

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° 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

	Distribution Charge cents per <u>kilowatt-hour</u>	Competitive Transition Charge cents per <u>kilowatt-hour</u>	Transmission Charge cents per <u>kilowatt-hour</u>	Generation Charge cents per <u>kilowatt-hour</u>
First 500 kilowatt-hours	<u>2.0173</u> 2.7991	<u>3.9760</u> 3.2828	<u>0.2534</u> 0.2738	<u>5.1396</u> 5.1256
Additional kilowatt-hours	<u>0.7470</u> 1.0511	<u>1.4723</u> 1.2327	<u>0.2534</u> 0.2738	<u>1.7436</u> 1.7537

SUMMER MONTHLY RATE

For the Billing Months of May through October:

ENERGY CHARGES

	Distribution Charge cents per <u>kilowatt-hour</u>	Competitive Transition Charge cents per <u>kilowatt-hour</u>	Transmission Charge cents per <u>kilowatt-hour</u>	Generation Charge cents per <u>kilowatt-hour</u>
All kilowatt-hours	<u>2.0173</u> 2.7991	<u>3.9760</u> 3.2828	<u>0.2534</u> 0.2738	<u>5.1396</u> 5.1256

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 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. For reasonable periods of time in a 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. However, this will not apply in instances where the Company supplies electricity when an EGS defaults on their contract with the customer.

~~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^o 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</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	<u>3.74</u> 3.69	<u>6.48</u> 6.69	<u>0.55</u> 0.56	<u>7.57</u> 7.40

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 550 kilowatt-hours	<u>2.7946</u> 2.7755	<u>4.8400</u> 5.0327	<u>0.1582</u> 0.1618	<u>5.9035</u> 5.8213
Next 750 kilowatt-hours	<u>2.6151</u> 2.5984	<u>4.5290</u> 4.7115	<u>0.1582</u> 0.1618	<u>5.5140</u> 5.4396
Additional kilowatt-hours	<u>0.7195</u> 0.7288	<u>1.2461</u> 1.3215	<u>0.1582</u> 0.1618	<u>1.4025</u> 1.4092

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

MONTHLY RATE - (Continued)

INDUSTRIAL CUSTOMERS

DEMAND CHARGES

	<u>Distribution Charge</u> <u>\$ per kilowatt</u>	<u>Competitive Transition Charge</u> <u>\$ per kilowatt</u>	<u>Transmission Charge</u> <u>\$ per kilowatt</u>	<u>Generation Charge</u> <u>\$ per kilowatt</u>
First 5 kilowatts or less of Demand	No Charge	No Charge	No Charge	No Charge
Additional kilowatts of Demand	<u>3.74</u> 3.69	<u>7.84</u> 7.91	<u>0.55</u> 0.56	<u>6.21</u> 6.18

ENERGY CHARGES

	<u>Distribution Charge</u> <u>cents per kilowatt-hour</u>	<u>Competitive Transition Charge</u> <u>cents per kilowatt-hour</u>	<u>Transmission Charge</u> <u>cents per kilowatt-hour</u>	<u>Generation Charge</u> <u>cents per kilowatt-hour</u>
First 550 kilowatt-hours	<u>2.7946</u> 2.7755	<u>5.8561</u> 5.9410	<u>0.1582</u> 0.1618	<u>4.8874</u> 4.9130
Next 750 kilowatt-hours	<u>2.6151</u> 2.5984	<u>5.4798</u> 5.5619	<u>0.1582</u> 0.1618	<u>4.5632</u> 4.5892
Additional kilowatt-hours	<u>0.7195</u> 0.7288	<u>1.5077</u> 1.5600	<u>0.1582</u> 0.1618	<u>1.1409</u> 1.1707

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 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. For reasonable periods of time in a 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. However, this will not apply in instances where the Company supplies electricity when an EGS defaults on their contract with the customer.

~~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 50% of the current month Billing Demand or 30% of the highest Billing Demand during the preceding eleven months, whichever is greater, but not less than the Customer Distribution Charge. The Demand Charge for the Minimum Charge shall be determined using based on the distribution charge, and competitive transition charges, and the transmission and the 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 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.

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	<u>1.9577</u> 2.8528	<u>3.5342</u> 2.7604	<u>0.1946</u> 0.2051	<u>5.4998</u> 5.4630
Additional kilowatt-hours	<u>0.6171</u> 0.9158	<u>1.1141</u> 0.8861	<u>0.1946</u> 0.2051	<u>1.6005</u> 1.6143

RATE GMH - GENERAL SERVICE MEDIUM HEATING - (Continued)

MONTHLY RATE - (Continued)

COMMERCIAL CUSTOMERS - (Continued)

For the Billing Months of June through September:

DEMAND CHARGES

	Distribution Charge \$ per kilowatt	Competitive Transition Charge \$ per kilowatt	Transmission Charge \$ per kilowatt	Generation Charge \$ per kilowatt
First 5 kilowatts or less of Demand	No Charge	No Charge	No Charge	No Charge
Additional kilowatts of Demand	<u>3.21</u> 4.64	<u>5.79</u> 4.49	<u>0.54</u> 0.57	<u>8.80</u> 8.64

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
First 550 kilowatt-hours	<u>2.3970</u> 3.4875	<u>4.3272</u> 3.3746	<u>0.1946</u> 0.2051	<u>6.7775</u> 6.7241
Next 750 kilowatt-hours	<u>2.2430</u> 3.2650	<u>4.0492</u> 3.1593	<u>0.1946</u> 0.2051	<u>6.3295</u> 6.2819
Additional kilowatt-hours	<u>0.6171</u> 0.9158	<u>1.1141</u> 0.8861	<u>0.1946</u> 0.2051	<u>1.6005</u> 1.6143

RATE GMH - GENERAL SERVICE MEDIUM HEATING - (Continued)

MONTHLY RATE - (Continued)

INDUSTRIAL CUSTOMERS

For the Billing Months of October through May:

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
First 1,250 kilowatt-hours plus 150 kilowatt-hours for each kilowatt- of Demand over 6 kilowatts	<u>1.9577</u> 2.8528	<u>4.4893</u> 3.7447	<u>0.1946</u> 0.2051	<u>4.5447</u> <u>4.4787</u>
Additional kilowatt-hours	<u>0.6171</u> 0.9158	<u>1.4152</u> 1.2020	<u>0.1946</u> 0.2051	<u>1.2994</u> <u>1.2984</u>

For the Billing Months of June through September:

DEMAND CHARGES

	Distribution Charge \$ per kilowatt	Competitive Transition Charge \$ per kilowatt	Transmission Charge \$ per kilowatt	Generation Charge \$ per kilowatt
First 5 kilowatts or less of Demand	No Charge	No Charge	No Charge	No Charge
Additional kilowatts of Demand	<u>3.21</u> 4.64	<u>7.36</u> 6.09	<u>0.54</u> 0.57	<u>7.23</u> 7.04

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
First 550 kilowatt-hours	<u>2.3970</u> 3.4875	<u>5.4965</u> 4.5778	<u>0.1946</u> 0.2051	<u>5.6082</u> <u>5.5209</u>
Next 750 kilowatt-hours	<u>2.2430</u> 3.2650	<u>5.1434</u> 4.2857	<u>0.1946</u> 0.2051	<u>5.2353</u> <u>5.1555</u>
Additional kilowatt-hours	<u>0.6171</u> 0.9158	<u>1.4152</u> 1.2020	<u>0.1946</u> 0.2051	<u>1.2994</u> <u>1.2984</u>

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 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. For reasonable periods of time in a 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. However, this will not apply in instances where the Company supplies electricity when an EGS defaults on their contract with the customer.

~~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 of demand and \$7.36 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. ~~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 50% of the current month Billing Demand or 30% of the highest Billing Demand during the preceding eleven months, whichever is greater, but not less than the Customer Distribution Charge. The Demand Charge for the Minimum Charge shall be based on the distribution charge, competitive transition charge, transmission charge and the generation charge associated with Company supplied 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 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.

