

ORIGINAL

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HAND DELIVERED

August 12, 1998

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AUG 12 1998

James J. McNulty, Esquire
Pennsylvania Public Utility Commission
North Office Building
North Street and Commonwealth Avenue
Harrisburg, Pennsylvania 17105-3265

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

**Re: Application of Pennsylvania Power & Light Company
for Restructuring Plan Under Section 2806
of the Public Utility Code
Docket No. R-00973954**

DOCUMENT
FOLDER

Dear Mr. McNulty:

Enclosed for filing are an original and eight (8) copies of the Joint Petition for Full Settlement of PP&L, Inc.'s Restructuring Plan and Related Court Proceedings ("Joint Petition") in the above-captioned proceeding. Also enclosed are an original and eight (8) copies of Appendices A – J (Volume #1) and Appendix K (Volume #2) to the Joint Petition.

As indicated on the attached certificate of service, copies of the Joint Petition have been served on all of the active participants in this proceeding.

If you have any questions regarding the enclosed filing, please call.

Very truly yours,

Paul E. Russell

Enclosures
cc: Certificate of Service

EEF

21.

ORIGINAL

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Application of Pennsylvania Power & :
Light Company for Approval of its :
Restructuring Plan Under Section 2806 :
of the Public Utility Code, et al. :

Docket No. R-00973954

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AUG 12 1998

JOINT PETITION FOR FULL SETTLEMENT OF
PP&L, INC'S RESTRUCTURING PLAN AND
RELATED COURT PROCEEDINGS

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

DOCKETED
AUG 13 1998

August 12, 1998

**DOCUMENT
FOLDER**

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1
2 **BEFORE THE**
3 **PENNSYLVANIA PUBLIC UTILITY COMMISSION**
4
5

6 Application of Pennsylvania Power & :
7 Light Company for Approval of : Docket No. R-00973954
8 Restructuring Plan Under Section 2806 :
9 of the Public Utility Code :

10
11
12 **JOINT PETITION FOR FULL SETTLEMENT OF**
13 **PP&L, INC'S RESTRUCTURING PLAN AND**
14 **RELATED COURT PROCEEDINGS**
15
16

17 PP&L, Inc. ("PP&L" or the "Company"); the Office of Consumer Advocate
18 ("OCA"); the Office of Small Business Advocate ("OSBA"); the Office of Trial
19 Staff ("OTS"); the PP&L Industrial Customer Alliance ("PPLICA"); Eric Epstein;
20 Conectiv Energy ("Conectiv"); West Penn Power Company t/a Allegheny Power
21 ("APS"); Mid-Atlantic Power Supply Association ("MAPSA"); PECO Energy
22 Company ("PECO"); Local 1600 of the International Brotherhood of Electrical
23 Workers ("IBEW"); New Energy Ventures ("NEV"); Enron Power Marketing, Inc.
24 ("Enron"); Gilberton Power Company ("Gilberton"); the Anthracite Region
25 Independent Power Producers Association ("ARIPPA"); Schuylkill Energy
26 Resources ("SER"); Pennsylvania Rural Electric Association ("PREA"); Allegheny
27 Electric Cooperative, Inc. ("AEC"); Metropolitan Edison Company and
28 Pennsylvania Electric Company, collectively doing business as GPU Energy

1 (“GPU”); the Pennsylvania Petroleum Association (“PPA”); Environmentalists;¹ and
2 other parties designated on the signature pages (all such parties collectively referred
3 to as the “Joint Petitioners”), by their counsel, respectfully submit this Joint Petition
4 for Full Settlement of PP&L’s Proposed Restructuring Plan and Related Appeals
5 (“Joint Petition”).

6 The terms and conditions of the Joint Petition represent a
7 comprehensive settlement which resolves all issues before the Commonwealth
8 Court and all issues before the U.S. District Court arising from challenges by the
9 Joint Petitioners to the Commission’s final order, reconsideration order and any
10 related appeals regarding PP&L’s Application for Approval of its Restructuring Plan
11 Under Section 2806 of the Public Utility Code. The Joint Petitioners aver that this
12 comprehensive settlement is in the public interest and, therefore, request that the
13 Commission: (1) approve without modification the proposed settlement as set forth
14 in the Joint Petition; (2) amend the Commission’s final order and reconsideration
15 order as necessary to implement the full settlement; (3) approve the tariff
16 supplements necessary to implement the proposed settlement as appended hereto;
17 (4) issue a Qualified Rate Order authorizing PP&L to securitize up to \$2.97 billion

¹ The following Environmentalists member organizations do not participate in this Settlement Agreement but agree to abide by the terms and conditions contained herein: Sierra Club, Penn PIRG, and Lehigh Greens.

1 of stranded assets and costs as agreed to herein; and (5) approve PP&L's transfer of
2 generation assets as set forth herein.²

3 In support of their request, the Joint Petitioners state as follows:
4

5 I. SUMMARY OF SETTLEMENT

6 The Joint Petitioners have agreed to the proposed settlement terms and
7 conditions set forth in this document as a means to resolve, finally and equitably, all
8 issues arising from PP&L's proposed restructuring plan, in lieu of further protracted
9 and expensive litigation in state and federal courts.

10 In particular, the Joint Petitioners have agreed to terms and conditions that
11 fairly balance the interests of all parties affected by PP&L's restructuring plan and
12 that foster the creation of a vibrant competitive market. All PP&L customers will
13 receive a guaranteed 4% rate reduction effective January 1, 1999, the start date for
14 retail electric generation competition in PP&L's service territory, through December
15 31, 1999, independent of securitization. In addition to the guaranteed rate decrease
16 of 4%, customers shall receive system-average shopping credits of 3.81 cents per
17 KWH on January 1, 1999, and 4.13 cents per KWH on January 1, 2000, with a
18 steady escalation of the shopping credit throughout the entire recovery period of the

² The Joint Petitioners recognize that pursuant to the Public Utility Code, the Commission is obligated to provide notice and an opportunity to be heard before it may amend a prior order. The Joint Petitioners agree: (1) that PP&L will provide written notice by letter to its customers; (2) that PP&L will post notice in its office and on its Internet web page; and (3) that PP&L will provide notice by news release.

1 Competitive Transition Charges (“CTCs”). Customers that elect to shop for
2 generation shall receive total rate reductions in 1999 equal to a 4% rate decrease,
3 plus savings produced by the difference between their generation purchase price and
4 their shopping credit. Moreover, given the escalating system average shopping
5 credits of 3.81 cents per KWH in 1999 to 5.02 cents per KWH in 2009, included in
6 the proposed Settlement, as well as other specific components agreed to herein, the
7 Joint Petitioners expect the development of a vibrant competitive market with many
8 alternative electric generation suppliers.

9 In addition, PP&L shall (1) recover a substantially smaller amount of
10 stranded cost recovery than it claimed before the Commission; (2) be subject to
11 competitive safeguards to ensure fair dealing; (3) expand its current universal
12 service programs; (4) accelerate the phase-in for customer choice for all customer
13 classes; (5) educate consumers about restructuring; (6) facilitate funding of
14 sustainable energy; (7) encourage small renewable energy technologies; and
15 (8) withdraw all of its proceedings before Commonwealth Court and its civil
16 complaint before the U.S. District Court challenging the Commission’s
17 Restructuring Order and Reconsideration Order at Docket No. R-00973954.

18 The other Joint Petitioners, in turn, agree to resolve all objections to
19 PP&L’s Restructuring Plan, as set forth herein, and to withdraw (1) all cases
20 pending before the Commonwealth Court which challenge the constitutionality of

1 the Electric Competition Act except as specifically provided in Paragraph O.5. and
2 (2) all proceedings pending before Commonwealth Court which challenge the
3 Commission's Restructuring Order and Reconsideration Order at Docket No. R-
4 00973954, as set forth in Part O herein.

5

6

II. BACKGROUND

7

8 1. On December 3, 1996, Governor Ridge signed into law the Electricity
9 Generation Customer Choice and Competition Act (66 Pa. C.S. §§ 2801 et seq.)(the
10 "Electric Competition Act"). The Electric Competition Act fundamentally
11 restructures the provision of retail electric service in Pennsylvania by mandating the
12 introduction of customer choice of generation supplier commencing
13 January 1, 1999.

14 2. On April 1, 1997, PP&L submitted a comprehensive Restructuring
15 Plan in which it requested the Commission to approve (1) the imposition of
16 unbundled rates, CTCs and specific tariff provisions to ensure customers direct
17 access to all electric generation suppliers licensed under Chapter 28 of the Public
18 Utility Code to offer services authorized under the licenses within the
19 Commonwealth of Pennsylvania ("EGSs"); (2) the calculation of \$4.5 billion of
20 stranded costs net of mitigation; (3) the implementation of a plan to meet its

1 universal service obligations, including a mechanism to recover the costs of those
2 obligations; (4) the implementation of a proposed Consumer Education Program;
3 and (5) implementation of procedures to establish PP&L as a provider of last resort.

4 3. PP&L provided notice of its Restructuring Plan filing to all customers
5 by bill insert. In addition, notice of the filing was published in newspapers of
6 general circulation in PP&L's service territory. PP&L also provided a summary of
7 the filing to all individuals on the Commission's Executive Director's Stakeholders
8 list. Copies of the filing were served on all parties to PP&L's last general base rate
9 investigation at Docket No. R-00943271.

10 4. PP&L's filing was assigned to Administrative Law Judge George M.
11 Kashi (the "ALJ"). Thereafter, thirty-six parties intervened in the proceeding,
12 nineteen of whom were active participants. In addition to the extensive testimony
13 addressing almost every aspect of PP&L's Restructuring Plan filed by PP&L and
14 the other active parties, the proceeding included a technical conference where PP&L
15 was able to further explain its submitted testimony. In addition, thirteen public
16 input hearings were held at which a total of seventy-five individuals testified.
17 Evidentiary hearings were held on August 18-22, 1997, August 25-29, 1997, and
18 September 9, 1997. During the hearings, 284 exhibits and the testimony of fifty-
19 seven witnesses were admitted into evidence.

20 5. On April 7, 1998, ALJ Kashi issued his Recommended Decision. The

1 ALJ, in substantial part, found PP&L's restructuring proposals to be consistent with
2 the Electric Competition Act and he recommended their adoption. The ALJ
3 recommended that PP&L recover, through the CTC, approximately \$4 billion in
4 stranded costs.

5 6. At its public meeting on June 4, 1998, the Commission adopted a 169-
6 page Opinion and Order which substantially modified the ALJ's Recommended
7 Decision and PP&L's proposed Restructuring Plan. The Opinion and Order, which
8 issued on June 15, 1998, determined, *inter alia*, that PP&L's proven net stranded
9 costs were \$2.86 billion and that unbundling of PP&L's rates resulted in a customer
10 shopping credit of 3.73 cents per KWH in the first year.

11 7. On June 26, 1998 and July 1, 1998, PP&L and ARIPPA, respectively,
12 filed petitions requesting that the Commission rehear, reconsider, clarify and amend
13 certain aspects of its Restructuring Order. By Opinion and Order entered July
14 9, 1998, the Commission denied the petitions with one limited exception; the
15 Commission granted PP&L's request to correct a typographical error which
16 incorrectly identified the 10.86% CTC amortization rate as 10.68%. This change
17 resulted in a shopping credit of 3.72 cents per KWH in 1999.

18 8. In response to the Restructuring Order entered June 15, 1998, and the
19 Reconsideration Order entered July 9, 1998, PP&L has filed appeals to
20 Commonwealth Court, an action for Declaratory Judgment to the Commonwealth

1 Court, and a civil complaint action in the U.S. District Court. In addition, appeals
2 to Commonwealth Court challenging various aspects of the Commission's orders
3 have been filed by ARIPPA and SER. Cross appeals have been filed by PPLICA,
4 OCA, MAPSA Enron and the Commission on Economic Opportunity.

5 9. On and after July 16, 1998, the Joint Petitioners signed a "Pre-
6 Settlement Agreement" designed to set forth the procedural ground rules for
7 participation in settlement negotiations aimed at resolving the matter in lieu of
8 further litigation in state and federal courts. This Joint Petition is the product of
9 these negotiations.

10 III. TERMS AND CONDITIONS

11 1. The Joint Petitioners, intending to be legally bound and for
12 consideration given, agree as follows:

13 14 A. Stranded Costs

15 A.1. PP&L shall be permitted to recover from its retail electric customers
16 \$2.97 billion of stranded assets and costs through either a CTC (to remain in effect
17 from January 1, 1999 to December 31, 2009) and/or an Intangible Transition Charge
18 ("ITC") to be put in place any time after the effective date of this Settlement and the
19 issuance of transition bonds and to remain in effect up to December 31, 2009.

20 A.2. PP&L requests the Commission to declare that good cause has been
21 shown under Section 2808 of the Electric Competition Act to permit PP&L to

1 recover the stranded assets and costs set forth below through a CTC or ITC
2 extending to December 31, 2009. PP&L also requests that the Commission
3 expressly find that the transition and stranded cost recovery and level of CTC/ITC
4 charges provided herein is just and reasonable and that securitization of up to \$2.97
5 billion of stranded costs is just and reasonable and in the public interest.

6 A.3. The other Joint Petitioners do not object to these findings. The total
7 authorized recovery of \$2.97 billion includes all amounts previously approved for
8 recovery by the Commission in its June 15, 1998 Restructuring Order and its July 9,
9 1998 Reconsideration Order at Docket No. R-00973954.

10 A.4. Under the terms of this Settlement, PP&L shall be permitted to
11 recover \$2.97 billion for transition and stranded costs through a CTC and/or an ITC
12 as set forth in Appendices A, B and K and Paragraphs A.5, B.1., B.2., B.3., and
13 G.7. This total authorized recovery of \$2.97 billion constitutes full and final
14 satisfaction of all transition and stranded costs that PP&L has claimed or could have
15 claimed before the Commission pursuant to Section 2808 of the Electric
16 Competition Act.

17 A.5. PP&L will seek to securitize an amount not exceeding \$2.97 billion in
18 stranded costs, subject to the requirements of the Electric Competition Act and the
19 terms and conditions set forth below. The Joint Petitioners agree that 75% of the
20 annual net savings of PP&L's securitization of stranded costs will be applied to

1 reduce the CTC/ITC as those savings are realized as set forth in a securitization
2 compliance filing and the remaining 25% of the net savings of securitization will be
3 retained by PP&L. The savings from securitization and issuance of transition bonds
4 are provided for in the rates and rate reductions set forth in Paragraph B.1 and
5 Appendix A and the further reductions in the CTC/ ITC set forth in this Part. The
6 aforesaid rate and CTC/ITC reductions constitute full compliance with Sections
7 2808(e) and 2812(b)(2) of the Electric Competition Act and no further rate
8 adjustment is required. 66 Pa. C.S. §§2808(e) and 2812(b)(2). PP&L is required to
9 seek securitization of its stranded assets and costs under reasonable terms and
10 conditions, absent a legal impediment as reasonably determined by PP&L's General
11 Counsel. The effectiveness of this Settlement is contingent upon the issuance by the
12 Commission simultaneous with approval of this Settlement of an irrevocable
13 Qualified Rate Order as set forth in Appendix E under Section 2812 of the Electric
14 Competition Act (66 Pa. C.S. §2812) authorizing the issuance of up to \$2.97 billion
15 of Transition Bonds at any time after the issuance of such Qualified Rate Order,
16 provided that the ITC charges to customers terminate no later than
17 December 31, 2009. PP&L hereby applies for the issuance of a Qualified Rate
18 Order as set forth in Appendix E which is incorporated as a part of this Settlement.
19 The Joint Petitioners agree not to oppose PP&L's application for a Qualified Rate
20 Order and PP&L's securitization of its stranded assets and costs in accordance with

1 this agreement. The Joint Petitioners agree that, to the extent necessary, the
2 testimony, exhibits, applications and other documents submitted by the parties and
3 the record from the hearings in this proceeding form the basis for this Settlement
4 and PP&L's Application for a Qualified Rate Order.

5

6 **B. Collection and Rates**

7 B.1. On January 1, 1999, PP&L will reduce its retail electric rates by 4%
8 from the levels that existed as of December 31, 1996. That 4% rate decrease will
9 continue in effect until December 31, 1999. The January 1, 1999 rate decrease
10 will apply to all retail rate classifications and all customers within those rate
11 classifications as set forth on a system-average basis in Appendices A, B and K.

12 B.2. On January 1, 1999, PP&L will unbundle its retail electric rates into
13 the following components: (1) distribution charges, (2) transmission charges, (3) a
14 CTC and, if applicable, an ITC and (4) a generation shopping credit. The system-
15 wide average values for these components for the years indicated are set forth in the
16 following Appendix A. The proposed tariffs set forth in Appendix B are the tariffs
17 that implement this Settlement.

18 B.3. The Joint Petitioners agree that the rate cap exceptions set forth in
19 Section 2804(4) of the Electric Competition Act shall apply to the rates set forth in
20 this Settlement, except as otherwise specifically set forth herein. If at any time

1 during the CTC Recovery Period, PP&L requests and is granted a rate increase
2 pursuant to Section 2804(4) of the Electric Competition Act (Rate Cap Exceptions)
3 such increase shall not reduce the shopping credits listed in Appendices A and B
4 and such increase shall be allocated to the appropriate unbundled rate category in
5 accordance with determinations of the Commission. As set forth in Appendices A
6 and B, the generation rate cap is extended from the end of 2005 to the end of 2009,
7 four years beyond the statutory rate cap period provided in the Electric Competition
8 Act, and is increased by five percent (5%) throughout this four-year period.
9 Customer savings may be greater if, for example, customers obtain lower prices
10 from a competitive supplier or if PP&L's provider of last resort residential
11 generation rates, as provided in Part C, result in a lower rate.

12 B.4. The cap on PP&L's transmission and distribution charges, which
13 otherwise would expire on June 30, 2001 under Section 2804(4) of the Electric
14 Competition Act (66 Pa. C.S. §2804(4)), will be extended until December 31, 2004,
15 provided, however, that PP&L may, if necessary, request recovery of additional
16 nuclear decommissioning expense and such expense recovery will not be subject to
17 any rate cap and will be treated as an exception to the rate cap under Section
18 2804(4)(iii)(F) of the Public Utility Code and such increases shall not reduce the
19 shopping credits listed in Appendices A and B and such increases shall be allocated
20 to the appropriate unbundled rate category in accordance with determinations of the

1 Commission. 66 Pa. C.S. §2804(4)(iii)(F).

2 B.5. The Joint Petitioners shall not file a complaint with the Commission
3 or otherwise challenge PP&L's transmission or distribution rate structure, or the
4 level of transmission charges or the level of PP&L's distribution rates as set forth in
5 Appendices A and B hereto until the expiration of the transmission and distribution
6 cap on December 31, 2004. Any Joint Petitioner, however, may participate as a
7 complainant or otherwise in any future transmission rate proceeding in which an
8 increase in PP&L's transmission rates or change in rate structure is proposed and,
9 further, may file a complaint or otherwise participate in any proceeding before the
10 Commission to adjust PP&L's distribution rates as a result of any increase in
11 PP&L's transmission rates or change in rate structure in effect as of August 1, 1998.

12 B.6. The transmission and distribution rate cap of 1.74 cents per KWH
13 includes 1.73 cents per KWH for all existing costs and services and .01 cents per
14 KWH for the sustainable energy fund during the transmission and distribution rate
15 cap period. No new fees shall be proposed or charged during the transmission and
16 distribution rate cap period for a cost or service that is included in the bundled
17 transmission and distribution rate.

18 B.7. Pursuant to this Settlement, PP&L agrees to cap the sum of its
19 transmission and distribution charges, as described above. If, during the period that
20 this rate cap is in effect, PP&L's transmission charges or rates (including but not

1 limited to ancillary charges) are increased, then PP&L's distribution rates will be
2 reduced in a non-discriminatory manner sufficient to avoid exceeding the
3 *transmission and distribution rate cap. Within sixty days after issuance of a Federal*
4 *Energy Regulatory Commission ("FERC") Order modifying PP&L's transmission*
5 *revenue requirement or rate structure, or PJM's transmission rate structure, to the*
6 *extent that such change or modification affects PP&L's transmission charges, PP&L*
7 *shall submit a tariff supplement with supporting data to the Pennsylvania Public*
8 *Utility Commission which makes any necessary changes to PP&L's distribution*
9 *rates to ensure that the sum of the distribution rates and the transmission rates and*
10 *charges to each class of customers do not exceed the transmission and distribution*
11 *rate cap.*

12 B.8. The Joint Petitioners agree to meet on or before October 2, 1998, to
13 discuss the elimination of the multiple block rate structure in the residential and
14 commercial rates set forth in Appendices A and B. Nothing in this Joint Petition
15 constitutes an agreement by any Joint Petitioner to any modification to the structure
16 of PP&L's rates as set forth in Appendices A and B.

17

18 **C. Provider of Last Resort**

19 C.1. PP&L agrees that, for the duration of the CTC/ITC recovery period, it
20 will serve as the provider of last resort for all retail electric customers in its service

1 territory that do not choose or cannot choose to purchase power from alternative
2 suppliers, subject to the following terms, conditions and qualifications:

3 C.1.a. On January 1, 2002, 20% of all of PP&L's residential
4 customers -- determined by random selection, including low-income and inability-
5 to-pay customers, and without regard to whether such customers are obtaining
6 generation service from an EGS -- shall be assigned to a provider of last resort-
7 default supplier other than PP&L that will be selected on the basis of a
8 Commission-approved energy and capacity market price bidding process. This
9 service shall be referred to as Competitive Default Service ("CDS").

10 C.1.b. For purposes of this bidding process, all of the customers
11 selected shall constitute a single bidding block. To qualify for the CDS bidding
12 process an EGS must, among other Commission-approved requirements, agree to
13 provide in 2002 at least 2.0% of its offered energy supply for CDS service from
14 solar, wind, sustainable biomass (including landfill gas but excluding incineration of
15 Municipal Solid Waste), geothermal or ocean power. This increment shall increase
16 by annual increments of 0.5% thereafter. The requirement to include these levels of
17 sources in the resource mix may be lowered by the Commission if the cost of the
18 power from these sources increases the cost of the entire block by more than 2%
19 over what the cost would be without these sources.

20 C.1.c. Terms and conditions of CDS shall be established, maintained,

1 and modified by the Commission. Competitive Default Service bids will require a
2 term that will be established by the Commission. Bids will provide a fixed rate for
3 the term, unless an alternative rate structure is approved by the Commission. Any
4 bid that exceeds the generation rate cap will be rejected. PP&L's EDC or PP&L's
5 divisional or affiliated EGSs may not bid (either directly or as a partner or
6 participant in any business combination with a bidder) on CDS service. Any non-
7 affiliated EGS or consortium of EGSs that are licensed by the Commission and that
8 meet applicable terms and conditions and standards for CDS service could bid to
9 provide CDS service. Chapter 56 billing and collection costs, uncollectible expense,
10 and universal service costs shall be unbundled by PP&L. Revenues equal to the
11 amount of these unbundled costs shall be portable with customers randomly
12 assigned to the CDS and shall be provided to the CDS provider to the extent it is
13 providing services funded by these unbundled costs.

14 C.1.d. A customer assigned to CDS retains the right to elect a
15 competitive EGS or return to PP&L default provider of last resort service at any
16 time at no charge. If a consumer returns to CDS for any reason, the consumer will
17 receive service from its CDS on the same terms and conditions and at the same rate
18 available to other CDS customers. The CDS provider will, at the customer's option,
19 provide a single bill, subject to the same standards for EGS consolidated billing as
20 provided in Appendix C and as established by the Commission. The CDS will

1 include all customer care functions, including processing customer accounts in
2 accordance with all applicable regulations, including but not limited to Chapter 56.
3 The CDS will be rebid annually, unless an alternative bidding term is approved by
4 the Commission. If, 30 days prior to the annual bid the number of residential
5 customers served by the CDS has fallen below 17%, a further random selection of
6 customers shall be assigned to CDS service to restore the number of customers for
7 the 20% level. The further random selection shall be chosen in a manner to be
8 determined by the Commission. The Commission will develop qualifications for an
9 EGS to bid on CDS, including credit worthiness and increased bond amount.

10 C.1.e. The EGS selected as the CDS provider will assume all
11 responsibilities and obligations associated with provider of last resort service that
12 are specified by the Commission. By January 1, 2001, the Commission will issue
13 final standards for PP&L governing the responsibilities and obligations of the
14 competitively determined provider of last resort in PP&L service territory. Provided,
15 however, that nothing in the Commission's final standards shall permit a CDS to
16 install, initially test or maintain a residential meter prior to January 1, 2003.

17 C.1.f. PP&L's distribution company shall satisfy its obligation as
18 provider of last resort by maintaining or purchasing, at wholesale, required amounts
19 of energy and capacity from other generation suppliers including, in its sole
20 discretion, any generation affiliates, and reselling that energy and capacity. Until

1 January 1, 2002, PP&L will charge customers its tariff rates as set forth in
2 Appendices A and B.

3 C.1.g. On and after January 1, 2002 PP&L as provider of last resort-
4 default supplier will price its generation service to residential customers at its sole
5 discretion with the following limitations. PP&L will establish a rate for each
6 residential rate schedule. The rate will be:

7 C.1.g.(i) no less than (1) the price charged by the CDS selected to be the
8 alternative provider of last resort-default supplier in the 20%
9 bid; and

10 C.1.g.(ii) no higher than (2) 111% of the market price of energy and
11 capacity (determined by rate class) calculated as follows:
12 energy will be at the average PP&L-PJM market clearing price
13 as posted on the PJM website for the prior 12 months (adjusted
14 for line losses, on/off peak usage and GRT); capacity shall be
15 at the average PJM penalty price for capacity for the prior 12
16 months (adjusted for line losses, reserve margin, load factor
17 and GRT). Such rates will be computed annually.

18
19 C.1.h. If C.1.g.(i) is higher than C.1.g.(ii) above, PP&L will price its
20 generation service at C.1.g.(i) above (the competitive PLR winning bid). In no

1 event will the price exceed the shopping credit. Residential customers that remain
2 with or return to PP&L provider of last resort-default service will pay the rate as set
3 by PP&L during January of each year. Returning residential customers shall also
4 have the option of receiving service on a monthly published generation market rate
5 basis without the benefit of the generation rate cap, but such rate may not be less
6 than the prices charged by the CDS.

7 C.1.i. PP&L, as provider of last resort-default supplier, will price its
8 service to industrial and commercial customers at tariffed rates or at special contract
9 rates under the Competitive Rate Rider and Interruptible Service by Agreement
10 ("IS-A" or "IS-M") as set forth in Appendix B.

11 C.1.j. The Joint Petitioners agree that through December 31, 2009,
12 customers may choose to purchase power from alternative suppliers and later return
13 to take generation service from PP&L's EDC distribution company, or to their
14 assigned provider of last resort-default supplier.

15 C.2. This Settlement does not address, and the Joint Petitioners make no
16 commitment regarding, PP&L's obligation to serve after December 31, 2009, or the
17 continuance or discontinuance of the right to choose an alternative supplier and later
18 return after December 31, 2009.

19

20

1 **D. Nuclear Decommissioning**

2 D.1 PP&L will recover its nuclear plant decommissioning costs through
3 the CTC as an element of stranded cost recovery. The recovery will be calculated at
4 the figure approved in the Commission's Order entered June 15, 1998, of \$128.989
5 million on a net present value basis. Nothing herein shall be deemed to limit
6 PP&L's ability to seek an exception to the rate cap for recovery of nuclear
7 decommissioning expense pursuant to Section 2804(4)(iii)(F) of the Public Utility
8 Code, 66 Pa.C.S. §2804(4)(iii)(F).

9 D.2. In the event that PP&L seeks recovery of additional nuclear
10 decommissioning costs under the rate cap exception of Section 2804(4)(iii)(F) of the
11 Public Utility Code, PP&L agrees that it will recover no more than 96% of the
12 amount approved in any such proceeding. 66 Pa.C.S. §2804(4)(iii)(F).

13

14 **E. Environmental Issues**

15 E.1 Renewable Energy Development. PP&L hereby files for Commission
16 approval Renewable Energy Development Rider ("RED Rider") Tariff sheet
17 attached in Appendix B to allow all customers to install and operate renewable
18 energy generation, including appropriate provisions for self-generation and net
19 metering. Renewable energy installations include solar, wind, biomass, methane
20 field and fuel cell generation.

1 E.2. The interconnection requirements for the inverter portion of
2 photovoltaic systems, as presently set forth in the document entitled "Requirements
3 for Parallel Operation of Non-Utility Generation" (the "Grey Book"), shall be
4 expanded to incorporate, as appropriate, IEEE Standard 929-1988 and UL
5 Publication 1741 ("Power Conditioning Units for Use in Residential Photovoltaic
6 Power Systems"). PP&L further agrees to initiate good faith technical discussions
7 with the Environmentalists' members to determine what changes, if any, should be
8 made to the interconnection requirements and processes under RED Rider and to
9 promptly seek Commission approval to implement any changes mutually agreed
10 upon.

11 E.3. The Joint Petitioners also agree that the "engineering review" of the
12 inverters in new photovoltaic systems will be designed to confirm that the systems
13 meet IEEE and UL standards. PP&L will review the other auxiliary equipment
14 associated with photovoltaic installations to ensure compliance with the Grey Book
15 requirements.

16 E.4. PP&L will charge a processing fee for RED Rider applications of
17 \$300 for non-photovoltaic installations and a fee of \$100 for photovoltaic
18 installations. PP&L agrees that it will not charge for the additional distribution
19 expenses incurred, up to a maximum of \$1,000, to accept a new RED Rider
20 installation. Customers will bear the responsibility of any cost in excess of \$1,000.

1 E.5. Sustainable Energy Fund. PP&L will establish a sustainable energy
2 fund which shall be funded from the 1.74 cents per KWH transmission and
3 distribution rate at .01 cents per KWH (less applicable gross receipts tax) on all
4 power sold for all customers beginning on January 1, 1999 and ending on December
5 31, 2004, or until the Commission establishes new distribution rates, whichever is
6 longer. The .01 cent per KWH shall not automatically be considered a cost of
7 service element upon expiration of the transmission and distribution rate cap on
8 December 31, 2004. The Sustainable Energy Fund shall be managed by an
9 administrator designated by a seven-member Board of Directors to be nominated by
10 the Joint Petitioners and approved by the Commission. The fund shall operate
11 according to the procedures set forth in its by-laws, which are to be reviewed and
12 approved by the Commission. The fund is to have an annual audit and is to make
13 semi-annual reports to the Commission and to the parties. The purpose of the fund
14 is to promote the development and use of renewable energy and clean energy
15 technologies, energy conservation and efficiency which promote clean energy.

16 E.6. Renewable Energy Pilot Program. PP&L agrees to implement a low-
17 income renewable energy pilot program which will consist of a solar hot water
18 heater program in 1999 and 2000, a photovoltaic program involving 35 installations
19 in 1999 and 75 installations in 2000. The renewable energy pilot program will be
20 operated by a Community-Based Organization with relevant experience and a

1 history of working with the Company. The budget for the solar hot water heater
2 program will be \$150,000 for each year. The 1999 budget for photovoltaic
3 installations will be \$175,000 and the 2000 budget would be \$375,000. There will
4 be a 5% administration factor for the entire budget. Funding of the renewable
5 energy pilot program will be provided in the Universal Service and Energy
6 Conservation budget other than the mandated \$4.7 million LIURP budget.

7

8 **F. Universal Service and Energy Conservation**

9 F.1. PP&L shall implement a Universal Service and Energy Conservation
10 Program, including CAP and LIURP programs, in the manner and at the funding
11 levels approved in the Commission's order of June 15, 1998, at pages 148-157. For
12 purposes of this Settlement, however, the maximum level of funding set forth at
13 page 156 of the Order -- \$11.7 million per year for CAP and \$4.7 million per year
14 for LIURP -- shall be deemed to be reflected in the residential distribution rates set
15 forth in the PP&L tariff at Appendix A. To the extent PP&L's funding of these
16 programs exceeds the amounts set forth in this paragraph prior to the end of the
17 distribution and transmission rate cap, the company may defer and seek recovery of
18 such costs (net of any cost savings attributable to the programs) after the expiration
19 of that rate cap. The allocation of any universal service and energy conservation
20 program costs among customer classes after the end of the distribution and

1 transmission rate cap shall be determined by the Commission at that time.

2

3 **G. Industrial Tariffs**

4 G.1. Price Response Service. Rate Schedule PR-1 - Price Response
5 Service (Experimental) Firm Power and Rate Schedule PR-2 - Price Response
6 Service (Experimental) Interruptible Power will continue to be available to
7 customers taking service under these rate schedules as of August 1, 1998, for the
8 duration of the generation rate cap period contained in this Joint Petition for
9 Settlement. After December 31, 2009, the Company may request elimination of, or
10 modifications and limitations to Rate Schedules PR-1 and PR-2 with the
11 Commission.

12 G.2. The Definitions, Program Charge, and Net Monthly Rate calculation
13 formula contained in Rate Schedules PR-1 and PR-2 shall remain intact as found in
14 Rate Schedules PR-1 and PR-2 as of December 31, 1996, for the duration of the
15 generation rate cap period contained in the Joint Petition for Settlement. PP&L shall
16 unbundle the rate components of rates PR-1 and PR-2 in a fashion that will allow a
17 customer to obtain generation supply from a competitive supplier without penalty
18 and in a nondiscriminatory fashion. Any discount or credit applied to the delivery
19 service component of the rates will be portable and shall apply on a comparable
20 basis whether or not a customer chooses to obtain generation supply from a

1 competitive supplier.

2 G.3. Economic Development Initiatives Rider and Industrial Development
3 Initiatives Rider. For eligible customers currently receiving credits under these
4 Riders, the Billing Adjustments contained in the Economic Development Initiatives
5 Rider (“EDI”) and the Industrial Development Initiatives Rider (“IDI”) will
6 continue through December 31, 2009. The applicable Billing Adjustments
7 contained in EDI and IDI applied to each kilowatt of billing kilowatt hours and each
8 kilowatt of energy billed in excess of the billing kilowatt hours for the
9 corresponding billing month of the base period for service supplied to a customer’s
10 Qualifying Service Location will continue to apply to the portion of the customer’s
11 load which continues to be purchased from the Company. Base period usage shall
12 include, on a pro rata basis, kW and KWH purchased from the Company and from
13 an EGS in order to ensure that the customer continues to receive the Billing
14 Adjustments on the kW and KWH purchased from the Company. PP&L shall
15 unbundle the rate components of the EDI/IDI riders in a fashion that will allow a
16 customer to obtain generation supply from a competitive supplier without penalty
17 and in a nondiscriminatory fashion. Any discount or credit applied to the delivery
18 service component of the rates will be portable and shall apply on a comparable
19 basis whether or not a customer chooses to obtain generation supply from a
20 competitive supplier.

1 G.4. Rate Schedule IS-P - Interruptible Large Service at 12,470 Volts or
2 Higher and Rate Schedule IS-T - Interruptible Large General Service at 69,000
3 Volts or Higher. The frequency of load interruptions on Rate Schedules IS-P and
4 IS-T shall be no more than fifteen (15) per calendar year with such interruptions
5 being no more than ten (10) hours in any one day; or more often than five (5) days
6 in any single month; or more than 150 hours in a calendar year. No more than 5 of
7 these load interruptions and 50 hours of interruptions may be for economic load
8 control.

9 G.5. The charge for continued use (KWH) of interruptible load (kW)
10 during a period of economic load control shall be the sum of the tariff charges under
11 the applicable interruptible rate plus the actual replacement capacity and energy
12 costs applied to all KWH used during the interruption period. The actual
13 replacement energy cost shall be the Locational Marginal Price ("LMP"), as defined
14 in Section 1.19 of the Operating Agreement of the PJM Interconnection, L.L.C., for
15 the load bus to which the energy is delivered. PP&L shall, upon request of the
16 customer, identify the load bus to which energy used by that customer is delivered.

17 G.5.a. Upon request of any customer subject to economic load
18 control, the Company, in conjunction and cooperation with the Joint Petitioners,
19 will develop terms and conditions consistent with applicable PJM, operational, legal
20 and regulatory requirements under which such customer may arrange in advance for

1 a supplier, other than the Company, to provide to the Company the actual
2 replacement capacity and energy used during the economic load control period, in
3 lieu of the Company's charges for actual replacement capacity and energy costs.

4 G.5.b. PP&L shall unbundle the rate components of rate schedules
5 IS-P and IS-T in a fashion that will allow a customer to obtain generation supply
6 from a competitive supplier without penalty and in a nondiscriminatory fashion.
7 Any discount or credit applied to the delivery service component of the rates will be
8 portable and shall apply on a comparable basis whether or not a customer chooses
9 to obtain generation supply from a competitive supplier.

10 G.6. Customer Self-Generation. Existing industrial and commercial
11 customers who can document that they had concluded a written economic feasibility
12 study of self-generation as of December 31, 1996 or earlier will pay CTC/ITC
13 charges following full start-up of such self-generation facility with an installed
14 capacity of 4 MW or larger, installed before December 31, 2009, as follows:

15 G.6.a. PP&L will calculate the customer's average billing demand and
16 energy usage for calendar year 1996;

17 G.6.b. Using those billing determinants, PP&L will determine the
18 dollar amount that would be charged if the customer were billed for CTC/ITC using
19 the prevailing CTC/ITC charges in the rate schedule applicable to that customer;

20 G.6.c. Using the customer's actual billing determinants with the self-

1 generation facility in operation, PP&L will determine the dollar amount that would
2 be charged if the customer were billed for CTC/ITC using the prevailing CTC/ITC
3 charges in the rate schedule applicable to that customer;

4 G.6.d. PP&L will bill the customer the dollar amount determined in
5 accordance with Paragraph G.6.c, plus one-third (1/3) of the difference between the
6 dollar amount determined in accordance with Paragraph G.6.b. and the dollar
7 amount determined in accordance with Paragraph G.6.c.

8 G.7. CTC/ITC Allocation Methodology. The Company will assign
9 CTC/ITC cost responsibility on a rate schedule basis utilizing the production
10 capacity revenue requirements for each rate schedule as produced in the Company's
11 Restructuring Plan unbundling analysis derived from its 1995 compliance cost
12 allocation study.

13 G.8. Competitive Rate Rider. Customers taking service under the
14 Competitive Rate Rider will have the opportunity to obtain the generation from a
15 competitive supplier without penalty if their contracts are silent as to the unbundling
16 of rates or access rights. For those customers PP&L shall unbundle the rates and
17 apply discounts, credits, or calculated rates in a non-discriminatory fashion, without
18 regard to a customer's choice of generation supply. For customers whose contract
19 contain language regarding access rights and unbundling, the customer's contract
20 shall be governed by the terms of the contract.

1 G.9. Unbundled Distribution Charges. The Company shall utilize the
2 distribution function revenue requirements contained in its Restructuring Plan
3 unbundling analysis derived from its 1995 compliance cost allocation study, when
4 developing the unbundled distribution charge component for each rate schedule.
5 The Company shall calculate 1999 distribution revenues utilizing the distribution
6 function revenue requirements contained in its Restructuring Plan unbundling
7 analysis.

8
9 **H. Billing and Metering**

10 H.1. Commercial and Industrial Metering. Subject to review as described in
11 Paragraph H.7., in consultation with the Joint Petitioners regarding operational
12 constraints, effective January 1, 1999, a Commission-licensed EGS may provide,
13 finance, install, own, maintain, calibrate and remotely read advanced meters for
14 service to commercial and industrial customers located in PP&L's service territory
15 subject to the ability of the EGS to comply with Appendix C.³

16 H.1.a. Starting October 2, 1998, PP&L shall maintain cost-based rates
17 in its tariff, to be approved by the Commission, to be offered to EGSs and

³ Appendix C contains: (1) the original Appendix C to the PECO Settlement; (2) the comprehensive PECO Energy Company Competitive Metering Specifications; (3) the comprehensive PECO Energy Company Competitive Billing Specifications as approved by the Commission in PECO's restructuring docket; and (4) the Commission's Order of July 1, 1998 implementing competitive billing and metering standards (Commission Docket No. R-00973953 and P-00971265).

1 customers for installation, initial testing and maintenance services for commercial
2 and industrial customer advanced meters.

3 H.2. Commercial and Industrial Billing. Subject to review as described in
4 Paragraph H.7., in consultation with the Joint Petitioners regarding operational
5 constraints, effective January 1, 1999, a Commission-licensed EGS may (in addition
6 to any other rights to act as agent for the customer set forth in PP&L's tariffs) act as
7 agent to provide a single bill and provide associated billing and collection services
8 to commercial and industrial customers located in PP&L's service territory, subject
9 to the ability of the EGS to comply with Appendix C.

10 H.3. Residential Metering. Subject to review as described in Paragraph
11 H.7., in consultation with the Joint Petitioners regarding operational constraints,
12 effective January 1, 1999, a Commission-licensed EGS may provide, finance, own,
13 calibrate and remotely read advanced meters for service to residential customers
14 located in PP&L's service territory subject to the ability of the EGS to comply with
15 Appendix C. An EGS shall not install, initially test or maintain advanced meters for
16 service to residential customers located in PP&L's service territory prior to January
17 1, 2003. Prior to January 1, 2003, all advanced meters for residential consumers
18 shall be installed, initially tested and maintained by PP&L's employees.

19 H.3.a. For the period between January 1, 1999 and December 31,
20 2002, PP&L employees will install and initially test one EGS-provided advanced

1 meter per year for each residential account, and will maintain such meter, without
2 assessing any fees or charges on the customer or the EGS. Starting October 2,
3 1998, PP&L shall maintain cost-based rates in its tariff for installation, initial testing
4 and maintenance of additional advanced residential meters. Neither PP&L nor any
5 EGS shall assess any fees or charges to residential customers for meter testing or
6 maintenance, except as permitted by 52 Pa. Code Chapters 56 and 57.

7 H.3.b. Starting October 1, 2002, PP&L shall include cost-based rates
8 in its tariff, to be approved by the Commission, to be charged to EGSs and
9 customers for installation, initial testing and maintenance services for residential
10 advanced meters.

11 H.4. Residential Billing. Effective January 1, 2000, a Commission-licensed
12 EGS may (in addition to any other rights to act as agent for the customer set forth in
13 PP&L's tariffs) act as agent to provide a single bill and provide associated billing
14 and collection services to its residential customers located in PP&L's service
15 territory, subject to the ability of the EGS to comply with Appendix C.

16 H.5. Manual Meters. PP&L, as the EDC, shall provide, finance, install,
17 own, maintain, calibrate and read all manual meters that are used to provide service
18 to retail electric customers located in PP&L's service territory.

19 H.6. Billing and Metering Credits. PP&L will unbundle its retail electric
20 rates for metering, metering services, meter reading, and billing and collection

1 services to provide credits for those customers that have the right and elect to have
2 an EGS perform these services. The unbundled rates for each customer class are set
3 forth in Appendices B and D.

4 H.7. Determination of potential implementation impediments for
5 Competitive Metering and/or Billing on January 1, 1999. The Bureau of Audits,
6 working with a third party consultant, shall conduct a review of any constraints
7 raised by PP&L that may prevent implementation of competitive metering and/or
8 billing on January 1, 1999. The third party consultant who shall possess expertise
9 in the area of utility billing and metering systems will be selected by the
10 Commission, in consultation with the Joint Petitioners. The review will examine
11 those constraints which cannot reasonably be overcome in time to implement
12 competitive metering and/or billing by January 1, 1999 and, if constraints are
13 identified, will provide a recommendation as to when those constraints can be
14 eliminated. The cost of the third party consultant shall be borne by PP&L at a cost
15 not to exceed \$100,000. The review shall be completed no later than October 31,
16 1998, and a report shall be submitted to the Commission and provided to the Joint
17 Petitioners.

18 H.8. Development of Standards. By October 2, 1998, the Joint Petitioners
19 agree to modify Appendix C only as necessary to assure the standards are consistent
20 with PP&L's systems and the provisions set forth in this Part.

1 H.9. Commission Standards. Regardless of whether the Joint Petitioners
2 reach agreement on the development of standards, by October 16, 1998, the
3 Commission shall establish metering and billing standards for the PP&L service
4 territory which adopt Appendix C and include only such modification to Appendix
5 C necessary to make the standards consistent with PP&L operational systems,
6 including the specific applicability of provisions contained within 52 Pa. Code
7 Chapters 56 and 57 to EGSs performing consolidated billing. Upon the entry of a
8 final Commission order, these standards will be applicable to those services being
9 offered by the EDC or the EGS. These Commission standards shall also include, at
10 a minimum, data exchange and billing format standards to facilitate the efficient,
11 *speedy and non-discriminatory exchange of information between PP&L and EGSs*
12 necessary to a properly functioning competitive market for retail electric generation
13 services. An EGS that bills EDC charges must comply with all billing and
14 disclosure requirements for EDC charges applicable to an EDC, absent waiver by
15 the Commission, including the unbundling of transmission and distribution rates.

16 H.10. Physical Disconnection. Only PP&L's EDC employees can physically
17 disconnect or reconnect a customer's distribution service. Physical termination of
18 service for nonpayment may only be permitted for failure to pay for EDC or PLR
19 service.

1 **I. Phase-In**
2

3 I.1. Direct access to electric generation suppliers will be phased in for all
4 customers located in PP&L's service territory in accordance with the PP&L
5 Restructuring Order, in three steps -- one-third of the non-coincident peak load of
6 each customer class of service will have access on January 1, 1999, two-thirds of
7 the non-coincident peak load of each customer class on January 2, 1999, and the
8 remainder on January 2, 2000. With respect to Rate Schedules LP-4, LP-5, IS-T,
9 IS-P and LPEP (and applicable riders) and Rider IS-A customers, if the individual
10 customer peak load subscriptions exceed the class peak load limitation (adjusted to
11 reflect the grandfathered load of retail access pilot participants) for one or more of
12 these first two steps, then each customer's subscription will be reduced pro rata to
13 meet the class peak load limitation, provided that customers with multiple locations
14 in the PP&L service territory shall be permitted to allocate their allotted share of
15 their load to their multiple locations on the same Rate Schedules at their discretion.
16 Notwithstanding Section 5.2.4.1 of the Supplier Tariff, the previous sentence shall
17 also apply to Rate Schedule GS-3 customers over 40kW if Rate Schedule GS-3 is
18 over-subscribed as of the enrollment deadline. If over-subscription occurs, the Rate
19 Schedule GS-3 will be divided into two classes of service for load enrollment
20 purposes only -- a large customer class and a small customer class. All Rate
21 Schedule GS-3 customers with an average monthly demand for 1996 of 40 kW or

1 less will be in the small customer class and all others will be in the large customer
2 class. If, as a result of division of the Rate Schedule GS-3 customer class into large
3 and small classes, unused enrollment load is then available in either the large or
4 small class, then that load shall be applied to the other Rate Schedule GS-3
5 customer class (large or small) to the extent necessary to mitigate any over-
6 subscriptions. If no over-subscription of Rate Schedule GS-3 occurs, then no pro-
7 ration of load or class division shall occur and enrollment will continue on a first-
8 come, first-served basis. The potential Rate Schedule GS-3 class division described
9 in this Paragraph shall not be construed to afford additional customer rights to any
10 member of the Rate Schedule GS-3 classes, large or small, above and beyond those
11 available if no class division had occurred. For purposes of this Part, a customer
12 shall be defined to include those customers which are affiliated with each other
13 including, but not limited to, divisions, separate business units, etc. The entity
14 which nominates for customers as defined herein with multiple locations shall
15 designate the load for each multiple location. This designation shall not change
16 during calendar year 1999.

17 I.2. In the event the Commission determines that an additional six-month
18 transition period is necessary prior to implementation of retail access on a statewide
19 basis, pursuant to Section 2806(c)(1) and/or (c)(2) of the Public Utility Code,
20 PP&L's service territory will be subject to a similar six-month extension. 66 Pa.

1 C.S. §2806(c)(1) and (c)(2).

2

3 **J. Non-utility Generators**

4 J.1. PP&L agrees that it will not contend that this Settlement or the
5 Commission's Orders in its restructuring proceeding provide for inadequate
6 recovery of NUG-related stranded costs as the basis for unilaterally reducing the
7 contract rates paid to FERC qualifying facilities selling power to PP&L under PUC-
8 approved contracts. This settlement is not intended to limit and does not limit, in
9 any way, any other argument or claim PP&L may make regarding the rates paid to
10 FERC qualifying facilities selling power to PP&L under PUC-approved contracts.
11 This settlement also is not intended to preclude and does not preclude mutually
12 agreed upon buy down or buy out agreements or any other voluntary contract
13 renegotiations.

14

15 **K. EGS Affiliate**

16 K.1. PP&L shall transfer PP&L's Energy Plus EGS to an affiliated
17 corporation that is separate from its Pennsylvania retail EDC function no later than
18 September 15, 1998. All future EGS functions provided by PP&L shall be provided
19 by a corporation that is legally separate from the EDC.

20

K.1.a. The Commission will issue to the affiliated corporation to

1 which PP&L has transferred its EGS function ("PP&L EGS affiliate") a separate
2 interim license authorizing PP&L EGS affiliate to begin to offer, render, furnish or
3 supply electric generation supplier services to the public within the Commonwealth
4 of Pennsylvania, effective September 15, 1998, in the form attached as Appendix I
5 to the Joint Petition. Such license shall become permanent on a date no later than
6 the date that any other interim license issued by the Commission under Chapter 28
7 of the Public Utility Code becomes permanent. The continuance or issuance of
8 such license is conditioned upon the posting of the bond required to be posted by
9 EGSs and the filing of the applicable application under the Commission's
10 regulations.

11 K.1.b. The interim license granted to Pennsylvania Power & Light
12 Company (now PP&L, Inc.) on June 12, 1997 shall remain in effect and PP&L will
13 be permitted to provide generation supplier services under such license to customers
14 to which it was providing service on the date this settlement is approved by the
15 Commission through the end of the last billing month of any retail access pilot
16 program conducted by a Pennsylvania utility in which service is being provided to
17 customers under such license. Upon application, compliance with all applicable
18 Commission regulations and notice to all Joint Petitioners, PP&L may, pursuant to
19 this Part K, transfer such license to an affiliated corporation, even if PP&L may no
20 longer provide service under such license.

1 K.2. PP&L hereby requests, and the effectiveness of this Settlement is
2 conditioned upon, the Commission's approval of PP&L's transfer of its EGS
3 function to PP&L EGS affiliate under this Settlement and the Commission's
4 issuance of such orders as are necessary to implement this transfer. The transfer
5 will be subject to Commission review and audit prior to Commission approval to
6 assure consistency with the spirit of this Settlement, including the Codes of Conduct
7 adopted herein. The Commission approval includes, but is not limited to, approvals,
8 to the extent applicable under Chapters 5, 11, 19, 21 and 28 of the Public Utility
9 Code (66 Pa. C.S.).

10 K.3. The Joint Petitioners expressly acknowledge that such transfers may
11 require various regulatory approvals or waivers, including, without limitation, the
12 FERC, and perhaps other agencies and third parties not subject to PP&L's control,
13 and therefore the Joint Petitioners will neither oppose, nor support any opposition
14 to, PP&L's requests to obtain such approvals. PP&L shall file for all necessary
15 approvals within five (5) days after the Commission has entered an order approving
16 this settlement and simultaneously will serve copies of all such filings on all parties
17 to this settlement; further, PP&L will use its best good faith efforts to secure all
18 necessary approvals.

19 K.4. The Commission will develop Codes of Conduct, separate and distinct
20 from Codes of Conduct established in this proceeding, which will apply to EDC

1 activities in the marketplace and which will clarify the PLR function. By
2 September 15, 1998, the Commission will establish a set of binding Interim
3 Guidelines regarding EDC activities in the marketplace.

4

5 **L. Code of Conduct**

6 L.1. PP&L further agrees that it will be subject to and governed by the
7 Code of Conduct set forth in Appendix H to this Joint Petition upon final
8 Commission approval of this Settlement. The Code of Conduct set forth in
9 Appendix H shall remain applicable to PP&L until the later of January 1, 2001, or
10 the date when the statewide generic code of conduct established by the Commission
11 in its rulemaking becomes effective.

12 L.2. PP&L and its subsidiaries are permitted, but not required, to transfer
13 or assign all of their generating assets and liabilities, as those assets and liabilities
14 are delineated in its Restructuring Plan filing and included at the date of transfer in
15 the accounts set forth in Appendix J hereto, and any other assets necessary for the
16 operation of the generating plants, and their wholesale power contracts (other than
17 PUC-approved contracts with qualifying facilities selling power to PP&L) to a
18 separate corporate entity or entities. The entity or entities may, at PP&L's
19 discretion, be an affiliate or subsidiary of PP&L or a non-affiliate.

