by DII for Rule 4 and as appropriate for Riders 8, 9 and 20 contracts
III.F	21	Interruptible Rider 7	The referenced language has been eliminated
IV.B	24	Universal Service Rider 21	The word "net" has been added to the description of universal service program costs

ELECTRIC - PA. P.U.C. NO. 18  
Superseding  
ELECTRIC - PA. P.U.C. NO. 17  
and Supplements thereto

DUQUESNE LIGHT COMPANY  
**SCHEDULE OF RATES**

For Electric Service in Allegheny and Beaver Counties

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

Issued By

**DUQUESNE LIGHT COMPANY**  
411 Seventh Avenue  
Pittsburgh, PA 15219

**DAVID D. MARSHALL**  
President and Chief Executive Officer

ISSUED: November 5, 1998

EFFECTIVE: January 1, 1999

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# NOTICE

Issued in compliance with Pennsylvania Public Utility Commission Order of  
October 16, 1998 at Docket No. R-00974104 and R-00974104C0001-C0004  
See Page Two

**LIST OF MODIFICATIONS MADE BY THIS TARIFF**

Tariff 18 reflects modifications to the rules and regulations, rates and riders contained herein reflecting the provisions of the Electricity Generation Customer Choice and Competition Act and the directives of the Public Utility Commission's Order at R-00974104. Specifically, the tariff now provides for electric service that includes the supply of a portion or all of a customer's electricity and the delivery of that electricity or the delivery only of electricity purchased from an alternate supplier.

The charges in the individual rate schedules and riders have been unbundled into transmission, distribution, generation and competitive transition charge components and will be billed to customers for supply and/or delivery services.

Modifications identified in this tariff revision reflect changes to comply with the Pennsylvania Public Utility Commission's Opinion and Order entered October 16, 1998.

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

East Rochester  
Eastvale  
Economy  
Fallston  
Frankfort Springs  
Freedom  
Georgetown

Glasgow  
Hookstown  
Industry  
Midland  
Monaca  
New Brighton  
Ohioville

Patterson Heights  
Rochester  
Shippingport  
South Heights  
West Mayfield

Townships

Brighton  
Center  
Daugherty  
Greene

Hanover  
Harmony  
Hopewell  
Independence

New Sewickley  
Patterson  
Potter  
Pulaski

Raccoon  
Rochester  
Vanport  
White

## RULES AND REGULATIONS

### THE ELECTRIC SERVICE TARIFF

1. **FILING AND POSTING** A copy of the tariff, comprising the Rules and Regulations, Rates and Riders, and governing 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 electric service under the rates to which they apply. Standard Service is alternating current of sixty cycles frequency, conforming as to voltage and phase with the following list of standard nominal service delivery voltages.

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

Unbundled rates of this tariff apply as a result of the "The Electricity Generation Customer Choice and Competition Act," (Act) Title 66 Pa.C.S. Chapter 28, and shall apply to retail customers accessing Duquesne Light Company's transmission and distribution systems. The supply of generation may be provided by the Company, by an alternative EGS, or by the Company and an alternative EGS. Rates for generation shall apply per applicable tariffs of the Company or the EGS.

**3.1 DEFINITIONS** The following definitions used throughout this tariff apply as a result of passage of the Act:

- (1) **The Act** - "The Electricity Generation Customer Choice and Competition Act," (Act) Title 66 Pa.C.S. Chapter 28, effective January 1, 1997. The Act modifies existing legislation and regulations to establish standards and procedures in order to create direct access by retail customers to the competitive market for the generation of electricity while maintaining the safety and reliability of the electric system for all parties.
- (2) **Aggregator or Market Aggregator** - An entity, licensed by the Commission, that purchases electric energy and takes title to electric energy as an intermediary for sale to retail customers.

**RULES AND REGULATIONS - (Continued)**

**THE ELECTRIC SERVICE TARIFF - (Continued)**

**Definitions - (Continued)**

- (3) **Basic Services** - The services necessary for the physical delivery of electricity service including generation, transmission, distribution and transition charges. Unless indicated otherwise, "electric service" or "service" used throughout this tariff shall have the same meaning.
- (4) **Broker or Marketer** - An entity, licensed by the Commission, that acts as an agent or intermediary in the sale and purchase of electric energy but does not take title to electric energy.
- (5) **Commission** - The Pennsylvania Public Utility Commission.
- (6) **Competitive Transition Charge (CTC)** - A non-bypassable charge applied to the bill of every customer accessing the Company's transmission or distribution system which (charge) is designed to recover the Company's transition or stranded costs as determined by the Commission in 66 Pa. C.S. §§ 2804 and 2808 (relating to standards for restructuring of the electric industry, and competitive transition charge).
- (7) **Customers** - A retail electric customer or potential customer of retail electricity service who are direct purchasers of electric power for use at their facility. Unless indicated otherwise, "retail customer" and "customer" used throughout this tariff shall have the same meaning.
- (8) **Direct access** - The right of Electric Generation Suppliers and retail customers to utilize and interconnect with the electric transmission and distribution system of the Company on a non-discriminatory basis at rates and terms and conditions of service comparable to the Companies' own use of the system to transport electricity from any generator of electricity to any retail customer.
- (9) **Distribution Charges** - Basic service charges for delivering electricity over a distribution system (e.g. wires, transformers, substations and other equipment) to the home or business from the transmission system. The distribution charge is regulated by the Commission. These charges include basic service under 52 Pa. Code §56.15 (4) (relating to Billing Information) and universal service, as applicable.
- (10) **Electric Distribution Company (EDC)** - Duquesne Light Company (the Company) owning and providing facilities for the jurisdictional transmission and distribution of electricity to retail customers, except building or facility owners or operators that manage the internal distribution system serving such building or facility and that supply electric power and other related electric power services to occupants of the building or facility.

**RULES AND REGULATIONS - (Continued)**

**THE ELECTRIC SERVICE TARIFF - (Continued)**

**Definitions - (Continued)**

- (11) **Electric Generation Suppliers (EGS)** - A person or corporation, including municipal corporation, which provides service outside its municipal limits except to the extent provided prior to the Act. This includes brokers and marketers, aggregators or any other entities that sell to end-use customers electricity or related services utilizing the jurisdictional transmission or distribution facilities of an electric distribution company. The term excludes building or facility owner/operators that manage the internal distribution system for the building or facility and that supply electric power and other related power services to occupants of the building or facility. The term also excludes electric cooperative corporations except as provided in 15 Pa. C.S. Ch. 74 (relating to generation choice for customers of electric cooperatives).
- (12) **Electricity Provider** - The term refers collectively to the EDC, EGS, electricity supplier, marketer, aggregator and/or broker, as well as any third party acting on behalf of these entities.
- (13) **Generation Charges** - Basic service charges for producing electricity for supply to retail customers. This excludes charges for transmission or other charges related to electric service.
- (14) **Marketer or Broker** - An entity, licensed by the Commission, that acts as an agent or intermediary in the sale and purchase of electric energy and does not take title to the electric energy.
- (15) **Non-Basic Services** - Optional recurring services which are distinctly separate and clearly not required for the physical delivery of electric service.
- (16) **Renewable Resource** - Includes technologies such as solar photovoltaic energy, solar thermal energy, wind power, low-head hydropower, geothermal energy, landfill or other biomass-based methane gas, mine-based methane gas, energy from waste and sustainable biomass energy.
- (17) **Provider of Last Resort** - The Company will provide electricity to the customer in the event that a customer: 1) is not eligible to obtain electricity from an EGS; 2) elects not to obtain electricity from an EGS; 3) elects to have the Company supply electricity after having previously purchased electricity from an EGS, or 4) contracts with an EGS who fails to supply electricity.
- (18) **Transition Charges** - Basic service charges for costs defined as transition or stranded costs, comprised of a CTC, designed to recover the Company's transition or stranded costs as authorized by the Commission.

**RULES AND REGULATIONS - (Continued)**

**THE ELECTRIC SERVICE TARIFF - (Continued)**

**Definitions - (Continued)**

(19) **Transition or Stranded Costs** - The Company's known and measurable net electric generation-related costs, determined on a net present value basis over the life of the asset or liability as part of its restructuring plan, which traditionally would be recoverable under a regulated environment but which may not be recoverable in a competitive electric generation market and which the Commission determines will remain following mitigation by the Company. Transition and stranded costs also include other items as defined in the Act.

(20) **Transmission Charges** - Basic charges for the cost of transporting electricity over high voltage wires from the generator to the distribution system of the Company.

**3.2 ELECTRIC GENERATION SUPPLIER TARIFF** The rules and guidelines provided in the Company's "Electric Generation Supplier Coordination Tariff" (Supplier Tariff) shall apply to EGS's accessing the Company's transmission and distribution systems to supply electricity to retail customers. Those rules and guidelines pertaining to direct access procedures shall apply accordingly to customers who elect to purchase part or all of their electricity from an EGS. Copies of these rules may be obtained at the Company's offices.

**3.3 COMPETITIVE TRANSITION CHARGE RECONCILIATION** Each month, the Company will separately account for competitive transition charge (CTC) revenues collected from each rate class under the applicable interim tariff rates. The revenues collected from each rate class during the interim period prior to the sale of the generation assets will be used to adjust the amount owed by each rate class. Subsequent to the sale of its generation assets, the Company will establish final CTC rates for each rate class considering the amount of divestiture proceeds and revenues recovered under the interim CTC rates. The exact methodology for determining final CTC rates will be established by the Commission in conjunction with a decision in connection with the Company's auction plan.

**CONTRACTS, DEPOSITS AND ADVANCE PAYMENTS**

**4. CONTRACTS** The Company reserves the right to require non-residential customers to sign a written contract indicating the rate for electric service 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. Customers who have facilities extended for their exclusive use will be permitted to purchase electricity from an EGS according to the provisions of direct access and the Act. Extension of such facilities will not be conditioned on the customer's agreement to purchase generation from the Company. Receipt of electric service by any entity, 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 electric service, of the customer's name, address to which the electricity is to be delivered, the address to which the bill is to be mailed, the date delivery of electricity is to commence, and provide information requested by the Company regarding the customer's credit standing. The customer shall notify the Company to cancel electric service and the customer shall be responsible for payment for all electric charges until the customer has so notified the Company to cancel electric 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 for electric service with industrial or commercial customers having load of at least 100 kW to address changing business needs or operating conditions, for incremental sales of at least 100 kW from existing or new industrial customers, or 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 an appropriate contribution towards transition costs.

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

The contract will be terminated by the Company if the Company charges are not paid when due as specified in Tariff Rule No. 21, before the addition of the Late Payment Charge. Upon termination of the contract under these conditions, the regular electric tariff rates will be applied to electric 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.

For contracts that do not contain provisions governing the customer's rights under direct access, the Company will unbundle the customer's contract effective as of January 1, 1999, in a manner that retains the customer discount and reflects the amount of transmission, distribution, CTC and generation charges in the customer contract. The customer may continue to purchase electricity from the Company in accordance with the terms and conditions of the contract; terminate the contract and obtain electricity from an EGS on the otherwise applicable tariff rates according to the eligibility under direct access; or, retain the Company's services under the unbundled rates of the contract and purchase electrical energy from an EGS. The customer's discount from the otherwise applicable tariff rates will be allocated equally between the CTC components and the generation components of the unbundled rates. The discount will be applied to the demand and energy components of the unbundled rate elements. Contract expiration shall not affect the applicability of any statutory rate cap.

For contracts that contain provisions governing the customer's rights under direct access, the Company will unbundle the customer's contract effective January 1, 1999, and the customer will be eligible to obtain electricity from an EGS only in accordance with the terms and conditions of the customer's contract.

**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 Company charges for such temporary service. The gross bill for Company charges shall include all fixed, demand and energy charges for Company charges in accordance with the applicable tariff. Deposits may be required from all other applicants when credit has not been established or from existing ratepayers when such ratepayer's credit standing is impaired by delinquent payments of any two consecutive electric bills for Company charges excluding any unpaid EGS bills, if any, or three or more electric bills for Company charges 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 be based on Company charges and 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. Payment of any disputed bill, where the payment is withheld beyond the due date set forth on the face of the bill at issue and the dispute over which is terminated substantially in favor of the ratepayer, shall be made by the ratepayer within 15 days following the termination of that dispute in order to be deemed timely. 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 Company charges for such seasonal service as determined by the provisions of the rate under which this service is taken.

**INSTALLATION OF SERVICE**

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

**RULES AND REGULATIONS - (Continued)**

**INSTALLATION OF SERVICE - (Continued)**

**7. SUPPLY LINE EXTENSIONS**

**A. Definitions**

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

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

**B. Overhead Areas**

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

**RULES AND REGULATIONS - (Continued)**

**INSTALLATION OF SERVICE - (Continued)**

**7. SUPPLY LINE EXTENSIONS - (Continued)**

**B. Overhead Areas - (Continued)**

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

**C. Underground Areas**

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

**RULES AND REGULATIONS - (Continued)**

**INSTALLATION OF SERVICE - (Continued)**

**7. SUPPLY LINE EXTENSIONS - (Continued)**

**D. Rights-of-Way**

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

**E. Revenue Guarantees**

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

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

- (1) When the total of the monthly bills for Company charges 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 bills, for Company charges 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 provided to a customer under one contract; provided, however, that when, in the judgment of the Company, compliance with Rule No. 17, Fluctuations and Unbalances, may be most economically effected by establishing a separate service connection for a portion of the customer's load, such separate service connection may, at the option of the customer, be combined, notwithstanding similarity as to voltage and phase, with other service connections under a single contract for the customer's entire electric delivery service requirements at the affected location. Electric service at different premises, regardless of voltage or phase, shall never be combined for billing under one account for the purpose of reducing Company charges.

**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 provide electric 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."

**(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."

**RULES AND REGULATIONS - (Continued)**

**INSTALLATION OF SERVICE - (Continued)**

**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 delivery 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 electric 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 for billing purposes shall be final and conclusive, except where the meters fail to register or are determined to be in error; in these instances, the quantity delivered during the period in question shall be estimated, after due consideration of previous or subsequent properly measured deliveries. Tests of meters made upon written request of the customer will be in accordance with the rules and regulations of the Pennsylvania Public Utility Commission. See Rule 42 for more detail on meter inspections.

**14.1 METER READING INTERVALS** For billing purposes, the Company will read meters at scheduled regular monthly intervals.

**14.2 CUSTOMER REQUEST FOR SPECIAL METERING** If a customer wishes to replace the Company billing meter, to the extent technically possible, the Company will offer, provide and support a selection of qualified meters that conform with Company standards. The Company will perform the installation within a reasonable amount of time and at the expense of the customer. The customer must pay for such metering equipment based on the net incremental cost of purchasing and installing the new equipment. The Company will own and maintain all such new metering equipment. The Company will continue to read the meter for billing purposes, and to obtain the data to be used to fulfill its obligations in satisfying arrangements with the EGS as required.

**14.3 SUB-METERING** If a customer wishes to have metering installed in addition to the Company installed meter, the meter must be installed on the customers electrical system and at the expense of the customer.

**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 electric service only at the premise where service is established; and after electric service has been established, shall notify the Company of any change in connected load, demand, or other conditions of use. The customer shall notify the Company of other on site sources of electric generation or electricity concurrently produced as a by-product of another process or electricity produced utilizing renewable resources. Customers who own and operate electric generation equipment shall conform with the Company's "Electric Service Installation Rules", copies of which may be obtained at the Company's offices. For customers who own and operate electric generation, the provisions of Rider 16, "Service to Non-Utility Generating Facilities and Rider 22, "Renewable Energy Service" may also apply.

**RULES AND REGULATIONS - (Continued)**

**MEASUREMENT AND USE OF SERVICE - (Continued)**

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

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

**BILLS AND NET PAYMENT PERIODS**

**20. BILLING** The Company will render a bill monthly for electric service.

**20.1 BILLING OPTIONS** Customers who elect to purchase part or all of their electricity from an EGS may choose: (1) Consolidated Billing and receive a single bill from the Company that includes Company charges and EGS charges; or (2) Separate Billing and receive one bill from the Company for Company charges and a second bill from the EGS for EGS charges. The customer must notify the Company of the billing arrangement when an EGS is selected. If the customer does not make a selection, the customer shall receive Consolidated Billing from the Company. Provisions for billing contained in the Supplier Tariff shall apply accordingly.

**20.2 BILLS** Bills for electric service 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. For customers who select an EGS and who select the Separate Billing Option, payment of the bill from the EGS is due to the EGS per the EGS terms and conditions. When the meter readings are taken at other than monthly intervals or when the elapsed time between meter readings is substantially greater or less than one month, the rate values applicable to monthly delivery periods will be adjusted.

**21. NET PAYMENT** Payments made direct at the payment receiving offices of the Company or payments made direct to the Company's agencies by the due date will be accepted by the Company in the amount billed. Payments made by mail may be accepted in the amount billed by the Company, at its option if: (1) the date of mailing as determined by the Post Office date stamp on the enclosing envelope is on or before the due date, or (2) the payment is received within five days after the due date. A Late Payment Charge will be added to Company charges for failure to make payment of the bill in accord with the above.

**RULES AND REGULATIONS - (Continued)**

**BILLS AND NET PAYMENT PERIODS - (Continued)**

**21.1 PAYMENT OF BILLS FOR RESIDENTIAL SERVICE** The Company will designate a due date on its bill which shall be a business day no less than 20 days from the date of transmittal of the bill. 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.

**21.2 PARTIAL PAYMENT OF BILLS** For customers who submit payments which are insufficient to cover all of the charges billed by the Company, including EGS charges for those customers who have selected consolidated billing, the Company will apply the payment based upon their current bill and their outstanding balance, if applicable. For a customer who has a pre-direct access balance, the Company will apply the payment as follows: (1) outstanding pre-direct access balance or the installment amount for a payment agreement on this balance; (2) competitive transition charge (CTC); (3) distribution charges; (4) transmission charges; (5) generation charges, and (6) non-basic service charges defined in Rule 3. If the customer's account develops a post-direct access balance, the Company will apply the payments to the pre-direct access balance, according to the terms of the pre-direct access payment agreement, then apply the remainder of the payment to any other outstanding post-direct access charges. For a customer with no pre-direct access balance but with a post-direct access balance, the Company will apply the payment as follows: (1) balance due for prior CTC charges; (2) current CTC charges; (3) current distribution charges; (4) current transmission charges; (5) balance due for prior generation charges; (6) current generation charges, and (7) non-basic service charges.

**21.3 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.

**COMPANY PROPERTY ON CUSTOMER'S PREMISES**

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

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

**RULES AND REGULATIONS - (Continued)**

**COMPANY PROPERTY ON CUSTOMER'S PREMISES - (Continued)**

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

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

**DISCONTINUANCE, CURTAILMENT OR INTERRUPTION OF ELECTRIC SERVICE**

**26. ARREARS** The Company upon reasonable notice may terminate electric service and remove its equipment from the premises for nonpayment of undisputed Company service charges or Company charges as the provider of last resort charges. When a residential ratepayer or a residence is involved, the Company will comply with the provisions of 52 Pa. Code Chapter 56, "Standards and Billing Practices for Residential Utility Service."

**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 electric service has been established without the customer first having executed a written contract or application, the Company reserves the right to terminate 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, "Standards and Billing Practices for Residential Utility Service."

**28. DEPOSITS** The Company reserves the right to terminate electric service and remove its equipment from the premises upon reasonable notice in case the customer refuses or neglects to post a cash deposit based on Company charges when requested to do so 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, "Standards and Billing Practices for Residential Utility Service."

**29. UNDERGROUND SERVICE** The Company reserves the right to terminate 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, "Standards and Billing Practices for Residential Utility Service."

**RULES AND REGULATIONS - (Continued)**

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

**30. HAZARDOUS AND IMPROPER CONDITIONS** The Company may terminate 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, "Standards and Billing Practices for Residential Utility Service."

**31. MISREPRESENTATIONS** The Company reserves the right to terminate 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, "Standards and Billing Practices for Residential Utility Service."

**32. REDISTRIBUTION** The Company reserves the right to terminate 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, "Standards and Billing Practices for Residential Utility Service."

**33. INACCESSIBILITY** The Company may terminate 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, "Standards and Billing Practices for Residential Utility Service."

**34. TAMPERING** The Company may terminate 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, "Standards and Billing Practices for Residential Utility Service."

**35. REPAIRS AND LOSSES** The Company may terminate 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, "Standards and Billing Practices for Residential Utility Service."

**36. WRITS AND LEVIES** The Company reserves the right to terminate 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, "Standards and Billing Practices for Residential Utility Service."

**RULES AND REGULATIONS - (Continued)**

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

**37. INTERRUPTIONS FOR REPAIRS** The Company reserves the right to curtail or temporarily interrupt customers' electric 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 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 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 electric 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.

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

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

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

**RULES AND REGULATIONS - (Continued)**

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

**39.2 EMERGENCY ENERGY CONSERVATION - (Continued)**

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 for Company charges and a deposit, and to require the payment of costs incurred by the Company to reconnect the service. When a residential ratepayer or residence is involved, the Company will comply with the provisions of 52 Pa Code Chapter 56, "Standards and Billing Practices for Residential Utility Service."

Where electric 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 electric service was discontinued, the Company reserves the right as a condition precedent to the reconnection of service to require the payment of all arrearages for Company charges which will consist of the minimum charge applicable to such customer's service during the period of discontinuance.

Where electric 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.

**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.

**RULES AND REGULATIONS - (Continued)**

**GENERAL PROVISIONS**

**42. METER TESTING** The Company will inspect or test the accuracy of a meter at the request of the customer or an EGS 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. This rule shall apply to the inspection or testing of special meters described in Rule 14.2.

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

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

**A. Availability**

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

**B. Billing**

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

**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.

**RULES AND REGULATIONS - (Continued)**

**GENERAL PROVISIONS- (Continued)**

**44. SURGE PROTECTION SERVICE - (Continued)**

**F. Liability**

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

**45. SUPPLIER SWITCHING** The Company will accommodate requests by customers to switch EGS's in accordance with 52 Pa. Code Chapter 57, Subchapter M "Standards for Changing a Customers Electricity Generation Supplier." Customers who are eligible to purchase all or part of their electricity from an EGS are *permitted to purchase electricity from only one EGS per billing cycle. Customers who elect to return to the Company from an EGS will return at the charges of the applicable rate. Switching by customer shall occur in accordance with the direct access procedures, and in accordance with the provisions contained in this Tariff and the Supplier Tariff.*

Upon receipt of the request by the Company from the customer or authorized party to change the EGS, the Company will send the customer a confirmation letter notifying the customer of the proposed change and their right to rescind. If the customer does not contact the Company within 10 days of the date on the confirmation letter, then the Company will process the selection. The selection will be effective as of the next scheduled meter read date and the EGS will become the EGS of record for delivery provided that: (1) the Company has received at least 15 days prior notice from the EGS; (2) and all required customer information including the customer's name, service address, customer account number, current EGS, proposed EGS and confirmation that the proposed EGS has agreed to provide the services is provided to the Company is accurate and complete; (3) the 10-day waiting period has expired; and (4) the customer has not contacted the Company to dispute the EGS selection. If the required information to process a change to an EGS is not provided, the customer shall either call the Company with the necessary information or supply signed written authorization before the change is processed. If during the 10-day waiting period, the Customer elects to rescind its new EGS selection, the Company will notify the rejected EGS of the rescission. In the event the customer rescinds their EGS selection after the 10 day waiting period, the customer will be required to remain with the selected EGS for a minimum of one billing cycle.

