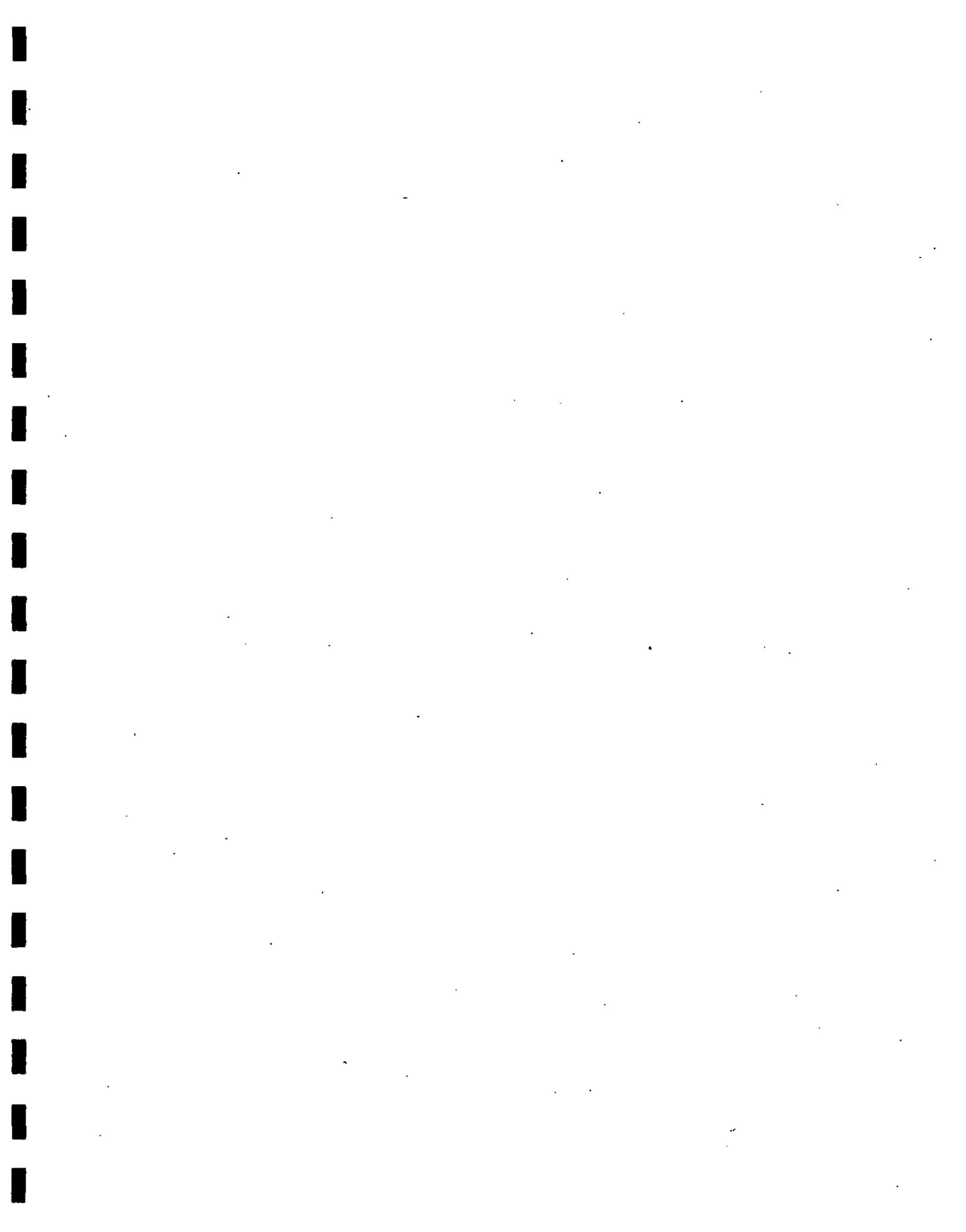


**PECO Energy Company  
Generation Market Price  
Weighted by Output (1)**

	\$/MWh		
	<u>EDS</u>	<u>PHB</u>	<u>ICF</u>
1999	28.4	24.5	28.1
2000	31.5	27.8	31.3
2001	36.6	32.2	35.0
2002	38.2	33.9	36.4
2003	39.9	35.7	37.5
2004	41.7	37.6	38.9
2005	43.4	39.3	41.4
2006	44.8	41.1	43.3
2007	46.6	43.0	45.0
2008	48.2	44.9	47.0
2009	50.1	47.0	48.7
2010	52.1	49.0	50.6
2011	54.1	51.1	51.1
2012	55.4	53.3	53.0
2013	57.3	55.6	55.0
2014	60.4	58.3	57.5
2015	62.2	59.7	58.4

<b>Levelized 1999-2008</b>	38.5	34.6	37.1
<b>Levelized 1999-2015</b>	42.9	39.3	41.2

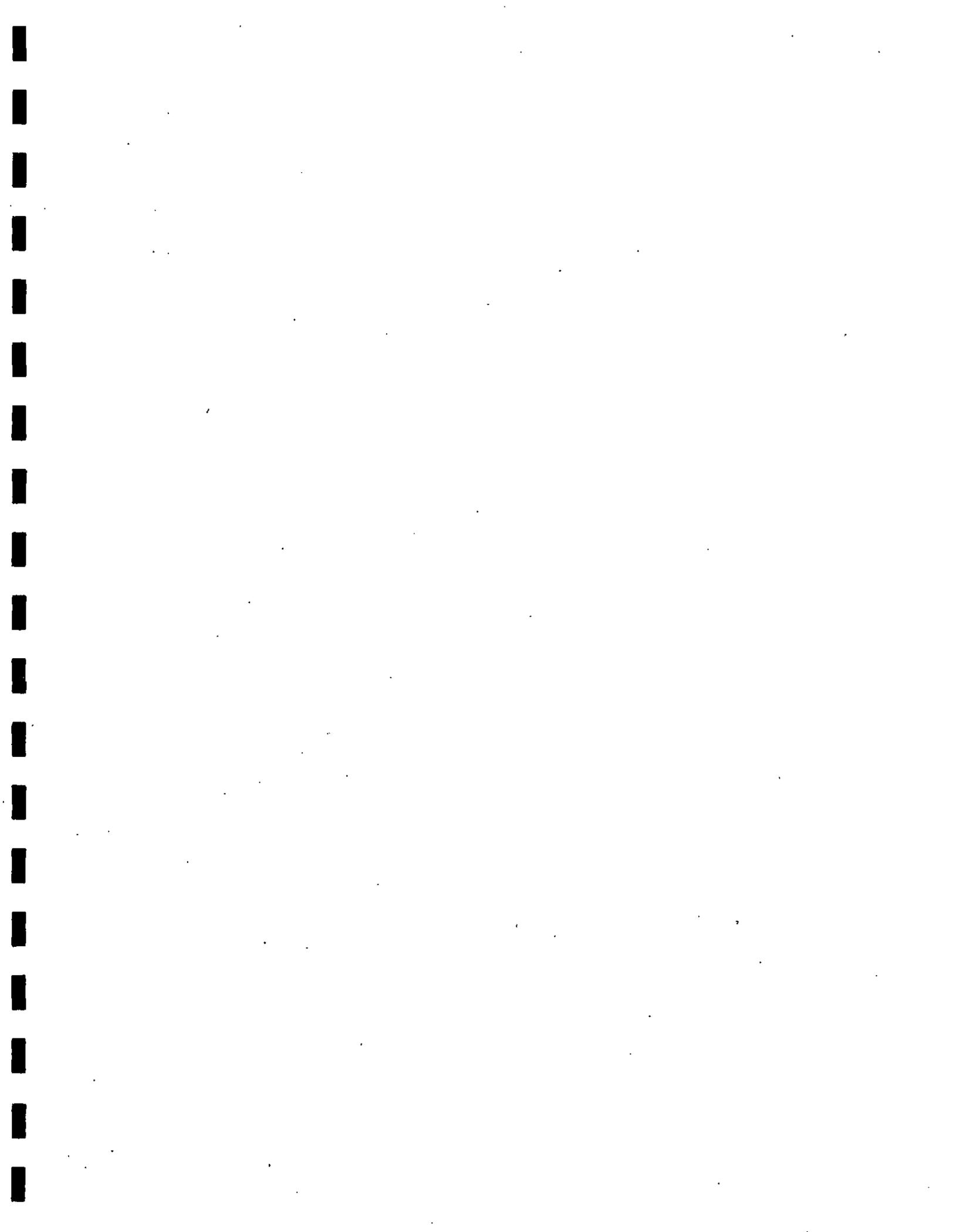
(1) - Weighted market price is the sum of market revenues for each PECO generating unit divided by the total output from all PECO generating units



**PECO Energy Company  
Stranded Costs  
as of December 31, 1998**

<b>Net Generating Plant &amp; CWIP</b>	<b>\$ 6,688,384</b>
<b>Less: Market Value(a)</b>	<b>\$ (2,862,913)</b>
	-----
<b>Stranded Plant</b>	<b>\$ 3,825,471</b>
<b>Regulatory Assets</b>	<b>\$ 2,589,057</b>
<b>Regulatory Liabilities</b>	<b>\$ (5,319)</b>
<b>NUG Contracts</b>	<b>-</b>
<b>Nuclear Decommissioning</b>	<b>\$ 236,929</b>
<b>Fossil Plant Decommissioning</b>	<b>\$ 126,605</b>
<b>Other Transition Cost</b>	<b>\$ 32,661</b>
	-----
<b>Total</b>	<b>\$ 6,805,404</b>
<b>Jurisdictional Allocation @100%</b>	<b>\$ 6,805,404</b>

**(a) per PHB analysis**



PENNSYLVANIA  
PUBLIC UTILITY COMMISSION  
Harrisburg, PA 17105-3265

Public Meeting held February 22, 1996

Commissioners Present:

John M. Quain, Chairman  
Lisa Crutchfield, Vice Chairman  
John Hanger, Statement attached  
David W. Rolka  
Robert K. Bloom

Petition of PECO Energy Company  
for a Declaratory Order Regarding  
the Acceleration of Depreciation  
and Amortization of Certain  
Regulatory Assets Associated  
With The Limerick Nuclear Station

Docket No. P-00950982

OPINION AND ORDER

BY THE COMMISSION:

Before us is the petition of PECO Energy Company ("PECO Energy" or "Company") which requests that we issue a declaratory order regarding the acceleration of depreciation and amortization of certain regulatory assets associated with the Limerick nuclear generating station.<sup>1</sup>

The petition was filed October 27, 1996 and, through a notice published in the Pennsylvania Bulletin (25 Pa. B. 5307 (November 25, 1995)), we invited interested parties to offer comments on the Company's petition. Comments were filed by the Philadelphia Area Industrial Energy Users Group ("Industrial Group"), Office of Consumer Advocate ("OCA"), and the Commission's Office of Trial Staff ("OTS"). PECO Energy also filed a response to these comments.

None of the commenting parties opposed the petition and, one of these, the Industrial Group supported it. Having reviewed the petition, the comments and PECO Energy's response, the Commission is of the opinion that the request before it is in the public

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<sup>1</sup>The Commission has jurisdiction under Section 331(f) of the Public Utility Code, 66 Pa. C.S. § 331(f), to issue declaratory orders in its discretion to terminate a controversy or remove uncertainty.

interest and we will grant the petition for the reasons, and subject to the condition, set forth below.

Background

The Company asks us to approve a proposed change in the accounting treatment of its current depreciation of its electric plant. It wishes to utilize new life spans for various categories of electric production plant and changes in life estimates for transmission, distribution and general plant and common plant. PECO Energy is also asking to change the terminal date of the Limerick generating station for depreciation accrual purposes.

PECO Energy states that it has recently completed a new life study of the physical life of certain of its assets. It claims to have used the same basic life analysis techniques as were used in its 1988 study, on which its current depreciation rates were based. The major difference between the studies is the additional seven years of data on recorded retirement experience. PECO Energy asserts that the 1995 study supports the new life span changes regarding steam, nuclear, hydraulic production plant accounts, as well as transmission, distribution and general plant categories.

With respect to the Limerick Nuclear Station, the Company is seeking to advance the terminal date for the plant by 10 years for depreciation accrual purposes only. Such a change in the terminal date would result in a corresponding increase in the annual depreciation accruals for the plant. However, the Company states it is not seeking recognition of this change in its rates at this time. The Company is also requesting that the 10 year reduction in the terminal date apply to the amortization of costs associated with increasing the generation capacity of the Limerick units.<sup>2</sup>

With respect to the second item, PECO Energy is also seeking accelerated amortization of regulatory assets associated with Limerick. These include Allowance for Funds Used During Construction ("AFUDC") and deferred depreciation associated with the nuclear generating station Unit 2's share of common facilities and costs associated with the Unit 2 declaratory order.<sup>3</sup> With respect to the first of these items, PECO Energy states that the Commission has allowed it to recover, through its rates, the AFUDC and depreciation accrued on the 50 percent of common facilities

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<sup>2</sup>The Company has increased the generation capacity of Limerick 2 from 1,055 MW to 1,115 MW and is in the process of uprating Limerick 1 from 1,055 MW to 1,106 MW. The cost of this activity is amortized.

<sup>3</sup>*Petition of Philadelphia Electric Co. for Declaratory Order*, 69 PA. P.U.C. 481 (Entered May 3, 1989).

associated with Limerick Unit 2.<sup>4</sup> The Company states that as of September 30, 1995, the unrecovered balance was \$242,312,561. The current annual amortization is \$7,897,000. By way of this petition, PECO Energy is proposing to amortize this cost over a nine year period commencing October 1, 1996. This results in a total annual amortization of \$26,046,151.

With respect to the declaratory order costs, these are the costs of operating Unit 2 from the inception of its commercial operation in January 1990 until the recognition of its operating costs in rates. The Company states that after Limerick 2 was placed in service, but prior to our order in its last rate case (at Docket No. R-891364), certain regulatory assets associated with Unit 2 were accrued. PECO Energy states that the unrecovered balance for the Limerick 2 declaratory order costs was \$90,647,125. Currently there is no annual amortization of this regulatory asset and no reflection of it in the Company's rates. The Company proposes to amortize this balance over a nine year period beginning October 1, 1996. It states that it intends to recover the costs through a future rate case.

PECO Energy also asserts that, in order to amortize a regulatory asset, there must be recognition of a revenue source. It offers three choices with respect to this recognition. It requests that the Commission deem that the revenue should be considered subsumed in existing rates from Docket No. R-891364, that the revenue had been made available through the operation of the Company's Competitive Breakthrough Strategy, or both.

The Company describes its Competitive Breakthrough Strategy as an effort to strengthen its financial position on a long-term basis to the advantage of its stockholders and customers. It argues that changes in life spans for purposes of calculating depreciation accrual on electric plant and the corresponding changes to remaining life estimates and terminal dates as well as modifications to the amortization of regulatory assets are part of this strategy. With specificity relating to Limerick, it argues that reducing the life span for depreciation purposes by 10 years allows it to recover all investment in nuclear generation plant on a company-wide basis by the end of its integrated resource planning horizon, or slightly thereafter. It maintains that this will "substantially" improve its competitive position and strengthen its financial position as well. As the electric industry becomes more competitive, PECO Energy states that it is becoming increasingly necessary for it to respond. It explains:

Because PECO Energy is not requesting a rate increase to accompany this increased

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<sup>4</sup>Pa. P.U.C. v. Philadelphia Electric Co., Docket R-891364, Opinion and Order (Entered May 16, 1990).

depreciation and amortization, it must pay for this effort through a combination of ongoing and future efforts to control expenses, limit capital expenditures, and enhance revenue. The Company does not anticipate that its efforts to limit capital expenditures and control operation and maintenance expenses will be sufficient to completely offset both future inflation and the accelerated depreciation and amortization requested in this petition. Therefore, PECO Energy will be pursuing opportunities for revenue enhancement in the emerging wholesale market, as well as other revenue opportunities, which may include innovative rate designs and the offering of new products and services, both regulated and unregulated.

PECO Energy Petition, p. 10.

The Company summarizes its requested changes by stating that the increase in annual depreciation accruals for Limerick as a result of the life study, the 10-year reduction in the terminal date for Limerick for purposes of calculating depreciation and the effect on the Limerick uprates are \$71,811,695 per year. The increased amortization of certain regulatory assets associated with Limerick total \$28,220,854 annually. Together this amounts to a total annual increase in depreciation and amortization of \$100,032,549. The net change to depreciation and amortization of plant other than Limerick is a decrease of \$10,375,180 which results in a total net annual increase in depreciation and amortization of electric and common related plant and regulatory assets of \$89,657,369.

As noted above, three responses to this petition were received. The Industrial Group supports the petition calling it "an appropriate step by PECO Energy Company to become more competitive with its electricity pricing in the future." OTS states that it does not oppose the petition, but that it has "serious concerns regarding the potential ratemaking impact" of the petition should the Commission grant it. It noted that the life span of the Limerick facilities recognized for purposes of depreciation would be out of step with the station's life as useful generation property. OTS asks us to state now that we shall disallow future recognition of any additional revenue requirement as a result of shortening the life of the assets.

OCA also did not oppose the petition insofar as the Company is not seeking recognition of the proposed changes in rates at this time. However, OCA asks us to clarify that our policy would allow it, and any other party, to challenge increases in PECO Energy's

revenue requirement which might result from these changes in a future rate proceeding.

Finally, the Company responded to the comments of OTS and OCA. It supports OCA's request which would leave the Company free to seek recognition in rates of these changes in a future rate case, but allow any party to challenge the ratemaking application of those accounting changes.

### Discussion

Having reviewed the petition and the comments, we believe the accounting changes requested by PECO Energy to be in the public interest and will approve them. In recent years, the electric industry has become more and more competitive. The Federal Energy Regulatory Commission is currently conducting a rulemaking proceeding which would open virtually all of the wholesale market for electricity to competition.<sup>5</sup> Additionally, we have found it necessary to open an investigation at Docket No. I-940032 into the role of competition in the electric power market within our own jurisdiction. The accounting changes sought by PECO Energy are ones which would be expected by an electric utility seeking to be competitive.

With respect to recognizing revenue sources for the Limerick 2 operating expenses associated with the declaratory order, we shall allow the Company to recognize the costs of the amortization to be subsumed within existing rates and to have been made available through the operation of the Company's Competitive Breakthrough Strategy. At this time it is not necessary to delineate between these revenue sources with any greater specificity. However, if the Company should seek to have this accounting change recognized in the rates which it collects from its customers in a future rate case, its existing revenues from all sources will be subject to examination.

With regard to the potential impact on the Company's revenue requirement, we shall deny the request of OTS to bar recognition of these changes in future rate cases. Nonetheless, OTS shall retain the right to oppose recognition in rates or to advocate any other

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<sup>5</sup>Promoting Wholesale Competition Through Open Access Non-discriminatory Transmission Services by Public Utilities, Docket No. RM95-8-000; Recovery of Stranded Costs by Public Utilities and Transmitting Utilities, Docket No. RM94-7-001, 70 F.E.R.C. ¶ 61,357 (1995), 60 Fed. Reg. 17662-17726 (April 7, 1995), IV F.E.R.C. Stats. & Regs., Proposed Regulations ¶ 32,514 at 33,057-33,069 (1995).

treatment for ratemaking purposes. Recently we adopted a policy on public utility depreciation practices.<sup>6</sup> That policy provides that:

In subsequent ratemaking proceedings, the most recent annual depreciation report or service life study approved or deemed approved for accounting purposes only under this chapter, constitutes a rebuttable presumption as to the reasonableness of the accrued depreciation claimed for ratemaking purposes, and the burden of proving the unreasonableness of the accrued depreciation shall be on the challenging party.

52 Pa. Code § 73.9(c). Thus, the right of any party to challenge the proposed ratemaking treatment in a future rate case is preserved. Accordingly, we shall grant the request by OCA that we recognize this in our order so that it, OTS and other parties will maintain the opportunity to challenge the Company with respect to the impact of these changes on rates. **THEREFORE,**

**IT IS ORDERED:**

1. That the Petition of PECO Energy Company for a Declaratory Order Regarding the Acceleration of Depreciation and Amortization of Certain Regulatory Assets Associated With The Limerick Nuclear Station be, and hereby is, approved consistent with the foregoing Opinion.

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<sup>6</sup>Public Utility Depreciation Practices and Capital Planning, Docket No. L-920062, Order (Entered June 22, 1995); 25 Pa.B. 3104 (August 5, 1995).

2. That this Order shall be without prejudice to the right of any customer of PECO Energy Company or representative thereof, the Office of Trial Staff, or any other party to a future rate case, to oppose or seek differing ratemaking treatment from that proposed by PECO Energy Company in recognition of these accounting changes..

3. That this docket shall be marked "Closed".

4. That a copy of this Order shall be served upon all persons having filed comments in this proceeding, and all parties of record in PECO Energy Company's most recent rate case at Docket No. R-891364.

BY THE COMMISSION,

  
John G. Alford  
Secretary

(SEAL)

ORDER ADOPTED: February 22, 1996

ORDER ENTERED: FEB 23 1996

PENNSYLVANIA PUBLIC UTILITY COMMISSION  
Harrisburg, Pennsylvania

PETITION OF PECO ENERGY FOR  
A DECLARATORY ORDER REGARDING  
THE ACCELERATION OF DEPRECIATION  
AND AMORTIZATION OF CERTAIN REGULATORY  
ASSETS ASSOCIATED WITH THE LIMERICK  
NUCLEAR STATION

PUBLIC MEETING-  
FEBRUARY 22, 1996  
FEB-96-L-14\*  
DOCKET NO. P-00950982

STATEMENT OF COMMISSIONER JOHN HANGER

The instant Petition represents a true dilemma.

On the one hand, public utilities with large investments in uneconomic plants, such as PECO's investment in Limerick, should be seeking to accelerate the depreciation of such plants so that PECO will have a chance to produce electricity from these plants at competitive market rates in the future. PECO is attempting to mitigate the costs of its past uneconomic investment now, so that it will be able to compete when customers obtain the right to choose their electricity supplier in the not-too-distant future. At least for the time being, PECO is not seeking to pass on any of the cost of the accelerated depreciation through rate increases. That is the wise and sober action to take.

Aside from Commission approval, PECO does not have free reign simply to change its depreciation schedules at whim. In order to comply with accounting standards, PECO must justify the assumptions of shortened useful life to match the accelerated depreciation schedule. PECO has in fact completed a new life span study which concludes that the additional seven years of experience since the previous study indicates that the useful life of Limerick will be ten years less than previously assumed. While such changed assumptions surely underline the unfortunate decisions that were made when PECO decided to complete Limerick, they also provide an opportunity for PECO to attempt to cut its losses.

Accounting standards also require identification of revenue sources to support the additional \$90 million "expense" on the company's books. PECO has indicated that existing rates, coupled with stricter controls on company expenses and more aggressive marketing, will be adequate to cover the additional \$90 million expense on the company's books.

Let's look at that again. PECO's rates are high enough, and its budget fat enough, that it can simply absorb a \$90 million hit when it has the incentive to do so!

That brings me to the other hand. PECO requests approval of its Petition so that it can compete as the industry becomes more competitive. Yet, PECO is doing everything within its power in order to prevent implementation of a meaningfully competitive

retail generation industry in Pennsylvania. Since retail competition and customer choice is going to happen sooner or later, not only in Pennsylvania but also across the country, it certainly makes sense for PECO to attempt to cut its losses and hedge its bets by filing a Petition such as this notwithstanding its all-out anti-customer-choice campaign.

But in these circumstances, why should this Commission grant PECO's Petition? Why shouldn't there instead be a rate case to reduce PECO's rates so that the company no longer has sufficient excess earnings or budgetary fat to absorb a \$90 million hit? Why should PECO be so flush with cash that it can afford to try to buy a more competitive neighboring utility? To those who would consider filing a Complaint to reduce PECO's rates, which remain the ninth highest in the country, perhaps a relatively small rate reduction now may be less valuable than the larger and long-term reductions in prices that will be available by taking appropriate steps to mitigate uneconomic investments on the way to a competitive market.