20 L.3. The wholesale power contracts transferred will exclude those

1 wholesale power contracts that PP&L utilizes to satisfy its provider of last resort
2 obligations and those wholesale power contracts that PP&L-affiliated EGSs enter
3 into; provided, however, that if the generation sold under such contracts is provided
4 by PP&L's generating assets, then the sales obligations under those contracts will be
5 transferred or assigned and the purchase obligations will remain with PP&L or its
6 affiliated EGSs. The generating assets and liabilities shall be transferred at their net
7 book value at the date of transfer. Once the transfer is completed, the generation
8 entity, if an affiliate of PP&L, will be regulated by the Commission only if it makes
9 retail sales, and then only as an EGS.

10 L.4. PP&L hereby requests, and the effectiveness of this Settlement is
11 conditioned upon, the Commission's approval, without addition, condition or
12 modification, of all aspects of PP&L's transfer of its generation assets and liabilities
13 and wholesale power contracts under this Settlement and the Commission's
14 issuance of such orders and certificates of public convenience as are necessary to
15 implement those transfers. The Commission approval includes, but is not limited to,
16 approval under Chapters 5, 11, 19, 21, and 28 of the Public Utility Code (66
17 Pa.C.S.).

18 L.5. The Joint Petitioners expressly acknowledge that such transfers may
19 require various regulatory approvals or waivers, including, without limitation, the
20 FERC, the Nuclear Regulatory Commission ("NRC") and perhaps other agencies

1 and third parties not subject to PP&L's control, and therefore the Joint Petitioners
2 will neither oppose, nor support any opposition to, PP&L's requests to obtain such
3 approvals. If such authorizations or waivers (other than approval by this
4 Commission) are not obtained in a manner acceptable to PP&L, then PP&L will not
5 transfer the generation assets or liabilities or contracts affected, provided, however
6 that if a generating asset, liability or contract is not transferred, PP&L will continue
7 to separate that asset, liability or contract and its operation from its regulated
8 transmission and distribution functions by organizing generation assets, liabilities or
9 contracts into a functionally separate business unit or units. Failure to obtain such
10 authorization or waiver will not affect any other aspects of this Settlement.

11 L.6. Notwithstanding any other provision of this Joint Petition, Paragraphs
12 L.2 through L.5 shall not apply to PREA/AEC with respect to any asset, property or
13 contract right, in which PREA/AEC has an ownership or contractual interest. This
14 exclusion is not intended to expand in any way PREA/AEC's existing rights nor
15 shall this Joint Petition in any way change or limit PREA/AEC's existing rights.

16 L.7. PP&L and its affiliates and subsidiaries agree to be bound by the
17 competitive safeguard provisions set forth in Appendix G. Upon request of a Joint
18 Petitioner the information referenced in paragraph 6 of Appendix G shall be
19 provided directly to the Joint Petitioner, who shall not disclose or use the
20 information in a manner that violates the Commission's standard rules governing

1 proprietary information. Complaints under these provisions shall be filed with the
2 Commission and finally adjudicated by the Commission within sixty days of filing.

3
4 **M. Community Responsibility**

5 M.1. The Company commits to continue its history of cooperation with
6 community organizations and the Commission, including the Bureau of Consumer
7 Services.

8 M.2. All parties will commit to work with all other parties to support and
9 successfully implement all aspects of the Settlement Agreement.

10 M.3. Not later than September 15, 1998, the Company shall file with the
11 FERC, with service on the Joint Petitioners, such provisions of the Settlement
12 Agreement (including appendices thereof) that the Company believes require FERC
13 approval in order to effectuate the Settlement Agreement. The filing shall include
14 only such provisions as have been agreed to by the Joint Petitioners. The Joint
15 Petitioners agree to support or not to oppose such filing.

16
17 **N. Resolution of Other Issues**

18 N.1. Any issue not specifically addressed in this Settlement shall be treated
19 and resolved in accordance with the resolution of that issue adopted by the
20 Commission at this docket in the Restructuring Order entered June 15, 1998 and the

1 Reconsideration Order entered July 9, 1998.

2

3 **O. Withdrawal of Pending State And Federal Court Cases**

4 O.1. Within ten days of the execution of this Joint Petition by all of the
5 Joint Petitioners, the Petitioners in the following cases with the concurrence and
6 support of the Commission and other parties and intervenors that are Joint
7 Petitioners hereto, shall petition the Commonwealth Court to continue generally
8 further consideration of their respective actions (all such actions collectively
9 referred to as the "Commonwealth Court Actions"):

10

11

| | |
|--------------------|-------------------------------------------------------------|
| No. 638 M.D. 1998 | PP&L Original Jurisdiction Action |
| No. 1878 C.D. 1998 | SER Restructuring Order and Reconsideration Order Appeal |
| No. 1879 C.D. 1998 | ARIPPA Restructuring Order and Reconsideration Order Appeal |
| No. 1880 C.D. 1998 | PP&L Restructuring Order and Reconsideration Order Appeal |
| No. 2004 C.D. 1998 | OCA Cross Appeal |
| No. 2030 C.D. 1998 | Enron Cross Appeal |
| No. 2032 C.D. 1998 | PPLICA Cross Appeal |
| No. 2041 C.D. 1998 | MAPSA Cross Appeal |

12

13 O.2. Within ten days of the execution of this Joint Petition by all of
14 the Joint Petitioners, all Petitioners who have filed appeals or cross appeals of the
15 Commission's July 9, 1998 Reconsideration Order, with the concurrence and
16 support of the Commission and other parties and intervenors that are Joint

1 Petitioners hereto, shall petition the Commonwealth Court to continue generally
2 further consideration of their respective actions (all such actions collectively
3 referred to as the “Commonwealth Court Reconsideration Actions”).

4 O.3. Within ten days of the execution of this Joint Petition by all of the
5 Joint Petitioners, PP&L shall petition the United States District Court to continue
6 generally its action filed at Civil Docket No. 98-CV-3659.

7 O.4. Within ten days after the Commission’s approval of this Joint Petition
8 becomes final and no longer subject to administrative or judicial challenge, PP&L
9 shall (a) withdraw with prejudice all of its pending Commonwealth Court Actions,
10 (b) withdraw with prejudice all of its pending Commonwealth Court
11 Reconsideration Actions and (c) dismiss with prejudice, pursuant to Rule 41(a)(1),
12 its pending civil action before the U.S. District Court, and the other Joint Petitioners
13 shall similarly withdraw with prejudice all of their Commonwealth Court Actions
14 and Commonwealth Court Reconsideration Actions, except as specifically provided
15 in Paragraph O.5.

16 O.5. The Joint Petitioners agree that they shall not initiate or join in any
17 court challenge, arising out of the issues resolved by this Settlement, to the
18 constitutionality or legality of the Electric Competition Act such that would prevent
19 or preclude implementation of this Settlement or any of its terms, this Joint Petition
20 for Settlement or any order approving this Joint Petition, except as provided in

1 Paragraph Q.1., and provided that, notwithstanding any other provision of this Joint
2 Petition, nothing in this Joint Petition shall prevent any Joint Petitioner that is a
3 party to the restructuring proceedings of another utility from initiating or continuing
4 any court challenge, including a challenge to the constitutionality or legality of the
5 Electric Competition Act, arising from such proceedings.

6

7 **P. Effectiveness, Duration And Enforcement Of Settlement**

8

9 P.1. The settlement proposed herein will go into effect upon the
10 Commission's issuance of a final order approving this Joint Petition and all the
11 settlement terms and conditions without modification. The terms of this Settlement
12 shall be implemented and enforceable notwithstanding the pendency of a legal
13 challenge to the Commission's approval of this Joint Petition or to actions taken by
14 another regulatory agency or Court, unless such implementation and enforcement is
15 stayed or enjoined by the Commission, another regulatory agency, or a Court having
16 jurisdiction over the matter.

17 P.2. The obligations under this Settlement that apply for a specific term set
18 forth herein shall expire automatically in accordance with the term specified, and
19 shall require no further action for their expiration. This Settlement, including all of
20 the terms and conditions set forth above, shall expire on December 31, 2009 except
21 with respect to those aspects of this Settlement, orders of the Commission

1 implementing this Settlement or PP&L's tariff approved as part of this Settlement,
2 implementation of which necessarily must be completed beyond that date.

3 P.3. The Joint Petitioners may enforce this Joint Petition through any
4 appropriate action before the Commission or through any other available remedy.
5 Joint Petitioners shall consider any final Commission order related to the
6 enforcement or interpretation of this Joint Petition as an appealable order to
7 Commonwealth Court. This shall be in addition to any other available remedy at
8 law and equity.

9 P.4. If a court grants a legal challenge to the Commission's approval of
10 this Joint Petition and issues a final non-appealable order which prevents or
11 precludes implementation of any material term of the Settlement, or if some other
12 legal bar has the same effect, then this Settlement is voidable, upon written notice
13 by any Joint Petitioner.

14

15 **Q. Complete Agreement; No Alterations Or Modifications**

16

17 Q.1. This Settlement resolves, with prejudice, all of the issues specifically
18 addressed herein and precludes the Joint Petitioners from asserting contrary
19 positions with respect to any such issue during subsequent litigation, provided,
20 however, that this Settlement is made without admission against or prejudice to any
21 factual or legal positions which any of the Joint Petitioners may assert: (i) in the

1 event that the Commission does not issue a final, non-appealable Order approving
2 this Settlement without modification; or (ii) in other Pennsylvania utilities'
3 Restructuring proceedings before the Commission under Section 2806(D) of the
4 Electric Competition Act and related appeals; or (iii) other proceedings before the
5 Commission or other fora as long as such positions are not in derogation of this
6 Settlement. The Joint Petitioners agree that this Settlement shall not constitute or be
7 cited as controlling precedent in any other proceedings, including Pennsylvania
8 utilities' restructuring proceedings before the Commission under Section 2806(D).
9 This Settlement is determinative and conclusive of all of the issues addressed herein
10 and constitutes a final adjudication as to the Joint Petitioners of the matters thereof.

11 Q.2. This Settlement is expressly conditioned upon the Commission's
12 approval of all of the specific terms and conditions contained herein without
13 modification. If the Commission should fail to grant such approval, or should
14 modify any of the terms and conditions herein, this Settlement will terminate and be
15 of no force and effect. The Joint Petitioners will make best efforts to support this
16 Settlement and to secure its approval by the Commission.

17 Q.3 It is expressly understood and agreed that this Settlement constitutes a
18 negotiated resolution solely of PP&L's restructuring proceedings at Docket No. R-
19 00973954 and the related court appeals and other actions listed in Part O herein.

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IV. PUBLIC INTEREST CONSIDERATIONS

The Joint Petitioners submit that this Settlement is in the public interest and should be approved in full for the following reasons:

1. Customers Will Receive Rate Reductions. The Settlement enables all customers to receive significant guaranteed rate reductions.

2. Competition will be promoted. Customers will receive substantial shopping credits that will allow shopping customers to achieve significant bill savings in addition to the guaranteed rate cut and that will promote competition. Moreover, the provisions of this Settlement will insure that a competitive market for electricity will be created and functioning by January 1, 1999.

3. Transmission And Distribution Charges Will Be Capped For An Additional Three And One-Half Years. The Settlement provides that the cap on PP&L's transmission and distribution charges, which otherwise would expire on June 30, 2001, will be extended through 2004.

4. Generation Rates Will Be Capped For An Additional Four Years. The Settlement provides that a cap on PP&L's generation rates, which otherwise would expire December 31, 2005, will be in place as provided in the Electric Competition Act (66 Pa. C.S. §2804(4)), until December 31, 2009 and is increased by five percent (5%) throughout this four-year period. In addition to the guaranteed rate cuts, non-shopping customers shall be served by providers of last resort or

1 default service that will offer electric service at market-determined prices on
2 January 1, 2002.

3 5. Universal Service Coverage Will Be Expanded. The Settlement
4 provides for expansion of funding levels for PP&L's ONTrack and LIURP
5 programs.

6 6. Economic Development and the Environment Will Benefit. Vigorous
7 competition unleashed by the shopping credits and the guaranteed rate reductions
8 will be of benefit to business and industry as well as to residential consumers. The
9 Settlement promotes renewable energy development and provides for a renewable
10 energy pilot program. The Settlement also provides for a sustainable energy fund
11 designed to promote the development and use of renewable energy and clean energy
12 technologies, energy conservation and efficiency which promote clean energy.

13 7. The Securitization of Stranded Assets Will Be Facilitated. The
14 Settlement provides for the Commission to issue a Qualified Rate Order authorizing
15 PP&L to securitize up to \$2.97 billion of its recoverable stranded assets and costs.

16 8. Substantial Litigation And Associated Costs Will Be Avoided. The
17 Settlement amicably resolves a number of important and contentious issues raised in
18 the proceeding and, at the same time, provides for the withdrawal of various actions
19 currently pending before state and federal courts. The administrative and appellate
20 burden and costs to litigate these matters, including likely future appeals, to

1 conclusion would be substantial.

2 9. The Settlement Is Consistent With Commission Policies Promoting
3 Negotiated Settlements. The Joint Petitioners arrived at the settlement terms after
4 conducting extensive discovery, submitting comprehensive testimony and engaging
5 in in-depth discussions. The settlement terms and conditions constitute a carefully
6 crafted package representing reasonable negotiated compromises on the issues
7 addressed herein. Thus, this Settlement is consistent with the Commission's rules
8 and practices encouraging negotiated settlements (see 52 Pa. Code §§5.231, 69.391,
9 69.401).

10

11

V. CONCLUSION

12

13

WHEREFORE, the Joint Petitioners, intending to be legally bound,
14 respectfully request that the Commission: (1) approve the settlement terms and
15 conditions set forth in the Joint Petition without modification; (2) amend the
16 Commission's Restructuring Order and Reconsideration Order as necessary to
17 implement the proposed Settlement; (3) approve the Tariff Supplements attached as
18 Appendix B to become effective pursuant to the terms set forth therein; (4) issue the
19 Qualified Rate Order set forth in Appendix E hereto; and (5) approve PP&L's
20 transfer of generating assets as set forth herein.

21

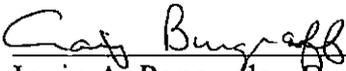
1 The undersigned counsel or representatives certify that they have full
2 authority to enter into this settlement and to act on behalf of their respective
3 parties, and each is executing this agreement as a duly authorized representative of
4 such party.
5

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7 

8
9 Robert J. Grey, Esquire
10 Paul E. Russell, Esquire
11 For PP&L, Inc.
12

8/11/98

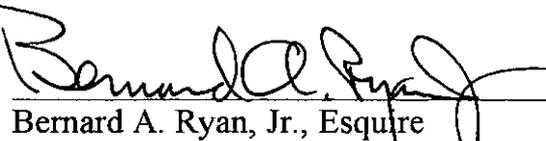
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14 

15 Irwin A. Popowsky, Esquire
16 Craig R. Burgraff, Esquire
17 For Office of Consumer Advocate
18

8/12/98

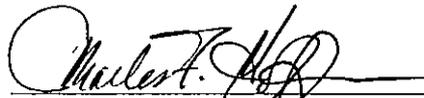
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20
21 Bernard A. Ryan, Jr., Esquire
22 For Office of Small Business Advocate
23

8/12/98

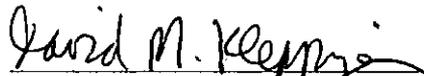
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25
26 Charles F. Hoffman, Esquire
27 Johnnie E. Simms, Esquire
28 For Office of Trial Staff
29

8/11/98

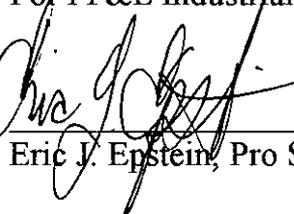
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31
32 David M. Kleppinger, Esquire
33 For PP&L Industrial Customer Alliance
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8/11/98

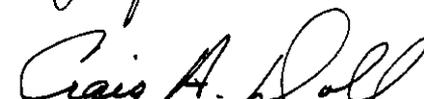
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36
37 Eric J. Epstein, Pro Se
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8/11/98

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40
41 Craig A. Doll, Esquire
42 For Conectiv Energy

8/12/98

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Deborah A. Swanstrom, Esquire
For Allegheny Power

Date



William T. Hawke, Esquire *TODD S. Stewart, Esq.*
For Mid-Atlantic Power Supply Association

August 12, 1998
Date

Mary McFall Hopper, Esquire
For PECO Energy

Date

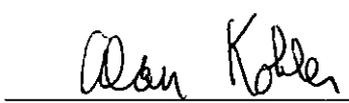


Scott J. Rubln, Esquire
For Local 1600, IBEW

8/12/98
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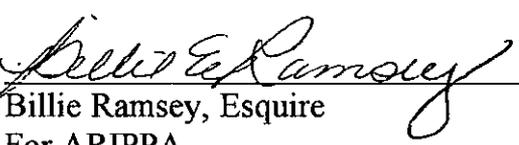
Barbara Kates-Garnick
Jeff Bladen
For New Energy Ventures

Date



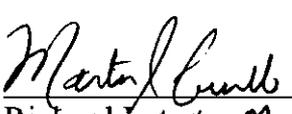
Alan Kohler, Esquire
For Enron Power Marketing, Inc.

8/12/98
Date



Billie Ramsey, Esquire
For ARIPPA

8/12/98
Date



Richard Letarte *Martin J. Cerullo, Attorney*
For Schuylkill Energy Resources

8/11/98
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Deborah A. Swanstrom, Esquire
For Allegheny Power

Date

William T. Hawke, Esquire
For Mid-Atlantic Power Supply Association

Date

Mary McFall Hopper, Esquire
For PECO Energy

Date

Scott J. Rubin, Esquire
For Local 1600, IBEW

Date

Barbara Kates Garnick

8/12/98

Barbara Kates-Garnick
Jeff Bladen
For New Energy Ventures

Date

Alan Kohler, Esquire
For Enron Power Marketing, Inc.

Date

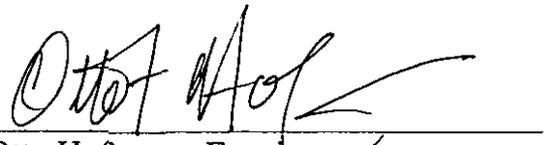
Billie Ramsey, Esquire
For ARIPPA

Date

Richard Letarte
For Schuylkill Energy Resources

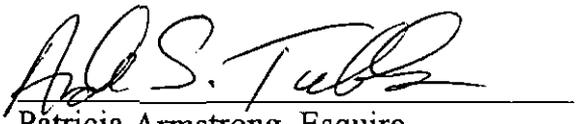
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Otto Hofmann, Esquire
For Pa. Rural Electric Association

8/12/98
Date



Patricia Armstrong, Esquire
For Allegheny Electric Cooperative, Inc.

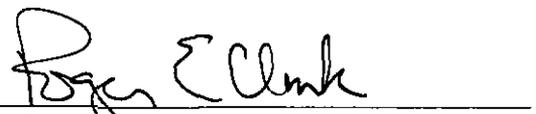
8/11/98
Date

Terrence Fitzpatrick, Esquire
David M. DeSalle
For GPU Energy

Date

Usher Fogel, Esquire
For Pa. Petroleum Assoc. and Pa. Plumbing,
Heating, Cooling Contractors, Inc.

Date



Fred Zalzman, Esquire
Roger Clark, Esquire
For Environmentalists

8/11/98
Date

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The undersigned counsel certify that they have full authority to act on behalf of their respective parties in this proceeding and they do not object to, and will abide by, the terms of this settlement of the PP&L restructuring proceedings and related court proceedings.

Terrance J. Fitzpatrick
Terrance J. Fitzpatrick, Esquire
David M. DeSalle, Esquire
For GPU Energy

8/12/98
Date

Thomas K. Henderson, Esquire
For Allegheny Power

Date

Mary McFall Hopper, Esquire
For PECO Energy

Date

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 Terrance J. Fitzpatrick, Esquire
 9 David M. DeSalle, Esquire
 10 For GPU Energy

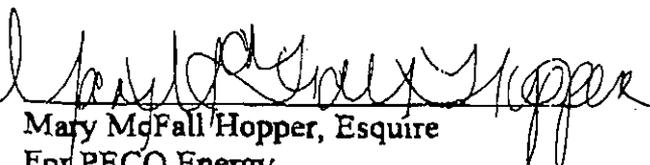
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14 _____
 Thomas K. Henderson, Esquire
 15 For Allegheny Power

_____ Date

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 19 Mary McFall Hopper, Esquire
 20 For PECO Energy

8/12/98
 _____ Date

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ORIGINAL

RECEIVED

AUG 12 1998

PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

PP&L, Inc. — Restructuring Plan
Joint Petition for Settlement
Docket No. R-00973954

APPENDICES A-J

VOLUME #1

DOCKETED
AUG 13 1998

**DOCUMENT
FOLDER**

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ORIGINAL

RECEIVED

PP&L, INC. RESTRUCTURING PLAN

DOCKET NO. R-00973954

APPENDICES TO JOINT PETITION FOR SETTLEMENT AUG 12 1998

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Appendix

Description

- A Summary of PP&L, Inc. System Average Unbundled Rates and CTC Revenues
- B PP&L, Inc. General Tariffs
 - Supplement No. 76 to Electric Pa.P.U.C. No. 200
 - Supplement No. 2 to Electric Pa.P.U.C. No. 201
- C PECO Energy Company Rules for Competitive Metering and Billing
- D PP&L, Inc. Rate Credits for Competitive Metering and Billing
- E Application of PP&L, Inc. for Issuance of a Qualified Rate Order
- F PP&L, Inc. Electric Generation Supplier Coordination Tariff
- G PP&L, Inc. Generation Company Code of Conduct
- H PP&L, Inc. Interim Code of Conduct
- I Form of Interim EGS License
- J PP&L, Inc. Generation Asset and Liability Accounts for Transfer
- K PP&L, Inc. Proofs of Revenues (1999-2009)

DOCKETED
AUG 13 1998

**DOCUMENT
FOLDER**

Pennsylvania Power & Light Settlement

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

Declining CTC Revenue Requirement with kwh consumption as indicated

Stranded: \$ 2,970,000,000

kwh Growth Rate

1.50%

Pre-Tax Return: 10.86%

Nominal Cash:

\$ 5,017,269,051

| | Year | kwh consumed | Annual Revenue Requirement | CTC Rate With GRT | T&D Rate | Bundled Rate | Shopping Credit |
|----|------|----------------|----------------------------|-------------------|----------|--------------|-----------------|
| 1 | 1999 | 33,108,701,350 | \$ 497,938,161 | 1.57 | 1.74 | 7.12 | 3.81 |
| 2 | 2000 | 33,605,331,870 | \$ 498,026,787 | 1.55 | 1.74 | 7.42 | 4.13 |
| 3 | 2001 | 34,109,411,848 | \$ 496,670,612 | 1.52 | 1.74 | 7.42 | 4.16 |
| 4 | 2002 | 34,621,053,026 | \$ 481,094,845 | 1.45 | 1.74 | 7.42 | 4.23 |
| 5 | 2003 | 35,140,368,821 | \$ 473,995,034 | 1.41 | 1.74 | 7.42 | 4.27 |
| 6 | 2004 | 35,667,474,354 | \$ 461,682,489 | 1.35 | 1.74 | 7.42 | 4.33 |
| 7 | 2005 | 36,202,486,469 | \$ 438,637,302 | 1.27 | n/a | n/a | 4.41 |
| 8 | 2006 | 36,745,523,766 | \$ 447,325,670 | 1.27 | n/a | n/a | 4.78 |
| 9 | 2007 | 37,296,706,623 | \$ 433,106,206 | 1.21 | n/a | n/a | 4.84 |
| 10 | 2008 | 37,856,157,222 | \$ 411,419,380 | 1.14 | n/a | n/a | 4.91 |
| 11 | 2009 | 38,423,999,580 | \$ 377,372,565 | 1.03 | n/a | n/a | 5.02 |



PP&L, Inc.
(Formerly Pennsylvania Power & Light Company)

GENERAL TARIFF

RULES AND RATE SCHEDULES FOR ELECTRIC SERVICE

In the territory listed on pages 4 and 4A
and in the adjacent territory served.

ISSUED August 12, 1998

EFFECTIVE September 11, 1998

Filed in compliance with Pennsylvania Public Utility Commission's Opinion and Order, entered June 15, 1998, at Docket No. P-00973954. This filing supersedes and cancels Supplement No. 65 proposed to become effective January 1, 1998, and voluntarily postponed to June 15, 1998, and voluntarily postponed further to September 1, 1998 and Supplement No. 75 proposed to become effective August 17, 1998.

Issued by
WILLIAM F. HECHT, PRESIDENT
Two North Ninth Street
Allentown, PA 18101-1179

NOTICE

THIS TARIFF MAKES CHANGES IN EXISTING RATES. SEE PAGE TWO.

LIST OF CHANGES MADE BY THIS SUPPLEMENT

CHANGES:

- Rule 4
Page No. 8B
- Paragraph C(4) is changed to indicate that the Company may supply service, upon request, in a manner which requires related regulated services to be performed by the Company, which are over and above those that the Company would normally provide, if the customer agrees to pay the Company at a fair and nondiscriminatory price for those related regulated services.
- Rule 9
Page No. 13A
- In the third paragraph under E. Budget Billing, the interest rate is changed from 1% per month to a monthly rate equal to one-twelfth of the average of 1-year Treasury Bills for the months of September, October, and November of the previous calendar year.
- Interruptible Service by Agreement
Page No. 19B
- Under Application, 2nd paragraph, last sentence on determining amount of interruptible power is eliminated.
- Competitive Rate Rider (Experimental)
Page No. 19E
- Under Application Provisions, 2nd paragraph, the last sentence on determining amount of interruptible power is eliminated.
- Rate Schedule IS-1
Page No. 30
- Under Application Rate Schedule IS-1, 2nd paragraph, the last sentence on determining amount of interruptible power is eliminated.
- Rate Schedules IS-P and IS-T
Page Nos. 30A and 30C
- Under Interruptible Power, 2nd paragraph, the last sentence on determining amount of interruptible power is eliminated.
- Rate Schedules PR-1(R) and PR-2(R)
Page no. 31 and 32
- In title, an "(R)" is added to designate that this service is restricted. Sentence is added indicating that service under Rate Schedules PR-1(R) and PR-2(R) is available only to existing customers taking service under these Rate Schedules as of August 1, 1998.
- Under Application Provisions, second paragraph on selecting a maximum of twenty-five (25) customers with firm or interruptible power requirements for the pilot program is eliminated.
- Rate Schedule PR-2
Page No. 32
- Under Application Provisions, 4th paragraph, the last sentence on determining amount of interruptible power is eliminated.

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RULE 4 - SUPPLY OF SERVICE (CONTINUED)

C. METHOD OF SUPPLY (Continued)

2. 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.
 3. Physical characteristics such as oversized lots or lots with extreme set-back where under the Company's line extension policy contained in its tariff a charge is mandated for overhead service.
- (e) No charges other than those described in paragraph (d) shall be borne by the applicant for electric service or by another utility sharing the same trench, even if the Company elects to perform its own excavating and backfilling.

(4) The Company may supply service, upon request, in a manner which requires additional facilities or related regulated services to be performed, which are over and above those that the Company would normally install or provide, if the customer agrees to pay the Company at a fair and nondiscriminatory price for those additional facilities or related regulated services. (C)

D. ALTERNATE SUPPLY

The Company furnishes one source of supply to a single point of delivery to a premises. However, when a customer requests an alternate source of supply, the Company will install the additional facilities required providing the customer agrees to compensate the Company for the estimated cost of the additional facilities maintained for the alternate supply.

E. CAPACITY

The Company's facilities have a limited capacity. Therefore, to assure satisfactory operation of customers' equipment and to protect both customer's and Company's facilities against damage, each customer shall notify the Company of any substantial increase in use of service so that additional facilities may be provided in accordance with the applicable provisions in this tariff.

F. CONTINUITY

(1) The Company uses reasonable diligence to preserve continuity of service, but in the event of interruption or curtailment of service, Company shall not be subject to any liability, penalty or payment for or on account of any such interruption or curtailment nor shall the application of the rate schedule to the regular billing period be affected.

(2) The Company may temporarily suspend service for the purpose of making necessary repairs and makes every reasonable effort to notify customers in advance, except in cases of emergency.

G. EMERGENCY LOAD CONTROL

(1) A load emergency situation exists whenever:

- (a) the demands for power on all or part of the utility's system exceed or threaten to exceed the capacity then actually available to supply such demands;
- (b) system instability or cascading outages could result from actual or expected transmission overloads or other contingencies; or
- (c) such conditions exist in the system or another public utility or power tool with which the utility's system is interconnected and cause a reduction in the capacity available to the utility from that source or threaten the integrity of the utility's system.

(2) In such case, the utility shall take such reasonable steps as the time available permits to bring the demands within the then-available capacity or to 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 utility's procedures for controlling load.

(Continued)

(C) Indicates Change

RULE 9 - BILLING AND PAYMENT FOR SERVICE (CONTINUED)

D. PAYMENT (Continued)

(6) In the event of discontinuance or termination of service at a residence or dwelling, the Company may transfer any unpaid balance to any other residential account of the same ratepayer, or in the event of termination, to a third-party guarantor's account to the extent of the cash deposit requirement.

(7) Regular employees who are head of a family and mainly responsible for the maintenance of the premises they occupy may secure up to 50% reduction in their bills for service under Residential Rate Schedule RS in lieu of other benefits available to other employees. This option is in the process of elimination and is limited to employees who are presently receiving such reduction and continue to live and work in the area previously served by the former Tariff Electric Pa. P.U.C. No. 196 (Scranton).

(8) Payments which are insufficient to pay for both a balance due for prior use and billing for current use are first applied to the balance due for prior use, except when an unpaid bill is a disputed bill or when a payment plan for an overdue balance is agreed upon.

E. BUDGET BILLING

Budget billing is available upon request for service under residential and general service rate applications except for temporary, seasonal, and speculative service. Budget billing may start in any month, for new or existing customers, and may be discontinued upon request at which time any difference between budget billing and billing based on actual use becomes due and payable. In any month when the amount billed for the previous billing period is overdue, budget billing may be terminated; any difference owed the Company is immediately due, and bills thereafter are rendered based on metered use.

When a customer elects budget billing, the Company bills the customer each month an amount equal to one-twelfth, for residential service customers, or one-eleventh, for general service customers, of the estimated annual charges under the rate schedule. The monthly charge is adjusted, as required, so that total payments at the end of the budget billing cycle approximately equal actual charges. When billing based on actual use exceeds charges at the end of the twelfth month, the excess is added to regular billing in equal increments over the succeeding four months with no penalty.

Each month, interest at the rate of one-twelfth of the average of 1-year Treasury Bills for the months of September, October, and November of the previous calendar year is applied to funds in the customer's account which are the result of payments for the billed amount in excess of actual charges for service to date. No interest is charged when there is a negative balance. (C)

F. RETURNED CHECK CHARGE

If a check received in payment of a customer's account is returned to the Company unpaid by the customer's bank and cannot be redeposited by the Company for payment on the second attempt, the Company will charge the customer \$7.00 for processing the returned check, plus any charges assessed by the bank or other financial institution to the Company.

G. SMALL CREDIT BALANCES ON INACTIVE ACCOUNTS

The Company may transfer any customer credit balance less than \$1 from a customer's inactive account to the Company's Operation HELP program instead of refunding the credit amount to the customer. This transfer will occur only after the Company has been unsuccessful in its efforts to transfer the credit balance to an active account of the customer, and only if the customer does not request a refund of the credit balance.

INTERRUPTIBLE SERVICE BY AGREEMENT

APPLICATION

This Service is available to large general service customers who take service from available transmission lines of 69,000 volts or higher. The customer furnishes and maintains all equipment necessary to transform the energy from line voltage. This Service is available only to customers who require interruptible service which is different than that provided in the Company's Rate Schedules. It is available only to customers who accept service interruptions pursuant to a service agreement.

The Company will not enter into new contracts for interruptible service if the amount of interruptible power from all customers served under Rate Schedules IS-1, IS-P, IS-T, PR-2, the Competitive Rate Rider, and Interruptible Service by Agreement exceeds a total of 500 MW. (C)

NET MONTHLY SERVICES CHARGES

Charges for service shall be mutually agreed upon by the Company and the customer in a signed service agreement. The agreement's effectiveness will be conditioned upon Pennsylvania Public Utility Commission approval.

CONDITIONS OF SERVICE

A service agreement between the Company and the customer must include, at a minimum, the following:

- the term of the agreement for interruptible service,
- the delivery point location and characteristics of service,
- the metering for the customer's firm and interruptible service,
- the estimated firm power service level (KW),
- the maximum number of interruptions per year,
- the maximum duration of interruption per interruption period and the maximum aggregate hours of interruption per year and in any billing month,
- the amount of advance notice of an interruption given to a customer,
- the additional charge for continued use (KWH) of interruptible load (KW) during a period of economic load control,
- the penalty for failure to interrupt load (KW) when called for during an emergency interruption period,
- the basis for calculating billing demand (KW),
- the minimum billing demand (KW),
- the power factor acceptable to the Company at the delivery point,
- the monthly rate for firm and interruptible demand and energy, and the monthly minimum bill,
- terms for payments of bills rendered by the Company, and
- conditions for termination of the agreement.

COMPETITIVE RATE RIDER (EXPERIMENTAL)

PURPOSE

This experimental rider provides competitive rates to existing and new commercial and industrial customers served under Rate Schedules LP-5, LP-6, and IS-T who can demonstrate that they have a viable competitive alternative to purchasing electric service from the Company and intend to select that alternative to the detriment of the Company and its ratepayers.

APPLICATION PROVISIONS

This rider is applicable to existing and new commercial and industrial customers with a monthly maximum demand of 5,000 KW or greater year-round who are served, or who qualify to be served, under Rate Schedules LP-5, LP-6, and IS-T.

The Company will not enter into new contracts for interruptible service if the amount of interruptible power from all customers served under Rate Schedules IS-1, IS-P, IS-T, PR-2, the Competitive Rate Rider, and Interruptible Service by Agreement exceeds a total of 500 MW.

(C)

GENERAL CONDITIONS

1. The customer must demonstrate that it has a viable competitive alternative to service under Rate Schedule LP-5, LP-6, or IS-T to be eligible for this rider. The customer must provide written information, satisfactory to Company, documenting the customer's competitive alternative. Because of the proprietary nature of the customer's information, this information shall remain confidential.

2. The customer also must demonstrate, to the satisfaction of the Company, that the customer intends to implement the competitive alternative and is financially able to do so.

3. The Company will provide, upon request, a written description of the information that the customer must provide to the Company.

4. The Company shall be the sole judge of whether or not a competitive rate under this rider is appropriate based on the information provided by the customer.

5. The Company will develop competitive rates and terms, on a case-by-case basis, if the Company, in its sole judgement, determines that they are appropriate. The Company is not obligated to match the customer's costs for an alternative source of energy. The rate shall be sufficient to recover all of the Company's appropriate short-run marginal costs of the service and make a contribution to the Company's fixed costs, but shall not exceed the rate for comparable service under Rate Schedule LP-5, LP-6, or IS-T.

6. To promote energy conservation and efficiency, the Company may require that the customer implement energy efficiency measures prescribed by the Company.

7. The Special Base Rate Credit Adjustment, Energy Cost Rate, and State Tax Adjustment Surcharge are applicable to service under this rider.

8. The Economic Development Initiatives Rider and Industrial Development Initiatives Rider provisions of Rate Schedule LP-5 and the Demand Free Day provision of Rate Schedules LP-5 and LP-6 included in this tariff are not applicable to service under this rider.

9. This rider does not apply to customers who have another source of power which can be substituted for the Company's service, unless the other source of power is maintained solely for use in case of interruption of Company's service.

10. An electric service contract is required for billing under this rider. The competitive rate shall be specified in the contract. A contract under this rider shall have a term of at least five (5) years. Because of the proprietary nature of the terms of the contract, the terms shall remain confidential.

11. This rider is experimental and will terminate on January 1, 1999. When this rider terminates, all existing contracts will continue until the scheduled expiration dates contained in the contracts.

(C) Indicates Change

Issued August 12, 1998

Effective September 11, 1998

RATE SCHEDULE IS-1
INTERRUPTIBLE SERVICE TO GREENHOUSES

APPLICATION RATE SCHEDULE IS-1

This rate schedule is for general service at secondary voltage to greenhouses or other environmentally controlled growing facilities which use a minimum of 300 KW of interruptible lighting load as a daylight supplement.

The Company will not enter into new contracts for interruptible service if the amount of interruptible power from all customers served under Rate Schedules IS-1, IS-P, IS-T, PR-2, the Competitive Rate Rider, and Interruptible Service by Agreement exceeds a total of 500 MW. (C)

NET MONTHLY RATE (Effective 1-1-97)

\$359.24 per month plus

\$9.28 per Billing KW

4.749 cts. per KWH for the first 730 KWH per kilowatt of Billing KW.

3.751 cts. per KWH for all additional KWH.

The Energy Cost Rate applies to all KWH supplied under this rate.

The Net Monthly Rate Minimum is \$359.24.

BILLING KW

The Billing KW is the average number of kilowatts supplied during the 15 minute period of maximum use from 7 a.m.-3 p.m., 8 a.m.-4 p.m., or 9 a.m.-5 p.m. at the option of the customer, Monday to Friday inclusive daily during the current billing period excluding New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

LOAD INTERRUPTION

A total predetermined block of interruptible load (300 KW minimum) equivalent to 60% of the monthly maximum registered demand is to be disconnected by the customer on one-hour notice from the Company during the hours 7 a.m. to 9 p.m. as requested. Interruptions will be limited to a total of 240 hours per year.

Compliance by the customer with a request from the Company for interruption of the committed block of load is determined by the Company from recording meter records. If the customer does not comply, all recorded demands for that 24-hour day are applicable in determining the Billing KW for the billing period. If the customer does not have the interruptible load operating at the time interruption is requested, Billing KW is determined as described in the section above with no penalty.

BUDGET BILLING

Budget Billing is available at the option of the customer.

RETAIL ACCESS PILOT RIDER (EXPERIMENTAL)

The Retail Access Pilot Rider included in this Tariff applies to eligible customers served under this Rate Schedule.

SPECIAL BASE RATE CREDIT ADJUSTMENT

The Special Base Rate Credit Adjustment included in this Tariff is applied to charges under this rate except for charges made under the Energy Cost Rate and charges made under the State Tax Adjustment Surcharge.

STATE TAX ADJUSTMENT SURCHARGE

The State Tax Adjustment Surcharge included in this Tariff is applied to charges under this rate except for charges made under the Energy Cost Rate.

PAYMENT

The above net rate applies when bills are paid on or before the due date specified on the bill, which is not less than 15 days from the date bill is mailed. When not so paid, the gross rate applies which is the above net rate plus 5% on the first \$200.00 of the then unpaid balance of the monthly bill and 2% on the remainder thereof.

CONTRACT PERIOD

Not less than one year. The Company will agree to provide this service to applicable customers for a minimum period of five years during which rate levels are subject to change.

(C) Indicates Change

RATE SCHEDULE IS-P
INTERRUPTIBLE LARGE GENERAL SERVICE AT 12,470 VOLTS OR HIGHER

APPLICATION RATE SCHEDULE IS-P

This rate schedule is for interruptible large general service supplied from available lines of 12,470 volts or higher when customer furnishes and maintains all equipment necessary to transform the energy from line voltage.

INTERRUPTIBLE POWER

Interruptible service under this rate schedule is available to customers with at least 1,000 KW of year-round Interruptible Power who contract to accept interruptible service for at least one year, as detailed in this rate schedule.

The Company will not enter into new contracts for interruptible service if the amount of interruptible power from all customers served under Rate Schedules IS-1, IS-P, IS-T, PR-2, the Competitive Rate Rider, and Interruptible Service by Agreement exceeds a total of 500 MW.

(C)

NET MONTHLY RATE (Effective 1-1-97)

\$8.28 per kilowatt for all kilowatts of the Billing KW.

5.289 cts. per KWH for first 400 hours use of Billing KW

3.333 cts. per KWH for all additional KWH.

The Energy Cost Rate applies to all KWH supplied under this rate.

The Minimum Billing Demand is 25 KW.

The Net Monthly Rate Minimum is \$207.00.

TIME-OF-DAY METERING AND BILLING CHARGE

In addition to the above charges, the customer pays to the Company \$14.97 per month for Time-of-Day metering and billing.

BILLING KW

The monthly Billing KW is calculated as:

Billing KW = Firm Power + [Interruptible Power X (1 - Average On-peak Load Factor)]

ON-PEAK HOURS

On-peak hours for billing purposes are 7 a.m. to 7 p.m. local time, Mondays to Fridays inclusive except New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

MAXIMUM ON-PEAK DEMAND

Maximum On-peak Demand is the average number of kilowatts supplied during the 15 minute period of maximum use during the On-peak Hours of the current billing period.

ON-PEAK LOAD FACTOR

On-peak Load Factor for billing purposes is the ratio of the kilowatt-hours supplied during the On-peak Hours to the product of the Maximum On-peak Demand and the number of On-peak Hours for a billing period.

AVERAGE ON-PEAK LOAD FACTOR

Average On-peak Load Factor is the average of the On-peak Load Factors for the twelve months of the prior calendar year. Average On-peak Load Factor is recalculated annually and applied to service billed on and after April 1 of the current year under this Rate Schedule. The Company may modify the On-peak Load Factors for the twelve months of the prior calendar year to reflect operations expected under this rate.

FIRM POWER

Firm Power is the level of KW demand which the customer has no obligation to curtail during an interruption of service called by the Company. The initial level of Firm Power shall be specified in the contract. This initial level will be adjusted by the Company to the level of Firm Power actually achieved by the customer during an emergency or an emergency test interruption period. The adjusted level shall become the level of Firm Power for the remaining term of the contract or until a new level of Firm Power is achieved during a subsequent emergency or an emergency test interruption period. The level of Firm Power shall not be adjusted below the initial level of Firm Power specified in the contract.

INTERRUPTIBLE POWER

Interruptible Power is the Maximum On-Peak Demand less the Firm Power.

(Continued)

(C) Indicates Change

Issued August 12, 1998

Effective September 11, 1998

RATE SCHEDULE IS-T
INTERRUPTIBLE LARGE GENERAL SERVICE AT 69,000 VOLTS OR HIGHER

APPLICATION RATE SCHEDULE IS-T

This rate schedule is for interruptible large general service supplied from available lines of 69,000 volts or higher, with customer furnishing and maintaining all equipment necessary to transform the energy from the line voltage. It applies to 3 phase, 60 Hertz service.

INTERRUPTIBLE POWER

Interruptible service under this rate schedule is available to customers with at least 1,000 KW of year-round Interruptible Power who contract to accept interruptible service for at least one year, as detailed in this rate schedule.

The Company will not enter into new contracts for interruptible service if the amount of interruptible power from all customers served under Rate Schedules IS-1, IS-P, IS-T, PR-2, the Competitive Rate Rider, and Interruptible Service by Agreement exceeds a total of 500 MW. (C)

NET MONTHLY RATE (Effective 1-1-97)

7.78 per kilowatt for all kilowatts of the Billing KW.

4.817 cts. per KWH for first 400 hours use of Billing KW

3.222 cts. per KWH for all additional KWH.

A credit of \$0.85 is applied to all Billing KW when customer takes service at 230,000 Volts.

The Energy Cost Rate applies to all KWH supplied under this rate.

The Minimum Billing Demand is 300 KW.

The Net Monthly Rate Minimum is \$2,334.00.

TIME-OF-DAY METERING AND BILLING CHARGE

In addition to the above charges, the customer pays to the Company \$14.97 per month for Time-of-Day metering and billing.

BILLING KW

The monthly Billing KW is calculated as:

Billing KW = Firm Power + [Interruptible Power X (1 - Average On-peak Load Factor)]

ON-PEAK HOURS

On-peak hours for billing purposes are 7 a.m. to 7 p.m. local time, Mondays to Fridays inclusive except New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

MAXIMUM ON-PEAK DEMAND

Maximum On-peak Demand is the average number of kilowatts supplied during the 15 minute period (1 hr. period for 230,000 volt service) of maximum use during the On-peak Hours of the current billing period, except that where a 1 hour period of maximum use was in effect as of August 28, 1981, it may be continued for that customer.

ON-PEAK LOAD FACTOR

On-peak Load Factor for billing purposes is the ratio of the kilowatt-hours supplied during the On-peak Hours to the product of the Maximum On-peak Demand and the number of On-peak Hours for a billing period.

AVERAGE ON-PEAK LOAD FACTOR

Average On-peak Load Factor is the average of the On-peak Load Factors for the twelve months of the prior calendar year. Average On-peak Load Factor is recalculated annually and applied to service billed on and after April 1 of the current year under this Rate Schedule. The Company may modify the On-peak Load Factors for the twelve months of the prior calendar year to reflect operations expected under this rate.

FIRM POWER

Firm Power is the level of KW demand which the customer has no obligation to curtail during an interruption of service called by the Company. The initial level of Firm Power shall be specified in the contract. This initial level will be adjusted by the Company to the level of Firm Power actually achieved by the customer during an emergency or an emergency test interruption period. The adjusted level shall become the level of Firm Power for the remaining term of the contract or until a new level of Firm Power is achieved during a subsequent emergency or an emergency test interruption period. The level of Firm Power shall not be adjusted below the initial level of Firm Power specified in the contract.

INTERRUPTIBLE POWER

Interruptible Power is the Maximum On-Peak Demand less the Firm Power.

(Continued)

(C) Indicates Change

RATE SCHEDULE PR-1(R)
PRICE RESPONSE SERVICE (EXPERIMENTAL)
FIRM POWER

Service under Rate Schedule PR-1(R) is available only to existing customers taking service under this Rate Schedule as of August 1, 1998. (C)

APPLICATION PROVISIONS

This experimental rate is applicable to industrial and commercial customers with firm power requirements who are selected by the Company for a real time pricing pilot program. Customers selected for this pilot program must have a monthly maximum demand of 2000 KW or greater year-round and be served under Rate Schedule LP-4, LP-5, or LP-6. An electric service contract is required for billing under the pilot program. (C)

The pilot program and billing under this rate schedule will end on January 1, 1999.

DEFINITIONS

1. Customer Baseline Load (CBL) -- is the customer's normal historic hourly KWH usage under Rate Schedule LP-4, LP-5, or LP-6 for one complete year. The CBL represents the customer's electricity consumption pattern and typical level of operation under Rate Schedule LP-4, LP-5, or LP-6.

If less than one complete year of billing history is available, the Company will determine an appropriate CBL level prior to the application of the real time pricing rate. If usage during any billing month(s) of the CBL period is not representative of the customer's normal usage pattern, the Company may adjust the CBL to reflect normal usage.

Agreement on the CBL level by the customer and the Company is a precondition for customer participation in the pilot program. The Company will not change the CBL during the pilot program, except as indicated.

2. Marginal Operating Cost -- is a forecasted hourly short-run marginal cost based on an evaluation of the value of Company generation, transactions with the PJM Interconnection, LLC, and two-party transactions between the Company and other companies.

3. Marginal Capacity Cost -- is a forecasted hourly short-run marginal cost associated with the effect that a change in customer load has on the Company's generation and transmission systems.

4. Loss Adjustment Factor -- is an adjustment for losses between the generator and the customer's metering point.

5. Risk Adjustment Factor -- is an adder, not to exceed 1.0 cent per KWH, which provides a margin over costs on incremental sales and compensates the Company for the risk that hourly energy prices, quoted a day in advance, may vary from actual energy costs.

6. Real Time Price (RTP) -- is an hourly price determined by the Company from its estimated Marginal Operating Cost, Marginal Capacity Cost, Loss Adjustment Factor, and Risk Adjustment Factor.

The Company will send to the customer, by 4:00 p.m. each day, a message containing 24 hourly firm Real Time Prices that will be charged the next day.

The Company will send weekend and Monday hourly prices by 4:00 p.m. on Friday of each week. The Company may send more than one-day-ahead prices for holidays identified in the Company's Tariff. The Company may revise these prices by 4:00 p.m. the day before they become effective.

The Company is not responsible for failure of the customer to receive and act upon the hourly prices. The customer is responsible for notifying the Company if the customer does not receive the hourly prices.

The customer will provide a telephone line and a personal computer with a modem, both acceptable to the Company, for the Company to read the customer's meter remotely and for the customer to receive price information from the Company.

(C) Indicates Change

**RATE SCHEDULE PR-2(R)
PRICE RESPONSE SERVICE (EXPERIMENTAL)
INTERRUPTIBLE POWER**

Service under Rate Schedule PR-2(R) is available only to existing customers taking service under this Rate Schedule as of August 1, 1998. (C)

APPLICATION PROVISIONS

This experimental rate is applicable to industrial and commercial customers with interruptible power requirements selected by the Company for a real time pricing pilot program. Customers selected for this pilot program must have a monthly maximum demand of 2000 KW or greater year-round and currently be served under Rate Schedule IS-P or IS-T. An electric service contract is required for billing under the pilot program. (C)

The pilot program and billing under this rate schedule will end on January 1, 1999. (C)

The Company will not enter into new contracts for interruptible service if the amount of interruptible power from all customers served under Rate Schedules IS-1, IS-P, IS-T, PR-2(R), the Competitive Rate Rider, and Interruptible Service by Agreement exceeds a total of 500 MW. (C)

DEFINITIONS

1. Customer Baseline Load (CBL) -- is the customer's normal historic hourly KWH usage under Rate Schedule IS-P or IS-T, or under predecessor Rate Schedule LP-4 or LP-5, for one complete year. The CBL represents the customer's electricity consumption pattern and typical level of operation under Rate Schedule IS-P or IS-T, or under predecessor Rate Schedule LP-4 or LP-5.

If less than one complete year of billing history is available, the Company will determine an appropriate CBL level prior to the application of the real time pricing rate. If usage during any billing month(s) of the CBL period is not representative of the customer's normal usage pattern, the Company may adjust the CBL to reflect normal usage.

Agreement on the CBL level by the customer and the Company is a precondition for customer participation in the pilot program. The Company will not change the CBL during the pilot program, except as indicated.

2. Marginal Operating Cost -- is a forecasted hourly short-run marginal cost based on an evaluation of the value of Company generation, transactions with the PJM Interconnection, LLC, and two-party transactions between the Company and other companies.

3. Marginal Capacity Cost -- is a forecasted hourly short-run marginal cost associated with the effect that a change in customer load has on the Company's generation and transmission systems.

4. Loss Adjustment Factor -- is an adjustment for losses between the generator and the customer's metering point.

5. Risk Adjustment Factor -- is an adder, not to exceed 1.0 cent per KWH, which provides a margin over costs on incremental sales and compensates the Company for the risk that hourly energy prices, quoted a day in advance, may vary from actual energy costs.

6. Real Time Price (RTP) -- is an hourly price determined by the Company from its estimated Marginal Operating Cost, Marginal Capacity Cost, Loss Adjustment Factor, and Risk Adjustment Factor.

The Company will send to the customer, by 4:00 p.m. each day, a message containing 24 hourly firm Real Time Prices that will be charged the next day.

The Company will send weekend and Monday hourly prices by 4:00 p.m. on Friday of each week. The Company may send more than one-day-ahead prices for holidays identified in the Company's Tariff. The Company may revise these prices by 4:00 p.m. the day before they become effective.

The Company is not responsible for failure of the customer to receive and act upon the hourly prices. The customer is responsible for notifying the Company if the customer does not receive the hourly prices.

The customer will provide a telephone line and a personal computer with a modem, both acceptable to the Company, for the Company to read the customer's meter remotely and for the customer to receive price information from the Company.

(C) Indicates Change



PP&L, Inc.

(Formerly Pennsylvania Power & Light Company)

GENERAL TARIFF

RULES AND RATE SCHEDULES FOR ELECTRIC SERVICE

In the territory listed on pages 4, 4A, and 4B
and in the adjacent territory served.

ISSUED August 12, 1998

EFFECTIVE January 1, 1999

Filed in compliance with the Pennsylvania Public Utility Commission's Opinion and Order, entered June 15, 1998, at Docket No. P-00973954. This filing supersedes and cancels Original Tariff Pa. P.U.C. No. 201 proposed to become effective January 1, 1999 and Supplement No. 1 to Tariff Electric Pa. P.U.C. No. 201 proposed to become effective January 1, 1999.

Issued by

WILLIAM F. HECHT, PRESIDENT

Two North Ninth Street
Allentown, PA 18101-1179

NOTICE

THIS TARIFF MAKES CHANGES IN EXISTING RATES AND RULES. SEE PAGE TWO.