**46. PROVISION OF LOAD DATA** The Company will provide to a customer or the customer's designated EGS or authorized consultant, historical data in accordance with all current regulatory requirements of direct access once each calendar year for no fee. The exchange of data among the Company, EGSs, and customers shall be in accordance with the Supplier Tariff.

**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**

Customer Distribution Charge ..... \$6.38

**ENERGY CHARGES**

	<u>Distribution Charge cents per kilowatt-hour</u>	<u>Competitive Transition Charge cents per kilowatt-hour</u>	<u>Transmission Charge cents per kilowatt-hour</u>	<u>Generation Charge cents per kilowatt-hour</u>
All kilowatt-hours	3.0212	3.5244	0.2483	4.5033

**ELECTRIC CHARGES**

Beginning January 1, 1999, some customers will be eligible to choose their electric generation supplier (EGS) with all customers having choice on January 2, 2000. Customers who are not eligible to choose an EGS will be billed according to the above charges. Customers who are eligible to choose their supplier may purchase their electricity from the Company or from an EGS. Customers who elect to purchase their electric generation requirements from the Company will be charged according to the above charges. Customers who elect to purchase their electric energy requirements from an EGS will be charged the Distribution and Competitive Transition Charges by the Company, and must purchase their transmission and generation requirements from their selected EGS. Customers may change suppliers or return to the Company for electric generation requirements as defined in Rule 45.

The above Generation Charge includes transmission ancillary services, line losses and the market price of electricity. Transmission ancillary services include scheduling, reactive power service, regulation and frequency control service, spinning reserve service and supplemental reserve service. Losses include transmission line losses and distribution line losses. The market price of power is based on the price established by the Pennsylvania Public Utility Commission for the Retail Access Pilot Program in Pennsylvania.

For customers who elect to purchase their generation from an EGS, the customer is responsible for any other charges from the EGS. Any month in which the supplier becomes unavailable or during which the customer has not chosen a supplier, the Company will supply electricity at the above charges.

Customers who are eligible to choose an EGS may select Consolidated Billing or Separate Billing as defined in Rule 20.1.

RATE RS - RESIDENTIAL SERVICE - (Continued)

MONTHLY RATE - (Continued)

**MINIMUM CHARGE**

The minimum Charge shall be the Customer Distribution Charge.

**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 Company charges on the bill. The Charge shall be calculated on the overdue portions of the Company charges on 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.

**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.

SPECIAL PROVISIONS

**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.

**MONTHLY RATE**

**CUSTOMER CHARGE**

Customer Distribution Charge ..... \$6.38

**WINTER MONTHLY RATE**

For the Billing Months of November through April:

**ENERGY CHARGES**

	<u>Distribution Charge</u> cents per kilowatt-hour	<u>Competitive Transition Charge</u> cents per kilowatt-hour	<u>Transmission Charge</u> cents per kilowatt-hour	<u>Generation Charge</u> cents per kilowatt-hour
First 500 kilowatt-hours	1.4427	3.8115	0.2081	5.8349
Additional kilowatt-hours	0.5271	1.3925	0.2081	1.9995

**SUMMER MONTHLY RATE**

For the Billing Months of May through October:

**ENERGY CHARGES**

	<u>Distribution Charge</u> cents per kilowatt-hour	<u>Competitive Transition Charge</u> cents per kilowatt-hour	<u>Transmission Charge</u> cents per kilowatt-hour	<u>Generation Charge</u> cents per kilowatt-hour
All kilowatt-hours	1.4427	3.8115	0.2081	5.8349

**RATE RH - RESIDENTIAL SERVICE HEATING - (Continued)**

**MONTHLY RATE - (Continued)**

**ELECTRIC CHARGES**

Beginning January 1, 1999, some customers will be eligible to choose their electric generation supplier (EGS) with all customers having choice on January 2, 2000. Customers who are not eligible to choose an EGS will be billed according to the above charges. Customers who are eligible to choose their supplier may purchase their electricity from the Company or from an EGS. Customers who elect to purchase their electric generation requirements from the Company will be charged according to the above charges. Customers who elect to purchase their electric energy requirements from an EGS will be charged the Distribution and Competitive Transition Charges by the Company, and must purchase their transmission and generation requirements from their selected EGS. Customers may change suppliers or return to the Company for electric generation requirements as defined in Rule 45.

The above Generation Charge includes transmission ancillary services, line losses and the market price of electricity. Transmission ancillary services include scheduling, reactive power service, regulation and frequency control service, spinning reserve service and supplemental reserve service. Losses include transmission line losses and distribution line losses. The market price of power is based on the price established by the Pennsylvania Public Utility Commission for the Retail Access Pilot Program in Pennsylvania.

For customers who elect to purchase their generation from an EGS, the customer is responsible for any other charges from the EGS. Any month in which the supplier becomes unavailable or during which the customer has not chosen a supplier, the Company will supply electricity at the above charges.

Customers who are eligible to choose an EGS may select Consolidated Billing or Separate Billing as defined in Rule 20.1.

**MINIMUM CHARGE**

The minimum Charge shall be the Customer Distribution Charge.

**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 Company charges on the bill. The Charge shall be calculated on the overdue portions of the Company charges on the bill and shall not be charged against any sum that falls due during a current billing period. A Late Payment Charge on a disputed bill may be reduced or eliminated by the Company, or upon order by the Commission, to facilitate payment by the disputing customer.

RATE RH - RESIDENTIAL SERVICE HEATING - (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 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<sup>o</sup> 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.

**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 40<sup>o</sup> F. and the add-on heat pump cannot provide the total heating requirements.

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

**MONTHLY RATE**

**CUSTOMER CHARGE**

Customer Distribution Charge ..... \$6.38

**WINTER MONTHLY RATE**

For the Billing Months of November through April:

**ENERGY CHARGES**

	<u>Distribution Charge cents per kilowatt-hour</u>	<u>Competitive Transition Charge cents per kilowatt-hour</u>	<u>Transmission Charge cents per kilowatt-hour</u>	<u>Generation Charge cents per kilowatt-hour</u>
First 500 kilowatt-hours	1.5569	4.3523	0.2534	5.1346
Additional kilowatt-hours	0.5688	1.5900	0.2534	1.7150

**SUMMER MONTHLY RATE**

For the Billing Months of May through October:

**ENERGY CHARGES**

	<u>Distribution Charge cents per kilowatt-hour</u>	<u>Competitive Transition Charge cents per kilowatt-hour</u>	<u>Transmission Charge cents per kilowatt-hour</u>	<u>Generation Charge cents per kilowatt-hour</u>
All kilowatt-hours	1.5569	4.3523	0.2534	5.1346

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

**MONTHLY RATE - (Continued)**

**ELECTRIC CHARGES**

Beginning January 1, 1999, some customers will be eligible to choose their electric generation supplier (EGS) with all customers having choice on January 2, 2000. Customers who are not eligible to choose an EGS will be billed according to the above charges. Customers who are eligible to choose their supplier may purchase their electricity from the Company or from an EGS. Customers who elect to purchase their electric generation requirements from the Company will be charged according to the above charges. Customers who elect to purchase their electric energy requirements from an EGS will be charged the Distribution and Competitive Transition Charges by the Company, and must purchase their transmission and generation requirements from their selected EGS. Customers may change suppliers or return to the Company for electric generation requirements as defined in Rule 45.

The above Generation Charge includes transmission ancillary services, line losses and the market price of electricity. Transmission ancillary services include scheduling, reactive power service, regulation and frequency control service, spinning reserve service and supplemental reserve service. Losses include transmission line losses and distribution line losses. The market price of power is based on the price established by the Pennsylvania Public Utility Commission for the Retail Access Pilot Program in Pennsylvania.

For customers who elect to purchase their generation from an EGS, the customer is responsible for any other charges from the EGS. Any month in which the supplier becomes unavailable or during which the customer has not chosen a supplier, the Company will supply electricity at the above charges.

Customers who are eligible to choose an EGS may select Consolidated Billing or Separate Billing as defined in Rule 20.1.

**MINIMUM CHARGE**

The minimum Charge shall be the Customer Distribution Charge.

**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 Company charges on the bill. The Charge shall be calculated on the overdue portions of the Company charges on the bill and shall not be charged against any sum that falls due during a current billing period. A Late Payment Charge on a disputed bill may be reduced or eliminated by the Company, or upon order by the Commission, to facilitate payment by the disputing customer.

RATE RA - RESIDENTIAL SERVICE ADD-ON HEAT PUMP - (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.

**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<sup>o</sup> 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

Available 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**

Customer Distribution Charge ..... \$9.07

**COMMERCIAL CUSTOMERS**

**DEMAND CHARGES**

	<u>Distribution Charge \$ per kilowatt</u>	<u>Competitive Transition Charge \$ per kilowatt</u>	<u>Transmission Charge \$ per kilowatt</u>	<u>Generation Charge \$ per kilowatt</u>
First 5 kilowatts or less of Demand	No Charge	No Charge	No Charge	No Charge
Additional kilowatts of Demand	3.54	6.63	0.55	7.62

**ENERGY CHARGES**

	<u>Distribution Charge cents per kilowatt-hour</u>	<u>Competitive Transition Charge cents per kilowatt-hour</u>	<u>Transmission Charge cents per kilowatt-hour</u>	<u>Generation Charge cents per kilowatt-hour</u>
First 550 kilowatt-hours	2.6274	4.9206	0.1582	5.9010
Next 750 kilowatt-hours	2.4575	4.6024	0.1582	5.5091
Additional kilowatt-hours	0.6637	1.2429	0.1582	1.3724

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

MONTHLY RATE - (Continued)

**INDUSTRIAL CUSTOMERS**

**DEMAND CHARGES**

	<u>Distribution Charge \$ per kilowatt</u>	<u>Competitive Transition Charge \$ per kilowatt</u>	<u>Transmission Charge \$ per kilowatt</u>	<u>Generation Charge \$ per kilowatt</u>
First 5 kilowatts or less of Demand	No Charge	No Charge	No Charge	No Charge
Additional kilowatts of Demand	3.54	8.00	0.55	6.25

**ENERGY CHARGES**

	<u>Distribution Charge cents per kilowatt-hour</u>	<u>Competitive Transition Charge cents per kilowatt-hour</u>	<u>Transmission Charge cents per kilowatt-hour</u>	<u>Generation Charge cents per kilowatt-hour</u>
First 550 kilowatt-hours	2.6274	5.9354	0.1582	4.8862
Next 750 kilowatt-hours	2.4575	5.5515	0.1582	4.5600
Additional kilowatt-hours	0.6637	1.4993	0.1582	1.1160

**ELECTRIC CHARGES**

Beginning January 1, 1999, some customers will be eligible to choose their electric generation supplier (EGS) with all customers having choice on January 2, 2000. Customers who are not eligible to choose an EGS will be billed according to the above charges. Customers who are eligible to choose their supplier may purchase their electricity from the Company or from an EGS. Customers who elect to purchase their electric generation requirements from the Company will be charged according to the above charges. Customers who elect to purchase their electric energy requirements from an EGS will be charged the Distribution and Competitive Transition Charges by the Company, and must purchase their transmission and generation requirements from their selected EGS. Customers may change suppliers or return to the Company for electric generation requirements as defined in Rule 45.

The above Generation Charge includes transmission ancillary services, line losses and the market price of electricity. Transmission ancillary services include scheduling, reactive power service, regulation and frequency control service, spinning reserve service and supplemental reserve service. Losses include transmission line losses and distribution line losses. The market price of power is based on the price established by the Pennsylvania Public Utility Commission for the Retail Access Pilot Program in Pennsylvania.

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

MONTHLY RATE - (Continued)

**ELECTRIC CHARGES - (Continued)**

For customers who elect to purchase their generation from an EGS, the customer is responsible for any other charges from the EGS. Any month in which the supplier becomes unavailable or during which the customer has not chosen a supplier, the Company will supply electricity at the above charges.

Customers who are eligible to choose an EGS may select Consolidated Billing or Separate Billing as defined in Rule 20.1.

Commercial customers are those customers in Company revenue classes 421 and 425. Industrial customers are those customers in Company revenue class 426. In general, industrial customers are those customers engaged in a manufacturing or processing operation 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.

**MINIMUM CHARGE**

The Minimum Charge shall be the sum of the Customer Distribution Charge plus a Demand Charge based on 30% of the highest Billing Demand during the preceding eleven months, but not less than the Customer Distribution Charge. The Demand Charge shall be determined using the distribution and competitive transition charges, and the transmission and generation charges associated with Company supplied transmission and generation, if any.

**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 Company charges on the bill. The Charge shall be calculated on the overdue portions of the Company charges on the bill and shall not be charged against any sum that falls due during a current billing period.

RATE GS/GM - GENERAL SERVICE SMALL AND MEDIUM - (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. 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.

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

**CUSTOMER CHARGE**

Customer Distribution Charge ..... \$9.07

**COMMERCIAL CUSTOMERS**

For the Billing Months of October through May:

**ENERGY CHARGES**

	<u>Distribution Charge cents per kilowatt-hour</u>	<u>Competitive Transition Charge cents per kilowatt-hour</u>	<u>Transmission Charge cents per kilowatt-hour</u>	<u>Generation Charge cents per kilowatt-hour</u>
First 1,250 kilowatt-hours plus 150 kilowatt-hours for each kilowatt of Demand over 6 kilowatts	1.7603	3.6418	0.1946	5.5005
Additional kilowatt-hours	0.5452	1.1280	0.1946	1.5694

RATE GMH - GENERAL SERVICE MEDIUM HEATING - (Continued)

MONTHLY RATE - (Continued)

**COMMERCIAL CUSTOMERS - (Continued)**

For the Billing Months of June through September:

**DEMAND CHARGES**

	<u>Distribution Charge \$ per kilowatt</u>	<u>Competitive Transition Charge \$ per kilowatt</u>	<u>Transmission Charge \$ per kilowatt</u>	<u>Generation Charge \$ per kilowatt</u>
First 5 kilowatts or less of Demand	No Charge	No Charge	No Charge	No Charge
Additional kilowatts of Demand	2.91	6.02	0.54	8.87

**ENERGY CHARGES**

	<u>Distribution Charge cents per kilowatt-hour</u>	<u>Competitive Transition Charge cents per kilowatt-hour</u>	<u>Transmission Charge cents per kilowatt-hour</u>	<u>Generation Charge cents per kilowatt-hour</u>
First 550 kilowatt-hours	2.1584	4.4655	0.1946	6.7887
Next 750 kilowatt-hours	2.0188	4.1768	0.1946	6.3370
Additional kilowatt-hours	0.5452	1.1280	0.1946	1.5694

RATE GMH - GENERAL SERVICE MEDIUM HEATING - (Continued)

MONTHLY RATE - (Continued)

**INDUSTRIAL CUSTOMERS**

For the Billing Months of October through May:

**ENERGY CHARGES**

	<u>Distribution Charge</u> cents per <u>kilowatt-hour</u>	<u>Competitive Transition Charge</u> cents per <u>kilowatt-hour</u>	<u>Transmission Charge</u> cents per <u>kilowatt-hour</u>	<u>Generation Charge</u> cents per <u>kilowatt-hour</u>
First 1,250 kilowatt-hours plus 150 kilowatt-hours for each kilowatt of Demand over 6 kilowatts	1.7603	4.5959	0.1946	4.5464
Additional kilowatt-hours	0.5452	1.4235	0.1946	1.2739

For the Billing Months of June through September:

**DEMAND CHARGES**

	<u>Distribution Charge</u> \$ per kilowatt	<u>Competitive Transition Charge</u> \$ per kilowatt	<u>Transmission Charge</u> \$ per kilowatt	<u>Generation Charge</u> \$ per kilowatt
First 5 kilowatts or less of Demand	No Charge	No Charge	No Charge	No Charge
Additional kilowatts of Demand	2.91	7.59	0.54	7.30

**ENERGY CHARGES**

	<u>Distribution Charge</u> cents per <u>kilowatt-hour</u>	<u>Competitive Transition Charge</u> cents per <u>kilowatt-hour</u>	<u>Transmission Charge</u> cents per <u>kilowatt-hour</u>	<u>Generation Charge</u> cents per <u>kilowatt-hour</u>
First 550 kilowatt-hours	2.1584	5.6355	0.1946	5.6187
Next 750 kilowatt-hours	2.0188	5.2710	0.1946	5.2428
Additional kilowatt-hours	0.5452	1.4235	0.1946	1.2739

RATE GMH - GENERAL SERVICE MEDIUM HEATING - (Continued)

MONTHLY RATE - (Continued)

**ELECTRIC CHARGES**

Beginning January 1, 1999, some customers will be eligible to choose their electric generation supplier (EGS) with all customers having choice on January 2, 2000. Customers who are not eligible to choose an EGS will be billed according to the above charges. Customers who are eligible to choose their supplier may purchase their electricity from the Company or from an EGS. Customers who elect to purchase their electric generation requirements from the Company will be charged according to the above charges. Customers who elect to purchase their electric energy requirements from an EGS will be charged the Distribution and Competitive Transition Charges by the Company, and must purchase their transmission and generation requirements from their selected EGS. Customers may change suppliers or return to the Company for electric generation requirements as defined in Rule 45.

The above Generation Charge includes transmission ancillary services, line losses and the market price of electricity. Transmission ancillary services include scheduling, reactive power service, regulation and frequency control service, spinning reserve service and supplemental reserve service. Losses include transmission line losses and distribution line losses. The market price of power is based on the price established by the Pennsylvania Public Utility Commission for the Retail Access Pilot Program in Pennsylvania.

For customers who elect to purchase their generation from an EGS, the customer is responsible for any other charges from the EGS. Any month in which the supplier becomes unavailable or during which the customer has not chosen a supplier, the Company will supply electricity at the above charges.

Customers who are eligible to choose an EGS may elect Consolidated Billing or Separate Billing as defined in Rule 20.1.

Commercial customers are those customers in Company revenue classes 421 and 425. Industrial customers are those customers in Company revenue class 426. In general, industrial customers are those customers engaged in a manufacturing or processing operation 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.

**MINIMUM CHARGE**

For the months of October through May, the Minimum Charge shall be \$9.07 for the first kilowatt (kW) of demand plus a transmission charge of \$0.54 per kW, a distribution charge of \$1.11 per kW, a CTC charge of \$2.33 per kW and a generation charge of \$3.38 per kW for each additional kilowatt, but not less than \$9.07. For the months of June through September, the Minimum Charge shall be the sum of the Customer Distribution Charge plus a Demand Charge based on 30% of the highest Billing Demand during the preceding eleven months, but not less than the Customer Distribution Charge. The Demand Charge shall be determined using the distribution and competitive transition charges and the transmission and generation charges associated with Company supplied transmission and generation, if any.

RATE GMH - GENERAL SERVICE MEDIUM HEATING - (Continued)

MONTHLY RATE - (Continued)

**RIDERS**

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

**LATE PAYMENT CHARGE**

Bills will be calculated on the rates stated herein, and are due and payable on or before 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 Company charges on the bill. The Charge shall be calculated on the overdue portions of the Company charges on 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. 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. For the months of June through September, demand will be determined as defined in Rate GS/GM.

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

**COMMERCIAL CUSTOMERS**

**DEMAND CHARGES**

	<u>Distribution Charge - \$</u>	<u>Competitive Transition Charge - \$</u>	<u>Transmission Charge - \$</u>	<u>Generation Charge - \$</u>
First 300 kilowatts or less of Demand	719.38	1734.25	144.00	2,929.37
	<u>Distribution Charge \$ per kilowatt</u>	<u>Competitive Transition Charge \$ per kilowatt</u>	<u>Transmission Charge \$ per kilowatt</u>	<u>Generation Charge \$ per kilowatt</u>
Additional kilowatts of Demand	1.82	4.39	0.48	7.29

**ENERGY CHARGES**

	<u>Distribution Charge cents per kilowatt-hour</u>	<u>Competitive Transition Charge cents per kilowatt-hour</u>	<u>Transmission Charge cents per kilowatt-hour</u>	<u>Generation Charge cents per kilowatt-hour</u>
All kilowatt-hours	0.4474	1.0786	0.1126	1.7986

**RATE GL - GENERAL SERVICE LARGE - (Continued)**

**MONTHLY RATE - (Continued)**

**INDUSTRIAL**

**DEMAND CHARGES**

	<u>Distribution Charge - \$</u>	<u>Competitive Transition Charge - \$</u>	<u>Transmission Charge - \$</u>	<u>Generation Charge - \$</u>
First 300 kilowatts or less of Demand	719.38	2,252.34	144.00	2,411.28
	<u>Distribution Charge \$ per kilowatt</u>	<u>Competitive Transition Charge \$ per kilowatt</u>	<u>Transmission Charge \$ per kilowatt</u>	<u>Generation Charge \$ per kilowatt</u>
Additional kilowatts of Demand	1.82	5.70	0.48	5.98

**ENERGY CHARGES**

	<u>Distribution Charge cents per kilowatt-hour</u>	<u>Competitive Transition Charge cents per kilowatt-hour</u>	<u>Transmission Charge cents per kilowatt-hour</u>	<u>Generation Charge cents per kilowatt-hour</u>
All kilowatt-hours	0.4474	1.4008	0.1126	1.4764

**ELECTRIC CHARGES**

Beginning January 1, 1999, some customers will be eligible to choose their electric generation supplier (EGS) with all customers having choice on January 2, 2000. Customers who are not eligible to choose an EGS will be billed according to the above charges. Customers who are eligible to choose their supplier may purchase their electricity from the Company, from an EGS, or from the Company and an EGS. Customers who elect to purchase their electric generation requirements from the Company will be charged according to the above charges. Customers who elect to purchase all of their electric energy requirements from an EGS will be charged the full Distribution and Competitive Transition Charges by the Company, and must purchase their transmission and generation requirements from their selected EGS. Customers who purchase part of their electricity from the Company and the balance from an EGS will be billed the full Distribution and Competitive Transition Charges, and the prorated share of the Transmission and Generation Charges associated with Company supplied electricity. The balance of the transmission and generation requirements must be purchased from the customers' selected EGS. Customers may change suppliers or return to the Company for electric generation requirements as defined in Rule 45.

The above Generation Charge includes transmission ancillary services, line losses and the market price of electricity. Transmission ancillary services include scheduling, reactive power service, regulation and frequency control service, spinning reserve service and supplemental reserve service. Losses include transmission line losses and distribution line losses. The market price of power is based on the price established by the Pennsylvania Public Utility Commission for the Retail Access Pilot Program in Pennsylvania.

RATE GL - GENERAL SERVICE LARGE - (Continued)

MONTHLY RATE - (Continued)

**ELECTRIC CHARGES - (Continued)**

For customers who elect to purchase their generation from an EGS, the customer is responsible for any other charges from the EGS. Any month in which the supplier becomes unavailable or during which the customer has not chosen a supplier, the Company will supply electricity at the above charges.

Customers who are eligible to choose an EGS may elect Consolidated Billing or Separate Billing as defined in Rule 20.1.

Commercial customers are those customers in Company revenue classes 421 and 425. Industrial customers are those customers in Company revenue class 426. In general, industrial customers are those customers engaged in a manufacturing or processing operation 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.

**MINIMUM CHARGE**

The Minimum Charge shall be the Demand Charge based on 50% of the Contract On-Peak Demand. The Demand Charge shall be determined using the distribution and competitive transition charges, and the transmission and generation charges associated with Company supplied transmission and generation, if any, but in total not less than \$2,453.63 for Commercial Customers nor less than \$2,971.72 for Industrial Customers.

**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 Company charges on the bill. The Charge shall be calculated on the overdue portions of the Company charges on the bill and shall not be charged against any sum that falls due during a current billing period.