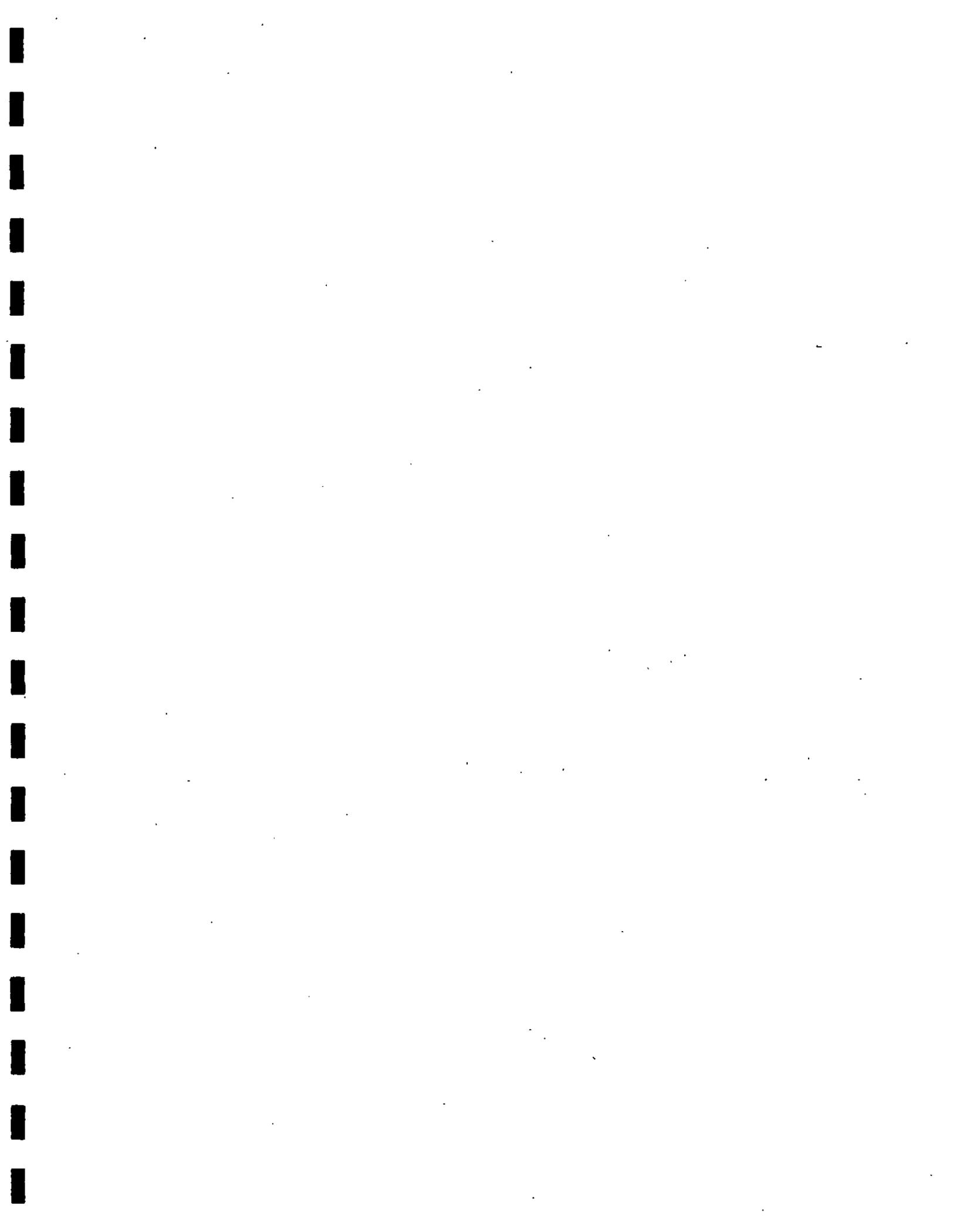
PECO's Petition is fundamentally unlike an otherwise similar Petition filed by PP&L, Met-Ed or Penelec. Those utilities also have uneconomic investments which should be mitigated. But unlike PECO, those utilities are actively encouraging retail competition, because they believe that a well-managed utility can thrive while all consumers benefit from customer choice and lower prices.

Why shouldn't this Commission deny the Petition or even begin rate reduction proceedings as long as PECO is doing everything within its power to stop competition? For now, I am willing to support PECO's Petition because I remain hopeful that Pennsylvania will make a reasonable and timely transition to retail customer choice. I, however, do now state that, should this Commission oppose such a transition, then I will revisit this approval. For if this state is not going to allow retail customer choice, the only reasonable thing to do is to deny the Petition and immediately begin proceedings to reduce PECO's rates.

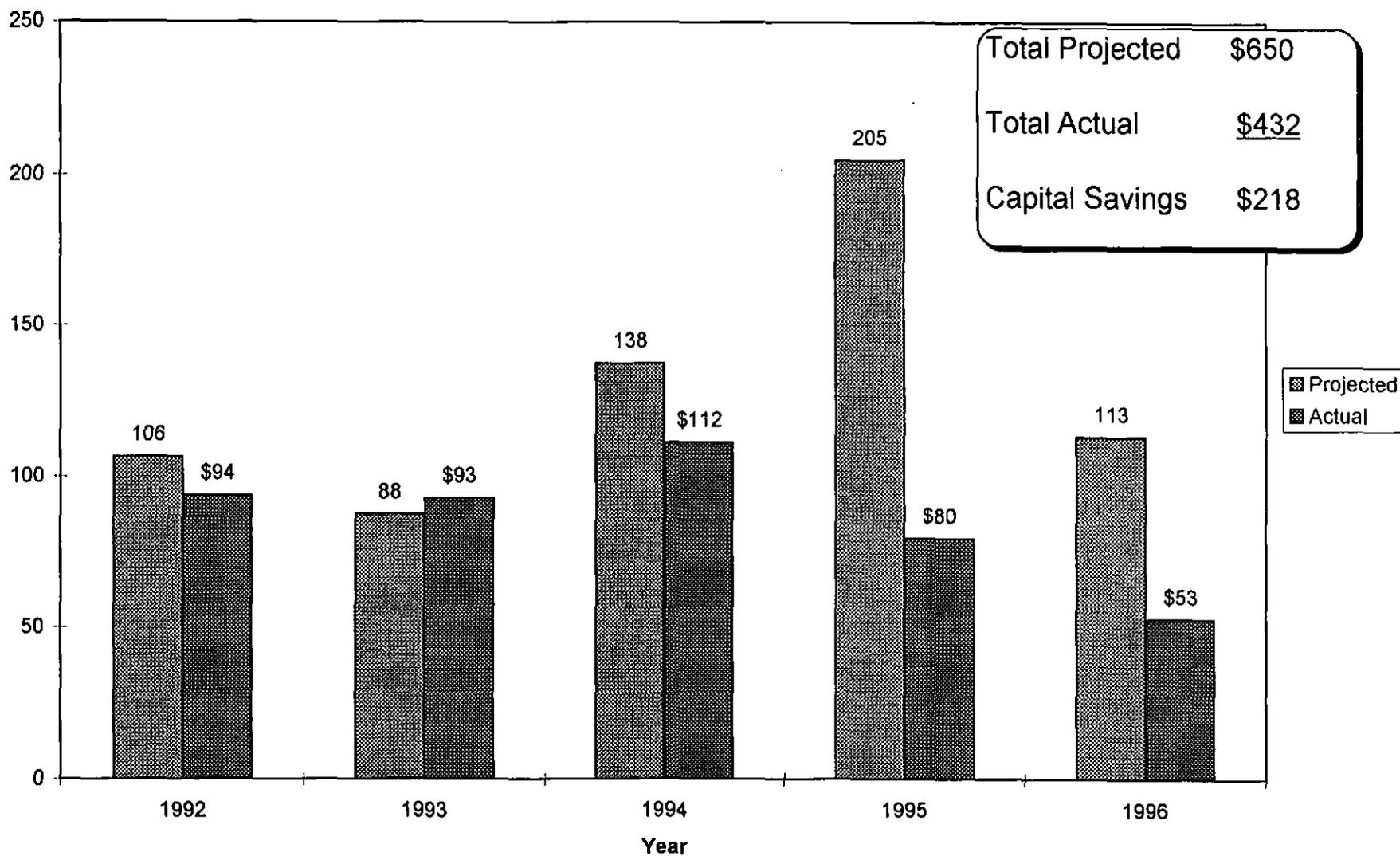
I also come to this decision because this Commission must do its part to permit PECO to become competitive and encourage mitigation of uneconomic investment now, even if PECO is totally opposed to customer choice. There is a limit to our responsibility to PECO, however. PECO certainly should not expect that these costs ever would be imposed on consumers in a future rate case without meaningful competition and should be prepared to implement a rate cut if its advocacy against customer choice prevails.

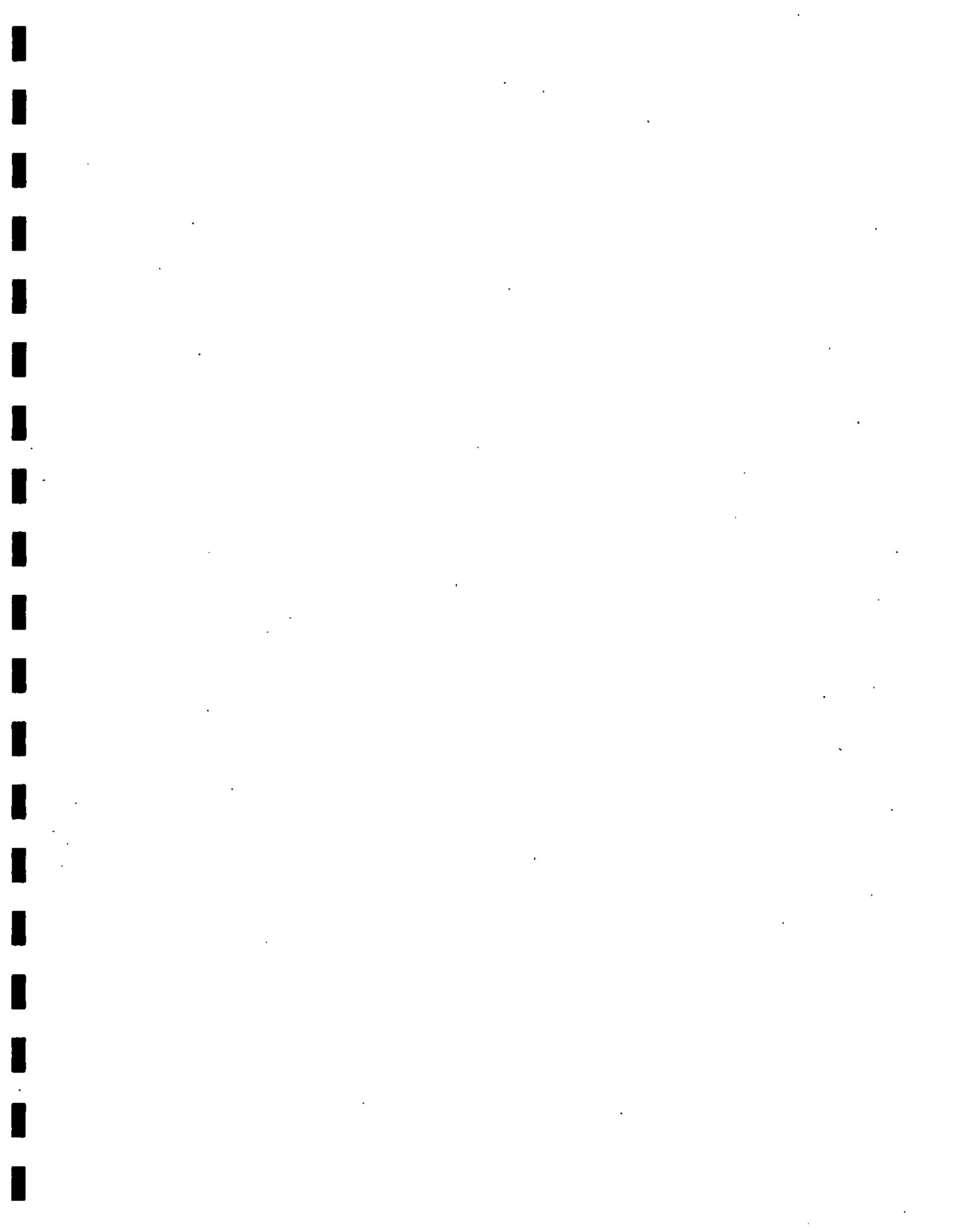
February 22, 1996  
DATED

John Hanger  
JOHN HANGER, COMMISSIONER



### Actual Generation Capital Spending vs 1989 Capital Forecast





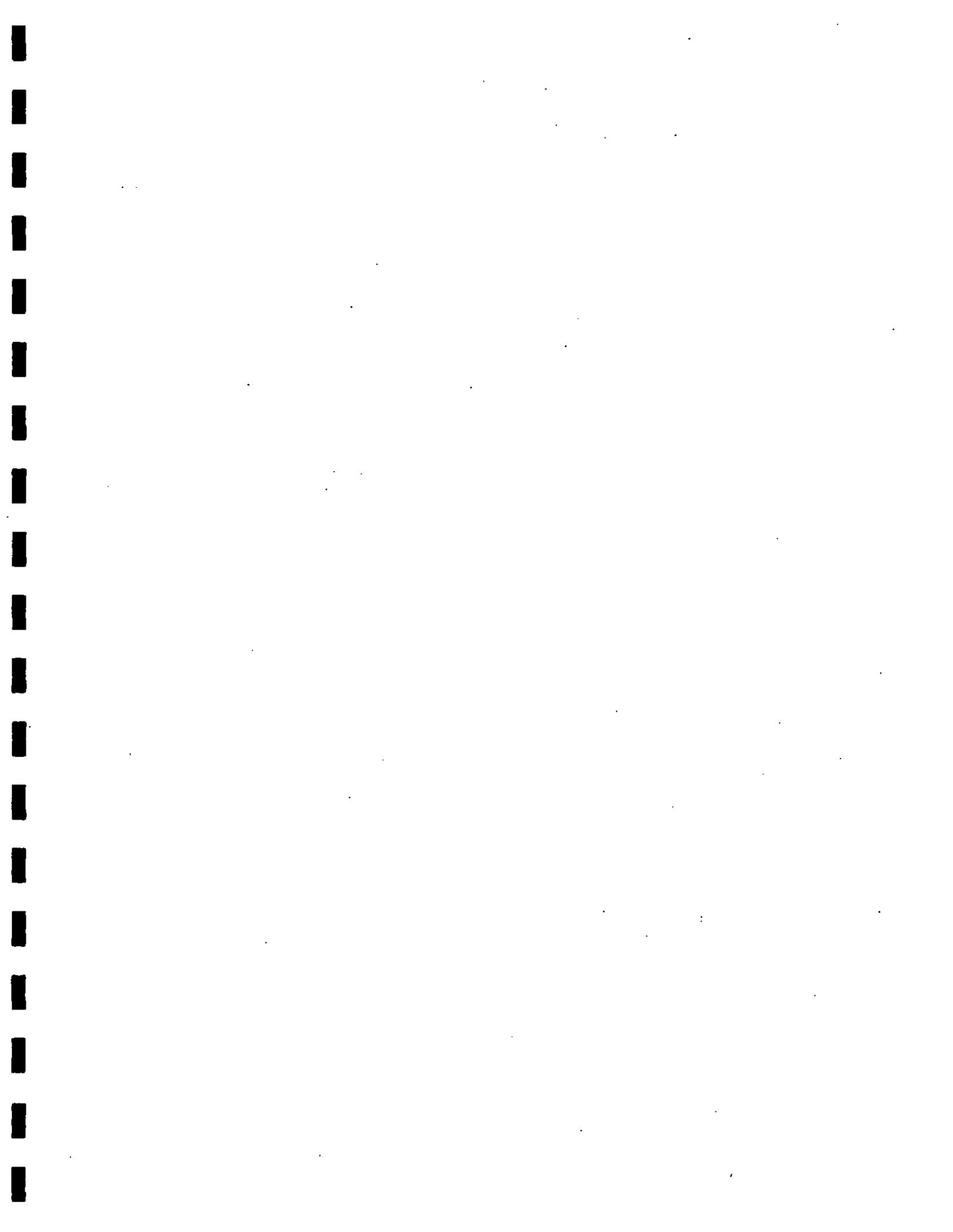
**PECO Energy Company**  
**Earnings Per Share Impact**  
**Due To Accelerated Depreciation**  
**Associated with the CTC**  
**Thousand \$**

Total Net Plant @ 12/31/98 (Exhibit ABC - 2)	\$	6,688,384
Estimated Stranded Net Plant (Exhibit TPH - 7)	\$	3,825,471
% of Net Plant that is Stranded		57.2%

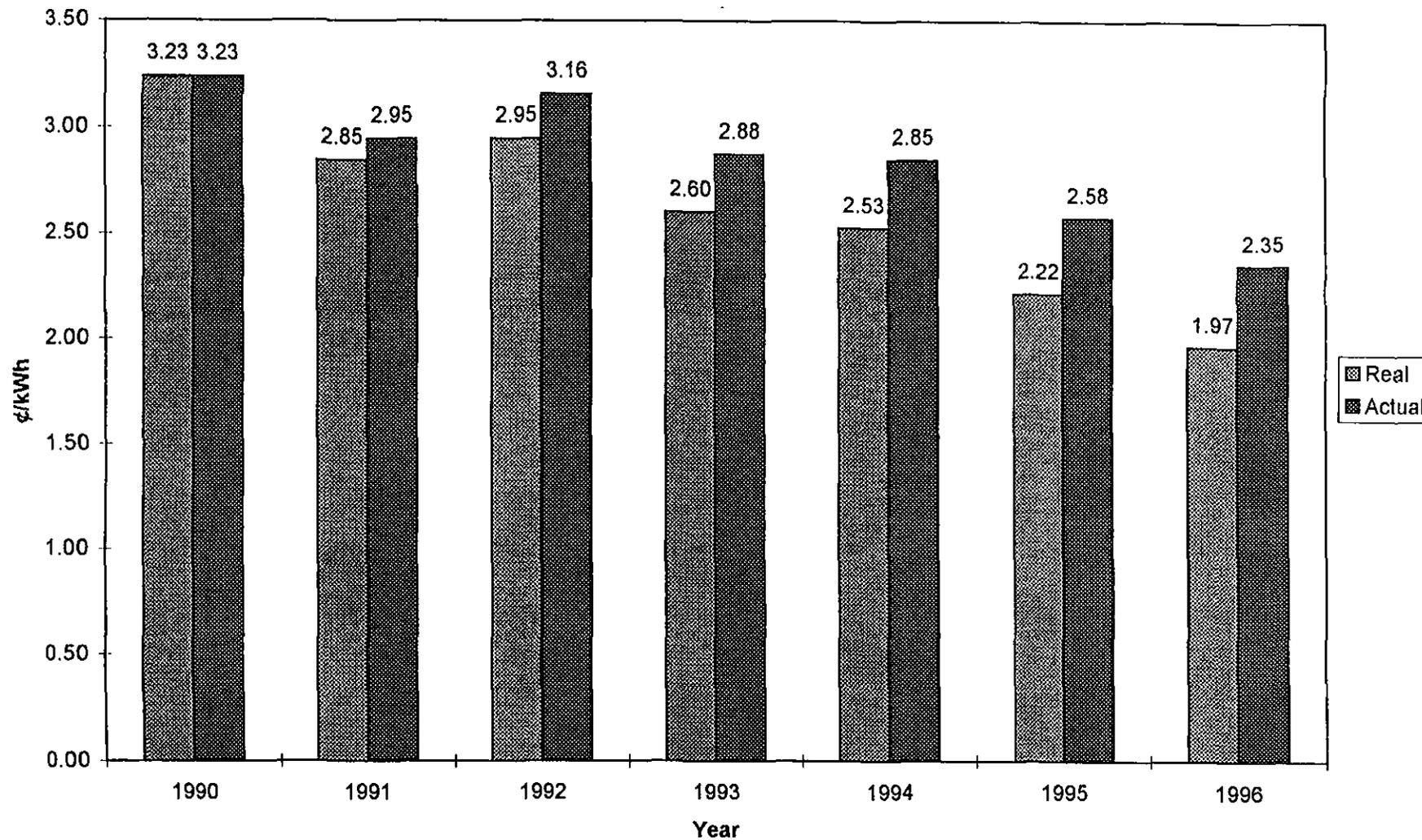
Development of Generation Related Depreciation:(per Exhibit ABC - 1, Schedule 3)

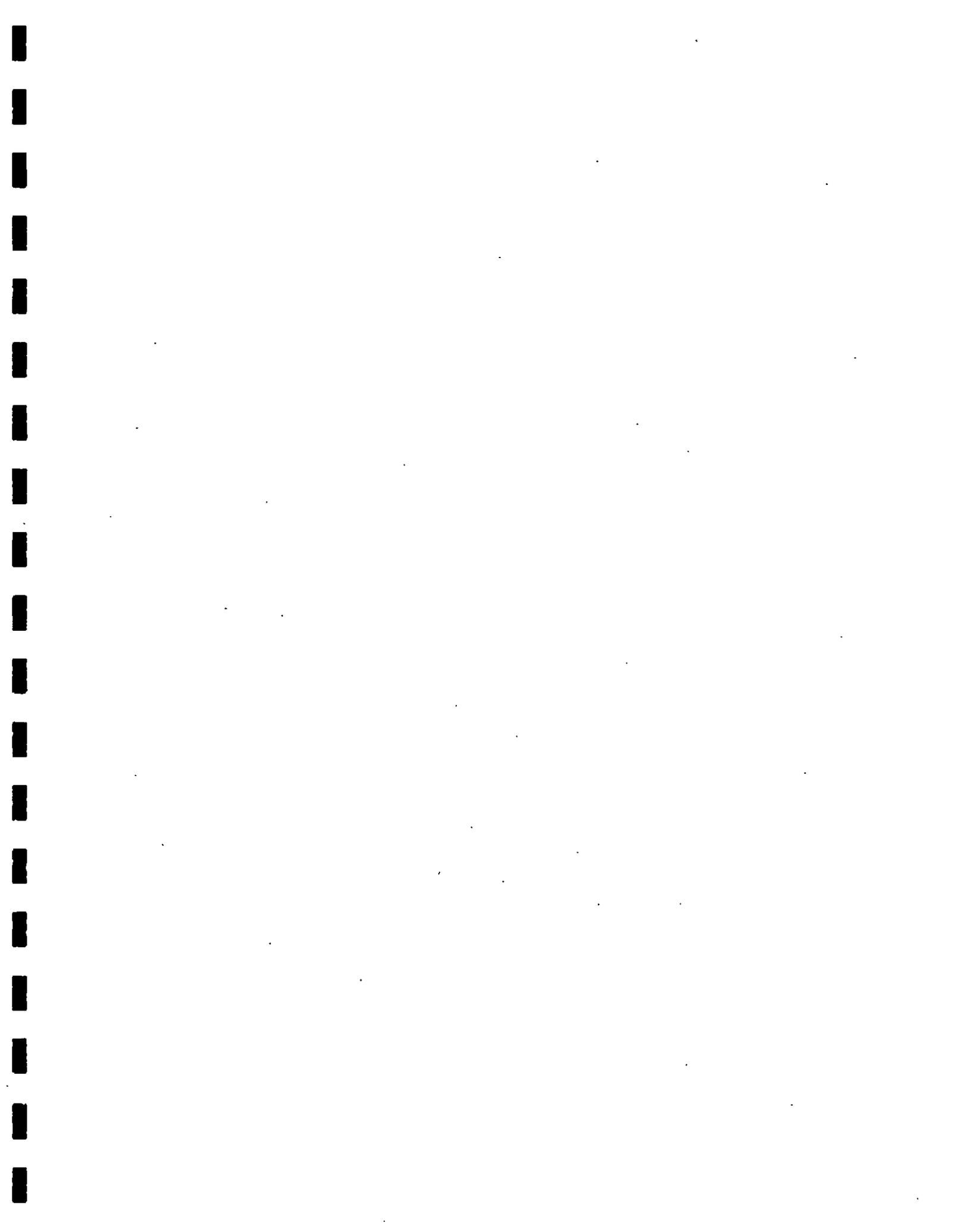
Total Accrual	\$	509,549
Less:		
Limerick PUC Adjustment	\$	19,534
Transmission	\$	12,243
Distribution	\$	56,910
General	\$	3,337
Net Generation Accrual	\$	417,525
Amortization of Intangible Plant	\$	6,562
Total Generation Accrual	\$	424,087
Allocated to Stranded @	\$	242,560
Amortization of Stranded Plant(7 yr)	\$	546,496
Earnings per Shar Impact		
Increase in Accrual	\$	303,936
Estimated Deferred Tax Increase(a)	\$	(46,256)
Reduction in Income	\$	257,680
Total Shares	\$	222,490
EPS reduction	\$	1.16

(a) Acc. Def. Tax Balance \$582,202 (Exhibit ABC -1, Schedule 10, p.3)  
Annual ADIT amortization =  $\$83,172 = \$582,202/7$   
Allocation to accrual increase =  $\$303,936/\$546,496 * \$83,172 = \$46,256$



**PECO Energy Company  
Non-Fuel O&M on Real vs Actual Basis**





## The History of the Limerick Generating Station

### Construction

#### Background

In response to the massive blackout in the Northeastern United States in the mid-1960's, the public utility commissions of Pennsylvania, New Jersey, Delaware, and Maryland held joint meetings in 1966 and 1967 to analyze the purpose and operation of the Pennsylvania-New Jersey-Maryland (PJM) interconnection. The commissions warned the electric utilities subject to their jurisdiction (and the public) that a desperate situation was developing which could result in additional blackouts or load curtailments in the near future. The companies were told to increase installed generating capacity so that a 20% reserve margin could be maintained.