LIST OF CHANGES MADE BY THIS SUPPLEMENT

CHANGES:

- Rule 1
Page No. 5 and 5A
- Under Section A. Filing and Inspection, Pennsylvania Power & Light Company is changed to PP&L, Inc. ("PP&L" or the "Company").
- Under Section B. Supply of Electric Service, (1) Basic Utility Supply Service, (2) Distribution Service and (3) Rate Caps are defined.
- Rule 2
Page No. 6 and 6A
- Under Section B. Service Contracts, paragraph (1), "non-residential" is added before "applicant". The last sentence is made paragraph (2).
- Under Section D. Security Deposits, "for service provided by the Company" is added to qualify "bills". "Ratepayer" is change to "customer".
- Rule 4
Page Nos. 8, 8A, 8B, and 8C
- Title of Section A. Characteristics of Supply is changed to Characteristics of Service.
- Title of Section C. Method of Supply is changed to Method of Service.
- Title of Section D. Alternate Supply is changed to Alternate Service. In paragraph, "supply" is changed to "service".
- Section E. Adjustment to Competitive Transition Charge is added.
- Rule 6
Page No. 10A.1
- Rule 6A
Page Nos. 10B, 10D, 10E, 10F,
10G, and 10H
- Paragraphs A(1) and A(2), Stand-by Service is changed to Stand-by Basic Utility Supply Service.
- Paragraph B(2) is changed to add "or fuel supply disruptions."
- Paragraph E(2)(c) is changed to show Distribution Charges, Competitive Transition Charges, Capacity and Energy Charges, and Transmission Charges for Back-up Power.
- Paragraph E(3)(b) is changed to show Distribution Charges, Competitive Transition Charges, Capacity and Energy Charges, and Transmission Charges for Maintenance Power.
- Section I. Adjustment to Competitive Transition Charge is added.
- Rule 8
Page No. 12
- Under Section A. Location and Method of Measurement, paragraph (2), "unless otherwise allowed by the Commission" is added to the first sentence.

(Continued)

LIST OF CHANGES MADE BY THIS SUPPLEMENT

CHANGES:

Rule 10

Page Nos. 14 and 14A

Under Section B. Termination, paragraph (2) (a) and (2) (i), "associated with service provided by the Company" is added.

Under Section C. Reconnection, paragraph (4), "for services provided by the Company" is added.

Energy Cost Rate

Page Nos. 15, 15A, and 15B

The Energy Cost Rate is eliminated.

State Tax Adjustment Surcharge

Page No. 16

Reference to the Energy Cost Rate is eliminated. Reference to the Commission's regulations at 52 Pa. Code §54.91, et seq. and changes in the state tax liability arising under 66 Pa. C.S. §§2806(g), 2809(c) or 2810 is added.

Special Base Rate Credit Adjustment

Page No. 18

The Special Base Rate Credit Adjustment is eliminated.

Economic Development Initiatives Rider

Page Nos. 19 and 19A

Under Definitions, 1. Base Period, second paragraph, sentence is added indicating if, during the phase-in period, a customer purchases energy from the Company and from an electric generation supplier, base period usage shall include, on a pro rata basis, KW and KWH purchased from the Company and from the electric generation supplier.

Under Definitions, 6. Billing Adjustments - Existing Customers and 7. Billing Adjustments - New Customers, different reductions are shown for that portion of the customer's load purchased from the Company and for that portion of the customer's load purchased from an electric generation supplier.

Under General Conditions, first paragraph, reference to any modifications ordered by the Pennsylvania Public Utility Commission in an interim base rate proceeding is eliminated.

Under General Conditions, the second paragraph is changed to indicate that the billing adjustment under this rider will continue through December 31, 2009. All provisions of the rider will terminate on January 1, 2010.

Under General Conditions, the third paragraph is changed to eliminate reference to the Special Base Rate Credit Adjustment and Energy Cost Rate.

Under General Conditions, the sixth paragraph, "another source of power" and "other source of power" are changed to "on-site generation."

(Continued)

LIST OF CHANGES MADE BY THIS SUPPLEMENT

CHANGES:

Interruptible Service by Agreement
Page No. 19B

In title, an "(R)" is added to designate that this service is restricted. Sentence is added indicating that new applications for service under Interruptible Service by Agreement are limited to customers of the Company who have not had the opportunity to purchase capacity and energy from their choice of electric generation supplier pursuant to the enrollment procedures contained in the Commission's order at Docket Nos. M-00960890F.0014 and M-00960890F.0015. No new applications will be accepted after August 27, 1998.

Electric Vehicle Rider (Experimental)
Page No. 19C

The Electric Vehicle Rider is eliminated.

Industrial Development Initiatives Rider
Page No. 19D and 19D.1

Under Definitions, 1. Base Period, second paragraph, sentence is added indicating if, during the phase-in period, a customer purchases energy from the Company and from an electric generation supplier, base period usage shall include, on a pro rata basis, KW and KWH purchased from the Company and from the electric generation supplier.

Under Definitions, 4. Billing Adjustments - Existing Customers and 5. Billing Adjustments - New Customers, different reductions are shown for that portion of the customer's load purchased from the Company and for that portion of the customer's load purchased from an electric generation supplier.

Under General Conditions, first paragraph, reference to any modifications ordered by the Pennsylvania Public Utility Commission in an interim base rate proceeding is eliminated.

Under General Conditions, the second paragraph is changed to indicate that the billing adjustment under this rider will continue through December 31, 2009. All provisions of the rider will terminate on January 1, 2010.

Under General Conditions, the third paragraph is changed to eliminate reference to the Special Base Rate Credit Adjustment and Energy Cost Rate.

Under General Conditions, the sixth paragraph "another source of power" and "other source of power" are changed to "on-site" generation.

(Continued)

LIST OF CHANGES MADE BY THIS SUPPLEMENT

CHANGES:

Competitive Rate Rider (R)
Page No. 19E and 19E.1

In the title, the word "EXPERIMENTAL" is eliminated.

In title, an "(R)" is added to designate that this service is restricted. Sentence is added indicating that new applications for service under this Rider are limited to customers of the Company who have not had the opportunity to purchase capacity and energy from their choice of electric generation supplier pursuant to the enrollment procedures contained in the Commission's order at Docket Nos. M-00960890F.0014 and M-00960890F.0015. No new applications will be accepted after August 27, 1998.

Under Purpose, the word "experimental" is eliminated.

Under General Conditions, item 7., the reference to the Special Base Rate Credit Adjustment and Energy Cost Rate is eliminated.

Under General Conditions, item 9., "another source of power" and "other source of power" are changed to "on-site generation".

Under General Conditions, item 10., sentence on contracts under this rider having a term of at least five (5) years is eliminated.

Under General Conditions, item 11., the paragraph on termination date is eliminated.

Optional Power Watch™ Service Rider - Residential (Experimental) and

Optional Power Watch™ Service Rider - Commercial (Experimental)

Page Nos. 19F and 19G

Sentence is added indicating that nothing in this Rider is intended to prohibit a customer from obtaining similar services from another provider.

Retail Competition Pilot Rider (Experimental) (R)

Page Nos. 19H and 19I

The Retail Access Pilot Rider is eliminated.

Competitive Transition Charge Reconciliation Rider

Page No. 19J

The Competitive Transition Charge Reconciliation Rider is added.

Sustainable Energy Fund Rider
Page No. 19K

The Sustainable Energy Fund Rider is added.

(Continued)

LIST OF CHANGES MADE BY THIS SUPPLEMENT

CHANGES:

| | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Renewable Energy Development Rider Page No. 19L | The Renewable Energy Development Rider is added. |
| Metering and Billing Credit Rider Page No. 19M | The Metering and Billing Credit Rider is added. |
| Interim Code of Conduct Page Nos. 19N and 19O | The Interim Code of Conduct is added. |
| PP&L-GENCO Code of Conduct Page No. 19P | The PP&L-GENCO Code of Conduct is added. |
| Rates Schedules RS, RTS, RTD, GS-1, GS-3, LP-4, LP-4, LP-6, LPEP, IS-1, IS-P, IS-T, BL, SA, SM, SHS, SE, TS(R), SI-1(R), GH-1, and GH-2(R) Page Nos. 20, 20A, 20B, 21, 21A, 21B, 22, 22A, 22B, 24, 24A, 24B, 25, 25A, 25B, 27, 27A, 27B, 28, 28A, 28A.1, 28B, 28C, 28D, 28E, 29, 29A, 29B, 30, 30.1, 30.2, 30A, 30B, 30B.1, 30C, 30D, 30E, 33, 33A, 33B, 34, 34A, 35, 35A, 35B, 35C, 35D, 35E, 35F, 36, 36A, 36B, 36C, 36D, 36E, 37, 37A, 37B, 39, 39A, 40, 40A, 40B, 40C, 40D, 41, 41A, 41B, 42, 42A, and 42B | Net Monthly Rate is changed to a Distribution Charge, Competitive Transition Charge, Capacity and Energy Charge, and Transmission Charge. |
| Rate Schedules RS, RTS, RTD Page Nos. 20B, 20F, 21B, 21C, 22B and 22C | Monthly Minimum is added. Contract Period is eliminated. |
| Rate Schedule RS Page No. 20C, 20D, and 20E | Off-Peak Water Heating is changed to indicate that, for new applications, this provision is limited to customers of the Company who have not had the opportunity to purchase capacity and energy from their choice of electric generation supplier pursuant to the enrollment procedures contained in the Commission's order at Docket Nos. M-00960890F.0014 and M-00960890F.0015. No new applications will be accepted after January 1, 2000. Rate is changed to a Distribution Charge, Competitive Transition Charge, and Capacity and Energy Charge. |

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LIST OF CHANGES MADE BY THIS SUPPLEMENT

CHANGES:

Rate Schedule RS (continued)

Multiple Dwelling Unit Application is changed to refer to a Distribution Charge, Competitive Transition Charge, and Capacity and Energy Charge.

Separate Water Heating Service is changed to indicate that, for new applications, this provision is limited to customers of the Company who have not had the opportunity to purchase capacity and energy from their choice of electric generation supplier pursuant to the enrollment procedures contained in the Commission's order at Docket Nos. M-00960890F.0014 and M-00960890F.0015. No new applications will be accepted after January 1, 2000. Rate is changed to a Distribution Charge, Competitive Transition Charge, and Capacity and Energy Charge.

Rate Schedules RS, RTS, RTD, GS-1, GS-3, IS-1, GH-1(R), and GH-2(R)

Budget Billing is changed to indicate that this provision is available at the option of the customer for charges under this Rate Schedule.

Page Nos. 20D, 21B, 22B, 24F, 25G, 30.3, 41C, and 42B

Rate Schedules RS, RTS, RTD, GS-1, GS-3, LP-4, LP-5, LP-6, IS-P, IS-T, GH-1(R)

Reference to Electric Vehicle Rider is eliminated.

Page Nos. 20D, 21B, 22B, 24B, 25C, 27C, 28A.2, 28E, 30B.3, 30G, and 41C

Rate Schedules RS, RTS, RTD, GS-1, GS-3, LP-4, LP-5, LP-6, LPEP, IS-1, IS-P, IS-T, SA, TS(R), GH-1(R), and GH-2(R)

Reference to Retail Access Pilot Rider is eliminated.

Page Nos. 20D, 21B, 22B, 24B, 25C, 27C, 28A.2, 28E, 29C, 30.3, 30B.3, 30G, 34B, 39A, 41C, and 42B

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LIST OF CHANGES MADE BY THIS SUPPLEMENT

CHANGES:

Rate Schedules RS, RTS, RTD, GS-1,
GS-3, LP-4, LP-5, LP-6, LPEP, IS-1,
IS-P, IS-T, BL, SA, SM, SHS, SE,
TS(R), SI-1(R), GH-1(R), and GH-2(R)

Page Nos. 20E, 21B, 22B, 24F, 25G,
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Rate Schedules RS, RTS, RTD, GS-1,
GS-3, LP-4, LP-5, LP-6, LPEP, IS-1,
IS-P, IS-T, BL, SA, SM, SHS, SE,
TS(R), SI-1(R), GH-1(R), and GH-2(R)

Page Nos. 20E, 21B, 22B, 24F, 25G,
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TS(R), SI-1(R), GH-1(R), and GH-2(R)

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Rate Schedules RS, RTS, RTD, GS-1,
and GS-3

Page Nos. 20E, 21C, 22C, 24G,
and 25H

Reference to the Special Base Rate Credit
Adjustment is eliminated.

Reference to the Competitive Transition Charge
Reconciliation Rider is added.

Reference to the Sustainable Energy Fund Rider is
added.

Reference to the Renewable Energy Development
Rider is added.

(Continued)

LIST OF CHANGES MADE BY THIS SUPPLEMENT

CHANGES:

Rate Schedules RS, RTS, RTD, GS-1, GS-3, LP-4, LP-5, LP-6, LPEP, IS-1, IS-P, IS-T, BL, SA, SM, SHS, SE, TS(R), SI-1(R), GH-1(R), and GH-2(R)

Page Nos. 20E, 21C, 22C, 24G, 25H, 27E, 28A.3, 28F, 29D, 30.3, 30B.4, 30G, 30H, 33B, 34B, 35M, 36G, 36H, 37D, 39B, 40E, 41C, and 42B

Reference to the Metering and Billing Credit Rider is added.

Rate Schedules RS, RTS, RTD, GS-1, GS-3, LP-4, LP-5, LP-6, LPEP, IS-1, IS-P, IS-T, BL, SA, SM, SHS, SE, TS(R), SI-1(R), GH-1(R), and GH-2(R)

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State Tax Adjustment Surcharge is changed to eliminate reference to the Energy Cost Rate.

Rate Schedules RS, RTS, RTD, GS-1, GS-3, LP-4, LP-5, LP-6, LPEP, IS-1, IS-P, IS-T, BL, SA, SE, TS(R), GH-1(R), and GH-2(R)

Page Nos. 20F, 21C, 22C, 24G, 25H, 27E, 28A.4, 28G, 29D, 30.4, 30B.4, 30H, 33B, 34C, 37E, 39B, 41C, and 42C

Contract Period is changed from "not less than one year" to "an initial term of one (1) year from the date service is first rendered and thereafter for one (1) year terms until canceled by one month's prior written notice."

Rate Schedules RTD, IS-1, IS-P, and IS-T

Page Nos. 22, 30, 30A, and 30C

In title, an "(R)" is added to designate that the rate is restricted. Sentence is added indicating that new applications for service under this Rate Schedule are limited to customers of the Company who have not had the opportunity to purchase capacity and energy from their choice of electric generation supplier pursuant to the enrollment procedures contained in the Commission's order at Docket Nos. M-00960890F.0014 and M-00960890F.0015. No new applications will be accepted after January 1, 2000.

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LIST OF CHANGES MADE BY THIS SUPPLEMENT

CHANGES:

Rate Schedules GS-1, GS-3, LP-4,
LP-5, LP-6, LPEP, IS-1(R), IS-P,
IS-T, TS(R), GH-1(R), and GH-2(R)

Page Nos. 24B, 25C, 27C, 28A.2,
28E, 29C, 30.2, 30B.1,
30E, 39A, 41B, and 42B

Rate Schedules GS-1, GS-3, LP-4,
LP-5, LP-6, LPEP, and GH-1(R)

Page Nos. 24B, 25C, 27C, 28A.2,
28E, 29C, and 41B

Rate Schedules GS-1, GS-3, and LP-4
Page Nos. 24C, 25C, and 27C

Rate Schedules GS-1 and GS-3
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25E, 25F, and 25G

Rate Schedules LP-5, LP-6, and LPEP
Page Nos. 28A.3, 28F, 29C and 29D

Monthly Minimums are added.

Billing KW is changed to indicate that, for new applications, Time-of-Day metering and billing is available to customers of the Company who have not had the opportunity to purchase capacity and energy from their choice of electric generation supplier pursuant to the enrollment procedures contained in the Commission's order at Docket Nos. M-00960890F.0014 and M-00960890F.0015. No new applications will be accepted after January 1, 2000

Off-Peak Space Conditioning and Water Heating is changed to indicate that for new applications, this provision is limited to customers of the Company who have not had the opportunity to purchase capacity and energy from their choice of electric generation supplier pursuant to the enrollment procedures contained in the Commission's order at Docket Nos. M-00960890F.0014 and M-00960890F.0015. No new applications will be accepted after January 1, 2000.

Under Service to Volunteer Fire Companies and Non-Profit Senior Citizens, the rate is changed to a Distribution Charge, Competitive Transition Charge, Capacity and Energy Charge, and Transmission Charge.

Demand Free Days provision is changed to indicate that, for new applications, this provision is limited to customers of the Company who have not had the opportunity to purchase capacity and energy from their choice of electric generation supplier pursuant to the enrollment procedures contained in the Commission's order at Docket Nos. M-00960890F.0014 and M-00960890F.0015. No new applications will be accepted after January 1, 2000. The termination date of this provision is changed from January 1, 1999 to January 1, 2010. The criteria for canceling Demand Free Days is changed from "the sum of the trailing block energy rate under this rate schedule and the Energy Cost Rate" to "4.024 cts. per KWH".

(Continued)

LIST OF CHANGES MADE BY THIS SUPPLEMENT

CHANGES:

Rate Schedule IS-P(R) and IS-T(R)
Page Nos. 30B.3, and 30G

Under Hours of Interruption, the frequency of load interruption is changed from no more than 20 per calendar year or more than 200 hours in a calendar year to no more than 15 per calendar year or more than 150 hours in a calendar year.

The charge for continued use (KWH) of interruptible load (KW) during a period of economic load control is changed from the sum of the charges under the actual rate plus the Company's estimated PJM Interconnection billing rate to the sum of the charges under the Rate Schedule plus the actual Locational Marginal Price rate as developed by PJM for the load bus to which the energy is delivered. PP&L shall, upon request of the customer, identify the load bus to which energy used by that customer is delivered. Upon request of any customer subject to economic load control, the Company will develop terms and conditions consistent with applicable PJM, operational, legal and regulatory requirements under which such customer may arrange in advance for a supplier, other than the Company, to provide to the Company the actual replacement capacity and energy used during the economic load control period, in lieu of the Company's charges for actual replacement capacity and energy costs.

Rate Schedules PR-1(R) and PR-2(R)
Page Nos. 31, 31A, 31B, 32, 32A,
and 32B

Under Application Provisions, second paragraph, the date the pilot program and billing under this Rate Schedule will end is changed from January 1, 1999 to January 1, 2010.

Under Net Monthly Rate, the definition of RTP is changed to include associated charges for transmission and ancillary services. Paragraph is added indicating that, if customers served under this Rate Schedule purchase capacity and energy from their choice of electric generation supplier, the applicable rate schedule Distribution Charge will not be applied to the customers' incremental usage above the CBL.

Rate Schedule SM
Page Nos. 35H, 35I, 35J, 35K, 35L,
and 35M

Reference to the Energy Cost Rate is eliminated.

Under Customer-Owned Equipment, the rate is changed to a Distribution Charge, Competitive Transition Charge, Capacity and Energy Charge, and Transmission Charge. Reference to the Energy Cost Rate is eliminated.

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| | 40D | Original |
| | 40E | Original |
| GH-1(R) - Single Meter Com'l. Space Heating Service ----- | 41 | Second |
| | 41A | Second |
| | 41B | Second |
| | 41C | Second |
| | 41D | Original |
| GH-2(R) - Separate Meter General Space Heating Service ----- | 42 | Second |
| | 42A | Second |
| | 42B | Second |
| | 42C | Original |

TERRITORY COVERED BY THIS TARIFF

BERKS COUNTY

Boroughs of New Morgan, Robesonia, Shillington, Sinking Spring, Wernersville, West Lawn, Womelsdorf, Wyomissing, and Wyomissing Hills.
Townships of Caernarvon, Cumru, Heidelberg, Lower Heidelberg, South Heidelberg, and Spring.

BUCKS COUNTY

Boroughs of Richlandtown, Sellersville, Silverdale, Telford, and Turmbauersville.
Townships of East Rockhill, Haycock, Hilltown, Milford, Richland, Springfield, and West Rockhill.

CARBON COUNTY

Boroughs of Beaver Meadows, Bowmanstown, East Side, Jim Thorpe, Lansford, Nesquehoning, Palmerton, Parryville, Summit Hill, and Weissport.
Townships of Banks, East Penn, Franklin, Kidder, Lausanne, Lehigh, Lower Towamensing, Mahoning, Packer, Penn Forest, and Towamensing.

CHESTER COUNTY

Boroughs of Atglen, Elverson, and Honey Brook.
Townships of Honey Brook, West Nantmeal, and West Sadsbury.

CLINTON COUNTY

City of Lock Haven.
Boroughs of Avis, Flemington, Loganton, Mill Hall, Renovo, and South Renovo.
Townships of Allison, Bald Eagle, Castanea, Chapman, Colebrook, Crawford, Dunnstable, Gallagher, Greene, Grugan, Logan, Noyes, Pine Creek, Wayne, and Woodward.

COLUMBIA COUNTY

Town of Bloomsburg.
Boroughs of Ashland, Benton, Berwick, Briar Creek, Centralia, Millville, Orangeville, and Stillwater.
Townships of Beaver, Benton, Briar Creek, Catawissa, Cleveland, Conyngham, Fishing Creek, Franklin, Greenwood, Hemlock, Jackson, Locust, Madison, Main, Mifflin, Montour, Mount Pleasant, North Centre, Orange, Pine, Roaring Creek, Scott, South Centre, and Sugarloaf.

CUMBERLAND COUNTY

Boroughs of Camp Hill, Carlisle, Lemoyne, Mechanicsburg, New Cumberland, Newville, Shiremanstown, West Fairview, and Wormleysburg.
Townships of Dickinson, East Pennsboro, Hampden, Lower Allen, Middlesex, Monroe, North Middleton, North Newton, Penn, Silver Spring, South Middleton, South Newton, Upper Allen, and West Pennsboro.

DAUPHIN COUNTY

City of Harrisburg.
Boroughs of Berrysburg, Dauphin, Elizabethville, Gratz, Halifax, Highspire, Hummelstown, Lykens, Millersburg, Paxtang, Penbrook, Pillow, Steelton, and Williamstown.
Townships of Derry, East Hanover, Halifax, Jackson, Jefferson, Lower Paxton, Lower Swatara, Lykens, Middle Paxton, Mifflin, Reed, Rush, South Hanover, Susquehanna, Swatara, Upper Paxton, Washington, Wayne, West Hanover, Wiconisco, and Williams.

JUNIATA COUNTY

Boroughs of Mifflin, Mifflintown, Port Royal, and Thompsontown.
Townships of Delaware, Fayette, Fermanagh, Greenwood, Milford, Monroe, Susquehanna, Turbett, and Walker.

LACKAWANNA COUNTY

Cities of Carbondale and Scranton.
Boroughs of Archbald, Blakely (part), Clarks Green, Clarks Summit, Dalton, Dickson City, Dunmore, Jermyn, Jessup, Mayfield, Moosic, Moscow, Old Forge, Olyphant (part), Taylor, Throop, and Vandling.
Townships of Abington, Benton, Carbondale, Clifton, Covington, Elmhurst, Fell, Glenburn, Greenfield, Jefferson, La Plume, Lehigh, Madison, Newton, North Abington, Ransom, Roaring Brook, Scott, South Abington, Spring Brook, and West Abington.

LANCASTER COUNTY

City of Lancaster.
Boroughs of Adamstown, (part), Akron, Christiana, Columbia, Denver, East Petersburg, Elizabethtown, Ephrata (part), Lititz, Manheim, Marietta, Millersville, Mount Joy, Mountville, New Holland, Quarryville, Strasburg, and Terre Hill.
Townships of Bart, Brecknock, Caernarvon, Clay, Colerain, Conestoga, Conoy, Drumore, Earl, East Cocalico, East Donegal, East Drumore, East Earl, East Hempfield, East Lampeter, Eden, Elizabeth, Ephrata, Fulton, Lancaster, Leacock, Little Britain, Manheim, Manor, Martick, Mount Joy, Paradise, Penn, Pequea, Providence, Rapho, Sadsbury, Salisbury, Strasburg, Upper Leacock, Warwick, West Cocalico, West Donegal, West Earl, West Hempfield, and West Lampeter.

LEBANON COUNTY

Borough of Richland.
Townships of Heidelberg and Millcreek.

LEHIGH COUNTY

Cities of Allentown and Bethlehem.
Boroughs of Alburtis, Catasauqua, Coopersburg, Coplay, Emmaus, Fountain Hill, Macungie, and Slatington.
Townships of Hanover, Heidelberg, Lower Macungie, Lower Milford, Lowhill, North Whitehall, Salisbury, South Whitehall, Upper Macungie, Upper Milford, Upper Saucon, Washington, and Whitehall.

LUZERNE COUNTY

Cities of Hazleton, Pittston, and Wilkes-Barre.
Boroughs of Ashley, Avoca, Bear Creek Village, Conyngham, Dupont, Duryea, Exeter, Freeland, Hugestown, Jeddo, Laffin, Laurel Run, Nescopeck, Nuangola, Penn Lake Park, West Hazleton, West Pittston, White Haven, and Yatesville.
Townships of Bear Creek, Black Creek, Buck, Butler, Dennison, Dorrance, Exeter, Fairview, Foster, Hanover, Hazle, Hohenbach, Jenkins, Nescopeck, Pittston, Plains, Rice, Salem, Slocum, Sugarloaf, Wilkes-Barre, and Wright.

TERRITORY COVERED BY THIS TARIFF (CONTINUED)

LYCOMING COUNTY

City of Williamsport.

Boroughs of Duboisstown, Hughesville, Jersey Shore, Montgomery, Montoursville, Muncy, Picture Rocks, Salladasburg, and South Williamsport.

Townships of Anthony, Armstrong, Bastress, Brady, Clinton, Eldred, Fairfield, Franklin, Hepburn, Jordan, Limestone, Loyalsock, Lycoming, Mifflin, Mill Creek, Moreland, Muncy, Muncy Creek, Nippenose, Old Lycoming, Penn, Piatt, Porter, Shrewbury, Susquehanna, Upper Fairfield, Washington, Watson, Wolf, and Woodward.

MONROE COUNTY

Boroughs of East Stroudsburg (part), Mount Pocono, and Stroudsburg (part).

Townships of Barrett, Chestnuthill, Coolbaugh, Eldred, Jackson, Paradise, Pocono, Polk, Price, Smithfield, Stroud, Tobyhanna, and Tunkhannock.

MONTGOMERY COUNTY

Boroughs of East Greenville, Pennsburg, Red Hill, Souderton, and Telford.

Townships of Franconia, Hatfield, and Upper Hanover.

MONTOUR COUNTY

Boroughs of Danville and Washingtonville.

Townships of Anthony, Cooper, Derry, Liberty, Limestone, Mahoning, Mayberry, Valley and West Hemlock.

NORTHAMPTON COUNTY

City of Bethlehem.

Boroughs of Freemansburg, Hellertown, Nazareth (part), North Catasauqua, Northampton, Pen Argyl (part), Stockerton, Tatamy, and Walnutport.

Townships of Allen, Bethlehem, Bushkill, East Allen, Forks, Hanover, Lehigh, Lower Mount Bethel, Lower Nazareth, Lower Saucon, Moore, Palmer, Plainfield, Upper Nazareth, Washington, and Williams.

NORTHUMBERLAND COUNTY

Cities of Shamokin and Sunbury.

Boroughs of Herndon, Kulpmont, Marion Heights, McEwensville, Milton, Mount Carmel, Northumberland, Riverside, Snyderstown, and Turbotville.

Townships of Coal, Delaware, East Cameron, East Chillisquaque, Jackson, Jordon, Lewis, Little Mahanoy, Lower Augusta, Lower Mahanoy, Mount Carmel, Point, Ralpho, Rockefeller, Rush, Shamokin, Turbot, Upper Augusta, Upper Mahanoy, Washington, West Cameron, West Chillisquaque, and Zerbe.

PERRY COUNTY

Boroughs of New Bloomfield, Landisburg, Liverpool, Marysville, Millerstown, New Buffalo, and Newport.

Townships of Buffalo, Carroll, Centre, Greenwood, Howe, Juniata, Liverpool, Miller, Northeast Madison, Oliver, Penn, Rye, Saville, Southwest Madison, Spring, Tuscarora, Tyrone, Watts, and Wheatfield.

PIKE COUNTY

Townships of Blooming Grove, Greene, Lackawaxen, Palmyra, Porter, and Shohola.

SCHUYLKILL COUNTY

City of Pottsville.

Boroughs of Ashland, Auburn, Coaldale, Cressona, Deer Lake, Frackville, Gilberton, Girardville, Gordon, Landingville, Mahanoy City, McAdoo, Mechanicsville, Middleport, Minersville, Mount Carbon, New Philadelphia, New Ringgold, Orwigsburg, Palo Alto, Pine Grove, Port Carbon, Port Clinton, Ringtown, Shenandoah, Tamaqua, Tower City, and Tremont.

Townships of Barry, Blythe, Branch, Butler, Cass, Delano, East Brunswick, East Norwegian, East Union, Eldred, Foster, Frailey, Hegins, Hubley, Kline, Mahanoy, New Castle, North Manheim, North Union, Norwegian, Pine Grove, Porter, Reilly, Rush, Ryan, Schuylkill, South Manheim, Tremont, Union, Upper Mahantongo, Walker, Washington, Wayne, West Brunswick, West Mahanoy, and West Penn.

SNYDER COUNTY

Boroughs of Beavertown, Freeburg, McClure, Middleburg, Selinsgrove, and Shamokin Dam.

Townships of Adams, Beaver, Centre, Chapman, Franklin, Jackson, Middlecreek, Monroe, Penn, Perry, Spring, Union, Washington, West Beaver, and West Perry.

TERRITORY COVERED BY THIS TARIFF (CONTINUED)

SUSQUEHANNA COUNTY

Boroughs of Forest City and Union Dale.
Townships of Clifford and Herrick.

UNION COUNTY

Boroughs of Hartleton and New Berlin.
Townships of Gregg, Hartley, Kelly, Lewis, Limestone,
Union, West Buffalo and White Deer.

WAYNE COUNTY

Boroughs of Bethany, Hawley, Honesdale, Prompton, and
Waymart.
Townships of Berlin, Canaan, Cherry Ridge, Clinton,
Damascus, Dreher, Dyberry, Lake, Lebanon, Lehigh,
Mount Pleasant, Oregon, Palmyra, Paupack, Salem,
South Canaan, Sterling, and Texas.

WYOMING COUNTY

Borough of Factoryville.
Townships of Clinton, Nicholson, Overfield, and
Tunkhannock.

YORK COUNTY

Boroughs of East Prospect and Wrightsville.
Townships of Fairview, Hellam and Lower Windsor.

RULES FOR ELECTRIC SERVICE**RULE 1 - ELECTRIC SERVICE TARIFF****A. FILING AND INSPECTION**

A copy of this tariff containing rules and rate schedules for all electric service supplied by PP&L, Inc. ("PP&L" or the "Company") in the territory covered by this tariff is on file with the Pennsylvania Public Utility Commission. A copy is available for inspection in each Company office in the territory covered by this tariff where payment for service is received. This tariff may be revised, amended, supplemented or otherwise changed from time-to-time in accordance with the Tariff Regulations of the Pennsylvania Public Utility Commission.

(C)

B. SUPPLY OF ELECTRIC SERVICE

(C)

The supply of electric service includes distribution service and also may include basic utility supply service.

(1) Basic Utility Supply Service

The supply of basic utility supply service referred to in these rules, rate schedules and in contracts with customers means readiness and ability of the Company to provide electric capacity and energy to:

- (a) customers who do not have the opportunity to purchase electric capacity and energy from their choice of electric generation suppliers;
- (b) customers who have the opportunity to purchase electric capacity and energy from their choice of electric generation suppliers, but do not choose an electric generation supplier and continue to purchase electric capacity and energy from the Company, operating as the electric distribution company and supplier of last resort as provided in Section 2807 (E) (3) of the Customer Choice Act;
- (c) customers who contract with an electric generation supplier for electric capacity and energy, but who do not receive delivery of such electric capacity and energy; and
- (d) customers who choose an electric generation supplier for electric capacity and energy and subsequently purchase basic utility supply service from the Company, operating as the electric distribution company and supplier of last resort as provided for in Section 2807 (E) (3) of the Customer Choice Act.

Under (c) and (d) above, the Company will provide capacity and energy to returning customers pursuant to the Rate Schedule, applicable riders, and agreements under which the customer previously was served, and such service shall not be considered a new application for service for purposes of Rate Schedule applicability.

(2) Distribution Service

The supply of distribution service referred to in these rules, rate schedules and in contracts with customers means readiness and ability of the Company to provide distribution of electric capacity and energy at the point of delivery sufficient to meet the needs of all electric generation suppliers' customers on the Company's system.

(Continued)

(C) Indicates Change

RULE 1 - ELECTRIC SERVICE TARIFF (Continued)**B. SUPPLY OF ELECTRIC SERVICE (Continued)****(C)****(3) Rate Caps**

- (a) Generation Rate Cap** - The cap on generation charges shall extend from January 1, 1999 through December 31, 2009, if the customer is purchasing Basic Utility Supply Service.
- (b) Transmission and Distribution Rate Cap** - The cap on transmission and distribution charges shall extend from January 1, 1999 through December 31, 2004, and applies to all customers. If, during the period that this cap is in effect, PP&L's transmission charges or rates (including but not limited to ancillary charges) are increased, then PP&L's distribution rates will be reduced in a non-discriminatory manner sufficiently to avoid exceeding the transmission and distribution rate cap.

C. RESPONSIBILITY

Every Company employee is responsible for applying the provisions of this tariff without unlawful preference or advantage to any customer. No Company employee is authorized to modify any provision of this tariff or to bind the Company by any promise or statement contrary thereto. No promise of any Company employee is binding unless made in writing over the signature of a duly authorized representative of Company. The failure by the Company to enforce any of the provisions of this tariff, or standard practices thereunder, shall not be deemed a waiver of the Company's rights to do so.

RULES FOR ELECTRIC SERVICE
RULE 2 - REQUIREMENTS FOR SERVICE

A. SERVICE BY APPLICATION

The Company may connect service on request or Company may, for the convenience of a new customer, leave a service energized at a premises which has become vacant. The customer shall notify Company the date service is desired or use of service begun and shall give information necessary for Company to properly supply the service and apply the provisions of this tariff.

B. SERVICE CONTRACTS

(1) Every non-residential applicant for electric service may be required to sign a contract specifying the intended use of service, the applicable rate schedule and other service conditions. A contract between Company and customer is valid only when accepted in writing by a duly authorized Company representative. The customer shall abide by the terms and conditions of the contract and the provisions of this tariff. (C)

(2) Service is for an initial term of one year except as otherwise specifically provided. (C)

(3) Acceptance or use of service is deemed a request for the supply of such service and constitutes a contract to pay for the service under these rules and the applicable rate schedule. The receipt of electric service makes the receiver a customer of the Company.

(4) Contracts with the Commonwealth of Pennsylvania for service under a street lighting service rate schedule which provides for an initial contract term extending beyond the end of the current fiscal period for which the Commonwealth may contract, shall specify an initial contract term to the end of said fiscal period with provision for renewal for subsequent full fiscal periods. Contracts for new installation shall include a provision that should service be discontinued before the end of the initial term specified in the rate schedule, then the Commonwealth shall pay Company's estimated expense due to such discontinuance.

C. SELECTION OF RATE SCHEDULES

(1) When more than one rate schedule is applicable to a service, the Company applies the rate schedule which is most advantageous to customer, based on customer's advice to Company regarding customer's anticipated service conditions. However, customer has the option of contracting for service under any applicable rate schedule.

(2) When customer's requirements change permanently and another rate schedule becomes more advantageous, Company will, after receiving notice of change in service conditions from the customer, recommend a new contract under the more favorable rate schedule for an initial term of not less than one year from the last meter reading date.

(3) When, through any cause, a contract is entered into with customer on a rate schedule not applicable to the service, Company will transfer the service to the rate schedule applicable, so notify customer and adjust the charges for service already supplied.

(Continued)

(C) Indicates Change

RULE 2 - REQUIREMENTS FOR SERVICE (CONTINUED)

D. SECURITY DEPOSITS

(1) The Company may require deposits or guarantees satisfactory to the Company as security for the payment of bills for service provided by the Company before it commences or continues to supply service. The need for deposit or guarantee is based on the credit risk of the individual. For residential service, the deposit may be provided by a qualified composite credit group of which the individual is a member, or a guarantee may be provided by a third party who is a responsible customer. (C)

(2) The amount of deposit shall not exceed Company's estimate of the average bill for service provided by the Company for one billing period plus one month, with a minimum of \$5.00. Interest at the rate of the average of 1-year Treasury Bills for September, October, and November of the previous calendar year, is paid annually on all deposits made to secure the payment of bills for service provided by the Company. Interest ceases upon refund of deposit or upon discontinuance or termination of service, whichever occurs first. (C)

RULES FOR ELECTRIC SERVICE
RULE 3 - EXTENSION OF SERVICE

A. GENERAL PROVISIONS

(1) A line extension is any construction to extend the distribution system to the customer's property, consisting of more than the normal service facilities which are the transformers, transformer devices, service drop and meter. The Company constructs line extensions from the nearest suitable and available distribution line to supply new customers, or to change the supply to existing customers, under Company's standard rate schedules subject to the provisions of this rule. However, the estimated cost of facilities subject to annual charges under Rule 4 or customer contributions-in-aid-of-construction are not subject to the provisions of this rule.

(2) All provisions of these rules and of the applicable rate schedule, including any provisions relating to net and gross payments, apply to service supplied and charges made under this rule except as specifically provided herein.

(3) The length of a line extension is the total length of new pole line installed by the Company to the property line of the customers served from that extension, plus the length of any line installed on existing poles where the existing facilities are unsuitable.

(4) The Company requires, before construction, that:

- (a) Customers supplied from a line extension for which an annual guarantee is required, sign contracts acceptable to the Company with an initial term of not more than five years. A contract may be canceled at the request of the customer before the end of the initial term by immediately fulfilling all contract obligations for the remainder of the initial term.
- (b) Customers install wiring and other facilities necessary to use the Company's service.
- (c) Satisfactory right-of-way and other necessary permits are granted to Company to construct the line extension along the route selected by the Company.
- (d) Customer agrees to pay to the Company any initial and recurring right-of-way rental fees in excess of a nominal amount that are incurred by the Company in constructing and maintaining the line extension.

B. LINE EXTENSIONS

(1) The Company requires a minimum revenue guarantee for installation of any length of single phase line extension in excess of 2,500 ft. along the normal route of development of the distribution system, and for installation of all multi-phase line extensions. The guarantee period is 5 years or less.

(2) Minimum revenue guarantees for single phase extensions are based only on the contractor costs, if any, and the direct labor costs and direct material costs attributable to construction of the line extension beyond 2,500 ft. Guarantees for multi-phase extensions are based on fully allocated costs, and are credited with the equivalent single phase length allowance for up to 2,500 ft. of new pole line along the normal route of development of the distribution system.

(Continued)

RULE 3 - EXTENSION OF SERVICE (CONTINUED)

(3) Any length of line extension on, or through, restricted lands is excluded from the single phase length allowance and is subject to a line extension guarantee.

(4) The excess cost of construction other than would normally be required for installation of the line extension, is paid by the customer prior to installation.

C. SPECULATIVE LINE EXTENSIONS

(1) A line extension is speculative when, in the Company's judgment, the continued future use of the facilities by any customer is uncertain.

(2) The Company requires a minimum revenue guarantee for speculative line extensions equal to the Company's estimated fully allocated installation and removal costs, less salvage, with no length allowance. Prior to construction, the Company may require from the customer a surety bond, or other security acceptable to Company, in the amount of the guarantee in addition to any deposit required to secure payment of service bills.

(3) Guarantees for speculative line extensions include service extension facilities as well as distribution line facilities.

D. EXTENSIONS FOR INDIVIDUAL SERVICE

All service extensions off the Company's distribution system to serve individual customers are installed under Tariff Rule 4.

E. LINE EXTENSIONS FOR DEVELOPMENT AREAS

The Company constructs line extensions to supply service to customers in residential, commercial or industrial developments in specific areas, with annual guarantees determined in accordance with Section B or C hereof, based on the number of customers which the Company knows are to be served in the development within two years from initial construction. The developer (or property owner) provides, without charge to the Company, right-of-way for lines and equipment which is suitable in the opinion of the Company for the installation of Company facilities throughout the development. Suitable right-of-way includes, but is not limited to, providing ground line clearing of trees, brush and other obstructions, rough grading, and access by mechanical construction equipment.

F. ANNUAL GUARANTEE

(1) The total guarantee for a line extension is divided among the customers to be supplied initially from the line extension to determine the total amount to be guaranteed per customer which is then divided by the number of years in the initial term of the contract to determine the customer's annual guarantee. A customer may assume more than a pro rata share of the guarantee for the line extension.

(2) The Company reserves the right to determine the guarantee of a customer on the proportionate length of the line extension used in common with other customers plus the additional length required to serve the individual customer.

(Continued)

RULE 3 - EXTENSION OF SERVICE (CONTINUED)

F. ANNUAL GUARANTEE (Continued)

(3) Each customer agrees that when the net service bills rendered during the period from the start of the initial term of the contract to the end of the current year total less than the sum of the customer's annual guarantee over that period, then the difference becomes due and payable.

G. TEMPORARY SERVICE

The Company supplies temporary service in accordance with the provisions of Rule 7.

H. REAPPORTIONMENT AND WAIVER OF LINE EXTENSION GUARANTEE

(1) When additional customers are connected to an existing or additional line extension, 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.

(2) When the accumulated revenue from the start of the initial term of contract equals the total amount to be guaranteed by the customer, service is supplied without the application of the annual guarantee determined under this rule.

I. TAXES ON CONTRIBUTIONS IN AID OF CONSTRUCTION AND CUSTOMER ADVANCES

Any contribution in aid of construction (CIAC), customer advance or other like amounts received from the customer which shall constitute taxable income as defined by the Internal Revenue Service will have the income taxes segregated in a deferred account for inclusion in rate base in a future rate case proceeding. Such income taxes associated with a CIAC or customer advance will not be charged to the specific contributor of the capital.

RULES FOR ELECTRIC SERVICE

RULE 4 - SUPPLY OF SERVICE

A. CHARACTERISTICS OF SERVICE

(C)

(1) The Company's standard service is single or three phase, sixty Hertz alternating current at standard voltages as specified in the Company's "Rules for Electric Meter and Service Installations." All nonstandard service is in the process of elimination and no new or additional nonstandard service will be supplied.

(2) When a rate schedule specifies service at secondary voltage or specifies no particular voltage, Company furnishes, where necessary, one standard transformation at the point of delivery from the line voltage to a standard secondary voltage. Where the rate schedule specifies service at 12,000 volts or higher, service is supplied from the nearest available line of not less than that voltage and customer furnishes all equipment necessary to transform the energy from the line voltage.

(3) The Company extends service facilities from its distribution lines to the customer's point of delivery. The customer pays the estimated cost of service extension length over 500 ft. and the additional cost of facilities other than those which the Company would normally install to meet the customer's load requirements.

(4) The Customer provides, without charge to the Company, suitable right-of-way across property owned or controlled by the customer (or property owner) including but not limited to: ground line clearing of trees, brush and other obstructions, rough grading, and access by mechanical construction equipment.

(5) The point of delivery is the point designated by Company where Company's service conductors are connected to customer's service entrance conductors, terminals, or bus. Company installs and maintains facilities to the point of delivery and shall not be required to install or maintain any conductors, meter base, equipment or apparatus except meter and meter accessories beyond that point.

(6) The Company normally supplies energy to only one point of delivery to a premises. The Company may provide a separate point of delivery at the customer's request as a speculative line and/or service extension.

B. SPECULATIVE SERVICE EXTENSIONS

(1) A service extension is speculative when, in the Company's opinion, there is doubt as to the continued use of the new facilities by the customer. This may include, but is not limited to, seasonal service, separate points of delivery, and service at locations which are relatively inaccessible or remote, or where the customer has less investment than is required by the Company to supply service.

(2) When a service extension is speculative, the Company requires a minimum revenue guarantee equal to the Company's estimated fully allocated cost of installation and removal of all facilities less any contribution in aid of construction by the customer. The guarantee is for a five year period or less.

(Continued)

RULE 4 - SUPPLY OF SERVICE (CONTINUED)

(3) The Company may require, in addition to any deposit necessary to secure payment of service bills, a surety bond or other security acceptable to the Company, to guarantee the fulfillment of the agreement.

(4) Where the customer requires a speculative service extension to be disconnected and Company facilities left in place for subsequent reconnection, an annual minimum revenue guarantee may be required beyond the initial five year period. In addition, for each reconnection of service the customer pays the cost of connection and disconnection.

(5) A speculative service extension guarantee may be discontinued prior to expiration of the contract whenever the service becomes non-speculative in nature.

C. METHOD OF SERVICE

(C)

(1) The Company furnishes and installs all electric service line facilities extending from its distribution supply lines at or near the customer's property line to the customer's point of delivery using normal construction for load conditions according to Company standards except as follows:

(a) The Company may at its discretion install other than normal service facilities at the customer's request and at the customer's expense.

(b) The customer provides all mechanical facilities on his property, other than poles and guys, which are required to accommodate the installation of the Company's electric facilities. All electric facilities, and all mechanical facilities installed by the customer on the Company's side of the point of delivery which are not in, on or under buildings shall, after installation, be owned and maintained by the Company and be available for further extension.

(c) The customer at his option may install all service lines and related facilities on his property. Such facilities shall be on the customer's side of the point of delivery and shall be owned and thereafter maintained by the customer.

(d) When a customer requests service in the vicinity of Company underground distribution facilities, the Company may require the customer to take underground service under the same terms and conditions which would apply if the Company supply were overhead.

(2) The Company may establish an underground system at its own option except as provided in (3) below when in the Company's opinion the circumstances justify the investment, and at the customer's request on condition that Company installs the complete electrical system to the point of delivery and the customer installs the mechanical facilities; ownership and maintenance of all facilities in the development on Company's side of the point of delivery that are not in or under buildings shall vest in the Company; the developer grants the Company, free-of-charge by perpetual easement, the sole right to move, maintain, and extend these facilities. The developer agrees to pay the Company, in advance, the Company's estimated excess cost over normal overhead construction.

(Continued)

C) Indicates Change

RULE 4 - SUPPLY OF SERVICE (CONTINUED)**C. METHOD OF SERVICE (Continued)****(C)****(3) Underground Electric Service in New Residential Developments**

The Company installs only underground distribution and service facilities in residential developments of five or more adjoining lots for the construction of single-family residences, detached or otherwise, mobile homes, or apartment houses intended for year round occupancy, when service requires the extension of primary voltage lines. It does not apply to tracts of land which are subdivided, but not developed into utility-ready lots by a bona fide developer.

The applicant for electric service to a development shall conform with the following:

- (a) 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-light lines and related facilities.
- (b) At its own cost, clear the ground in which the lines and related facilities are to be laid of trees, stumps and other obstructions, provide the excavating and backfilling subject to the inspection and approval of the Company, and rough grade it to within six inches of final grade, so that the Company's part of the installation shall consist only of laying of the lines and installing other service-related facilities. Excavating and backfilling performed or provided by the applicant shall 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 shall 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 service until such standards and specification are met.
- (c) 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 Company 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 cost and delay.
- (d) Pay to the Company any necessary and additional costs incurred by the Company as a result of the following:
 1. 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.
 2. 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.

(Continued)

RULE 4 - SUPPLY OF SERVICE (CONTINUED)

C. METHOD OF SERVICE (Continued) (C)

3. Physical characteristics such as oversized lots or lots with extreme set-back where under the Company's line extension policy contained in its tariff a charge is mandated for overhead service.

(e) No charges other than those described in paragraph (d) shall be borne by the applicant for electric service or by another utility sharing the same trench, even if the Company elects to perform its own excavating and backfilling.

(4) The Company may supply service, upon request, in a manner which requires additional facilities or related regulated services to be performed, which are over and above those that the Company would normally install or provide, if the customer agrees to pay the Company at a fair and nondiscriminatory price for those additional facilities or related regulated services. (C)

D. ALTERNATE SERVICE (C)

The Company furnishes one source of service to a single point of delivery to a premises. However, when a customer requests an alternate source of service, the Company will install the additional facilities required providing the customer agrees to compensate the Company for the estimated cost of the additional facilities maintained for the alternate service.

E. CAPACITY

The Company's facilities have a limited capacity. Therefore, to assure satisfactory operation of customers' equipment and to protect both customer's and Company's facilities against damage, each customer shall notify the Company of any substantial increase in use of service so that additional facilities may be provided in accordance with the applicable provisions in this tariff.

F. CONTINUITY

(1) The Company uses reasonable diligence to preserve continuity of service, but in the event of interruption or curtailment of service, Company shall not be subject to any liability, penalty or payment for or on account of any such interruption or curtailment nor shall the application of the rate schedule to the regular billing period be affected.

(2) The Company may temporarily suspend service for the purpose of making necessary repairs and makes every reasonable effort to notify customers in advance, except in cases of emergency.

G. EMERGENCY LOAD CONTROL

(1) A load emergency situation exists whenever:

(a) the demands for power on all or part of the utility's system exceed or threaten to exceed the capacity then actually available to supply such demands;

(b) system instability or cascading outages could result from actual or expected transmission overloads or other contingencies; or

(Continued)

C) Indicates Change

RULE 4 - SUPPLY OF SERVICE (CONTINUED)

G. EMERGENCY LOAD CONTROL (Continued)

- (c) such conditions exist in the system or another public utility or power pool with which the utility's system is interconnected and cause a reduction in the capacity available to the utility from that source or threaten the integrity of the utility's system.

(2) In such case, the utility shall take such reasonable steps as the time available permits to bring the demands within the then-available capacity or to 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 utility's procedures for controlling load.

H. EMERGENCY ENERGY CONSERVATION

An emergency energy conservation situation exists whenever events result or, in the judgment of the utility, threaten to result in a restriction of the fuel supplies available to the utility or its energy vendors, such that the amount of electric energy which the utility is able to supply is or will be adversely affected. In the event of an emergency energy conservation situation, the utility 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 utility's procedure for emergency energy conservation.

I. RELOCATION OF FACILITIES

(1) The relocation of customer's facilities due to moving or rearranging Company's facilities at the direction of either the federal, state or local government is the customer's responsibility and expense.

(2) The relocation of Company facilities when done at the request of others is at the applicant's expense and payment of the Company's estimated cost of the relocation is required in advance of construction. When the request is from an affected property owner, the charges for relocation of distribution system facilities are limited to contractor costs and direct labor and material costs, less an amount equal to any maintenance expense avoided as a result of the relocation.

(3) The Company may waive charges under this rule if, in Company's judgment, the location of the Company's existing distribution and/or service facilities on the customer's property restricts the growth of the customer's operations.

J. EMERGENCY ASSISTANCE

The Company may, upon request, assist in emergencies to correct defects in and make temporary repairs to the customer's installation. Any such assistance shall be accepted by the customer without involving responsibility on the part of the Company.

K. CHANGE IN SERVICE CONDITIONS

The Company may, upon request, make a change in service conditions provided the customer pays the estimated fully allocated cost to be incurred by the Company.

RULES FOR ELECTRIC SERVICE

RULE 5 - USE OF SERVICE

A. CUSTOMER'S RESPONSIBILITY

The customer assumes full responsibility for the energy and facilities at and beyond the point of delivery. The customer's use of service shall not cause damage to Company's equipment or impair the service to other customers.

B. PURPOSE AND LOCATION

Service shall not be used for any purpose or at any location other than that stipulated in the contract or this tariff.

C. PERMANENT CHANGE OF USE

When a customer notifies Company in writing of any permanent change which reduces the capacity Company is required to have available, and when required, executes a new service contract, the Company will as of the first meter reading date thereafter apply the rate schedule applicable to the changed conditions for subsequent billing.

D. SERVICE DURING CONSTRUCTION OR EMERGENCY

(1) The Company suspends the contract term for a period not exceeding six consecutive months—

(a) following the initial connection of service for gradual installation of equipment or development of customer's operation as contemplated under the contract.

(b) upon written request from the customer following a forced temporary suspension of a portion of all of customer's operation due to an emergency such as an accident, fire, flood or other act of God, but not due to strike, lockout, seasonal curtailment or other business conditions.

(2) Bills for service during the suspension period are based on demands and energy supplied during such period applying the rates and minimum charges of the applicable rate schedule most advantageous to the customer. When the period in which the suspension starts is less than a normal billing period, bills are prorated. The suspension period ceases with the billing month in which the establishment or restoration of normal service occurs or after six full billing months whichever is the earlier. The initial contract term is extended for an equal period, including any extension guarantee period required thereunder.