RATE GL - GENERAL SERVICE LARGE - (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 which exceed 30 kilowatts will be adjusted for power factor by multiplying by

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

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

CONTRACT DEMAND

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

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

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 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**

**COMMERCIAL CUSTOMERS**

For the Billing Months of October through May:

**CUSTOMER CHARGE**

Customer Distribution Charge ..... \$9.07

**ENERGY CHARGES**

	<u>Distribution Charge cents per kilowatt-hour</u>	<u>Competitive Transition Charge cents per kilowatt-hour</u>	<u>Transmission Charge cents per kilowatt-hour</u>	<u>Generation Charge cents per kilowatt-hour</u>
First 1,250 kilowatt-hours plus 150 kilowatt hours for each kilowatt of Demand over 6 kilowatts	0.8846	3.4577	0.2063	6.5486
Additional kilowatt-hours	0.2740	1.0709	0.2063	1.8860

RATE GLH - GENERAL SERVICE MEDIUM HEATING - (Continued)

MONTHLY RATE - (Continued)

**COMMERCIAL CUSTOMERS - (Continued)**

For the Billing Months of June through September:

**DEMAND CHARGES**

	<u>Distribution Charge - \$</u>	<u>Competitive Transition Charge - \$</u>	<u>Transmission Charge - \$</u>	<u>Generation Charge - \$</u>
First 300 kilowatts or less of Demand	440.57	1,722.51	180.00	3,183.92
	<u>Distribution Charge \$ per kilowatt</u>	<u>Competitive Transition Charge \$ per kilowatt</u>	<u>Transmission Charge \$ per kilowatt</u>	<u>Generation Charge \$ per kilowatt</u>
Additional kilowatts of Demand	1.11	4.36	0.60	7.91

**ENERGY CHARGES**

	<u>Distribution Charge cents per kilowatt-hour</u>	<u>Competitive Transition Charge cents per kilowatt-hour</u>	<u>Transmission Charge cents per kilowatt-hour</u>	<u>Generation Charge cents per kilowatt-hour</u>
All kilowatt-hours	0.2740	1.0709	0.2063	1.8860

RATE GLH - GENERAL SERVICE MEDIUM HEATING - (Continued)

MONTHLY RATE - (Continued)

**INDUSTRIAL CUSTOMERS**

For the Billing Months of October through May:

**CUSTOMER CHARGE**

Customer Distribution Charge ..... \$9.07

**ENERGY CHARGES**

	<u>Distribution Charge cents per kilowatt-hour</u>	<u>Competitive Transition Charge cents per kilowatt-hour</u>	<u>Transmission Charge cents per kilowatt-hour</u>	<u>Generation Charge cents per kilowatt-hour</u>
First 1,250 kilowatt-hours plus 150 kilowatt-hours for each kilowatt of Demand over 6 kilowatts	0.8846	4.5759	0.2063	5.4304
Additional kilowatt-hours	0.2740	1.4173	0.2063	1.5396

For the Billing Months of June through September:

**DEMAND CHARGES**

	<u>Distribution Charge - \$</u>	<u>Competitive Transition Charge - \$</u>	<u>Transmission Charge - \$</u>	<u>Generation Charge - \$</u>
First 300 kilowatts or less of Demand	440.57	2,279.44	180.00	2,626.99
	<u>Distribution Charge \$ per kilowatt</u>	<u>Competitive Transition Charge \$ per kilowatt</u>	<u>Transmission Charge \$ per kilowatt</u>	<u>Generation Charge \$ per kilowatt</u>
Additional kilowatts of Demand	1.11	5.77	0.60	6.50

**ENERGY CHARGES**

	<u>Distribution Charge cents per kilowatt-hour</u>	<u>Competitive Transition Charge cents per kilowatt-hour</u>	<u>Transmission Charge cents per kilowatt-hour</u>	<u>Generation Charge cents per kilowatt-hour</u>
All kilowatt-hours	0.2740	1.4173	0.2063	1.5396

RATE GLH - GENERAL SERVICE MEDIUM HEATING - (Continued)

MONTHLY RATE - (Continued)

**ELECTRIC CHARGES**

Beginning January 1, 1999, some customers will be eligible to choose their electric generation supplier (EGS) with all customers having choice on January 2, 2000. Customers who are not eligible to choose an EGS will be billed according to the above charges. Customers who are eligible to choose their supplier may purchase their electricity from the Company, from an EGS, or from the Company and an EGS. Customers who elect to purchase their electric generation requirements from the Company will be charged according to the above charges. Customers who elect to purchase all of their electric energy requirements from an EGS will be charged the full Distribution and Competitive Transition Charges by the Company, and must purchase their transmission and generation requirements from their selected EGS. Customers who purchase part of their electricity from the Company and the balance from an EGS will be billed the full Distribution and Competitive Transition Charges, and the prorated share of the Transmission and Generation Charges associated with Company supplied electricity. The balance of the transmission and generation requirements must be purchased from the customers' selected EGS. Customers may change suppliers or return to the Company for electric generation requirements as defined in Rule 45.

The above Generation Charge includes transmission ancillary services, line losses and the market price of electricity. Transmission ancillary services include scheduling, reactive power service, regulation and frequency control service, spinning reserve service and supplemental reserve service. Losses include transmission line losses and distribution line losses. The market price of power is based on the price established by the Pennsylvania Public Utility Commission for the Retail Access Pilot Program in Pennsylvania.

For customers who elect to purchase their generation from an EGS, the customer is responsible for any other charges from the EGS. Any month in which the supplier becomes unavailable or during which the customer has not chosen a supplier, the Company will supply electricity at the above charges.

Customers who are eligible to choose an EGS may elect Consolidated Billing or Separate Billing as defined in Rule 20.1.

Commercial customers are those customers in Company revenue classes 421 and 425. Industrial customers are those customers in Company revenue class 426. In general, industrial customers are those customers engaged in a manufacturing or processing operation 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.

**MINIMUM CHARGE**

For the months of October through May, the Minimum Charge shall be \$9.07 for the first kilowatt (kW) of demand plus a transmission charge of \$0.60 per kW, a distribution charge of \$0.56 per kW, a CTC charge of \$2.31 per kW and a generation charge of \$3.89 per kW for each additional kilowatt, but not less than \$9.07. For the months of June through September, the Minimum Charge shall be the Demand Charge based on 50% of the Contract On-Peak Demand. The Demand Charge shall be determined using the distribution and competitive transition charges, and the transmission and generation charges associated with Company supplied transmission and generation, if any, but in total not less than \$2,163.08 for Commercial Customers nor less than \$2,720.01 for Industrial Customers.

RATE GLH - GENERAL SERVICE MEDIUM HEATING - (Continued)

MONTHLY RATE - (Continued)

**RIDERS**

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

**LATE PAYMENT CHARGE**

Bills will be calculated on the rates stated herein, and are due and payable on or before 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 Company charges on the bill. The Charge shall be calculated on the overdue portions of the Company charges on 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. 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. For the months of June through September, demand will be determined as defined in Rate GL.

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 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**

**COMMERCIAL CUSTOMERS**

**DEMAND CHARGES**

	<u>Distribution Charge - \$</u>	<u>Competitive Transition Charge - \$</u>	<u>Transmission Charge - \$</u>	<u>Generation Charge - \$</u>
First 5,000 kilowatts or less of Demand	9,074.96	14,606.60	2,150.00	45,457.44
	<u>Distribution Charge \$ per kilowatt</u>	<u>Competitive Transition Charge \$ per kilowatt</u>	<u>Transmission Charge \$ per kilowatt</u>	<u>Generation Charge \$ per kilowatt</u>
Next 10,000 kilowatts of Demand	1.46	2.34	0.43	7.22
Next 25,000 kilowatts of Demand	1.42	2.28	0.43	7.00
Additional kilowatts of Demand	1.38	2.22	0.43	6.81

**ENERGY CHARGES**

	<u>Distribution Charge cents per kilowatt-hour</u>	<u>Competitive Transition Charge cents per kilowatt-hour</u>	<u>Transmission Charge cents per kilowatt-hour</u>	<u>Generation Charge cents per kilowatt-hour</u>
First 750,000 kilowatt-hours plus 400 kilowatt-hours per kilowatt of Demand	0.4375	0.7036	0.1188	2.1773
Next 150 kilowatt-hours per kilowatt of Demand	0.2797	0.4497	0.1188	1.3490
Additional kilowatt-hours	0.2517	0.4047	0.1188	1.2020

RATE L - LARGE POWER SERVICE - (Continued)

MONTHLY RATE - (Continued)

**INDUSTRIAL CUSTOMERS**

**DEMAND CHARGES**

	<u>Distribution Charge - \$</u>	<u>Competitive Transition Charge - \$</u>	<u>Transmission Charge - \$</u>	<u>Generation Charge - \$</u>
First 5,000 kilowatts or less of Demand	9,074.96	22,613.11	2,150.00	37,450.93
	<u>Distribution Charge \$ per kilowatt</u>	<u>Competitive Transition Charge \$ per kilowatt</u>	<u>Transmission Charge \$ per kilowatt</u>	<u>Generation Charge \$ per kilowatt</u>
Next 10,000 kilowatts of Demand	1.46	3.63	0.43	5.93
Next 25,000 kilowatts of Demand	1.42	3.53	0.43	5.75
Additional kilowatts of Demand	1.38	3.44	0.43	5.59

**ENERGY CHARGES**

	<u>Distribution Charge cents per kilowatt-hour</u>	<u>Competitive Transition Charge cents per kilowatt-hour</u>	<u>Transmission Charge cents per kilowatt-hour</u>	<u>Generation Charge cents per kilowatt-hour</u>
First 750,000 kilowatt-hours plus 400 kilowatt-hours per kilowatt of Demand	0.4375	1.0896	0.1188	1.7913
Next 150 kilowatt-hours of Demand	0.2797	0.6965	0.1188	1.1022
Additional kilowatt-hours	0.2517	0.6268	0.1188	0.9799

RATE L - LARGE POWER SERVICE - (Continued)

MONTHLY RATE - (Continued)

**ELECTRIC CHARGES**

Beginning January 1, 1999, some customers will be eligible to choose their electric generation supplier (EGS) with all customers having choice on January 2, 2000. Customers who are not eligible to choose an EGS will be billed according to the above charges. Customers who are eligible to choose their supplier may purchase their electricity from the Company, from an EGS, or from the Company and an EGS. Customers who elect to purchase their electric generation requirements from the Company will be charged according to the above charges. Customers who elect to purchase all of their electric energy requirements from an EGS will be charged the full Distribution and Competitive Transition Charges by the Company, and must purchase their transmission and generation requirements from their selected EGS. Customers who purchase part of their electricity from the Company and the balance from an EGS will be billed the full Distribution and Competitive Transition Charges, and the prorated share of the Transmission and Generation Charges associated with Company supplied electricity. The balance of the transmission and generation requirements must be purchased from the customers' selected EGS. Customers may change suppliers or return to the Company for electric generation requirements as defined in Rule 45.

The above Generation Charge includes transmission ancillary services, line losses and the market price of electricity. Transmission ancillary services scheduling, include reactive power service, regulation and frequency control service, spinning reserve service and supplemental reserve service. Losses include transmission line losses and distribution line losses. The market price of power is based on the price established by the Pennsylvania Public Utility Commission for the Retail Access Pilot Program in Pennsylvania.

For customers who elect to purchase their generation from an EGS, the customer is responsible for any other charges from the EGS. Any month in which the supplier becomes unavailable or during which the customer has not chosen a supplier, the Company will supply electricity at the above charges.

Customers who are eligible to choose an EGS may elect Consolidated Billing or Separate Billing as defined in Rule 20.1.

Commercial customers are those customers in Company revenue classes 421 and 425. Industrial customers are those customers in Company revenue class 426. In general, industrial customers are those customers engaged in a manufacturing or processing operation 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.

**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
69,000 Volt Service or Higher .....	9.1 cents per Kilowatt

RATE L - LARGE POWER SERVICE - (Continued)

MONTHLY RATE - (Continued)

**MINIMUM CHARGE**

The Minimum Charge shall be the Demand Charge based on 70% of the Contract On-Peak Demand. The Demand Charge shall be determined using the distribution and competitive transition charges, and the transmission and generation charges associated with Company supplied transmission and generation, if any, but in total not less than \$23,681.56 for Commercial Customers nor less than \$31,688.07 for Industrial Customers.

**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 Company charges on the bill. The Charge shall be calculated on the overdue portions of the Company charges on 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 deliver to the customer.

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

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

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

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

VOLTAGE CONTROL PROVISION

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

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

**RATE 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**

**DEMAND CHARGES**

	<u>Distribution Charge - \$</u>	<u>Competitive Transition Charge - \$</u>	<u>Transmission Charge - \$</u>	<u>Generation Charge - \$</u>
First 30,000 kilowatts or less of On-Peak Demand	2,795.10	107,713.71	15,000.00	205,027.19
	<u>Distribution Charge \$ per kilowatt</u>	<u>Competitive Transition Charge \$ per kilowatt</u>	<u>Transmission Charge \$ per kilowatt</u>	<u>Generation Charge \$ per kilowatt</u>
Additional kilowatts of Demand	0.10	3.89	0.50	7.43

**ENERGY CHARGES**

	<u>Distribution Charge cents per kilowatt-hour</u>	<u>Competitive Transition Charge cents per kilowatt-hour</u>	<u>Transmission Charge cents per kilowatt-hour</u>	<u>Generation Charge cents per kilowatt-hour</u>
On-Peak	0.0335	1.2929	0.1265	2.5143
Off-Peak	0.0156	0.6020	0.1265	1.1031

**WHERE**

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

**NOR**

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

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

RATE HVPS - HIGH VOLTAGE POWER SERVICE - (Continued)

MONTHLY RATE - (Continued)

**ELECTRIC CHARGES**

Beginning January 1, 1999, some customers will be eligible to choose their electric generation supplier (EGS) with all customers having choice on January 2, 2000. Customers who are not eligible to choose an EGS will be billed according to the above charges. Customers who are eligible to choose their supplier may purchase their electricity from the Company, from an EGS, or from the Company and an EGS. Customers who elect to purchase their electric generation requirements from the Company will be charged according to the above charges. Customers who elect to purchase all of their electric energy requirements from an EGS will be charged the full Distribution and Competitive Transition Charges by the Company, and must purchase their transmission and generation requirements from their selected EGS. Customers who purchase part of their electricity from the Company and the balance from an EGS will be billed the full Distribution and Competitive Transition Charges, and the prorated share of the Transmission and Generation Charges associated with Company supplied electricity. The balance of the transmission and generation requirements must be purchased from the customers' selected EGS. Customers may change suppliers or return to the Company for electric generation requirements as defined in Rule 45.

The above Generation Charge includes transmission ancillary services, line losses and the market price of electricity. *Transmission ancillary services include scheduling, reactive power service, regulation and frequency control service, spinning reserve service and supplemental reserve service.* Losses include transmission line losses and distribution line losses. The market price of power is based on the price established by the Pennsylvania Public Utility Commission for the Retail Access Pilot Program in Pennsylvania.

Customers who are eligible to choose an EGS may elect Consolidated Billing or Separate Billing as defined in Rule 20.1.

For customers who elect to purchase their generation from an EGS, the customer is responsible for any other charges from the EGS. Any month in which the supplier becomes unavailable or during which the customer has not chosen a supplier, the Company will supply electricity at the above charges.

**MINIMUM CHARGE**

The Minimum Charge shall be the Demand Charge based on 70% of the Contract On-Peak Demand. The Demand Charge shall be determined using the distribution and competitive transition charges, and the transmission and generation charges associated with Company supplied transmission and generation, if any, but in total not less than \$110,508.81.

**RIDERS**

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

RATE HVPS - HIGH VOLTAGE POWER SERVICE - (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 Company charges on the bill. The Charge shall be calculated on the overdue portions of the Company charges on 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 will be adjusted for power factor by multiplying by

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

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

ON-PEAK AND OFF-PEAK CONTRACT DEMAND

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

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

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

DEMANDS AND ENERGIES

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

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

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

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

RATE HVPS - HIGH VOLTAGE POWER SERVICE - (Continued)

ON-PEAK AND OFF-PEAK HOURS

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

Monday through Thursday

10:00 a.m. to 9:00 p.m.

Friday

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

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

VOLTAGE CONTROL PROVISION

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

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

INTERRUPTIBLE SERVICE

A customer who is supplied electricity from the Company may contract for interruptible load by agreeing to the "Special Terms and Conditions" listed below. The Demand Charge of this rate will be reduced by a \$2.02 per kW credit of contracted interruptible load. Where a customer purchases part of their electricity from an Electric Generation Supplier (EGS) and contracts under this rider, the credit defined in this rider will be available and applicable only to the load purchased from the Company and which the Company has control to interrupt as required per the "Special Terms and Conditions" listed below.

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 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**

Customer Distribution Charge ..... \$9.07

**DEMAND CHARGES**

	<u>Distribution Charge \$ per kilowatt</u>	<u>Competitive Transition Charge \$ per kilowatt</u>	<u>Transmission Charge \$ per kilowatt</u>	<u>Generation Charge \$ per kilowatt</u>
All kilowatts of Demand	0.88	2.67	0.09	3.38

**ENERGY CHARGES**

	<u>Distribution Charge cents per kilowatt-hour</u>	<u>Competitive Transition Charge cents per kilowatt-hour</u>	<u>Transmission Charge cents per kilowatt-hour</u>	<u>Generation Charge cents per kilowatt-hour</u>
First 300 kilowatt-hours	1.2179	3.6873	0.0666	4.7254
Additional kilowatt-hours	0.3023	0.9154	0.0666	1.1229

**ELECTRIC CHARGES**

Beginning January 1, 1999, some customers will be eligible to choose their electric generation supplier (EGS) with all customers having choice on January 2, 2000. Customers who are not eligible to choose an EGS will be billed according to the above charges. Customers who are eligible to choose their supplier may purchase their electricity from the Company or from an EGS. Customers who elect to purchase their electric generation requirements from the Company will be charged according to the above charges. Customers who elect to purchase their electric energy requirements from an EGS will be charged the Distribution and Competitive Transition Charges by the Company, and must purchase their transmission and generation requirements from their selected EGS. Customers may change suppliers or return to the Company for electric generation requirements as defined in Rule 45.

RATE AL - ARCHITECTURAL LIGHTING SERVICE - (Continued)

MONTHLY RATE - (Continued)

**ELECTRIC CHARGES - (Continued)**

The above Generation Charge includes transmission ancillary services, line losses and the market price of electricity. Transmission ancillary services include scheduling, reactive power service, regulation and frequency control service, spinning reserve service and supplemental reserve service. Losses include transmission line losses and distribution line losses. The market price of power is based on the price established by the Pennsylvania Public Utility Commission for the Retail Access Pilot Program in Pennsylvania.

For customers who elect to purchase their generation from an EGS, the customer is responsible for any other charges from the EGS. Any month in which the supplier becomes unavailable or during which the customer has not chosen a supplier, the Company will supply electricity at the above charges.

Customers who are eligible to choose an EGS may select Consolidated Billing or Separate Billing as defined in Rule 20.1.

**MINIMUM CHARGE**

The minimum Charge shall be the Customer Distribution Charge.

**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 Company charges on the bill. The Charge shall be calculated on the overdue portions of the Company charges on 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.

RATE AL - ARCHITECTURAL LIGHTING SERVICE - (Continued)

STANDARD CONTRACT RIDERS

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

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 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

**ENERGY CHARGES**

	<u>Distribution Charge cents per kilowatt-hour</u>	<u>Competitive Transition Charge cents per kilowatt-hour</u>	<u>Transmission Charge cents per kilowatt-hour</u>	<u>Generation Charge cents per kilowatt-hour</u>
All kilowatt-hours	5.2417	1.1808	0.0612	4.1735

**ELECTRIC CHARGES**

Beginning January 1, 1999, some customers will be eligible to choose their electric generation supplier (EGS) with all customers having choice on January 2, 2000. Customers who are not eligible to choose an EGS will be billed according to the above charges. Customers who are eligible to choose their supplier may purchase their electricity from the Company or from an EGS. Customers who elect to purchase their electric generation requirements from the Company will be charged according to the above charges. Customers who elect to purchase their electric energy requirements from an EGS will be charged the Distribution and Competitive Transition Charges by the Company and must purchase their transmission and generation requirements from their selected EGS. Customers may change suppliers or return to the Company for electric generation requirements as defined in Rule 45.

The above Generation Charge includes transmission ancillary services, line losses and the market price of electricity. Transmission ancillary services include scheduling, reactive power service, regulation and frequency control service, spinning reserve service and supplemental reserve service. Losses include transmission line losses and distribution line losses. The market price of power is based on the price established by the Pennsylvania Public Utility Commission for the Retail Access Pilot Program in Pennsylvania.

For customers who elect to purchase their generation from an EGS, the customer is responsible for any other charges from the EGS. Any month in which the supplier becomes unavailable or during which the customer has not chosen a supplier, the Company will supply electricity at the above charges.

Customers who are eligible to choose an EGS may select Consolidated Billing or Separate Billing as defined in Rule 20.1.

RATE SE - STREET LIGHTING ENERGY - (Continued)

MONTHLY RATE - (Continued)

**DETERMINATION OF ENERGY FOR BILLING PURPOSES**

**Series Street Lights**

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

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

**Multiple Street Lights**

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

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

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

**CREDIT FOR OUTAGE**

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

**RIDERS**

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

RATE SE - STREET LIGHTING ENERGY - (Continued)

MONTHLY RATE - (Continued)

**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 Company charges on the bill. The Charge shall be calculated on the overdue portions of the Company charges on 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
Cable used exclusively for street lighting service between lamps in the customer's area .....	\$0.0030 per foot
Parkway-type cable used exclusively for street lighting service between lamps in the customer's area .....	\$0.0080 per foot
Standard junction boxes, for street lighting service located within the customer's area and installed prior to July 1, 1969 .....	\$0.4528 each
Insulating transformers.....	\$0.4126 each
Ballasts for Mercury Vapor Lamps.....	\$0.9056 each

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

RATE SE - STREET LIGHTING ENERGY - (Continued)

SPECIAL PROVISIONS

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

TERM OF CONTRACT

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

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:

**Monthly Rate Per Unit**

<u>Nominal Lamp Wattage</u>	<u>Nominal Energy Usage per Unit per Month-kWh</u>	<u>Distribution Charge per Unit</u>	<u>Competitive Transition Charge per Unit</u>	<u>Transmission Charge per Unit</u>	<u>Generation Charge per Unit</u>
<b>Mercury Vapor</b>					
100	44	\$10.92	\$0.65	\$0.03	\$3.14
175	74	\$14.22	\$0.36	\$0.05	\$4.56
250	102	\$17.71	\$0.18	\$0.06	\$5.95
400	161	\$23.98	\$0.41	\$0.10	\$7.87
1,000	386	\$51.80	\$0.34	\$0.24	\$17.52
<b>Sodium Vapor</b>					
70	29	\$11.10	\$1.10	\$0.02	\$2.76
100	50	\$14.17	\$1.04	\$0.03	\$3.88
150	71	\$16.79	\$0.90	\$0.04	\$4.93
250	110	\$24.55	\$1.13	\$0.07	\$7.38
400	170	\$32.03	\$0.73	\$0.10	\$10.36
1,000	387	\$66.98	\$0.63	\$0.24	\$22.54

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).