#### The Decision to Add Nuclear Capacity

The initial decision to build the Limerick units was based upon an analysis performed in 1968 which showed that new capacity was required to meet customers' needs beginning in the 1975-1977 period. Once this need was identified, it was decided that the new capacity should be baseload generation. Baseload was selected because PECO Energy had sufficient levels of peaking and demand following capacity. A study was then performed which showed that a nuclear plant was the most economic choice when compared to the only other feasible options, coal and oil.

During the 1970's and 1980's, additional statutory and regulatory constraints came into existence that further limited utilities' decisions regarding generating plant construction. Due to the energy crisis, national policy after 1978 discouraged, and in some cases prohibited, the use of natural gas or oil in new generating plants. In addition, coal fired generating plants were discouraged in the eastern part of Pennsylvania due to air quality concerns.

Decisions to continue construction of the Limerick units were reviewed by PECO Energy on a continuing basis until construction on Limerick Unit 2 was well underway in the late 1980's. As described below, those decisions were evaluated on at least five separate occasions by the Pennsylvania Public Utility Commission (PaPUC).

#### The Construction

The Limerick project was officially announced in late 1969 and, at that time, had projected in-service dates of 1975 and 1977 for the two units. Pre-licensing

work was started in 1970 and the Company received a certificate of necessity from the PaPUC in 1971 which granted approval for the siting of the non-power plant related buildings at Limerick. The start of full scale construction, however, was delayed until 1974 due to new environmental regulations (National Environmental Policy Act of 1969) that had gone into effect. This delay in receiving a construction permit from the Atomic Energy Commission resulted in a revision to the projected in-service dates of the units to 1979 and 1980.

In late 1974, due to adverse financial factors brought on by the Arab Oil Embargo, the completion dates were delayed once again to 1981 and 1982. Subsequent to the Oil Embargo, PECO and other utilities experienced a substantial decline in the rate of growth of electric consumption. Through the 1960's and early 1970's load was growing at approximately 7% per year whereas after the embargo growth rates declined to less than 2% per year. This reduction in the level of load growth resulted in PECO's 1976 announcement to delay the in-service dates to 1983 and 1985. In 1978, continuing lower-than-anticipated load growth lead to another delay in the in-service dates to 1985 and 1987.

Limerick 1 first produced power in October 1984, although the licensing phase of construction was not completed and the plant was not officially in-service until February 1986.

Limerick 2 first produced power in 1989 and was placed in service in January 1990. The delay from the 1987 date referenced above was the result of a PaPUC investigation, which is discussed below.

### **Regulatory Reviews Of Whether It Was Prudent To Construct Limerick And Whether The Cost Of Construction Was Reasonable**

#### **1979 Rate Case (Docket No. R-79060865)**

The first challenge to the completion of Limerick came in a base rate case (not related to Limerick) that was filed in 1979. The Office of the Consumer Advocate (OCA) had requested a special investigation to determine whether or not it was prudent to continue construction of Limerick. The Administrative Law Judge (ALJ) rejected the OCA position, stating that the Company should not be directed to terminate construction and that no special investigation was needed. The Commission concurred with the decision.

#### **1980 Show Cause Investigation (Docket No. I-80100341)**

In August 1980, the OCA filed a petition with the PaPUC requesting that the Commission order PECO Energy to show cause as to why the completion of Limerick was in the public interest. The start of the investigation to the end of the judicial appeals resulting from it spanned the period from August 1980 to February 1984. The investigation addressed such issues as the alternatives available at the time the decision to build the unit was made, currently available alternatives, the impact of construction delays, and the reasonableness of cost escalations.

This investigation, as with the investigations that followed, involved the testimony of dozens of expert witnesses presenting the views of not only PECO Energy, but also advocates for PECO Energy's customers, such as the OCA and industrial customers. The record of each of these investigations runs into the thousands of pages.

The ALJ, after reviewing the voluminous record in the 1980 investigation, determined that prompt completion of both units was in the public interest, stating that:

“ After reviewing the extensive record in this proceeding, I can come to but one conclusion—that at the present time there is no alternative available that can replace Limerick at a lower cost to the consumer, The record shows that a timely completion of Limerick Units I and II is in the best interest of PECO and its ratepayers.....”

The Commission agreed with the ALJ with respect to the completion of Limerick 2 but concluded that the Company's financial condition was such that the simultaneous construction of both units was not feasible. As such the PaPUC ordered PECO Energy to either suspend or cancel construction of Limerick 2. Construction of Limerick 2 was suspended shortly thereafter and was not resumed, in full, until Limerick I was completed in February, 1986.

### **Limerick 2 Show Cause (Docket I-840381)**

In August 1984 the PaPUC instituted another investigation of whether completion of Limerick 2 was in the public interest. The investigation addressed issues such as the need for Limerick 2's capacity, the alternatives available, the impact on PECO Energy's financial health, and the recovery of sunk costs. The ALJ in the case found that completion was not in the public interest. The PaPUC, however, reversed that decision and found that completion was in the public interest if a cost cap was established and certain operating incentives were established. The Company agreed to the Commission's terms for completion and resumed construction of Limerick 2 upon the completion of

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<sup>1</sup> Limerick Nuclear Generating Station Investigation, PUC Docket No. I-80100341, Initial Decision of Administrative Law Judge Joseph J. Klovekom, March 26, 1982.

Limerick 1 in February, 1986. The construction was completed for almost \$400 million less than the agreed-to cap and nine months ahead of schedule.

A separate issue in the Limerick 2 Show Cause Investigation was whether PECO Energy needed a plant of this size. PECO Energy forecast at the time of the Limerick 2 investigation that its 1995 peak load would be 6500 MW. The ALJ in the case considered the Company's forecast to be too high; this was a primary reason for her conclusion that Limerick 2 should not be built. In fact, the actual 1995 peak load was 7246 MW.

#### **Limerick 1 Rate Proceeding (Docket R-850152)**

In September 1985 PECO Energy filed for a \$682 million base rate increase. The primary purpose of the filing was to include Limerick 1 in ratebase. The Commission Order was issued in June 1986 and granted PECO Energy a \$351 million increase. Issues concerning the need for the capacity from Limerick 1, and the impact of the construction delays, were addressed. The Commission found that the unit was needed and was not excess capacity. The Commission also ordered that PECO Energy's shareholders must pay for \$369 million of the cost of Limerick Unit 1 to compensate for construction delays.

#### **Limerick 2 Rate Proceeding (Docket R-891364)**

In July 1989 the Company filed for a \$548 million rate base increase. The primary purpose of the filing was to include Limerick 2 in rate base. The Commission Order was issued in April 1990 granting the Company a \$242 million increase. The issues of physical and economic excess capacity as well as the impact of the construction delays were addressed in the proceedings. The Commission ultimately determined that 399 megawatts of excess capacity resulted from the addition of Limerick 2 and accordingly, reduced PECO's request rate increase by approximately \$106 million. The Commission also ordered that PECO Energy's shareholders must pay for approximately \$215 million of the construction cost of Limerick Unit 2.

#### **Limerick Performance**

Operating performance at the Limerick units has far exceeded all expectations that were used to evaluate whether it was an economic choice. Moreover, the cost of providing electricity from the Limerick units has declined substantially since operation began.

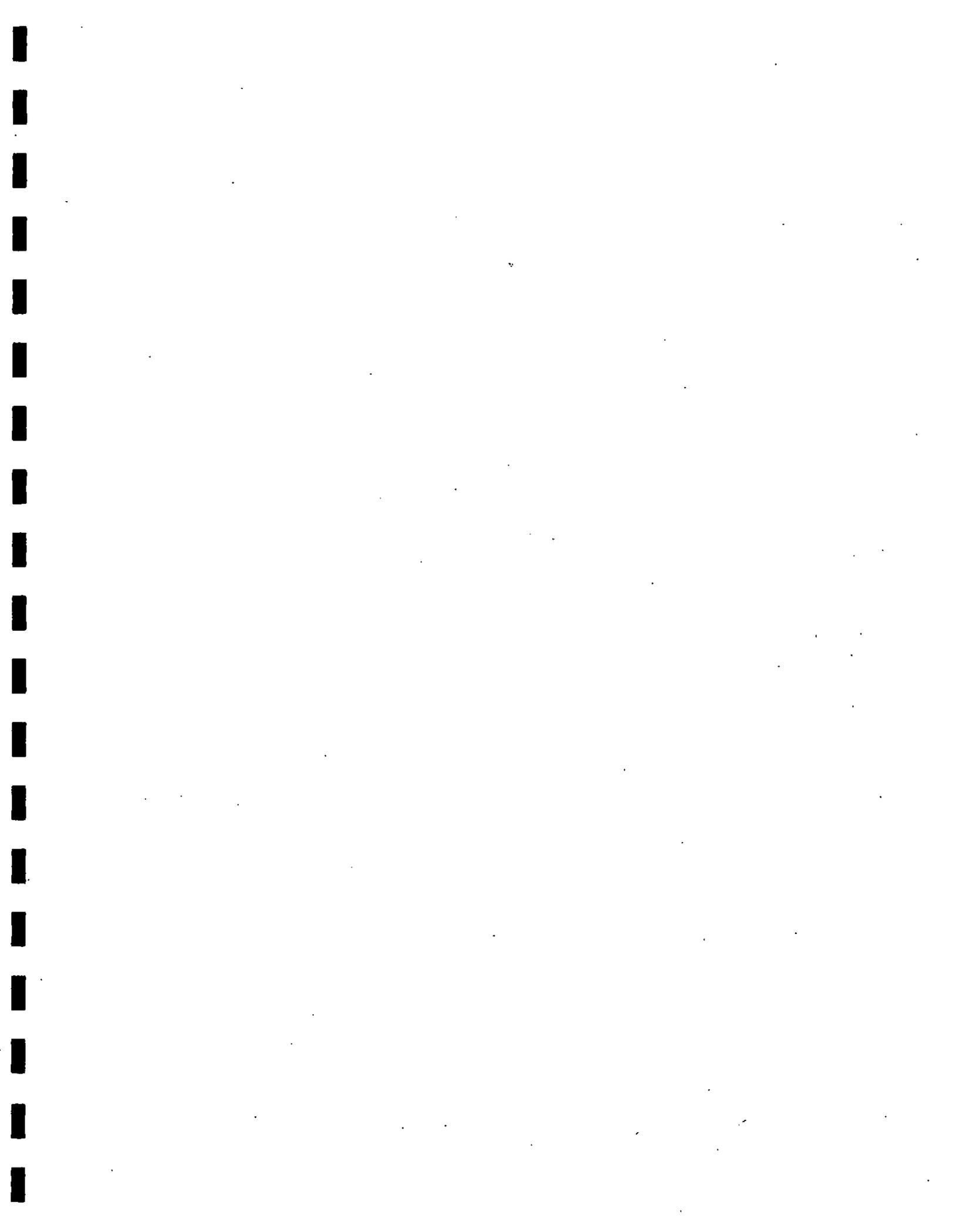
PECO Energy evaluates the economics of a new generating unit on a life cycle basis. The life cycle analysis provides a better comparison for projects that have

varying levels of capital expenditures. When evaluated on a life cycle basis, the Limerick generating units were always the economic choice. Rates, however, are set on embedded investment and, consequently, increased substantially when the Limerick units were first included in rate base. At the same time, high capital cost projects generally have low variable costs, thus resulting in lower rates in the future as the utility's investment is depreciated. This can readily be seen in the case of Limerick where the cost per kilowatt hour has declined from approximately 14 cents to about 7.5 cents.

In the Limerick investigations, the economics of the plant were evaluated on, in part, a projection that it would operate at a 65% capacity factor. The table below shows that the actual capacity factors achieved by Limerick have far exceeded that target:

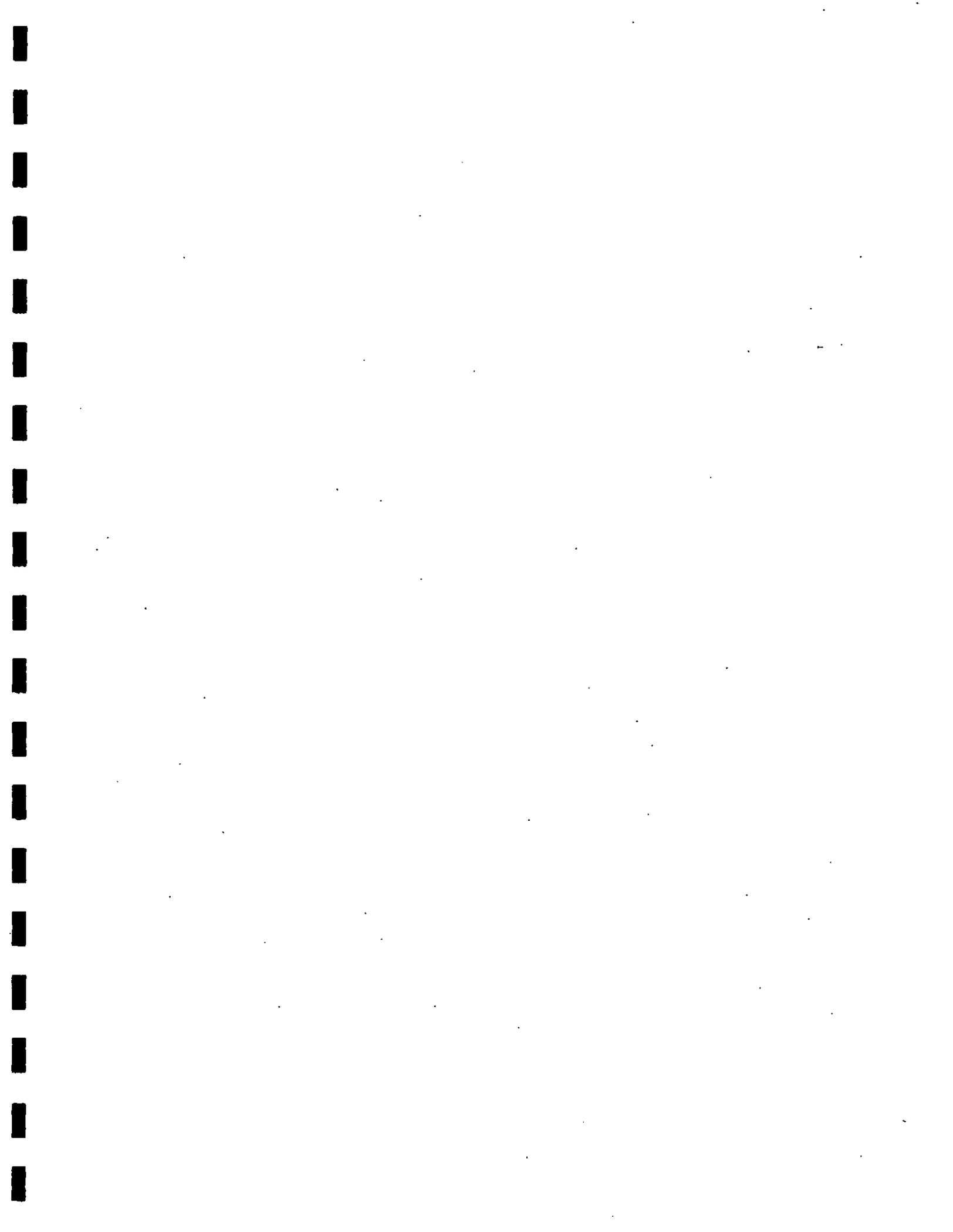
<u>Year</u>	<u>Limerick 1</u>	<u>Limerick 2</u>
1986	81.0%	
1987	57.6%	
1988	72.0%	
1989	56.7%	
1990	60.8%	79.8%
1991	88.0%	77.3%
1992	67.2%	91.6%
1993	94.6%	80.7%
1994	85.0%	92.7%
1995	88.2%	86.7%
Avg.	75.1%	84.8%

By operating Limerick at these very high capacity factors, PECO Energy has been able to pass on to its customers savings that now cumulatively total in the hundreds of millions. These savings have been achieved by excellent operation of the nuclear units, including world record efficiency in recent refueling outages.



**PECO Energy Company**  
**Dividends Paid Per Share of Common Stock:**

Year	Dividends Paid (1)	Reduction (2) = \$2.20 - (1)	Shares at Year-End (3)	Total Reduction In Dividends (4) = (2)*(3)	Value of Reduction @ 12/31/96 @ 12.75%
1989	\$ 2.20	\$ -			
1990	\$ 1.45	\$ 0.75	216,952,649	\$ 162,714,487	\$ 334,291,646
1991	\$ 1.23	\$ 0.98	220,030,400	\$ 214,529,640	\$ 390,903,948
1992	\$ 1.33	\$ 0.88	220,534,048	\$ 192,967,292	\$ 311,852,984
1993	\$ 1.43	\$ 0.77	221,516,299	\$ 170,567,550	\$ 244,481,535
1994	\$ 1.55	\$ 0.66	221,608,984	\$ 145,153,885	\$ 184,527,783
1995	\$ 1.65	\$ 0.55	222,172,216	\$ 122,194,719	\$ 137,774,545
1996	\$ 1.76	\$ 0.45	222,542,087	\$ 99,031,229	\$ 99,031,229
				<b>\$ 1,107,158,801</b>	<b>\$ 1,702,863,671</b>



PECO ENERGY COMPANY ASKS  
PaPUC TO APPROVE ITS ELECTRIC COMPETITION  
RESTRUCTURING PLAN

Last year the Pennsylvania Legislature passed, and Governor Ridge signed, a law allowing consumers to select their electric generation supplier by 2001. The law requires us to file plans with the Pennsylvania Public Utility Commission (PaPUC) showing how consumers will have access to competitive electricity suppliers.

PECO Energy Company filed its restructuring plan with the PaPUC on April 1. The plan has several key elements including:

1. the procedures we will use to make sure that customers can choose their generation suppliers.
2. the prices we charge, for generation, transmission and distribution services, known as "unbundled" prices. These prices are subject to a rate cap.
3. the amount of a proposed "competitive transition charge" permitted by the new law. This charge would allow us to continue to collect from customers, over a 7-year period, \$6.8 billion in costs associated with assets that may not be recoverable in a competitive environment. These are known as "stranded costs."
4. how we will make sure that all customers wanting electric service can get it and what energy conservation measures we will have for low-income customers.
5. how we will inform customers about the changes leading up to retail electric competition.

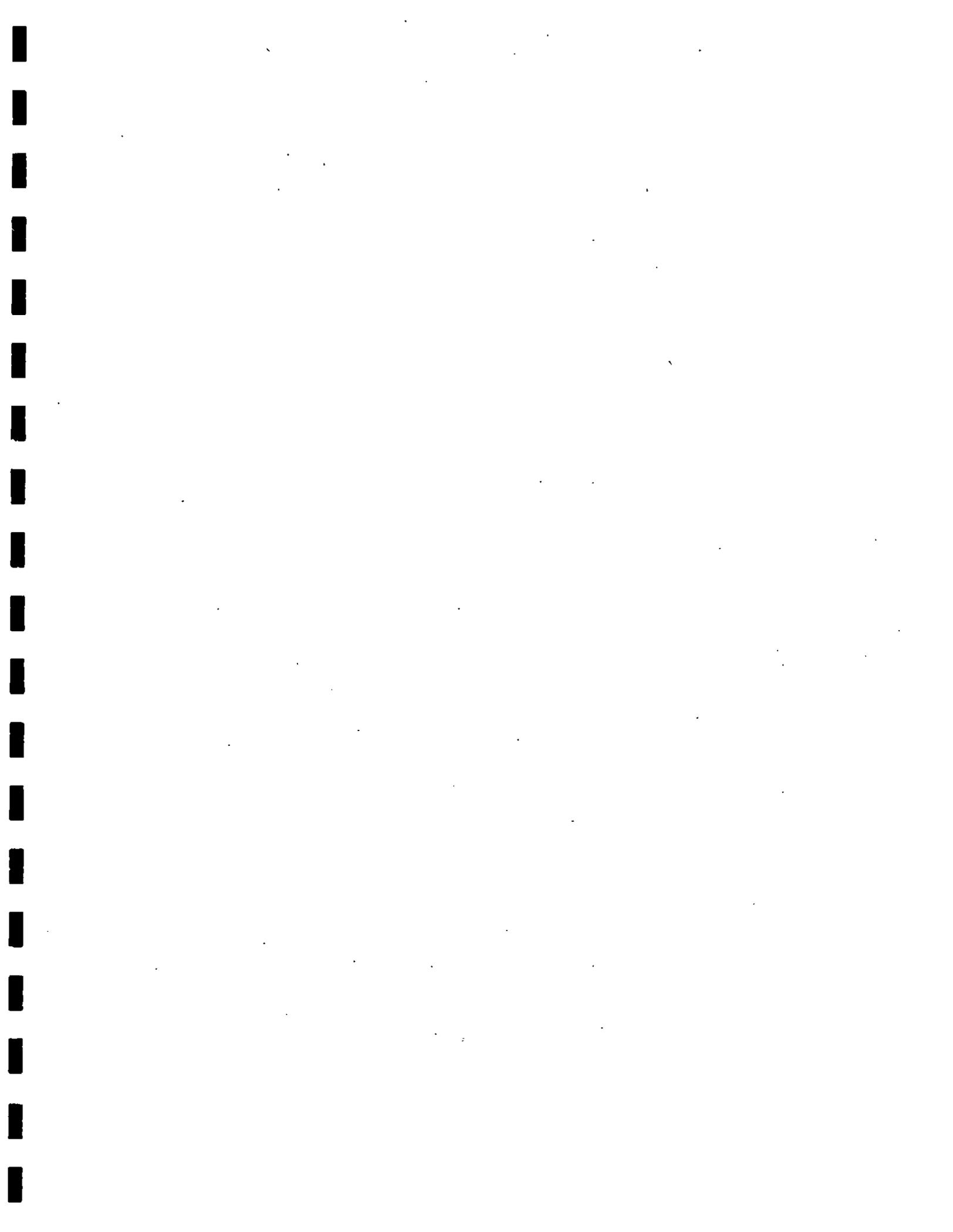
Under the new law, one-third of our customers will be able to choose an electric generation supplier by January 1, 1999. Another third will have choice by January 1, 2000, and the final third by January 1, 2001.