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	<u>814.47</u> 755.17	<u>1668.40</u> 1,822.67	<u>144.00</u> 144.90	<u>2900.13</u> 2,804.26
	<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	<u>2.06</u> 1.90	<u>4.22</u> 4.58	<u>0.48</u> 0.48	<u>7.22</u> 7.02

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	<u>0.5196</u> 0.4948	<u>1.0646</u> 1.1941	<u>0.1126</u> 0.1135	<u>1.8295</u> 1.8189

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	<u>814.47</u> 755.17	<u>2182.13</u> 2,335.29	<u>144.00</u> 144.90	<u>2386.40</u> 2,291.64

	<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	<u>2.06</u> 1.90	<u>5.52</u> 5.87	<u>0.48</u> 0.48	<u>5.92</u> 5.74

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	<u>0.5196</u> 0.4948	<u>1.3924</u> 1.5300	<u>0.1126</u> 0.1135	<u>1.5017</u> 1.4830

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,~~ 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 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. For reasonable periods of time in a 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. However, this will not apply in instances where the Company supplies electricity when an EGS defaults on their contract with the customer.

~~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 ~~based on the distribution and charge,~~ competitive transition charges, and the transmission ~~charge~~ and the generation charges associated with Company supplied transmission and generation, if any, but in total not less than ~~\$2,722,742,482.87~~ for Commercial Customers nor less than ~~\$3,235,362,996.60~~ 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 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.

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 make available to the customer.

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

CONTRACT PROVISIONS

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

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

STANDARD CONTRACT RIDERS

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

RATE 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

	Distribution Charge cents per <u>kilowatt-hour</u>	Competitive Transition Charge cents per <u>kilowatt-hour</u>	Transmission Charge cents per <u>kilowatt-hour</u>	Generation Charge cents per <u>kilowatt-hour</u>
First 1,250 kilowatt-hours plus 150 kilowatt-hours for each kilowatt-of Demand over 6 kilowatts	<u>1.2540</u> 1.6117	<u>3.1969</u> 3.0348	<u>0.2063</u> 0.2089	<u>6.5291</u> 6.4259
Additional kilowatt-hours	<u>0.3953</u> 0.5173	<u>1.0078</u> 0.9742	<u>0.2063</u> 0.2089	<u>1.9169</u> 1.9209

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	<u>619.61</u> 789.59	<u>1579.57</u> 1,486.84	<u>180.00</u> 182.70	<u>3147.82</u> <u>3,067.87</u>
	<u>Distribution Charge</u> <u>\$ per kilowatt</u>	<u>Competitive Transition Charge</u> <u>\$ per kilowatt</u>	<u>Transmission Charge</u> <u>\$ per kilowatt</u>	<u>Generation Charge</u> <u>\$ per kilowatt</u>
Additional kilowatts of Demand	<u>1.57</u> 2.00	<u>3.99</u> 3.76	<u>0.60</u> 0.61	<u>7.82</u> 7.61

ENERGY CHARGES

	<u>Distribution Charge</u> <u>cents per kilowatt-hour</u>	<u>Competitive Transition Charge</u> <u>cents per kilowatt-hour</u>	<u>Transmission Charge</u> <u>cents per kilowatt-hour</u>	<u>Generation Charge</u> <u>cents per kilowatt-hour</u>
All kilowatt-hours	<u>0.3953</u> 0.5173	<u>1.0078</u> 0.9742	<u>0.2063</u> 0.2089	<u>1.9169</u> 1.9209

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	<u>1.2540</u> 1.6117	<u>4.3133</u> 4.2039	<u>0.2063</u> 0.2089	<u>5.4127</u> 5.2568
Additional kilowatt-hours	<u>0.3953</u> 0.5173	<u>1.3597</u> 1.3495	<u>0.2063</u> 0.2089	<u>1.5650</u> 1.5456

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	<u>619.61</u> 789.59	<u>2131.12</u> 2,059.61	<u>180.00</u> 182.70	<u>2596.27</u> 2,495.10

	<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	<u>1.57</u> 2.00	<u>5.39</u> 5.21	<u>0.60</u> 0.61	<u>6.42</u> 6.16

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	<u>0.3953</u> 0.5173	<u>1.3597</u> 1.3495	<u>0.2063</u> 0.2089	<u>1.5650</u> 1.5456

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, ~~or 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 Ddistribution and Ccompetitive Ttransition Ccharges 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 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. For reasonable periods of time in a 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. However, this will not apply in instances where the Company supplies electricity when an EGS defaults on their contract with the customer.

~~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 of demand and \$7.36 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. ~~For the months of June through September the Demand Charge shall be determined using based on the distribution and charge, competitive transition charges, and the transmission charge and the generation charges associated with Company supplied transmission and generation, if any, but in total not less than \$2,199.182,459.13 for Commercial Customers nor less than \$2,750.733,031.90 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 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.

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	<u>9,235.45</u> <u>8,370.64</u>	<u>15,043.55</u> <u>14,774.79</u>	<u>2,150.00</u> <u>2,645.00</u>	<u>44,860.00</u> <u>45,498.57</u>
	<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	<u>1.48</u> <u>1.34</u>	<u>2.42</u> <u>2.38</u>	<u>0.43</u> <u>0.53</u>	<u>7.12</u> <u>7.20</u>
Next 25,000 kilowatts of Demand	<u>1.44</u> <u>1.30</u>	<u>2.35</u> <u>0.64</u>	<u>0.43</u> <u>0.53</u>	<u>6.91</u> <u>8.69</u>
Additional kilowatts of Demand	<u>1.40</u> <u>1.27</u>	<u>2.29</u> <u>2.25</u>	<u>0.43</u> <u>0.53</u>	<u>6.72</u> <u>6.79</u>

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	<u>0.4568</u> <u>0.4240</u>	<u>0.7441</u> <u>0.7484</u>	<u>0.1188</u> <u>0.1452</u>	<u>2.2066</u> <u>2.3037</u>
Next 150 kilowatt-hours per kilowatt of Demand	<u>0.2962</u> <u>0.2796</u>	<u>0.4825</u> <u>0.4935</u>	<u>0.1188</u> <u>0.1452</u>	<u>1.3888</u> <u>1.4630</u>
Additional kilowatt-hours	<u>0.2677</u> <u>0.2538</u>	<u>0.4360</u> <u>0.4479</u>	<u>0.1188</u> <u>0.1452</u>	<u>1.2438</u> <u>1.3144</u>

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	<u>9,235.45</u> 8,370.64	<u>22,956.33</u> 26,667.98	<u>2,150.00</u> 2,645.00	<u>36,947.22</u> 33,605.39
	<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	<u>1.48</u> 1.34	<u>3.69</u> 4.29	<u>0.43</u> 0.53	<u>5.85</u> 5.29
Next 25,000 kilowatts of Demand	<u>1.44</u> 1.30	<u>3.58</u> 4.11	<u>0.43</u> 0.53	<u>5.68</u> 5.19
Additional kilowatts of Demand	<u>1.40</u> 1.27	<u>3.49</u> 4.06	<u>0.43</u> 0.53	<u>5.52</u> 4.98

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>
First 750,000 kilowatt-hours plus 400 kilowatt-hours per kilowatt of Demand	<u>0.4568</u> 0.4240	<u>1.1355</u> 1.3509	<u>0.1188</u> 0.1452	<u>1.8152</u> 1.7012
Next 150 kilowatt-hours of Demand	<u>0.2962</u> 0.2796	<u>0.7362</u> 0.8908	<u>0.1188</u> 0.1452	<u>1.1351</u> 1.0657
Additional kilowatt-hours	<u>0.2677</u> 0.2538	<u>0.6654</u> 0.8085	<u>0.1188</u> 0.1452	<u>1.0144</u> 0.9538

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, ~~or 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 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. For reasonable periods of time in a 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. However, this will not apply in instances where the Company supplies electricity when an EGS defaults on their contract with the customer.

~~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~~based on~~ the distribution and~~charge,~~ competitive transition charges, and the transmission charge~~and the~~ generation charges associated with Company supplied transmission and generation, if any, but in total not less than \$24,279.00~~25,790.43~~ for Commercial Customers nor less than \$32,191.78~~37,683.61~~ 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 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.

RATE L - LARGE POWER SERVICE - (Continued)

DETERMINATION OF DEMAND

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

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.