RATE SM - STREET LIGHT MUNICIPAL - (Continued)

MONTHLY RATE

**ELECTRIC CHARGES**

Beginning January 1, 1999, some customers will be eligible to choose their electric generation supplier (EGS) with all customers having choice on January 2, 2000. Customers who are not eligible to choose an EGS will be billed according to the above charges. Customers who are eligible to choose their supplier may purchase their electricity from the Company or from an EGS. Customers who elect to purchase their electric generation requirements from the Company will be charged according to the above charges. Customers who elect to purchase their electric energy requirements from an EGS will be charged the Distribution and Competitive Transition Charges by the Company, and must purchase their transmission and generation requirements from their selected EGS. Customers may change suppliers or return to the Company for electric generation requirements as defined in Rule 45.

The above Generation Charge includes transmission ancillary services, line losses and the market price of electricity. Transmission ancillary services include scheduling, reactive power service, regulation and frequency control service, spinning reserve service and supplemental reserve service. Losses include transmission line losses and distribution line losses. The market price of power is based on the price established by the Pennsylvania Public Utility Commission for the Retail Access Pilot Program in Pennsylvania.

For customers who elect to purchase their generation from an EGS, the customer is responsible for any other charges from the EGS. Any month in which the supplier becomes unavailable or during which the customer has not chosen a supplier, the Company will supply electricity at the above charges.

Customers who are eligible to choose an EGS may select Consolidated Billing or Separate Billing as defined in Rule 20.1.

**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 Company charges on the bill. The Charge shall be calculated on the overdue portions of the Company charges on the bill and shall not be charged against any sum that falls due during a current billing period.

RATE SM - STREET LIGHT MUNICIPAL - (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, 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 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:

**Monthly Rate Per Unit**

<u>Nominal Lamp Wattage</u>	<u>Nominal Energy Usage per Unit per Month-kWh</u>	<u>Distribution Charge per Unit</u>	<u>Competitive Transition Charge per Unit</u>	<u>Transmission Charge per Unit</u>	<u>Generation Charge per Unit</u>
<b>Mercury Vapor</b>					
175	74	\$5.27	\$3.32	\$0.05	\$3.97
250	102	\$6.86	\$4.03	\$0.06	\$5.47
400	161	\$10.07	\$5.33	\$0.10	\$8.63
1,000	386	\$22.63	\$10.63	\$0.24	\$20.70
<b>Sodium Vapor</b>					
100	29	\$5.07	\$4.37	\$0.03	\$2.68
150	50	\$6.23	\$4.84	\$0.04	\$3.81
200	71	\$7.40	\$5.63	\$0.05	\$4.64
250	95	\$8.54	\$5.95	\$0.07	\$5.90
400	170	\$12.02	\$7.53	\$0.10	\$9.12
1,000	387	\$26.95	\$16.59	\$0.24	\$20.76

**ELECTRIC CHARGES**

Beginning January 1, 1999, some customers will be eligible to choose their electric generation supplier (EGS) with all customers having choice on January 2, 2000. Customers who are not eligible to choose an EGS will be billed according to the above charges. Customers who are eligible to choose their supplier may purchase their electricity from the Company or from an EGS. Customers who elect to purchase their electric generation requirements from the Company will be charged according to the above charges. Customers who elect to purchase their electric energy requirements from an EGS will be charged the Distribution and Competitive Transition Charges by the Company, and must purchase their transmission and generation requirements from their selected EGS. Customers may change suppliers or return to the Company for electric generation requirements as defined in Rule 45.

**RATE SH - STREET LIGHTING HIGHWAY - (Continued)**

**MONTHLY RATE - (Continued)**

**ELECTRIC CHARGES - (Continued)**

The above Generation Charge includes transmission ancillary services, line losses and the market price of electricity. Transmission ancillary services include scheduling, reactive power service, regulation and frequency control service, spinning reserve service and supplemental reserve service. Losses include transmission line losses and distribution line losses. The market price of power is based on the price established by the Pennsylvania Public Utility Commission for the Retail Access Pilot Program in Pennsylvania.

For customers who elect to purchase their generation from an EGS, the customer is responsible for any other charges from the EGS. Any month in which the supplier becomes unavailable or during which the customer has not chosen a supplier, the Company will supply electricity at the above charges.

Customers who are eligible to choose an EGS may select Consolidated Billing or Separate Billing as defined in Rule 20.1.

**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 Company charges on the bill. The Charge shall be calculated on the overdue portions of the Company charges on 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.
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.

RATE SH - STREET LIGHTING HIGHWAY - (Continued)

SPECIAL TERMS AND CONDITIONS - (Continued)

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**

Customer Distribution Charge ..... \$8.91

**ENERGY CHARGES**

	<u>Distribution Charge cents per kilowatt-hour</u>	<u>Competitive Transition Charge cents per kilowatt-hour</u>	<u>Transmission Charge cents per kilowatt-hour</u>	<u>Generation Charge cents per kilowatt-hour</u>
First 1,300 kilowatt-hours	3.8160	4.2535	0.1846	4.8931
Additional kilowatt-hours	0.9483	1.0570	0.1846	1.0773

**ELECTRIC CHARGES**

Beginning January 1, 1999, some customers will be eligible to choose their electric generation supplier (EGS) with all customers having choice on January 2, 2000. Customers who are not eligible to choose an EGS will be billed according to the above charges. Customers who are eligible to choose their supplier may purchase their electricity from the Company or from an EGS. Customers who elect to purchase their electric generation requirements from the Company will be charged according to the above charges. Customers who elect to purchase their electric energy requirements from an EGS will be charged the Distribution and Competitive Transition Charges by the Company, and must purchase their transmission and generation requirements from their selected EGS. Customers may change suppliers or return to the Company for electric generation requirements as defined in Rule 45.

The above Generation Charge includes transmission ancillary services, line losses and the market price of electricity. Transmission ancillary services include scheduling, reactive power service, regulation and frequency control service, spinning reserve service and supplemental reserve service. Losses include transmission line losses and distribution line losses. The market price of power is based on the price established by the Pennsylvania Public Utility Commission for the Retail Access Pilot Program in Pennsylvania.

For customers who elect to purchase their generation from an EGS, the customer is responsible for any other charges from the EGS. Any month in which the supplier becomes unavailable or during which the customer has not chosen a supplier, the Company will supply electricity at the above charges.

Customers who are eligible to choose an EGS may elect Consolidated Billing or Separate Billing as defined in Rule 20.1.

RATE MTS - MUNICIPAL TRAFFIC SIGNALS - (Continued)

MONTHLY RATE - (Continued)

**RIDERS**

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

**LATE PAYMENT CHARGE**

Bills will be calculated on the rates stated herein, and are due and payable on or before 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 Company charges on the bill. The Charge shall be calculated on the overdue portions of the Company charges on 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.

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:

**DUQUESNE LIGHT COMPANY OWNED AND MAINTAINED EQUIPMENT**

**Monthly Rate Per Unit**

<u>Nominal Lamp Wattage</u>	<u>Nominal Energy Usage per Unit per Month-kWh</u>	<u>Distribution Charge per Unit</u>	<u>Competitive Transition Charge per Unit</u>	<u>Transmission Charge per Unit</u>	<u>Generation Charge per Unit</u>
<b>High Pressure Sodium</b>					
70	29	\$11.10	\$1.10	\$0.02	\$2.76
100	50	\$14.17	\$1.04	\$0.03	\$3.88
150	71	\$16.79	\$0.90	\$0.04	\$4.93
250	110	\$24.55	\$1.13	\$0.07	\$7.38
400	170	\$32.03	\$0.73	\$0.10	\$10.36
<b>Flood Lighting</b>					
100	46	\$12.81	\$0.91	\$0.03	\$3.53
150	67	\$14.86	\$0.68	\$0.04	\$4.48
250	100	\$17.87	\$0.26	\$0.06	\$5.93
400	155	\$22.91	\$0.36	\$0.09	\$7.56

**UNMETERED ENERGY FOR CUSTOMER OWNED AND MAINTAINED EQUIPMENT**

70	29	\$0.16	\$1.70	\$0.02	\$1.21
100	46	\$0.26	\$2.70	\$0.03	\$1.92
150	67	\$0.37	\$3.94	\$0.04	\$2.80
250	100	\$0.56	\$5.86	\$0.06	\$4.18
400	155	\$0.87	\$9.10	\$0.09	\$6.47

RATE PAL - PRIVATE AREA LIGHTING - (Continued)

MONTHLY RATE - (Continued)

**ELECTRIC CHARGES**

Beginning January 1, 1999, some customers will be eligible to choose their electric generation supplier (EGS) with all customers having choice on January 2, 2000. Customers who are not eligible to choose an EGS will be billed according to the above charges. Customers who are eligible to choose their supplier may purchase their electricity from the Company or from an EGS. Customers who elect to purchase their electric generation requirements from the Company will be charged according to the above charges. Customers who elect to purchase their electric energy requirements from an EGS will be charged the Distribution and Competitive Transition Charges by the Company, and must purchase their transmission and generation requirements from their selected EGS. Customers may change suppliers or return to the Company for electric generation requirements as defined in Rule 45.

The above Generation Charge includes transmission ancillary services, line losses and the market price of electricity. Transmission ancillary services include scheduling, reactive power service, regulation and frequency control service, spinning reserve service and supplemental reserve service. Losses include transmission line losses and distribution line losses. The market price of power is based on the price established by the Pennsylvania Public Utility Commission for the Retail Access Pilot Program in Pennsylvania.

For customers who elect to purchase their generation from an EGS, the customer is responsible for any other charges from the EGS. Any month in which the supplier becomes unavailable or during which the customer has not chosen a supplier, the Company will supply electricity at the above charges.

Customers who are eligible to choose an EGS may select Consolidated Billing or Separate Billing as defined in Rule 20.1.

**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 Company charges on the bill. The Charge shall be calculated on the overdue portions of the Company charges on the bill and shall not be charged against any sum that falls due during a current billing period.

RATE PAL - PRIVATE AREA LIGHTING - (Continued)

MONTHLY RATE - (Continued)

**POLES**

*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 \$15.84 for each pole required.

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 \$12.37 plus (2) a charge for delivery of Company supplied energy computed on the applicable rate, applying to the direct current system's metered kilowatt demand and kilowatt-hour consumption a kilowatt demand and a kilowatt-hour consumption based on the ratios of the customer's connected load and estimated consumption to the total of the connected loads and estimated consumptions of all direct current customers.

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 2 - UNTRANSFORMED SERVICE

(Applicable to Rates GS/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
Next 550 Kilowatts at .....	13.1 cents per Kilowatt
Excess over 600 Kilowatts at .....	7.0 cents per Kilowatt

**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 will be added to the net amount for failure to make payment of Company charges within thirty days from the mailing date. For customers who purchase their electricity from an Electric Generation Supplier (EGS) and who have selected Consolidated Billing from the Company as defined in Rule 20.1, this rider shall apply to Company charges and to EGS charges if the EGS has provided authorization to accept the provisions of this rider.

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

At the option of the customer, the Company will make an estimate subject to revisions when conditions warrant, of the total charges 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. For customers who purchase their electricity from an Electric Generation Supplier (EGS) and who have selected Consolidated Billing from the Company as defined in Rule 20.1, this rider shall apply to Company charges and to EGS charges if the EGS has provided authorization to accept the provisions of this rider. 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 for Company charges is the On-Peak Demand except where the Off-Peak Demand is more than three (3) times the On-Peak Demand. Then the Billing Demand will be one-third (33 1/3%) of the Off-Peak Demand. In no case will the Billing Demand be lower than the Billing Demand as determined on the applicable rate.

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

**STANDARD CONTRACT RIDERS - (Continued)**

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

(Applicable to Rates GS/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**

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

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

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

The remaining hours including the generally observed holidays of New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day shall be designated as off-peak hours. The Company may, upon written notice to customers taking service under this 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 electric service is to be used, but in no case less than six (6) days.
3. Estimate the charges (fixed, demand and energy) 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. Unless otherwise instructed at the time of deposit, the Company will deliver and supply electricity at the charges of 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 Demand Charge of the applicable rate under which the customer received electrical service will be reduced by a \$2.02 credit per kW of contracted interruptible load.

Where a customer purchases part of their electricity from an Electric Generation Supplier (EGS) and contracts under this rider, the credit defined in this rider will be available and applicable only to the load purchased from the Company and which the Company has control to interrupt as required per the "Special Terms and Conditions" listed below.

**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 the Company'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. The Company will own, operate, and maintain this equipment. However, all costs associated with this installation will be recovered from the group of customers accepting the interruptible rate through a one-time installation fee which will be determined based on the number of customers accepting the rate.

**STANDARD CONTRACT RIDERS - (Continued)**

**RIDER NO. 7 - INTERRUPTIBLE SERVICE - (Continued)**

(Applicable to Rates GL, GLH, and L)

**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, the Company 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 the Company 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 term not exceeding five (5) years to each qualifying customer having a Monthly Base Period Billing Demand of 100 kilowatts or greater. Qualifying definitions, rules, and conditions are listed below.

Customers must contract under this rider on or before December 31, 1998 to qualify for the economic incentives defined below.

**ECONOMIC INCENTIVES**

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

<u>Incremental Hours Use</u>	<u>Percent Discount to Incremental Unit Demand 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 credit equal to the kilowatt-hours minus the Monthly Base Period Kilowatt-hours multiplied by the discounted Incremental Unit Energy Charges 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

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 Demand Charge applicable to a customer's billing shall not be less than twenty-five percent (25%) of the nondiscounted Incremental Unit Demand Charge expressed in the applicable rate. The Minimum Charge Provision of the applicable rate shall not be reduced by this rider.

The above credits will be applied to the Distribution, CTC and Generation Charges of the bill as described under the section "Provisions Under direct Access."

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 Demand Charge** - The appropriate \$ per kilowatt charge(s) as stated in the Demand 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. 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).
3. 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.

**PROVISIONS UNDER DIRECT ACCESS**

For contracts that do not contain provisions governing the customer's rights under direct access, the Company will unbundle the customer's contract effective January 1, 1999, in a manner that retains the customer discount and reflects the amount of transmission, distribution, CTC and generation charges in the customer contract. The customer may continue to purchase electricity from the Company in accordance with the terms and conditions of the contract; terminate the contract and obtain electricity from an EGS on the otherwise applicable tariff rates according to their eligibility under direct access; or, retain the Company's services under the unbundled rates of the contract and purchase electrical energy from an EGS. The customer's discount from the otherwise applicable tariff rates will be applied first to the distribution components of the unbundled rates. If the discount is greater than the sum of the distribution components, the balance of the discount will be allocated equally between the CTC components and the generation components of the unbundled rates. The discount will be applied to the demand and energy components of the unbundled rate elements. Contract expiration shall not affect the applicability of any statutory rate cap.

For contracts that contain provisions governing the customer's rights under direct access, the Company will unbundle the customer's contract effective January 1, 1999, and the customer will be eligible to obtain electricity from an EGS only in accordance with the terms and conditions of the customer's contract.

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 term 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.

Customers must contract under this rider on or before December 31, 1998 to qualify for the economic incentives defined below.

**ECONOMIC INCENTIVE**

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

<u>Incremental Hours Use</u>	<u>Percent Discount to Incremental Unit Demand 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 credit equal to the percentage discount determined below multiplied by the monthly Energy delivery Charges, and any Duquesne energy charges of the applicable rate excluding the energy billed at the excess kilowatt-hour charges of Rate L. The percentage discount is determined as follows:

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

The percent discount applicable to those kilowatt-hours to be billed at the excess kilowatt-hour delivery 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 Demand Charge applicable to a customer's billing shall not be less than twenty-five percent (25%) of the nondiscounted Demand Charge expressed in the applicable rate. The Minimum Charge Provision of the appropriate general service rate shall not be reduced by this rider.

The above credits will be applied to the Distribution, CTC and Generation Charges of the bill as described under the section "Provisions Under Direct Access."

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.
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.

**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)**

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" with the Company for the required term of the rider. 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. 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).
3. 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. 9 - INDUSTRIAL ECONOMIC DEVELOPMENT RIDER  
FOR CUSTOMERS AT NEW SERVICE LOCATIONS - (Continued)**

(Applicable to Rates GM, GL, and L)

**PROVISIONS UNDER DIRECT ACCESS**

For contracts that do not contain provisions governing the customer's rights under direct access, the Company will unbundle the customer's contract effective January 1, 1999, in a manner that retains the customer discount and reflects the amount of transmission, distribution, CTC and generation charges in the customer contract. The customer may continue to purchase electricity from the Company in accordance with the terms and conditions of the contract; terminate the contract and obtain electricity from an EGS on the otherwise applicable tariff rates according to their eligibility under direct access; or, retain the Company's services under the unbundled rates of the contract and purchase electrical energy from an EGS. The customer's discount from the otherwise applicable tariff rates will be applied first to the distribution components of the unbundled rates. If the discount is greater than the sum of the distribution components, the balance of the discount will be allocated equally between the CTC components and the generation components of the unbundled rates. The discount will be applied to the demand and energy components of the unbundled rate elements. Contract expiration shall not affect the applicability of any statutory rate cap.

For contracts that contain provisions governing the customer's rights under direct access, the Company will unbundle the customer's contract effective January 1, 1999, and the customer will be eligible to obtain electricity from an EGS only in accordance with the terms and conditions of the customer's contract.

**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 (0.0841%) will apply to all bills rendered by the Company, pursuant to the Pennsylvania Public Utility Commission authorization of March 10, 1970, to compensate the Company for new and increased taxes imposed by the General Assembly.

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

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

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

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 11 - STREET RAILWAY SERVICE

(Applicable to Rates GS/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 for distribution and competitive transition charges, and generation charges if purchased from the Company, shall be reduced by seven . two zero percent (7.20%) for Rate GS/GM customers and seven . two five percent (7.25%) for Rate GL customers for the purpose of computation of the delivery charges of the bill under the applicable rate 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 or Rate RH 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 CHARGES**

For the Billing Months of November through April:

All kilowatt-hours at:

**COMMERCIAL CUSTOMERS**

	<u>Distribution Charge</u> cents per <u>kilowatt-hour</u>	<u>Competitive Transition Charge</u> cents per <u>kilowatt-hour</u>	<u>Transmission Charge</u> cents per <u>kilowatt-hour</u>	<u>Generation Charge</u> cents per <u>kilowatt-hour</u>
Rate GS/GM	0.6637	1.2429	0.1582	1.3724
Rate GL	0.4474	1.0786	0.1126	1.7986
Rate L	0.4375	0.7036	0.1188	2.1773

**INDUSTRIAL CUSTOMERS**

	<u>Distribution Charge</u> cents per <u>kilowatt-hour</u>	<u>Competitive Transition Charge</u> cents per <u>kilowatt-hour</u>	<u>Transmission Charge</u> cents per <u>kilowatt-hour</u>	<u>Generation Charge</u> cents per <u>kilowatt-hour</u>
Rate GS/GM	0.6637	1.4993	0.1582	1.1160
Rate GL	0.4474	1.4008	0.1126	1.4764
Rate L	0.4375	1.0896	0.1188	1.7913

For the Billing Months of May through October:

Rate GS/GM, GL and L will apply.

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 13 - GENERAL SERVICE SEPARATELY METERED ELECTRIC SPACE HEATING SERVICE -  
(Continued)

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

MONTHLY RATE - (Continued)

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.

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 CHARGES**

For the billing months of November through April:

	<u>Distribution Charge cents per kilowatt-hour</u>	<u>Competitive Transition Charge cents per kilowatt-hour</u>	<u>Transmission Charge cents per kilowatt-hour</u>	<u>Generation Charge cents per kilowatt-hour</u>
All kilowatt-hours	0.5271	1.3925	0.2081	1.9995

For the billing months of May through October:

	<u>Distribution Charge cents per kilowatt-hour</u>	<u>Competitive Transition Charge cents per kilowatt-hour</u>	<u>Transmission Charge cents per kilowatt-hour</u>	<u>Generation Charge cents per kilowatt-hour</u>
All kilowatt-hours	3.0212	3.5244	0.2483	4.5033

METER CHARGE ..... \$1.50 per month

STANDARD CONTRACT RIDERS - (Continued)

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

(Applicable to Rate RS)

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.

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.

**This Rider is eliminated effective January 1, 1999.**

**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.

**This Rider is eliminated effective January 1, 1999.**

STANDARD CONTRACT RIDERS - (Continued)

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

(Applicable to All Rates)

F - (Continued)

Fb

Sb = 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.

**This Rider is eliminated effective January 1, 1999.**

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 delivered to a non-utility generating facility in accord with the following:

**A. DEFINITIONS**

**Supplementary Power** is electric energy supplied by the Company or by an Electric Generation Supplier (EGS) to a non-utility generating facility and regularly used in addition to that electric energy which the non-utility generating facility generates itself. The Company's regular and appropriate General Service Rates will be utilized for billing for Supplementary Power. Customers purchasing Supplementary Power from an EGS will be billed for charges according to their applicable rate and billing arrangement with their EGS.

**Back-Up Power** is defined as electric energy supplied by the Company to a non-utility generating facility during various outage conditions of the non-utility generating facility's electric generating equipment as defined below.

**Base Period** is the twelve consecutive monthly billing periods applicable to the customer ending one month prior to the installation of new on-site generation or increase in capacity to existing on-site generation. For customers who begin service under this rider after January 1, 1997, the Base Period will be the immediate 12 consecutive billing months prior to the installation. For all other customers, the Base Period will be 1996.

**Billing Determinants** are the monthly billing period billing demand in kilo-watts (kW) and the energy usage in kilowatt-hours (kWh) for Supplementary Power during the current billing month under which the on-site generation is operable.

**Base Period Billing Determinants** are the billing demand (kW) and the energy usage (kWh) for the month in the Base Period corresponding to the current billing month under which the on-site generation is operable. For new customers, the Company will use existing procedures to estimate Base Period Billing Determinants.

**The Competitive Transition Charge (CTC)** is a non-bypassable charge applied to the bill of every customer accessing the Company's transmission or distribution system. The CTC is designed to recover the Company's transition or stranded costs as determined by the Pennsylvania Public Utility Commission as discussed in Rule 3 of this tariff. The customer shall pay a CTC based on the Billing Determinants for Supplementary Power and the applicable rate schedule.

**The Avoided Competitive Transition Charge (ACTC)** is a monthly charge to ensure that all customers pay their allocated share of CTC after the installation of or increase in capacity of on-site generation. The customer shall pay the ACTC when Base Period Billing Determinants exceed current month Billing Determinants by 10% or more. The ACTC will be calculated by multiplying the difference between Base Period billing determinants less the Current Month Billing Determinants for the corresponding months by the CTC charges of the current applicable rate and riders.

STANDARD CONTRACT RIDERS - (Continued)

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

(Applicable to all General Service Rates)

**B. FIRM BACK-UP POWER**

Firm Back-Up Power is electric energy supplied by the Company 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:

**DEMAND CHARGES**

	<u>Distribution Charge \$ per kilowatt</u>	<u>Competitive Transition Charge \$ per kilowatt</u>	<u>Transmission Charge \$ per kilowatt</u>	<u>Generation Charge \$ per kilowatt</u>
L/HVPS (5,000 kW or more)	0.29	0.40	0.43	2.44
GL (300 to 4,999 kW)	0.63	3.10	0.48	0.66
GS/GM (less than 300 kW)	1.05	2.92	0.55	1.05

**ENERGY CHARGES**

	<u>Distribution Charge cents per kilowatt-hour</u>	<u>Competitive Transition Charge cents per kilowatt-hour</u>	<u>Transmission Charge cents per kilowatt-hour</u>	<u>Generation Charge cents per kilowatt-hour</u>
L/HVPS (5,000 kW or more)	0.3535	0.4933	0.1188	1.8116
GL (300 to 4,999 kW)	0.3524	1.7211	0.1126	0.5211
GS/GM (less than 300 kW)	0.6501	1.8051	0.1582	0.8238

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 the Company to supply the customer with its contracted Supplemental Power will apply:

General Service Large (300 to 4,999 kW) .....	\$0.2483/kW
General Service Small/Medium (less than 300 kW) .....	\$0.3675/kW

**STANDARD CONTRACT RIDERS - (Continued)**

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

**(Applicable to all General Service Rates)**

**B. FIRM BACK-UP POWER - (Continued)**

(The monthly per kW charge for transformation equipment for Large Power Service/HVPS [5,000 kilowatts and over] customers will be determined by the Company 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.