The PaPUC will hold hearings and review our filing. It will also issue an order accepting, modifying, or rejecting our plan by December 31, 1997.

You may contact the PaPUC at P.O. Box 3265, Harrisburg, Pennsylvania 17105-3265 if you wish to file a complaint or take part in the proceedings.

For more information contact PECO Energy at 1-800-494-4000.

PECO Energy Company



### **PRIOR EXPERIENCE OF THOMAS P. HILL, JR.**

I have participated in the preparation of rate case materials necessary for filing electric rate applications before the Pennsylvania Public Utility Commission which include: the 1975 Electric Rate Case (RID 295), the 1977 Electric Rate Case (RID 438), the 1979 Electric Rate Case (R-79060865), the 1980 through 1985 Electric Rate Cases (R-8006125, R-811626, R-822291, R-842590 and R-850152), and the 1989 Limerick Generating Station Electric Rate Case (R-891364). At R-79060865, I submitted testimony in the area of nuclear fuel inventory, materials and supplies, land held for future use and non-revenue producing CWIP. At R-8006125, R-811626, R-822291, R-842590 and R-850152, I presented testimony on specific revenue adjustments, operating expenses and the Company's claimed rate base exclusive of depreciated plant in service. At R-891364, I presented the Company's overall claim, as well as specific revenue adjustments.

In addition, I have participated in the preparation of similar materials in prior Gas Operations filings including the 1979 Gas Rate (R-79030781), the 1981 Gas Rate Case (R-811719), the 1983 Gas Rate Case (R-8432410) and the 1987 Gas Rate Case (R-870629). At R-79030781, I presented testimony as the Company depreciation witness responsible for claimed rate base and annual provisions for depreciation. At R-811719, R-832410 and R-870629, I presented testimony in support of the Company's revenue claim, operating expenses and rate base exclusive of depreciated plant in service.

I have participated in the preparation of rate filing materials for the prior Steam Operations filings including the 1979 Steam Rate Case (R-79040785), the 1980 Steam Rate Case (R-80071263), the 1981 Steam Rate Case (R-811720), the 1982 Steam Rate Case (R-822101) and the 1983 Steam Rate Case (R-832434). At R-79040785, I presented testimony as the Company depreciation witness responsible for rate base and annual provisions for depreciation. At R-80071263, I presented testimony in support of the Company's claims for materials and supplies and cash working capital. At R-822101 and R-832434, I presented testimony supporting the Company's claims for all revenue and expenses.

I have participated since 1970 in the preparation of exhibits for rate base, revenue, expense and other adjustments necessary for filing rate applications before the Federal Energy Regulatory Commission in support of our rate increases to the Borough of Lansdale and Conowingo Power Company. I have submitted testimony before the FERC at Dockets ER81-318, ER82-294, ER82-295, ER84-910, ER86-622 and ER94-8-000. I have also prepared rate filing material including rate base and all adjustments to rate base for filings before the Public Service Commission of Maryland for our subsidiary Conowingo Power Company.

Finally, I have submitted testimony in several Show Cause proceedings before the Pennsylvania Public Utility Commission. At Dockets No. R-830453, No. M-840375, No. M-850010, and No. I-880082 I testified on the administration of the Company's Energy Cost Rate and at Docket No. I-840381, I testified on the revenue requirements for Limerick 2 and other alternate generation scenarios.

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**APPLICATION OF PECO ENERGY COMPANY  
FOR APPROVAL OF ITS RESTRUCTURING PLAN  
UNDER SECTION 2806 OF THE PUBLIC UTILITY CODE**

**DIRECT TESTIMONY**

**OF**

**ALFRED A. MILLER**

**Regarding Compliance with the Commission's Order  
Approving PECO Energy Company's Restructuring Plan,  
Required Federal Energy Regulatory Commission Filings, and Proposed  
Treatment of Large Interruptible Load Rider and Special Contract Customers**

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1 Director - Rates & Regulatory Affairs.

2

3 **Q. Please describe your responsibilities as Director of PECO's Rates &**  
4 **Regulatory Affairs Division.**

5 A. I am responsible for directing the development and implementation of the electric  
6 and gas rate policies of PECO. I oversee the preparation and filing of all Tariffs  
7 and tariff-related materials with the Pennsylvania Public Utility Commission (the  
8 "Commission" or the "PUC"). I am also responsible for the coordination of  
9 changes to existing rates and riders and the development of new rates and riders. I  
10 also act as the liaison between PECO and the PUC in all rate matters.

11

12

13 **II. INTRODUCTION AND SUMMARY**

14

15

16 **Q. What is the purpose of your testimony?**

17 A. The purpose of my testimony is to explain how PECO plans to comply with the  
18 Commission's Order approving PECO's Restructuring Plan to enable Direct  
19 Access,<sup>1</sup> to identify those aspects of PECO's Restructuring Plan that will require  
20 FERC approval, and explain the timing, nature, and requirements of the FERC  
21 filing that PECO will make following approval of its Restructuring Plan.

---

<sup>1</sup> Direct Access is defined in the Competition Act as the "right of electric generation suppliers and end-use customers to utilize and interconnect with the electric transmission and distribution system . . . to transport electricity from any generator of electricity to any end-use customer." 66 Pa. C. S. §2803.

1 **III. COMPLIANCE WITH RESTRUCTURING PLAN**  
2 **ORDER AND FERC FILING REQUIREMENTS**  
3  
4

5 **Q. How does PECO propose to comply with a Commission's Order approving**  
6 **PECO's Restructuring Plan?**

7 A. PECO proposes to prepare and include with a compliance filing it would make,  
8 after the Commission issues its Order in this proceeding, two tariffs that will codify  
9 the rules, regulations, procedures, and charges that PECO has proposed in its  
10 Restructuring Plan. The first will be a Customer Distribution Services Tariff  
11 ("Customer Tariff"), and it will contain all of the rights and obligations over which  
12 the Commission has jurisdiction that will apply to the relationship between PECO  
13 and customers. This Tariff will constitute the contract between the customer and  
14 PECO as the Local Distribution Utility ("LDU"). The Customer Tariff will  
15 contain rules regarding the contractual requirements that will apply to the different  
16 customer classes. The second will be a Supplier Services Tariff ("Supplier  
17 Tariff"), and it will contain all of the rights and obligations over which the  
18 Commission has jurisdiction that will apply to the relationship between PECO and  
19 Electric Generation Suppliers ("Suppliers"). The Supplier Tariff will constitute the  
20 contract between the Supplier and PECO as the LDU. Competitive Suppliers with  
21 customers obtaining unbundled, regulated distribution and related services from  
22 PECO would have to sign a simple contract obligating them to adhere to the terms  
23 of the Supplier Tariff.  
24

1 **Q. What has PECO prepared and included with its Restructuring Plan Filing**  
2 **that will be included in such Tariffs?**

3 A. PECO has prepared sample tariff sheets showing the unbundled rates that it would  
4 charge its customers for its unbundled services subject to state regulation and for  
5 recovery of its Transition or Stranded Costs, which sheets PECO will include in its  
6 Customer Tariff. Those tariff sheets are attached to my testimony as Exhibit  
7 AAM-1. The unbundled pricing contained in these sample rate schedules is  
8 developed in the testimony of Mr. William F. Sundermeir. (PECO Statement No.  
9 13).

10  
11 **Q. What else would be in the two Tariffs?**

12 A. The Customer Tariff will include all of the items that are traditionally included in a  
13 *retail tariff (e.g., line extension charges, credit and collection terms, application*  
14 *procedures, rules regarding rate switching, and rules and charges associated with*  
15 *customer-requested facilities relocation)*. The Supplier Tariff will contain all of the  
16 rates and rules regarding the coordination of supply with retail load over which the  
17 Commission has jurisdiction. As explained by Gregory A. Cucchi in his testimony  
18 (PECO Statement No. 15), PECO believes that many aspects of the monthly  
19 energy balancing and load reconciliation processes will be subject to the  
20 Commission's jurisdiction. PECO will include any such jurisdictional rules  
21 regarding energy balancing and load reconciliation process, as described by Mr.  
22 Cucchi in his testimony, in the Supplier Tariff. In addition, both Tariffs will

1 contain the applicable rules, requirements, and charges associated with the  
2 procedures proposed in Mr. Cucchi's testimony.

3  
4 **Q. What will be the starting point for the development of the two Tariffs?**

5 A. PECO's most recent bundled electric service tariff (Tariff Electric - PA P.U.C No.  
6 2, Supplement No. 10, effective December 31, 1996), a copy of which has been  
7 attached to my testimony as Exhibit AAM-2, will be used as the starting point for  
8 developing the Customer Tariff, and was used as the starting point for the  
9 preparation of the rate sheets attached as Exhibit AAM-1. The rules and  
10 regulations in this current bundled tariff that do not require revision will be  
11 incorporated into the proposed Customer Tariff. PECO also will modify or  
12 eliminate existing rules and add new rules to the extent necessary to accommodate  
13 *Direct Access*.

14  
15 PECO will have to prepare the Supplier Tariff without any starting point, since all  
16 of the rules and regulations it will contain have not been needed at the retail level  
17 in a fully regulated environment. Its format and presentation, of course, will  
18 conform to the requirements of the Public Utility Code and applicable Commission  
19 regulations regarding tariffs. PECO will develop the specific rules, procedures,  
20 and associated charges based on the substance contained in its Restructuring Plan  
21 as approved by the Commission.

22

1 **Q. Before making the contemplated compliance filing, will PECO supplement its**  
2 **Restructuring Plan Filing with proposed changes to the rules and regulations**  
3 **contained in its current Tariff and the rules and regulations that will be**  
4 **included in the Supplier Tariff?**

5 A. Yes. The Electricity Generation Competition and Customer Choice Act (the  
6 “Competition Act”) provides that the Commission must act on PECO’s  
7 *Restructuring Filing within nine months. PECO will begin preparing the necessary*  
8 *modifications to existing rules and any necessary new rules that will need to be*  
9 *included with the Customer Tariff promptly. Upon completion, PECO will*  
10 *supplement its Restructuring Plan Filing with the proposed modifications and*  
11 *additions to the rules. With regard to the Supplier Tariff, although Mr. Cucchi has*  
12 *proposed certain procedures that would be included in it, many of the rules that*  
13 *will be applicable to Suppliers are actively being discussed in working groups that*  
14 *the Commission has established. The Company is actively participating in these*  
15 *working groups. When the relevant issues have been settled, PECO will prepare*  
16 *appropriate proposed rules, and supplement its filing with them.*

17  
18 **Q. Will the Tariffs include binding terms and conditions relating to the**  
19 **provision of the transmission service that will be necessary to enable electric**  
20 **generation competition?**

21 A. No, although they may contain some such specific terms and provisions for  
22 informational purposes only. The reason for this is that in its Order No. 888, and  
23 the recently reissued Order 888-A, FERC has made clear that it has and will assert

1 exclusive jurisdiction over the rates and terms and conditions of unbundled retail  
2 transmission service.

3  
4 **Q. How does PECO propose to procure transmission service for customers and**  
5 **to recover its costs for such service?**

6 A. Mr. Cucchi details in his testimony a number of alternatives that PECO expects  
7 will be available to customers to obtain the necessary unbundled transmission  
8 service when Direct Access has been fully implemented. During the 54-month  
9 period (through June 30, 2001) in which the Competition Act requires that  
10 PECO's transmission and distribution charges be capped, however, PECO plans to  
11 do what it has proposed to do for all customers that obtain supply from a Supplier  
12 as part of its Retail Access Pilot Program (the "Pilot"). For all customers that do  
13 not have demand interval metering, PECO proposes to procure network  
14 transmission service as Designated Agent under the regional Pennsylvania-New  
15 Jersey-Maryland pool-wide tariff that has recently replaced PECO's Open Access  
16 Transmission Service Tariff (the "Regional Tariff"). Customers with demand  
17 interval metering would be able, if they so choose, to obtain their transmission  
18 service for themselves directly under the Regional Tariff.<sup>2</sup>

19  
20 To recover the costs it incurs to procure transmission service for customers as  
21 their Designated Agent, PECO proposes to impose unbundled charges on such

---

<sup>2</sup> All customers that do have demand interval metering could also choose to have PECO act as their Designated Agent for the procurement of transmission service.

1 customers determined in accordance with traditional retail cost allocation and rate  
2 design methods, which rates therefore vary by rate class. The derivation of these  
3 unbundled retail transmission rates is described by Mr. Sundermeir in his  
4 testimony. The total amount that PECO would recover through these charges will  
5 be the same as the amount PECO will pay under the Regional Tariff for the  
6 network service.

7  
8 **Q. What will PECO file with FERC to enable it to procure and recover the costs**  
9 **of network transmission service for its customers during the 54-month rate**  
10 **cap period?**

11 A. In accordance with the requirements of the Regional Tariff, PECO will file a  
12 service agreement to obtain the required network transmission service. The  
13 service agreement will have appended to it an exhibit setting forth the unbundled  
14 transmission rates it would charge its customers to recover the costs it will incur to  
15 obtain the network transmission service.

16  
17 **Q. Will Commission support of PECO's proposed method of procuring and**  
18 **charging for transmission during the 54-month rate cap period be necessary**  
19 **to obtain FERC approval?**

20 A. Yes, PECO believes that active Commission support will be necessary. In recent  
21 decisions concerning retail electric pilot programs in other parts of the country,  
22 FERC has stated that it believes that all customers should be able to obtain  
23 transmission service under a utility's Open Access Transmission Service Tariff.

1 (“Open Access Tariff”). In those decisions, FERC has stated further that it will  
2 not approve a variance from an Open Access Tariff unless the affected State  
3 Commission provides the rationale for such a deviation. PECO’s concern is that  
4 FERC may view the rates for unbundled transmission service that PECO proposes  
5 to charge to customers for whom it acts as Designated Agent as a variation from  
6 the Regional Tariff, because all customers will not pay the same rate per kWh for  
7 transmission service. Thus, PECO will request the Commission to actively support  
8 its proposal before the FERC.

9  
10 **Q. Why should the Commission actively support PECO’s proposed method for**  
11 **procuring and recovering the costs of transmission service during the 54-**  
12 **month rate cap period?**

13 A. The Commission should actively support PECO’s proposed method because it  
14 serves important interests of the Commonwealth of Pennsylvania and the  
15 Commission. First, PECO’s proposed method ensures that, during the initial  
16 transition to full Direct Access, customers will be able to obtain transmission  
17 service with a minimum amount of inconvenience and confusion. If all customers  
18 were forced to obtain their transmission directly from PJM or its successor under  
19 the Regional Tariff, massive customer confusion could result. For example,  
20 FERC’s final rules may require that customers that take service under the Regional  
21 Tariff pay for transmission constraint control on an hour-to-hour basis at  
22 “locational marginal prices” calculated using complicated formulas. Customers  
23 may have difficulty not only in understanding what they are paying for but also in

1 determining what service they need to purchase to ensure continued reliable  
2 service. With PECO as Designated Agent, this type of problem can be completely  
3 avoided during the early years of Direct Access.

4  
5 Second, PECO's proposed method ensures that the 54-month rate cap on non-  
6 generation charges that is contained in the Competition Act (Section 2804(4)(I))  
7 may be enforced and that cost shifting will not occur. If some or all of the other  
8 methods described by Mr. Cucchi are available during the 54-month period, then  
9 there will almost certainly be violations of the rate cap that the Commission will be  
10 unable to address, and cost shifting will necessarily occur. If PECO's method is  
11 adopted, this would not be possible - - the proposed, unbundled retail transmission  
12 rates have been designed using traditional retail cost allocation and rate design  
13 methods that ensure that customers will necessarily pay the same charges as those  
14 that are embedded in their current base rates. If PECO's method is not adopted,  
15 and FERC rules is that some customers must pay transmission rates that are higher  
16 than those rates that would result from the traditional retail ratemaking process,  
17 then the Commonwealth would have no recourse to police or enforce the rate cap  
18 or prevent cost shifting. PECO and the Commission would have to abide by the  
19 FERC's rulings due to FERC's exclusive jurisdiction over the rates, terms and  
20 conditions of unbundled transmission service.

21  
22 Finally, PECO notes that the availability of the other methods that Mr. Cucchi  
23 presents in his testimony is currently limited by existing technology and/ or

1 regulatory uncertainties. One important technological limitation is that virtually all  
2 of PECO's approximately 1.3 million residential customers do not have demand  
3 interval metering, which would be necessary to enable some of the methods Mr.  
4 Cucchi discusses. With regard to regulatory uncertainties, during the next few  
5 years, FERC will decide whether an independent system operator ("ISO") should  
6 replace the PJM Interconnection Office, and provide more detailed guidance  
7 regarding the application of its recent restructuring orders to unbundled retail  
8 transmission and related services in the context of retail competition. As the  
9 landscape becomes clearer, and the nature and necessary terms and conditions of  
10 the available options become more settled, PECO will be in far better position to  
11 implement the other options that FERC's evolving rules will allow while  
12 minimizing the amount of inconvenience and confusion that will occur.

13  
14 **Q. Can you explain how use of an alternative method could result in a violation**  
15 **of the rate cap?**

16 A. Yes. One of the methods Mr. Cucchi describes would allow customers to obtain  
17 transmission service directly from PJM or a future ISO and be billed based on their  
18 coincident peak demands. A customer's coincident peak demand is the customer's  
19 registered demand at the time of the system peak. Since all of PECO's  
20 approximately 1.3 million residential customers do not have demand interval  
21 metering, to make this method available to such customers would require use of  
22 estimated coincident peak demands calculated using load profiles. For residential  
23 customers, these profiles could be developed using key customer usage

1 characteristics, such as total usage, and type of air conditioning system. Using this  
2 method, two different customers with identical air conditioning systems and the  
3 same total usage might be assigned the same estimated coincident peak demand.  
4 However, these two customers will almost certainly have different actual  
5 coincident peak demands. One might run air conditioning at high levels at the time  
6 of the system peak, and the other might run it more frequently but at a lower level  
7 than the other at the time of the system peak - the former would almost certainly  
8 have a higher coincident peak. Both customers, however, would pay the same  
9 total charges for transmission based on the identical estimated coincident peak  
10 demands, which charges would be different than those embedded in PECO's base  
11 rates. In fact, one or both of the customers could pay more than the amount  
12 embedded in PECO's base rates.

13  
14 **Q. How should the Commission show its support for PECO's proposal at**  
15 **FERC?**

16 **A.** First, in its Order approving PECO's Restructuring Plan, the Commission should  
17 specify that the Commonwealth's interests and objectives are served by PECO's  
18 proposal for transmission service during the 54-month rate cap period. Second,  
19 the Commission should intervene in the FERC proceeding on PECO's proposal  
20 and in its pleadings detail those specific Commonwealth interests and objectives.

21  
22  
23  
24

1 **IV. LARGE INTERRUPTIBLE LOAD RIDER AND SPECIAL CONTRACT**  
2 **CUSTOMERS**

3  
4  
5 **Q. Please describe PECO's Large Interruptible Load Rider and the tariff**  
6 **provisions under which PECO has offered bundled, special contract rates to**  
7 **large industrial and commercial customers.**

8 A. The Large Interruptible Load Rider ("LILR") is an interruptible service offering  
9 that is currently frozen such that it is available only to those Rate HT customers  
10 that are currently served under its terms and conditions. In exchange for the right  
11 to interrupt their service, PECO charges LILR customers at rates that are well  
12 below those that standard Rate HT customers currently pay.

13  
14 The Economic Efficiency Rider ("EER") is a rider that allows PECO to offer  
15 discounts to customers with demands of 5 MW or more based on competitive  
16 alternatives to PECO firm service. Some EER contracts contain block discounts  
17 on the Rate HT capacity charge and first two energy blocks ("Traditional EER  
18 Contracts"), and some contain fixed energy rates or energy rates based on the  
19 current PJM billing rate ("Other EER Contracts").

20  
21 Rule 4.6 of the Tariff allows PECO Energy to offer special contracts to customers  
22 with peak demands of 40 MW or more, and that have considered competitive  
23 alternatives to PECO Energy firm service. Some of these are designed like  
24 Traditional EER Contracts and some are designed like Other EER Contracts.

1 Finally, under the Incremental Process Rider ("IPR"), PECO can offer customers  
2 that are considering the installation of electric processes, but that have less costly  
3 options that use alternative fuels, discounted rates based on the overall cost of the  
4 competitive fuel option. Contracts entered into under this rider to date all contain  
5 discounts on the various components of the customer's applicable base rate (Rates  
6 HT, PD, and GS).

7  
8 **Q. Will PECO unbundle LILR contracts, Traditional EER Contracts, IPR**  
9 **contracts, and those Rule 4.6 Contracts designed like the Traditional EER**  
10 **Contracts?**

11 A. Yes. Effective January 1, 1999, PECO will unbundle all of these contracts on a  
12 case by case basis. In so doing, PECO will make sure that affected customers will  
13 pay no more or less than they do now under the bundled rates and riders for the  
14 remaining terms of these contracts. This course is appropriate since the basis for  
15 billing for all of these special contracts are rates and charges that will be unbundled  
16 as of January 1, 1999.

17  
18 **Q. Following unbundling, will LILR customers be able to obtain their electric**  
19 **energy requirements from a competitive supplier?**

20 A. No. for the reasons explained by Mr. Sundermeir, it would defeat the purpose of  
21 the LILR to allow customers served under it to obtain their supply from a  
22 competitive Supplier.

1 Q. Does your response to the previous question indicate that it is no longer  
2 PECO's current intention to ask the Commission to eliminate the LILR on or  
3 after April 1, 1999?

4 A. Yes, PECO no longer currently intends to eliminate the LILR. In the proceeding  
5 in which PECO successfully requested that the Commission freeze the availability  
6 of the LILR (Docket No. R-00943281), PECO indicated in its testimony that it  
7 was the Company's intention to ask the Commission to eliminate the LILR  
8 following the expiration of the April 1, 1999 rate freeze imposed by the Settlement  
9 of PECO's proceeding involving the recovery of increased costs caused by  
10 implementation of SFAS 106 (Docket No. R-00922479). PECO's current  
11 intention is that it will not ask to eliminate the LILR on or near April 1, 1999.

12  
13 Q. Does PECO expect to serve all of the customers that are under special  
14 contract for the remaining terms of the contracts, in the same way that  
15 PECO serves the customers now?

16 A. Yes, we executed the contracts in good faith with our customers and will honor all  
17 the terms and conditions of the contracts.

