



PECO ENERGY

PECO Energy Company
2301 Market Street
PO Box 8699
Philadelphia, PA 19101-8699
215 841 4000

July 9, 1998

HAND DELIVERY

Mr. James McNulty, Acting Secretary
Pennsylvania Public Utility Commission
North Office Building - P. O. Box 3265
Harrisburg, PA 17105-3265

ORIGINAL

Subject: Supplement No. 16 to Tariff Electric Pa. P.U.C. No. 2 , effective August 1, 1998; Filed in Compliance with Order Entered at Docket Nos. R-00973953 and P-00971265

Dear Mr. McNulty:

Enclosed for filing with the Commission are eight copies of Supplement No. 16 to Electric Pa. P.U.C. No. 2, which is to become effective August 1, 1998.

This supplement is necessary to bring the Company's current tariff into compliance with the portions of the Commission's Order entered May 14, 1998 at Docket Nos. R-00973953 and P-00971265 permitting asset securitization. In addition, the supplement replaces C. A. McNeill, Jr. with K. G. Lawrence as the officer responsible for the issuance of the tariff to reflect a change in the Company's management structure. K. G. Lawrence has been appointed President, PECO Energy Distribution Company.

This supplement will be posted on PECO Energy's website (www.peco.com).

Would you please acknowledge receipt of this filing on the enclosed copy of this letter and return that copy in the business reply envelope provided for your convenience.

Sincerely,

EEF

cc: Certificate of Service

- John M. Quain, Chairman
- Aaron Wilson, Jr., Commissioner
- David W. Rolka, Commissioner
- Robert K. Bloom, Commissioner
- Nora Mead Brownell, Commissioner
- B. Bruin, Executive Director
- C. Walker-Davis, Esquire, Director - Office of Special Assistants
- M. A. Miller, Director, Bureau of Consumer Services
- R. F. Wilson, Bureau of Fixed Utility Services
- D. H. Muth, Director, Fixed Utility Services
- R. Bennett, Bureau of Fixed Utility Services

DOCUMENT FOLDER

PA.P.U.C.
SECRETARY'S BUREAU

98 JUL -9 AM 10:34

RECEIVED

23

PECO Energy Company

Electric Service Tariff

COMPANY OFFICE LOCATION

2301 Market Street
Philadelphia, Pennsylvania 19101

For List of Communities Served, See Page 4.

Issued July 9, 1998

Effective August 1, 1998

ISSUED BY: K. G. LAWRENCE - President
PECO Energy Distribution Company
2301 MARKET STREET
PHILADELPHIA, PA. 19101

(c)

PA.P.U.C.
SECRETARY'S BUREAU

98 JUL -9 AM 10:34

RECEIVED

DOCKETED
JUL 17 1998

DOCUMENT
FOLDER

NOTICE.

THIS SUPPLEMENT MAKES NO CHANGES IN EXISTING RATES

LIST OF CHANGES MADE BY THIS SUPPLEMENT
CHANGES

Title Page - K. G. Lawrence replaces C. A. McNeill as the officer responsible for the issuance of the tariff to reflect a change in the Company's management structure.

Net Securitization Adjustment (NSA) - (Original Page No. 39A)
Net Securitization Adjustment has been added.

PECO ENERGY COMPANY

SUPERSEDING FIFTEENTH REVISED PAGE NO. 3

List of Changes Made by This Supplement	2 ¹⁶
List of Communities Served.....	4
How to Use Loose-Leaf Tariff.....	5
Definition of Terms and Explanation of Abbreviations.....	6,7,8
RULES AND REGULATIONS:	
1. The Electric Service Tariff	9
2. Service Limitations	10,11
3. Customer's Installation	12
4. Application for Service.....	13 ¹
5. Credit.....	14
6. Private-Property Construction.....	15
7. Extensions.....	16,17,18
8. Rights-of-Way.....	19
9. Introduction of Service.....	19
10. Company Equipment on Customer's Premises.....	20,21
11. Tariff Options on Applications for Service.....	21
12. Service Continuity	22
13. Customer's Use of Service	23
14. Measurement	24
15. Demand Determination.....	25
16. Tests	26
17. Standard Payment Terms.....	27,28 ¹
18. Termination by Company	29
19. Unfulfilled Contracts	29
20. Cancellation by Customer.....	30
21. General	30
STATE TAX ADJUSTMENT CLAUSE.....	31 ²
ENERGY COST ADJUSTMENT	32 ¹ ,33 ¹ ,34 ¹ ,35 ¹ ,36 ¹ ,37 ¹
LIMERICK SETTLEMENT ADJUSTMENT (LSA).....	38 ¹ ,39 ¹
NET SECURITIZATION ADJUSTMENT (NSA).....	39A
RATES:	
Rate R Residence Service	40 ¹
Rate RT Residence Time-of-Use Service	41 ¹
Rate R-H Residential Heating Service.....	42 ¹
Rate CAP Customer Assistance Program	42A ² 42B
Rate OP Off-Peak Service.....	43 ¹
Rate R-S Solar Residence Service.....	43A ¹
Rate GS General Service	44 ¹ ,45 ⁴
Rate PD Primary-Distribution Power.....	46 ¹
Rate HT High-Tension Power.....	47 ¹
Rate POL Private Outdoor Lighting	48 ² ,49 ¹
Rate SL-P Street Lighting in City of Philadelphia.....	50 ¹ ,51,52
Rate SL-S Street Lighting-Suburban	53 ¹ ,54
Rate SL-E Street Lighting Customer-Owned Facilities.....	55 ¹ ,56
Rate TL Traffic Lighting Service	57 ¹
Rate BLI Borderline Interchange Service.....	58 ¹
Rate EP Electric Propulsion	59 ¹
RIDERS:	
Applicability Index of Riders	60 ²
Alley Lighting Rider	61 ¹
Auxiliary Service Rider	62,63 ¹ ,64
Casualty Rider.....	65
Construction Rider.....	66
Cooling Thermal Storage HT Rider.....	67
Curtailment HT Rider.....	68
Electric Vehicle Charging Rider	69
Emergency Energy Conservation Rider.....	70
Employment and Economic Recovery Rider.....	71,72 ² ,73
Investment Return Guarantee Rider	74
Night Service GS Rider	75
Night Service HT Rider.....	76
Large Interruptible Load Rider	77,78,79 ¹
Night Service PD Rider.....	80
Off-Peak Rider.....	81
Receivership Rider	82
Temporary Service Rider.....	83
Transformer Rental Ride	84
Economic Efficiency Rider.....	85 ²
Capacity Reservation Rider.....	86
Seasonal Capacity Charge Service Rider.....	87 ²
Interruptible Rider.....	88,89,90 ¹
Incremental Process Rider	91,92 ¹
Retail Access Pilot Rider	93-114

Net Securitization Adjustment (NSA)

In addition to the net charges provided for in this tariff, values as indicated in the table below will be applied to all service on their effective date.

The NSA is comprised of two separate factors, the Securitization Rate Reduction (SRR) and the Intangible Transition Charge (ITC) which will always net to zero in accordance with the terms of the Joint Petition for Full Settlement approved by Commission Order entered May 14, 1998 at Docket Nos. R-00973953 and P-00971265. The factors as described below will initially become effective on 10 days notice to the Commission. The SRR and ITC will be recalculated as follows:

- (1) whenever new transition bonds are issued as evidenced by the issuance date of the bonds.
- (2) annually, to reconcile unamortized Qualified Transition Expense (QTE) principal balance.

Securitization Rate Reduction (SRR)

The SRR is a credit to the Company's applicable PaPUC jurisdictional base rate charges, expressed as a percentage of such charges, reflecting a revenue requirement reduction arising from the Company's securitization of generation-related costs.

Intangible Transition Charge (ITC)

The ITC as set forth in The Electricity Generation Customer Choice and Competition Act, 66 Pa. C. S. §2801, et seq., is a charge that is added to, and expressed as a percentage of, the Company's applicable PaPUC jurisdictional base rate charges reflecting the revenue requirement necessary to amortize the QTE principal balance.

Effective Rate Table

<u>Rate Class</u>	<u>SRR</u>	<u>ITC</u>	<u>NSA</u>
R	xx.xxxx%	xx.xxxx%	0
RT	xx.xxxx%	xx.xxxx%	0
R-H	xx.xxxx%	xx.xxxx%	0
CAP	xx.xxxx%	xx.xxxx%	0
OP	xx.xxxx%	xx.xxxx%	0
R-S	xx.xxxx%	xx.xxxx%	0
GS	xx.xxxx%	xx.xxxx%	0
PD	xx.xxxx%	xx.xxxx%	0
HT	xx.xxxx%	xx.xxxx%	0
POL	xx.xxxx%	xx.xxxx%	0
SL-P	xx.xxxx%	xx.xxxx%	0
SL-S	xx.xxxx%	xx.xxxx%	0
SL-E	xx.xxxx%	xx.xxxx%	0
TL	xx.xxxx%	xx.xxxx%	0
BLI	xx.xxxx%	xx.xxxx%	0
EP	xx.xxxx%	xx.xxxx%	0



PECO ENERGY

July 9, 1998

ORIGINAL

RECEIVED

JUL -9 AM 10:36

PA. P.U.C.
SECRETARY'S BUREAU

Alfred A. Miller
Director
Rates & Regulatory Affairs

PECO Energy Company
2301 Market Street
PO Box 8699
Philadelphia, PA 19101-8699
215 841 5760

HAND DELIVERY

Mr. James McNulty, Secretary
Pennsylvania Public Utility Commission
North Office Building
Harrisburg, PA 17105-3265

DOCUMENT
FOLDER

KJR

Dear Mr. McNulty:

Subject: Tariff Electric Pa. P.U.C. No. 3, effective January 1, 1999; Filed in Compliance with Orders Entered May 14, 1998 and July 1, 1998 at Docket Nos. R-00973953 and P-00971265.

In accordance with the Pennsylvania Public Utility Commission's Final Order entered May 14, 1998, and its Order implementing Competitive Metering and Billing Arrangements entered July 1, 1998, concerning PECO Energy Company's Application for Approval of its Restructuring Plan et. al., Docket Nos. R-00973953 and P-00971265 - Joint Petition for Settlement, we have enclosed an original and eight copies of compliance Tariff Electric Pa P.U.C. No. 3. This Tariff contains clarifications and revisions to the Tariff contained in Appendix A of the Joint Petition for Settlement, as follows:

Issuance Date - Changed from May 14, 1998 to July 9, 1998.

Title Page - **Issued By:** "C. A. McNeill, Jr." replaced with "K. G. Lawrence" as officer responsible for the issuance of the tariff to reflect a change in the Company's management structure. K. G. Lawrence has been appointed President, PECO Energy Distribution Company.

Page 2-3 - **Table of Contents.** The pagination has changed.

Page 10 - **Rule 1.3 Application.** The following sentence has been added: "A customer will receive service under this tariff effective with their first scheduled billing cycle beginning after January 1, 1999." This addition clarifies the date that customers will begin to receive the unbundled rates and Competitive Energy Supply or Default PLR Service.

Page 16 - **Rule 7.3.D Underground Service in New Residential Developments-Applicability.** The last word of the sentence has been changed from "supplement" to "tariff".

Page 20 - **Rule 14.1. - Supply of Meters.** The words in the second line "and for whom it provides Competitive Energy Supply" have been deleted to comply with the Order Implementing Competitive Metering and Billing Arrangements entered July 1, 1998.

84

Mr. James McNulty, Secretary

July 9, 1998

Page 2

Page 23 - **Rule 17.4 Payment Processing.** The parenthetical phrase (if PECO Energy is providing Default PLR Service) has been deleted from items No. 8 and No. 9. This change is made to clarify that the payment processing rules also apply in the situation where PECO Energy is providing Default PLR Service.

Page 26 - **Rule 22.6 Direct Access Phase-in Procedures.** The date "July 1" is changed to "August 27" to comply with the May 21, 1998, PaPUC Enrollment Order.

Page 45 - **Rate GS - General Service, Determination of Demand.** The phrase "or where the Heating Modification is applied" was added in the second line to reinstate language inadvertently omitted that exists in the current tariff.

Page 46 - **Rate GS - General Service, Metering.** The words "the date of full Direct Access" were replaced with "January 2, 2000", in the third paragraph, in accordance with the PaPUC Secretarial Letter dated April 15, 1998.

Page 99 - 101 - **Transmission Charges.** These pages were added for informational purposes so that customers will be informed of PECO Energy's non-jurisdictional transmission charges.

The filed documents will be posted on PECO Energy's EDC website (www.peco.com/indexnew.html).

Would you please acknowledge receipt of this filing on the enclosed copy of this letter and return that copy in the business reply envelope provided for your convenience.

Sincerely,



cc: Certificate of Service

John M. Quain, Chairman

Aaron Wilson, Jr., Commissioner

David W. Rolka, Commissioner

Robert K. Bloom, Commissioner

Nora Mead Brownell, Commissioner

B. Bruin, Executive Director

C. Walker-Davis, Esquire, Director - Office of Special Assistants

M. A. Miller, Director, Bureau of Consumer Services

R. F. Wilson, Bureau of Fixed Utility Services

D. H. Muth, Director, Fixed Utility Services

R. Bennett, Bureau of Fixed Utility Services

PECO Energy Company

Electric Service Tariff

DOCUMENT
FOLDER

COMPANY OFFICE LOCATION

2301 Market Street
Philadelphia, Pennsylvania 19101

DOCKETED

AUG 06 1998

For List of Communities Served, See Page 4.

Issued: July 9, 1998

Except as expressly provided herein, this Tariff
shall be effective: January 1, 1999

ISSUED BY: K. G. LAWRENCE - President
PECO Energy Distribution Company
2301 MARKET STREET
PHILADELPHIA, PA. 19101

NOTICE.

RECEIVED
98 JUL -9 AM 10:36
P.E.C.O.
SECRETARY'S BUREAU

TABLE OF CONTENTS

List of Communities Served 4
 How to Use Loose-Leaf Tariff 5
 Definition of Terms and Explanation of Abbreviations 6,7,8,9
RULES AND REGULATIONS:
 1. The Tariff 10
 2. Service Limitations 10
 3. Customer's Installation 11
 4. Application for Service 12
 5. Credit 13
 6. Private-Property Construction 14
 7. Extensions 15
 8. Rights-of-Way 16
 9. Introduction of Service 17
 10. Company Equipment on Customer's Premises 17
 11. Tariff and Contract Options 18
 12. Service Continuity 18,19
 13. Customer's Use of Service 20
 14. Metering 20
 15. Demand Determination 21
 16. Meter Tests 22
 17. Billing and Standard Payment Options 22,23
 18. Payment Terms & Termination of Service 24
 19. Unfulfilled Contracts 24
 20. Cancellation by Customer 25
 21. General 26
 22. Direct Access Phase-In Procedures 26
 23. EGS Switching 27
 24. Load Data Exchange 28
 STATE TAX ADJUSTMENT CLAUSE 29
 COMPETITIVE TRANSITION CHARGE (CTC) 30,31
 NET SECURITIZATION ADJUSTMENT 32
 NUCLEAR DECOMMISSIONING COST ADJUSTMENT CLAUSE (NDCA) 33
 UNIVERSAL SERVICE FUND CHARGE (USFC) 34
RATES:
 Rate R Residence Service 35,36
 Rate RT Residence Time-of-Use Service 37,38
 Rate R-H Residential Heating Service 39,40
 Rate CAP Customer Assistance Program 41,42
 Rate OP Off-Peak Service 43
 Rate R-S Renewable Energy Service 44
 Rate GS General Service 45,46,47
 Rate PD Primary-Distribution Power 48
 Rate HT High-Tension Power 49,50
 Rate POL Private Outdoor Lighting 51,52
 Rate SL-P Street Lighting in City of Philadelphia 53,54,55
 Rate SL-S Street Lighting-Suburban Counties 56,57
 Rate SL-E Street Lighting Customer-Owned Facilities 58,59
 Rate TL Traffic Lighting Service 60
 Rate BLI Borderline Interchange Service 61
 Rate EP Electric Propulsion 62,63
 Rate AL Alley Lighting in City of Philadelphia 64
RIDERS:
 Applicability Index of Riders 65
 Auxiliary Service Rider 66,67,68
 Capacity Reservation Rider 69
 Casualty Rider 70
 Construction Rider 71
 Cooling Thermal Storage HT Rider 72
 Curtailment HT Rider 73
 Economic Efficiency Rider (EER) 74,75
 Emergency Energy Conservation Rider 76
 Employment and Economic Recovery Rider 77,78,79
 Incremental Process Rider (IPR) 80,81
 Interruptible Rider 1 (IR-1) 82,83,84
 Investment Return Guarantee Rider 85

Large Interruptible Load Rider.....	86,87,88
Night Service GS Rider.....	89
Night Service HT Rider.....	90
Night Service PD Rider.....	91
Off-Peak Rider.....	92
Receivership Rider.....	93
Seasonal Capacity Charge Service Rider.....	94
Temporary Service Rider.....	95
Transformer Rental Rider.....	96
INTERIM CODE OF CONDUCT.....	97,98
TRANSMISSION CHARGES.....	99,100,101

LIST OF COMMUNITIES SERVEDPHILADELPHIA:

CITY AND COUNTY OF Philadelphia.

DELAWARE COUNTY:

CITY: Chester.

BOROUGHS: Aidan, Brookhaven, Chester Heights, Clifton Heights, Collingdale, Colwyn, Darby, East Lansdowne, Eddystone, Folcroft, Glenolden, Lansdowne, Marcus Hook, Media, Millbourne, Morton, Narberth, Norwood, Parkside, Prospect Park, Ridley Park, Rose Valley, Rutledge, Sharon Hill, Swarthmore, Trainer, Upland, Yeadon.

FIRST-CLASS TOWNSHIPS: Aston, Darby, Haverford, Lower Chichester, Lower Merion, Marple, Nether Providence, Radnor, Ridley, Springfield, Tinicum, Upper Chichester, Upper Darby.

SECOND-CLASS TOWNSHIPS: Bethel, Birmingham, Chester, Concord, Edgmont, Middletown, Newtown, Thornbury, Upper Providence.

BUCKS COUNTY:

BOROUGHS: Bristol, Chalfont, Doylestown, Dublin, Hulmeville, Ivyland, Langhorne, Langhorne Manor, Morrisville, New Britain, New Hope, Newtown, Pennel, Telford, Tullytown, Yardley.

FIRST-CLASS TOWNSHIPS: Bristol.

SECOND-CLASS TOWNSHIPS: Bedminster, Bensalem, Buckingham, Doylestown, Falls, Hilltown, Lower Makefield, Lower Southampton, Middletown, New Britain, Newtown, Northampton, Plumstead, Solebury, Upper Makefield, Upper Southampton, Warminster, Warrington, Warwick, Wrightstown.

MONTGOMERY COUNTY:

BOROUGHS: Ambler, Bridgeport, Bryn Athyn, Collegeville, Conshohocken, East Greenville, Green Lane, Hatboro, Jenkintown, Lansdale, Norristown, North Wales, Pennsburg, Pottstown, Red Hill, Rockledge, Royersford, Schwenksville, Souderton, Telford, Trappe, West Conshohocken.

FIRST-CLASS TOWNSHIPS: Abington, Cheltenham, Hatfield, Lower Moreland, Lower Pottsgrove, Plymouth, Springfield, Upper Dublin, Upper Gwynedd, Upper Moreland, Upper Pottsgrove, West Norriton, West Pottsgrove, Whitemarsh.

SECOND-CLASS TOWNSHIPS: East Norriton, Franconia, Horsham, Limerick, Lower Frederick, Lower Gwynedd, Lower Providence, Lower Salford, Marlborough, Montgomery, Perkiomen, Salford, Skippack, Towamencin, Upper Frederick, Upper Merion, Upper Providence, Upper Salford, West Vincent, Whippany, Worcester.

CHESTER COUNTY:

CITY: Coatesville.

BOROUGHS: Avondale, Downingtown, Kennett Square, Malvern, Modena, Oxford, Parkesburg, Phoenixville, South Coatesville, Spring City, West Chester, West Grove.

FIRST-CLASS TOWNSHIP: Caln.

SECOND-CLASS TOWNSHIPS: Birmingham, Charlestown, East Bradford, East Brandywine, East Caln, East Coventry, East Fallowfield, East Goshen, East Marlborough, East Nantmeal, East Nottingham, East Pikeland, East Vincent, East Whiteland, Easttown, Elk, Franklin, Highland, Kennett, London Britain, Londonderry, London Grove, Lower Oxford, New Garden, Newlin, New London, North Coventry, Penn, Pennsbury, Pocopson, Sadsbury, Schuylkill, South Coventry, Thornbury, Tredyffrin, Upper Oxford, Upper Uwchland, Uwchland, Valley, Wallace, Warwick, West Bradford, West Brandywine, West Caln, West Fallowfield, West Goshen, West Marlborough, West Nantmeal, West Nottingham, West Pikeland, West Sadsbury, Westtown, West Vincent, West Whiteland, Willistown.

YORK COUNTY:

BOROUGH: Delta.

SECOND CLASS TOWNSHIPS: Chanceford, Fawn, Lower Chanceford, Peach Bottom.

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

a.c. - alternating current.

Advanced Meter Services - Advanced Meter Services shall have the meaning set forth in Appendix C of the Joint Petition for Full Settlement (as defined below).

Advanced Meter - Advanced Meter shall have the meaning set forth in Appendix C of the Joint Petition for Full Settlement (as defined below)

available rate - A rate which may be obtained by a customer if the use of service conforms to the character of service contemplated in the rate, and the location is such that this service can be supplied from existing facilities of the Company.

bad credit (for deposit purposes) - A customer has bad credit if the customer has been delinquent on two consecutive bills or three or more bills in the last twelve billing cycles. Industrial and commercial customers shall also have bad credit if the customer 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 tendered two or more checks which the drawee returns as unpaid, within the last twelve billing cycles.

Base Rate (or rate) - The Base Rates are Rates R, RT, R-H, CAP, OP, R-S, GS, PD, HT, POL, SL-P, SL-S, SL-E, TL, EP, and AL

billing demand - The calculated or measured demand after correction, if any, for power factor; except that the billing demand may be limited to a minimum figure.

Btu - British thermal unit.

capacity charge - A charge based upon demand, either with or without power factor correction.

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

Competitive Default Service - Competitive Default Service shall have the meaning set forth in Section L, paragraph 38(a), of the Joint Petition for Full Settlement (as defined below).

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

Competitive Transition Charge or CTC - a nonbypassable charge applied to the bill of every customer (as defined below), which charge is designed to recover PECO Energy's approved Transition or Stranded Costs (as defined below).

Consolidated EDC Billing - Billing provided by the Company as provided for in Appendix C to the Joint Petition for Full Settlement (as defined below)

Consolidated EGS Billing - Billing provided by an EGS as provided for in Appendix C to the Joint Petition for Full Settlement (as defined below)

continuous service - Service which the Company endeavors to keep available at all times.

creditworthy - A creditworthy customer 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 a customer is creditworthy with respect to a particular account, the Company will evaluate the customer's record of paying Company charges for all of the customer's other Company accounts, and may also take into consideration the customer's general credit.

customer - Any person, partnership, association, or corporation, lawfully receiving service at a single meter location from the Company. For purposes of billing for an Electric Generation Supplier (as defined below) and collecting CTC, the term customer may include all meter locations for which a summary bill is provided. In addition, unless explicitly prohibited by the Public Utility Code or the Commission's Rules and Regulations, an EGS may act as agent for an end use customer upon written authorization to PECO Energy which may be part of the notice of EGS selection.

customer's service extension - The facilities extending from the customer's service-receiving equipment to the Company's service supply lines.

Default PLR Service - The provision of energy or energy and capacity by PECO Energy as provider-of-last resort to customers that are: (1) not eligible to obtain Competitive Energy Supply, (2) choose not to obtain Competitive Energy Supply, (3) return to default service after having obtained Competitive Energy Supply or Competitive Default Service, or (4) who contract for Competitive Energy Supply from an EGS (as defined below) that fails to deliver such energy or energy and capacity.

demand - The maximum rate-of-use of energy during a specified time interval, expressed in kilowatts.

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

Electric Generation Supplier (EGS) - Electric Generation Supplier (EGS) shall have the meaning set forth in the Competition Act

Electric Generation Supplier Coordination Tariff (or Supplier Tariff)- PECO Energy's Electric Generation Supplier Coordination Tariff, provides procedures for EGS & PECO EDC interaction to make arrangements necessary to implement Direct Access for retail customers.

Energy and Capacity Charge - PECO Energy's charge for energy or energy and capacity to customers that receive Default PLR Service.

energy charge - a charge based upon kilowatt-hours of use.

FERC - the Federal Energy Regulatory Commission.

Fixed Distribution Service Charge - A charge to recover costs caused by the presence of the customer on the system other than the costs associated with the customer's demand or energy consumption, net of any credit provided for in Appendix B to the Joint Petition for Full Settlement.

holidays - New Year's Day, Martin Luther King, Jr.'s Birthday, Presidents' Day, Good Friday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, Friday after Thanksgiving, Christmas Day and Sundays.

hp, horsepower - As used herein, horsepower shall be computed as the equivalent of 750 watts.

initial contract term - An initial contract term for a service location shall be 1) the customer's first Term of Contract for service to the location or 2) the first Term of Contract after the customer changes service for a location to a different Rate.

Intangible Transition Charge (ITC) - Intangible Transition Charge (ITC) shall have the meaning set forth in the Competition Act.

Joint Petition for Full Settlement - The Joint Petition For Full Settlement Of PECO Energy Company's Restructuring Plan And Related Appeals And Application For A Qualified Rate Order And Application For Transfer Of Generation Assets, dated April 29, 1998

kV, kilovolts - 1000 volts.

kVa, kilovoltampere - Unit of measurement of rate-of-use which determines electrical capacity required; it is obtained by multiplying the voltage of a circuit by its amperage.

kW, kilowatt - Unit of measurement of useful power.

kWh, kilowatt-hour - Unit of measurement of energy; an amount equivalent to the use of one kilowatt for one hour.

lumen - Unit of measurement of quantity of light.

measured demand - A customer's highest demand during a 30 minute time interval in a billing period.

Meter Service Provider or MSP- A Meter Service Provider or MSP shall mean the Company or an EGS that provides Advanced Meter Services

month - A month under this Tariff means 1/12 of a year, or the period of approximately 30 days between two regular consecutive readings of the Company's meter or meters installed on the customer's premises.

PaPUC or Commission - The Pennsylvania Public Utility Commission.

PECO Energy or the Company - PECO Energy Company.

point of delivery - The single point at which the service-supply lines of the Company terminate and the customer's facilities for receiving the service begin.

PJM - PJM shall mean the Pennsylvania-New Jersey-Maryland Interconnection.

PJM System - PJM System shall mean the transmission facilities located in the Mid-Atlantic Region that are controlled by PJM.

power factor - As used herein, power factor is, in a single-phase circuit, the ratio of the watts to the voltamperes, and in a polyphase circuit, is the ratio of the total watts to the vector sum of the voltamperes in the several phases.

property line - The division line between land held in or for private use, and land in which the public or the Company has a right of use; or, the division line between separately owned or occupied land.

Qualified Transition Expense - Qualified Transition Expense shall have the meaning set forth in the Competition Act.

Separate EDC Billing - Billing provided by the Company as provided for in Appendix C to the Joint Petition for Full Settlement (as defined below)

Separate EGS Billing - Billing provided by an EGS as provided for in Appendix C to the Joint Petition for Full Settlement (as defined below)

service - The distribution of energy for use by the customer, including all things done by the Company in connection with such distribution.

- standard single-phase secondary: alternating current, 60 hertz:
 - (a) nominally 120/240 volts, 3 wires;
 - (b) nominally 120 volts, 2 wires to installations consisting of not more than two 15-ampere branch circuits; nominally 120/208 volts, 3 wires, for residential service, where available in conjunction with standard polyphase secondary 120/208 volts, 3-phase, 4 wires.
- standard polyphase secondary; alternating current, 60 hertz. Only one service is available to a building unless the demand exceeds the service capacity for the associated voltage described below. If the demand exceeds a service capacity, additional secondary services at the same voltage level may be provided. For purposes of determining service capacity limits, a building is defined as a structure, separated from other structures, or a portion of a contiguous structure separated from the remainder of the structure by approved fire walls. When demand or service voltage requires the installation of transformation on the owner's premises, the transformation shall consist of a padmounted transformer installed at a location provided by the owner and approved by the Company outside the building or a transformer bank installed inside the building in a vault located on the ground floor or one story below grade, meeting National Electrical Code requirements. The Company will not install, own or maintain any conductors inside or beneath a building nor install indoor transformation in areas supplied by or designated to be supplied at 33,000 volts or greater.
 - (a) nominally 120/240 volts, 2-phase, 5 wires; only available in areas supplied by 2-phase distribution facilities located along public highways or private rights-of-way and limited to service capacities of 100 kVa or less;
 - (b) nominally 240 volts, 3-phase, 3 wires; a fourth wire neutral will be extended for the supply of 120/240 volt single-phase equipment in combination with the service where the service capacity required does not exceed 15 kVa on any one of the phases. Where the demand to a single premises exceeds 100 kVa, transformers will be installed on the premises at a suitable location provided by the owner. The service capacity is limited to 300 kVa for transformers located inside the building and 750 kVa for transformers located outside the building.
 - (c) nominally 120/208 volts, 3-phase, 4 wires, (where 3-phase distribution is available) for the exclusive supply of secondary service to a building or group of contiguous buildings occupied by one or more than one customer, with transformers and secondaries installed on the premises at suitable locations provided by the owner. The service capacity is limited to 750 kVa for transformers located either inside or outside the building. When a suitable transformer location is not reasonably available on the premises and the demand does not exceed 100 kVa, service may be supplied at the Company's discretion from aerial distribution facilities located along public highways.
 - (d) nominally 277/480 volts, 3-phase, 4 wires (where 3-phase distribution is available) for the exclusive supply of secondary service to a building occupied by one or more than one customer with transformers and secondaries installed on the premises at suitable locations provided by the owner. The service capacity is limited to 750 kVa for transformers located inside the building and 1,500 kVa for transformers located outside the building.
- standard primary - unregulated alternating current, 60 hertz, nominally 2,400 volts, 2-phase, 3 wires, or nominally 4,160 volts, 3-phase, 3 or 4 wires. Availability of these voltages is limited to those locations served at these voltages as of July 6, 1987.
- standard high tension - unregulated alternating current, 60 hertz, 3-phase, 3 wires (4-wire, 13 kV service is available in areas that have been converted to 13 kV distribution):

Where two or more such standard voltages are present in a given area, the Company will select the service voltage at which the required service can be supplied most economically. Nominally 13,200, 33,000, 69,000, 138,000 or 230,000 volts as available in the various sections of the Company's service territory for loads of such character as to require supply at one of such voltages in order not to impose unsatisfactory service conditions on the Company's supply system, or for loads of such character that supply at one of such voltages is desired both by the Company and the customer. For service at 13,200 or 33,000 volts, where the customer's demand exceeds 7,000 kW, the owner may be required to provide a suitable location on the premises for the installation of Company's transformation equipment.

The Company's charges for service, which are comprised of the Fixed Distribution Service Charge and Variable Distribution Service Charge, are nonbypassable and must be paid by any customer regardless of the voltage level at which the customer is served.

Service-supply lines - The facilities (conductors, cables, conduits, etc.) extending from the Company's facilities in the highway or other trunk line location to the facilities owned and maintained by the customer

Statutory Rate Cap Period - the applicable rate cap as set forth in Section 2804(4) of the Act.

Statutory Transition Period - the period of time commencing on January 1, 1997 and ending on December 31, 2010.

Summary billing account - An aggregate bill prepared for two or more meter locations owned or legally controlled by the same partnership, association, corporation, or governmental agency etc. for: (1) the Company's charges for service and/or for the recovery of Transition or Stranded Costs, and/or (2) an EGS's charges for Competitive Energy Supply, as permitted by Rule 2.2.

Tariff - this Electric Service Tariff comprising the Base Rates, rules and regulations that apply to the distribution of electric energy including all things done by the Company in connection with such distribution, and/or the supply of electric energy under Default PLR Service.

Transition or Stranded Costs - Transition or Stranded Costs shall have the meaning set forth in the Competition Act.

Variable Distribution Service Charge - the variable energy and capacity charges for the provision of unbundled distribution service, including all things done by the Company in connection with such distribution service.

RULES AND REGULATIONS

1. THE TARIFF

1.1 FILING AND POSTING. A copy of this Tariff, which comprises the Rates, Rules and Regulations under which service and Default PLR Service will be provided to its customers by PECO Energy, 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 Law", and such changes, when effective, shall have the same force as the present Tariff.

1.3 APPLICATION. The Tariff provisions apply to everyone lawfully receiving service from the Company, under the rates therein, and receipt of service shall constitute the recipient a customer of the Company as the term is used herein, whether service is based upon contract, agreement, accepted signed application, or otherwise. In addition, the rates therein shall apply to everyone receiving service unlawfully or otherwise, including unauthorized use as referred to in Rule 4.7 of this Tariff. A customer will receive service under this tariff effective with their first scheduled billing cycle beginning after January 1, 1999.

1.4 BASIS OF CHARGE. Time elapsed is a factor in the supply of service and the rates and minimum charges named in this Tariff, while predicated on periods of supply of not less than one year, are stated in values for direct application only to monthly periods of service supply and will be adjusted for application to service supplied during other time intervals.

1.5 RULES AND REGULATIONS. The Rules and Regulations, filed as part of this Tariff, are a part of every contract for service made by the Company and govern all classes of service where applicable, unless specifically modified by a rate or rider provisions. The obligations imposed on customers in the Rules and Regulations apply as well to everyone receiving service unlawfully and to unauthorized use of service.

1.6 USE OF RIDERS. The terms governing the supply of service under a particular Base Rate may be modified or amended only by the application of those standard riders, filed as part of this Tariff, which are specifically mentioned as applicable to that rate in the Applicability Index of Riders.

1.7 STATEMENT BY AGENTS. No representative has authority to modify a Tariff rule or provision, or to bind the Company by any promise or representation contrary thereto.

1.8 INTERPRETATION. In the event of a conflict between the text of the Joint Petition for Full Settlement and this Tariff, the Joint Petition for Full Settlement will control.

2. SERVICE LIMITATIONS

2.1 CHARACTER. This Tariff applies only to the distribution and/or supply of electric energy of the standard characteristics available in the locality in which the premises to be served are situated. The Company does not offer to distribute and/or supply electric energy of nonstandard characteristics.

2.2 SINGLE-POINT DELIVERY. Unless otherwise stated therein, the Base Rates in this Tariff for each class of service are based upon the Company's distribution and/or supply through a single delivery and metering point for the total requirements at each separate premises of the customer. Separate distribution and/or supply for the same customer at other points of consumption shall be separately metered and billed, except that: (1) when the Company is providing Consolidated EDC Billing, the Company will provide summary billing of its charges for service and for recovery of Transition or Stranded Costs and/or for an EGS' charges for Competitive Energy Supply at the EGS' request; and (2) when the Company is providing Separate EDC Billing, the Company will provide summary billing of its charges for service and for recovery of Transition or Stranded Costs.

2.3 SINGLE-POINT AVAILABILITY. Service delivered at a single point is available to one or more buildings or units devoted essentially to a single purpose, provided and so long as:

- (a) Such buildings or units are:
- (1) held, possessed, and either utilized or operated as a single establishment by a single responsible entity, and
 - (2) unified on the basis of family, business, industry, enterprise, or governmental agency or through conveniences and services, such as heat, elevator, janitor, care of halls, walks and lawns, etc., furnished by such entity, and
 - (3) situated on a single or on contiguous land parcels except where such buildings or units constitute interdependent parts of a single industrial enterprise. In determining "contiguity" hereunder of parcels abutting opposite sides of public or private ways, the boundaries of such parcels shall be considered as extending to the center of such ways.
- (b) There is granted and maintained to the Company easement or other rights, adequate in the Company's reasonable judgment to supply service direct to any such buildings or units if, as and when a cessation of any one or more of the conditions stated in paragraph lettered "a" above should occur, or there should arise in any manner a Company duty of such direct supply.

- (c) The transforming, receiving and distribution facilities on the customer's side of the delivery point are:
- (1) furnished, installed and maintained at the expense of the customer, and
 - (2) owned or leased by the customer, and
 - (3) operated and controlled by or at the expense of the customer.
- (d) The Company is under no legal obligation of direct supply to any portion of said building or units or their appurtenances.
- (e) A guarantee by deposit or otherwise is given and maintained to the Company sufficient in its reasonable judgment to insure it against loss in primary, secondary and/or distribution investment in the event of change in the nature of holding and possession of such buildings or units, or in the occupancy thereof, or in the type of service delivered thereto.
- (f) All utilization equipment on the customer's side of the Company delivery point is furnished, installed, operated and maintained by the operator of the building or units supplied or by the tenants of such operator whose use of electricity is dependent upon the single-point delivery and metering of service.
- (g) Any use of public highways by such operator for the latter's distribution facilities does not conflict or interfere with the franchise rights of the company.

2.4 COMPLIANCE WITH AVAILABILITY. The use of the Company's service shall not be for any purpose other than that covered by the availability provisions of the applicable Base Rate and/or riders.

2.5 SINGLE-PHASE UP TO 150 KVA. Single-phase secondary service is available for loads up to 150 kVa. Loads in excess of this amount will be supplied polyphase service.

2.6 POLYPHASE LOADS AGGREGATING LESS THAN 7-1/2 HP. Polyphase service is not available for installations aggregating less than 7-1/2 horsepower, unless the excess cost of supplying polyphase rather than a single-phase service is borne by the customer.

2.7 MOTORS. Service is not available to motors which do not meet the Company's standard requirements.

2.8 COMPLIANCE WITH BUILDING ENERGY CONSERVATION ACT STANDARDS. Before receiving any electric service to or for new or renovated residential buildings or additions thereto, as defined by Pennsylvania Building Energy Conservation Act (BECA) as amended by Act 98 of 1985, applicants for service must provide the Company with the compliance certification copy of the Pennsylvania Department of Community Affairs (DCA) "Notice of Intent to Construct" form as processed by DCA. A compliance certification copy of "Notice of Intent to Construct" will not be required by the Company if the new or renovated residential building is located in a municipality which has elected to administer the BECA and requires that a notice of intent to construct be filed with the municipality before or at the time that application is made for a building permit.

3. CUSTOMER'S INSTALLATION

3.1 INFORMATION FROM THE CUSTOMER. The Company should be advised by the customer or applicant for service, in writing, preferably on a form supplied by the Company, of premises to be equipped for service, giving exact location, and details of all current consuming devices to be installed.

The customer shall supply the Company information regarding potential or actual contamination, waste or hazardous materials or other adverse environmental conditions on the customers' premises on or near where the Company facilities are to be located. The customer has a continuing obligation to provide the Company with copies of any environmental assessment relating to the premises. The Company also has a continuing right to inspect the customers' premises for the purposes of performing an environmental assessment.

3.2 METER LOCATION. There shall be provided, free of expenses to the Company, at a location which the Company or another MSP will designate in writing upon request, outdoors at its option, a suitable place for the meter or meters and any other supply, protective or control equipment of the Company or another MSP which may be required in the provision of service. The location shall be determined in accordance with the performance specifications developed in accordance with Appendix C of the Joint Petition for Full Settlement.

3.3 POINT OF DELIVERY. The Company will designate in writing, upon request, a satisfactory point of delivery where the customer shall terminate the wiring and facilities for connection to the distribution lines of the Company. The failure to request and obtain such location may result in refusal of service pending rearrangement of customer's facilities, but the designation of a point of delivery does not constitute an agreement or obligation on the part of the Company to furnish service.

In establishing a point of delivery, the Company has the right to avoid areas known or suspected to contain contamination, waste or hazardous materials or other adverse environmental conditions. The customer will have the option of extending its own facilities to the Company's point of service delivery.

The Company may waive this right of avoidance upon agreement by the customer or applicant to indemnify, defend, and hold harmless the Company (its successors, assigns, trustees, officers, employees and agents) from and against all actions, causes of action, claims and demands whatsoever, and from all costs, damages, expenses, losses, charges, debts and liabilities whatsoever

(including attorney's fees), whether known or unknown, present or future, that arise from such conditions. This indemnification provision shall survive the termination or expiration of said agreement and the termination of the business relationship of the parties thereto.

3.4 SERVICE ENTRANCE EQUIPMENT. All equipment beyond the point of delivery, except the meter, shall be installed by the customer. Installation shall be in conformity with the National Electrical Code and the Company's published "Electric Service Requirements", and shall include, where necessary, an approved sealable device for mounting a meter. The meter will be supplied, owned and sealed by the Company or another MSP.

3.5 SECONDARY SERVICE CONNECTION. (a) Wiring of any premises for connection to overhead lines must be brought outside of the building wall to a location designated or approved by the Company, at which point the house wiring must extend at least 3 feet for attachment to the Company's service-supply lines. (b) Service connections to the Company's underground facilities shall terminate on the customer's premises in an approved connection box from which customer's wiring shall extend to the other service entrance equipment.

3.6 UNDERGROUND SERVICE. Customers desiring an underground service from overhead wires must bear the excess cost incident thereto. Specifications and terms for such construction will be furnished by the Company on request.

3.7 NONSTANDARD SERVICE. The customer or applicant for service shall pay the cost of any special installation necessary to meet the unusual requirements of the customer or applicant for service, including but not limited to: (1) service at other than standard voltages, (2) service for loads that will be intermittent and which, in the Company's sole judgment, would not generate sufficient revenue to recover the installation costs of the required facilities, (3) service for loads that will be continuous but that will generate minimal usage, and which, in the Company's sole judgment, would not generate sufficient revenue to recover the installation costs of the required facilities, and (4) service for loads that will require provision of closer voltage regulation than required by standard service.

The customer or applicant shall pay all costs to the Company of performing environmental assessments, including, but not limited to, the cost of consultants utilized by the Company, the cost of removal and disposal of contamination, waste or hazardous materials or dealing with other adverse environmental conditions associated with either the initial installation, modification, repair, maintenance or removal of service facilities.

3.8 RELAY PROTECTION. The customer must install at the customer's own expense a reverse-phase relay of approved type on all alternating current motors for passenger and freight elevators, hoists, and cranes, and a reverse-power relay for parallel operation.

4. APPLICATION FOR SERVICE

4.1 PLACE OF APPLICATION. Customers may apply for service at any commercial office of the Company or, in some cases, over the telephone.

4.2 SERVICE CONTRACT. Every applicant for service may be required to sign a contract, agreement, or other form then in use by the Company, covering the special circumstances of the use of service, and shall abide by these Rules and Regulations and the standard requirements of the Company.

4.3 CONTRACT DATA. The application shall contain a statement of the premises to be served, the rate under which service is desired, and such conditions or riders as are applicable to the special circumstances of the case.

4.4 RIGHT TO REJECT. The Company may place limitations on the amount and character of service it will supply or may reject applications: for service not available under a standard rate; which might affect service to other customers; which are to be delivered at a location or at a standard voltage that involves excessive cost; for bad credit; for the applicant's failure to provide identifying documentation; when an applicant's self-identification cannot be verified; or for other good and sufficient reasons. Customers cannot be denied Default PLR Service or new service for failure to pay an EGS's charges.

The Company has the right to restrict service to only those locations which will not expose the Company to liability for known or suspected contamination, waste or hazardous materials or other adverse environmental conditions.

4.5 ACCEPTANCE. Before the Company affirmatively accepts an application, the Company will consider the application to be "pending". When an application is accepted, it constitutes the contract between the customer and the Company, subject to the Rules and Regulations. A customer or other recipient of service also becomes contractually obliged to the Company when service is provided according to the application either with or without modification, or when the customer otherwise receives service.

4.6 SPECIAL CONTRACTS. Standard contracts shall be for terms as specified in the statement of the rate, but where large or special investment is necessary for the supply of service, or where service is to be used for an emergency or temporary replacement of another method of operation, contracts of longer term than specified in the rate, or with special guarantees of revenue, or both, may be required.

In addition, the Company may enter into long term contracts for firm service to customers or potential customers who: a) demonstrate that they are considering competitive alternatives (including self generation) to PECO Energy service; and b) who require in excess of 40,000 kW of monthly capacity supplied by PECO Energy; or in circumstances where the customer contributes to the

significant economic well-being of the region, as evidenced by an award from the Commonwealth of Pennsylvania of an Opportunity Grant in the amount of \$250,000 or greater. The terms and conditions of service and charges will be mutually agreed upon between the Company and the customer and will be reflected in a signed service agreement that will not become effective until approved by the Commission. Rates will be established on a case by case basis and will be sufficient to cover all appropriate incremental costs, including the costs of labor, materials, and overhead and a contribution to fixed costs.

For contracts that do not contain provisions governing the customer's rights upon the advent of Direct Access, the Company will *unbundle the customer's contract effective as of January 1, 1999 in a manner that retains the customer's discount and that reflects the amount of Transition and Stranded Costs presumptively embedded in the customer's contract.* The dollar value of the customer's discount will be reflected in the CTC component of the bill and if that reflection produces a CTC less than zero, the CTC will be set at zero and the remainder of the discount will be reflected in the customer's Energy and Capacity Charge. For contracts that do contain provisions governing the customer's rights upon the advent of Direct Access, the Company will unbundle the customer's contract in accordance with its terms and conditions.

Contract expiration shall not affect the applicability of any statutory rate cap or any rate cap contained in the Joint Petition for Full Settlement then in effect.

Unless the customer's contract contains provisions concerning the customer's rights upon the advent of Direct Access, the customer may obtain Competitive Energy Supply and continue to pay the unbundled Distribution Charges and Competitive Transition Charges designed in accordance with this Rule for the duration of the term of the contract. For contracts that contain provisions governing the customer's rights upon the advent of Direct Access, the customer will be entitled to obtain Competitive Energy Supply *only in accordance with the terms and conditions of the customer's contract.* The dollar value of the customer's discount will be reflected as set forth above with respect to contracts that do not contain provisions governing the customer's rights upon the advent of Direct Access.

4.7 UNAUTHORIZED USE. Unauthorized connection to the Company's facilities, and/or the use of service obtained from the Company without authority, or by any false pretense, may be terminated by the Company. The use of service without notifying the Company and enabling it to read its meter will render the user liable for any amount due for service provided to the premises from the time of the last reading of the meter, immediately preceding the customer's occupancy, as shown by the Company's books.

4.8 WITHDRAWAL OF APPLICATION. In the event the customer (or potential customer) withdraws an application for either new or modified service, the customer will reimburse the Company for all reasonable costs incurred by the Company in anticipation of providing the new or modified service.

5. CREDIT

5.1 PAYMENT OBLIGATION. For customers for whom the Company provides Consolidated EDC Billing or Separate EDC Billing, the provision of service for any purpose, at any location, is contingent upon payment of all charges provided for in this Tariff (and, for the same class (residential or non-residential) of service under the Company's Gas Service Tariff, if the customer also receives gas service at the same premises) as applicable to the location and the character of service.

5.2 PRIOR DEBTS. Service will not be furnished to former customers until any indebtedness to the Company for previous service of the same classification has been satisfied or a payment arrangement has been made on the debt. This rule does not apply to the disputed portion of disputed bills under investigation. The Company will apply this rule to the disputed portion of disputed bills, if, and only if: (1) the Company has made diligent and reasonable efforts to investigate and resolve the dispute; (2) the result of the investigation is that the Company determines that the customer's claims are unwarranted or invalid; (3) the Commission and/or the Bureau of Consumer Services has decided a formal or informal complaint in the Company's favor and no timely appeal is filed; and (4) the customer nevertheless continues to dispute the same matter in bad faith.

5.3 GUARANTEE OF PAYMENTS. For customers for whom the Company provides Consolidated EDC Billing or Separate EDC Billing, before the Company will render service or continue to render service, the Company may require an applicant for service or a current customer that has bad credit or an applicant for service whose credit is not established, to provide a cash deposit, 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. Any residential customer, having secured the return of a deposit, shall not be required to make a new deposit unless the service has been discontinued or terminated, or unless the customer has bad credit. In addition, the Company may require industrial and commercial customers for which it provides Consolidated EDC Billing or Separate EDC Billing to post a deposit at any time if the Company determines that the customer is no longer creditworthy or has bad credit.

5.4 AMOUNT OF DEPOSIT. The deposit shall not be less than \$10.00 nor more than the estimated gross Fixed and Variable Distribution Service Charges and CTCs/ITCs which charges would accrue at applicable rate or rates for any single billing period plus one month, such period not to exceed two months. For industrial and commercial accounts, the amount of the deposit shall be the Company's projection of the sum of the Fixed and Variable Distribution Service Charges and CTCs/ITCs in the customer's two highest monthly bills in the 12 months following the deposit. The provisions of 11 U.S.C. §366(b) of the Federal Bankruptcy Code, or any successor statute or provision, shall, if inconsistent, supersede the provisions of this rule.

5.5 RETURN OF DEPOSIT. Deposits secured from a customer shall either be applied with interest to the customer's account or returned to the customer with interest when the customer 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.

5.6 INTEREST ON DEPOSIT. The Company will allow simple interest on cash deposits calculated as follows:

- with respect to residential accounts, at an annual rate determined by the average of 1-Year Treasury Bills for September, October and November of the previous year ("Interest Index");
- with respect to commercial and industrial accounts, at the lower of the Interest Index or six percent; provided that interest accrued prior to April 14, 1995 shall be calculated at six percent.

Deposits shall cease to bear interest upon discontinuance of service (or, if earlier, when the Company closes the account).

5.7 CREDIT INFORMATION. In addition to information required otherwise hereunder, customers for whom the Company provides Consolidated EDC Billing or Separate EDC Billing shall be required to provide to the Company with such credit information as the Company requires. The Company will report to a national credit bureau only on credit history associated with the portion of the past due amount attributable to the Company's charges.

5.8 APPLICABILITY TO CUSTOMERS RESIDING AT PLACE OF BUSINESS. For purposes of all of the provisions of this Rule 5, when a customer resides at a place of business or commercial establishment, legitimately served pursuant to a commercial or industrial rate schedule, that is not a residential dwelling unit attached thereto, the customer is not thereby entitled to any of the protections in the Pennsylvania Public Utility Code or the Commission's regulations implementing the Pennsylvania Public Utility Code, or to any of the provisions of these rules or this Tariff, that apply exclusively to deposits for residential customers.