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**

Interruptible Back-up Power is electric energy supplied by the Company 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:

STANDARD CONTRACT RIDERS - (Continued)

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

(Applicable to all General Service Rates)

C. INTERRUPTIBLE BACK-UP POWER - (Continued)

DEMAND CHARGES

	Distribution Charge \$ per kilowatt	Competitive Transition Charge \$ per kilowatt	Transmission Charge \$ per kilowatt	Generation Charge \$ per kilowatt
L/HVPS (5,000 kW or more)	0.29	0.40	0.43	1.14
GL (300 to 4,999 kW)	0.45	2.17	0.48	0.32
GS/GM (less than 300 kW)	0.81	2.23	0.55	0.67

ENERGY CHARGES

	Distribution Charge cents per kilowatt-hour	Competitive Transition Charge cents per kilowatt-hour	Transmission Charge cents per kilowatt-hour	Generation Charge cents per kilowatt-hour
L/HVPS (5,000 kW or more)	0.3535	0.4933	0.1188	1.8116
GL (300 to 4,999 kW)	0.3524	1.7211	0.1126	0.5211
GS/GM (less than 300 kW)	0.6501	1.8051	0.1582	0.8238

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.

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 the Company 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

(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.

STANDARD CONTRACT RIDERS - (Continued)

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

(Applicable to all General Service Rates)

**C. INTERRUPTIBLE BACK-UP POWER - (Continued)**

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**

Maintenance Power is electric energy supplied by the Company 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 the Company .

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.

**DEMAND CHARGES**

	Distribution Charge \$ per kilowatt	Competitive Transition Charge \$ per kilowatt	Transmission Charge \$ per kilowatt	Generation Charge \$ per kilowatt
L/HVPS (5,000 kW or more)	0.29	0.40	0.43	1.14
GL (300 to 4,999 kW)	0.45	2.17	0.48	0.32
GS/GM (less than 300 kW)	0.81	2.23	0.55	0.67

**ENERGY CHARGES**

	Distribution Charge cents per kilowatt-hour	Competitive Transition Charge cents per kilowatt-hour	Transmission Charge cents per kilowatt-hour	Generation Charge cents per kilowatt-hour
L/HVPS (5,000 kW or more)	0.3153	0.4400	0.1188	1.6031
GL (300 to 4,999 kW)	0.3133	1.5304	0.1126	0.4509
GS/GM (less than 300 kW)	0.5953	1.6527	0.1582	0.7410

STANDARD CONTRACT RIDERS - (Continued)

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

(Applicable to all General Service Rates)

D. MAINTENANCE POWER - (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 the Company 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

(The monthly per kW charge for transformation equipment for Large Power Service/HVPS [5,000 kilowatts and over] customers will be determined by the Company 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.

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 the Company, if available in the sole judgment of the Company, 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 the Company 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 the Company of the need for maintenance power. The Company 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 The Company of the need for maintenance power. The Company 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.

STANDARD CONTRACT RIDERS - (Continued)

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

(Applicable to all General Service Rates)

D. MAINTENANCE POWER - (Continued)

- (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 the Company of the need for maintenance power. The Company 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.

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 the Company 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 the Company and the Company will respond within two (2) hours of the request for maintenance power by the non-utility generating facility.

E. INTERCONNECTION

Each non-utility generating facility will be required to install at its expense or pay in advance to have the Company 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 the Company'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 the Company 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 customers on the applicable rates 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

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 2.98 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	Next 150 kWh of usage after the first 200 kWh
40 to 59 gallons	Next 200 kWh of usage after the first 200 kWh
60 to 99 gallons	Next 300 kWh of usage after the first 200 kWh
100 to 119 gallons	Next 400 kWh of usage after the first 200 kWh
120 gallons or greater	Next 500 kWh of usage after the first 200 kWh

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.

**STANDARD CONTRACT RIDERS (Continued)**

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

(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.

**PROVISIONS UNDER DIRECT ACCESS**

For customers purchasing their electric generation from an EGS, the customer will be billed for the distribution and competitive transition charges of the applicable rate based on energy consumption net of the water heating allowance.

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 20 - SMALL BUSINESS DEVELOPMENT RIDER

(Applicable to Rate GS/GM)

PURPOSE

Stimulating development of small industrial facilities in the Company'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 term not exceeding five (5) years to qualifying new industrial customers having estimated annual load requirements not exceeding 105 kW. Qualifying terms and conditions are listed below.

Customers must contract under this rider on or before December 31, 1998 to qualify for the economic incentives defined below.

ECONOMIC INCENTIVE

A qualifying customer will earn a credit equal to the Billing Demand minus the Monthly Base Period Billing Demand multiplied by the discounted Incremental Unit Demand Charges of Rate GS/GM. The minimum Monthly Base Period Billing Demand 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.

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.

The above credits will be applied to the Distribution, CTC and Generation Charges of the bill as described under the section "Provisions Under Direct Access."

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" with the Company for the term of the rider. Failure to comply with the terms and conditions of the contract may result in the cancellation of this rider.
7. The Company reserves the right to refuse this rider to customers who do not meet the conditions specified above.
8. 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.

STANDARD CONTRACT RIDERS - (Continued)

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

(Applicable to Rate GS/GM)

TERMS AND CONDITIONS - (Continued)

9. 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.
10. 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.
11. 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.
12. 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.
13. 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).

PROVISIONS UNDER DIRECT ACCESS

For contracts that do not contain provisions governing the customer's rights under direct access, the Company will unbundle the customer's contract effective January 1, 1999, in a manner that retains the customer discount and reflects the amount of transmission, distribution, CTC and generation charges in the customer contract. The customer may continue to purchase electricity from the Company in accordance with the terms and conditions of the contract; terminate the contract and obtain electricity from an EGS on the otherwise applicable tariff rates according to their eligibility under direct access; or, retain the Company's services under the unbundled rates of the contract and purchase electrical energy from an EGS. The customer's discount from the otherwise applicable tariff rates will be applied first to the distribution components of the unbundled rates. If the discount is greater than the sum of the distribution components, the balance of the discount will be allocated equally between the CTC components and the generation components of the unbundled rates. The discount will be applied to the demand and energy components of the unbundled rate elements. Contract expiration shall not affect the applicability of any statutory rate cap.

For contracts that contain provisions governing the customer's rights under direct access, the Company will unbundle the customer's contract effective January 1, 1999, and the customer will be eligible to obtain electricity from an EGS only in accordance with the terms and conditions of the customer's contract.

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 21 - UNIVERSAL SERVICE CHARGE

(Applicable to all Rates)

A Universal Service Charge, calculated independently for each rate schedule in this Tariff using distribution allocation factors, shall be applied to all kWh delivered under the Tariff. This Universal Service Charge shall 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 delivered during the billing month:

$$USC = \{ ((U * D) / S) - B - e \} * \{ 1 / (1 - T) \}$$

The Universal Service Charge so computed, effective during the billing months of April through March, shall be applied to customers' bills as a non-bypassable surcharge effective for service rendered on and after the following April 1 of each year.

Where USC = Universal Service Charge in mills per kWh to be applied to each kilowatt-hour delivered under this Tariff.

U = The estimated net universal service program costs related to the Company's Customer Assistance Program (CAP), Customer Assistance and Referral Evaluation Services (CARES), Smart Comfort Program, Hardship Fund and Consumer Credit Counseling Service (CCCS) for the computation year. (The costs to be included in the initial USC effective July 1, 2001 will include costs deferred from January 1, 1999 through May 31, 2001.)

D = Distribution Allocation Factor for each rate schedule as stated below:

Rate RS	0.429000
Rate RH	0.035000
Rate RA	0.004000
Rate GS/GM	0.238000
Rate GMH	0.027000
Rate GLH	0.019000
Rate GL	0.127000
Rate L	0.058000
Rate HVPS	0.027000
Rate AL	0.000001
Rate SE	0.011000
Rate MTS	0.001000
Rate SM	0.024000
Rate SH	0.000190
Rate PAL	0.024000

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 21 - UNIVERSAL SERVICE CHARGE - (Continued)

S = The Company's projected kWh to be delivered for each rate schedule for the computation year.

B = Base universal service charges, in mills per kilowatt hour, as stated below for each rate schedule:

Rate RS	1.80
Rate RH	1.40
Rate RA	1.40
Rate GS/GM	1.10
Rate GMH	1.00
Rate GLH	0.50
Rate GL	0.50
Rate L	0.50
Rate HVPS	0.30
Rate AL	1.30
Rate SE	4.70
Rate MTS	1.00
Rate SM	0.30
Rate SH	2.80
Rate PAL	0.30

e = The experienced net overcollection or undercollection of the universal service program costs as computed for each rate schedule as of the end of the reconciliation period.

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

The filing, reconciliation and audit of the universal service charge shall be conducted pursuant to procedures formulated by the Commission. This tariff will be revised to reflect the Commission's directive when appropriate.

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 22 - RENEWABLE ENERGY SERVICE

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

AVAILABILITY

Available to customers purchasing single-phase electric service served under the applicable rates who have installed a device or devices that are, in sole judgment, a bona fide technology for use in generating electricity from qualifying renewable energy installations not exceeding 10 kW, and that will be operated in parallel with the Company's system. Qualifying renewable energy installations include solar panels, wind, hydro, biomass, methane field, and fuel cell generation. The customer's equipment must conform to the installation requirements contained in the Company's published "Requirements For Parallel Operation Of Non-Utility Generation." The Company will modify its distribution and transmission facilities as necessary to interconnect with the customer at a single point. A customer will be charged for all modifications, additions or retirements made to provide the interconnection, in accordance with the "Requirements For Parallel Operation Of Non-Utility Generation." The costs for making the renewable energy resource operational shall be the responsibility of the customer.

**METERING**

A customer may select one of the following metering options in conjunction with the applicable rate.

- (a) A non-ratcheted, bi-directional meter, may be used to record net energy sales to the customer.
- (b) Two meters may be installed. One will measure the energy delivered by the Company that the customer uses, and the other will measure the energy delivered to the Company from the customer that is generated by the customer's qualified renewable energy installation.
- (c) The Company shall consider other qualified meter installations requested by the customer.

**BILLING**

If, in any billing month, the amount of energy delivered by the Company that the customer uses is greater than the amount of energy the customer delivered to the Company, then the Company will bill the customer for the difference on the applicable rate. If, in any billing month, the amount of energy delivered by the Company that the customer uses is less than the amount of energy the customer delivered to the Company, only the Customer Distribution Charge of the applicable rate will be due by the customer. A customer may sell any excess energy to an EGS other than the Company.

**METERING CHARGE**

- Option (a) No charge
- Option (b) \$6.38 for customers on Rates RS, RA and RH  
\$9.07 for customers on Rates GS/GM and GMH.
- Option (c) Meter cost shall be based upon the net incremental cost to the Company to purchase install and make operational the new metering equipment.

**APPENDIX B**

## INTERIM CODE OF CONDUCT

The Company and its divisional and/or affiliated EGSs ("Duquesne Supplier") shall comply with the following Interim Code of Conduct:

1. The Company, in its role as the Electric Distribution Company ("Duquesne EDC"), shall not give a Duquesne Supplier preference over a non-affiliate in the provision of goods and services such as processing requests for information, complaint processing, and responses to service interruptions. Duquesne EDC shall provide comparable treatment without regard to the customer's chosen EGS.
2. Duquesne EDC shall supply services and apply the rules and other provisions of its Tariffs to non-affiliates in the same manner it applies them to a Duquesne Supplier.
3. Duquesne EDC shall not sell non-power goods or services to a Duquesne Supplier at a price below the cost or market price, whichever is higher, for said goods or services. Duquesne EDC will not purchase non-power goods or services from a Duquesne Supplier at a price above the market price for said goods or services. No transaction between Duquesne EDC and a Duquesne Supplier shall involve an anti-competitive cross subsidy, and all such transactions shall comply with applicable law.
4. Duquesne EDC shall simultaneously make available to all EGSs any market information, not in the public domain, that it provides to a Duquesne Supplier.
5. Duquesne EDC shall not promote a Duquesne Supplier any differently than a non-supplier.
6. *Employees of Duquesne EDC who have responsibility for operating the distribution system, such as receiving requests for power, purchasing power, scheduling delivery, or billing and metering, shall not be shared with a Duquesne Supplier, and their offices shall be physically separated from the office(s) used by those working for the Duquesne Supplier. Such employees of Duquesne EDC may transfer to a Duquesne Supplier provided such transfer is not used as a*

means to circumvent this Interim Code of Conduct. Any Duquesne Supplier shall have its own direct line management. Any shared facilities shall be fully and transparently allocated between the Duquesne EDC function and the Duquesne Supplier function. Duquesne EDC accounts and records shall be maintained such that the costs a Duquesne Supplier incurs may be clearly identified.

7. Duquesne EDC shall not condition the provision of any PaPUC jurisdictional regulated services on the purchase of power from a Duquesne Supplier.
8. (a) Neither Duquesne EDC nor a Duquesne Supplier may directly or by implication falsely and unfairly represent:
  - that the PaPUC jurisdictional regulated services provided by Duquesne EDC are of a superior quality when power is purchased from a Duquesne Supplier;
  - that the merchant services (for power) are being provided by Duquesne EDC rather than a Duquesne Supplier;
  - that the power purchased from an EGS that is not a Duquesne Supplier may not be reliably delivered; or
  - that power must be purchased from a Duquesne Supplier to receive Duquesne EDC PaPUC jurisdictional regulated services.
- (b) Duquesne EDC shall not jointly market or jointly package its PaPUC jurisdictional, regulated services with the services of a Duquesne Supplier. This prohibition includes prohibiting Duquesne EDC from including bill inserts in its EDC bills promoting a Duquesne Supplier's services, and further precludes a reference or link from Duquesne EDC's web-site to any Duquesne supplier.
- (c) When a Duquesne Supplier markets or communicates to the public using the Duquesne EDC name or logo it shall include a disclaimer that states: (1) that the Duquesne Supplier is not the same company as the Duquesne EDC; (2) that the prices of the Duquesne Supplier are not regulated by the PaPUC; and (3) that a Customer does not have to buy electricity or other products from the Duquesne Supplier in order to receive the

same quality service from Duquesne EDC. When a Duquesne Supplier advertises or communicates verbally through radio or television to the public using the Duquesne EDC name or logo, Duquesne Supplier shall include at the conclusion of any such communication a disclaimer that includes all of the disclaimers listed in this paragraph.

9. Violations of this Code of conduct shall result in PaPUC-ordered fines at the levels determined to be appropriate by the PaPUC. Any such PaPUC action would not preclude or limit additional private remedies or civil action.
10. Dispute Resolution Procedures:
  - Regarding any dispute between Duquesne EDC, and/or a Duquesne Supplier, and an EGS (each individually referred to as "Party" and collectively referred to as "Parties") alleging a violation of any of these Code of Conduct provisions, the EGS must provide Duquesne EDC and/or Duquesne Supplier, as applicable, a written Notice of Dispute that includes the names of the Parties and customer(s), if any, involved and a brief description of the matters in dispute.
  - Within five (5) days of Duquesne EDC's and/or Duquesne Supplier's receipt of a Notice of Dispute, a designated senior representative of each of the Parties shall attempt to resolve the dispute on an informal basis.
  - In the event the designated representatives are unable to resolve the dispute by mutual agreement within thirty (30) days of said referral, the dispute shall be referred for mediation through the Commission's Office of Administrative Law Judges. A party may request mediation prior to that time if it appears that informal resolution is not productive.
  - If mediation is not successful, then the matter shall be converted to a formal proceeding before a Commission Administrative Law Judge.
  - Any Party may file a complaint concerning the dispute with the Commission under relevant provisions of the Public Utility Code.

11. Duquesne EDC shall file a compliance filing within 60 days of entry of the Commission 's Order on Compliance Filing dated October 16, 1998 which sets forth a detailed plan for compliance with this code of conduct as well as the PUC separation and cost allocation requirements already ordered.

## INTERIM CODE OF CONDUCT

The Company and its divisional and/or affiliated EGSs ("Duquesne Supplier") shall comply with the following Interim Code of Conduct:

1. The Company, in its role as the Electric Distribution Company ("Duquesne EDC"), shall not give a Duquesne Supplier preference over a non-affiliate in the provision of goods and services such as processing requests for information, complaint processing, and responses to service interruptions. Duquesne EDC shall provide comparable treatment without regard to the customer's chosen EGS.
2. Duquesne EDC shall supply services and apply the rules and other provisions of its Tariffs to non-affiliates in the same manner it applies them to a Duquesne Supplier.
3. Duquesne EDC shall not sell non-power goods or services to a Duquesne Supplier at a price below the cost or market price, whichever is higher, for said goods or services. Duquesne EDC will not purchase non-power goods or services from a Duquesne Supplier at a price above the market price for said goods or services. No transaction between Duquesne EDC and a Duquesne Supplier shall involve an anti-competitive cross subsidy, and all such transactions shall comply with applicable law.
4. Duquesne EDC shall simultaneously make available to all EGSs any market information, not in the public domain, that it provides to a Duquesne Supplier.
5. Duquesne EDC shall not promote a Duquesne Supplier any differently than a non-supplier.
6. Employees of Duquesne EDC who have responsibility for operating the distribution system, such as receiving requests for power, purchasing power, scheduling delivery, or billing and metering, shall not be shared with a Duquesne Supplier, and their offices shall be physically separated from the office(s) used by those working for the Duquesne Supplier. Such employees of Duquesne EDC may transfer to a Duquesne Supplier's Supplier provided such transfer is not used

as a means to circumvent this Interim Code of Conduct. Any Duquesne Supplier shall have its own direct line management. Any shared facilities shall be fully and transparently allocated between the Duquesne EDC function and the Duquesne Supplier function. Duquesne EDC accounts and records shall be maintained such that the costs a Duquesne Supplier incurs may be clearly identified.

7. Duquesne EDC shall not condition the provision of any PaPUC jurisdictional regulated services on the purchase of power from a Duquesne Supplier.
8. (a) Neither Duquesne EDC nor a Duquesne Supplier may directly or by implication falsely and unfairly represent:
  - that the PaPUC jurisdictional regulated services provided by Duquesne EDC are of a superior quality when power is purchased from a Duquesne Supplier;
  - that the merchant services (for power) are being provided by Duquesne EDC rather than a Duquesne Supplier;
  - that the power purchased from an EGS that is not a Duquesne Supplier may not be reliably delivered; or
  - that power must be purchased from a Duquesne Supplier to receive Duquesne EDC PaPUC jurisdictional regulated services.
- (b) Duquesne EDC shall not jointly market or jointly package its PaPUC jurisdictional, regulated services with the services of a Duquesne Supplier. This prohibition includes prohibiting Duquesne EDC from including bill inserts in its EDC bills promoting a Duquesne Supplier's services, and further precludes a reference or link from Duquesne EDC's web-site to any Duquesne supplier.
- (c) When a Duquesne Supplier markets or communicates to the public using the Duquesne EDC name or logo it shall include a disclaimer that states: (1) that the Duquesne Supplier is not the same company as the Duquesne EDC; (2) that the prices of the Duquesne Supplier are not regulated by the PaPUC; and (3) that a Customer does not have to buy electricity or other products from the Duquesne Supplier in order to receive the

same quality service from Duquesne EDC. When a Duquesne Supplier advertises or communicates verbally through radio or television to the public using the Duquesne EDC name or logo, Duquesne Supplier shall include at the conclusion of any such communication a disclaimer that includes all of the disclaimers listed in this paragraph.

9. Violations of this Code of conduct shall result in PaPUC-ordered fines at the levels determined to be appropriate by the PaPUC. Any such PaPUC action would not preclude or limit additional private remedies or civil action.

10.9. Dispute Resolution Procedures:

- Regarding any dispute between Duquesne EDC, and/or a Duquesne Supplier, and an EGS (each individually referred to as "Party" and collectively referred to as "Parties") alleging a violation of any of these Code of Conduct provisions, the EGS must provide Duquesne EDC and/or Duquesne Supplier, as applicable, a written Notice of Dispute that includes the names of the Parties and customer(s), if any, involved and a brief description of the matters in dispute.
- Within five (5) days of Duquesne EDC's and/or Duquesne Supplier's receipt of a Notice of Dispute, a designated senior representative of each of the Parties shall attempt to resolve the dispute on an informal basis.
- In the event the designated representatives are unable to resolve the dispute by mutual agreement within thirty (30) days of said referral, the dispute shall be referred for mediation through the Commission's Office of Administrative Law Judges. A party may request mediation prior to that time if it appears that informal resolution is not productive.
- If mediation is not successful, then the matter shall be converted to a formal proceeding before a Commission Administrative Law Judge.
- Any Party may file a complaint concerning the dispute with the Commission under relevant provisions of the Public Utility Code.

11. Duquesne EDC shall file a compliance filing within 60 days of entry of the Commission 's Order on Compliance Filing dated October 16, 1998 which sets forth a detailed plan for compliance with this code of conduct as well as the PUC separation and cost allocation requirements already ordered.

**APPENDIX C**

PROPOSED SUPPLIER TARIFF  
November \_\_, 1998

# DUQUESNE LIGHT COMPANY

## ELECTRIC GENERATION SUPPLIER COORDINATION TARIFF

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### COMPANY OFFICE LOCATION

411 Seventh Avenue  
Pittsburgh, Pennsylvania 15219

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Issued: November 5, 1998

Effective: \_\_\_\_\_, 1998

**ISSUED BY: DAVID D. MARSHALL**  
**Chief Executive Officer**  
**411 SEVENTH AVENUE**  
**PITTSBURGH, PA. 15219**

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### HOW TO USE LOOSE-LEAF TARIFF

1. This Tariff is issued on the loose-leaf plan. Each page will be issued as "original page," consecutively numbered, commencing with the title page, which in all cases will be considered as Page No. 1. For example: "Original Page No. 2", "Original Page No. 3," etc.

2. All changes in, additions to, or eliminations from, original pages, will be made by the issue of consecutively numbered supplements to this Tariff and by reprinting the page or pages affected by such change, addition, or elimination. Such supplements will indicate the changes which they effect and will carry a statement of the make-up of the Tariff, as revised. The Table of Contents will be reissued with each supplement.

3. When a page is reprinted the first time, it will be designated under the P.U.C. number as "First Revised Page No....," the second time as "Second Revised Page No....," etc. First revised pages will supersede original pages; second revised pages will supersede first revised pages, etc.

4. When changes or additions to be made require more space than is available, one or more pages will be added to the Tariff, to which the same number will be given with letter affix. For example, if changes were to be made in Original Page No. 2 and, to show the changed matter, more than one page should be required, the new page would be issued as "First Revised Page No. 2, superseding Original Page No. 2"; and the added page would be issued as "Original Page No. 2A." If a second added page should be required, it would be issued as "Original Page No. 2B." Subsequent reprints will be consecutively designated as "First Revised...," "Second Revised...," etc.

5. On receipt of a revised page it will be placed in the Tariff immediately following the page which it supersedes, and the page which is to be superseded thereby plainly marked "See following page for pending revision." On the date when such revised page becomes effective, the page superseded should be removed from the Tariff.