RATE L - LARGE POWER SERVICE - (Continued)

CONTRACT PROVISIONS - (Continued)

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	<u>31,164.04</u> 34,293.72	<u>83,073.58</u> 83,518.17	<u>15,000.00</u> 15,840.00	<u>201,298.38</u> 196,884.11

	<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	<u>1.12</u> 1.24	<u>3.00</u> 3.01	<u>0.50</u> 0.53	<u>7.30</u> 7.14

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	<u>0.3824</u> 0.4307	<u>1.0195</u> 1.0489	<u>0.1265</u> 0.1247	<u>2.5279</u> 2.5470
Off-Peak	<u>0.1826</u> 0.2108	<u>0.4867</u> 0.5133	<u>0.1265</u> 0.1247	<u>1.1405</u> 1.1825

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, ~~or~~ 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 D_{istribution} and C_{ompetitive T_{ransition} C_{harges} 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 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. For reasonable periods of time in a 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. However, this will not apply in instances where the Company supplies electricity when an EGS defaults on their contract with the customer.

~~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 based on the distribution and charge, competitive transition charges, and the transmission charge and the generation charges associated with Company supplied transmission and generation, if any, but in total not less than \$114,237.62~~133,651.89.~~

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 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.

DETERMINATION OF DEMAND

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

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

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

ON-PEAK AND OFF-PEAK CONTRACT DEMAND

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

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

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

DEMANDS AND ENERGIES

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

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

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

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

RATE 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</u> \$ per kilowatt	<u>Competitive Transition Charge</u> \$ per kilowatt	<u>Transmission Charge</u> \$ per kilowatt	<u>Generation Charge</u> \$ per kilowatt
All kilowatts of Demand	<u>0.67</u> 1.21	<u>2.90</u> 2.37	<u>0.09</u> 0.08	<u>3.36</u> 3.36

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 300 kilowatt-hours	<u>0.9402</u> 1.7091	<u>4.0405</u> 3.3346	<u>0.0666</u> 0.0577	<u>4.7390</u> 4.7799
Additional kilowatt-hours	<u>0.2398</u> 0.4482	<u>1.0307</u> 0.8745	<u>0.0666</u> 0.0577	<u>1.1592</u> 1.2109

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 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. For reasonable periods of time in a 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. However, this will not apply in instances where the Company supplies electricity when an EGS defaults on their contract with the customer.

~~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.

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

	Distribution Charge cents per <u>kilowatt-hour</u>	Competitive Transition Charge cents per <u>kilowatt-hour</u>	Transmission Charge cents per <u>kilowatt-hour</u>	Generation Charge cents per <u>kilowatt-hour</u>
All kilowatt-hours	<u>3.8541</u> 6.9297	<u>2.6458</u> 0.0	<u>0.0612</u> 0.1433	<u>4.1852</u> 3.7683

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 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. For reasonable periods of time in a 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. However, this will not apply in instances where the Company supplies electricity when an EGS defaults on their contract with the customer.

~~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 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.

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>
Mercury Vapor					
100	44	\$9.71 \$10.81	\$1.89 \$0.68	\$0.03 \$0.10	\$3.15 \$3.23
175	74	\$12.65 \$14.10	\$1.99 \$0.36	\$0.05 \$0.17	\$4.57 \$4.70
250	102	\$15.76 \$17.67	\$2.20 \$0.13	\$0.06 \$0.24	\$5.97 \$6.15
400	161	\$21.35 \$23.84	\$2.33 \$0.14	\$0.10 \$0.38	\$8.72 \$8.32
1,000	386	\$46.15 \$51.50	\$3.96 \$0.35	\$0.24 \$0.90	\$19.89 \$17.86
Sodium Vapor					
70	29	\$9.86 \$10.97	\$2.36 \$1.19	\$0.02 \$0.07	\$2.77 \$2.81
100	50	\$12.59 \$14.04	\$2.65 \$1.10	\$0.03 \$0.12	\$3.89 \$3.98
150	71	\$14.93 \$16.62	\$2.82 \$0.93	\$0.04 \$0.17	\$4.94 \$5.07
250	110	\$21.83 \$24.34	\$3.94 \$1.17	\$0.07 \$0.26	\$7.39 \$7.59
400	170	\$28.50 \$31.75	\$4.39 \$0.69	\$0.10 \$0.40	\$10.38 \$10.70
1,000	387	\$59.61 \$66.44	\$8.29 \$0.45	\$0.24 \$0.94	\$22.59 \$23.30

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 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. For reasonable periods of time in a 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. However, this will not apply in instances where the Company supplies electricity when an EGS defaults on their contract with the customer.

~~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 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.

RATE SM - STREET LIGHT MUNICIPAL - (Continued)

SPECIAL TERMS AND CONDITIONS

1. The above charges include installation of standard Company facilities including lamps, fixtures or luminaires, 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>
Mercury Vapor					
175	74	\$5.97 \$4.21	\$2.69 \$4.65	\$0.05 \$0.09	\$3.97 \$3.80
250	102	\$7.77 \$5.49	\$3.19 \$5.88	\$0.06 \$0.13	\$5.49 \$5.11
400	161	\$11.42 \$8.07	\$4.09 \$8.30	\$0.10 \$0.21	\$8.66 \$7.84
1,000	386	\$25.67 \$18.14	\$7.88 \$17.97	\$0.24 \$0.49	\$20.75 \$18.31
Sodium Vapor					
100	29	\$5.74 \$4.04	\$3.73 \$5.10	\$0.03 \$0.06	\$2.69 \$3.04
150	50	\$7.06 \$4.97	\$4.07 \$5.98	\$0.04 \$0.09	\$3.82 \$4.01
200	71	\$8.37 \$5.91	\$4.71 \$7.02	\$0.05 \$0.11	\$4.66 \$4.84
250	95	\$9.68 \$6.82	\$4.90 \$7.83	\$0.07 \$0.14	\$5.91 \$5.87
400	170	\$13.61 \$9.61	\$6.06 \$10.56	\$0.10 \$0.22	\$9.15 \$8.70
1,000	387	\$30.54 \$21.55	\$13.30 \$23.53	\$0.24 \$0.49	\$20.80 \$19.68

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 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. For reasonable periods of time in a 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. However, this will not apply in instances where the Company supplies electricity when an EGS defaults on their contract with the customer.

~~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 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.

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.

RATE SH - STREET LIGHTING HIGHWAY - (Continued)

SPECIAL TERMS AND CONDITIONS - (Continued)

4. If additional highway lighting is to be added to an existing highway lighting system, it shall be installed completely by the customer or the Company will install such facilities at the *customer's expense with ownership transferred to the Company for a nominal consideration.*
5. In accepting conduit, junction boxes, etc. installed by the State or other governmental agency in bridges, and bridge approaches, the Company accepts no liability for damage to concrete due to deteriorating conduit or junction boxes.
6. *The State Department of Transportation or other governmental agency shall provide the necessary drawings of the entire highway lighting system to the Company specifying the type of equipment so that acceptability can be established before contracts are awarded.*
7. The State Department of Transportation or other governmental agency shall furnish any requisite authority necessary to provide for the installation, operation and maintenance of the entire highway lighting system within the highway right-of-way including authority for equipment to stop on the paved portion of the highway.
8. Maintenance and/or replacement of poles and pole equipment in excess of 35 feet is not included, but will be maintained and/or replaced on a time and material basis by the Company. Charges for this will be reimbursed by the customer. All poles in excess of 35 feet high must be equipped with lowering device equipment so that the lighting equipment can be maintained from the ground.

TERM OF CONTRACT

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

RATE MTS - MUNICIPAL TRAFFIC SIGNALS

AVAILABILITY

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

MONTHLY RATE

CUSTOMER CHARGE

Customer Distribution Charge \$8.91

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 1,300 kilowatt-hours	<u>3.1814</u> 2.0376	<u>4.9665</u> 6.2829	<u>0.1846</u> 0.1910	<u>4.9038</u> 4.8198
Additional kilowatt-hours	<u>0.8067</u> 0.5275	<u>1.2593</u> 1.6266	<u>0.1846</u> 0.1910	<u>1.1057</u> 1.1062

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 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. For reasonable periods of time in a 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. However, this will not apply in instances where the Company supplies electricity when an EGS defaults on their contract with the customer.

~~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.~~

RATE MTS - MUNICIPAL TRAFFIC SIGNALS - (Continued)

MONTHLY RATE - (Continued)

ELECTRIC CHARGES- (Continued)

Customers who are eligible to choose an EGS may elect 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 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.