6. PRIVATE PROPERTY CONSTRUCTION

6.1 COMPANY'S SERVICE LINES. Where the Company has distribution facilities of adequate capacity on the highway or in other trunk line location adjacent to the premises to be served, it will provide, own and maintain standard service-supply lines as follows:

(a) **UNDERGROUND.**

Underground cable construction to a point approximately 18 inches inside the property line of the customer, except:

- (1) For secondary service to new residences or new apartment buildings, underground cable construction will be extended to a meter location or connection box located at the building or buildings, as designated by the Company and in accordance with Rule 7.3.
- (2) The Company will make necessary repairs to customer-owned extensions of secondary service-supply lines for residential customers at no charge. If such customer-owned extension requires replacement, the Company will make the replacement and assume ownership of the service-supply line with the Company bearing the cost up to 200 feet in length and the customer bearing the cost for all additional length.

(b) **AERIAL.**

A single span of aerial open wire or cable construction to the first suitable support of the customer, nominally 100 feet inside the property line of the customer. The customer's support shall be so located that the service span will be free of obstruction and adequately supported by the size and weight of the conductors.

6.2 SERVICE-SUPPLY ALTERATIONS. Changes in location of service-supply lines, or meters owned by the Company, for the accommodation of the customer, shall be at the expense of the customer.

6.3 CUSTOMER'S SERVICE EXTENSION. The customer shall provide, own and maintain the service extension from the Company's service-supply lines to the receiving equipment.

6.4 METERS AND TRANSFORMERS. The Company will provide, own and maintain any meter or meters, and also the transformer or transformers (both potential and current type transformers), required in the supply of service of the current characteristics specified by the Base Rate or rider under which the service is provided, unless the customer receives Competitive Energy Supply from an EGS that also provides to the customer Advanced Metering Services, in which case such EGS will install, provide, own, and/or maintain the Customer's meter and potential and current type transformers. The supply of transformers by the Company shall be limited to those required for a single standard transformation.

6.5 TRAILER PARKS. Where it is established by plans, development, use or other facts that the operation of a trailer park is predominantly to provide rental locations for non-transient trailers, with not less than two nor more than four such locations, the Company, upon written application of the trailer park operator and upon the receipt of an enabling agreement and of adequate rights-of-way, will construct, own and operate within the trailer park specified aerial electric energy, the trailer park operator being liable for payment of service to trailer park tenants not contracting in writing for service in their own names. The Company's obligation to install or extend such distribution facilities within the trailer park is limited to the investment warranted by the anticipated revenue. Alterations of such distribution facilities at the request of the park operator when not for the purpose of serving additional trailer rental locations will be at the cost of the trailer park operator. A trailer park operator desiring underground distribution facilities within a trailer park consisting of

less than five locations must bear the excess cost incident thereto. Specifications and terms for such underground construction will be furnished by the Company on request. In new trailer parks consisting of five or more locations, underground distribution facilities will be extended in accordance with Rule 7.3.

7. EXTENSIONS

7.1 TRUNK LINE CONSTRUCTION. The Company will construct, own and maintain overhead or underground distribution facilities, either secondary, primary, or high tension, located on the highway or on rights-of-way acquired by the Company and used or usable as part of the Company's general distribution system.

7.2 LINE EXTENSIONS FOR OTHER THAN NONSTANDARD SERVICE. *The Company will extend a single-phase line up to 2,500 feet along the normal route of development of the distribution system without a guarantee of revenue, unless the customer's use of facilities is speculative or of doubtful permanency. Minimum revenue guarantees will be required for single-phase line extensions over 2,500 feet and for certain polyphase line extensions. The minimum revenue guarantee period shall not exceed three years.*

Minimum revenue guarantees for single-phase line extensions shall be based solely on the contractor costs, if any, the direct labor costs and the direct material costs attributable to construction of the line extension beyond 2,500 feet. For the portion of the single-phase line extension beyond 2,500 feet, the customer will be required to guarantee annual revenue recovered through the Company's tariffed Variable Distribution Service Charges equal to or greater than the cost of this portion of the line extension based on the defined costs. When additional customers are connected to an existing or additional line extension within a three-year period, the remaining total amount to be guaranteed for the existing line extension is reapportioned for all customers including the new customers, providing such reapportionment does not increase the guarantees of the existing customers. Otherwise, the additional line extension is considered as a new line extension.

Minimum revenue guarantees for polyphase extensions will be required where the construction cost of the extension exceeds \$60,000. In such cases, the customer will be required to guarantee annual revenue to be recovered through the Company's tariffed Variable Distribution Service Charges equal to or greater than the cost of the portion of the extension that exceeds \$60,000. When determining construction costs for this purpose, system reinforcements, removal cost, transformers, services, meters owned by the Company, generation and substation equipment will be excluded.

For all line extensions which in the Company's judgment are speculative or of doubtful permanency, a minimum revenue guarantee will be required for the total line extension. This guarantee shall be equal to the Company's estimated installation and removal costs, less salvage. If, in the Company's judgment, the customer's credit history will not permit a minimum revenue guarantee, a construction advance from the customer will be required before construction of the extension. This construction advance shall be equal to the minimum revenue guarantee. This construction advance will be returned to the customer by a credit of 20% of the amount of the customer's monthly Variable Distribution Service Charges. The Company will retain such portion of the advance as needed to guarantee the payment of subsequent bills.

7.3 UNDERGROUND SERVICE IN NEW RESIDENTIAL DEVELOPMENTS.

A. For the purposes of this rule, the following words and terms shall have the following meanings, unless the context clearly indicates otherwise:

APPLICANT FOR ELECTRIC SERVICE - The developer of: a recorded plot plan consisting of five or more lots; or one or more five-unit apartment houses.

DEVELOPER - The party responsible for construction and providing improvements in a development; that is, streets, sidewalks, and utility-ready lots.

DEVELOPMENT - A planned project which is developed by a developer/applicant for electric service set out in a recorded plot plan of five or more adjoining unoccupied lots for the construction of single-family residences, detached or otherwise, mobile homes, or apartment houses, all of which are intended for year-around occupancy, if electric service to such lots necessitates extending the Company's existing distribution lines.

DISTRIBUTION LINE - An electric supply line of untransformed voltage from which energy is delivered to one or more service lines.

SERVICE LINE - An electric supply line of transformed voltage from which service is delivered to the residence.

SUBDIVISION - A tract of land divided by a subdivider into five or more adjoining unoccupied lots for the construction of single-family residences, detached or otherwise, or apartment houses, all of which are intended for year-around occupancy, if electric service to such lots necessitates extending the Company's existing distribution lines.

B. **INSTALLATION OF DISTRIBUTION AND SERVICE LINES.** All distribution and service lines installed pursuant to an application for electric service within a development will be installed underground, and will be owned and maintained by the Company. Pad-mounted transformers may be installed at the option of the Company. Excavating and backfilling will be performed by the developer

of the project or by such other agent as the developer may authorize. Installation of service-related facilities will be performed by the Company or by such other agent as the Company may also be installed underground, upon terms and conditions prescribed elsewhere in this tariff. The Company will not be liable for injury or damage occasioned by the willful or negligent excavation breakage, or other interference with its underground lines occasioned by anyone other than its own employees or agents.

Nothing in this section shall prohibit the Company from performing its own excavating and backfilling for greater system design flexibility. However, no charges other than those specified in Section 57.83(4) of Title 52 shall be permitted.

C. APPLICANTS FOR SERVICE. The applicant for service to a development shall conform with the following:

- (1) At its own cost, provide the Company with a copy of the recorded development plot plan identifying property boundaries, and with easements satisfactory to the Company for occupancy by distribution, service and street-lighting lines and related facilities.
- (2) At its own cost, clear the ground in which the lines and related facilities are to be laid of trees, stumps and other obstructions, provide the excavating and backfilling subject to the inspection and approval of the Company, and rough grade it to within six inches of final grade, so that the Company's part of the installation will consist only of laying of the lines and installing other service-related facilities. Excavating and backfilling performed or provided by the applicant will follow the Company's underground construction standards and specifications set forth by the Company in written form and presented to the applicant at the time of application for service and presentation of the recorded plot plan to the Company. If the Company's specifications have not been met by the applicant's excavating and backfilling, such excavating and backfilling will be corrected or redone by the applicant or its authorized agent. Failure to comply with the Company's construction standards and specifications permits the Company to refuse utility service until such standards and specifications are met.
- (3) Request service at such time that the lines may be installed before curbs, pavements and sidewalks are laid; carefully coordinate scheduling of the Company's line and facility installation with the general project construction schedule, including coordination with any other utility sharing the same trench; keep the route of lines clear of machinery and other obstructions when the line installation crew is scheduled to appear; and otherwise cooperate with the Company to avoid unnecessary costs and delay.
- (4) Pay to the Company any necessary and additional costs incurred by the Company as a result of the following:
 - a. Installation of underground facilities that deviate from the Company's underground construction standards and specifications if such deviation is requested by the applicant for electric service and is acceptable to the Company.
 - b. A change in the plot plan by the applicant for electric service after the Company has completed engineering for the project and/or has commenced installation of its facilities.
 - c. Physical characteristics such as oversized lots or lots with extreme set-back where under the Company's line extension policy contained in this tariff a change is mandated for overhead service.
- (5) No charges other than those described in paragraph (4) of this subsection shall be borne by the applicant for electric service or by any other utility sharing the same trench, even if the Company elects to perform its own excavating and backfilling.

D. APPLICABILITY. The provisions of this rule will apply to all applications for service to developments, herein before defined, which are filed after the effective date of this tariff.

E. SUBDIVISIONS. Underground facilities in new residential developments are only required by Sections 57.81 through 57.87 of Title 52 when a bona fide developer exists, i.e., only when utility-ready lots are provided by the developer. A mere subdivision is not required to have underground service. However, should the lot owner or owners in a subdivision desire underground service, such service shall be provided by the Company if such lot owner or owners, at their option, either comply with Section 57.83 of title 52, or pay to the Company such charges as are contained in the Company's tariff for service not required by Title 52.

7.4 TAX ACCOUNTING OF CONTRIBUTIONS IN AID OF CONSTRUCTION AND CUSTOMER ADVANCES. All contributions in aid of construction (CIAC), customer advances or other like payments received by the Company shall constitute taxable income as defined by the Internal Revenue Service. The income taxes on such CIAC or customer advances will be segregated in a deferred account for inclusion in rate base in a future rate case proceeding. Such income taxes associated with CIAC or customer advances will not be charged to the specific contributor of the capital.

8. RIGHTS-OF-WAY

8.1 TERM AND RENTALS. When the premises of a customer is so located that the customer can be served only by facilities extending over the property of another, the customer shall accept service for such term as is provided in the permit or agreement covering the location and the maintenance of service equipment, and shall reimburse the Company for any and all special or rental charges that may be made for such rights by said permit or agreement.

8.2 PROCUREMENT BY CUSTOMER. Customers applying for the construction of an extension may be required to secure to, and for, the Company, all necessary and convenient rights-of-way and to pay any associated costs.

8.3 DELAYS. Applications for service from an extension to be constructed where a right-of-way is not owned by the Company will only be accepted subject to delays incident to obtaining a satisfactory right-of-way.

9. INTRODUCTION OF SERVICE

9.1 WIRING IN PROGRESS. Service-supply lines will not be installed before the time that the customer's wiring of the premises is actually in progress.

9.2 INSPECTION. The Company reserves the right to refuse the introduction of service unless a written certificate of approval, satisfactory to the Company, has been received from a competent inspection agency authorized to perform this service in the specific locality in which service is to be provided.

9.3 COMPANY'S RIGHT TO INSPECT. The Company shall have the right, but shall not be obliged to inspect, any installation before it begins to deliver electricity or at any later time, and reserves the right to reject any wiring or appliances not in accordance with the Company's standard requirements; but such inspection, or failure to inspect, or to reject, shall not render the Company liable or responsible for any loss or damage, resulting from defects in the installation, wiring, or appliances, or from violation of Company rules, or from accidents which may occur upon the premises of the customer.

9.4 DEFECTIVE INSTALLATION. The Company may refuse to connect if, in its judgment, the customer's installation is defective, or does not comply with such reasonable requirements as may be necessary for safety, or is in violation of the Company's standard requirements.

9.5 UNSATISFACTORY INSTALLATION. The Company may refuse to connect if, in its judgment, the customer's equipment, or use thereof, might injuriously affect the equipment of the Company, or the Company's service to other customers.

9.6 FINAL CONNECTION. The final connection between the customer's installation and the Company's service lines shall be made by or under the supervision of a representative of the Company, except for standard single-phase secondary aerial service, in which case the customer may make the final connection in accordance with the Company's standard requirements.

9.7 NEW OR TRANSFER CUSTOMER CHARGE. When a customer's account for service is initiated or when a customer's account is transferred from one address to another address, there will be a charge of \$6.00 to cover the clerical expenses incurred by the Company. The State Tax Adjustment Clause applies to this charge.

10. COMPANY EQUIPMENT ON CUSTOMER'S PREMISES

10.1 COMPANY MAINTENANCE. The Company shall keep in repair and maintain its own property installed on the premises of the customer.

10.2 CUSTOMER'S RESPONSIBILITY. The customer shall be responsible for safekeeping of the Company's property while on the customer's premises. In the event of injury or destruction of any such property the customer shall pay the costs of repairs and replacement.

10.3 PROTECTION BY CUSTOMER. The customer shall protect the equipment of the Company on the premises, and shall not permit any person, except a Company employee having standard badge of the Company or other Company identification, to break any seals upon, or do any work on, any meter or other apparatus of the Company located on the customer's premises.

10.4 TAMPERING. In the event of the Company's meters or other property being tampered or interfered with, the customer being supplied through such equipment shall pay the amount which the Company may estimate is due for service used but not registered on the Company's meter, and for any repairs or replacements required, as well as for costs of inspections, investigations, and protective installations.

10.5 RIGHT OF ACCESS. The Company's identified employees shall have access to the premises of the customer at all reasonable times for the purpose of reading meters, and for installing, testing, inspecting, repairing, removing or changing any or all equipment belonging to the Company.

10.6 OWNERSHIP AND REMOVAL. All equipment supplied by the Company shall remain its exclusive property, and the Company shall have the right to remove the same from the premises of the customer at any time after the termination of service from whatever cause.

10.7 POLE REMOVAL OR RELOCATION REQUESTED BY RESIDENTIAL PROPERTY OWNERS. The cost for removal or relocation of distribution line poles and their associated attachments made pursuant to the request of a residential property owner who is

not entitled to receive condemnation damages to cover the cost of such work shall be borne by the property owner and shall be limited to contractor, direct labor, and direct material costs incurred less maintenance expenses avoided as a result of the pole removal or relocation. The calculation of such cost for removal or relocation shall be in accordance with the Public Utility Commission Regulations - Title 52, Section 57.27.

10.8 RELOCATION OF COMPANY FACILITIES REQUESTED BY NON-RESIDENTIAL PROPERTY OWNERS. Except as otherwise provided by law (e.g., 66 Pa.C.S. Section 2704, et seq.), a non-residential property owner, such as a builder, developer or contractor (Owner), shall pay to the Company the costs of relocation of Company facilities or equipment, made for the accommodation of the Owner or in fulfillment of the Owner's obligation to any public authority. A request for relocation of Company facilities shall be in writing. The relocation cost shall include labor (including overhead), materials, storeroom expense and transportation, less the depreciated value of any equipment replaced.

Where the relocation is done in conjunction with construction of a supply line to a development, the Company shall include in the relocation cost only those costs caused by the Owner's request.

The Company will notify the Owner in writing of the relocation cost. Advance payment of relocation costs will be required before the Company will commence the work, except, at the sole discretion of the Company, under special circumstances.

Where the relocation relates to a development that will generate additional revenue for the Company, the Company will give the Owner an initial credit against the relocation costs in an amount not to exceed 5% of the estimated annual revenue recovered through the Company's tariffed Variable Distribution Service Charges from the portion of the development under construction at the time of the relocation request. The Company will give the Owner an additional credit against relocation costs not to exceed 5% of the estimated additional revenue recovered through the Company's tariffed Variable Distribution Service Charges realized from new load on the PECO Energy system due to buildings not under construction at the time of the initial relocation but that are under roof within a five (5) year period from the date of completion of the relocation work. Credits will be held by the Company and distributed to the owner, on a pro-rated basis, as additional loads from the development are connected to PECO Energy's distribution system. No credits will be given for loads connected after the five year period from the date of completion of the relocation work. When the relocation is done in conjunction with extension of a line in accordance with §7.2 of the Tariff, the Company will include in the credit calculation only such estimated annual revenue that exceeds the minimum revenue guarantee required by §7.2.

The cost and expense of project changes which require a second relocation of the same Company facilities shall be borne solely by the party requesting the change without offset or credit.

10.9 AERIAL LINE CLEARANCE. In accordance with the requirements set forth in the National Electric Safety Code, the Company shall have the right to trim, remove, or separate trees, vegetation or any structures therein which, in the opinion of the Company, interfere with its aerial conductors, such that they may pose a threat to public safety or to system reliability.

10.10 ADVANCED METER SERVICES PERFORMED BY MSPs. The provisions of this Rule 10 are subject to Appendix C to the Joint Petition for Full Settlement and paragraph 22 of the Joint Petition for Full Settlement.

11. TARIFF AND CONTRACT OPTIONS

11.1 CHOICE OF RATE. When the class of service-supply or conditions of use are such that two or more Base Rates are available, a customer shall select the Base Rate on which the customer will be billed.

11.2 COMPANY ASSISTANCE. The Company upon request will, to a reasonable extent, assist customers in selecting the most advantageous Base Rate or rate application (i.e., Base rate together with applicable riders).

11.3 RATE CHANGES. A customer may not change Base Rates during the "initial contract term" as defined in the "Definition of Terms and Explanation of Abbreviations" section above unless the Company agrees to permit the change. At any other time, a customer may change to a firm rate for which the customer qualifies upon 30 days notice to the Company.

A customer may request that the Company modify the terms of its contract, other than the customer's Base Rate, but the Company will only allow such modification when, in the Company's sole judgment, the modification does not conflict with the Company's Tariff and is not detrimental to the Company.

The Company will not make any Base Rate change retroactive, unless, in the Company's sole judgment, the Company failed to adequately respond to a customer's request for assistance or modification at the time of such request.

12. SERVICE CONTINUITY

12.1 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.

In all other circumstances, the liability of the Company to customers or other persons for damages, direct or consequential, including damage to computers and other electronic equipment and appliances, loss of business, or loss of production caused by any interruption, reversal, spike, surge or variation in supply or voltage, transient voltage, or any other failure in the supply of electricity shall in no event, unless caused by the willful and/or wanton misconduct of the Company, exceed an amount in liquidated damages equivalent to the greater of \$500 or two times the charge to the customer for the service affected during the period in which such interruption, reversal, spike, surge or variation in supply or voltage, transient voltage, or any other failure in the supply of electricity occurs. In addition no charge will be made to the customer for the affected service during the period in which such interruption, reversal, spike, surge or variation in supply or voltage, transient voltage, or any other failure in the supply of electricity occurs. A variety of protective devices and alternate power supplies that may prevent or limit such damage are available for purchase by the customer from third parties.

12.2 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 a customer receiving Competitive Energy Supply arising out of or related to a contract or other relationship between such a customer and an EGS.

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

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 PECO Energy 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.

12.3 EMERGENCY LOAD CONTROL. Pursuant to order of Pennsylvania Public Utility Commission, the following provision is incorporated in this Tariff:

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

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

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

Whenever events occur which are actually resulting, or in the judgment of the Company threaten to result, in a restriction of the fuel supplies available to the Company or its energy vendors, such that the amount of electric energy which the Company is able to supply is or will be adversely affected, an emergency energy situation exists.

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

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

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

12.5 NOTICE OF TROUBLE. The customer must immediately notify the Company if service is interrupted or is otherwise unsatisfactory due to defects, trouble, or accident, affecting the supply of service.

12.6 RELOCATION OF DELIVERY POINT. In the event that the Company shall be required by any public authority to place underground any portion of its mains, wires, or service-supply lines, or relocate any poles or feeders, the customer, at the customer's own expense, shall change the location of his point of delivery to a point readily accessible to the new location.

13. CUSTOMER'S USE OF SERVICE

13.1 RESALE OF SERVICE. Pursuant to Section 1313 of the Public Utility Code, 66 Pa. C.S. § 1313, a customer may resell Energy and Capacity and/or service provided by PECO Energy, and pass on CTC/ITC charges, if: (1) the Company provides such service under a single contract at one application of an available Base Rate and for the total requirements of the premises served, and (2) the location and use of the service conforms to the availability requirements of this Tariff for provision to the customer for the customer's own account.

All residential units connected after May 10, 1980, except those dwelling units under construction or under written contract for construction as of that date must be individually metered by either the Company, the MSP or the landlord for their basic electric service supply. Centrally supplied master metered heating, cooling or water heating service may be provided if such supply will result in energy conservation. The charges for residential submetered electric service to tenants shall not exceed the unbundled charges for service to such tenants under the Company's applicable rate schedules.

The requirements for individually metered dwelling units in new construction may be waived at the sole discretion of the Company. Such waiver will only be granted when the owner can demonstrate to the Company that there are valid reasons for such waiver and that there will not be a significant impact on the consumption of an individual customer.

13.2 FLUCTUATIONS. Electric service must not be used in such a manner as to cause unusual fluctuations or disturbances in the Company's supply system, and, in the case of violation of this rule, the Company may discontinue service, or require the customer to modify the installation and/or equip it with approved controlling devices.

13.3 TYPE OF INSTALLATIONS. Motor and other installations connected to the Company's lines must be of a type to use minimum starting current and must conform to the requirements of the Company as to wiring, character of equipment, and control devices.

13.4 UNBALANCED LOAD. The customer shall at all times take, and use, energy in such manner that the load will be balanced between phases to within nominally 10%. In the event of unbalanced polyphase loads, the Company reserves the right to require the customer to make the necessary changes at the customer's expense to correct the unsatisfactory condition, or to compute the demand used for billing purposes on the assumption that the load on each phase is equal to that on the greatest phase.

13.5 ADDITIONAL LOAD. The service connection, transformers, meters and equipment supplied by the Company for each customer, have definite capacity, and no additions to the equipment or load connected thereto will be allowed except by consent of the Company.

13.6 CHANGE OF INSTALLATION. The customer shall give immediate written notice to the Company of any proposed increase or decrease in, or change of purpose or location of, the installation.

13.7 FAILURE TO GIVE NOTICE. Failure to give notice of additions or changes in load or location shall render the customer liable for any damage to the meters or their auxiliary apparatus, or the transformers, or wires, of the Company, caused by the additional or changed installation.

14. METERING

14.1 SUPPLY OF METERS. An EGS that is also an MSP may provide Advanced Meter Services to its Customers that have Advanced Meters and for whom it provides Competitive Energy Supply, in accordance with Appendix C of the Joint Petition for Full Settlement. Otherwise, subject to Rules 14.3 and 14.9, the measurement of service for billing purposes shall be by meters furnished and installed by the Company. The Company will select the type and make of metering equipment to be used for meters supplied by the Company, and may, from time to time, change or alter the equipment, its sole obligation being to supply meters that will accurately and adequately furnish records for billing purposes. In fulfilling its obligations with respect to metering and meter reading, and with respect to EGSs that provide Advanced Meter Services, the Company will comply with Appendix C to the Joint Petition for Full Settlement.

14.2 SPECIAL MEASUREMENTS. The Company shall have the right, at its option and its own expense, to place demand meters, reactive-component meters, or other instruments, on the premises of any customer except for any customer for whom an EGS is providing Advanced Meter Services, for the purpose of measuring the demand and/or the power factor, or for other tests of all, or any part, of the customer's load.

14.3 CUSTOMER REQUEST FOR SPECIAL METER. If a customer for whom the Company is providing either metering and meter reading or Advanced Meter Services wishes to replace its billing metering equipment, to the extent technically possible, the Company will offer, provide and support a selection of qualified meters and will perform installation within a reasonable amount of time

and at the expense of the customer. The customer must pay for any such metering equipment based on the net incremental cost of purchasing and installing the new metering equipment as approved by the Commission. The Company will own and maintain all such new metering equipment.

14.4 POWER FACTOR MEASUREMENT. For customers for whom the Company is providing metering and meter reading or Advanced Meter Services, the Company reserves the right to measure the power factor of the customer's load, either by test or by permanently installed instruments. For customers for whom an EGS is providing Advanced Meter Services, the Company reserves the right to require such EGS to measure the power factor of the load of a customer of any such EGS on the same basis the Company measures the power factor of customers for which the Company provides metering and meter reading or Advanced Meter Services.

14.5 REVERSE REGISTRATION. The Company may, by ratchet or other device, control its meters to prevent reverse registration.

14.6 METER ELIMINATION. The kilowatt-hours and billing demands to be paid for may be determined by computation instead of by measurement in the case of installations having a fixed load or demand value controlled to operate for a definite number of hours each day.

14.7 METER READING INTERVALS. The Company will read its meters in accordance with Appendix C to the Joint Petition for Full Settlement and at scheduled regular intervals of one month. For customers for whom it provides Consolidated EDC Billing or Separate EDC Billing, the Company will render standard bills for the recorded use of service based upon the time interval between meter readings. Only those bills which cover a period of service of less than 27 days or more than 34 days will be prorated.

14.8 ESTIMATED USAGE. For customers for whom the Company provides meter reading or Advanced Meter Reading Services, the Company shall estimate the amount of service supplied to premises where access to the meter is not available or if such estimate is necessary, and to installations at remote locations when warranted by the type of installation, regularity of usage, or other circumstances. For customers for whom it provides Consolidated EDC Billing or Separate EDC Billing, the Company will render bills in standard form based on such estimate and so marked, for the customer's acceptance. Meter readings will be secured from time to time and billing will be revised when they disclose that the estimate failed to approximate the actual usage. For residential customers, an actual meter reading will be obtained at least every six months, in accordance with Commission regulations.

14.9 CUSTOMER SELECTED ADVANCED METERS. A customer may have an Advanced Meter installed and have Advanced Meter Services provided pursuant to Appendix C of the Joint Petition for Full Settlement and any applicable rules adopted by the Commission.

15. DEMAND DETERMINATION

15.1 MEASURED DEMANDS. Measured demands may be quantified by recording or indicating instruments showing, unless otherwise specified, the greatest 30-minute rate-of-use of energy, provided that in the case of hoists, elevators, welding machine, electric furnaces, or other installations where the use of electricity is intermittent or subject to violent fluctuation the demand may be fixed by special determination.

15.2 DEMAND DETERMINATION.

- (a) Special Determination. Where charges specified in this Tariff are based upon the customer's demand, it is intended that such demand shall fairly represent the customer's actual demand that the Company must stand ready to serve. In the case of installations where the customer's regular use of service in the ordinary course of the customer's business is such that measurement over a thirty-minute interval does not result in a fair or equitable measure of the customer's demand, then the demand may be estimated from the known character of use and the rating data of the equipment connected, or from special tests. The intent of this provision is that the demand so determined shall fairly represent the demand that the Company must stand ready to serve.
- (b) Demand Waiver. When a customer wishes to conduct a test of equipment or process that is not part of the customer's normal operations, the customer may request that the Company waive the demand caused by that test, if that demand is the highest measured demand in the billing month. The Company will agree to such a waiver if the following conditions are met:
1. The Company's metering is of a type which allows for the determination of 30-minute demands.
 2. The customer's request is in writing, and is received by the Company within 15 business days of the date of the commencement of the proposed test. The request must specify the nature of the test, the size of the loads to be tested and the starting and ending times.
 3. The Company determines that the tests is not a part of the customer's normal operations.
 4. The test will not last for more than twelve (12) consecutive hours.
 5. The customer has not conducted a test and received a demand waiver for a test pursuant to this rule within one year of the proposed test.

The Company will inform the customer in writing within fifteen (15) days of receipt of the customer's request whether it will grant the proposed waiver.

15.3 POWER FACTOR ADJUSTMENT. Standard power factor values, based on measured demands, are as follows:

<u>Measured Demands</u>	<u>Standard Power Factor</u>
0 kW to 185 kW	80%
186 kW to 2,500 kW	90%
Over 2,500 kW	95%

Whenever the measured power factor of a customer is less than the prescribed standard, the customer's measured demand shall be increased by the ratio of the standard power factor to the measured power factor. The demand thus determined shall be used as a basis for calculating the customer's billing demand in accordance with the applicable rate schedule.

The measured power factor shall be determined as follows:

- (a) All customers with measured demands of 750 kW or greater in three consecutive months shall have their power factor continually measured. The measured power factor shall be the power factor that is coincident with customer's maximum measured demand. Continuous power factor measurement may be discontinued if the customer's measured demand is less than 750 kW for twelve consecutive months, or if a change in the customer's load characteristics indicates a permanent reduction in measured demand to less than 750 kW. Until such time that metering equipment can be installed for continuous measurement of power factor, power factor shall be determined in accordance with paragraph (c) of this section.
- (b) The power factor of customers with measured demands of less than 185 kW will be assumed to be standard, unless the customer's load is such that it is likely, in the judgment of the Company, that the power factor will be less than the standard. In such cases, the provisions of paragraph (c) are applicable.
- (c) The power factor of all customers not included under the provisions of paragraphs (a) or (b) shall be determined by test at a time when the customer's load is not less than two-thirds of the customer's maximum measured demand in the preceding eleven months; or, at the option of either the customer or the Company, by measurement as determined from meters installed by the Company, ratcheted to prevent reverse registration. When meters are installed, the measured power factor shall be the power factor that is coincident with customer's maximum measured demand. Customers requesting measurement of power factor shall be subject to a monthly meter charge determined in accordance with the cost of the meter installation. Such installation shall not be for less than one year.
- (d) For customers served under the Large Interruptible Load Rider, in addition to the adjustment to billing demand described above, the on-peak kilowatt-hours, for each hour billed based on the PJM billing rate, shall be the product of the measured kilowatt-hours and the factor (SPF/PF), where SPF is the Standard Power Factor defined above and PF is the average power factor for that hour, except that the factor (SPF/PF) shall never be less than one.

A customer that receives Advanced Meter Services from an MSP is subject to the preceding rules regarding determination of measured power factor.

16. METER TESTS

16.1 METER TESTS. The Company at its expense, will make periodic tests and inspections of its meters in order to maintain them at a high standard of accuracy.

16.2 REQUEST TESTS. The Company will make additional tests or inspections of its meters at the request of a customer or an EGS providing Competitive Energy Supply to a customer, but reserves the right to make the charge provided for in the Electric Regulations of the Pennsylvania Public Utility Commission, under conditions therein specified.

16.3 ADJUSTMENT FOR ERROR. Should any of the Company's meters become defective or fail to register correctly, the use of electricity shall be determined by a test of any such meter, or by the registration of a meter set in its place during the period next following, or by averaging the amount registered for the preceding billing period and the amount registered during not less than one week immediately subsequent to the repairs to, or change of, the meter, taking into consideration the character of use by the customer.

16.4 RESIDENCE METER ERRORS. Meter errors in the Company's meters in residence service may be determined on the basis of the registration of the corresponding period during the preceding year, if records are available and conditions of use remain the same.

16.5 ADMINISTRATION TESTS. The Company, at its own expense, will make only such tests of the Company's meters as it deems necessary for the proper administration of its rates, or as are required by law.

16.6 TESTING SERVICE. The Company will, upon request by the customer, make tests of the Company's meters to supply special information regarding the customer's use of service, provided that the estimated cost of such special tests shall be paid by the customer to the Company in advance.

17. BILLING AND STANDARD PAYMENT OPTIONS

17.1 BILLING PERIOD. Billing for service will be based upon the amount of use and the time interval of its delivery. Rate values stated for direct application to monthly billing periods will be adjusted when time elapsed between readings is substantially greater or less than a month.

17.2 BILLING OPTIONS. A customer may select one of the following three billing options: (1) Consolidated EDC Billing; (2) Consolidated EGS Billing; and (3) Separate EDC/EGS Billing, as those terms are defined herein. If a customer does not make a selection, the customer shall receive Consolidated EDC Billing. When the Company provides Consolidated EDC Billing or Separate EDC Billing, it will comply with the terms and conditions of Appendix C to the Joint Petition for Full Settlement.

17.3 PAYMENT.

(a) The Company's bills to customers are payable upon presentation. Payment for service received must be made on or before the due date shown on the bill. The due date shall be determined by the Company and shall be not less than twenty days from the date of transmittal of the bill for Rates R, RT, R-H, OP, POL and GS (excluding Summary Billing Accounts). The due date shall be not less than 15 days from the date of transmittal of the bill for all other rates, including Summary Billing Accounts. Notwithstanding the foregoing, the due date may be up to thirty days for accounts (including Summary Billing Accounts) with the United States of America, the Commonwealth of Pennsylvania, or any of their departments, political subdivisions, or instrumentalities. The Company may allow a reasonable amount of additional time for payment of bills on industrial and commercial accounts of creditworthy customers. If the due date that appears on a customer's bill falls on a Saturday, Sunday, bank holiday, or any other day when the offices of the Company which regularly receive payments are not open to the general public, the due date shall be extended to the next business day. The payment period will not be extended because of the customer's failure to receive a bill unless said failure is due to the fault of the Company.

(b) Payment may be made at any commercial office of the Company or at any authorized payment agency. The customer bears the risk of delivery of payment tendered on or after the date contained in any termination notice sent to the customer.

(c) The Company may require that a customer that is not creditworthy tender payment by means of a certified, cashier's, teller's, or bank check, or by wire transfer, or in cash or other immediately available funds.

(d) A customer must pay the undisputed portion of disputed bills under investigation. The Company will apply this rule to the disputed portion of disputed bills, if, and only if: (1) the Company has made diligent and reasonable efforts to investigate and resolve the dispute; (2) the result of the investigation is that the Company determines that the customer's claims are unwarranted or invalid; (3) the Commission and/or the Bureau of Consumer Services has decided a formal or informal complaint in the Company's favor and no timely appeal is filed, and (4) the customer nevertheless continues to dispute the same manner in bad faith.

17.4 PAYMENT PROCESSING. When the Company is providing Consolidated EDC Billing, Default PLR Service or Separate EDC Billing, and the customer remits a partial payment to the Company, the payment will be applied as follows:

1. Outstanding balance before Direct Access or the installment amount for a payment agreement on this balance.
2. Balance due or the installment amount for a payment agreement for ITCs.
3. Balance due or the installment amount for a payment agreement for CTCs.
4. Balance due or the installment amount for a payment agreement for Fixed and Variable Distribution Service Charges.
5. Current ITCs.
6. Current CTCs.
7. Current Fixed and Variable Distribution Service Charges.
8. Balance due for prior charges for Energy and Capacity.
9. Current charges for Energy and Capacity Charges.
10. Non-basic service charges.

17.5 LATE FEES AND COLLECTION COSTS. If payment is made at a Company office or authorized payment agency after the due date shown on the bill, a late fee will be added to the unpaid balance until the entire bill is paid. If payment is made by mail, the late fee will be added if the payment is received by the Company more than five days after the due date shown on the bill. For Rates R, RT, R-H, R-S, OP, POL and GS this late fee will be 1-1/4% per month; for all other rates the late fee will be 2% per month. If the Company files suit to collect a delinquent balance on an account (whether active or inactive) or to ensure payment of current bills, the customer will be required to pay the Company's out of pocket court costs (including filing, service, and witness fees) as ordered by the court and such costs will be added to commercial and industrial accounts. When the Company provides Consolidated EDC Billing, no late fee will be billed for an EGS's charges until the EGS has provided the terms of any late fee to the Company.

17.6 BUDGET BILLING.

(a) At the option of a customer receiving residential service under Rates R, RT, R-H, R-S, OP, POL and GS, an estimated total bill for all service to be received by the customer over a twelve-month period may be budgeted over the period and an average bill rendered monthly for payment each month and such monthly budget bill will not be subject to late fees. Any difference between the budgeted amounts so paid and the actual charges for a twelve-month budget period will be adjusted in the twelfth month. If a monthly budget bill is not paid, the customer will be notified with the next monthly budget bill that budget billing will be terminated unless payment of the past due budget bill is made on or before the due date of the current budget bill. If budget billing is terminated, a late fee of 1-1/4% per month will be added to the unpaid balance of actual charges on the next billing date in accordance with Rule 17.3. The Company may also arrange budget billing for creditworthy commercial and industrial customers.

(b) When the Company provides Consolidated EDC Billing, the EGS's charges will be included in the customer's Budget Billing Plan if the customer and EGS so indicate. In such circumstances, the Company will separately track the customer's EDC and EGS charges and remit EGS charges to the EGS as billed to the customer.

17.7 CALCULATION OF LATE FEE. Where a late fee is applicable, the amount of the late fee to be added to the unpaid balance shall be calculated by multiplying the unpaid past due balance, exclusive of any previous unpaid late fees, by the appropriate late fee rate.

17.8 TAX EXEMPTION. If a customer is tax exempt, the customer must provide a tax exempt form to PECO Energy and to its EGS, regardless of which billing option the customer chooses. .

17.9 BILLING ERRORS. When the Company provides Consolidated EDC Billing, PECO Energy shall not be responsible for billing errors resulting from incorrect price information received from an EGS.

17.10 RETURNED CHECK CHARGE. If a check received in payment of a customer's account is returned to the Company unpaid and cannot be deposited again, or if upon a second attempt by the Company or its agent for payment the check is again returned unpaid, then the Company will add a returned check charge to the customer's account in the amount of \$20.00.

17.11 APPLICABILITY TO CUSTOMERS RESIDING AT PLACE OF BUSINESS. For purposes of all of the provisions of Rule 17, when a customer resides at a place of business or commercial establishment legitimately served pursuant to a commercial or industrial Base Rate, that is not a residential dwelling unit attached thereto, the customer is not thereby entitled to any of the protections in the Public Utility Code or the Commission's regulations implementing the Pennsylvania Public Utility Code, or to any of the provisions of these rules or this Tariff, that apply exclusively to payment terms for residential customers.

18. PAYMENT TERMS & TERMINATION OF SERVICE

18.1 NON-PAYMENT TERMINATION. When the Company is providing either Consolidated EDC Billing or Separate EDC Billing, the customer is subject to collection action, including termination of service (in accordance with the Commission's Chapter 56 regulations when applicable), on the portion of the past due amount attributable to the Company's charges for: (1) service, (2) CTCs/ITCs, and (3) Energy and Capacity. Upon termination of service, the Company may also remove its equipment. Notice that complies with applicable Commission regulations shall conclusively be considered to be "reasonable" hereunder.

18.2 PAYMENT TERMS. When the Company is providing either Consolidated EDC Billing or Separate EDC Billing, the Company will negotiate payment arrangements on the portion of the past due amount attributable to its charges for: (1) service, (2) CTCs/ITCs, and (3) Energy and Capacity. The Company will not negotiate payment arrangements on behalf of an EGS. When the Company is providing Consolidated EDC Billing, the Company will include on its bills any payment arrangements made by EGSs that are consistent with applicable Commission requirements.

18.3 TERMINATION FOR CAUSE. The Company may terminate on reasonable notice if entry to the meter or meters is refused or if access thereto is obstructed or hazardous; or if utility service is taken without the knowledge or approval of the Company; or for other violation of these Rules and Regulations and/or applicable Commission rules, including those found at 52 Pa. Code Chapter 56.

18.4 SAFETY TERMINATION. The Company may terminate without notice if the customer's installation has become hazardous or defective.

18.5 DEFECTIVE EQUIPMENT TERMINATION. The Company may terminate without notice if the customer's equipment or use thereof might injuriously affect the equipment of the Company, or the Company's service to other customers; or if a certificate of approval is refused after a re-examination of the customer's installation by a competent inspection agency authorized to perform this service in the specific locality where service is provided.

18.6 TERMINATION FOR FRAUD. The Company may terminate without notice for abuse, fraud, or tampering with the connections, the Company's meters, or other equipment of the Company.

18.7 RECONNECTION CHARGE. If service is discontinued by reason or act of the customer, the same customer, whether an applicant or a ratepayer as defined at 52 Pa. Code §56.2, shall pay a reconnection charge for restoration of service within twelve months at the same address after discontinuance or termination. The reconnection charge shall be based on the Company's current standard schedule of reconnection fees. The Company will not condition restoration or reconnection of service based on any unpaid charges owed to an EGS, except for the supplier of last resort service.

19. UNFULFILLED CONTRACTS

19.1 NOTICE OF DISCONTINUANCE BY CUSTOMER. Notice to discontinue service before the expiration of a contract term will not relieve a customer from any minimum, or guaranteed, payment under any contract or rate. In the case of residential customers this Rule only applies if the customer has signed an express written contract that clearly sets forth such a term and condition of service.

19.2 COMPLETION OF TERM. If, by reason of any act, neglect or default of a customer, the Company's service is suspended, or the Company is prevented from providing service in accordance with the terms of any contract it may have entered into with the customer, the minimum charge for the unexpired portion of the initial contract term shall become due and payable immediately as

liquidated damages. These liquidated damages may, at the option of the Company, be offset by estimated revenues from a succeeding customer at the same location if such exists.

20. CANCELLATION BY CUSTOMER

20.1 TERMINATION NOTICE. Customers who have fulfilled their initial contract term and wish to discontinue service from the Company must give the Company at least 7 days' written notice to that effect.

20.2 FINAL BILL. The customer is liable for service taken after notice to terminate the contract, until the meter is read and/or disconnected. The final bill for service is then due and payable immediately.

21. GENERAL

21.1 OFFICE OF THE COMPANY. Wherever, in this Tariff, it is provided that notice be given or sent to the Company, or the office of the Company, such notice, delivered or mailed, postage prepaid to any commercial office, shall be deemed sufficient, unless the Main Office of the Company at 2301 Market Street, Philadelphia, is expressly mentioned.

21.2 NO PREJUDICE OF RIGHTS. The failure by the Company to enforce any of the terms of this Tariff shall not be deemed a waiver of its right to do so.

21.3 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 on the Company's time.

21.4 BILLING CHANGES. Where billing changes are made as the result of an investigation made at customer's request or by routine inspection, the change of billing may be applied to the bill for the regular meter reading period preceding such investigation, and will in any event apply to the bill for the period during which the check is made.

21.5 EXCEPTIONAL CASES. The usual supply of electric service shall be subject to the provisions of this Tariff; but where special service-supply conditions or problems arise for which provision is not otherwise made, the Company may modify or adapt its supply terms to meet the peculiar requirements of such case, provided that such modified terms are a rational expansion of standard tariff provisions.

21.6 ASSIGNMENT. Subject to the Rules and Regulations, all contracts made by the Company shall be binding upon, and oblige and inure to the benefit of, the successors and assigns, heirs, executors and administrators of the parties thereto.

21.7 OTHER CHARGES. The Company may, if feasible, provide and charge for services, other than those provided for in this Tariff, when requested by the customer. The Company is not obligated to provide such services. The Company will, if possible, give the customer an advance written estimate of the costs to provide the service. Costs shall include, but not be limited to, materials, supplies, labor, transportation and overhead.

22. DIRECT ACCESS PHASE-IN PROCEDURES

This rule will become effective immediately upon approval of the Company's Compliance Filing

22.1 PECO Energy will mail postage prepaid enrollment cards and information packets to all customers during the week of June 22-26, 1998, and provide notice to pilot customers of their inclusion in the January 1, 1999 Phase-In Group.

22.2 To volunteer for enrollment, on or after July 1, 1998 customers shall return enrollment cards or forms to PECO Energy either directly or through an EGS. PECO Energy will accept enrollment cards it provided, enrollment cards or forms provided by an EGS, or any writing from the customer that includes the customer's name, address, and account number and is signed by the customer. Enrollment cards received by the Company prior to July 1, 1998, shall be batched, and shall be treated as if they were received July 1, 1998.

22.3 An EGS' return of an enrollment card for a customer does not constitute selection of that EGS by that customer.

22.4 Rate GS shall be divided into two rate classes for Phase-In purposes—Small Rate GS and Large Rate GS ("Rate GS customers with an average monthly billing demand for calendar year 1996 above 40 kW"). The first 33% of the non-coincident peak load of each customer rate class to enroll, except for HT, PD, EP, and Large Rate GS shall be included, along with customers participating in the Pilot, in the first Phase-In group.

22.5 On August 14, 1998, PECO Energy shall send a notification letter to all volunteers up to 33% of the non-coincident peak load, advising them of their inclusion in the January 1, 1999 group and shall concurrently provide lists of successful enrollees to licensed EGSs. This shall not apply to customers in Rate Classes HT, PD, EP, and Large Rate GS.

22.6 As soon as reasonably practicable after August 14, 1998, PECO Energy shall calculate the peak load of each customer rate class that had, as of August 14, 1998, volunteered to enroll.

1. If as of August 14, 1998, less than 66% of the non-coincident peak load of any customer rate class had volunteered to enroll, then on August 24, 1998, or as soon thereafter as is reasonably possible, PECO Energy will send a notification letter to all volunteers in such rate class, not in the January 1, 1999 Phase-In Group, that they will be enrolled in the January 2, 1999 Phase-In group and shall concurrently provide lists of successful enrollees to licensed EGSs.
2. Enrollment will continue for each such under-subscribed rate class on a "first-come, first-served" basis until such time as the 66% non-coincident peak load threshold is met. PECO Energy will send out notification letters to enrolled volunteers not less frequently than every two weeks (or any other period

ordered by the Commission if such period is different than two weeks), and shall concurrently provide lists of successful enrollees to licensed EGSs.

3. If greater than 66% of the non-coincident peak load of any rate class, except HT, PD, EP, and Large Rate GS has, as of August 14, 1998, volunteered to enroll, PECO Energy shall have an independent party conduct a lottery to select which customers from any such oversubscribed class, not in the January 1, 1999 Phase-In Group, shall participate in Phase-In as of January 2, 1999. The lottery shall be conducted on August 27, 1998.
4. If greater than 66% of the non-coincident peak load of the HT, PD, EP, and Large Rate GS rate classes has, as of August 27, 1998, volunteered to enroll, PECO Energy shall not conduct a lottery, but shall allow all volunteers from each such oversubscribed rate class to participate on January 1, 1999 and January 2, 1999 on a pro rata (aggregate eligible class load divided by aggregate volunteer class load) partial load basis as calculated by PECO Energy on or before August 24, 1998.
5. By a letter sent on August 27, 1998, or as soon thereafter as is reasonably possible, PECO Energy shall notify all customers in all such oversubscribed classes of their status regarding participation in Phase-In, and shall concurrently provide lists of successful enrollees to licensed EGSs.

22.7 Notification letters to successful enrollees shall include the shopping credit for the customer's rate class, the Commission's list of EGSs serving that rate class, and additional educational material provided by the Commission. After receiving a letter from PECO Energy advising them of their inclusion in Phase-In, either the participant or his/her EGS shall notify the Company of his/her EGS selection in writing, through the mail or by electronic file or fax. Original documents are not required. Within fifteen days after receipt of notification of the participant's EGS choice, PECO Energy shall send the participant a letter confirming the participant's EGS selection.

22.8 To receive Competitive Energy Supply by the first billing cycle following January 1, or January 2, 1999, a participant must, by November 1, 1998, notify the Company in writing of its EGS selection or have its chosen EGS so notify the Company. If the Company is so notified after November 1, 1998, the participant will receive Competitive Energy Supply from their selected EGS as soon thereafter as is reasonably practicable.

23. EGS SWITCHING

This rule will become effective immediately upon approval of the Company's Compliance Filing

23.1 PECO Energy will accommodate requests by customers to switch EGSs in accordance with this Rule 23, and any applicable Commission Orders.

23.2 To switch to a new EGS, a customer must inform the new EGS. Customers that wish to switch are not required to contact PECO Energy to initiate a switch; PECO Energy will only switch a customer in accordance with Rule 23.

23.3 To enable a new EGS to complete a switch, a customer must provide to the new EGS the customer's PECO Energy account number as it appears on the customer's PECO Energy monthly bill.

23.4 A switch to an EGS will be effective as of the next scheduled meter reading date, provided the Company has received 15 days prior notice, which notice must include valid customer information as required by the controlling provisions of the Supplier Tariff. Upon receiving valid notice to switch an EGS, the Company shall notify the customer's existing EGS that such a request has been made.

23.5 If and when a customer's EGS discontinues its supply in the event of bankruptcy, loss of license, or similar occurrence, or if a Customer is dropped by its EGS for non-payment or other reason then the customer may select a new EGS. The customer will receive its energy supply from PECO Energy until the switch becomes effective.

23.6 Nothing in this Rule 23 shall be interpreted to preclude EGSs from entering into agreements for supply with a term of service of one month. EGSs may enter into agreements for longer than one month. If a customer's service is switched to another EGS or to Default PLR Service in accordance with this Rule 23, however, then PECO Energy will make the switch regardless of any claims by the previous EGS that the customer's agreement with the previous EGS precludes the switch. Nothing in this Rule 23, however, is intended to limit the previous EGS's contractual rights.

24. LOAD DATA EXCHANGE

This rule will become effective immediately upon approval of the Company's Compliance Filing

24.1 PECO Energy will provide to a customer or the customer's designated EGS or authorized consultant, all available data from the meter once each calendar year for no fee. The exchange of data among PECO Energy, EGSs, and customers shall be in accordance with the Supplier Tariff and the Final Consensus Plan for Electronic Data Exchange Standards for Electric Deregulation in the Commonwealth of Pennsylvania, as approved by the Commission.

STATE TAX ADJUSTMENT CLAUSE

In addition to the net charges provided for in this Tariff, a surcharge value of 0.00% will apply to all PaPUC jurisdictional charges in the Base Rates and riders on and after January 1, 1999.

Whenever any of the tax rates used in the calculation of the surcharge are changed, or recoveries are authorized under Sections 2806, 2809 or 2810 of the Competition Act, the surcharge will be recomputed as prescribed by the Commission. The recalculation will be submitted to the Commission within ten days after the change occurs and the effective date shall be ten days after filing.