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Effective \_\_\_\_\_, 1998

Duquesne Light Company

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## DEFINITION OF TERMS AND EXPLANATION OF ABBREVIATIONS

**Ancillary Services** - those services that are necessary to support the Competitive Energy Supply from resources to loads while maintaining reliable operation of the Control Area in accordance with the OATT.

**Bad Credit** - an EGS has bad credit if it has a history of delinquent obligations or is insolvent (as evidenced by a credit report prepared by a reputable credit bureau or credit reporting agency or public financial data, liabilities exceeding assets or generally failing to pay debts as they become due) or has failed to pay Company invoices when they became due on two or more occasions within the last twelve billing cycles.

**Charge** - any fee or charge that is billable by the Company to an EGS under this Tariff, including any Coordination Services Charge.

**Company** - Duquesne Light Company.

**Competition Act** - the Electricity Generation Customer Choice and Competition Act, 66 Pa.C.S. §2801, et seq.

**Competitive Energy Supply** - unbundled energy provided by an Electric Generation Supplier.

**Control Area** - as defined by North American Electric Reliability Council (NERC), an electrical system bounded by interconnection (tie-line) metering and telemetry. It controls its generation directly to maintain its interchange schedule with other control areas and contributes to frequency regulation of the interconnection.

**Control Area Operator or CAO** – Duquesne Light Company or the Independent System Operator (ISO) that operates the Control Area to which Duquesne Light Company belongs.

**Coordination Activities** - all activities related to the provision of Coordination Services.

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**Coordination Obligations** - all obligations identified in this Tariff, relating to the provision of Coordination Services.

**Coordination Services** - those services that permit the type of interface and coordination between EGSs and the Company in connection with the delivery of Competitive Energy Supply to serve Customers located within the Company's service territory including: load forecasting, certain scheduling-related functions and reconciliation services, those transmission and Ancillary services offered under the OATT tariff, and transmission losses and distribution losses.

**Coordination Services Charges** - all Charges stated in the Charges section of this Tariff, the OATT or the Coordination Sales Tariff, that are billed by the Company for Coordination Services performed hereunder.

**Coordinated Supplier** - an Electric Generation Supplier that has appointed a Scheduling Coordinator as its designated agent for the purpose of coordinating its energy supply with the CAO.

**Creditworthy** - a creditworthy EGS pays the Company's charges as and when due and otherwise complies with the Rules and Regulations of this Tariff or the PaPUC. To determine whether an EGS is creditworthy, the Company will evaluate the EGS's record of paying Company charges, and may also take into consideration the EGS's credit history.

**Customer(s)** - any person, municipality, partnership, association, or corporation receiving Competitive Energy Supply from an Electric Generation Supplier in accordance with the Competition Act.

**Customer Choice Internet Site** - a Company Internet site with a Uniform Resource Locator (URL) of <http://www.customer-choice.com>.

**Deliver** - to "Deliver" a document or other item under this Tariff shall mean to tender by certified mail, hand delivery, or overnight express package delivery service.

**Delivery** - the actual delivery of energy with respect to an energy schedule.

Duquesne Light Company

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**Direct Access** - "Direct Access" shall have the meaning set forth in the Competition Act.

**EDC Tariff** - the Company's currently PaPUC approved Electric Service Tariff.

**Electric Distribution Company or "EDC"** - a public utility that owns electric distribution facilities. At times, this term is used to refer to the role of the Company as a deliverer of Competitive Energy Supply in a Direct Access environment as contemplated in the Competition Act.

**Electric Generation Supplier or "EGS"** - a supplier of electric generation that has been certified or licensed by the Pennsylvania Public Utility Commission to sell electricity to retail customers within the Commonwealth of Pennsylvania in accordance with the Competition Act. For purposes herein, an EGS may act as a Scheduling Coordinator.

**Electronic Data Exchange Working Group or "EDEWG"** - the PaPUC authorized working group established under the Proposed Standards for Electronic Data Transfer and Exchange Between EDCs and EGSs, Docket No. M-00960890F.0015.

**Electronic Data Interchange or "EDI"** - the computer application to computer application exchange of business information in a standard format, as more fully described in PaPUC Docket No. M-00960890F.0015.

**Electronic Exchange** - approved methods of data exchange (either through a VAN mailbox or a method to be defined by the EDEWG and approved by the PaPUC).

**FERC** - the Federal Energy Regulatory Commission.

**Interval Metering Data**- data from electrical metering equipment that supplies hourly or sub-hourly readings of customer consumption.

**Interest Index** - an annual interest rate determined by the average of 1-Year Treasury Bills for September, October and November of the previous year.

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**Meter Read Date** - the date on which the Company reads a meter for purposes of producing a customer bill in accordance with the regularly scheduled billing cycles of the Company.

**Month** - a month, as defined under 52 PA Code § 56.2.

**NERC TIS** - the NERC Transaction Information System (TIS), which is defined and is available at the Internet site, <http://www.nerc.com/oc/tisform.html>. The TIS includes the tag and e-mail protocols.

**Open Access Transmission Tariff or "OATT"** - the Company's Open Access Transmission Tariff on file with the FERC and which sets forth the rates, terms and conditions of transmission service over transmission facilities located in the Duquesne Control Area.

**PaPUC or Commission** - the Pennsylvania Public Utility Commission.

**Pilot Customer(s)** - a customer participating in the Company's Customer Choice pilot program.

**Scheduling Coordinator** - Entity that acts on behalf of one or more EGSs for the purpose of coordinating energy supply with the CAO.

**Tariff** - this Electric Generation Supplier Coordination Tariff.

**Value Added Network or "VAN"** - a method of data transfer that allows information to be sent and received electronically using an electronic mailbox. This method meets minimum criteria in the following areas:

- Security and/or encryption of transactions and customer information
- Proof of transmission and receipt
- Positive identity of sender and recipient (non-repudiation)
- Reliability
- Data and file integrity
- Network performance and availability; and
- Recoverability and archiving of data.

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## RULES AND REGULATIONS

### 1. THE TARIFF

**1.1 Filing And Posting.** A copy of this Tariff, which comprises the Charges, Rules and Regulations and Riders under which the Company will provide Coordination Services to Electric Generation Suppliers, is on file with the Commission and is posted and open to inspection at the offices of the Company.

**1.2 Revisions.** This Tariff may be revised, amended, supplemented or otherwise changed from time to time in accordance with the Pennsylvania Public Utility Code, and such changes, when effective, shall have the same force as the present Tariff.

**1.3 Application.** The Tariff provisions apply to all EGSs providing Competitive Energy Supply to Customers located in the Company's service territory, including an affiliate or division of the Company that provides Competitive Energy Supply, and with whom the Company has executed an Individual Coordination Agreement as required herein. In addition, the Charges herein shall apply to anyone receiving service unlawfully or to any unauthorized or fraudulent receipt of Coordination Services.

**1.4 Rules And Regulations.** The Rules and Regulations, filed as part of this Tariff, are a part of every Individual Coordination Agreement entered into by the Company pursuant to this Tariff and govern all Coordination Activities, unless specifically modified by a Charge or Rider provision. The obligations imposed on EGSs in the Rules and Regulations apply as well to everyone receiving service unlawfully or to any unauthorized or fraudulent receipt of Coordination Services.

**1.5 Use Of Riders.** The terms governing the supply of Coordination Services under this Tariff or a Charge therein may be modified or amended only by the application of those standard Riders, filed as part of this Tariff.

**1.6 Statement By Agents.** No Company representative has authority to modify a Tariff rule or provision, or to bind the Company by any promise or representation contrary thereto.

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## 2. SCOPE AND PURPOSE OF TARIFF

**2.1 Scope And Purpose Of Tariff.** This Tariff sets forth the basic requirements for interactions and coordination between the Company as the Electric Distribution Company and EGSs necessary for ensuring the delivery of Competitive Energy Supply from EGSs to their Customers commencing on January 1, 1999.

**2.2 Applicability of Terms to Scheduling Coordinators.** As used in this Tariff, the term "EGS" shall apply equally to a Scheduling Coordinator for an EGS's responsibilities and rights properly assigned to that Scheduling Coordinator by the EGS.

**2.3 FERC Jurisdictional Matters.** The inclusion of FERC-jurisdictional matters within the scope of this Tariff is intended solely for informational purposes and is not intended to accord any jurisdictional authority over such matters to the PaPUC. Further, to the extent that anything stated herein is found by the FERC to conflict with or to be inconsistent with any provision of the Federal Power Act ("FPA"), or any rule, regulation, order or determination of the FERC under the FPA, then such FERC rule, regulation, order or determination of the FPA shall control. To the extent required under any provision of the FPA, or any rule, regulation, order or determination of the FERC under the FPA, the Company shall secure, from time to time, all necessary orders, approvals, and determinations from the FERC necessary to implement this Tariff.

**2.3.1 Credit Requirements.** The Company does not intend to impose duplicate credit requirements as arising under this Tariff and the OATT.

**2.4 PaPUC Jurisdictional Matters.** This Tariff operates and is subject to PaPUC Orders, rules and regulations.

### 3. COMMENCEMENT OF EDC/EGS COORDINATION

**3.1 Registration for Coordination Services.** An EGS seeking to obtain Coordination Services hereunder must Deliver to the Company a completed registration, consisting of the following:

- (a) an Individual Coordination Agreement, as contained in a Rider hereto, fully executed in triplicate by a duly authorized representative of the EGS;
- (b) a copy of the EGS's Operating License or PaPUC Order licensing the EGS to operate;
- (c) the EGS's Pennsylvania sales tax identification number; and
- (d) a representation letter signed by an EGS officer asserting that its computer systems are year 2000 compliant, or shall be year 2000 compliant on or before December 31, 1999.

**3.2 Incomplete Registrations.** In the event the EGS submits an incomplete registration, the Company shall provide written notice to the EGS of the registration's deficiencies within ten (10) business days after the date of service, as determined under 52 Pa. Code § 1.56. The Company will not process an incomplete registration until the EGS corrects the deficiencies and the EGS delivers the registration to the Company.

**3.3 Credit Check.** A registration for Coordination Services shall constitute authorization to the Company to conduct a background credit check on the EGS.

**3.4 Processing of Registrations.** The Company shall complete the processing of each registration for Coordination Services within ten (10) business days after the date of service of the registration, as determined under 52 Pa. Code § 1.56. The Company shall approve all completed registrations unless grounds for rejecting the registration, as defined below, exist.

**3.5 Grounds for Rejecting Registration.** The Company may reject any registration for Coordination Services on any of the following grounds:

- (a) the EGS has undisputed outstanding debts to the Company arising from its previous receipt of Coordination Services from the Company under

Duquesne Light CompanyOriginal Page No. 11

- this Tariff;
- (b) the EGS has failed to comply with credit requirements specified in Rule 12 of the Tariff; and
  - (c) the EDC has provided written notice to the EGS that a registration is deficient, pursuant to 52 Pa. Code § 1.56, and the EGS has failed to submit a completed registration within thirty (30) calendar days after the date of service of the registration.

The Company may also petition the PaPUC to reject the registration of an EGS with Bad Credit. The Company need not provide Coordination Services to the EGS pending the PaPUC's review of said Petition unless the EGS has provided security to the Company as provided for in Rule 12.4.

**3.6 Offer of Conditional Acceptance of Registration.** Where grounds for rejection of a registration exist due to an EGS's outstanding and undisputed debts to the Company arising from its previous receipt of Coordination Services from the Company under the Tariff, the Company may offer the affected EGS a conditional acceptance if the EGS pays such debts before it receives Coordination Services. If the EGS rejects the Company's offer of conditional acceptance under this Rule, then its registration for Coordination Services will be deemed rejected.

**3.7 Rejection of Registration.** Upon rejection of any registration, the Company shall provide the affected EGS with written notice of rejection within the time periods set forth in Section 3.4, and shall state the basis for its rejection.

**3.8 Approval of Registration.** Upon its approval of a registration for Coordination Services, or pursuant to an order of the Commission approving a registration, the Company shall execute the Individual Coordination Agreement tendered by the registrant and shall file a copy with the PaPUC, shall provide one to the EGS by Delivering such within the period set forth in Section 3.4 and shall maintain a copy for its own records.

**3.9 Identification Numbers.** Upon its approval of a registration for Coordination Services, the Company will use the Dun & Bradstreet number assigned to each EGS to be used in subsequent electronic information exchange between the EGS and the Company. In addition, the Company may also assign to the EGS identification

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numbers that may be required by the Control Area Operator in connection with the submission and/or confirmation of load schedules for serving load in the Company's service territory.

**3.10 Commencement of Coordination Services.** Coordination Services shall commence within fifteen days after the Company's acceptance of an EGS's registration for Coordination Services provided that all of the information necessary for the Company to provide Coordination Services has been provided to the Company and any conditions required under Rule 3.6 have been satisfied by the EGS.

#### 4. COORDINATION OBLIGATIONS

**4.1 Provision of Coordination Services.** The Company shall make available all Coordination Services, as provided herein, necessary for the delivery of an EGS's Competitive Energy Supply to serve retail access load located within the Company's service territory.

**4.2 Timeliness and Due Diligence.** EGSs shall exercise due diligence in meeting their obligations and deadlines under this Tariff so as to facilitate Direct Access.

**4.3 Duty of Cooperation.** The Company and each EGS will cooperate in order to ensure delivery of Competitive Energy Supply to Customers as provided for by this Tariff, the EDC Tariff, the OATT and the Competition Act.

**4.4 State Licensing.** An EGS must have and maintain in good standing a license from the PaPUC as an authorized EGS.

**4.5 Energy Procurement.** An EGS must make all necessary arrangements for obtaining Competitive Energy Supply in a quantity sufficient to serve its own Customers.

**4.6 Control Area Services and Obligations.** An EGS is responsible for procuring, taking and paying for those services provided by the Control Area Operator that are necessary for the delivery of Competitive Energy Supply to its Customers. The necessary services include, but are not limited to the following:

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**4.6.1 Transmission Services.** An EGS shall ensure all necessary arrangements are made for procuring, taking and paying for transmission services pursuant to the OATT.

**4.6.2 Ancillary Services.** An EGS shall ensure all necessary arrangements are made for procuring ancillary services pursuant to the OATT.

**4.6.3 Transmission Losses.** An EGS shall ensure all necessary arrangements are made for the purchase or delivery of real power Transmission Losses into the Control Area pursuant to the OATT.

**4.6.4 Distribution Losses.** An EGS shall ensure all necessary arrangements are made for the purchase or delivery of real power Distribution Losses into the Control Area set forth in Table 1 at Page No. 67.

**4.7 Customer Arrangements.** By selecting an EGS, the Customer designates the EGS to act on its behalf. If a Customer chooses to separately arrange for any or all of the Control Area Services and Obligations listed in Rule 4.6, the Customer may have the option to do so. However, the EGS will remain ultimately responsible for those obligations as the EGS for such Customer.

**4.8 Reliability Requirements.** An EGS shall satisfy those reliability requirements issued by the PaPUC, or any other governing reliability council with authority over the EGS, that apply to EGSs.

**4.9 Determination of Load and Location.** The Company and EGS shall coordinate with the Control Area Operator to determine the magnitude and location of the EGS's actual or forecasted load, as required by the Control Area Operator, for the purpose of providing transmission service under the OATT.

**4.10 Supply of Data.** An EGS and the Company shall supply to the other all data, materials or other information specified in this Tariff, or otherwise reasonably required by the EGS or Company in connection with the provision of Coordination Services, in a thorough and timely manner.

**4.11 Communication Requirements.** An EGS shall implement a VAN and a single Internet file transfer protocol, as determined by the EDEWG and PaPUC Docket No. M-00960890.F0015. Both data transfer methods must meet the minimum criteria of, and be endorsed by, the EDEWG.

**4.11.1 Customer Choice Internet Access.** An EGS shall have appropriate software for access to the Customer Choice Internet Site and file uploads and downloads.

**4.11.2 Electronic Mail.** An EGS shall have electronic mail (e-mail) capable of transferring scheduling data according to the NERC TIS protocol.

**4.12 Payment Obligation.** The Company's provision of Coordination Services to an EGS is contingent upon the EGS's payment of all charges provided for in this Tariff and the OATT.

**4.13 Record Retention.** An EGS and the Company shall comply with all applicable laws and PaPUC rules and regulations for record retention, including but not limited to those Rules of Chapter 56 of the PaPUC's regulations.

**4.14 Data Exchange.**

(a) Subject to Rule 4.14(b), below, the Company shall make available to an EGS, on a daily basis, Customer, billing and financial transaction information regarding that EGS's Customers in electronic files available via Electronic Exchange. These files will be consistent with standards developed by the EDEWG.

(b) An EGS must notify its Customers that by signing up for Competitive Energy Supply with the EGS, the Customer is consenting to the disclosure by the Company to the EGS of certain basic information about the Customer, as listed in Rule 4.14(a). At minimum, the notice shall inform the Customer that the following information will be disclosed: the Customer's name, address, Duquesne Light Company account number and rate class.

(c) The Company will maintain on the Customer Choice Internet Site copies of the standard file formats it will provide to EGSs containing the data listed in

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this Rule of this Tariff. The Company will not change the file formats without first providing at least seven days notice of any such change via Electronic Exchange and posting on the Customer Choice Internet Site. The Company will make a good faith effort to provide a greater period of notice when warranted.

(d) Nothing in this Rule 4.14 shall prohibit the Company from making available to EGSs other electronic data, in formats chosen by the Company consistent with the recommendations of the EDEWG. The Company will not change the file formats of the electronic data made available under this Rule 4.14(d) without first providing at least seven days notice of such change via Electronic Exchange and posting on the Customer Choice Internet Site. The Company will make a good faith effort to provide a greater period of notice when warranted.

(e) All EGS systems that send, receive or process data within the scope of this Tariff shall be year 2000 compliant on or before December 31, 1999.

(f) In the event an EGS sends the Company the same erroneous data more than once, the Company hereby provides notice that the Company shall assess processing costs against that EGS.

**4.15 Code of Conduct.** The Interim Code of Conduct contained in the Company's EDC Tariff is incorporated herein by reference.

**4.16 Standards of Conduct and Disclosure for Licensed EGSs.** The Standards of Conduct and Disclosure for Licensees, pursuant to PaPUC regulations including, but not limited to, Docket No. L-970129, are incorporated herein by reference.

## 5. DIRECT ACCESS PROCEDURES

**5.0 Generally.** The procedures for the selection of Customers Initial EGS Selection, Switching Among EGSs and other Direct Access Procedures for obtaining Competitive Energy Supply shall occur in accordance with the Direct Access Procedures set forth in the Enrollment Procedures Applicable to EDCs and EGSs During the Phase-In Implementation of Direct Access, Docket No. M-00960890F.0014, Standards for Electronic Data Transfer and Exchange Between EDCs and EGSs, Docket No. M-00960890F.0015, and Standards for Changing a Customer's Electric

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Supplier, Docket No. L-00970121, as set forth in this Tariff.

## 5.1 Customer Enrollment.

**5.1.1 Customer Method:** The Company will process Company-supplied enrollment cards that are sent to the Company's designated Post Office box, or are received by facsimile transmission. If Customers wish to enroll telephonically, they may do so, and the Company will take special measures to determine whether the customer wishes to restrict the release of confidential information. If a Customer wishes to use written forms other than Enrollment Cards, they shall contain the information required for Enrollment Cards (Customer name, Customer address, Duquesne Light account number, authorization to release telephone number and authorization to release historical usage information).

Enrollment cards shall include two check-off boxes, by which Customers may restrict the release of their (i) telephone number and (ii) 12 months of historical load data (defined as historical kWh usage and either typical load curve for applicable rate class, or for Customers with hourly metering, specific load data). The Enrollment cards provided to Customers shall advise them of the potential benefits of having confidential information shared with licensed EGSs, and that such refusal may mean that the Customer will not be able to be contacted directly by an alternative generation supplier.

Additionally, the Enrollment cards shall advise Customers that the basic enrollment information will be released to EGSs upon the EDC's determination of the Customer's eligibility to participate.

**5.1.2 EGS Method:** EGSs may enroll Customers during the enrollment period by mailing or faxing an enrollment card or other written form containing the required enrollment information. Additionally EGSs are encouraged to permit Customers to enroll by telephone or by e-mail, but must send Customer enrollments to the Company via properly formatted electronic files (Customer name, Customer address, Duquesne Light Account Number, and authorization to release telephone number and authorization to release historical usage information) via Electronic Exchange. An EGS must include within its electronic file an indication as to which of the Customers it enrolls have consented to disclosure of Customer-specific information as set forth

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below in Rule 5.1.5. EGSs shall forward the electronic files on a daily basis to the Company. The Company will acknowledge receipt of the enrollment file via electronic confirmation. The Company shall provide confirmation within one business day of all electronic files received. Such confirmation shall include appropriate control totals such as number of records received, and the reason for any rejections (e.g., invalid account number). Such confirmation shall also include information an EGS can use to identify rejected records.

Enrollment cards shall include two check-off boxes, by which a Customer may restrict the release of their telephone number and 12 months of historical load data (defined as historical kWh usage and either typical load curve for applicable rate class, or for Customers with hourly metering, specific load data). The Enrollment cards provided to Customers shall advise them of the potential benefits of having confidential information shared with licensed EGSs, and that such refusal may mean that the Customer will not be able to be contacted directly by an alternative generation supplier.

Additionally, the Enrollment cards shall advise Customers that the basic enrollment information will be released to EGSs upon the EDC's determination of the Customer's eligibility to participate.

**5.1.3 Provision of Customer Lists.** Concurrent with the Company notifying Customers of their eligibility to select an EGS, the Company shall provide to all EGSs a complete list of eligible enrolled Customer information in electronic format. Said list shall include Pilot Customers. Said list shall be provided electronically and be made available on the same date Customers are notified that they have been enrolled. Said list shall include all of the information outlined in Rule 5.1.4(a), below for Customers that consent to the release of Customer information, and only the information identified in Rule 5.1.4(b), below, for Customers that do not so consent. If, less than 66% of the non-coincident peak load for residential, commercial and industrial rate classes has been enrolled, the Company shall provide all licensed EGSs with a list of enrolled Customers in such rate classes to date. The Company will continue to enroll Customers and the list of enrolled Customers will be updated weekly until the loads of the enrolled Customers comprise at least 66% of the non-coincident peak load of each residential, commercial and industrial rate class or full Direct Access begins. If greater than 66% are enrolled, the Company will inform the EGSs and the customers when the

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eligible customers are selected.

#### **5.1.4 Data Exchange.**

(a) The list of enrolled Customers that the Company provides to all EGSs pursuant to Rule 5.1.3, above, shall contain information about Customers that have consented to the release of Customer information in a format to be consistent with that determined by the EDEWG.

(b) The list of enrolled Customers that the Company provides to all EGSs pursuant to Rule 5.1.3, above, shall contain the following information about Customers that have not consented to the release of Customer information in a format to be consistent with that determined by the EDEWG:

- (i) Duquesne Light Company Account Number
- (ii) Rate Class
- (iii) Customer's name
- (iv) Customer's service address

**5.1.5 Manner of Customer Consent.** An EGS that enrolls a Customer in accordance with Rules 5.1.1 or 5.1.2 of this Tariff must ask the Customer whether the Customer consents to the disclosure to all EGSs by the Company of private customer information as defined by 52 Pa. Code Section 54.8. The EGS must retain a record indicating whether the Customer consented to such disclosure. If the record is not itself a hard copy document, but rather an electronic or computer record, the EGS must be able to print or otherwise reproduce the record in hard copy.

#### **5.2 Initial EGS Selection for 1998.**

This Rule 5.2 delineates the process of Customer selection of an EGS for the first time during the initial enrollment period. The process for a Customer's selection of an EGS for the first time thereafter is governed by Rule 5.3.