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>
High Pressure Sodium					
70	29	\$9.86 \$10.97	\$2.37 \$1.19	\$0.02 \$0.02	\$2.76 \$2.81
100	50	\$12.59 \$14.04	\$2.65 \$1.10	\$0.03 \$0.12	\$3.89 \$3.98
150	71	\$14.93 \$16.62	\$2.81 \$0.93	\$0.04 \$0.17	\$4.95 \$5.07
250	110	\$21.83 \$24.34	\$3.94 \$1.17	\$0.07 \$0.26	\$7.39 \$7.59
400	170	\$28.50 \$31.75	\$4.39 \$0.69	\$0.10 \$0.40	\$10.38 \$10.70
Flood Lighting					
100	46	\$11.38 \$12.67	\$2.38 \$0.97	\$0.03 \$0.11	\$3.53 \$3.62
150	67	\$13.22 \$14.72	\$2.38 \$0.69	\$0.04 \$0.16	\$4.48 \$4.61
250	100	\$15.91 \$17.72	\$2.30 \$0.23	\$0.06 \$0.23	\$5.94 \$6.12
400	155	\$20.41 \$22.75	\$2.99 \$0.23	\$0.09 \$0.36	\$7.57 \$7.86

UNMETERED ENERGY FOR CUSTOMER OWNED AND MAINTAINED EQUIPMENT

70	29	\$0.12 \$0.22	\$1.77 \$1.59	\$0.02 \$0.02	\$1.21 \$1.27
100	46	\$0.19 \$0.35	\$2.81 \$2.53	\$0.03 \$0.11	\$1.92 \$2.01
150	67	\$0.28 \$0.50	\$4.08 \$3.68	\$0.04 \$0.16	\$2.81 \$2.93
250	100	\$0.41 \$0.75	\$6.09 \$5.49	\$0.06 \$0.23	\$4.19 \$4.37
400	155	\$0.64 \$1.16	\$9.45 \$8.51	\$0.09 \$0.36	\$6.49 \$6.78

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 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. For reasonable periods of time in a 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. However, this will not apply in instances where the Company supplies electricity when an EGS defaults on their contract with the customer.

~~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 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.

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

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 3 - SCHOOL AND GOVERNMENTAL SERVICE DISCOUNT PERIOD

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

CONTRACT PROVISIONS

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

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 6 - TEMPORARY SERVICE

(Applicable to Rate GS/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. Customers purchasing electricity from the Company and an EGS must purchase their entire interruptible load from the Company to qualify for the credit in this rider.

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

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

ECONOMIC INCENTIVES

A qualifying customer will earn a ~~separately stated credit to Company charges~~ 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 ~~separately stated credit to the Company charges~~ 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:

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

The percent discount applicable to those 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**

$$\frac{(\text{Total Kilowatt-hours used in billing period} - \text{Monthly Base Period Usage})}{(\text{Billing Demand} - \text{Monthly Base Period Billing Demand})}$$

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. The rider will be reserved for a customer who applied to the Company for the rider in writing up to twelve months prior to the time service is required.~~
- 2.3 Discontinuance of or detrimental changes to the rider will not apply to an existing rider participant or a prospective participant as described to General Qualifying Condition (2).
- 3.4 The Company will monitor the impact of the rider and may modify or discontinue the provisions at any time as approved by the Pennsylvania Public Utility Commission except for the limitations established in General Qualifying Condition (3).

STANDARD CONTRACT RIDERS - (Continued)

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

(Applicable to Rates GM, GL and L)

SPECIAL PROVISION FOR RATE L

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

PROVISIONS UNDER DIRECT ACCESS

For contracts that do not contain provisions governing the customer's rights under direct access, the customer may continue to purchase electricity from the Company in accordance with the terms and conditions of the contract; ~~or, terminate the contract and obtain electricity from an Electric Generation Supplier (EGS) EGS 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.~~ For customers who continue to purchase electric generation requirements from the Company through their contract, the Company will unbundle the contract in a manner that retains the credits established by this rider and that reflects the amount of transmission, distribution, CTC and generation charges in the customer contract. The dollar value of the credit will be applied first to the total distribution charges of the contract. If the credit is greater than the total distribution charges, the balance of the credit will be allocated equally between the CTC charges of the bill and the generation charges of the bill. For customers who elect to terminate their contract and obtain electricity from an EGS, the customer will return to the otherwise applicable tariff rates. For customers who retain the unbundled contract rates and purchase electricity from an EGS, the credit established by this rider will be applied first to the distribution charges of the contract. If the credit is greater than the total distribution charges, the credit allocated to the CTC charges (that credit that would have otherwise been provided to the customer had they continued to purchase power from the Company under the contract) will be applied to the CTC charges of the bill.

For contracts that contain provisions governing the customer's rights under direct access, 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 period not exceeding five (5) years to each qualifying customer having an anticipated average annual load requirement of 100 kilowatts or greater. Qualifying definitions and conditions are listed below.

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 separately stated credit to Company charges~~ 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 ~~separately stated credit to the Company charges~~ 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 -**

Total Kilowatt-hours used in billing period
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". Modifications of the contract may result in the cancellation of this rider.
6. A service location is eligible for the rider only one time.
7. The Company reserves the right to refuse this rider to customers who do not meet the conditions specified above.

GENERAL QUALIFYING CONDITIONS

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

STANDARD CONTRACT RIDERS - (Continued)

RIDER NO. 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 customer may continue to purchase electricity from the Company in accordance with the terms and conditions of the contract; ~~or, terminate the contract and obtain electricity from an Electric Generation Supplier (EGS) EGS 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.~~ For customers who continue to purchase electric generation requirements from the Company through their contract, the Company will unbundle the contract in a manner that retains the credits established by this rider and that reflects the amount of transmission, distribution, CTC and generation charges in the customer contract. The dollar value of the credit will be applied first to the total distribution charges of the contract. If the credit is greater than the total distribution charges, the balance of the credit will be allocated equally between the CTC charges of the bill and the generation charges of the bill. ~~For customers who continue to purchase power from the Company, the customer will continue to receive the Economic Incentives in accordance with this rider for the remainder of the term of the contract.~~ For customers who elect to terminate their contract and obtain electricity from an EGS, the customer will return to the otherwise applicable tariff rates. For customers who retain the unbundled contract rates and purchase electricity from an EGS, the credit established by this rider will be applied first to the distribution charges of the contract. If the credit is greater than the total distribution charges, the credit allocated to the CTC charges (that credit that would have otherwise been provided to the customer had they continued to purchase power from the Company under the contract) will be applied to the CTC charges of the bill.

For contracts that contain provisions governing the customer's rights under direct access, 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% 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 two percent (7.22%) for Rate GS/GM customers and seven . two five percent (7.25%) for Rate GL customers ~~shall be reduced by seven percent (7%)~~ 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	<u>0.7195</u> 0.7288	<u>1.2461</u> 1.3215	<u>0.1582</u> 0.1618	<u>1.4025</u> 1.4092
Rate GL	<u>0.5196</u> 0.4948	<u>1.0646</u> 1.1941	<u>0.1126</u> 0.1135	<u>1.8295</u> 1.8189
Rate L	<u>0.4568</u> 0.4240	<u>0.7441</u> 0.7484	<u>0.1188</u> 0.1452	<u>2.2066</u> 2.3037

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>
<u>Rate GS/GM</u>	0.7195	1.5077	0.1582	1.1409
<u>Rate GL</u>	0.5196	1.3924	0.1126	1.5017
<u>Rate L</u>	0.4568	1.1355	0.1188	1.8152

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	<u>0.5754</u> 1.3106	<u>1.4050</u> 0.7147	<u>0.2081</u> 0.2336	<u>2.0278</u> 2.0524

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	<u>2.7201</u> 2.6315	<u>3.9030</u> 4.0755	<u>0.2483</u> 0.2728	<u>4.5149</u> 4.5015

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 except Unbundled Rates for the Retail Access Pilot Program)

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:

$$ECR = \left[\frac{Fc}{Sc} - \frac{Fb}{Sb} - \frac{Ec}{Sr} \right] \times \left[\frac{1}{1-T} \right]$$

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

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

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

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

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

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

STANDARD CONTRACT RIDERS - (Continued)

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

(Applicable to All Rates except Unbundled Rates for the Retail Access Pilot Program)