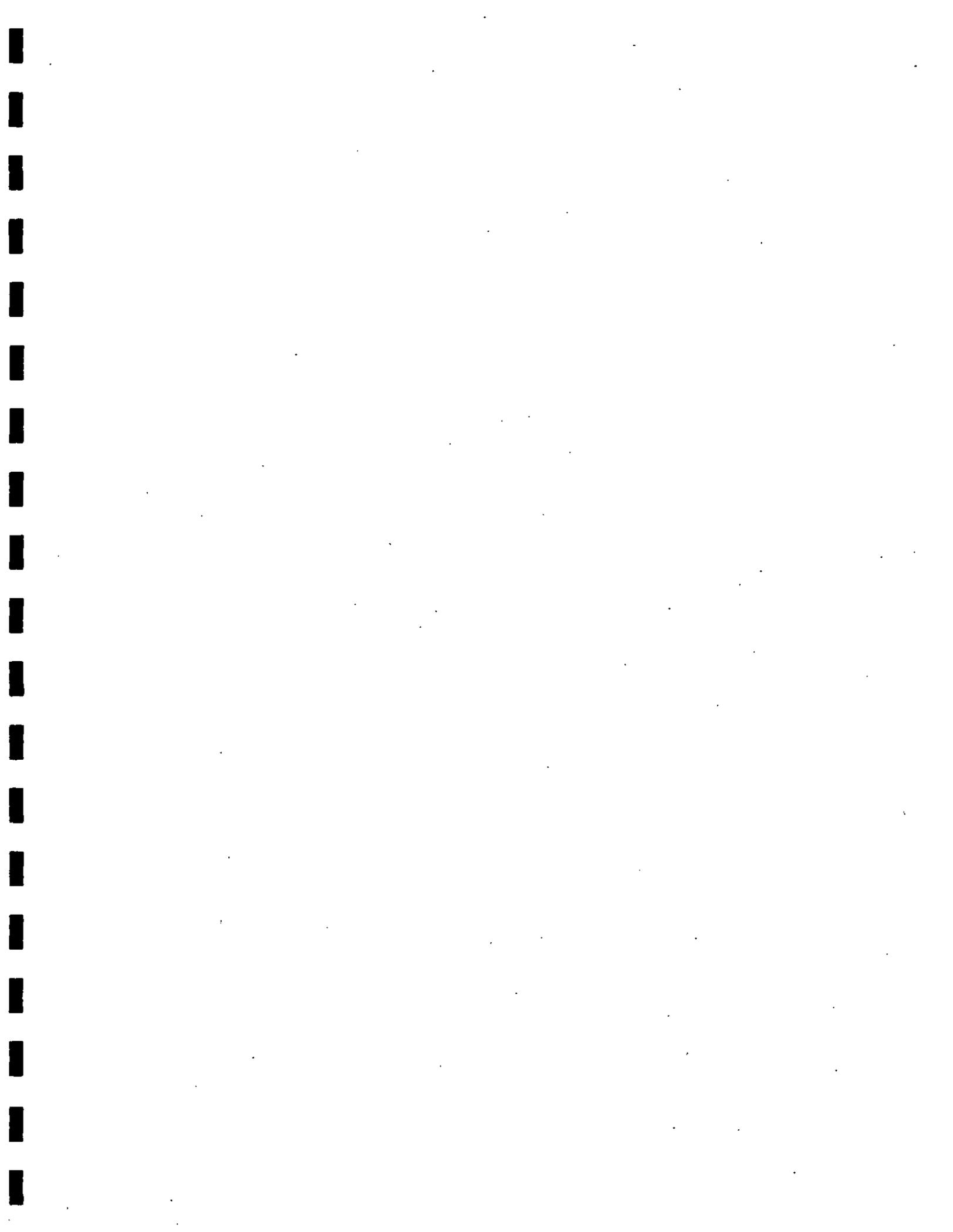
18

19 V. CONCLUSION

20

21 Q. Mr. Miller, does that conclude your direct testimony?

22 A. Yes, it does.



FOR ILLUSTRATIVE PURPOSES ONLY

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

PECO Energy CompanyORIGINAL PAGE NO. XXRATE R RESIDENCE SERVICE**AVAILABILITY.**

Single-phase Electric Delivery 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. Electric Delivery 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 Electric Delivery 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; (c) 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; (c) 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 delivery service.

**MONTHLY RATE TABLE.**

FIXED DISTRIBUTION SERVICE CHARGE: \$5.10

VARIABLE DISTRIBUTION SERVICE CHARGE:

SUMMER MONTHS. (June through September)

5.13¢ per kWh for the first 500 kWh per dwelling unit

5.95¢ per kWh for additional kWh.

WINTER MONTHS. (October through May)

5.13¢ per kWh

† TRANSMISSION SERVICE CHARGE:

SUMMER MONTHS. (June through September)

0.49¢ per kWh for the first 500 kWh per dwelling unit

0.57¢ per kWh for additional kWh.

WINTER MONTHS. (October through May)

0.49¢ per kWh

COMPETITIVE TRANSITION CHARGE:

SUMMER MONTHS. (June through September)

4.79¢ per kWh for the first 500 kWh per dwelling unit

5.56¢ per kWh for additional kWh.

WINTER MONTHS. (October through May)

4.79¢ per kWh

ENERGY CHARGE PRICES: The following energy charges will apply to customers that purchase their electric energy from PECO Energy and not applicable to customers who purchase energy from Electric Generation Suppliers other than PECO Energy.

SUMMER MONTHS. (June through September)

2.64¢ per kWh for the first 500 kWh per dwelling unit

2.83¢ per kWh for additional kWh.

WINTER MONTHS. (October through May)

2.64¢ per kWh

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

RATE R RESIDENCE SERVICE-CONTINUED

STATE TAX ADJUSTMENT CLAUSE, INTANGIBLE TRANSITION CHARGE, SECURITIZATION RATE REDUCTION AND TRANSITION BOND EXPENSE ADJUSTMENT apply to this rate.

**PAYMENT TERMS.**

Standard.

† The Federal Energy Regulatory Commission has jurisdiction over transmission service. The Transmission Service Charge is shown for informational purposes only.

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

Single-phase Electric Delivery 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 supplied through one meter. Electric Delivery Service is also available for related farm purposes when such service is supplied 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; (c) 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; (c) 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 delivery 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

**VARIABLE DISTRIBUTION SERVICE CHARGE:**

## SUMMER MONTHS (June through September)

3.07¢ per off-peak kWh

10.40¢ per on-peak kWh

## WINTER MONTHS (October through May)

3.07¢ per off-peak kWh

9.60¢ per on-peak kWh

## † TRANSMISSION SERVICE CHARGE:

## SUMMER MONTHS (June through September)

0.25¢ per off-peak kWh

0.86¢ per on-peak kWh

## WINTER MONTHS (October through May)

0.25¢ per off-peak kWh

0.79¢ per on-peak kWh

**COMPETITIVE TRANSITION CHARGE:**

## SUMMER MONTHS. (June through September)

2.45¢ per off-peak kWh

8.28¢ per on-peak kWh.

## WINTER MONTHS. (October through May)

2.45¢ per off-peak kWh

7.64¢ per on-peak kWh.

**ENERGY CHARGE PRICES:** The following energy charges will apply to customers that purchase their electric energy from PECO Energy and not applicable to customers who purchase energy from Electric Generation Suppliers other than PECO Energy.

## SUMMER MONTHS. (June through September)

1.33¢ per off-peak kWh

4.51¢ per on-peak kWh

## WINTER MONTHS. (October through May)

1.33¢ per off-peak kWh

4.16¢ per on-peak kWh

RATE RT RESIDENCE TIME-OF-USE SERVICE-CONTINUED

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

STATE TAX ADJUSTMENT CLAUSE, INTANGIBLE TRANSITION CHARGE, SECURITIZATION RATE REDUCTION and TRANSITION BOND EXPENSE ADJUSTMENT apply to this rate.

**CONTRACT TERM.**

Not less than twelve months.

**PAYMENT TERMS.**

Standard.

† The Federal Energy Regulatory Commission has jurisdiction over transmission service. The Transmission Service Charge is shown for informational purposes only.

RATE R-H RESIDENTIAL HEATING SERVICE

## AVAILABILITY.

Single-phase Electric Delivery 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 supplied 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. 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 supplied hereunder. Any Customer system of this type that produces electric energy may not be operated concurrently with service supplied 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 delivery service.

## MONTHLY RATE TABLE.

FIXED DISTRIBUTION SERVICE: \$5.10

## VARIABLE DISTRIBUTION SERVICE :

SUMMER MONTHS. (June through September)

4.83¢ per kWh for the first 500 kWh per dwelling unit

5.60¢ per kWh for additional kWh.

WINTER MONTHS. (October through May)

4.83¢ for the first 600 kWh per dwelling unit

2.04¢ per kWh for additional kWh.

## † TRANSMISSION SERVICE CHARGE:

SUMMER MONTHS. (June through September)

0.50¢ per kWh for the first 500 kWh per dwelling unit

0.58¢ per kWh for additional kWh.

WINTER MONTHS. (October through May)

0.50¢ for the first 600 kWh per dwelling unit

0.21¢ per kWh for additional kWh.

## COMPETITIVE TRANSITION CHARGE:

SUMMER MONTHS. (June through September)

4.87¢ per kWh for the first 500 kWh per dwelling unit

5.66¢ per kWh for additional kWh.

WINTER MONTHS. (October through May)

4.87¢ per kWh for the first 600 kWh per dwelling unit

2.06¢ per kWh for additional kWh.

ENERGY CHARGE PRICES: The following energy charges will apply to customers that purchase their electric energy from PECO Energy and not applicable to customers who purchase energy from Electric Generations Suppliers other than PECO Energy.

SUMMER MONTHS. (June through September)

2.85¢ per kWh for the first 500 kWh per dwelling unit

3.07¢ per kWh for additional kWh.

WINTER MONTHS. (October through May)

2.85¢ per kWh for the first 600 kWh per dwelling unit

2.06¢ per kWh for additional kWh.

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

STATE TAX ADJUSTMENT CLAUSE, INTANGIBLE TRANSITION CHARGE, SECURITIZATION RATE REDUCTION and TRANSITION BOND EXPENSE ADJUSTMENT apply to this rate.

RATE R-H RESIDENTIAL HEATING SERVICE-CONTINUED

**COMBINED RESIDENTIAL AND COMMERCIAL SERVICE.**

Where a portion of the Electric Delivery Service supplied 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.

† The Federal Energy Regulatory Commission has jurisdiction over transmission service. The Transmission Service Charge is shown for informational purposes only.

**CAP RATE**

(Experimental Rate - limited to 5000 customers)

**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.

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.

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.

**MONTHLY RATE TABLE.****Rate R customers - CAP Rate I**

FIXED DISTRIBUTION SERVICE CHARGE:	\$5.10
VARIABLE DISTRIBUTION SERVICE CHARGE:	2.23¢ per kWh for the first 500 kWh 5.13¢ per kWh for additional kWh
† TRANSMISSION SERVICE CHARGE:	0.49¢ for all kWh
COMPETITIVE TRANSITION CHARGE:	2.32¢ per kWh for the first 500 kWh 4.79¢ per kWh for additional kWh
ENERGY CHARGE PRICES:	1.27¢ per kWh for the first 500 kWh 2.64¢ per kWh for additional kWh

**Rate R customers - CAP Rate II**

FIXED DISTRIBUTION SERVICE CHARGE:	\$5.10
VARIABLE DISTRIBUTION SERVICE CHARGE:	3.68¢ per kWh for the first 500 kWh 5.13¢ per kWh for additional kWh
† TRANSMISSION SERVICE CHARGE:	0.49¢ for all kWh
COMPETITIVE TRANSITION CHARGE:	3.55¢ per kWh for the first 500 kWh 4.79¢ per kWh for additional kWh
ENERGY CHARGE PRICES:	1.96¢ per kWh for the first 500 kWh 2.64¢ per kWh for additional kWh

**PECO ENERGY COMPANY****CAP RATE -CONTINUED****Rate RH customers - CAP Rate I**

FIXED DISTRIBUTION SERVICE CHARGE:	\$5.10
VARIABLE DISTRIBUTION SERVICE:	
SUMMER MONTHS(June through September):	2.23¢ per kWh for the first 500 kWh 5.13¢ per kWh for additional kWh
WINTER MONTHS (October through May):	2.23¢ per kWh for all kWh
† TRANSMISSION SERVICE CHARGE:	0.49¢ for all kWh
COMPETITIVE TRANSITION CHARGE:	
SUMMER MONTHS(June through September):	2.32¢ per kWh for the first 500 kWh 4.79¢ per kWh for additional kWh
WINTER MONTHS (October through May):	2.32¢ per kWh for all kWh
ENERGY CHARGE PRICES:	
SUMMER MONTHS(June through September):	1.27¢ per kWh for the first 500 kWh 2.64¢ per kWh for additional kWh
WINTER MONTHS (October through May):	1.27¢ per kWh for all kWh

**Rate RH customers - CAP Rate II**

FIXED DISTRIBUTION SERVICE CHARGE:	\$5.10
VARIABLE DISTRIBUTION SERVICE:	
SUMMER MONTHS(June through September):	3.68¢ per kWh for the first 500 kWh 5.13¢ per kWh for additional kWh
WINTER MONTHS (October through May):	3.68¢ per kWh for the first 500 kWh 2.23¢ Per kWh for additional kWh
† TRANSMISSION SERVICE CHARGE:	0.49¢ for all kWh
COMPETITIVE TRANSITION CHARGE:	
SUMMER MONTHS(June through September):	3.55¢ per kWh for the first 500 kWh 4.79¢ per kWh for additional kWh
WINTER MONTHS (October through May):	3.55¢ per kWh for the first 500 kWh 2.32¢ Per kWh for additional kWh
ENERGY CHARGE PRICES:	
SUMMER MONTHS(June through September):	1.96¢ per kWh for the first 500 kWh 2.64¢ per kWh for additional kWh
WINTER MONTHS (October through May):	1.96¢ per kWh for all kWh 1.27¢ per kWh for additional kWh

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

STATE TAX ADJUSTMENT CLAUSE, INTANGIBLE TRANSITION CHARGE, SECURITIZATION RATE REDUCTION and TRANSITION BOND EXPENSE ADJUSTMENT apply to this rate.

PECO ENERGY COMPANY

CAP RATE - Continued

(Experimental Rate - limited to 5000 customers)

**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 on the CAP Rate, that develop any new arrearage, will be offered a payment agreement to resolve that arrearage.

† The Federal Energy Regulatory Commission has jurisdiction over transmission service. The Transmission Service Charge is shown for informational purposes only.

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

In conjunction with Rates R, RT, R-H and with residence Electric Delivery Service under Rate GS, for any Customer receiving delivery 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.
	VARIABLE DISTRIBUTION SERVICE CHARGE:	3.31¢ per kWh
†	TRANSMISSION SERVICE CHARGE:	0.58¢ per kWh
	COMPETITIVE TRANSITION CHARGE:	0.00¢ per kWh

ENERGY CHARGE PRICES: The following energy charges will apply to customers that purchase their electric energy from PECO Energy and not applicable to customers who purchase energy from Electric Generation Suppliers other than PECO Energy.

ENERGY CHARGE:	1.59¢ per kWh
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MINIMUM CHARGE: The minimum charge per month will be the Fixed Distribution Service Charge.

STATE TAX ADJUSTMENT CLAUSE, INTANGIBLE TRANSITION CHARGE, SECURITIZATION RATE REDUCTION and TRANSITION BOND EXPENSE ADJUSTMENT apply to this rate.

**PAYMENT TERMS.**

Standard.

† The Federal Energy Regulatory Commission has jurisdiction over transmission service. The Transmission Energy Service Charge is shown for informational purposes only.

**RATE R-S SOLAR RESIDENCE SERVICE****AVAILABILITY**

Single-phase Electric Delivery 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, that has installed solar panels or similar device or devices that are, in PECO Energy's sole judgment, a bona fide technology for use in generating electricity using energy from the Sun, and that will be operated in parallel with the Company's system. The customer's equipment must conform to the installation requirements contained in the Company's published "Requirements For Parallel Operation Of Non-Utility Generation." The Company will modify its distribution and transmission facilities as necessary to interconnect with the Customer at a single point. A customer will be charged for all modifications, additions or retirements made to provide the interconnection, in accordance with the "Requirements for Parallel Operation of Non-Utility Generation". This rate schedule is not available for commercial, institutional or industrial establishments.

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 options 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; (c) 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 "residence service" 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; (c) 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.

(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 two billing and metering options:

(a) A ratcheted meter may be installed that records only energy sales to the customer. If the solar panels or other device generate 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 solar panels or other qualified device. If, in any billing month, the amount of energy delivered by the Company that the customer uses is greater than the amount of energy the customer delivered to the Company, then the Company will bill the customer for the difference. If, in any billing month, the amount of energy delivered by the Company that the customer uses is less than the amount of energy the customer delivered to the Company, the Company will pay the customer for the excess using the monthly average PJM billing rate. A monthly meter charge shall apply if this billing and metering option is selected. A customer may sell any excess energy to an Electric Generation Supplier other than PECO Energy. However, the customer must pay the appropriate transmission and distribution service charges on this excess energy.

**CURRENT CHARACTERISTICS.**

Standard single-phase secondary electric delivery service.

**MONTHLY RATE TABLE FOR NET ENERGY USED BY CUSTOMER.**

FIXED DISTRIBUTION SERVICE CHARGE: \$5.10

DUAL SERVICE CHARGE: \$4.46

**VARIABLE DISTRIBUTION SERVICE CHARGE:**

SUMMER MONTHS. (June through September)

5.13¢ per kWh for the first 500 kWh per dwelling unit

5.95¢ per kWh for additional kWh.

WINTER MONTHS. (October through May)

5.13¢ per kWh

**† TRANSMISSION SERVICE CHARGE:**

SUMMER MONTHS. (June through September)

0.49¢ per kWh for the first 500 kWh per dwelling unit

0.57¢ per kWh for additional kWh.

WINTER MONTHS. (October through May)

0.49¢ per kWh

RATE R-S SOLAR RESIDENCE SERVICE-CONTINUED

COMPETITIVE TRANSITION CHARGE:

SUMMER MONTHS. (June through September)

4.79¢ per kWh for the first 500 kWh per dwelling unit

5.56¢ per kWh for additional kWh.

WINTER MONTHS. (October through May)

4.79¢ per kWh

ENERGY CHARGE PRICES: The following energy charges will apply to customers that purchase their electric energy from PECO Energy and not applicable to customers who purchase energy from Electric Generation Suppliers other than PECO Energy.

SUMMER MONTHS. (June through September)

13.05¢ per kWh for the first 500 kWh per dwelling unit

14.91¢ per kWh for additional kWh.

WINTER MONTHS. (October through May)

13.05¢ per kWh.

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

STATE TAX ADJUSTMENT CLAUSE, INTANGIBLE TRANSITION CHARGE, SECURITIZATION RATE REDUCTION and TRANSITION BOND EXPENSE ADJUSTMENT apply to this rate.

**CONTRACT TERM.**

Not less than twelve months.

**PAYMENT TERMS.**

Standard

† The Federal Energy Regulatory Commission has jurisdiction over transmission service. The Transmission Service Charge is shown for informational purposes only.

RATE-GS GENERAL SERVICE**AVAILABILITY.**

Electric Delivery 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 delivery service.

**MONTHLY RATE TABLE.**

## FIXED DISTRIBUTION SERVICE CHARGE:

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

## VARIABLE DISTRIBUTION SERVICE CHARGE:

4.48¢ per kWh for the first 80 hours' use of billing demand  
2.12¢ per kWh for the next 80 hours' use of the billing demand  
1.35¢ per kWh for additional use; except  
0.61¢ per kWh over both 400 hours' use of billing demand and 2,000 kWh

## † TRANSMISSION SERVICE CHARGE:

1.37¢ per kWh for the first 80 hours' use of billing demand  
0.65¢ per kWh for the next 80 hours' use of the billing demand  
0.41¢ per kWh for additional use; except  
0.19¢ per kWh over both 400 hours' use of billing demand and 2,000 kWh

## COMPETITIVE TRANSITION CHARGE:

11.92¢ per kWh for the first 80 hours' use of billing demand  
\* 5.64¢ per kWh for the next 80 hours' use of billing demand  
3.59¢ per kWh for additional use; except  
1.62¢ per kWh over both 400 hours' use of billing demand and 2,000 kWh.

\* During October through May this block is eliminated.

ENERGY CHARGE PRICES: The following energy charges will apply to customers that purchase their electric energy from PECO Energy and not applicable to customers who purchase energy from Electric Generation Suppliers other than PECO Energy.

4.37¢ per kWh for the first 80 hours' use of billing demand  
\* 2.83¢ per kWh for the next 80 hours' use of billing demand  
2.32¢ per kWh for additional use; except  
1.83¢ per kWh over both 400 hours' use of billing demand and 2,000 kWh.

\* During October through May this block is eliminated.

STATE TAX ADJUSTMENT CLAUSE, INTANGIBLE TRANSITION CHARGE, SECURITIZATION RATE REDUCTION and TRANSITION BOND EXPENSE ADJUSTMENT applies 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 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.

† The Federal Energy Regulatory Commission has jurisdiction over transmission service. The Transmission Energy Service Charge is shown for informational purposes only.

RATE-GS GENERAL SERVICE-CONTINUED**HEATING MODIFICATION.**

Wood, solar, wind, water, and biomass systems may be used to supply a portion of the heating requirements in conjunction with service supplied hereunder. Any Customer system of this type that produces electric energy may not be operated concurrently with service supplied 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 most recent two year billing period. The base load demand will be defined as the lowest measured demand during the period from October to May. 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 September 20, 1996, will continue to receive the same reduction until June 1, 1999 unless the current method (described in the preceding paragraph) yields a smaller measured 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.

†	TRANSMISSION SERVICE CHARGE:	0.21¢ per kWh
	DISTRIBUTION CHARGE:	2.04¢ per kWh
	COMPETITIVE TRANSITION CHARGE:	2.00¢ per kWh
	ENERGY CHARGE:	2.11¢ per kWh

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

**OFF-PEAK THERMAL STORAGE PROVISION.**

Off-peak energy may be supplied 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 ENERGY DURING THE WINTER AND SUMMER MONTHS:**

†	TRANSMISSION SERVICE CHARGE:	0.14¢ per kWh
	DISTRIBUTION CHARGE:	1.33¢ per kWh
	COMPETITIVE TRANSITION CHARGE:	1.31¢ per kWh
	ENERGY CHARGE:	1.37¢ per kWh

**ON-PEAK ENERGY DURING THE WINTER MONTHS:**

†	TRANSMISSION SERVICE CHARGE:	0.21¢ per kWh
	DISTRIBUTION CHARGE:	2.04¢ per kWh
	COMPETITIVE TRANSITION CHARGE:	2.00¢ per kWh
	ENERGY CHARGE:	2.11¢ per kWh

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.

† The Federal Energy Regulatory Commission has jurisdiction over transmission service. The Transmission Energy Service Charge is shown for informational purposes only.

RATE-GS GENERAL SERVICE-CONTINUED

**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.

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

Untransformed Electric Delivery 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 delivery 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 delivery service prior to 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 may refuse to increase the load supplied to a customer served under this rate when, in PECO'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 may refuse to change that location back to Rate PD when, in PECO's sole judgment, any transmission or distribution capacity limitations exist.

**CURRENT CHARACTERISTICS.**

Standard primary delivery service.

**MONTHLY RATE TABLE.**

FIXED DISTRIBUTION SERVICE CHARGE:	\$275.28
VARIABLE DISTRIBUTION SERVICE CHARGE:	\$2.08 per kW of billing demand 1.87¢ per kWh of the first 150 hours' use of billing demand 1.12¢ per kWh of the first next 150 hours' use of billing demand 0.38¢ per kWh for additional use.
† TRANSMISSION SERVICE CHARGE:	\$0.58 per kW of billing demand 0.52¢ per kWh of the first 150 hours' use of billing demand 0.31¢ per kWh of the first next 150 hours' use of billing demand 0.11¢ per kWh for additional use.
COMPETITIVE TRANSITION CHARGE:	\$5.10 per kW of billing demand 4.59¢ per kWh of the first 150 hours' use of billing demand 2.75¢ per kWh for the next 150 hours' use of billing demand 0.93¢ per kWh for additional use.

ENERGY CHARGE PRICES: The following energy charges will apply to customers that purchase their electric energy from PECO Energy and not applicable to customers who purchase energy from Electric Generation Suppliers other than PECO Energy.

\$1.49 per kW of billing demand
2.79¢ per kWh of the first 150 hours' use of billing demand
2.25¢ per kWh for the next 150 hours' use of billing demand
1.72¢ per kWh for additional use.