E. ABNORMAL DEMAND AND USAGE

All metered demands and usage, including abnormal demands and usage which are inconsistent with the customer's normal use pattern, are billed as metered in the billing period in which they occur. This provision may be waived at the Company's option.

(Continued)

RULE 5 - USE OF SERVICE (CONTINUED)

F. REDISTRIBUTION OF SERVICE

(1) Energy purchased from the Company shall not be submetered and resold to another party except as permitted under 5F(2) and 5F(4). It is the Company's intent to meter and bill each tenant as an individual customer. Tenant is defined as an occupant of a multi-tenancy commercial building or parcel where it is expected that tenure shall be for a year or more. For the purpose of this rule, the term multi-tenancy commercial building shall include any structure which contains or houses 3 or more separate and distinct residential or commercial units.

(2) Where installation of electric service was completed by May 21, 1980, electric energy may be redistributed and submetered to tenants provided service to the premises is to one point of delivery through a single meter under the applicable general rate schedule, and charges for electric service to such tenants do not exceed charges as computed under the Company's applicable rate schedule for comparable service.

(3) At the service locations covered hereunder connected after May 21, 1980, each tenant shall be served, metered and billed individually by the Company under the appropriate rate schedule except where a definite commitment has been made as of that date to permit master metering with the resale provision of 5F(2). Upon application, affidavit, and proof presented to the Company, any owner (or his duly authorized representative) of a new multi-tenancy commercial building may seek an exception to Tariff Rule 5(F) by demonstrating that the installation of individual electric meters at each separate unit within the building is neither feasible nor practical from a financial, technical, or engineering point of view or by citing any other valid reason; all of which must be designed to prove that the installation of individual electric meters within the building will not achieve any notable reduction in the consumption of electricity by the tenants in the building beyond that which would be accomplished through the use of a master metering system with efficient heat controls.

(4) Company, at its discretion, may permit submetering for both existing and new service locations in accordance with the resale provisions of 5F(2) when all of the following conditions are present:

- (a) It is impractical for the Company to separately bill each tenant.
- (b) Each tenant has control of the majority of his electric energy use.
- (c) That substantial energy conservation will be effected.

G. VANDALISM

When Company street light facilities at a location are repeatedly vandalized, the customer shall reimburse the Company for all costs to repair such vandalism after the second recorded incident over a consecutive 24 month period.

RULES FOR ELECTRIC SERVICE
RULE 6 - AUXILIARY SERVICE
FOR NON-QUALIFYING FACILITIES

A. APPLICATION

(1) Service to customers who have another source of power which can be substituted for Company's service for any of customer's operations. Service is supplied under the terms of this rule unless such other source of power is maintained solely for use in case of interruption of the Company's service. Service to Qualifying Facilities (QFs) is provided for under Rule 6A.

(2) Service is supplied only where Company has available the capacity and facilities adequate for the service and only under a contract for an initial term of one or more years under a general service rate schedule with measured demands. Bills for service are based on charges specified in the rate schedule, subject to a minimum charge as described in this rule.

(3) The customer's equipment may not be operated concurrently by means of service supplied by Company and by such other source of electric or mechanical power except upon written agreement setting forth the conditions of such operation.

B. MINIMUM CHARGE

The minimum monthly charge is the KW demand and KWH energy charges in the rate schedule for 100 hours use of the kilowatts of Reserved Capacity, plus the succeeding KW charge in the rate schedule for any kilowatts of the Billing KW in excess of the kilowatts of Reserved Capacity.

C. RESERVED CAPACITY

(1) When customer's entire power requirements exceed the capacity of such other source of power and no load limiter is installed, the Reserved Capacity is the rated capacity in kilowatts (at unity power factor) of customer's other source of power. In all other cases the Reserved Capacity is the average kilowatts, supplied during the single 15 minute period of maximum use during the current billing month or any of the preceding 11 months, but not less than the kilowatt setting of a load limiter, or, when no limiter is installed, not less than Company's estimate of the number of kilowatts of customer's entire power requirements as stated in the contract.

(2) The customer has the option of furnishing, installing, and maintaining a load limiter for service supplied by Company, which shall be approved, set, and sealed by Company. The limiter will be set at approximately the number of kilowatts of Reserved Capacity contracted for by the customer.

D. PURCHASE OF ENERGY FROM SPECIFIC CUSTOMER-OWNED GENERATING

EQUIPMENT (Limited 3-1-88)

The Company will purchase the net electric energy output from a customer's generating facility provided: (1) the facility uses biomass (excluding direct combustion of the biomass resource), municipal solid waste, solar, wind, or small hydro (5 MW or less) as the energy source; (2) the customer's system is installed in accordance with Company specifications and the receipt of the

(Continued)

(C) Indicates Change

Issued August 12, 1998

Effective January 1, 1999

RULES FOR ELECTRIC SERVICE

RULE 6 - AUXILIARY SERVICE
FOR NON-QUALIFYING FACILITIES (CONTINUED)

D. PURCHASE OF ENERGY FROM SPECIFIC CUSTOMER-OWNED GENERATING EQUIPMENT (Limited 3-1-88) (Continued)

facility's output is not detrimental to the operation of the Company's distribution system or to other customers; and (3) the customer compensates the Company for the estimated cost of interconnection and metering facilities in excess of what is required for normal service. Any subsequent maintenance and modification of such facilities to adjust to changing conditions on the Company's electrical system is at the selling customer's expense. For these provisions to be applicable to a municipal solid waste project, the proposed operator/owner of such project must demonstrate that governmental agencies having the right to approve or reject the operation and location of such project have been informed of the planned source of all waste to be processed, and assent to the processing of such waste, as evidenced in a letter or statement duly executed.

Energy output is purchased, as available, from the customer's qualifying facility at the rate of \$0.06 per KWH or at the calendar year weighted average value of the Company's interchange energy sales and purchases when such rate exceeds \$0.06 per KWH. Payments so determined are limited to purchases made prior to January 1, 1990. Thereafter, payments will be maintained at the rate in effect for 1989. Payment on the basis of \$0.06 per KWH is made monthly for energy received from the qualifying generating facility in the preceding month with reconciliation with the annual rate as soon as the calendar year data is available. At the Company's option, when purchases are less than 150 KWH per month, payment may be made annually.

The rate in this rule is available to developers who contacted the Company regarding the application of this rule to a specific project prior to March 1, 1988, or who can demonstrate that they made substantial progress toward the development of a specific project or facility prior to March 1, 1988. The following constitute evidence of substantial progress toward developing a project:

- 1) FERC certification granting qualifying status to the facility,
- 2) a statement of project definition including preliminary project design,
- 3) a letter of intent or similar evidence of host site control,
- 4) evidence of adequate fuel supply consistent with anticipated project life and energy production,
- 5) a plan for obtaining all necessary project licensing, and
- 6) preliminary evidence of the project's financial feasibility and a preliminary financing plan.

A developer unable to reach agreement with the Company concerning the substantial progress criteria must initiate a formal proceeding with the Commission within ninety (90) days of the effective date of this tariff supplement.

(Continued)

RULE 6 - AUXILIARY SERVICE
FOR NON-QUALIFYING FACILITIES (CONTINUED)

D. PURCHASE OF ENERGY FROM SPECIFIC CUSTOMER-OWNED GENERATING EQUIPMENT (Limited 3-1-88) (Continued)

Additionally, the rate is available only to those developers who satisfy the above criteria and who sign a power purchase agreement applicable to the project prior to January 1, 1990, or who began negotiations on the agreement within a reasonable period of time after the effective date of this tariff supplement, but have been unable to sign a power purchase agreement prior to January 1, 1990, due to a legitimate contract dispute.

The rate under this rule expires January 1, 2010.

E. ADJUSTMENT TO COMPETITIVE TRANSITION CHARGE

(C)

- A. Except as provided for in subsection (B), if a customer installs on-site generation, which, after January 1, 1999, operates in parallel with other generation on the Company's system and which reduces by 10% or more the customer's purchases of electricity through the Company's transmission and distribution network, the customer's fully allocated share of transition or stranded costs shall be recovered from the customer through the CTC.
- B. If an existing industrial or commercial customer installs on-site generation with an installed capacity of 4 MW or more or expands existing on-site generation by 4 MW or more after January 1, 1999 and prior to December 31, 2009, and the customer can document that it had concluded a written economic feasibility study of self-generation as of December 31, 1996 or earlier, then, in addition to any other applicable charges, the Company will calculate a separate bill annually in the first quarter of each calendar year in the Transition Period for one-third of the difference between: a) the amount of annual CTC revenue that the customer would have been billed by the Company based on the customer's average billing demand and energy usage for the calendar year 1996 and the prevailing CTC charges in the Rate Schedule applicable to that customer and b) the amount of annual CTC actually billed in the just completed calendar year with the self-generation in operation, using the prevailing CTC charges in the Rate Schedule applicable to that customer. For purposes of this provision, self-generation means self-generation which had not commenced operation as of December 31, 1998 or additions and/or expansions of self-generation which existed prior to December 31, 1998. This charge is in addition to all other applicable Tariff charges and will be paid monthly.

RULES FOR ELECTRIC SERVICE**RULE 6A - STAND-BY SERVICE
FOR QUALIFYING FACILITIES****A. APPLICATION STAND-BY SERVICE**

(1) The Company will supply Stand-by Basic Utility Supply Service under terms of this Rule to: (a) Qualifying Facilities (QFs) as defined in the Public Utility Regulatory Policies Act of 1978, or (b) a customer that contracts with a QF and that must be served under the requirements of either federal or state law. (C)

(2) Stand-by Basic Utility Supply Service is provided only where the Company has available capacity and facilities adequate for the service requested and only pursuant to a power purchase or interconnection agreement with the Company. (C)

B. TYPES OF STAND-BY SERVICE AVAILABLE

(1) Supplementary Power is electric energy or capacity supplied by the Company and regularly used in addition to that energy or capacity supplied by that QF. All energy or capacity supplied by the Company under this rule shall be Supplementary Power unless it is provided as Back-up Power or Maintenance Power as defined below.

(2) Back-up Power is electric energy or capacity supplied by the Company to replace energy or capacity regularly supplied by the QF's equipment when such equipment is not available during an outage for other than prescheduled maintenance or fuel supply disruptions. Back-up Power shall be limited to 1,314 hours during the most recent consecutive twelve-month billing periods. Any additional power supplied above the 1,314 hour limit shall be billed as Supplementary Power. The QF must provide the Company with a written notification of the use of Back-up Power within seven business days after conclusion of the use. This notification must include the day and time at which the use of Back-up Power began, the reason for the usage, and the actual duration of the use of Back-up Power. (C)

(3) Maintenance Power is electric energy or capacity supplied by the Company during a prescheduled maintenance outage of the QF's generating equipment. Maintenance Power is available for not more than 70 days per year and must be scheduled during the periods March 16 to May 31, and September 16 to November 30. The QF must confirm with the Company in writing 60 days before receiving such power and indicate the required capacity and proposed duration of Maintenance Power use. The required capacity and proposed duration of Maintenance Power use can be changed after the 60-day notice is given, but before the outage occurs, by mutual written agreement between the Company and the QF. The QF must provide the Company a written notification of the use of Maintenance Power within seven business days after the conclusion of the use. This notification must include the day and time at which the use of Maintenance Power began and the actual duration of the use of Maintenance Power.

C. INTERCONNECTED AND PARALLEL OPERATION

The QF shall comply with all Company requirements concerning interconnected or parallel operations. These requirements are on file with the Commission as part of the Company's annual PURPA Section 210 filing and/or are contained in power purchase and interconnection agreements between the Company and QFs.

(Continued)

(C) Indicates Change

**RULE 6A - STAND-BY SERVICE
FOR QUALIFYING FACILITIES (CONTINUED)****D. INTERRUPTIBLE OPTION**

Back-up Power is available on an interruptible basis to QFs with generators rated in excess of 500 KW. Interruptible Back-up Power may be interrupted when, in the Company's opinion, any generation, transmission, or distribution capacity limitations exist or during periods of economic load control. Whenever possible, the QF will be notified in advance of a probable interruption and the estimated duration of the interruption. If the QF fails to interrupt, a penalty of \$24.95 per KW shall be billed for each KW that has not been interrupted, in addition to applicable Back-up Power charges. The Company will notify the QF by telephone at the conclusion of the interruption. A credit of \$0.35/KW for Service at 480 volts or less, \$0.30/KW for Service at 12,470 volts, \$0.25/KW for Service at 69,000 volts or higher will be applied to the QF's monthly bill for each KW interrupted in any month in which an interruption is requested. No credits will be applied if the QF fails to interrupt all Back-up Power.

E. RATES FOR STAND-BY SERVICE

(1) Supplementary Power is metered and billed separately under the Company's applicable general service rate schedule.

(2) (a) Back-up Power is billed separately. The billing is based on KW demand and KWH registered on the Company's meters. Where such actual KW demand use exceeds the KW specified under paragraph G, such excess KW and, on a percentage basis, the associated KWH shall be billed as Supplementary Power. When metered KW demand use is not available, the KW demand billed will be based on the KW of Back-up Power specified under paragraph G. When metered KWH use is not available, the KWH energy billed under the Back-up Power rates will be calculated by multiplying the KW of Back-up Power specified under paragraph G by the number of hours of the unscheduled outage.

(b) The QF will pay a Monthly Reservation Charge equal to the KW of Back-up Power specified under paragraph G multiplied by the Back-up Power capacity charge. The monthly minimum bill shall be the greater of the Monthly Reservation Charge or charges for actual Back-up Power usage.

(Continued)

**RULE 6A - STAND-BY SERVICE
FOR QUALIFYING FACILITIES (CONTINUED)**

RATES FOR STAND-BY SERVICE (Continued)

(c) Back-up Power will be billed using the following charges:

(C)

| | <u>Service at 480 Volts or Less</u> | <u>Service at 12,470 Volts</u> | <u>Service at 69,000 Volts or Higher</u> |
|----------------------------------------------------------------------|---------------------------------------------|------------------------------------|--------------------------------------------------|
| Distribution Charge (Effective 1-1-99) | \$ 0.70/KW 0.110¢/KWH | \$ 0.45/KW 0.018¢/KWH | \$0.06/KW 0.000¢/KWH |
| Competitive Transition Charge (Effective 1-1-99 through 12-31-99) | 3.627¢/KWH | 3.528¢/KWH | 3.151¢/KWH |
| Competitive Transition Charge (Effective 1-1-00 through 12-31-00) | 3.628¢/KWH | 3.529¢/KWH | 3.152¢/KWH |
| Competitive Transition Charge (Effective 1-1-01 through 12-31-01) | 3.619¢/KWH | 3.520¢/KWH | 3.143¢/KWH |
| Competitive Transition Charge (Effective 1-1-02 through 12-31-02) | 3.559¢/KWH | 3.460¢/KWH | 3.044¢/KWH |
| Competitive Transition Charge (Effective 1-1-03 through 12-31-03) | 3.538¢/KWH | 3.439¢/KWH | 2.999¢/KWH |
| Competitive Transition Charge (Effective 1-1-04 through 12-31-04) | 3.547¢/KWH | 3.448¢/KWH | 2.921¢/KWH |
| Competitive Transition Charge (Effective 1-1-05 through 12-31-05) | 3.416¢/KWH | 3.317¢/KWH | 2.775¢/KWH |
| Competitive Transition Charge (Effective 1-1-06 through 12-31-06) | 3.401¢/KWH | 3.302¢/KWH | 2.830¢/KWH |
| Competitive Transition Charge (Effective 1-1-07 through 12-31-07) | 3.343¢/KWH | 3.244¢/KWH | 2.740¢/KWH |
| Competitive Transition Charge (Effective 1-1-08 through 12-31-08) | 3.131¢/KWH | 3.032¢/KWH | 2.603¢/KWH |
| Competitive Transition Charge (Effective 1-1-09 through 12-31-09) | 2.856¢/KWH | 2.757¢/KWH | 2.388¢/KWH |

The Competitive Transition Charge Reconciliation Rider included in this Tariff applies to the above Competitive Transition Charges.

(Continued)

(C) Indicates Change

Issued August 12, 1998

Effective January 1, 1999

**RULE 6A - STAND-BY SERVICE
FOR QUALIFYING FACILITIES (CONTINUED)**

The Company will provide capacity (KW) and energy (KWH) under this Rate Schedule for customers who receive Basic Utility Supply Service from the Company.

| | Service at 480 Volts or Less | Service at 12,470 Volts | Service at 69,000 Volts or Higher |
|----------------------------------------------------------------------|------------------------------------|----------------------------|-----------------------------------------|
| Capacity and Energy Charge (Effective 1-1-99 through 12-31-99) | \$ 1.02/KW 0.620¢/KWH | \$ 1.22/KW 0.628¢/KWH | \$ 1.08/KW 0.590¢/KWH |
| Capacity and Energy Charge (Effective 1-1-00 through 12-31-00) | \$ 1.02/KW 0.619¢/KWH | \$ 1.22/KW 0.627¢/KWH | \$ 1.15/KW 0.629¢/KWH |
| Capacity and Energy Charge (Effective 1-1-01 through 12-31-01) | \$ 1.02/KW 0.628¢/KWH | \$ 1.22/KW 0.636¢/KWH | \$ 1.15/KW 0.638¢/KWH |
| Capacity and Energy Charge (Effective 1-1-02 through 12-31-02) | \$ 1.02/KW 0.688¢/KWH | \$ 1.22/KW 0.696¢/KWH | \$ 1.15/KW 0.737¢/KWH |
| Capacity and Energy Charge (Effective 1-1-03 through 12-31-03) | \$ 1.02/KW 0.709¢/KWH | \$ 1.22/KW 0.717¢/KWH | \$ 1.15/KW 0.782¢/KWH |
| Capacity and Energy Charge (Effective 1-1-04 through 12-31-04) | \$ 1.02/KW 0.700¢/KWH | \$ 1.22/KW 0.708¢/KWH | \$ 1.15/KW 0.860¢/KWH |
| Capacity and Energy Charge (Effective 1-1-05 through 12-31-05) | \$ 1.02/KW 0.831¢/KWH | \$ 1.22/KW 0.839¢/KWH | \$ 1.15/KW 1.006¢/KWH |
| Competitive Transition Charge (Effective 1-1-06 through 12-31-06) | \$ 1.10/KW 0.922¢/KWH | \$ 1.31/KW 0.922¢/KWH | \$ 1.24/KW 1.024¢/KWH |
| Competitive Transition Charge (Effective 1-1-07 through 12-31-07) | \$ 1.10/KW 0.984¢/KWH | \$ 1.31/KW 0.984¢/KWH | \$ 1.24/KW 1.120¢/KWH |
| Competitive Transition Charge (Effective 1-1-08 through 12-31-08) | \$ 1.10/KW 01.210/KWH | \$ 1.31/KW 1.210¢/KWH | \$ 1.24/KW 1.266¢/KWH |
| Competitive Transition Charge (Effective 1-1-09 through 12-31-09) | \$ 1.10/KW 1.502¢/KWH | \$ 1.30/KW 1.502¢/KWH | \$ 1.23/KW 1.494¢/KWH |

Transmission Charge (Effective 1-1-99)

The Company will provide and charge for transmission service consistent with the PJM Open Access Transmission Tariff approved or accepted by the Federal Energy Regulatory Commission for customers who receive Basic Utility Supply Service from the Company unless such customers obtain transmission service from another provider.

(Continued)

**RULE 6A - STAND-BY SERVICE
FOR QUALIFYING FACILITIES (CONTINUED)**

The State Tax Adjustment Surcharge included in this Tariff shall be applied to the above charges.

(3) (a) Maintenance Power is billed separately. The billing is based on the KWH registered on the Company's meters. When metered KWH use is not available, the KWH energy billed under the Maintenance Power rates will be calculated by multiplying the KW of Maintenance Power specified under paragraph G by the number of hours of the use of Maintenance Power.

(b) Maintenance Power will be billed using the following charges:

(C)

| | Service at 480 Volts or Less | Service at 12,470 Volts | Service at 69,000 Volts or Higher |
|----------------------------------------------------------------------|------------------------------------|----------------------------|-----------------------------------------|
| Distribution Charge (Effective 1-1-99) | 0.110¢/KWH | 0.018¢/KWH | 0.000¢/KWH |
| Competitive Transition Charge (Effective 1-1-99 through 12-31-99) | 3.627¢/KWH | 3.528¢/KWH | 3.151¢/KWH |
| Competitive Transition Charge (Effective 1-1-00 through 12-31-00) | 3.628¢/KWH | 3.529¢/KWH | 3.152¢/KWH |
| Competitive Transition Charge (Effective 1-1-01 through 12-31-01) | 3.619¢/KWH | 3.520¢/KWH | 3.143¢/KWH |
| Competitive Transition Charge (Effective 1-1-02 through 12-31-02) | 3.559¢/KWH | 3.460¢/KWH | 3.044¢/KWH |
| Competitive Transition Charge (Effective 1-1-03 through 12-31-03) | 3.538¢/KWH | 3.439¢/KWH | 2.999¢/KWH |
| Competitive Transition Charge (Effective 1-1-04 through 12-31-04) | 3.547¢/KWH | 3.448¢/KWH | 2.921¢/KWH |
| Competitive Transition Charge (Effective 1-1-05 through 12-31-05) | 3.416¢/KWH | 3.317¢/KWH | 2.775¢/KWH |
| Competitive Transition Charge (Effective 1-1-06 through 12-31-06) | 3.401¢/KWH | 3.302¢/KWH | 2.830¢/KWH |
| Competitive Transition Charge (Effective 1-1-07 through 12-31-07) | 3.343¢/KWH | 3.244¢/KWH | 2.740¢/KWH |
| Competitive Transition Charge (Effective 1-1-08 through 12-31-08) | 3.131¢/KWH | 3.032¢/KWH | 2.603¢/KWH |
| Competitive Transition Charge (Effective 1-1-09 through 12-31-09) | 2.856¢/KWH | 2.757¢/KWH | 2.388¢/KWH |

(Continued)

(C) Indicates Change

RULE 6A - STAND-BY SERVICE FOR QUALIFYING FACILITIES (CONTINUED)

The Competitive Transition Charge Reconciliation Rider included in this Tariff applies to the above Competitive Transition Charges.

The Company will provide capacity (KW) and energy (KWH) under this Rate Schedule for customers who receive Basic Utility Supply Service from the Company.

| | <u>Service at 480 Volts or Less</u> | <u>Service at 12,470 Volts</u> | <u>Service at 69,000 Volts or Higher</u> |
|--------------------------------------------------------------------|---------------------------------------------|------------------------------------|--------------------------------------------------|
| Capacity and Energy Charge (Effective 1-1-99 through 12-31-99) | 0.620¢/KWH | 0.628¢/KWH | 0.552¢/KWH |
| Capacity and Energy Charge (Effective 1-1-00 through 12-31-00) | 0.619¢/KWH | 0.627¢/KWH | 0.629¢/KWH |
| Capacity and Energy Charge (Effective 1-1-01 through 12-31-01) | 0.628¢/KWH | 0.636¢/KWH | 0.638¢/KWH |
| Capacity and Energy Charge (Effective 1-1-02 through 12-31-02) | 0.688¢/KWH | 0.696¢/KWH | 0.737¢/KWH |
| Capacity and Energy Charge (Effective 1-1-03 through 12-31-03) | 0.709¢/KWH | 0.717¢/KWH | 0.782¢/KWH |
| Capacity and Energy Charge (Effective 1-1-04 through 12-31-04) | 0.700¢/KWH | 0.708¢/KWH | 0.860¢/KWH |
| Capacity and Energy Charge (Effective 1-1-05 through (12-31-05) | 0.831¢/KWH | 0.839¢/KWH | 1.006¢/KWH |
| Capacity and Energy Charge (Effective 1-1-06 through (12-31-06) | 0.922¢/KWH | 0.922¢/KWH | 1.024¢/KWH |
| Capacity and Energy Charge (Effective 1-1-07 through (12-31-07) | 0.984¢/KWH | 0.984¢/KWH | 1.120¢/KWH |
| Capacity and Energy Charge (Effective 1-1-08 through (12-31-08) | 1.210¢/KWH | 1.210¢/KWH | 1.266¢/KWH |
| Capacity and Energy Charge (Effective 1-1-09 through (12-31-09) | 1.502¢/KWH | 1.502¢/KWH | 1.494¢/KWH |

Transmission Charge (Effective 1-1-99)

The Company will provide and charge for transmission service consistent with the PJM Open Access Transmission Tariff approved or accepted by the Federal Energy Regulatory Commission for customers who receive Basic Utility Supply Service from the Company unless such customers obtain transmission service from another provider.

(Continued)

(C) Indicates Change

Issued August 12, 1998

Effective January 1, 1999

**RULE 6A - STAND-BY SERVICE
FOR QUALIFYING FACILITIES (CONTINUED)**

The State Tax Adjustment Surcharge included in this Tariff shall be applied to the above charges.

F. KW DEMAND

The KW Demand is the average number of Kilowatts supplied during the 15 minute period of maximum use during the current billing period.

G. DATA REQUIREMENTS

The QF must supply the Company with an annual written notice, on or before September 1, of its Stand-by Service needs for the subsequent calendar year. This notice must contain the following information necessary to implement this Tariff:

- KW of Back-up Power
- Designation of Back-up Power as Firm or Interruptible
- KW of Maintenance Power and preliminary schedule for use thereof

The QF shall provide any data, books or records that Company may request to confirm or check the extent, type or duration of any QF outages.

H. PAYMENT

The rates stated in this Tariff apply when bills are paid on or before the due date specified on the bill, which is not less than 15 days from the date the bill is mailed. When not so paid, a one time late payment charge equal to 5% of the first \$200.00 of the then unpaid balance plus 2% on the remainder will be added to the unpaid amount.

I. ADJUSTMENT TO COMPETITIVE TRANSITION CHARGE

- (C)
- A. Except as provided for in subsection (B), if a customer installs on-site generation, which, after January 1, 1999, operates in parallel with other generation on the Company's system and which reduces by 10% or more the customer's purchases of electricity through the Company's transmission and distribution network, the customer's fully allocated share of transition or stranded costs shall be recovered from the customer through the CTC.
- B. If an existing industrial or commercial customer installs on-site generation with an installed capacity of 4 MW or more or expands existing on-site generation by 4 MW or more after January 1, 1999 and prior to December 31, 2009, and the customer can document that it had concluded a written economic feasibility study of self-generation as of December 31, 1996 or earlier, then, in addition to any other applicable charges, the Company will calculate a separate bill annually in the first quarter of each calendar year in the Transition Period for one-third of the difference between: a) the amount of annual CTC revenue that the customer would have been billed by the Company based on the customer's average billing demand and energy usage for the calendar year 1996 and the prevailing CTC charges in the Rate Schedule applicable to that customer and b) the amount of annual CTC actually billed in the just completed calendar year with the self-generation in operation, using the prevailing CTC charges in the Rate Schedule applicable to that customer. For purposes of this provision, self-generation means self-generation which had not commenced operation as of December 31, 1998 or additions and/or expansions of self-generation which existed prior to December 31, 1998. This charge is in addition to all other applicable Tariff charges and will be paid monthly.

RULES FOR ELECTRIC SERVICE

RULE 7 - TEMPORARY SERVICE

A. TEMPORARY SERVICE

(1) Temporary service is service for less than one year or for a year or more when Company must install facilities that will be used solely for a service that is known to be limited in duration. Service is supplied under contract for not less than one month at the applicable rate schedule subject to the provisions of this rule. In no event is service billed for a total period of less than one month.

(2) The customer pays, in advance, a non-refundable temporary connection charge equal to the Company's estimated installed cost and net removal cost of all necessary facilities other than transformer, service drop, and metering, required to provide the temporary service. Where it is necessary to install and remove a transformer, service drop and meter, or to energize facilities already in place, the customer also pays a non-refundable connection and disconnection charge representing the cost of performing this work. The Company may require that the customer pay the connection and disconnection charge in advance.

(3) Company has the option to supply service without the application of this rule for prearranged tests or demonstrations.

(4) The Company may remove all facilities used solely to supply temporary service upon discontinuance of service by the customer.

(5) The provisions in this rule for temporary service do not apply for service to permanent residences on a residential service rate schedule.

RULES FOR ELECTRIC SERVICE
RULE 8 - MEASUREMENT OF SERVICE**A. LOCATION AND METHOD OF MEASUREMENT**

(1) The customer provides free of expense to Company, at a location designated by Company, a suitable place for the Company meters which is readily accessible to Company employees at all reasonable hours.

(2) The Company installs and maintains the metering equipment, unless otherwise allowed by the Commission. Where energy is metered at a point other than the point of delivery or at a voltage other than the supply voltage, readings of the meters are corrected to conform to measurement at the point of delivery and voltage supply. (C)

B. METER INSTALLATIONS

Service at each point of delivery is metered through one or more meters as required by the applicable rate schedules. Measurements from two or more sets of metering equipment are never combined for billing purposes except temporarily pending completion of necessary changes in Company's facilities.

In residential and commercial complexes and multiple occupancy buildings connected after May 21, 1980, each independent occupant is separately metered and billed by the Company as an individual customer unless redistribution of service is authorized by the Company. The Company does not provide service to two or more customers through a single meter except as specifically provided for in Tariff Rule 5F or the applicable rate schedule.

C. UNMETERED SERVICE

The Company, at its option, may determine kilowatt hours and billing demands by computation instead of by measurement for installations having a fixed load or demand value controlled to operate for a definite number of hours during a billing period.

D. METER TESTING

The testing and adjustment of meters, the charges therefor, and adjustments due to inaccuracies are made in accordance with any applicable law and any regulation issued thereunder.

E. DETERMINATION OF DEMAND

(1) The fractional part of the demand billing unit specified in the rate schedule in excess of the minimum is taken as a whole when equal to one-half or more, otherwise, the fractional part is disregarded.

(2) Where the rate schedule provides that the demand is determined by quantities supplied during two or more periods of use, not more than one such period is taken from any one day's measurements that apply to such determination.

(3) Where the charges are based on a connected load, the customer's connected load is determined by inspection whenever Company deems necessary. Company will estimate the connected load of any customer who does not permit Company's representative to make such inspection.

(C) Indicates Change

RULES FOR ELECTRIC SERVICE

RULE 9 - BILLING AND PAYMENT FOR SERVICE

A. BILLING PERIOD

(1) Bills for service supplied during the preceding billing period, other than initial and final bills, are rendered monthly. Normal billing is for a period of approximately 30 days and is based on meter readings taken by Company at the end of each period.

(2) When a billing period is more or less than a month, such as for initial or final bills, the monthly rate is prorated.

B. ESTIMATED BILLS

(1) Company may render an appropriately marked estimated bill when a meter reading is not obtained. Company may read meters for longer than monthly intervals and may under such circumstances render estimated interim bills for normal billing periods.

(2) Estimated bills shall be paid in accordance with the provisions of this rule and the applicable rate schedule. If unusual circumstances occur during a period for which an estimated bill has been issued and are brought to the Company's attention, an appropriate adjustment will be made by Company.

(3) Upon request, the Company will supply any customer with a billing schedule and a card form upon which he may record his meter readings at the end of each normal billing period which otherwise would be estimated. If such card is received by the Company by the date specified on the schedule, except where it is apparent to the Company that the information is erroneous, the bill for such period will be computed from the meter reading shown on the card.

(4) The Company will take reasonable measures to obtain meter readings, however, the Company may prepare an estimated bill for any customer if extreme weather conditions, emergencies, equipment failure, work stoppages, or other circumstances prevent actual meter readings or if Company personnel are unable to gain access to obtain an actual meter reading.

C. DUE DATE

The due date specified on the bill is not less than 15 days from the date bill is mailed except that for service under, or billed in conjunction with, residential rate schedules the due date is not less than 20 days from the date bill is mailed and for service to federal, state or local governments or to any governmental department, institution or authority, the due date is not less than 30 days from the date bill is mailed.

When the due date for residential service occurs from the 21st day of the month through the 5th day of the following month, the due date may be extended upon request to the 6th day of the latter month for customers receiving Social Security or equivalent monthly checks on or about the first of the month.

(Continued)

RULE 9 - BILLING AND PAYMENT FOR SERVICE (CONTINUED)**D. PAYMENT**

- 1) Bills are considered as received by customer when delivered at or mailed to the premises where the service is supplied or an address mutually agreed upon. Delay in the receipt of or failure to receive bill does not extend the due date.
- 2) Bills may be paid during business hours at any commercial office or collection agency of the Company authorized to receive payments.
- 3) Payment of bills by mail will be accepted as paid when postmarked before midnight on the due date or when received by the Company within five days after the due date.
- 4) Payment of bills after the due date specified on the bill is subject to a late payment charge, as provided for in the applicable rate schedule
- 5) The customer is responsible for payment for use up to discontinuance or termination of service.
- 6) In the event of discontinuance or termination of service at a residence or dwelling, the Company may transfer any unpaid balance to any other residential account of the same ratepayer, or in the event of termination, to a third-party guarantor's account to the extent of the cash deposit requirement.
- 7) Regular employees who are head of a family and mainly responsible for the maintenance of the premises they occupy may secure up to 50% reduction in their bills for service under Residential Rate Schedule RS in lieu of other benefits available to other employees. This option is in the process of elimination and is limited to employees who are presently receiving such reduction and continue to live and work in the area previously served by the former Tariff Electric Pa. P.U.C. No. 196 (Scranton).
- 8) Payments which are insufficient to pay for both a balance due for prior use and billing for current use are first applied to the balance due for prior use, except when an unpaid bill is a disputed bill or when a payment plan for an overdue balance is agreed upon.

E. BUDGET BILLING

Budget billing is available upon request for service under residential and general service rate applications except for temporary, seasonal, and speculative service. Budget billing may start in any month, for new or existing customers, and may be discontinued upon request at which time any difference between budget billing and billing based on actual use becomes due and payable. In any month when the amount billed for the previous billing period is overdue, budget billing may be terminated; any difference owed the Company is immediately due, and bills thereafter are rendered based on metered use.

When a customer elects budget billing, the Company bills the customer each month an amount equal to one-twelfth, for residential service customers, or one-eleventh, for general service customers, of the estimated annual charges under the rate schedule. The monthly charge is adjusted, as required, so that total payments at the end of the budget billing cycle approximately equal actual charges. When billing based on actual use exceeds charges at the end of the twelfth month, the excess is added to regular billing in equal increments over the succeeding four months with no penalty.

Each month, interest at the rate of one-twelfth of the average of 1-year Treasury Bills for the months of September, October, and November of the previous year is applied to funds in the customer's account which are the result of payments for the billed amount in excess of actual charges for service to date. No interest is charged when there is a negative balance.

(Continued)

RULE 9 - BILLING AND PAYMENT FOR SERVICE (CONTINUED)**F. RETURNED CHECK CHARGE**

If a check received in payment of a customer's account is returned to the Company unpaid by the customer's bank and cannot be redeposited by the Company for payment on the second attempt, the Company will charge the customer \$7.00 for processing the returned check, plus any charges assessed by the bank or other financial institution to the Company.

G. SMALL CREDIT BALANCES ON INACTIVE ACCOUNTS

The Company may transfer any customer credit balance less than \$1 from a customer's inactive account to the Company's Operation HELP program instead of refunding the credit amount to the customer. This transfer will occur only after the Company has been unsuccessful in its efforts to transfer the credit balance to an active account of the customer, and only if the customer does not request a refund of the credit balance.

RULES FOR ELECTRIC SERVICE
RULE 10 - DISCONNECTION AND RECONNECTION OF SERVICE

A. CONTRACT CANCELLATION

(1) Contracts are canceled by Company after the expiration of the initial term thereof, upon notification from the customer, as provided in the contract, that service is no longer required at the premises being supplied.

(2) Contracts are canceled by Company before the expiration of the initial term thereof, at the request of the customer, upon the immediate payment at customer's option of either of the following:

- (a) All the remaining obligations under the contract for the initial term.
- (b) The charges for service to date of discontinuance as calculated under the tariff provisions applicable for the period of service actually supplied less the sum of payments already made. This option applies only when the customer completely ceases operations and only when Rule 3, Extension of Service, is not involved. Commercial and industrial customers agree that if operations are resumed before the date when the initial term expires, then the initial obligation of contract is considered as still in force.

B. TERMINATION

(1) Termination of service does not constitute cancellation of any contract during the initial term thereof except by Company consent.

(2) The Company may terminate the supply of electric service and remove Company's equipment from customer's premises, upon notice to customer when appropriate, under any of the following conditions:

- (a) Nonpayment of an undisputed delinquent account associated with service provided by the Company.
- (b) The customer's installation, in Company's judgment, has become dangerous or defective or Company has received notice of such a condition, or the customer's equipment or use thereof may impair the equipment of Company or the service to the other customers.
- (c) The Company's property on customer's premises has been interfered with, or evidence is found that the wires, meters, entrance switch or other appurtenances up to and including the point of measurement have been tampered with.
- (d) Energy has been used that has not been registered on the meter.
- (e) A writ of execution is issued against customer, or the premises at which service is supplied is levied upon, or there is an assignment or act of bankruptcy on the part of customer, and Company has not received any written acceptance of responsibility for continuance of service.
- (f) The customer violates any of these rules or any of the terms and conditions of the contract or has made misrepresentations to Company with respect to the use of electric service and customer refuses to correct the situation or execute a contract appropriate for such service.

(C)

(Continued)

RULE 10 - DISCONNECTION AND RECONNECTION OF SERVICE (CONTINUED)**B. TERMINATION (Continued)**

- (g) The Company's meter readers or other authorized representatives cannot gain admittance or are refused admittance to the premises for the purpose of reading meters, making repairs, making inspections, or removing Company property, or the customer *interferes with Company representatives in the performance of their duties, or the meters or other equipment of the Company are not accessible during reasonable hours.*
- (h) The customer neglects or refuses to reimburse Company for repairs to or loss of Company's property used to supply service when such repairs are necessitated, or loss occasioned, by negligence on the part of customer.
- (i) Failure to post a deposit, provide a guarantee, or establish credit associated with service provided by the Company. (C)
- (j) Failure to comply with the material terms of a settlement or amortization agreement.
- (k) Fraud or material misrepresentation of identity for the purpose of obtaining utility service.
- (l) Unauthorized use of the utility service delivered on or about the affected dwelling or other service location.

(3) The Company shall not terminate, or refuse to restore service to any premises when any occupant residing therein is certified by a physician to be seriously ill or affected with a medical condition which will be aggravated by a cessation of service or failure to restore service. The validity of such certification may be contested before the Pennsylvania Public Utility Commission.

(4) Except in emergencies, service to residential customers will not be terminated: on Friday, Saturday or Sunday; on a bank holiday or the day preceding a bank holiday; on a day or a day preceding a day when the Company's business offices are closed; or on a holiday or the day preceding a holiday observed by the Pennsylvania Public Utility Commission.

(5) The customer may avoid termination under the above conditions by eliminating the cause for termination and fulfilling the appropriate conditions for reconnection under Rule 10C hereof prior to termination.

C. RECONNECTION

Whenever a service has been terminated under any of the above provisions, Company will require payment of a \$15 (\$21 if done during other than the normal working hours of the physical forces reconnecting the service) disconnection and reconnection charge and will, before reconnection, require customer to eliminate the cause of disconnection and fulfill any of the following conditions associated with service provided by the Company that are reasonably applicable: (C)

(1) Establish credit, make a security deposit, or provide a written guarantee acceptable to Company.

(2) Correct any unsafe or nonstandard conditions in customer's service entrance facilities.

(3) Make full payment of, or arrange time payments for the charges for energy used but not metered and, all costs of Company investigation and property damage associated therewith, plus the cost of measures considered necessary by the Company to prevent recurrence.

(4) Make payment of, or arrange for the payment of, all amounts currently due for services provided by the Company according to a settlement or amortization agreement. (C)

(C) Indicates Change

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STATE TAX ADJUSTMENT SURCHARGE

(C)

In addition to the charges and credits provided for in this tariff, and except for charges or credits under Rate Schedules PR-1 and PR-2 for incremental or decremental kilowatt-hour usage, a surcharge of 0.00% will be charged for all service rendered on and after January 1, 1997.

The State Tax Adjustment Surcharge will be recomputed using the elements prescribed by the Commission in its regulations at 52 Pa. Code §69.51, et seq. and at 52 Pa. Code §54.91, et seq.:

- on March 21, 1997, and each year thereafter until the surcharge is rolled into base rates, and
- whenever the Company experiences a material change in any of the taxes used in calculation of the surcharge due to a change in the applicable tax rates, or in the basis of calculating such tax rates, or due to changes in its state tax liability arising under 66 Pa. C. S. §§2806(g), 2809(c) or 2810.

The recalculation will be submitted to the Commission within 10 days after the occurrence of the event which occasions such recomputation or as prescribed in the Commission's regulations at 52 Pa. Code §54.91, et seq. If the recomputed surcharge is less than the one in effect, the utility will, or if the recomputed surcharge is more than the one in effect the utility may, submit with such recomputation a tariff or supplement to reflect such recomputed surcharge. The effective date of such tariff or supplement shall be 10 days after filing or as prescribed in the Commission's regulations at 52 Pa. Code §54.91, et seq.

**EMERGENCY ENERGY CONSERVATION RIDER (5-22-81)
MODIFICATION OF RATE SCHEDULE APPLICATION
PURSUANT TO TARIFF RULE 4H****PURPOSE**

This rider is applicable in conjunction with Tariff Rule 4H, Emergency Energy Conservation. It provides for deviation from and modification to the charges and practices otherwise applicable to certain customers as a result of compliance with or non-compliance with energy conservation curtailment levels ordered by an appropriate governmental authority under emergency energy conservation conditions resulting from actual or potential shortage of fuel for electric generation.

APPLICABILITY

Applicable to individual electric customer accounts served under this tariff with recorded use of 10 Million KWH's or higher, in a recent period of 12 months or less prior to the emergency energy conservation condition. Customers designated by the procedures of Rule 4H or by Pennsylvania Public Utility Commission, will be exempt from the provisions of this rider.

PROVISIONS**Base Period Energy Use**

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

Curtailment Energy Use Level Target

The 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 4H or as a result of the order of an appropriate governmental authority.

Current Energy Use

Current period use will be monitored on a weekly basis commencing one week after the emergency is declared.

Compliance

When the energy consumption in any weekly period during the period of the emergency energy conservation condition is equal to or less than the curtailment energy use level target, the customer will be deemed to have complied.

If the curtailment energy use level target is not met, the customer will be deemed to be in non-compliance. In the event of continued non-compliance, the Company, upon notice to the Commission, may discontinue service.

(Continued)

**EMERGENCY ENERGY CONSERVATION RIDER (5-22-81)
MODIFICATION OF RATE SCHEDULE APPLICATION
PURSUANT TO TARIFF RULE 4H (Continued)****BILLING**

During the emergency, billing for those customers deemed to be in compliance will be based on meter readings especially made to identify the demand established and energy used during the current energy use period. Customers in compliance with conservation orders will be excused from minimum bills and any demands which otherwise might have been imposed, 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.

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ECONOMIC DEVELOPMENT INITIATIVES RIDER

PURPOSE

This rider provides for an incentive rate billing option to existing commercial and industrial customers and new industrial customers to encourage economic development in the Company's service area.

APPLICATION PROVISIONS

This rider is applicable to existing commercial and industrial customers and new industrial customers served under Rate Schedules GS-3, LP-4, LP-5, and PR-1(R) with at least a one month Billing KW of 500 KW or greater under contract with the Company. Existing customers must sign a contract agreeing to (1) increase production or (2) expand physical plant at the service location. (C)

This rider is applied to customer baseline load, but is not applied to incremental or decremental kilowatt or kilowatt-hour usage under Rate Schedule PR-1(R).

DEFINITIONS

1. **Base Period** – The base period is normally the twelve months ended December 31, 1986. If twelve months of billing history are unavailable for the period ended December 31, 1986, the base period is the first full twelve months of billing. If less than twelve months of billing history are available, the Company determines a base period use pattern prior to rider application. If, in the opinion of the Company, any billing month(s) during the base period is not representative of the customer's normal usage pattern, the Company may change the base period to reflect normal use conditions.

The base period established when this rider is applied initially at a service location to a customer's bill shall remain the base period for all subsequent applications of this rider at the same service location for the same customer. If, during the phase-in period, a customer purchases energy from the Company and from an electric generation supplier, base period usage shall include, on a pro rata basis, KW and KWH purchased from the Company and from the electric generation supplier. (C)

2. **Sales Tax Exemption Certificate** – A Pennsylvania Sales Tax Exemption Certificate submitted by the customer to the Company which indicates the service address and certifies that, on an annual basis, more than fifty percent of the electricity purchased is exempt from sales tax because it is used in manufacturing operations.

3. **Service Location** – A location having one or more points of delivery for electric service billed by the Company under a single rate application.

4. **New Service Location** – A service shown on the Sales Tax Exemption Certificate which (a) previously has not been supplied electric service by the Company, (b) previously has been supplied electric service, provided the new service is for a different manufacturing operation than the previous operation, or (c) was disconnected at least twelve months prior to application for service under this rider.

5. **Qualifying Service Location** – A new service location identified on the Sales Tax Exemption Certificate or an existing service location which qualifies under the application provisions of this rider.

(Continued)

ECONOMIC DEVELOPMENT INITIATIVES RIDER (Continued)

DEFINITIONS (Continued)

6. Billing Adjustments - Existing Customers. For that portion of the customer's load purchased from the Company, a reduction of \$2 per kilowatt and 1 cent per kilowatt-hour shall apply, respectively, to each kilowatt of Billing KW and each kilowatt-hour of energy billed in excess of the Billing KW and kilowatt-hours for the corresponding billing month of the base period for service supplied to a customer's Qualifying Service Location. For that portion of the customer's load purchased from an electric generation supplier, the following reductions shall apply for Rate Schedules GS-3, LP-4, and LP-5.

| | <u>GS-3</u> | <u>LP-4</u> | <u>LP-5</u> | |
|-----------------------------------------------------|----------------------------------------|-----------------------------------------|----------------------------------------|-----|
| Distribution Charge (Effective 1-1-99) | \$0.27/KW 0.14¢/KWH | \$0.14/KW 0.07¢/KWH | \$0.02/KW 0.01¢/KWH | (C) |
| Competitive Transition Charge (Effective 1-1-99) | <u>GS-3</u> \$0.49/KW 0.243¢/KWH | <u>LP-4</u> \$0.53/KW 0.264 ¢/KWH | <u>LP-5</u> \$0.57/KW 0.283¢/KWH | |
| Competitive Transition Charge (Effective 1-1-00) | \$0.45/KW 0.225¢/KWH | \$0.50/KW 0.249¢/KWH | \$0.54/KW 0.268¢/KWH | |
| Competitive Transition Charge (Effective 1-1-01) | \$0.44/KW 0.219¢/KWH | \$0.49/KW 0.244¢/KWH | \$0.52/KW 0.262¢/KWH | |
| Competitive Transition Charge (Effective 1-1-02) | \$0.42/KW 0.208¢/KWH | \$0.47/KW 0.233¢/KWH | \$0.50/KW 0.250¢/KWH | |
| Competitive Transition Charge (Effective 1-1-03) | \$0.40/KW 0.200¢/KWH | \$0.45KW 0.226¢/KWH | \$0.49/KW 0.243¢/KWH | |
| Competitive Transition Charge (Effective 1-1-04) | \$0.38/KW 0.191¢/KWH | \$0.43/KW 0.217¢/KWH | \$0.47/KW 0.233¢/KWH | |
| Competitive Transition Charge (Effective 1-1-05) | \$0.36/KW 0.178¢/KWH | \$0.41/KW 0.205¢/KWH | \$0.44/KW 0.220¢/KWH | |
| Competitive Transition Charge (Effective 1-1-06) | \$0.34/KW 0.168¢/KWH | \$0.38/KW 0.192¢/KWH | \$0.41/KW 0.207¢/KWH | |
| Competitive Transition Charge (Effective 1-1-07) | \$0.32/KW 0.159¢/KWH | \$0.37/KW 0.184¢/KWH | \$0.40/KW 0.200¢/KWH | |
| Competitive Transition Charge (Effective 1-1-08) | \$0.30/KW 0.148¢/KWH | \$0.34/KW 0.172¢/KWH | \$0.37/KW 0.184¢/KWH | |
| Competitive Transition Charge (Effective 1-1-09) | \$0.27/KW 0.133¢/KWH | \$0.31/KW 0.155¢/KWH | \$0.33/KW 0.166¢/KWH | |

(Continued)

(C) Indicates Change

Issued August 12, 1998

Effective January 1, 1999

ECONOMIC DEVELOPMENT INITIATIVES RIDER (Continued)

7. Billing Adjustments - New Customers. For that portion of the customer's load purchased from the Company, a reduction of 1 cent per kilowatt-hour shall apply to all kilowatt-hours billed in excess of 400 hours use of the monthly Billing KW for service supplied to a customer's Qualifying Service location. For that portion of the customer's load purchased from an electric generation supplier, the following reductions shall apply for Rate Schedules GS-3, LP-4, and LP-5.

| | <u>GS-3</u> | <u>LP-4</u> | <u>LP-5</u> | (C) |
|-----------------------------------------------------|---------------------------|---------------------------|---------------------------|-----|
| Distribution Charge (Effective 1-1-99) | 0.14¢/KWH | 0.07¢/KWH | 0.01¢/KWH | |
| Competitive Transition Charge (Effective 1-1-99) | <u>GS-3</u> 0.243¢/KWH | <u>LP-4</u> 0.264¢/KWH | <u>LP-5</u> 0.283¢/KWH | |
| Competitive Transition Charge (Effective 1-1-00) | 0.225¢/KWH | 0.249¢/KWH | 0.268¢/KWH | |
| Competitive Transition Charge (Effective 1-1-01) | 0.219¢/KWH | 0.244¢/KWH | 0.262¢/KWH | |
| Competitive Transition Charge (Effective 1-1-02) | 0.208¢/KWH | 0.233¢/KWH | 0.250¢/KWH | |
| Competitive Transition Charge (Effective 1-1-03) | 0.200¢/KWH | 0.226¢/KWH | 0.243¢/KWH | |
| Competitive Transition Charge (Effective 1-1-04) | 0.191¢/KWH | 0.217¢/KWH | 0.233¢/KWH | |
| Competitive Transition Charge (Effective 1-1-05) | 0.178¢/KWH | 0.205¢/KWH | 0.220¢/KWH | |
| Competitive Transition Charge (Effective 1-1-06) | 0.168¢/KWH | 0.192¢/KWH | 0.207¢/KWH | |
| Competitive Transition Charge (Effective 1-1-07) | 0.159¢/KWH | 0.184¢/KWH | 0.200¢/KWH | |
| Competitive Transition Charge (Effective 1-1-08) | 0.148¢/KWH | 0.172¢/KWH | 0.184¢/KWH | |
| Competitive Transition Charge (Effective 1-1-09) | 0.133¢/KWH | 0.155¢/KWH | 0.166¢/KWH | |

(Continued)

(C) Indicates Change

Issued August 12, 1998

Effective January 1, 1999

ECONOMIC DEVELOPMENT INITIATIVES RIDER (Continued)

GENERAL CONDITIONS

The provisions of this rider are available to customers who became eligible on or before December 31, 1989. (C)

The billing adjustment under this rider will continue through December 31, 2009. All provisions of this rider will terminate on January 1, 2010. (C)

The rate reductions under this rider are applicable to base rate charges before application of the State Tax Adjustment Surcharge included in this tariff. (C)

Minimum bills under the applicable rate schedule are not reduced by the application of this rider.

This rider applies only once per customer. Eligible customers who elect to receive billing adjustments under this rider as new customers subsequently may not elect to receive billing adjustments under this rider as existing customers.

This rider does not apply to customers who have on-site generation which can be substituted for the Company's service, unless the on-site generation is maintained solely for use in case of interruption of Company's service. (C)

An electric service contract is required for billing under this rider.

The Company will monitor the effects of this rider and make appropriate modifications or close the rider to additional applications as approved by the Pennsylvania Public Utility Commission.

INTERRUPTIBLE SERVICE BY AGREEMENT (R)

(C)

New applications for service under the Rate Schedule are limited to customers of the Company who have not had the opportunity to purchase capacity and energy from their choice of electric generation supplier pursuant to the enrollment procedures contained in the Commission's order at Docket Nos. M-00960890F.0014 and M-00960890F.0015. No new applications will be accepted after August 27, 1998.

(C)

APPLICATION

This Service is available to large general service customers who take service from available transmission lines of 69,000 volts or higher. The customer furnishes and maintains all equipment necessary to transform the energy from line voltage. This Service is available only to customers who require interruptible service which is different than that provided in the Company's Rate Schedules. It is available only to customers who accept service interruptions pursuant to a service agreement.