In addition, if a recalculation is submitted as a result of a tax rate change (including the Revenue Neutral Reconciliation rate) the Company will thereafter file each year on March 21 annual updates or revisions with the Commission which will reflect only this tax change. These annual updates will be effective ten days after filing and will continue until such time as the effect of the change in tax rates has been included in base rates.

COMPETITIVE TRANSITION CHARGE (CTC)

Incorporated into the tariff rate schedules is the applicable non-bypassable Competitive Transition Charge (CTC) authorized to recover PECO Energy's approved Transition or Stranded Costs plus a 10.75% return and applicable Pennsylvania Gross Receipts Tax (Pa GRT). Each customer will be charged their full CTC allocable to their use of the transmission and distribution system. As an alternative means of collecting the CTC, individual customers and PECO Energy may mutually agree to a payment schedule that fully collects the same present value without bypass by the customer or overcollection by PECO Energy. For purposes of determining such a payment schedule, the Company will follow the provisions contained in paragraph 25 of the Joint Petition for Full Settlement.

Special Rules for On-Site Generation

To ensure that customers that use on-site generation equipment that operates in parallel with PECO Energy's transmission and distribution system pay their fully allocated share of Transition or Stranded Costs through the Company's CTC/ITC, to be reflected in the Reconciliation set forth below, the Company will follow the following procedure:

1. For all customers served under the Auxiliary Service Rider, PECO Energy will determine annually, following completion of each calendar year during which it is charging a CTC/ITC, whether any such customer purchased at least 10% fewer kilowatt-hours through PECO Energy's transmission and distribution system than the customer purchased during the applicable base year as defined below.
2. Base Year definition: For customers who begin service under the Auxiliary Service Rider on or after January 1, 1997, the base year will be the immediate prior calendar year. For all other Auxiliary Service Rider customers, the base year will be 1996.
3. For all such customers, PECO Energy will then determine the extent to which the reason for the reduction is use of on-site generation equipment. If this cannot be determined using metering data otherwise available to the Company, the customer will be required to provide metering data for its generator, or of its load served by that generator.
4. If the Company determines that the ratio expressed as a percentage between: (1) the amount of the usage difference caused by the on-site generation; and (2) the base year usage, is 10% or more, then the Company will render a separate bill to the customer that is equal to the difference between: (1) the total CTC/ITC amount that the customer would have paid in the just completed calendar year using monthly usage and demand data for the base year (adjusted for any portion that is not related to on-site generation); and (2) the total CTC/ITC amount that the customer did pay in the just completed calendar year.
5. The separate bill will be issued in the first quarter of the new calendar year, and will be due within thirty (30) days of the issuance date printed on the bill.

Alternatively, for existing industrial and commercial customers whose peak load during 1996 was at least four (4) megawatts, and who can document that they were actively self generating or considering self-generation as of December 31, 1996 or earlier, will pay CTC/ITC charges following full start-up of any self-generation facility they install before December 31, 2010 as follows:

- i. PECO Energy will calculate the customer's average billing demand and energy usage for calendar year 1996;
- ii. Using those billing determinants PECO Energy will determine the dollar amount that would be charged where the customer billed for CTC/ITC using the prevailing Rate HT CTC/ITC charges;
- iii. PECO Energy will bill the customer one-third of the dollar amount determined in accordance with step 2.

Reconciliation of Transition or Stranded Cost Recovery (CTC/ITC)

The Company shall file an annual reconciliation of the CTC recovery (including ITC recovery) on a rate class specific (i.e., in accordance with Appendix E of the Joint Petition for Full Settlement) basis in accordance with Section 1307(e) of the Pennsylvania Public Utility Code. The reconciliation during calendar year 2010 will be done quarterly or, if necessary, monthly in order to insure full CTC recovery and termination by December 31, 2010. The reconciliation will include a redetermination of the CTC rates necessary to refund or recover previous over or under recoveries of the Annual CTC Revenue Requirement based upon the difference between CTC revenue from actual usage of the PECO Energy transmission and distribution system by rate class and the assumed level of CTC revenue for the class based upon sales in Appendix E of the Joint Petition for Full Settlement.

Accordingly, the adjusted CTC rates will be calculated to produce the level of CTC revenue that will make the actual unamortized Transition or Stranded Cost principal balance at the next true-up date equal to the projected balance at that date (as set forth in Appendix E of the Joint Petition for Full Settlement incorporating a 10.75% interest rate and applicable Pa GRT). Sales for each true-up period shall be determined by assuming, as shown in Appendix E of the Joint Petition for Full Settlement, a total sales level in 1999 of 33,569,358 MWH and increasing such sales level for each rate class by 0.8% on an annual basis, unless it is apparent that such methodology would significantly over or under recover the Annual CTC Revenue Requirement for the following year, in which case the Company will propose an adjusted sales level that reflects actual sales and updated sales projections for the following year.

The amount of CTC collected from customers with contracts executed under the Economic Efficiency Rider, the Incremental Process Rider, and Tariff Rule 4.6 in accordance with the unbundling required by those provisions shall constitute those customers' fully allocated share of CTC recovery for their rate classes.

Net Securitization Adjustment (NSA)

In addition to the net charges provided for in this tariff, values as indicated in the table below will be applied to all service on their effective date.

The NSA is comprised of two separate factors, the Securitization Rate Reduction (SRR) and the Intangible Transition Charge (ITC) which will always net to zero in accordance with the terms of the Joint Petition for Full Settlement. The factors as described below will initially become effective on 10 days notice to the Commission. The SRR and ITC will be recalculated as follows:

- (1) whenever new Transition Bonds are issued as evidenced by the issuance date of the bonds.
- (2) annually, to reconcile unamortized Qualified Transition Expense (QTE) principal balance.

Securitization Rate Reduction (SRR)

The SRR is a credit to the Company's base rate charges, expressed as a percentage of such charges, reflecting a revenue requirement reduction arising from the Company's securitization of generation-related costs.

Intangible Transition Charge (ITC)

The ITC is a charge that is added to, and expressed as a percentage of, the Company's PaPUC jurisdictional base rate charges (i.e. distribution and CTC) reflecting the revenue requirement necessary to amortize the QTE principal balance. The ITC will be recalculated as follows:

Effective Rate Table

<u>Rate Class</u>	<u>SRR</u>	<u>ITC</u>	<u>NSA</u>
R	xx.xxxx%	xx.xxxx%	0
RT	xx.xxxx%	xx.xxxx%	0
R-H	xx.xxxx%	xx.xxxx%	0
CAP	xx.xxxx%	xx.xxxx%	0
OP	xx.xxxx%	xx.xxxx%	0
R-S	xx.xxxx%	xx.xxxx%	0
GS	xx.xxxx%	xx.xxxx%	0
PD	xx.xxxx%	xx.xxxx%	0
HT	xx.xxxx%	xx.xxxx%	0
POL	xx.xxxx%	xx.xxxx%	0
SL-P	xx.xxxx%	xx.xxxx%	0
SL-S	xx.xxxx%	xx.xxxx%	0
SL-E	xx.xxxx%	xx.xxxx%	0
TL	xx.xxxx%	xx.xxxx%	0
BLI	xx.xxxx%	xx.xxxx%	0
EP	xx.xxxx%	xx.xxxx%	0

NUCLEAR DECOMMISSIONING COST ADJUSTMENT CLAUSE (NDCA)

The NDCA provides for the recovery of nuclear decommissioning costs. The NDCA shall be charged to all customers taking service under this Tariff. The adjustment shall be a cents per kWh charge calculated to the nearest one hundredth of one cent.

Formula

The following formula shall be used to determine the NDCA.

$$\text{NDCA} = \frac{\text{PaPUC Authorized Decommissioning Expense Adjustment}}{\text{Total Pennsylvania Jurisdictional Sales for Calculation Year}}$$

Where:

PaPUC Authorized Decommissioning Expense Adjustment = the amount allowed by the PaPUC for retail electric cost of service in the Calculation Year less the base amount. The initial amount is 0.

Total Pennsylvania Retail Jurisdictional Sales = total kWh sales under this Tariff for the calculation year including sales for distribution or CTC purposes.

Calculation Year = year in which the Company proposes a change to the NDCA. To the extent a new cost study, performed every five years, indicates the Company requires an adjustment in the rate, the Company shall change the NDCA to reflect such new expense level. In calculating the annual expense the Company shall use the sinking fund methodology.

Methodology for Calculating Expense

The base period expense shall be based upon the decommissioning costs set forth in the table below. The Company shall use a sinking fund methodology to determine the appropriate level of decommissioning expense. The assumptions shall be consistent with NRC policy and requirements.

The base level of expense shall consist of the following levels for each unit.

Peach Bottom 1	\$2,992,000
Peach Bottom 2	2,588,000
Peach Bottom 3	5,976,000
Salem 1	2,651,000
Salem 2	2,509,000
Limerick 1	4,403,000
Limerick 2	8,043,000
Total	\$29,162,000

Frequency of Calculation

The annual expense shall be recalculated every five years. The Company shall adjust the NDCA to reflect the new expense level 60 days after filing the new study and the associated rate calculation with the PaPUC. The first calculation of the NDCA shall be considered to have taken place on January 1, 1998.

Universal Service Fund Charge (USFC)

PROVISIONS FOR RECOVERY OF USFC

The Variable Distribution Service Charges for applicable service rates shall be adjusted and reconciled in accordance with paragraphs 33 and 34 of the Joint Petition for Full Settlement.

RATE R RESIDENCE SERVICE**AVAILABILITY.**

Single-phase service in the entire territory of the Company to the dwelling and appurtenances of a single private family (or to a multiple dwelling unit building consisting of two to five dwelling units, whether occupied or not), for the domestic requirements of its members when such service is supplied through one meter. Service is also available for related farm purposes when such service is supplied through one meter in conjunction with the farmhouse domestic requirements.

Each dwelling unit connected after May 10, 1980 except those dwelling units under construction or under written contract for construction as of that date must be individually metered for their basic service supply. Centrally supplied master metered heating, cooling or water heating service may be provided if such supply will result in energy conservation.

The term "residence service" includes service to: (a) the separate dwelling unit in an apartment house or condominium, but not the halls, basement, or other portions of such building common to more than one such unit; (b) the premises occupied as the living quarters of five persons or less who unite to establish a common dwelling place for their own personal comfort and convenience on a cost-sharing basis; the premises owned by a church, and primarily designated or set aside for, and actually occupied and used as, the dwelling place of a priest, rabbi, pastor, rector, nun or other functioning Church Divine, and the resident associates; (d) private dwellings in which a portion of the space is used for the conduct of business by a person residing therein; (e) farm purpose uses by an individual employing the natural processes of growth for the production of grain, stock, dairy, poultry, garden truck, or other agricultural products.

The term does NOT include service to: (a) Premises institutional in character including Clubs, Fraternities, Orphanages or Homes; (b) premises defined as a rooming house or boarding house in the Municipal Code for Cities of the First Class enacted by Act of General Assembly; a premises containing a residence unit but primarily devoted to a professional or other office, studio, or other gainful pursuit; (d) farms operated principally to sell, prepare, or process products produced by others, or farms using air conditioning for climatic control in conjunction with growth processes (except those customers receiving such service as of August 2, 1969); (e) electric furnaces or welding apparatus other than a transformer type "limited input" arc welder with an input not to exceed 37-1/2 amperes at 240 volts.

CURRENT CHARACTERISTICS. Standard single-phase secondary service.

MONTHLY RATE TABLE.

FIXED DISTRIBUTION SERVICE CHARGE. \$5.10

METERING AND BILLING CREDITS A customer receiving Advanced Meter Services from a MSP other than the Company will receive a credit on the Fixed Distribution Service Charge equal to the Total Metering Credit set forth for this Base Rate in Appendix B to the Joint Petition for Full Settlement. A customer receiving Consolidated EGS Billing will receive a credit on the Fixed Distribution Service Charge equal to the Billing and Collection Credit set forth for this Base Rate in Appendix B to the Joint Petition for Full Settlement.

VARIABLE DISTRIBUTION SERVICE CHARGE:

SUMMER MONTHS. (June through September)
4.57¢ per kWh for the first 500 kWh per dwelling unit
5.31¢ per kWh for additional kWh.
WINTER MONTHS. (October through May)
4.57¢ per kWh

COMPETITIVE TRANSITION CHARGE:

SUMMER MONTHS. (June through September)
1.82¢ per kWh for the first 500 kWh per dwelling unit
2.11¢ per kWh for additional kWh.
WINTER MONTHS. (October through May)
1.82¢ per kWh

ENERGY AND CAPACITY CHARGE: The following Energy and Capacity Charges, which are not applicable to the customer if it obtains Competitive Energy Supply, will apply to the customer if the customer receives Default PLR Service until the first billing month of the year 2001.

SUMMER MONTHS. (June through September)
5.00¢ per kWh for the first 500 kWh per dwelling unit
5.58¢ per kWh for additional kWh.
WINTER MONTHS. (October through May)
5.00¢ per kWh

Starting with the first billing month of the year 2001, the Company will charge customers that receive Default PLR Service a price determined in accordance with Section L, paragraph 38(e) of the Joint Petition for Full Settlement.

TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT PLR SERVICE: Unless such a customer is able to obtain transmission service on its own, PECO Energy will provide transmission service, and will impose charges on such a customer for such transmission service.

MINIMUM CHARGE: The minimum charge per month will be the Fixed Distribution Service Charge.

STATE TAX ADJUSTMENT CLAUSE, NUCLEAR DECOMMISSIONING COST ADJUSTMENT, UNIVERSAL SERVICE FUND CHARGE APPLY TO THIS RATE.

PAYMENT TERMS. *Standard.*

RATE RT RESIDENCE TIME-OF-USE SERVICE**AVAILABILITY.**

Single-phase service in the entire territory of the Company to the dwelling and appurtenances of a single private family for the domestic requirements of its members when such service is provided through one meter. Service is also available for related farm purposes when such service is provided through one meter in conjunction with the farmhouse domestic requirements.

The term "residence service" includes service to: (a) the separate dwelling unit in an apartment house or condominium, but not the halls, basement, or other portions of such building common to more than one such unit; (b) the premises occupied as the living quarters of five persons or less who unite to establish a common dwelling place for their own personal comfort and convenience on a cost-sharing basis; the premises owned by a church, and primarily designated or set aside for, and actually occupied and used as, the dwelling place of a priest, rabbi, pastor, rector, nun or other functioning Church Divine, and the resident associates; (d) private dwellings in which a portion of the space is used for the conduct of business by a person residing therein; (e) farm purpose uses by an individual employing the natural processes of growth for the production of grain, stock, dairy, poultry, garden truck, or other agricultural products.

The term does NOT include service to: (a) Premises institutional in character including Clubs, Fraternities, Orphanages or Homes; (b) premises defined as a rooming house or boarding house in the Municipal Code for Cities of the First Class enacted by Act of General Assembly; a premises containing a residence unit but primarily devoted to a professional or other office, studio, or other gainful pursuit; (d) farms operated principally to sell, prepare, or process products produced by others, or farms using air conditioning for climatic control in conjunction with growth processes (except those customers receiving such service as of August 2, 1969); (e) electric furnaces or welding apparatus other than a transformer type "limited input" arc welder with an input not to exceed 37-1/2 amperes at 240 volts.

CURRENT CHARACTERISTICS. Standard single-phase secondary service.

DEFINITION OF PEAK-HOURS. On-Peak Hours are defined as the hours between 8:00 am and 8:00 pm, Eastern Standard Time or Daylight Saving Time, whichever is in common use, daily except Saturdays, Sundays and holidays; except that the on-peak hours will end at 4:00 pm on Fridays. Off-Peak Hours are defined as the hours other than those specified as on-peak hours.

MONTHLY RATE TABLE.

FIXED DISTRIBUTION SERVICE CHARGE: \$10.19

METERING AND BILLING CREDITS A customer receiving Advanced Meter Services from a MSP other than the Company will receive a credit on the Fixed Distribution Service Charge equal to the Total Metering Credit set forth for this Base Rate in Appendix B to the Joint Petition for Full Settlement. A customer receiving Consolidated EGS Billing will receive a credit on the Fixed Distribution Service Charge equal to the Billing and Collection Credit set forth for this Base Rate in Appendix B to the Joint Petition for Full Settlement.

VARIABLE DISTRIBUTION SERVICE CHARGE:

SUMMER MONTHS (June through September)

1.87¢ per off-peak kWh

7.61¢ per on-peak kWh

WINTER MONTHS (October through May)

1.87¢ per off-peak kWh

6.98¢ per on-peak kWh

COMPETITIVE TRANSITION CHARGE:

SUMMER MONTHS. (June through September)

0.99¢ per off-peak kWh

4.02¢ per on-peak kWh.

WINTER MONTHS. (October through May)

0.99¢ per off-peak kWh

3.69¢ per on-peak kWh.

ENERGY AND CAPACITY CHARGE: The following Energy and Capacity Charges, which are not applicable to the customer if it obtains Competitive Energy Supply, will apply to the customer if the customer receives Default PLR Service until the first billing month of the year 2001.

SUMMER MONTHS. (June through September)

3.28¢ per off-peak kWh

8.96¢ per on-peak kWh

WINTER MONTHS. (October through May)

3.28¢ per off-peak kWh

8.33¢ per on-peak kWh

Starting with the first billing month of the year 2001, the Company will charge customers that receive Default PLR Service a price determined in accordance with Section L, paragraph 38(e) of the Joint Petition for Full Settlement.

TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT PLR SERVICE: Unless such a customer is able to obtain transmission service on its own, PECO Energy will provide transmission service, and will impose charges on such a customer for such transmission service.

MINIMUM CHARGE. The minimum charge per month will be the Fixed Distribution Service Charge.

STATE TAX ADJUSTMENT CLAUSE, NUCLEAR DECOMMISSIONING COST ADJUSTMENT, UNIVERSAL SERVICE FUND CHARGE APPLY TO THIS RATE.

CONTRACT TERM. Not less than twelve months.

PAYMENT TERMS. Standard.

RATE R-H RESIDENTIAL HEATING SERVICE**AVAILABILITY.**

Single-phase service to the dwelling and appurtenances of a single private family (or to a multiple dwelling unit building consisting of two to five dwelling units, whether occupied or not), for domestic requirements when such service is provided through one meter and where the dwelling is heated by specified types of electric space heating systems. The systems eligible for this rate are (a) permanently connected electric resistance heaters where such heaters supply all of the heating requirements of the dwelling, (b) heat pump installations where all of the supplementary heating required is supplied by electric resistance heaters, and (c) heat pump installations where all of the supplementary heating required is supplied by non-electric energy sources and/or by electric energy sources served on *Rate O-P Off-Peak Service*. All space heating installations must meet Company requirements. This rate schedule is not available for commercial, institutional or industrial establishments.

Wood, solar, wind, water, and biomass systems may be used to supply a portion of the heating requirements in conjunction with service provided hereunder. Any customer system of this type that produces electric energy may not be operated concurrently with service provided by the Company except under written agreement setting forth the conditions of such operation as provided by and in accordance with the provisions of the Auxiliary Service Rider.

Each dwelling unit connected after May 10, 1980 except those dwelling units under construction or under written contract for construction as of that date, must be individually metered.

CURRENT CHARACTERISTICS. Standard single-phase secondary service.

MONTHLY RATE TABLE.

FIXED DISTRIBUTION SERVICE CHARGE: \$5.10

METERING AND BILLING CREDITS A customer receiving Advanced Meter Services from a MSP other than the Company will receive a credit on the Fixed Distribution Service Charge equal to the Total Metering Credit set forth for this Base Rate in Appendix B to the Joint Petition for Full Settlement. A customer receiving Consolidated EGS Billing will receive a credit on the Fixed Distribution Service Charge equal to the Billing and Collection Credit set forth for this Base Rate in Appendix B to the Joint Petition for Full Settlement.

VARIABLE DISTRIBUTION SERVICE CHARGE:**SUMMER MONTHS.** (June through September)

4.35¢ per kWh for the first 500 kWh per dwelling unit

5.06¢ per kWh for additional kWh.

WINTER MONTHS. (October through May)

4.35¢ for the first 600 kWh per dwelling unit

1.81¢ per kWh for additional kWh.

COMPETITIVE TRANSITION CHARGE:**SUMMER MONTHS.** (June through September)

1.85¢ per kWh for the first 500 kWh per dwelling unit

2.15¢ per kWh for additional kWh.

WINTER MONTHS. (October through May)

1.85¢ per kWh for the first 600 kWh per dwelling unit

0.77¢ per kWh for additional kWh.

ENERGY AND CAPACITY CHARGE: The following Energy and Capacity Charges, which are not applicable to the customer if it obtains Competitive Energy Supply, will apply to the customer if the customer receives Default PLR Service until the first billing month of the year 2001.

SUMMER MONTHS. (June through September)

5.22¢ per kWh for the first 500 kWh per dwelling unit

5.83¢ per kWh for additional kWh.

WINTER MONTHS. (October through May)

5.22¢ per kWh for the first 600 kWh per dwelling unit

3.03¢ per kWh for additional kWh.

Starting with the first billing month of the year 2001, the Company will charge customers that receive Default PLR Service a price determined in accordance with Section L, paragraph 38(e) of the Joint Petition for Full Settlement.

TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT PLR SERVICE: Unless such a customer is able to obtain transmission service on its own, PECO Energy will provide transmission service, and will impose charges on such a customer for such transmission service.

MINIMUM CHARGE. The minimum charge per month will be the Fixed Distribution Service Charge.

STATE TAX ADJUSTMENT CLAUSE, NUCLEAR DECOMMISSIONING COST ADJUSTMENT, UNIVERSAL SERVICE FUND CHARGE APPLY TO THIS RATE.

COMBINED RESIDENTIAL AND COMMERCIAL SERVICE. Where a portion of the service provided is used for commercial 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.

PAYMENT TERMS. Standard.

CAP RATE

AVAILABILITY.

To payment-troubled customers who are currently served under or otherwise qualify for Rate R or Rate RH (does not include multiple dwelling unit buildings consisting of two to five dwelling units). Customers must apply for this rate and must demonstrate annual household gross income below 150% of the Federal Poverty guidelines.

Customers with annual household gross incomes below 100% of the Federal poverty income guidelines will be eligible for Customer Assistance Program (CAP) Rate I which provides a 51.9% discount on the pricing of the first 500 kWh of usage.

Customers with annual household gross incomes between 100% and 150% of the Federal poverty income guidelines will be eligible for Customer Assistance Program (CAP) Rate II which provides a 26% discount on the pricing of the first 500 kWh of usage.

Certification by various State agencies that a customer is receiving certain government assistance payments may be used where possible to expedite the eligibility process. These payments include (but are not limited to) AFDC, SSI, Food Stamps, PACE and Medicaid. Information available from the Pa. Department of Revenue may also be used where appropriate to expedite the process.

A process will be established to provide verification of eligibility for customers who do not fit the above processes. Asset testing will also be used where necessary and appropriate.

Customers being considered for the CAP Rates will be required to:

- * Waive certain privacy rights to enable PECO Energy to effectively conduct the above certification process.
- * Apply for and assign to PECO Energy at least one energy assistance grant from the Commonwealth.
- * Participate in various energy education and conservation programs facilitated by PECO Energy.

MONTHLY RATE TABLE.

	RATE R		RATE RH			
	CAP I	CAP II	CAP I		CAP II	
			Summer	Winter	Summer	Winter
Fixed Distribution Service Charge	\$5.10	\$5.10	\$5.10	\$5.10	\$5.10	\$5.10
Variable Distribution Service Charge						
for the first 500 kWh	2.21 ¢/kWh	3.39 ¢/kWh	2.10 ¢/kWh	2.10 ¢/kWh	3.22 ¢/kWh	3.22 ¢/kWh
for additional kWh	4.57 ¢/kWh	4.57 ¢/kWh	4.35 ¢/kWh	2.10 ¢/kWh	4.35 ¢/kWh	2.10 ¢/kWh
Competitive Transition Charge						
for the first 500 kWh	0.88 ¢/kWh	1.35 ¢/kWh	0.89 ¢/kWh	0.89 ¢/kWh	1.37 ¢/kWh	1.37 ¢/kWh
for additional kWh	1.82 ¢/kWh	1.82 ¢/kWh	1.85 ¢/kWh	0.89 ¢/kWh	1.85 ¢/kWh	0.89 ¢/kWh
Energy and Capacity Charge						
for the first 500 kWh	2.41 ¢/kWh	3.70 ¢/kWh	2.51 ¢/kWh	2.51 ¢/kWh	3.85 ¢/kWh	3.85 ¢/kWh
for additional kWh	5.00 ¢/kWh	5.00 ¢/kWh	5.22 ¢/kWh	2.51 ¢/kWh	5.22 ¢/kWh	2.51 ¢/kWh

METERING AND BILLING CREDITS A customer receiving Advanced Meter Services from a MSP other than the Company will receive a credit on the Fixed Distribution Service Charge equal to the Total Metering Credit set forth for Rate R or RH as applicable in Appendix B to the Joint Petition for Full Settlement. A customer receiving Consolidated EGS Billing will receive a credit on the Fixed Distribution Service Charge equal to the Billing and Collection Credit set forth for Rate R or RH as applicable in Appendix B to the Joint Petition for Full Settlement.

ENERGY AND CAPACITY CHARGE: The preceding Energy and Capacity Charges, which are not applicable to the customer if it obtains Competitive Energy Supply, will apply to the customer if the customer receives Default PLR Service until the first billing month of the year 2001. Starting with the first billing month of the year 2001, the Company will charge customers that receive Default PLR Service a price determined in accordance with Section L, paragraph 38(e) of the Joint Petition for Full Settlement.

If the customer obtains Competitive Energy Supply, the customer will receive a credit, on the first 500 kWh of usage on their PECO Energy bill, as follows:

Customer Credit when obtaining Competitive Energy Supply:

	RATE R		RATE RH			
	CAP I	CAP II	CAP I		CAP II	
			Summer	Winter	Summer	Winter
	2.59 ¢/kWh	1.30 ¢/kWh	2.71 ¢/kWh	2.71 ¢/kWh	1.37 ¢/kWh	1.37 ¢/kWh

MINIMUM CHARGE: The minimum charge per month will be the Fixed Distribution Service Charge.

TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT PLR SERVICE. Unless such a customer is able to obtain transmission service on its own, PECO Energy will provide transmission service, and will impose charges on such a customer for such transmission service.

STATE TAX ADJUSTMENT CLAUSE, NUCLEAR DECOMMISSIONING COST ADJUSTMENT, UNIVERSAL SERVICE FUND CHARGE APPLY TO THIS RATE.

ARREARAGE.

Customers who qualify and are placed on the CAP Rate will have their pre-program arrearage forgiven if they remain current on their CAP bill for six to twelve months. The development of any new arrearage during this period will delay forgiveness. Customers that develop any new arrearage will be offered a payment agreement.

RATE OP OFF-PEAK SERVICE**AVAILABILITY.**

In conjunction with Rates R, RT, R-H and with residence service under Rate GS, for any customer receiving service at 120/240 volts, 3 wires, or 120/208 volts, 3 wires, for the operation of 240-volt or 208-volt domestic equipment of a type approved by the Company. Any load connected for service under Rate OP may not be connected for service under any other rate during the period that service under Rate OP is interrupted. Service will be interrupted during on-peak periods as established by the Company. This rate is not available when the source of supply is service purchased from a neighboring company under a borderline-purchase agreement.

SPECIAL RULES AND REGULATIONS.

The normal control device furnished by the Company has a limited capacity. The customer shall notify the Company before connecting any load in addition to an existing water heater. If necessary, the Company will install a control device with a rating of 100 amperes to accommodate the additional 240-volt controlled load. For controlled loads larger than 100 amperes the control device shall be furnished, installed and maintained by the customer.

Service may be interrupted for a total of not more than 6-1/2 hours per day during scheduled periods which may vary from customer to customer.

The Company has a program to replace seven-day clock control devices as they fail with five-day radio-control devices which provide uninterrupted service on Saturdays, Sundays and holidays.

MONTHLY RATE TABLE.

FIXED DISTRIBUTION SERVICE CHARGE: \$4.58 per month

METERING AND BILLING CREDITS A customer receiving Advanced Meter Services from a MSP other than the Company will receive a credit on the Fixed Distribution Service Charge equal to the Total Metering Credit set forth for this Base Rate in Appendix B to the Joint Petition for Full Settlement. A customer receiving Consolidated EGS Billing will receive a credit on the Fixed Distribution Service Charge equal to the Billing and Collection Credit set forth for this Base Rate in Appendix B to the Joint Petition for Full Settlement.

VARIABLE DISTRIBUTION SERVICE CHARGE: 3.65¢ per kWh

COMPETITIVE TRANSITION CHARGE: 0.00¢ per kWh

ENERGY AND CAPACITY CHARGE: The following Energy and Capacity Charges, which are not applicable to the customer if it obtains Competitive Energy Supply, will apply to the customer if the customer receives Default PLR Service until the first billing month of the year 2001.

1.23¢ per kWh

Starting with the first billing month of the year 2001, the Company will charge customers that receive Default PLR Service a price determined in accordance with Section L, paragraph 38(e) of the Joint Petition for Full Settlement.

TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT PLR SERVICE: Unless such a customer is able to obtain transmission service on its own, PECO Energy will provide transmission service, and will impose charges on such a customer for such transmission service.

MINIMUM CHARGE: The minimum charge per month will be the Fixed Distribution Service Charge.

STATE TAX ADJUSTMENT CLAUSE, NUCLEAR DECOMMISSIONING COST ADJUSTMENT, UNIVERSAL SERVICE FUND CHARGE APPLY TO THIS RATE.

PAYMENT TERMS.

Standard.

RATE R-S RENEWABLE ENERGY SERVICE**AVAILABILITY.**

Single-phase electric service in the entire territory of the Company for a customer served under Rate R, Rate R-H, Rate R-T or Rate GS, that has installed a device or devices that are, in PECO Energy's 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 Appendix II of 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 Appendix II of the "Requirements for Parallel Operation of Non-Utility Generation."

(Not available when the source of supply is service purchased from a neighboring Company under Rate BLI Borderline Interchange Service.)

METERING/BILLING PROVISIONS.

A customer may select one of the following billing and metering options in conjunction with the Applicable Rate R, Rate R-H, Rate R-T or Rate GS charges.

(a) A non-ratcheted, bi-directional meter, such as the existing meter at the facility, may be used to record net energy sales to the customer. If the renewable energy installation generates more electricity than the customer uses in any billing month, then the customer will not be charged for any energy usage, but the customer will not be paid by the Company for the excess energy delivered to PECO Energy. No dual metering charge shall apply.

(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) PECO Energy shall provide such other Qualified Meters on such terms as shall be approved by the Commission.

If, in any billing month, the amount of energy delivered by the Company under Option (b) or (c) 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. If, in any billing month, the amount of energy delivered by the Company under Option (b) or (c) that the customer uses is less than the amount of energy the customer delivered to the Company, the Company will pay the customer for the excess using the monthly average PJM billing rate, market clearing price, or its successor. For customers with Rate R-T, and the appropriate metering equipment (Option(c)), the billing will reflect the on-peak and off-peak generation and use and a metering charge under Option (C) will apply. A monthly meter charge shall apply if Option (b) or (c) is selected. A customer may sell any excess energy to an EGS other than PECO Energy. However, the customer must pay the appropriate Variable Distribution Service Charges on this excess energy.

CURRENT CHARACTERISTICS.

Standard single-phase secondary service.

METERING CHARGE: Option (b) - \$ 4.46

Option (c) - meter cost shall be based upon the net incremental cost of purchasing and installing the new metering equipment as approved by the Commission.

MONTHLY RATE TABLE FOR NET ENERGY USED BY CUSTOMER. (See Applicable Rate R, Rate R-H, Rate RT or Rate GS for charges.)

MINIMUM CHARGE: The minimum charge per month will be the Fixed Distribution Service Charge for the applicable Rate R, Rate R-H, Rate R-T or Rate GS Service and the metering charge if the customer has selected Option(b) or Option(c).

STATE TAX ADJUSTMENT CLAUSE APPLIES TO THIS RATE.

CONTRACT TERM.

Not less than twelve months.

PAYMENT TERMS.

Standard

RATE-GS GENERAL SERVICE**AVAILABILITY.**

Service through a single metering installation for offices, professional, commercial or industrial establishments, governmental agencies, and other applications outside the scope of the Residence Service rate schedules.

CURRENT CHARACTERISTICS.

Standard single-phase or polyphase secondary service.

MONTHLY RATE TABLE.**FIXED DISTRIBUTION SERVICE CHARGE:**

\$ 6.63 for single-phase service without demand measurement, or
\$ 8.67 for single-phase service with demand measurement, or
\$23.45 for polyphase service.

METERING AND BILLING CREDITS A customer receiving Advanced Meter Services from a MSP other than the Company will receive a credit on the Fixed Distribution Service Charge equal to the Total Metering Credit set forth for this Base Rate in Appendix B to the Joint Petition for Full Settlement. A customer receiving Consolidated EGS Billing will receive a credit on the Fixed Distribution Service Charge equal to the Billing and Collection Credit set forth for this Base Rate in Appendix B to the Joint Petition for Full Settlement.

VARIABLE DISTRIBUTION SERVICE CHARGE:

3.58¢ per kWh for the first 80 hours' use of billing demand
* 1.68¢ per kWh for the next 80 hours' use of the billing demand
1.06¢ per kWh for additional use; except
0.47¢ per kWh over both 400 hours' use of billing demand and 2,000 kWh

COMPETITIVE TRANSITION CHARGE:

5.16¢ per kWh for the first 80 hours' use of billing demand
* 2.43¢ per kWh for the next 80 hours' use of billing demand
1.53¢ per kWh for additional use; except
0.67¢ per kWh over both 400 hours' use of billing demand and 2,000 kWh.

ENERGY AND CAPACITY CHARGE: The following Energy and Capacity Charges will apply to the customer if the customer receives Default PLR Service. These charges are not applicable to the customer if it obtains Competitive Energy Supply.

10.28¢ per kWh for the first 80 hours' use of billing demand
* 5.60¢ per kWh for the next 80 hours' use of billing demand
4.06¢ per kWh for additional use; except
2.59¢ per kWh over both 400 hours' use of billing demand and 2,000 kWh.

* During October through May this block is eliminated.

TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT PLR SERVICE: Unless such a customer is able to obtain transmission service on its own, PECO Energy will provide transmission service, and will impose charges on such a customer for such transmission service.

STATE TAX ADJUSTMENT CLAUSE, NUCLEAR DECOMMISSIONING COST ADJUSTMENT APPLY TO THIS RATE.

DETERMINATION OF DEMAND.

The billing demand will be measured where consumption exceeds 1,100 kilowatt-hours per month for three consecutive months; or where load tests indicate a demand of five or more kilowatts; or where the heating modification is applied; or where the customer requests demand measurement. Measured demands will be determined to the nearest 0.1 of a kilowatt but will not be less than 1.2 kilowatts, and will be adjusted for power factor in accordance with the Rules and Regulations.

For those customers with demand measurement, during October through May the billing demand will not be less than 40% of the highest billing demand in the preceding months of June through September, nor less than the minimum value stated in the contract for service. If a measured demand customer has less than 1,100 monthly kilowatt-hours of use, the monthly billing demand will be the measured demand or the metered monthly kilowatt-hours divided by 175 hours, whichever is less, but not less than 40% of the highest billing demand in the preceding months of June through September, nor less than 1.2 kilowatts.

For those customers without demand measurement, the monthly billing demand will be computed by dividing the metered monthly kilowatt-hours by 175 hours. The computed demand will be determined to the nearest 0.1 of a kilowatt, but will not be less than 1.2 kilowatts.

MINIMUM CHARGE.

The monthly minimum charge for customers without demand measurement will be the Fixed Distribution Service Charge. The monthly minimum charge for customers with demand measurement will be the Fixed Distribution Service Charge, plus a charge of \$6.17 per kW of billing demand.

HEATING MODIFICATION.

Wood, solar, wind, water, and biomass systems may be used to supply a portion of the heating requirements in conjunction with service provided hereunder. Any customer system of this type that produces electric energy may not be operated concurrently with service provided by the Company except under written agreement setting forth the conditions of such operation as provided by and in accordance with the provisions of the Auxiliary Service Rider.

METERING.**A. Single Meter.**

Applicable where an area is heated solely by permanently connected electric space heating installations (1) acceptable to the Company, (2) sensitive to outdoor temperature and (3) not less than 5 kilowatts. Qualifying electric heating systems are (1) electric resistance coils, (2) electric resistance baseboards, (3) electric boilers and (4) heat pumps with electric back-up.

During October through May the monthly maximum measured demand shall be reduced by one-half of the difference between the peak winter measured demand and the base load demand over the two most recent winter seasons preceding the start of the current winter season (October 1st). The demand reduction will be subject to annual review and any revisions will be based on the two most recent winter seasons. The base load demand will be defined as the lowest measured demand during the period from October to May. For time-of-use metered customers, the demand reduction will be based upon the difference between the peak winter and base load demands regardless of whether they occur on or off peak. During this period, the billing demand shall never be less than 15 kilowatts; except for those customers in service as of February 18, 1971, the billing demand during October through May shall not be less than one-half of the monthly measured demand.

A customer whose demand reduction was calculated under the methods in effect on October 17, 1996, will continue to receive the same reduction until January 2, 2000 unless the current method (described in the preceding paragraph) yields a smaller billed demand for the customer.

A customer who adds new electrical connected heating load will receive the same proportion of forgiven demand to total demand that they currently receive.

This demand modification will only be applicable within 30 days of the date that the customer requests billing under this provision. It shall be the responsibility of the customer to notify the Company of any subsequent changes to its heating equipment or requirements.

B. Separate Meters.

At the option of the customer, electricity supplying permanently connected space heating installations or heating equipment sensitive to outdoor temperature with a total capacity of not less than 5 kilowatts, which are acceptable to the Company, will be measured apart from the customer's other requirements for electric service at the premises. Air conditioning equipment of rated electrical capacity up to twice that of the heating equipment also may be supplied through this separate heating circuit.

During October through May the usage of this separate circuit shall be billed at the charges listed below in lieu of the pricing of the basic Monthly Rate Table.

VARIABLE DISTRIBUTION SERVICE CHARGE: 0.84¢ per kWh

COMPETITIVE TRANSITION CHARGE: 1.20¢ per kWh

ENERGY AND CAPACITY CHARGE: The following Energy and Capacity Charges will apply to the customer if the customer receives Default PLR Service. These charges are not applicable to the customer if it obtains Competitive Energy Supply:

3.50¢ per kWh

During June through September the combined usage shall be billed under the price provisions of the basic Monthly Rate Table.

TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT PLR SERVICE: Unless such a customer is able to obtain transmission service on its own, PECO Energy will provide transmission service, and will impose charges on such a customer for such transmission service.

OFF-PEAK THERMAL STORAGE PROVISION.

Off-peak energy may be provided exclusively for qualifying Thermal Storage applications only in conjunction with this rate schedule when the load supplied is separately metered. This service will be billed separately at the rate of \$11.21 per month, plus the charges listed below.

OFF-PEAK USAGE DURING THE WINTER AND SUMMER MONTHS:

VARIABLE DISTRIBUTION SERVICE CHARGE: 1.41¢ per kWh

COMPETITIVE TRANSITION CHARGE: 0.54¢ per kWh

ENERGY AND CAPACITY CHARGE: The following Energy and Capacity Charges will apply to the customer if the customer receives Default PLR Service. These charges are not applicable to the customer if it obtains Competitive Energy Supply:

1.71¢ per kWh

ON-PEAK USAGE DURING THE WINTER MONTHS:

VARIABLE DISTRIBUTION SERVICE CHARGE: 2.17¢ per kWh

COMPETITIVE TRANSITION CHARGE: 0.84¢ per kWh

ENERGY AND CAPACITY CHARGE: The following Energy and Capacity Charges will apply to the customer if the customer receives Default PLR Service. These charges are not applicable to the customer if it obtains Competitive Energy Supply.

2.60¢ per kWh

TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT PLR SERVICE: Unless such a customer is able to obtain transmission service on its own, PECO Energy will provide transmission service, and will impose charges on such a customer for such transmission service.

During the summer months, any on-peak demand and energy will contribute to the pricing of the basic Monthly Rate Table. To qualify for this provision, the customer must submit an engineering study performed by a professional engineer registered in the Commonwealth of Pennsylvania to the Company for technical review and approval. On-peak hours are defined as the hours between 8:00 a.m. and 8:00 p.m., Eastern Standard Time or Daylight Saving Time, whichever is in common use, daily except Saturdays, Sundays and holidays; except that the on-peak hours will end at 4:00 p.m. on Fridays. Off-peak hours are defined as

the hours other than those specified as on-peak hours. For Cooling Thermal Storage applications, during the months of June through September, on-peak hours will commence at 10:00 a.m. instead of 8:00 a.m.

SPECIAL PROVISION.

In accordance with Section 1511, Title 66 Public Utilities, a volunteer fire company or a non-profit senior citizen center may, upon application, elect to have its electric service billed at the pricing of Rate R Residential Service, Rate RT Residential Time of Use, Rate R-H Residential Heating Service, or Rate OP Off-Peak Service as appropriate for the application. The execution of a contract for a minimum term of one year will be required.

For the purposes of this provision, the following words and terms shall have the following meanings, unless the context clearly indicates otherwise:

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 use of electric service at this 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 predominantly volunteer fire company recognized by the local municipality or PEMA as a provider of fire fighting services.

NON-PROFIT SENIOR CITIZEN CENTER - a separately metered service location consisting of a facility for the 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 non-profit and recognized by the Pennsylvania Department of Aging as an operator of a senior citizen center.

PAYMENT TERMS.

Standard.

TERM OF CONTRACT.

The initial contract term shall be for at least one year.

PAYMENT TERMS.

Standard.

RATE-PD PRIMARY-DISTRIBUTION POWER**AVAILABILITY.**

Untransformed service from the primary supply lines of the Company's distribution system where the customer installs, owns, and maintains any transforming, switching and other receiving equipment required. However, standard primary service is not available in areas where the distribution voltage has been changed to either 13 kV or 33 kV unless the customer was served with standard primary service before the conversion of the area to either 13 kV or 33 kV. This rate is available only for service locations served on this rate on July 6, 1987 as long as the original primary service has not been removed. PECO Energy may refuse to increase the load supplied to a customer served under this rate when, in PECO Energy's sole judgment, any transmission or distribution capacity limitations exist. If a customer changes the billing rate of a location being served on this rate, PECO Energy may refuse to change that location back to Rate PD when, in PECO Energy's sole judgment, any transmission or distribution capacity limitations exist.

CURRENT CHARACTERISTICS.

Standard primary service.

MONTHLY RATE TABLE.

FIXED DISTRIBUTION SERVICE CHARGE: \$275.28

METERING AND BILLING CREDITS A customer receiving Advanced Meter Services from a MSP other than the Company will receive a credit on the Fixed Distribution Service Charge equal to the Total Metering Credit set forth for this Base Rate in Appendix B to the Joint Petition for Full Settlement. A customer receiving Consolidated EGS Billing will receive a credit on the Fixed Distribution Service Charge equal to the Billing and Collection Credit set forth for this Base Rate in Appendix B to the Joint Petition for Full Settlement.

VARIABLE DISTRIBUTION SERVICE CHARGE:

\$1.79 per kW of billing demand
1.58¢ per kWh of the first 150 hours' use of billing demand
0.94¢ per kWh of the first next 150 hours' use of billing demand
0.30¢ per kWh for additional use.

COMPETITIVE TRANSITION CHARGE:

\$2.24 per kW of billing demand
1.98¢ per kWh of the first 150 hours' use of billing demand
1.17¢ per kWh for the next 150 hours' use of billing demand
0.37¢ per kWh for additional use.

ENERGY AND CAPACITY CHARGE: The following Energy and Capacity Charges will apply to the customer if the customer receives Default PLR Service. These charges are not applicable to the customer if it obtains Competitive Energy Supply.

\$3.89 per kW of billing demand
4.90¢ per kWh of the first 150 hours' use of billing demand
3.50¢ per kWh for the next 150 hours' use of billing demand
2.11¢ per kWh for additional use.

TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT PLR SERVICE: Unless such a customer is able to obtain transmission service on its own, PECO Energy will provide transmission service, and will impose charges on such a customer for such transmission service.

STATE TAX ADJUSTMENT CLAUSE, NUCLEAR DECOMMISSIONING COST ADJUSTMENT APPLY TO THIS RATE.

DETERMINATION OF BILLING DEMAND.

The billing demand will be computed to the nearest kilowatt and will never be less than the measured demand, adjusted for power factor in accordance with the Rules and Regulations, nor less than 25 kilowatts. Additionally, during the eight months of October through May the billing demand will not be less than 40% of the maximum demand specified in the contract nor less than 80% of the highest billing demand in the preceding months of June through September.

MINIMUM CHARGE.

The monthly minimum charge shall be the Fixed Distribution Service Charge, plus the charge per kW component of the Variable Distribution Service Charge, the CTC, and the Energy and Capacity Charge.

TERM OF CONTRACT.

The initial contract term shall be for at least three years.

PAYMENT TERMS.

Standard.

RATE-HT HIGH-TENSION POWER

AVAILABILITY.

Untransformed service from the Company's standard high-tension lines, where the customer installs, owns, and maintains, any transforming, switching and other receiving equipment required.

CURRENT CHARACTERISTICS.

Standard high-tension service.

MONTHLY RATE TABLE.

FIXED DISTRIBUTION SERVICE CHARGE: \$286.86

METERING AND BILLING CREDITS A customer receiving Advanced Meter Services from a MSP other than the Company will receive a credit on the Fixed Distribution Service Charge equal to the Total Metering Credit set forth for this Base Rate in Appendix B to the Joint Petition for Full Settlement. A customer receiving Consolidated EGS Billing will receive a credit on the Fixed Distribution Service Charge equal to the Billing and Collection Credit set forth for this Base Rate in Appendix B to the Joint Petition for Full Settlement.

VARIABLE DISTRIBUTION SERVICE CHARGE:

- \$1.66 per kW of billing demand
- 0.88¢ per kWh of the first 150 hours' use of billing demand
- 0.52¢ per kWh of the first 150 hours' use of billing demand, but not more than 7,500,000 kwh
- 0.16¢ per kWh for additional use.

COMPETITIVE TRANSITION CHARGE:

- \$3.55 per kW of billing demand
- 1.89¢ per kWh for the first 150 hours' use of billing demand
- 1.12¢ per kWh for the next 150 hours' use of billing demand, but not more than 7,500,000 kwh
- 0.35¢ per kWh for additional use.

ENERGY AND CAPACITY CHARGE: The following Energy and Capacity Charges will apply to the customer if the customer receives Default PLR Service. These charges are not applicable to the customer if it obtains Competitive Energy Supply.

- \$5.71 per kW of billing demand
- 4.40¢ per kWh for the first 150 hours' use of billing demand
- 3.16¢ per kWh for the next 150 hours' use of billing demand, but not more than 7,500,000 kwh
- 1.92¢ per kWh for additional use.

TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT PLR SERVICE: Unless such a customer is able to obtain transmission service on its own, PECO Energy will provide transmission service, and will impose charges on such a customer for such transmission service.

TIME-OF-USE ADJUSTMENT:

Customers with measured demand of 2,000 kW or greater will be given a credit for energy use during off-peak hours and will be subject to an additional charge for energy use during on-peak hours. On-peak hours are defined as the hours between 8:00 am and 8:00 pm, Eastern Standard Time or Daylight Saving Time, whichever is in common use, daily except Saturdays, Sundays and holidays; except that the on-peak hours will end at 4:00 pm on Fridays. Off-peak hours are defined as the hours other than those specified as on-peak hours. The credits and charges are as follows:

	Summer Months (June through September)	Winter Months (October through May)
Off-peak credit.....	0.21¢ per kWh	0.21¢ per kWh
On-peak charge.....	0.57¢ per kWh	0.22¢ per kWh

HIGH VOLTAGE DISCOUNT:

- For customers supplied at 33,000 volts: 7¢ per kW of measured demand.
- For customers supplied at 69,000 volts: 30¢ per kW for first 10,000 kW of measured demand.
- For customers supplied over 69,000 volts: 30¢ per kW for first 100,000 kW of measured demand.

STATE TAX ADJUSTMENT CLAUSE, NUCLEAR DECOMMISSIONING COST ADJUSTMENT APPLY TO THIS RATE.

DETERMINATION OF BILLING DEMAND.

The billing demand will be computed to the nearest kilowatt and will never be less than the measured demand, adjusted for power factor in accordance with the Rules and Regulations, nor less than 25 kilowatts. Additionally, during the eight months of October through May the billing demand will not be less than 40% of the maximum demand specified in the contract nor less than 80% of the highest billing demand in the preceding months of June through September.

DELIVERY POINTS.

Where the load of a customer located on single or contiguous premises becomes greater than the capacity of the standard circuit or circuits established by the Company to supply the customer, an additional separate delivery point may be established for such premises upon the written request of the customer with billing continued as if the service were being delivered and metered at a single point, provided such multi-point delivery is not disadvantageous to the Company.

MINIMUM CHARGE.

The monthly minimum charge shall be the Fixed Distribution Service Charge, plus the charge per kW component of the Variable Distribution Service Charge, the CTC, and the Energy and Capacity Charge, less the high voltage discount where applicable.

TERM OF CONTRACT.

The initial contract term shall be for at least three years.

PAYMENT TERMS.

Standard.

RATE POL PRIVATE OUTDOOR LIGHTING**AVAILABILITY.**

Outdoor lighting of sidewalks, driveways, yards, lots and similar places, outside the scope of service under Rate SL-P, SL-S and SL-E.