STATE TAX ADJUSTMENT CLAUSE, INTANGIBLE TRANSITION CHARGE, SECURITIZATION RATE REDUCTION and TRANSITION BOND EXPENSE 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 Variable Distribution Charge for the monthly billing demand.

**PAYMENT TERMS.**

Standard.

† The Federal Energy Regulatory Commission has jurisdiction over transmission service. The Transmission Service Charge is shown for informational purposes only.

**RATE-HT HIGH-TENSION POWER**

**AVAILABILITY.**

Untransformed Electric Delivery 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 delivery service.

**MONTHLY RATE TABLE.**

FIXED DISTRIBUTION SERVICE CHARGE:	\$286.86
VARIABLE DISTRIBUTION SERVICE CHARGE:	\$1.98 per kW of billing demand 1.07¢ per kWh of the first 150 hours' use of billing demand 0.64¢ per kWh of the first 150 hours' use of billing demand, but not more than 7,500,000 kwh  0.21¢ per kWh for additional use.
† TRANSMISSION SERVICE CHARGE:	\$0.97 per kW of billing demand. 0.53¢ per kWh of the first 150 hours' use of billing demand 0.32¢ per kWh of the first 150 hours' use of billing demand, but not more than 7,500,000 kwh 0.11¢ per kWh for additional use.
COMPETITIVE TRANSITION CHARGE:	\$7.86 per kW of billing demand 4.27¢ per kWh for the first 150 hours' use of billing demand 2.55¢ per kWh for the next 150 hours' use of billing demand, but not more than 7,500,000 kwh 0.85¢ per kWh for additional use.

ENERGY CHARGE PRICES: The following energy charges will apply to customers that purchase their electric energy from PECO Energy and not applicable to customers who purchase energy from Electric Generation Suppliers other than PECO Energy.

\$1.95 per kW of billing demand 2.42¢ per kWh for the first 150 hours' use of billing demand 1.99¢ per kWh for the next 150 hours' use of billing demand, but not more than 7,500,000 kwh 1.57¢ per kWh for additional use.
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**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, INTANGIBLE TRANSITION CHARGE, SECURITIZATION RATE REDUCTION and TRANSITION BOND EXPENSE 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 and 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.

RATE-HT HIGH-TENSION POWER-CONTINUED

**MINIMUM CHARGE.**

The monthly minimum charge shall be the Variable Distribution Service Charge, plus the capacity charge for the monthly billing demand, less the supply voltage discount where applicable.

**PAYMENT TERMS.**

Standard.

† The Federal Energy Regulatory Commission has jurisdiction over transmission service. The Transmission Service Charge is shown for informational purposes only.

RATE SL-E STREET LIGHTING CUSTOMER-OWNED FACILITIES

**AVAILABILITY.**

To any governmental agency outside of the City of Philadelphia for outdoor lighting of streets, highways, bridges, parks or similar places, including directional highway signs at locations where other outdoor lighting service is established hereunder for the safety and convenience of the public where all of the utilization facilities, as defined in Terms and Conditions in this rate schedule, 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.**

FIXED DISTRIBUTION SERVICE CHARGE:	\$10.01
VARIABLE DISTRIBUTION SERVICE CHARGE:	0.135¢ per Watt
† TRANSMISSION SERVICE CHARGE:	0.141¢ per Watt 0.152¢ per kWh
COMPETITIVE TRANSITION CHARGE:	0.147¢ per kWh

ENERGY CHARGE PRICES: The following energy charges will apply to customers that purchase their electric energy from PECO Energy and not applicable to customers who purchase energy from Electric Generation Suppliers other than PECO Energy.

1.442¢ per kWh

STATE TAX ADJUSTMENT CLAUSE, INTANGIBLE TRANSITION CHARGE, SECURITIZATION RATE REDUCTION and TRANSITION BOND EXPENSE 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.

† The Federal Energy Regulatory Commission has jurisdiction over transmission service. The Transmission Service Charge is shown for informational purposes only.

(Continued)

**FOR ILLUSTRATIVE PURPOSES ONLY**

**TARIFF ELECTRIC DELIVERY PA. P.U.C. NO. 1**

**PECO Energy Company**

**ORIGINAL PAGE NO. XX**

**RATE SL-E STREET LIGHTING CUSTOMER-OWNED FACILITIES - CONTINUED**

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 for four years less all fuel cost, 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 delivery service for electric traffic signal lights installed, owned and maintained by the municipality.

**CURRENT CHARACTERISTICS.**

Standard single-phase secondary delivery service.

**RATE TABLE.**

VARIABLE DISTRIBUTION SERVICE CHARGE: 4.93¢ per kWh

† TRANSMISSION SERVICE CHARGE: 0.41¢ per kWh

COMPETITIVE TRANSITION CHARGE: 3.93¢ per kWh

ENERGY CHARGE PRICES: The following energy charges will apply to customers that purchase their electric energy from PECO Energy and not applicable to customers who purchase energy from Electric Generation Suppliers other than PECO Energy.

2.14¢ per kWh

STATE TAX ADJUSTMENT CLAUSE, INTANGIBLE TRANSITION CHARGE, SECURITIZATION RATE REDUCTION and TRANSITION BOND EXPENSE 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.

† The Federal Energy Regulatory Commission has jurisdiction over transmission service. The Transmission Service Charge is shown for informational purposes only.

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 Electric Delivery 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 supplied for the operation of electrified transit and railroad systems and appurtenances.

**CURRENT CHARACTERISTICS.**

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

**MONTHLY RATE TABLE.**

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

VARIABLE DISTRIBUTION SERVICE CHARGE: \$3.53 per kW of billing demand  
0.29¢ per kWh

† TRANSMISSION SERVICE CHARGE: \$1.08 per kW of billing demand  
0.09¢ per kWh

COMPETITIVE TRANSITION CHARGE: \$9.28 per kW of billing demand  
0.77¢ per kWh

ENERGY CHARGE PRICE: The following energy charge will apply to customers that purchase their electric energy from PECO Energy and not applicable to customers who purchase energy from Electric Generation Suppliers other than PECO Energy.

\$2.57 per kW of billing demand  
1.59¢ per kWh

**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, INTANGIBLE TRANSITION CHARGE, SECURITIZATION RATE REDUCTION and TRANSITION BOND EXPENSE ADJUSTMENT applies 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.

† The Federal Energy Regulatory Commission has jurisdiction over transmission service. The Transmission Service Charge is shown for informational purposes only.

STANDARD RIDERS - CONTINUED

Applicable to rates as indicated in Applicability Index of Riders

ALLEY LIGHTING RIDER

**APPLICABILITY.** To multiple, unmetered lighting delivery 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.

**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:	5.50¢ per kWh
† TRANSMISSION SERVICE CHARGE:	0.45¢ per kWh
COMPETITIVE TRANSITION CHARGE:	4.38¢ per kWh

**ENERGY CHARGE PRICES:** The following energy charges will apply to customers that purchase their electric energy from PECO Energy and not applicable to customers who purchase energy from Electric Generation Suppliers other than PECO Energy.

2.38¢ per kWh

STATE TAX ADJUSTMENT CLAUSE, INTANGIBLE TRANSITION CHARGE, SECURITIZATION RATE REDUCTION and TRANSITION BOND EXPENSE ADJUSTMENT apply to this rider.

**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.

† The Federal Energy Regulatory Commission has jurisdiction over transmission service. The Transmission Service Charge is shown for informational purposes only.

STANDARD RIDERS - CONTINUED

Applicable to rates as indicated in Applicability Index of Riders

AUXILIARY SERVICE RIDER

**APPLICABILITY.** Service to customers, including but not limited to qualifying facilities of 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 only under the provisions of this rider.

**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 service 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 alternative generating capacity 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 alternative generating 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 alternative generating 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 alternative generating capacity whether or not owned by the Customer 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.

**STANDARD RIDERS - CONTINUED**

Applicable to rates as indicated in Applicability Index of Riders

**AUXILIARY SERVICE RIDER - CONTINUED**

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 alternative generating 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 alternative generating 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 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 Demand 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.**

Demand Charges: Charges are as specified in the contract for back-up supply. This charge shall include energy use equal in cost to the total monthly demand charge.

Transmission Charge:	\$0.23 per kW
Distribution Charge:	\$0.46 per kW
Competitive Transition Charge:	\$1.80 per kW
Energy Charge:	\$0.51 per kW

For service billed at:

High Tension Voltage:	Transmission Charge:	0.51¢ per kWh
	Distribution Charge:	1.11¢ per kWh
	Competitive Transition Charge:	4.15¢ per kWh
	Energy Charge:	2.06¢ per kWh

Primary Voltage:	Transmission Charge:	0.49¢ per kWh
	Distribution Charge:	2.07¢ per kWh
	Competitive Transition Charge:	4.31¢ per kWh
	Energy Charge:	3.01¢ per kWh

Secondary Voltage:	Transmission Charge:	0.73¢ per kWh
	Distribution Charge:	2.92¢ per kWh
	Competitive Transition Charge:	6.18¢ per kWh
	Energy Charge:	2.62¢ per kWh

**INTERRUPTIBLE BACK-UP POWER.** (Interruptible back-up power is available only to customers who purchase their electric energy from PECO Energy.)

Demand Charge: None.

Energy Charge for service billed at:

High Tension Voltage:	2.74¢ per kWh
Primary Voltage:	3.14¢ per kWh
Secondary Voltage:	4.25¢ per kWh

PECO Energy Company

STANDARD RIDERS - CONTINUED

Applicable to rates as indicated in Applicability Index of Riders

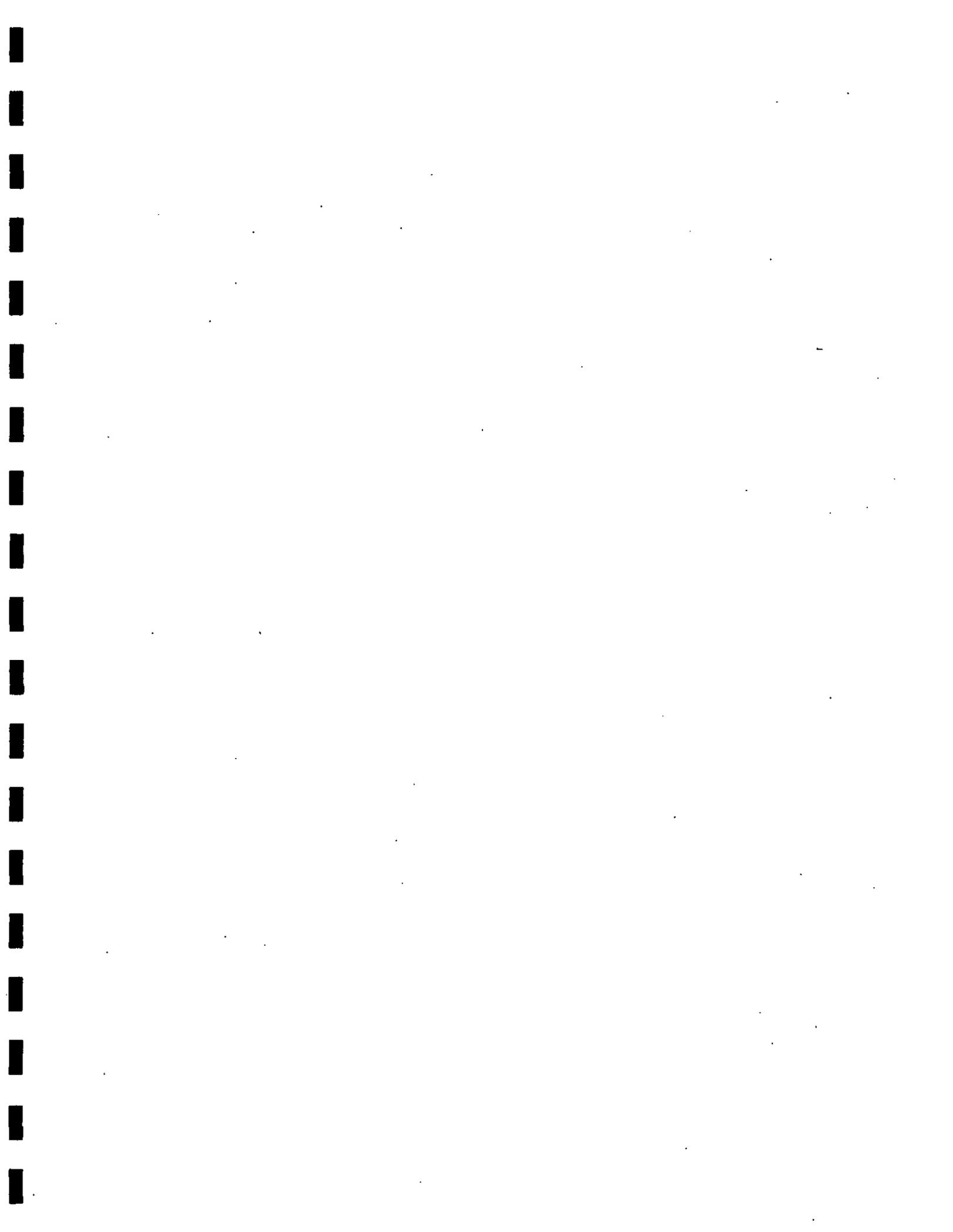
AUXILIARY SERVICE RIDER - CONTINUED

**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 purchase their electric energy from PECO Energy).  
Same as Interruptible Back-Up Power.

STATE TAX ADJUSTMENT CLAUSE, INTANGIBLE TRANSITION CHARGE SECURITIZATION RATE REDUCTION and TRANSITION BOND EXPENSE ADJUSTMENT apply to this rider.



**PECO Energy Company**  
**Electric Service Tariff**

**PECO Energy Company**  
**2301 Market Street**  
**Philadelphia, PA 19101**

# PECO Energy Company

## Electric Service Tariff

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### COMPANY OFFICE LOCATION

2301 Market Street  
Philadelphia, Pennsylvania 19101

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For List of Communities Served, See Page 4.

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Issued December 6, 1996

Effective December 31, 1996

ISSUED BY: C. A. MC NEILL, JR. - President  
and Chief Executive Officer  
2301 MARKET STREET  
PHILADELPHIA, PA. 19101

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# NOTICE.

THIS SUPPLEMENT MAKES CHANGES IN EXISTING RATES

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LIST OF CHANGES MADE BY THIS SUPPLEMENT  
CHANGES

- State Tax Adjustment (2nd Revised Page 31)  
ECA reference is eliminated
- Energy Cost Adjustment (1st Revised Page No. 32, 33, 34, 35, 36 and 37)  
Eliminated per base rate roll-in
- Limerick Settlement Adjustment (1st Revised Page No. 38 and 39)  
Eliminated per base rate roll-in
- Rate R - Residence Service (1st Revised Page No. 40)  
Energy charges are decreased to reflect ECA/LSA roll-in
- Rate RT- Residence Time-of-Use Service (1st Revised Page No. 41)  
Energy charges are decreased to reflect ECA/LSA roll-in
- Rate R-H - Residential Heating Service (1st Revised Page No. 42)  
Energy charges are decreased to reflect ECA/LSA roll-in
- CAP Rate (1st Revised Page No. 42A)  
Energy charges are decreased to reflect ECA/LSA roll-in
- Rate OP - Off-Peak Service (1st Revised Page No. 43)  
Energy charges are decreased to reflect ECA/LSA roll-in
- Rate R-S - Solar Residence Service (1st Revised Page No. 43A)  
Energy charges are decreased to reflect ECA/LSA roll-in
- Rate G-S - General Service (1st Revised Page No. 44)  
Energy charges are decreased to reflect ECA/LSA roll-in
- Rate G-S - General Service - continued (3rd Revised Page No. 45)  
Energy charges are decreased to reflect ECA/LSA roll-in
- Rate P-D - Primary Distribution Power (1st Revised Page No. 46)  
Energy charges are decreased to reflect ECA/LSA roll-in
- Rate H-T High Tension Power (1st Revised Page No. 47)  
Energy charges are decreased to reflect ECA/LSA roll-in
- Rate P-O-L Private Outdoor Lighting (2nd Revised Page No. 48)  
Energy charges are decreased to reflect ECA/LSA roll-in
- Rate SL-P Street Lighting in City of Philadelphia (1st Revised Page No. 50)  
Energy charges are decreased to reflect ECA/LSA roll-in
- Rate SL-S Street Lighting - Suburban Divisions (1st Revised Page No. 53)  
Energy charges are decreased to reflect ECA/LSA roll-in
- Rate SL-E Street Lighting Customer Owned Facilities (1st Revised Page No. 55)  
Energy charges are decreased to reflect ECA/LSA roll-in
- Rate TL Traffic Lighting Service (1st Revised Page No. 57)  
Energy charges are decreased to reflect ECA/LSA roll-in
- Rate BLI Borderline Interchange Service (1st Revised Page No. 58)  
Energy charges are decreased to reflect ECA/LSA roll-in
- Rate EP Electric Propulsion (1st Revised Page No. 59)  
Energy charges are decreased to reflect ECA/LSA roll-in
- Alley Lighting Rider (1st Revised Page No. 61)  
Energy charges are decreased to reflect ECA/LSA roll-in
- Auxiliary Service Rider (1st Revised Page No. 63)  
Energy charges are decreased to reflect ECA/LSA roll-in
- Employment and Economic Recovery Rider (2nd Revised Page No. 72)  
ECA reference is eliminated
- Large Interruptible Load Rider (1st Revised Page No. 79)  
ECA reference is eliminated
- Economic Efficiency Rider (2nd Revised Page No. 85)  
ECA reference is eliminated
- Interruptible Rider (1st Revised Page No. 90)  
ECA reference is eliminated
- Incremental Process Rider (1st Revised Page No. 92)  
ECA reference is eliminated

**PECO ENERGY COMPANY**

**SUPERSEDING NINTH REVISED PAGE NO. 3**

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LIST OF COMMUNITIES SERVEDPHILADELPHIA DIVISIONS: NORTH AND SOUTH  
CITY AND COUNTY OF Philadelphia.DELAWARE COUNTY DIVISION:  
CITY: Chester.

BOROUGHES: 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 DIVISION:

BOROUGHES: 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 DIVISION:

BOROUGHES: 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, Whitmarsh.

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

CHESTER COUNTY DIVISION:

CITY: Coatesville.

BOROUGHES: 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 DIVISION:

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.

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. (C)

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. (C)

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.

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. (C)

customer - Any person, partnership, association, or corporation, lawfully receiving service at a single meter location from the Company. (C)

customer 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.

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

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

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

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.

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. (C)

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.

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.

(C) Denotes Change

(Continued)

DEFINITION OF TERMS AND EXPLANATION OF ABBREVIATIONS-Continued

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.

service - The supply of capacity and energy for use by the Customer, including all things done by the Company in connection with such supply.

- 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;
  - (c) 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.

(C) Denotes Change.

DEFINITION OF TERMS AND EXPLANATION OF ABBREVIATIONS-Continued

- 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 suitable location on the premises for the installation of Company's transformation equipment. (C)

summary billing account - An aggregate bill prepared at the option of the Company for two or more customers that are related within the same partnership, association, corporation, or governmental agency etc.

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.

(C) Denotes Change

RULES AND REGULATIONS

## 1. THE ELECTRIC SERVICE TARIFF

1.1 **FILING AND POSTING.** A copy of this Tariff, which comprises the Rates, Rules and Regulations under which electric service will be supplied to its customers by PECO Energy Company, is on file with the Pennsylvania Public Service 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 electric service from the Company, under the rates therein, and receipt of electric 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 section 4.7. (C)

1.4 **BASIS OF CHARGE.** Time elapsed is a factor in the supply of electric 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. (C)

1.6 **USE OF RIDERS.** The terms governing the supply of service under a particular 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.

(C) Denotes change.

RULES AND REGULATIONS - CONTINUED

## 2. SERVICE LIMITATIONS

2.1 CHARACTER. This tariff applies only to the 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 supply energy of nonstandard characteristics.

2.2 SINGLE-POINT DELIVERY Unless otherwise stipulated therein, the rates named in this Tariff for each class of service are based upon its supply through a single delivery and metering point for the total requirements at each separate premises of the contracting Customer. Separate supply for the same Customer at other points of consumption shall be separately metered and billed.

2.3 SINGLE-POINT AVAILABILITY. Electric 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.

RULES AND REGULATIONS - CONTINUED**2. SERVICE LIMITATIONS - Continued**

**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 rate or rider under which service is supplied.

**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 single-phase service is borne by the Customer

(C)

**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.** Prior to 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 prior to or at the time that application is made for a building permit.

(C) Denotes change.

RULES AND REGULATIONS - CONTINUED

## 3. CUSTOMER'S INSTALLATION

3.1 **INFORMATION FROM 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 electricity, 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 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 which may be required in the delivery of the electric service.

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 supply 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. (C)

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 upon agreement from 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 this Agreement and the termination of the business relationship of the parties hereto.

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.

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. (C)

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 customer's unusual requirements for service, including but not limited to, service at other than standard voltages, or for the supply 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. (C)

(C) Denotes change.

RULES AND REGULATIONS - CONTINUED

## 4. APPLICATION FOR SERVICE

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

**4.2 SERVICE CONTRACT.** Every applicant for electric 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 electricity, and shall abide by these Rules and Regulations and the standard requirements of the Company. (C)

**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 will supply or may reject applications for service not available under a standard rate, or which might affect the supply of service to other customers, or to be delivered at a location or at a standard voltage which involves excessive supply cost, or for bad credit or the applicant's failure to provide identifying documentation, or when an applicant's self-identification cannot be verified or for other good and sufficient reasons. (C)

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 supplied according to the application either with or without modification, or when the customer otherwise receives service. (C)

**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 service; and b) who require in excess of 40,000 kW of monthly capacity supplied by PECO. 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.

**4.7 UNAUTHORIZED USE.** Unauthorized connection to the Company's electric service-supply 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 supplied 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. (C)

**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 supplying the new or modified service.

(C) Denotes change.

RULES AND REGULATIONS - CONTINUED**5. CREDIT**

**5.1 PAYMENT OBLIGATION.** The supply 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 PECO Energy 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.** 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 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 bill which gross bill which would accrue for use of service 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 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, the Customer shall be required to provide to the Company with such credit information as the Company requires.

**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 Pennsylvania Public Utility 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.

RULES AND REGULATIONS - CONTINUED

## 6. PRIVATE PROPERTY CONSTRUCTION

6.1 COMPANY'S SERVICE LINES. Where the Company has supply 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, 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. (C)

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 rate or rider under which the supply is made. The supply of transformers by the Company shall be limited to those required for a single standard transformation. (C)

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.

(C) Denotes Change.

RULES AND REGULATIONS - CONTINUED

## 7. EXTENSIONS

7.1 TRUNK LINE CONSTRUCTION. The Company will construct, own and maintain overhead or underground supply 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 supply system.

7.2 LINE EXTENSIONS. 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, less all fuel cost, 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 shall be based on fully allocated costs and will be required where the construction cost of the extension exceeds \$100,000. In such cases, the Customer will be required to guarantee annual revenue, less all fuel cost, equal to or greater than the cost of the entire line extension when such cost exceeds \$100,000. When determining construction costs for this purpose, system reinforcements, removal cost, transformers, services, meters 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 prior to 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 bills for service net of fuel. The Company will retain such portion of the advance as needed to guarantee the payment of subsequent bills.

## 7.3 UNDERGROUND ELECTRIC 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.

**RULES AND REGULATIONS - CONTINUED****7. EXTENSIONS - Continued**

**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 ELECTRIC SERVICE.** The applicant for electric service to a development shall conform with the following:

- (1) At its own cost, provide the Company with a copy of the recorded development plot plan identifying property boundaries, and with easements satisfactory to the Company for occupancy by distribution, service and street-lighting lines and related facilities.
- (2) At its own cost, clear the ground in which the lines and related facilities are to be laid of trees, stumps and other obstructions, provide the excavating and backfilling subject to the inspection and approval of the Company, and rough grade it to within six inches of final grade, so that the Company's part of the installation 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.