The Company will not enter into new contracts for interruptible service if the amount of interruptible power from all customers served under Rate Schedules IS-1, IS-P, IS-T, PR-2(R), the Competitive Rate Rider, and Interruptible Service by Agreement exceeds a total of 500 MW.

NET MONTHLY SERVICES CHARGES

Charges for service shall be mutually agreed upon by the Company and the customer in a signed service agreement. The agreement's effectiveness will be conditioned upon Pennsylvania Public Utility Commission approval.

CONDITIONS OF SERVICE

A service agreement between the Company and the customer must include, at a minimum, the following:

- the term of the agreement for interruptible service,
- the delivery point location and characteristics of service,
- the metering for the customer's firm and interruptible service,
- the estimated firm power service level (KW),
- the maximum number of interruptions per year,
- the maximum duration of interruption per interruption period and the maximum aggregate hours of interruption per year and in any billing month,
- the amount of advance notice of an interruption given to a customer,
- the additional charge for continued use (KWH) of interruptible load (KW) during a period of economic load control,
- the penalty for failure to interrupt load (KW) when called for during an emergency interruption period,
- the basis for calculating billing demand (KW),
- the minimum billing demand (KW),
- the power factor acceptable to the Company at the delivery point,
- the monthly rate for firm and interruptible demand and energy, and the monthly minimum bill,
- terms for payments of bills rendered by the Company, and
- conditions for termination of the agreement.

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INDUSTRIAL DEVELOPMENT INITIATIVES RIDER

PURPOSE

This rider provides for an incentive rate billing option to existing and new industrial customers to encourage economic development in the Company's service area.

APPLICATION PROVISIONS

This rider is applicable to existing and new industrial customers served under Rate Schedules GS-3, LP-4, and LP-5 with at least a one month Billing KW of 100 KW or greater. Existing customers must sign a contract agreeing to (1) increase production or (2) expand physical plant at the service location. (C)

This rider is applied to customer baseline load, but is not applied to incremental or decremental kilowatt or kilowatt-hour usage under Rate Schedule PR-1(R).

DEFINITIONS

1. Base Period – For customers entering the program on or after the effective date of this rider, the base period is the twelve months ended December 31, 1991. If billing history is unavailable for the twelve months ended December 31, 1991, the base period will be the first full twelve months of billing. If less than twelve months of billing history is available, the Company will determine a base period prior to application of the rider. If, in the opinion of the Company, usage during any billing month(s) of the base period is not representative of the customer's expected normal usage pattern, the Company may change the base period Billing KW and kilowatt-hours to reflect normal usage.

The base period established when this rider is applied initially to a customer's bill at a service location shall remain unchanged for all subsequent applications of this rider at the same service location for the same customer. If, during the phase-in period, a customer purchases energy from the Company and from an electric generation supplier, base period usage shall include, on a pro rata basis, kW and KWH purchased from the Company and from the electric generation supplier. (C)

2. Industrial Customer -- A customer holding a Pennsylvania Sales Tax Exemption Certificate which indicates the service address and certifies that, on an annual basis, more than fifty percent of the electricity purchased is exempt from sales tax because it is used in manufacturing operations. The customer shall submit the Pennsylvania Sales Tax Exemption Certificate to the Company.

3. New Service Location -- A service location shown on the Pennsylvania Sales Tax Exemption Certificate which (a) previously has not been supplied electric service by the Company, (b) previously has been supplied electric service, but the new service is for a different manufacturing operation than the previous operation, or (c) was disconnected at least twelve months prior to application for service under this rider.

(Continued)

(C) Indicates Change

INDUSTRIAL DEVELOPMENT INITIATIVES RIDER (CONTINUED)

DEFINITIONS (Continued)

4. Billing Adjustments - Existing Customers. For that portion of the customer's load purchased from the Company, a reduction of \$2 per kilowatt and 1 cent per kilowatt-hour shall apply, respectively, to each kilowatt of Billing KW and each kilowatt-hour of energy billed in excess of the Billing KW and kilowatt-hours for the corresponding billing month of the Base Period for service supplied to a customer's existing service location. For that portion of the customer's load purchased from an electric generation supplier, the following reductions shall apply for Rate Schedules GS-3, LP-4, and LP-5.

| | <u>GS-3</u> | <u>LP-4</u> | <u>LP-5</u> | |
|-----------------------------------------------------|----------------------------------------|----------------------------------------|----------------------------------------|-----|
| Distribution Charge (Effective 1-1-99) | \$0.27/KW 0.14¢/KWH | \$0.14/KW 0.07¢/KWH | \$0.02/KW 0.01¢/KWH | (C) |
| Competitive Transition Charge (Effective 1-1-99) | <u>GS-3</u> \$0.49/KW 0.243¢/KWH | <u>LP-4</u> \$0.53/KW 0.264¢/KWH | <u>LP-5</u> \$0.57/KW 0.283¢/KWH | |
| Competitive Transition Charge (Effective 1-1-00) | \$0.45/KW 0.225¢/KWH | \$0.50/KW 0.249¢/KWH | \$0.54/KW 0.268¢/KWH | |
| Competitive Transition Charge (Effective 1-1-01) | \$0.44/KW 0.219¢/KWH | \$0.49/KW 0.244¢/KWH | \$0.52/KW 0.262¢/KWH | |
| Competitive Transition Charge (Effective 1-1-02) | \$0.42/KW 0.208¢/KWH | \$0.47/KW 0.233¢/KWH | \$0.50/KW 0.250¢/KWH | |
| Competitive Transition Charge (Effective 1-1-03) | \$0.40/KW 0.200¢/KWH | \$0.45KW 0.226¢/KWH | \$0.49/KW 0.243¢/KWH | |
| Competitive Transition Charge (Effective 1-1-04) | \$0.38/KW 0.191¢/KWH | \$0.43/KW 0.217¢/KWH | \$0.47/KW 0.233¢/KWH | |
| Competitive Transition Charge (Effective 1-1-05) | \$0.36/KW 0.178¢/KWH | \$0.41/KW 0.205¢/KWH | \$0.44/KW 0.220¢/KWH | |
| Competitive Transition Charge (Effective 1-1-06) | \$0.34/KW 0.168¢/KWH | \$0.38/KW 0.192¢/KWH | \$0.41/KW 0.207¢/KWH | |
| Competitive Transition Charge (Effective 1-1-07) | \$0.32/KW 0.159¢/KWH | \$0.37/KW 0.184¢/KWH | \$0.40/KW 0.200¢/KWH | |
| Competitive Transition Charge (Effective 1-1-08) | \$0.30/KW 0.148¢/KWH | \$0.34/KW 0.172¢/KWH | \$0.37/KW 0.184¢/KWH | |
| Competitive Transition Charge (Effective 1-1-09) | \$0.27/KW 0.133¢/KWH | \$0.31/KW 0.155¢/KWH | \$0.33/KW 0.166¢/KWH | |

(Continued)

(C) Indicates Change

INDUSTRIAL DEVELOPMENT INITIATIVES RIDER (CONTINUED)

5. Billing Adjustments - New Customers. For that portion of the customer's load purchased from the Company, a reduction of 1 cent per kilowatt-hour shall apply to all kilowatt-hours billed in excess of 400 hours use of the monthly Billing KW for service supplied to a customer's New Service Location. For that portion of the customer's load purchased from an electric generation supplier, the following reductions shall apply for Rate Schedules GS-3, LP-4, and LP-5.

| | <u>GS-3</u> | <u>LP-4</u> | <u>LP-5</u> | (C) |
|-----------------------------------------------------|---------------------------|---------------------------|---------------------------|-----|
| Distribution Charge (Effective 1-1-99) | 0.14¢/KWH | 0.07¢/KWH | 0.01¢/KWH | |
| Competitive Transition Charge (Effective 1-1-99) | <u>GS-3</u> 0.243¢/KWH | <u>LP-4</u> 0.264¢/KWH | <u>LP-5</u> 0.283¢/KWH | |
| Competitive Transition Charge (Effective 1-1-00) | 0.225¢/KWH | 0.249¢/KWH | 0.268¢/KWH | |
| Competitive Transition Charge (Effective 1-1-01) | 0.219¢/KWH | 0.244¢/KWH | 0.262¢/KWH | |
| Competitive Transition Charge (Effective 1-1-02) | 0.208¢/KWH | 0.233¢/KWH | 0.250¢/KWH | |
| Competitive Transition Charge (Effective 1-1-03) | 0.200¢/KWH | 0.226¢/KWH | 0.243¢/KWH | |
| Competitive Transition Charge (Effective 1-1-04) | 0.191¢/KWH | 0.217¢/KWH | 0.233¢/KWH | |
| Competitive Transition Charge (Effective 1-1-05) | 0.178¢/KWH | 0.205¢/KWH | 0.220¢/KWH | |
| Competitive Transition Charge (Effective 1-1-06) | 0.168¢/KWH | 0.192¢/KWH | 0.207¢/KWH | |
| Competitive Transition Charge (Effective 1-1-07) | 0.159¢/KWH | 0.184¢/KWH | 0.200¢/KWH | |
| Competitive Transition Charge (Effective 1-1-08) | 0.148¢/KWH | 0.172¢/KWH | 0.184¢/KWH | |
| Competitive Transition Charge (Effective 1-1-09) | 0.133¢/KWH | 0.155¢/KWH | 0.166¢/KWH | |

(Continued)

(C) Indicates Change

INDUSTRIAL DEVELOPMENT INITIATIVES RIDER (CONTINUED)

GENERAL CONDITIONS

The provisions of this rider are available to customers who become eligible on or before December 31, 1997. (C)

The billing adjustments under this rider will continue through December 31, 2009. All provisions of this rider will terminate on January 1, 2010. (C)

The rate reductions under this rider are applicable to base rate charges before application of the State Tax Adjustment Surcharge included in this Tariff. (C)

Minimum bills under the applicable rate schedule are not reduced by the application of this rider.

This rider applies only once per customer. Eligible customers who elect to receive billing adjustments under this rider as a new customer may not elect subsequently to receive billing adjustments under this rider as an existing customer.

This rider does not apply to customers who have on-site generation which can be substituted for the Company's service, unless the on-site generation is maintained solely for use in case of interruption of Company's service. (C)

An electric service contract is required for billing under this rider.

The Company will monitor the effects of this rider and make appropriate modifications or close the rider to additional applications as ordered by the Pennsylvania Public Utility Commission.

COMPETITIVE RATE RIDER (R)**(C)**

New applications for service under this Rider are limited to customers of the Company who have not had the opportunity to purchase capacity and energy from their choice of electric generation supplier pursuant to the enrollment procedures contained in the Commission's order at Docket Nos. M-00960890F.0014 and M-00960890F.0015. No new applications will be accepted after August 27, 1998.

PURPOSE

This rider provides competitive rates to existing and new commercial and industrial customers served under Rate Schedules LP-5, LP-6, and IS-T who can demonstrate that they have a viable competitive alternative to purchasing electric service from the Company and intend to select that alternative to the detriment of the Company and its ratepayers.

(C)**APPLICATION PROVISIONS**

This rider is applicable to existing and new commercial and industrial customers with a monthly maximum demand of 5,000 KW or greater year-round who are served, or who qualify to be served, under Rate Schedules LP-5, LP-6, and IS-T.

The Company will not enter into new contracts for interruptible service if the amount of interruptible power from all customers served under Rate Schedules IS-1, IS-P, IS-T, PR-2(R), the Competitive Rate Rider, and Interruptible Service by Agreement exceeds a total of 500 MW.

GENERAL CONDITIONS

1. The customer must demonstrate that it has a viable competitive alternative to service under Rate Schedule LP-5, LP-6, or IS-T to be eligible for this rider. The customer must provide written information, satisfactory to Company, documenting the customer's competitive alternative. Because of the proprietary nature of the customer's information, this information shall remain confidential.

2. The customer also must demonstrate, to the satisfaction of the Company, that the customer intends to implement the competitive alternative and is financially able to do so.

3. The Company will provide, upon request, a written description of the information that the customer must provide to the Company.

4. The Company shall be the sole judge of whether or not a competitive rate under this rider is appropriate based on the information provided by the customer.

5. The Company will develop competitive rates and terms, on a case-by-case basis, if the Company, in its sole judgement, determines that they are appropriate. The Company is not obligated to match the customer's costs for an alternative source of energy. The rate shall be sufficient to recover all of the Company's appropriate short-run marginal costs of the service and make a contribution to the Company's fixed costs, but shall not exceed the rate for comparable service under Rate Schedule LP-5, LP-6, or IS-T.

(Continued)

COMPETITIVE RATE RIDER (R) (CONTINUED)

(C)

GENERAL CONDITIONS (Continued)

6. To promote energy conservation and efficiency, the Company may require that the customer implement energy efficiency measures prescribed by the Company.

7. The State Tax Adjustment Surcharge is applicable to service under this Rider.

(C)

8. The Economic Development Initiatives Rider and Industrial Development Initiatives Rider provisions of Rate Schedule LP-5 and the Demand Free Day provision of Rate Schedules LP-5 and LP-6 included in this tariff are not applicable to service under this Rider.

9. This Rider does not apply to customers who have on-site generation which can be substituted for the Company's service, unless the on-site generation is maintained solely for use in case of interruption of Company's service.

(C)

10. An electric service contract is required for billing under this Rider. The competitive rate shall be specified in the contract. Because of the proprietary nature of the terms of the contract, the terms shall remain confidential.

(C)

(C)

**OPTIONAL POWER WATCH™ SERVICE RIDER - RESIDENTIAL
(EXPERIMENTAL)****PURPOSE**

This experimental Rider sets forth the conditions under which residential customers may receive POWER WATCH™ Service. POWER WATCH™ Service is an outage detection service that continuously monitors electric service to the customer's home and automatically calls the Company and, optionally, the customer or a customer designated third party by telephone if the customer's electric service is interrupted for any reason for longer than one minute. Nothing in this Rider is intended to prohibit a customer from obtaining similar services from another provider. (C)

APPLICATION

POWER WATCH™ Service under this rider is available, upon application, in accordance with the conditions set forth below, to any customer receiving single-phase service from the Company under Rate Schedules RS, RTS, or RTD. To be eligible for this service, the customer's premises must have: (1) an active telephone line with pulse or tone dialing, (2) a standard RJ11 telephone jack, and (3) a 120-Volt electrical outlet available for use. The electrical outlet for the plug-in POWER WATCH™ sensor may not be switchable, may not have ground fault protection at the outlet or at the service panel for the outlet, and must be available only for the plug-in POWER WATCH™ sensor. POWER WATCH™ Service is not available where it is incompatible with the customer's telephone equipment or system, or where it will interfere with the automatic telephone notification features of the customer's security or fire alarm system. This experimental rider will terminate on December 31, 2000, and all then existing POWER WATCH™ Service will be terminated at that time.

NET MONTHLY RATE

POWER WATCH™ Service \$3.50 per service location

In addition to the Net Monthly Rate, the customer shall pay an Application Fee of \$19.95 per service location when applying for POWER WATCH™ Service, provided, however, that customers applying for POWER WATCH™ Service during the period August 14, 1996 through December 31, 1996 shall receive a \$5.00 rebate of the normal Application Fee. The customer may pay the Application Fee by credit card, check, or money order.

The charges to the customer for POWER WATCH™ Service will be separate from the charges billed monthly to the customer for electric service.

PAYMENT OPTIONS FOR NET MONTHLY RATE

The customer may elect one of the following payment options for the Net Monthly Rate.

- (a) Pre-payment. - The customer may pre-pay the Net Monthly Rate annually by credit card, check, or money order or biannually by credit card only. Customers electing to pre-pay the Net Monthly Rate annually when applying for POWER WATCH™ Service will receive one month of POWER WATCH™ Service free of charge each year.
- (b) Post-payment. - The customer may post-pay the Net Monthly Rate monthly by credit card only. The Company will automatically bill the Net Monthly Rate to the customer's credit card account at the end of each month of POWER WATCH™ Service.

(Continued)

**OPTIONAL POWER WATCH™ SERVICE RIDER - RESIDENTIAL
(EXPERIMENTAL)****EQUIPMENT AND SERVICE**

The Company will furnish the plug-in POWER WATCH™ sensor, which shall, at all times, remain the property of the Company; however, the customer is responsible for installing this equipment.

EXCLUSIVE REMEDIES

If the customer is dissatisfied for any reason with the POWER WATCH™ Service during the first 90 days after the POWER WATCH™ sensor is shipped to the customer, the customer may return the POWER WATCH™ sensor to the Company, and either request a replacement POWER WATCH™ sensor, at no additional cost to the customer, or terminate POWER WATCH™ Service. If the customer chooses to terminate POWER WATCH™ Service within this 90-day period, the Company will refund any monies paid by the customer to the Company for this service, including the Application Fee, upon return of the POWER WATCH™ sensor.

THE COMPANY MAKES NO WARRANTIES OF ANY KIND WITH RESPECT TO THE POWER WATCH™ SENSOR OR THE POWER WATCH™ SERVICE, WHETHER STATUTORY, WRITTEN, ORAL, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY EXPRESS OR IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR TO THE PERFORMANCE OR RELIABILITY OF THE POWER WATCH™ SENSOR OR POWER WATCH™ SERVICE.

The Company's total liability to any person or entity for any loss, injury, damage or expense suffered or incurred by any person or entity arising out of, or in any manner relating to, any defect, malfunction or other problem with the POWER WATCH™ sensor, or failure of performance of the POWER WATCH™ Service, whether such claim is based upon breach of contract, strict liability, tort (including negligence) or otherwise, and whether such damages are direct, indirect, special, incidental, consequential or otherwise, shall be limited to \$500. The customer's sole and exclusive remedy and the Company's sole obligation and liability in connection with the POWER WATCH™ Service and POWER WATCH™ sensor are as stated above.

TERMINATION OF SERVICE

Service under this rider may be terminated for non-payment or upon request by the customer. Upon termination of POWER WATCH™ Service, customers utilizing this service shall contact the Company in order to arrange for the return of the POWER WATCH™ sensor(s) to the Company, in the manner specified by the Company. Upon receipt of the POWER WATCH™ sensor, the Company will return to the customer a prorata share of any pre-payment of the Net Monthly Rate made by the customer for whole months of POWER WATCH™ Service not actually received.

**OPTIONAL POWER WATCH™ SERVICE RIDER - COMMERCIAL
(EXPERIMENTAL)****PURPOSE**

This experimental Rider sets forth the conditions under which commercial customers may receive POWER WATCH™ Service. POWER WATCH™ Service is an outage detection service that continuously monitors electric service to the customer's business and automatically calls the Company and, optionally, the customer or a customer designated third party by telephone if the customer's electric service is interrupted for any reason for longer than one minute. Nothing in this Rider is intended to prohibit a customer from obtaining similar services from another provider. (C)

APPLICATION

POWER WATCH™ Service under this rider is available, upon application, in accordance with the conditions set forth below, to any commercial customer receiving single-phase service from the Company under Rate Schedules GS-1, GS-3, or GH-1(R). To be eligible for this service, the customer's premises must have: (1) an active telephone line with pulse or tone dialing, (2) a standard RJ11 telephone jack, and (3) a 120-Volt electrical outlet available for use. The electrical outlet for the plug-in POWER WATCH™ sensor may not be switchable, may not have ground fault protection at the outlet or at the service panel for the outlet, and must be available only for the plug-in POWER WATCH™ sensor. POWER WATCH™ Service is not available where it is incompatible with the customer's telephone equipment or system, or where it will interfere with the automatic telephone notification features of the customer's security or fire alarm system. This experimental rider will terminate on December 31, 2000, and all then existing POWER WATCH™ Service will be terminated at that time.

NET MONTHLY RATE

POWER WATCH™ Service \$5.95 per service location

In addition to the Net Monthly Rate, the customer shall pay an Application Fee of \$24.95 per service location when applying for POWER WATCH™ Service, provided, however, that customers applying for POWER WATCH™ Service during the period August 14, 1996 through December 31, 1996 shall receive a \$5.00 rebate of the normal Application Fee. The customer may pay the Application Fee by credit card, check, or money order.

The charges to the customer for POWER WATCH™ Service will be separate from the charges billed monthly to the customer for electric service.

PAYMENT OPTIONS FOR NET MONTHLY RATE

The customer may elect one of the following payment options for the Net Monthly Rate.

- (a) Pre-payment. - The customer may pre-pay the Net Monthly Rate annually by credit card, check, or money order or biannually by credit card only. Customers electing to pre-pay the Net Monthly Rate annually when applying for POWER WATCH™ Service will receive one month of POWER WATCH™ Service free of charge each year.
- (b) Post-payment. - The customer may post-pay the Net Monthly Rate monthly by credit card only. The Company will automatically bill the Net Monthly Rate to the customer's credit card account at the end of each month of POWER WATCH™ Service.

(Continued)

**OPTIONAL POWER WATCH™ SERVICE RIDER - COMMERCIAL
(EXPERIMENTAL)****EQUIPMENT AND SERVICE**

The Company will furnish the plug-in POWER WATCH™ sensor, which shall, at all times, remain the property of the Company; however, the customer is responsible for installing this equipment.

EXCLUSIVE REMEDIES

If the customer is dissatisfied for any reason with the POWER WATCH™ Service during the first 90 days after the POWER WATCH™ sensor is shipped to the customer, the customer may return the POWER WATCH™ sensor to the Company, and either request a replacement POWER WATCH™ sensor, at no additional cost to the customer, or terminate POWER WATCH™ Service. If the customer chooses to terminate POWER WATCH™ Service within this 90-day period, the Company will refund any monies paid by the customer to the Company for this service, including the Application Fee, upon return of the POWER WATCH™ sensor.

THE COMPANY MAKES NO WARRANTIES OF ANY KIND WITH RESPECT TO THE POWER WATCH™ SENSOR OR THE POWER WATCH™ SERVICE, WHETHER STATUTORY, WRITTEN, ORAL, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY EXPRESS OR IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR TO THE PERFORMANCE OR RELIABILITY OF THE POWER WATCH™ SENSOR OR POWER WATCH™ SERVICE.

The Company's total liability to any person or entity for any loss, injury, damage or expense suffered or incurred by any person or entity arising out of, or in any manner relating to, any defect, malfunction or other problem with the POWER WATCH™ sensor, or failure of performance of the POWER WATCH™ Service, whether such claim is based upon breach of contract, strict liability, tort (including negligence) or otherwise, and whether such damages are direct, indirect, special, incidental, consequential or otherwise, shall be limited to \$500. The customer's sole and exclusive remedy and the Company's sole obligation and liability in connection with the POWER WATCH™ Service and POWER WATCH™ sensor are as stated above.

TERMINATION OF SERVICE

Service under this rider may be terminated for non-payment or upon request by the customer. Upon termination of POWER WATCH™ Service, customers utilizing this service shall contact the Company in order to arrange for the return of the POWER WATCH™ sensor(s) to the Company, in the manner specified by the Company. Upon receipt of the POWER WATCH™ sensor, the Company will return to the customer a prorata share of any pre-payment of the Net Monthly Rate made by the customer for whole months of POWER WATCH™ Service not actually received.

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COMPETITIVE TRANSITION CHARGE RECONCILIATION RIDER

(C)

PURPOSE

This rider provides for the annual reconciliation of the Competitive Transition Charge (CTC) revenue recovery.

APPLICATION

This rider applies to the Competitive Transition Charges included in each Rate Schedule in this Tariff.

COMPETITIVE TRANSITION CHARGE

A non-bypassable CTC is included in each Rate Schedule to recover, over the period January 1, 1999 through December 31, 2009, the total amount of transition costs authorized by the Commission, plus an annual 10.86% pre-tax return compounded monthly on the unamortized balance of transition costs and the applicable Pennsylvania Gross Receipts Tax. The Company and the customer may mutually agree on an alternative payment method that provides full recovery of CTC responsibility, without bypass by the customer or under/overcollection by the Company.

ANNUAL RECONCILIATION

The Company will file with the Pennsylvania Public Utility Commission by December 1 of each year an annual reconciliation of the CTC revenue recovery during the immediately preceding application period pursuant to 66 Pa. C.S. §1307. The reconciliation shall become effective for service rendered on and after January 1 and shall remain in effect for a period of one year.

Reconciliation of the annual CTC revenue requirement will be performed separately for each Rate Schedule. The reconciliation by Rate Schedule will include a calculation of the adjustments to the CTC rates, in cents per KWH, required to refund or recover previous application period over or under recoveries of the annual CTC revenue requirement. The reconciliation will be based on the difference between CTC revenue based on actual usage and the level of CTC revenue based on the level of projected total sales for that previous application period and shall reflect any prepayment of CTC charges under special payment agreements. Any amount of underrecovery that will not be recovered will be collected in the subsequent application period before the annual CTC revenue requirement for such subsequent application period is collected. If the rate cap imposed by the Electricity Generation Customer Choice and Competition Act limits any upward adjustment necessary to recover previous underrecoveries, the CTC recovery period may be extended beyond December 31, 2009 to recover any CTC underrecovery unrecovered on that date.

The adjustments to the CTC rates will be calculated to produce the level of CTC revenue that will result in the unamortized transition cost principal balance at the next reconciliation date being equal to the projected balance at that date as set forth in Appendices A and K of the Joint Petition for Full Settlement of PP&L, Inc.'s Restructuring Plan and Related Court Proceedings at Docket No. R-00973954, including the 10.86% pre-tax return compounded monthly on the unamortized balance of transition costs, including any prior period over/under recoveries, and applicable Pennsylvania Gross Receipts Tax. Each annual reconciliation will be based on total annual retail sales and CTC revenue requirements as set forth Appendices A and K of the Joint Petition for Full Settlement of PP&L, Inc.'s Restructuring Plan and Related Court Proceedings at Docket No. R-00973954, for the period 1999 through 2009.

(C) Indicates Change

SUSTAINABLE ENERGY FUND RIDER

(C)

PURPOSE

This rider provides for a fund to promote the development and use of renewable energy and clean energy technologies, energy conservation and efficiency which promote clean energy.

APPLICATION

This rider applies to the Distribution Charges included in each Rate Schedule in this Tariff.

SUSTAINABLE ENERGY FUND

The Company will establish a sustainable energy fund which shall be funded from the Distribution Charges in each Rate Schedule at the rate of 0.01 cents per KWH (less applicable gross receipts tax) on all KWH delivered to all customers beginning on January 1, 1999 and ending on December 31, 2004, or until the Commission establishes new Distribution Charge rates, whichever is longer.

RENEWABLE ENERGY DEVELOPMENT RIDER**(C)****PURPOSE**

This rider allows customers to install and operate renewable energy generation.

APPLICATION

This rider applies to customers served under Rate Schedules RS, RTD(R), RTS, GS-1, and GS-3 with single phase, secondary voltage service who install a device or devices not exceeding 10 KW which are, in the Company's sole judgment, a bonafide technology for use in generating electricity from qualifying renewable energy installations, and which will be operated in parallel with the Company's system. Qualifying renewable energy installations are limited to solar panels, wind, biomass, methane field, and fuel cell generation. The customer's equipment must conform to the Company's "Relay and Control Requirements for Parallel Operation of Nonutility Generation" and, as appropriate, IEEE Standard 929-1988 and UL Publication 1741 ("Power Conditioning Units for Use in Residential Photovoltaic Power Systems"). This rider is not applicable when the source of supply is service purchased from a neighboring electric utility under Rate Schedule BL, Borderline Service - Electric Utilities.

The Company will modify its distribution facilities, as necessary, to interconnect with the customer at a single point of delivery. A customer will be charged for all modifications, additions, or facilities in excess of \$1000, necessary to interconnect with the customer at a single point. In addition, the Company will charge a processing fee for applications under this rider of \$300 for non-photovoltaic installations and a fee of \$100 for photovoltaic installations.

METERING AND BILLING PROVISIONS

A customer may select one of the following metering options in conjunction with service under applicable Rate Schedule RS, RTD(R), RTS, GS-1, or GS-3.

a) For Rate Schedules RS, RTD(R), and RTS only, one non-detented, bi-directional meter may be installed. This meter will record the net energy sales to the customer which will be billed under the applicable Rate Schedule. If the customer's renewable energy installation generates more energy than the customer uses in any billing month, the Company will not charge the customer for any energy usage or pay the customer for the excess energy delivered by the customer to the Company.

b) Two detented meters may be installed. One meter will measure the energy delivered by the Company to the customer. The other meter will measure energy delivered to the Company by the customer which is generated by the customer's qualified renewable energy installation.

c) The Company may provide Qualified Meters on terms approved by the Commission.

Under options b) or c) above, the customer shall pay the Company for the amount of energy delivered by the Company to the customer under the applicable Rate Schedule. The Company shall pay the customer monthly for any energy delivered by the customer to the Company at the monthly average PP&L Locational Marginal Price rate, or its successor, as developed by PJM for the load bus to which the energy is delivered, provided the customer is authorized to sell energy to the Company under applicable law.

METERING CHARGE

In addition to distribution facility and processing fees, the customer shall compensate the Company for the estimated additional fully allocated cost of installing, maintaining, and reading any additional or nonstandard metering required for installations under metering option c) of this rider. There is no additional metering charge under metering options a) or b). The sum of the meter readings from the two meters in metering options b) and c) will be used to calculate any applicable Transmission and Distribution Charges under the applicable Rate Schedule.

MINIMUM CHARGE

The Monthly Minimum Charges under Rate Schedules RS, RTD(R), RTS, GS-1, and GS-3 apply for installations under this rider.

The State Tax Adjustment Surcharge applies to charges under this rider.

(C) Indicates Change

METERING AND BILLING CREDIT RIDER

(C)

PURPOSE

This rider provides for monthly Distribution Charge credits when an Electric Generation Supplier licensed by the Commission provides metering, meter reading, and/or billing and collection service to a customer in lieu of the Company.

APPLICATION

This rider applies to the Distribution Charges included in each Rate Schedule included in this Tariff.

NET MONTHLY DISTRIBUTION CHARGE CREDIT (Effective 1-1-99)

| <u>Rate Schedule</u> | <u>Metering</u> | <u>Meter Reading</u> | <u>Billing and Collection</u> |
|--------------------------------------------------|-----------------|----------------------|-------------------------------|
| RS | \$ 0.82 | \$ 1.72 | \$ 2.15 |
| Separate Water Heating Service | 0.82 | 1.72 | 2.15 |
| RTS | 0.82 | 1.72 | 2.15 |
| RTD(R) | 0.82 | 1.72 | 2.15 |
| GS-1 | 5.47 | 2.08 | 2.20 |
| Off-Peak Space Conditioning and Water Heating | 5.47 | 2.08 | 2.20 |
| Volunteer Fire Co./Sr. Citizen Centers | 0.82 | 1.72 | 2.15 |
| GS-3 | 5.47 | 2.08 | 2.20 |
| Off-Peak Space Conditioning and Water Heating | 5.47 | 2.08 | 2.20 |
| Volunteer Fire Co./Sr. Citizen Centers | 0.82 | 1.72 | 2.15 |
| LP-4 | 98.36 | 23.95 | 4.06 |
| Off-Peak Space Conditioning and Water Heating | 5.47 | 2.08 | 2.20 |
| LP-5 | 551.94 | 35.95 | 18.55 |
| LP-6 | 551.94 | 35.95 | 18.55 |
| LPEP | 551.94 | 35.95 | 18.55 |
| IS-1(R) | 5.47 | 2.08 | 2.20 |
| IS-P(R) | 98.36 | 23.95 | 4.06 |
| IS-T(R) | 551.94 | 35.95 | 18.55 |
| BL | 5.47 | 2.08 | 2.20 |
| SA | | | 2.20 |
| SM | | | 2.20 |
| SHS | | | 2.20 |
| SE | 5.47 | 2.08 | 2.20 |
| TS(R) | | | 2.20 |
| SI-1(R) | | | 2.20 |
| GH-1(R) | 5.47 | 2.08 | 2.20 |
| GH-2(R) | 5.47 | 2.08 | 2.20 |
| Standby Service - 480 Volts or Less | 5.47 | 2.08 | 2.20 |
| Standby Service - 12,470 Volts | 98.36 | 23.95 | 4.06 |
| Standby Service - 69,000 Volts or Higher | 551.94 | 35.95 | 18.55 |

(C) Indicates Change

INTERIM CODE OF CONDUCT

This Code of Conduct will become effective immediately upon approval by the Commission.

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

1. The Company, in its role as the Electric Distribution Company ("PP&L EDC"), shall not give a PP&L Supplier preference over a non-affiliate in the provision of goods and services such as processing requests for information, complaint processing and responses to service interruptions. PP&L EDC shall provide comparable treatment without regard to the customer's chosen EGS.
2. PP&L EDC shall supply services and apply the rules and other provisions of its Tariffs to non-affiliates in the same manner it applies them to a PP&L supplier.
3. PP&L EDC shall not sell non-power goods or services to a PP&L Supplier at a price below the cost or market price, whichever is higher, for said goods or services. PP&L EDC will not purchase non-power goods or services from a PP&L Supplier at a price above the market price for said goods or services. No transaction between PP&L EDC and a PP&L Supplier shall involve an anti-competitive cross subsidy and all such transactions shall comply with applicable law.
4. PP&L EDC shall simultaneously make available to all EGSs any market information, not in the public domain, that it provides to a PP&L Supplier.
5. Employees of PP&L EDC who have responsibility for operating the distribution system, such as receiving requests for power, purchasing power, scheduling delivery, or billing and metering, shall not be shared with a PP&L Supplier, and their offices shall be physically separated from the office(s) used by those working for the PP&L Supplier. Such employees of PP&L EDC may transfer to a PP&L Supplier provided such transfer is not used as a means to circumvent this Interim Code of Conduct. Any PP&L Supplier shall have its own direct line management. Any shared facilities shall be fully and transparently allocated between the PP&L EDC function and the PP&L Supplier function. PP&L EDC accounts and records shall be maintained such that the costs a PP&L Supplier incurs may be clearly identified.
6. PP&L EDC shall not condition the provision of any PaPUC jurisdictional regulated services on the purchase of power from a PP&L Supplier.
7. (a) Neither PP&L EDC nor a PP&L Supplier may directly or by implication falsely and unfairly represent:
 - that the PaPUC jurisdictional regulated services provided by PP&L EDC are of a superior quality when power is purchased from a PP&L Supplier; or
 - that the merchant services (for power) are being provided by PP&L EDC rather than a PP&L Supplier;
 - that the power purchased from an EGS that is not a PP&L Supplier may not be reliably delivered;
 - that power must be purchased from a PP&L Supplier to receive PP&L EDC PaPUC jurisdictional regulated services.

(Continued)

INTERIM CODE OF CONDUCT (Continued)

- (b) PP&L EDC shall not jointly market or jointly package its PaPUC jurisdictional, regulated services with the services of a PP&L Supplier. This prohibition includes prohibiting PP&L EDC from including bill inserts in its EDC bills promoting a PP&L Supplier's services, and further precludes a reference or link from PP&L EDC's web-site to any PP&L Supplier.
- (c) When a PP&L Supplier markets or communicates to the public using the PP&L EDC name or logo it shall include a disclaimer that states: (1) that the PP&L Supplier is not the same company as the PP&L EDC; (2) that the prices of the PP&L Supplier are not regulated by the PaPUC; and (3) that a Customer does not have to buy electricity or other products from the PP&L Supplier in order to receive the same quality service from PP&L EDC. When a PP&L Supplier advertises or communicates verbally through radio or television to the public using the PP&L EDC name or logo, PP&L Supplier shall include at the conclusion of any such communication a disclaimer that includes all of the disclaimers listed in this paragraph.
8. Violations of this code of Conduct shall result in PaPUC-ordered fines at the levels determined to be appropriate by the PaPUC. Any such action would not preclude or limit additional private remedies or civil action.
9. Dispute Resolution Procedures:
- Regarding any dispute between PP&L EDC, and/or a PP&L Supplier, and an EGS (each individually referred to as "Party" and collectively referred to as "Parties") alleging a violation of any of these Code of Conduct provisions, the EGS must provide PP&L EDC and/or PP&L Supplier, as applicable, a written Notice of Dispute that includes the names of the Parties and customer(s), if any, involved and a brief description of the matters in dispute.
 - Within five (5) days of PP&L EDC's and/or PP&L Supplier's receipt of a Notice of Dispute, a designated senior representative of each of the Parties shall attempt to resolve the dispute on an informal basis.
 - In the event the designated representatives are unable to resolve the dispute by mutual agreement within thirty (30) days of said referral, the dispute shall be referred for mediation through the Commission's Office of Administrative Law Judge. A party may request mediation prior to that time if it appears that informal resolution is not productive.
 - If mediation is not successful, then the matter shall be converted to a formal proceeding before a Commission Administrative Law Judge.
 - Any Party may file a complaint concerning the dispute with the Commission under relevant provisions of the Public Utility Code.
10. PP&L EDC shall file a compliance filing within 60 days of execution of any settlement which sets forth a detailed plan for compliance with this Code of Conduct as well as the PUC separation and cost allocation requirements already ordered.

PP&L-GENCO CODE OF CONDUCT

(C)

In addition to any other Code of Conduct that might apply, the following Competitive Safeguards shall apply to transactions by PP&L in its electric distribution company provider of last resort role ("PP&L-EDC"), or by any divisional and/or affiliated EGS, in Pennsylvania from any PP&L-affiliated entity to the entity ("PP&L-GENCO") that assets have been transferred pursuant to the Settlement.

1. Neither PP&L-EDC nor PP&L-Supplier shall receive from the PP&L-GENCO an unreasonable preference over a non-affiliated EGS or treatment that is not comparable to that afforded a non-affiliated EGS in the purchase, sale, use or conveyance of goods and services, including energy, installed capacity, generation related ancillary services, firm transmission rights, capacity benefit margins or any other generation and transmission product, service or asset.
2. The PP&L-EDC and the PP&L-Supplier shall receive tariffed generation or transmission from the PP&L-GENCO, to the extent the PP&L-GENCO provides tariffed services, in a manner that is comparable or otherwise is not anti-competitive when compared to how the same tariff services are provided to non-affiliated EGSs.
3. No transaction between a PP&L-EDC or PP&L-Supplier and PP&L-GENCO shall involve an anti-competitive cross subsidy and all such transactions shall comply with applicable law.
4. PP&L-GENCO shall not offer retail generation services to retail electric customers in the PP&L service territory before January 1, 2004.
5. If PP&L-GENCO is authorized after January 1, 2004 by the PUC to provide retail generation services, PP&L-GENCO shall not engage in anti-competitive or discriminatory conduct which prevents retail electricity customers in this Commonwealth from obtaining the benefits of a properly functioning and workable competitive retail electricity market.
6. PP&L-EDC and PP&L-Supplier will file monthly the Commission complete information about price, terms, and conditions concerning transactions involving PP&L-GENCO that are covered by these provisions. The Commission's standard rules governing proprietary information shall apply.
7. PP&L-EDC shall establish and file with the Commission a dispute resolution procedure to address complaints alleging violation of the provisions. The Commission shall finally adjudicate within 60 days any complaint filed with the PUC concerning these provisions. The PP&L-EDC internal dispute resolution procedure will not extend the 60 day period in which disputes shall be resolved.
8. This agreement does not confer jurisdiction on the Commission that does not otherwise exist under applicable law, and any Order issued finding a violation of these provisions shall be directed to PP&L-EDC or PP&L-Supplier, unless PP&L-GENCO is providing retail generation services in the Commonwealth of Pennsylvania.
9. With the exception of paragraph 4, imposition of these provisions does not constitute state action for antitrust purposes.
10. With the exception of paragraph 4, these provisions will remain in effect until the expiration of the CTC collection period or until appropriate and applicable competitive safeguards or Code of Conduct are adopted by the Federal Energy Regulatory Commission ("FERC"), whichever occurs first. All signatories may fully participate in FERC proceeding concerning competitive safeguards or Code of Conduct for PP&L-GENCO, though no signatory may oppose the transfer of assets authorized by Section K of the Settlement.

(C) Indicates Change

RATE SCHEDULE RS RESIDENTIAL SERVICE

APPLICATION RATE SCHEDULE RS

This Rate Schedule is for single phase residential service in accordance with the APPLICATION PROVISIONS hereof. The Multiple Dwelling Unit Application is restricted to eight or less dwelling units for applications after August 26, 1976, and further to buildings converted to multiple dwelling units for applications after June 28, 1980. Separate Water Heating Service is available only to service locations served under this application on and continuously after April 26, 1985.

NET MONTHLY RATE

Distribution Charge (Effective 1-1-99)

\$ 6.47 per month plus

1.796 cts. per KWH for the 200 KWH.

1.594 cts. per KWH for the 600 KWH.

1.472 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-99 through 12-31-99)

1.859 cts. per KWH for the first 200 KWH.

1.649 cts. per KWH for the next 600 KWH.

1.523 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-00 through 12-31-00)

1.846 cts. per KWH for the first 200 KWH.

1.638 cts. per KWH for the next 600 KWH.

1.513 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-01 through 12-31-01)

1.826 cts. per KWH for the first 200 KWH.

1.620 cts. per KWH for the next 600 KWH.

1.496 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-02 through 12-31-02)

1.752 cts. per KWH for the first 200 KWH.

1.555 cts. per KWH for the next 600 KWH.

1.436 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-03 through 12-31-03)

1.710 cts. per KWH for the first 200 KWH.

1.517 cts. per KWH for the next 600 KWH.

1.401 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-04 through 12-31-04)

1.647 cts. per KWH for the first 200 KWH.

1.462 cts. per KWH for the next 600 KWH.

1.350 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-05 through 12-31-05)

1.549 cts. per KWH for the first 200 KWH.

1.374 cts. per KWH for the next 600 KWH.

1.269 cts. per KWH for all additional KWH.

(Continued)

RATE SCHEDULE RS (CONTINUED)**Competitive Transition Charge (Effective 1-1-06 through 12-31-06)**

1.563 cts. per KWH for the first 200 KWH.
1.387 cts. per KWH for the next 600 KWH.
1.281 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-07 through 12-31-07)

1.499 cts. per KWH for the first 200 KWH.
1.329 cts. per KWH for the next 600 KWH.
1.228 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-08 through 12-31-08)

1.409 cts. per KWH for the first 200 KWH.
1.250 cts. per KWH for the next 600 KWH.
1.155 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-09 through 12-31-09)

1.278 cts. per KWH for the first 200 KWH.
1.134 cts. per KWH for the next 600 KWH.
1.047 cts. per KWH for all additional KWH.

The Company will provide capacity (KW) and energy (KWH) under this Rate Schedule for customers who receive Basic Utility Supply Service from the Company.

Capacity and Energy Charge (Effective 1-1-99 through 12-31-99)

4.422 cts. per KWH for the first 200 KWH.
3.884 cts. per KWH for the next 600 KWH.
3.561 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-00 through 12-31-00)

4.826 cts. per KWH for the first 200 KWH.
4.238 cts. per KWH for the next 600 KWH.
3.886 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-01 through 12-31-01)

4.846 cts. per KWH for the first 200 KWH.
4.256 cts. per KWH for the next 600 KWH.
3.903 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-02 through 12-31-02)

4.920 cts. per KWH for the first 200 KWH.
4.321 cts. per KWH for the next 600 KWH.
3.963 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-03 through 12-31-03)

4.962 cts. per KWH for the first 200 KWH.
4.359 cts. per KWH for the next 600 KWH.
3.998 cts. per KWH for all additional KWH.

(Continued)

RATE SCHEDULE RS (CONTINUED)

Capacity and Energy Charge (Effective 1-1-04 through 12-31-04)

5.025 cts. per KWH for the first 200 KWH.
4.414 cts. per KWH for the next 600 KWH.
4.049 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-05 through 12-31-05)

5.123 cts. per KWH for the first 200 KWH.
4.502 cts. per KWH for the next 600 KWH.
4.130 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-06 through 12-31-06)

5.598 cts. per KWH for the first 200 KWH.
4.918 cts. per KWH for the next 600 KWH.
4.512 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-07 through 12-31-07)

5.662 cts. per KWH for the first 200 KWH.
4.976 cts. per KWH for the next 600 KWH.
4.565 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-08 through 12-31-08)

5.752 cts. per KWH for the first 200 KWH.
5.055 cts. per KWH for the next 600 KWH.
4.638 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-09 through 12-31-09)

5.881 cts. per KWH for the first 200 KWH.
5.171 cts. per KWH for the next 600 KWH.
4.745 cts. per KWH for all additional KWH.

Transmission Charge (Effective 1-1-99)

The Company will provide and charge for transmission service consistent with the PJM Open Access Transmission Tariff approved or accepted by the Federal Energy Regulatory Commission for customers who receive Basic Utility Supply Service from the Company unless such customers obtain transmission service from another provider.

MONTHLY MINIMUM

(C)

The Monthly Minimum Distribution Charge is \$6.47. Monthly Minimums apply to services provided by the Company.

(Continued)

RATE SCHEDULE RS (CONTINUED)

OFF-PEAK WATER HEATING (Effective 1-1-99)

(C)

When a customer has an electric water heater supplied through the Rate Schedule RS meter which meets all the requirements of this provision, the per month charge of the Distribution Charge rate and the Monthly Minimum are increased by \$6.00 to \$12.47 per month, and a block of 400 KWH is billed at the Distribution Charge rate of 1.578 cts. per KWH, plus the following Competitive Transition Charge rate and, for customers who receive Basic Utility Supply Service from the Company, the following Capacity and Energy Charge rate after the first 200 KWH is billed under these rates. All additional KWH is billed at the trailing steps of the Distribution Charge, Competitive Transition Charge, and Capacity and Energy Charge rates. For new applications, this provision is limited to customers of the Company who have not had the opportunity to purchase capacity and energy from their choice of electric generation supplier pursuant to the enrollment procedures contained in the Commission's order at Docket Nos. M-00960890F.0014 and M-00960890F.0015. No new applications will be accepted after January 1, 2000.

| <u>Effective</u> | <u>Competitive Transition Charge</u> | <u>Capacity and Energy Charge</u> |
|-------------------------|------------------------------------------|---------------------------------------|
| 1-1-99 through 12-31-99 | 1.647 cts. per KWH | 0.888 cts. per KWH |
| 1-1-00 through 12-31-00 | 1.636 cts. per KWH | 1.049 cts. per KWH |
| 1-1-01 through 12-31-01 | 1.618 cts. per KWH | 1.067 cts. per KWH |
| 1-1-02 through 12-31-02 | 1.552 cts. per KWH | 1.133 cts. per KWH |
| 1-1-03 through 12-31-03 | 1.514 cts. per KWH | 1.171 cts. per KWH |
| 1-1-04 through 12-31-04 | 1.459 cts. per KWH | 1.226 cts. per KWH |
| 1-1-05 through 12-31-05 | 1.371 cts. per KWH | 1.314 cts. per KWH |
| 1-1-06 through 12-31-06 | 1.384 cts. per KWH | 1.440 cts. per KWH |
| 1-1-07 through 12-31-07 | 1.326 cts. per KWH | 1.500 cts. per KWH |
| 1-1-08 through 12-31-08 | 1.247 cts. per KWH | 1.585 cts. per KWH |
| 1-1-09 through 12-31-09 | 1.131 cts. per KWH | 1.781 cts. per KWH |

When the regular blocks of the Distribution Charge, Competitive Transition Charge, and Capacity and Energy Charge rates are increased by the multiple dwelling unit application, the added \$6.00 per month charge is applied only once to the Distribution Charge rate, and the 400 KWH water heating block is applied only once after the multiple application of the 200 KWH block in the Distribution Charge, Competitive Transition Charge, and Capacity and Energy Charge rates.

Water heater operation is limited under this provision to any consecutive 14 hours starting and ending on the hour, within the 16-hour period of 5 p.m. to 9 a.m. local time and all day Saturday, Sunday and the following holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. Service hours may be changed by the Company as required to correspond to system off-peak demand, but in no event will water heater service be available for less than 14 hours in any 24 hour period. Supplemental use of renewable energy sources such as wood, solar, wind and water is permitted.

The customer provides, installs and maintains the control device specified by the Company to automatically control the water heater operation.

(Continued)

(C) Indicates Change

RATE SCHEDULE RS (CONTINUED)

BUDGET BILLING

Budget Billing is available at the option of the customer for charges under this Rate Schedule. (C)

MULTIPLE DWELLING UNIT APPLICATION

When multiple dwelling units are supplied through one meter, the per month charge of the Distribution Charge rate and the Monthly Minimum, plus each block of the Distribution Charge, Competitive Transition Charge, and, for customers who receive Basic Utility Supply Service from the Company, Capacity and Energy Charge rates are multiplied by the number of dwelling units in the determination of the net monthly bill under this Rate Schedule. Demand billing does not apply under this provision. (C)

OPTIONAL POWER WATCH™ SERVICE RIDER - RESIDENTIAL (EXPERIMENTAL)

The Optional POWER WATCH™ Service Rider - Residential included in this Tariff is available to eligible customers served under this Rate Schedule. (C)

SEPARATE WATER HEATING SERVICE (Limited 4-26-85)

When water heating use is supplied exclusively through a separate meter and is equipped with automatic timing controls, water heating service is billed separately at the Distribution Charge rate of \$6.00 per month plus 1.592 cts. per KWH, plus the following Competitive Transition Charge rate and, for customers who receive Basic Utility Supply Service from the Company, the following Capacity and Energy Charge rate. The Monthly Minimum Bill is \$6.00. For new applications, this provision is limited to customers of the Company who have not had the opportunity to purchase capacity and energy from their choice of electric generation supplier pursuant to the enrollment procedures contained in the Commission's order at Docket Nos. M-00960890F.0014 and M-00960890F.0015. No new applications will be accepted after January 1, 2000. (C)

| <u>Effective</u> | <u>Competitive Transition Charge</u> | <u>Capacity and Energy Charge</u> |
|-------------------------|--------------------------------------|-----------------------------------|
| 1-1-99 through 12-31-99 | 1.647 cts. per KWH | 0.466 cts. per KWH |
| 1-1-00 through 12-31-00 | 1.636 cts. per KWH | 0.550 cts. per KWH |
| 1-1-01 through 12-31-01 | 1.618 cts. per KWH | 0.568 cts. per KWH |
| 1-1-02 through 12-31-02 | 1.552 cts. per KWH | 0.634 cts. per KWH |
| 1-1-03 through 12-31-03 | 1.514 cts. per KWH | 0.672 cts. per KWH |
| 1-1-04 through 12-31-04 | 1.459 cts. per KWH | 0.727 cts. per KWH |
| 1-1-05 through 12-31-05 | 1.371 cts. per KWH | 0.815 cts. per KWH |
| 1-1-06 through 12-31-06 | 1.384 cts. per KWH | 0.890 cts. per KWH |
| 1-1-07 through 12-31-07 | 1.326 cts. per KWH | 0.952 cts. per KWH |
| 1-1-08 through 12-31-08 | 1.247 cts. per KWH | 1.037 cts. per KWH |
| 1-1-09 through 12-31-09 | 1.131 cts. per KWH | 1.233 cts. per KWH |

The Company will provide and charge for transmission service consistent with the PJM Open Access Transmission Tariff approved or accepted by the Federal Energy Regulatory Commission for customers who receive Basic Utility Supply Service from the Company unless such customers obtain transmission service from another provider.

(Continued)

(C) Indicates Change

RATE SCHEDULE RS (CONTINUED)

Service through the water heater meter is limited to any consecutive 12 hours starting and ending on the hour, within the 14-hour period of 7 p.m. to 9 a.m. local time and all day Saturday, Sunday and the following holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. Service hours may be changed by the Company as required to correspond to system off-peak demand, but in no event will water heater service be available for less than 12 hours in any 24 hour period. Supplemental use of renewable energy sources such as wood, solar, wind and water is permitted.

The customer provides the separate meter base and service entrance at the same point of delivery and at the same voltage as the general use service. The customer also provides and installs any control device specified by the Company to automatically control the water heater operation.

(C)

COMPETITIVE TRANSITION CHARGE RECONCILIATION RIDER

(C)

The Competitive Transition Charge Reconciliation Rider included in this Tariff applies to the Competitive Transition Charges under this Rate Schedule.

SUSTAINABLE ENERGY FUND RIDER

(C)

The Sustainable Energy Fund Rider included in this Tariff applies to the Distribution Charges under this Rate Schedule.

RENEWABLE ENERGY DEVELOPMENT RIDER

(C)

The Renewable Energy Development Rider included in this Tariff applies to the Distribution Charges under this Rate Schedule.

METERING AND BILLING CREDIT RIDER

(C)

The Metering and Billing Credit Rider included in this Tariff applies to the Distribution Charges under this Rate Schedule.

STATE TAX ADJUSTMENT SURCHARGE

The State Tax Adjustment Surcharge included in this Tariff is applied to charges under this Rate Schedule.