F - (Continued)

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

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

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

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

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

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

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

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

STANDARD CONTRACT RIDERS - (Continued)

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

(Applicable to All Rates except Unbundled Rates for the Retail Access Pilot Program)

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

	Distribution Charge \$ per kilowatt	Competitive Transition Charge \$ per kilowatt	Transmission Charge \$ per kilowatt	Generation Charge \$ per kilowatt
L/HVPS (5,000 kW or more)	<u>0.29</u> 1.34	<u>0.42</u> 0.36	<u>0.43</u> 0.53	<u>2.42</u> 1.33
GL (300 to 4,999 kW)	<u>0.72</u> 1.90	<u>3.01</u> 0.50	<u>0.48</u> 0.48	<u>0.66</u> 1.99
GS/GM (less than 300 kW)	<u>1.11</u> 3.69	<u>2.87</u> 0.68	<u>0.55</u> 0.56	<u>1.04</u> 0.64

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)	<u>0.3713</u> 0.4240	<u>0.5295</u> 0.1135	<u>0.1188</u> 0.1452	<u>1.8467</u> 2.2786
GL (300 to 4,999 kW)	<u>0.4121</u> 0.4948	<u>1.7308</u> 0.1300	<u>0.1126</u> 0.1135	<u>0.5408</u> 2.1530
GS/GM (less than 300 kW)	<u>0.7050</u> 0.7288	<u>1.8162</u> 1.3476	<u>0.1582</u> 0.1618	<u>0.8469</u> 1.3831

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 1.34	0.42 0.09	0.43 0.53	1.12 1.29
GL (300 to 4,999 kW)	0.50 1.90	2.12 0.50	0.48 0.48	0.32 0.54
GS/GM (less than 300 kW)	0.85 3.69	2.19 0.01	0.55 0.56	0.67 0.0

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)	0.3713 0.4240	0.5295 0.1135	0.1188 0.1452	1.8467 2.2787
GL (300 to 4,999 kW)	0.4121 0.4948	1.7308 0.1300	0.1126 0.1135	0.5408 2.1530
GS/GM (less than 300 kW)	0.7050 0.7288	1.8162 0.1348	0.1582 0.1618	0.8469 2.3059

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)	<u>0.29</u> 1.34	<u>0.42</u> 0.36	<u>0.43</u> 0.53	<u>1.12</u> 0.03
GL (300 to 4,999 kW)	<u>0.50</u> 1.90	<u>2.12</u> 0.50	<u>0.48</u> 0.48	<u>0.32</u> 0.54
GS/GM (less than 300 kW)	<u>0.85</u> 3.69	<u>2.19</u> 0.01	<u>0.55</u> 0.56	<u>0.67</u> 0.00

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)	<u>0.3325</u> 0.4240	<u>0.4741</u> 0.1135	<u>0.1188</u> 0.1452	<u>1.6409</u> 1.9786
GL (300 to 4,999 kW)	<u>0.3679</u> 0.4948	<u>1.5451</u> 0.1300	<u>0.1126</u> 0.1135	<u>0.4707</u> 2.1530
GS/GM (less than 300 kW)	<u>0.6470</u> 0.7288	<u>1.6668</u> 0.1348	<u>0.1582</u> 0.1618	<u>0.7643</u> 2.3059

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 total usage after the first 200 kWh
40 to 59 gallons	Next 200 kWh of total usage after the first 200 kWh
60 to 99 gallons	Next 300 kWh of total usage after the first 200 kWh
100 to 119 gallons	Next 400 kWh of total usage after the first 200 kWh
120 gallons or greater	Next 500 kWh of total 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 period not exceeding five (5) years to qualifying new industrial customers having estimated annual load requirements not exceeding 105 kW. Qualifying terms and conditions are listed below.

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 ~~separately stated~~ 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." Failure to comply with the terms and conditions of the contract may result in the cancellation of this rider.
- ~~7. A Customer who increases its business after the initial five (5) year discount period is eligible for Rider 8 if the customer meets the Qualifications and Terms and Conditions of Rider 8.~~
- 7.8. The Company reserves the right to refuse this rider to customers who do not meet the conditions specified above.

STANDARD CONTRACT RIDERS - (Continued)

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

(Applicable to Rate GS/GM)

TERMS AND CONDITIONS - (Continued)

- ~~8.9.~~ If an existing customer in the service area moves their operation to a new location, the Base Period of the prior service shall move with the customer, and the new location would be treated as an Existing Service Location. A service location, to which the Company had previously supplied service within the prior twelve (12) months for substantially the same industrial manufacturing or processing as the present or proposed operation, would be treated as an Existing Service Location. However, the Base Period would be then defined as the last twelve (12) monthly billing periods during which there was industrial operation at the site.
- ~~9.10.~~ If the existing customer did not receive service during the entire Base Period, the Monthly Base Period Billing Demand shall be determined by the Company.
- ~~10.14.~~ 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.
- ~~11.12.~~ The application of the rider will be discontinued if bills are not paid when due as specified in Tariff Rule No. 21, before the addition of a Late Payment Charge.
- ~~12.13.~~ The rider will be reserved for a customer who applies to the Company for the rider in writing up to twelve months prior to the time service is required.
- ~~13.14.~~ Discontinuance of or detrimental changes to the rider will not apply to an existing rider participant or a prospective participant as described in Condition (13).

STANDARD CONTRACT RIDERS - (Continued)

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

(Applicable to Rate GS/GM)

PROVISIONS UNDER DIRECT ACCESS

For contracts that do not contain provisions governing the customer's rights under direct access, the customer may continue to purchase electricity from the Company in accordance with the terms and conditions of the contract; ~~or, terminate the contract and obtain electricity from an Electric Generation Supplier (EGS) EGS according ~~subject~~ 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.~~ For customers who continue to purchase electric generation requirements from the Company through their contract, the Company will unbundle the contract in a manner that retains the credits established by this rider and that reflects the amount of transmission, distribution, CTC and generation charges in the customer contract. The dollar value of the credit will be applied first to the total distribution charges of the contract. If the credit is greater than the total distribution charges, the balance of the credit will be allocated equally between the CTC charges of the bill and the generation charges of the bill. ~~For customers who continue to purchase power from the Company, the customer will continue to receive the Economic Incentives in accordance with this rider for the remainder of the term of the contract.~~ For customers who elect to terminate their contract and obtain electricity from an EGS, the customer will return to the otherwise applicable tariff rates. For customers who retain the unbundled contract rates and purchase electricity from an EGS, the credit established by this rider will be applied first to the distribution charges of the contract. If the credit is greater than the total distribution charges, the credit allocated to the CTC charges (that credit that would have otherwise been provided to the customer had they continued to purchase power from the Company under the contract) will be applied to the CTC charges of the bill.

For contracts that contain provisions governing the customer's rights under direct access, 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 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~~ ~~April 1, 2000~~ will include costs deferred from January 1, 1999 through ~~May 31, 2001~~ ~~February 28, 2000~~.)

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	1.803.100
Rate RH	1.401.400
Rate RA	1.401.500
Rate GS/GM	1.100.600
Rate GMH	1.000.300
Rate GLH	0.500.030
Rate GL	0.500.030
Rate L	0.500.010
Rate HVPS	0.300.009
Rate AL	1.301.900
Rate SE	4.700.040
Rate MTS	1.001.800
Rate SM	0.300.300
Rate SH	2.800.200
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 Company's proposed annual Universal Service Charge, effective for service rendered April 1 through March 31, shall be submitted to the Commission by March 1 of each year commencing in 2000. The application of the Universal Service Charge shall be subject to continuous review and audit by the Commission at such intervals as the Commission shall determine.~~

~~If from such audit it shall be determined, by final order entered after notice and hearing, that this Universal Service Charge 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 Universal Service Charges for such revenues as shall have been erroneously or improperly collected. The Commission's order shall be subject to the right of appeal.~~

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 F

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 Duquesne Suppliers 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. 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.
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.