RULES AND REGULATIONS - CONTINUED

## 7. EXTENSIONS - Continued

- (3) Request electric service at such time that the lines may be installed before curbs, pavements and sidewalks are laid; carefully coordinate scheduling of the Company's line and facility installation with the general project construction schedule, including coordination with 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, hereinbefore defined, which are filed after the effective date of this supplement.

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 underground electric 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.

RULES AND REGULATIONS - CONTINUED**8. RIGHTS-OF-WAY**

**8.1 TERM AND RENTALS.** When the premises of a Customer is so located that he 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 he 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 prior to 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 supplied.

**9.3 COMPANY'S RIGHT TO INSPECT.** The Company shall have the right, but shall not be obliged to inspect any installation before electricity is introduced 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-supply 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.

RULES AND REGULATIONS - CONTINUED

## 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. (C)

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 PCS 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. (C)

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.

(C) Denotes Change

**RULES AND REGULATIONS - CONTINUED****10. COMPANY EQUIPMENT ON CUSTOMER'S PREMISES (cont.)**

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 less fuel costs 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 annual revenue less fuel costs realized from new load on the PECO 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. When the relocation is done in conjunction with extension of a line in accordance with §7.2 of the Electric 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**

A. 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.

(C)

**11. TARIFF AND CONTRACT OPTIONS**

(C)

**11.1 CHOICE OF RATE.** When the class of service-supply or conditions of use are such that two or more rates are available, a customer shall select the 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 rate or rate application.

**11.3 RATE CHANGES.** A customer may not change 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 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.

(C)

The Company will not make any 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.

(C) Denotes Change.

RULES AND REGULATIONS - CONTINUED

## 12. SERVICE CONTINUITY

**12.1 LIMITATION OF 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 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. (C)

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.

**12.3 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.

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

**12.5 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 anypoles or feeders, the Customer, at the customer's own expense, shall change the location of his point of delivery to point readily accessible to the new location. (C)

(C) Denotes Change.

RULES AND REGULATIONS - CONTINUED

## 13. CUSTOMER'S USE OF SERVICE

13.1 **RESALE OF SERVICE.** A Customer may resell energy purchased from the Company under a single contract at one application of an available rate when the purchased energy is the exclusive source of the Customer's supply, is for the total requirements of the premises served, and the location and use of the resold energy conforms to the availability requirements of this Tariff for supply to 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 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 charges for electric 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. (C)

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. (C)

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 polyphaseloads, 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. (C)

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. (C)

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.

(C) Denotes Change.

RULES AND REGULATIONS - CONTINUED

## 14. MEASUREMENT

**14.1 SUPPLY OF METERS.** The measurement of electric service shall be by meters furnished and installed by the Company. The Company will select the type and make of metering equipment, 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.

**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, 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 POWER FACTOR MEASUREMENT.** The Company reserves the right to measure the power factor of the Customer's load, either by test or by permanently installed instruments.

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

**14.5 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.

**14.6 METER READING INTERVALS.** The Company will read its meters at scheduled regular intervals of one month and 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.

**14.7 ESTIMATED USAGE.** The Company shall estimate the amount of service supplied to premises where access to the meter is not available, and to installations at remote locations when warranted by the type of installation, regularity of usage, or other circumstances, and 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.

RULES AND REGULATIONS - CONTINUED

## 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 capacity which the Company is required to stand ready to supply. In 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 supply capacity required to serve the Customer's load, 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 being that the demand so determined shall fairly represent the Customer's capacity requirement. The contract for such loads shall not in any case be for less capacity than the Company is required to supply.

(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.

(C) Denotes Change.

RULES AND REGULATIONS - CONTINUED

## 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.

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(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.

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- (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.

(C) Denotes Change.

RULES AND REGULATIONS - CONTINUED

## 16. 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, 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 meter become defective or fail to register correctly, the use of electricity shall be determined by a test of the 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 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 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 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.

RULES AND REGULATIONS - CONTINUED

## 17. STANDARD PAYMENT TERMS

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

17.2 **PAYMENT.**

(a) Bills 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 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.

17.3 **FINANCE CHARGE AND COLLECTION COSTS.** If payment is made at a Company office or authorize payment agency after the due date shown on the bill, a finance charge will be added to the unpaid balance until the entire bill is paid. If payment is made by mail, the finance charge 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, OP, POL and GS this finance charge will be 1-1/4% per month; for all other rates the finance charge 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.

17.4 **BUDGET BILLING.** At the option of a Customer receiving residential service under Rates R, RT, R-H, 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 finance charges. 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 finance charge 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.

17.5 **CALCULATION OF FINANCE CHARGE.** Where a finance charge is applicable, the amount of the finance charge to be added to the unpaid balance shall be calculated by multiplying the unpaid past due balance, exclusive of any previous unpaid finance charges, by the appropriate finance charge rate.

17.6 **APPLICATION OF PAYMENT.** When payment is received by the Company from a Customer who has an unpaid balance which includes finance charges, the payment will be applied first to the finance charge and then to the remainder of the unpaid balance in the order of oldest outstanding charges first.

(C) Denotes change

RULES AND REGULATIONS - CONTINUED

## 17. STANDARD PAYMENT TERMS - Continued

17.7 RETURNED CHECK CHARGE. If a check received in payment of a Customer's account is returned to the Company unpaid by the Customer's bank and cannot be redeposited by the Company or its agent for payment on the second attempt a charge for the returned check will be added to the Customer's account in the amount of \$20.00.

(C)

17.8 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 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 Pennsylvania Public Utility 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.

(C) Denotes Change.

RULES AND REGULATIONS - CONTINUED**18. TERMINATION BY THE COMPANY**

**18.1 NON-PAYMENT SHUT-OFF.** The Company may terminate its service on reasonable notice and remove its equipment in case of non-payment of charges. Notice which complies with applicable Commission regulations shall conclusively be considered to be "reasonable" hereunder.

**18.2 SHUT-OFF FOR CAUSE.** The Company may terminate on reasonable notice if entry to its 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 Commission rules (at 52 Pa. Code Chapter 56).

**18.3 SAFETY SHUT-OFF.** The Company may terminate without notice if the Customer's installation has become hazardous or defective.

**18.4 DEFECTIVE EQUIPMENT SHUT-OFF.** 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 supplied.

**18.5 SHUT-OFF FOR FRAUD.** The Company may terminate without notice for abuse, fraud, or tampering with the connections, meters, or other equipment of the Company.

**18.6 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 PUC Code Section 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.

**19. UNFULFILLED CONTRACTS**

**19.1 NOTICE OF DISCONTINUANCE BY CUSTOMER.** Notice to discontinue service prior to the expiration of a contract term will not relieve a Customer from any minimum, or guaranteed, payment under any contract or rate.

**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 supplying 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 in lieu of the anticipated returns from the said contract. 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.

RULES AND REGULATIONS - CONTINUED

## 20. CANCELLATION BY CUSTOMER

20.1 **TERMINATION NOTICE.** Customers who have fulfilled their initial contract term and wish to discontinue service must give 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 enure to the benefit of, the successors and assigns, heirs, executors and administrators of the parties thereto.

21.7 **OTHER CHARGES.** The Company may, where feasible, provide and charge for services, other than those provided for in this tariff, when requested by the customer or agent. 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 overheads.

STATE TAX ADJUSTMENT CLAUSE

In addition to the net charges provided for in this Tariff, a surcharge credit value of 0.23% will apply to all service on and after November 1, 1995 through September 23, 1996, after which the credit value will be 0.00%. (C)

Whenever any of the tax rates used in the calculation of the surcharge are changed, 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, 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.

(C) Indicates Change

ENERGY COST ADJUSTMENT (ECA)

THIS MECHANISM IS ELIMINATED

(C)

(C) Denotes Change

ENERGY COST ADJUSTMENT (ECA) - CONTINUED

THIS MECHANISM IS ELIMINATED

(C)

(C) Denotes Change

ENERGY COST ADJUSTMENT (ECA) - CONTINUED

THIS MECHANISM IS ELIMINATED

(C)

(C) Denotes Change

ENERGY COST ADJUSTMENT (ECA) - CONTINUED

THIS MECHANISM IS ELIMINATED

(C)

(C) Denotes Change

ENERGY COST ADJUSTMENT (ECA) - CONTINUED

THIS MECHANISM IS ELIMINATED

(C)

(C) Denotes Change

PECO Energy Company

ENERGY COST ADJUSTMENT (ECA) - CONTINUED

THIS MECHANISM IS ELIMINATED

(C)

(C) Denotes Change

PECO Energy Company

LIMERICK SETTLEMENT ADJUSTMENT (LSA)

THIS MECHANISM IS ELIMINATED

(C)

(C) Denotes Change

PECO Energy Company

LIMERICK SETTLEMENT ADJUSTMENT (LSA) - CONTINUED

THIS MECHANISM IS ELIMINATED

(C)

(C) Denotes Change

RATE R RESIDENCE SERVICE

**AVAILABILITY.**

Single-phase electric 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 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 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; (c) 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; (c) 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.**

CUSTOMER CHARGE: \$5.10

**ENERGY CHARGE PRICES:**

SUMMER MONTHS. (June through September)

13.05¢ per kWh for the first 500 kWh per dwelling unit

14.91¢ per kWh for additional kWh.

(D)

(D)

WINTER MONTHS. (October through May)

13.05¢ per kWh.

(D)

MINIMUM CHARGE: The minimum charge per month will be the Customer Charge.

STATE TAX ADJUSTMENT CLAUSE applies to this rate.

(C)

**PAYMENT TERMS.**

Standard.

(D) Indicates decrease.

(C) Indicates change.

PECO Energy Company

RATE RT RESIDENCE TIME-OF-USE SERVICE

**AVAILABILITY.**

Single-phase electric 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 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.

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; (c) 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; (c) 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.**

CUSTOMER CHARGE: \$10.19

**ENERGY CHARGE PRICES:**

SUMMER MONTHS. (June through September)

7.10¢ per off-peak kWh

24.05¢ per on-peak kWh.

WINTER MONTHS. (October through May)

7.10¢ per off-peak kWh

22.19¢ per on-peak kWh.

MINIMUM CHARGE: The minimum charge per month will be the Customer Charge.

STATE TAX ADJUSTMENT CLAUSE applies to this rate.

**CONTRACT TERM.**

Not less than twelve months.

**PAYMENT TERMS.**

Standard.

(D) Denotes decrease.

(C) Denotes change.

RATE R-H RESIDENTIAL HEATING SERVICE

**AVAILABILITY.**

Single-phase electric 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 supplied 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 OP 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 supplied hereunder. Any Customer system of this type that produces electric energy may not be operated concurrently with service supplied 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.

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

**CURRENT CHARACTERISTICS.**

Standard single-phase secondary service.

**MONTHLY RATE TABLE.**

CUSTOMER CHARGE: \$5.10

ENERGY CHARGE PRICES:

SUMMER MONTHS. (June through September)

13.05¢ per kWh for the first 500 kWh per dwelling unit (D)

14.91¢ per kWh for additional kWh. (D)

WINTER MONTHS. (October through May)

13.05¢ per kWh for the first 600 kWh per dwelling unit (D)

6.37¢ per kWh for additional kWh. (D)

MINIMUM CHARGE: The minimum charge per month will be the Customer Charge.

STATE TAX ADJUSTMENT CLAUSE applies to this rate. (C)

**COMBINED RESIDENTIAL AND COMMERCIAL SERVICE.**

Where a portion of the service supplied 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.

(D) Denotes decrease.

(C) Denotes change.

**PECO ENERGY COMPANY**

**SUPERSEDING ORIGINAL PAGE NO. 42A**

**CAP RATE**

(Experimental Rate - limited to 5000 customers)

**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.

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.

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.

**MONTHLY RATE TABLE.**

**Rate R customers**

**CAP Rate I**

Customer Charge: \$5.10

**ENERGY CHARGE PRICES:**

6.31¢ per kWh for the first 500 kWh (D)

13.05¢ per kWh for additional kWh (D)

**CAP Rate II**

Customer Charge: \$5.10

**ENERGY CHARGE PRICES:**

9.68¢ per kWh for the first 500 kWh (D)

13.05¢ per kWh for additional kWh (D)

**Rate RH customers**

**CAP Rate I**

Customer Charge: \$5.10

**ENERGY CHARGE PRICES:**

**SUMMER MONTHS. (June through September)**

6.31¢ per kWh for the first 500 kWh (D)

13.05¢ per kWh for additional kWh (D)

**WINTER MONTHS (October through May)**

6.31¢ per kWh for all kWh (D)

**CAP Rate II**

Customer Charge: \$5.10

**ENERGY CHARGE PRICES:**

**SUMMER MONTHS. (June through September)**

9.68¢ per kWh for the first 500 kWh (D)

13.05¢ per kWh for additional kWh (D)

**WINTER MONTHS (October through May)**

9.68¢ per kWh for the first 500 kWh (D)

6.31¢ per kWh for additional kWh (D)

**MINIMUM CHARGE:** The minimum charge per month will be the customer charge.

**STATE TAX ADJUSTMENT CLAUSE** applies to these rates. (C)

(D) Denotes decrease

(C) Denotes change

RATE OF 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.**

CUSTOMER CHARGE: \$4.58 per month.

ENERGY CHARGE: 5.48¢ per kilowatt-hour

(D)

MINIMUM CHARGE: The minimum charge per month will be the Customer Charge.

STATE TAX ADJUSTMENT CLAUSE applies to this rate.

(C)

**PAYMENT TERMS.**

Standard.

(D) Denotes decrease.

(C) Denotes change

**PECO Energy Company**

**RATE R-S SOLAR RESIDENCE SERVICE**

**AVAILABILITY**

Single-phase electric 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, that has installed solar panels or similar device or devices that are, in PECO Energy's sole judgment, a bona fide technology for use in generating electricity using energy from the Sun, and that will be operated in parallel with the Company's system. The customer's equipment must conform to the installation requirements contained in the Company's published "Requirements For Parallel Operation Of Non-Utility Generation." The Company will modify its distribution and transmission facilities as necessary to interconnect with the Customer at a single point. A customer will be charged for all modifications, additions or retirements made to provide the interconnection, in accordance with the "Requirements for Parallel Operation of Non-Utility Generation". This rate schedule is not available for commercial, institutional or industrial establishments.

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; (c) 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 "residence service" 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; (c) 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.

(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 two billing and metering options:

(a) A ratcheted meter may be installed that records only energy sales to the customer. If the solar panels or other device generate 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 solar panels or other qualified device. If, in any billing month, the amount of energy delivered by the Company that the customer uses is greater than the amount of energy the customer delivered to the Company, then the Company will bill the customer for the difference. If, in any billing month, the amount of energy delivered by the Company that the customer uses is less than the amount of energy the customer delivered to the Company, the Company will pay the customer for the excess using the monthly average PJM billing rate. A monthly meter charge shall apply if this billing and metering option is selected.

**CURRENT CHARACTERISTICS.**

Standard single-phase secondary service.

**MONTHLY RATE TABLE FOR NET ENERGY USED BY CUSTOMER.**

CUSTOMER CHARGE: \$5.10

DUAL METERING CHARGE: \$4.46

**ENERGY CHARGE PRICES:**

SUMMER MONTHS. (June through September)

13.05¢ per kWh for the first 500 kWh per dwelling unit

14.91¢ per kWh for additional kWh.

WINTER MONTHS. (October through May)

13.05¢ per kWh.

MINIMUM CHARGE: The minimum charge per month will be the Customer Charge and Dual Meter Charge.

STATE TAX ADJUSTMENT CLAUSE applies to this rate.

**CONTRACT TERM.**

Not less than twelve months.

**PAYMENT TERMS.**

Standard

(D) Denotes Decrease

(C) Denotes Change

PECO Energy Company

RATE GS GENERAL SERVICE

**AVAILABILITY.**

Electric 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.**

**CUSTOMER 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.

**ENERGY CHARGE:**

22.14¢ per kWh for the first 80 hours' use of billing demand (D)  
\*11.24¢ per kWh for the next 80 hours' use of billing demand (D)  
7.67¢ per kWh for additional use; except (D)  
4.25¢ per kWh over both 400 hours' use of billing demand and 2,000 kWh. (D)

\* During October through May this block is eliminated.

STATE TAX ADJUSTMENT CLAUSE applies to this rate. (C)

**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 Customer Charge. The monthly minimum charge for customers with demand measurement will be the Customer 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 supplied hereunder. Any Customer system of this type that produces electric energy may not be operated concurrently with service supplied 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.

(Continued)

(D) Denotes Decrease  
(C) Denotes Change

RATE GS GENERAL SERVICE - CONTINUED

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 most recent two year billing period. The base load demand will be defined as the lowest measured demand during the period from October to May. 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 September 20, 1996, will continue to receive the same reduction until June 1, 1999 unless the current method (described in the preceding paragraph) yields a smaller measured 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 6.37¢ per kWh in lieu of the pricing of the basic Monthly Rate Table. (D)

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

**OFF-PEAK THERMAL STORAGE PROVISION.**

Off-peak energy may be supplied 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 4.15¢ per kWh of off-peak energy during the winter and summer months, and 6.37¢ per kWh of on-peak energy during the winter months. 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. (D)

**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.

**TERM OF CONTRACT.**

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

**PAYMENT TERMS.**

Standard.

(D) Denotes decrease

PECO Energy Company

RATE PD PRIMARY-DISTRIBUTION POWER

**AVAILABILITY.**

Untransformed electric 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 prior to 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 may refuse to increase the load supplied to a customer served under this rate when, in PECO'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 may refuse to change that location back to Rate PD when, in PECO's sole judgment, any transmission or distribution capacity limitations exist.

**CURRENT CHARACTERISTICS.**

Standard primary service.

**MONTHLY RATE TABLE.**

CUSTOMER CHARGE: \$275.28

CAPACITY CHARGE: \$9.25 per kW of billing demand

**ENERGY CHARGE PRICES:**

9.77¢ per kWh for the first 150 hours' use of billing demand

6.43¢ per kWh for the next 150 hours' use of billing demand

3.14¢ per kWh for additional use.

(D)

(D)

(D)

STATE TAX ADJUSTMENT CLAUSE applies to this rate.

(C)

**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 Customer Charge, plus the capacity charge for the monthly billing demand.

**TERM OF CONTRACT.**

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

**PAYMENT TERMS.**

Standard.

(D) Denotes Decrease

(C) Denotes Change

PECO Energy Company

SUPERSEDING ORIGINAL PAGE NO. 47

RATE HT HIGH-TENSION POWER

**AVAILABILITY.**

Untransformed electric 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.**

CUSTOMER CHARGE: \$286.86

CAPACITY CHARGE: \$12.76 per kW of billing demand.

**ENERGY CHARGE PRICES:**

8.29¢ per kWh for the first 150 hours' use of billing demand

5.50¢ per kWh for the next 150 hours' use of billing demand,  
but not more than 7,500,000 kWh

2.74¢ per kWh for additional use.

(D)

(D)

(D)

**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 applies to this rate.

(C)

**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 and 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 Customer Charge, plus the capacity charge for the monthly billing demand, less the supply voltage discount where applicable.

**PAYMENT TERMS.**

Standard.

**TERM OF CONTRACT.**

The initial contract term shall be for at least three years. This TERM OF CONTRACT may be modified by the application of either the Curtailment HT Rider or Large Interruptible Load Rider.

(D) Denotes Decrease

(C) Denotes Change

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.

<u>MERCURY-VAPOR LAMPS-Size of Lamp</u>	<u>PRICE PER LIGHTING UNIT</u>		
	<u>Ltg. Unit Attached to Existing Company Pole</u>	<u>Ltg. Unit Attached to Customer's Pole</u>	
100 Watts (nominally 4,000 Lumens)	\$12.72	\$11.45	(D)
175 Watts (nominally 8,000 Lumens)	17.27	16.05	
250 Watts (nominally 12,000 Lumens)	21.30	20.21	
400 Watts (nominally 20,000 Lumens)	27.48	26.05	
400 Watts Floodlight (nominally 22,000 Lumens)	29.72	28.29	
<u>SODIUM-VAPOR LAMPS-Size of Lamp</u>	<u>Ltg. Unit Attached to Existing Company Pole</u>	<u>Ltg. Unit Attached to Customer's Pole</u>	
70 Watts (nominally 5,800 Lumens)	\$17.39	\$16.15	(D)
250 Watts (nominally 25,000 Lumens)	27.70	26.27	
400 Watts (nominally 50,000 Lumens)	30.41	28.98	
400 Watts Floodlight (nominally 50,000 Lumens)	32.64	31.21	

(Service to the above listed Mercury-Vapor Lamps and Sodium-Vapor Lamps will not be available after January 1, 1996 to new customers or existing customers for new or replacement luminaires. The Company will continue to perform lamp renewals and replace photocells as necessary. The Company will not replace defective or broken mercury vapor or sodium vapor luminaires, including ballasts. In such cases, the customer must take service under one of the current lighting unit options.)

<u>STANDARD METAL HALIDE LAMPS-Size of Lamp</u>	<u>PRICE PER LIGHTING UNIT</u>		
	<u>Ltg. Unit Attached to Existing Company Pole</u>	<u>Ltg. Unit Attached to Customer's Pole</u>	
400 Watts (nominally 36,000 Lumens)	\$32.14	\$30.75	(D)
1000 Watts (nominally 110,000 Lumens)	56.30	54.91	
<u>STANDARD HIGH PRESSURE SODIUM VAPOR LAMPS-Size/Lamp</u>	<u>Ltg. Unit Attached to Existing Company Pole</u>	<u>Ltg. Unit Attached to Customer's Pole</u>	
70 Watts (nominally 5,800 Lumens)	\$19.55	\$18.16	(D)
100 Watts (nominally 9,500 Lumens)	20.67	19.28	
150 Watts (nominally 16,000 Lumens)	22.59	21.20	
250 Watts (nominally 25,000 Lumens)	26.54	25.14	
400 Watts (nominally 50,000 Lumens)	32.20	30.80	

STATE TAX ADJUSTMENT CLAUSE applies to this rate. (C)

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 annual non-fuel related base 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 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.

(Continued)

(D) Denotes Decrease

(C) Denotes Change

RATE POL PRIVATE OUTDOOR LIGHTING (continued)

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. (C)

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. (C)

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 thereof. (C)

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. (C)

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. (C)

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. (C)

**TERM OF CONTRACT.**

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

**PAYMENT TERMS.**

Standard

(C) Denotes Change

RATE SL-P STREET LIGHTING IN CITY OF PHILADELPHIA

**AVAILABILITY.**

Only to a governmental agency, municipal, state or federal, for outdoor lighting of streets, highways, bridges, parks or similar places, including directional highway signs at locations where other outdoor lighting service is established hereunder, for the safety and convenience of the public within the City of Philadelphia by incandescent filament, mercury-vapor, fluorescent or sodium-vapor lamps of standard sizes and types approved by the Company where the Customer installs, owns and maintains all Utilization Facilities as hereinafter defined. Service will be supplied 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.**

**FACILITIES CHARGE PRICES:**

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.

**CAPACITY CHARGE PRICE:**

0.37¢ per watt.

**ENERGY CHARGE PRICE:**

3.84¢ per kWh of energy billed.

STATE TAX ADJUSTMENT CLAUSE applies to this rate.

(D)

(C)

**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.

(Continued)

(D) Denotes Decrease

(C) Denotes Change

RATE SL-P STREET LIGHTING IN CITY OF PHILADELPHIA - CONTINUED

## 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 meter 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 supplied 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.

RATE SL-P STREET LIGHTING IN CITY OF PHILADELPHIA - CONTINUED

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 supplied 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 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. (C)

12. Additional Lighting. Lighting service for additional lamps installed by the Customer will be supplied 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. 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 monthly capacity and energy charges will be made on the monthly bill. 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.