MONTHLY RATE TABLE.PRICE PER LIGHTING UNIT

<u>MERCURY-VAPOR LAMPS</u>	<u>CTC</u>	<u>ENERGY AND CAPACITY</u>	<u>DISTRIBUTION (Company Pole)</u>	<u>DISTRIBUTION (Customer Pole)</u>
100 Watts (nominally 4,000 Lumens)	\$0.00	\$0.46	\$11.18	\$10.01
175 Watts (nominally 8,000 Lumens)	\$0.00	\$0.65	\$15.15	\$14.03
250 Watts (nominally 12,000 Lumens)	\$0.00	\$0.81	\$18.67	\$17.67
400 Watts (nominally 20,000 Lumens)	\$0.00	\$1.05	\$24.10	\$22.78
400 Watts Floodlight (nominally 22,000 Lumens)	\$0.00	\$1.13	\$26.06	\$24.74

<u>SODIUM-VAPOR LAMPS</u>	<u>CTC</u>	<u>ENERGY AND CAPACITY</u>	<u>DISTRIBUTION (Company Pole)</u>	<u>DISTRIBUTION (Customer Pole)</u>
70 Watts (nominally 5,800 Lumens)	\$0.00	\$0.65	\$15.26	\$14.12
250 Watts (nominally 25,000 Lumens)	\$0.00	\$1.06	\$24.29	\$22.97
400 Watts (nominally 50,000 Lumens)	\$0.00	\$1.16	\$26.66	\$25.34
400 Watts Floodlight (nominally 50,000 Lumens)	\$0.00	\$1.25	\$28.61	\$27.29

<u>STANDARD METAL HALIDE LAMPS</u>	<u>CTC</u>	<u>ENERGY AND CAPACITY</u>	<u>DISTRIBUTION (Company Pole)</u>	<u>DISTRIBUTION (Customer Pole)</u>
400 Watts (nominally 36,000 Lumens)	\$0.00	\$1.23	\$28.17	\$26.89
1000 Watts (nominally 110,000 Lumens)	\$0.00	\$2.21	\$49.29	\$48.01

<u>STANDARD HIGH PRESSURE SODIUM LAMPS</u>	<u>CTC</u>	<u>ENERGY AND CAPACITY</u>	<u>DISTRIBUTION (Company Pole)</u>	<u>DISTRIBUTION (Customer Pole)</u>
70 Watts (nominally 5,800 Lumens)	\$0.00	\$0.73	\$17.16	\$15.88
100 Watts (nominally 9,500 Lumens)	\$0.00	\$0.77	\$18.14	\$16.86
150 Watts (nominally 16,000 Lumens)	\$0.00	\$0.84	\$19.82	\$18.54
250 Watts (nominally 25,000 Lumens)	\$0.00	\$1.01	\$23.27	\$21.98
400 Watts (nominally 50,000 Lumens)	\$0.00	\$1.24	\$28.22	\$26.93

The Energy and Capacity Charges set forth above will apply to the customer if the customer receives Default PLR Service. These charges are not applicable to the customer if it obtains Competitive Energy Supply.

TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT PLR SERVICE: Unless such a customer is able to obtain transmission service on its own, PECO Energy will provide transmission service, and will impose charges on such a customer for such transmission service.

STATE TAX ADJUSTMENT CLAUSE, NUCLEAR DECOMMISSIONING COST ADJUSTMENT APPLY TO THIS RATE.

GENERAL PROVISIONS.

1. Standard Lighting Unit. A Standard Lighting Unit shall be a Cobra Head or Floodlight comprised of a bracket, the lead wires and a luminaire, including lamp, reactor and control.

2. **Standard Installations.** In connection with the standard service provided herein, the Company will install, own and maintain all facilities within highway limits, and all standard service-supply lines and all Lighting Units. The customer will install, own and maintain all poles on the customer's property and all service extensions on the customer's property from the Company's standard service-supply lines.

Investment by the Company under standard conditions of supply will be limited to that warranted by three times the prospective revenue recovered through the Company's tariffed Variable Distribution Service Charge. Any additional investment will be assumed by the customer.

Standard supply to lighting installations will be from aerial wires, except that, at the option of the Company, in areas where its other distribution facilities are underground, supply may be underground.

For underground supply furnished at the request of the customer where aerial supply would be normal, the Company will assume the cost up to the amount it would normally have invested and the additional cost shall be assumed by the customer.

3. **Non-Standard installations.** The Company may offer non-standard lighting units and installations in addition to those listed above in the Monthly Rate Table. For customers requesting such service, there will be an additional charge, as specified in the customer's contract based on the incremental cost over that listed in the Monthly Rate Table.

4. **Location and Authorization.** Lighting Units shall be installed at locations and upon structures approved by the Company and in positions permitting servicing from a ladder truck. Customer construction shall meet the Company's standards which are based upon the National Electrical Code.

The customer shall obtain and submit any permits or other authority requisite to the installation and operation of the Lighting Units served hereunder.

5. **Service.** Each lamp shall be individually controlled by a photoelectric cell which shall operate to energize the lamp during periods of darkness and to de-energize it during other periods. The service shall include the supply of lamps and their renewal when burned out. Renewal of lamps will be made only during regular daytime working hours after notification by the customer of the necessity therefor.

6. **Outage Allowances.** Written notice to the Company prior to 4:00 pm of the failure of any light to burn on the previous night shall entitle the customer to a pro rata reduction in the charges under this rate for the hours of failure if such failure continues for a period in excess of 24 hours after the notice is received. Allowances will not be made for outages resulting from riot, fire, storm, flood, interference by civil or military authorities, or any other cause beyond the Company's control.

7. **Equipment Removal.** If the customer requests that the Company remove or replace any existing street lighting installation, except incandescent lights, the Company will charge for removal or replacement of the street lighting installations and the associated poles and conductors used exclusively for the street lighting installation. The Company's charge will include the cost of removal or replacement plus the estimated remaining book value of the removed or replaced equipment less salvage.

8. **Location, Authorization and Protection.** The location of lamps to be supplied is to be approved by the properly designated authorized representative of the customer and the customer shall furnish any requisite authority for the erection and maintenance of poles, wires, luminaries and other equipment necessary to operate the lamps at the approved locations. The customer shall protect the Company from damage to the lighting system to the extent of their ability. At the expense of the customer, the Company will relocate a lamp to a new location after receiving a written request from the customer.

TERM OF CONTRACT.

The initial contract term for each Lighting Unit shall be for at least three years.

PAYMENT TERMS.

Standard

RATE SL-P STREET LIGHTING IN CITY OF PHILADELPHIA**AVAILABILITY.**

For the safety and convenience of the public, only to a governmental agency, municipal, state or federal, for outdoor lighting of streets, highways, bridges, parks or similar places located within the City of Philadelphia, including directional highway signs at locations where other outdoor lighting service is provided hereunder, and by incandescent filament, mercury-vapor, fluorescent or sodium-vapor lamps of standard sizes and types approved by the Company, only if the customer installs, owns and maintains all Utilization Facilities as hereinafter defined. Service will be provided under this rate for street Lighting Units supported in a conventional manner such as on poles, posts, brackets or hangers, and under conditions of installation and supply acceptable to the Company.

CHARACTERISTICS OF SUPPLY.

Service under this rate will be from series 6.6 ampere circuits or from standard single-phase secondary circuits, as specified by the Company, except that, where conditions require, or where existing standard secondary circuits are not available, the Company at its option may supply service from nonstandard secondary circuits, providing nominally 240 volts.

MONTHLY RATE TABLE.**FIXED DISTRIBUTION SERVICE CHARGE:**

For Lighting Units in service as of the fifteenth day of the month.

- \$ 8.64 per Lighting Unit supplied from standard secondary (aerial or underground) circuits where the customer owns the individual control for such Lighting Unit.
- \$ 9.24 per Lighting Unit supplied from aerial (series or secondary) circuits where the Company provides group controls.
- \$12.89 per Lighting Unit supplied from underground (series or secondary) circuits where the Company provides group controls.

VARIABLE DISTRIBUTION SERVICE CHARGE:

- 0.15¢ per watt.
- 0.78¢ per kWh of energy billed.

COMPETITIVE TRANSITION CHARGE:

- 0.00¢ per watt.
- 0.00¢ per kWh of energy billed.

ENERGY AND CAPACITY CHARGE: The following Energy and Capacity Charges will apply to the customer if the customer receives Default PLR Service. These charges are not applicable to the customer if it obtains Competitive Energy Supply:

- 0.10¢ per watt.
- 1.90¢ per kWh.

TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT PLR SERVICE: Unless such a customer is able to obtain transmission service on its own, PECO Energy will provide transmission service, and will impose charges on such a customer for such transmission service.

MINIMUM CHARGE: The minimum charge per month will be the Fixed Distribution Service Charge.

STATE TAX ADJUSTMENT CLAUSE, NUCLEAR DECOMMISSIONING COST ADJUSTMENT APPLY TO THIS RATE.

LIGHTING UNIT.

A Lighting Unit shall comprise each lighting installation which is separately connected to a delivery point on the Company's series or secondary circuit.

DETERMINATION OF BILLING DEMAND.

The wattage, expressed to the nearest tenth of a watt, of a Lighting Unit shall be composed of manufacturer's rating of its lamps, ballasts, transformers, individual controls and other load components required for its operation. The aggregate of wattages of all Lighting Units in service as of the fifteenth day of a month shall constitute the billing demand for the month.

DETERMINATION OF ENERGY BILLED.

The energy use for a month of a Lighting Unit shall be computed to the nearest kilowatt-hour as the product of one-thousandth of its wattage and the effective hours of use of such wattage during the calendar month under the established operation schedules approved by the authorized representatives of the customer and the Company. The aggregate of the kilowatt-hours thus computed for all Lighting Units in service as of the fifteenth day of a month shall constitute the energy billed for the month.

TERMS AND CONDITIONS.**1. Ownership and Type of Control Facilities.**

a. Lighting Units Supplied from Standard Secondary Circuits: customer shall provide, own and maintain for each of such Lighting Units, the individual control of a type approved by the Company except that, at the option of the customer, the Company will continue to provide group control facilities presently in service.

b. Lighting Units Supplied from Series and from Nonstandard Secondary Circuits: Company will provide, own and maintain group control facilities.

2. Ownership of Utilization Facilities.

a. Lighting Units Supplied from Aerial Circuits: customer shall provide, own and maintain the Utilization Facilities comprising the brackets, hangers, luminaries, lamps, ballasts, transformers, individual controls (where used) and other components required for the operation of such Lighting Units, conductors, molding and supporting insulators between the map receptacles and line wires of the Company's distribution facilities.

Company shall provide the supporting pole or post for such aerially supplied Lighting Unit and will issue authorization to permit the customer to install thereon the said Utilization Facilities.

b. Lighting Units Supplied from Underground Circuits: customer shall provide, own and maintain the Utilization Facilities comprising the supporting pole or post, foundation with 90-degree pipe bend, brackets or hangers, luminaries, lamps, ballasts, transformers, individual controls (where used) and other components required for the operation of such Lighting Units, conductors and conduits from the lamp receptacles to sidewalk level, or in special cases, such as Federally and State financed limited access highways, to a delivery point designated by the Company on its secondary voltage circuit, and shall assume all costs of installing such Utilization Facilities.

Where vertical extensions are required on foreign-owned posts for the support of such underground supplied Lighting Units, the extension shall be provided and owned by the customer. Rentals incurred on such foreign-owned posts shall be the responsibility of the customer.

Except as provided in 5 hereof, the Company shall own conduit from the distribution circuit to the 90-degree pipe bend, shall own conductors from its distribution system to the designated delivery point or the sidewalk level as specified in 2b, and shall provide sufficient length of conductors for splicing at the designated delivery point or in the post base where sidewalk level access is provided. Where a splicing chamber is provided in the post base, the customer shall provide space for any relays or similar devices required for the operation on the street lighting circuit.

3. Standards of Construction for Utilization Facilities. Customer construction shall meet the Company's standards which are based upon the National Electrical Safety Code. Designs of proposed construction deviating from such standards shall be submitted to the Company for approval before proceeding with any work.

4. Power Factor. The Utilization Facilities provided by the customer shall be of such a nature as to maintain the power factor of each Lighting Unit at not less than 85%.

5. Supply Facilities. Lighting service shall be provided from distribution facilities and equipment, including group control facilities where required, installed at the cost and expense of the Company and owned and controlled by it, except that in locations (such as bridges, overpasses, underpasses and limited access highways) where Company ownership of conduit, manholes or vaults may not be practical for reasons beyond its control, the customer shall make available at no expense to the Company, space for the Company's distribution facilities required in rendering service under this rate.

6. Connection of Lighting Units. For new Lighting Units, relocated Lighting Units and for any modernization or maintenance work involving connections to the Company's distribution circuits. In accordance with the provisions of 2, the customer shall provide sufficient length of conductors to permit the Company to make taps at the top of the pole for aerial circuits, or for splices to underground circuits at the designated delivery point on the Company's secondary voltage circuit, or at the splicing chamber in the post base (where provided), or at the nearest available manhole, handhole or splice box (where such splicing chamber is not provided). In the latter case, the customer will bill the Company for the cost of the conductors from the sidewalk level to the manhole, handhole or splice box. All work done by the customer that may involve Company street lighting, control, and other distribution circuits shall be performed under Company permit and blocking procedures.

7. Location and Type of Installation. The prices of the rate apply to street lighting service under conditions named herein at locations designated by the properly authorized representatives of the customer.

8. Service. Lighting service will be operated on all-night, every-night lighting schedules, to be approved by the authorized representatives of the customer and the Company, under which lights normally are turned on after sunset and off before sunrise. Extended lighting service during all daylight hours will be provided for lamps specified by the customer.

9. Change in Size of Type of Lighting Units. Written notice of any planned change in size or type of any components of Lighting Units by locations shall be furnished by the customer to the Company or less than 10 days prior to the effective date of such change. The customer shall be responsible for notification to the Company of any changes made in manufacturer's wattage ratings of Lighting Units used.

10. Service Maintenance. Upon receipt of report of Lighting Unit or Units not burning, the Company will determine the cause of failure and will restore service on street lighting or distribution circuit and control equipment, disconnecting if necessary any faulty Lighting Units from the circuit. Customer will make necessary repairs between the lamp receptacle of the faulty Lighting Unit or Units and the point of connection to the Company's street lighting or distribution circuit. In the event the fault is located in the Company owned facilities, the customer will bill the Company for this portion of the replace facilities.

11. Authorization and Protection. The customer shall, to the extent of ability, furnish any requisite authority for the erection and maintenance of poles wires, fixtures and other equipment necessary to operate the lights at the locations and under the conditions designated, and shall protect the Company from malicious damage to the light system.

12. Additional Lighting. Lighting service for additional lamps installed by the customer will be provided by the Company upon written notice from the customer specifying the locations of the installations unless the proposed additional lighting makes the investment or cost of providing distribution equipment excessive. In which case a portion of the investment or cost shall be borne by the customer subject to agreement between the customer and the Company.

13. Relocation of Lighting Units. Where a pole is replaced by the Company at its own option, it shall be the customer's responsibility to have the Utilization Facilities transferred from the old to the new pole.

14. Outage Allowance. The 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 hours of Lighting Unit outages resulting from a failure of any light to burn for any reason, a deduction of 0.20% of the sum of the Company's monthly Fixed and Variable Distribution Service Charges, CTCs and Energy and Capacity Charges (unless the Customer is receiving Default PLR Service) will be made on the monthly bill. The Company shall not be liable for service interruptions as a result of the customer's failure to protect the lighting system, or as a result of riot, fire, storm, flood, interference by civil or military authorities or any other cause beyond its control.

TERM OF CONTRACT.

The initial contract term for each lighting unit shall be for at least one year.

PAYMENT TERMS.

Bills will be rendered monthly.

RATE SL-S STREET LIGHTING-SUBURBAN COUNTIES

AVAILABILITY.

Outdoor lighting of streets, highways, bridges, parks and similar places located in Suburban Counties.

ANNUAL RATE TABLE - MANUFACTURER'S RATING OF LAMP SIZES.

Incandescent Filament Lamps:

<u>Size of Lamp</u>	<u>Billing Watts</u>	<u>Distribution</u>	<u>CTC</u>	<u>Energy & Capacity</u>
320 Lumens	32	\$74.27	\$0.00	\$15.48
600 Lumens	58	\$103.49	\$0.00	\$21.57
1,000 Lumens	103	\$145.16	\$0.00	\$30.26
2,500 Lumens	202	\$199.76	\$0.00	\$41.62
6,000 Lumens	448	\$227.91	\$0.00	\$47.49
10,000 Lumens	690	\$272.85	\$0.00	\$56.86

Mercury Vapor Lamps

<u>Size of Lamp</u>	<u>Billing Watts</u>	<u>Distribution</u>	<u>CTC</u>	<u>Energy & Capacity</u>
4,000 Lumens	115	\$170.82	\$0.00	\$35.61
8,000 Lumens	191	\$180.41	\$0.00	\$37.59
12,000 Lumens	275	\$192.36	\$0.00	\$40.09
20,000 Lumens	429	\$225.97	\$0.00	\$47.09
42,000 Lumens	768	\$321.89	\$0.00	\$67.09
59,000 Lumens	1,090	\$362.83	\$0.00	\$75.62

Sodium-Vapor Lamps

<u>Size of Lamp</u>	<u>Billing Watts</u>	<u>Distribution</u>	<u>CTC</u>	<u>Energy & Capacity</u>
5,800 Lumens	94	\$169.54	\$0.00	\$35.33
9,500 Lumens	131	\$184.34	\$0.00	\$38.41
16,000 Lumens	192	\$207.04	\$0.00	\$43.14
25,000 Lumens	294	\$235.22	\$0.00	\$49.02
50,000 Lumens	450	\$280.26	0.00	\$58.41

STATE TAX ADJUSTMENT CLAUSE, NUCLEAR DECOMMISSIONING COST ADJUSTMENT APPLY TO THIS RATE.

The Energy and Capacity Charges set forth above will apply to the customer if the customer receives Default PLR Service. These charges are not applicable to the customer if it obtains Competitive Energy Supply.

TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT PLR SERVICE: Unless such a customer is able to obtain transmission service on its own, PECO Energy will provide transmission service, and will impose charges on such a customer for such transmission service.

GENERAL PROVISIONS.

1. Service. The lighting service will be operated on an all-night, every-night lighting schedule of approximately 4,100 hours annual burning time (average monthly burning hours = 341.11 hours), under which lights are turned on after sunset and off before sunrise. It includes the supply of lamps and their removal when burned out or broken.

2. Outage Allowances. Written notice to the Company prior to 4:00 pm of the failure of any light to burn on the previous night shall entitle the customer to a pro rata reduction to the Company's monthly Fixed and Variable Distribution Service Charges, CTCs and Energy and Capacity Charges (unless the Customer is receiving Default PLR Service) will be made on the monthly bill for the hours of failure if such failure continues for a period in excess of 12 hours after the notice is received. Allowances will not be made for outages resulting from the customer's failure to protect the lighting system or from riot, fire, storm, flood, interference by civil or military authorities, or any other cause beyond the Company's control.

3. Lighting Installations. The prices in the Rate Table apply to all Company-approved installations for (a) federal, state, county and municipal authorities and community associations entering into a contract for lighting service; and (b) building operation developers for lighting, during the development period, of streets that are to be dedicated, where the municipality has approved the lighting and agreed to subsequently assume the charges for it under a standard contract.

Standard lighting installations under standard conditions of supply will be made on the public highways at the expense of the Company to the extent warranted by the revenue in prospect, any additional investment to be assumed by the customer.

Standard supply to lighting installations will be from aerial wires, except that, at the option of the Company, in areas where its other electric distribution facilities are underground, supply may be underground.

For underground supply furnished at the request of the Company where aerial supply would be normal, or for other than standard installations made at the request of the customer and of a type approved by the Company, the Company will assume the cost up to the amount it would normally have invested and the additional cost shall be assumed by the customer.

The installation cost of lighting on private property, or for contracts of less than standard term, shall be paid by the customer.

Title to all lighting installations of a type approved by the Company shall be vested in the Company and all necessary maintenance, repair and replacement of equipment in such installations will be made by the Company. Maintenance, repair and replacement of nonstandard equipment shall be at the expense of the customer.

4. Excess Costs. In cases where the remote location of the proposed new or additional lighting, or the number or spacing of the lamps, or the lack of necessary supply lines or any other reason makes the cost of installation excessive, such excess costs shall be assumed by the customer as mutually agreed.

5. Location, Authorization and Protection. The location of lamps to be supplied is to be approved by the properly designated authorized representative of the customer and the customer shall furnish any requisite authority for the erection and maintenance of poles, wires, luminaries and other equipment necessary to operate the lamps at the approved locations. The customer shall protect the Company from damage to the lighting system to the extent of one's ability. At the expense of the customer, the Company will relocate a lamp to a new location after receiving a written request from the customer.

6. Equipment Removal. If the customer requests that the Company remove or replace any existing street lighting installation, except incandescent lights, the Company will charge for removal or replacement of the street lighting installations and the associated poles and conducts used exclusively for the street lighting installation. The Company's charge will include the cost of removal or replacement plus the estimated remaining life value of the removed or replaced equipment less salvage.

PAYMENT TERMS.

Bills will be rendered monthly. Each month, for the purpose of prorating the price, shall be considered 1/12 of a year.

TERM OF CONTRACT.

The initial contract term for each lighting installation shall be for at least three years.

RATE SL-E STREET LIGHTING CUSTOMER-OWNED FACILITIES**AVAILABILITY.**

To any governmental agency for outdoor lighting provided for the safety and convenience of the public of streets, highways, bridges, parks or similar places located outside of the City of Philadelphia, including directional highway signs at locations where other outdoor lighting service is established hereunder only if all of the utilization facilities, as defined in Terms and Conditions in this Base Rate, are installed, owned and maintained by a governmental agency.

This rate is also available to community associations of residential property owners both inside and outside the City of Philadelphia for the lighting of streets that are not dedicated. This rate is not available to commercial or industrial customers. All facilities and their installation shall be approved by the Company.

MONTHLY RATE TABLE.

SERVICE LOCATION DISTRIBUTION CHARGE: \$9.53 per Service Location (as defined below)
SERVICE LOCATION CTC CHARGE: \$0.00 per Service Location (as defined below)

ENERGY AND CAPACITY CHARGE: The following Energy and Capacity Charges will apply to the customer if the customer receives Default PLR Service. These charges are not applicable to the customer if it obtains Competitive Energy Supply.

0.175 ¢ per Watt
1.106¢ per kWh

TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT PLR SERVICE: Unless such a customer is able to obtain transmission service on its own, PECO Energy will provide transmission service, and will impose charges on such a customer for such transmission service.

STATE TAX ADJUSTMENT CLAUSE, NUCLEAR DECOMMISSIONING COST ADJUSTMENT APPLY TO THIS RATE.

SERVICE LOCATION.

A Service Location shall comprise each lighting installation and must be separately connected to a delivery point on the Company's secondary circuit.

DETERMINATION OF BILLING DEMAND.

The wattage, expressed to the nearest tenth of a watt, of a Service Location shall be composed of manufacturer's rating of its lamps, ballasts, transformers, individual controls and other load components required for its operation. The aggregate of wattages of all Service Locations in service shall constitute the billing demand for the month.

DETERMINATION OF ENERGY BILLED.

The energy use for a month of a Service Location shall be computed to the nearest kilowatt-hour as the product of one-thousandth of its wattage and the effective hours of use of such wattage during the calendar month under the established operation schedules as set forth under Terms and Conditions, Paragraph 6 Service. The aggregate of the kilowatt-hours thus computed for all Active Service Locations shall constitute the energy billed for the month.

TERMS AND CONDITIONS.**1. Ownership of Utilization Facilities.**

a. Service Locations Supplied from Aerial Circuits: customer shall provide, own and maintain the Utilization Facilities comprising the brackets, hangers, luminaries, lamps, ballasts, transformers, individual controls, conductors, molding and supporting insulators between the lamp receptacles and line wires of the Company's distribution facilities and any other components as required for the operation of each Service Location.

The Company shall provide the supporting pole or post for such aerially supplied Service Location and will issue authorization to permit the customer to install thereon the said Utilization Facilities.

b. Service Locations Supplied from Underground Circuits: customer shall provide, own and maintain the Utilization Facilities comprising the supporting pole or post, foundation with 90-degree pipe bend, brackets or hangers, luminaries, lamps, ballasts, transformers, individual controls, conductors and conduits from the lamp receptacles to sidewalk level, or in special cases, such as Federally and State financed limited access highways, to a delivery point designated by the Company on its secondary voltage circuit, and shall assume all costs of installing such utilization facilities.

Except as provided in Paragraph 4 Supply Facilities, the Company shall own conduit from the distribution circuit to the 90-degree pipe bend, shall own conductors from its distribution system to the designated delivery point and shall provide sufficient length of conductors for splicing at the designated delivery point or in the post base where sidewalk level access is provided.

2. Standards of Construction for Utilization Facilities. Customer construction shall meet the Company's standards which are based upon the National Electrical Safety Code. Designs of proposed construction deviating from such standards shall be submitted to the Company for approval before proceeding with any work.

3. Power Factor. The Utilization Facilities provided by the customer shall be of such a nature as to maintain the power factor of each Lighting Unit at not less than 85%.

4. Supply Facilities. Lighting service shall be supplied from distribution facilities and equipment installed, owned and maintained by the Company. A customer contribution for new, additional or relocated lighting service may be required as described in Paragraph 10.

Where Company ownership of conduit, manholes or vaults may not be practical for reasons beyond its control (such as bridges, overpasses, underpasses and limited access highways), the customer shall make available at no expense to the Company, space for the Company's distribution facilities required in rendering service under this rate.

5. Connection of Service Location. For new, additional or relocated Service Locations and for any modernization or maintenance work involving connections to the Company's distribution circuits, the customer will provide sufficient length of conductors to permit the Company to make taps at the top of the pole for aerial circuits, or for splices to underground circuits at the designated delivery point on the Company's secondary voltage circuit. All work done by the customer that may involve Company street lighting, control, and other distribution circuits shall be performed under Company permit and blocking procedures.

6. Service. Lighting service will be operated on all-night, every-night lighting schedules, under which lights normally are turned on after sunset and off before sunrise with approximately 4,100 annual operating hours. Extended lighting service during all daylight hours will be supplied for lamps specified by the customer.

7. Change in Size and Type of Service Locations. Written notice of any planned change in size or type of any components of Service Locations shall be furnished by the customer to the Company not less than 10 days prior to the effective date of such change. The customer shall be responsible for notification to the Company of any changes made in manufacturer's wattage ratings at any Service Location.

8. Service Maintenance. Upon receipt of report of a Service Location not receiving power, the Company will determine the cause of power failure and will restore service to the distribution circuit and control equipment, disconnecting, if necessary, any faulty Service Location from the circuit. Customer will make necessary repairs between the lamp receptacle of the faulty utilization facilities and the point of connection to the Company's distribution circuit. In the event the fault is located in the Company owned facilities, the customer will bill the Company for this portion of the replaced facilities.

9. Authorization and Protection. The customer shall, to the extent of one's ability, furnish any requisite authority for the erection and maintenance of poles, wires, fixtures and other equipment necessary to operate the lights at the locations and under the conditions designated, and shall protect the Company from malicious damage to the lighting system.

10. New, Additional or Relocated Lighting. The total costs to provide lighting service for new, additional or relocated lamps installed by the customer shall be subject to a revenue test. If the costs exceed the estimated revenue recovered through the Company's tariffed Variable Distribution Service Charges for four years, a customer contribution for all excess costs will be required.

11. Relocation of Service Locations. Where a pole is replaced by the Company at its own option, it shall be the customer's responsibility to have the Utilization Facilities transferred from the old to the new pole.

TERM OF CONTRACT.

The initial contract term for each Service Location shall be for at least one year.

PAYMENT TERMS.

Bills will be rendered monthly.

RATE TL TRAFFIC LIGHTING SERVICE**AVAILABILITY.**

To any municipality using the Company's standard service for electric traffic signal lights installed, owned and maintained by the municipality.

CURRENT CHARACTERISTICS.

Standard single-phase secondary service.

RATE TABLE.

VARIABLE DISTRIBUTION SERVICE CHARGE: 2.11¢ per kWh

COMPETITIVE TRANSITION CHARGE: 2.36¢ per kWh

ENERGY AND CAPACITY CHARGE: The following Energy and Capacity Charges will apply to the customer if the customer receives Default PLR Service. These charges are not applicable to the customer if it obtains Competitive Energy Supply.

5.45¢ per kWh

TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT PLR SERVICE: Unless such a customer is able to obtain transmission service on its own, PECO Energy will provide transmission service, and will impose charges on such a customer for such transmission service.

STATE TAX ADJUSTMENT CLAUSE, NUCLEAR DECOMMISSIONING COST ADJUSTMENT APPLY TO THIS RATE.

SPECIAL RULES AND REGULATIONS.

The use of energy will be estimated by the Company on the basis of the size of lamps and controlling apparatus and the burning-hours. The customer shall immediately notify the Company whenever any change is made in the equipment or the burning-hours, so that the Company may forthwith revise its estimate of the energy used.

The Company shall not be liable for damage to person or property arising, accruing or resulting from the attachment of the signal equipment to its poles, wires, or fixtures.

MINIMUM CHARGE.

\$3.56 per month per signal light.

TERM OF CONTRACT.

The initial contract term for each signal light installation shall be for at least one year.

PAYMENT TERMS.

Standard.

RATE BLI BORDERLINE INTERCHANGE SERVICE**AVAILABILITY.**

Electric service supplied under reciprocal agreements, to neighboring electric utilities for resale in their adjacent territory at delivery points where the Company in its judgment can provide capacity in excess of the requirements of present and prospective customers in its own territory and for periods fixed by contract and terminable after the expiration of the initial term if capacity is no longer available.

CURRENT CHARACTERISTICS.

Standard primary or secondary service.

MONTHLY RATE TABLE.**INVESTMENT CHARGE:**

An amount equal to 1% per month on the additional investment in facilities required to deliver and meter the service supplied.

BORDERLINE INTERCHANGE SERVICE CHARGE:

14.86¢ per kWh.

STATE TAX ADJUSTMENT CLAUSE, NUCLEAR DECOMMISSIONING COST ADJUSTMENT APPLY TO THIS RATE.

MEASUREMENT.

The energy delivered may be metered or may be estimated from the purchaser's resales plus an agreed-upon correction to cover transformation and distribution losses.

TERM OF CONTRACT.

The initial contract term shall be for at least five years, and thereafter from year to year until terminated by 60 days' notice from either party.

PAYMENT TERMS.

Payment of amounts billed shall be made within 15 days from date of bill.

RATE EP ELECTRIC PROPULSION

AVAILABILITY.

This rate is available only to the National Rail Passenger Corporation (AMTRAK) and to the Southeastern Pennsylvania Transportation Authority (SEPTA) for untransformed service from the Company's standard high-tension lines, where the customer installs, owns, and maintains any transforming, switching and other receiving equipment required and where the service is provided for the operation of electrified transit and railroad systems and appurtenances.

CURRENT CHARACTERISTICS.

Standard sixty hertz (60 Hz) high-tension service.

MONTHLY RATE TABLE.

FIXED DISTRIBUTION SERVICE CHARGE: \$1,243.85 per delivery point

METERING AND BILLING CREDITS A customer receiving Advanced Meter Services from a MSP other than the Company will receive a credit on the Fixed Distribution Service Charge equal to the Total Metering Credit set forth for this Base Rate in Appendix B to the Joint Petition for Full Settlement. A customer receiving Consolidated EGS Billing will receive a credit on the Fixed Distribution Service Charge equal to the Billing and Collection Credit set forth for this Base Rate in Appendix B to the Joint Petition for Full Settlement.

VARIABLE DISTRIBUTION SERVICE CHARGE:

\$2.98 per kW of billing demand
0.23¢ per kWh

COMPETITIVE TRANSITION CHARGE:

\$4.11 per kW of billing demand
0.31¢ per kWh

ENERGY AND CAPACITY CHARGE: The following Energy and Capacity Charges will apply to the customer if the customer receives Default PLR Service. These charges are not applicable to the customer if it obtains Competitive Energy Supply.

\$7.00 per kW of billing demand
1.90¢ per kWh

TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT PLR SERVICE: Unless such a customer is able to obtain transmission service on its own, PECO Energy will provide transmission service, and will impose charges on such a customer for such transmission service.

TIME-OF-USE ADJUSTMENT:

There will be a credit for energy use during off-peak hours and an additional charge for energy use during on-peak hours. On-peak hours are defined as the hours between 8:00 am and 8:00 pm, Eastern Standard Time or Daylight Saving Time, whichever is in common use, daily except Saturdays, Sundays and holidays; except that the on-peak hours will end at 4:00 pm on Fridays. Off-peak hours are defined as the hours other than those specified as on-peak hours. The credits and charges are as follows:

	Summer Months (June through September)	Winter Months (October through May)
Off-peak credit	0.21¢ per kWh	0.21¢ per kWh
On-peak charge	0.57¢ per kWh	0.22¢ per kWh

HIGH VOLTAGE DISCOUNT:

For delivery points supplied at 33,000 volts: 7¢ per kW
For delivery points supplied at 69,000 volts: 30¢ per kW for first 10,000 kW of measured demand.
For delivery points supplied over 69,000 volts: 30¢ per kW for first 100,000 kW of measured demand.

STATE TAX ADJUSTMENT CLAUSE, NUCLEAR DECOMMISSIONING COST ADJUSTMENT APPLY TO THIS RATE.

DETERMINATION OF BILLING DEMAND.

The billing demand will be computed to the nearest kilowatt and will never be less than the measured demand, adjusted for power factor in accordance with the Rules and Regulations, nor less than 5,000 kilowatts. Additionally, during the eight months of October through May the billing demand will not be less than 40% of the maximum demand specified in the contract nor less than 80% of the highest billing demand in the preceding months of June through September.

CONJUNCTIVE BILLING OF MULTIPLE DELIVERY POINTS.

If the load of a customer located at a delivery point becomes greater than the capacity of the circuits established by the Company to supply the customer at that delivery point, upon the written request of the customer, the Company will establish a new delivery point and

bill the customer as if it were delivering and metering the two services at a single point, as long as installation of the new service is, in the Company's opinion, less costly for the Company than upgrading the service to the first delivery point.

RATE AL - ALLEY LIGHTING IN CITY OF PHILADELPHIA

APPLICABILITY. To multiple, unmetered lighting service supplied the City of Philadelphia to operate incandescent lamps and appurtenances installed, owned and maintained by the City, which assumes the cost involved in making the connections to the Company's facilities.

LIGHTING DISTRIBUTION SERVICE DEFINED. All-night outdoor lighting of alleys and courts by incandescent lights installed on poles or supports supplied by the City.

NOTICE TO COMPANY. The City shall give advance notice to the Company of all proposed new installations or of the replacement or reconstruction of existing installations. The City shall advise the Company as to each new installation or change in the equipment or connected load of an existing installation, including any change in burning hours and the date on which such new or changed operation took effect.

MONTHLY RATE TABLE.

VARIABLE DISTRIBUTION SERVICE CHARGE: 11.12¢ per kWh

COMPETITIVE TRANSITION CHARGE: 0.00¢ per kWh

ENERGY AND CAPACITY CHARGE: The following Energy and Capacity Charges will apply to the customer if the customer receives Default PLR Service. These charges are not applicable to the customer if it obtains Competitive Energy Supply.

0.51¢ per kWh

TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT PLR SERVICE: Unless such a customer is able to obtain transmission service on its own, PECO Energy will provide transmission service, and will impose charges on such a customer for such transmission service.

STATE TAX ADJUSTMENT CLAUSE, NUCLEAR DECOMMISSIONING COST ADJUSTMENT CLAUSE APPLY TO THIS RATE

PLAN OF MONTHLY BILLING. Bills may be rendered in equal monthly installments, computed from the calculated annual use of energy, adjusted each month to give effect to any new or changed rate of annual use, by reason of changes in the City's installation, with charge or credit for fractional parts of the month during which a change occurred.

LIABILITY PROVISION. The Company shall not be liable for damage, or for claims for damage, to persons or property, arising, accruing or resulting from, installation, location or use of lamps, wires, fixtures and appurtenances; or resulting from failure of any light, or lights, to burn for any cause whatsoever.

TERM OF CONTRACT. The initial contract term for each lighting unit shall be for at least one year.

APPLICABILITY INDEX OF RIDERS

Introductory Statement

Customers under different rates of this Tariff frequently desire services or present situations and conditions of supply which require special supply terms, charges or guarantees or which warrant modification of the amount or method of charge from the prices set forth in the Base Rate under which they are provided service. Modifications for such conditions are defined by rider provisions included as a part of this Tariff. Riders may be employed when applicable, with or without signed agreement between the customer and the Company as the case may require, notwithstanding anything to the contrary contained in the Base Rate to which the rider is applied.

	Page No.	R	RT	RH & RS	OP	GS	PD	HT	POL	SL-P	SL-S	SL-E	EP	BLI	AL
Riders															
Auxiliary Service	57	X	X	X	X	X	X	X							
Capacity Reservation	70							X							
Casualty	71	X	X	X	X	X	X	X					X		
Construction	72						X	X					X		
Cooling Thermal Storage HT	73							X							
Curtailment HT	74							[5]							
Economic Efficiency	75					X		X							
Emergency Energy Conservation	77							X							
Employment & Economic Recovery	78					[3]	X	X							
Incremental Process	82					X		X							
IR - 1	85							X							
Investment Return Guarantee	89					X	X	X							
LILR	90							[4]							
Night Service GS	93					X									
Night Service HT	94							X							
Night Service PD	95						X								
Off-Peak	96						[2]	[2]							
Receivership	97	X	X	X	X	X	X	X							
Seasonal Capacity Charge	98							X							
Temporary Service	99	X	X	X	X	X	X	X							
Transformer Rental	100						[1]	[1]							

NOTES:

- [1] Rider restricted to customers served prior to October 15, 1963.
- [2] Rider restricted to customers served as of October 5, 1972.
- [3] Effective June 3, 1985 this rider is available under Rate GS, but only when the qualifying or new service location is in an Enterprise Development Area as described in Title 16, Chapter 23 of the Pennsylvania Code.
- [4] Rider restricted to customers under contract on December 1, 1995.
- [5] Rider restricted to customers under contract on January 1, 1999.

AUXILIARY SERVICE RIDER

APPLICABILITY. To customers, including but not limited to, Qualifying Facilities or Small Power Producers and cogenerators as defined in the Public Utility Regulatory Policies Act, whose electrical requirements are partially or wholly provided by facilities not owned by the Company and when such facilities operate in parallel with the Company, will be supplied under the provisions of this rider and the customer's other applicable Base Rate and riders.

EXTENT OF SUPPLY. The maximum firm supply available from the Company will be defined by contract except for customers served on Rates R, R-H and GS-without demand measurement.

PARALLEL OPERATION. The customer shall not commence initial operation of any other source of supply in parallel with the Company's distribution or transmission lines until written permission is given by the Company for such parallel operation. Written permission is not necessary for reestablishing parallel operation, but the customer shall notify the Company when resuming any parallel operation after an outage. The Company shall have the right to inspect the customer's installation in accordance with Tariff Rule 9.3.

TYPE OF SUPPLY. The following types of power supply are available:

Supplementary Power supply is available to add to alternative generating capacity whether or not owned by the customer. All power provided pursuant to this Rider shall be Supplementary Power unless it is provided within the definition of Back-up Power or Maintenance Power.

Back-Up Power supply is available to replace customer's alternative generating capacity ("AGC") whether or not owned by the customer during a forced outage of all or part of such generating capacity. Back-Up Power (firm and interruptible) shall be limited to 15% of the hours in any twelve-month period after which any additional power utilized shall be billed at Supplementary Power. The customer must orally notify the Company immediately when Back-Up Power is used, and within one business day after the forced outage giving rise to the need for Back-Up Power, shall furnish the Company with a letter verifying the outage, specifying the time at which the outage commenced, the reason for the outage, and providing the best estimate possible of its duration. Oral and written notice shall also be provided to the Company within one business day following the conclusion of the forced outage. The Company may require verification of the cause of such forced outage. The foregoing 15% limitation on the number of hours in which Back-Up Power may be received shall not apply during the following periods, nor shall such periods be taken into account in determining whether Back-Up Power use in any subsequent period has exceeded such limitation: (a) in the case of an AGC facility with rated capacity of 1 MW or less, the three-month period commencing on the date such facility is first operated in parallel with the Company's service; and (b) in the case of an AGC facility with rated capacity in excess of 1 MW; the six-month period commencing on the date such facility is first operated in parallel with the Company's service.

Maintenance Power is available to replace AGC during periods of scheduled maintenance. Maintenance Power will be supplied on a scheduled basis in one of the following manners:

- (a) Upon mutual agreement, at any time.
- (b) Upon at least 60 days written notice and not more than 180 days written notice by the customer, the Company will advise the customer, within 30 days of the receipt of the request, of the availability of the requested Maintenance Power, for power required for a period of more than 48 hours duration. If the power is unavailable during the requested period, the Company will provide Maintenance Power within 30 days prior or subsequent to the beginning of the requested period and will so inform the customer.
- (c) Upon 360 days written notice by the customer, the Company will provide Maintenance Power during the requested period, unless the cumulative total of all such power requested during such time period will exceed 5% of the Company's operable generating capacity, in which case the provisions of (b) above will apply.
- (d) For Maintenance Power required for a period of 48 hours or less duration, at a demand of 50 MW or less, the Company will supply such power on a least 30 days written notice.
- (e) The Company in its sole discretion may refuse to schedule firm Maintenance Power during the months of June through September except that Maintenance Power as defined in (d) above will be made available during June through September as long as it can be scheduled during Off-Peak Hours.

Maintenance Power will be limited to no more than 120 days in any twelve-month period, and no more than 60 consecutive days, after which any additional power utilized shall be billed as Supplementary Power. The foregoing limitations on the number of days in which Maintenance Power may be received shall not apply during the following periods, nor shall such periods be taken into account in determining whether Maintenance Power use in any subsequent period has exceeded such limitations: (a) in the case of an AGC facility with rated capacity of 1 MW or less, the three-month period commencing on the date such facility is first operated in parallel with the Company's service; and (b) in the case of an AGC facility with rated capacity in excess of 1 MW, the six-month period commencing on the date such facility is first operated in parallel with the Company's service. The supply of Maintenance Power will be terminated when generating capacity from which the customer is supplied is returned to operation as

indicated by the recorded demands on the Company's metering equipment, or upon notification to the Company by the customer, or upon the expiration of the maximum maintenance period, whichever occurs first.

INTERRUPTIBLE POWER FOR BACK-UP OR MAINTENANCE. Customers with a minimum of 1,000 KW of interruptible Back-Up or Maintenance Power and who purchase their interruptible back-up or maintenance energy from PECO Energy may contract for interruptible supply. When a customer contracts for interruptible supply, such supply shall be interrupted when, in the sole judgment of the Company, any production, transmission or distribution capacity limitations exist. The customer shall interrupt such load after a minimum of sixty minutes prior notice by the Company. When a customer is notified by the Company to interrupt service and the customer fails to interrupt, a penalty of \$24 per kilowatt shall be applicable to each kilowatt of demand that has not been interrupted.

RATE AND BILLING.

All monthly bills for service on this rider shall include one application of the Fixed Distribution Service Charge of the applicable rate. All other capacity and energy charges of the applicable rate shall be modified as set forth below.

SUPPLEMENTARY POWER. Billing shall be under the provisions of the applicable rate and riders.

FIRM BACK-UP POWER. Charges are per kilowatt of demand specified in the contract for back-up supply. This charge shall include energy use equal in cost to the total monthly demand charge.

For all customers:

Variable Distribution Service Charge:	\$0.33 per kW
Competitive Transition Charge:	\$0.63 per kW
Energy and Capacity Charge:	\$1.65 per kW

For service billed at:

High Tension Voltage:

Variable Distribution Service Charge:	0.86¢ per kWh
Competitive Transition Charge:	1.65¢ per kWh
Energy and Capacity Charge:	4.29¢ per kWh

Primary Voltage:

Variable Distribution Service Charge:	1.86¢ per kWh
Competitive Transition Charge:	1.92¢ per kWh
Energy and Capacity Charge:	4.83¢ per kWh

Secondary Voltage:

Variable Distribution Service Charge:	2.30¢ per kWh
Competitive Transition Charge:	2.57¢ per kWh
Energy and Capacity Charge:	5.95¢ per kWh

The preceding "Energy and Capacity Charges" will apply to the customer if the customer receives Default PLR Service. These charges are not applicable to the customer if it obtains Competitive Energy Supply.

INTERRUPTIBLE BACK-UP POWER. (Interruptible Back-up Power is available only to customers who are served under the Energy Services Rider.)

For service billed at:

High Tension Voltage:

Variable Distribution Service Charge:	0.16¢ per kWh
Competitive Transition Charge:	0.35¢ per kWh
Energy and Capacity Charge:	1.92¢ per kWh

Primary Voltage:

Variable Distribution Service Charge:	0.30¢ per kWh
Competitive Transition Charge:	0.37¢ per kWh
Energy and Capacity Charge:	2.11¢ per kWh

Secondary Voltage:

Variable Distribution Service Charge:	0.84¢ per kWh
Competitive Transition Charge:	1.20¢ per kWh
Energy and Capacity Charge:	3.50¢ per kWh

The preceding Energy and Capacity Charges will apply to the customer if the customer receives Default PLR Service. These charges are not applicable to the customer if it obtains Competitive Energy Supply from an EGS.

FIRM MAINTENANCE POWER.

June through September: Same as Supplementary Power.
October through May: Same as Interruptible Back-Up Power.

INTERRUPTIBLE MAINTENANCE POWER. (Interruptible Maintenance Power is available only to customers who are served under the Energy Services Rider).

Same as Interruptible Back-Up Power.

STATE TAX ADJUSTMENT CLAUSE APPLIES TO THIS RIDER.

BILLING. Bills rendered to the customer shall distinguish between the customer's use of Supplementary Power, Back-Up Power and Maintenance Power. In the event that the customer receives two or more types of supply during the billing period, the billing characteristics shall be determined as follows:

- (a) the billing demand will be the maximum measured demand, adjusted for power factor in accordance with the Rules and Regulations, occurring during any unscheduled outage period of the month less the Supplementary Power billing demand; less the Scheduled Maintenance Power Capacity for the month if one or both of these additional services are provided at the time of maximum measured demand.
- (b) the energy use billed as Back-Up and/or Maintenance Power shall be one-half of the sum of the Back-Up and/or Maintenance half-hour demands;
- (c) the total energy use, less the energy use determined in (b) shall be the energy use for Supplementary Power;
- (d) if only one type of power is used, billing shall be in accordance with the total recorded demand and energy use.

DISTRIBUTION FACILITIES. Any investment in additions or changes to the Company's distribution facilities required to provide auxiliary service (in excess of such investments normally made by the Company to provide equivalent service to the customer) will be paid by the customer before the interconnection of Company and customer facilities. In addition, when necessary, the cost of communications equipment, such as telemetering or telephone, will be paid by the customer.

POINTS OF SERVICE. The Company shall not be required to serve customers receiving electric power from AGS facilities at multiple points of service that were used prior to the parallel operation of the AGS facilities if after the introduction of these AGS facilities the multiple points of service are disadvantageous to the Company or pose unacceptable risks.

DATA. The customer shall furnish such detailed load data and data on forced outage rates as the Company shall, from time to time, require, together with such supporting documentation as the Company shall request, in order for the Company to collect data and prepare such reports as may be required by the Commission.

TERM. Annual, except where otherwise specified by the firm rate.

CAPACITY RESERVATION RIDER

AVAILABILITY. To Rate HT customers also served under the Large Interruptible Load Rider (LILR) during the winter billing months (October through May) as a modification to the "Interruptions" and "Penalty for Failure to Interrupt" sections of the LILR, and that purchase their energy and capacity from PECO Energy in accordance with the terms and conditions of the LILR.

CONDITIONS OF SERVICE. The customer may purchase short term firm capacity in excess of the customer's LILR firm demand. Capacity will be provided on a one to eight month (October through May) basis based on the quantity of short term firm capacity that the customer wishes to purchase at prices set by the Company. The Company will determine the total quantity of capacity that is available under this rider. The Company will reserve this capacity on a first come first served basis. Capacity prices for the next billing month or number of consecutive months (up to eight months October through May) will be communicated by the tenth working day of the current calendar month. A customer must reserve firm capacity for each billing month or months at least five working days before the start of that billing month or period of billing months. In months when the customer reserves short term firm capacity pursuant to this rider, the customer's LILR firm demand will be increased by the quantity of firm capacity reserved, except that the customer's On-Peak Billing Demand (as specified in the "Energy and On-Peak Billing Demand" subsection of the "Rate and Billing" Section of LILR) shall not be increased.

If the customer fails to interrupt to the increased firm demand level determined in accordance with this rider, then the "Penalty for Failure to Interrupt" section of the LILR shall be applicable, except that, (1) the customer's firm demand before application of this rider shall be increased by the difference between the customer's third highest demand measured during the interruption (in accordance with the "Firm Demand Adjustment" subsection of the "Penalty for Failure to Interrupt" section of the LILR) and the customer's firm demand adjusted in accordance with this rider, and, (2) the \$24 per kW penalty for uninterrupted demand shall be applied to the difference between the customer's maximum demand registered during the interruption (in accordance with the "Penalty per kW of Uninterrupted Demand" subsection of the "Penalty for Failure to Interrupt" section of the LILR) and the customer's firm demand adjusted in accordance with this rider.

The minimum quantity of firm capacity that can be reserved in any month under this rider is 1,000 kW.

RATE AND BILLING. The rate for reserved short term firm capacity will be established by the Company and will be based upon the market value of capacity. The short term firm capacity reservation charge (\$/kW) will vary on a one to eight month basis (October through May), based on the value and quantity of capacity the Company projects will be available. The capacity reservation charge per kW will never be less than the highest cost per kW of capacity that is purchased in a month or months, by the Company.

STATE TAX ADJUSTMENT CLAUSE APPLIES TO THIS RIDER.

OTHER RIDERS. This rider is not applicable to back-up or maintenance power as defined in the Auxiliary Service Rider (ASR), except when such power would otherwise be billed as supplementary power under the ASR.

TERM OF CONTRACT. Service under this rider shall be on a one to eight month (October through May) basis at the option of the customer. The Company reserves the right to limit the maximum firm capacity that the customer shall be allowed to schedule for any month or months under this rider.