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 ~~all customer~~ goods and services; such as processing ~~a request by a customer for those services that Duquesne EDC is required to provide for direct access, including for example,~~ requests for information, complaint processing, and responses to service interruptions. Duquesne EDC shall provide comparable treatment without regard to the customer's chosen ~~supplier~~ 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 physi-

cally separated from the office(s) used by those working for the Duquesne Supplier. Such employees of Duquesne EDC may transfer to Duquesne Suppliers 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. 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.
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 ~~fifteen (15)~~ five (5) days of Duquesne EDC's and/or Duquesne Supplier's receipt of a Notice of Dispute, ~~the dispute~~

~~shall be referred to a designated senior representative of each of the Parties for resolution~~ 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, a Party may request either binding or non-binding arbitration by providing the other Party, within fifteen (15) days of the expiration of the above referenced thirty (30) day period, a written Request for Arbitration, which request shall state each claim and the basis therefor, as well as the relief sought and the grounds therefor.~~ 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.

~~• Upon mutual agreement of the Parties, the dispute may then be referred to either binding or non-binding arbitration in accordance with the following procedures:~~ • If mediation is not successful, then the matter shall be converted to a formal proceeding before a Commission Administrative Law Judge.

~~• External Arbitration Procedures. Any arbitration initiated hereunder shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within fifteen (15) days of referral of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three member arbitration panel. The two arbitrators so chosen shall within fifteen (15) days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, and shall not have any current or past substantial business or financial relationships with any Party to the arbitration or customer(s) involved (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 Commercial Arbitration Rules of the American Arbitration Association and any applicable PUC regulations.~~

~~• Arbitration Decisions. Unless otherwise agreed, the arbitrator(s) shall render a decision within sixty (60) days of appointment. The arbitrator's award shall contain findings of fact and the legal basis for the award. The arbitrator(s) shall be authorized only to interpret and apply the provisions of~~

~~the Code of Conduct and shall have no power to modify or change any Code provision in any manner. If the decision of the arbitrator(s) is binding upon the Parties, the judgment on the award may be entered in any court of competent jurisdiction:~~

~~• An appeal of a non-binding arbitrator(s) award to a federal or state agency shall be based solely and exclusively on the record established by the arbitrator(s) and the award of the arbitrator(s).~~

~~• Costs. Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, as applicable:~~

~~• 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~~

~~• a proportionate share of the cost of the single arbitrator jointly chosen by the Parties.~~

~~• Rights under the Public Utility Code. Nothing in this Section shall restrict the rights of any Party to~~

Any Party may file a complaint concerning the dispute with the Commission under relevant provisions of the Public Utility Code.

----- COMPARISON OF FOOTERS -----

~~FOOTER 1~~

~~181580.01-D.C. Server 2A Draft September 11, 1998 - 1:38 PM~~

APPENDIX G

PROPOSED SUPPLIER TARIFF
September __, 1998

DUQUESNE LIGHT COMPANY
ELECTRIC GENERATION SUPPLIER COORDINATION TARIFF

COMPANY OFFICE LOCATION

411 Seventh Avenue
Pittsburgh, Pennsylvania 15219

Issued: _____, 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.

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 (as evidenced by two payments overdue by sixty days) 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.

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 Sales Tariff - the Company's Coordination Sales Tariff on file with the FERC and which sets forth the rates, terms and conditions for the sale of energy in the Duquesne Control Area.

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.

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.

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.

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.

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.

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 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 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 Coordination Sales 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:

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 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

5.1 Customer Enrollment

The selection of Customers eligible to obtain Competitive Energy Supply shall occur in accordance with the Direct Access Procedures set forth in this Tariff, the EDC Tariff, Docket Nos. M-00960890F.0014 and M-00960890F.0015.

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 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 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 and/or the EGS 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 and only until November 1, 1998. The process for a Customer's selection of an EGS for the first time thereafter is governed by Rule 5.3.

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 written authorization from the Customer, or from the person authorized to act on the Customer's behalf, indicating the Customer's choice of EGS. The written 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 written authorization in the event of a dispute, in order to provide documented evidence of authorization to the Company or the Commission. Customer consent for switching to an EGS shall be verified through EGS maintenance of written authorization from the Customer to switch to the EGS.

(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.

(e) The Company will send a confirmation letter to all Customers who have made an initial EGS selection, after the initial EGS selection period concludes. 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 required to remain with the selected EGS for a minimum of one billing cycle.

(f) After conclusion of the initial EGS selection period, the Company will send each EGS an electronic file, via Electronic Exchange, containing information for the Customers of record for that particular EGS, in accordance with Rule 4.14(a).

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 electronically submit the request to that EGS. 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 informa-

tion will be disclosed: the Customer's name, address, Duquesne Light Company account number, and rate class.

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 written authorization from the Customer or person authorized to act on the Customer's behalf indicating the Customer's choice of EGS. The written 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 written authorization in the event of a dispute, in order to provide documented evidence of authorization to the Company or the Commission. The EGS selected by the Customer shall be responsible for the Supplier Switching Charge necessary for processing the request.

(b) The Customer's new EGS shall also submit the Customer's information using a file format designated by the Company via Electronic Exchange. 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 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 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 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 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 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.

(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.

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 15 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. 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 EDEWG.

(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.

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, for a fee, 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, for a fee, 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 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, for a fee, 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) depending upon whether the EGS elects to supply or purchase real power losses (Transmission Losses pursuant to the OATT and Distribution Losses pursuant to Table at Page No. 67). The EGS that elects to purchase losses from the EDC shall enter into the necessary arrangements pursuant to the OATT and Coordination Sales Tariff. The EDC shall charge 110% of the Company's hourly lambda capped at the Coordination Sales Tariff rates. The EGS may change its option to supply or purchase both real power Transmission and Distribution Losses on a calendar month basis, with a minimum of 10 days notice prior to the first day of the month for which the change will be effective.

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.

(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.

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 shall 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 if the EGS has elected to supply, rather than purchase 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 EDC will round the aggregate forecast value for each hour to 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 supply schedules to each respective EGS and to the CAO promptly after 8:00 A.M. Eastern Prevailing Time each day. 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 that supply schedule.

7.3.2 Binding Nature of Schedule The Schedule e-mailed by the EDC to the EGS and CAO shall serve as the official schedule, and said official schedule shall be binding on that EGS.

7.3.3 Schedule Changes. If for any reason the EGS finds it necessary to change a supply schedule after 10:00 AM Eastern Prevailing Time of the day prior to the day for which the forecast applies, the EGS must notify the CAO by telephone, that a revised schedule for the entire day (covering 24 hours) will be sent via e-mail to the CAO using the NERC TIS protocol. After receipt of the revised schedule via e-mail, and confirmation that the source control area has received the same schedule change, the CAO will make reasonable efforts to review, and in its sole discretion, accept the changes. The CAO will notify the EDC of the schedule change and the revised schedule will establish the new hourly supply obligation for serving the EGS's customers. No schedule changes will be accepted by the CAO after 6:00 PM Eastern Prevailing Time of the day prior to the day for which the forecast applies.

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 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. For EGSs that have elected to supply Transmission and Distribution Losses, the losses are added to the hourly energy consumed by customers and included in the Consumption Energy Imbalance Calculation. For EGSs that have elected to purchase Transmission and Distribution Losses, the losses are not included in the Consumption Energy Imbalance Calculation.

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 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. Transmission and Distribution Losses are

billed for those EGSs who have elected to purchase Transmission & Distribution Losses.

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 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 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.

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.

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 every two weeks for all energy charges, late fees, sales taxes, and any other taxes and charges collected on behalf of the EGS, within twenty-five days of receipt of payment 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:

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.

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 to provide a deposit in the form of a letter of credit 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. An EGS shall have the right to submit to the Commission for resolution any reasonable dispute regarding such letter of credit sought by the Company if the EGS believes such a requirement is inappropriately based or assessed. The Company reserves the right to implement further procedures for guarantee of payments and credit review procedures.

12.4.1 Amount of Deposits. The letter of credit shall be equal to (i) \$250,000, or (ii) two months of EGS's customers' forecasted MWH load multiplied by \$25.00, whichever is less.

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.

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.

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 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.

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 representa-

tives 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.

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 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.

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.

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.

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.

(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.

- 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:

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.