Duquesne Light CompanyOriginal Page No. 19**5.2.1**

(a) An EGS must notify its Customers that by signing up for Competitive Energy Supply with the EGS, the Customer is consenting to the disclosure by the Company to the EGS of certain basic information about the Customer. At minimum, the notice shall inform the Customer that the following information will be disclosed: the Customer's name, address, Duquesne Light Company account number and rate class.

(b) If an enrolled Customer or person authorized to act on the enrolled Customer's behalf contacts the Company via telephone to select an EGS, the Company will direct the Customer to contact that EGS and provide the telephone number of the EGS to the Customer, if required.

(c) The EGS will obtain appropriate authorization from the Customer, or from the person authorized to act on the Customer's behalf, indicating the Customer's choice of EGS. The authorization shall include the Customer's acknowledgment that the Customer has received the notice required by Rule 5.2.1(a). It is the EGS's responsibility to maintain records of the Customer's authorization in the event of a dispute, in order to provide documented evidence of authorization to the Company or the Commission.

(d) The EGS shall provide an electronic file to the Company via Electronic Exchange. The required electronic file shall include, at a minimum, EGS ID, Duquesne Light Company Account Number, Action (ADD), Rate Code, Billing Option, Price Plan (if single bill option is selected), Transaction Date and Transaction Time. Upon receipt of the electronic file from the EGS, the Company will automatically confirm receipt of the file via Electronic Exchange. Within one business day of receipt of the electronic file, the Company will validate the records contained in the file, and will provide an electronic validation, including the number of records received and the reason for any rejections. Such validation shall include appropriate control totals such as number of records received, and the reason for any rejections (e.g., invalid account number). Such validation shall also include information an EGS can use to identify rejected records. If a Customer selects more than one EGS, the EGS that submitted the EGS selection record with the latest valid EGS contract date to the Company before the end of the EGS selection period will be eligible to become the EGS of record on the Customer's regularly scheduled Meter Read Date in January 1999.

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(e) The Company will send one business day thereafter a confirmation letter to all Customers who have made an initial EGS selection. Included in this letter shall be notification of a 10-day waiting period in which the Customer may cancel its selection of an EGS. The confirmation letter shall include the Customer's Name, Address, Duquesne Light Company Account Number, selected EGS, selected Billing Option (i.e., single bill or two bills), Service Effective Date and Initial Billing Date. The waiting period shall begin on the day the letter is mailed to the Customer. If the 10-day waiting period expires, and the Customer has not contacted the Company to dispute the EGS selection, the EGS will become the EGS of record for delivery in January, 1999. If the Customer elects to rescind its EGS selection, the Company will electronically notify the rejected EGS via Electronic Exchange. In the event the Customer rescinds its EGS selection after the 10-day waiting period, the Customer will be advised the rescission period has expired and the switch must be requested via the normal EGS selection process.

**5.2.2** If an enrolled Customer contacts the Company by mail to inform the Company that it wishes to obtain Competitive Energy Supply from a particular EGS, the Company will inform the Customer of the need to contact the EGS to select the EGS as supplier. The EGS will verify its desire to serve the Customer and follow the process outlined in Rule 5.2.1, before the end of the initial EGS selection period.

**5.3 Switching Among EGSs (or between an EGS and the Company as the Provider-of-Last Resort), and Initial Selection of an EGS Beginning in January 1999**

As of January 1999, initial EGS selection switching by Customers shall occur in accordance with the Direct Access Procedures contained in this Tariff and the EDC Tariff.

**5.3.1** An EGS must notify its Customers that by signing up for Competitive Energy Supply with the EGS, the Customer is consenting to the disclosure by the Company to the EGS of certain basic information about the Customer, as listed in Rule 4.14(a). At minimum, the notice shall inform the Customer that the following information will be disclosed: the Customer's name, address, Duquesne Light Company account number, and rate class.

Duquesne Light CompanyOriginal Page No. 21**5.3.2**

(a) If a Customer contacts, or is contacted by, a new EGS to request a change of EGS, and in turn, the new EGS agrees to serve the Customer, the Customer's new EGS shall obtain appropriate authorization from the Customer or person authorized to act on the Customer's behalf indicating the Customer's choice of EGS. The authorization shall include the Customer's acknowledgment that the Customer has received the notice required by Rule 5.3.1. It is the EGS's responsibility to maintain records of the Customer's authorization in the event of a dispute, in order to provide documented evidence of authorization to the Company or the Commission.

(b) The Customer's new EGS shall also submit the Customer's information using a file format designated by the Company that complies with the Commission's electronic requirements. The required electronic files shall include, at a minimum, EGS ID, Duquesne Light Company Number, Action (ADD), Rate Code, Billing Option, Price Plan (if single bill option is selected), Transaction Date and Transaction Time. Upon receipt of the electronic file from the EGS, the Company will automatically confirm receipt of the file via Electronic Exchange. Within one business day of receipt of the electronic file, the Company will validate the records contained in the file, and will provide an electronic validation, including the number of records received and the reason for any rejections. Such validation shall include appropriate control totals such as number of records received, and the reason for any rejections (e.g., invalid account number). Such validation shall also include information an EGS can use to identify rejected records.

(c) The Company will send the Customer a confirmation letter within one business day notifying the Customer of the right to rescind within 10 business days. If the Customer does not contact the Company within 10 days of the date on the confirmation letter, then the Company will process the selection. The selection will be effective as of the next scheduled Meter Read Date and the EGS will become the EGS of record for delivery provided that: (1) the Company has received at least 16 (sixteen) days prior notice from the EGS and all Customer information provided to the Company is accurate and complete; (2) the 10-day waiting period has expired; and (3) the Customer has not contacted the Company to dispute the EGS selection. In such circumstances, the Company will send the new EGS an electronic file, via Electronic Exchange, containing information for the new Customers of record for that particular

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EGS, in accordance with Rule 4.14(a).

If, during the 10-day waiting period, the Customer elects to rescind its new EGS selection, the Company will notify the rejected EGS of the rescission electronically via Electronic Exchange. In the event the Customer rescinds its EGS selection after the 10-day waiting period, the Customer will be advised the rescission period has expired and a switch must be requested via the normal EGS selection process.

(d) Once the preceding process is complete, the Company will notify the Customer's prior EGS, via Electronic Exchange, of the discontinuance of service to the Customer from that prior EGS.

**5.3.3** If a Customer contacts the Company to request a change of EGS, the Company will direct the Customer to contact that EGS and provide the telephone number of the EGS to the Customer, if requested.

**5.3.4** If an EGS wishes to obtain from the Company confidential Customer-specific information about a Customer with whom it is discussing the possibility of providing Competitive Energy Supply, the Company will only provide such information if the EGS provides to the Company a copy of written documentation indicating that the Customer has authorized the release of Customer information to the EGS or if the Customer has agreed to release the information during the enrollment process.

**5.3.5** If a Customer contacts the Company to request a change of EGS to the Company's tariffed Energy and Capacity Charges for Default Provider-of-Last-Resort (PLR) Service under the EDC Tariff, the Company will process the request as follows. The Company will send the Customer a confirmation letter notifying the Customer of the right to rescind. If the Customer does not contact the Company within 10 days of the date on the confirmation letter, then the Company will process the request. The request will be effective as of the next scheduled Meter Read Date and the Company as the Provider-of-Last Resort will become the supplier of record for delivery provided that: (1) the Company has received at least 16 (sixteen) days prior notice from the Customer; and (2) the 10-day waiting period has expired; and (3) the Customer has not contacted the Company to rescind or dispute the switch to Default PLR Service.

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Once the preceding process is complete, the Company will notify the Customer's prior EGS, via Electronic Exchange, of the discontinuance of service to the Customer from that prior EGS. The preceding process will not apply when an EGS discontinues a Customer's service, no other EGS has agreed to provide such service and that Customer is subsequently provided by Default PLR Service.

### **5.3.6**

(a) If a Customer contacts the Company to discontinue electric service at the Customer's then current location, and initiates a request for service at a new location in the Company's service territory, the Company will notify the current EGS, via Electronic Exchange, of the Customer's discontinuance of service for the account at the Customer's prior location. Final bill(s) will be issued to the date of discontinuance of service. The Company will also notify, via Electronic Exchange, the Customer's selected EGS for its new location, which may or may not be the current EGS, of the basic information described in Rule 4.14(a). If the selected EGS is not the same EGS that served the Customer at the old location, the Company will provide the EGS that served the Customer at the old location with the Customer's new mailing address or forwarding address. This process shall be updated as necessary pursuant to the Commission's standards for switching.

(b) If a Customer contacts the Company to discontinue electric service and indicates that the Customer will be relocating outside of the Company's service territory, the Company will notify the current EGS, via Electronic Exchange, of the Customer's discontinuance of service for the account at the Customer's location. If available, the Company will provide the EGS that served the Customer at the old location with the Customer's new mailing address or forwarding address.

**5.3.7** If the Company elects to change the account number for a Customer receiving generation service from an EGS, the Company will notify the EGS of the change in account number at the same Customer location, via Electronic Exchange.

## **5.4 Provisions relating to an EGS's Customers.**

**5.4.1 Arrangements with EGS Customers.** EGSs shall be solely responsible for having appropriate contractual or other arrangements with their

Customers necessary to implement Direct Access consistent with all applicable laws, PaPUC requirements, and this Tariff. The Company shall not be responsible for monitoring, reviewing or enforcing such contracts or arrangements.

#### **5.4.2 Transfer of Cost Obligations Between EGSs and Customers.**

Nothing in this Tariff is intended to prevent an EGS and a Customer from agreeing to reallocate between them any charges that this Tariff imposes on the EGS, provided that any such agreement shall not change in any way the EGS's obligation to pay such charges to the Company, and that any such agreement shall not confer upon the Company any right to seek recourse directly from the EGS's Customer for any charges owed to the Company by the EGS.

**5.4.3 Customer Obligations.** Customers of an EGS remain bound by the rules and requirements of the applicable EDC Tariff under which they receive service from the Company with respect to service received from the Company.

## **6. LOAD FORECASTING**

**6.1 Customer Load Forecasting.** The EGS is responsible for providing to the CAO a load forecast for each hour of each day which defines the power to be scheduled from energy source(s) to the Customer's point of consumption. By selecting an EGS, the Customer designates the EGS to act on its behalf. The EGS may elect to have the EDC provide this forecast in accordance with the following load forecasting procedures.

**6.2 Forecasting Methodology.** Most EDC Customers utilize monthly (or daily) metering equipment. However, any EDC Customer may choose to have the EDC install equipment or otherwise provide for (at the Customer's expense at PaPUC approved rates) interval (hourly or sub-hourly) metering. The forecasting methodology for Customers utilizing hourly metering data is slightly different than the methodology for Customers utilizing monthly (or daily) metering equipment.

**6.2.1 Forecasts for Monthly (or Daily) Metered (and Unmetered - such as streetlights) Customers.** The EDC will provide hourly load forecasts for the aggregate of Customers who have chosen an EGS. This forecast will establish the hourly supply obligation schedule of the EGS for serving such Customers. The EDC

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has developed and will maintain, based on load survey data, historical load profiles corresponding to the EDC's current rate classes identified in the EDC Tariff. The EDC will use these rate class load profiles, adjusted for differences between the historical load profile day and the forecast day (for example, first Saturday of June matched to first Saturday of June, or Memorial Day matched to Memorial Day), and further adjusted for temperature. The adjusted profiles will be applied to the summation by rate class of the EGS's Customer's historical consumption to arrive at the aggregate hourly load forecasts.

If an EGS wishes to provide hourly load forecasts for the aggregate of its monthly or daily metered Customers, the EGS and the EDC will agree upon the appropriate methodology and data exchange protocol.

**6.2.2 Forecasts for Customers Utilizing Hourly (or Sub-Hourly) Metering Data.** The EDC will provide hourly load forecasts for each EGS Customer that has elected to utilize hourly metering data. The EDC will use each Customer's same day hourly loads from the previous week and adjust those hourly loads by the temperature factor for that EGS Customer's rate class to determine that Customer's hourly load forecast. The summation of these forecasts will establish the hourly supply obligation schedule of the EGS for serving these customers.

If an EGS wishes to provide hourly load forecasts for each customer that has elected to utilize hourly metering data, the EGS and the EDC will agree upon the appropriate methodology and data exchange protocol.

**6.2.3 Historical Load Profile Data.** The EDC will make available to EGSs the historical load profiles (including historical temperature data) and any related data which the EDC uses to calculate the hourly forecasts. This information will be available for download from the Customer Choice Internet Site.

**6.2.3.1 Updates to Historical Load Profile Data.** The EDC shall review from time to time its historical load profile data by rate class and any related data and shall update the data as appropriate.

**6.3 Adjustment For Losses.** The forecast/supply obligation will be adjusted to cover Transmission Losses (see Rule 4.6.3) and Distribution Losses (see Rule 4.6.4) (Transmission Losses pursuant to the OATT and Distribution Losses pursuant to Table at Page No. 67).

#### **6.4 Forecasting Process.**

**6.4.1 Daily Forecasts.** Each day the EDC shall prepare two forecasts:

- (1) A final hourly forecast for the next day, and
- (2) A preliminary hourly forecast for the same day of the next week (for example, Monday for Monday; Tuesday for Tuesday).

**6.4.2 Procedure for Forecasting.** The following procedure will be followed each day to determine the final forecast for the next day and the preliminary forecast for the same day of the next week.

##### ***Step 1: Determining Hourly Load Forecast By EGS By Rate Class***

###### ***(A) For Monthly (or Daily) Metered (and Unmetered) Customers:***

For each rate class, sum each EGS's Customers' loads for that rate class, apply the appropriate rate class load profile for the day, and adjust the hourly loads by the temperature factor for the rate class.

Load forecasts will be adjusted for losses as appropriate.

For each EGS, combine all of the rate class hourly load forecasts into a total hourly load forecast.

If an EGS wishes to provide hourly load forecasts by rate class for its Customers, the EGS and the EDC will agree upon the appropriate methodology and data exchange protocol.

Duquesne Light CompanyOriginal Page No. 27**(B) For Customers that Elect to Utilize Hourly Metering Data:**

Use each EGS's Customer's same day hourly loads from the previous week, and adjust those hourly loads by the temperature factor for that Customer's rate class to determine that Customer's hourly load forecast.

Load forecasts will be adjusted for losses as appropriate.

For each EGS, combine each Customer's hourly load forecasts into a total hourly load forecast.

If an EGS wishes to develop Customer-specific hourly load forecasts, the forecasts must be submitted prior to 8:00 A.M. on the day prior to the day for which the forecast applies. The forecasts must be submitted by e-mail to the EDC according to the NERC TIS protocol (Available at <http://www.nerc.com/doc/tisform.html>). Each Customer-specific hourly forecast submitted in accordance with the foregoing will supersede any hourly load forecast for that Customer developed by the EDC.

If the EDC fails to receive a Customer-specific forecast prior to 8:00 A.M. on the day before the day for which the forecast applies, the EDC's final forecast for that Customer will be used.

**Step 2: EDC E-mails Total Schedule to EGS**

Separately, for each of the EGS's (1) final hourly forecast for the next day; and (2) preliminary hourly forecast for the same day next week; the EDC will sum the combined rate class hourly load forecasts and the combined Customer-specific hourly load forecasts into a total EGS hourly load forecast, including any hourly forecasts for any Coordinated Suppliers that have designated that EGS as their Scheduling Coordinator. The EDC will then e-mail the total EGS hourly load forecast to the EGS and CAO promptly after 8:00 A.M. Eastern Prevailing Time each day using the NERC TIS protocol.

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## 7. SUPPLY SCHEDULING

**7.1 Total Supply Schedules.** The forecast establishing the hourly supply obligation schedule may be provided by the EGS, EDC, or combination thereof. The total supply schedule for an EGS is expected to be equal to the aggregate hourly forecast for all of the monthly metered (and unmetered) Customers and Customers of that EGS utilizing hourly meter data and forecasts for any Coordinated Suppliers that have designated that EGS as their Scheduling Coordinator. The total supply schedule will include real power Transmission and Distribution Losses.

**7.2 Rounding to Whole Megawatts.** So long as the CAO or its successor requires the scheduling and delivery of power only in whole Megawatts (MW), the aggregate forecast value for each hour will be expressed as a whole MW value for supply scheduling purposes.

### 7.3 Daily Load Scheduling Process.

**7.3.1 E-Mailing Schedules.** The EDC will e-mail, using the NERC TIS protocol, the forecast to each respective EGS and to the CAO promptly after 8:00 A.M. Eastern Prevailing Time on the day before the day for which the forecast applies. By 10:00 A.M. that same day, the EGS will e-mail to the CAO using the NERC TIS protocol, a completed NERC tag for energy to meet the EGS's supply schedule.

**7.3.2 Binding Nature of Schedule.** The Schedule e-mailed to the EDC and CAO shall serve as the official schedule, and said official schedule shall be binding on that EGS, unless changed in accordance with 7.3.3.

**7.3.3 Schedule Changes.** Once a supply schedule has been submitted in accordance with 7.3.1, the EGS supply schedule may be changed in accordance with good utility operating practice, NERC and ECAR Scheduling Guides, specific procedures adopted by the CAO and in accordance with the following guidelines.

- (1) Schedule change requests should be made by telephone to the CAO with at least 2 hours notice.

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- (2) After CAO agreement to the change, the supply schedule change will be sent to the CAO by e-mail utilizing the NERC TIS protocol.
- (3) All changes to previously submitted schedules will be accomplished as follows:
  - (a) The EGS will e-mail to the CAO a revised schedule to set to zero the hourly schedules for all hours including and following the first hour for which the prevailing schedule is to be changed.
  - (b) A new supply schedule (or schedules if more than one day is involved) will be e-mailed to the CAO to completely replace the schedules for the hours which have been set to zero in accordance with (a) above.
- (4) The CAO will notify the EDC of the schedule change, and the revised schedule will establish the new prevailing hourly supply obligation for serving the EGS's Customers.
- (5) During emergency operations such as ECAR Automatic Reserve Sharing (ARS) episodes, PJM Max Generation Emergencies, etc., the 2 hour notice requirement will be waived.

## 8. RECONCILIATION

**8.1 General Description.** Reconciliation determines Supply Energy Imbalance, Consumption Energy Imbalance and total energy imbalance.

Supply Energy Imbalance is the difference between the hourly load forecast/supply obligation for energy to be delivered to the Control Area and the actual energy delivered each hour to the Control Area.

Consumption Energy Imbalance is the difference between that same hourly load forecast/supply obligation and the actual hourly energy consumed by Customers Utilizing Hourly Metering Data, and developed (using rate class load profiles) hourly

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energy consumption for Monthly (or Daily) Metered (and Unmetered) Customers.

Because the actual hourly energy delivered to the Control Area and the hourly consumption are reconciled with the identical load forecast/supply obligation for that hour, Supply Energy Imbalance and Consumption Energy Imbalance together equal the total energy imbalance, an Ancillary Service of the OATT.

**8.2 Meter Data Collection.** Meter data collected by the Company shall be utilized to calculate the quantity of energy actually consumed by an EGS's Customers for a particular reconciliation period.

**8.2.1 Monthly (or Daily) Metered (and Unmetered - such as streetlights) Customers.** The EDC collects daily Customer reads for the majority of its customer base. The rate class profile is used to convert the actual daily consumption to equivalent hourly consumption.

If a Customer does not have daily reads available, the EDC collects monthly meter data, in subsets corresponding to customer billing cycles, which close on different days of the month. The EDC converts Customers' actual monthly consumption to equivalent hourly consumption using the rate class load profiles.

**8.2.2 Customers Utilizing Hourly (or Sub-Hourly) Metering Data.** Data from Customers Utilizing Hourly (or Sub-Hourly) Metering Data is collected by the EDC on a daily or monthly basis.

**8.3 Hourly Consumption.** Hourly consumption for the Customers of each EGS is determined by summing the consumption as described in 8.2.1 and 8.2.2.

**8.4 Consumption and Losses.** Transmission and Distribution Losses are calculated based upon Customer consumption. These losses are added to the hourly energy consumed by customers and are included in the Consumption Energy Imbalance Calculation.

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**8.5 EGS Supply Energy Imbalance.** Supply Energy Imbalance for each EGS is calculated by subtracting the EGS's hourly load forecast/supply obligation schedule from the EGS's actual hourly energy delivered to the Control Area.

**8.6 EGS Consumption Energy Imbalance.** Consumption Energy Imbalance for each EGS is calculated by subtracting that EGS's aggregate of hourly consumption adjusted for losses, as appropriate from that EGS's hourly load forecast/supply obligation schedule. The data, algorithms and methodology used to calculate Consumption Energy Imbalance for each EGS will be made available upon request.

**8.7 Billing.** Total energy imbalance for each EGS is calculated by adding Supply Energy Imbalance to Consumption Energy Imbalance. Total energy imbalance will be billed monthly to the EGS at the OATT rate.

## 9. UTILIZATION OF SCHEDULING COORDINATORS

**9.1 Participation Through a Scheduling Coordinator.** If an EGS chooses not to interact directly with the CAO for scheduling purposes or cannot schedule directly with the CAO because its schedules do not meet the "whole megawatt" requirements set by the CAO for scheduling, an EGS may become a Coordinated Supplier by entering into a business arrangement with another EGS or entity that will act as a Scheduling Coordinator. Once this business arrangement is in place, the Scheduling Coordinator will act on behalf of the EGS with regard to all load forecasting, supply scheduling, and reconciliation activities and responsibilities of the EGS required under this Tariff.

**9.2 Designation of a Scheduling Coordinator.** To designate a Scheduling Coordinator, an EGS must provide the EDC with a completed Scheduling Coordinator Designation Form, included as a Rider hereto, fully executed by both the EGS (who will become the Coordinated Supplier) and the Scheduling Coordinator.

**9.3 Primary Obligations of A Coordinated Supplier.** Notwithstanding their designations of Scheduling Coordinators, each Coordinated Supplier remains primarily responsible for fully satisfying the requirements of this Tariff. All actions of the

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Scheduling Coordinator that relate to one of its Coordinated Suppliers are binding on, and attributable to, said Coordinated Supplier.

**9.4 Load Forecasting, Supply Scheduling, and Reconciliation through a Scheduling Coordinator.** Coordinated Suppliers cannot submit to the CAO or EDC individual load forecasts, supply schedules, or proposed changes to supply schedules on behalf of itself or individual EGSs. Rather, the Scheduling Coordinator will provide only one consolidated load forecast, supply schedule and be reconciled on behalf of itself and all its designated Coordinated Suppliers.

**9.5 Change in or Termination of Scheduling Coordinator.** To change a Scheduling Coordinator, or cease using a Scheduling Coordinator, an EGS shall notify the CAO and EDC in writing and said notice shall specify the effective month of the change or termination. The effective date of the change or termination shall be the first day of the month indicated in the notification letter unless notification is received by the CAO and EDC less than ten business days before the first day of that month, in which case the effective day of the change shall be the first day of the subsequent month. In the event an EGS ceases using a Scheduling Coordination, an EGS shall immediately resume the direct performance of all EGS obligations under this Tariff.

## 10. METERING DATA

**10.1 Meter Data Provided by the Company to an EGS.** Regardless of whether the Company or an EGS performs Customer billing for an EGS's energy charges, the Company will make available to an EGS, via Electronic Exchange, daily files containing meter readings, usage, registered demand (where applicable), and reading type information (i.e., actual or estimated), and any other relevant information mutually agreed upon by the Company and EGS for billing purposes, for each of an EGS's Customers as it becomes available by billing cycle. The information will be provided consistent with standards developed by the EDEWG.