CASUALTY RIDER

AVAILABILITY/APPLICABILITY. To service provided during a period when a customer is prevented for a length of time in excess of 48 hours from using all or a substantial part of the amount contracted for by reason of strike, riot, fire, storm, flood, drought, interference by civil or military authorities, or any other cause beyond the customer's control ("Period of Interruption").

NOTICE REQUIRED. Written request shall be made to the Company for the application of this rider with advice as to the extent of the interruption, its date, cause and probable duration. Written requests must be submitted to the Company within 30 calendar days after the end of the Period of interruption.

RATE IMPACT. During Periods of Interruption, PECO Energy will not apply guarantees of revenue (ratchet, power factor adjustment, minimum billing demand, and contract minimum) as contained in the customer's Contract, but will apply the actual registered demand. *If the customer receives Default PLR Service, the terms of this rider shall also apply to the Energy and Capacity Charge.*

BILLS PRORATED. Bills supplied shall be prorated, based upon the actual level of operation during the Period of Interruption.

RETURN TO NORMAL USE. The customer shall use reasonable diligence in resuming the use of service as provided in the Contract.

TERM OF CONTRACT. The initial contract term shall be extended for a period equal to the Period of Interruption so that the Company shall secure a working term at full connected load equal to the term of the Contract.

CONSTRUCTION RIDER

AVAILABILITY/APPLICABILITY. To service provided during or immediately following a major construction or expansion period or during a receding load period, after the expiration of the initial contract term, while a business is in process of dissolution. A major construction or expansion period is defined as a construction or expansion project undertaken by the customer which upon completion will require an upward modification of the customer's contract limits.

RATE IMPACT. During the expanding load period preceding the operation within the load limits provided in the contract or the receding load period subsequent to the fulfillment of the initial contract term, PECO Energy will not apply the following guarantees of revenue: power factor adjustment, minimum billing demand, and contract minimum. If the customer receives Default PLR Service, the terms of this rider shall also apply to the Energy and Capacity Charge.

RIDER TERM. The total term of application of this rider during the preliminary or construction period shall be 6 months subject to the option of the Company to grant not more than three successive renewals of the rider term on major construction projects. Its application during a receding load period subsequent to the completion of an initial contract term shall be for not more than one year.

TERM OF CONTRACT. The initial contract term for service to expanding locations to which this rider is applied shall be extended for a period corresponding to the total number of months this rider is applied to the customer's bill during construction or expansion of the customer's facility.

OTHER RIDERS. This rider, when applied to service to temporary installations to which the Temporary Service Rider is also applied, shall not operate as a waiver of the requirement that monthly minimum charges be paid for a period of not less than 6 months.

COOLING THERMAL STORAGE HT RIDER

AVAILABILITY/APPLICABILITY. To customers displacing at least 50% of their conventional cooling capacity by utilizing a qualifying Cooling Thermal Storage application. To qualify, the customer must submit to the Company for technical review and approval an engineering study performed by a professional engineer registered in the Commonwealth of Pennsylvania.

DEFINITION OF PEAK HOURS. On-Peak Hours are defined as the hours between 8:00 a.m. and 8:00 p.m., Eastern Standard Time or Daylight Saving Time, whichever is in common use, daily except Saturdays, Sundays and holidays; except that the On-Peak Hours will end at 4:00 p.m. on Fridays and during the months of June through September, On-Peak Hours will commence at 10:00 a.m. instead of 8:00 a.m. Off-Peak Hours are defined as the hours other than those specified as On-Peak Hours.

RATE IMPACT. Rate HT, including all its terms and guarantees, is applicable to service provided during On-Peak Hours. The capacity charges and blocking of the energy charges contained in the Variable Distribution Service Charges, CTCs, and Energy and Capacity Charges (if applicable) in Rate HT shall be based on the billing demand for On-Peak Hours except that, when the greatest demand during Off-Peak Hours, as determined by measurement, exceeds the demand specified for Off-Peak Hours, the amount of such excess shall be added to the billing demand for On-Peak Hours and the resultant sum shall then constitute the basis for said capacity charges and blocking of energy charges. During the eight months of October through May, the billing demand will not be less than 80% of the average billing demand in the preceding months of June through September. If the customer receives Default PLR Service, the terms of this rider shall also apply to the Energy and Capacity Charge.

MONTHLY RATE TABLE.

Cooling Thermal Storage Service Billing and Metering Charge: \$11.21
Off-peak charge per kW of Off-Peak billing demand per month: \$0.91

STATE TAX ADJUSTMENT CLAUSE APPLIES TO THIS RIDER.

DETERMINATION OF OFF-PEAK BILLING DEMAND. The Off-Peak billing demand shall be the amount by which the greatest demand during Off-Peak Hours, as determined by measurement, exceeds the billing demand for On-Peak Hours, whether the latter is a minimum or an actual demand, except that, when said greatest demand during Off-Peak Hours exceeds the demand specified for Off-Peak Hours, said greatest Off-Peak demand shall be reduced by the amount of the excess in determining the Off-Peak billing demand.

CURTAILMENT HT RIDER

APPLICABILITY. This rider is restricted to customers under contract pursuant to this rider on or before January 1, 1999. For service to Rate HT customers with curtailable demand that satisfies the load requirement defined below.

LOAD REQUIREMENT. The curtailable demand must be at least 1000 kW during three of the most recent four summer months (June through September) in order for the customer to qualify for the service rate portion of this rider. The curtailable demand is the difference between the customer's maximum measured on-peak demand and the firm demand specified in the contract between the customer and the Company.

INTERRUPTIONS. The customer must completely implement the curtailable demand within one hour of notification by the Company between the hours of 8:00 AM through 8:00 PM, Eastern Standard or Daylight Saving Time, whichever is in common use; Monday through Friday, except holidays; when, in the sole judgment of the Company, any production, transmission or distribution capacity limitations exist. This requirement in no way limits or precludes interruptions pursuant to Rule 12.2 Emergency Load Control at any time.

CURTAILMENT LIMITATIONS. The total number of curtailment occurrences pursuant to this rider shall not exceed 20 and the total curtailed hours shall not exceed 200 hours in a twelve-month period beginning May 1st of each year.

RATE IMPACT. Rate HT, including all terms and guarantees, is applicable to service on this rider; except that, during the eight months of October through May the billing demand will not be less than 40% of the firm demand nor less than 80% of the highest billing demand in the preceding months of June through September, but in no case shall the minimum billing demand be greater than 80% of the firm demand. The firm demand is the demand that the customer must curtail during an interruption. If the customer receives Default PLR Service, the applicable terms of this rider shall also apply to the Energy and Capacity Charge.

A monthly credit of \$2.00 per kW shall be applied to the customer's curtailable demand. This credit shall not be applied in months in which the customer's curtailable demand is less than 1000 kW. No additional credit shall be given for customer generation in excess of the customer's load.

Definition Of Peak Hours. On-Peak Hours are defined as the hours between 8:00 am and 8:00 pm, Eastern Standard Time or Daylight Saving Time, whichever is in common use, daily except Saturdays, Sundays, and holidays; except that the On-Peak Hours will end at 4:00 pm on Fridays. Off-Peak Hours are defined as the hours other than those specified as On-Peak Hours.

PENALTY FOR FAILURE TO CURTAIL. When the customer is notified by the Company to curtail demand, and the customer fails to curtail, to the firm demand level, the credit shall not be applicable and a penalty of \$24.00 per kW shall be applicable to each kW of the curtailable demand that is in excess of the customer's firm demand for the maximum curtailable demand which is not curtailed during any on-peak or off-peak period. Such penalty shall be applicable for each such occurrence. In addition, if the failure to curtail occurs in a summer month the minimum billing demand in the following months of October through May shall not be less than 80% of the maximum measured demand during the period in which the customer failed to curtail.

FACILITIES. Additional expense required by the Company to implement this rider including, but not limited to communication, telemetering or telephone equipment, shall be paid by the customer.

TERM OF CONTRACT.

The initial contract term, and any subsequent renewals, for service under this rider shall be for a period of at least three years.

ECONOMIC EFFICIENCY RIDER (EER)

AVAILABILITY. To any High Tension Power (Rate HT) or General Service (Rate GS) customer that satisfies all of the following eligibility requirements:

1. The customer must agree to purchase at least 5,000 kW of On-Peak demand during each billing month.
2. The customer must provide documentation of a viable, currently available competitive alternative to service under Rate HT or Rate GS including any applicable riders. The customer must provide a written description of the competitive alternative and any further information that the Company requires in order to document the cost and demonstrate the viability of the customer's competitive alternative. The Company shall be the sole judge of whether the customer is eligible for a rate negotiated pursuant to this rider based upon the information provided by the customer. The Company may require that the information that the customer must provide include: (1) an engineering study that contains information regarding site suitability, space requirements, equipment lists, vendor quotes, and a detailed construction schedule with clearly identified milestones, and (2) a study containing a minimum five-year life cycle evaluation of the competitive alternative that includes capital, installation, fuel, operating and maintenance, and any other anticipated costs. The Company need not require all, or any, of the preceding information if the customer already has in place a competitive alternative, in which case the Company will require such written proof of the existence and nature of the alternative as the Company deems appropriate and necessary.
3. The customer must demonstrate, to the satisfaction of the Company, that the customer is financially capable and willing to implement its viable, currently available competitive alternative.

CONDITIONS OF SERVICE. Electric service under this rider shall be firm.

RATE, BILLING AND UNBUNDLING. The rates negotiated and established shall be based upon the customer's documented, viable, currently available competitive alternative. The rates will be, in the sole judgment of the Company, competitive, but the Company shall not be obligated to agree to rates that match the customer's costs under the customer's viable, currently available competitive alternative. The rates shall not result in charges that yield an average cost per kWh that is less than the end-block (lowest energy rate) price of the customer's applicable Base Rate (Rate HT or Rate GS).

Effective as of January 1, 1999, the Company will unbundle EER contracts as follows:

For contracts that do not address the right to Direct Access and/or unbundling, and that contain discount factors applicable to the capacity charge and first two energy blocks of the bundled Rate HT or to some subset of those three charges (in effect as of the effective date of the contract), the unbundled charges will be, starting January 1, 1999: (i) the Rate HT unbundled Distribution Service Charges, and Energy and Capacity Charges; and (ii) the Rate HT CTC/ITC charges discounted to yield total charges that are less than what the total Rate HT charges would be by an amount determined using the Customer's negotiated overall percentage discount. If this process would yield a negative CTC/ITC charge due to the magnitude of the customer's negotiated overall percentage discount, the CTC/ITC charge will be set to zero. Any remaining discounts required to achieve the customer's negotiated overall percentage discount will be applied to the Energy and Capacity Charges.

For contracts that contain provisions governing the customer's rights upon the advent of Direct Access and/or unbundling, the Company will unbundle the customer's contract in accordance with the terms and conditions of the customer's Contract.

For contracts first effective after December 31, 1996, the Company will unbundle the customer's contract in accordance with the terms and conditions of the customer's Contract.

OTHER RIDERS. No other riders are available in conjunction with the EER after January 1, 1996, except that: 1) a Rate HT customer that qualifies for service under Interruptible Rider 1 (IR-1) may obtain IR-1 service, and 2) a customer that wishes to operate customer-owned generation equipment in parallel with the Company's system may obtain service under the Auxiliary Service Rider (ASR). Backup, maintenance, or supplemental power (as defined in the ASR) will be billed under Rate GS or HT and not under EER.

TERM OF CONTRACT/RIGHTS AND CONSEQUENCES ASSOCIATED WITH DIRECT ACCESS. The customer must enter into a written contract with the Company, and the term of the contract shall be for a minimum of five years unless the law applicable to a particular customer prevents the customer from entering into a contract with a minimum term of five years. The customer or the Company may terminate the contract at the end of the term of contract by giving written notice of termination at least one hundred-eighty (180) days before the end of the term of contract. If neither party gives such notice, then the contract shall continue upon the same terms and conditions from year to year until terminated by either the customer or the Company giving the other at least one hundred-eighty (180) days prior written notice.

For contracts in effect at any time before December 31, 1996 that do not contain provisions governing the customer's rights upon the advent of Direct Access and/or unbundling, and that contain discount factors applicable to the capacity charge and first two energy blocks of the bundled Rate HT or to some subset of those three charges (in effect as of the effective date of the contract), the term of contract will be extended to the later of any applicable statutory rate cap period or any rate cap period contained in the Joint Petition for Full Settlement then in effect. Customers with such contracts may continue service under their contract while also obtaining

Competitive Energy Supply. If such a customer obtains Competitive Energy Supply, the customer will continue to pay the unbundled Distribution Service Charges and Competitive Transition Charges as designed in accordance with the "Rate And Billing And Unbundling" section, above.

For contracts in effect at any time on or before December 31, 1996, that contain provisions governing the customer's rights upon the advent of Direct Access and/or unbundling, the term of contract will remain as stated in the contract, and the customer will be entitled to obtain Competitive Energy Supply only in accordance with the terms and conditions of the customer's contract. Contract expiration shall not affect the applicability of any statutory rate cap or any rate cap contained in the Joint Petition for Full Settlement then in effect.

For contracts first effective after December 31, 1996, the term of contract will be as stated in the contract, and the customer will be entitled to obtain Competitive Energy Supply only in accordance with the Customer's contract. Contract expiration shall not affect the applicability of any statutory rate cap or any rate cap contained in the Joint Petition for Full Settlement then in effect, which rate caps will be those applicable to the Customer's base rate.

CONFIDENTIALITY. Because of their proprietary nature, the terms and conditions of the customer's contract shall remain confidential. The customer's contract will require the customer to maintain the confidentiality of the terms and conditions of the contract. The contract will also provide that if the customer breaches its contract by violating its confidentiality provisions, then the customer's bill, before application of the State Tax Adjustment Clause, will be increased by 10% for a period of 12 months (or for the balance of the term of contract term if that is less than 12 months). If the law applicable to a particular customer prevents the customer from keeping the terms and conditions of the contract confidential, then these Confidentiality provisions shall not apply.

EMERGENCY ENERGY CONSERVATION RIDER

AVAILABILITY/APPLICABILITY. This rider is applicable in conjunction with Tariff Rule 12.3 relating to mandatory emergency energy conservation. It provides for modifications to the charges and practices otherwise applicable to certain customers as a result of compliance with or non-compliance with energy conservation curtailment levels as mandated by the appropriate governmental authority under emergency energy conservation conditions resulting from actual or potential shortage of fuel for electric generation. This rider is applicable to individual electric customer accounts served under Rates EP and HT, with a billing demand of 2,000 kilowatts or higher, in a recent twelve-month period prior to the emergency conservation condition. Customers designated by the procedures of Tariff Rule 12.3 and by the Pennsylvania Public Utility Commission, will be exempt from the provisions of this rider.

BASE PERIOD ENERGY USE. The base energy use for a weekly period shall be determined by the Company for each applicable customer account based upon a consideration of the customer's actual past or current electric consumption and the customer's existing operations.

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 12.3 or other percentage as a result of the order of appropriate governmental authority.

COMPLIANCE. When the energy consumption in any weekly period during the period of mandatory curtailment exceeds the mandatory curtailment energy use level target, the customer will be deemed to be in non-compliance. Customers deemed to be in non-compliance will not receive the billing modifications as set forth in this rider. In the event of continued non-compliance, the Company, upon notice to the Commission, may discontinue service.

BILLING FOR CUSTOMERS IN COMPLIANCE. During the period of emergency energy conservation condition, billing will be based on special meter readings made to identify the demand established and energy using 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. If the customer receives Default PLR Service, the terms of this rider shall also apply to the Energy and Capacity Charge.

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

EMPLOYMENT AND ECONOMIC RECOVERY RIDER

AVAILABILITY/APPLICABILITY. This rider is available to customers taking service under Rate HT or PD, and to those customers taking service under Rate GS at Service Locations in an Enterprise Development Area as defined in Title 16, Chapter 23 of the Pennsylvania Code, for service provided to Qualifying Service Locations, as defined below. The Company will not begin to apply the rider until at least 30 days after the customer provides to the Company written notice of its desire to be placed on the rider.

I. QUALIFYING SERVICE LOCATIONS.

A. QUALIFYING EXISTING SERVICE LOCATION. A Service location will be considered a Qualifying Existing Service Location if the customer can satisfy all of the following conditions:

1. The customer files with the Company, before the effective date of the rider for the Service Location, a Manufacturing Sales Tax Exemption Certificate, as defined below, for the Service Location. This condition is waived for Stevedoring Operations located within a Port Enterprise Development Area as defined in Title 16, Chapter 23 of the Pennsylvania Code.
2. The customer files with the Company copies of the Base Period Employment Reports as defined below, for the Service Location.
3. The customer does not have an unpaid balance that includes a late fee for service previously provided to the Service Location before the effective date of the rider for the Service Location.
4. The arithmetic mean of the sum of the number of employees as determined from the Current Employment Report and the total Investment Units on record, as defined below, must be greater than the Base Period Employees, as defined below, by at least six (6).

B. QUALIFYING NEW SERVICE LOCATION. A Service Location will be considered a Qualifying New Service Location if the customer can satisfy all of the following conditions:

1. The customer files with the Company before the effective date of the rider for the Service Location a Manufacturing Sales Tax Exemption Certificate, as defined below, for the Service Location. This condition is waived for Stevedoring Operations located within a Port Enterprise Development Area as defined in Title 16, Chapter 23 of the Pennsylvania Code.
2. The customer does not have an unpaid balance that includes a late fee for service provided to the Service Location before the effective date of the rider for the Service Location.
3. The Company has not previously provided service to the Service Location, or the service previously provided by the Company to the Service Location was not used for substantially the same type of operation or that was terminated at least twelve (12) months before the customer's contractually specified effective date for service under this rider. This condition is waived for existing service locations where an entity has assumed operation of a service location from a customer which has ceased operations as a result of dissolution, so long as the formation of the entity did not occur as a result of merger, joint venture, acquisition and/or any other variation of combined business structures with the former customer at the service location.

II. DEFINITIONS.

1. **SERVICE LOCATION.** A single or contiguous premises having one or more delivery points for distribution service billed by the Company under a single account.
2. **MANUFACTURING SALES TAX EXEMPTION CERTIFICATE.** Pennsylvania Sales Tax Blanket Exemption Certificate filed by the customer with the Company showing the address of the Service Location and certifying that more than fifty (50) percent (on an annual basis) of the service purchased by the customer for the Service Location is exempt from sales tax because it is used in manufacturing operations, shipbuilding operations, or shipcleaning operations.
3. **EMPLOYMENT REPORT.** The "Employer's Report for Unemployment Compensation" (PA Form UC-2) as filed by the customer with the Office of Employment Security, Department of Labor and Industry, Commonwealth of Pennsylvania.
4. **BASE PERIOD.** The twelve (12) month period immediately preceding the billing month in which the customer provides the Company written notice of its desire to be placed on the rider. If the customer does not then qualify not then qualify for the rider within 60 days of the written notice, then the base period will be the twelve month period immediately preceding the billing month to which this rider is first applied to the customer's bills.
5. **BASE PERIOD EMPLOYMENT REPORTS.** The Employment Reports for all quarterly reporting periods, as defined by 43 P.S. 753 [d], in the Base Period.

6. **BASE PERIOD EMPLOYEES.** The arithmetic mean of the number of employees each month as reported on the applicable Base Period Employment Report. An adjustment will be made to normalize Base Period Employees in quarters during which either the Casualty or Construction Rider was in effect for the Service Location.
 7. **BASE PERIOD ENERGY.** The number of kilowatt-hours used by the customer for service to the Qualifying Service Location during each month of the Base Period. An adjustment will be made to normalize usage in months during which the Construction or Casualty rider was in effect.
 8. **CURRENT EMPLOYMENT REPORT.** The Employment Report covering the calendar month immediately following the Base Period as defined by 43 P.S. 753 [d]. The customer may submit an updated Employment Report at any time to reflect increases in Current Period Employees replacing and superseding the original report. The Company reserves the right to request an updated Employment Report at any time which may reflect increases or decreases in Current Period Employees replacing and superseding the original report.
 9. **CURRENT PERIOD EMPLOYEES.** The arithmetic mean of the number of employees each month as reported on the Current Employment Report.
 10. **INVESTMENT UNIT.** Each \$15,000 of new investment in physical plant, machinery or equipment, excluding land, placed in service at a Service Location on or after the beginning of the Base Period, as certified in writing by a Certified Public Accountant on a form supplied by the Company.
- III. **RATE REDUCTION.** The rate reduction will be applicable to the customer's base bill for the Qualifying Service Location before the application of the State Tax Adjustment and Nuclear Decommissioning Cost Adjustment. For the purpose of calculating this reduction an Investment Unit shall be considered the equivalent of one additional employee.

A. **QUALIFYING EXISTING SERVICE LOCATION.**

1. **Monthly Eligibility -** The customer is not eligible for the rate reduction in any month in which one or more of the following conditions is true:
 - a. The customer's electric energy usage is less than its usage in the corresponding month of the Base Period.
 - b. The customer does not have on file with PECO Energy a Manufacturing Sales Tax Exemption Certificate for at least 50% of its electric use, this condition is waived for Stevedoring Operations located within a Port Enterprise Development Area.
 - c. The customer has an unpaid balance which includes a late fee.
 - d. The customer has transferred to Rate GS and the Service Location is not in an Enterprise Development Area as defined in Title 16, Chapter 23 of the Pennsylvania Code.
 - e. The arithmetic mean of the sum of: (1) the number of employees as determined from the Current Employment Report and, (2) the Total Investment Units on record, does not exceed the Base Period Employees by at least six (6).
2. **Calculation of Reduction -** The rate reduction shall apply to the number of kilowatt-hours that constitute the difference between, (1) the number of kilowatt-hours used in the month and, (2) the Base Period Energy for the corresponding month of the Base Period.

The Revenue Reduction applied to each qualifying kilowatt-hour shall be calculated using the following formula:

$$R = F \times N$$

Where:

R = Revenue Reduction, cents per kWh

N = $(C+I-B)/B \times 100$

If the result of this calculation of N is a value greater than 20, N shall be equal to 20

C = Current Period Employees

I = Investment Units Added

B = Base Period Employees, and

F = the values set forth in the following table:

<u>Year(s)</u>	<u>Variable Distribution Service</u>		<u>CTC</u>		<u>Energy and Capacity*</u>
one (1) through five (5)	0.006 cents	+	0.011 cents	+	0.026 cents
six (6)	0.004 cents	+	0.008 cents	+	0.023 cents
seven (7)	0.003 cents	+	0.006 cents	+	0.017 cents
eight (8)	0.002 cents	+	0.004 cents	+	0.011 cents
nine (9)	0.001 cents	+	0.002 cents	+	0.005 cents

*If the customer receives Default PLR Service, these rate reductions shall apply. They shall not apply if the customer obtains Competitive Energy Supply.

B. QUALIFYING NEW SERVICE LOCATION

1. Monthly Eligibility - The customer is not eligible for the rate reduction in any month in which one or more of the following conditions is true:
 - a. The customer does not have on file with PECO Energy a Manufacturing Sales Tax Exemption Certificate for at least 50% of its use.
 - b. The customer has an unpaid balance which includes a late fee.
 - c. The customer has transferred to Rate GS and the Service Location is not in an Enterprise Development Area as defined in Title 16, Chapter 23 of the Pennsylvania Code.
2. The following rate reduction shall apply to all kilowatt-hours:

<u>Year(s)</u>	<u>Variable Distribution Service</u>	<u>CTC</u>	<u>Energy and Capacity*</u>
one (1) through five (5)	0.110 cents	0.212 cents	0.547 cents
six (6)	0.088 cents	0.169 cents	0.438 cents
seven (7)	0.066 cents	0.127 cents	0.329 cents
eight (8)	0.044 cents	0.085 cents	0.219 cents
nine (9)	0.022 cents	0.042 cents	0.110 cents

*If the customer receives Default PLR Service, these rate reductions shall apply. They shall not apply if the customer obtains Competitive Energy Supply.

3. Accelerated Rate Reduction - The customer may select an accelerated rate reduction over a shorter time period. The rate reduction shall apply to all kilowatt-hours as follows:

<u>Year(s)</u>	<u>Variable Distribution Service</u>	<u>CTC</u>	<u>Energy and Capacity*</u>
one (1) through four (4)	0.149 cents	0.286 cents	0.738 cents

*If the customer receives Default PLR Service, these rate reductions shall apply. They shall not apply if the customer obtains Competitive Energy Supply.

- IV. **TERM OF CONTRACT.** This rider shall be in effect for either a period of nine years, for customers choosing the standard rate reduction, or for a period of four years for Qualifying New Service Locations selecting the accelerated rate reduction, which period of time shall be continuous and shall begin on the date on which the Company first applies the rider to the customer's bill for the Service Location. This term cannot be modified except as provided below under the heading RENEWAL.
- V. **RENEWAL.** A customer may renew the rider at any time in accordance with the terms and provisions of the rider as it applies to Qualifying Existing Service Locations. For renewal customers, the Base Period Energy for any month of the new Base Period shall not be less than the Base Period Energy of the corresponding month of the customer's previous Base Period. The Term of Contract for the renewal shall begin on the date on which the renewal of the rider is first applied based on the new Base Period.
- VI. **TRANSFER OF OWNERSHIP.** The Company will only apply the rider to the customer's bills for the term of contract. If, during the term of contract, the ownership of the service location changes, the Company may continue to apply the rider to the new owner's bills for the Service Location. If the Company continues to apply the rider in such circumstances, the Company shall apply the rider to the new owner's bills for the Service Location as if the new owner had been on the rider for the Service Location for the same period of time as was the previous owner.

INCREMENTAL PROCESS RIDER (IPR)

AVAILABILITY. To any High Tension Power (Rate HT) or General Service (Rate GS) customer that satisfies all of the eligibility requirements in either Subsection A or Subsection B, as follows:

A. Incremental Electric Process Load:

- (1) *The customer must agree to install, and to place in service before commencement of the term of contract, one of the following types of electric process equipment ("Qualifying Equipment"):*
 - (a) Infra-red Drying Equipment
 - (b) Ultra-violet Curing Equipment
 - (c) Microwave Curing Equipment
 - (d) Industrial Process Heat Pumps
 - (e) Electric Heating Equipment (for Rate HT customers only)
 - (f) Any other equipment that is recognized by the Company and that the Company agrees may be the basis for the Rate and Billing provided for in this rider. Electric chillers for comfort cooling will not be considered by the Company as qualifying equipment.
- (2) The Qualifying Equipment must have a name-plate rating of at least 50 kW.
- (3) The Qualifying Equipment must require at least 20% more demand annually than the equipment, if any, that it will replace. To determine whether this threshold is satisfied, the Company will compare the name-plate rating of the Qualifying Equipment to the *name-plate rating of the equipment that it will replace.*
- (4) The customer must have a viable, currently available competitive alternative to the Qualifying Equipment. The customer must, if requested by the Company, provide documentation and any information that demonstrates the existence and viability of the currently available competitive alternative. It must be demonstrated by the customer that they are financially capable and are willing to pursue the viable, currently available competitive alternative in the absence of a negotiated rate under this rider.

B. Self-Generation Replacement Load:

The customer must have on its premises equipment that has generated, for at least 3,000 hours annually, both electric and steam power for heating and/or production purposes since January 1, 1994. The customer must submit to the Company all data that the Company deems necessary to establish, to the Company's satisfaction, the total annual fixed and variable costs of operating the equipment. The customer must also provide all load data that the Company deems necessary to determine whether the customer has generated, for at least 3,000 hours annually, both electric and steam power for heating and/or production purposes since January 1, 1994. The customer, at the Company's discretion, must agree to remove or discontinue use of, its equipment to generate electricity, but may continue to use the equipment to produce steam for its processes. A customer whose generation equipment exists solely to supply all or some of its electric requirements during electric service interruptions (stand-by generation) cannot qualify for service under this Subsection.

CONDITIONS OF SERVICE. Electric service under this rider shall be firm.

RATE, BILLING AND UNBUNDLING.

A. Incremental Electric Process Load:

The Company will negotiate and establish rates that will reflect an annual discount that is approximately the difference between: (1) the total annual cost the customer would pay for electricity and for the capital and non-fuel operating and maintenance expense of the Qualifying Equipment at the customer's current, undiscounted electric rate, and (2) the total annual cost for electricity, incremental usage of competing fuel, and the capital and non-fuel operating and maintenance expense of the equipment associated with the customer's viable, currently available competitive alternative. The rates will take into account any differences between the competitive alternative and the electric process alternative with respect to equipment efficiency and productivity. The Company will agree to rates which, in the judgment of the Company, are competitive, but the Company shall not be obligated to agree to rates that match the customer's costs under the competitive alternative. If the customer's total kilowatt-hour usage in any billing month is less than the average of the customer's total kilowatt-hour usage in the same billing month in each of the three years before installation of the Qualifying Equipment (the "Base Monthly Average"), the customer's monthly bill will be calculated using Rate HT or Rate GS as applicable, rather than the rates provided for in the contract between the customer and the Company. The Company may, at its discretion, normalize the Base Monthly Average due to significant changes in the customer's operating or electric usage and demand patterns during the three years before installation. The Company may also normalize the Base Monthly Average due to projected changes in the customer's demand and energy usage during the term of the contract that are not related to the installation of the Qualifying Equipment. The rates established by the contract between the customer and the Company shall not result in charges that yield an average cost per kWh, that is less than the end-block (lowest energy rate) price of the customer's applicable Base Rate.

B. Self-Generation Replacement Load:

The Company will negotiate and establish rates that will be based on the fixed and variable costs of operating the customer's generation equipment. The Company will agree to rates which, in the judgment of the Company, are competitive, but the Company shall not be obligated to match the customer's costs. The rates established by the contract between the customer and the Company shall not result in charges that yield an average cost per kWh, that is less than the end-block (lowest energy rate) price of the customer's applicable Base Rate.

C. Unbundling:

Effective as of January 1, 1999, the Company will unbundle IPR contracts as follows:

For contracts that do not address the right to Direct Access and/or unbundling, and that contain discount factors applicable to the capacity charge and first two energy blocks of the bundled Rate HT or to some subset of those three charges (in effect as of the effective date of the contract), the unbundled charges will be, starting January 1, 1999: (i) the Rate HT unbundled Distribution Service Charges, and Energy and Capacity Charges; and (ii) the Rate HT CTC/ITC charges discounted to yield total charges that are less than what the total Rate HT charges would be by an amount determined using the Customer's negotiated overall percentage discount. If this process would yield a negative CTC/ITC charge due to the magnitude of the customer's negotiated overall percentage discount, the CTC/ITC charge will be set to zero. Any remaining discounts required to achieve the customer's negotiated overall percentage discount will be applied to the Energy and Capacity Charges.

For contracts that contain provisions governing the customer's rights upon the advent of Direct Access and/or unbundling, the Company will unbundle the customer's contract in accordance with the terms and conditions of the customer's Contract.

For contracts first effective after December 31, 1996, the Company will unbundle the customer's contract in accordance with the terms and conditions of the customer's Contract.

OTHER RIDERS. No other riders are available in conjunction with this rider except that a customer that wishes to operate customer-owned generation equipment in parallel with the Company's system may obtain service under the Auxiliary Service Rider (ASR). Backup, maintenance, or supplemental power (as defined in the ASR) will be billed under Rate GS or HT and not under IPR.

TERM OF CONTRACT. The customer must enter into a written contract with the Company, and the term of the contract shall be for a minimum of five years unless the law applicable to a particular customer prevents the customer from entering into a contract with a minimum term of five years. For a customer that qualifies due to Incremental Electric Process Load, the term of contract shall not commence before the Qualifying Equipment is installed and placed into service. For a customer that qualifies due to Self-Generation Replacement Load, at the Company's discretion, the term of contract shall not commence before the customer's equipment to generate electricity is removed or its use is discontinued. The customer or the Company may terminate the contract at the end of the term of contract by giving written notice of termination at least one hundred-eighty (180) days before the end of the term of contract. If neither party gives such notice, then the contract shall continue upon the same terms and conditions from year to year until terminated by either the customer or the Company giving the other at least one hundred-eighty (180) days prior written notice.

For contracts in effect at any time before December 31, 1996 that do not contain provisions governing the customer's rights upon the advent of Direct Access and/or unbundling, and that contain discount factors applicable to the capacity charge and first two energy blocks of the bundled Rate HT or to some subset of those three charges (in effect as of the effective date of the contract), the term of contract will be extended to the later of any applicable statutory rate cap period or any rate cap period contained in the Joint Petition for Full Settlement then in effect. Customers with such contracts may continue service under their contract while also obtaining Competitive Energy Supply. If such a customer obtains Competitive Energy Supply, the customer will continue to pay the unbundled Distribution Service Charges and Competitive Transition Charges as designed in accordance with the "Rate And Billing And Unbundling" section, above.

For contracts in effect at any time on or before December 31, 1996, that contain provisions governing the customer's rights upon the advent of Direct Access and/or unbundling, the term of contract will remain as stated in the contract, and the customer will be entitled to obtain Competitive Energy Supply only in accordance with the terms and conditions of the customer's contract. Contract expiration shall not affect the applicability of any statutory rate cap or any rate cap contained in the Joint Petition for Full Settlement then in effect.

For contracts first effective after December 31, 1996, the term of contract will be as stated in the contract, and the customer will be entitled to obtain Competitive Energy Supply only in accordance with the Customer's contract. Contract expiration shall not affect the applicability of any statutory rate cap or any rate cap contained in the Joint Petition for Full Settlement then in effect, which rate caps will be those applicable to the Customer's base rate.

CONFIDENTIALITY. Because of their proprietary nature, the terms and conditions of the customer's contract shall remain confidential. The customer's contract will require the customer to maintain the confidentiality of the terms and conditions of the contract. The contract will also provide that if the customer breaches its contract by violating its confidentiality provisions, then the customer's bill, before application of the State Tax Adjustment Clause, will be increased by 10% for a period of 12 months (or for the balance of the term of contract term if that is less than 12 months). If the law applicable to a particular customer prevents the customer from keeping the terms and conditions of the contract confidential, then these Confidentiality provisions shall not apply.

INTERRUPTIBLE RIDER 1 (IR-1)**AVAILABILITY.**

To Rate HT customers including customers with contracts executed pursuant to the Economic Efficiency Rider ("EER") that satisfy the load requirement defined below, and that purchase their energy and capacity from PECO Energy in accordance with the terms and conditions of Rate HT and/or the EER.

FIRM DEMAND.

The firm demand is the demand to which the customer must reduce its load when called upon to interrupt pursuant to the "Interruptions" section below, and may not be less than 25 kW.

COINCIDENT DEMAND.

The customer's coincident demand for a billing month is the customer's registered demand at the time of the Company's system peak in the billing month (e.g., the customer's coincident demand for the customer's July billing month would be the customer's registered demand at the time of the Company's system peak during the customer's July billing month).

For **load requirement purposes**, pursuant to Option 2 of the "Load Requirement" section below, if the Company's system peak occurs during a period of interruption called for by the Company pursuant to this rider or the Curtailment HT Rider ("CHTR"), and the customer is served under the CHTR or this rider, then the customer's coincident demand shall be the customer's registered demand at the time of the highest system demand in a half-hour not within a period of interruption.

For **billing purposes**, pursuant to the "Rate and Billing" Section below, if the Company's system peak occurs during a period of interruption, then the customer's coincident demand shall be the customer's registered demand at the time of the highest system demand in a half-hour not within a period of interruption.

TERM OF CONTRACT.

Service under this rider shall be for a period of one, two or three years.

LOAD REQUIREMENT.

To qualify for a contract under this rider, the customer must satisfy all of the requirements of one of the two following options:

Option 1:

The average of the customer's maximum daily On-Peak demands on the 60 days with the customer's highest On-Peak maximum registered demands during the preceding billing months of June through September must be 10,000 kW greater than the customer's firm demand as specified in the contract between the customer and the Company.

Option 2:

1. The average of the customer's maximum daily On-Peak demands on the 60 days with the customer's highest On-Peak maximum registered demands during the preceding billing months of June through September must be 1,000 kW greater than the customer's firm demand as specified in the contract between the customer and the Company; and,
2. The average of the customer's monthly coincident demands in the 12 billing months immediately preceding the first day of the customer's term of contract must be at least 80% of the average of the customer's monthly On-Peak maximum registered demands in the 12 billing months immediately preceding the first day of the customer's term of contract.

For a customer that qualifies under either Option 1 or Option 2 and operates standby generation or that uses cogeneration to serve any portion of its load during an interruption, the Company, at any time, has the right to inspect the customer's equipment or operating records to obtain reasonable assurance that the customer will be able to comply with an interruption request. If the Company in good faith believes that the customer is not capable of complying completely with an interruption request, and the customer is not able to remedy the condition that the Company believes would render the customer unable to comply completely, the Company will then, (1) require the customer to amend its contract to reflect a higher firm demand to which the Company in good faith believes that the customer would be able to reduce load, or, (2) terminate the customer's contract if the required increase in firm demand would render the customer unable to satisfy its load requirement.

INTERRUPTIONS.

When, in the sole judgment of the Company and at any time and for any duration, there exists any potential or actual production, transmission, or distribution capacity limitation, the Company will notify the customer that the customer must reduce load for the duration of the interruption to its firm demand within the time period specified in the contract between the customer and the Company. The time period specified in the contract between the customer and the Company may be two hours, one hour, or 30 minutes in the summer billing period, and may be four hours, two hours, or one hour in the winter billing period, as specified in the "Rate and Billing" section, below. Notwithstanding the foregoing, the Company will make its best efforts to notify the customer as far in advance as possible.

RATE AND BILLING.

The customer will be billed for its energy usage and demand in accordance with all of the terms and conditions of Rate HT, and any applicable riders, with the following modifications:

Interruptible Demand Credit ("IDC"):

Each month, the Company will apply a credit per kW to the customer's Energy and Capacity Charges, the Interruptible Demand Credit (IDC), to the difference between the customer's coincident and firm demands. The IDC will be calculated using the following formula:

$$IDC = \left[\frac{RM}{TC + NUG + SI - SE - NIPL} \times CDR \right] \div 12$$

Where : **RM** = Target Reserve Margin
TC = Total Capability
NUG = Non-Utility Generators
SI = Scheduled Import
SE = Scheduled Export
NIPL = Net Internal Peak Load

Note: All of the above variables are contained in PECO Energy's Annual Resource Planning Report (ARPR) which is filed annually with the PaPUC.

CDR = PJM Capacity Deficiency Rate - filed annually with the FERC.

For contracts of two and three years in length, the IDC will be levelized (annualized) based on PECO Energy's forecasted rate of inflation and the Company's discount rate (both contained in the ARPR), the forecasted value of the CDR, and the forecasted target and actual reserve margins. In addition, the Company will adjust the IDC depending on the minimum notice period the customer selects, as follows:

IDC = IDC x N, where N is determined as follows:

Summer billing period:

30 Minutes Notice: N = 1.05
 One Hour Notice: N = 1
 Two Hours Notice: N = .95

Winter Billing Period:

One Hour Notice: N = 1.05
 Two Hours Notice: N = 1
 Four Hours Notice: N = .95

Off-Peak Billing Demand/Adjustment to On-Peak Billing Demand:

The Off-Peak billing demand ("OPBD") shall be determined as follows:

ON = On-Peak Billing Demand (The maximum registered On-Peak demand, adjusted for power factor, determined in accordance with Rate HT and Rule 15)

OFF = Maximum Registered Demand During Off-Peak Hours

CON = Demand Specified In Contract For Off-Peak Hours

If **OFF** is less than **CON**: **OPBD** = **OFF** - **ON**

If **OFF** is greater than **CON**: **OPBD** = **CON** - **ON**

In no case can **OPBD** be less than 0. In addition, if **OFF** is greater than **CON**, then, after calculating **OPBD** the On-Peak billing demand, **ON**, shall be adjusted as follows:

$$ON = ON + (OFF - CON)$$

Monthly Distribution Charges will apply to IR-1 service as follows:

Billing and Metering Charge: \$11.21

Off-Peak Capacity Charge per kW of Off-Peak billing demand (OPBD) per month: \$0.91

PENALTY FOR FAILURE TO INTERRUPT.

In any billing month in which the customer fails to comply with the "Interruptions" section, above, the Company will not apply the IDC to the customer's bill. For each time the customer fails to comply with the "Interruptions" section, above, the customer shall pay an amount equal to the product of, (1) the IDC, and (2) the difference between the customer's firm demand and the highest demand registered during the interruption period. In addition, the Company will increase the customer's firm demand to the highest demand registered during the interruption for the remainder of the customer's term of contract.

THE RATE HT TIME-OF-USE ADJUSTMENTS APPLY TO ALL ENERGY USAGE AND CHARGES. THE STATE TAX ADJUSTMENT CLAUSE APPLIES TO THIS RIDER.

OTHER RIDERS.

The Curtailment HT Rider and the Large Interruptible Load Rider are not available in conjunction with this rider. Firm back-up or maintenance power under the Auxiliary Service Rider may not be purchased or used to serve interruptible load during periods of interruption.

INVESTMENT RETURN GUARANTEE RIDER

AVAILABILITY/APPLICABILITY. To contracts which require investment in supply facilities greater than warranted by the incremental revenue recovered through the Company's tariffed Variable Distribution Service Charges of the Base Rate under which PECO Energy provides service.

COST OF EXTENSION. The cost of the extension of supply facilities, including the cost of the service connection, shall be set forth in each agreement for the application of this rider.

MINIMUM GUARANTEE. The minimum monthly payment shall be the amount set forth in the rider agreement or, in the event of later increases of the customer's load, the minimum of the rate at which service is rendered, whichever minimum obligation is the greater.

CONSTRUCTION ADVANCES. Where the service desired is of a special character or doubtful permanency, the Company will require payment of a sum equal to the cost of the extension as an advance for construction. A credit of 20% of the net amount of the customer's revenue recovered through the Company's tariffed Variable Distribution Service Charges will be allowed by the Company up to an aggregate refund of 100% of such sum, with the right to retain such portion of the advance as needed to guarantee the payment of subsequent bills.

FULFILLMENT OF CONTRACT TERM. In the event of the discontinuance for any reason of the distribution of energy before the expiration of the term of the contract with which this rider is applied, the customer shall pay the Company immediately thereon a pro rata share of the cost of the extension for the unexpired portion of the contract term.

OWNERSHIP OF DISTRIBUTION SUPPLY FACILITIES. The provisions of this rider shall not under any circumstances be considered as conferring upon the customer any title to, or right of property in, the distribution supply facilities.

CONTRACT TERM. Contract terms in excess of one year may be arranged with the customer to assure the return required by the investment in distribution supply facilities.

LARGE INTERRUPTIBLE LOAD RIDER**AVAILABILITY.**

This rider is restricted to Rate HT and EP customers under contract, pursuant to this rider, on December 1, 1995. Customers must satisfy the load requirement defined below.

FIRM DEMAND.

The firm demand is the demand to which the customer must reduce its load when called upon to interrupt pursuant to the "Interruptions" section below.

LOAD REQUIREMENT.

The average of the customer's maximum daily On-Peak demands on the 60 days with the customer's highest on peak maximum measured demands during the most recent summer billing period (June through September in the same calendar year) must be 10,000 kW or greater than the customer's firm demand as originally specified in the contract between the customer and the Company. The Company will not begin to bill a customer pursuant to the "Energy and On-Peak Billing Demand" section of this rider until the customer has satisfied this load requirement. If a customer fails to satisfy its load requirement in a summer billing period, the Company will no longer bill the customer in accordance with the provisions of the "Energy and On-Peak Billing Demand" section of this rider until the customer again satisfies its load requirement. A customer under agreement to be served under the former Supplemental Energy provision of the Night Service HT Rider on or before June 1, 1993 is exempt from the above load requirement and may continue to qualify for this rider based on the load requirement in effect at the time that such customer executed its contract or agreement.

For a customer that operates standby generation or that uses cogeneration to serve any portion of its load during an interruption, the Company, at any time, has the right to inspect the customer's equipment or operating records to obtain reasonable assurance that the customer will be able to comply with an interruption request. If the Company in good faith believes that the customer is not capable of complying completely with an interruption request, and the customer is not able to remedy the condition that the Company believes would render the customer unable to comply completely, the Company will then, (1) require the customer to amend its contract to reflect a higher firm demand to which the Company in good faith believes that the customer would be able to reduce load, or, (2) terminate the customer's contract if the required increase in firm demand would render the customer unable to satisfy the load requirement as described in the preceding paragraph.

INTERRUPTIONS.

When, in the sole judgment of the Company and at any time of day and for any duration, there exists any potential or actual production, transmission, or distribution capacity limitation, the customer must reduce load for the duration of the interruption to its firm demand within one hour of notification by the Company during the On-Peak interruption hours (as defined in the "Penalty for Failure to Interrupt" section below) in the months of June through September. The customer will be required to reduce load to its firm demand within two hours of notification by the Company during all other hours. (The Company will make its best efforts to notify the customer as far in advance as possible).

PENALTY FOR FAILURE TO INTERRUPT.

Definition of Peak Interruption Hours: On-peak interruption hours are the hours between 8:00 am and 8:00 pm Eastern Standard Time or Daylight Savings Time, whichever is in common use, Monday through Friday except Saturdays, Sundays and holidays (as defined in the "Definitions Of Terms And Explanation of Abbreviations" Section of the Company's Tariff). Off-peak interruption hours are all hours other than On-Peak interruption hours.

Each time the customer fails to comply with the "Interruptions" section above, the following will occur:

- A. June through September Exclusively On-Peak:
1. Firm Demand Adjustment - The Company will increase the customer's firm demand to the third highest On-Peak half-hour demand measured during the interruption for the balance of the customer's term of contract. This adjustment will become effective in the month of the failure to interrupt; and
 2. Penalty per kW of Uninterrupted Demand - The Company will apply a penalty of \$24 per kW to the difference between the firm demand in effect immediately preceding the interruption and the maximum demand measured during the interruption period. The penalty will be applied to the customer's bill in the month in which the failure to interrupt occurs.
- B. October through May Exclusively On-Peak:
1. Same as A.1. above.

- C. Exclusively Off-Peak:
1. Same as A.2. above.

If an interruption spans On-Peak and Off-Peak Hours, the "Firm Demand Adjustment" will be based on the customer's third highest half-hour demand during the On-Peak Hours of interruption. The "Penalty per kW of Uninterrupted Demand" will be based on the customer's highest half-hour demand measured during the entire interruption period, except that in the interruption period, except that in the months of October through May, such penalty shall be based on the highest half-hour measured demand during the Off-Peak Hours of the interruption.

Request for Test: Twelve months or thereafter following the month in which a customer fails to interrupt to its firm demand, the customer may request a test interruption to be conducted during On-Peak Hours to establish a new firm demand. The Company, in its sole judgment, will schedule the time and establish the length and acceptance criteria for the test interruption and will determine if the customer has met the acceptance criteria. A test interruption will establish a customer's new firm demand.

UNBUNDLED RATE AND BILLING.

Definition of Peak Billing Hours: On-peak billing hours are the hours between 8:00 am and 8:00 pm Eastern Standard Time or Daylight Savings Time, whichever is in common use, Monday through Friday except Saturdays, Sundays and holidays (as defined in the "Definitions Of Terms And Explanation of Abbreviations" Section of the Company's Tariff); except that On-Peak billing hours will end at 4:00 pm on Fridays. Off-peak billing hours are all hours other than On-Peak billing hours.

On-Peak Billing Demand: The On-Peak billing demand shall be the firm demand as originally specified in the contract or the adjusted firm demand (as determined in accordance with the "Penalty For Failure To Interrupt" section), if applicable, between the customer and the Company, adjusted for power factor and excess Off-Peak demand, if any. The On-Peak billing demand for the winter billing months of October through May shall not be less than 80% of the highest billing demand during the summer billing period before execution of the contract. In no case shall the On-Peak billing demand be less than the minimum billing demand calculated in accordance with the customer's applicable firm Rate (Rate HT or Rate EP). If the Company, pursuant to Rule 11.3 of the Company's Tariff, permits a customer to reduce its firm demand during a winter billing month, the customer's On-Peak billing demand for the remaining winter months shall not be less than 80% of the highest billing demand in the most recent preceding summer billing period.

Off-Peak Billing Demand: The Off-Peak billing demand shall be the amount by which the maximum measured demand during Off-Peak Hours exceeds the On-Peak billing demand, whether the latter is a minimum or an actual measured demand adjusted for power factor, except that, when said maximum measured demand during Off-Peak Hours exceeds the demand specified in the contract for Off-Peak Hours, said maximum registered measured demand shall be reduced by the amount of such excess. In addition, when the highest measured demand during the Off-Peak Hours exceeds the demand specified in the contract for Off-Peak Hours, the amount of such excess Off-Peak demand shall be added to the On-Peak Billing Demand.

Distribution Charges:

Fixed Distribution Service Charge: Rate HT Fixed Distribution Charge using On-Peak Billing Demand
Variable Distribution Service Charges for On-Peak kWh associated with interruptible load (adjusted for power factor pursuant to Rule 15.3(d)): \$0.005 per kWh
Variable Distribution Service Charges for all other kWh: Rate HT Variable Distribution Charges using On-Peak Billing Demand
Off-peak Charge per kW of Off-Peak billing demand per month: \$0.91
Night Service Billing and Metering Charge: \$11.21

Competitive Transition Charges:

Competitive Transition Charges for On-Peak kWh associated with interruptible load (adjusted for power factor pursuant to Rule 15.3(d)): \$0.00 per kWh
Competitive Transition Charges for all other kWh: Rate HT Competitive Transition Charges using On-Peak Billing Demand

Energy and Capacity Charges:

Energy and Capacity Charge for On-Peak kWh associated with the customer's interruptible load (adjusted for power factor pursuant to Rule 15.3(d)): PECO Energy hourly PJM billing rate or its replacement (adjusted for Pennsylvania Gross Receipts Tax). The energy usage billed at this rate shall not exceed the energy usage during the Off-Peak Hours during the current billing month.

Energy and Capacity Charges for all other kWh: Rate HT Energy Charges using On-Peak Billing Demand.