(C) Denotes Change

RATE SL-S STREET LIGHTING-SUBURBAN DIVISIONS

**AVAILABILITY.**

Outdoor lighting of streets, highways, bridges, parks and similar places for the safety and convenience of the public in Suburban Divisions.

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

Incandescent Filament Lamps		
Size of Lamp	Billing Watts	Rate per Year
320 Lumens	32	\$ 99.26
600 "	58	138.30
1,000 "	103	194.00
2,500 "	202	266.96
6,000 "	448	304.58
10,000 "	690	364.64

(D)

For each Customer, the supply of energy for incandescent filament lamps is restricted to the total of each rating in service on May 10, 1980; except that for 320 lumen and 600 lumen lamps the supply is restricted for any Customer to the total of such rating in service on October 15, 1963 and in each succeeding year beginning January 1, 1964, to the number of each rating in service on January first of each such year.

Mercury Vapor Lamps		
Size of Lamp	Billing Watts	Rate per Year
Nominally 4,000 Lumens	115	\$228.29
" 8,000 "	191	241.10
" 12,000 "	275	257.08
" 20,000 "	429	301.99
" 42,000 "	768	430.18
" 59,000 "	1,090	484.90

(D)

Sodium-Vapor Lamps		
Size of Lamp	Billing Watts	Rate per Year
Nominally 5,800 Lumens	94	\$226.58
" 9,500 "	131	246.35
" 16,000 "	192	276.69
" 25,000 "	294	314.35
" 50,000 "	450	374.54

(D)

STATE TAX ADJUSTMENT CLAUSE applies to this rate.

(C)

**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 in the street lighting bill for the hours of failure if such 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.

(Continued)

(D) Denotes decrease

(C) Denotes decrease

RATE SL-S STREET LIGHTING-SUBURBAN - CONTINUED

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 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. (C)

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.

(C) Denotes Change

RATE SL-E STREET LIGHTING CUSTOMER-OWNED FACILITIES

**AVAILABILITY.**

To any governmental agency outside of the City of Philadelphia for outdoor lighting of streets, highways, bridges, parks or similar places, including directional highway signs at locations where other outdoor lighting service is established hereunder for the safety and convenience of the public where all of the utilization facilities, as defined in Terms and Conditions in this rate schedule, 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 CHARGE PRICE:

\$10.01 per location.

CAPACITY CHARGE PRICE:

0.276¢ per watt.

ENERGY CHARGE PRICE:

1.741¢ per kWh of energy billed.

(D)

STATE TAX ADJUSTMENT CLAUSE applies to this rate.

(C)

**SERVICE LOCATION.**

A service location shall comprise each lighting installation which is 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.

(Continued)

(D) Denotes Decrease  
(C) Denotes Change

RATE SL-E STREET LIGHTING CUSTOMER-OWNED FACILITIES - CONTINUED

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. (C)

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 for four years less all fuel cost, 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.

(C) Denotes Change

RATE TL TRAFFIC LIGHTING SERVICE

**AVAILABILITY.**

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

**CURRENT CHARACTERISTICS.**

Standard single-phase secondary service.

**RATE.**

11.41¢ per kWh.

(D)

STATE TAX ADJUSTMENT CLAUSE applies to this rate.

(C)

**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 service installation.

**TERM OF CONTRACT.**

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

**PAYMENT TERMS.**

Standard.

(D) Denotes Decrease

(C) Denotes Change

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.

**ENERGY CHARGE:**

14.86¢ per kWh.

STATE TAX ADJUSTMENT CLAUSE applies to this rate.

(D)

(C)

**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 to the other.

**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 electric 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 supplied for the operation of electrified transit and railroad systems and appurtenances.

**CURRENT CHARACTERISTICS.**

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

**MONTHLY RATE TABLE.**

SERVICE CHARGE: \$1,243.85 per delivery point

CAPACITY CHARGE: \$ 16.46 per kW.

ENERGY CHARGE: 2.74¢ per kWh.

(D)

**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:

	<u>(June through September)</u>	<u>October through May)</u>
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 applies to this rate.

(C)

**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.

(D) Denotes Decrease

(C) Denotes Change

PECO Energy Company

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 rate under which they are supplied. 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 rate to which the rider is applied.

Riders	Page Numbers	Rates to Which Riders Apply													
		R	RT	R-H	OP	GS	PD	HT	POL	SL-P	SL-S	SL-E	EP	BLI	
Alley Lighting	61	-	-	-	-	-	-	-	-	-	X	-	-	-	-
Auxiliary Service	62	X	X	X	X	X	X	X	-	-	-	-	-	-	-
Casualty	65	X	X	X	X	X	X	X	-	-	-	-	X	-	-
Construction	66	-	-	-	-	-	X	X	-	-	-	-	X	-	-
Cooling Thermal Storage HT	67	-	-	-	-	-	-	X	-	-	-	-	-	-	-
Curtailment HT	68	-	-	-	-	-	-	X	-	-	-	-	-	-	-
Electric Vehicle Charging	69	X	X	-	-	-	-	-	-	-	-	-	-	-	-
Emergency Energy Conservation	70	-	-	-	-	-	-	X	-	-	-	-	X	-	-
Employment & Economic Recovery	71	-	-	-	-	[3]	X	X	-	-	-	-	-	-	-
Investment Return Guarantee	74	-	-	-	-	X	X	X	-	-	-	-	-	-	-
Night Service GS	75	-	-	-	-	X	-	-	-	-	-	-	-	-	-
Night Service HT	76	-	-	-	-	-	-	X	-	-	-	-	X	-	-
Large Interruptible Load	77	-	-	-	-	-	-	[4]	-	-	-	-	[4]	-	-
Night Service PD	80	-	-	-	-	-	X	-	-	-	-	-	-	-	-
Off-Peak	81	-	-	-	-	-	[2]	[2]	-	-	-	-	-	-	-
Receivership	82	X	X	X	X	X	X	X	-	-	-	-	X	-	-
Temporary Service	83	X	X	X	X	X	X	X	-	-	-	-	X	-	-
Transformer Rental	84	-	-	-	-	-	[1]	[1]	-	-	-	-	-	-	-
Economic Efficiency	85	-	-	-	-	-	-	-	X	-	-	-	-	-	-
Capacity Reservation	86	-	-	-	-	-	-	-	X	-	-	-	-	-	-
Seasonal Capacity Charge	87	-	-	-	-	-	-	-	X	-	-	-	-	-	-
Interruptible Rider - 1	88	-	-	-	-	-	-	-	X	-	-	-	-	-	-
Incremental Process Rider	91	-	-	-	-	-	X	-	X	-	-	-	-	-	-

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.
- (C) Denotes Change

STANDARD RIDERS - CONTINUED

Applicable to rates as indicated in Applicability Index of Riders

ALLEY LIGHTING RIDER

**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.

**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.

**CHARGE.**

12.71¢ per kWh.

(D)

STATE TAX ADJUSTMENT CLAUSE applies to this rider.

(C)

**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.

(D) Denotes Decrease

(C) Denotes Change

STANDARD RIDERS - CONTINUED

Applicable to rates as indicated in Applicability Index of Riders

AUXILIARY SERVICE RIDER

**APPLICABILITY.** Service to customers, including but not limited to qualifying facilities of 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 only under the provisions of this rider.

**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 service 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 alternative generating capacity 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 alternative generating 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 alternative generating 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 alternative generating capacity whether or not owned by the Customer 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.

(C) Denotes Change

**STANDARD RIDERS - CONTINUED**

Applicable to rates as indicated in Applicability Index of Riders

**AUXILIARY SERVICE RIDER - CONTINUED**

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 alternative generating 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 alternative generating 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 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 Customer Charge of the applicable rate. All other Demand 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.**

Demand Charge: \$3.00 per kilowatt of demand specified in the contract for back-up supply. (D)  
This charge shall include energy use equal in cost to the total monthly demand charge.  
Energy Charge:

For service billed at: High Tension Voltage: 7.83¢ per kilowatt-hour  
Primary Voltage: 9.88¢ per kilowatt-hour  
Secondary Voltage: 12.45¢ per kilowatt-hour

**INTERRUPTIBLE BACK-UP POWER.**

Demand Charge: None. (D)  
Energy Charge:

For service billed at: High Tension Voltage: 2.74¢ per kilowatt-hour  
Primary Voltage: 3.14¢ per kilowatt-hour  
Secondary Voltage: 4.25¢ per kilowatt-hour

**FIRM MAINTENANCE POWER.**

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

**INTERRUPTIBLE MAINTENANCE POWER.**

Same as Interruptible Back-Up Power.

STATE TAX ADJUSTMENT CLAUSE applies to this rider. (C)

(D) Denotes Decrease  
(C) Denotes Change

STANDARD RIDERS - CONTINUED

Applicable to rates as indicated in Applicability Index of Riders

AUXILIARY SERVICE RIDER - CONTINUED

**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 alternative generating facilities at multiple points of service that were used prior to the parallel operation of the alternative generating facilities if after the introduction of these alternative generating 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 Pennsylvania Public Utility Commission.

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

STANDARD RIDERS - CONTINUED

Applicable to rates as indicated in Applicability Index of Riders

CASUALTY RIDER

APPLICABILITY. To service delivered 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. (C)

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 interruption. (C)

GUARANTEES WAIVED. Guarantees of revenue under the Customer's contract shall be suspended during the period of the interruption, but shall be restored when the cause of interruption shall cease, be removed or remedied.

BILLS PRORATED. Bills for service supplied shall be prorated, based upon the actual level of operation during the period of suspension of guarantees.

RETURN TO NORMAL USE. The Customer shall use reasonable diligence in resuming the use of service provided in the contract. (C)

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

(C) Denotes change.

STANDARD RIDERS - CONTINUED

Applicable to rates as indicated in Applicability Index of Riders

CONSTRUCTION RIDER

**APPLICABILITY.** To service supplied 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.

**BILLING DEMAND ADJUSTMENTS.** The 40% minimum demand specified in the Customer's contract will be waived 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. Additionally, no Power Factor Adjustments shall be applied to the Customer's billing demand in months when this rider is applied.

**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 of time equal 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.

STANDARD RIDERS - CONTINUED

Applicable to rates as indicated in Applicability Index of Riders

COOLING THERMAL STORAGE HT RIDER

**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 an engineering study performed by a professional engineer registered in the Commonwealth of Pennsylvania to the Company for technical review and approval for technical review and approval. (C)

**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

**SERVICE RATE** Rate HT, including all its terms and guarantees, is applicable to service supplied during on-peak hours. The capacity charge and blocking of the energy charge of said rate 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 charge and blocking of the energy charge. 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.

**MONTHLY RATE TABLE.**

Billing and Metering Charge: \$11.21

Off-Peak Capacity 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.

C) Denotes Change

STANDARD RIDERS - CONTINUED

Applicable to rates as indicated in Applicability Index of Riders

CURTAILMENT HT RIDER

**APPLICABILITY.** 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 summermonths (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. (C)

**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.

**SERVICE RATE.** 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 to which that the customer must curtail during an interruption. (C)

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 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 \$ 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. (C)

**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.

(C) Denotes Change

STANDARD RIDERS - CONTINUED

Applicable to rates as indicated in Applicability Index of Riders

ELECTRIC VEHICLE CHARGING RIDER  
(EXPERIMENTAL)

## AVAILABILITY.

In conjunction with Rates R and RT for the operation of charging equipment for the sole purpose of charging batteries to be used exclusively to power electric motor vehicles. This rate is not available to vehicles exempt from registration as listed in 75 P.S. 1302. This rider expires on December 31, 1998.

(C)

## SPECIAL RULES.

The Company will supply a meter of the Company's choice to the customer to be used for the sole purpose of charging batteries used to power electric motor vehicles. The customer shall receive a credit of 3.00 cents per kilowatthour, for all kilowatthours registered on the special meter. This credit shall be calculated monthly and applied to the customer's regular monthly bill for electric service.

Use of the designated circuit for other than the intended purpose shall constitute theft of service and as such shall be subject to all associated penalties.

## PAYMENT TERMS.

Standard.

(C) Denotes Change

STANDARD RIDERS - CONTINUED

Applicable to rates as indicated in Applicability Index of Riders

EMERGENCY ENERGY CONSERVATION RIDER

**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 meter readings especially 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.

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

(C) Denotes Change

(C)

STANDARD RIDERS - CONTINUED

Applicable to rates as indicated in Applicability Index of Riders

EMPLOYMENT AND ECONOMIC RECOVERY RIDER

**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 supplied 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 finance charge for service previously supplied 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). (C)

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 finance charge for service supplied to the Service Location before the effective date of the rider for the Service Location.
3. The Company has not previously supplied electric service to the Service Location, or the electric service previously supplied 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. (C)

II **DEFINITIONS**

1. **SERVICE LOCATION.** A single or contiguous premises having one or more delivery points for electric 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 electricity 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. (C)
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.

(C) Denotes Change.

STANDARD RIDERS - CONTINUED

Applicable to rates as indicated in Applicability Index of Riders

EMPLOYMENT AND ECONOMIC RECOVERY RIDER - CONTINUED

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 billed to the customer for service to the Qualifying Service Location during each month of the Base Period. An adjustment will be made to normalize energy 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. In no event shall any rate per kilowatt hour sold after reduction by this rider be less than the base energy cost contained in the applicable rate. For the purpose of calculating this reduction an Investment Unit shall be considered the equivalent of one additional employee. (C)
- 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 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 finance charge.
    - 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.

(Continued)

(C) Denotes Change

STANDARD RIDERS - CONTINUED

Applicable to rates as indicated in Applicability Index of Riders

EMPLOYMENT AND ECONOMIC RECOVERY RIDER - CONTINUED

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

F = In years one (1) through five (5): 0.050 cents

In year six (6): 0.040 cents

In year seven (7): 0.030 cents

In year eight (8): 0.020 cents

In year nine (9): 0.010 cents

## 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 a Manufacturing Sales Tax Exemption Certificate for at least 50% of its use.
  - b. The customer has an unpaid balance which includes a finance charge.
  - 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. Calculation of Reduction - The rate reduction shall apply to all kilowatt-hours as follows:

Years one (1) through five (5): 1.0 cents

Year six (6): 0.8 cents

Year seven (7): 0.6 cents

Year eight (8): 0.4 cents

Year nine (9): 0.2 cents

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:

Years one (1) through four (4): 1.35 cents

- 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 can not 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.

(C) Denotes Change

STANDARD RIDERS - CONTINUED

Applicable to rates as indicated in Applicability Index of Riders

INVESTMENT RETURN GUARANTEE RIDER

**APPLICABILITY.** To contracts which require investment in supply facilities greater than warranted by the incremental revenue less fuel costs assured by the minimum of the rate under which service is supplied.

**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 for service 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 bills for service 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 supply or use of energy prior to 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 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 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 supply facilities.

STANDARD RIDERS - CONTINUED

Applicable to rates as indicated in Applicability Index of Riders

NIGHT SERVICE GS RIDER

(The number of customers served under this rider may be limited by the availability of the required demand meters.)

**APPLICABILITY.** To service supplied 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 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

**SERVICE RATE.** Rate GS (with demand measurement), including all its terms and guarantees, is applicable. The blocking of the energy charge of said rate shall be based on the billing demand for on-peak hours.

**MONTHLY RATE TABLE.****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.

**NIGHT SERVICE CAPACITY 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.

STANDARD RIDERS - CONTINUED

Applicable to rates as indicated in Applicability Index of Riders

NIGHT SERVICE HT RIDER

**APPLICABILITY** To service supplied 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 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.

**SERVICE RATE.** Rates HT or EP, including all terms and guarantees, are applicable to service supplied during on-peak hours. The capacity charge and blocking of the energy charge of said rate 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 charge and blocking of the energy charge.

**MONTHLY RATE TABLE.****BILLING AND METERING CHARGE.** \$11.21**NIGHT SERVICE CAPACITY 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.

## STANDARD RIDERS - CONTINUED

Applicable to rates as indicated in Applicability Index of Riders

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. (C)

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 (C)
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. (C)

(C) Denotes Change.

STANDARD RIDERS - CONTINUED

Applicable to rates as indicated in Applicability Index of Riders

LARGE INTERRUPTIBLE LOAD RIDER - CONTINUED

- 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. (C)

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.

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.

Energy and On-Peak Billing Demand: During each on-peak hour, all of the kWhs (adjusted for power factor pursuant to Rule 15.3(d)) associated with the customer's interruptible load, shall be billed at the Company's hourly PJM billing rate plus one cent per kWh (this sum shall be multiplied by 1/(1-PA GRT)). The energy usage billed at this rate shall not exceed the energy usage during the off-peak hours during the current billing month. All remaining energy usage shall be billed at the customer's applicable firm Rate (Rate HT or Rate EP), together with any other applicable riders, except that 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. If the customer has not executed its contract before the beginning of the summer billing period, the on-peak billing demand for the immediately following 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 measured 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 and the resultant sum shall then constitute the basis for the capacity charge and blocking of the energy charges. The monthly charges for such off-peak service shall be as follows: (C)

(C) Denotes Change

STANDARD RIDERS - CONTINUED

Applicable to rates as indicated in Applicability Index of Riders

LARGE INTERRUPTIBLE LOAD RIDER - CONTINUED

Billing and Metering Charge: \$11.21

Off-Peak Capacity Charge per kW of off-peak billing demand per month: \$0.91

**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.

**ADJUSTMENTS.**

The State Tax Adjustment Clause and Rate HT Time-Of-Use Adjustments are not applicable to the on-peak energy usage associated with the customer's interruptible load, which energy usage is the energy usage billed at the PJM billing rate plus one cent per kWh (multiplied by 1/(1-PA GRT)). These adjustments are applicable to all other energy usage and charges.

(C)

**OTHER RIDERS.**

The Curtailment HT Rider is not available in conjunction with this rider. The rate reduction specified in the Employment and Economic Recovery Rider is 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.**

Service under this rider shall be for a period of at least five years.

STANDARD RIDERS - CONTINUED

Applicable to rates as indicated in Applicability Index of Riders

NIGHT SERVICE PD RIDER

**APPLICABILITY.** To service supplied 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 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.

**SERVICE RATE.** Rate PD, including all its terms and guarantees, is applicable to service supplied during on-peak hours. The capacity charge and blocking of the energy charge of said rate 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 charge and blocking of the energy charge.

**MONTHLY RATE TABLE.**

**BILLING AND METERING CHARGE.** \$11.21

**NIGHT SERVICE CAPACITY CHARGE:**

Per KVV of off-peak billing demand per month: \$0.86

**STATE TAX ADJUSTMENT CLAUSE** apply 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.

STANDARD RIDERS - CONTINUED

Applicable to rates as indicated in Applicability Index of Riders

OFF-PEAK RIDER

(The application of this rider is restricted to those customers who were served under its provisions as of October 5, 1972.)

**APPLICABILITY.** To the restricted use of purchased energy caused by the seasonal requirements of customers other than those using the service for comfort cooling, where the Company is the exclusive source of supply for the connected load.

**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 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 service and specifying the duration of such restricted use, during periods of hot weather occurring in the summer months

**MINIMUM WAIVER.** 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.

**RATE APPLICATION.** Service taken each month shall be paid for at the applicable rate under the contract except as modified by the terms of this rider.

**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.

STANDARD RIDERS - CONTINUED

Applicable to rates as indicated in Applicability Index of Riders

RECEIVERSHIP RIDER

**APPLICABILITY.** To service supplied 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 supplying energy.

**ACCEPTANCE.** The Receiver-Trustee shall accept and adopt for the continuation of the supply of electric service the contract theretofore in effect, including all of its provisions, and agree to pay the Company for all service furnished hereunder 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, the total capacity charge 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 charge for the billing period.
- (c) The total energy charge will be determined by using the pricing 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.

**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 supply under the standard terms of this Tariff.

STANDARD RIDERS - CONTINUED

*Applicable to rates as indicated in Applicability Index of Riders*

TEMPORARY SERVICE RIDER

**APPLICABILITY.** To the supply 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 supplied only when the Company has available unsold distributing and generating capacity from which to furnish it and its supply will not in any way interfere with service to other customers.

**INVESTMENT IN SUPPLY 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-PRICE MODIFICATION.** When this rider is applied to Rates PD or HT, the last price block of the energy charge shall not apply and energy use otherwise falling into this block shall be billed at the price of the second block of each rate.

**TERM OF CONTRACT.** Short term arrangements as agreed upon.

STANDARD RIDERS - CONTINUED

Applicable to rates as indicated in Applicability Index of Riders

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 supplied 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		Amount
	Supply Voltage	Installation	
	2,400 volts or 4,160 volts	Outdoor or Indoor	\$ 60.15
	33,000 volts	Outdoor	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 rate to which this rider is attached, but not for less than 3 years from the date the rider is accepted.

STANDARD RIDERS - CONTINUED

Applicable to rates as indicated in Applicability Index of Riders

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 AND BILLING.** 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).

**ADJUSTMENTS.** The State Tax Adjustment Clause is applicable to service supplied under this rider. (C)

**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.** 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.

**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. (C)

(C) Denotes Change

STANDARD RIDERS - CONTINUED

Applicable to rates as indicated in Applicability Index of Riders

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.

**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. (C)

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.

**ADJUSTMENTS.** The State Tax Adjustment Clause is applicable to service supplied under 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.

(C) Denotes Change.

STANDARD RIDERS - CONTINUED

Applicable to rates as indicated in Applicability Index of Riders

SEASONAL CAPACITY CHARGE SERVICE RIDER

(EXPERIMENTAL RIDER IS EFFECTIVE UNTIL DECEMBER 15, 1997)

AVAILABILITY To Rate HT Customers that satisfy both of the following eligibility requirements:

- 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 charge shall be as follows:

<u>Summer Months</u> (June through September)	<u>Winter Months</u> (October through May)
\$24.07 per kW	\$6.02 per kW

ADJUSTMENTS. The State Tax Adjustment Clause is applicable to service under this rider.

OTHER RIDERS. A customer receiving service 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.

This rider is experimental and may be withdrawn by the Company before December 15, 1997, subject to Commission approval. If the Company files a request with the Commission to withdraw this rider effective before December 15, 1997, it will ask the Commission to permit all then-existing contracts to remain in force through completion of the term of contract.

**STANDARD RIDERS - CONTINUED**

Applicable to rates as indicated in Applicability Index of Riders

**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.

**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 7,500 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.

STANDARD RIDERS - CONTINUED

Applicable to rates as indicated in Applicability Index of Riders

INTERRUPTIBLE RIDER 1 (IR-1)- CONTINUED**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, 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:

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

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 = Capacity Deficiency Rate - filed annually with the Federal Energy Regulatory Commission

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:

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

PECO Energy Company

STANDARD RIDERS - CONTINUED

Applicable to rates as indicated in Applicability Index of Riders

INTERRUPTIBLE RIDER 1 (IR-1)- CONTINUED

The monthly charges for off-peak service shall be 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 demand during the interruption for the remainder of the customer's term of contract.

**ADJUSTMENTS.**

The Rate HT Time-of-Use Adjustments apply to all of the customer's energy usage. The State Tax Adjustment Clause is applicable to the net charges provided for in the Tariff.

(C)

**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.

(C) Denotes Change

STANDARD RIDERS - CONTINUED

Applicable to rates as indicated in Applicability Index of Riders

INCREMENTAL PROCESS RIDER (IPR)

(C)

**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 AND BILLING.**

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.

(C) Denotes Change

STANDARD RIDERS - CONTINUED

Applicable to rates as indicated in Applicability Index of Riders

INCREMENTAL PROCESS RIDER (IPR) - CONTINUED

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. (C)

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)

ADJUSTMENTS. The State Tax Adjustment Clause is applicable to service supplied under this rider. (C)

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.

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 thement and 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. (C)

(C) Denotes Change