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## 11. CONFIDENTIALITY OF INFORMATION

**11.1 Generally.** All Company information made available to an EGS in connection with the provision of Coordination Services, including but not limited to load curve data, and information regarding the Company, computer and communication systems shall not be disclosed to third parties without appropriate authorization and/or consent.

**11.2 Customer Information.** The EGS shall keep all Customer-specific information supplied by the Company confidential unless the EGS has the Customer's authorization to do otherwise.

## 12. PAYMENT AND BILLING

**12.1 Customer Billing by the Company.** All EGS charges to Customers, if billed by the Company, shall be billed in accordance with the EDC Tariff and the following provisions:

**12.1.1 Company Billing for EGS.** The Company will bill price plans offered by the EGS which are based on fixed and variable charges similar to those the Company employs for billing distribution service and default Provider-of-Last-Resort service. Nothing in this Rule shall require the Company to manually bill Customers. Within this context, if the Company's billing system has the capability to bill the price plans offered by the EGS, the EGS may request the Company to do all or some of the billing for the EGS's Customers based on the Customers' preferences. In addition, the Company will include on its bill EGS late fees and payment arrangements as required by the PaPUC. However in no case shall the Company require the EGS to provide separate Customer lists or perform unique scheduling and reconciliation services for Customers billed directly by the Company.

**12.1.2 Billing Files.** Where the EGS has requested the Company to act as the EGS's billing agent the Company shall electronically transmit files of billing detail daily to the EGS. Such files shall include the Company account number, rate codes, usage information, demand and energy charges, sales tax, and other EGS charges. Billing files transmitted shall have control totals to assure all data was received by the EGS. Control totals include the number of records on the file and significant totals (e.g. total kWh billed, total amount billed, total tax). All billing files will be in a format

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consistent with standards developed by the EDEWG.

**12.1.3 Budget Billing.** The Company will develop dual tracking systems to administer budget billing and apply payments for EGS charges and Company charges.

**12.1.4 EGS Tax Responsibility** The Company is not responsible for paying or remitting on behalf of an EGS taxes including, but not limited to, Pennsylvania Gross Receipts Tax, Pennsylvania Public Utility Realty Tax, Pennsylvania Capital Stock Tax and Pennsylvania Corporate Net Income Tax.

**12.1.4.1 Sales Tax Exemption.** With respect to Customers receiving one bill from the Company, the EGS for whom the Company is billing must provide to the Company the applicable sales tax exemption percentage for each Customer. The Company will use the sales tax exemption percentage provided by the EGS for billing the EGS's charges. The EGS is responsible for holding appropriate exemption certificates and is liable for the collection and remittance of sales tax on the EGS's charges. The Company will use a zero exemption percentage if no percentage is provided by an EGS.

**12.1.5 Company Reimbursement to EGS for Customer Payments.** Where the Company acts as the billing agent for the EGS, the Company shall reimburse the EGS within 14 days of receipt of payment for all energy charges, late fees, sales taxes, and any other taxes and charges collected on behalf of the EGS from the Customer consistent with Section 2807 (c) (3) of the Competition Act.

**12.1.6 EGS Billing Data.** The EGS shall provide all necessary data in its possession for the timely computation of bills. A failure of the EGS to provide necessary data to the Company in a timely fashion may delay generation of a bill for the month to which the data pertain. In such instances, the EGS is responsible for all fines and violations, if any, arising as a consequence of the Company's inability to render a timely bill.

**12.2 EGS Payment of Obligations to the Company.** An EGS shall pay all Coordination Services Charges or any other Charge it incurs hereunder in accordance with the following provisions:

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**12.2.1 Billing Procedure.** Each month, the Company shall submit an invoice to the EGS for all Coordination Services Charges provided under this Tariff. The invoice may be transmitted to the EGS by any reasonable method requested by the EGS. An EGS shall make payment for Charges incurred on or before the due date shown on the bill. The due date shall be determined by the Company and shall not be less than fifteen (15) days from the date of transmittal of the bill.

**12.2.2 Billing Corrections and Estimated Billings.** Notwithstanding anything stated herein: (1) bills shall be subject to adjustment for any errors in arithmetic, computation, meter readings, estimating or other errors for a period for six (6) months from the date of such original monthly billing and (2) the Company shall be entitled to submit estimated bills (subject to correction) in the event the EGS fails to supply necessary information in a timely fashion or other circumstances limit the timely availability of necessary data.

**12.2.3 Manner of Payment.** The EGS may make payments of funds payable to the Company by wire transfer to a bank designated by the Company. The Company may require that an EGS that is not Creditworthy tender payment by means of a certified or cashier's check, or by wire transfer, or other immediately available funds. If disputes arise regarding an EGS bill, the EGS must pay the undisputed portion of disputed bills under investigation. All payments shall be in United States dollars.

**12.2.4 Late Fee for Unpaid Balances.** If payment is made to the Company after the due date shown on the bill, a late fee will be added to the unpaid balance until the entire bill is paid. This late fee will be 1.5% per month on the unpaid balance.

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

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

**12.3 Billing for Supplier Obligations to Other Parties.** The Company will assume no responsibility for billing between an EGS and any energy source, or a Scheduling Coordinator and any Coordinated Suppliers.

**12.4 Guarantee of Payments.** Before the Company will render service or continue to render service, the Company shall require an applicant for Coordination Service or an EGS currently receiving such service that has Bad Credit to provide a deposit in the form of a letter of credit, or other guarantee, satisfactory to the Company. The Company will hold the deposit as security for the payment of final bills and compliance with the Company's Rules and Regulations. In addition, the Company may require an EGS to post a deposit at any time if the Company determines that the EGS is no longer Creditworthy or has Bad Credit. An EGS shall have the right to submit to the Commission for resolution any reasonable dispute regarding such deposit sought by the Company if the EGS believes such a requirement is inappropriately based or assessed.

**12.4.1 Amount of Deposits.** The deposit shall be equal to (i) \$250,000, or (ii) two months of the EGS's Customers' forecasted MWH load multiplied by \$25.00, whichever is less. The Company, in its sole discretion, may reduce the amount of this deposit if circumstances warrant.

**12.5 Credit Information.** In addition to information required otherwise hereunder, an EGS shall be required to provide to the Company such credit information as the Company requires. The Company will report to a national credit bureau the EGS's credit history with the Company.

### 13. WITHDRAWAL BY EGS FROM RETAIL SERVICE

**13.1 Notice of Withdrawal to the Company.** An EGS shall provide electronic notice to the Company of withdrawal by the EGS from retail service in accordance with the PaPUC's rulings in Docket No. 00960890F.0013, and any subsequent applicable PaPUC rulings.

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**13.2 Notice to Customers.** An EGS shall provide notice to its Customers of withdrawal by the EGS from retail service in accordance with the PaPUC's rulings in Docket No. 00960890F.0013 and any subsequent applicable PaPUC rulings.

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

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

#### **14. EGS'S DISCONTINUANCE OF SERVICE TO PARTICULAR CUSTOMERS**

**14.1 Notice of Discontinuance to the Company.** An EGS shall provide electronic notice to the Company of all intended discontinuances of service to Customers in accordance with applicable PaPUC rules.

**14.2 Notice to Customers.** An EGS shall provide a minimum of 30 days advance notice to any Customer it intends to stop serving of such intended discontinuance in a manner consistent with the PaPUC's rulings in Docket Nos. L-00970126 and M-00960890 and any subsequent applicable PaPUC rulings. The application of this Rule 14.2 will, however, be limited to the classes of Customers to which the referenced PaPUC rulings will apply. With respect to all other classes of Customers, it will be the EGS's responsibility to provide notice to a Customer of its intention to discontinue service in accordance with the EGS's contractual obligations with the Customer.

**14.3 Effective Date of Discontinuance.** Any discontinuance will be effective on a Meter Read Date and in accordance with the EGS switching rules in this Tariff and the EDC Tariff.

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## 15. LIABILITY

**15.1 General Limitation on Liability.** The Company shall have no duty or liability with respect to electric energy before it is delivered by an EGS to a point of delivery on the Company's distribution system. After its receipt of electric energy and capacity at the point of delivery, the Company shall have the same duty and liability for distribution service to Customers receiving Competitive Energy Supply as to those receiving electric energy and capacity from the Company.

**15.2 Limitation On Liability For Service Interruptions And Variations.** The Company does not guarantee continuous, regular and uninterrupted supply of service. The Company may, without liability, interrupt or limit the supply of service for the purpose of making repairs, changes, or improvements in any part of its system for the general good of the service or the safety of the public or for the purpose of preventing or limiting any actual or threatened instability or disturbance of the system. The Company is also not liable for any damages due to accident, strike, storm, riot, fire, flood, legal process, state or municipal interference, or any other cause beyond the Company's control.

**15.3 Additional Limitations On Liability In Connection With Direct Access.** Other than its duty to deliver electric energy and capacity, the Company shall have no duty or liability to an EGS providing Competitive Energy Supply arising out of or related to a contract or other relationship between an EGS and a Customer of the EGS.

The Company shall implement Customer selection of an EGS consistent with applicable rules of the Commission and shall have no liability to an EGS providing Competitive Energy Supply arising out of or related to switching EGSs, unless the Company is negligent in switching or failing to switch a Customer.

## 16. BREACH OF COORDINATION OBLIGATIONS

**16.1 Breach of Obligations.** The Company or an EGS shall be deemed to be in breach of its Coordination Obligations under the Individual Coordination Agreement and this Tariff upon its failure to observe any material term or condition of this Tariff, including any Rule and Regulation, Charge or Rider thereof.

**16.2 Events of Breach.** A material breach of Coordination Obligations hereunder, as described in Rule 16.1, shall include, but is not limited to, the following:

- (a) a material breach of any Rule or Regulation of the Tariff;
- (b) an EGS's failure to maintain its license or certification as an electric generation supplier or electricity supplier from the PaPUC;
- (c) an EGS's failure to make payment of any undisputed Coordination Services Charges in the time prescribed;
- (d) the involuntary bankruptcy/insolvency of the EGS, including but not limited to, the appointment of a receiver, liquidator or trustee of the EGS, or a decree by such a court adjudging the EGS bankrupt or insolvent or sequestering any substantial part of its property or a petition to declare bankruptcy as to reorganize the EGS; or
- (e) an EGS's filing of a voluntary petition in bankruptcy under any provision of any federal or state bankruptcy law, or its consent to the filing of any bankruptcy or reorganization petition against it under any similar law; or without limiting the generality of the foregoing, an EGS admits in writing its inability to pay its debts generally as they become due or consents to the appointment of a receiver, trustee or liquidator of it or of all or any part of its property.

**16.3 Cure and Default.** If either the Company or an EGS materially breaches any of its Coordination Obligations (hereinafter the "Breaching Party"), the other party (hereinafter the "Non-Breaching Party") shall provide the Breaching Party a written notice describing such breach in reasonable detail and demanding its cure. The Breaching Party shall be deemed to be in default ("Default") of its obligations under this Tariff and the Individual Coordination Agreement if: (i) it fails to cure its breach within thirty (30) days after its receipt of such notice; or (ii) the breach cannot be cured within such period and the Breaching Party does not commence action to cure the

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breach within said period and thereafter diligently pursues such action to completion.

**16.4 Rights Upon Default.** Notwithstanding anything stated herein, upon the occurrence of any Default, the party not in Default shall be entitled to (i) commence an action to require the party in Default to remedy such Default and specifically perform its duties and obligations hereunder in accordance with the terms and conditions hereof, and (ii) exercise such other rights and remedies as it may have in equity or at law.

## **17. TERMINATION OF INDIVIDUAL COORDINATION AGREEMENT**

**17.1 Termination.** An Individual Coordination Agreement will or may be terminated as follows:

(a) **Withdrawal of the EGS from Retail Service.** In the event the EGS ceases to participate in or otherwise withdraws the provision of Competitive Energy Supply to Customers in the Company's Service Territory, the Individual Coordination Agreement between the EGS and the Company shall terminate thirty (30) days following the date on which the EGS has no more active Customers.

(b) **The Company's Termination Rights Upon Default by EGS.** In the event of a Default by the EGS, the Company may terminate the Individual Coordination Agreement between the EGS and the Company by providing written notice to the EGS in Default, without prejudice to any remedies at law or in equity available to the party not in Default by reason of the Default.

**17.2 Effect of Termination.** Termination of Individual Coordination Agreements will have the same effect on an EGS's Customers as the EGS's discontinuance of supply to such Customers described in Rule 23.5 of the EDC Tariff: If a Customer of a terminated EGS has not switched to another EGS prior to termination, said Customer will receive Default PLR Service (as defined in the EDC Tariff) pending its selection of another EGS.

**17.3 Survival of Obligations.** Termination of an Individual Coordination Agreement for any reason shall not relieve the Company or an EGS of any obligation accrued or accruing prior to such termination.

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## 18. ALTERNATIVE DISPUTE RESOLUTION

**18.1 Informal Resolution of Disputes.** The Company and EGS shall use good faith and commercially reasonable efforts to informally resolve all disputes arising out of the implementation of this Tariff and/or the conduct of *Coordination Activities* hereunder. The EGS's point of contact for all information, operations, questions, and problems regarding *Coordination Activities* shall be the Company's Supplier Service Center at (412)393-6169 or the Customer Choice Internet Site.

**18.2 Internal Dispute Resolution Procedures.** Any dispute between the Company and an EGS under this Tariff or Individual Coordination Agreement shall be referred to a designated senior representative of each of the parties for resolution on an informal basis as promptly as practicable. In the event the designated representatives are unable to resolve the dispute within thirty (30) days (or such other period as the parties may agree upon) such dispute, by mutual agreement, may be referred to mediation in accordance with Section 8 of the Interim Code of Conduct in the EDC Tariff or may be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below.

**18.3 External Arbitration Procedures.** If the amount in dispute is \$500,000 or less, the arbitration initiated under the Tariff or any Individual Coordination Agreement shall be conducted before a single neutral arbitrator appointed by the parties. If the parties fail to agree upon a single arbitrator within twenty (20) days of the referral of the dispute to arbitration the parties shall request the American Arbitration Association to appoint a single neutral arbitrator. If the amount in dispute exceeds \$500,000, each party shall choose one neutral arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) days of their selection, select a third arbitrator to chair the arbitration panel. In any case, the arbitrators chosen shall be knowledgeable in *electric utility matters*, including electric transmission and bulk power issues, and shall not have any current or past *substantial business or financial relationships* with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the parties an opportunity to be heard and, except as otherwise provided herein, shall generally conduct the arbitration in accordance with the then current Commercial Arbitration Rules of the American Arbitration Association.

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**18.4 Arbitration Decisions.** Unless otherwise agreed, the arbitrator(s) shall render a decision within ninety (90) days of their appointment and shall notify the parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the Tariff and any Individual Coordination Agreement and shall have no power to modify or change any provisions in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court of competent jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in 42 Pa. C.S.A. § 7341. The final decision of the arbitrator must also be filed with FERC and PaPUC, if it affects their respective jurisdictional rates, terms and conditions of service or facilities.

**18.5 Costs.** Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable:

- (a) the cost of the arbitrator chosen by the party to sit on the three member panel and a proportionate share of the cost of the third arbitrator chosen; or
- (b) a proportionate share of the cost of the single arbitrator jointly chosen by the parties.

**18.6 Rights Under The Federal Power Act.** Nothing in this Section shall restrict the rights of any party to file a complaint with FERC under relevant provisions of the Federal Power Act.

**18.7 Rights Under The Pennsylvania Public Utility Code.** Nothing in this Section shall restrict the rights of any party to file a complaint with the PaPUC under relevant provisions of the Pennsylvania Public Utility Code.

## 19. MISCELLANEOUS

**19.1 Notices.** Unless otherwise stated herein, any notice contemplated by this Tariff shall be in writing and shall be given to the other party at the addresses stated in the notice section of the Individual Coordination Agreement. If given by electronic transmission (including fax, telex, telecopy or Internet email), notice shall be deemed

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given on the date sent and shall be confirmed by a written copy sent by first class mail. If sent in writing by first class mail, notice shall be deemed given on the fifth business day following deposit in the United States mail (as noted by the postmark), properly addressed, with postage prepaid. If sent by same-day or overnight delivery service, notice shall be deemed given on the day of delivery. The Company and an EGS may change their representative for receiving notices contemplated by this Tariff by delivering written notice of their new representatives to the other.

**19.2 No Prejudice of Rights.** The failure by either the Company or the EGS to enforce any of the terms of this Tariff or any Individual Coordination Agreement shall not be deemed a waiver of the right of either to do so.

**19.3 Gratuities to Employees.** The Company's employees are strictly forbidden to demand or accept any personal compensation, or gifts, for service rendered by them while working for the Company.

**19.4 Assignment.**

**19.4.1** An Individual Coordination Agreement hereunder may not be assigned by either the Company or the EGS without (a) any necessary regulatory approval and (b) the consent of the other party, which consent shall not be unreasonably withheld.

**19.4.2** Any assignment occurring in accordance with Rule 19.4.1 hereunder shall be binding upon, and oblige and inure to the benefit of, the successors and assigns of the parties to the Individual Coordination Agreement.

**19.5 Governing Law.** To the extent not subject to the exclusive jurisdiction of FERC, the formation, validity, interpretation, execution, amendment and termination of this Tariff or any Individual Coordination Agreement shall be governed by the laws of the Commonwealth of Pennsylvania.

The Tariff or any Individual Coordination Agreement, and the performance of the parties' obligations thereunder, is subject to and contingent upon (i) present and future local, state and federal laws, and (ii) present and future regulations or orders of any local, state or federal regulating authority having jurisdiction over the matter set forth herein.

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If at any time during the term of the Tariff or any Individual Coordination Agreement, FERC, the PaPUC or a court of competent jurisdiction issues an order under which a party hereto believes that its rights, interests and/or expectations under the Agreement are materially affected by said order, the party so affected shall within thirty (30) days of said final order provide the other party with notice setting forth in reasonable detail how said order has materially affected its rights, interests and/or expectations in the Agreement. Within thirty (30) days from the receiving party's receipt of said notice the parties agree to attempt through good faith negotiations to resolve the issue. If the parties are unable to resolve the issue within thirty (30) days from the commencement of negotiations, either party may at the close of said thirty (30) day period terminate the Agreement, subject to any applicable regulatory requirements, following an additional thirty (30) days prior written notice to the other party without any liability or responsibility whatsoever except for obligations arising prior to the date of service termination.

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Duquesne Light CompanyOriginal Page No. 45**TECHNICAL SUPPORT AND ASSISTANCE CHARGE****APPLICABILITY**

Technical support and assistance is defined as support and assistance that may be provided by the Company to a licensed EGS in connection with questions and research requests from the EGS in support of its energy supply business.

The Company will provide basic instruction on the Customer Choice Internet Site and VAN; assistance in normal business interactions, such as daily forecasting and scheduling; and, standard processing of EGS data files. In addition, the Company will post a FAQ (Frequently Asked Questions) page on the Customer Choice Internet Site, and update it on a regular basis.

The Company is under no obligation to provide any further support or assistance. However, should additional assistance be required, such as manual verification of customer data, explanation of Duquesne Light Company filings or regulatory orders, or explanation of Customer Choice Internet Site/Network communications, the Company will make its best efforts to provide the requested support, for a fee as described below. The fee may include time spent by Company employees or consultants conducting research in connection with an EGS inquiry.

**CHARGES**

First 10 hours per month per EGS: No charge.

Additional hours beyond first 10 hours per month per EGS: \$41 per hour or fraction thereof.

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**RIDERS**

**INDIVIDUAL COORDINATION AGREEMENT RIDER**

- 1.0 This Individual Coordination Agreement ("Agreement"), dated as of \_\_\_\_\_ is entered into, by and between Duquesne Light Company (the "Company") and \_\_\_\_\_ ("EGS").
- 2.0 The Company agrees to supply, and the EGS agrees to have the Company supply, all "Coordination Services" specified in the Electric Generation Supplier Coordination Tariff ("EGS Coordination Tariff").
- 3.0 Representations and Warranties.
- (a) The EGS hereby represents, warrants and covenants as follows:
- (i) The EGS is in compliance, and will continue to comply, with all obligations, rules and regulations, as established and interpreted by the Control Area Operator; and
- (ii) The EGS is licensed by the PaPUC to provide Competitive Energy Supply to Customers in Pennsylvania and has and will continue to satisfy all other PaPUC requirements applicable to EGSs.

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(b) The Company and the EGS, individually referred to hereafter as the "Party," each represents, warrants and covenants as follows:

(i) Each Party's performance of its obligations hereunder has been duly authorized by all necessary action on the part of the Party and does not and will not conflict with or result in a breach of the Party's charter documents or bylaws or any indenture, mortgage, other agreement or instrument, or any statute or rule, regulation, order, judgment, or decree of any judicial or administrative body to which the Party is a party or by which the Party or any of its properties is bound or subject.

(ii) This Agreement is a valid and binding obligation of the Party, enforceable in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency or similar laws from time to time in effect that affect creditors' rights generally or by general principles of equity.

4.0 The EGS shall provide notice to the Company via facsimile, with a copy delivered pursuant to overnight mail, at such time that the EGS learns that any of the representations, warranties, or covenants in Section 3.0 of this Agreement have been violated.

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- 5.0 As consideration for Coordination Services provided by the Company, the EGS shall pay the Company those Coordination Services Charges billed to the EGS in accordance with the terms and conditions of the EGS Coordination Tariff.
- 6.0 Coordination Services between the Company and the EGS will commence on \_\_\_\_\_.
- 7.0 Any notice or request made to or by either Party regarding this Agreement shall be made to the representative of the other Party as indicated below.

To Duquesne Light Company:

Duquesne Light Company  
2839 New Beaver Avenue, N2-SO  
Pittsburgh, PA 15233  
Attn: Robert A. Irvin  
Title: General Manager, System Operations Unit

Telephone: (412)393-6205  
Facsimile: (412)393-8647  
Internet E-Mail: irvin@soc-dlco.lm.com

To the EGS:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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Attn: \_\_\_\_\_  
Title: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
Facsimile: \_\_\_\_\_  
Internet E-Mail: \_\_\_\_\_

8.0 The EGS Coordination Tariff is incorporated herein by reference and made a part hereof. All terms used in this Agreement that are not otherwise defined shall have the meaning provided in the EGS Coordination Tariff.

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**IN WITNESS WHEREOF**, and intending to be legally bound thereby, Duquesne Light Company and the EGS identified above have caused this Coordination Agreement to be executed by their respective authorized officials.

**DUQUESNE LIGHT COMPANY**

By: \_\_\_\_\_  
Name Title Date

\_\_\_\_\_

By: \_\_\_\_\_  
Name Title Date

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**SCHEDULING COORDINATOR DESIGNATION FORM**

1.0 This Scheduling Coordinator Designation Form, dated \_\_\_\_\_, is being submitted to Duquesne Light Company ( the "Company") by the following Electric Generation Supplier ("EGS"):

\_\_\_\_\_

2.0 By submitting this form, the EGS hereby notifies the Company that it has appointed the following entity to act as its Scheduling Coordinator in accordance with Rule 9 of the Company's Electric Generation Supplier Coordination Tariff (the "EGS Coordination Tariff"):

\_\_\_\_\_

3.0. The EGS further notifies the Company that it is designating the person identified in the preceding paragraph as its Scheduling Coordinator. The Scheduling Coordinator shall be responsible for Load Forecasting, Supply Scheduling and Reconciliation as set forth in Rules 6, 7 and 8, respectively.

4.0. The Company may utilize the Scheduling Coordinator as the sole point of

**FILE**

**CONTINUED**