THE STATE TAX ADJUSTMENT CLAUSE AND RATE HT TIME-OF-USE ADJUSTMENT CLAUSES ARE NOT APPLICABLE TO THE ON-PEAK ENERGY AND CAPACITY CHARGES ASSOCIATED WITH THE CUSTOMER'S INTERRUPTIBLE LOAD. THE NUCLEAR DECOMMISSIONING COST ADJUSTMENT APPLIES TO THIS RIDER.

FACILITIES.

Additional expenses required by the Company to implement this rider including, but not limited to, the cost of communication, telemetering or telephone equipment, shall be paid by the customer.

OTHER RIDERS.

The Curtailment HT Rider is not available in conjunction with this rider. The rate reductions specified in the Employment and Economic Recovery Rider are not applicable to the energy usage associated with the interruptible load, in both On-Peak and Off-Peak Hours, even if all of that energy usage, or any portion of it, is being billed in accordance with the applicable Rate (Rate HT or Rate EP) due to the application of the provisions in the "Penalty For Failure To Interrupt" section or because the customer has failed to satisfy its load requirement. In addition, the On-Peak energy usage charge for energy usage associated with interruptible load is not applicable to back-up or maintenance power as defined in the Auxiliary Service Rider (ASR), except when such power would otherwise be billed as supplementary power under the ASR. Firm back-up or maintenance power may not be used to serve interruptible load during periods of interruption.

TERM OF CONTRACT/RIGHTS AND CONSEQUENCES ASSOCIATED WITH DIRECT ACCESS.

Customers served under this rider may remain on this rider throughout the Statutory Transition Period, and may terminate their service under this rider on thirty (30) days notice. Throughout the Statutory Transition Period or any rate cap period contained in the Joint Petition for Full Settlement, whichever is longer, customers may remain on the rider while also obtaining Competitive Energy Supply. If a customer wishing to remain on this rider obtains Competitive Energy Supply, the customer will continue to pay the unbundled Distribution Charges and Competitive Transition Charges set forth in the Unbundled Rate And Billing section of this rider, and will be entitled to the unbundled Energy and Capacity Charges set forth in that section should the customer wish to return to Default PLR Service.

NIGHT SERVICE GS RIDER

(The number of customers served under this rider may be limited by the availability of the required demand meters.)

AVAILABILITY/APPLICABILITY. To service provided during Off-Peak Hours for demands in excess of those supplied during On-Peak Hours. The demand specified for Off-Peak Hours may be limited to an amount determined by the Company which shall be dependent upon the capacity of the generation, transmission and distribution facilities available for such supply.

DEFINITION OF PEAK HOURS. On-Peak Hours are defined as the hours between 8:00 am and 8:00 pm, Eastern Standard Time or Daylight Saving Time, whichever is in common use, daily except Saturdays, Sundays and holidays; except that the On-Peak Hours will end at 4:00 pm on Fridays. Off-Peak Hours are defined as the hours other than those specified as On-Peak Hours.

RATE IMPACT. Rate GS (with demand measurement), including all its terms and guarantees, is applicable. The blocking of the energy charges contained in the Variable Distribution Service Charges, CTCs, and Energy and Capacity Charges (if applicable) shall be based on the billing demand for On-Peak Hours. If the customer receives Default PLR Service, the terms of this rider shall also apply to the Energy and Capacity Charge.

MONTHLY RATE TABLE.

Night Service billing and metering charge: \$8.97

The meter charge will be \$5.00 for those customers served before November 23, 1983 whose metering does not provide for the extended Off-Peak Hours beginning at 4:00 pm on Fridays.

Charge per kW of Off-Peak billing demand per month: \$0.47 per kW.

STATE TAX ADJUSTMENT CLAUSE APPLIES TO THIS RIDER.

DETERMINATION OF OFF-PEAK BILLING DEMAND. The Off-Peak billing demand shall be the amount by which the greatest demand during Off-Peak Hours, as determined by measurement, exceeds the billing demand for On-Peak Hours, whether the latter is a minimum or an actual demand.

OTHER RIDERS. This rider will not be applied in conjunction with the Temporary Service Rider.

TERM OF CONTRACT. The initial contract term shall be for at least one year.

NIGHT SERVICE HT RIDER

AVAILABILITY/APPLICABILITY. To service provided during Off-Peak Hours for demands in excess of those supplied during On-Peak Hours. The demand specified for Off-Peak Hours shall be limited to an amount determined by the Company which shall be dependent upon the capacity of the generation, transmission and distribution facilities available for such supply.

DEFINITION OF PEAK HOURS. *On-Peak Hours are defined as the hours between 8:00 am and 8:00 pm, Eastern Standard Time or Daylight Saving Time, whichever is in common use, daily except Saturdays, Sundays and holidays; except that the On-Peak Hours will end at 4:00 pm on Fridays. Off-Peak Hours are defined as the hours other than those specified as On-Peak Hours.*

RATE IMPACT. Rates HT or EP, including all terms and guarantees, are applicable during On-Peak Hours. The capacity charges and blocking of the energy charges contained in the Variable Distribution Service Charges, CTCs, and Energy and Capacity Charges (if applicable) shall be based on the billing demand for On-Peak Hours except that, when the greatest demand during Off-Peak Hours, as determined by measurement, exceeds the demand specified for Off-Peak Hours, the amount of such excess shall be added to the billing demand for On-Peak Hours and the resultant sum shall then constitute the basis for said capacity charges and blocking of energy charges. If the customer receives Default PLR Service, the terms of this rider shall also apply to the Energy and Capacity Charge.

MONTHLY RATE TABLE.

Night Service billing and metering charge: \$11.21
Charge per kW of Off-Peak billing demand per month: \$0.91

STATE TAX ADJUSTMENT CLAUSE APPLIES TO THIS RIDER.

DETERMINATION OF OFF-PEAK BILLING DEMAND. The Off-Peak billing demand shall be the amount by which the greatest demand during Off-Peak Hours, as determined by measurement, exceeds the billing demand for On-Peak Hours, whether the latter is a minimum or an actual demand, except that, when said greatest demand during Off-Peak Hours exceeds the demand specified for Off-Peak Hours, said greatest Off-Peak demand shall be reduced by the amount of the excess in determining the Off-Peak billing demand.

OTHER RIDERS. Where the Off-Peak Rider and this rider are applied to the same contract, the Off-Peak Rider will be applied only to the provisions of the contract, and this rider will then be applied to the contract as modified. This rider will not be applied in conjunction with the Temporary Service Rider.

TERM OF CONTRACT. The initial contract term shall be for at least one year.

NIGHT SERVICE PD RIDER

AVAILABILITY/APPLICABILITY. To service provided during Off-Peak Hours for demands in excess of those supplied during On-Peak Hours. The demand specified for Off-Peak Hours shall be limited to an amount determined by the Company which shall be dependent upon the capacity of the generation, transmission and distribution facilities available for such supply.

DEFINITION OF PEAK HOURS. On-Peak Hours are defined as the hours between 8:00 am and 8:00 pm, Eastern Standard Time or Daylight Saving Time, whichever is in common use, daily except Saturdays, Sundays and holidays; except that the On-Peak Hours will end at 4:00 pm on Fridays. Off-Peak Hours are defined as the hours other than those specified as On-Peak Hours.

RATE IMPACT. Rate PD, including all terms and guarantees, is applicable during On-Peak Hours. The capacity charges and blocking of the energy charges contained in the Variable Distribution Service Charges, CTCs, and Energy and Capacity Charges (if applicable) shall be based on the billing demand for On-Peak Hours except that, when the greatest demand during Off-Peak Hours, as determined by measurement, exceeds the demand specified for Off-Peak Hours, the amount of such excess shall be added to the billing demand for On-Peak Hours and the resultant sum shall then constitute the basis for said capacity charges and blocking of energy charges. If the customer receives Default PLR Service, the terms of this rider shall also apply to the Energy and Capacity Charge.

MONTHLY RATE TABLE.

Night Service billing and metering charge: \$11.21
Charge per kW of Off-Peak billing demand per month: \$0.86

STATE TAX ADJUSTMENT CLAUSE APPLIES TO THIS RIDER.

DETERMINATION OF OFF-PEAK BILLING DEMAND. The Off-Peak billing demand shall be the amount by which the greatest demand during Off-Peak Hours, as determined by measurement, exceeds the billing demand for On-Peak Hours, whether the latter is a minimum or an actual demand, except that, when said greatest demand during Off-Peak Hours exceeds the demand specified for Off-Peak Hours, said greatest Off-Peak demand shall be reduced by the amount of the excess in determining the Off-Peak billing demand.

OTHER RIDERS. Where the Off-Peak Rider and this rider are applied to the same contract, the Off-Peak Rider will be applied only to the provisions of the contract, and this rider will then be applied to the contract as modified. This rider will not be applied in conjunction with the Temporary Service Rider.

TERM OF CONTRACT. The initial contract term shall be for at least one year.

OFF-PEAK RIDER

(The application of this rider is restricted to those customers who were served under its provisions as of October 5, 1972.)

AVAILABILITY/APPLICABILITY. To the restricted use of purchased energy caused by the seasonal requirements of customers other than those using the service for comfort cooling.

WINTER MONTHS DEFINED. November, December, January and February.

SUMMER MONTHS DEFINED. June, July, August and September.

BASE CONTRACT. The Customer shall enter into a standard contract for distribution service under the applicable rate which will stipulate the maximum billing demand to be supplied.

RESTRICTED USE. Use shall be restricted between the hours of 7:00 am and 7:00 pm daily except Saturdays, Sundays and holidays to demands not in excess of 50% of the maximum billing demand of the Customer's contract both during the winter months and, upon notice by Company given at least twelve hours prior to the time the Customer is to restrict the use of distribution service and specifying the duration of such restricted use, during periods of hot weather occurring in the summer months.

RATE IMPACT. Distribution service taken each month shall be paid for at the applicable rate under the contract except as modified by the terms of this rider. . The minimum payment obligations of the applicable rate under the contract shall not apply during the winter months nor during any summer month in which notice of restriction has been given to Customer. If the customer receives Default PLR Service, the terms of this rider shall also apply to the Energy and Capacity Charge.

EXCESS DEMAND. Demands in excess of 50% of the maximum billing demand stipulated in the Customer's contract imposed between the hours of 7:00 am and 7:00 pm daily except Saturdays, Sundays and holidays either during the winter months, or in a summer month during a period for which notice has been given to restrict use, will be billed an additional charge of \$5.03 per kilowatt per month for such excess demand.

STATE TAX ADJUSTMENT CLAUSE APPLIES TO THIS RIDER.

TERM OF CONTRACT. Coincidentally with the term of the rate applied.

RECEIVERSHIP RIDER

AVAILABILITY/APPLICABILITY. To service provided to a Receiver-Trustee for the continued operation of a property formerly under contract for its electric service requirements.

AUTHORITY FOR OPERATION. The Receiver-Trustee shall possess the authority under appointment by Court, through an order duly entered, to operate premises recited in a contract for electric service under which the Company has been providing service.

ACCEPTANCE. The Receiver-Trustee shall accept and adopt for the continuation of service the contract theretofore in effect, including all of its provisions, and agree to pay the Company for all charges levied during the receivership-trusteeship at the rate specified therein.

BILLING. The Company reserves the right to render bills on a biweekly basis. To provide for biweekly billing under this rider, the provisions of the applicable rate and rider, if any, will be modified as follows:

- (a) Where applicable, all references to monthly or month will be changed to biweekly or biweek.
- (b) Where applicable, capacity charges will first be determined from the pricing in the monthly rate table and such sum will then be multiplied by 14/30ths (0.4667) to determine the capacity charges for the billing period.
- (c) The energy charges will be determined by using the prices in the monthly rate table; however, the limit of the kilowatt-hours to be billed in each price block will be determined by multiplying the hours' use of billing demand for each price block or the kilowatt-hour limits of a given price block by 0.4667.
- (d) The high voltage discount applicable to Rate HT will be determined by using the pricing in the monthly rate table and such sum will then be multiplied by 0.4667 to determine the discount for the billing period.
- (e) The minimum charge will be determined on a monthly basis and such sum will then be multiplied by 0.4667 to determine the minimum charge for the billing period.
- (f) A discount of 0.4% will be applied to the total bill.
- (g) A bill will be rendered biweekly covering the charges for the preceding billing period and such bill shall be paid within fifteen (15) days after receipt thereof.

If the customer receives Default PLR Service, the terms of this rider shall also apply to the Energy and Capacity Charge.

TERM OF CONTRACT. The completion of the term of the contract taken over, or as terminated by the discharge of the Receiver-Trustee, or as arranged with the Receiver-Trustee for the continuation of service under the standard terms of this Tariff.

SEASONAL CAPACITY CHARGE SERVICE RIDER

AVAILABILITY. For service to Rate HT customers that satisfy both of the following eligibility requirements:4

1. The average of the customer's billing demands during the most recent December-February billing period (the most recent consecutive December, January and February billing months) must be at least 2,000 kW greater than the customer's highest billing demand during the summer billing period (consecutive billing months of June through September) preceding the most recent December-February billing period.
2. The customer may not have installed generation equipment the sole function of which is peak shaving.

The rider shall be available on a first-come-first-served basis. The Company will continue to place qualifying customers on this rider until the placement of an additional customer would increase the total monthly non-coincident peak load supplied under this rider to 40 MW or more.

RATE AND BILLING. Rate HT High Tension Power, including all of its terms and conditions, except that the On-Peak capacity charges shall be as follows:

<u>Summer Months</u> <u>(June through September)</u>		<u>Winter Months</u> <u>(October through May)</u>	
Distribution Charge	\$3.14 per kW	Distribution Charge	\$0.79 per kW
CTC	\$6.71 per kW	CTC	\$1.68 per kW

Energy and Capacity Charge Prices: The following energy charges will apply to customers that receive Default PLR Service and are not applicable to customers who purchase Competitive Energy Supply.

<u>Summer Months</u>	<u>Winter Months</u>
Energy and Capacity Charge	Energy and Capacity Charge
\$10.80 per kW	\$2.70 per kW

The preceding modifications to the "Energy and Capacity Charges" will apply to the customer if the customer receives Default PLR Service. These modifications to the "Energy and Capacity Charges" will not apply to the customer if it obtains Competitive Energy Supply.

STATE TAX ADJUSTMENT CLAUSE APPLIES TO THIS RIDER.

OTHER RIDERS. A customer served under this rider may not receive service under the Employment and Economic Recovery Rider, the Large Interruptible Load Rider, or the Curtailment HT Rider.

TERM OF CONTRACT. Service under this rider shall be for a period of at least three years.

TEMPORARY SERVICE RIDER

APPLICABILITY. To the provision of service, including builders construction service, when the Company must install temporary facilities that will be used for a limited period or for a service that is of doubtful permanency.

AVAILABILITY. Temporary service will be provided only when the Company has available distribution facilities with sufficient capacity, and if the provision of service will not in any way interfere with service to other customers.

INVESTMENT IN DISTRIBUTION FACILITIES. The cost of the extension and removal of facilities required to furnish the temporary service under the applicable rate shall be paid by the customer, but such payment shall not confer upon, nor entitle the customer to any title to, or right of property in, said facilities and equipment.

MINIMUM TERM. Application of this rider to Rates R, R-H and GS shall not, for billing purposes, be considered to be for a period of less than one month.

Application of this rider to Rates PD and HT shall require payment of the minimum provisions of the contract for each month of the temporary service period, but in no case shall such period be considered, with respect to the guarantee of the monthly minimum charges, as of less duration than 6 months.

RATE IMPACT. When this rider is applied to Rates PD or HT, the last price block of the energy charges of the Variable Distribution Service Charges, CTCs, and Energy and Capacity Charges (If the customer receives Default PLR Service) shall not apply, and energy use otherwise falling into these blocks shall be billed at the prices of the second blocks of those charges in the applicable Base Rate.

TERM OF CONTRACT. Short term arrangements as agreed upon.

TRANSFORMER RENTAL RIDER

(This rider is in process of elimination and its application is restricted to customers who had it incorporated in contracts, or had accepted it in writing, prior to October 15, 1963. The capacity of each individual installation under this rider shall be limited to the amount in service as of that date. Ownership of facilities provided under this rider will be made available to the customer if he wishes to purchase them from the Company.)

APPLICABILITY. To the supply in Suburban Divisions, of a transformer installation furnished, operated and maintained on the premises of a customer to transform a single standard primary or high-tension service to a supply corresponding in phase and voltage to the standard polyphase secondary or primary service provided by the Company at the time when and in the territory where the installation is made. Transformation from standard high-tension service to 2,400 volts, 3-phase, although nonstandard in 4,160-volt, 3-phase areas, may be furnished at the customer's request in such areas.

INSTALLATION CONDITIONS. The transformer installation under this rider is limited to a single bank of transformers installed in accordance with the Company's applicable standards, and to exclusive operation and control by the Company. Suitable housing, foundations, supporting structures and enclosures for such installations and all secondary facilities including suitable overload protective equipment, shall be provided, owned and maintained by the customer.

MONTHLY RENTAL CHARGE.

FIXED CHARGE:	Type of Switching	
	<u>Supply Voltage</u>	<u>Installation</u>
	<u>Amount</u>	
	2,400 volts or 4,160 volts	Outdoor or Indoor
	33,000 volts	Outdoor
		\$ 60.15
		358.87

OPERATING CHARGE: 28.55¢ per kilowatt of demand.

STATE TAX ADJUSTMENT CLAUSE APPLIES TO THIS RIDER.

DEMAND DEFINED. The demand for application of this rider shall be: (a) the billing demand of the current month, or (b) when in conjunction with the Night Service Rider, the sum of the on-peak billing demand and the excess off-peak demand of the current month.

No waivers allowable as to minimum demands shall be considered as applicable in the determination of the transformer-rental charge.

LIABILITY. The Company shall not be liable for any loss, damage or injuries to person or property, including loss of life or property, sustained by the customer, the customer's agents or employees, or by any person whatsoever, arising out of the presence or operation of said transformer installation on the customer's premises, except where caused by the negligence of the Company, its agents and employees, and except for injuries sustained by the Company's employees, not caused by the negligence of the customer, his agents and employees.

CONTRACT TERM. Coincidentally with the Base Rate with which this rider is applied, but not for less than three years from the date the rider is accepted.

INTERIM CODE OF CONDUCT

This Code of Conduct will become effective immediately upon approval
as to activities related to implementation of the Phase-In of Direct Access

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

1. The Company, in its role as the Electric Distribution Company ("PECO EDC"), shall not give a PECO 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. PECO EDC shall provide comparable treatment without regard to the customer's chosen EGS.
2. PECO 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 PECO Supplier.
3. PECO EDC shall not sell non-power goods or services to a PECO Supplier at a price below the cost or market price, whichever is higher, for said goods or services. PECO EDC will not purchase non-power goods or services from a PECO Supplier at a price above the market price for said goods or services. No transaction between PECO EDC and a PECO Supplier shall involve an anti-competitive cross subsidy and all such transactions shall comply with applicable law.
4. PECO EDC shall simultaneously make available to all EGSs any market information, not in the public domain, that it provides to a PECO Supplier.
5. Employees of PECO 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 PECO Supplier, and their offices shall be physically separated from the office(s) used by those working for the PECO Supplier. Such employees of PECO EDC may transfer to a PECO Supplier provided such transfer is not used as a means to circumvent this Interim Code of Conduct. Any PECO Supplier shall have its own direct line management. Any shared facilities shall be fully and transparently allocated between the PECO EDC function and the PECO Supplier function. PECO EDC accounts and records shall be maintained such that the costs a PECO Supplier incurs may be clearly identified.
6. PECO EDC shall not condition the provision of any PaPUC jurisdictional regulated services on the purchase of power from a PECO Supplier.
7. (a) Neither PECO EDC nor a PECO Supplier may directly or by implication falsely and unfairly represent:
 - that the PaPUC jurisdictional regulated services provided by PECO EDC are of a superior quality when power is purchased from a PECO Supplier; or
 - that the merchant services (for power) are being provided by PECO EDC rather than a PECO Supplier;
 - that the power purchased from an EGS that is not a PECO Supplier may not be reliably delivered;
 - that power must be purchased from a PECO Supplier to receive PECO EDC PaPUC jurisdictional regulated services.(b) PECO EDC shall not jointly market or jointly package its PaPUC jurisdictional, regulated services with the services of a PECO Supplier. This prohibition includes prohibiting PECO EDC from including bill inserts in its EDC bills promoting a PECO Supplier's services, and further precludes a reference of link from PECO EDC's web-site to any PECO Supplier.
(c) When a PECO Supplier markets or communicates to the public using the PECO EDC name or logo it shall include a disclaimer that states: (1) that the PECO Supplier is not the same company as the PECO EDC; (2) that the prices of the PECO Supplier are not regulated by the PaPUC; and (3) that a Customer does not have to buy electricity or other products from the PECO Supplier in order to receive the same quality service from PECO EDC. When a PECO Supplier advertises or communicates verbally through radio or television to the public using the PECO EDC name or logo, PECO Supplier shall include at the conclusion of any such communication a disclaimer that includes all of the disclaimers listed in this paragraph.
8. Violations of this Code of Conduct shall result in PaPUC-ordered fines at the levels determined to be appropriate by the PaPUC. Any such PaPUC action would not preclude or limit additional private remedies or civil action.
9. Dispute Resolution Procedures:
 - Regarding any dispute between PECO EDC, and/or a PECO 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 PECO EDC and/or PECO 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 PECO EDC's and/or PECO 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 Judge. 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.
10. PECO EDC shall file a compliance filing within 60 days of execution of any settlement which sets forth a detailed plan for compliance with Code of Conduct as well as the PUC separation and cost allocation requirements already ordered.

Transmission Charges

NOTE: These charges are set forth for informational purposes only, as they are not regulated by the PaPUC. These charges together with the Fixed and Variable Distribution charges in this Tariff, comply with the transmission and distribution rate cap under paragraph 21 of the Settlement .

	<u>Per kWh (except where noted)</u>
Rate R	
1st 500 kWh	0.55¢
Over 500 kWh Winter	0.55¢
Over 500 kWh Summer	0.63¢
Rate RT	
Off-peak kWh Winter	0.30¢
On-Peak kWh Winter	1.11¢
Off-peak kWh Summer	0.30¢
On-Peak kWh Summer	1.21¢
Rate RH	
1 st 600 kWh Winter	0.55¢
Additional Winter	0.23¢
1st 500 kWh Summer	0.55¢
Additional Summer	0.64¢
Rate OP	
All kWh	0.05¢
Rate R - CAP I	
1 st 500 kWh	0.27¢
Additional	0.55¢
Rate R - CAP II	
1 st 500 kWh	0.41¢
Additional	0.55¢
Rate RH - CAP I	
All kWh - Winter	0.27¢
1 st 500 kWh - Summer	0.27¢
Additional	0.55¢
Rate RH - CAP II	
1 st 500 kWh - Winter	0.41¢
Additional	0.27¢
1 st 500 kWh - Summer	0.41¢
Additional	0.55¢
Rate GS	
1 st 80 Hrs. Use	1.27¢
Next 80 Hrs. Summer	0.60¢
Additional Use-Except	0.38¢
Over 400 Hrs&2000 kWh	0.16¢
Space Heating	0.30¢
Rate Off-Peak Thermal Storage Provision	
On-Peak kWh	0.25¢
Off-Peak kWh	0.16¢
Rate PD	
Capacity Charge kW	56.00¢/KW
1 st 150 hrs. use	0.50¢
Next 150 hrs. use	0.29¢
Additional use	0.09¢
Rate HT	
Capacity Charge KW	79.00¢/KW
1 st 150 hrs. use	0.42¢
Next 150 hrs. use	0.25¢
Additional use	0.08¢

Transmission Charges (continued)

Rate POL	Per lighting unit (except where noted)
Mercury-Vapor	
Company Pole	
4000 Lumens	6.00¢
8000 Lumens	9.00¢
12000 Lumens	11.00¢
20000 Lumens	14.00¢
22000 Lumens	16.00¢
Customer Pole	
4000 Lumens	6.00¢
8000 Lumens	9.00¢
12000 Lumens	11.00¢
20000 Lumens	14.00¢
22000 Lumens	16.00¢
Sodium Vapor	
Company Pole	
5800 Lumens	9.00¢
25000 Lumens	14.00¢
50000 Lumens	16.00¢
50000 Lumens - Floodlight	17.00¢
Customer Pole	
5800 Lumens	9.00¢
25000 Lumens	14.00¢
50000 Lumens	16.00¢
50000 Lumens -Floodlight	17.00¢
Standard Metal Halide	
Company Pole	
36000 Lumens	17.00¢
110000 Lumens	30.00¢
Customer Pole	
36000 Lumens	17.00¢
110000 Lumens	30.00¢
Standard High Pressure Sodium Vapor	
Company Pole	
5800 Lumens	10.00¢
9500 Lumens	11.00¢
16000 Lumens	12.00¢
25000 Lumens	14.00¢
50000 Lumens	17.00¢
Customer Pole	
5800 Lumens	10.00¢
9500 Lumens	11.00¢
16000 Lumens	12.00¢
25000 Lumens	14.00¢
50000 Lumens	17.00¢
Rate SL-P	
Capacity Charge	0.02¢/KW
Energy Charge	0.12¢/kWh
Rate SL-S	
Incandescent	
320 Lumens	\$1.57
600 Lumens	\$2.18
1000 Lumens	\$3.06
2500 Lumens	\$4.22
6000 Lumens	\$4.81
10000 Lumens	\$5.76

Transmission Charges (continued)Per lighting unit (except where noted)

Mercury Vapor	
4000 Lumens	\$3.60
8000 Lumens	\$3.81
12000 Lumens	\$4.06
20000 Lumens	\$4.77
42000 Lumens	\$6.79
59000 Lumens	\$7.66
Sodium Vapor	
5800 Lumens	\$3.58
9500 Lumens	\$3.89
16000 Lumens	\$4.37
25000 Lumens	\$4.96
50000 Lumens	\$5.91
Rate SL-E	
Capacity Charge	\$0.00
Energy Charge	\$0.00
Rate TL	
Per kWh	0.58¢/kWh

Per kWh (except where noted)

Rate EP	
Capacity Charge	\$1.03/KW
Energy Charge	0.08¢
Rate AL	
kWh	0.07¢
Auxiliary Service Rider	
Demand Charge kW	15.00¢/KW
Energy Charge kWh	
High Tension Voltage	0.40¢
Primary Voltage	0.48¢
Secondary Voltage	0.63¢
Interruptible Back-Up Power	
Energy Charge kWh	
High Tension Voltage	0.08¢
Primary Voltage	0.09¢
Secondary Voltage	0.30¢
Employment & Economic Recovery Rider	
Existing Location kWh	
Years 1-5	0.003¢
Year 6	0.002¢
Year 7	0.002¢
Year 8	0.001¢
Year 9	0.001¢
New Service Location kWh	
Years 1-5	0.051¢
Year 6	0.041¢
Year 7	0.030¢
Year 8	0.020¢
Year 9	0.010¢
Accelerated kWh	
Years 1-4	0.069¢
Seasonal Capacity Rider	
Capacity Charge kW	
Summer	\$1.49/KW
Winter	\$0.37/KW



ORIGINAL

RECEIVED

JUL 14 1998

Mica Enterprises
105 Viewpoint Drive
Downtown, PA 19335
610/873-0826
Fax 610/873-0104

A PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Mr. James J. McNulty – Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265
Re: Generation Credit – PECO Energy

DOCKETED

JUL 17 1998

R-00973953

DOCUMENT
FOLDER

Dear Mr. McNulty:

Let me first thank you for your leadership in bringing historic changes to Pennsylvania in the form of competitive choice for electric supply. As I follow changes across the country, it is clear to me and many others with whom I've spoken, that Pennsylvania has created a model that will often be used as deregulation unfolds throughout the country.

I am a franchisee of the McDonald's Corporation operating two restaurants in the Philadelphia area. I also serve on the McDonald's Energy Team which is empowered to represent the small business men and women who own and operate the over 450 restaurants (45 megawatts) in the Commonwealth, employing over 20,000 people.

The objective of this letter is to express my concern about the unnecessarily complicated method used for calculating Market Generation Credits in PECO's unbundled electric service tariff (see attachment) which has caused significant confusion. This has resulted in customers paying more for competitive electricity than they would have otherwise paid, had PECO Energy's calculations been more direct.

PECO Energy has a load factor based rate structure that is common in the state. PECO Energy, however, is unique in how it unbundled that rate in that it did not apply a uniform Market Generation Credit for commercial and industrial customers within each customer class, but rather based the Market Generation Credits for each account upon that account's load factor. This makes shopping for competitive electricity supplies much more difficult than in any other Electric Distribution Company in Pennsylvania, and is therefore, in my opinion, anti-competitive. More importantly though, it has the most anti-competitive effects on customers that a competitive supplier would normally find most attractive, those with the highest load factors. A customer on PECO Energy's system who uses electricity most efficiently, as measured by their load factor, may receive the lowest Market Generation Credit. In fact, a small commercial customer on the PECO Energy system, with electric heating may receive a Market Generation Credit of less than 2.3¢ / kWh, which is so far below the market for secondary customers that they could probably never find a competitive supplier even if they wanted to shop.

I do not believe this was the intent of the Commission and I urge you to reevaluate PECO Energy's electric service tariff. PECO Energy should be required to adjust their tariff to reflect Market Generation Credits that are more in line with the market and with the Commission's intention of encouraging retail electricity supply competition.

Thank you for your consideration and I look forward to hearing from you soon.

Sincerely,

Michael P. Meehan
Owner / Operator

EEF

Cc: PAPUC ~ John M. Quain – Chairman
David W. Rolka – Commissioner
Aaron Wilson, Jr. – Commissioner

Robert K. Bloom – Vice Chairman
Nora Mead Brownell – Commissioner
Robert Bennett – Fixed Utility Services

McDonald's ~ Tommie Williams – Purchasing
Joe Megacz – Corporate Energy
David Murphy – Phila. Regional Mgr.

Robert Ohlhausen Esq. – Legal
Henry Gonzalez – N.E. Division President
Howard Berstein – Purchasing

36

Customer: McDonald's
Address: 1240 Bristol Pi
City, St, ZIP: Bensalem PA 19020
Account #: 45-01-60-147929
Prepared by: John Colarelli
Note: Unbundled Bill

7/9/98 14.05

FOCUSING OUR ENERGIES ON YOU!

Pilot GS-Separate Analysis Year =>	June 1997	July 1997	August 1997	September 1997	October 1997	November 1997	December 1997	January 1998	February 1998	March 1998	April 1998	May 1998	ANNUAL COSTS
Registered demand, kW	95.6	116.0	119.1	102.3	66.1	67.9	78.4	98.6	83.8	79.6	71.6	89.8	
Power Factor	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Power Factor Adjustment	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Power Factor Adjusted kW	95.6	116.0	119.1	102.3	66.1	67.9	78.4	98.6	83.8	79.6	71.6	89.8	
Summer Peak kW	0.0	0.0	0.0	0.0	119.1	119.1	119.1	119.1	119.1	119.1	119.1	119.1	119.1
Ratchet (Minimum kW)	0.0	0.0	0.0	0.0	47.6	47.6	47.6	47.6	47.6	47.6	47.6	47.6	47.6
Billing Demand, kW	95.6	116.0	119.1	102.3	66.1	67.9	78.4	98.6	83.8	79.6	71.6	89.8	
Off-peak kW	102.1	106.5	123.9	105.0	78.9	75.2	78.5	95.0	78.6	76.1	73.5	82.7	
Excess Off-peak kW	6.5	0.0	4.8	2.7	12.8	7.3	0.1	0.0	0.0	0.0	1.9	0.0	
Total(sum), Gen'l(wint) kWh	40,960	44,750	55,360	48,140	30,880	28,930	31,320	30,470	30,920	28,770	27,750	27,860	545,170
Hours of Use	428	386	465	471	467	426	399	309	369	361	388	310	
Customer Charge	23.45	23.45	23.45	23.45	23.45	23.45	23.45	23.45	23.45	23.45	23.45	23.45	281.40
NSR Off-peak Demand Chrg	12.03	8.97	11.23	10.24	14.99	12.40	9.02	8.97	8.97	8.97	9.86	8.97	124.61
E2R2 Fixed Cred	-	-	-	-	-	-	-	-	-	-	-	-	-
Energy Block 1, kWh	7,648	9,280	9,528	8,184	5,288	5,432	6,272	7,888	6,704	6,368	5,728	7,184	
Energy Block 2, kWh	7,648	9,280	9,528	8,184	0	0	0	0	0	0	0	0	
Energy Block 3, kWh	22,944	26,190	28,584	24,552	21,152	21,728	25,048	22,582	24,216	22,402	22,022	20,676	
Energy Block 4, kWh	2,720	0	7,720	7,220	4,440	1,770	0	0	0	0	0	0	
Separate Meter, kWh	0	0	0	0	16,350	11,630	13,190	17,910	17,030	14,690	16,790	11,470	
Variable Distribution Service Charge													
\$0.0454 per kWh, 1st 80 hrs	347.22	421.31	432.57	371.55	240.08	246.61	284.75	358.12	304.36	289.11	260.05	326.15	3,881.88
\$0.0181 per kWh, next 80 hr	138.43	167.97	172.46	148.13	-	-	-	-	-	-	-	-	626.99
\$0.0091 per kWh, additional	208.79	238.33	260.11	223.42	192.48	197.72	227.94	205.50	220.37	203.86	200.40	188.15	2,567.07

\$0.0005 per kWh, over 400 h	1.36	-	3.86	3.61	2.22	0.88	-	-	-	-	-	-	11.93
Transmission Service Charge													
\$0.0065 per kWh	266.24	290.87	359.84	312.91	200.72	188.04	203.58	198.05	200.98	187.00	180.37	181.09	2,769.69
Competitive Transition Charge													
\$0.1200 per kWh, 1st 80 hrs	917.76	1,113.60	1,143.36	982.08	634.56	651.84	752.64	946.56	804.48	764.16	687.36	862.08	
\$0.0568 per kWh, next 80 hr:	434.41	527.10	541.19	464.85	-	-	-	-	-	-	-	-	
\$0.0361 per kWh, additional	828.28	945.46	1,031.88	886.33	763.59	784.38	904.23	815.21	874.20	808.71	794.99	746.40	
\$0.0163 per kWh, over 400 h	44.34	-	125.84	117.69	72.37	28.85	-	-	-	-	-	-	
Separate Meter													
TSC, \$0.0065 per kWh	-	-	-	-	106.27	75.59	85.73	116.41	110.69	95.48	109.13	74.55	
DC, \$0.0059 per kWh	-	-	-	-	96.46	68.62	77.82	105.67	100.48	86.67	99.06	67.67	
CTC, \$0.0286 per kWh	-	-	-	-	467.61	332.62	377.23	512.23	487.06	420.13	480.19	328.04	
GS-2M Unbundled Subtotal	3,222.31	3,737.06	4,105.79	3,544.26	2,814.80	2,611.00	2,946.39	3,290.17	3,135.04	2,887.54	2,844.86	2,806.55	37,945.76
CPC	(418.90)	(485.82)	(533.75)	(460.75)	(365.92)	(339.43)	(383.03)	(427.72)	(407.56)	(375.38)	(369.83)	(364.85)	(4,932.95)
Unbundled Charges	2,803.41	3,251.24	3,572.03	3,083.51	2,448.87	2,271.57	2,563.36	2,862.45	2,727.48	2,512.16	2,475.03	2,441.70	33,012.81
Market Generation Credit													
\$0.0495 per kWh, 1st 80 hrs	378.58	459.36	471.64	405.11	261.76	268.88	310.46	390.46	331.85	315.22	283.54	355.61	
\$0.0310 per kWh, next 80 hr:	237.09	287.68	295.37	253.70	-	-	-	-	-	-	-	-	
\$0.0250 per kWh, additional	573.60	654.75	714.60	613.80	528.80	543.20	626.20	564.55	605.40	560.05	550.55	516.90	
\$0.0192 per kWh, over 400 h	52.22	-	148.22	138.62	85.25	33.98	-	-	-	-	-	-	
\$0.0227 per kWh, Separate M	-	-	-	-	371.14	264.00	299.41	406.56	386.58	333.46	381.13	260.37	
E2R2 MGC	-	-	-	-	-	-	-	-	-	-	-	-	
Potential Credit	1,241.49	1,401.79	1,629.83	1,411.23	1,246.95	1,110.06	1,236.07	1,361.57	1,323.83	1,208.73	1,215.22	1,132.88	15,519.65
\$/kWh for MGC	0.0303	0.0313	0.0294	0.0293	0.0264	0.0274	0.0278	0.0281	0.0276	0.0278	0.0273	0.0288	0.0285
Total Electric Charges	4,044.90	4,653.03	5,201.86	4,494.74	3,695.82	3,381.63	3,799.43	4,224.02	4,051.31	3,720.89	3,690.25	3,574.58	48,532.46
\$ / kWh	0.099	0.104	0.094	0.093	0.078	0.083	0.085	0.087	0.084	0.086	0.083	0.091	0.089
Sales Tax, 0 % exempt	<u>242.69</u>	<u>279.18</u>	<u>312.11</u>	<u>269.68</u>	<u>221.75</u>	<u>202.90</u>	<u>227.97</u>	<u>253.44</u>	<u>243.08</u>	<u>223.25</u>	<u>221.41</u>	<u>214.47</u>	<u>2,911.93</u>
TOTAL GS - Separate	4,287.59	4,932.21	5,513.97	4,764.42	3,917.57	3,584.53	4,027.40	4,477.46	4,294.39	3,944.14	3,911.66	3,789.05	51,444.39



PECO ENERGY

ORIGINAL

Legal Department

PECO Energy Company
2301 Market Street
PO Box 8699
Philadelphia, PA 19101-8699
215 841 5544
Fax 215 568 3389

RECEIVED

Direct Dial: 841-4941

JUL 16 1998

July 16, 1998

PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

KJR

FedEx - 800192017939

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
North Office Building, Room B-20
Harrisburg, PA 17105-3265

**Re: PECO Energy Company's Competitive Metering and Competitive Billing Specifications
Docket Nos. R-00973953 and P-00971265**

Dear Secretary McNulty:

Enclosed are an original and three copies of PECO Energy Company's Petition for Reconsideration regarding the above-referenced docket. As proof of filing, please return a date-stamped copy of this letter in the enclosed return envelope.

Sincerely,

Mary McFall Hopper

MMH/mtg

Enclosures

Copy to: The Honorable John M. Quain, Chairman
The Honorable Nora Mead Brownell, Commissioner
The Honorable Aaron Wilson, Jr., Commissioner
The Honorable David W. Rolka, Commissioner
The Honorable Robert K. Bloom, Commissioner
Bohdan Pankiw - Law Bureau
John Levin - Law Bureau
Mitch Miller - Bureau of Consumer Services
Ahmed Kaloko - Director of Bureau of CEEP
Charles F. Covage - Bureau of CEEP

115060v04

**DOCUMENT
FOLDER**

53

James W. Durham
Senior Vice President
and General Counsel

Edward J. Cullen, Jr.
Deputy General Counsel

Sandra H. Byrne
Legal Administrator

Paul R. Bonney
Ellen M. Cavanaugh
Jessica N. Cone
Todd D. Cutler
Harvey B. Dikter
Susan Sciarmanna Foehl
Vilna Waldron Gaston
Gregory Golazeski
John C. Halderman
Mary McFall Hopper
Conrad O. Kattner
Kristopher Keys
Jeffrey J. Norton
Mark B. Peabody
Roslyn G. Pollack
Wendy Schermer
Richard S. Schlegel
Jenny P. Shulbank
Ward L. Smith
Delia W. Stroud
Dawn Getty Sutphin
Noel H. Trask
Ronald L. Zack
Assistant General Counsel

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

RECEIVED

JUL 16 1998

Application of PECO Energy Company for :
Approval of its Restructuring Plan Under :
Section 2806 of the Public Utility Code, et al. :

Docket Nos. R-00973953
and P-00971265
PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

PETITION OF PECO ENERGY COMPANY FOR
RECONSIDERATION, CLARIFICATION,
AMENDMENT AND EXTENSION OF TIME
OF THE ORDER ENTERED JULY 1, 1998

ORIGINAL

PECO Energy Company ("PECO" or the "Company"), pursuant to Section 703(g) of the Public Utility Code (66 Pa.C.S. § 703(g)) and 52 Pa. Code § 5.572, hereby requests that the Pennsylvania Public Utility Commission ("Commission") reconsider, clarify and amend its July 1, 1998 Order Implementing Competitive Metering and Billing Arrangements. (July 1 Order). PECO requests that the Commission reconsider and clarify (1) its discussion and approval permitting unrelated Electric Generation Suppliers (EGSs) to provide metering and billing services and (2) its decision that EGSs who offer consolidated billing are not required to offer consolidated billing to all customers within a rate class.

I. INTRODUCTION

1. On April 29, 1998, PECO and 25 additional parties filed a Joint Petition for Full Settlement of PECO's Restructuring Plan and Related Appeals and Application for a Qualified Rate Order and Application for Transfer of Generation Assets. ("Joint Settlement") The Joint Settlement provides for the unbundling and competitive offering of metering and billing services in PECO's service territory beginning on January 1, 1999.

DOCKETED

JUL 27 1998

DOCUMENT
FOLDER

2. On June 1, 1998, in accordance with Appendix C of the Joint Settlement, the parties filed with the Commission consensus Competitive Metering and Competitive Billing Specifications.

3. On June 3, 1998, the parties filed comments on those issues that could not be resolved during the development of the Competitive Metering and Competitive Billing Specifications.

4. On June 8 and June 9, the parties filed similar documents with respect to Enron's proposed Advanced Meter Service Provider Specifications.

5. On July 1, 1998, the Commission issued an Order on the unresolved issues, permitting unrelated EGSs to provide competitive metering and billing services and allowing EGSs to selectively offer consolidated EGS billing to customers within the same rate class.

6. In Duick v. Pennsylvania Gas & Water Co., 56 Pa. PUC 533, 588-59 (1982), the Commission reviewed the criteria that it applies in determining whether a petition for reconsideration should be granted:

A petition for reconsideration, under the provision of 66 Pa.C.S. §703(g), may properly raise any matters designed to convince the Commission that it should exercise its discretion under this code section to rescind or amend a prior order in whole or in part. In this regard we agree with the Court in the Pennsylvania Railroad Company case, wherein it was said that "[parties..., cannot be permitted by second motion to review and reconsider, to raise the same questions which were specifically considered and decided against them..." What we expect to see raised in such petition are new and novel arguments, not previously heard, or considerations which appear to have been overlooked or not addressed by the Commission.

As explained below, this Petition satisfies the Duick criteria.

II. Competitive Billing And Competitive Metering By Unrelated Suppliers

A. Competitive Billing

7. PECO entered into the Joint Settlement with the understanding that the provision of competitive metering and competitive billing services were limited to the EGS providing competitive energy supply for the customer. That is, to provide either metering or billing to a customer, the EGS would also have to be the customer's electricity supplier. The Company and the Office of Consumer Advocate ("OCA") both submitted comments that the intent of the Joint Settlement, as well as the clear language of the document, do not provide for unrelated EGSs to provide competitive metering and competitive billing services.

8. In fact, the parties entered into a Stipulation where they would discuss the possibility that competitive *metering* services could be offered by an unrelated EGS. There was no similar provision for *billing* services.

9. In fact, the issue of competitive billing services offered by an unrelated EGS was never raised or discussed during the meetings where the Competitive Billing Specifications were developed. The issue was never raised until the June 3 comments of the EGSs to the consensus specifications.

10. The Company never agreed, and did not intend the Joint Settlement, to permit unrelated EGSs to provide billing services. The parties who developed the rules to allow for competitive billing never discussed this issue. PECO believes that the Commission should reconsider and clarify its Order to permit the three billing options clearly stated in the Joint Settlement:

- a) Consolidated EDC Billing
- b) Consolidated EGS Billing
- c) Separate EDC/EGS Billing

The Commission should clarify that an EGS providing a consolidated EGS bill service must be the customer's electricity supplier.

B. Competitive Metering

11. As part of the Joint Settlement, certain parties, including the Company, entered into a Stipulation obligating them to discuss the possibility that competitive metering service could be offered by an unrelated EGS. The Stipulation provided that, if no agreement could be reached the issue would be brought to the Commission.

12. The Company's intention when it negotiated the Joint Settlement was to work with the Commission and EGSs to provide customers with the option of competitive metering *by the customer's EGS supplying him/her with competitive supply*. The idea that an unrelated EGS might provide metering services to a customer was first discussed after the Joint Settlement was signed. PECO agreed that it would discuss the possibility during the development of the Competitive Metering Specifications.

13. During the development of the consensus specifications, the Company was willing to discuss with the parties the vast number of issues and the complexity involved in allowing metering services to be performed by unrelated EGSs and a potential time period to implement this new concept. Time constraints and the failure of the EGSs to provide a detailed proposal prevented such discussions.

14. The Commission's July 1 Order allowing unrelated EGSs to provide metering services fundamentally changes the concept of competitive metering services as provided for in the Joint Settlement. PECO requests that the Commission reconsider and clarify its Order to conform to the intent and clear language of the Joint Settlement.

C. Request for Clarification and Extension of Time

15. Should the Commission disagree with the Company's request for reconsideration as outlined in the previous sections, the Company respectfully requests that the Commission clarify its July 1 Order regarding the development of specification to permitted unrelated EGSs to offer competitive billing and metering services. The Company also requests an extension of time to develop the specifications.

16. The Joint Settlement, particularly the terms and conditions of Appendix C, present innovative choices for PECO customers. The terms of the Joint Settlement set an aggressive schedule to implement competitive metering and competitive billing. The parties worked diligently to establish a frame work to permit a customer's EGS to provide competitive metering and competitive billing by January 1, 1999.

17. The provision of competitive metering and competitive billing services by an unrelated EGS can only be implemented by January 1, 1999, if the unrelated EGS subcontracts this service with, and only interacts with, the customer's EGS. Under this procedure, PECO would then only interact with the customer's EGS. Only in such circumstances will PECO be able to design, test, and implement the systems necessary to enable EGSs to provide competitive billing and competitive metering services starting in January 1999.

18. It will not be possible by January 1999 for the Company to accommodate all the required system and process changes to add a third and fourth party to the process of customer choice. It is extremely important that there be a single point of contact to handle a customer's competitive transactions. Without the customer's EGS as the point of contact, there could be four parties serving a customer: the EGS, the EDC, the metering agent, and the billing agent. Such a structure would provide for chaos in the market in January 1999, as customers' transactions are shuffled between the four parties and their complaints result in

finger-pointing among the parties. In fact, PECO's experience in the pilot program has shown that a number of suppliers have had trouble with their own customer's transactions where they are only providing generation services. With only a few months to go before January 1999, the Company has already had to change its systems to accommodate three billing options rather than the two billing options for which it was planning before the Joint Settlement was approved. If the Company is required to abandon all the work it has completed, and redesign its systems and processes again to allow for unrelated EGSs to provide metering and billing services, it could cripple the system, and therefore place the implementation of full customer choice and the Joint Settlement in jeopardy.

19. The Company's resources are fully deployed in designing all the system and process changes needed to accommodate full customer choice and competitive metering and competitive billing by the customer's EGS. It would pose an intolerable strain on the Company's limited resources to redesign the software, interfaces, and infrastructure of its customer information systems to accommodate allowing unrelated EGSs to provide competitive billing and competitive metering services by January 1999. For example, if the Company is required to change its procedures, so that the customer's EGS does not have to be PECO's sole point of contact, the Company's Supplier Administration Group would have to make the following changes to its supplier computer system (SUCCESS): redesign of extraction file, redesign of upload, redesign of existing EDT transaction set, creation of new EDT transactions, redesign storage archives and expand data retention archive in the IDR, purchase and install additional hardware, redesign auto scheduling and release process for dealing within more trading partners, redesign data communication connectivity options to handle larger files and presentation points. These changes could not be made by January 1999.

20. In addition to these system changes, the Company has significant resources committed to dealing with the Year 2000 compliance issue, which is crucial to the reliable operation of its system. The significant changes that would be required by permitting unrelated EGSs to offer metering and billing would require retrofitting changes already made for Year 2000 compliance, and possibly jeopardizing the Company's ability to make all of its systems compliant by the Year 2000.

21. The Company fully intends to comply with the terms and conditions of Joint Settlement, Appendix C, and the Competitive Metering and Competitive Billing Specifications. In order to do so, the Company must work within its existing systems and processes. The implementation of customer choice for competitive supply as well as permitting a customer's EGS to provide metering and billing services is all the Company can accomplish by January 1999.

22. The Company respectfully requests an extension of time to submit standards for implementing a third party billing option. The July 1 Order required the standards to "be developed in conjunction with representative of the supplier community, OCA, and our Bureau of Consumer Services (BCS)." Given the number of interested parties and the potentially large number of issues to be decided the parties will need additional time to develop and submit such standards to the Commission.

III. EGS's Ability To Selectively Offer Consolidated EGS Billing To Customers Within The Same Rate Class.

23. The Commission's July 1 Order states that it is "not inclined to impose a blanket requirement" that EGSs who provide consolidated billing are "obligated to offer that option to all customers within a rate class." (p. 10).

24. The Company believes that the July 1 Order is contrary to the clear language of the Commission's regulations. 52 Pa. Code §56.1 et. seq. ("Chapter 56"). Chapter 56 contains specific requirements regarding denial of service and when it is appropriate to ask for a deposit *before rendering service*. Chapter 56 does not permit selective offering of service to customers.

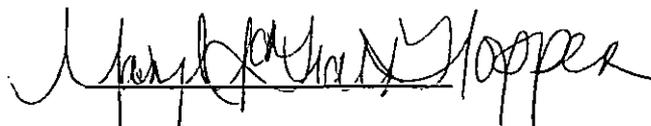
25. The Competition Act requires EGSs to abide by the Commission's Chapter 56 regulations. 66 Pa.C.S. 2809(e). In addition, EGSs have agreed as part of the licensing process to abide by Chapter 56.

26. EGSs are required to abide by the Commission's existing consumer protections and anti-discriminatory laws in offering supply service to all within a rate class. If an EGS chooses to offer consolidated EGS billing, the same rules must apply.