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

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 contact with the EGS in connection with the Company's provision of Coordination Services to the EGS with respect to Load Forecasting, Supply Scheduling and Reconciliation. Likewise, the Scheduling Coordinator appointed by the EGS shall be responsible for the performance of all Coordination Obligations of the EGS that are specifically designated to said Scheduling Coordinator in this Form.
- 5.0 The EGS agrees that the Company may bill the Scheduling Coordinator directly for all Coordination Services Charges attributable to the EGS and that the Scheduling Coordinator will pay the Company such charges on behalf of the EGS in accordance with the terms and conditions in the EGS Coordination Tariff.
- 6.0 The EGS and its appointed Scheduling Coordinator shall comply with all terms and conditions of the EGS Coordination Tariff, including those pertaining to Scheduling Coordinators and to payment and billing.
- 7.0 All inquiries, communications or notices relating to the EGS's use of the

Scheduling Coordinator designated above may be directed to the following representatives:

To the EGS:

Attn: _____
Title: _____
Telephone: _____
Facsimile: _____
Internet email: _____

To the Scheduling Coordinator:

Attn: _____
Title: _____
Telephone: _____
Facsimile: _____
Internet email: _____

8.0 The EGS Coordination Tariff is incorporated herein by reference and

made a part hereof. All capitalized terms used, but not defined, in this designation form shall have the meaning stated in the EGS Coordination Tariff.

9.0 The EGS has executed this designation form below by its duly authorized representative as follows:

Signature: _____
Name: _____
Title: _____
Date: _____

10.0 The EGS has obtained the following Acknowledgment and Consent to this designation, which is executed below by the duly authorized representative of the Scheduling Coordinator:

Acknowledgment and Consent

Intending to be legally bound thereby, the duly authorized representative of above-designated Scheduling Coordinator has executed this document below to acknowledge and consent to its appointment as a Scheduling Coordinator, and to further state its agreement to abide by the terms and conditions of its designation set forth above in the Scheduling Coordinator Designation Form prepared by the EGS, including the terms and conditions of the EGS Coordination Tariff which is incorpo-

Duquesne Light Company

Original Page No. 60

rated therein by reference.

Signature: _____
Name: _____
Title: _____
Date: _____

TABLE 1

Real Power Distribution Losses

Rate Schedule	Percentage of Loss
AL - Architectural Lighting Service	6.7%
GL - General Service Large	4.3%
GLH - General Service Large Heating	4.1%
GMH - General Service Medium Heating	8%
GS/GM - General Service Small and Medium	8.6%
HVPS - High Voltage Power Service	0
L - Large Power Service	2.6%
RA - Residential Service Add On Heat Pump	9.5%
RH - Residential Service Heating	9.5%
RS - Residential Service	9.5%
SE - Street Lighting Energy	9.5%
SH - Street Lighting Highway	9.5%
SM - Street Light Municipal	9.5%
MTS - Municipal Traffic Signals	9.5%
PAL - Private Area Lighting	9.5%

PROPOSED SUPPLIER TARIFF
June September __, 1998 |

DUQUESNE LIGHT COMPANY
ELECTRIC GENERATION SUPPLIER COORDINATION TARIFF

COMPANY OFFICE LOCATION

411 Seventh Avenue
Pittsburgh, Pennsylvania 15219

Issued: _____, 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

Issued _____, 1998

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.

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 (as evidenced by two payments overdue by sixty days) 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.

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 Sales Tariff - the Company's Coordination Sales Tariff on file with the FERC and which sets forth the rates, terms and conditions for the sale of energy in the Duquesne Control Area.

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.

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.

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.

_____ I s s u e d _____ 1 9 9 8

Effective _____, 1998

192780.01-39S2A/180860.07-39S2A

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.

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.

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.

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 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 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 Coordination Sales 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:

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 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

5.1 Customer Enrollment

The selection of Customers eligible to obtain Competitive Energy Supply shall occur in accordance with the Direct Access Procedures set forth in this Tariff, the EDC Tariff, Docket Nos. M-00960890F.0014 and M-00960890F.0015.

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 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 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 and/or the EGS 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 and only until November 1, 1998. The process for a Customer's selection of an EGS for the first time thereafter is governed by Rule 5.3.

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 written authorization from the Customer, or from the person authorized to act on the Customer's behalf, indicating the Customer's choice of EGS. The written 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 written authorization in the event of a dispute, in order to provide documented evidence of authorization to the Company or the Commission. Customer consent for switching to an EGS shall be verified through EGS maintenance of written authorization from the Customer to switch to the EGS.

(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.

(e) The Company will send a confirmation letter to all Customers who have made an initial EGS selection, after the initial EGS selection period concludes. 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 required to remain with the selected EGS for a minimum of one billing cycle.

(f) After conclusion of the initial EGS selection period, the Company will send each EGS an electronic file, via Electronic Exchange, containing information for the Customers of record for that particular EGS, in accordance with Rule 4.14(a).

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 electronically submit the request to that EGS. 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 informa-

tion will be disclosed: the Customer's name, address, Duquesne Light Company account number, and rate class.

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 written authorization from the Customer or person authorized to act on the Customer's behalf indicating the Customer's choice of EGS. The written 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 written authorization in the event of a dispute, in order to provide documented evidence of authorization to the Company or the Commission. The EGS selected by the Customer shall be responsible for the Supplier Switching Charge necessary for processing the request.

(b) The Customer's new EGS shall also submit the Customer's information using a file format designated by the Company via Electronic Exchange. 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 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 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 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 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 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.

(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.

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 15 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. 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 old 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 EDEWG.

(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.

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, for a fee, 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, for a fee, 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 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, for a fee, 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) depending upon whether the EGS elects to supply or purchase real power losses (Transmission Losses pursuant to the OATT and Distribution Losses pursuant to Table at Page No. 67). The EGS that elects to purchase losses from the EDC shall enter into the necessary arrangements pursuant to the OATT and Coordination Sales Tariff. The EDC shall charge 110% of the Company's hourly lambda capped at the Coordination Sales Tariff rates. The EGS may change its option to supply or purchase both real power Transmission and Distribution Losses on a calendar month basis, with a minimum of 10 days notice prior to the first day of the month for which the change will be effective.

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.

(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/oc/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.

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 shall 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 if the EGS has elected to supply, rather than purchase 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 EDC will round the aggregate forecast value for each hour to 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 supply schedules to each respective EGS and to the CAO promptly after 8:00 A.M. Eastern Prevailing Time each day. 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 that supply schedule.

7.3.2 Binding Nature of Schedule The Schedule e-mailed by the EDC to the EGS and CAO shall serve as the official schedule, and said official schedule shall be binding on that EGS.

7.3.3 Schedule Changes. If for any reason the EGS finds it necessary to change a supply schedule after 10:00 AM Eastern Prevailing Time of the day prior to the day for which the forecast applies, the EGS must notify the CAO by telephone, that a revised schedule for the entire day (covering 24 hours) will be sent via e-mail to the CAO using the NERC TIS protocol. After receipt of the revised schedule via e-mail, and confirmation that the source control area has received the same schedule change, the CAO will make reasonable efforts to review, and in its sole discretion, accept the changes. The CAO will notify the EDC of the schedule change and the revised schedule will establish the new hourly supply obligation for serving the EGS's customers. No schedule changes will be accepted by the CAO after 6:00 PM Eastern Prevailing Time of the day prior to the day for which the forecast applies.

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 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. For EGSs that have elected to supply Transmission and Distribution Losses, the losses are added to the hourly energy consumed by customers and included in the Consumption Energy Imbalance Calculation. For EGSs that have elected to purchase Transmission and Distribution Losses, the losses are not included in the Consumption Energy Imbalance Calculation.

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 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. Transmission and Distribution Losses are

billed for those EGSs who have elected to purchase Transmission & Distribution Losses.

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 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 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.

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 written 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 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 every two weeks for all energy charges, late fees, sales taxes, and any other taxes and charges collected on behalf of the EGS, within twenty-five days of receipt of payment 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:

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.

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 may shall require an applicant for Coordination Service or an EGS currently receiving such service ~~that has Bad Credit~~ to provide a ~~cash~~ deposit; in the form of a letter of credit, surety bond, 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, letter of credit, surety bond or other guarantee~~ sought by the Company if the EGS believes such a requirement is inappropriately based or assessed. The Company reserves the right to implement further procedures for guarantee of payments and credit review procedures.

12.4.1 Amount of Deposits. The deposit letter of credit shall be equal to (i) \$250,000, or (ii) two months of EGS's customers' forecasted MWH load multiplied by \$25.00, whichever is less. ~~the value of Coordination Services Charges the Company~~

projects the EGS will incur during the next two billing periods based on that EGS's forecasted load obligation.