(C)

PAYMENT

The above net rate applies when bills are paid on or before the due date specified on the bill, which is not less than 20 days from the date bill is mailed. After the due date, the Company may initiate collection procedures and a late payment charge of 1.25% per month on the then unpaid and overdue balance is applicable.

(Continued)

RATE SCHEDULE RS (CONTINUED)

(C)

APPLICATION PROVISIONS

(1) This Rate Schedule is for single phase electric service for:

- (a) A single family dwelling and appurtenant detached buildings.
- (b) A separate dwelling unit in an apartment house.
- (c) A single farm dwelling and general farm uses.
- (d) A building previously wired for single meter service which is converted to not more than 8 separate dwelling units served through one meter.

(2) This Rate Schedule does not apply to:

- (a) Residential service that includes more than 2,000 watts of connected load attributable to commercial or professional use exclusive of space heating and air conditioning in common with the residence.
- (b) Residential service combined with any commercial or professional use outside the residence or in a section of a multi-use building that is separate from the dwelling unit.
- (c) Service which includes common use in excess of 5,500 watts of connected load for halls, basement, or other portions of an apartment building.
- (d) Single meter service to multiple dwelling units in buildings constructed after June 28, 1980.
- (e) Establishments recognized by name, notice or advertisement, such as hotels, clubs, fraternities, boarding houses, institutions, orphanages, rest homes, tourist homes and rooming houses with more than 3 rooms available for such use and rectories and convents with accommodations for more than 5 adults.
- (f) Residential service locations connected on or after September 28, 1995, which include more than 2,000 watts of general farm load.

(3) Where any use of service at a residence or on a farm is not eligible for the application of this Rate Schedule, customer has the option to provide separate circuits so that the portion that is applicable can be metered and billed separately hereunder and the remaining portion can be billed under the applicable general service rate schedule. When separate circuits are not provided, the entire service is billed under the applicable general service rate schedule.

(4) Electric water heaters served hereunder must be equipped with thermostatically controlled noninductive heating elements so connected that not more than 5500 watts can be operated at one time. The Company reserves the right to install necessary devices to control the operation of electric water heaters at its option.

**RATE SCHEDULE RTS
RESIDENTIAL SERVICE - THERMAL STORAGE**

Applications for service under this Rate Schedule for new service locations will be accepted only until December 31, 1995. Service will be provided to existing service locations supplied hereunder through the life of the existing thermal storage units.

APPLICATION RATE SCHEDULE RTS

This Rate Schedule is for single phase residential service in accordance with load management capabilities in accordance with the APPLICATION PROVISIONS hereof.

NET MONTHLY RATE

- Distribution Charge (Effective 1-1-99)
\$ 14.97 per month plus
\$0.89 per kilowatt of on-peak billing KW in excess of 2 KW.
- Competitive Transition Charge (Effective 1-1-99 through 12-31-99)
1.035 cts. per KWH for all KWH.
- Competitive Transition Charge (Effective 1-1-00 through 12-31-00)
1.028 cts. per KWH for all KWH.
- Competitive Transition Charge (Effective 1-1-01 through 12-31-01)
1.016 cts. per KWH for all KWH.
- Competitive Transition Charge (Effective 1-1-02 through 12-31-02)
0.976 cts. per KWH for all KWH.
- Competitive Transition Charge (Effective 1-1-03 through 12-31-03)
0.951 cts. per KWH for all KWH.
- Competitive Transition Charge (Effective 1-1-04 through 12-31-04)
0.917 cts. per KWH for all KWH.
- Competitive Transition Charge (Effective 1-1-05 through 12-31-05)
0.862 cts. per KWH for all KWH.
- Competitive Transition Charge (Effective 1-1-06 through 12-31-06)
0.870 cts. per KWH for all KWH.
- Competitive Transition Charge (Effective 1-1-07 through 12-31-07)
0.834 cts. per KWH for all KWH.
- Competitive Transition Charge (Effective 1-1-08 through 12-31-08)
0.784 cts. per KWH for all KWH.
- Competitive Transition Charge (Effective 1-1-09 through 12-31-09)
0.711 cts. per KWH for all KWH.

(C)**(Continued)**

RATE SCHEDULE RTS (CONTINUED)

The Company will provide capacity (KW) and energy (KWH) under this Rate Schedule for customers who receive Basic Utility Supply Service from the Company.

Capacity and Energy Charge (Effective 1-1-99 through 12-31-99)

**\$ 4.60 per kilowatt of on-peak billing KW in excess of 2 KW.
2.535 cts. per KWH for all KWH.**

Capacity and Energy Charge (Effective 1-1-00 through 12-31-00)

**\$ 4.90 per kilowatt of on-peak billing KW in excess of 2 KW.
2.708 cts. per KWH for all KWH.**

Capacity and Energy Charge (Effective 1-1-01 through 12-31-01)

**\$ 4.90 per kilowatt of on-peak billing KW in excess of 2 KW.
2.720 cts. per KWH for all KWH.**

Capacity and Energy Charge (Effective 1-1-02 through 12-31-02)

**\$ 4.90 per kilowatt of on-peak billing KW in excess of 2 KW.
2.760 cts. per KWH for all KWH.**

Capacity and Energy Charge (Effective 1-1-03 through 12-31-03)

**\$ 4.90 per kilowatt of on-peak billing KW in excess of 2 KW.
2.785 cts. per KWH for all KWH.**

Capacity and Energy Charge (Effective 1-1-04 through 12-31-04)

**\$ 4.90 per kilowatt of on-peak billing KW in excess of 2 KW.
2.819 cts. per KWH for all KWH.**

Capacity and Energy Charge (Effective 1-1-05 through 12-31-05)

**\$ 4.90 per kilowatt of on-peak billing KW in excess of 2 KW.
2.874 cts. per KWH for all KWH.**

Capacity and Energy Charge (Effective 1-1-06 through 12-31-06)

**\$5.26 per kilowatt of on-peak billing KW in excess of 2 KW.
3.076 cts. per KWH for all KWH.**

Capacity and Energy Charge (Effective 1-1-07 through 12-31-07)

**\$ 5.26 per kilowatt of on-peak billing KW in excess of 2 KW.
3.113 cts. per KWH for all KWH.**

Capacity and Energy Charge (Effective 1-1-08 through 12-31-08)

**\$5.25 per kilowatt of on-peak billing KW in excess of 2 KW.
3.164 cts. per KWH for all KWH.**

Capacity and Energy Charge (Effective 1-1-09 through 12-31-09)

**\$5.25 per kilowatt of on-peak billing KW in excess of 2 KW.
3.237 cts. per KWH for all KWH.**

(Continued)

RATE SCHEDULE RTS (CONTINUED)

Transmission Charge (Effective 1-1-99)

The Company will provide and charge for transmission service consistent with the PJM Open Access Transmission Tariff approved or accepted by the Federal Energy Regulatory Commission for customers who receive Basic Utility Supply Service from the Company unless such customers obtain transmission service from another provider.

MONTHLY MINIMUM

(C)

The Monthly Minimum Distribution Charge is \$14.97. Monthly Minimums apply to services provided by the Company.

BILLING KW

The billing demand is the average kilowatts supplied during the 15 minute period of maximum use during the on-peak hours of the current billing period.

ON-PEAK HOURS

On-peak hours for billing purposes are 7 a.m. to 5 p.m., 8 a.m. to 6 p.m., or 9 a.m. to 7 p.m. local time at the option of the customer, Mondays to Fridays inclusive except New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

BUDGET BILLING

Budget Billing is available at the option of the customer for charges under this Rate Schedule.

(C)

(C)

OPTIONAL POWER WATCH™ SERVICE RIDER - RESIDENTIAL (EXPERIMENTAL)

The Optional POWER WATCH™ Service Rider - Residential included in this Tariff is available to eligible customers served under this Rate Schedule.

(C)

(C)

COMPETITIVE TRANSITION CHARGE RECONCILIATION RIDER

(C)

The Competitive Transition Charge Reconciliation Rider included in this Tariff applies to the Competitive Transition Charges under this Rate Schedule.

(Continued)

RATE SCHEDULE RTS (CONTINUED)

SUSTAINABLE ENERGY FUND RIDER

(C)

The Sustainable Energy Fund Rider included in this Tariff applies to the Distribution Charges under this Rate Schedule.

RENEWABLE ENERGY DEVELOPMENT RIDER

(C)

The Renewable Energy Development Rider included in this Tariff applies to the Distribution Charges under this Rate Schedule.

METERING AND BILLING CREDIT RIDER

(C)

The Metering and Billing Credit Rider included in this Tariff applies to the Distribution Charges under this Rate Schedule.

STATE TAX ADJUSTMENT SURCHARGE

The State Tax Adjustment Surcharge included in this Tariff is applied to charges under this Rate Schedule.

(C)

PAYMENT

The above net rate applies when bills are paid on or before the due date specified on the bill, which is not less than 20 days from the date bill is mailed. After the due date, the Company may initiate collection procedures and a late payment charge of 1.25% per month on the then unpaid and overdue balance is applicable.

(C)

APPLICATION PROVISIONS

1. This Rate Schedule is applicable to service which would otherwise qualify under Rate Schedule RS except for the following:

- (a) Service to two or more separate dwelling units supplied through a single meter.
- (b) Seasonal service and seasonal use customers.
- (c) Service with separate meter controlled water heater service.
- (d) Residential service with general farm use which includes more than 2,000 watts of connected general farm load.

(Continued)

RATE SCHEDULE RTS (CONTINUED)

APPLICATION PROVISIONS (Continued)

2. Any changes in service entrance equipment to accommodate metering under this Rate Schedule are made by the customer at his own expense.

3. Load management capability is the positive automatic control of the operation of any thermal storage system for space heating which is acceptable to the Company as being effective in limiting on-peak use of electric service. The Company reserves the right to inspect such systems at reasonable times and may discontinue billing under this Rate Schedule whenever, in the Company's sole judgment, the system no longer qualifies.

4. The maximum electric thermal unit that may be connected under this Rate Schedule is 75 KW. Heating elements must be switched in stages not in excess of 7.5 KW per stage.

5. The Company reserves the right to install necessary devices to control the operation of the electric components of the thermal storage system at its option.

6. Customers who elect to take service under this Rate Schedule agree to allow the Company to install load survey meters.

RATE SCHEDULE RTD (R)
RESIDENTIAL SERVICE - TIME-OF-DAY

(C)

New applications for service under the Rate Schedule are limited to customers of the Company who have not had the opportunity to purchase capacity and energy from their choice of electric generation supplier pursuant to the enrollment procedures contained in the Commission's order at Docket Nos. M-00960890F.0014 and M-00960890F.0015. No new applications will be accepted after January 1, 2000.

(C)

APPLICATION RATE SCHEDULE RTD (R)

This Rate Schedule is for single phase residential service metered and billed to recognize time-of-day use in accordance with the APPLICATION PROVISIONS hereof.

NET MONTHLY RATE

(C)

Distribution Charge (Effective 1-1-99)

\$ 12.47 per month plus.

3.053 cts. per KWH for all on-peak KWH.

0.993 cts. per KWH for all off-peak KWH.

Competitive Transition Charge (Effective 1-1-99 through 12-31-99)

3.530 cts. per KWH for all on-peak KWH.

1.148 cts. per KWH for all off-peak KWH.

Competitive Transition Charge (Effective 1-1-00 through 12-31-00)

3.508 cts. per KWH for all on-peak KWH.

1.141 cts. per KWH for all off-peak KWH.

Competitive Transition Charge (Effective 1-1-01 through 12-31-01)

3.468 cts. per KWH for all on-peak KWH.

1.128 cts. per KWH for all off-peak KWH.

Competitive Transition Charge (Effective 1-1-02 through 12-31-02)

3.330 cts. per KWH for all on-peak KWH.

1.083 cts. per KWH for all off-peak KWH.

Competitive Transition Charge (Effective 1-1-03 through 12-31-03)

3.247 cts. per KWH for all on-peak KWH.

1.056 cts. per KWH for all off-peak KWH.

Competitive Transition Charge (Effective 1-1-04 through 12-31-04)

3.204 cts. per KWH for all on-peak KWH.

1.042 cts. per KWH for all off-peak KWH.

Competitive Transition Charge (Effective 1-1-05 through 12-31-05)

3.010 cts. per KWH for all on-peak KWH.

0.979 cts. per KWH for all off-peak KWH.

Competitive Transition Charge (Effective 1-1-06 through 12-31-06)

2.970 cts. per KWH for all on-peak KWH.

0.966 cts. per KWH for all off-peak KWH.

(Continued)

RATE SCHEDULE RTD (R) (CONTINUED)**(C)**

Competitive Transition Charge (Effective 1-1-07 through 12-31-07)
2.847 cts. per KWH for all on-peak KWH.
0.926 cts. per KWH for all off-peak KWH.

Competitive Transition Charge (Effective 1-1-08 through 12-31-08)
2.644 cts. per KWH for all on-peak KWH.
0.860 cts. per KWH for all off-peak KWH.

Competitive Transition Charge (Effective 1-1-09 through 12-31-09)
2.287 cts. per KWH for all on-peak KWH.
0.744 cts. per KWH for all off-peak KWH.

The Company will provide capacity (KW) and energy (KWH) under this Rate Schedule for customers who receive Basic Utility Supply Service from the Company.

Capacity and Energy Charge (Effective 1-1-99 through 12-31-99)
7.551 cts. per KWH for all on-peak KWH.
2.224 cts. per KWH for all KWH.

Capacity and Energy Charge (Effective 1-1-00 through 12-31-00)
8.293 cts. per KWH for all on-peak KWH.
2.443 cts. per KWH for all off-peak KWH.

Capacity and Energy Charge (Effective 1-1-01 through 12-31-01)
8.333 cts. per KWH for all on-peak KWH.
2.456 cts. per KWH for all off-peak KWH.

Capacity and Energy Charge (Effective 1-1-02 through 12-31-02)
8.471 cts. per KWH for all on-peak KWH.
2.501 cts. per KWH for all off-peak KWH.

Capacity and Energy Charge (Effective 1-1-03 through 12-31-03)
8.554 cts. per KWH for all on-peak KWH.
2.528 cts. per KWH for all off-peak KWH.

Capacity and Energy Charge (Effective 1-1-04 through 12-31-04)
8.597 cts. per KWH for all on-peak KWH.
2.542 cts. per KWH for all off-peak KWH.

Capacity and Energy Charge (Effective 1-1-05 through 12-31-05)
8.791 cts. per KWH for all on-peak KWH.
2.605 cts. per KWH for all off-peak KWH.

Capacity and Energy Charge (Effective 1-1-06 through 12-31-06)
9.727 cts. per KWH for all on-peak KWH.
2.884 cts. per KWH for all off-peak kWh.

(Continued)

RATE SCHEDULE RTD (R) (CONTINUED)

(C)

Capacity and Energy Charge (Effective 1-1-07 through 12-31-07)

9.851 cts. per KWH for all on-peak KWH.

2.924 cts. per KWH for all off-peak KWH.

Capacity and Energy Charge (Effective 1-1-08 through 12-31-08)

10.053 cts. per KWH for all on-peak KWH.

2.990 cts. per KWH for all off-peak KWH.

Capacity and Energy Charge (Effective 1-1-09 through 12-32-09)

10.407 cts. per KWH for all on-peak KWH.

3.107 cts. per KWH for all off-peak KWH.

Transmission Charge (Effective 1-1-99)

The Company will provide and charge for transmission service consistent with the PJM Open Access Transmission Tariff approved or accepted by the Federal Energy Regulatory Commission for customers who receive Basic Utility Supply Service from the Company unless such customers obtain transmission service from another provider.

MONTHLY MINIMUM

(C)

The Monthly Minimum Distribution Charge is \$12.47. Monthly Minimums apply to services provided by the Company.

ON-PEAK HOURS

On-peak hours for billing purposes are 7 a.m. to 5 p.m., 8 a.m. to 6 p.m., or 9 a.m. to 7 p.m. local time at the option of the customer, Mondays to Fridays inclusive except New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

BUDGET BILLING

Budget Billing is available at the option of the customer for charges under this Rate Schedule.

(C)

(C)

OPTIONAL POWER WATCH™ SERVICE RIDER - RESIDENTIAL (EXPERIMENTAL)

The Optional POWER WATCH™ Service Rider - Residential included in this Tariff is available to eligible customers served under this Rate Schedule.

(C)

(C)

COMPETITIVE TRANSITION CHARGE RECONCILIATION RIDER

(C)

The Competitive Transition Charge Reconciliation Rider included in this Tariff applies to the Competitive Transition Charges under this Rate Schedule.

(Continued)

RATE SCHEDULE RTD (R) (CONTINUED)**(C)****SUSTAINABLE ENERGY FUND RIDER****(C)**

The Sustainable Energy Fund Rider included in this Tariff applies to the Distribution Charges under this Rate Schedule.

RENEWABLE ENERGY DEVELOPMENT RIDER**(C)**

The Renewable Energy Development Rider included in this Tariff applies to the Distribution Charges under this Rate Schedule.

METERING AND BILLING CREDIT RIDER**(C)**

The Metering and Billing Credit Rider included in this Tariff applies to the Distribution Charges under this Rate Schedule.

STATE TAX ADJUSTMENT SURCHARGE

The State Tax Adjustment Surcharge included in this Tariff is applied to charges under this Rate Schedule.

(C)**PAYMENT**

The above net rate applies when bills are paid on or before the due date specified on the bill, which is not less than 20 days from the date bill is mailed. After the due date, the Company may initiate collection procedures and a late payment charge of 1.25% per month on the then unpaid and overdue balance is applicable.

(C)**APPLICATION PROVISIONS**

- (1) This Rate Schedule is for single phase electric service for:
 - (a) A single family dwelling and appurtenant detached building.
 - (b) A separate dwelling unit in an apartment house.

(Continued)

RATE SCHEDULE RTD (R) (CONTINUED)**(C)****APPLICATION PROVISIONS (Continued)**

- (2) This Rate Schedule does not apply to:
- (a) Residential service that includes more than 2,000 watts of connected load attributable to commercial or professional use exclusive of space heating and air conditioning in common with the residence.
 - (b) Residential service combined with farm use or with any commercial or professional use outside the residence or in a section of a multi-use building that is separate from the dwelling unit.
 - (c) Service which includes common use in excess of 5,500 watts of connected load for halls, basement, or other portions of an apartment building.
 - (d) Single meter service to multiple dwelling units.
 - (e) Establishments recognized by name, notice or advertisement, such as hotels, clubs, fraternities, boarding houses, institutions, orphanages, rest homes, tourist homes and rooming houses with more than 3 rooms available for such use and rectories and convents with accommodations for more than 5 adults.
- (3) Where any use of service at a residence or on a farm is not eligible for the application of this Rate Schedule, customer has the option to provide separate circuits so that the portion that is applicable can be metered and billed separately hereunder and the remaining portion can be billed under the applicable general service rate schedule. When separate circuits are not provided, the entire service is billed under the applicable general service rate schedule.

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**RATE SCHEDULE GS-1
SMALL GENERAL SERVICE
AT SECONDARY VOLTAGE OR HIGHER****APPLICATION RATE SCHEDULE GS-1**

This Rate Schedule is for small general service at secondary voltage or at a higher available voltage at the option of the customer. The billing demand is limited to 5 KW for accounts served under discontinued Rate Schedule FC as of June 28, 1980.

NET MONTHLY RATE

Distribution Charge (Effective 1-1-99)

\$ 7.48 per month plus

\$ 1.86 per kilowatt for all Billing KW in excess of 5 KW.

1.913 cts. per KWH for the first 150 KWH per kilowatt of the Billing KW.

1.437 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-99 through 12-31-99)

2.400 cts. per KWH for the first 150 KWH per kilowatt of the Billing KW.

1.803 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-00 through 12-31-00)

2.342 cts. per KWH for the first 150 KWH per kilowatt of the Billing KW.

1.760 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-01 through 12-31-01)

2.281 cts. per KWH for the first 150 KWH per kilowatt of the Billing KW.

1.714 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-02 through 12-31-02)

2.159 cts. per KWH for the first 150 KWH per kilowatt of the Billing KW.

1.622 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-03 through 12-31-03)

2.082 cts. per KWH for the first 150 KWH per kilowatt of the Billing KW.

1.564 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-04 through 12-31-04)

1.986 cts. per KWH for the first 150 KWH per kilowatt of the Billing KW.

1.492 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-05 through 12-31-05)

1.849 cts. per KWH for the first 150 KWH per kilowatt of the Billing KW.

1.389 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-06 through 12-31-06)

1.849 cts. per KWH for the first 150 KWH per kilowatt of the Billing KW.

1.389 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-07 through 12-31-07)

1.752 cts. per KWH for the first 150 KWH per kilowatt of the Billing KW.

1.316 cts. per KWH for all additional KWH.

(Continued)

RATE SCHEDULE GS-1 (CONTINUED)

Competitive Transition Charge (Effective 1-1-08 through 12-31-08)
1.632 cts. per KWH for the first 150 KWH per kilowatt of the Billing KW.
1.226 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-09 through 12-31-09)
1.467 cts. per KWH for the first 150 KWH per kilowatt of the Billing KW.
1.102 cts. per KWH for all additional KWH.

The Company will provide capacity (KW) and energy (KWH) under this Rate Schedule for customers who receive Basic Utility Supply Service from the Company.

Capacity and Energy Charge (Effective 1-1-99 through 12-31-99)
5.065 cts. per KWH for the first 150 KWH per kilowatt of the Billing KW.
3.674 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-00 through 12-31-00)
5.601 cts. per KWH for the first 150 KWH per kilowatt of the Billing KW.
4.064 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-01 through 12-31-01)
5.662 cts. per KWH for the first 150 KWH per kilowatt of the Billing KW.
4.110 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-02 through 12-31-02)
5.784 cts. per KWH for the first 150 KWH per kilowatt of the Billing KW.
4.202 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-03 through 12-31-03)
5.861 cts. per KWH for the first 150 KWH per kilowatt of the Billing KW.
4.260 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-04 through 12-31-04)
5.957 cts. per KWH for the first 150 KWH per kilowatt of the Billing KW.
4.332 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-05 through 12-31-05)
6.094 cts. per KWH for the first 150 KWH per kilowatt of the Billing KW.
4.435 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-06 through 12-31-06)
6.687 cts. per KWH for the first 150 KWH per kilowatt of the Billing KW.
4.866 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-07 through 12-31-07)
6.783 cts. per KWH for the first 150 KWH per kilowatt of the Billing KW.
4.939 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-08 through 12-31-08)
6.903 cts. per KWH for the first 150 KWH per kilowatt of the Billing KW.
5.029 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-09 through 12-31-09)
7.067 cts. per KWH for the first 150 KWH per kilowatt of the Billing KW.
5.153 cts. per KWH for all additional KWH.

(Continued)

RATE SCHEDULE GS-1 (CONTINUED)

Transmission Charge (Effective 1-1-99)

The Company will provide and charge for transmission service consistent with the PJM Open Access Transmission Tariff approved or accepted by the Federal Energy Regulatory Commission for customers who receive Basic Utility Supply Service from the Company unless such customers obtain transmission service from another provider.

MONTHLY MINIMUMS

(C)

The Minimum Billing Demand is 5 kW.

The Monthly Minimum Distribution Charge is \$7.48. Monthly Minimums apply to services provided by the Company.

BILLING KW

Where no demand meter is installed, Billing KW is 5 KW.

The Company installs a demand meter when it estimates that the demand exceeds 5 KW. The Billing KW is the average number of kilowatts supplied during the 15 minute period of maximum use during the current billing period taken to the nearest ½ kilowatt.

Time-of-Day metering and billing is available on request for an additional charge of \$14.97 per month for a minimum period of one year. The Billing KW applicable to the charges under this Rate Schedule is the average number of kilowatts supplied during the 15 minute period of maximum use during the on-peak hours of the current billing period. For new applications, this provision is limited to customers of the Company who have not had the opportunity to purchase capacity and energy from their choice of electric generation supplier pursuant to the enrollment procedures contained in the Commission's order at Docket Nos. M-00960890F.0014 and M-00960890F.0015. No new applications will be accepted after January 1, 2000.

(C)

ON-PEAK HOURS

On-peak hours for billing purposes are 7 a.m. to 3 p.m., 8 a.m. to 4 p.m., or 9 a.m. to 5 p.m. local time at the option of the customer, Mondays to Fridays inclusive, except New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. The Company's system on-peak period is 7 a.m. to 9 p.m. local time.

(C)

OPTIONAL POWER WATCH™ SERVICE RIDER - COMMERCIAL (EXPERIMENTAL)

The Optional POWER WATCH™ Service Rider - Commercial included in this Tariff is available to eligible customers served under this Rate Schedule.

(C)

(Continued)

RATE SCHEDULE GS-1 (CONTINUED)

OFF-PEAK SPACE CONDITIONING AND WATER HEATING (Effective 1-1-99)

(C)

For customers served under this Rate Schedule, off-peak energy for storage space conditioning and/or water heating may be supplied exclusively through a separate meter and billed separately at a charge of \$14.97 per month, plus a Distribution Charge of 3.038 cts. per KWH, plus the following Competitive Transition Charge and, for customers who receive Basic Utility Supply Service from the Company, the following Capacity and Energy Charge, with a monthly minimum charge of \$14.97. Any Billing KW resulting from usage during other than the off-peak hours is billed at the rate of \$17.96 per KW. For new applications, this provision is limited to customers of the Company who have not had the opportunity to purchase capacity and energy from their choice of electric generation supplier pursuant to the enrollment procedures contained in the Commission's order at Docket Nos. M-00960890F.0014 and M-00960890F.0015. No new applications will be accepted after January 1, 2000.

| <u>Effective</u> | <u>Competitive Transition Charge</u> | <u>Capacity and Energy Charge</u> |
|-------------------------|------------------------------------------|---------------------------------------|
| 1-1-99 through 12-31-99 | 0.233 cts. per KWH | 0.000 cts. per KWH |
| 1-1-00 through 12-31-00 | 0.233 cts. per KWH | 0.000 cts. per KWH |
| 1-1-01 through 12-31-01 | 0.233 cts. per KWH | 0.000 cts. per KWH |
| 1-1-02 through 12-31-02 | 0.233 cts. per KWH | 0.000 cts. per KWH |
| 1-1-03 through 12-31-03 | 0.233 cts. per KWH | 0.000 cts. per KWH |
| 1-1-04 through 12-31-04 | 0.233 cts. per KWH | 0.000 cts. per KWH |
| 1-1-05 through 12-31-05 | 0.233 cts. per KWH | 0.000 cts. per KWH |
| 1-1-04 through 12-31-06 | 0.233 cts. per KWH | 0.000 cts. per KWH |
| 1-1-04 through 12-31-07 | 0.233 cts. per KWH | 0.000 cts. per KWH |
| 1-1-04 through 12-31-08 | 0.233 cts. per KWH | 0.000 cts. per KWH |
| 1-1-04 through 12-31-09 | 0.233 cts. per KWH | 0.000 cts. per KWH |

The Company will provide and charge for transmission service consistent with the PJM Open Access Transmission Tariff approved or accepted by the Federal Energy Regulatory Commission for customers who receive Basic Utility Supply Service from the Company unless such customers obtain transmission service from another provider.

Service through the separate meter may be used between the off-peak hours of 7 p.m. to 7 a.m. local time, Mondays to Fridays inclusive, and all day Saturday, Sunday and the following holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

SERVICE TO VOLUNTEER FIRE COMPANIES AND NON-PROFIT SENIOR CITIZEN CENTERS

(C)

Upon application and acceptance by the Company, pursuant to Act 103 of 1985, Volunteer Fire Companies and Non-Profit Senior Citizen Centers may, for a minimum one year period, elect to have electric service rendered pursuant to the following charges.

(Continued)

RATE SCHEDULE GS-1 (CONTINUED)**NET MONTHLY RATE****Distribution Charge (Effective 1-1-99)****\$ 6.47 per month plus**

- 1.796 cts. per KWH for the first 200 KWH.**
- 1.594 cts. per KWH for the next 600 KWH.**
- 1.472 cts. per KWH for all additional KWH.**

Competitive Transition Charge (Effective 1-1-99 through 12-31-99)

- 1.859 cts. per KWH for the first 200 KWH.**
- 1.649 cts. per KWH for the next 600 KWH.**
- 1.523 cts. per KWH for all additional KWH.**

Competitive Transition Charge (Effective 1-1-00 through 12-31-00)

- 1.846 cts. per KWH for the first 200 KWH.**
- 1.638 cts. per KWH for the next 600 KWH.**
- 1.513 cts. per KWH for all additional KWH.**

Competitive Transition Charge (Effective 1-1-01 through 12-31-01)

- 1.826 cts. per KWH for the first 200 KWH.**
- 1.620 cts. per KWH for the next 600 KWH.**
- 1.496 cts. per KWH for all additional KWH.**

Competitive Transition Charge (Effective 1-1-02 through 12-31-02)

- 1.752 cts. per KWH for the first 200 KWH.**
- 1.555 cts. per KWH for the next 600 KWH.**
- 1.436 cts. per KWH for all additional KWH.**

Competitive Transition Charge (Effective 1-1-03 through 12-31-03)

- 1.710 cts. per KWH for the first 200 KWH.**
- 1.517 cts. per KWH for the next 600 KWH.**
- 1.401 cts. per KWH for all additional KWH.**

Competitive Transition Charge (Effective 1-1-04 through 12-31-04)

- 1.647 cts. per KWH for the first 200 KWH.**
- 1.462 cts. per KWH for the next 600 KWH.**
- 1.350 cts. per KWH for all additional KWH.**

Competitive Transition Charge (Effective 1-1-05 through 12-31-05)

- 1.549 cts. per KWH for the first 200 KWH.**
- 1.374 cts. per KWH for the next 600 KWH.**
- 1.269 cts. per KWH for all additional KWH.**

Competitive Transition Charge (Effective 1-1-06 through 12-31-06)

- 1.563 cts. per KWH for the first 200 KWH.**
- 1.387 cts. per KWH for the next 600 KWH.**
- 1.281 cts. per KWH for all additional KWH.**

Competitive Transition Charge (Effective 1-1-07 through 12-31-07)

- 1.499 cts. per KWH for the first 200 KWH.**
- 1.329 cts. per KWH for the next 600 KWH.**
- 1.228 cts. per KWH for all additional KWH.**

(Continued)

RATE SCHEDULE GS-1 (CONTINUED)**Competitive Transition Charge (Effective 1-1-08 through 12-31-08)**

- 1.409 cts. per KWH for the first 200 KWH.
- 1.250 cts. per KWH for the next 600 KWH.
- 1.155 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-09 through 12-31-09)

- 1.278 cts. per KWH for the first 200 KWH.
- 1.134 cts. per KWH for the next 600 KWH.
- 1.047 cts. per KWH for all additional KWH.

The Company will provide capacity (KW) and energy (KWH) under this Rate Schedule for customers who receive Basic Utility Supply Service from the Company.

Capacity and Energy Charge (Effective 1-1-99 through 12-31-99)

- 4.213 cts. per KWH for the first 200 KWH.
- 3.677 cts. per KWH for the next 600 KWH.
- 3.356 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-00 through 12-31-00)

- 4.623 cts. per KWH for the first 200 KWH.
- 4.035 cts. per KWH for the next 600 KWH.
- 3.683 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-01 through 12-31-01)

- 4.643 cts. per KWH for the first 200 KWH.
- 4.053 cts. per KWH for the next 600 KWH.
- 3.700 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-02 through 12-31-02)

- 4.717 cts. per KWH for the first 200 KWH.
- 4.118 cts. per KWH for the next 600 KWH.
- 3.760 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-03 through 12-31-03)

- 4.759 cts. per KWH for the first 200 KWH.
- 4.156 cts. per KWH for the next 600 KWH.
- 3.795 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-04 through 12-31-04)

- 4.822 cts. per KWH for the first 200 KWH.
- 4.211 cts. per KWH for the next 600 KWH.
- 3.846 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-05 through 12-31-05)

- 4.920 cts. per KWH for the first 200 KWH.
- 4.299 cts. per KWH for the next 600 KWH.
- 3.927 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-06 through 12-31-06)

- 5.383 cts. per KWH for the first 200 KWH.
- 4.703 cts. per KWH for the next 600 KWH.
- 4.296 cts. per KWH for all additional KWH.

(Continued)

RATE SCHEDULE GS-1 (CONTINUED)

Capacity and Energy Charge (Effective 1-1-07 through 12-31-07)

- 5.446 cts. per KWH for the first 200 KWH.
- 4.760 cts. per KWH for the next 600 KWH.
- 4.348 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-08 through 12-31-08)

- 5.535 cts. per KWH for the first 200 KWH.
- 4.838 cts. per KWH for the next 600 KWH.
- 4.420 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-09 through 12-31-09)

- 5.665 cts. per KWH for the first 200 KWH.
- 4.953 cts. per KWH for the next 600 KWH.
- 4.528 cts. per KWH for all additional KWH.

Transmission Charge (Effective 1-1-99)

The Company will provide and charge for transmission service consistent with the PJM Open Access Transmission Tariff approved or accepted by the Federal Energy Regulatory Commission for customers who receive Basic Utility Supply Service from the Company unless such customers obtain transmission service from another provider.

VOLUNTEER FIRE COMPANY is defined as 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 service location shall be to support the activities of the volunteer fire company.

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 is defined as 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 Department of Aging as an operator of a senior citizen center.

BUDGET BILLING

Budget Billing is available at the option of the customer for charges under this Rate Schedule. (C)

(C)

COMPETITIVE TRANSITION CHARGE RECONCILIATION RIDER

(C)

The Competitive Transition Charge Reconciliation Rider included in this Tariff applies to the Competitive Transition Charges under this Rate Schedule.

(Continued)

RATE SCHEDULE GS-1 (CONTINUED)

SUSTAINABLE ENERGY FUND RIDER

(C)

The Sustainable Energy Fund Rider included in this Tariff applies to the Distribution Charges under this Rate Schedule.

RENEWABLE ENERGY DEVELOPMENT RIDER

(C)

The Renewable Energy Development Rider included in this Tariff applies to the Distribution Charges under this Rate Schedule.

METERING AND BILLING CREDIT RIDER

(C)

The Metering and Billing Credit Rider included in this Tariff applies to the Distribution Charges under this Rate Schedule.

STATE TAX ADJUSTMENT SURCHARGE

The State Tax Adjustment Surcharge included in this Tariff is applied to charges under this Rate Schedule.

(C)

PAYMENT

The above net rate applies when bills are paid on or before the due date specified on the bill, which is not less than 15 days from the date bill is mailed. When not so paid the gross rate applies which is the above net rate plus 5% on the first \$200.00 of the then unpaid balance of the monthly bill and 2% on the remainder thereof.

CONTRACT PERIOD

Service under this Rate Schedule is for an initial term of one (1) year from the date service is first rendered and thereafter for one (1) year terms until canceled by one month's prior written notice.

(C)

**RATE SCHEDULE GS-3
LARGE GENERAL SERVICE
AT SECONDARY VOLTAGE OR HIGHER****APPLICATION RATE SCHEDULE GS-3**

This Rate Schedule is for large general service at secondary voltage, or at a higher available voltage at the option of the customer. Where necessary, the Company furnishes and maintains one transformation from line voltage to a lower Company standard service voltage. However, service from a 69,000 volt line or higher is supplied at not less than 2,300 volts.

NET MONTHLY RATE**Distribution Charge (Effective 1-1-99)**

\$ 2.84 per kilowatt for all kilowatts of the Billing KW.

0.151 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.

0.119 cts. Per KWH for the next 200 KWH per kilowatt of the Billing KW.

0.114 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-99 through 12-31-99)

1.883 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.

1.475 cts. Per KWH for the next 200 KWH per kilowatt of the Billing KW.

1.417 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-00 through 12-31-00)

1.849 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.

1.448 cts. Per KWH for the next 200 KWH per kilowatt of the Billing KW.

1.391 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-01 through 12-31-01)

1.801 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.

1.401 cts. Per KWH for the next 200 KWH per kilowatt of the Billing KW.

1.355 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-02 through 12-31-02)

1.704 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.

1.334 cts. Per KWH for the next 200 KWH per kilowatt of the Billing KW.

1.282 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-03 through 12-31-03)

1.643 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.

1.286 cts. Per KWH for the next 200 KWH per kilowatt of the Billing KW.

1.236 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-04 through 12-31-04)

1.565 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.

1.226 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.

1.178 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-05 through 12-31-05)

1.459 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.

1.143 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.

1.098 cts. per KWH for all additional KWH.

(Continued)

RATE SCHEDULE GS-3 (CONTINUED)**Competitive Transition Charge (Effective 1-1-06 through 12-31-06)**

- 1.457 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.
- 1.141 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.
- 1.097 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-07 through 12-31-07)

- 1.378 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.
- 1.080 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.
- 1.038 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-08 through 12-31-08)

- 1.284 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.
- 1.005 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.
- 0.966 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-09 through 12-31-09)

- 1.155 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.
- 0.904 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.
- 0.869 cts. per KWH for all additional KWH.

The Company will provide capacity (KW) and energy (KWH) under this Rate Schedule for customers who receive Basic Utility Supply Service from the Company.

Capacity and Energy Charge (Effective 1-1-99 through 12-31-99)

- \$ 3.83 per kilowatt for all kilowatts of the Billing KW.
- 3.673 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.
- 2.782 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.
- 2.656 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-00 through 12-31-00)

- \$ 4.10 per kilowatt for all kilowatts of the Billing KW.
- 3.982 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.
- 3.018 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.
- 2.882 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-01 through 12-31-01)

- \$ 4.10 per kilowatt for all kilowatts of the Billing KW.
- 4.030 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.
- 3.056 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.
- 2.918 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-02 through 12-31-02)

- \$ 4.10 per kilowatt for all kilowatts of the Billing KW.
- 4.127 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.
- 3.132 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.
- 2.991 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-03 through 12-31-03)

- \$ 4.10 per kilowatt for all kilowatts of the Billing KW.
- 4.188 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.
- 3.180 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.
- 3.037 cts. per KWH for all additional KWH.

(Continued)

RATE SCHEDULE GS-3 (CONTINUED)**Capacity and Energy Charge (Effective 1-1-04 through 12-31-04)****\$ 4.10 per kilowatt for all kilowatts of the Billing KW.****4.266 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.****3.240 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.****3.095 cts. per KWH for all additional KWH.****Capacity and Energy Charge (Effective 1-1-05 through 12-31-05)****\$ 4.10 per kilowatt for all kilowatts of the Billing KW.****4.372 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.****3.323 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.****3.175 cts. per KWH for all additional KWH.****Capacity and Energy Charge (Effective 1-1-06 through 12-31-06)****\$ 4.41 per kilowatt for all kilowatts of the Billing KW.****4.707 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.****3.578 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.****3.418 cts. per KWH for all additional KWH.****Capacity and Energy Charge (Effective 1-1-07 through 12-31-07)****\$ 4.41 per kilowatt for all kilowatts of the Billing KW.****4.788 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.****3.642 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.****3.479 cts. per KWH for all additional KWH.****Capacity and Energy Charge (Effective 1-1-08 through 12-31-08)****\$ 4.41 per kilowatt for all kilowatts of the Billing KW.****4.883 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.****3.717 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.****3.552 cts. per KWH for all additional KWH.****Capacity and Energy Charge (Effective 1-1-09 through 12-31-09)****\$ 4.40 per kilowatt for all kilowatts of the Billing KW.****5.015 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.****3.820 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.****3.651 cts. per KWH for all additional KWH.****Transmission Charge (Effective 1-1-99)**

The Company will provide and charge for transmission service consistent with the PJM Open Access Transmission Tariff approved or accepted by the Federal Energy Regulatory Commission for customers who receive Basic Utility Supply Service from the Company unless such customers obtain transmission service from another provider.

(Continued)

RATE SCHEDULE GS-3 (CONTINUED)

MONTHLY MINIMUMS

The Minimum Billing Demand is 25 KW for service from lines below 69,000 volts and 300 KW from lines of 69,000 volts and higher.

For service from lines below 69,00 volts, the Monthly Minimum Distribution Charge is \$71.00 and the Monthly Minimum Capacity and Energy Charge is 25 KW times the demand step of the effective Capacity and Energy Charge.

For service from lines of 69,000 volts and higher, the Monthly Minimum Distribution Charge is \$852.00 and the Monthly Minimum Capacity and Energy Charge is 300 KW times the demand step of the effective Capacity and Energy Charge.

Monthly Minimums apply to services provided by the Company.

BILLING KW

The Billing KW is the average number of kilowatts supplied during the 15 minute period of maximum use during the current billing period.

Time-of-Day metering and billing is available on request for an additional charge of \$14.97 per month for a minimum period of one year. The Billing KW applicable to the charges under this Rate Schedule is the average number of kilowatts supplied during the 15 minute period of maximum use during the on-peak hours of the current billing period. For new applications, this provision is limited to customers of the Company who have not had the opportunity to purchase capacity and energy from their choice of electric generation supplier pursuant to the enrollment procedures contained in the Commission's order at Docket Nos. M-00960890F.0014 and M-00960890F.0015. No new applications will be accepted after January 1, 2000.

(C)

ON-PEAK HOURS

On-peak hours for billing purposes are 7 a.m. to 3 p.m., 8 a.m. to 4 p.m., or 9 a.m. to 5 p.m. local time at the option of the customer, Mondays to Fridays inclusive, except New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. The Company's system on-peak period is 7 a.m. to 9 p.m. local time.

INDUSTRIAL DEVELOPMENT INITIATIVES RIDER

The Industrial Development Initiatives Rider included in this Tariff applies to eligible customers served under this Rate Schedule, except for customers served under the Economic Development Initiatives Rider.

ECONOMIC DEVELOPMENT INITIATIVES RIDER

The Economic Development Initiatives Rider included in this Tariff applies to eligible customers served under this Rate Schedule, except for customers served under the Industrial Development Initiatives Rider.

(C)

OPTIONAL POWER WATCH SERVICE RIDER - COMMERCIAL (EXPERIMENTAL)

The Optional POWER WATCH™ Service Rider - Commercial included in this Tariff is available to eligible customers served under this Rate Schedule.

(C)

(Continued)

(C) Indicates Change

RATE SCHEDULE GS-3 (CONTINUED)

OFF-PEAK SPACE CONDITIONING AND WATER HEATING (Effective 1-1-99)

(C)

For customers served under this Rate Schedule, off-peak energy for storage space conditioning and/or water heating may be supplied exclusively through a separate meter and billed separately at a charge of \$14.97 per month, plus a Distribution Charge of 0.540 cts. per KWH, plus the following Competitive Transition Charge and, for customers who receive Basic Utility Supply Service from the Company, the following Capacity and Energy Charge, with a monthly minimum charge of \$14.97. Any Billing KW resulting from usage during other than the off-peak hours is billed at the rate of \$17.96 per KW. For new applications, this provision is limited to customers of the Company who have not had the opportunity to purchase capacity and energy from their choice of electric generation supplier pursuant to the enrollment procedures contained in the Commission's order at Docket Nos. M-00960890F.0014 and M-00960890F.0015. No new applications will be accepted after January 1, 2000..

| <u>Effective</u> | <u>Competitive Transition Charge</u> | <u>Capacity and Energy Charge</u> |
|-------------------------|------------------------------------------|---------------------------------------|
| 1-1-99 through 12-31-99 | 1.707 cts. per KWH | 1.077 cts. per KWH |
| 1-1-00 through 12-31-00 | 1.665 cts. per KWH | 1.171 cts. per KWH |
| 1-1-01 through 12-31-01 | 1.621 cts. per KWH | 1.215 cts. per KWH |
| 1-1-02 through 12-31-02 | 1.533 cts. per KWH | 1.303 cts. per KWH |
| 1-1-03 through 12-31-03 | 1.478 cts. per KWH | 1.358 cts. per KWH |
| 1-1-04 through 12-31-04 | 1.408 cts. per KWH | 1.428 cts. per KWH |
| 1-1-05 through 12-31-05 | 1.312 cts. per KWH | 1.524 cts. per KWH |
| 1-1-06 through 12-31-06 | 1.310 cts. per KWH | 2.602 cts. per KWH |
| 1-1-07 through 12-31-07 | 1.239 cts. per KWH | 1.718 cts. per KWH |
| 1-1-08 through 12-31-08 | 1.154 cts. per KWH | 1.807 cts. per KWH |
| 1-1-09 through 12-31-09 | 1.038 cts. per KWH | 1.928 cts. per KWH |

The Company will provide and charge for transmission service consistent with the PJM Open Access Transmission Tariff approved or accepted by the Federal Energy Regulatory Commission for customers who receive Basic Utility Supply Service from the Company unless such customers obtain transmission service from another provider.

Service through the separate meter may be used between the off-peak hours of 7 p.m. to 7 a.m. local time, Mondays to Fridays inclusive, and all day Saturday, Sunday and the following holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

SERVICE TO VOLUNTEER FIRE COMPANIES AND NON-PROFIT SENIOR CITIZEN CENTERS (C)

Upon application and acceptance by the Company, pursuant to Act 103 of 1985, Volunteer Fire Companies and Non-Profit Senior Citizen Centers may, for a minimum one-year period, elect to have electric service rendered pursuant to the following charges.

Distribution Charge (Effective 1-1-99)

\$ 6.47 per month plus

1.796 cts. per KWH for the first 200 KWH.

1.594 cts. Per KWH for the next 600 KWH.

1.472 cts. Per KWH for all additional KWH.

(Continued)

RATE SCHEDULE GS-3 (CONTINUED)**Competitive Transition Charge (Effective 1-1-99 through 12-31-99)**

1.859 cts. per KWH for the first 200 KWH.
1.649 cts. per KWH for the next 600 KWH.
1.523 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-00 through 12-31-00)

1.846 cts. per KWH for the first 200 KWH.
1.638 cts. per KWH for the next 600 KWH.
1.513 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-01 through 12-31-01)

1.826 cts. per KWH for the first 200 KWH.
1.620 cts. per KWH for the next 600 KWH.
1.496 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-02 through 12-31-02)

1.752 cts. per KWH for the first 200 KWH.
1.555 cts. per KWH for the next 600 KWH.
1.436 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-03 through 12-31-03)

1.710 cts. per KWH for the first 200 KWH.
1.517 cts. per KWH for the next 600 KWH.
1.401 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-04 through 12-31-04)

1.647 cts. per KWH for the first 200 KWH.
1.462 cts. per KWH for the next 600 KWH.
1.350 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-05 through 12-31-05)

1.549 cts. per KWH for the first 200 KWH.
1.374 cts. per KWH for the next 600 KWH.
1.269 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-06 through 12-31-06)

1.563 cts. per KWH for the first 200 KWH.
1.387 cts. per KWH for the next 600 KWH.
1.281 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-07 through 12-31-07)

1.499 cts. per KWH for the first 200 KWH.
1.329 cts. per KWH for the next 600 KWH.
1.228 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-08 through 12-31-08)

1.409 cts. per KWH for the first 200 KWH.
1.250 cts. per KWH for the next 600 KWH.
1.155 cts. per KWH for all additional KWH.

(Continued)

RATE SCHEDULE GS-3 (CONTINUED)**Competitive Transition Charge (Effective 1-1-09 through 12-31-09)**

- 1.278 cts. per KWH for the first 200 KWH.
- 1.134 cts. per KWH for the next 600 KWH.
- 1.047 cts. per KWH for all additional KWH.

The Company will provide capacity (KW) and energy (KWH) under this Rate Schedule for customers who receive Basic Utility Supply Service from the Company.

Capacity and Energy Charge (Effective 1-1-99 through 12-31-99)

- 4.430 cts. per KWH for the first 200 KWH.
- 3.880 cts. per KWH for the next 600 KWH.
- 3.552 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-00 through 12-31-00)

- 4.741 cts. per KWH for the first 200 KWH.
- 4.153 cts. per KWH for the next 600 KWH KW.
- 3.801 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-01 through 12-31-01)

- 4.761 cts. per KWH for the first 200 KWH.
- 4.171 cts. per KWH for the next 600 KWH.
- 3.818 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-02 through 12-31-02)

- 4.835 cts. per KWH for the first 200 KWH.
- 4.236 cts. per KWH for the next 600 KWH.
- 3.878 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-03 through 12-31-03)

- 4.877 cts. per KWH for the first 200 KWH.
- 4.274 cts. per KWH for the next 600 KWH.
- 3.913 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-04 through 12-31-04)

- 4.940 cts. per KWH for the first 200 KWH.
- 4.329 cts. per KWH for the next 600 KWH.
- 3.964 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-05 through 12-31-05)

- 5.038 cts. per KWH for the first 200 KWH.
- 4.417 cts. per KWH for the next 600 KWH.
- 4.045 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-06 through 12-31-06)

- 5.406 cts. per KWH for the first 200 KWH.
- 4.739 cts. per KWH for the next 600 KWH.
- 4.340 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-07 through 12-31-07)

- 5.472 cts. per KWH for the first 200 KWH.
- 4.799 cts. per KWH for the next 600 KWH.
- 4.394 cts. per KWH for all additional KWH.

(Continued)

RATE SCHEDULE GS-3 (CONTINUED)

Capacity and Energy Charge (Effective 1-1-08 through 12-31-08)

5.563 cts. per KWH for the first 200 KWH.
 4.879 cts. per KWH for the next 600 KWH.
 4.468 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-09 through 12-31-09)

5.694 cts. per KWH for the first 200 KWH.
 4.994 cts. per KWH for the next 600 KWH.
 4.576 cts. per KWH for all additional KWH.

Transmission Charge (Effective 1-1-99)

The Company will provide and charge for transmission service consistent with the PJM Open Access Transmission Tariff approved or accepted by the Federal Energy Regulatory Commission for customers who receive Basic Utility Supply Service from the Company unless such customers obtain transmission service from another provider.

VOLUNTEER FIRE COMPANY is defined as 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 service location shall be to support the activities of the volunteer fire company.

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 is defined as 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 Department of Aging as an operator of a senior citizen center.

(C)

BUDGET BILLING

Budget Billing is available at the option of the customer for charges under this Rate Schedule.

(C)

COMPETITIVE TRANSITION CHARGE RECONCILIATION RIDER

(C)

The Competitive Transition Charge Reconciliation Rider included in this Tariff applies to the Competitive Transition Charges under this Rate Schedule.

SUSTAINABLE ENERGY FUND RIDER

(C)

The Sustainable Energy Fund Rider included in this Tariff applies to the Distribution Charges under this Rate Schedule.

(Continued)

RATE SCHEDULE GS-3 (CONTINUED)

RENEWABLE ENERGY DEVELOPMENT RIDER

(C)

The Renewable Energy Development Rider included in this Tariff applies to the Distribution Charges under this Rate Schedule.

METERING AND BILLING CREDIT RIDER

(C)

The Metering and Billing Credit Rider included in this Tariff applies to the Distribution Charges under this Rate Schedule.

STATE TAX ADJUSTMENT SURCHARGE

The State Tax Adjustment Surcharge included in this Tariff is applied to charges under this Rate Schedule.

(C)

PAYMENT

The above net rate applies when bills are paid on or before the due date specified on the bill, which is not less than 15 days from the date bill is mailed. When not so paid the gross rate applies which is the above net rate plus 5% on the first \$200.00 of the then unpaid balance of the monthly bill and 2% on the remainder thereof.

CONTRACT PERIOD

Service under this Rate Schedule is for an initial term of one(1) year from the date service is first rendered and thereafter for one (1) year terms until canceled by one month's prior written notice.

(C)

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**RATE SCHEDULE LP-4
LARGE GENERAL SERVICE AT 12,470 VOLTS OR HIGHER****APPLICATION RATE SCHEDULE LP-4**

This Rate Schedule is for large general service supplied from available lines of 12,470 volts or higher when the customer furnishes and maintains all equipment necessary to transform the energy from line voltage.

NET MONTHLY RATE**Distribution Charge (Effective 1-1-99)**

- \$ 1.75 per kilowatt for all kilowatts of the Billing KW.
- 0.025 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.
- 0.019 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.
- 0.017 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-99 through 12-31-99)

- \$ 1.19 per kilowatt for all kilowatts of the Billing KW.
- 1.561 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.
- 1.205 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.
- 1.052 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-00 through 12-31-00)

- \$ 1.19 per kilowatt for all kilowatts of the Billing KW.
- 1.530 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.
- 1.181 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.
- 1.031 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-01 through 12-31-01)

- \$ 1.17 per kilowatt for all kilowatts of the Billing KW.
- 1.501 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.
- 1.159 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.
- 1.012 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-02 through 12-31-02)

- \$ 1.12 per kilowatt for all kilowatts of the Billing KW.
- 1.432 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.
- 1.105 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.
- 0.965 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-03 through 12-31-03)

- \$ 1.09 per kilowatt for all kilowatts of the Billing KW.
- 1.389 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.
- 1.072 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.
- 0.936 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-04 through 12-31-04)

- \$ 1.05 per kilowatt for all kilowatts of the Billing KW.
- 1.331 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.
- 1.027 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.
- 0.897 cts. per KWH for all additional KWH.