27. The Company respectfully requests that the Commission reconsider and clarify its July 1 Order to conform with its existing regulations and orders that an EGS that offers any service to customers within a particular rate class offer the service to all within that rate class.

WHEREFORE, PECO requests that the Commission reconsider, amend, and clarify its July 1 Order in the above-captioned proceeding in the manner set forth above.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mary McFall Hopper". The signature is written in a cursive style with a horizontal line drawn across the middle of the name.

Mary McFall Hopper
Assistant General Counsel
PECO Energy Company
2301 Market Street, S23-1
P.O. Box 8699
Philadelphia, PA 19101-8699
215 841 4941

Dated: July 16, 1998

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

CERTIFICATION OF SERVICE

I hereby certify that I have served the foregoing document by first class mail on the following:

Steven Steinmetz, Esq.
OCA
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1921

Philip Bertocci
Valerie Bullock
CLS, CEPA
1424 Chestnut Street, 5th Floor
Philadelphia, PA 19102

Jeffrey Bladen
Carrie Cullen Hitt
NEV
535 Baylston Street, Top Floor
Boston, MA 02116

Tom Bainbridge
Kent Hatt
GPU Energy
2800 Pottsville Pike
Reading, PA 19640

Darlene Horten
GPU Energy
Rt 183 and Van Reed Road
P.O. Box 15152
Reading, PA 19612

Janet Arnold, Esq.
Ryan, Russell, Ogden & Seltzer
1100 Berkshire Blvd.
Reading, PA 19612 (GPU Energy)

Jim Peters
CellNet Data Systems
3 Agronomy Road
P.O. Box 785
Storrs, CT 06268

Paul Gromer
CellNet Data Systems
77 North Washington Street
Boston, MA 02114

Tom Stathos
PP&L
827 Hausman Road
Allentown, PA 18104

Tony Osmanski
Anthony Kubiak
Wayne Fairchild
PP&L
1 Scotch Pine Drive
Hazleton, PA 18201

Donald A. Kaplan, Esq.
Preston Gates & Ellis
1735 New York Avenue
Suite 500
Washington, DC 20006 (PP&L)

Rick Haring
Energis
499 Thornall street
Edison, NJ 08837

John Dalton
Allegheny Electric Cooperative
212 Locust Street
P.O. Box 1266
Harrisburg, PA 17108

Jesse A. Dillon, Esq.
PP&L
2 North Ninth Street
Allentown, PA 18101

Cara Tammaro
Enron
400 Metro Place N
Dublin, OH 43017

Jeff Brown
Enron
400 Professional Park Drive
Goodlettsville, TN 37072

Kevin Ryan
John & Hengerer
1200 17th Street, NW
Suite 600
Washington, DC 20036

Bob Rafferty
Jim Stauble
David Sneeringer
Conectiv
252 Chapman Road
Newark, DE 19714-6066

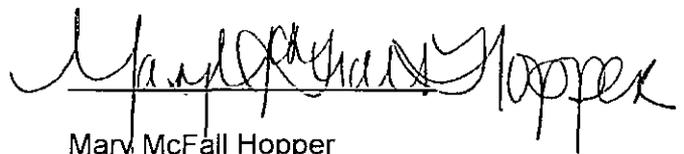
John R. Lloyd
GPU
405 West Plank Road
Altoona, PA 166

Daniel Clearfield, Esq.
Alan Kohler, Esq.
Wolf, Block, Schorr & Solis
Locust Court Bldg., Suite 300
212 Locust Street
Harrisburg, PA 17101

Jim Steffes
Craig Wright
Nancy Hetrick
Bob Coates
Lee Simmons
Rob Hamon
Shirley Whyte
Enron
1400 Smith Street
P.O. Box 1188
Houston, TX 77002

Deborah A Swanstrom
Verner Liipfert Bernhard McPherson & Hand
901 15th Street, NW
Washington, DC 20005-2301

Respectfully submitted,



Mary McFall Hopper
Assistant General Counsel
PECO Energy Company
2301 Market Street, S23-1
P.O. Box 8699
Philadelphia, PA 19101-8699
215 841 4941

Dated: July 16, 1998

COPY

THE LAW FIRM OF

MALATESTA HAWKE & McKEON LLP

MAILING ADDRESS:
P.O. BOX 1778
HARRISBURG, PA 17105

JOSEPH J. MALATESTA, JR.
WILLIAM T. HAWKE
KEVIN J. McKEON
LOUISE A. KNIGHT
THOMAS J. SNISCAK
NORMAN JAMES KENNARD
LILLIAN SMITH HARRIS
SCOTT T. WYLAND
JANET L. MILLER
SUSAN J. SMITH
TODD S. STEWART
THOMAS S. PEDERSEN

HARRISBURG ENERGY CENTER
100 NORTH TENTH STREET
HARRISBURG, PENNSYLVANIA 17101
(717) 236-1300
FAX (717) 236-4841

ORIGINAL

**DOCUMENT
FOLDER**

<http://www.MHM-LAW.com>

July 22, 1998

RECEIVED
98 JUL 22 AM 9:15
P.A.P.U.C.
SECRETARY'S BUREAU

KJR

James McNulty, Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Room B-18, North Office Building
Harrisburg, PA 17105-3265

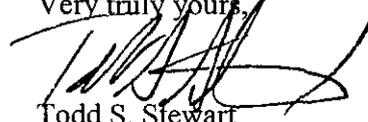
RE: Pennsylvania Public Utility Commission v. PECO Energy Company; Docket Nos. R-00973953 and P-00971265; COMMENTS OF THE MID-ATLANTIC POWER SUPPLY ASSOCIATION SEEKING REJECTION OF PECO'S JUNE 29, 1998 INTERIM CODE OF CONDUCT FILING AS DEFICIENT AND NOT IN COMPLIANCE WITH THE COMMISSION'S FINAL ORDER

Dear Secretary McNulty:

Enclosed, for filing with the Commission, please find an original and nine (9) copies of the Mid-Atlantic Power Supply Association's Comments as specified in the above-captioned docket.

If you have any questions pertaining to this filing, please direct them to me. Thank you.

Very truly yours,



Todd S. Stewart
Counsel for the Mid-Atlantic
Power Supply Association

cc: Chairman John Quain
Vice Chairman Robert Bloom
Commissioner David Rolka
Commissioner Nora Mead Brownell
Commissioner Aaron Wilson
Bohdin R. Pankiw, Chief Counsel
Barbara Bruin, Executive Director
Per Service List

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

ORIGINAL

Pennsylvania Public Utility Commission

v.

PECO Energy Company

Docket No. R-00973953
P-00971265

DOCUMENT
FOLDER

COMMENTS OF MAPSA SEEKING REJECTION
OF PECO'S JUNE 29, 1998
INTERIM CODE OF CONDUCT FILING
AS DEFICIENT AND NOT IN COMPLIANCE
WITH THE COMMISSION'S FINAL ORDER

DOCKETED

JUL 23 1998

RECEIVED
98 JUL 22 AM 9:15
PA.P.U.C.
SECRETARY'S BUREAU

The Mid Atlantic Power Supply Association ("MAPSA") hereby offers these Comments to PECO Energy Company's June 29, 1998 "compliance" filing regarding its Interim Code of Conduct.

On May 14, 1998, the Pennsylvania Public Utility Commission ("Commission") issued a Final Order ("Final Order") approving the Joint Petition for Full Settlement ("Full Settlement") of PECO Energy Company's ("PECO") restructuring plan in the above-referenced dockets. A Code of Conduct was attached to the Full Settlement as Appendix H and was approved as part of the Full Settlement. Item 10 of the Code of Conduct required PECO to submit a compliance filing within sixty (60) days of the execution of the Full Settlement. The compliance filing was supposed to set forth "a detailed plan for compliance with this Code of Conduct as well as the PUC separation and cost allocation requirements already ordered." (Full Settlement, Appendix H, No. 10).

On June 29, 1998, PECO submitted what purports to be its “compliance filing,” whereby it attempts to comply with the terms of the Full Settlement and the Commission’s Final Order. MAPSA asserts that PECO’s filing is not in accord with the directives of either the Full Settlement or the Commission’s Final Order, nor does it include sufficient detail to allow for meaningful review. Simply put, PECO’s filing should be rejected.

MAPSA has been an active participant in the proceeding that culminated in the Commission’s issuance of its Final Order. MAPSA’s purpose in filing these Comments is to illustrate the deficiencies of PECO’s June 29, 1998 filing. Due to the almost complete failure of PECO to file a workable implementation plan for the Interim Code of Conduct, MAPSA urges the Commission to reject PECO’s proposed plan and to direct PECO to submit a revised filing to cure the deficiencies so that the Commission can have before it a filing containing sufficient information upon which to render a meaningful decision.

**I. SEPARATION OF PECO EDC AND PECO SUPPLIER EMPLOYEES
(STANDARD 5)**

While all provisions of the Code of Conduct are of critical importance, one aspect that is of particular concern to MAPSA is the separation of the employees of the PECO EDC and the PECO Supplier. Any plan implementing the separation requirement should contain sufficient detail to allow the Commission, or any other party, to determine that all reasonable opportunities for the sharing of competitively sensitive information between these distinct entities through their employees, either formally, or informally, are foreclosed.

PECO's June 29, 1998, filing does not contain sufficient information for the Commission to determine whether PECO is in compliance with the Final Order. The Interim Code of Conduct requires "Employees of PECO 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 PECO Supplier." Without more information than provided in PECO's proposed implementation plan, serious questions about the potential occurrence of prohibited conduct remain.

Specifically, PECO's filing states that Exelon Energy has its own direct line management (with Myles Meehan as Vice President, Residential and Small Business Services and R. Scott Brown as Vice President, Commercial and Industrial Services). PECO further states that its National Energy Team (its merchant division) has its own director, Phillip Eastman. PECO then represents that these three employees have no responsibility for any PECO EDC functions. PECO states that "none of the PECO EDC employees that are responsible for the functions delineated in Standard 5 of the Code will be shared with any PECO Supplier." However, PECO fails adequately to address the mechanics of the separation of the operational units of these entities.

Standard 5 requires that the offices of PECO EDC must be "physically separated from the office(s) used by those working for the PECO Supplier." PECO states that "the offices of Exelon Energy are located in Wayne, Pennsylvania away from the main Philadelphia corporate offices of PECO Energy," and that "the employees of the National Energy Team are located in a separate section of a floor in PECO Energy's main office building apart from any PECO EDC employees."

Serious questions, however, remain unanswered. In particular:

- ⇒ Are there shared PECO EDC / PECO Supplier employees? If there are, the individuals should be identified and their job descriptions listed. Without this information, the Commission will not be able to determine whether there is sufficient separation to comply with the Code of Conduct.
- ⇒ What is the minimum allowable period for an employee transfer?
- ⇒ What conditions, if any, are imposed upon newly transferred employees in order to prevent the circumvention of the requirements of Standard 5?
- ⇒ Are all Exelon employees located in the Wayne, Pennsylvania office? If not, where are they located?
- ⇒ Is the National Energy Team sharing a floor with any PECO EDC operational employees?
- ⇒ What functions are performed by the PECO EDC groups currently located on the same floor as the National Energy Team?
- ⇒ How will PECO ensure that the National Energy Team will not be privy to the informal transfer of PECO EDC information?
- ⇒ PECO states that both existing PECO Suppliers have their own direct line management. PECO should be required to provide an organizational chart so the Commission can ensure that PECO is in compliance.

In short, without more detailed information, it simply is not possible to determine whether PECO will, in fact, be able to comply with the Commission's Final Order with respect to this Standard of the Code of Conduct.

II. SALES OF NON-POWER GOODS OR SERVICES (STANDARD 3)

Standard 3 of PECO's Code of Conduct requires that PECO not engage in transactions with a PECO Supplier that are detrimental to either the PECO EDC and its customers, or to the competitive market. Specifically, Standard 3 provides:

PECO EDC shall not sell non-power goods or services to a PECO Supplier at a price below the cost or market, whichever is higher, for said goods or services. PECO EDC will not purchase non-power goods or services from a PECO Supplier at a price above the market price for said goods or services. No transaction between PECO EDC and a PECO Supplier shall involve an anti-competitive cross-subsidy and all such transactions shall comply with applicable law.

In its compliance filing, PECO states that it already maintains a system of internal controls to prevent the type of cross-subsidies prohibited by its Code of Conduct and that those controls, coupled with its currently-effective Affiliated Interest Agreement, are sufficient to meet the requirements of Standard 3. PECO's proclamation that it "already maintains a system of internal accounting controls to ensure that affiliated transactions are recorded in accordance with applicable guidelines" is insufficient. Without an adequate description of the "internal accounting controls" currently in place, it is not possible to ensure compliance with the Interim Code of Conduct. PECO should be required to provide additional information, in particular:

- ⇒ How does PECO determine the market value of the goods and services?
- ⇒ Are the support functions listed above the only services that will be shared?
- ⇒ What "information systems" does PECO EDC contemplate transferring to PECO Supplier?
- ⇒ What accounting principles will PECO EDC employ with respect to any sale of non-power goods or services from PECO Supplier to PECO EDC?
- ⇒ How will PECO ensure that no transaction between PECO EDC and a PECO Supplier will involve cross-subsidization?
- ⇒ Are all of PECO's cost allocation and asset transfer valuation rules contained in Section IV of its compliance filing? Are some of these rules located elsewhere? If so, where?

Standard 3 requires that PECO EDC not sell non-power goods or services to a PECO Supplier at a price below the cost or market -- whichever is higher. PECO states that all transfers of value between PECO EDC and PECO's affiliated supplier will be billed at a cost not less than PECO EDC's fully allocated cost. This is not in compliance with the Code of Conduct.

With respect to shared employees, office space, parking and storage spaces, facilities, and equipment, the Commission requires that PECO EDC bill its affiliated supplier at cost or market – whichever is higher. PECO states that these will be billed on a fully-allocated cost basis. Again, PECO's statement does not comply with the express terms of its Interim Code of Conduct. Unless and until PECO provides the details noted above, it is not possible to assess the potential for PECO to comply with Standard 3.

III. SIMULTANEOUS DISCLOSURE OF MARKET INFORMATION (STANDARD 4)

Standard 4 requires PECO EDC simultaneously to make available to all EGSs any market information, not in the public domain, that it provides to a PECO Supplier. To comply with this standard, PECO states that:

“Wires” employees (e.g., customer service, linemen, trouble crews, etc.) who have access to market information because of their unique access to information about the distribution system will be trained not to provide to any PECO Supplier sales leads or other market information obtained in the course of their employment. All Suppliers, whether affiliated or not, will access information about their customers (e.g., usage data and billing) and about the distribution system through the SUCCESS website, which PECO Energy currently uses to administer its Pilot Policies and Procedures and will use to administer its Supplier Tariff. Moreover, password protection at that site also ensures that Suppliers, whether affiliated or not, cannot access other Suppliers' information.

PECO's proposal falls short of preventing the type of behavior that Standard 4 addresses. PECO has failed to enumerate the particular classes of employees which it believes have access to confidential customer information. Without such a list, it is not possible to assess compliance. Further, the definition of "market information," as used in PECO's Code of Conduct, should include any information about the market. PECO should not be permitted to transfer expertise gained in its capacity as a regulated entity to its competitive side without sharing benefit of that expertise with all Suppliers, affiliated or not. An example of such information would be knowledge about the inner-workings of the transmission system. It is not difficult to imagine how PECO's intimate involvement in PJM would give it special expertise, as an EDC, that would be of substantial benefit to an EGS. PECO should not be permitted to transfer this "market-sensitive" information to any party without subjecting it to the Standard 4 protection.

Perhaps as troubling is the fact that the language of PECO's proposed implementation plan does not evidence an intention that its SUCCESS website be a PECO Supplier's exclusive method of obtaining customer information from PECO EDC. PECO's filing appears to state that the PECO Supplier and PECO EDC share a common intranet. (Compliance Filing, p.2). However, PECO makes no assurance that it will not use its intranet, or similar device, to allow for the exchange of information between its EDC and Supplier.

IV. OVERSIGHT/ENFORCEMENT

PECO's June 14, 1998 compliance filing also is deficient in that it fails to provide for an adequate oversight mechanism, or for appropriate correction of infractions. PECO's implementation plan provides for investigation of violations by PECO's general counsel as well

as a means for reporting allegations of violations. What PECO's plan lacks, however, is a proactive oversight function. As an example, PECO's employees are given opportunities to report infractions, but are not required to do so. It is not likely that employees will feel compelled to report the infractions of fellow employees. If PECO were to require employees to report infractions, and were to punish a failure to report the same as an actual infraction, employees would feel more compelled to report infractions. Further, employees should be guaranteed that a report of an infraction to an outside regulatory agency, such as the Commission, is subject to full "whistleblower" protection. Finally, the general counsel should constantly monitor PECO's compliance, and should punish all violations, not just those that are intentional.

V. CONCLUSION

For all of the foregoing reasons, MAPSA requests that the Commission reject PECO's June 29, 1998 Interim Code of Conduct compliance filing, and require that PECO file a new implementation plan which addresses the concerns raised above. Finally, the Commission should require PECO to file an implementation plan for the Competitive Safeguards provisions included in its Compliance Filing. It is apparent after a review of PECO's "compliance filing to the Interim Code of Conduct that PECO has not placed a priority upon implementation of its provisions. In order to ensure that PECO complies with the Competitive Safeguards, it appears to be essential that the Commission review its planned implementation as well.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'William T. Hawke', written over a horizontal line.

William T. Hawke

Janet L. Miller

Todd S. Stewart

Malatesta Hawke & McKeon LLP

Harrisburg Energy Center

100 N. 10th Street

Harrisburg, PA 17105-1778

(717) 236-1300

Counsel for The Mid-Atlantic
Power Supply Association

Dated: July 22, 1998

CERTIFICATE OF SERVICE

I hereby certify that I am this day serving a copy of the foregoing Comments upon the persons named and in the manner indicated below.

Service By First Class Mail:

Paul R. Bonney, Esquire
Noel H. Trask, Esquire
Michael A. Carvin, Esquire
PECO Energy Company
2301 Market Street
PO Box 8699
Philadelphia, PA 19101-8699

John L. Munsch, Esquire
Allegheny Power Corporation
800 Cabin Hill Drive
Greensburg, PA 15601

Paul E. Russell, Esquire
Pennsylvania Power & Light Company
Two North Ninth Street
Allentown, PA 18101

Steven P. Hershey, Esquire
Community Legal Services, Inc.
1424 Chestnut Street
Philadelphia, PA 19102

Roger Clark, Esquire
Environmentalists
905 Denston Drive
Ambler, PA 19002-3901

Christopher B. Craig, Esquire
Senator Vincent Furno
Room 545 Main Capital Building
Harrisburg, PA 17120

Donald A. Kaplan, Esquire
Pennsylvania Power & Light Company
Suite 500
1735 New York Avenue, NW
Washington, DC 20006-4759

Joseph A. Dworetzky, Esquire
New Energy Ventures
Hangley Aronchick Segal & Pudlin
One Logan Square, 12th Floor
Philadelphia, PA 19103

Audrey Van Dyke, Esquire
Naval Facilities Engineering Command
Washington Navy Yard
Building 218, Room 200
901 M Street, SE
Washington, DC 20374-5018

Usher Fogel, Esquire
Pennsylvania Petroleum Association
Roland Fogel Koblenz & Carr LLP
1 Columbia Place
Albany, NY 1227

Gordon Smith, Esquire
John & Hengerer
1200 17th Street, NW, Suite 600
Washington, DC 20036-3006

Stephanie A. Sugrue, Esquire
QST Energy, Inc.
Duane, Morris & Heckscher, LLP
1667 K Street NW, Suite 700
Washington, DC 20006-1608

Vincent J. Walsh, Jr., Esquire
Southeastern PA Transportation Authority
1234 Market Street, Fifth Floor
Philadelphia, PA 19107-3780

Lance Haver
6048 Ogontz Avenue
Philadelphia, PA 19141

Tanya J. McCloskey, Esquire
Steven Steinmetz, Esquire
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17120

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

Kenneth Mickens, Esquire
Charles Daniel Shields, Esquire
Pennsylvania Public Utility Commission
Office of Trial Staff
Pitnick Building
Harrisburg, PA 17105-3265

David M. Kleppinger, Esquire
Derrick P. Williamson, Esquire
PAIEUG
McNees Wallace & Nurick
100 Pine Street
Harrisburg, PA 17108

Terrance Fitzpatrick, Esquire
David DeSalle, Esquire
GPU Energy
Ryan Russell Ogden & Seltzer
800 North Third Street, Suite 101
Harrisburg, PA 17102

Walter W. Cohen, Esquire
Andrew J. Giorgione, Esquire
Indianapolis Power & Light Company
204 State Street
Harrisburg, PA 17101

Daniel Clearfield, Esquire
Enron Corp.
Wolf Block Schorr & Solis-Cohen
401 North Front Street
Harrisburg, PA 17101

Robert A. Mills, Esquire
Pennsylvania Retailers' Association
McNees Wallace & Nurick
100 Pine Street
PO Box 1166
Harrisburg, PA 17108-1166

Linda C. Smith, Esquire
AARP
Dilworth Paxson Kalish & Kauffman
305 North Front Street
Suite 403
Harrisburg, PA 17101

Joseph J. Malatesta, Jr., Esquire
Lillian Smith Harris, Esquire
Municipal Intervenors Group
Malatesta Hawke & McKeon LLP
PO Box 1778
Harrisburg, PA 17105

Craig A. Doll, Esquire
Delmarva Power & Light Company
214 State Street
Harrisburg, PA 17101

John J. Gallagher, Esquire
Zsuzsanna E. Benedek, Esquire
Enron Energy Services, Power, Inc.
LeBouef, Lamb, Greene & MacRae
200 North Third Street, Suite 300
P.O. Box 12105
Harrisburg, PA 17108-2105

Bruce A. Connell, Esquire
DuPont Power Marketing, Inc.
600 North Dairy Ashford, ML-1034
Houston, TX 77079

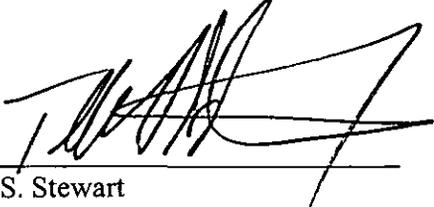
Gary A. Jeffries, Esquire
CNG Energy Services Corporation
One Park Ridge Center
P.O. Box 15746
Pittsburgh, PA 15244-0746

Paul L. Ziegler, Esquire
Delaware Valley Schools
Energy/Utility Consortium
Ziegler & Zimmerman, PC
355 North 21st Street, Suite 304
P.O. Box 1080
Camp Hill, PA 17011-3707

Ethan Giddings
217 Rodman Avenue
Jenkintown, PA 19046

Michael L. Kessler
Vice President and General Counsel
American Energy Solutions, Inc.
111 South Alfred Street
Alexandria, VA 22314

Susan Shanaman, Esquire
Center for Energy and Economic
Development
212 North Third Street, Suite 203
Harrisburg, PA 17101-1505



Todd S. Stewart

DATED: July 22, 1998

RECEIVED
98 JUL 22 AM 9:15
PA.P.U.C.
SECRETARY'S BUREAU

COMMONWEALTH OF PENNSYLVANIA

DATE: July 24, 1998

SUBJECT: R-00973953, P-00971265

TO: Law Bureau

FROM:  James J. McNulty, Secretary

KJR

APPLICATION OF PECO ENERGY COMPANY FOR APPROVAL OF ITS
RESTRUCTURING PLAN - COMPETITIVE METERING AND
COMPETITIVE BILLING SPECIFICATIONS

Attached is copy of Peco Energy Company's Petition for Reconsideration, Clarification, Amendment and Extension of Time of the Order Entered July 1, 1998 filed in connection with the above docketed proceeding.

This matter is assigned to your Bureau for appropriate action.

Attachment

cc: BCS
CEEP

wjz

DOCKETED

JUL 27 1998

DOCUMENT
FOLDER

LAW OFFICES
WOLF, BLOCK, SCHORR AND SOLIS-COHEN LLP

212 LOCUST STREET
SUITE 300
HARRISBURG, PA 17101-0213
(717) 237-7160
FACSIMILE: (717) 237-7161

ORIGINAL

DANIEL CLEARFIELD
DIRECT DIAL: (717) 237-7173
E-MAIL: DCLEARFIELD@WOLFBLOCK.COM

July 24, 1998

VIA HAND DELIVERY

James McNulty, Secretary
PA Public Utility Commission
B-20 North Office Bldg.
P.O. Box 3265
Harrisburg, PA 17105-3265

DOCUMENT
FOLDER

RECEIVED
98 JUL 24 PM 3:47
PA.P.U.C.
SECRETARY'S BUREAU

RE: Application of PECO Energy Company for Approval of its
Restructuring Plan Under Section 2806 of the Public
Utility Code; Docket No. R-00973953

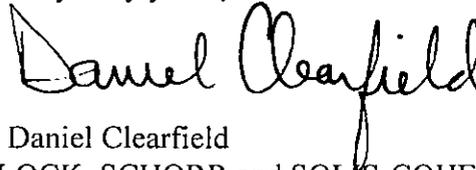
KJR

Dear Mr. McNulty:

Enclosed for filing please find the original and three copies of Enron Power Marketing, Inc.'s Answer to Petition for Reconsideration in the above-referenced matter.

As evidenced by the attached Certificate of Service, all parties of record have been served in the manner indicated.

Very truly yours,



Daniel Clearfield
For WOLF, BLOCK, SCHORR and SOLIS-COHEN LLP

DC/jlg
Enclosures

cc: Parties of Record (w/enc)

CERTIFICATE OF SERVICE

ORIGINAL

I hereby certify that I have this day served a true copy of the foregoing documents upon the participants listed below, in accordance with the requirements of § 1.54 (relating to service by a participant):

FIRST CLASS MAIL

Paul R. Bonney
Ward L. Smith, Esq.
PECO Energy Company
2301 Market Street, S23-1
Philadelphia, PA 19103

Steven P. Hershey, Esquire
Community Legal Services, Inc.
1424 Chestnut Street
Philadelphia, PA 19102

Tanya McCloskey, Esquire
Steven K. Steinmetz, Esquire
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1921

David Kleppinger, Esquire
Derrick Williamson, Esquire
Robert A. Mills, Esquire
McNees, Wallace & Nurick
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166

Joseph A. Dworetzky, Esquire
John P. Lavell, Jr., Esquire
Hangley Aronchick Setgal & Pudlin
One Logan Square, 12th Floor
Philadelphia, PA 19103

Michael G. Banta, Esquire
Indianapolis Power & Light
One Monument Circle
Indianapolis, Indiana 46204

RECEIVED
98 JUL 24 PM 3:47
PA.P.U.C.
SECRETARY'S BUREAU

Christopher B. Craig, Esq.
Democratic Committee on Appropriations
Room 545, Main Capitol Bldg.
Harrisburg, PA 17120

Kenneth L. Mickens, Esquire
Pennsylvania Public Utility Comm.
901 North 7th Street
P.O. Box 3256
Harrisburg, PA 17105-3265

Lance Haver
6048 Ogontz Ave.
Philadelphia, PA 19141

Bernard A. Ryan, Esquire
Karen Oill Moury, Esquire
Assistant Small Business Advocate
Suite 1102 Commerce Building
300 N. 2nd Street
Harrisburg, PA 17101

Linda C. Smith, Esquire
Dilworth, Paxson, Kalish & Kauffman
305 North Front Street, Suite 403
Harrisburg, PA 17101

Roger E. Clark, Esquire
905 Denston Drive
Ambler, PA 19002

Craig A. Doll, Esquire
214 State Street
Harrisburg, PA 17101

Walter W. Cohen, Esquire
Andrew J. Giorgione, Esquire
Obermayer, Rebmann, Maxwell & Hippel, LLP
204 State Street
Harrisburg, PA 17101

Terence Fitzpatrick, Esquire
David Desalle, Esquire
Ryan, Russell, Ogden & Seltzer
800 North Third Street, Suite 101
Harrisburg, PA 17102

Janet Miller, Esquire
Joseph J. Malatesta, Jr., Esquire
Lillian Smith Harris, Esquire
Malatesta Hawke & McKeon
100 North Tenth Street
P.O. Box 1778
Harrisburg, PA 17105-1778

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

Donald Kaplan, Esquire
Preston, Gates, et al.
Suite 500
1735 New York Ave., NW
Washington, DC 20006-4759

Roger Clark, Esquire
NESIP 905 Denston Drive
Ambler, PA 19002-3901

John L. Munsch, Esquire
Allegheny Power
800 Cabin Hill Drive
Greensburg, PA 15601

Bruce A. Connell, Esquire
DuPont Power Marketing, Inc.
Legal Department
600 N. Dairy Ashford, ML-1034
Houston, TX 77079

David M. Wise
WiseEnergy
615 Summitt Avenue
Maplewood, NJ 07040

Joel D. Newton, Esquire
Verner, Liipfert, Bernhard, McPherson & Hand
901 15th Street, N.W., #700
Washington, DC 20005-2301

Audry Van Dyke, Assoc. Counsel (Litigation)
Naval Facilities Engineering Command
Washington Navy Yard,
Building 218, Room 200
901 M. Street, SE
Washington, DC 20374-5018

Usher Fogel
Roland, Fogel, Koblenz & Carr, LLP
1 Columbia Place
Albany, NY 12207

Gordon J. Smith, Esquire
John & Hengerer
1200 17th Street, N.W., Suite 600
Washington, DC 20036-3006

John R. Orr, Esquire
Duke Energy Trading and Marketing, LLC
One Westchase Center, Suite 650
10777 Westheimer
Houston, TX 77042

Barbara Alexander
Consumer Affairs Consultant
15 Wedgewood drive
Winthrop, ME 04364

Richard LaCapra
Lee Smith
The Province Building
333 Washington Street
Boston, MA 02108

Thomas Catlin
Exeter Assoc., Inc.
12510 Prosperity Drive, Suite 350
Silver Spring, MD 20904

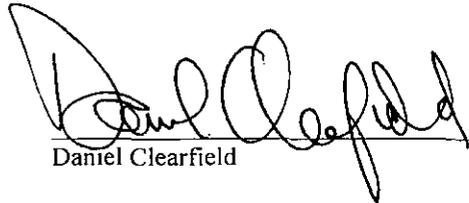
Nancy Brockway, Esquire
18 Tremont Street, Suite 400
Boston, MA 02108

Stephen J. Baron
J. Kennedy and Associates, Inc.
35 Glanlake Parkway, Suite 475
Atlanta, GA 30328

Mr. Sam DeFrawi
Director, Navy Rate Intervention
Washington Navy Yard
Building 212, Code 00RI
901 M. Street, S.E.
Washington, DC 20374-5018

John P. Zinkand
Penna. Petroleum Assoc.
Building 2, Suite 121
2001 N. Front Street
Harrisburg, PA 17102

Richard Silkman
76 Main Street
Yarmouth, ME 04096



Daniel Clearfield

Dated: July 24, 1998

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

DOCUMENT
FOLDER

Application of PECO Energy Company : Docket No. R-00973953
for Approval of its Restructuring Plan Under
Section 2806 of the Public Utility Code

DOCKETED

JUL 28 1998

ENRON POWER MARKETING, INC.'S
ANSWER TO PETITION FOR RECONSIDERATION

RECEIVED
98 JUL 24 PM 3:47
PA.P.U.C.
SECRETARY'S BUREAU

Enron Power Marketing Inc. ("Enron"), by its counsel, submits this Answer to the Petition submitted by PECO Energy Company ("PECO") requesting the Commission to reconsider its July 1, 1998 Order Implementing Competitive Metering and Billing Arrangements as part of PECO's restructuring plan. Through its petition, PECO attempts to relitigate issues which were comprehensively addressed by all parties, including PECO, through comments filed with the Commission on or about June 3, 1998. PECO's arguments raised now are virtually identical to those which were already unsuccessfully argued before the Commission and do not merit reconsideration at this time.

Specifically, PECO contests the Commission's determination that a different electric generation supplier ("EGS") can be selected by a customer to provide metering and/or billing services than the EGS selected by the customer to provide energy supply. Furthermore, PECO also argues that the Commission should impose an obligation on EGSs which requires them to offer all billing service options to all customers if they are offered to a single customer,

regardless of the customer's particular characteristics. Neither claim lacks merit and both should be denied by the Commission.

In its attempt to relitigate these issues, PECO claims that the Commission determinations which were specifically contemplated by the Settlement Agreements are inconsistent with language of the Agreement and that matters which were comprehensively negotiated were never discussed by the settling parties. Its attempt to rewrite the history of the settlement should be rejected. Furthermore, PECO's argument that Chapter 56 somehow imposes a duty to offer certain billing service options to all customers in PECO's service territory attempts to insert meaning into Chapter 56 which is inconsistent with its express language and is well beyond the traditional and appropriate interpretation.

Finally, PECO's request for additional time to implement the Commission's July 1, 1998 Order should be rejected. The metering and billing specifications which are now in effect were negotiated and established in an extremely short period of time. There is simply no legitimate reason why the remaining issues pertaining to multiple EGSs serving one customer cannot be finalized to allow implementation on January 1, 1999.

In support of its Answer, Enron states specifically as follows:

1. In paragraphs one through five of its Petition, PECO accurately characterizes the procedural history of implementation of Appendix C of the Settlement Agreement addressing competitive billing and metering specifications.

2. In paragraph 6 of the Petition, PECO correctly indicates that the standard governing its reconsideration petition is well settled and was established in Duick v. Pennsylvania Gas and Water Company, 56 Pa.PUC 533 (1982). Under the Duick standard,

however, attempts by parties to relitigate or raise issues for a second time should be summarily rejected and only "new and novel arguments" or overlooked issues can be considered. However, while PECO makes a blanket statement that "As set forth below, this Petition satisfies the Quick criteria," review of the remainder of PECO's decision reveals just the opposite. PECO is essentially raising the exact issues and the exact arguments it raised in its June 3, 1998 Comments. Under Quick, PECO's petition should be summarily rejected.

A. Provision of Billing and Metering Services by Different EGSs.

3. PECO raises a variety of concerns related to the provision of billing, metering and generation supply services by different EGSs. PECO first regurgitates its argument that service of a customer by multiple EGSs is "inconsistent" with the Joint Settlement. Of course, this was the exact issue before the Commission when it concluded in its July 1, 1998 Order as follows:

We have reviewed the language of the settlement to determine whether it states that any competitive EGS may provide billing and metering service to an end user, whether or not it has a supplier relationship to the customer. Our review indicates that there is nothing in the settlement that restricts the offering in the manner suggested by PECO and OCA. The heart of the agreement between the parties was that competition was to be introduced into the provision of billing and metering services. Restricting the provision of billing services based solely upon whether the entity supplying those service also sells electricity is a departure from the intent of the parties and a return to the obsolete utility-based command and control model which the legislature and this Commission has eschewed.

Order Implementing Competitive Metering and Billing Arrangements, p. 8 (emphasis added).

Enron strongly agrees with the Commission's review of the language of the Settlement Agreement and states for the record that as an active participant in the settlement negotiations, it

always envisioned that multiple EGSs could provide service to a given customer. As the Commission recognized, allowing and, in fact, promoting such innovative arrangements is the essence of a competitive environment. If customers receive benefit and exercise choice to receive billing, metering and generation supply services from different EGSs, neither the Commission or any other party should stand in their way.

4. PECO's next claim that regardless of the treatment of metering services, the provision of billing services by a different EGS was never even raised by a party until the June 3 comments to the Commission is simply untrue. From Enron's perspective, the issues discussed in the negotiations was whether multiple EGSs could provide service to a given customer. While the primary focus may have been on metering, the general focus certainly included billing services as well. Furthermore, from a policy perspective, there is no rational reason why a different EGS could not provide billing services if that was the arrangement desired by the customer. Enron agrees with PECO that the Settlement Agreement provides for three separate billing arrangements (1) consolidated EDC billing; 2) a consolidated EGS bill; and 3) separate EDC/EGS bills), however, nothing in the Settlement Agreement can be reasonably read to dictate that the same EGS provide one of the three billing arrangements as the EGS providing generation supply.

5. As to metering services, PECO completely misstates the facts surrounding the negotiations on this issue. Contrary to PECO's assertion in paragraph 12 of its Petition, the issue of whether multiple EGSs could serve a customer was discussed prior to execution of the Settlement Agreement. The fact PECO was able to defer finally resolving the issue until the Commission resolved it does not provide support for its contentions that the Commission's

determination should now be reversed. In fact, if this issue had been resolved in the negotiations, any necessary, additional specifications would likely already be finalized.

6. Nor does PECO's plea for additional time justify the relief requested. The entire array of billing and meter specifications were negotiated in a period of less than 30 days. This one remaining issue should be resolved easily and does not involve the time and effort that PECO suggests. While Enron has no way of substantially disputing the Company's description of required software modifications, the Commission should not accept such assertions on their face and should, if concerns remain, require these potential problems to be worked out by interested parties. If negotiating parties reach consensus that additional time is necessary, than an extension can be provided for at that time.

B. The Billing Options Obligation.

7. Without support, PECO blindly argues that Chapter 56 somehow requires EGSs to comply with an "obligation to bill" under which the EGS would have to offer all of its billing options to all of its customers. No provision of Chapter 56 supports such a result.¹

8. Apparently PECO is referring to the provisions of Chapter 56 which establish credit and deposit standards applicable to residential customers. 52 Pa. Code §§56.31 et seq. However, these provisions have no application here. The credit and deposit standards govern when a residential customer selects an available EGS electric service offering. Nothing in these

¹ PECO makes this argument without citing a single specific provision of Chapter 56.

provisions or any other provision of Chapter 56 expressly or implicitly governs the content of any service offering much less the billing options which must be offered to a given customer.

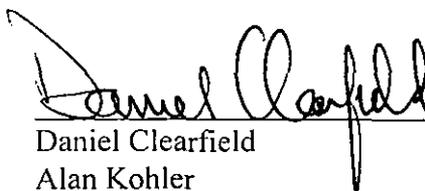
PECO's contention is tantamount to arguing that any service offered by an EGS is a "utility" service as to which an obligation to serve all comers attaches. This view is obviously nonsensical and one which PECO would be the first to resist if it were argued to apply to PECO's provision of non-generation services.

9. Moreover, it is hard to understand PECO's legitimate interest in this issue. PECO's obligation to provide services to customers, including billing services, as the "Provider of Last Resort" is statutory and clear. If PECO wishes to terminate its obligations as PLR it can petition the PUC for the opportunity to do so. The obligation of EGSs with respect to offering different billing services apply equally to all EGSs — including PECO-Horizon/Exelon. Thus, all similarly situated market participants are treated the same under the PUC's rules.

10. In addressing this issue, the Commission merely rejected a blanket "obligation to provide billing options but cautioned EGSs against unreasonable discriminatory behavior. The Commission's Order constitutes a fair balance between enabling marketplace freedom and protecting customers and should be affirmed.

WHEREFORE, for all of the foregoing reasons, Enron respectfully requests the Commission to deny PECO's Petition for Reconsideration for all of the reasons stated herein.

Respectfully submitted,



Daniel Clearfield
Alan Kohler
WOLF, BLOCK, SCHORR and SOLIS-COHEN LLP
212 Locust Street, Suite 300
Harrisburg, PA 17101
(717) 237-7160

Attorneys for Enron Power Marketing, Inc.

Dated: July 24, 1998



ORIGINAL

OFFICE OF CONSUMER ADVOCATE

555 Walnut Street 5th Floor, Forum Place
Harrisburg, Pennsylvania 17101-1923
(717) 783-5048

IRWIN A. POPOWSKY
Consumer Advocate

FAX (717) 783-7152
E-Mail: paoca@ptd.net

DOCUMENT
FOLDER

July 28, 1998

James J. McNulty, Secretary
PA Public Utility Commission
Room B-20, North Office Bldg.
Harrisburg, PA 17105-3265

RECEIVED
98 JUL 28 PM 4:03
PA.P.U.C.
SECRETARY'S BUREAU

Re: Application of PECO Energy Company
For Approval of its Restructuring Plan under
Section 2806 of the Public Utility Code
Docket No. R-00973953

Dear Secretary McNulty:

Please change your records in the above captioned proceeding to reflect the revised address for the Office Consumer Advocate, effective immediately:

OFFICE OF CONSUMER ADVOCATE
555 WALNUT STREET 5TH FL FORUM PLACE
HARRISBURG, PA 17101-1923

The street address line and zip code have changed. A copy of this letter has been served upon all parties of record.

Sincerely,

Steven K. Steinmetz
Assistant Consumer Advocate

DOCKETED

JUL 29 1998

Enclosures

cc: All parties of record
Honorable Marlane R. Chestnut
Honorable Charles E. Rainey, Jr.

47642

EEF

33



PECO ENERGY

ORIGINAL RECEIVED

JUL 28 1998

Alfred A. Miller
Director
Rates & Regulatory Affairs

PECO Energy Company
2301 Market Street
PO Box 8699
Philadelphia, PA 19101-8699
215 841 5760

PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

July 28, 1998

Mr. James McNulty, Secretary
Pennsylvania Public Utility Commission
North Office Building - P. O. Box 3265
Harrisburg, PA 17105-3265

DOCUMENT
FOLDER

Subject: Supplement No. 17 to Tariff Electric Pa. P.U.C. No. 2 , effective August 14, 1998; Filed in Compliance with Order Entered at Docket Nos. R-00973953 and P-00971265

Dear Mr. McNulty:

PECO Energy Company has agreed to voluntarily postpone the effective date of Supplement No. 16 to Tariff Electric Pa P.U.C. No 2. Therefore, enclosed please find Supplement No. 17 to Tariff Electric Pa P.U.C. No. 2 with an effective date of August 14, 1998.

This supplement will be posted on PECO Energy's website (www.peco.com).

Would you please acknowledge receipt of this filing on the enclosed copy of this letter and return that copy in the business reply envelope provided for your convenience.

Sincerely,

- cc: Certificate of Service
- John M. Quain, Chairman
- Aaron Wilson, Jr., Commissioner
- David W. Rolka, Commissioner
- Robert K. Bloom, Commissioner
- Nora Mead Brownell, Commissioner
- B. Bruin, Executive Director
- C. Walker-Davis, Esquire, Director - Office of Special Assistants
- M. A. Miller, Director, Bureau of Consumer Services
- R. F. Wilson, Bureau of Fixed Utility Services
- D. H. Muth, Director, Fixed Utility Services
- R. Bennett, Bureau of Fixed Utility Services

KJR

x:\tariffelec2\suplet17

30

PECO Energy Company

Electric Service Tariff

COMPANY OFFICE LOCATION

2301 Market Street
Philadelphia, Pennsylvania 19101

DOCUMENT
FOLDER

For List of Communities Served, See Page 4.

Issued July 28, 1998

Effective August 14, 1998

ISSUED BY: K. G. LAWRENCE - President
PECO Energy Distribution Company
2301 MARKET STREET
PHILADELPHIA, PA. 19101

(C)

DOCKETED
AUG 06 1998

NOTICE.

THIS SUPPLEMENT MAKES NO CHANGES IN EXISTING RATES

LIST OF CHANGES MADE BY THIS SUPPLEMENT
CHANGES

Title Page - K. G. Lawrence replaces C. A. McNeill as the officer responsible for the issuance of the tariff to reflect a change in the Company's management structure.

Net Securitization Adjustment (NSA) - (1st Revised Page No. 39A)
Net Securitization Adjustment has been added.

PECO ENERGY COMPANY

SUPERSEDING SIXTEENTH REVISED PAGE NO. 3

List of Changes Made by This Supplement	2 ¹⁷
List of Communities Served.....	4
How to Use Loose-Leaf Tariff.....	5
Definition of Terms and Explanation of Abbreviations.....	6,7,8
RULES AND REGULATIONS:	
1. The Electric Service Tariff	9
2. Service Limitations	10,11
3. Customer's Installation	12
4. Application for Service.....	13 ¹
5. Credit.....	14
6. Private-Property Construction.....	15
7. Extensions.....	16,17,18
8. Rights-of-Way.....	19
9. Introduction of Service.....	19
10. Company Equipment on Customer's Premises.....	20,21
11. Tariff Options on Applications for Service.....	21
12. Service Continuity	22
13. Customer's Use of Service	23
14. Measurement	24
15. Demand Determination.....	25
16. Tests	26
17. Standard Payment Terms.....	27,28 ¹
18. Termination by Company	29
19. Unfulfilled Contracts	29
20. Cancellation by Customer.....	30
21. General	30
STATE TAX ADJUSTMENT CLAUSE.....	31 ²
ENERGY COST ADJUSTMENT	32 ¹ ,33 ¹ ,34 ¹ ,35 ¹ ,36 ¹ ,37 ¹
LIMERICK SETTLEMENT ADJUSTMENT (LSA).....	38 ¹ ,39 ¹
NET SECURITIZATION ADJUSTMENT (NSA).....	39A ¹
RATES:	
Rate R Residence Service	40 ¹
Rate RT Residence Time-of-Use Service.....	41 ¹
Rate R-H Residential Heating Service.....	42 ¹
Rate CAP Customer Assistance Program	42A ² 42B
Rate OP Off-Peak Service.....	43 ¹
Rate R-S Solar Residence Service.....	43A ¹
Rate GS General Service.....	44 ¹ ,45 ⁴
Rate PD Primary-Distribution Power.....	46 ¹
Rate HT High-Tension Power.....	47 ¹
Rate POL Private Outdoor Lighting	48 ³ ,49 ¹
Rate SL-P Street Lighting in City of Philadelphia.....	50 ¹ ,51,52
Rate SL-S Street Lighting-Suburban	53 ¹ ,54
Rate SL-E Street Lighting Customer-Owned Facilities.....	55 ¹ ,56
Rate TL Traffic Lighting Service	57 ¹
Rate BLI Borderline Interchange Service.....	58 ¹
Rate EP Electric Propulsion	59 ¹
RIDERS:	
Applicability Index of Riders	60 ²
Alley Lighting Rider	61 ¹
Auxiliary Service Rider	62,63 ¹ ,64
Casualty Rider.....	65
Construction Rider.....	66
Cooling Thermal Storage HT Rider.....	67
Curtailment HT Rider.....	68
Electric Vehicle Charging Rider	69
Emergency Energy Conservation Rider.....	70
Employment and Economic Recovery Rider.....	71,72 ² ,73
Investment Return Guarantee Rider	74
Night Service GS Rider	75
Night Service HT Rider.....	76
Large Interruptible Load Rider	77,78,79 ¹
Night Service PD Rider.....	80
Off-Peak Rider.....	81
Receivership Rider	82
Temporary Service Rider.....	83
Transformer Rental Ride	84
Economic Efficiency Rider.....	85 ²
Capacity Reservation Rider.....	86
Seasonal Capacity Charge Service Rider.....	87 ²
Interruptible Rider.....	88,89,90 ¹
Incremental Process Rider	91,92 ¹
Retail Access Pilot Rider.....	93-114

Net Securitization Adjustment (NSA)

In addition to the net charges provided for in this tariff, values as indicated in the table below will be applied to all service on their effective date.

The NSA is comprised of two separate factors, the Securitization Rate Reduction (SRR) and the Intangible Transition Charge (ITC) which will always net to zero in accordance with the terms of the Joint Petition for Full Settlement approved by Commission Order entered May 14, 1998 at Docket Nos. R-00973953 and P-00971265. The factors as described below will initially become effective on 10 days notice to the Commission. The SRR and ITC will be recalculated as follows:

- (1) whenever new transition bonds are issued as evidenced by the issuance date of the bonds.
- (2) annually, to reconcile unamortized Qualified Transition Expense (QTE) principal balance.

Securitization Rate Reduction (SRR)

The SRR is a credit to the Company's applicable PaPUC jurisdictional base rate charges, expressed as a percentage of such charges, reflecting a revenue requirement reduction arising from the Company's securitization of generation-related costs.

Intangible Transition Charge (ITC)

The ITC as set forth in The Electricity Generation Customer Choice and Competition Act, 66 Pa. C. S. §2801, et seq., is a charge that is added to, and expressed as a percentage of, the Company's applicable PaPUC jurisdictional base rate charges reflecting the revenue requirement necessary to amortize the QTE principal balance.

Effective Rate Table

<u>Rate Class</u>	<u>SRR</u>	<u>ITC</u>	<u>NSA</u>
R	xx.xxxx%	xx.xxxx%	0
RT	xx.xxxx%	xx.xxxx%	0
R-H	xx.xxxx%	xx.xxxx%	0
CAP	xx.xxxx%	xx.xxxx%	0
OP	xx.xxxx%	xx.xxxx%	0
R-S	xx.xxxx%	xx.xxxx%	0
GS	xx.xxxx%	xx.xxxx%	0
PD	xx.xxxx%	xx.xxxx%	0
HT	xx.xxxx%	xx.xxxx%	0
POL	xx.xxxx%	xx.xxxx%	0
SL-P	xx.xxxx%	xx.xxxx%	0
SL-S	xx.xxxx%	xx.xxxx%	0
SL-E	xx.xxxx%	xx.xxxx%	0
TL	xx.xxxx%	xx.xxxx%	0
BLI	xx.xxxx%	xx.xxxx%	0
EP	xx.xxxx%	xx.xxxx%	0

HANGLEY ARONCHICK SEGAL & PUDLIN
ATTORNEYS AT LAW • A PROFESSIONAL CORPORATION

ORIGINAL

WILLIAM T. HANGLEY
MARK A. ARONCHICK
DANIEL SEGAL
DAVID B. PUDLIN
ALAN KLEIN
MYRON A. BLOOM
JOSEPH A. DWORETZKY
RICHARD J. GOLDSTEIN
BRUCE S. HAINES
JOHN S. SUMMERS
DAVID M. SCOLNIC
SARA M. STAMAN
CURTIS L. GOLKOW
JOHN P. LAVELLE, JR.
DAVID J. WOLFSOHN
LESLIE T. BRADLEY
MICHAEL LIEBERMAN
YVONNE LEE CLAYTON
ANDREW K. FLETCHER
KIMBERLY M. HULT
LUKE E. DEMBOSKY
EDMOND J. GHISU
ALICE E. HARVEY
KAREN E. LEONARD
SHARON F. MCKEE

ONE LOGAN SQUARE
TWELFTH FLOOR
PHILADELPHIA, PENNSYLVANIA 19103-6933

FACSIMILE: 215-568-0300

20 BRACE ROAD
SUITE 201
CHERRY HILL, NEW JERSEY 08034

FACSIMILE: 609-616-2170

DOCKETED

AUG 06 1998

160313

Direct Dial:

(215) 496-7014

E-mail Address:

jdworetzky@hanglely.com

DOCUMENT July 28, 1998
FOLDER

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Room B-20, North Office Building
North Street and Commonwealth Avenue
Harrisburg, PA 17105-3265

RECEIVED
SECRETARY'S BUREAU
98 JUL 31 AM 9:24

Re: **PECO Energy's Petition for Reconsideration of Order
Entered July 1, 1998 (Metering and Billing)
Dockets R-00973953; P-00971265**

KJH

Dear Mr. McNulty:

Please accept this letter on behalf of Conectiv Energy in the above matter.