~~12.4.2 Return of Deposits. Deposits secured from an EGS shall either be applied with interest to the EGS's account or returned to the EGS with interest when the EGS becomes Creditworthy. In cases of discontinuance or termination of service, deposits will be returned with accrued interest upon payment of all service charges and guarantees or with deduction of unpaid accounts.~~

~~12.4.3 Interest on Deposits. The Company will allow simple interest on cash deposits calculated at the lower of the Interest Index or 5.50 percent. Deposits shall cease to bear interest upon discontinuance of service (or, if earlier, when the Company closes the account).~~

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.

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.

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 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.

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.

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 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.

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.

Duquesne Light Company

Tariff Electric Pa.P.U.C. No. __

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I s s u e d _____, 1 9 9 8
Effective _____, 1998
192780.01-39S2A/180860.07-39S2A

SUPPLIER ADMINISTRATION CHARGE

APPLICABILITY

To receive Coordination Services under this Tariff an EGS must pay a Supplier Administration Charge to the Company. The Administration Charge includes the on-going data transmission and maintenance costs of the VAN, as well as certain incremental EDI charges.

DAILY CHARGES

Basic daily charge: \$0.19 per file transmitted by EDC.

Variable daily charge: \$0.046 per 1,000 characters per file.

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.

LOAD DATA SUPPLY CHARGE

APPLICABILITY

~~NO CUSTOMER INFORMATION WILL BE RELEASED BY THE COMPANY WITHOUT RECEIPT OF PRIOR WRITTEN AUTHORIZATION FROM THE CUSTOMER TO RELEASE SUCH DATA TO A PARTICULAR EGS.~~

~~The Company will provide historical billing data to an approved EGS, in accordance with all current regulatory requirements. The Company will provide additional information not readily available (normally, not currently stored in electronic format), and/or not required by regulatory requirement, for a fee as described below.~~

CHARGES

~~\$41 per hour or fraction thereof, of research and response preparation time.~~

SUPPLEMENTAL BILLING INFORMATION CHARGE

APPLICABILITY

Any participating Customer may elect a single-bill option, receiving one bill containing all charges (including EGS charges) from the Company. Under the single bill option, the Company will provide supplemental billing services for an EGS for a fee as described below. Supplemental billing services include all non-basic information and/or billing charges, such as contract expiration notices or charges for non-basic services provided by the EGS.

CHARGES

\$84 per hour for development and customization.

LOAD FORECASTING SERVICES CHARGE

APPLICABILITY

As described more fully in Rule 6, each EGS is responsible for providing to the CAO a load forecast. The EGS may provide the forecast or elect to have the Company provide the forecast.

The Company will provide a forecast as required by the Tariff and current PUC regulations for monthly or daily metered and unmetered Customers, and hourly (or sub-hourly) metered Customers, for a fee as described below:

CHARGES

Monthly or daily metered Customers: \$0.0016 per forecast

Hourly or subhourly metered Customers: \$0.0036 per forecast

SUPPLIER SWITCHING CHARGE

APPLICABILITY

An EGS may obtain a new Customer when that Customer first enters the Company's service territory and initially selects that EGS; alternatively, an EGS may obtain a new Customer when a Customer elects to switch from its current supplier to another EGS.

As described in Rule 5, the Company will process a new Customer's initial selection of an EGS at no charge. Subsequent switches from one EGS to another will be processed by the Company, for a fee as described below.

CHARGES

\$1.05 per Customer per switch

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.

(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.

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:

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.

Duquesne Light Company

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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

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 for the specific purpose(s) (please check and/or fill in):
_____ Load Scheduling and _____ Installed Capacity Obligations

Duquesne Light Company

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- Import Capability |
- Reconciliation as set forth in Rules 6, 7 and 8, respectively. ~~Rights and~~ |
- Responsibilities |
- Other: _____ |

4.0. The Company may utilize the Scheduling Coordinator as the sole point of contact with the EGS in connection with the Company's provision of Coordination Services to the EGS with respect to Load Forecasting, Supply Scheduling and Reconciliation. Likewise, the Scheduling Coordinator appointed by the EGS shall be responsible for the performance of all Coordination Obligations of the EGS that are specifically ~~delegated~~ designated to said Scheduling Coordinator in this Form.

5.0 The EGS agrees that the Company may bill the Scheduling Coordinator directly for all Coordination Services Charges attributable to the EGS and that the Scheduling Coordinator will pay the Company such charges on behalf of the EGS in accordance with the terms and conditions in the EGS Coordination Tariff.

6.0 The EGS and its appointed Scheduling Coordinator shall comply with all terms and conditions of the EGS Coordination Tariff, including those pertaining to Scheduling Coordinators and to payment and billing.

7.0 All inquiries, communications or notices relating to the EGS's use of the Scheduling Coordinator designated above may be directed to the following representatives:

To the EGS:

Attn: _____
Title: _____
Telephone: _____
Facsimile: _____
Internet email: _____

To the Scheduling Coordinator:

Attn: _____

Duquesne Light Company

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Title: _____
Telephone: _____
Facsimile: _____
Internet email: _____

8.0 The EGS Coordination Tariff is incorporated herein by reference and made a part hereof. All capitalized terms used, but not defined, in this designation form shall have the meaning stated in the EGS Coordination Tariff.

9.0 The EGS has executed this designation form below by its duly authorized representative as follows:

Signature: _____
Name: _____
Title: _____
Date: _____

10.0 The EGS has obtained the following Acknowledgment and Consent to this designation, which is executed below by the duly authorized representative of the Scheduling Coordinator:

Acknowledgment and Consent

Intending to be legally bound thereby, the duly authorized representative of above-designated Scheduling Coordinator has executed this document below to acknowledge and consent to its appointment as a Scheduling Coordinator, and to further state its agreement to abide by the terms and conditions of its designation set forth above in the Scheduling Coordinator Designation Form prepared by the EGS, including the terms and conditions of the EGS Coordination Tariff which is incorporated therein by reference.

Signature: _____
Name: _____
Title: _____
Date: _____

TABLE 1

Real Power Distribution Losses

Rate Schedule	Percentage of Loss
AL - Architectural Lighting Service	6.7%
GL - General Service Large	4.3%
GLH - General Service Large Heating	4.1%
GMH - General Service Medium Heating	8%
GS/GM - General Service Small and Medium	8.6%
HVPS - High Voltage Power Service	0
L - Large Power Service	2.6%
RA - Residential Service Add On Heat Pump	9.5%
RH - Residential Service Heating	9.5%
RS - Residential Service	9.5%
SE - Street Lighting Energy	9.5%
SH - Street Lighting Highway	9.5%
SM - Street Light Municipal	9.5%
MTS - Municipal Traffic Signals	9.5%
PAL - Private Area Lighting	9.5%

----- COMPARISON OF HEADERS -----

-HEADER 1-
Tariff Electric Pa.P.U.C. No. __
Duquesne Light Company Original Page No. 2

-HEADER 2-
Tariff Electric Pa.P.U.C. No. __
Duquesne Light Company Original Page No. 2

----- COMPARISON OF FOOTERS -----

-FOOTER 1-
~~180860.07-D.C. Server 2A Draft September 4, 1998 - 12:33 PM~~ Footer Discontinued |

-FOOTER 2-
Issued _____, 1998 Effective _____, 1998

-FOOTER 3-
Issued _____, 1998 Effective _____, 1998


BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility)
Commission)
)
v.) Docket No. R-00974104
)
Duquesne Light Company)
Application for Approval of)
a Restructuring Plan Pursuant)
to 66 Pa. C.S. § 2806(d))

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing document shall be served, by Federal Express for delivery on September 14, 1998, upon the participants on the attached service list in accordance with Section 1.54 of the Commission's regulations.

Dated this 11th day of September, 1998.



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Pennsylvania Public Utility Commission v. Duquesne Light
Company

R-00974104

NOTICE OF PETITION by Duquesne Light Company, at
No. 2566 C.D. 1998, Commonwealth Court of
Pennsylvania, from the order of the Commission dated
August 13, 1998 in the above-captioned proceeding.

B-00983750

Filed: September 14, 1998

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DOCKETED
OCT 14 1998

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