(Continued)

(C)

RATE SCHEDULE LP-4 (CONTINUED)**Competitive Transition Charge (Effective 1-1-05 through 12-31-05)****\$ 0.98 per kilowatt for all kilowatts of the Billing KW.****1.264 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.****0.976 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.****0.852 cts. per KWH for all additional KWH.****Competitive Transition Charge (Effective 1-1-06 through 12-31-06)****\$ 0.99 per kilowatt for all kilowatts of the Billing KW.****1.243 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.****0.960 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.****0.838 cts. per KWH for all additional KWH.****Competitive Transition Charge (Effective 1-1-07 through 12-31-07)****\$ 0.95 per kilowatt for all kilowatts of the Billing KW.****1.185 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.****0.915 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.****0.799 cts. per KWH for all additional KWH.****Competitive Transition Charge (Effective 1-1-08 through 12-31-08)****\$ 0.89 per kilowatt for all kilowatts of the Billing KW.****1.107 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.****0.854 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.****0.746 cts. per KWH for all additional KWH.****Competitive Transition Charge (Effective 1-1-09 through 12-31-09)****\$ 0.80 per kilowatt for all kilowatts of the Billing KW.****1.000 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.****0.772 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.****0.674 cts. per KWH for all additional KWH.**

The Company will provide capacity (KW) and energy (KWH) under this Rate Schedule for customers who receive Basic Utility Supply Service from the Company.

Capacity and Energy Charge (Effective 1-1-99 through 12-31-99)**\$ 3.29 per kilowatt for all kilowatts of the Billing KW.****3.917 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.****2.943 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.****2.525 cts. per KWH for all additional KWH.****Capacity and Energy Charge (Effective 1-1-00 through 12-31-00)****\$ 3.50 per kilowatt for all kilowatts of the Billing KW.****4.195 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.****3.153 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.****2.705 cts. per KWH for all additional KWH.****Capacity and Energy Charge (Effective 1-1-01 through 12-31-01)****\$ 3.52 per kilowatt for all kilowatts of the Billing KW.****4.224 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.****3.175 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.****2.724 cts. per KWH for all additional KWH.**

(Continued)

RATE SCHEDULE LP-4 (CONTINUED)**Capacity and Energy Charge (Effective 1-1-02 through 12-31-02)**

- \$ 3.57 per kilowatt for all kilowatts of the Billing KW.
- 4.293 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.
- 3.229 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.
- 2.771 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-03 through 12-31-03)

- \$ 3.60 per kilowatt for all kilowatts of the Billing KW.
- 4.336 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.
- 3.262 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.
- 2.800 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-04 through 12-31-04)

- \$ 3.64 per kilowatt for all kilowatts of the Billing KW.
- 4.394 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.
- 3.307 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.
- 2.839 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-05 through 12-31-05)

- \$ 3.71 per kilowatt for all kilowatts of the Billing KW.
- 4.461 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.
- 3.358 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.
- 2.884 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-06 through 12-31-06)

- \$ 3.96 per kilowatt for all kilowatts of the Billing KW.
- 4.794 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.
- 3.608 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.
- 3.102 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-07 through 12-31-07)

- \$ 4.00 per kilowatt for all kilowatts of the Billing KW.
- 4.852 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.
- 3.654 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.
- 3.139 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-08 through 12-31-08)

- \$ 4.06 per kilowatt for all kilowatts of the Billing KW.
- 4.930 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.
- 3.715 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.
- 3.192 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-09 through 12-31-09)

- \$ 4.15 per kilowatt for all kilowatts of the Billing KW.
- 5.037 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.
- 3.797 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.
- 3.264 cts. per KWH for all additional KWH.

(Continued)

RATE SCHEDULE LP-4 (CONTINUED)

Transmission Charge (Effective 1-1-99)

The Company will provide and charge for transmission service consistent with the PJM Open Access Transmission Tariff approved or accepted by the Federal Energy Regulatory Commission for customers who receive Basic Utility Supply Service from the Company unless such customers obtain transmission service from another provider.

MONTHLY MINIMUMS

The Minimum Billing Demand is 25 KW.

The Monthly Minimum Distribution Charge is \$43.75. The Monthly Minimum Competitive Transition Charge is 25 KW times the demand step of the effective Competitive Transition Charge. The Monthly Minimum Capacity and Energy Charge is 25 KW times the demand step of the effective Capacity and Energy Charge.

Monthly Minimums apply to services provided by the Company.

BILLING KW

The Billing KW is the average number of kilowatts supplied during the 15 minute period of maximum use during the current billing period.

Time-of-Day metering and billing is available on request for an additional charge of \$14.97 per month for a minimum period of one year. The Billing KW applicable to the charges under this Rate Schedule is the average number of kilowatts supplied during the 15 minute period of maximum use during the on-peak hours of the current billing period. For new applications, this provision is limited to customers of the Company who have not had the opportunity to purchase capacity and energy from their choice of electric generation supplier pursuant to the enrollment procedures contained in the commission's order at Docket Nos. M-00960890F.0014 and M-00960890F.0015. No new applications will be accepted after January 1, 2000.

ON-PEAK HOURS

On-peak hours for billing purposes are 7 a.m. to 3 p.m., 8 a.m. to 4 p.m., or 9 a.m. to 5 p.m. local time, at the option of the customer, Mondays to Fridays inclusive except, New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. The Company's system on-peak period is 7 a.m. to 9 p.m. local time.

INDUSTRIAL DEVELOPMENT INITIATIVES RIDER

The Industrial Development Initiatives Rider included in this Tariff applies to eligible customers served under this Rate Schedule, except for customers served under the Economic Development Initiatives Rider.

ECONOMIC DEVELOPMENT INITIATIVES RIDER

The Economic Development Initiatives Rider included in this Tariff applies to eligible customers served under this Rate Schedule, except for customers served under the Industrial Development Initiatives Rider.

(Continued)

(C) Indicates Change

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RATE SCHEDULE LP-4 (CONTINUED)

OFF-PEAK SPACE CONDITIONING AND WATER HEATING (Effective 1-1-99)

(C)

For customers served under this Rate Schedule, off-peak energy for storage space conditioning and/or water heating may be supplied exclusively through a separate submeter and billed separately at a charge of \$14.97 per month, plus a Distribution Charge of 0.414 cts. per KWH, plus the following Competitive Transition Charge and, for customers who receive Basic Utility Supply Service from the Company, the following Capacity and Energy Charge, with a monthly minimum charge of \$14.97. Any billing KW resulting from usage during other than the off-peak hours is billed at Rate Schedule charges. For new applications, this provision is limited to customers of the Company who have not had the opportunity to purchase capacity and energy from their choice of electric generation supplier pursuant to the enrollment procedures contained in the commission's order at Docket Nos. M-00960890F.0014 and M-00960890F.0015. No new applications will be accepted after January 1, 2000.

| <u>Effective</u> | <u>Competitive Transition Charge</u> | <u>Capacity and Energy Charge</u> |
|-------------------------|------------------------------------------|---------------------------------------|
| 1-1-99 through 12-31-99 | 1.333 cts. per KWH | 1.447 cts. per KWH |
| 1-1-00 through 12-31-00 | 1.306 cts. per KWH | 1.751 cts. per KWH |
| 1-1-01 through 12-31-01 | 1.280 cts. per KWH | 1.777 cts. per KWH |
| 1-1-02 through 12-31-02 | 1.221 cts. per KWH | 1.836 cts. per KWH |
| 1-1-03 through 12-31-03 | 1.183 cts. per KWH | 1.874 cts. per KWH |
| 1-1-04 through 12-31-04 | 1.133 cts. per KWH | 1.924 cts. per KWH |
| 1-1-05 through 12-31-05 | 1.076 cts. per KWH | 1.981 cts. per KWH |
| 1-1-06 through 12-31-06 | 1.058 cts. per KWH | 1.999 cts. per KWH |
| 1-1-07 through 12-31-07 | 1.008 cts. per KWH | 2.049 cts. per KWH |
| 1-1-08 through 12-31-08 | 0.941 cts. per KWH | 2.116 cts. per KWH |
| 1-1-09 through 12-31-09 | 0.850 cts. per KWH | 2.207 cts. per KWH |

The Company will provide and charge for transmission service consistent with the PJM Open Access Transmission Tariff approved or accepted by the Federal Energy Regulatory Commission for customers who receive Basic Utility Supply Service from the Company unless such customers obtain transmission service from another provider.

Service through the separate meter may be used between the off-peak hours of 7 p.m. to 7 a.m. local time, Mondays to Fridays inclusive, and all day Saturday, Sunday and the following holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

(C)

COMPETITIVE TRANSITION CHARGE RECONCILIATION RIDER

(C)

The Competitive Transition Charge Reconciliation Rider included in this Tariff applies to the Competitive Transition Charges under this Rate Schedule.

(Continued)

RATE SCHEDULE LP-4 (CONTINUED)

SUSTAINABLE ENERGY FUND RIDER

(C)

The Sustainable Energy Fund Rider included in this Tariff applies to the Distribution Charges under this Rate Schedule.

METERING AND BILLING CREDIT RIDER

(C)

The Metering and Billing Credit Rider included in this Tariff applies to the Distribution Charges under this Rate Schedule.

STATE TAX ADJUSTMENT SURCHARGE

The State Tax Adjustment Surcharge included in this Tariff is applied to charges under this Rate Schedule.

(C)

PAYMENT

The above net rate applies when bills are paid on or before the due date specified on the bill, which is not less than 15 days from the date bill is mailed. When not so paid, the gross rate applies which is the above net rate plus 5% on the first \$200.00 of the then unpaid balance of the monthly bill and 2% on the remainder thereof.

CONTRACT PERIOD

Service under this Rate Schedule is for an initial term of one (1) year from the date service is first rendered and thereafter for one (1) year terms until canceled by one month's prior written notice.

(C)

**RATE SCHEDULE LP-5
LARGE GENERAL SERVICE AT 69,000 VOLTS OR HIGHER**

APPLICATION RATE SCHEDULE LP-5

This Rate Schedule is for large general service supplied from available lines of 69,000 volts or higher, with the customer furnishing and maintaining all equipment necessary to transform the energy from the line voltage. It applies to 3 phase, 60 Hertz service.

NET MONTHLY RATE

(C)

Distribution Charge (Effective 1-1-99)

\$ 0.289 per kilowatt for all kilowatts of the Billing KW.

Competitive Transition Charge (Effective 1-1-99 through 12-31-99)

\$ 1.45 per kilowatt for all kilowatts of the Billing KW.

1.420 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.

1.211 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.

1.054 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-00 through 12-31-00)

\$ 1.45 per kilowatt for all kilowatts of the Billing KW.

1.392 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.

1.187 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.

1.033 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-01 through 12-31-01)

\$ 1.42 per kilowatt for all kilowatts of the Billing KW.

1.365 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.

1.164 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.

1.013 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-02 through 12-31-02)

\$ 1.36 per kilowatt for all kilowatts of the Billing KW.

1.302 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.

1.110 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.

0.966 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-03 through 12-31-03)

\$ 1.32 per kilowatt for all kilowatts of the Billing KW.

1.263 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.

1.076 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.

0.937 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-04 through 12-31-04)

\$ 1.27 per kilowatt for all kilowatts of the Billing KW.

1.209 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.

1.031 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.

0.897 cts. per KWH for all additional KWH.

(Continued)

RATE SCHEDULE LP-5 (CONTINUED)**Competitive Transition Charge (Effective 1-1-05 through 12-31-05)****\$ 1.27 per kilowatt for all kilowatts of the Billing KW.****1.126 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.****0.960 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.****0.836 cts. per KWH for all additional KWH.****Competitive Transition Charge (Effective 1-1-06 through 12-31-06)****\$ 1.20 per kilowatt for all kilowatts of the Billing KW.****1.124 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.****0.958 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.****0.834 cts. per KWH for all additional KWH.****Competitive Transition Charge (Effective 1-1-07 through 12-31-07)****\$ 1.15 per kilowatt for all kilowatts of the Billing KW.****1.086 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.****0.926 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.****0.806 cts. per KWH for all additional KWH.****Competitive Transition Charge (Effective 1-1-08 through 12-31-08)****\$ 1.07 per kilowatt for all kilowatts of the Billing KW.****1.001 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.****0.854 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.****0.743 cts. per KWH for all additional KWH.****Competitive Transition Charge (Effective 1-1-09 through 12-31-09)****\$ 0.97 per kilowatt for all kilowatts of the Billing KW.****0.903 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.****0.770 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.****0.670 cts. per KWH for all additional KWH.**

The Company will provide capacity (KW) and energy (KWH) under this Rate Schedule for customers who receive Basic Utility Supply Service from the Company.

Capacity and Energy Charge (Effective 1-1-99 through 12-31-99)**\$ 4.019 per kilowatt for all kilowatts of the Billing KW.****3.496 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.****2.939 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.****2.521 cts. per KWH for all additional KWH.****Capacity and Energy Charge (Effective 1-1-00 through 12-31-00)****\$ 4.251 per kilowatt for all kilowatts of the Billing KW.****3.726 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.****3.132 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.****2.687 cts. per KWH for all additional KWH.****Capacity and Energy Charge (Effective 1-1-01 through 12-31-01)****\$ 4.281 per kilowatt for all kilowatts of the Billing KW.****3.753 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.****3.155 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.****2.707 cts. per KWH for all additional KWH.****(Continued)**

RATE SCHEDULE LP-5 (CONTINUED)**Capacity and Energy Charge (Effective 1-1-02 through 12-31-02)****\$ 4.341 per kilowatt for all kilowatts of the Billing KW.****3.816 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.****3.209 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.****2.754 cts. per KWH for all additional KWH.****Capacity and Energy Charge (Effective 1-1-03 through 12-31-03)****\$ 4.381 per kilowatt for all kilowatts of the Billing KW.****3.855 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.****3.243 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.****2.783 cts. per KWH for all additional KWH.****Capacity and Energy Charge (Effective 1-1-04 through 12-31-04)****\$ 4.431 per kilowatt for all kilowatts of the Billing KW.****3.909 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.****3.288 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.****2.823 cts. per KWH for all additional KWH.****Capacity and Energy Charge (Effective 1-1-05 through 12-31-05)****\$ 4.431 per kilowatt for all kilowatts of the Billing KW.****3.992 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.****3.359 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.****2.884 cts. per KWH for all additional KWH.****Capacity and Energy Charge (Effective 1-1-06 through 12-31-06)****\$ 4.788 per kilowatt for all kilowatts of the Billing KW.****4.249 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.****3.575 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.****3.073 cts. per KWH for all additional KWH.****Capacity and Energy Charge (Effective 1-1-07 through 12-31-07)****\$ 4.839 per kilowatt for all kilowatts of the Billing KW.****4.287 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.****3.607 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.****3.098 cts. per KWH for all additional KWH.****Capacity and Energy Charge (Effective 1-1-08 through 12-31-08)****\$ 4.918 per kilowatt for all kilowatts of the Billing KW.****4.372 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.****3.680 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.****3.162 cts. per KWH for all additional KWH.****Capacity and Energy Charge (Effective 1-1-09 through 12-31-09)****\$ 5.018 per kilowatt for all kilowatts of the Billing KW.****4.471 cts. per KWH for the first 200 KWH per kilowatt of the Billing KW.****3.764 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.****3.235 cts. per KWH for all additional KWH.**

(Continued)

RATE SCHEDULE LP-5 (CONTINUED)

Transmission Charge (Effective 1-1-99)

The Company will provide and charge for transmission service consistent with the PJM Open Access Transmission Tariff approved or accepted by the Federal Energy Regulatory Commission for customers who receive Basic Utility Supply Service from the Company unless such customers obtain transmission service from another provider.

A credit of \$0.85 is applied to all Billing KW when customer takes service at 230,000 volts.

MONTHLY MINIMUMS

The Minimum Billing Demand is 300 KW.

The Monthly Minimum Distribution Charge is \$86.70. The Monthly Minimum Competitive Transition Charge is 300 KW times the demand step of the effective Competitive Transition Charge. The Monthly Minimum Capacity and Energy Charge is 300 KW times the demand step of the effective Capacity and Energy Charge.

Monthly Minimums apply to services provided by the Company.

BILLING KW

The Billing KW is the average number of kilowatts supplied during the 15 minute period (1 hr. period for 230,000 volt service) of maximum use during the current billing period, except that where a 1 hr. period of maximum use was in effect as of August 28, 1981 it may be continued for that customer.

Time-of-Day metering and billing is available on request for an additional charge of \$14.97 per month for a minimum period of one year. The Billing KW applicable to the charges under this Rate Schedule is the average number of kilowatts supplied during the 15 minute (1 hr.) period of maximum use during the on-peak hours of the current billing period. For new applications, this provision is limited to customers of the company who have not had the opportunity to purchase capacity and energy from their choice of electric generation supplier pursuant to the enrollment procedures contained in the commission's order at docket Nos. M-00960890F.0014 and M-00960890F.0015. No new applications will be accepted after January 1, 2000.

ON-PEAK HOURS

On-peak hours for billing purposes are 7 a.m. to 3 p.m., 8 a.m. to 4 p.m., or 9 a.m. to 5 p.m. local time, at the option of the customer, Mondays to Fridays inclusive except New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. The Company's system on-peak period is 7 a.m. to 9 p.m. local time.

INDUSTRIAL DEVELOPMENT INITIATIVES RIDER

The Industrial Development Initiatives Rider included in this Tariff applies to eligible customers served under this Rate Schedule, except for customers served under the Economic Development Initiatives Rider.

ECONOMIC DEVELOPMENT INITIATIVES RIDER

The Economic Development Initiatives Rider included in this Tariff applies to eligible customers served under this Rate Schedule, except for customers served under the Industrial Development Initiatives Rider.

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(C) Indicates Change

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RATE SCHEDULE LP-5 (Continued)

DEMAND FREE DAYS (EXPERIMENTAL)

A customer taking service under this Rate Schedule having a monthly maximum demand of 5,000 KW or greater, is eligible for Demand Free days. An eligible customer may pre-select three (3) weekdays per week, from Tuesday through Friday, as Demand Free. The demand created by the customer on the on the pre-selected days will not be used for billing purposes. The customer must specify annually which three weekdays per week will be Demand Free for the succeeding year. Terms and conditions for service under this provision are covered by contract. This provision will terminate on January 1, 2010. For new applications, this provision is limited to customers of the Company who have not had the opportunity to purchase capacity and energy from their choice of electric generation supplier pursuant to the enrollment procedures contained in the Commission's order at Docket Nos. M-00960890F.0014 and M-00960890F.0015. No new applications will be accepted after January 1, 2000.

(C)

The Company will notify the customer by 2:00 p.m. of the weekday preceding a Demand Free day if the Demand Free day is canceled. A Demand Free Day will not be canceled by the Company unless the incremental cost to carry the Company's system load is greater than 4.024 cts. per KWH, or the local distribution system has insufficient capacity to meet the expected load.

(C)

(C)

COMPETITIVE TRANSITION CHARGE RECONCILIATION RIDER

(C)

The Competitive Transition Charge Reconciliation Rider included in this Tariff applies to the Competitive Transition Charges under this Rate Schedule.

SUSTAINABLE ENERGY AND FUND RIDER

(C)

The Sustainable Energy Fund Rider included in this Tariff applies to the Distribution Charges under this Rate Schedule.

METERING AND BILLING CREDIT RIDER

(C)

The Metering and Billing Credit Rider included in this Tariff applies to the Distribution Charges under this Rate Schedule.

STATE TAX ADJUSTMENT SURCHARGE

The State Tax Adjustment Surcharge included in this Tariff is applied to charges under this Rate Schedule.

PAYMENT

The above net rate applies when bills are paid on or before the due date specified on the bill, which is not less than 15 days from the date bill is mailed. When not so paid, the gross rate applies which is the above net rate plus 5% on the first \$200.00 of the then unpaid balance of the monthly bill and 2% on the remainder thereof.

(Continued)

RATE SCHEDULE LP-5 (Continued)

CONTRACT PERIOD

Service under this Rate Schedule is for an initial term of one (1) year from the date service is first rendered and thereafter for one (1) year terms until canceled by one month's prior written notice.

(C)

**RATE SCHEDULE LP-6
LARGE GENERAL SERVICE AT 69,000 VOLTS OR HIGHER****APPLICATION RATE SCHEDULE LP-6**

This Rate Schedule is for large general service supplied from available lines of 69,000 volts or higher, with the customer furnishing and maintaining all equipment necessary to transform the energy from the line voltage.

NET MONTHLY RATE**Distribution Charge (Effective 1-1-99)**

\$ 0.305 per kilowatt for all kilowatts of the Billing KW.

Competitive Transition Charge (Effective 1-1-99 through 12-31-99)

\$ 1.57 per kilowatt for all kilowatts of the Billing KW.

1.319 cts. per KWH for the first 400 KWH per kilowatt of the Billing KW.

0.821 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.

0.663 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-00 through 12-31-00)

\$ 1.57 per kilowatt for all kilowatts of the Billing KW.

1.293 cts. per KWH for the first 400 KWH per kilowatt of the Billing KW.

0.805 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.

0.650 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-01 through 12-31-01)

\$ 1.55 per kilowatt for all kilowatts of the Billing KW.

1.269 cts. per KWH for the first 400 KWH per kilowatt of the Billing KW.

0.790 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.

0.638 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-02 through 12-31-02)

\$ 1.47 per kilowatt for all kilowatts of the Billing KW.

1.213 cts. per KWH for the first 400 KWH per kilowatt of the Billing KW.

0.755 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.

0.610 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-03 through 12-31-03)

\$ 1.43 per kilowatt for all kilowatts of the Billing KW.

1.160 cts. per KWH for the first 400 KWH per kilowatt of the Billing KW.

0.722 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.

0.583 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-04 through 12-31-04)

\$ 1.38 per kilowatt for all kilowatts of the Billing KW.

1.130 cts. per KWH for the first 400 KWH per kilowatt of the Billing KW.

0.703 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.

0.568 cts. per KWH for all additional KWH.

(Continued)

RATE SCHEDULE LP-6 (CONTINUED)**Competitive Transition Charge (Effective 1-1-05 through 12-31-05)****\$ 1.29 per kilowatt for all kilowatts of the Billing KW.**

1.058 cts. per KWH for the first 400 KWH per kilowatt of the Billing KW.

0.659 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.

0.532 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-06 through 12-31-06)**\$ 1.31 per kilowatt for all kilowatts of the Billing KW.**

1.060 cts. per KWH for the first 400 KWH per kilowatt of the Billing KW.

0.660 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.

0.533 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-07 through 12-31-07)**\$ 1.25 per kilowatt for all kilowatts of the Billing KW.**

1.012 cts. per KWH for the first 400 KWH per kilowatt of the Billing KW.

0.630 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.

0.509 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-08 through 12-31-08)**\$ 1.17 per kilowatt for all kilowatts of the Billing KW.**

0.947 cts. per KWH for the first 400 KWH per kilowatt of the Billing KW.

0.589 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.

0.476 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-09 through 12-31-09)**\$ 1.05 per kilowatt for all kilowatts of the Billing KW.**

0.855 cts. per KWH for the first 400 KWH per kilowatt of the Billing KW.

0.532 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.

0.430 cts. per KWH for all additional KWH.

The Company will provide capacity (KW) and energy (KWH) under this Rate Schedule for customers who receive Basic Utility Supply Service from the Company.

Capacity and Energy Charge (Effective 1-1-99 through 12-31-99)**\$ 3.87 per kilowatt for all kilowatts of the Billing KW.**

3.197 cts. per KWH for the first 400 KWH per kilowatt of the Billing KW.

1.882 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.

1.465 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-00 through 12-31-00)**\$ 4.115 per kilowatt for all kilowatts of the Billing KW.**

3.425 cts. per KWH for the first 400 KWH per kilowatt of the Billing KW.

2.017 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.

1.571 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-01 through 12-31-01)**\$ 4.135 per kilowatt for all kilowatts of the Billing KW.**

3.449 cts. per KWH for the first 400 KWH per kilowatt of the Billing KW.

2.032 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.

1.583 cts. per KWH for all additional KWH.

(Continued)

RATE SCHEDULE LP-6 (CONTINUED)**Capacity and Energy Charge (Effective 1-1-02 through 12-31-02)**

- \$ 4.215 per kilowatt for all kilowatts of the Billing KW.**
- 3.505 cts. per KWH for the first 400 KWH per kilowatt of the Billing KW.
- 2.067 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.
- 1.611 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-03 through 12-31-03)

- \$ 4.255 per kilowatt for all kilowatts of the Billing KW.**
- 3.558 cts. per KWH for the first 400 KWH per kilowatt of the Billing KW.
- 2.100 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.
- 1.638 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-04 through 12-31-04)

- \$ 4.305 per kilowatt for all kilowatts of the Billing KW.**
- 3.588 cts. per KWH for the first 400 KWH per kilowatt of the Billing KW.
- 2.119 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.
- 1.653 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-05 through 12-31-05)

- \$ 4.395 per kilowatt for all kilowatts of the Billing KW.**
- 3.660 cts. per KWH for the first 400 KWH per kilowatt of the Billing KW.
- 2.163 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.
- 1.689 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-06 through 12-31-06)

- \$ 4.678 per kilowatt for all kilowatts of the Billing KW.**
- 3.911 cts. per KWH for the first 400 KWH per kilowatt of the Billing KW.
- 2.312 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.
- 1.805 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-07 through 12-31-07)

- \$ 4.738 per kilowatt for all kilowatts of the Billing KW.**
- 3.959 cts. per KWH for the first 400 KWH per kilowatt of the Billing KW.
- 2.342 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.
- 1.829 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-08 through 12-31-08)

- \$ 4.896 per kilowatt for all kilowatts of the Billing KW.**
- 4.088 cts. per KWH for the first 400 KWH per kilowatt of the Billing KW.
- 2.421 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.
- 1.892 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-09 through 12-31-09)

- \$ 4.939 per kilowatt for all kilowatts of the Billing KW.**
- 4.116 cts. per KWH for the first 400 KWH per kilowatt of the Billing KW.
- 2.440 cts. per KWH for the next 200 KWH per kilowatt of the Billing KW.
- 1.908 cts. per KWH for all additional KWH.

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RATE SCHEDULE LP-6 (CONTINUED)

Transmission Charge (Effective 1-1-99)

The Company will provide and charge for transmission service consistent with the PJM Open Access Transmission Tariff approved or accepted by the Federal Energy Regulatory Commission for customers who receive Basic Utility Supply Service from the Company unless such customers obtain transmission service from another provider.

A credit of \$0.85 is applied to all Billing KW when customer takes service at 230,000 volts.

MONTHLY MINIMUMS

(C)

The Minimum Billing Demand is 10,000 KW. The minimum billing usage is 400 KWH per kilowatt of the Billing KW.

The Monthly Minimum Distribution Charge is \$3,050.00. The Monthly Minimum Competitive Transition Charge is 10,000 KW times the demand step of the effective Competitive Transition Charge. The Monthly Minimum Capacity and Energy Charge is 10,000 KW times the demand step of the effective Capacity and Energy Charge.

Monthly Minimums apply to services provided by the Company.

BILLING KW

The Billing KW is the average number of kilowatts supplied during the 15 minute period (1 hr. period for 230,000 volt service) of maximum use during the current billing period, except that where a 1 hr. period of maximum use was in effect as of August 28, 1981, it may be continued for that customer.

Time-of-Day metering and billing is available on request for an additional charge of \$14.97 per month for a minimum period of one year. The Billing KW applicable to the charges under this Rate Schedule is the average number of kilowatts supplied during the 15 minute (1 hr.) period of maximum use during the on-peak hours of the current billing period. For new applications, this provision is limited to customers of the Company who have not had the opportunity to purchase capacity and energy from their choice of electric generation supplier pursuant to the enrollment procedures contained in the commission's order at Docket Nos. M-00960890F.0014 and M-00960890F.0015. No new applications will be accepted after January 1, 2000.

(C)

ON-PEAK HOURS

On-peak hours for billing purposes are 7 a.m. to 3 p.m., 8 a.m. to 4 p.m., or 9 a.m. to 5 p.m. local time, at the option of the customer, Mondays to Fridays inclusive except New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. The Company's system on-peak period is 7 a.m. to 9 p.m. local time.

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(C) Indicates Change

RATE SCHEDULE LP-6 (CONTINUED)

DEMAND FREE DAYS (EXPERIMENTAL)

A customer taking service under this Rate Schedule having a monthly maximum demand of 5,000 KW or greater, is eligible for Demand Free days. An eligible customer may pre-select three (3) weekdays per week, from Tuesday through Friday, as Demand Free. The demand created by the customer on the on the pre-selected days will not be used for billing purposes. The customer must specify annually which three weekdays per week will be Demand Free for the succeeding year. Terms and conditions for service under this provision are covered by contract. This provision will terminate on January 1, 2010. For new applications, this provision is limited to customers of the Company who have not had the opportunity to purchase capacity and energy from their choice of electric generation supplier pursuant to the enrollment procedures contained in the commission's order at Docket Nos. M-00960890F.0014 and M-00960890F.0015. No new applications will be accepted after January 1, 2000. (C)

The Company will notify the customer by 2:00 p.m. of the weekday preceding a Demand Free day if the Demand Free day is canceled. A Demand Free Day will not be canceled by the Company unless the incremental cost to carry the Company's system load is greater than 4.024 cts. per KWH, or the local distribution system has insufficient capacity to meet the expected load. (C)

COMPETITIVE TRANSITION CHARGE RECONCILIATION RIDER (C)

The Competitive Transition Charge Reconciliation Rider included in this Tariff applies to the Competitive Transition Charges under this Rate Schedule.

SUSTAINABLE ENERGY AND FUND RIDER (C)

The Sustainable Energy Fund Rider included in this Tariff applies to the Distribution Charges under this Rate Schedule.

METERING AND BILLING CREDIT RIDER (C)

The Metering and Billing Credit Rider included in this Tariff applies to the Distribution Charges under this Rate Schedule.

STATE TAX ADJUSTMENT SURCHARGE

The State Tax Adjustment Surcharge included in this Tariff is applied to charges under this Rate Schedule. (C)

(Continued)

RATE SCHEDULE LP-6 (CONTINUED)

PAYMENT

The above net rate applies when bills are paid on or before the due date specified on the bill, which is not less than 15 days from the date bill is mailed. When not so paid, the gross rate applies which is the above net rate plus 5% on the first \$200.00 of the then unpaid balance of the monthly bill and 2% on the remainder thereof.

CONTRACT PERIOD

Service under this Rate Schedule is for an initial term of one (1) year from the date service is first rendered and thereafter for one (1) year terms until canceled by one month's prior written notice.

(C)

**RATE SCHEDULE LPEP
 POWER SERVICE TO ELECTRIC PROPULSION**

APPLICATION RATE SCHEDULE LPEP

This Rate Schedule is available for electric propulsion service from the Company's high voltage lines of 69,000 volts or higher, when the customer furnishes and maintains all equipment necessary to transform the energy from line voltage.

NET MONTHLY RATE

(C)

Distribution Charge (Effective 1-1-99)

\$ 1.19 per kilowatt for all kilowatts of the Billing KW.

^{1/2} Competitive Transition Charge (Effective 1-1-99 through 12-31-99)

\$ 2.45 per kilowatt for all kilowatts of the Billing KW.
 2.692 cts. per KWH for the first 1,200,000 KWH.
 2.538 cts. per KWH for the next 250 KWH per kilowatt of the Billing KW.
 1.664 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-00 through 12-31-00)

\$ 2.59 per kilowatt for all kilowatts of the Billing KW.
 2.639 cts. per KWH for the first 1,200,000 KWH.
 2.488 cts. per KWH for the next 250 KWH per kilowatt of the Billing KW.
 1.631 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-01 through 12-31-01)

\$ 2.59 per kilowatt for all kilowatts of the Billing KW.
 2.629 cts. per KWH for the first 1,200,000 KWH.
 2.479 cts. per KWH for the next 250 KWH per kilowatt of the Billing KW.
 1.625 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-02 through 12-31-02)

\$ 2.51 per kilowatt for all kilowatts of the Billing KW.
 2.547 cts. per KWH for the first 1,200,000 KWH.
 2.401 cts. per KWH for the next 250 KWH per kilowatt of the Billing KW.
 1.574 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-03 through 12-31-03)

\$ 2.47 per kilowatt for all kilowatts of the Billing KW.
 2.509 cts. per KWH for the first 1,200,000 KWH.
 2.366 cts. per KWH for the next 250 KWH per kilowatt of the Billing KW.
 1.551 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-04 through 12-31-04)

\$ 2.40 per kilowatt for all kilowatts of the Billing KW.
 2.446 cts. per KWH for the first 1,200,000 KWH.
 2.306 cts. per KWH for the next 250 KWH per kilowatt of the Billing KW.
 1.512 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-05 through 12-31-05)

\$ 2.28 per kilowatt for all kilowatts of the Billing KW.
 2.325 cts. per KWH for the first 1,200,000 KWH.
 2.192 cts. per KWH for the next 250 KWH per kilowatt of the Billing KW.
 1.437 cts. per KWH for all additional KWH.

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RATE SCHEDULE LPEP (CONTINUED)

Competitive Transition Charge (Effective 1-1-06 through 12-31-06)
\$ 2.44 per kilowatt for all kilowatts of the Billing KW.
2.327 cts. per KWH for the first 1,200,000 KWH.
2.193 cts. per KWH for the next 250 KWH per kilowatt of the Billing KW.
1.438 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-07 through 12-31-07)
\$ 2.36 per kilowatt for all kilowatts of the Billing KW.
2.254 cts. per KWH for the first 1,200,000 KWH.
2.125 cts. per KWH for the next 250 KWH per kilowatt of the Billing KW.
1.393 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-08 through 12-31-08)
\$ 2.20 per kilowatt for all kilowatts of the Billing KW.
2.157 cts. per KWH for the first 1,200,000 KWH.
2.033 cts. per KWH for the next 250 KWH per kilowatt of the Billing KW.
1.333 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-09 through 12-31-09)
\$ 2.04 per kilowatt for all kilowatts of the Billing KW.
1.971 cts. per KWH for the first 1,200,000 KWH.
1.858 cts. per KWH for the next 250 KWH per kilowatt of the Billing KW.
1.218 cts. per KWH for all additional KWH.

The Company will provide capacity (KW) and energy (KWH) under this Rate Schedule for customers who receive Basic Utility Supply Service from the Company.

Capacity and Energy Charge (Effective 1-1-99 through 12-31-99)
\$ 2.13 per kilowatt for all kilowatts of the Billing KW.
2.001 cts. per KWH for the first 1,200,000 KWH.
1.869 cts. per KWH for the next 250 KWH per kilowatt of the Billing KW.
1.125 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-00 through 12-31-00)
\$ 2.21 per kilowatt for all kilowatts of the Billing KW.
2.261 cts. per KWH for the first 1,200,000 KWH.
2.113 cts. per KWH for the next 250 KWH per kilowatt of the Billing KW.
1.275 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-01 through 12-31-01)
\$ 2.21 per kilowatt for all kilowatts of the Billing KW.
2.271 cts. per KWH for the first 1,200,000 KWH.
2.122 cts. per KWH for the next 250 KWH per kilowatt of the Billing KW.
1.281 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-02 through 12-31-02)
\$ 2.29 per kilowatt for all kilowatts of the Billing KW.
2.353 cts. per KWH for the first 1,200,000 KWH.
2.200 cts. per KWH for the next 250 KWH per kilowatt of the Billing KW.
1.332 cts. per KWH for all additional KWH.

(Continued)

RATE SCHEDULE LPEP (CONTINUED)**Capacity and Energy Charge (Effective 1-1-03 through 12-31-03)**

- \$ 2.33 per kilowatt for all kilowatts of the Billing KW.
- 2.391 cts. per KWH for the first 1,200,000 KWH.
- 2.235 cts. per KWH for the next 250 KWH per kilowatt of the Billing KW.
- 1.355 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-04 through 12-31-04)

- \$ 2.40 per kilowatt for all Billing KW.
- 2.454 cts. per KWH for the first 1,200,000 KWH.
- 2.295 cts. per KWH for the next 250 KWH per kilowatt of the Billing KW.
- 1.394 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-05 through 12-31-05)

- \$ 2.52 per kilowatt for all Billing KW.
- 2.575 cts. per KWH for the first 1,200,000 KWH.
- 2.409 cts. per KWH for the next 250 KWH per kilowatt of the Billing KW.
- 1.469 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-06 through 12-31-06)

- \$ 2.61 per kilowatt for all Billing KW.
- 2.842 cts. per KWH for the first 1,200,000 KWH.
- 2.659 cts. per KWH for the next 250 KWH per kilowatt of the Billing KW.
- 1.621 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-07 through 12-31-07)

- \$ 2.69 per kilowatt for all Billing KW.
- 2.915 cts. per KWH for the first 1,200,000 KWH.
- 2.727 cts. per KWH for the next 250 KWH per kilowatt of the Billing KW.
- 1.667 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-08 through 12-31-08)

- \$ 2.85 per kilowatt for all Billing KW.
- 3.012 cts. per KWH for the first 1,200,000 KWH.
- 2.819 cts. per KWH for the next 250 KWH per kilowatt of the Billing KW.
- 1.727 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-09 through 12-31-09)

- \$ 3.01 per kilowatt for all Billing KW.
- 3.198 cts. per KWH for the first 1,200,000 KWH.
- 2.994 cts. per KWH for the next 250 KWH per kilowatt of the Billing KW.
- 1.843 cts. per KWH for all additional KWH.

Transmission Charge (Effective 1-1-99)

The Company will provide and charge for transmission service consistent with the PJM Open Access Transmission Tariff approved or accepted by the Federal Energy Regulatory Commission for customers who receive Basic Utility Supply Service from the Company unless such customers obtain transmission service from another provider.

(Continued)

RATE SCHEDULE LPEP (CONTINUED)

A credit of \$0.85 is applied to the Billing KW when the Company does not utilize its 69,000 volt or 138,000 volt "3 phase" facilities to provide service to the customer.

MONTHLY MINIMUMS

The Minimum Billing Demand is 20,000 KW.

The Monthly Minimum Distribution Charge is \$23,800.00. The Monthly Minimum Competitive Transition Charge is 20,000 KW times the demand step of the effective Competitive Transition Charge. The Monthly Minimum Capacity and Energy Charge is 20,000 KW times the demand step of the effective Capacity and Energy Charge.

Monthly Minimums apply to services provided by the Company.

FACILITY CHARGE

In addition to the above charges, the customer pays the Company \$3,410.00 per month charge for use of the Company's 25 Hertz facilities.

BILLING KW

The Billing KW is the average of the weekly demands supplied during the one-hour period of maximum use during the current billing period. Time-of-day metering and billing is available on request for an additional charge of \$14.97 per month for a minimum period of one. The Billing KW applicable to the charges under this Rate Schedule is the average of the weekly demands supplied during the one-hour period of maximum use during the on-peak hours of the current billing period. For new applications, this provision is limited to customers of the Company who have not had the opportunity to purchase capacity and energy from their choice of electric generation supplier pursuant to the enrollment procedures contained in the commission's order at Docket Nos. M-00960890F.0014 and M-00960890F.0015. No new applications will be accepted after January 1, 2000.

ON-PEAK HOURS

On-peak hours for billing purposes are 7 a.m. to 3 p.m., 8 a.m. to 4 p.m., or 9 a.m. to 5 p.m. local time, at the option of the customer, Mondays to Fridays inclusive except New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. The Company's system on-peak period is 7 a.m. to 9 p.m. local time.

DEMAND FREE DAYS (EXPERIMENTAL)

A customer taking service under this Rate Schedule having a monthly maximum demand of 5,000 KW or greater is eligible for Demand Free days. An eligible customer may pre-select three (3) weekdays per week, from Tuesday through Friday, as Demand Free. The demand created by the customer on the pre-selected days will not be used for billing purposes. The customer must specify annually which three weekdays per week will be Demand Free for the succeeding year. Terms and conditions for service under this provision are covered by contract. This provision will terminate on January 1, 2010. For new applications, this provision is limited to customers of the Company who have not had the opportunity to purchase capacity and energy from their choice of electric generation supplier pursuant to the enrollment procedures contained in the commission's order at Docket Nos. M-00960890F.0014 and M-00960890F.0015. No new applications will be accepted after January 1, 2000.

(Continued)

(C) Indicates Change

RATE SCHEDULE LPEP (CONTINUED)

The Company will notify the customer by 2:00 p.m. of the weekday preceding a Demand Free day if the Demand Free day is canceled. A Demand Free day will not be canceled by the Company unless the incremental cost to carry the Company's system load is greater than 4.024 cts. per KWH, or the local distribution system has insufficient capacity to meet the expected load. (C)

COMPETITIVE TRANSITION CHARGE RECONCILIATION RIDER (C)

The Competitive Transition Charge Reconciliation Rider included in this Tariff applies to the Competitive Transition Charges under this Rate Schedule. (C)

SUSTAINABLE ENERGY FUND RIDER (C)

The Sustainable Energy Fund Rider included in this Tariff applies to the Distribution Charges under this Rate Schedule. (C)

METERING AND BILLING CREDIT RIDER (C)

The Metering and Billing Credit Rider included in this Tariff applies to the Distribution Charges under this Rate Schedule. (C)

STATE TAX ADJUSTMENT SURCHARGE (C)

The State Tax Adjustment Surcharge included in this Tariff is applied to charges under this Rate Schedule. (C)

PAYMENT

The above net rate applies when bills are paid on or before the due date specified on the bill, which is not less than 15 days from the date bill is mailed. When not so paid, the gross rate applies which is the above net rate plus 5% on the first \$200.00 of the then unpaid balance of the monthly bill and 2% on the remainder thereof.

CONTRACT PERIOD (C)

Service under this Rate Schedule is for an initial term of one (1) year from the date service is first rendered and thereafter for one (1) year terms until canceled by one month's prior written notice. (C)

**RATE SCHEDULE IS-1(R)
INTERRUPTIBLE SERVICE TO GREENHOUSES**

(C)

For new applications, this provision is limited to customers of the Company who have not had the opportunity to purchase capacity and energy from their choice of electric generation supplier pursuant to the enrollment procedures contained in the commission's order at Docket Nos. M-00960890F.0014 and M-00960890F.0015. No new applications will be accepted after January 1, 2000.

(C)

APPLICATION RATE SCHEDULE IS-1(R)

This Rate Schedule is for general service at secondary voltage to greenhouses or other environmentally controlled growing facilities which use a minimum of 300 KW of interruptible lighting load as a daylight supplement.

The Company will not enter into new contracts for interruptible service if the amount of interruptible power from all customers served under Rate Schedules IS-1, IS-P, IS-T, PR-2(R), the Competitive Rate Rider, and Interruptible Service by Agreement exceeds a total of 500 MW.

NET MONTHLY RATE

(C)

Distribution Charge (Effective 1-1-99)

\$ 359.24 per month plus

\$7.01 per kilowatt for all kilowatts of the Billing KW.

0.289 cts. per KWH for the first 730 KWH per kilowatt of the Billing KW.

0.228 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-99 through 12-31-99)

\$1.05 per kilowatt for all kilowatts of the Billing KW.

1.923 cts. per KWH for the first 730 KWH per kilowatt of the Billing KW.

1.519 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-00 through 12-31-00)

\$1.08 per kilowatt for all kilowatts of the Billing KW.

1.875 cts. per KWH for the first 730 KWH per kilowatt of the Billing KW.

1.481 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-01 through 12-31-01)

\$1.06 per kilowatt for all kilowatts of the Billing KW.

1.827 cts. per KWH for the first 730 KWH per kilowatt of the Billing KW.

1.443 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-02 through 12-31-02)

\$1.00 per kilowatt for all kilowatts of the Billing KW.

1.729 cts. per KWH for the first 730 KWH per kilowatt of the Billing KW.

1.366 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-03 through 12-31-03)

\$0.96 per kilowatt for all kilowatts of the Billing KW.

1.669 cts. per KWH for the first 730 KWH per kilowatt of Billing KW.

1.318 cts. per KWH for all additional KWH.

(Continued)

RATE SCHEDULE IS-1(R) (CONTINUED)

(C)

Competitive Transition Charge (Effective 1-1-04 through 12-31-04)
\$0.94 per kilowatt for all kilowatts of the Billing KW.
1.591 cts. per KWH for the first 730 KWH per kilowatt of Billing KW.
1.257 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-05 through 12-31-05)
\$0.87 per kilowatt for all kilowatts of the Billing KW.
1.481 cts. per KWH for the first 730 KWH per kilowatt of Billing KW.
1.170 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-06 through 12-31-06)
\$0.89 per kilowatt for all kilowatts of the Billing KW.
1.481 cts. per KWH for the first 730 KWH per kilowatt of Billing KW.
1.170 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-07 through 12-31-07)
\$0.84 per kilowatt for all kilowatts of the Billing KW.
1.404 cts. per KWH for the first 730 KWH per kilowatt of Billing KW.
1.109 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-08 through 12-31-08)
\$0.77 per kilowatt for all kilowatts of the Billing KW.
1.302 cts. per KWH for the first 730 KWH per kilowatt of Billing KW.
1.028 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-09 through 12-31-09)
\$0.75 per kilowatt for all kilowatts of the Billing KW.
1.277 cts. per KWH for the first 730 KWH per kilowatt of Billing KW.
1.009 cts. per KWH for all additional KWH.

The Company will provide capacity (KW) and energy (KWH) under this Rate Schedule for customers who receive Basic Utility Supply Service from the Company.

Capacity and Energy Charge (Effective 1-1-99 through 12-31-99)
\$ 1.08 per kilowatt for all kilowatts of the Billing KW.
1.847 cts. per KWH for the first 730 KWH per kilowatt of the Billing KW.
1.373 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-00 through 12-31-00)
\$ 1.19 per kilowatt for all kilowatts of the Billing KW.
2.123 cts. per KWH for the first 730 KWH per kilowatt of the Billing KW.
1.580 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-01 through 12-31-01)
\$ 1.21 per kilowatt for all kilowatts of the Billing KW.
2.171 cts. per KWH for the first 730 KWH per kilowatt of the Billing KW.
1.618 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-02 through 12-31-02)
\$ 1.27 per kilowatt for all kilowatts of the Billing KW.
2.269 cts. per KWH for the first 730 KWH per kilowatt of the Billing KW.
1.695 cts. per KWH for all additional KWH.

(Continued)

RATE SCHEDULE IS-1(R) (CONTINUED)

(C)

Capacity and Energy Charge (Effective 1-1-03 through 12-31-03)

- \$ 1.31 per kilowatt for all kilowatts of the Billing KW.
- 2.329 cts. per KWH for the first 730 KWH per kilowatt of the Billing KW.
- 1.743 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-04 through 12-31-04)

- \$ 1.33 per kilowatt for all kilowatts of the Billing KW.
- 2.407 cts. per KWH for the first 730 KWH per kilowatt of the Billing KW.
- 1.804 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-05 through 12-31-05)

- \$ 1.40 per kilowatt for all kilowatts of the Billing KW.
- 2.517 cts. per KWH for the first 730 KWH per kilowatt of the Billing KW.
- 1.891 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-06 through 12-31-06)

- \$ 1.53 per kilowatt for all kilowatts of the Billing KW.
- 2.799 cts. per KWH for the first 730 KWH per kilowatt of the Billing KW.
- 2.103 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-07 through 12-31-07)

- \$ 1.58 per kilowatt for all kilowatts of the Billing KW.
- 2.875 cts. per KWH for the first 730 KWH per kilowatt of the Billing KW.
- 2.164 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-08 through 12-31-08)

- \$ 1.66 per kilowatt for all kilowatts of the Billing KW.
- 2.976 cts. per KWH for the first 730 KWH per kilowatt of the Billing KW.
- 2.245 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-09 through 12-31-09)

- \$ 1.68 per kilowatt for all kilowatts of the Billing KW.
- 3.001 cts. per KWH for the first 730 KWH per kilowatt of the Billing KW.
- 2.263 cts. per KWH for all additional KWH.

Transmission Charge (Effective 1-1-99)

The Company will provide and charge for transmission service consistent with the PJM Open Access Transmission Tariff approved or accepted by the Federal Energy Regulatory Commission for customers who receive Basic Utility Supply Service from the Company unless such customers obtain transmission service from another provider.

MONTHLY MINIMUM

(C)

The Monthly Minimum Distribution Charge is \$359.24. Monthly Minimums apply to services provided by the Company.

BILLING KW

The Billing KW is the average number of kilowatts supplied during the 15 minute period of maximum use from 7 a.m.-3 p.m., 8 a.m.-4 p.m., or 9 a.m.-5 p.m. at the option of the customer, Monday to Friday inclusive daily during the current billing period excluding New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

(Continued)

(C) Indicates Change

RATE SCHEDULE IS-1(R) (CONTINUED)

(C)

LOAD INTERRUPTION

A total predetermined block of interruptible load (300 KW minimum) equivalent to 60% of the monthly maximum registered demand is to be disconnected by the customer on one-hour notice from the Company during the hours 7 a.m. to 9 p.m. as requested. Interruptions will be limited to a total of 240 hours per year.

Compliance by the customer with a request from the Company for interruption of the committed block of load is determined by the Company from recording meter records. If the customer does not comply, all recorded demands for that 24-hour day are applicable in determining the Billing KW for the billing period. If the customer does not have the interruptible load operating at the time interruption is requested, Billing KW is determined as described in the section above with no penalty.

BUDGET BILLING

Budget Billing is available at the option of the customer for charges under this Rate Schedule.

(C)

(C)

(C)

COMPETITIVE TRANSITION CHARGE RECONCILIATION RIDER

(C)

The Competitive Transition Charge Reconciliation Rider included in this Tariff applies to the Competitive Transition Charges under this Rate Schedule.

SUSTAINABLE ENERGY FUND RIDER

(C)

The Sustainable Energy Fund Rider included in this Tariff applies to the Distribution Charges under this Rate Schedule.

METERING AND BILLING CREDIT RIDER

(C)

The Metering and Billing Credit Rider included in this Tariff applies to the Distribution Charges under this Rate Schedule.

STATE TAX ADJUSTMENT SURCHARGE

The State Tax Adjustment Surcharge included in this Tariff is applied to charges under this Rate Schedule.

PAYMENT

The above net rate applies when bills are paid on or before the due date specified on the bill, which is not less than 15 days from the date bill is mailed. When not so paid, the gross rate applies which is the above net rate plus 5% on the first \$200.00 of the then unpaid balance of the monthly bill and 2% on the remainder thereof.

(Continued)

RATE SCHEDULE IS-1(R) (CONTINUED)

(C)

CONTRACT PERIOD

Service under this Rate Schedule is for an initial term of one (1) year from the date service is first rendered and thereafter for one (1) year terms until canceled by one month's prior written notice. The Company will agree to provide this service to applicable customers for a minimum period of five years during which rate levels are subject to change.

(C)

RATE SCHEDULE IS-P(R)

(C)

INTERRUPTIBLE LARGE GENERAL SERVICE AT 12,470 VOLTS OR HIGHER

New applications for service under the Rate Schedule are limited to customers of the Company who have not had the opportunity to purchase capacity and energy from their choice of electric generation supplier pursuant to the enrollment procedures contained in the Commission's order at Docket Nos. M-00960890F.0014 and M-00960890F.0015. No new applications will be accepted after January 1, 2000.

(C)

APPLICATION RATE SCHEDULE IS-P(R)

This Rate Schedule is for interruptible large general service supplied from available lines of 12,470 volts or higher when customer furnishes and maintains all equipment necessary to transform the energy from line voltage.

INTERRUPTIBLE POWER

Interruptible service under this Rate Schedule is available to customers with at least 1,000 KW of year-round Interruptible Power who contract to accept interruptible service for at least one year, as detailed in this Rate Schedule.

The Company will not enter into new contracts for interruptible service if the amount of interruptible power from all customers served under Rate Schedules IS-1, IS-P, IS-T, PR-2(R), the Competitive Rate Rider, and Interruptible Service by Agreement exceeds a total of 500 MW.

NET MONTHLY RATE

(C)

Distribution Charge (Effective 1-1-99)

\$ 4.12 per kilowatt for all kilowatts of the Billing KW.

Competitive Transition Charge (Effective 1-1-99 through 12-31-99)

\$ 0.97 per kilowatt for all kilowatts of the Billing KW.
1.143 cts. per KWH for the first 400 hours use of Billing KW.
0.720 cts. per KWH for all additional kWh.