Our office represented Conectiv in connection with the metering and billing performance standards. I attended several days of the meetings with PECO. Conectiv and Enron filed joint comments on the proposed metering and billing documents.

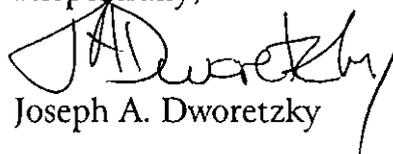
Despite our participation in the process, PECO failed to serve its Petition for Reconsideration on my office. The first I learned of the motion was yesterday when I received a copy of Enron's opposition to the Petition. We immediately called PECO and learned that we were not on PECO's service list. PECO provided me with a copy of its Petition by fax yesterday.

3)

James J. McNulty, Secretary
July 28, 1998
Page 2

Given the delay in notice we will not separately respond to PECO's Petition. However, we oppose the Petition and join in Enron's opposition for the reasons stated therein.

Respectfully,



Joseph A. Dworetzky

JAD:kbs

cc: Service List (Fax)



PECO ENERGY
July 28, 1998

ORIGINAL

Alfred A. Miller
Director
Rates & Regulatory Affairs

PECO Energy Company
2301 Market Street
PO Box 8699
Philadelphia, PA 19101-8699
115 441 5780

RECEIVED

JUL 29 1998

Mr. James McNulty, Secretary
Pennsylvania Public Utility Commission
North Office Building
Harrisburg, PA 17105-3265

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Dear Mr. McNulty:

Subject: Tariff Electric Pa. P.U.C. No. 3, effective January 1, 1999; Filed in Compliance with Orders Entered May 14, 1998 and July 1, 1998 at Docket Nos. R-00973953 and P-00971265.

Enclosed for filing with the Commission are eight copies of two replacement pages to Tariff Electric Pa P.U.C. No. 3. The first replacement page (Original Page No. 20) deletes the words "and for whom it provides Competitive Energy Supply" at Rule 14.1. The cover letter with our July 9, 1998 compliance filing indicated this change was made although the tariff page was never actually modified. The second replacement page (Original Page No. 101) adds the transmission rate applicable for the LILR which was previously omitted.

Would you please acknowledge receipt of this filing on the enclosed copy of this letter and return that copy in the business reply envelope provided for your convenience.

Sincerely,

**DOCUMENT
FOLDER**

cc: Certificate of Service
John M. Quain, Chairman
Aaron Wilson, Jr., Commissioner
David W. Rolka, Commissioner
Robert K. Bloom, Commissioner
Nora Mead Brownell, Commissioner
B. Bruin, Executive Director
C. Walker-Davis, Esquire, Director - Office of Special Assistants
M. A. Miller, Director, Bureau of Consumer Services
R. F. Wilson, Bureau of Fixed Utility Services
D. H. Muth, Director, Fixed Utility Services
R. Bennett, Bureau of Fixed Utility Services

BTL

54

FOLDER

12.6 RELOCATION OF DELIVERY POINT. In the event that the Company shall be required by any public authority to place underground any portion of its mains, wires, or service-supply lines, or relocate any poles or feeders, the customer, at the customer's own expense, shall change the location of his point of delivery to a point readily accessible to the new location.

13. CUSTOMER'S USE OF SERVICE

13.1 REALE OF SERVICE. Pursuant to Section 1313 of the Public Utility Code, 66 Pa. C.S. § 1313, a customer may resell Energy and Capacity and/or service provided by PECO Energy, and pass on CTC/ITC charges, if: (1) the Company provides such service under a single contract at one application of an available Base Rate and for the total requirements of the premises served, and (2) the location and use of the service conforms to the availability requirements of this Tariff for provision to the customer for the customer's own account.

All residential units connected after May 10, 1980, except those dwelling units under construction or under written contract for construction as of that date must be individually metered by either the Company, the MSP or the landlord for their basic electric service supply. Centrally supplied master metered heating, cooling or water heating service may be provided if such supply will result in energy conservation. The charges for residential submetered electric service to tenants shall not exceed the unbundled charges for service to such tenants under the Company's applicable rate schedules.

The requirements for individually metered dwelling units in new construction may be waived at the sole discretion of the Company. Such waiver will only be granted when the owner can demonstrate to the Company that there are valid reasons for such waiver and that there will not be a significant impact on the consumption of an individual customer.

13.2 FLUCTUATIONS. Electric service must not be used in such a manner as to cause unusual fluctuations or disturbances in the Company's supply system, and, in the case of violation of this rule, the Company may discontinue service, or require the customer to modify the installation and/or equip it with approved controlling devices.

13.3 TYPE OF INSTALLATIONS. Motor and other installations connected to the Company's lines must be of a type to use minimum starting current and must conform to the requirements of the Company as to wiring, character of equipment, and control devices.

13.4 UNBALANCED LOAD. The customer shall at all times take, and use, energy in such manner that the load will be balanced between phases to within nominally 10%. In the event of unbalanced polyphase loads, the Company reserves the right to require the customer to make the necessary changes at the customer's expense to correct the unsatisfactory condition, or to compute the demand used for billing purposes on the assumption that the load on each phase is equal to that on the greatest phase.

13.5 ADDITIONAL LOAD. The service connection, transformers, meters and equipment supplied by the Company for each customer, have definite capacity, and no additions to the equipment or load connected thereto will be allowed except by consent of the Company.

13.6 CHANGE OF INSTALLATION. The customer shall give immediate written notice to the Company of any proposed increase or decrease in, or change of purpose or location of, the installation.

13.7 FAILURE TO GIVE NOTICE. Failure to give notice of additions or changes in load or location shall render the customer liable for any damage to the meters or their auxiliary apparatus, or the transformers, or wires, of the Company, caused by the additional or changed installation.

DOCKETED

14. METERING

F116 07 1998

14.1 SUPPLY OF METERS. An EGS that is also an MSP may provide Advanced Meter Services to its Customers that have Advanced Meters, in accordance with Appendix C of the Joint Petition for Full Settlement. Otherwise, subject to Rules 14.3 and 14.9, the measurement of service for billing purposes shall be by meters furnished and installed by the Company. The Company will select the type and make of metering equipment to be used for meters supplied by the Company, and may, from time to time, change or alter the equipment, its sole obligation being to supply meters that will accurately and adequately furnish records for billing purposes. In fulfilling its obligations with respect to metering and meter reading, and with respect to EGSs that provide Advanced Meter Services, the Company will comply with Appendix C to the Joint Petition for Full Settlement.

14.2 SPECIAL MEASUREMENTS. The Company shall have the right, at its option and its own expense, to place demand meters, reactive-component meters, or other instruments, on the premises of any customer except for any customer for whom an EGS is providing Advanced Meter Services, for the purpose of measuring the demand and/or the power factor, or for other tests of all, or any part, of the customer's load.

14.3 CUSTOMER REQUEST FOR SPECIAL METER. If a customer for whom the Company is providing either metering and meter reading or Advanced Meter Services wishes to replace its billing metering equipment, to the extent technically possible, the Company will offer, provide and support a selection of qualified meters and will perform installation within a reasonable amount of time

Transmission Charges (continued)
Per lighting unit (except where noted)

Mercury Vapor	
4000 Lumens	\$3.60
8000 Lumens	\$3.81
12000 Lumens	\$4.06
20000 Lumens	\$4.77
42000 Lumens	\$6.79
59000 Lumens	\$7.66
Sodium Vapor	
5800 Lumens	\$3.58
9500 Lumens	\$3.89
16000 Lumens	\$4.37
25000 Lumens	\$4.96
50000 Lumens	\$5.91
Rate SL-E	
Capacity Charge	\$0.00
Energy Charge	\$0.00
Rate TL	
Per kWh	0.58¢/kWh
	<u>Per kWh (except where noted)</u>
Rate EP	
Capacity Charge	\$1.03/KW
Energy Charge	0.08¢
Rate AL	
kWh	0.07¢
Auxiliary Service Rider	
Demand Charge kW	15.00¢/KW
Energy Charge kWh	
High Tension Voltage	0.40¢
Primary Voltage	0.48¢
Secondary Voltage	0.63¢
Interruptible Back-Up Power	
Energy Charge kWh	
High Tension Voltage	0.08¢
Primary Voltage	0.09¢
Secondary Voltage	0.30¢
Large Interruptible Load Rider	
Energy Charge kWh	0.50¢
Employment & Economic Recovery Rider	
Existing Location kWh	
Years 1-5	0.003¢
Year 6	0.002¢
Year 7	0.002¢
Year 8	0.001¢
Year 9	0.001¢
New Service Location kWh	
Years 1-5	0.051¢
Year 6	0.041¢
Year 7	0.030¢
Year 8	0.020¢
Year 9	0.010¢
Accelerated kWh	
Years 1-4	0.069¢
Seasonal Capacity Rider	
Capacity Charge kW	
Summer	\$1.49/KW
Winter	\$0.37/KW

ORIGINAL

GRAIG A. DOLL

ATTORNEY AT LAW

214 STATE STREET

HARRISBURG, PENNSYLVANIA 17101

R-973953

717/230-9555
FAX 717/230-9750

August 5, 1998

DOCKETED

AUG 12 1998

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

RECEIVED
98 AUG -6 AM 9:52
PA.P.U.C. BUREAU
SECRETARY'S BUREAU

**RE: Supplement No. 17 to Tariff Electric Pa.P.U.C. No. 2
PECO Energy Company**

Dear Mr. McNulty:

On August 3, 1998, we received a copy of PECO Energy's Supplement No. 17 to its Tariff No. 2. According to the cover letter, this supplement has the effect of extending the date for consideration of Supplement No. 16 which was filed July 9, 1998. Both supplements contain a "Net Securitization Adjustment" provision, described in the July 9, 1998 cover letter as bringing the Tariff "into compliance" with the Commission's Order of May 14, 1998.

It is noted that Tariff No. 3 is the restructuring tariff approved by the Commission's May 14, 1998 Order. It is unclear why a single provision of Tariff No. 3 should be filed in Tariff No.2 to the exclusion of all other restructuring tariff provisions under the guise of complying with the Commission's Order.

In addition, Conectiv Energy would note that some language has been added to the tariff provision approved in the Commission's May 14 Order. In its July 9, 1998 cover letter, PECO Energy did not advise that some language changes were being made. As a general matter, Conectiv Energy objects to any wording changes in the settlement's agreed upon and approved tariff without such changes being highlighted and fully justified so that the parties can comment on the proposed changes and the Commission can make

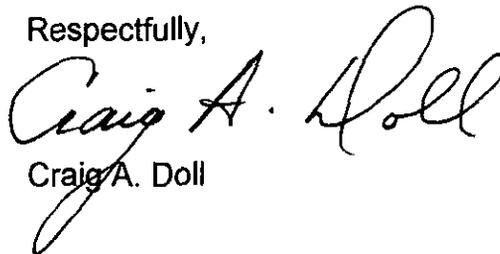
**DOCUMENT
FOLDER**

27

James J. McNulty
August 6, 1998
Page 2

an informed decision. Simply filing a changed tariff provision without explanation is not sufficient. See *generally*, 52 Pa. Code §§ 53.51, 53.52. Tariff Supplement No. 17 should, therefore, be rejected.

Respectfully,

A handwritten signature in black ink that reads "Craig A. Doll". The signature is written in a cursive style with a large, looping "D" at the end.

Craig A. Doll

CAD/kmv

cc: All Parties of Record

John M. Quain, Chairman

Robert K. Bloom, Vice Charirman

David W. Rolka, Commissioner

Nora Mead Brownell, Commissioner

ORIGINAL



Bruce A. Connell
General Counsel

DuPont Power Marketing Inc.
600 N. Dairy Ashford, ML1034
P.O. Box 4783
Houston, TX 77210
(281) 293-1736
Fax: (281) 293-3826

DOCUMENT
FOLDER

August 5, 1998

RECEIVED

AUG 05 1998

Mr. James J. McNulty, Sec.
Pennsylvania Public Utility Commission
Room B20 North Office Bldg.
Commonwealth and North Street
Harrisburg, PA 17120

PENNSYLVANIA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Re: *PECO Energy Company*
Docket No. R-00973953

Dear Mr. McNulty:

Enclosed please find one original and fifteen copies of the Motion of DuPont Power Marketing Inc. for Withdrawal of Intervention in the above-referenced proceeding.

Please stamp and return the extra copy of this submission in the enclosed envelope

Sincerely,

Bruce A. Connell
E.S.B.

cks
Enc.

cc: PECO Energy Company
Parties on Official Service List

66

RECEIVED

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION AUG 05 1998

THE PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

PECO Energy Company

§
§
§

Docket No. R-00973953

MOTION OF DUPONT POWER MARKETING INC.
FOR WITHDRAWAL OF INTERVENTION

Pursuant to the rules and procedures of the Pennsylvania Public Utility Commission, 52 Pa. Code @ 5.71, *et seq.*, DuPont Power Marketing Inc. ("DPMI") hereby moves to withdraw its intervention in the above-captioned proceeding and to be removed from the service list.

Respectfully submitted,

DOCUMENT
FOLDER

Bruce A. Connell
Bruce A. Connell, Esq. *EAB*
Attorney for
DuPont Power Marketing Inc.
600 N. Dairy Ashford, ML-1034
Houston, Texas 77079
(281) 293-1736

August 5, 1998

DOCKETED

AUG 10 1998

CERTIFICATE OF SERVICE

I hereby certify that PECO Energy Company and all parties listed on the official service list.

Dated at Houston, Texas this 5 day of August, 1998.

Service By First Class Mail:

Paul R. Bonney, Esquire
Noel H. Trask, Esquire
Michael A. Carvin, Esquire
PECO Energy Company
2301 Market Street
PO Box 8699
Philadelphia, PA 19101-8699

John L. Munsch, Esquire
Allegheny Power Corporation
800 Cabin Hill Drive
Greensburg, PA 15601

Paul E. Russell, Esquire
Pennsylvania Power & Light Company
Two North Ninth Street
Allentown, PA 18101

Steven P. Hershey, Esquire
Community Legal Services, Inc.
1424 Chestnut Street
Philadelphia, PA 19102

Roger Clark, Esquire
Environmentalists
905 Denston Drive
Ambler, PA 19002-3901

Christopher B. Craig, Esquire
Senator Vincent Furno
Room 545 Main Capital Building
Harrisburg, PA 17120

Donald A. Kaplan, Esquire
Pennsylvania Power & Light Company
Suite 500
1735 New York Avenue, NW
Washington, DC 20006-4759

Joseph A. Dworetzky, Esquire
New Energy Ventures
Hangley Aronchick Segal & Pudlin
One Logan Square, 12th Floor
Philadelphia, PA 19103

Audrey Van Dyke, Esquire
Naval Facilities Engineering Command
Washington Navy Yard
Building 218, Room 200
901 M Street, SE
Washington, DC 20374-5018

Usher Fogel, Esquire
Pennsylvania Petroleum Association
Roland Fogel Koblenz & Carr LLP
1 Columbia Place
Albany, NY 1227

Gordon Smith, Esquire
John & Hengerer
1200 17th Street, NW, Suite 600
Washington, DC 20036-3006

Stephanie A. Sugrue, Esquire
QST Energy, Inc.
Duane, Morris & Heckscher, LLP
1667 K Street NW, Suite 700
Washington, DC 20006-1608

Vincent J. Walsh, Jr., Esquire
Southeastern PA Transportation Authority
1234 Market Street, Fifth Floor
Philadelphia, PA 19107-3780

Lance Haver
6048 Ogontz Avenue
Philadelphia, PA 19141

Tanya J. McCloskey, Esquire
Steven Steinmetz, Esquire
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17120

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

Kenneth Mickens, Esquire
Charles Daniel Shields, Esquire
Pennsylvania Public Utility Commission
Office of Trial Staff
Pitnick Building
Harrisburg, PA 17105-3265

David M. Kleppinger, Esquire
Derrick P. Williamson, Esquire
PAIEUG
McNees Wallace & Nurick
100 Pine Street
Harrisburg, PA 17108

Terrance Fitzpatrick, Esquire
David DeSalle, Esquire
GPU Energy
Ryan Russell Ogden & Seltzer
800 North Third Street, Suite 101
Harrisburg, PA 17102

Walter W. Cohen, Esquire
Andrew J. Giorgione, Esquire
Indianapolis Power & Light Company
204 State Street
Harrisburg, PA 17101

Daniel Clearfield, Esquire
Enron Corp.
Wolf Block Schorr & Solis-Cohen
401 North Front Street
Harrisburg, PA 17101

Robert A. Mills, Esquire
Pennsylvania Retailers' Association
McNees Wallace & Nurick
100 Pine Street
PO Box 1166
Harrisburg, PA 17108-1166

Linda C. Smith, Esquire
AARP
Dilworth Paxson Kalish & Kauffman
305 North Front Street
Suite 403
Harrisburg, PA 17101

Joseph J. Malatesta, Jr., Esquire
Lillian Smith Harris, Esquire
Municipal Intervenors Group
Malatesta Hawke & McKeon LLP
PO Box 1778
Harrisburg, PA 17105

Craig A. Doll, Esquire
Delmarva Power & Light Company
214 State Street
Harrisburg, PA 17101

John J. Gallagher, Esquire
Zsuzsanna E. Benedek, Esquire
Enron Energy Services, Power, Inc.
LeBouef, Lamb, Greene & MacRae
200 North Third Street, Suite 300
P.O. Box 12105
Harrisburg, PA 17108-2105

Bruce A. Connell, Esquire
DuPont Power Marketing, Inc.
600 North Dairy Ashford, ML-1034
Houston, TX 77079

Gary A. Jeffries, Esquire
CNG Energy Services Corporation
One Park Ridge Center
P.O. Box 15746
Pittsburgh, PA 15244-0746

Paul L. Ziegler, Esquire
Delaware Valley Schools
Energy/Utility Consortium
Ziegler & Zimmerman, PC
355 North 21st Street, Suite 304
P.O. Box 1080
Camp Hill, PA 17011-3707

Ethan Giddings
217 Rodman Avenue
Jenkintown, PA 19046

Michael L. Kessler
Vice President and General Counsel
American Energy Solutions, Inc.
111 South Alfred Street
Alexandria, VA 22314

Susan Shanaman, Esquire
Center for Energy and Economic
Development
212 North Third Street, Suite 203
Harrisburg, PA 17101-1505

Bruce A. Connell
Bruce A. Connell ^{Esq.}
600 N. Dairy Ashford, ML-1034
Houston, Texas 77079
(281) 293-1736



PECO ENERGY

Legal Department

ORIGINAL

PECO Energy Company
2301 Market Street
PO Box 8699
Philadelphia, PA 19101-8699
215 841 5544
Fax 215 568 3389

James W. Durham
Senior Vice President
and General Counsel

Edward J. Cullen, Jr.
Deputy General Counsel

Sandra H. Byrne
Legal Administrator

Paul R. Bonney
Ellen M. Cavanaugh
Jessica N. Cone
Todd D. Cutler
Harvey B. Dikter
Susan Sciamanna Foehl
Vilna Waldron Gaston
Gregory Golazeski
John C. Halderman
Mary McFall Hopper
Conrad O. Kattner
Kristopher Keys
Jeffrey J. Norton
Mark B. Peabody
Roslyn G. Pollack
Wendy Schermer
Richard S. Schlegel
Jenny P. Shulbank
Ward L. Smith
Delia W. Stroud
Dawn Getty Sutphin
Noel H. Trask
Ronald L. Zack
Assistant General Counsel

(215) 841-4256

August 7, 1998

FEDERAL EXPRESS

Mr. James McNulty, Secretary
Pennsylvania Public Utility Commission
North Office Building - P.O. Box 3265
Harrisburg, PA 17105-3265

**DOCUMENT
FOLDER**
KJR

Subject: Pennsylvania Public Utility Commission v. PECO Energy Company
Docket Nos. R-00973953, P-00971265

Dear Secretary McNulty:

Enclosed for filing with the Commission today, please find an original and nine (9) copies of PECO Energy's Reply Comments to the Mid-Atlantic Power Supply Association's July 22, 1998 Comments. Also enclosed is an extra copy of this letter, which I ask that you date-stamp and return to me in the enclosed self-addressed stamped envelope.

Very truly yours,

Noel H. Trask

NHT/jap

Enclosures

cc: w/enclosures

Certificate of Service
John M. Quain, Chairman
Aaron Wilson, Jr. Commissioner
David W. Rolka, Commissioner
Robert K. Bloom, Commissioner

001800

RECEIVED
SECRETARY'S BUREAU
98 AUG 10 AM 10:51

August 7, 1998
Page 2

Nora Mead Brownell, Commissioner
Barbara Bruin, Executive Director
C. Walker-Davis, Esquire, Director - Office of Special Assistants
M. A. Miller, Director, Bureau of Consumer Services
R. F. Wilson, Office of Special Assistants
D. H. Muth, Bureau of Fixed Utility Services
R. Bennett, Bureau of Fixed Utility Services

ORIGINAL

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

001801

DOCKETED

98 AUG 10 11:10:51

**PENNSYLVANIA PUBLIC UTILITY
COMMISSION**

v.

PECO ENERGY COMPANY

:
:
:
:
:
:

AUG 10 1998 RECEIVED
SECRETARY'S BUREAU

**DOCKET NO. R-00973953
P-00971265**

**DOCUMENT
FOLDER**

**REPLY COMMENTS OF PECO ENERGY COMPANY TO THE
MID ATLANTIC POWER SUPPLY ASSOCIATION'S JULY 22, 1998 COMMENTS
RE INTERIM CODE OF CONDUCT COMPLIANCE PLAN FILING**

I. Introduction

On July 22, 1998, Mid Atlantic Power Supply Association ("MAPSA") filed comments concerning PECO Energy's June 29, 1998 filing of an Interim Code of Conduct Compliance Plan. Contrary to MAPSA's contentions, PECO Energy has filed with the Commission, as required, "a detailed plan for compliance with this Code of Conduct as well as the PUC separation and cost allocation requirement already ordered." (Interim Code of Conduct, Provision 10). MAPSA has requested many additions to the Code and PECO Energy's Compliance filing, all of which should be rejected as: (1) already addressed in the Public Utility Code or other sources of law; (2) beyond the scope of the Final Settlement in PECO Energy's Restructuring proceeding; (3) an attempt to relitigate issues the MAPSA members lost in settlement negotiations; or (4) an unreasonable interpretation of an applicable provision. Furthermore, sections 8 and 9 of the Interim Code anticipate the possibility that real disputes may develop concerning PECO Energy's Code Compliance and provide an expeditious procedure for resolving any such disputes. If a Supplier believes PECO Energy has committed a Code violation it may, of course, file a

Complaint with the Commission. That, rather than this unjustified, before-the-fact attempt to micro-manage, is the appropriate process for addressing any Code compliance concerns. PECO Energy nonetheless offers the following specific responses to MAPSA's demands.

II. Separation of PECO EDC and PECO Supplier Employees

In its comments MAPSA attempts to impose additional rules that simply are not in the Interim Code and, in fact which MAPSA members had sought unsuccessfully in the Settlement negotiations. For example, the Interim Code requires no "minimum allowable period for an employee transfer" between PECO EDC and a PECO Supplier. (MAPSA comments, p.4) Similarly, the Code does not require that PECO Energy impose any conditions upon employees transferred between PECO EDC and PECO Supplier. Upon such transfers, however, representatives from PECO Energy's Legal Division who are charged with training all affected PECO EDC and PECO Supplier employees will contact newly transferred employees to reemphasize the Interim Code requirements on which they have already received training.

Regarding MAPSA's demand that PECO Energy provide an "organizational chart"(MAPSA Comments, p.4) to prove PECO Energy's statement that PECO Suppliers have their own direct line management, PECO Energy's statement suffices. Again, MAPSA's request is beyond the scope of the Interim Code requirements and appears to be an attempt to obtain competitive information about Exelon Energy.

MAPSA's inquiry regarding prevention of the "informal transfer" of PECO EDC information to the National Energy Team ("NET") is unclear (MAPSA Comments, p.4). If by "informal transfer" MAPSA is referring to information overheard, for example, in a lobby,

elevator, or on-site cafeteria, PECO Energy notes that the Interim Code does not require separate buildings or elevator banks for an EDC's affiliated or divisional EGS. To protect against informal transfers, PECO Energy's EGS/EDC employee training will stress the EDC's obligation to maintain the confidentiality of competitively sensitive information generated by the EDC in connection with its monopoly "wires business" functions, and to not discuss such matters in the building's common areas.

To respond to MAPSA's other points, PECO Energy notes:

- There are no employees who work for both PECO EDC and any PECO Supplier.
- Most of Exelon Energy's employees are located in the Wayne, Pennsylvania office with some employees in Pittsburgh and in Valley Forge.
- The NET does not share a floor with any PECO EDC employees; rather, the NET shares its floor with marketing and communication employees of PECO Energy's unregulated, competitive Exelon group.

III. Sales of Non-Power Goods and Services

MAPSA requests that PECO Energy describe more fully its existing "internal accounting controls" (MAPSA Comments, p. 5). "Internal accounting controls" means that PECO EDC and PECO Supplier each have a designated code in the Company's accounting system. Transactions between PECO EDC and PECO Suppliers are identified per those designated codes and reviewed monthly to insure correct coding. As indicated in the Compliance Plan PECO Energy filed, a similar set of accounting controls will be established for the NET, reflecting their divisional rather than affiliated status.

MAPSA also contends that PECO Energy does not intend to comply with the higher of cost or market rule set forth in Provision 3 of the Interim Code. This is incorrect. PECO Energy will comply with this rule. PECO Energy, however, shares the general belief advocated vigorously by the EGSs during the litigation of PECO Energy's restructuring plan that competition generally yields lower prices. Implicit in PECO Energy's statement that any PECO EDC transfers of non-power goods and services will be billed at not less than PECO EDC's fully allocated costs, is the assumption that market costs will almost always be lower than its fully allocated costs.

Furthermore, although costs are verifiable, there is no specific source to consult regarding market price. Accordingly, in those rare instances in which market price may exceed PECO Energy's fully allocated cost, the Company must first define the market by determining the relevant product or service market and then the relevant geographic market. Then the Company must identify market prices with any data obtainable in a manner that does not violate the antitrust laws. No single method can apply. For example, a reasonable definition of the relevant service market for legal services might be the average in-house legal transfer rates of comparable utility companies in the Mid-Atlantic region.

It is important to keep in mind in this context that the purpose of Provision 3 of the Interim Code is to prevent PECO EDC's cross-subsidization of a PECO Supplier. Charging a PECO Supplier PECO EDC's fully allocated costs exceeds that goal, as the law established by this Commission is that cross-subsidization does not exist when a competitive business at least covers its long-run incremental costs, which are lower than its fully allocated costs. Haley v. Philadelphia Electric Company, Docket No. C-913540 (PaPUC, June 23, 1994), *aff'd mem.*, No. 2108 (Pa. Cmwlt. Ct. November 21, 1995).

MAPSA queries whether the “support functions listed above” are the only services that will be shared. (MAPSA Comments, p. 5). It is not clear what MAPSA is referring to, but presumably MAPSA is asking which services Exelon Energy will obtain from PECO Energy. Currently, Exelon Energy expects to obtain services from at least PECO Energy’s legal department, public affairs department, accounting and taxes department, insurance division, and information systems departments. Exelon Energy may add other services, and may cease to obtain some of these services, from PECO Energy. Exelon Energy, however, will always pay an amount that is equal to or higher than the higher of cost or market for the services it does obtain from PECO Energy.

With regard to information systems, Exelon Energy obtains from PECO Energy computers loaded with word processing, e-mail, spreadsheet, database, and other software. Exelon Energy pays PECO Energy for such computers and software, and for software support, and the amount it pays is equal to or higher than the higher of cost or market.

IV. Simultaneous Disclosure of Market Information

As indicated in the Compliance Plan PECO Energy filed, all “wires” employees with access to confidential customer information will receive targeted training with special emphasis on the need to restrict access to customer information. The partial listing of examples of such employee categories PECO Energy previously provided included customer service, linemen, and trouble crews. In addition, energy technicians, account representatives, contract and builder services personnel, and customer consultants are also categories of employees whose targeted training will emphasize the need to restrict access to customer information.

MAPSA's contention that PECO EDC should be restricted from transferring any "expertise" to a PECO Supplier without sharing such expertise with all Suppliers (MAPSA Comments, p. 7) reflects another attempt to impose additional rules not contained in the Code with the purpose not of protecting competition, but of handicapping PECO Energy. Quite plainly, the Code does not require sharing the expertise of transferred employees, and for good reason. Suppose that a PECO EDC employee with transmission expertise transfers to a PECO Supplier. MAPSA would require PECO Energy to "share" that employee's expertise in some undefined manner with all Suppliers. But if such a rule were to apply, then why should it not also apply to Conectiv, a division of a PJM member company, which also presumably has employees with expertise in transmission matters obtained while working for Conectiv's transmission group? Similarly, if such a rule were to apply to PECO Energy, then why should it not also apply to all expertise that all EGSs have?¹ All EGSs will bring varying strengths, capabilities and corporate affiliations to the retail market for electricity in Pennsylvania. No competitive market requires a subset of competitors, or one competitor, to share their strengths with other competitors. To so require is the antithesis of competition, yet this is the type of "competition" MAPSA seeks.

As for MAPSA's concern regarding PECO EDC's and PECO Supplier's use of the Company Intranet, (MAPSA Comments, p. 7) PECO Energy notes that its Intranet contains no customer or market information. PECO Energy will not use its Intranet to circumvent any of the Code of Conduct rules.

¹ PECO Energy also observes that there are other ways for EGSs to gain expertise. Several former PECO Energy employees with substantial relevant expertise, for example, have gone to work for competitive EGSs.

V. Oversight/Enforcement

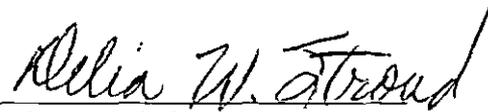
Contrary to MAPSA's claims (MAPSA Comments, p. 8), PECO Energy's Compliance Plan as filed already provides for "proactive," on-going compliance oversight through its General Counsel. MAPSA is also incorrect in asserting that employees "are not required" to report infractions (MAPSA Comments, p. 8). PECO Energy's Corporate Code of Conduct requires all employees to report violations of any applicable rules, regulations and laws. As for MAPSA's demand that the Company punish even unintentional Code violations, given the complexity and novelty of many Code issues, even employees who have received Code training may unintentionally violate the Code. In such cases it is only fair to advise the employees of the nature of his/her violation, with punishment assessed for any subsequent violations of that type.

MAPSA's request for "whistle-blower protection" for those who report infractions (MAPSA Comments, p. 8) is already addressed, not only in PECO Energy's Corporate Code of Conduct, but also in the Public Utility Code. PECO Energy's Corporate Code protects employees who make good faith disclosures concerning Code violations or any violations of law. Similarly, Section 3316 of the Public Utility Code provides comprehensive whistle-blower protection for any good faith report of wrongdoing (66 Pa. C.S. §3316).

VI. Conclusion

For all of the foregoing reasons, PECO Energy urges the Commission to reject MAPSA's Comments. PECO Energy submits that under the applicable Commission Orders, no Commission

action is required regarding the Interim Code of Conduct Compliance Plan PECO Energy filed June 29, 1998. If, however, the Commission believes that some formal action is required, PECO Energy respectfully requests the Commission approve PECO Energy's Interim Code of Conduct Compliance Plan as submitted.



Noel H. Trask (215) 841-4256
Delia W. Stroud (215) 841-4257
Assistant General Counsel
PECO Energy Company
2301 Market Street, S23-1
Philadelphia, PA 19103

Dated: August 7, 1998

Certificate of Service

I hereby certify that I have this day, served the foregoing document, in the matter of Pa PUC v. PECO Energy Company, Docket Nos. R-00973953 and P-00971265, via express overnight mail, on the following:

Kenneth L. Mickens, Esquire
Pennsylvania Public Utility Commission
Office of Trial Staff
P.O. Box 3265
Harrisburg, PA 17105-3265

Sonny Popowsky/ Tanya McCloskey, Esquire
Steven K. Steinmetz, Esquire
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101

Derrick Williamson, Esquire
David Kleppinger, Esquire
McNees, Wallace & Nurick
100 Pine Street
Harrisburg, PA 17108-1166
(Counsel for PAIEUG)

Bernie Ryan, Esquire
Assistant Small Business Advocate
Suite 1102, Commerce Building
300 N. 2nd Street
Harrisburg, PA 17101

Christopher B. Craig, Esquire
Democratic Committee on Appropriations
Room 545, Main Capitol Building
Harrisburg, PA 17120
(Counsel for The Honorable Vincent J. Fumo)

Phil Bertocci, Esquire
Community Legal Services, Inc.
1424 Chestnut Street
Philadelphia, PA 19102
(Counsel for CEPA, TAG, Action Alliance of Sr. Citizens & John Long, Jr.)

Steven P. Hershey, Esquire
Connolly Epstein Chicco Foxman et al.
1515 Market Street - 9th Floor
Philadelphia, PA 19102-1909
(Counsel for CEPA, TAG, Action Alliance of Sr. Citizens & John Long, Jr.)

Daniel Clearfield, Esquire
Alan Kohler, Esquire
Wolf, Block, Schorr and Solis-Cohen
Locust Court Bldg.; Suite 300
Harrisburg, PA 17101
(Counsel for Enron)

Donald A. Kaplan, Esquire
Preston, Gates, et al.
Suite 500
1735 New York Avenue, NW
Washington, DC 20006-4759
(Counsel for PP&L)

Paul Russell, Esquire
Pennsylvania Power & Light Company
Two North Ninth Street
Allentown, PA 18101
(Counsel for PP&L)

Kenneth Zielonis, Esq.
Stevens & Lee
208 N. 3rd Street - Suite 310
Harrisburg, PA 17108-2090
(Counsel for Pennsylvania Retailers Association)

Robert A. Mills, Esquire
McNees, Wallace & Nurick
100 Pine Street
Harrisburg, PA 17108-5216
(Counsel for Pennsylvania Retailers Association)

Roger Clark, Esquire
NESIP 905 Denston Drive
Ambler, PA 19002-3901
(Attorney for Environmentalists)

Craig A. Doll, Esquire
214 State Street
Harrisburg, PA 17101
(Counsel for Conectiv)

Randall V. Griffin, Esquire
Delmarva Power & Light Company
800 King Street
Wilmington, DE 19899
(Counsel for Conectiv/ Delmarva Power & Light)

Walter W. Cohen, Esquire
Andrew J. Giorgione, Esquire
Obermayer Rebmann Maxwell & Hippel LLP
204 State Street
Harrisburg, PA 17101
(Counsel for IP&L)

Michael G. Banta, Esquire
Indianapolis Power & Light Company
One Monument Circle
P.O. Box 1595
Indianapolis, IN 46206-1595
(Counsel for IP&L)

116745

001802
RECEIVED
SECRETARY'S BUREAU
98-AUG-10 7:10:51

Audrey Van Dyke, Associate Counsel
Naval Facilities Engineering Command
Washington Navy Yard, Building 218, Room 200
901 M Street, S.E.
Washington, DC 20374-5018
(Counsel for Dept. of Navy)

Stephanie A. Sugrue, Esquire/ Mary Ann Ralls, Esquire
Shelja Hollis, Esquire
Duane, Morris & Heckscher, LLP
1667 K Street, N.W. - Suite 700
Washington, DC 20006
(Counsel for QST)

Paul Nordstrom/ Joel D. Newton, Esquire
Verner Lipfert Bernhard McPherson & Hand
901 - 15th Street, NW
Washington, DC 20005-2301
(Counsel for Allegheny Power)

Gordon Smith, Esquire
John & Hengerer
1200 17th Street, N.W. - Suite 600
Washington, DC 20036-3006
(Counsel for Electric Clearinghouse, Vastar and Noram Energy)

Joseph A. Dworetzky, Esquire
John P. Laveille, Jr., Esquire
Hangley Aronchick Segal & Pudlin
One Logan Square - 12th Floor
Philadelphia, PA 19102
(Counsel for New Energy Ventures and Conectiv)

Linda C. Smith, Esquire
Dilworth, Paxson, Kalish & Kauffman
305 North Front Street, Suite 403
Harrisburg, PA 17101
(Counsel for AARP)

John Klauberg, Esquire
LeBoeuf, Lamb, Greene & MacRae, LLP
125 West 55th Street
New York, NY 10019-5389
(Counsel for Enron Energy Services Power, Inc.)

Vincent J. Walsh, Jr., Esq.
SouthEastern Pennsylvania Transportation Authority
1234 Market Street - Fifth Floor
Philadelphia, PA 19107-378-0
(Counsel for SEPTA)

Susan M. Shanaman, Esquire
212 North Third Street, Suite 203
Harrisburg, PA 17101
(Counsel for CEED)

Ethan Giddings
217 Rodman Avenue
Jenkintown, PA 19046

William T. Hawke, Esquire/Todd S. Stewart, Esq.
Malatesta Hawke & McKeon
100 N. Tenth Street
Harrisburg, PA 17105
(Counsel for Mid-Atlantic Power Supply Association)

Vickiren S. Aeshleman
Director - Regulatory Policy
QST Energy Inc.
300 Hamilton Blvd. - Suite 300
Peoria, IL 61602

John L. Munsch, Esquire
Allegheny Power
800 Cabin Hill Drive
Greensburg, PA 15601-1689
(Counsel for Allegheny Power)

Joseph J. Malatesta, Jr., Esquire
Lillian Smith Harris, Esquire
Malatesta Hawke & McKeon LLP
Harrisburg Energy Center
100 North Tenth Street - P.O. Box 1778
Harrisburg, PA 17105
(Counsel for Municipal Group)

Usher Fogel, Esquire
Roland, Fogel, Koblenz & Carr, LLP
1 Columbia Place
Albany, NY 12207
(Counsel for Pennsylvania Petroleum Association)

Terence Fitzpatrick, Esquire
David Desalle, Esquire
Ryan, Russell, Ogden & Seltzer
800 North Third Street, Suite 101
Harrisburg, PA 17102
(Counsel for GPU)

John Gallagher, Esquire
Michael Klein, Esquire
LeBoeuf, Lamb, Greene & MacRae, LLP
200 North Third Street - Suite 300
Harrisburg, PA 17108-2105
(Counsel for Enron Energy Services Power, Inc.)

Kenneth G. Hurwitz, Esq.
Maureen Z. Hurley, Esq.
Venable, Baetjer, Howard & Civiletti, LLP
1201 New York Ave., Suite 1100
Washington, DC 20005-3917
(Counsel for SEPTA)

Lance S. Haver
6048 Ogontz Avenue
Philadelphia, PA 19141

Paul L. Zeigler, Esquire
Zeigler & Zimmerman, PC
355 North 21st Street, Suite 304
P.O. Box 1080
Camp Hill, PA 17011-3707

Michael L. Kessler, VP & General Counsel
American Energy Solutions, Inc.
111 South Alfred Street
Alexandria, VA 22314

John Earwood
Pennsylvania Department of Aging
555 Walnut Street - 5th Floor
Harrisburg, PA 17101

Al Benincasa
Skipping Stone
46 9th Avenue
Sea Cliff, NY 11579

Joe Inabinet
Action Alliance of Senior Citizens of Greater Philadelphia
35 South 4th Street, 3rd Floor
Philadelphia, PA 19106

Philip D. McFarren
McFarren Group
Suite 400, 200 North Third Street
Harrisburg, PA 17101

Craig Goodman
3220 North Street, NW
Suite 338
Washington, DC 20007

Andrew S. Tubbs
Pennsylvania Rural Electric Association
212 Locust Street
Harrisburg, PA 17108



Noel H. Trask
Delia W. Stroud

Assistant General Counsel

PECO Energy Company
2301 Market Street, S23-1
Philadelphia, PA 19103
(215) 841-4256

Dated: August 7, 1998



PECO ENERGY

ORIGINAL

Alfred A. Miller
Director
Rates & Regulatory Affairs

PECO Energy Company
2301 Market Street
PO Box 8699
Philadelphia, PA 19101-8699
215 841 5760

August 12, 1998

DOCUMENT
FOLDER

Mr. James McNulty, Secretary
Pennsylvania Public Utility Commission
North Office Building - P. O. Box 3265
Harrisburg, PA 17105-3265

Subject: Supplement No. 18 to Tariff Electric Pa. P.U.C. No. 2, effective August 28, 1998; Filed in Compliance with Order Entered at Docket Nos. R-00973953 and P-00971265

Dear Mr. McNulty:

PECO Energy Company has agreed to voluntarily postpone the effective date of Supplement No. 17 to Tariff Electric Pa P.U.C. No 2. Therefore, enclosed please find Supplement No. 18 to Tariff Electric Pa P.U.C. No. 2 with an effective date of August 28, 1998.

This supplement will be posted on PECO Energy's website (www.peco.com).

Would you please acknowledge receipt of this filing on the enclosed copy of this letter and return that copy in the business reply envelope provided for your convenience.

Sincerely,

- cc: Certificate of Service
- John M. Quain, Chairman
- Aaron Wilson, Jr., Commissioner
- David W. Rolka, Commissioner
- Robert K. Bloom, Commissioner
- Nora Mead Brownell, Commissioner
- B. Bruin, Executive Director
- C. Walker-Davis, Esquire, Director - Office of Special Assistants
- M. A. Miller, Director, Bureau of Consumer Services
- R. F. Wilson, Bureau of Fixed Utility Services
- D. H. Muth, Director, Fixed Utility Services
- R. Bennett, Bureau of Fixed Utility Services

x:\tariff\elec2\suplet18

SECRETARY'S BUREAU

98 AUG 13 AM 11:45

600

ORIGINAL

SUPPLEMENT NO. 18 TO
ELECTRIC-PA.P.U.C. NO. 2

PECO Energy Company

Electric Service Tariff

R-00973953

COMPANY OFFICE LOCATION

2301 Market Street

Philadelphia, Pennsylvania 19101

For List of Communities Served, See Page 4.

Issued August 12, 1998

Effective August 28, 1998

This supplement is issued to voluntarily postpone the effective date of Supplement No. 17 to Electric PA P.U.C. No. 2 until August 28, 1998.

ISSUED BY: K. G. LAWRENCE - President
PECO Energy Distribution Company
2301 MARKET STREET
PHILADELPHIA, PA. 19101

(c)

SECRETARY'S BUREAU

PA.P.U.C.

98 AUG 13 AM 11:52

98081300

DOCKETED
AUG 17 1998

NOTICE.

THIS SUPPLEMENT MAKES NO CHANGES IN EXISTING RATES

DOCUMENT
FOLDER

LIST OF CHANGES MADE BY THIS SUPPLEMENT
CHANGES

Title Page - K. G. Lawrence replaces C. A. McNeill as the officer responsible for the issuance of the tariff to reflect a change in the Company's management structure.

Net Securitization Adjustment (NSA) - (1st Revised Page No. 39A)
Net Securitization Adjustment has been added.

PECO ENERGY COMPANY

SUPERSEDING SEVENTEENTH REVISED PAGE NO. 3

List of Changes Made by This Supplement	2 ¹⁸
List of Communities Served	4
How to Use Loose-Leaf Tariff	5
Definition of Terms and Explanation of Abbreviations	6,7,8
RULES AND REGULATIONS:	
1. The Electric Service Tariff	9
2. Service Limitations	10,11
3. Customer's Installation	12
4. Application for Service	13 ¹
5. Credit	14
6. Private-Property Construction	15
7. Extensions	16,17,18
8. Rights-of-Way	19
9. Introduction of Service	19
10. Company Equipment on Customer's Premises	20,21
11. Tariff Options on Applications for Service	21
12. Service Continuity	22
13. Customer's Use of Service	23
14. Measurement	24
15. Demand Determination	25
16. Tests	26
17. Standard Payment Terms	27,28 ¹
18. Termination by Company	29
19. Unfulfilled Contracts	29
20. Cancellation by Customer	30
21. General	30
STATE TAX ADJUSTMENT CLAUSE	31 ²
ENERGY COST ADJUSTMENT	32 ¹ ,33 ¹ ,34 ¹ ,35 ¹ ,36 ¹ ,37 ¹
LIMERICK SETTLEMENT ADJUSTMENT (LSA)	38 ¹ ,39 ¹
NET SECURITIZATION ADJUSTMENT (NSA)	39A ²
RATES:	
Rate R Residence Service	40 ¹
Rate RT Residence Time-of-Use Service	41 ¹
Rate R-H Residential Heating Service	42 ¹
Rate CAP Customer Assistance Program	42A ² ,42B
Rate OP Off-Peak Service	43 ¹
Rate R-S Solar Residence Service	43A ¹
Rate GS General Service	44 ¹ ,45 ⁴
Rate PD Primary-Distribution Power	46 ¹
Rate HT High-Tension Power	47 ¹
Rate POL Private Outdoor Lighting	48 ¹ ,49 ¹
Rate SL-P Street Lighting in City of Philadelphia	50 ¹ ,51,52
Rate SL-S Street Lighting-Suburban	53 ¹ ,54
Rate SL-E Street Lighting Customer-Owned Facilities	55 ¹ ,56
Rate TL Traffic Lighting Service	57 ¹
Rate BLI Borderline Interchange Service	58 ¹
Rate EP Electric Propulsion	59 ¹
RIDERS:	
Applicability Index of Riders	60 ²
Alley Lighting Rider	61 ¹
Auxiliary Service Rider	62,63 ¹ ,64
Casualty Rider	65
Construction Rider	66
Cooling Thermal Storage HT Rider	67
Curtaiment HT Rider	68
Electric Vehicle Charging Rider	69
Emergency Energy Conservation Rider	70
Employment and Economic Recovery Rider	71,72 ² ,73
Investment Return Guarantee Rider	74
Night Service GS Rider	75
Night Service HT Rider	76
Large Interruptible Load Rider	77,78,79 ¹
Night Service PD Rider	80
Off-Peak Rider	81
Receivership Rider	82
Temporary Service Rider	83
Transformer Rental Ride	84
Economic Efficiency Rider	85 ²
Capacity Reservation Rider	86
Seasonal Capacity Charge Service Rider	87 ²
Interruptible Rider	88,89,90 ¹
Incremental Process Rider	91,92 ¹
Retail Access Pilot Rider	93-114

PECO Energy Company

Net Securitization Adjustment (NSA)

In addition to the net charges provided for in this tariff, values as indicated in the table below will be applied to all service on their effective date.

The NSA is comprised of two separate factors, the Securitization Rate Reduction (SRR) and the Intangible Transition Charge (ITC) which will always net to zero in accordance with the terms of the Joint Petition for Full Settlement approved by Commission Order entered May 14, 1998 at Docket Nos. R-00973953 and P-00971265. The factors as described below will initially become effective on 10 days notice to the Commission. The SRR and ITC will be recalculated as follows:

- (1) whenever new transition bonds are issued as evidenced by the issuance date of the bonds.
- (2) annually, to reconcile unamortized Qualified Transition Expense (QTE) principal balance.

Securitization Rate Reduction (SRR)

The SRR is a credit to the Company's applicable PaPUC jurisdictional base rate charges, expressed as a percentage of such charges, reflecting a revenue requirement reduction arising from the Company's securitization of generation-related costs.

Intangible Transition Charge (ITC)

The ITC as set forth in The Electricity Generation Customer Choice and Competition Act, 66 Pa. C. S. §2801, et seq., is a charge that is added to, and expressed as a percentage of, the Company's applicable PaPUC jurisdictional base rate charges reflecting the revenue requirement necessary to amortize the QTE principal balance.

Effective Rate Table

<u>Rate Class</u>	<u>SRR</u>	<u>ITC</u>	<u>NSA</u>
R	xx.xxxx%	xx.xxxx%	0
RT	xx.xxxx%	xx.xxxx%	0
R-H	xx.xxxx%	xx.xxxx%	0
CAP	xx.xxxx%	xx.xxxx%	0
OP	xx.xxxx%	xx.xxxx%	0
R-S	xx.xxxx%	xx.xxxx%	0
GS	xx.xxxx%	xx.xxxx%	0
PD	xx.xxxx%	xx.xxxx%	0
HT	xx.xxxx%	xx.xxxx%	0
POL	xx.xxxx%	xx.xxxx%	0
SL-P	xx.xxxx%	xx.xxxx%	0
SL-S	xx.xxxx%	xx.xxxx%	0
SL-E	xx.xxxx%	xx.xxxx%	0
TL	xx.xxxx%	xx.xxxx%	0
BLI	xx.xxxx%	xx.xxxx%	0
EP	xx.xxxx%	xx.xxxx%	0

6424 Boyer St.
Phila. PA 19119
Aug. 17, 1998

P.U.C

P.O. Box 3265

R-00973953

Harrisburg, PA 17105-3265

DOCUMENT
FOLDER

Dear Sirs;

"Competitive Transition Charge and/or Intangible Transition Charge" for stranded assets and costs means payment by consumers. PECO administrators and ^{FJR} stockholders made poor investments and they should bear the consequences, not the consumers.

Please do not cause our electricity rates to be increased for the benefit of those who made bad decisions.

Please reject PECO's energy appeal - particularly number 6 of the appeal.

Sincerely yours,
Evorn G. Stewart

RECEIVED
SECRETARY'S BUREAU

98 AUG 20 AM 8:48

004582