Competitive Transition Charge (Effective 1-1-00 through 12-31-00)

\$ 0.97 per kilowatt for all kilowatts of the Billing KW.
1.122 cts. per KWH for the first 400 hours use of Billing KW.
0.707 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-01 through 12-31-01)

\$ 0.95 per kilowatt for all kilowatts of the Billing KW.
1.103 cts. per KWH for the first 400 hours use of Billing KW.
0.695 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-02 through 12-31-02)

\$ 0.91 per kilowatt for all kilowatts of the Billing KW.
1.052 cts. per KWH for the first 400 hours use of Billing KW.
0.663 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-03 through 12-31-03)

\$ 0.88 per kilowatt for all kilowatts of the Billing KW.
1.022 cts. per KWH for the first 400 hours use of Billing KW.
0.644 cts. per KWH for all additional KWH.

(Continued)

(C) Indicates Change

RATE SCHEDULE IS-P (R) (CONTINUED)

(C)

Competitive Transition Charge (Effective 1-1-04 through 12-31-04)

\$ 0.85 per kilowatt for all kilowatts of the Billing KW.

0.979 cts. per KWH for the first 400 hours use of Billing KW.

0.617 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-05 through 12-31-05)

\$ 0.79 per kilowatts for all kilowatts of the Billing KW.

0.917 cts. per KWH for the first 400 hours use of Billing KW.

0.578 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-06 through 12-31-06)

\$ 0.80 per kilowatts for all kilowatts of the Billing KW.

0.919 cts. per KWH for the first 400 hours use of Billing KW.

0.579 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-07 through 12-31-07)

\$ 0.77 per kilowatts for all kilowatts of the Billing KW.

0.876 cts. per KWH for the first 400 hours use of Billing KW.

0.552 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-08 through 12-31-08)

\$ 0.72 per kilowatts for all kilowatts of the Billing KW.

0.819 cts. per KWH for the first 400 hours use of Billing KW.

0.516 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-09 through 12-31-09)

\$ 0.65 per kilowatts for all kilowatts of the Billing KW.

0.739 cts. per KWH for the first 400 hours use of Billing KW.

0.466 cts. per KWH for all additional KWH.

The Company will provide capacity (KW) and energy (KWH) under this Rate Schedule for Customers who receive Basic Utility Supply Service from the Company.

Capacity and Energy Charge (Effective 1-1-99 through 12-31-99)

\$ 2.99 per kilowatt for all kilowatts of the Billing KW.

3.551 cts. per KWH for the first 400 KWH per kilowatt of the Billing KW.

2.112 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-00 through 12-31-00)

\$ 3.19 per kilowatt for all kilowatts of the Billing KW.

3.806 cts. per KWH for the first 400 KWH per kilowatt of the Billing KW.

2.265 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-01 through 12-31-01)

\$ 3.21 per kilowatt for all kilowatts of the Billing KW.

3.825 cts. per KWH for the first 400 KWH per kilowatt of the Billing KW.

2.277 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-02 through 12-31-02)

\$ 3.25 per kilowatt for all kilowatts of the Billing KW.

3.876 cts. per KWH for the first 400 KWH per kilowatt of the Billing KW.

2.309 cts. per KWH for all additional KWH.

(Continued)

RATE SCHEDULE IS-P (R) (CONTINUED)

(C)

Capacity and Energy Charge (Effective 1-1-03 through 12-31-03)

\$ 3.28 per kilowatt for all kilowatts of the Billing KW.
3.906 cts. per KWH for the first 400 KWH per kilowatt of the Billing KW.
2.328 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-04 through 12-31-04)

\$ 3.31 per kilowatt for all kilowatts of the Billing KW.
3.949 cts. per KWH for the first 400 KWH per kilowatt of the Billing KW.
2.355 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-05 through 12-31-05)

\$ 3.37 per kilowatt for all kilowatts of the Billing KW.
4.011 cts. per KWH for the first 400 KWH per kilowatt of the Billing KW.
2.394 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-06 through 12-31-06)

\$ 3.62 per kilowatt for all kilowatts of the Billing KW.
4.300 cts. per KWH for the first 400 KWH per kilowatt of the Billing KW.
2.567 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-07 through 12-31-07)

\$ 3.64 per kilowatt for all kilowatts of the Billing KW.
4.345 cts. per KWH for the first 400 KWH per kilowatt of the Billing KW.
2.595 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-08 through 12-31-08)

\$ 3.69 per kilowatt for all kilowatts of the Billing KW.
4.401 cts. per KWH for the first 400 KWH per kilowatt of the Billing KW.
2.631 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-09 through 12-31-09)

\$ 3.76 per kilowatt for all kilowatts of the Billing KW.
4.481 cts. per KWH for the first 400 KWH per kilowatt of the Billing KW.
2.681 cts. per KWH for all additional KWH.

Transmission Charge (Effective 1-1-99)

The Company will provide and charge for transmission service consistent with the PJM Open Access Transmission Tariff approved or accepted by the Federal Energy Regulatory Commission for customers who receive Basic Utility Supply Service from the Company unless such customers obtain transmission service from another provider.

MONTHLY MINIMUMS

The Minimum Billing Demand is 25 KW.

The Monthly Minimum Distribution Charge is \$103.00. The Monthly Minimum Competitive Transition Charge is 25 KW times the demand step of the effective Competitive Transition Charge. The Monthly Minimum Capacity and Energy Charge is 25 KW times the demand step of the effective Capacity and Energy Charge.

Monthly Minimums apply to services provided by the Company.

(Continued)

(C) Indicates Change

(C)

RATE SCHEDULE IS-P (R) (CONTINUED)**(C)****TIME-OF-DAY METERING AND BILLING CHARGE**

In addition to the above charges, the customer pays to the Company \$14.97 per month for Time-of-Day metering and billing.

BILLING KW

The monthly Billing KW is calculated as:

$$\text{Billing KW} = \text{Firm Power} + [\text{Interruptible Power} \times (1 - \text{Average On-peak Load Factor})]$$

ON-PEAK HOURS

On-peak hours for billing purposes are 7 a.m. to 7 p.m. local time, Mondays to Fridays inclusive except New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

MAXIMUM ON-PEAK DEMAND

Maximum On-peak Demand is the average number of kilowatts supplied during the 15 minute period of maximum use during the On-peak Hours of the current billing period.

ON-PEAK LOAD FACTOR

On-peak Load Factor for billing purposes is the ratio of the kilowatt-hours supplied during the On-peak Hours to the product of the Maximum On-peak Demand and the number of On-peak Hours for a billing period.

AVERAGE ON-PEAK LOAD FACTOR

Average On-peak Load Factor is the average of the On-peak Load Factors for the twelve months of the prior calendar year. Average On-peak Load Factor is recalculated annually and applied to service billed on and after April 1 of the current year under this Rate Schedule. The Company may modify the On-peak Load Factors for the twelve months of the prior calendar year to reflect operations expected under this Rate Schedule.

FIRM POWER

Firm Power is the level of KW demand which the customer has no obligation to curtail during an interruption of service called by the Company. The initial level of Firm Power shall be specified in the contract. This initial level will be adjusted by the Company to the level of Firm Power actually achieved by the customer during an emergency or an emergency test interruption period. The adjusted level shall become the level of Firm Power for the remaining term of the contract or until a new level of Firm Power is achieved during a subsequent emergency or an emergency test interruption period. The level of Firm Power shall not be adjusted below the initial level of Firm Power specified in the contract.

INTERRUPTIBLE POWER

Interruptible Power is the Maximum On-Peak Demand less the Firm Power.

(Continued)

(C) Indicates Change

RATE SCHEDULE IS-P (R) (CONTINUED)

(C)

HOURS OF INTERRUPTION

Load interruptions may be called by the Company as required for economic load control, for system and local emergencies, and for tests of the customer's ability and readiness to interrupt load during an emergency. The frequency of load interruptions shall be no more than 15 per calendar year with such interruptions being no more than 10 hours in any one day; or more often than five days in any single month; or more than 150 hours in a calendar year. No more than 5 of these load interruptions and 50 hours of interruptions may be for economic load control. Whenever possible, the customer will be notified in advance of a probable interruption and the estimated duration of the interruption. The customer is obligated to interrupt load during emergencies and emergency tests, but has the option to interrupt, or accept an additional charge for continued use, during periods of economic load control.

(C)

The Company may cancel the contract for interruptible service if the customer fails to interrupt during an emergency or an emergency test interruption period.

The charge for continued use (KWH) of interruptible load (KW) during a period of economic load control is the sum of the charges under the Rate Schedule plus the actual Locational Marginal Price rate as developed by PJM for the load bus to which the energy is delivered, applied to all KWH used during the interruption period. PP&L shall, upon request of the customer, identify the load bus to which energy used by that customer is delivered. Upon request of any customer subject to economic load control, the Company will develop terms and conditions consistent with applicable PJM, operational, legal and regulatory requirements under which such customer may arrange in advance for a supplier, other than the Company, to provide to the Company the actual replacement capacity and energy used during the economic load control period, in lieu of the Company's charges for actual replacement capacity and energy costs.

(C)

The additional charge for not interrupting load (KW) when called for during an emergency or an emergency test interruption period is: \$24.95 per KW for all KW by which the maximum 15 minute demand (KW) for the period of requested interruption exceeds the Firm Power (KW). This penalty shall be applied separately for each requested interruption, and shall be in addition to all other charges provided for under the Rate Schedule.

(C)

(C)

(C)

COMPETITIVE TRANSITION CHARGE RECONCILIATION RIDER

(C)

The Competitive Transition Charge Reconciliation Rider included in this Tariff applies to the Competitive Transition Charges under this Rate Schedule.

SUSTAINABLE ENERGY FUND RIDER

(C)

The Sustainable Energy Fund Rider included in this Tariff applies to the Distribution Charges under this Rate Schedule.

(Continued)

RATE SCHEDULE IS-P (R) (CONTINUED)

(C)

METERING AND BILLING CREDIT RIDER

(C)

The Metering and Billing Credit Rider included in this Tariff applies to the Distribution Charges under this Rate Schedule.

STATE TAX ADJUSTMENT SURCHARGE

The State Tax Adjustment Surcharge included in this Tariff is applied to charges under this Rate Schedule.

(C)

PAYMENT

The above net rate applies when bills are paid on or before the due date specified on the bill, which is not less than 15 days from the date bill is mailed. When not so paid, the gross rate applies which is the above net rate plus 5% on the first \$200.00 of the then unpaid balance of the monthly bill and 2% on the remainder thereof.

CONTRACT PERIOD

Service under this Rate Schedule is for an initial term of one (1) year from time date service is first rendered and thereafter for one (1) year terms until canceled by one month's prior written notice.

(C)

RATE SCHEDULE IS-T(R)
INTERRUPTIBLE LARGE GENERAL SERVICE AT 69,000 VOLTS OR HIGHER

(C)

New applications for service under this Rate Schedule are limited to customers of the Company who have not had the opportunity to purchase capacity and energy from their choice of electric generation supplier pursuant to the enrollment procedures contained in the commission's order at docket Nos. M-00960890F.0014 and M-00960890F.0015. No new applications will be accepted after January 1, 2000.

(C)

APPLICATION RATE SCHEDULE IS-T(R)

This Rate Schedule is for interruptible large general service supplied from available lines of 69,000 volts or higher, with customer furnishing and maintaining all equipment necessary to transform the energy from the line voltage. It applies to 3 phase, 60 Hertz service.

INTERRUPTIBLE POWER

Interruptible service under this Rate Schedule is available to customers with at least 1,000 KW of year-round Interruptible Power who contract to accept interruptible service for at least one year, as detailed in this rate schedule.

The Company will not enter into new contracts for interruptible service if the amount of interruptible power from all customers served under Rate Schedules IS-1, IS-P, IS-T, PR-2(R), the Competitive Rate Rider, and Interruptible Service by Agreement exceeds a total of 500 MW.

NET MONTHLY RATE

(C)

Distribution Charge (Effective 1-1-99)

\$ 1.46 per kilowatt for all kilowatts of the Billing KW.

Competitive Transition Charge (Effective 1-1-99 through 12-31-99)

\$ 1.50 per kilowatt for all kilowatts of the Billing KW.

1.044 cts. per KWH for the first 400 hours use of Billing KW.

0.698 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-00 through 12-31-00)

\$ 1.49 per kilowatt for all kilowatts of the Billing KW.

1.026 cts. per KWH for the first 400 hours use of Billing KW.

0.686 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-01 through 12-31-01)

\$ 1.47 per kilowatt for all kilowatts of the Billing KW.

1.006 cts. per KWH for the first 400 hours use of Billing KW.

0.673 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-02 through 12-31-02)

\$ 1.40 per kilowatt for all kilowatts of the Billing KW.

0.961 cts. per KWH for the first 400 hours use of Billing KW.

0.643 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-03 through 12-31-03)

\$ 1.36 per kilowatt for all kilowatts of the Billing KW.

0.933 cts. per KWH for the first 400 hours use of Billing KW.

0.624 cts. per KWH for all additional KWH.

(Continued)

RATE SCHEDULE IS-T (R) (CONTINUED)

(C)

Competitive Transition Charge (Effective 1-1-04 through 12-31-04)

\$ 1.30 per kilowatt for all kilowatts of the Billing KW.
0.896 cts. per KWH for the first 400 hours use of Billing KW.
0.599 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-05 through 12-31-05)

\$ 1.22 per kilowatt for all kilowatts of the Billing KW.
0.837 cts. per KWH for the first 400 hours use of Billing KW.
0.560 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-06 through 12-31-06)

\$ 1.24 per kilowatt for all kilowatts of the Billing KW.
0.839 cts. per KWH for the first 400 hours use of Billing KW.
0.561 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-07 through 12-31-07)

\$ 1.18 per kilowatt for all kilowatts of the Billing KW.
0.801 cts. per KWH for the first 400 hours use of Billing KW.
0.536 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-08 through 12-31-08)

\$ 1.11 per kilowatt for all kilowatts of the Billing KW.
0.749 cts. per KWH for the first 400 hours use of Billing KW.
0.501 cts. per KWH for all additional KWH.

Competitive Transition Charge (Effective 1-1-09 through 12-31-09)

\$ 1.00 per kilowatt for all kilowatts of the Billing KW.
0.676 cts. per KWH for the first 400 hours use of Billing KW.
0.452 cts. per KWH for all additional KWH.

The Company will provide capacity (KW) and energy (KWH) under this Rate Schedule for customers who receive Basic Utility Supply Service from the Company.

Capacity and Energy Charge (Effective 1-1-99 through 12-31-99)

\$ 4.54 per kilowatt for all kilowatts of the Billing KW.
3.213 cts. per KWH for the first 400 hours use of Billing KW.
2.039 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-00 through 12-31-00)

\$ 4.83 per kilowatt for all kilowatts of the Billing KW.
3.434 cts. per KWH for the first 400 hours use of Billing KW.
2.179 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-01 through 12-31-01)

\$ 4.85 per kilowatt for all kilowatts of the Billing KW.
3.454 cts. per KWH for the first 400 hours use of Billing KW.
2.192 cts. per KWH for all additional KWH.

(Continued)

RATE SCHEDULE IS-T (R) (CONTINUED)

(C)

Capacity and Energy Charge (Effective 1-1-02 through 12-31-02)

\$ 4.92 per kilowatt for all kilowatts of the Billing KW.
3.499 cts. per KWH for the first 400 hours use of Billing KW.
2.222 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-03 through 12-31-03)

\$ 4.96 per kilowatt for all kilowatts of the Billing KW.
3.527 cts. per KWH for the first 400 hours use of Billing KW.
2.241 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-04 through 12-31-04)

\$ 5.02 per kilowatt for all kilowatts of the Billing KW.
3.546 cts. per KWH for the first 400 hours use of Billing KW.
2.266 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-05 through 9-30-05)

\$ 5.10 per kilowatt for kilowatts of the Billing KW.
3.623 cts. per KWH for the first 400 hours use of Billing KW.
2.305 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-06 through 12-31-06)

\$ 5.44 per kilowatt for all kilowatts of the Billing KW.
3.873 cts. per KWH for the first 400 hours use of Billing KW.
2.464 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-07 through 9-30-07)

\$ 5.50 per kilowatt for kilowatts of the Billing KW.
3.911 cts. per KWH for the first 400 hours use of Billing KW.
2.489 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-08 through 12-31-08)

\$ 5.56 per kilowatt for all kilowatts of the Billing KW.
3.965 cts. per KWH for the first 400 hours use of Billing KW.
2.524 cts. per KWH for all additional KWH.

Capacity and Energy Charge (Effective 1-1-09 through 9-30-09)

\$ 5.67 per kilowatt for kilowatts of the Billing KW.
4.035 cts. per KWH for the first 400 hours use of Billing KW.
2.574 cts. per KWH for all additional KWH.

Transmission Charge (Effective 1-1-99)

The Company will provide and charge for transmission service consistent with the PJM Open Access Transmission Tariff approved or accepted by the Federal Energy Regulatory Commission for customers who receive Basic Utility Supply Service from the Company unless such customers obtain transmission service from another provider.

A credit of \$0.85 is applied to all Billing KW when customer takes service at 230,000 Volts.

MONTHLY MINIMUMS

(C)

The Minimum Billing Demand is 300 KW.

The Monthly Minimum Distribution Charge is \$438.00. The Monthly Minimum Competitive Transition Charge is 300 KW times the demand step of the effective Competitive Transition Charge. The Monthly Minimum Capacity and Energy Charge is 300 KW times the demand step of the effective Capacity and Energy Charge.

Monthly Minimums apply to services provided by the Company.

(Continued)

(C) Indicates Change

RATE SCHEDULE IS-T (R) (CONTINUED)

(C)

TIME-OF-DAY METERING AND BILLING CHARGE

In addition to the above charges, the customer pays to the Company \$14.97 per month for Time-of-Day metering and billing.

BILLING KW

The monthly Billing KW is calculated as:

$$\text{Billing KW} = \text{Firm Power} + [\text{Interruptible Power} \times (1 - \text{Average On-peak Load Factor})]$$

ON-PEAK HOURS

On-peak hours for billing purposes are 7 a.m. to 7 p.m. local time, Mondays to Fridays inclusive except New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

MAXIMUM ON-PEAK DEMAND

Maximum On-peak Demand is the average number of kilowatts supplied during the 15 minute period (1 hr. period for 230,000 volt service) of maximum use during the On-peak Hours of the current billing period, except that where a 1 hour period of maximum use was in effect as of August 28, 1981, it may be continued for that customer.

ON-PEAK LOAD FACTOR

On-peak Load Factor for billing purposes is the ratio of the kilowatt-hours supplied during the On-peak Hours to the product of the Maximum On-peak Demand and the number of On-peak Hours for a billing period.

AVERAGE ON-PEAK LOAD FACTOR

Average On-peak Load Factor is the average of the On-peak Load Factors for the twelve months of the prior calendar year. Average On-peak Load Factor is recalculated annually and applied to service billed on and after April 1 of the current year under this Rate Schedule. The Company may modify the On-peak Load Factors for the twelve months of the prior calendar year to reflect operations expected under this Rate Schedule.

FIRM POWER

Firm Power is the level of KW demand which the customer has no obligation to curtail during an interruption of service called by the Company. The initial level of Firm Power shall be specified in the contract. This initial level will be adjusted by the Company to the level of Firm Power actually achieved by the customer during an emergency or an emergency test interruption period. The adjusted level shall become the level of Firm Power for the remaining term of the contract or until a new level of Firm Power is achieved during a subsequent emergency or an emergency test interruption period. The level of Firm Power shall not be adjusted below the initial level of Firm Power specified in the contract.

INTERRUPTIBLE POWER

Interruptible Power is the Maximum On-Peak Demand less the Firm Power.

(Continued)

RATE SCHEDULE IS-T (R) (CONTINUED)

(C)

HOURS OF INTERRUPTION

Load interruptions may be called by the Company as required for economic load control, for system and local emergencies, and for tests of the customer's ability and readiness to interrupt load during an emergency. The frequency of load interruptions shall be no more than 15 per calendar year with such interruptions being no more than 10 hours in any one day; or more often than five days in any single month; or more than 150 hours in a calendar year. No more than 5 of these load interruptions and 50 hours of interruptions may be for economic load control. Whenever possible, the customer will be notified in advance of a probable interruption and the estimated duration of the interruption. The customer is obligated to interrupt load during emergencies and emergency tests, but has the option to interrupt, or accept an additional charge for continued use, during periods of economic load control.

(C)

The Company may cancel the contract for interruptible service if the customer fails to interrupt during an emergency or an emergency test interruption period.

The charge for continued use (KWH) of interruptible load (KW) during a period of economic load control is the sum of the charges under the Rate Schedule plus the actual Locational Marginal Price rate as developed by PJM for the load bus to which the energy is delivered, applied to all KWH used during the interruption period. PP&L shall, upon request of the customer, identify the load bus to which energy used by that customer is delivered. Upon request of any customer subject to economic load control, the Company will develop terms and conditions consistent with applicable PJM, operational, legal and regulatory requirements under which such customer may arrange in advance for a supplier, other than the Company, to provide to the Company the actual replacement capacity and energy used during the economic load control period, in lieu of the Company's charges for actual replacement capacity and energy costs.

(C)

The additional charge for not interrupting load (KW) when called for during an emergency or an emergency test interruption period is: \$24.95 per KW for all KW by which the maximum 15 minute (1 hr. for 230,000 volt service) demand (KW) for the period of requested interruption exceeds the Firm Power (KW). This penalty shall be applied separately for each requested interruption, and shall be in addition to all other charges provided for under the Rate Schedule.

(C)

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(C)

COMPETITIVE TRANSITION CHARGE RECONCILIATION RIDER

(C)

The Competitive Transition Charge Reconciliation Rider included in this Tariff applies to the Competitive Transition Charges under this Rate Schedule.

SUSTAINABLE ENERGY FUND RIDER

(C)

The Sustainable Energy Fund Rider included in this Tariff applies to the Distribution Charges under this Rate Schedule.

(Continued)

RATE SCHEDULE IS-T (R) (CONTINUED)

(C)

METERING AND BILLING CREDIT RIDER

(C)

The Metering and Billing Credit Rider included in this Tariff applies to the Distribution Charges under this Rate Schedule.

STATE TAX ADJUSTMENT SURCHARGE

The State Tax Adjustment Surcharge included in this Tariff is applied to charges under this Rate Schedule.

(C)

PAYMENT

The above net rate applies when bills are paid on or before the due date specified on the bill, which is not less than 15 days from the date bill is mailed. When not so paid, the gross rate applies which is the above net rate plus 5% on the first \$200.00 of the then unpaid balance of the monthly bill and 2% on the remainder thereof.

CONTRACT PERIOD

Service under this Rate Schedule is for an initial term of one (1) year from the date service is first rendered and thereafter for one (1) year terms until canceled by one month's prior written notice.

**RATE SCHEDULE PR-1(R)
PRICE RESPONSE SERVICE (EXPERIMENTAL)
FIRM POWER**

Service under Rate Schedule PR-1(R) is available only to existing customers taking service under this Rate Schedule as of August 1, 1998.

APPLICATION PROVISIONS

This Rate Schedule is applicable to industrial and commercial customers with firm power requirements who have a monthly maximum demand of 2000 KW or greater year round and are served under Rate Schedule LP-4, LP-5, or LP-6. An electric service contract is required for billing under this Rate Schedule.

The pilot program and billing under this Rate Schedule will end on January 1, 2010. (C)

DEFINITIONS

1. Customer Baseline Load (CBL) – is the customer's normal historic hourly KWH usage under Rate Schedule LP-4, LP-5, or LP-6 for one complete year. The CBL represents the customer's electricity consumption pattern and typical level of operation under Rate Schedule LP-4, LP-5, or LP-6.

If less than one complete year of billing history is available, the Company will determine an appropriate CBL level prior to the application of the real time pricing rate. If usage during any billing month(s) of the CBL period is not representative of the customer's normal usage pattern, the Company may adjust the CBL to reflect normal usage.

Agreement on the CBL level by the customer and the Company is a precondition for customer participation in the pilot program. The Company will not change the CBL during the pilot program, except as indicated.

2. Marginal Operating Cost – is a forecasted hourly short-run marginal cost based on an evaluation of the value of Company generation, transactions with the PJM Interconnection, L.L.C., and two-party transactions between the Company and other companies.

3. Marginal Capacity Cost – is a forecasted hourly short-run marginal cost associated with the effect that a change in customer load has on the Company's generation and transmission systems.

4. Loss Adjustment Factor – is an adjustment for losses between the generator and the customer's metering point.

5. Risk Adjustment Factor – is an adder, not to exceed 1.0 cents per KWH, which provides a margin over costs on incremental sales and compensates the Company for the risk that hourly energy prices, quoted a day in advance, may vary from actual energy costs.

(Continued)

RATE SCHEDULE PR-1(R) (CONTINUED)

(C)

6. Real Time Price (RTP) – is an hourly price determined by the Company from its estimated Marginal Operating Cost, Marginal Capacity Cost, Loss Adjustment Factor, and Risk Adjustment Factor.

The Company will send to the customer, by 4:00 p.m. each day, a message containing 24 hourly firm Real Time Prices that will be charged the next day.

The Company will send weekend and Monday hourly prices by 4:00 p.m. on Friday of each week. The Company may send more than one-day-ahead prices for holidays identified in the Company's Tariff. The Company may revise these prices by 4:00 p.m. the day before they become effective.

The Company is not responsible for failure of the customer to receive and act upon the hourly prices. The customer is responsible for notifying the Company if the customer does not receive the hourly prices.

The customer will provide a telephone line and a personal computer with a modem, both acceptable to the Company, for the Company to read the customer's meter remotely and for the customer to receive price information from the Company.

NET MONTHLY RATE (Effective 12-6-94)

$$\text{Bill}_{\text{Real-Time}} = \text{Bill}_{\text{CBL}} + \sum_{t=1}^n [(\text{KWH}_{\text{Real-Time}_t} - \text{KWH}_{\text{CBL}_t}) \times \text{RTP}_t]$$

Where:

- a) $\text{Bill}_{\text{Real-Time}}$ is the net monthly bill under the RTP pilot program. Bills will be prepared on a calendar month basis.
- b) Bill_{CBL} is the net monthly bill under current Rate Schedule LP-4, LP-5, or LP-6, including all appropriate riders, for the CBL of the current billing month.
- c) $\text{KWH}_{\text{Real-Time}_t}$ is the actual KWH used by the customer in an hour of the billing month.
- d) $\text{KWH}_{\text{CBL}_t}$ is the customer baseline KWH usage during the corresponding hour of the month.
- e) RTP_t is the real time price for the corresponding hour of the billing month, including associated charges for transmission and ancillary services.
- f) n is the number of hours in the billing month.

(C)

(C)

(Continued)

RATE SCHEDULE PR-1(R) (CONTINUED)

If customers served under this Rate Schedule purchase capacity and energy from their choice of electric generation supplier, the applicable rate schedule Distribution Charge will not be applied to the customers' incremental usage above the CBL.

PROGRAM CHARGE

In addition to charges under the NET MONTHLY RATE, the customer shall pay a charge of \$349.27 per billing month to compensate the Company for the additional cost of metering equipment, price transmission equipment, software, program development, and administration required for billing under the RTP pilot program.

GROSS RECEIPTS TAX

The Pennsylvania gross receipts tax in effect during the billing month is applied to additional revenue or credits received under the above rate from incremental or decremental KWH usage and the Program Charge.

APPLICATION OF RIDERS

The Economic Development Initiatives Rider and Industrial Development Initiatives Rider included in this Tariff are applied to the CBL under Rate Schedule LP-4 or LP-5, but are not applied to incremental or decremental KW or KWH usage.

STATE TAX ADJUSTMENT SURCHARGE

The State Tax Adjustment Surcharge included in this Tariff is applied to charges under this Rate Schedule for the CBL, but is not applied to charges or credits under this Rate Schedule for incremental or decremental KWH usage.

PAYMENT

The above net rate applies when bills are paid on or before the due date specified on the bill, which is not less than 15 days from the date the bill is mailed. When not so paid, the gross rate applies which is the above net rate plus 5% on the first \$200.00 of the then unpaid balance of the monthly bill and 2% on the remainder thereof.

CONTRACT PERIOD

Service under this Rate Schedule is for an initial term of one (1) year from the date service is first rendered and thereafter for one (1) year terms until canceled by one month's prior written notice.

**RATE SCHEDULE PR-2(R)
PRICE RESPONSE SERVICE (EXPERIMENTAL)
INTERRUPTIBLE POWER**

Service under Rate Schedule PR-2(R) is available only to existing customers taking service under this Rate Schedule as of August 1, 1998.

APPLICATION PROVISIONS

This Rate Schedule is applicable to industrial and commercial customers with interruptible power requirements with a monthly maximum demand of 2000 KW or greater year-round and currently are served under Rate Schedule IS-P or IS-T. An electric service contract is required for billing under this Rate Schedule.

The pilot program and billing under this Rate Schedule will end on January 1, 2010. (C)

The Company will not enter into new contracts for interruptible service if the amount of interruptible power from all customers served under Rate Schedules IS-1, IS-P, IS-T, PR-2(R), the Competitive Rate Rider, and Interruptible Service by Agreement exceeds a total of 500 MW.

DEFINITIONS

1. Customer Baseline Load (CBL) – is the customer's normal historic hourly KWH usage under Rate Schedule IS-P or IS-T, or under predecessor Rate Schedule LP-4 or LP-5, for one complete year. The CBL represents the customer's electricity consumption pattern and typical level of operation under Rate Schedule IS-P or IS-T, or under predecessor Rate Schedule LP-4 or LP-5.

If less than one complete year of billing history is available, the Company will determine an appropriate CBL level prior to the application of the real time pricing rate. If usage during any billing month(s) of the CBL period is not representative of the customer's normal usage pattern, the Company may adjust the CBL to reflect normal usage.

Agreement on the CBL level by the customer and the Company is a precondition for customer participation in the pilot program. The Company will not charge the CBL during the pilot program, except as indicated.

2. Marginal Operating Cost – is a forecasted hourly short-run marginal cost based on an evaluation of the value of Company generation, transactions with the PJM Interconnection, L.L.C., and two-party transactions between the Company and other companies.

3. Marginal Capacity Cost – is a forecasted hourly short-run marginal cost associated with the effect that a change in customer load has on the Company's generation and transmission systems.

4. Loss Adjustment Factor – is an adjustment for losses between the generator and the customer's metering point.

(Continued)

RATE SCHEDULE PR-2(R) (CONTINUED)

(C)

5. Risk Adjustment Factor – is an adder, not to exceed 1.0 cents per KWH, which provides a margin over costs on incremental sales and compensates the Company for the risk that hourly energy prices, quoted a day in advance, may vary from actual energy costs.

6. Real Time Price (RTP) – is an hourly price determined by the Company from its estimated Marginal Operating Cost, Marginal Capacity Cost, Loss Adjustment Factor, and Risk Adjustment Factor.

The Company will send to the customer, by 4:00 p.m. each day, a message containing 24 hourly firm Real Time Prices that will be charged the next day.

The Company will send weekend and Monday hourly prices by 4:00 p.m. on Friday of each week. The Company may send more than one-day-ahead prices for holidays identified in the Company's Tariff. The Company may revise these prices by 4:00 p.m. the day before they become effective.

The Company is not responsible for failure of the customer to receive and act upon the hourly prices. The customer is responsible for notifying the Company if the customer does not receive the hourly prices.

The customer will provide a telephone line, and a personal computer with a modem, both acceptable to the Company, for the Company to read the customer's meter remotely and for the customer to receive price information from the Company.

NET MONTHLY RATE (Effective 12-6-94)

$$\text{Bill}_{\text{Real-Time}} = \text{Bill}_{\text{CBL}} + \sum_{t=1}^n [(\text{KWH}_{\text{Real-Time}_t} - \text{KWH}_{\text{CBL}_t}) \times \text{RTP}_t]$$

Where:

- a) $\text{Bill}_{\text{Real-Time}}$ is the net monthly bill under the RTP pilot program. Bills will be prepared on a calendar month basis.
- b) Bill_{CBL} is the net monthly bill under current Rate Schedule IS-P or IS-T, including all including all appropriate riders, for the CBL of the current billing month.
- c) $\text{KWH}_{\text{Real-Time}_t}$ is the actual KWH used by the customer in an hour of the billing month.
- d) $\text{KWH}_{\text{CBL}_t}$ is the customer baseline KWH usage during the corresponding hour of the month.
- e) RTP_t is the real time price for the corresponding hour of the billing month, including associated charges for transmission and ancillary services.
- f) n is the number of hours in the billing month.

(C)

(Continued)

RATE SCHEDULE PR-2(R) (CONTINUED)

If customers served under this Rate Schedule purchase capacity and energy from their choice of electric generation supplier, the applicable rate schedule Distribution Charge will not be applied to the customers' incremental usage above the CBL. (C)

PROGRAM CHARGE

In addition to charges under the NET MONTHLY RATE, the customer shall pay a charge of \$349.27 per billing month to compensate the Company for the additional cost of metering equipment, price transmission equipment, software, program development, and administration required for billing under the RTP pilot program.

GROSS RECEIPTS TAX

The Pennsylvania gross receipts tax in effect during the billing month is applied to additional revenue or credits received under the above rate from incremental or decremental KWH usage and the Program Charge.

OBLIGATION TO INTERRUPT

a) Customers will be required to interrupt in accordance with Rate Schedule IS-P or IS-T. Failure to interrupt during emergencies and emergency tests will subject the customer to the applicable penalties.

b) During an interruption, the CBL will be reduced to the customer's Firm Power level after a two hour notice.

APPLICATION OF RIDERS

The Economic Development Initiatives Rider and Industrial Development Initiatives Rider included in this Tariff are not applied to customers served under this Rate Schedule. (C)

STATE TAX ADJUSTMENT SURCHARGE

The State Tax Adjustment Surcharge included in this Tariff is applied to charges under this Rate Schedule for the CBL, but is not applied to charges or credits under this Rate Schedule for incremental or decremental KWH usage. (C)

PAYMENT

The above net rate applies when bills are paid on or before the due date specified on the bill, which is not less than 15 days from the date the bill is mailed. When not so paid, the gross rate applies which is the above net rate plus 5% on the first \$200.00 of the then unpaid balance of the monthly bill and 2% on the remainder thereof.

CONTRACT PERIOD

Service under this Rate Schedule is for an initial term of one (1) year from the date service is first rendered and thereafter for one (1) year terms until canceled by one month's prior written notice. (C)

(C)
(C)
(C)

**RATE SCHEDULE BL
BORDERLINE SERVICE - ELECTRIC SERVICE****APPLICATION OF RATE SCHEDULE BL**

This Rate Schedule is for borderline service to public utility companies for resale in adjacent territory under reciprocal agreements subject to the following conditions:

1. Request is made in writing for each point of supply where service is desired under said agreement.

2. Service is supplied when Company has available capacity in lines, transformers, generating apparatus or other equipment over and above that required to meet the demands, present and prospective, for service in its own territory, of which fact Company's determination is final.

3. When such service is supplied, the potential, phase and period of service at the desired point of supply shall be mutually agreed upon.

NET MONTHLY RATE

Distribution Charge (Effective 1-1-99)

3.188 cts. per KWH plus 1% on Company's investment in facilities necessary to deliver and meter the service.

Competitive Transition Charge (Effective 1-1-99 through 12-31-99)

2.225 cts. per KWH

Competitive Transition Charge (Effective 1-1-00 through 12-31-00)

2.171 cts. per KWH

Competitive Transition Charge (Effective 1-1-01 through 12-31-01)

2.114 cts. per KWH

Competitive Transition Charge (Effective 1-1-02 through 12-31-02)

2.000 cts. per KWH

Competitive Transition Charge (Effective 1-1-03 through 12-31-03)

1.927 cts. per KWH

Competitive Transition Charge (Effective 1-1-04 through 12-31-04)

1.882 cts. per KWH

Competitive Transition Charge (Effective 1-1-05 through 12-31-05)

1.750 cts. per KWH

(Continued)

RATE SCHEDULE BL (CONTINUED)

Competitive Transition Charge (Effective 1-1-06 through 12-31-06)
1.711 cts. per KWH

Competitive Transition Charge (Effective 1-1-07 through 12-31-07)
1.621 cts. per KWH

Competitive Transition Charge (Effective 1-1-08 through 12-31-08)
1.492 cts. per KWH

Competitive Transition Charge (Effective 1-1-09 through 12-31-09)
1.279 cts. per KWH

The Company will provide capacity (KW) and energy (KWH) under this Rate Schedule for customers who receive Basic Utility Supply Service from the Company.

Capacity and Energy Charge (Effective 1-1-99 through 12-31-99)
2.571 cts. per KWH

Capacity and Energy Charge (Effective 1-1-00 through 12-31-00)
3.000 cts. per KWH

Capacity and Energy Charge (Effective 1-1-01 through 12-31-01)
3.057 cts. per KWH

Capacity and Energy Charge (Effective 1-1-02 through 12-31-02)
3.171 cts. per KWH

Capacity and Energy Charge (Effective 1-1-03 through 12-31-03)
3.244 cts. per KWH

Capacity and Energy Charge (Effective 1-1-04 through 12-31-04)
3.289 cts. per KWH

Capacity and Energy Charge (Effective 1-1-05 through 12-31-05)
3.421 cts. per KWH

Capacity and Energy Charge (Effective 1-1-06 through 12-31-06)
3.928 cts. per KWH

Capacity and Energy Charge (Effective 1-1-07 through 12-31-07)
4.018 cts. per KWH

Capacity and Energy Charge (Effective 1-1-08 through 12-31-08)
4.147 cts. per KWH

Capacity and Energy Charge (Effective 1-1-09 through 12-31-09)
4.360 cts. per KWH

(Continued)

RATE SCHEDULE BL (CONTINUED)

Transmission Charge (Effective 1-1-99)

The Company will provide and charge for transmission service consistent with the PJM Open Access Transmission Tariff approved or accepted by the Federal Energy Regulatory Commission for customers who receive Basic Utility Supply Service from the Company unless such customers obtain transmission service from another provider.

(C)

COMPETITIVE TRANSITION CHARGE RECONCILIATION RIDER

(C)

The Competitive Transition Charge Reconciliation Rider included in this Tariff applies to the Competitive Transition Charges under this Rate Schedule.

SUSTAINABLE ENERGY FUND RIDER

(C)

The Sustainable Energy Fund Rider included in this Tariff applies to the Distribution Charges under this Rate Schedule.

METERING AND BILLING CREDIT RIDER

(C)

The Metering and Billing Credit Rider included in this Tariff applies to the Distribution Charges under this Rate Schedule.

STATE TAX ADJUSTMENT SURCHARGE

(C)

The State Tax Adjustment Surcharge included in this Tariff is applied to charges under this Rate Schedule.

PAYMENT

Payment shall be made on or before the due date specified on the bill, which is not less than 15 days from the date bill is mailed.

CONTRACT PERIOD

Service under this Rate Schedule is for an initial term of one (1) year from the date service is first rendered and thereafter for one (1) year terms until canceled by one month's prior written notice.

**RATE SCHEDULE SA
PRIVATE AREA LIGHTING SERVICE**

APPLICATION OF RATE SCHEDULE SA

This Rate Schedule is for the lighting of yards, private roadways, alleys and other areas supplied from existing overhead secondary distribution.

NET MONTHLY RATE

(C)

- Distribution Charge (Effective 1-1-99)
\$ 8.927 per lamp.
- Competitive Transition Charge (Effective 1-1-99 through 12-31-99)
\$ 0.997 per lamp.
- Competitive Transition Charge (Effective 1-1-00 through 12-31-00)
\$ 0.971 per lamp.
- Competitive Transition Charge (Effective 1-1-01 through 12-31-01)
\$ 0.945 per lamp.
- Competitive Transition Charge (Effective 1-1-02 through 12-31-02)
\$ 0.894 per lamp.
- Competitive Transition Charge (Effective 1-1-03 through 12-31-03)
\$ 0.859 per lamp.
- Competitive Transition Charge (Effective 1-1-04 through 12-31-04)
\$ 0.816 per lamp.
- Competitive Transition Charge (Effective 1-1-05 through 12-31-05)
\$ 0.754 per lamp.
- Competitive Transition Charge (Effective 1-1-06 through 12-31-06)
\$ 0.752 per lamp.
- Competitive Transition Charge (Effective 1-1-07 through 12-31-07)
\$ 0.712 per lamp.
- Competitive Transition Charge (Effective 1-1-08 through 12-31-08)
\$ 0.661 per lamp.
- Competitive Transition Charge (Effective 1-1-09 through 12-31-09)
\$ 0.592 per lamp.

(Continued)

RATE SCHEDULE SA (CONTINUED)

The Company will provide capacity (KW) and energy (KWH) under this Rate Schedule for customers who receive Basic Utility Supply Service from the Company.

Capacity and Energy Charge (Effective 1-1-99 through 12-31-99)

\$ 1.408 per lamp.

Capacity and Energy Charge (Effective 1-1-00 through 12-31-00)

\$ 1.916 per lamp.

Capacity and Energy Charge (Effective 1-1-01 through 12-31-01)

\$ 1.942 per lamp.

Capacity and Energy Charge (Effective 1-1-02 through 12-31-02)

\$ 1.993 per lamp.

Capacity and Energy Charge (Effective 1-1-03 through 12-31-03)

\$ 2.028 per lamp.

Capacity and Energy Charge (Effective 1-1-04 through 12-31-04)

\$ 2.071 per lamp.

Capacity and Energy Charge (Effective 1-1-05 through 12-31-05)

\$ 2.133 per lamp.

Capacity and Energy Charge (Effective 1-1-06 through 12-31-06)

\$ 2.737 per lamp.

Capacity and Energy Charge (Effective 1-1-07 through 12-31-07)

\$ 2.777 per lamp.

Capacity and Energy Charge (Effective 1-1-08 through 12-31-08)

\$ 2.828 per lamp.

Capacity and Energy Charge (Effective 1-1-09 through 12-31-09)

\$ 2.897 per lamp.

Transmission Charge (Effective 1-1-99)

The Company will provide and charge for transmission service consistent with the PJM Open Access Transmission Tariff approved or accepted by the Federal Energy Regulatory Commission for customers who receive Basic Utility Supply Service from the Company unless such customers obtain transmission service from another provider.

The number of KWH supplied is based upon the average hours use and input wattage of each luminaire.

(Continued)

RATE SCHEDULE SA (CONTINUED)

EQUIPMENT AND SERVICE

Company installs and maintains the bracket, luminaire, lamp and photoelectric control on a Company-owned wood pole. Lamp is lighted from dusk to dawn or for approximately 4,300 hours per annum.

A mercury vapor lamp of a nominal 6,650 lumens or a high pressure sodium lamp of a nominal 9,500 lumens is installed in a luminaire on a 30 inch bracket. Lamp replacements are normally made on the first working day after outage notification by the customer to a Company office. There is no credit for outages.

Company installs up to one span of secondary not exceeding 150 feet from an existing secondary voltage supply and one pole for each lamp provided the location of the pole is accessible by a service truck for the installation and maintenance of the lamp and provided the Company is furnished a suitable right-of-way.

Upon request and at the Company's discretion, the Company may install an area light fixture on a suitable customer-owned support.

Where a secondary supply is not available at the desired lamp location and/or where the distance is more than one span, the Company may furnish the service providing the customer reimburses Company for the Company's estimated added investment required to supply the service in each case.

(C)

(C)

COMPETITIVE TRANSITION CHARGE RECONCILIATION RIDER

(C)

The Competitive Transition Charge Reconciliation Rider included in this Tariff applies to the Competitive Transition Charges under this Rate Schedule.

SUSTAINABLE ENERGY FUND RIDER

(C)

The Sustainable Energy Fund Rider included in this Tariff applies to the Distribution Charges under this Rate Schedule.

METERING AND BILLING CREDIT RIDER

(C)

The Metering and Billing Credit Rider included in this Tariff applies to the Distribution Charges under this Rate Schedule.

STATE TAX ADJUSTMENT SURCHARGE

The State Tax Adjustment Surcharge included in this Tariff is applied to charges under this Rate Schedule.

(C)

(Continued)

RATE SCHEDULE SA (CONTINUED)**PAYMENT**

The above net rate applies when bills are paid on or before the due date specified on the bill, which is not less than 15 days from the date bill is mailed or not less than 20 days when billed in conjunction with a residential rate schedule. When not so paid the gross rate applies which is the above net rate plus 5% on the first \$200.00 of the then unpaid balance of the monthly bill and 2% on the remainder thereof except, when billed in conjunction with Rate Schedules RS, RTS, and RTD, in which case a late payment charge of 1.25% per month on the then unpaid and overdue balance is applicable.

CONTRACT PERIOD

Service under this Rate Schedule is for an initial term of one (1) year from the date service is first rendered and thereafter for one (1) year terms until canceled by one month's prior written notice.

**RATE SCHEDULE SM
 MERCURY VAPOR STREET LIGHTING SERVICE**

The application of this Rate Schedule to all service is limited as indicated in the Application section of Rate Schedule SM.

APPLICATION RATE SCHEDULE SM

This Rate Schedule is for lighting service from overhead or underground facilities on public areas such as streets, highways, bridges and parks, to municipalities, other governmental agencies, or private property customers, when all such service is supplied under Company's standard form of contract in accordance with the various laws applicable thereto.

The application of this Rate Schedule is limited as follows:

- (a) 10,500 lumen and 34,000 lumen mercury vapor lamps - fixtures installed on or before and supplied continuously after June 2, 1973, and also prospective fixtures where a definite rate commitment has been made as of that date as long as service is continuous thereafter, and fixtures previously supplied under Hershey Electric Company SMVO rate.
- (b) metal pole overhead - poles installed on or before and in service continuously after June 2, 1973, and fixtures previously supplied under Hershey Electric Company SMVO and S rates.
- (c) customer-owned equipment - customers served on or before and supplied continuously after August 26, 1976.
- (d) 20,000 lumen and 51,000 lumen mercury vapor lamps – fixtures installed on or before and supplied continuously after August 22, 1983, and additions at locations adjacent to such existing installations.
- (e) 3,350 lumen and 6,650 lumen mercury vapor lamps – fixtures installed on or before and supplied continuously after April 28, 1987, and additions at locations adjacent to or interspersed with such existing installations.

NET MONTHLY RATE

(C)

Distribution Charge (Effective 1-1-99)

| <u>LAMP DESCRIPTION</u> | | | <u>OVERHEAD SUPPLY</u> | | <u>UNDERGROUND SUPPLY</u> | | | <u>MULTIPLE UNITS</u> |
|-------------------------|----------------|----------------|------------------------|-------------------|---------------------------|-----------------|-----------------|--------------------------------------|
| <u>Type</u> | <u>Nominal</u> | | <u>Wood Pole</u> | <u>Metal Pole</u> | <u>Low</u> | | <u>High</u> | <u>Additional Luminaire/Pole</u> |
| | <u>Lumens</u> | <u>Wattage</u> | | | <u>Wood Pole</u> | <u>Mounting</u> | <u>Mounting</u> | |
| Mercury Vapor | 3,350 | 100 | \$ 7.280 | — | \$11.800 | \$12.932 | — | — |
| Mercury Vapor | 6,650 | 175 | 9.019 | \$14.103 | 13.806 | 14.901 | \$16.639 | \$ 7.540 |
| Mercury Vapor | 10,500 | 250 | 11.614 | 16.571 | — | — | 18.960 | 10.586 |
| Mercury Vapor | 20,000 | 400 | 14.886 | 19.931 | — | — | 22.497 | 13.251 |
| Mercury Vapor | 34,000 | 700 | 24.423 | 29.624 | — | — | 32.952 | 22.924 |
| Mercury Vapor | 51,000 | 1,100 | 31.062 | 36.517 | — | — | 39.828 | 29.568 |

(Continued)

(C) Indicates Change

RATE SCHEDULE SM (CONTINUED)

Competitive Transition Charge (Effective 1-1-99 through 12-31-99)

| LAMP DESCRIPTION | | | OVERHEAD SUPPLY | | UNDERGROUND SUPPLY | | | MULTIPLE UNITS |
|------------------|----------------|---------|-----------------|------------|--------------------|--------------|---------------|---------------------------|
| Type | Nominal Lumens | Wattage | Wood Pole | Metal Pole | Wood Pole | Low Mounting | High Mounting | Additional Luminaire/Pole |
| Mercury Vapor | 3,350 | 100 | \$ 0.678 | — | \$ 0.678 | \$ 0.678 | — | — |
| Mercury Vapor | 6,650 | 175 | 1.059 | \$1.059 | 1.059 | 1.059 | \$1.059 | \$ 1.059 |
| Mercury Vapor | 10,500 | 250 | 1.480 | 1.480 | — | — | 1.480 | 1.480 |
| Mercury Vapor | 20,000 | 400 | 2.345 | 2.345 | — | — | 2.345 | 2.345 |
| Mercury Vapor | 34,000 | 700 | 3.998 | 3.998 | — | — | 3.998 | 3.998 |
| Mercury Vapor | 51,000 | 1,100 | 5.525 | 5.525 | — | — | 5.525 | 5.525 |

Competitive Transition Charge (Effective 1-1-00 through 12-31-00)

| LAMP DESCRIPTION | | | OVERHEAD SUPPLY | | UNDERGROUND SUPPLY | | | MULTIPLE UNITS |
|------------------|----------------|---------|-----------------|------------|--------------------|--------------|---------------|---------------------------|
| Type | Nominal Lumens | Wattage | Wood Pole | Metal Pole | Wood Pole | Low Mounting | High Mounting | Additional Luminaire/Pole |
| Mercury Vapor | 3,350 | 100 | \$ 0.661 | — | \$ 0.661 | \$ 0.661 | — | — |
| Mercury Vapor | 6,650 | 175 | 1.032 | \$1.032 | 1.032 | 1.032 | \$1.032 | \$ 1.032 |
| Mercury Vapor | 10,500 | 250 | 1.442 | 1.442 | — | — | 1.442 | 1.442 |
| Mercury Vapor | 20,000 | 400 | 2.286 | 2.286 | — | — | 2.286 | 2.286 |
| Mercury Vapor | 34,000 | 700 | 3.897 | 3.897 | — | — | 3.897 | 3.897 |
| Mercury Vapor | 51,000 | 1,100 | 5.385 | 5.385 | — | — | 5.385 | 5.385 |

Competitive Transition Charge (Effective 1-1-01 through 12-31-01)

| LAMP DESCRIPTION | | | OVERHEAD SUPPLY | | UNDERGROUND SUPPLY | | | MULTIPLE UNITS |
|------------------|----------------|---------|-----------------|------------|--------------------|--------------|---------------|---------------------------|
| Type | Nominal Lumens | Wattage | Wood Pole | Metal Pole | Wood Pole | Low Mounting | High Mounting | Additional Luminaire/Pole |
| Mercury Vapor | 3,350 | 100 | \$ 0.643 | — | \$ 0.643 | \$ 0.643 | — | — |
| Mercury Vapor | 6,650 | 175 | 1.004 | \$1.004 | 1.004 | 1.004 | \$1.004 | \$ 1.004 |
| Mercury Vapor | 10,500 | 250 | 1.403 | 1.403 | — | — | 1.403 | 1.403 |
| Mercury Vapor | 20,000 | 400 | 2.223 | 2.223 | — | — | 2.223 | 2.223 |
| Mercury Vapor | 34,000 | 700 | 3.790 | 3.790 | — | — | 3.790 | 3.790 |
| Mercury Vapor | 51,000 | 1,100 | 5.237 | 5.237 | — | — | 5.237 | 5.237 |

Competitive Transition Charge (Effective 1-1-02 through 12-31-02)

| LAMP DESCRIPTION | | | OVERHEAD SUPPLY | | UNDERGROUND SUPPLY | | | MULTIPLE UNITS |
|------------------|----------------|---------|-----------------|------------|--------------------|--------------|---------------|---------------------------|
| Type | Nominal Lumens | Wattage | Wood Pole | Metal Pole | Wood Pole | Low Mounting | High Mounting | Additional Luminaire/Pole |
| Mercury Vapor | 3,350 | 100 | \$ 0.608 | — | \$ 0.608 | \$ 0.608 | — | — |
| Mercury Vapor | 6,650 | 175 | 0.950 | \$0.950 | 0.950 | 0.950 | \$0.950 | \$ 0.950 |
| Mercury Vapor | 10,500 | 250 | 1.328 | 1.328 | — | — | 1.328 | 1.328 |
| Mercury Vapor | 20,000 | 400 | 2.104 | 2.104 | — | — | 2.104 | 2.104 |
| Mercury Vapor | 34,000 | 700 | 3.587 | 3.587 | — | — | 3.587 | 3.587 |
| Mercury Vapor | 51,000 | 1,100 | 4.957 | 4.957 | — | — | 4.957 | 4.957 |

(Continued)

FILE

CONTINUED